



Half Year Financial Report
31 December 2023

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ACN 100 714 181

ASX CODE

KRR

King River Resources Limited shares are listed on the Australian Stock Exchange (ASX)

DIRECTORS

Anthony Barton Chairman

Greg MacMillan Director

Leonid Charuckyj Director

COMPANY SECRETARY

Greg MacMillan
Kathrin Gerstmayr

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AUDITORS

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Directors' Report

The directors submit their report for King River Resources Limited ("King River" or "the Company") and its controlled entities ("the Group" or "the Consolidated entity") for the half year ended 31 December 2023.

DIRECTORS

The names and details of the Company's directors in office during the half year and until the date of this report are as follows: The directors were in office for the entire period unless otherwise stated.

Anthony Barton

Chairman

Appointed 21 May 2007

Mr Barton has been involved in founding and growing a number of successful listed public companies. He has extensive experience in capital markets, corporate finance, funds management and venture capital and has had advisory roles in the incorporation and listing of many Australian based resource companies.

Mr Barton is the founding Executive Chairman of the boutique investment bank Australian Heritage Group. He is a graduate of the Royal Melbourne Institute of Technology with a Bachelor of Business (Accountancy) degree and has in excess of 40 years of commercial experience having also acted in senior executive and director capacities for two leading Australian stockbroking firms.

Leonid Charuckyj

Director

Appointed 13 December 2011

Mr. Charuckyj (B.E. and M.Eng-Sc. Melbourne University) has had extensive experience over a broad range of technical, engineering, management and corporate roles including senior positions in government, public and private industry both in Australia and overseas. Focus has been on the environmental, pollution control and waste management industries and on the energy and mining industries amongst others.

This has included such diverse roles as representing Australia as an expert engineering advisor in the Middle East, developing and commercialising new technologies (both in the public company arena and for major international groups), and managing all aspects of an industrial minerals development from mine and processing to product development and marketing.

Gregory MacMillan

Director - Appointed 2 July 2014

Company Secretary - Appointed 9 August 2012

Mr MacMillan has wide ranging corporate, financial, capital markets and commercial experience in excess of 35 years. Mr MacMillan has held the positions of director, company secretary, chief financial officer, and corporate finance executive in numerous companies across the finance, mining and commercial sectors. Mr MacMillan holds a Bachelor of Business degree, is a Certified Practising Accountant and a Chartered Company Secretary.

COMPANY SECRETARY

Kathrin Gerstmayr

Joint Company Secretary - Appointed 4 April 2019

Ms. Gerstmayr commenced her career working for a chartered accounting and business advisory firm, before moving into finance roles in a variety of industries. She holds a Bachelor of Commerce degree (Professional Accounting and Marketing Management), Graduate Diploma of Applied Corporate Governance, Graduate Diploma of Applied Finance and a Graduate Diploma of Financial Planning. Kathrin is a member of CPA Australia and the Governance Institute of Australia.

CORPORATE STRUCTURE

King River is a company limited by shares that is incorporated and domiciled in Australia. King River Resources Limited has the fully owned subsidiaries Treasure Creek Pty Ltd, Kimberley Gold Pty Ltd, Whitewater Minerals Pty Ltd and High Purity Metals Pty Ltd. The Group has prepared a consolidated financial report incorporating the entities that it controlled during the financial half year, being 100% owned subsidiaries.

NATURE OF OPERATIONS AND PRINCIPAL ACTIVITIES

King River is a mineral exploration company with a portfolio of 100% owned tenements covering approximately 6,641 square kilometres, in the Tennant Creek region of the Northern Territory, and a portfolio of 100% owned tenements covering approximately 351 square kilometres in the East Kimberley region in Western Australia. During the half year ended 31 December 2023, King River commenced drilling Iron Oxide Copper-Gold (IOCG) targets at the Providence Prospect within the Tennant East Project area (King River ASX release 15 November 2023). A total of 17 holes for 2,790m were completed with further drilling

planned (King River ASX release 18 December 2023). This drilling is the first part of the King River's larger \$2million drill budget to follow up on targets generated from the 2023 geophysics programme targeting prospective IOCG areas at Rover East, Tennant East, Barkly and Kurundi.

