



KINGSROSE
MINING LIMITED

KINGSROSE MINING LIMITED

Quarterly Report for the Period Ended June 30, 2021

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

HIGHLIGHTS

- **Cash and bullion of A\$30.9m (including cash of A\$30.6m) at June 30, 2021 (March 31, 2021: A\$32.9m - including cash of A\$32.6m).**
- **Appointment of Chief Executive Officer Fabian Baker as Managing Director.**
- **Appointment of experienced finance executive Mark Smith as Chief Financial Officer strengthening the Company's management team.**
- **Drilling at Talang Santo continued, with results extending the high-grade gold-silver mineralisation up to 175m down plunge of the current reported Mineral Resource.**
- **Regional exploration programme ongoing at Way Linggo.**

EXECUTIVE SUMMARY

During the quarter, the Company continued to strengthen its executive management team with the appointment of Fabian Baker as Managing Director and Mark Smith as Chief Financial Officer.

Mark has held senior finance roles at Centamin PLC and brings a hands-on approach and track record that includes establishing exploration businesses in new jurisdictions.

Both Mark and Fabian's experience will be invaluable as Kingsrose works to implement its new discovery focussed strategy. This strategy is two pronged in its approach, firstly identifying exploration targets on its highly prospective 100 km² Way Linggo Contract of Work in South Sumatra and secondly, assessing other project acquisition opportunities.

In addition, encouraging progress was made during the quarter in relation to the Company's exploration programme with drilling at Talang Santo extending the high-grade gold-silver mineralisation up to 175m down plunge of the current reported Mineral Resource. Regional exploration is ongoing at Way Linggo with a team of geologists currently on site conducting geological mapping, soil sampling and trenching to identify new drill targets.



SAFETY

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

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 2.36 (March 2021 quarter: 1.75). The Total Recordable Injury Frequency Rate (TRIFR) for the site at the end of the quarter was 4.73 (March 2021 quarter: 3.51).

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 revised Care and Maintenance Plan developed last quarter continued with the aim of ensuring all components of the processing plant are secured and conserved, reducing the requirements for regular maintenance. Consequently, this has enabled a reduction of personnel on site, further reducing ongoing costs.

Geotechnical assessments were routinely undertaken during the quarter to ensure all mine areas were stable. As part of the Company's commitment to the long-term safety and sustainability of the Way Linggo site, a new spillway is under construction to provide ongoing management of the water level and improve the long-term stability of the Talang Santo open pit. The spillway will provide a passive and environmentally sustainable pathway for the flow of rain water through the existing settlement ponds in accordance with the Company's water discharge permissions.

EXPLORATION

The regional exploration programme commenced during the quarter, largely focussing on an extensive review of all historical exploration data to better refine future exploration plans and to identify high priority targets.

Exploration fieldwork including mapping, trenching, soil sampling and BLEG follow-up was ongoing.

In addition, management has commenced a focused due diligence programme to identify and assess other exploration and mining project acquisition opportunities within Indonesia as well as in other suitable jurisdictions.

TALANG SANTO DEEP DRILLING PROGRAMME

The Talang Santo Phase 2 Deep Drilling Programme commenced in February 2020, however due to the COVID-19 pandemic drilling was suspended in May 2020.

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. Following these encouraging results, additional drilling was undertaken to target the down plunge extension.

The results from this additional drilling extends the high-grade gold-silver mineralisation up to 175 metres down plunge of the current reported Mineral Resource.

Highlights included:

- DDH-594 returned:
 - **5.8 metres at 13.6 g/t gold and 64.2 g/t silver** (downhole) from 443.35 metres, 175 metres beneath the current reported Mineral Resources for Talang Santo.
 - including **0.5 metres at 120 g/t gold and 564 g/t silver** demonstrating the occurrence of very high-grade mineralising events.

DDH-594 expands the plunging, high-grade gold zone identified in recent drilling, intersecting mineralisation 100 metres down plunge of DDH-590 which returned **4.2 metres at 11.98 g/t gold** (refer to Company's ASX Announcement dated 21 January 2021), and mineralisation remains open at depth and along strike.

- DDH-593 did not return significant mineralisation from the Mawi Vein and is interpreted to have been drilled adjacent to the plunging high-grade gold zone.
- DDH-593 did return **0.7 metres at 6.1 g/t gold** from 291.30 metres that represents a separate vein and additional exploration target.

