

KINGSROSE MINING LIMITED

Quarterly Report for the Period Ended September 30, 2021

Kingsrose Mining Limited (ASX: KRM) (“Kingsrose” or the “Company”) is pleased to provide an update on its activities for the September 2021 quarter.

HIGHLIGHTS

- **Cash balance of A\$30.7m at September 30, 2021 (June 30, 2021: A\$30.6m)**
- **Updated Mineral Resource estimate of 1.4 million tonnes at 5.4 g/t gold and 18 g/t silver for 240 thousand ounces of gold and 790 thousand ounces of silver at Talang Santo**
- **Regional exploration at Way Linggo project ongoing and discovers new Maul Vein**

EXECUTIVE SUMMARY

In addition to the publication of an updated Mineral Resource at Talang Santo during the quarter, the Company’s operations focused on regional exploration and reclamation within the Way Linggo Contract of Work (“CoW”), and due diligence of third-party exploration assets as a part of the Company’s strategy to acquire additional exploration projects.

Highlights of the Talang Santo updated Mineral Resource are as follows:

- **1.4 million tonnes at 5.4 g/t gold and 18 g/t silver for 240 thousand ounces of gold and 790 thousand ounces of silver** calculated at a 2.0 g/t gold cut-off in combined Indicated and Inferred Mineral Resource categories
- **A 70 per cent increase in contained gold ounces and 120 per cent increase in contained silver ounces** in the Inferred Mineral Resource category compared to the previous estimate announced September 2020
- **Includes a higher-grade portion of 0.68 million tonnes at 7.7 g/t gold and 26 g/t silver for 170 thousand ounces of gold and 570 thousand ounces of silver** at a 4.0 g/t gold cut-off in combined Indicated and Inferred Mineral Resource categories

Following compilation and review of historical exploration data, exploration at the Way Linggo project has focused on several areas of outcropping epithermal veining where a combination of soil sampling, mapping and trenching have been ongoing. This work has resulted in the new discovery of the Maul Vein to the west of the Talang Santo mine, which has now been mapped over a 300-metre strike length and between four to eight metres wide, as described further herein.

Reclamation has been progressing well and is anticipated to be completed by the end of 2021, at which point the Company expects to be entitled to the reimbursement of over US\$300,000 from bonds previously paid to the Indonesian Government. However, such repayment is subject to an independent inspection by the Mines Department and this process is currently suspended due to COVID-19 restrictions in Indonesia.

A dedicated due diligence team has been focused on the review of potential acquisition and joint venture opportunities, including several due diligence site visits. The Company will keep shareholders updated on any material developments.

During the quarter Kingsrose also unveiled its new branding, website and corporate presentation, and will be progressively increasing investor engagement, including attending the upcoming 121 Mining Investment Conference in London on 17-18 November 2021.

ASX:KRM

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SAFETY

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

Site experienced one lost time injury and no restricted duty or medically treated injuries in the quarter. The 12-month moving average Lost Time Injury Frequency Rate (LTIFR) was 2.80 (June 2021 quarter: 2.36). The Total Recordable Injury Frequency Rate (TRIFR) for the site at the end of the quarter was 6.17 (June 2021 quarter: 4.73).

The increase in LTIFR and TRIFR during the quarter is primarily related to a substantial reduction in total manhours, rather than an increase in the absolute number of accidents or injuries.

OPERATIONS

The Company's Care and Maintenance Plan continued to be adhered to with the aim of ensuring all major parts 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.

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

Soil sampling, mapping and trenching has been conducted across the CoW during the quarter, resulting in the identification of three high priority targets, described below. Assay results and interpretations for trenching at the Maul and Silver Vein targets are pending at the time of writing. Prospect and trench locations are shown on Figures 1 and 2:

Maul Vein

The Maul Vein is a newly discovered, largely concealed, four to eight metre thick, vein breccia system located 500 metres west of the Talang Santo open pit. Trenching has exposed the vein beneath one to three meters of alluvial cover and over a strike length of at least 300 metres. The vein strikes under deep alluvial cover to the southeast and displays high level epithermal quartz textures and mineralogy, indicative of being located above the main precious metal interval.

Silver Vein

Trenching 250 metres south of Talang Santo on the Silver Vein has intercepted a 0.4 to 5 metre thick, epithermal quartz vein zone over a strike length of at least 250 metres. The Silver Vein also displays high level epithermal vein textures and mineralogy.