REVIEW & RESULTS OF CONSOLIDATED OPERATIONS

The consolidated entity recorded an operating loss after income tax of \$1,723,423 for the half year ended 31 December 2023 (31 December 2022: \$10,418 profit). The consolidated cash position at 31 December 2023 was \$3,901,784. There was no dividend declared or paid during the half year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year ended 31 December 2023.

SIGNIFICANT EVENTS SUBSEQUENT TO THE BALANCE DATE

On 12 February 2024 King River advised it had reached an agreement with Tivan Limited (ASX: TVN) (Tivan) to restructure the terms of Tivan's final \$5 million payment for the acquisition of the Speewah Project.

King River announced in February 2023 that it had signed a binding term sheet with Tivan to acquire 100% of the issued capital of Speewah Mining Pty Ltd, the owner of the Speewah Project, for total consideration of \$20 million (King River ASX announcement of 20 February 2023). The consideration comprised \$10 million in Tivan shares (100 million shares at a deemed issue price of \$0.10 per share) ("Shares") and \$10 million in staged cash payments. King River to date has received cash payments totalling \$5 million (in April and July 2023) and been issued 100 million Tivan Shares which are subject to voluntary escrow until 17 February 2025. The remaining cash payment of \$5 million was payable by 17 February 2024.

King River and Tivan have agreed to a restructure of the remaining payment as follows:

- The total amount payable by Tivan remains as \$5 million.
- Tivan will make payment of \$1 million to King River upon completion of a capital raising by Tivan during Q1 2024. Should Tivan's Q1 2024 capital raisings exceed \$5 million, Tivan will make payment of an additional amount to King River of 50% of the amount raised above \$5 million.
- Tivan will make payment of \$1 million to King River upon completing any capital raising post Q1 2024. Should a post Q1 2024 capital raising, in aggregate with Q1 2024 capital raisings, exceed \$5 million, Tivan will make payment of an additional amount to King River of 50% of the amount raised above \$5 million.
- At 17 February 2025, any balance of the \$5 million still owing to King River will become due and payable.

In addition, Tivan has also agreed with King River that if the value of the 100 million Shares held by King River is less than \$10 million on 17 February 2025, calculated on the basis of Tivan's preceding 30 day volume weighted average price ("VWAP"), then the Company shall issue to King River such additional number of Tivan shares at that VWAP which when combined with the existing 100 million Shares is valued at a total of \$10 million. If Tivan's VWAP at 17 February 2025 equals \$0.10 or more, no additional shares will be issued to King River. If any additional shares are required to be issued, the Company shall comply with any relevant requirements under the ASX Listing Rules and *Corporations Act 2001*. The remaining payment is secured by a general security deed over the issued capital of Speewah Mining Pty Ltd.

AUDITOR INDEPENDENCE

Section 307C of the Corporation Act 2001 requires our auditors, Ernst & Young, to provide the directors of the Company with an Independence Declaration in relation to the review of the consolidated financial report. This Independence Declaration is disclosed on page 6 of this report and forms part of this directors' report for the half year ended 31 December 2023.

Signed in accordance with a resolution of the directors.



Greg MacMillan
Director

1 March 2024



**Building a better
working world**

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Auditor's Independence Declaration to the Directors of King River Resources Limited

As lead auditor for the review of the half-year financial report of King River Resources Limited for the half-year ended 31 December 2023, I declare to the best of my knowledge and belief, there have been:

- a. no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. no contraventions of any applicable code of professional conduct in relation to the review; and
- c. no non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of King River Resources Limited and the entities it controlled during the financial period.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to be 'Timothy Dachs'.

Timothy Dachs
Partner
1 March 2024

Directors' Declaration

In accordance with a resolution of the directors of King River Resources Limited, I state:

In the opinion of the directors:

- (a) the consolidated financial statements and notes of the Group are in accordance with the Corporations Act 2001 including:
 - (i) giving a true and fair view of the Group's consolidated financial position as at 31 December 2023 and of its performance for the half year then ended; and
 - (ii) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The declaration is signed in accordance with a resolution of the Board of Directors.



