

Quarterly Report for the Period Ended June 30, 2022

Kingsrose Mining Limited (ASX: KRM) ("Kingsrose" or the "Company") is pleased to provide an update on its activities for the June 2022 quarter.

HIGHLIGHTS

- Cash balance of A\$27.6m at June 30, 2022 (March 31, 2022: A\$26.6m)
- Announcement of JORC Exploration Target at Penikat
- Geophysics and resampling of drill core at Porsanger underway
- Further drill results and entry into a process deed for the sale of Way Linggo

EXECUTIVE SUMMARY

During the quarter, the Company announced an independently prepared JORC compliant Exploration Target for the Penikat project in Finland. This produced an Exploration Target range of 21 to 32 million tonnes at 4.0 to 7.4 g/t 6E for a total of 2.8 to 7.7 million ounces 6E. This places Penikat among the highest-grade PGE dominant exploration projects globally and demonstrates the significant scale potential of the project. Work at Penikat is focused on obtaining drilling permits for late 2023, as well as mapping and exploration drill planning.

At the Porsanger project in Norway, exploration has advanced with the commencement of an electromagnetic (EM) geophysical survey which is intended to identify conductors that may represent massive sulphide bodies to be targeted in future exploration drilling. Drilling permit applications and related stakeholder engagement has been a key focus for the Company and is well underway. It is anticipated that drilling will commence in the Norwegian springtime following the completion of various regulatory approvals, and the requisite cultural and environmental surveys.

Kingsrose has entered into a 60-day exclusivity arrangement and process deed for the sale of the Way Linggo project, Indonesia during the quarter. Additional drilling, (including due diligence drilling funded by the potential purchaser), has returned further encouraging results from the Maul Vein area. The Company intends to enter into a binding sale and purchase agreement prior to the conclusion of the exclusivity period.

The Company remains well financed, with A\$27.6 million in cash as at June 30, 2022, and continues to assess additional project acquisition and target generation opportunities.

SAFETY

During the quarter, the Company's detailed COVID-19 Management Protocol was rigorously adhered to, ensuring the continued health and safety of all employees.

The Way Linggo site experienced no lost time, restricted duty or medically treated injuries in the quarter. The 12-month moving average Lost Time Injury Frequency Rate (LTIFR) was 4.83 (March 2022 quarter: 4.91). The Total Recordable Injury Frequency Rate (TRIFR) for the site at the end of the quarter was 4.83 (March 2022 quarter: 4.83).

OPERATIONS

The Company's Care and Maintenance Plan at Way Linggo continued during the quarter, with the aim of ensuring all major components of the plant are preserved and to reduce the requirements for regular maintenance. Additional care and maintenance activities, including reducing personnel on site, were undertaken to further reduce ongoing costs.

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Geotechnical assessments were routinely undertaken during the quarter to ensure all mine areas were stable. Siphoning of the Talang Santo pit and the construction of a spillway was undertaken to reduce water levels and improve the pit stability during periods of high rainfall.

EXPLORATION

Way Linggo Project, Indonesia

During the quarter, assay results were received for five holes totalling 988.3 metres at the Maul Vein Drilling which intercepted mineralisation at the Maul Vein over 550 metres along strike and from surface to at least 200 metres deep, which remains open in all directions. The Company completed an additional four holes totalling 436.1 metres during May and June 2022, with assay results announced to the ASX in July 2022. To date, 14 holes totalling 2,241.1 metres have been completed at the Maul Vein (Figure 1).

Significant intercepts at the Maul Vein to date include:

- 3.1 metres at 13.0 g/t gold, 21.9 g/t silver (from 78.2 metres, DDH-597)
- 4.3 metres at 6.0 g/t gold, 8.6 g/t silver (from 41.2 metres, DDH-596)
- 2.7 metres at 6.7 g/t gold, 8.9 g/t silver (from 8.1 metres, DDH-595)
- 11.7 metres at 4.0 g/t gold, 39.6 g/t silver (from 137.4 metres, DDH-602), including
 - 0.9 metres at 7.6 g/t gold, 169 g/t silver (from 140.0 metres), and
 - 1.6 metres at 12.8 g/t gold, 62 g/t silver (from 143.9 metres)
- 5.0 metres at 4.1 g/t gold, 22 g/t silver (from 97.6 metres, DDH-601), including
 - 0.3 metres at 13.2 g/t gold, 60 g/t silver (from 97.6 metres)
- 4.2 metres at 4.6 g/t gold, 17 g/t silver (from 97.4 metres, DDH-603), including
 - 2.0 metres at 7.3 g/t gold, 21 g/t silver (from 97.6 metres)