Way Linggo Corridor

Data review has identified a 2.4 km long, NW-SE vein trend located between the past producing Way Linggo mine and the Semung Kecil prospect to the southeast. Epithermal veins and stockworks occur along this lineament but there has been little follow up work to date. Mapped veins are coincident with a linear magnetic low and adjacent resistivity high, inferred to represent clay and silica alteration associated with a large-scale structural feature. Small but high-grade gold in soil anomalies are located at the north-western and south-eastern parts of the vein trend, with no soil sampling completed on the central part of the trend.

To date, in 2021 the Company has completed 562 soil samples, 516 rock chip and float samples, and 828 channel samples as part of a regional exploration program to identify additional drill targets within the CoW, with these exploration activities incurring costs of A\$202,000 during the quarter. Exploration will continue to develop the existing and new exploration targets for the duration of 2021.

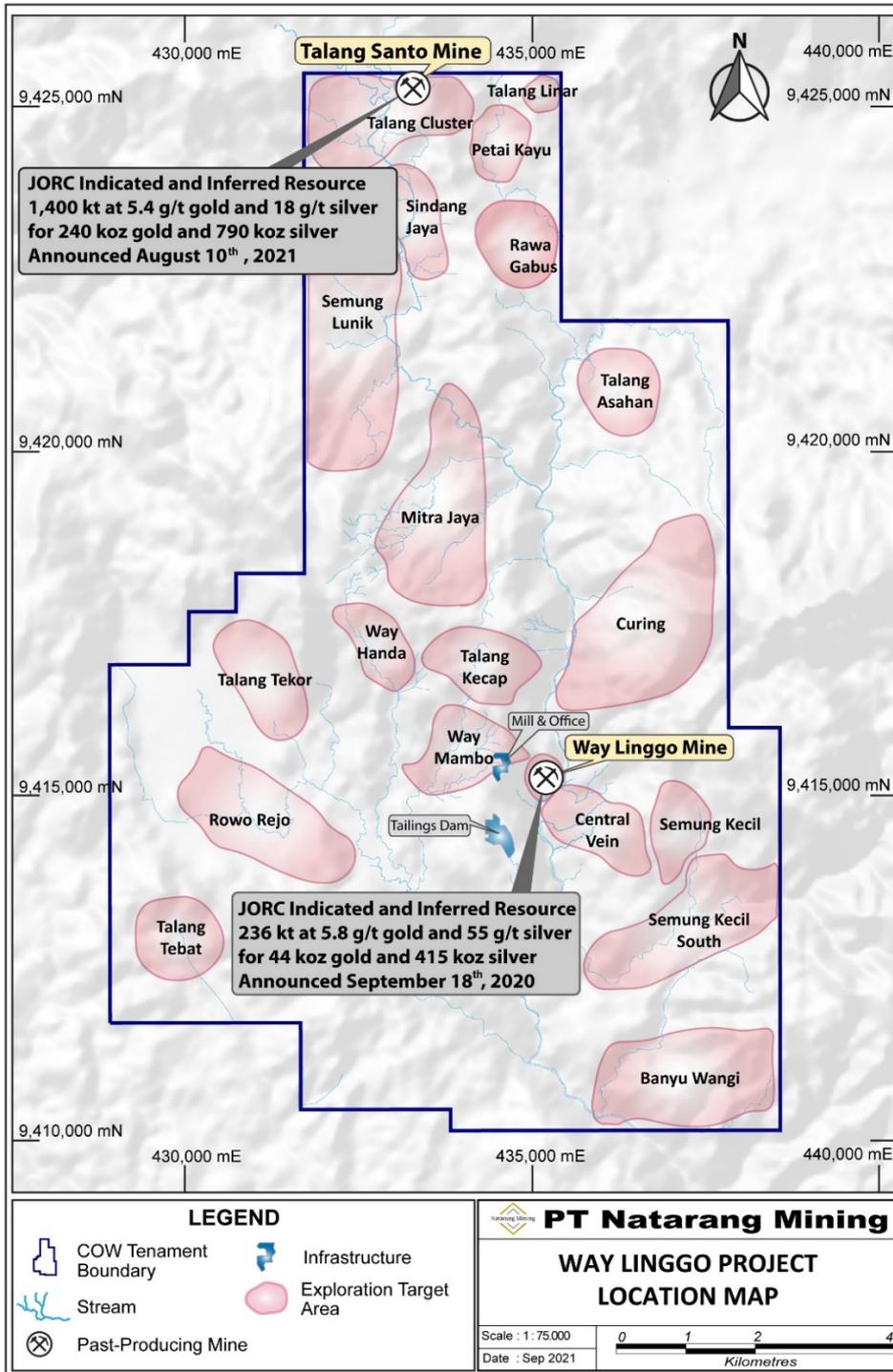


FIGURE 1: Map showing prospects and deposits, Way Linggo Project

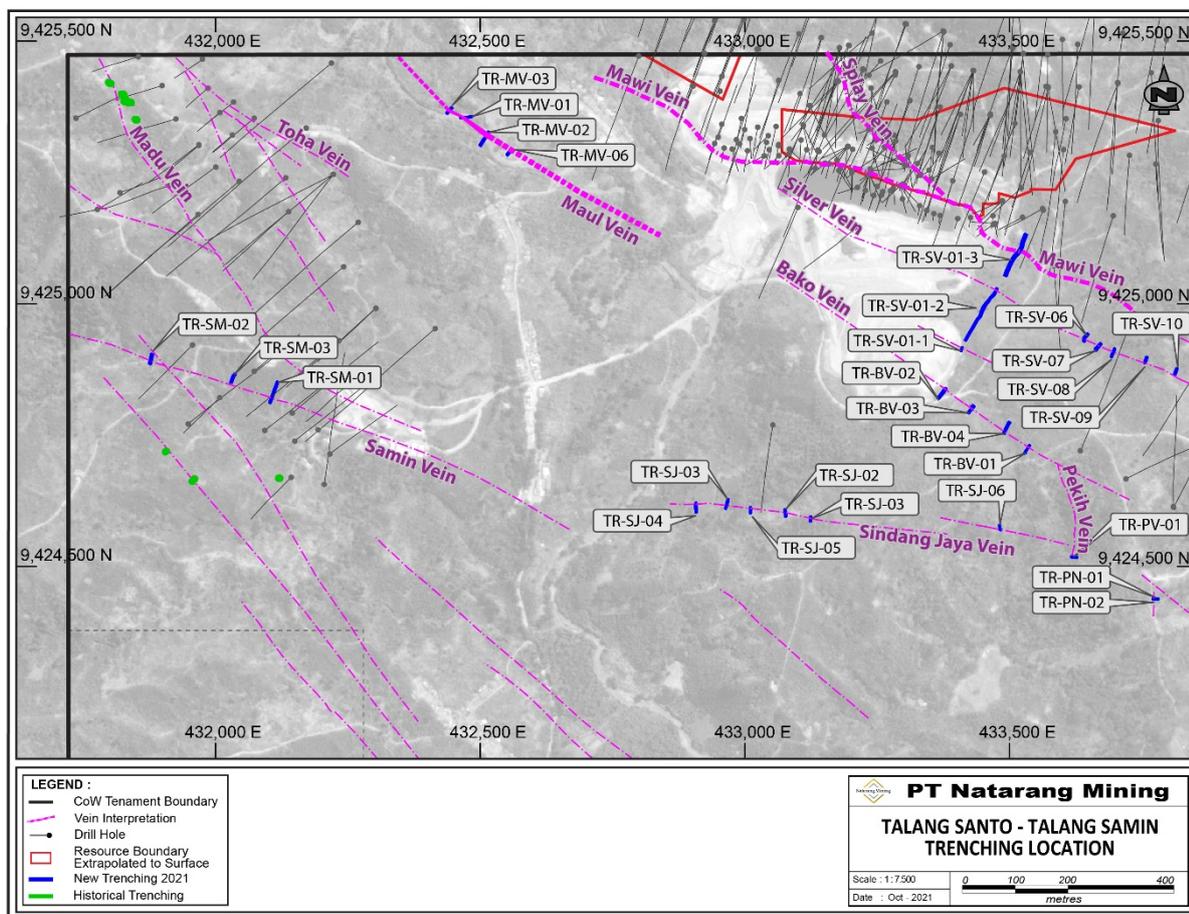


FIGURE 2: Map showing location of trenches completed in 2021 in the Talang Santo area

TALANG SANTO MINERAL RESOURCE UPDATE

The Company reported an updated Mineral Resource to the market in an ASX announcement dated 10 August 2021 as shown in Table 1 below. The Mineral Resource update incorporates the results of ten additional diamond drillholes, for a total of 5,121 metres, targeting the down plunge extension of the Talang Santo deposit (Figures 3 and 4). The deposit remains open down plunge to the southeast (Figure 4).

