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Half Year Financial Report
31 December 2022

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Corporate Directory

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

REGISTERED OFFICE

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Perth WA 6000
Tel: (08) 9221 8055
Fax: (08) 9325 8088
Email: info@kingriverresources.com.au

BANKERS

ANZ Banking Corporation
77 St George's Terrace
Perth WA 6000

SHARE REGISTER

Automic Group
Level 5, 191 St Georges Terrace
Perth WA 6000

AUDITORS

Ernst & Young
11 Mounts Bay Road
Perth WA 6000

INTERNET ADDRESS

www.kingriverresources.com.au

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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 2022.

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 30 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 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 Speewah Mining Pty Ltd, 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

During the half year ended 31 December 2022 King River had a portfolio of 100% owned tenements covering approximately 2,296 square kilometres in the East Kimberley region in Western Australia, and a portfolio of 100% owned tenements covering approximately 6,629 square kilometres, in the Tennant Creek region of the Northern Territory. King River had also developed its ARC HPA process for the production of High Purity Alumina ('HPA'), which was put on hold and next steps to be reviewed. The principal activities of the entities within the Group during the half year ended 31 December 2022, were ongoing metallurgical

Directors' Report

testwork on the Speewah project, and ongoing geophysical and exploration of the tenements in the East Kimberley and Tennant Creek gold project.

REVIEW & RESULTS OF CONSOLIDATED OPERATIONS

The consolidated entity recorded an operating profit after income tax of \$10,418 for the half year ended 31 December 2022 (2021: \$1,302,893 loss). There was no dividend declared or paid during the half year.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Contributed Equity

During the half year there were no significant changes to the Company's contributed equity:

SIGNIFICANT EVENTS AFTER THE BALANCE DATE

On 18 January 2023 the Company received the 2022 Research & Development tax refund of \$781,697. The funds will be used to support working capital. The Company's cash position on 18 January 2023 was \$1,845,928.

On 2 February 2023 the Company surrendered Mt Remarkable exploration licences E80/5177, E80/5194, E80/5195 and E80/5196 held by Whitewater Minerals Pty Ltd. An expense in the amount of \$545,464 has been recognised for the surrendered tenement costs previously capitalised.

On 20 February 2023 the Company announced it has signed a binding term sheet ("Binding Term Sheet") with ASX listed resources company Tivan Limited ("Tivan") by which Tivan will acquire 100% of the issued capital of Speewah Mining Pty Ltd ("SMPL"), the owner of the Speewah Vanadium-Titanium-Iron Project ("Speewah Project") in the East Kimberley region of North Western Australia. The Speewah Project consists of tenements identified as exploration licences E80/2863, E80/3657, miscellaneous licences L80/43 and L80/47 and mining licences M80/267, M80/268 and M80/269.

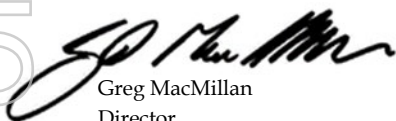
Under the Binding Term Sheet, total consideration for the acquisition is A\$20 million, comprising the issue of 100 million Tivan shares at a deemed issue price of \$0.10 per share, and \$10 million in cash to be paid by way of three staged payments over 12 months. An initial \$2.5 million payment will be made on completion. Transaction completion is subject to conditions precedent including shareholder approval by KRR under Listing Rule 11.2. The deferred consideration of \$7.5 million will be secured by a general security deed. Please refer to the ASX announcement dated 20 February 2023 for the summary of the binding term sheet.

No other matter or circumstances has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

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 2022.

Signed in accordance with a resolution of the directors



Greg MacMillan
Director

3 March 2023



**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 2022, 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.

Ernst & Young

Timothy G Dachs
Partner
3 March 2023

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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 2022 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, subject to the matters set out in Note 2(b) to the financial report.