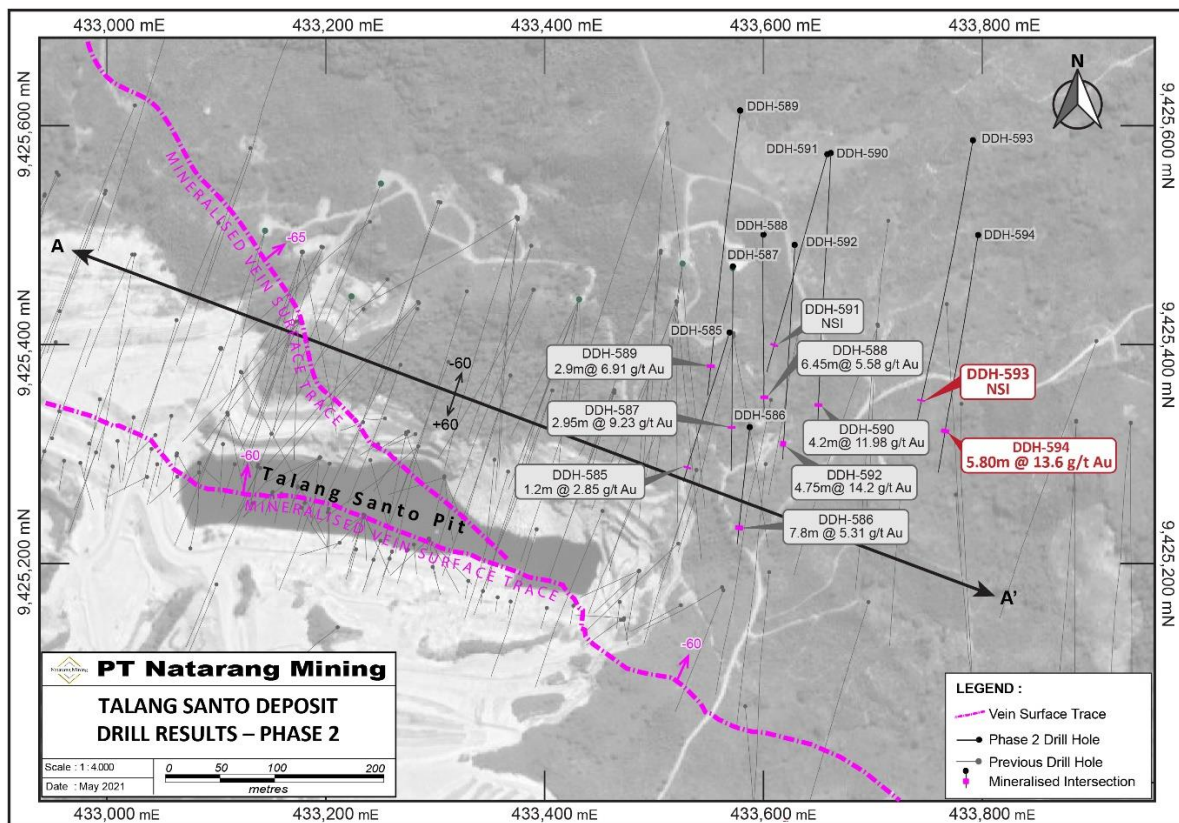


Figure 1. Plan view of the Talang Santo deposit showing the location of drill holes and projections of high-grade intervals in recent drilling (new drill holes reported here are highlighted in red).