Greg MacMillan
Director

1 March 2024

Interim Consolidated Statement of Comprehensive Income

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Notes	Consolidated	
		For the half year ended 31 Dec 2023	For the half year ended 31 Dec 2022
		\$	\$
Interest income	3(a)	39,206	158
Other income	3(b)	8,350	532,957
Directors' and Employee benefit expenses		(80,323)	(80,273)
Compliance costs	3(c)	(74,624)	(72,986)
Depreciation expense		(13,204)	(24,021)
Finance costs		(2,265)	(3,324)
Insurance expense		(26,690)	(27,675)
Net fair value loss on financial assets	11	(1,320,000)	-
Other administration expenses	3(d)	(206,608)	(150,210)
Project development - HPA		-	(130,915)
Share-based payments	4	(47,265)	(5,638)
Write-off of capitalised exploration expense	6	-	(27,655)
(Loss)/Profit before income tax expense		(1,723,423)	10,418
Income tax benefit		-	-
Net (loss)/profit after income tax benefit for the period		(1,723,423)	10,418
Other Comprehensive Income		-	-
Total Comprehensive (Loss)/Income for the period		(1,723,423)	10,418
Total Comprehensive (Loss)/Income for the period is attributable to:			
Owners of King River Resources Limited		(1,723,423)	10,418
		(1,723,423)	10,418
(Loss)/Earnings per share			
Basic (Loss)/Earnings per share (cents)	12	(0.11)	0.00
Diluted (Loss)/Earnings per share (cents)		(0.11)	0.00

The accompanying notes form part of these consolidated financial statements.

Interim Consolidated Statement of Financial Position

AS AT 31 DECEMBER 2023



	Notes	Consolidated	
		31 December 2023	30 June 2023
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents		3,901,784	3,145,977
Other receivables	10	2,064,552	7,580,509
Other current assets		99,591	51,355
Total Current Assets		6,065,927	10,777,841
Non-Current Assets			
Capitalised exploration expenditure	9	8,788,019	7,638,295
Financial Assets at fair value through profit or loss	11	6,080,000	7,400,000
Other receivables	10	3,000,000	-
Plant & Equipment		12,064	14,756
Right of use asset		70,063	80,575
Total Non-Current Assets		17,950,146	15,133,626
Total Assets		24,016,073	25,911,467
Liabilities			
Current Liabilities			
Trade and other payables	10	180,348	390,849
Lease liability		22,183	22,183
Total Current Liabilities		202,531	413,032
Non-Current Liabilities			
Lease liability		50,306	59,041
Total Non-Current Liabilities		50,306	59,041
Total Liabilities		252,837	472,073
Net Assets		23,763,236	25,439,394
Equity			
Issued capital	7	49,408,241	49,408,241
Reserves	7	2,010,853	1,963,588
Accumulated losses		(27,655,858)	(25,932,435)
Total Equity		23,763,236	25,439,394

The accompanying notes form part of these consolidated financial statements.

Interim Consolidated Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	Consolidated	
	For the half year ended 31 Dec 2023	For the half year ended 31 Dec 2022
	\$	\$
Cash Flows from Operating Activities		
Gross interest received	39,206	157
Payment for HPA Project development	-	(167,087)
Payment to suppliers and employees	(358,522)	(314,034)
Interest and other finance costs paid	(2,265)	(3,324)
Other - security deposit	(1,602)	-
Net cash used in operating activities	<u>(323,183)</u>	<u>(484,288)</u>
Cash Flows from Investing Activities		
Proceeds from sale of Speewah Project	2,500,000	-
Payments for transaction costs associated to sale of Speewah Project	(27,500)	-
Geophysical and drilling collaboration grant received	-	90,909
Payment for acquisition of tenement	(30,000)	-
Payment for exploration and evaluation	(1,350,515)	(1,367,404)
Net cash from/(used in) investing activities	<u>1,091,985</u>	<u>(1,276,495)</u>
Cash Flows from Financing Activities		
Repayment of principal portion of lease liabilities	(12,995)	(20,465)
Net cash used in financing activities	<u>(12,995)</u>	<u>(20,465)</u>
Net increase/(decrease) in cash and cash equivalents	755,807	(1,781,248)
Cash and cash equivalents at beginning of half year	3,145,977	2,945,395
Cash and Cash Equivalents at end of half year	<u>3,901,784</u>	<u>1,164,147</u>

The accompanying notes form part of these consolidated financial statements.

