



KINGSROSE
MINING LIMITED

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Quarterly Report for the Period Ended March 31, 2021

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

HIGHLIGHTS

- **Cash and bullion of A\$32.9m (including cash of A\$32.6m) at March 31, 2021 (December 31, 2020: A\$31.9m - including cash of A\$31.5m).**
- **Appointment of experienced mining executive Fabian Baker as Chief Executive Officer.**
- **Deep drilling at Talang Santo continued, with encouraging results highlighting gold mineralisation continuing at depth.**
- **Discovery focused regional exploration programme planned for the remainder of 2021.**

EXECUTIVE SUMMARY

During the quarter, Kingsrose made significant progress with its transition from gold producer to a company focussed on exploration and discovery with the appointment of experienced geologist and mineral exploration executive Fabian Baker as Chief Executive Officer. Fabian’s appointment, when coupled with the appointment of three new Non-Executive Directors last quarter, ensures Kingsrose is well placed to deliver on the Company’s new exploration focussed strategy.

Drilling was ongoing during the quarter returning encouraging results indicating the presence of a zone of consistent high-grade gold mineralisation below the current reported Mineral Resource at the Talang Santo deposit.

Extensive planning was undertaken to develop a systematic discovery focused regional exploration program during the quarter to test many of the exploration targets identified on the Company’s highly prospective 100km² Contract of Work. (Refer ASX Announcement 8 April 2021).



SAFETY

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 1.75 (December 2020 quarter: 1.16). The Total Recordable Injury Frequency Rate (TRIFR) for the site at the end of the quarter was 3.51 (December 2020 quarter: 2.33).

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

During the quarter, the detailed COVID-19 Management Protocol was rigorously adhered to. Key aspects of the safety rules included the reduction of site staff numbers to essential personnel only, extending rosters to minimise travel of personnel, rapid testing and mandatory isolation protocols for all visitors and employees returning to site.

OPERATIONS

A thorough review of the Care and Maintenance Plan was conducted to better reflect the Company's exploration strategy and to reduce ongoing costs. This resulted in more comprehensive mothballing and preservation of components of the processing plant and mobile equipment, while ensuring that all equipment required to support exploration and environmental commitments are maintained in good working order.

Geotechnical assessments were routinely undertaken during the quarter to ensure all mine areas were stable. Additional monitoring was undertaken in response to heavy rainfall events experienced on site during the quarter.. Areas closely monitored include the tailings storage facility, completed open pits, radio tower and buildings at the Way Linggo camp and the water level in the Talang Santo pit.

EXPLORATION

With the conclusion of production from the Talang Santo and Way Linggo deposits, Kingsrose has transitioned from producer to an exploration company currently developing an aggressive, results driven exploration program on its highly prospective Way Linggo Contract of Work.

In addition, considering the Company's substantial treasury, management intends to seek out and assess other exploration and mining project acquisition opportunities within Indonesia as well as in other jurisdictions.

TALANG SANTO DEEP DRILLING PROGRAMME

The Talang Santo Phase 2 Deep Drilling Programme (**Deep Drilling Programme**) commenced in February 2020, however due to the Covid-19 pandemic drilling was suspended in May 2020 with 11 holes totalling 4,441m, having been completed.

Drilling resumed in September 2020 with six drill holes, completed and sampled during the December 2020 quarter and an additional two drill holes completed and sampled during the March 2021 quarter.



Results returned from DDH-592, one of the two holes completed during the quarter demonstrated the occurrence of very high-grade mineralising events.

**DDH-592 4.75m @ 14.2 g/t Au and 81.5 g/t Ag from 418.85m
(including 1.2m @ 39.7 g/t Au and 237.3 g/t Ag)**

Results from the Deep Drilling Programme have identified a zone of consistent high-grade gold mineralisation that is plunging steeply to the northeast and is open at depth (Figure 1). Drilling indicates that the vein is thickening and becoming more coherent at depth, with increased development of typical epithermal vein textures including ‘ginguro’ banding and hydrothermal brecciation that host narrow, very high grade “events” up to 97 g/t gold over 0.3 metres within the DDH-592 intersection. Of particular interest is the presence of ‘ginguro’ banded clasts transported within the hydrothermal breccias, suggesting that further high-grade banded veining could persist at depth.