For personal use only

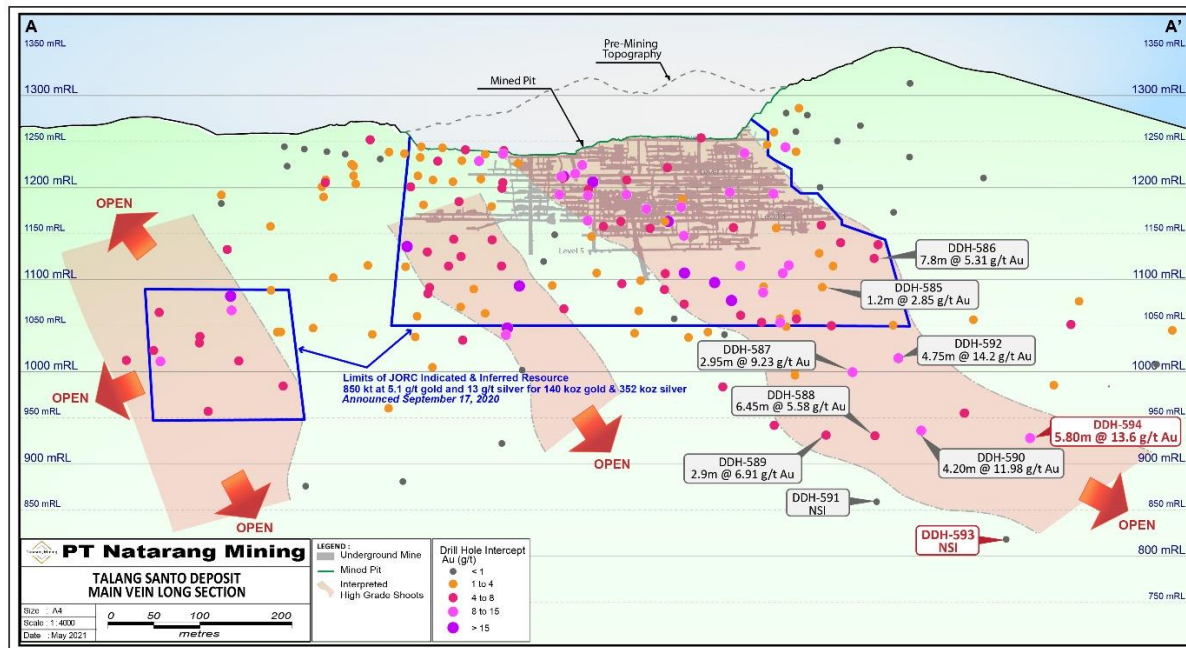


Figure 2. Long section of the Main Mawi Vein at Talang Santo showing recent drill intersections and interpreted high-grade shoots dipping steeply to the east in the plane of the vein (new drill holes reported here are highlighted in red).

During the quarter, a total of 259 metres were drilled at Talang Santo and a significant regional exploration programme was conducted, with these exploration activities incurring costs of A\$342,165.

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.



Figures 3 & 4 - Medicinal herb plant farm



Figure 5 – Monitoring community river to repair access

Figure 6 – Trenching activities at local communities to assist with access

Environment

The site practises continuous rehabilitation and revegetation to manage and minimise its environmental impact. During the quarter, in excess of 10,500 trees were planted 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.



Figures 7 & 8 – Site reclamation activities, reshaping areas, collecting and spreading topsoil and planting



CORPORATE

During the quarter, the Company appointed Mark Smith as Chief Financial Officer and Chief Executive Officer Fabian Baker was appointed to the Board as Managing Director.

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\$ 221,123
Total	A\$ 281,123

CASH AND BULLION ON HAND AS AT JUNE 30, 2021

Cash & Term Deposits	A\$ 30.57M
Bullion ¹	A\$ 0.34M
Total	A\$ 30.91M

¹ Bullion includes unrefined (filter cake, doré) and refined gold (at A\$2,352/oz) and silver (at A\$34/oz).

CAPITAL STRUCTURE

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

Fabian Baker
Managing Director
+61 8 9381 5588
info@kingsrosemining.com.au

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



KINGSROSE
MINING LIMITED

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 May 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.

For personal use only

Appendix 5B

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

Name of entity

Kingsrore Mining Limited

ABN

49 112 389 910

Quarter ended ("current quarter")

30 June 2021

Consolidated statement of cash flows		Current quarter	Year to date (12 months)
		\$A'000	\$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	149	17,385
1.2	Payments for		
	(a) exploration & evaluation	(342)	(758)
	(b) development	-	(1,151)
	(c) production	-	(4,227)
	(d) staff costs	(368)	(1,728)
	(e) administration and corporate costs	(252)	(1,061)
1.3	Dividends received	-	-
1.4	Interest received	16	58
1.5	Interest and other costs of finance paid	-	(6)
1.6	Income taxes paid	-	(697)
1.7	Government grants and tax incentives	-	-
1.8	Other – Site care & maintenance costs	(543) ¹	(1,304)
	– VAT refund received	-	3,534
1.9	Net cash from / (used in) operating activities	(1,340)	10,045
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(94)	(105)
	(d) exploration & evaluation	-	-

¹ 1.2(a) A year to date adjustment has been made in the June 2021 quarterly cashflow report to recognize March 2021 exploration and evaluation expenditure incurred of \$415,000 which was previously classified under item 1.8 - site care and maintenance costs.

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
	(e) investments	-	-
	(f) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	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	(94)	(68)
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)	(8)	(77)
3.10	Net cash from / (used in) financing activities	(8)	(77)
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	32,643	23,071
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,340)	10,045
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(94)	(68)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(8)	(77)
4.5	Effect of movement in exchange rates on cash held	(629)	(2,400)
4.6	Cash and cash equivalents at end of period	30,571	30,571

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	6,562	8,915
5.2	Call deposits	24,009	23,728
5.3	Bank overdrafts	-	-
5.4	Other	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	30,571	32,643

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	281
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\$231K		

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)	(1,340)
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)	(1,340)
8.4	Cash and cash equivalents at quarter end (item 4.6)	30,571
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	30,571
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	22.8

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: 30 July 2021



Authorised by:
Joanna Kiernan, Company Secretary

For personal use only