Entry into Process Deed for the Potential Sale of Way Linggo

Kingsrose entered into a process deed with PT Kreasi Cemerlang Lestari (Registration No. AHU-10.04847.PENDIRIAN-PT.2014) (PTKCL) for the potential acquisition by PTKCL or its related body of the Way Linggo gold project, via the sale of the entire issued capital of Natarang Offshore Pty Ltd ACN 007 006 877 (Process Deed). The Process Deed provides for:

- good faith negotiation of transaction documents to implement the potential transaction;
- a focussed due diligence programme to be undertaken by PTKCL;
- a drilling programme, prepared in collaboration with and funded by PTKCL, involving four drill holes into the 'Maul Vein' area, for a total of 436.1 metres (Drilling Programme), which has been completed with assay results announced to ASX in July 2022;
- a deposit of any agreed purchase of US\$100,0000 (Deposit); and
- a 60-day exclusivity period.

In the event the Company breaches the Process Deed, the Company must repay the Deposit, all drilling and other costs incurred by PTKCL in connection with the Drilling Programme and reimburse PTKCL's external costs up to a maximum of US\$150,000.

The Company will keep the market informed of any material developments in accordance with its continuous disclosure obligations and shareholders are reminded that there is no certainty that final terms will be agreed with PTKCL nor that any transaction will take place.

During the quarter total exploration costs associated with the drilling program were A\$84,483.