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



Greg MacMillan
Director

3 March 2023

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Statement of Comprehensive Income

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Notes	Consolidated	
		For the half year ended 31 Dec 2022	For the half year ended 31 Dec 2021
		\$	\$
Interest income	3(a)	158	2,047
Other income	3(b)	532,957	-
Directors' and Employee benefit expenses		(80,273)	(69,788)
Compliance costs	3(c)	(72,986)	(92,018)
Depreciation expense		(24,021)	(30,039)
Finance costs		(3,324)	(2,007)
Insurance expense		(27,675)	(26,260)
Other administration expenses	3(d)	(150,210)	(209,528)
HPA project development		(130,915)	(722,884)
Share-based payments	4	(5,638)	(43,601)
Write-off of capitalised exploration expense	6	(27,655)	(108,815)
Profit/(Loss) before income tax expense		10,418	(1,302,893)
Income tax expense		-	-
Net profit/(loss) after income tax benefit for the period		10,418	(1,302,893)
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss) for the period		10,418	(1,302,893)
Total Comprehensive Income/(Loss) for the period is attributable to:			
Owners of King River Resources Limited		10,418	(1,302,893)
		10,418	(1,302,893)
Earnings/(Loss) per share			
Basic Earnings/(Loss) per share (cents)	11	0.00	(0.08)
Diluted Earnings/(loss) per share (cents)		0.00	(0.08)

The accompanying notes form part of these consolidated financial statements.

Statement of Financial Position

AS AT 31 DECEMBER 2022

	Notes	Consolidated	
		31 December 2022	30 June 2022
		\$	\$
Assets			
Current Assets			
Cash and cash equivalents		1,164,147	2,945,395
Other receivables	10	816,467	98,204
Other current assets		58,320	47,184
Total Current Assets		2,038,934	3,090,783
Non-Current Assets			
Deferred exploration expenditure	9	19,890,119	19,023,605
Plant & Equipment		12,697	14,584
Right of use asset		96,098	118,232
Total Non-Current Assets		19,998,914	19,156,421
Total Assets		22,037,848	22,247,204
Liabilities			
Current Liabilities			
Trade and other payables	10	189,212	394,160
Lease liability		48,875	48,103
Total Current Liabilities		238,087	442,263
Non-Current Liabilities			
Lease liability		52,915	74,151
Total Non-Current Liabilities		52,915	74,151
Total Liabilities		291,002	516,414
Net Assets		21,746,846	21,730,790
Equity			
Issued capital	7	49,408,241	49,408,241
Reserves		1,947,354	1,941,716
Accumulated losses		(29,608,749)	(29,619,167)
Total Equity		21,746,846	21,730,790

The accompanying notes form part of these consolidated financial statements.

Statement of Cash Flows

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Consolidated	
	For the half year ended 31 Dec 2022	For the half year ended 31 Dec 2021
	\$	\$
Cash Flows from Operating Activities		
Gross interest received	157	2,047
Payment for HPA Project development	(167,087)	(387,183)
Payment to suppliers and employees	(314,034)	(491,680)
Interest and other finance costs paid	(3,324)	(2,007)
Other - security deposit	-	(12,155)
Net cash used in operating activities	(484,288)	(890,978)
Cash Flows from Investing Activities		
Research & Development tax incentive received	-	382,464
Geophysical and drilling collaboration grant received	90,909	-
Payment for exploration and evaluation	(1,367,404)	(1,057,175)
Net cash used in investing activities	(1,276,495)	(674,711)
Cash Flows from Financing Activities		
Payment of leases	(20,465)	(21,182)
Net cash from financing activities	(20,465)	(21,182)
Net decrease in cash and cash equivalents	(1,781,248)	(1,586,871)
Cash and cash equivalents at beginning of half year	2,945,395	6,124,217
Cash and Cash Equivalents at end of half year	1,164,147	4,537,346

The accompanying notes form part of these consolidated financial statements.

Statement of Changes in Equity

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

Consolidated for the half years ended	Notes	Issued Capital \$	Equity Benefits Reserve \$	Accumulated Losses \$	Total Equity \$
Balance at 1 July 2021		49,408,241	1,898,115	(26,556,399)	24,749,957
Profit/(Loss) for the period		-	-	(1,302,893)	(1,302,893)
Total comprehensive income/(loss) for the period		-	-	(1,302,893)	(1,302,893)
Transactions with owners in their capacity as owners:					
Loan Plan Shares		-	43,601	-	43,601
Balance at 31 December 2021		49,408,241	1,941,716	(27,859,292)	23,490,665
Balance at 1 July 2022		49,408,241	1,941,716	(29,619,167)	21,730,790
Profit/(Loss) for the period		-	-	10,418	10,418
Total comprehensive income/(loss) 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

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 3 March 2023 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 2022 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 2022.

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 2022 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 2022 except for the effects of the new standards as mentioned in Note 2(c).