Interim Consolidated Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2023

Consolidated for the half years ended	Notes	Issued Capital \$	Equity Benefits Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2022		49,408,241	1,941,716	(29,619,167)	21,730,790
Profit for the period		-	-	10,418	10,418
Total comprehensive income for the period		-	-	10,418	10,418
Transactions with owners in their capacity as owners:					
Loan Plan Shares		-	5,638	-	5,638
Balance at 31 December 2022		49,408,241	1,947,354	(29,608,749)	21,746,846
Balance at 1 July 2023		49,408,241	1,963,588	(25,932,435)	25,439,394
Loss for the period		-	-	(1,723,423)	(1,723,423)
Total comprehensive (loss) for the period		-	-	(1,723,423)	(1,723,423)
Transactions with owners in their capacity as owners:					
Performance rights issued to Directors/Management		-	47,265	-	47,265
Balance at 31 December 2023		49,408,241	2,010,853	(27,655,858)	23,763,236

The accompanying notes form part of these consolidated financial statements.

Notes to the Half Year Consolidated Financial Statements

1. CORPORATE INFORMATION

King River Resources Limited (“King River” or “the Company”) is a company limited by shares incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. These consolidated financial statements are presented in Australian dollars. The condensed financial report was authorised for issue by the directors on 1 March 2024 in accordance with a resolution of the directors. The nature of the operations and principal activities of the Group are described in the Directors’ Report.

2. BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

(a) Basis of Preparation

This general purpose condensed financial report for the half-year ended 31 December 2023 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half year financial report should be read in conjunction with the most recent annual financial report for the year ended 30 June 2023.

It is also recommended that the half year financial report be considered together with any public announcements made by King River and its controlled entities during the half year ended 31 December 2023 in accordance with the continuous disclosure obligations arising under the ASX Listing Rules.

The accounting policies and methods of computation are the same as those adopted in the Annual Financial Report for 2023 except for the effects of the new standards as mentioned in Note 2(c).

(b) Going Concern

The Group incurred a net loss after income tax of \$1,723,423 for the half year ended 31 December 2023 (December 2022: \$10,418 profit) and a net cash inflow of \$755,807 (December 2022: \$1,781,248 outflow). As at 31 December 2023 the Group had cash and cash equivalents of \$3,901,784 (June 2023: \$3,145,977) and a net current asset surplus of \$5,863,396 (June 2023: \$10,364,809 surplus).

The directors are satisfied that at the date of signing of the financial report, there are reasonable grounds to believe that the Group will be able to continue to pay its debts as and when they fall due and that it is appropriate for the financial statements to be prepared on a going concern basis.

(c) Significant accounting policies

New and amended Accounting Standards and Interpretations adopted

From 1 July 2023, the Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Adoption of these standards and interpretations did not have a material impact on the financial position or performance of the Group.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Notes to the Half Year Consolidated Financial Statements

	Consolidated	
	For the half year ended 31 Dec 2023	For the half year ended 31 Dec 2022
	\$	\$
3. INCOME AND EXPENSES		
(a) Interest income		
Interest income	39,206	158
	39,206	158
(b) Other income		
R&D tax refundable	-	532,957
Shire rates refunded	8,350 ¹	-
	8,350	532,957
¹ Refund received on shire rates paid on tenements surrendered in 2023 financial year.		
(c) Compliance costs		
Accounting/Audit fees	(32,560)	(29,059)
ASX/ASIC fees	(19,647)	(26,598)
Share registry fees	(15,891)	(16,479)
Legal fees	(6,526)	(850)
	(74,624)	(72,986)
(d) Other administration expenses		
Administration & bookkeeping fees	(55,735)	(52,180)
Investor relations & marketing	(6,814)	(11,270)
Payroll tax	(73,793) ²	-
Office expenses	(60,542)	(58,849)
Other expenses	(9,724)	(27,911)
	(206,608)	(150,210)

² Payroll tax expense in relation to the performance rights issued to directors and senior management. Refer to Note 4.

4. SHARE BASED PAYMENTS

Loan Plan Shares

On 14 August 2019 the Company issued 10,000,000 Loan Plan Shares to the Chief Geologist at the market price of 3.2 cents per share. The shares have been funded by a limited recourse loan from the Company with a zero-interest rate and the loan is repayable at the end of the term being 14 August 2026 or from the proceeds of any shares sold. In the event that any shares sold are less than 3.2 cents the Company will only recoup the value of the shares sold at the respective price in repayment of the loan, or part thereof.