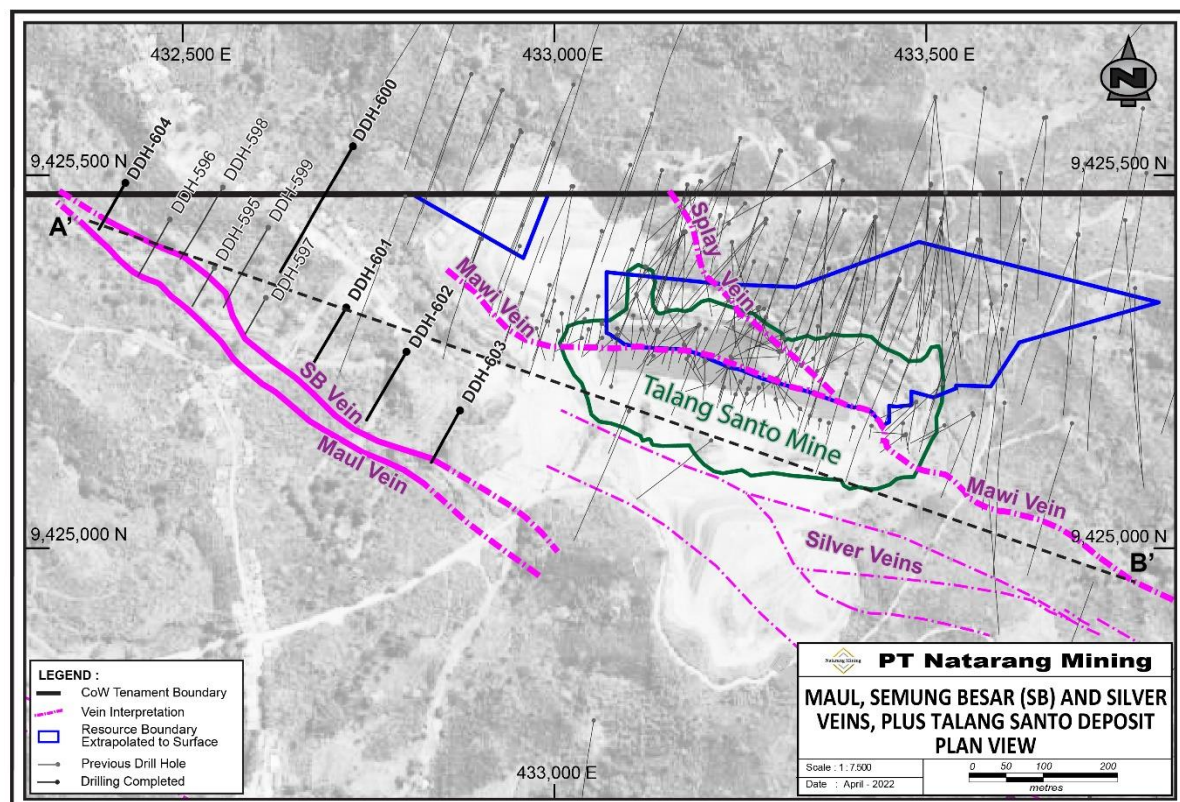


FIGURE 1: Map showing location of holes DDH-600 to DDH-604 which were completed in February and March 2022.

Penikat Project, Finland

In February 2022, the Company submitted all samples within significant intercepts greater than 1 g/t 3E (Platinum + Palladium + Gold) from the resampling program for determination of the full Platinum Group Element (PGE) six-element suite by nickel sulphide collection fire assay with ICP-MS finish. These results were received during the current quarter and confirmed the presence of high value precious metals including rhodium and iridium within the previously reported palladium, platinum, gold and base metal mineralised intervals. Significant rhodium grades were returned for all intervals, with the SJ Reef averaging 0.25 g/t Rh, and the AP and PV Reefs averaging 0.10 g/t Rh based on the resampling data available to date.

The results of resampling, historical data review and geological interpretation have been used to estimate an independent Exploration Target (Table 1 and Figures 2 and 3) in accordance with the JORC Code, which ranks the Penikat project as one of the highest-grade PGE projects globally.

Table 1: Penikat Exploration Target

	Tonnes (millions)	4E (g/t)	4E (Moz)	6E (g/t)	6E (Moz)
PV Reef					
Lower Limit	3.2	2.4	0.3	2.5	0.3
Upper Limit	4.6	6.1	0.9	6.4	0.9
SJ Reef					
Lower Limit	18	4.1	2.4	4.3	2.5
Upper Limit	28	7.2	6.4	7.6	6.7
Total					
Lower Limit	21	3.8	2.7	4.0	2.8
Upper Limit	32	7.0	7.3	7.4	7.7
Notes: 1. All tabulated data have been rounded and as a result minor computational discrepancies may occur. 2. No economic viability is implied. 3. The potential quantity and grade of the PGE mineralisation at Penikat is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource. 4. The Exploration Target is reported as a range of grade and tonnages for the project based on drillhole data statistical confidence limits and various assumptions of continuity. 5. 4E = Pt+Pd+Rh+Au in proportions estimated as PV Reef 53% Pt, 36% Pd, 2% Rh, 9% Au SJ Reef 42% Pt, 53% Pd, 4% Rh, 1% Au 6. 6E = Pt+Pd+Rh+Au+Ru+Ir. In proportions estimated as PV Reef 51% Pt, 34% Pd, 1% Rh, 8% Au 1% Ru, 3% Ir SJ Reef 40% Pt, 51% Pd, 4% Rh, 1% Au, 2% Ru, 2% Ir					

Porsanger Project, Norway

Porsanger is prospective for feeder-conduit style massive sulphide deposits, and the shallow parts of the outcropping intrusions have been proven to contain disseminated sulphide associated with copper, PGE and weak nickel mineralisation (refer to ASX announcement dated 10 November 2021).

The Company is planning to conduct a ground-based electromagnetic geophysical survey at the Porsanger project (Figures 2 and 4), to explore for the potential presence of copper, nickel and PGE bearing massive sulphide deposits located at the base of the mafic-ultramafic intrusions at Porsvann and Karenhaugen (Figure 4). The survey was delayed from the June Quarter to July 2022, due to earlier than expected snow melt causing inadequate access.