(b) Going Concern Basis of Preparation

The Group incurred a net profit after income tax of \$10,418 for the half year ended 31 December 2022 (June 2022: \$3,062,768 loss) and a net cash outflow of \$1,781,248 (June 2022: \$3,178,822 outflow). As at 31 December 2022 the Group had cash and cash equivalents of \$1,164,147 (June 2022: \$2,945,395) and a net current asset surplus of \$1,800,847 (June 2022: \$2,648,520 surplus).

The Group will require further funding to progress its exploration projects. Based on the Group's cash flow forecast for the period ended 31 March 2024, the Board of Directors is aware of the Group's need to access additional working capital prior to the end of this period to enable the Group to continue its normal business activities to ensure the realization of assets and extinguishment of liabilities as and when they fall due, including progression of its exploration interests.

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. The directors have based this on the following pertinent matters:

- As detailed in Note 12, subsequent to 31 December 2022 the Group has entered into a binding term sheet to sell 100% of its interest in the Speewah Vanadium-Titanium-Iron Project for consideration that includes a cash component comprising an initial cash payment of \$2.5 million on completion, which is expected to be at the beginning of April 2023, a further \$2.5 million upon the counterparty raising at least \$2.5 million via a capital raising and a further \$5 million 12 months after the execution of the agreement contingent upon an application to extend the term of E80/3657 is granted within 12 months. The agreement is subject to conditions precedent.
- Subsequent to year end, the Group has received \$0.8 million in Research and Development incentives payments.
- The Directors believe that future funding will be available to meet the Group's objectives and debts as and when they fall due.

Should the Group not achieve the matters set out above, there is material uncertainty whether it will be able to continue as a going concern and therefore whether it will be able to pay its debts as and when they fall due and realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts, or to the amounts or classifications of liabilities that might be necessary should the Group not be able to continue as a going concern.

Notes to the Half Year Consolidated Financial Statements

(c) Significant accounting policies

New and amended Accounting Standards and Interpretations adopted

From 1 July 2022, 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.

(d) Research and Development Incentives and Government Grants

Research and Development (R&D) incentives and government grants are recognised where there is reasonable assurance that the R&D incentive or government grant will be received, and all attached conditions will be complied with. When the R&D incentive or government grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the R&D incentive or government grant relates to an asset, it is offset against the related asset.

	Consolidated	
	For the half year ended 31 Dec 2022 \$	For the half year ended 31 Dec 2021 \$
3. INCOME AND EXPENSES		
(a) Interest income		
Interest income	158	2,047
	158	2,047
(b) Other income		
R&D tax refundable	532,957	-
	532,957	-
(c) Compliance costs		
Accounting/Audit fees	(29,059)	(26,183)
ASX/ASIC fees	(26,598)	(25,538)
Share registry fees	(16,479)	(13,871)
Legal fees	(850)	(26,426)
	(72,986)	(92,018)
(d) Other administration expenses		
Administration & bookkeeping fees	(52,180)	(50,857)
Investor relations & HPA Project marketing	(11,270)	(79,247)
Office expenses	(58,849)	(62,573)
Other expenses	(27,911)	(16,851)
	(150,210)	(209,528)

Notes to the Half Year Consolidated Financial Statements

4. SHARE BASED PAYMENTS

Recognised share-based payment expenses

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. 5,000,000 of the shares are subject to trading restrictions will be escrowed until an outcome of bankable feasibility study. The shares have been funded by a limited recourse loan from the Company with a 4-year term and zero interest rate, the loan is repayable at the end of the term or from the proceeds of any shares sold after escrow release. 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 value brought to account as a share-based payment expense in the half year ended 31 December 2022 was \$5,638.

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 2022. The ARC High Purity Alumina Project was put on hold during the half year ended 31 December 2022. 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 2022	For the half year ended 31 Dec 2021
	\$	\$
Total write-off of capitalised exploration expenses	(27,655)	(108,815)

	Consolidated	
	31 December 2022	30 June 2022
	\$	\$
7. ISSUED CAPITAL		
a) Issue and Paid Up		
Issued and Fully Paid	49,408,241	49,408,241
Total	49,408,241	49,408,241

	31 December 2022		31 December 2021	
	Number of Shares	Amount Paid \$	Number of Shares	Amount Paid \$
b) Movement in 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	1,553,524,947 ¹	49,408,241	1,553,524,947 ¹	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.