The Loan Plan Shares have been accounted for as an in-substance option award. The fair value of the equity instrument granted was estimated as at the date of grant using the Black and Scholes model taking into account the terms and conditions upon which the shares were granted. The Loan Plan Shares has been fully expensed in the financial year ended 30 June 2023 and no expense recognised during the half year ended 31 December 2023. The weighted average remaining contractual life for the Loan Plan Shares loan term outstanding as at 31 December 2023 is 2.62 years.

Notes to the Half Year Consolidated Financial Statements

4. SHARE BASED PAYMENTS continued

Performance Rights

During the half year ended 31 December 2023 the Company issued 125,000,000 performance rights to directors and senior management.

Senior management

The Company issued 50,000,000 performance rights to senior management within the Company's existing placement capacity under ASX Listing Rule 7.1 and did not require shareholder approval. The performance rights issued to senior management have the following vesting conditions:

	Number
The Performance Rights will vest upon:	40,000,000
(a) the Company completing 15,000 metres of drilling within 24 months of the date of issue of the Performance Rights; and	
(b) the Company's 20-day volume weighted average share price achieving \$0.03 or higher at any time in the 3 years after the date of issue of the performance rights.	
The Performance Rights will vest upon the Company's 20-day volume weighted average share price achieving \$0.03 or higher at any time in the 3 years after the date of issue of the performance rights.	10,000,000

Directors

The Company issued 75,000,000 Performance Rights to Directors as approved at the Annual General Meeting held on 16 November 2023. The details of the Performance Rights to Directors resolution are included in the Notice of Meeting of the Annual General Meeting dated 13 October 2023, available on the ASX Company Announcement Platform and the Company's website <https://kingriverresources.com.au/investors/>. The performance rights issued to Directors will vest upon the Company's 20-day volume weighted average share price achieving \$0.05 or higher at any time in the 3 years after the date of issue of the performance rights.

Movement in performance rights on issue

	Grant Date	Expiry Date	Number
At 1 July 2023			-
Granted to senior management	6 Oct 2023	8 Oct 2026	50,000,000
Granted to directors	16 Nov 2023	19 Nov 2026	75,000,000
Forfeited/expired			-
At 31 December 2023			125,000,000
Exercisable at 31 Dec 2023			

There were no performance rights on issue as at 30 June 2023.

During the half year ended 31 December 2023, no performance rights were converted or cancelled and none of the milestones were met during the period.

The weighted average remaining contractual life of the performance rights outstanding at the end of the financial half year is 2.83 years.

Notes to the Half Year Consolidated Financial Statements

4. SHARE BASED PAYMENTS continued

Performance Rights continued

For the performance rights granted during the current financial half-year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant Date	6 October 2023	16 November 2023
Performance Rights Issued	50,000,000	75,000,000
Expected Volatility	100%	100%
Risk free interest rate	4%	4.17%
Dividend yield (%)	-	-
Share price at grant date	\$0.010	\$0.016
Expected life (years)	3	3
Fair value at grant date	\$0.0056	\$0.0082

The value brought to account as a share-based payment expense in the half year ended 31 December 2023 was \$47,265.

5. SEGMENT INFORMATION

The Chief Operating Decision Makers are the Board of Directors and management of the Group. The Consolidated Entity operates in one geographical area being Australia and in the exploration and mineral industry for the period to 31 December 2023. There is only one operating segment identified being exploration and mineral activities in Australia based on internal reports reviewed by the Chief Operating Decision Makers in assessing performance and allocation of resources. The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

6. WRITE-OFF OF CAPITALISED EXPLORATION EXPENSE

Tenement exploration licences were allowed to expire or were surrendered, and the associated costs and total capitalised tenement costs were written off.

	For the half year ended 31 Dec 2023	For the half year ended 31 Dec 2022
	\$	\$
Total write-off of capitalised exploration expenses	-	(27,655)

7. CONTRIBUTED EQUITY AND RESERVES

a) Issue and Paid Up

	Consolidated 31 December 2023	30 June 2023
Issued and Fully Paid	49,408,241	49,408,241
Total	49,408,241	49,408,241

Notes to the Half Year Consolidated Financial Statements

7. CONTRIBUTED EQUITY AND RESERVES continued

a) Issue and Paid Up continued

	31 December 2023		31 December 2022	
	Number of Shares	Amount Paid \$	Number of Shares	Amount Paid \$
Movement in ordinary shares on issue				
At 1 July	1,553,524,947	49,408,241	1,553,524,947	49,408,241
Issued during the period	-	-	-	-
Cost of issue	-	-	-	-
At 31 December	1,553,524,947¹	49,408,241	1,553,524,947¹	49,408,241

¹ Number of shares is inclusive of the 10,000,000 Loan Plan Shares accounted for as in-substance options. Refer to Note 4.