Resampling and logging of historical drill core has been completed, with samples submitted to the laboratory in June 2022. Historical results only include analyses for palladium, platinum and copper. Kingsrose will obtain a multielement suite of analyses to include, but not limited to, palladium, platinum, rhodium, gold, copper and nickel to better understand the polymetallic nature of the intrusion, and review lithogeochemical data to aid with exploration targeting. Results are pending.

During the quarter, Kingsrose submitted a drill permit application for the Porsvann area and are awaiting permission to be granted from the Directorate for Mineral Management.

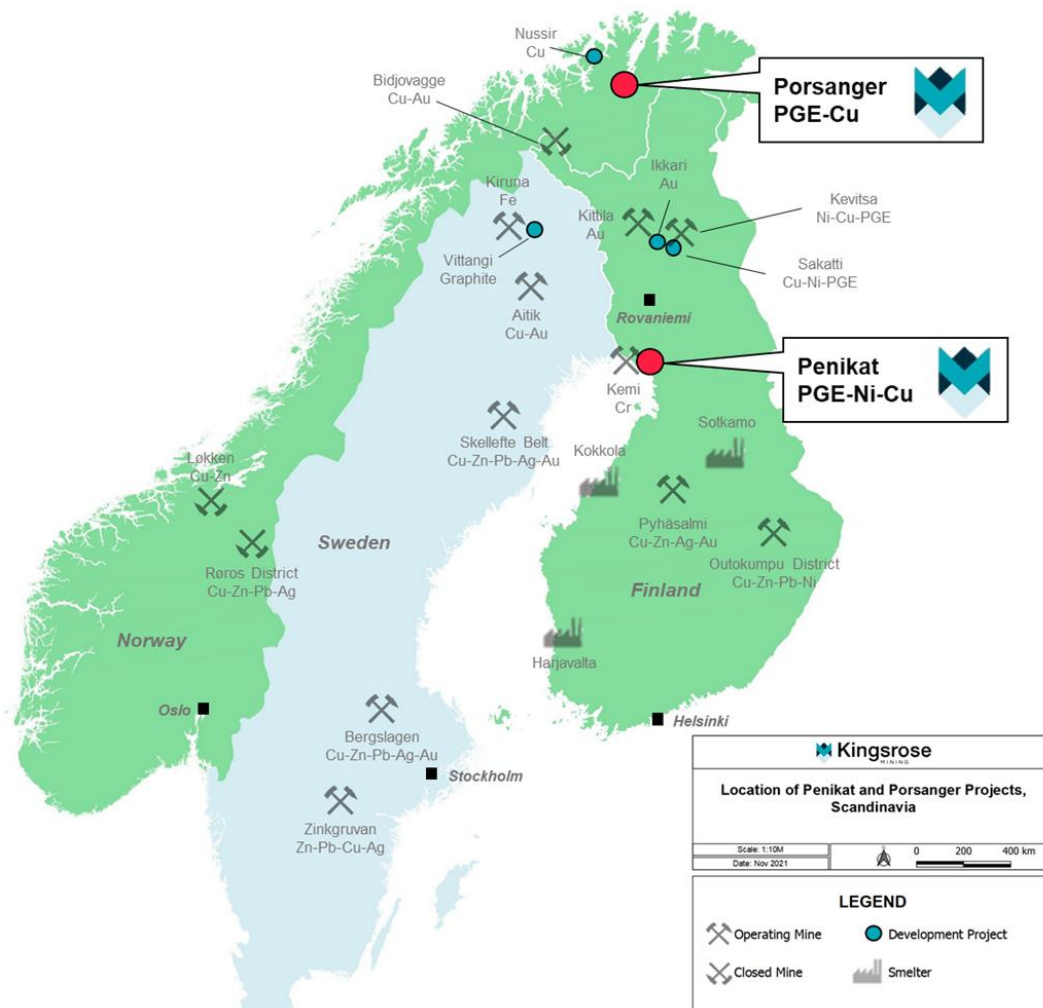


FIGURE 2: Location of the Penikat Project and Porsanger Project within Scandinavia