TABLE 1: Talang Santo Mineral Resource above a 2.0 g/t gold cut-off grade – As at 30 June 2021

Resource Category	Tonnes (kt)	Gold Grade (Au g/t)	Contained Gold (koz)	Silver Grade (Ag g/t)	Contained Silver (koz)
Measured	-	-	-	-	-
Indicated	240	6.0	47	13	100
Inferred	1100	5.3	190	19	690
Total	1400	5.4	240	18	790

Note: Data is reported to two significant figures to reflect the precision of the estimates. This may result in some apparent discrepancies in totals

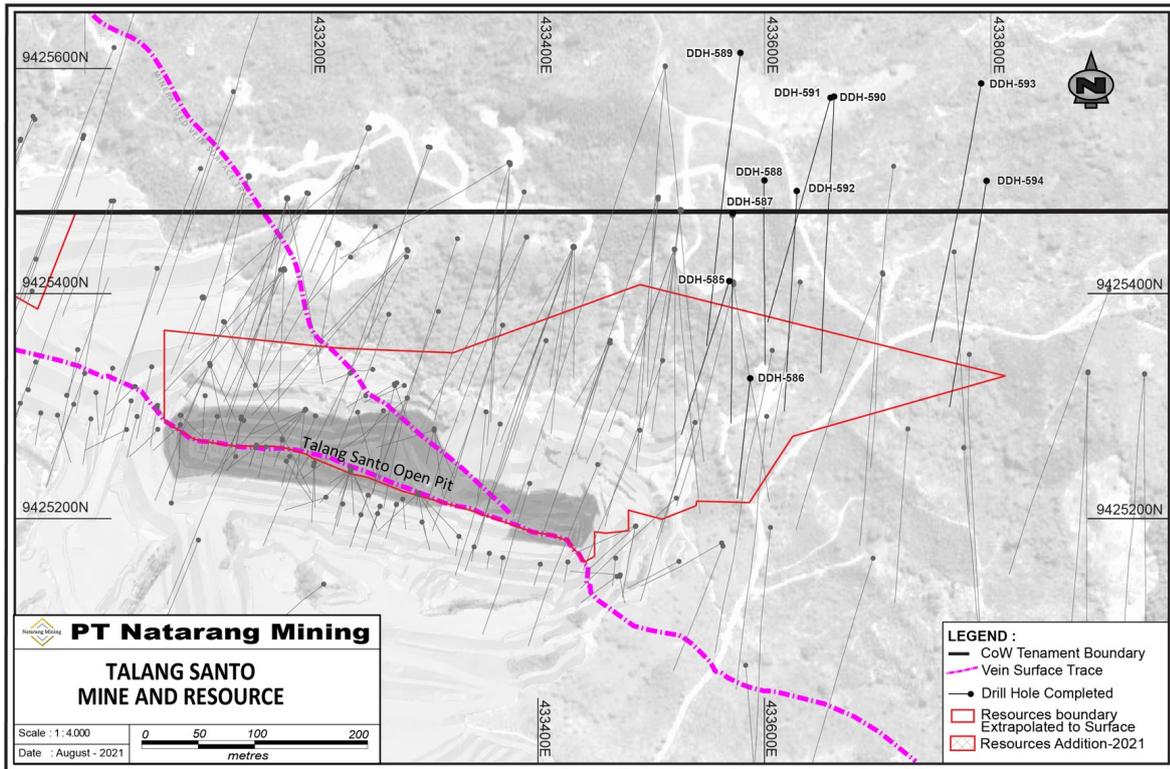


FIGURE 3: Map showing Talang Santo drilling, updated resource outline projected to surface, and open pit location.