Ordinary shares

Ordinary shares have the right to receive dividends as declared and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. On a show of hands, every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll each share is entitled to one vote.

As per the *Corporations Act 2001* the Company does not have authorised capital and ordinary shares do not have a par value.

Share buy-back

On 10 July 2023 the Company announced it has lodged the respective notification to enable an on-market share buy-back of up to 10% of its ordinary shares over the next 12 months. The Company has set the maximum number of shares proposed to be bought back of approximately 155,352,495 ordinary shares, being 10% of the lowest number of ordinary shares issued during the previous 12 months. The Company reserves the right to vary the terms, suspend or terminate the buy-back at any time, subject to and in accordance with applicable legal requirements.

Pursuant to the announcement on 10 July 2023, no shares have been bought back during the period up to the date of this report.

b) Reserves

	Half year ended	Half year ended
	31 Dec 2023	31 Dec 2022
Movement in reserves	\$	\$
At 1 July	1,963,588	1,941,716
Loan Plan Shares	-	5,638
Issue of 50,000,000 Performance rights to senior management	21,990	-
Issue of 75,000,000 Performance rights to Directors	25,275	-
At 31 December	2,010,853	1,947,354

Refer to Note 4 for performance rights issued to Directors and senior management during the half-year ended 31 December 2023. This reserve is used to record the value of equity benefits provided to directors, employees and external service providers as part of their fees and remuneration.

Notes to the Half Year Consolidated Financial Statements

8. COMMITMENTS & CONTINGENCIES

	Consolidated	
	31 December 2023	30 June 2023
	\$	\$
<i>(a) Exploration Expenditure Commitment</i>		
In order to maintain the Group's interest in mining tenements, the Group is committed to meet the minimum expenditure conditions under which the tenements were granted.		
Within 1 year	682,935	873,800

	Consolidated	
	For the half year ended 31 Dec 2023	For the full year ended 30 June 2023
	\$	\$

9. CAPITALISED EXPLORATION EXPENDITURE

Costs carried forward in respect of:

Explorations and Evaluations Phase – At Cost

Balance at beginning of the half year	7,638,295	19,023,605
Expenditure incurred	1,149,724	2,106,146
Capitalise Tenement cost written off	-	(574,650)
Research & Development Incentive	-	(248,740)
Geophysical & Drilling Government Grants	-	(90,909)
Disposal of asset – Speewah Project	-	(12,577,157)
Total Exploration Expenditure	8,788,019	7,638,295

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases are dependent on the successful development and commercial exploitation or sale of the respective areas. As at 31 December 2023 there are no indicators of impairment under AASB 6 related to Capitalised Exploration Expenditure.

	Consolidated	
	31 December 2023	
	Carrying Value	Fair Value
	\$	\$
Trade and other receivables - current	2,064,552 ¹	2,064,552
Other receivables – non current	3,000,000 ¹	3,000,000
Trade and other payables	180,348	180,348

¹Other receivables includes the restructured terms of \$5million payment owing from Tivan Ltd to King River for the acquisition of the Speewah Project. Refer to Note 13 Events After Balance Sheet Date.

Notes to the Half Year Consolidated Financial Statements

	Consolidated	
	For the half year ended 31 Dec 2023 \$	For the full year ended 30 June 2023 \$
	11. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT & LOSS	
Listed ordinary shares - designated at fair value through profit or loss	6,000,000	7,400,000
Listed ordinary options - designated at fair value through profit or loss	80,000	-
	6,080,000	7,400,000
<i>Reconciliation</i>		
Opening fair value	7,400,000	-
Additions	-	7,600,000
Net loss on fair value remeasurement	(1,320,000)	(200,000)
Closing fair value	6,080,000	7,400,000

The fair value measurement is based on Level 1: Quoted prices (unadjusted) in an active markets for identical assets or liabilities that the entity can access at the measurement date being 31 December 2023.