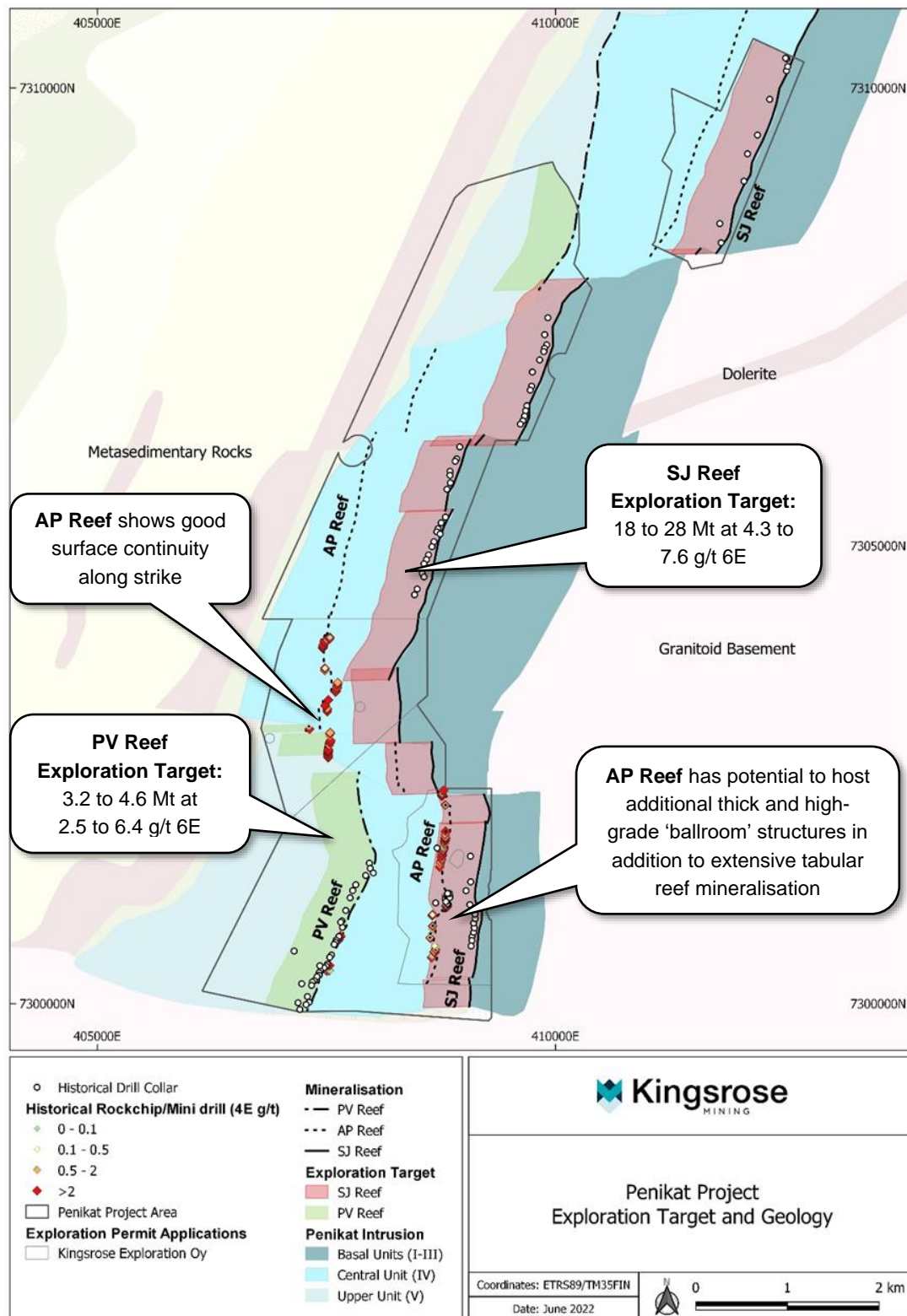


FIGURE 3: Penikat Geology and Exploration Target. Exploration Target dips 45° West to 500m depth.