Notes to the Half Year Consolidated Financial Statements

7. ISSUED CAPITAL (continued)

31 December 2022

	Listed Options		Unlisted Options	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
c) Movement in share options on issue				
At 1 July	152,443,342	6 cents	7,000,000	6 cents
Options expired	(152,443,342)	6 cents	(7,000,000)	6 cents
Options granted	-	-	-	-
At 31 December	-	-	-	-

The listed options expired on 31 July 2022 and the unlisted options expired on 14 August 2022.

8. COMMITMENTS & CONTINGENCIES

Consolidated

31 December 2022	30 June 2022
\$	\$

(a) Exploration Expenditure Commitment

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	2,004,300	1,684,800
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Consolidated

For the half year ended 31 Dec 2022	For the full year ended 30 June 2022
\$	\$

9. DEFERRED EXPLORATION EXPENDITURE

Costs carried forward in respect of:

Explorations and Evaluations Phase - At Cost

Balance at beginning of the half year	19,023,605	18,173,969
Expenditure incurred	1,233,818	2,088,668
Capitalise Tenement cost written off	(27,655)	(756,354)
Research & Development Incentive	(248,740)	(452,832)
Geophysical & Drilling Government Grants	(90,909)	(29,846)
Total Exploration Expenditure	19,890,119	19,023,605

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 2022 there are no indicators of impairment under AASB 6 related to Deferred Exploration Expenditure.

Notes to the Half Year Consolidated Financial Statements

10. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	31 December 2022	
	Carrying Value	Fair Value
	\$	\$
Trade and other receivables	816,467	816,467
Trade and other payables	189,212	189,212

	Consolidated	
	For the half year ended 31 Dec 2022	For the full year ended 30 June 2022
	\$	\$
11. PROFIT/(LOSS) PER SHARE		
Profit/(Loss) used in calculation of basic and diluted earnings per share	10,418	(3,062,768)
	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 2022 the Company has 10,000,000 Loan Plan Shares accounted for as in-substance options (June 2022: 10,000,000), nil unlisted options (June 2022: 7,000,000), and nil listed options (June 2022: 152,443,342) on issue. These options 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.

12. EVENTS AFTER THE BALANCE SHEET DATE

On 18 January 2023 the Company received the 2022 Research & Development tax refund of \$781,697. The funds will be used to support working capital. The Company's cash position on 18 January 2023 was \$1,845,928.

On 2 February 2023 the Company surrendered Mt Remarkable exploration licences E80/5177, E80/5194, E80/5195 and E80/5196 held by Whitewater Minerals Pty Ltd. An expense in the amount of \$545,464 has been recognised for the surrendered tenement costs previously capitalised.

On 20 February 2023 the Company announced it has signed a binding term sheet ("Binding Term Sheet") with ASX listed resources company Tivan Limited ("Tivan") by which Tivan will acquire 100% of the issued capital of Speewah Mining Pty Ltd ("SMPL"), the owner of the Speewah Vanadium-Titanium-Iron Project ("Speewah Project") in the East Kimberley region of North Western Australia. The Speewah Project consists of tenements identified as exploration licences E80/2863, E80/3657, miscellaneous licences L80/43 and L80/47 and mining licences M80/267, M80/268 and M80/269.

Under the Binding Term Sheet, total consideration for the acquisition is A\$20 million, comprising the issue of 100 million Tivan shares at a deemed issue price of \$0.10 per share, and \$10 million in cash to be paid by way of three staged payments over 12 months. An initial \$2.5 million payment will be made on completion, which is expected to be at the beginning of April 2023. Transaction completion is subject to conditions precedent including shareholder approval by KRR under Listing Rule 11.2. The deferred consideration of \$7.5 million will be secured by a general security deed. Please refer to the ASX announcement dated 20 February 2023 for the summary of the binding term sheet.

No other matter or circumstances has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Notes to the Half Year Consolidated Financial Statements

13. 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 (2021: \$3,050). As at 31 December 2022, there is \$450 (2021: \$450) outstanding to pay AHG. All services provided by companies associated with directors were provided on commercial terms.

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**Building a better
working world**

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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 consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity and 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 2022 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.

Material uncertainty related to going concern

We draw attention to Note 2(b) in the financial report, which describes the principal conditions that raise doubt about the Groups' ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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.

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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 2022 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 black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Timothy G Dachs'.

Timothy G Dachs
Partner
Perth
03 March 2023

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