	Consolidated	
	For the half year ended 31 Dec 2023 \$	For the full year ended 30 June 2023 \$
	12. PROFIT/(LOSS) PER SHARE	
(Loss) / Profit used in calculation of basic and diluted earnings per share	(1,723,423)	3,686,732
	Number	Number
Weighted average number of ordinary shares for the purposes of basic earnings per share	1,553,524,947	1,553,524,947
Weighted average number of ordinary shares adjusted for effect of dilution	1,553,524,947	1,553,524,947

As at 30 December 2023 the Company has 10,000,000 Loan Plan Shares accounted for as in-substance options (June 2023: 10,000,000), and 125,000,000 performance rights (June 2023: nil) on issue. These performance rights are not considered to be dilutive as the issue of the shares are contingent on certain vesting conditions. There have been no other transactions involving ordinary shares or potential ordinary shares subsequent to the balance date that would significantly change the number of ordinary shares or potential ordinary shares outstanding for the reporting period.

13. EVENTS AFTER THE BALANCE SHEET DATE

On 12 February 2024 King River advised it had reached an agreement with Tivan Limited (ASX: TVN) (Tivan) to restructure the terms of Tivan's final \$5 million payment for the acquisition of the Speewah Project.

King River announced in February 2023 that it had signed a binding term sheet with Tivan to acquire 100% of the issued capital of Speewah Mining Pty Ltd, the owner of the Speewah Project, for total consideration of \$20 million (King River ASX announcement of 20 February 2023). The consideration comprised \$10 million in Tivan shares (100 million shares at a deemed issue price of \$0.10 per share) ("Shares") and \$10 million in staged cash payments. King River to date has received cash payments totalling \$5 million (in April and July 2023) and been issued 100 million Tivan Shares which are subject to voluntary escrow until 17 February 2025. The remaining cash payment of \$5 million was payable by 17 February 2024.

Notes to the Half Year Consolidated Financial Statements

13. EVENTS AFTER THE BALANCE SHEET DATE *continued*

King River and Tivan have agreed to a restructure of the remaining payment as follows:

- The total amount payable by Tivan remains as \$5 million.
- Tivan will make payment of \$1 million to King River upon completion of a capital raising by Tivan during Q1 2024. Should Tivan's Q1 2024 capital raisings exceed \$5 million, Tivan will make payment of an additional amount to King River of 50% of the amount raised above \$5 million.
- Tivan will make payment of \$1 million to King River upon completing any capital raising post Q1 2024. Should a post Q1 2024 capital raising, in aggregate with Q1 2024 capital raisings, exceed \$5 million, Tivan will make payment of an additional amount to King River of 50% of the amount raised above \$5 million.
- At 17 February 2025, any balance of the \$5 million still owing to King River will become due and payable.

In addition, Tivan has also agreed with King River that if the value of the 100 million Shares held by King River is less than \$10 million on 17 February 2025, calculated on the basis of Tivan's preceding 30 day volume weighted average price ("VWAP"), then the Company shall issue to King River such additional number of Tivan shares at that VWAP which when combined with the existing 100 million Shares is valued at a total of \$10 million. If Tivan's VWAP at 17 February 2025 equals \$0.10 or more, no additional shares will be issued to King River. If any additional shares are required to be issued, the Company shall comply with any relevant requirements under the ASX Listing Rules and *Corporations Act 2001*. The remaining payment is secured by a general security deed over the issued capital of Speewah Mining Pty Ltd.

No other matters or circumstances has arisen since 31 December 2023 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs.

14. RELATED PARTY TRANSACTIONS

Australian Heritage Group Pty Ltd ("AHG"), a company of which Mr Anthony Barton, a Director and Mr Greg MacMillan, a Director and the Company Secretary, have entered into an occupancy and administration agreement with King River Resources in respect of providing occupancy and administration services commencing March 2009. The total value of the occupancy and administration services provided by AHG during the period was \$2,700 (2022: \$2,700). As at 31 December 2023, there is \$55,450 (2022: \$450) outstanding to pay AHG for office representation and the management fee incurred in the 2023 financial year for the sale of Speewah Mining Pty Ltd. All services provided by companies associated with directors were provided on commercial terms.



**Building a better
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Independent auditor's review report to the members of King River Resources Limited

Conclusion

We have reviewed the accompanying half-year financial report of King River Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the interim consolidated statement of financial position as at 31 December 2023, the interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in dark ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in dark ink, appearing to be 'Timothy Dachs'.

Timothy Dachs
Partner
Perth
1 March 2024