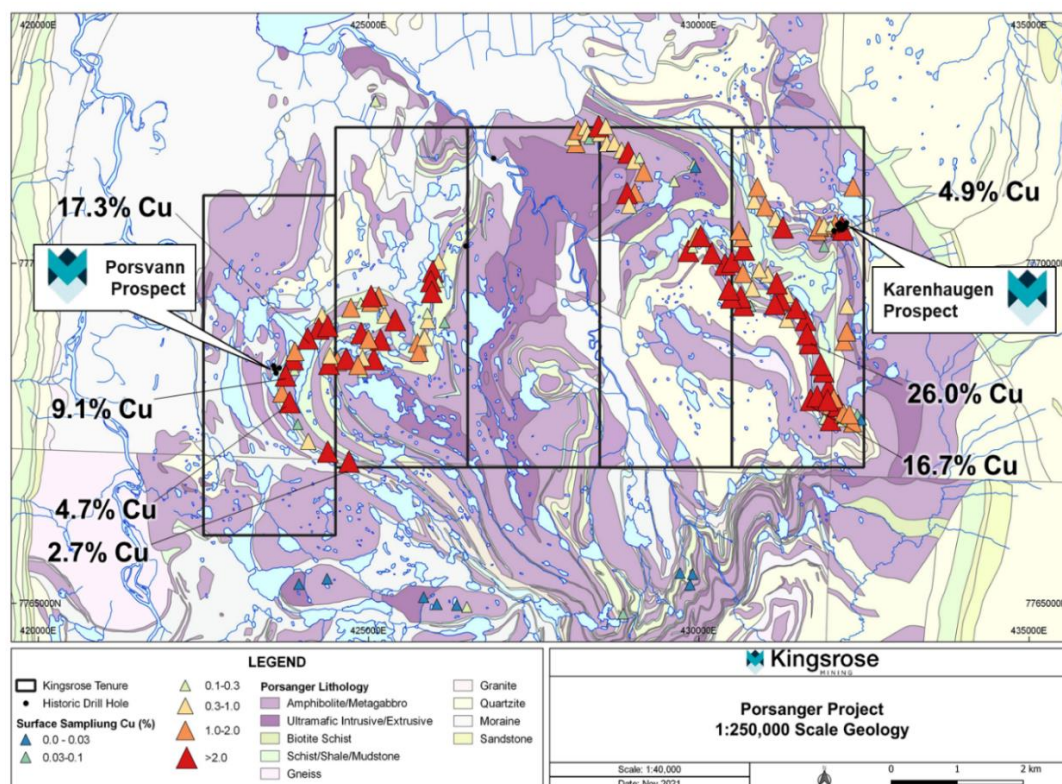


FIGURE 4: Porsanger exploration licences, geology and historical drill collars and thematic historical rock chip samples attributed by copper grade.

SUSTAINABILITY

Way Linggo Project, Indonesia

During the quarter, the Community Development team continued to consult and collaborate with local villagers and community leaders to maintain a harmonious working relationship. Resources were directed towards local community initiatives to assist in increasing self-reliance in numerous areas including health, education, agriculture, and forestry. Projects included monitoring medical herb plant programs, financial support and educational resources provided to numerous local schools surrounding the mine site, the provision of a new pipe for clean water to the Talang Toha community, road improvements, trenching and road construction between villages following heavy rainfall and general agricultural and construction assistance.

The site practises continuous rehabilitation and revegetation to manage and minimise its environmental impact. During the quarter seeding and planting of trees continued as part of reclamation and rehabilitation activities in both new and previously rehabilitated areas. In addition, reshaping and spreading of topsoil continued in the Talang Santo areas, including the Tailings Storage Facility, upper ROM pad and waste dumps. Environmental monitoring of sedimentation ponds, the tailings storage facility and ground water was ongoing in line with statutory requirements.

Penikat Project, Finland

As a significant portion of the Penikat project area lies within the Martimoaapa – Lumiaapa – Penikat Natura 2000 site, the exploration licence applications must be supplemented with a report called a Natura Assessment. It is intended to submit the Natura Assessment for the Ala Penikka exploration licence application in August. This will then undergo a review by Finnish environmental authorities, expected to take up to six months, followed

by a processing and public consultation period by the Finnish exploration licence awarding authority TUKES, lasting approximately four months. As such, the Company hopes to be awarded an exploration licence within approximately 10 months following the submission of the Natura Assessment.