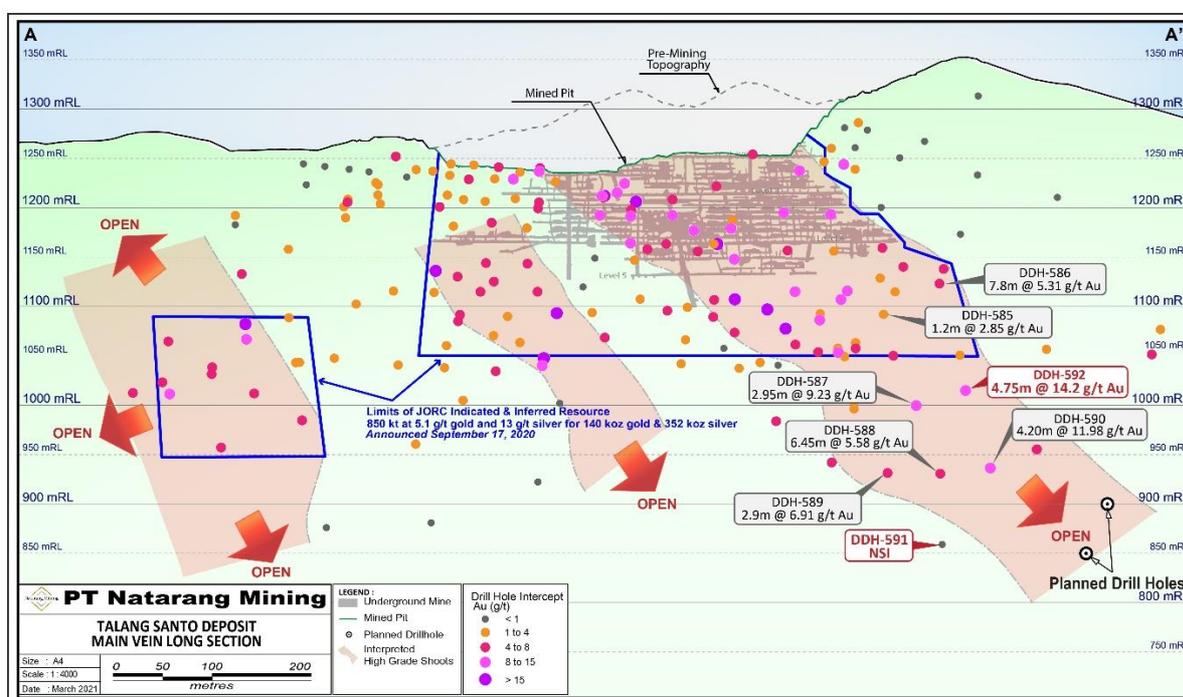


Figure 1. Long section of the Main Mawi Vein at Talang Santo showing recent drill intersections and interpreted high-grade shoots dipping steeply to the east in the plane of the vein (new drill holes reported here are shown highlighted in red)

Following these pleasing results, additional drilling was undertaken to target the down plunge extension. Results are still pending.

Highlights of Talang Santo Phase 2 Deep Drilling Programme assay results received, as previously reported, include:

DDH-586	7.80m @ 5.31 g/t Au from 248.2m (including 1.7m @ 10.5 g/t Au from 251.00m)
DDH-587	2.95m @ 9.23 g/t Au from 416.8m (including 1.2m @ 18.4 g/t Au from 418.20m)
DDH-588	6.45m @ 5.58 g/t Au from 485.9m (including 1.05m @ 16.1 g/t Au from 490.05m)
DDH-589	2.90m @ 6.91 g/t Au from 505.1m (including 0.9m @ 12.4 g/t Au from 505.1m)
DDH-590	4.20m @ 11.98 g/t Au from 489.75m (including 1.25m @ 32.2 g/t Au from 490.55m)

During the quarter, a total of 1,440 metres were drilled incurring costs of A\$415,516.

