
Australian Securities Exchange Announcement

5 May 2017

King River Copper Limited (ASX: KRC) is pleased to provide this update on activities planned for the Speewah Copper-Gold drilling programme and progress on the Vanadium-Titanium Project Concept Study.

Copper-Gold Field Programmes

The 2017 Speewah Dome field programme is expected to begin late May with the commencement of ground magnetic and reconnaissance surveys along the newly discovered Bartons Trend and other priority target areas. In addition, a spectral study of alteration zonation in existing RC drill samples will start immediately, to assist with gold exploration vectors for the upcoming drill programmes.

A 2,350 metre RC drilling programme is then planned to commence in June once road access is finalised. The primary focus is to drill along the newly identified mineralised zone called The Bartons Trend (Figure 1, and KRC ASX report 12 April 2017).

Other high priority targets within the Chapman-Greys corridor and at Windsor will also be tested.

Spectrum Rare Earths Ltd have decided not to proceed with the Mt Remarkable farm-in and the King River field crew will undertake a hand held ground magnetic survey in coming months before deciding where the best drill locations are to follow up the previously identified high grade intersections at Mt Remarkable (please refer KRC ASX report 5 April 2016).

Vanadium Concept Study

The Vanadium Concept Study (KRC ASX: 21 April 2017) is now underway. This study will examine the feasibility of producing vanadium in the form of vanadium pentoxide (V_2O_5) and titanium dioxide (TiO_2) from the high grade zone of the Central vanadium deposit at Speewah.

The following activities have been actioned:

- ❖ Update the Speewah Vanadium resources to comply with the guidelines of the 2012 JORC Code. Negotiations have commenced with a geological consulting group to undertake that study.
- ❖ Metallurgical testwork:
 - o Suitable reverse circulation drill and core samples have been selected from storage for analysis.
 - o Beneficiation of the drill samples to produce a new specification magnetite concentrate will commence shortly.
 - o Hydrometallurgical leaching tests of the magnetite concentrate will then follow.

The major objective of the Concept Study will be to identify whether any new hydrometallurgical approach can provide a base framework for a new Scoping Study.

In particular, the study will investigate the production and marketability of vanadium electrolyte products used in vanadium redox flow batteries.

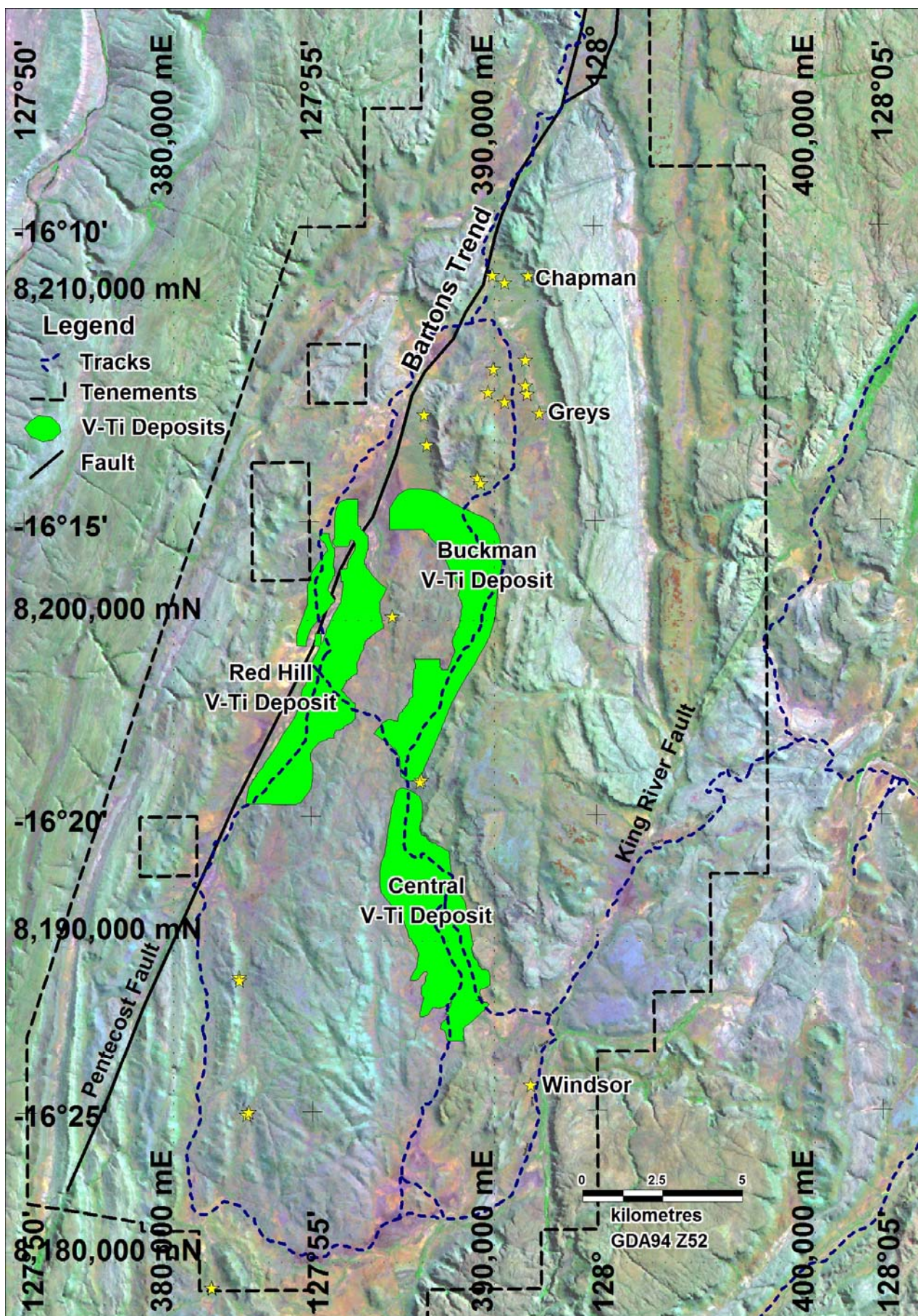


Figure 1: Bartons Trend, copper-gold prospects (gold stars) and Central, Buckman and Red Hill Vanadium JORC 2004 resource outlines (green).

Competent Persons Statement

The information in this report that relates to Exploration Results is based on information compiled by Ken Rogers and Andrew Chapman and fairly represents this information. Mr. Rogers is the Chief Geologist and an employee of the Company and a member of the Australian Institute of Geoscientists. Mr. Chapman is a Consulting Geologist contracted with the Company. Mr. Rogers has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Rogers consents to the inclusion in this report of the matters based on information in the form and context in which it appears.

The Resource outlines reported in Figure 1 have been sourced from a Resource Estimate Report which was last reported in KRC ASX announcement dated 12 March 2012. This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. KRC confirms it is not aware of any new information or data that materially affects the resource information referenced in this announcement.