For the remaining four exploration licence application areas, drill planning and a series of protected species and habitat surveys are being undertaken expected to conclude in September, in preparation for the submission of the Natura Assessment by November 2022. This will be followed by the same approximate 10-month process as detailed above for a decision to be made by the relevant Finnish regulatory bodies in relation to the award of the exploration licences.

The Martimoaapa – Lumiaapa – Penikat Natura 2000 site is an important habitat for several protected species, including large birds of prey and rare flora. The surveys being undertaken by the Company across the exploration licence areas intends to identify important habitats and nesting sites, so that exploration plans can be adjusted to avoid and mitigate any potentially negative impact exploration activities might have on these important natural values.

Local stakeholder meetings have recently been held within the communities surrounding the Penikat project in April and May. The purpose of these meetings was to provide stakeholders an update on the project and ensure they can give feedback and ask questions in person as well as through our online feedback system.

Porsanger Project, Norway

A drilling permit application has been submitted, and a formal response date has been set by the Directorate of Mining as mid-August (this includes a two-week extension requested by the local reindeer herders association). Additional permits for related water use and helicopter air traffic dispensation have been approved, and an archaeological survey completed. The Company is targeting drilling to commence during the December 2022 quarter, however timing is dependent on weather conditions and the requirement to accommodate reindeer herding use of the area.

Additional stakeholder meetings took place in mid-July 2022 with FeFo (Finnmark's second largest landowner who manage 95% of the land area) which focussed on Kingsrose's approach to stakeholder engagement relating to the Porsanger project, and to give an update on the drilling application progress.

Sállir Natur environmental consultants attended the project site in July 2022 and completed species and habitats surveys of the Porsvann drilling area. This is being done at the election of Kingsrose for an internal environmental impact assessment of drilling, to further support drill permitting and local stakeholder engagement.

CORPORATE

Related Party Payments

The following payments to Related Parties of the Company and their associates were made during the quarter:

Director Salaries and Non-Executive Director Fees	A\$ 135,000
Drilling services provided by an entity associated with a director	A\$ 175,000
Total	A\$ 310,000

Cash On Hand as at June 30, 2022

Cash & Term Deposits	A\$ 27.62M
Total	A\$ 27.62M

Capital Structure

The Company's Capital Structure as at June 30, 2022 was as follows:

Ordinary Fully Paid Shares	752,526,519
Options	35,500,000 (various strike prices and expiry dates)
Performance Rights	7,000,000 (various expiry dates)

SUMMARY OF MINING TENEMENTS AND AREAS OF INTEREST

Project/Tenement Held	Location	Tenement Number	Equity Interest at Quarter End	Change in Entity's Interest During the Quarter
Way Linggo Gold Project, Indonesia				
4 th generation Contract of Work with the Government of the Republic of Indonesia	Lampung Province, South Sumatra, Indonesia	N/A	85%	N/A
Penikat Platinum Group Element-Copper-Nickel Project, Finland				
Ala Penikka Exploration Licence Application (pending)	Lapland, Finland	ML2021:0132	100%	
Penikat Kaltio Exploration Licence Application (pending)	Lapland, Finland	ML2021:0133	100%	
Penikat Pooki Exploration Licence Application (pending)	Lapland, Finland	ML2021:0134	100%	
Keski-Penikka Exploration Reservation	Lapland, Finland	VA2021:0065	100%	
Yli-Penikka Exploration Reservation	Lapland, Finland	VA2021:0069	100%	
Porsanger Platinum Group Element-Copper-Nickel Project, Norway				
Porsanger-A Exploration Licence	Finnmark, Norway	0165/2019	100%	
Porsanger-B Exploration Licence	Finnmark, Norway	0166/2019	100%	
Porsanger-C Exploration Licence	Finnmark, Norway	0167/2019	100%	
Porsanger-D Exploration Licence	Finnmark, Norway	0168/2019	100%	
Porsanger-E Exploration Licence	Finnmark, Norway	0169/2019	100%	

-ENDS-



This Quarterly Activities Report has been released with authority from the Board of Directors.