COMMUNITY AND THE ENVIRONMENT

Community

During the quarter, 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, road improvements and road construction between villages following heavy rainfall and general agricultural and construction assistance. The Company is pleased to report that its 85%-owned subsidiary, PT Natarang Mining, was presented an award for best in 'Community Empowerment' by the Tanggamus Province Government, where the majority of the Way Linggo Contract of Work is located.

Environment

The site practises continuous rehabilitation and revegetation to manage and minimise its environmental impact. During the quarter, a significant number of trees were planted in several reclamation areas with reshaping and spreading of topsoil continuing in the Talang Santo areas. Environmental monitoring of sedimentation ponds, the tailings storage facility and ground water was ongoing in line with statutory requirements.

CORPORATE

During the quarter, the Company appointed experienced geologist and mineral exploration executive Fabian Baker as Chief Executive Officer. With Mr Baker's appointment as Chief Executive Officer, Dr Mike Andrews resumed the role of Non-Executive Chairman.

In addition, Non-Executive Director Daryl Corp was appointed Lead Independent Director, and the Company established an Audit and Risk Committee comprising Independent Non-Executive Directors Andrew Cooke (Chairman), John Carlile and Dr Tim Coughlin.



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\$ 60,000
Drilling services provided by an entity associated with a director	A\$ 433,000
Total	A\$ 493,000

CASH AND BULLION ON HAND AS AT MARCH, 31 2021

Cash & Term Deposits	A\$ 32.64M
Bullion ¹	<u>A\$ 0.33M</u>
Total	A\$ 32.97M

¹ Bullion includes unrefined (filter cake, doré) and refined gold (at A\$2,224/oz) and silver (at A\$32/oz).

CAPITAL STRUCTURE

The following securities were issued during the quarter:

- 5,000,000 Options (5.9 cents, 8 February 2026)
- 2,500,000 Performance Rights (Expiry 30 June 2022)
- 2,500,000 Performance Rights (Expiry 30 June 2023)

The Company's Capital Structure as at 31 March 2021 was as follows:

Ordinary Fully Paid Shares	730,007,352
Options	10,200,000 (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.au

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 announcement's dated 21 January 2021 and 2 March 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")

31 March 2021

Consolidated statement of cash flows		Current quarter	Year to date (9 months)
		\$A'000	\$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	17,236
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	(619)	(1,151)
	(c) production	-	(4,227)
	(d) staff costs	(318)	(1,360)
	(e) administration and corporate costs	(287)	(809)
1.3	Dividends received	-	-
1.4	Interest received	15	42
1.5	Interest and other costs of finance paid	(1)	(6)
1.6	Income taxes paid	(344)	(697)
1.7	Government grants and tax incentives	-	-
1.8	Other – Site care & maintenance costs	(691)	(1,177)
	– VAT refund received	3,116	3,534
1.9	Net cash from / (used in) operating activities	871	11,385
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	(11)
	(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 (9 months)
		\$A'000	\$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	7	37
	(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	7	26
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)	(29)	(69)
3.10	Net cash from / (used in) financing activities	(29)	(69)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	31,501	23,072
4.2	Net cash from / (used in) operating activities (item 1.9 above)	871	11,385
4.3	Net cash from / (used in) investing activities (item 2.6 above)	7	26
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(29)	(69)
4.5	Effect of movement in exchange rates on cash held	293	(2,918)
4.6	Cash and cash equivalents at end of period	32,643	31,496

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	8,915	14,583
5.2	Call deposits	23,728	16,918
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	32,643	31,501

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	493
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\$60K		
- Drilling services provided by an entity associated with a director A\$433K		

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)	871
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)	871
8.4	Cash and cash equivalents at quarter end (item 4.6)	32,643
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	32,643
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	N/A

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?

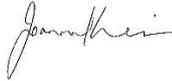
Answer: N/A

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: 27 April 2021



Authorised by: **Joanna Kiernan, Company Secretary**