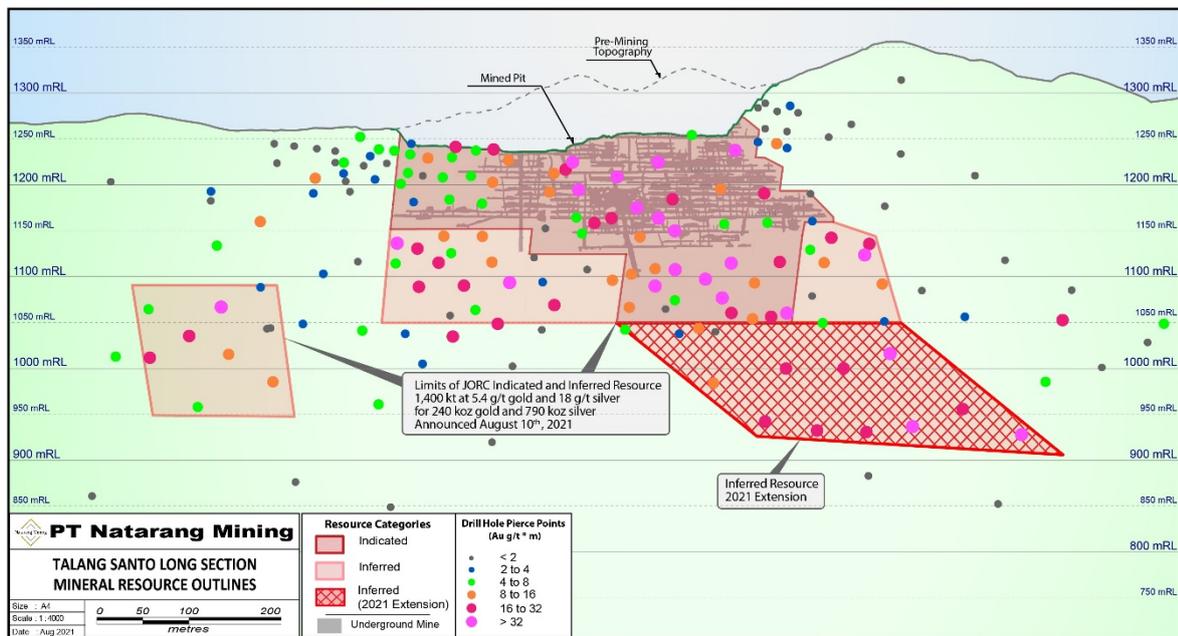


FIGURE 4: Long section of the Talang Santo Main Zone (looking to northeast) showing drilling intersections coloured by gold g/t*metres and Mineral Resource Classification areas.

COMMUNITY AND THE ENVIRONMENT

Community

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.



Goat Farm Program and Medicinal Herb Plant Farm

Environment

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.



Seeding and planting activities



Spreading soil at ex ore stockpile Talang Santo



Construction of Talang Santo Pit Spillway

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
Total	A\$ 135,000

Cash On Hand as at September 30, 2021

Cash & Term Deposits	A\$ 30.69m
Total	A\$ 30.69m

Capital Structure

The Company's Capital Structure as at September 30, 2021 was as follows:

Ordinary Fully Paid Shares	730,007,352
Options	13,200,000 (various strike prices and expiry dates)
Performance Rights	5,000,000 (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
4 th generation Contract of Work with the Government of the Republic of Indonesia	Lampung Province, South Sumatra, Indonesia	N/A	85%	N/A

-ENDS-

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

For more information please contact:

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

Competent Persons Statement

The information in this report that relates to Exploration Results was first reported by the Company in compliance with the 2012 edition of the JORC Code in ASX announcements dated 10 August 2021. 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 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 September 2021

Consolidated statement of cash flows		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	215	215
1.2	Payments for		
	(a) exploration & evaluation	(202)	(202)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(519)	(519)
	(e) administration and corporate costs	(288)	(288)
1.3	Dividends received	-	-
1.4	Interest received	16	16
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	(277)	(277)
	– VAT refund received	-	-
1.9	Net cash from / (used in) operating activities	(1,055)	(1,055)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(52)	(52)
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

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

Consolidated statement of cash flows		Current quarter	Year to date (3 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	-	-
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	(52)	(52)
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	-	-
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)	(5)	(5)
3.10	Net cash from / (used in) financing activities	(5)	(5)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	30,571	30,571
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,055)	(1,055)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(52)	(52)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	(5)
4.5	Effect of movement in exchange rates on cash held	1,230	1,230
4.6	Cash and cash equivalents at end of period	30,690	30,690

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	6,630	6,630
5.2	Call deposits	25,060	25,060
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	30,690	30,690

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	135
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\$0K		

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. 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			

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

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,055)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	-
8.3	Total relevant cash inflows / (outgoings) (item 8.1 + item 8.2)	(1,055)
8.4	Cash and cash equivalents at quarter end (item 4.6)	30,690
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	30,690
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	29

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: 28 October 2021



Authorised by: Joanna Kiernan, Company Secretary