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For more information regarding the Company's activities, please visit our website www.kingsrosemining.com

About Kingsrose Mining Limited

Kingsrose Mining Limited is a leading ESG-conscious and technically proficient mineral exploration company listed on the ASX. In 2021 the Company commenced a discovery-focused strategy, targeting the acquisition and exploration of Tier-1 mineral deposits, that resulted in the acquisition of the Penikat and Porsanger PGE-Nickel-Copper projects in Finland and Norway respectively. The Company previously operated the Way Linggo mine in Indonesia, having produced over 200koz gold and 1.5MOz silver, and is currently assessing opportunities for the divestment of this project.

Forward-looking statements

This report includes forward-looking statements, including forward looking statements relating to the future operations of the Company. These forward-looking statements are based on the Company's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of the Company, which could cause actual results to differ materially from such statements. The Company makes no undertaking to subsequently update or revise the forward-looking statements made in this announcement to reflect the circumstances or events after the date of this announcement.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by COVID-19.

Competent Persons Statement

The information in this report that relates to Exploration Results at Way Linggo was first reported by the Company in compliance with the 2012 edition of the JORC Code in ASX announcements dated 20 January 2022 and 3 May 2022.

The information in this report that relates to Exploration Results at the Penikat Project was first reported by the Company in compliance with the 2012 edition of the JORC Code in ASX an announcement dated 5 May.

The information in this report that relates to the Exploration Target at the Penikat Project was first reported by the Company in compliance with the 2012 edition of the JORC Code in an ASX announcement dated 28 June 2022.

The information in this report that relates to the Exploration Results at the Porsanger Project was first reported by the Company in compliance with the 2012 edition of the JORC Code in an ASX announcement dated 28 June 2022.



The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX releases referred to above and it further confirms that all material assumptions and technical parameters underpinning the exploration results and exploration target continues to apply and have not materially changed.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Kingsrose Mining Limited

ABN

49 112 389 910

Quarter ended ("current quarter")

30 June 2022

Consolidated statement of cash flows		Current quarter	Year to date
		\$A'000	(12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	3	329
1.2	Payments for		
	(a) exploration & evaluation	(67)	(364)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(587)	(1,964)
	(e) administration and corporate costs	(539)	(1,221)
1.3	Dividends received	-	-
1.4	Interest received	57	108
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other – Site care & maintenance costs	(93)	(1,149)
	– VAT refund received	-	-
1.9	Net cash from / (used in) operating activities	(1,227)	(4,262)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	(389)
	(b) tenements	-	-
	(c) property, plant and equipment	(14)	(90)
	(d) exploration & evaluation	(108)	(783)
	(e) investments	-	-
	(f) other non-current assets	-	-

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	192	192
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received	-	-
2.5	Other	-	-
2.6	Net cash from / (used in) investing activities	70	(1,070)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	171	207
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Repayment of hire purchases)	-	(6)
3.10	Net cash from / (used in) financing activities	171	201

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	26,648	30,571
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,227)	(4,262)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	70	(1,070)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	171	201
4.5	Effect of movement in exchange rates on cash held	1,965	2,187
4.6	Cash and cash equivalents at end of period	27,627	27,627

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	4,220	2,476
5.2	Call deposits	23,407	24,172
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	27,627	26,648

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	310
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
Item 6.1 consists of:		
- Directors' salaries and fees A\$135K		
- Drilling services provided by an entity associated with a director A\$175K		

7.	Financing facilities <i>Note: the term “facility” includes all forms of financing arrangements available to the entity.</i> <i>Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A’000	Amount drawn at quarter end \$A’000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
N/A			

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,227)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(108)
8.3	Total relevant cash inflows / (outgoings) (item 8.1 + item 8.2)	(1,335)
8.4	Cash and cash equivalents at quarter end (item 4.6)	27,627
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	27,627
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	21

Note: If the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

Note: Where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 July 2022

Authorised by:



Joanna Kiernan, Company Secretary