



KINGSROSE
MINING LIMITED

19 November 2020

CHAIRMAN'S ADDRESS TO SHAREHOLDERS
2020 ANNUAL GENERAL MEETING OF SHAREHOLDERS

I am pleased to have this opportunity to present a review of the Company's achievements and successes during the last twelve months and provide some insight on our plans for growth and building shareholder value going forward.

OPERATIONAL ACHIEVEMENTS

Over the past four quarters (Dec Q 19 to Sept Q 20) Kingsrose has had outstanding success in completing the current phase of Gold and Silver production from its Way Linggo project in Sumatra, Indonesia. 25,563 ounces of Gold and 178,309 ounces of Silver have been produced from the final stages of the Way Linggo and Talang Santo Open Pits, exceeding published production guidance. This production was achieved at an average cash cost of US\$568 /oz and an "All In Sustaining Cost" of US\$723 /oz. Thanks in no short order to the management and staff's resilience and diligence who worked tirelessly to overcome the significant challenges presented by a couple of geotechnical issues encountered in the open pit mining and especially the operational constraints due to the COVID-19 pandemic.

This highly profitable production has allowed the Company to build a solid cash position of A\$37 million (31 Oct 2020) which provides the necessary financial strength to advance its Way Linggo project and also evaluate alternative growth opportunities.

At Talang Santo, a Phase One deep drilling programme of 21 holes for 7,318 m was completed in November 2019 and a further Phase Two programme (11 holes for 4,218 m) was carried out between February and May 2020. This drilling targeted mineralisation beneath the original Talang Santo underground mine and confirmed that the high-grade mineralisation continues to depth. This drilling also informed the re-estimation of a JORC Code 2012 compliant mineral resource estimate for Talang Santo of 850,000 tonnes grading 5.1 g/t Au and 13 g/t Ag for 140,000 ounces of Gold and 350,000 ounces of Silver reported in September 2020.

BOARD OF DIRECTORS AND MANAGEMENT CHANGES

I must report that changes to the Kingsrose Board of Directors are in progress.

Unfortunately our Managing Director Karen O'Neill has tendered her resignation and plans to leave at the year end. Karen has made a very considerable contribution in leading the Company during the challenging period of the last two years. I would like to thank Karen for the hard work, diligence and attention to detail she has displayed as managing director. She had been responsible for leading the drive to streamline the mining operations, increasing profitability and building the Company's substantial treasury.

John Morris, a founding director of the Company, announced his retirement at the end of September. John played a key role in the formation and public listing of the Company and provided significant leadership over the years; his leadership was especially important in the successful steering of the Company through the administration process in 2017. The key role John has undertaken for the Company is much appreciated.

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Peter Lester indicated he would not be standing for re-election as non-executive director at this Annual General Meeting due to increasing work commitments in his other roles. Peter's senior mining executive experience has led to valuable contributions during his time on the Board and I wish him every success in his future endeavours.

Following this Shareholders' Meeting, the Board will hold a meeting to appoint three new directors to the Board who bring substantial experience in exploration, engineering and corporate affairs within the mining industry. It is planned to appoint an experienced Chief Executive Officer in the first Quarter 2021.

FUTURE STRATEGY

With the completion of the current phase of production from the Way Linggo project the Company will refocus on exploration and acquisition as catalysts for growth and value creation.

A three-pronged approach will be assessed by the new Board comprising:

1. Resource Expansion

A Drilling programme is planned to expand the Talang Santo resource base. The key objective will be to demonstrate the potential for a large resource on which to base future development decisions. It is recognised that the Company is very well positioned to restart production in the Way Linggo area which already has an efficient processing plant (which has consistently achieved over 95% recoveries), permitted tailings storage facility, haul roads and mine camp. In addition, we have recognised and proven operating expertise in Indonesia. However a decision to restart underground mining would require a substantial increase in the current resource inventory to support a significant production level.

Two diamond drill rigs are already in action targeting resource expansion at Talang Santo. The objective will be to have a revised JORC compliant mineral resource estimate for Talang Santo by mid 2021.

2. Exploration

Through its 85% owned Indonesian subsidiary, PT Natarang Mining, Kingsrose holds secure Contract of Work tenure over 100 sq km of Tertiary volcanic arc geology which is highly prospective for the discovery of additional epithermal gold mineralisation. Our Contract area lies in a zone of structural complexity immediately adjacent to the Trans-Sumatra Fault, a major strike-slip fault running the length of the island of Sumatra. Most of the significant epithermal Gold mineralisation on Sumatra is structurally related to the Trans-Sumatra fault and hosted in similar volcanic rocks to those found in the Way Linggo area. Examples include the major producing Martabe Mine (Reserves +7M oz Au at end 2019) and past producers Lebong Tandai (1.4 M oz Au production) and Lebong Donok (1.3 M oz Au production).

Kingsrose has carried out various exploration programmes within the Contract area since 2009, building a large database of regional and prospect level geochemistry, geology and alteration mapping, as well as numerous land-based and airborne geophysical surveys.

A 2020 review of this work, by a leading structural geology consultant, has highlighted more than twenty Gold prospects in the Company's tenement at or near drill-ready stage that warrant drill testing for open-pittable and

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underground Gold deposits. Classification and prioritisation of targets include both “Near-mine” targets close to (<1.5 km) the existing pits as well as more greenfield prospects which have good potential for discovery of new ore bodies.

An in-house team of exploration geologists is being recruited and a focussed exploration programme is planned to begin early in the new year to systematically evaluate the potential of the tenement by prospect level exploration and scout drill testing of all priority targets.

3. Investment for Future Growth

In parallel with the exploration programmes described above, Kingsrose with a strong balance sheet and substantial treasury of approximately A\$37 million is well placed to pursue transactions such as joint venture earn-ins, mergers and acquisitions and other possible routes to acquire an interest in quality, advanced exploration and/or development opportunities.

It is intended that the Company will remain focussed on Gold and associated metals within low-risk, geopolitically stable, mining-friendly jurisdictions that will be priority areas targeted for identification and assessment of potential acquisitions.

It must be emphasised that Kingsrose fully recognises the considerable potential for resource expansion at Talang Santo and also the high prospectivity of its Way Linggo project area as a whole for new discoveries. Therefore any new acquisition opportunities considered must provide greater potential for substantial, long-term, growth and lower risk in order to compete for allocation of Company resources and funding.

With the change of emphasis from production towards exploration and acquisition, the Company will be well positioned to deliver increased shareholder value and market capitalisation by proving the value and potential of the Way Linggo asset, as well as identifying opportunities in synergistic projects.

In closing I would like to sincerely thank the outgoing Board and management for guiding the Company to this point in its development and I look forward to working with the new team moving forward.

I look forward to reporting our future progress to you in the year ahead.

Thank you for your participation today.

Mike Andrews
Chairman



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-ENDS-

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This announcement has been authorised for release to the ASX by the Board of Directors.

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