Kingsrose MINING

ANNUAL REPORT 2022

CONTENTS

CORPORATE DIRECTORY

Directors

Michael Andrews	Non-Executive Chairman
Fabian Baker	Managing Director
John Carlile	Non-Executive Director
Tim Coughlin	Non-Executive Director
Daryl Corp	Non-Executive Director
Andrew Cooke	Non-Executive Director

Company Secretary
Joanna Kiernan

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Stock Exchange Listing
Australian Securities Exchange (ASX: KRM)

Australian Business Number
49 112 389 910

On behalf of the Board of Directors, I am pleased to present the 2022 Annual Report for Kingsrose Mining Limited.

The past financial year has seen the Company take important strides in advancing its discovery-focused strategy with the acquisition of exploration assets in the Fennoscandian region and additions to management that reflect our commitment to technical excellence and sustainability in exploration.

In November 2021 the Company announced the acquisition of Element-46 Limited and its 100% owned Penikat and Porsanger PGE-nickel-copper exploration projects in Finland and Norway respectively. The transaction marked Kingsrose's entry into the highly prospective and stable jurisdictions of the Fennoscandian region, and interest in future facing critical metals.

At Penikat the Company has verified the substantial amount of historical data through reanalysis of drill core and mapping that defines a cumulative 25 kilometres strike length of outcropping mineralised reefs. This work culminated in the announcement of a multi-million ounce independent JORC (2012) Exploration Target that places Penikat as one of the highest-grade palladium dominant exploration projects globally. Permitting of exploration and resource drilling is underway via the preparation of Natura 2000 Assessments, in anticipation of drilling commencing in December 2023.

At Porsanger reanalysis of drill core has confirmed the broad intervals of palladium-platinum mineralisation reported in historical drilling, and indicated potential for concealed massive sulphide PGE-nickel-copper mineralisation. Kingsrose is in active dialogue with the local community and indigenous land users to permit a maiden drill programme in the Norwegian spring/summer of 2023.

Permitting and stakeholder engagement is being led by Finnish national Dr Katariina Koikkalainen, newly appointed Head of Sustainability, who brings a wealth of environmental and sustainability expertise in exploration and mining in the region. The Company is developing a sustainability reporting framework and incorporating these values at all levels of the Company's operations.

Meanwhile the Company's dedicated geology team, led by Andrew Tunningley, Head of Exploration, continue a systematic programme of business development and opportunities assessment to identify additional high conviction 'green energy metals' exploration projects to bring into the Kingsrose portfolio.

The Company remains in a strong financial position with A$27.6 million in cash and cash equivalents, and intends to add to its treasury through the sale of its past-producing Way Linggo project in Indonesia. The financial position of the Company will allow us to execute on our strategy of demonstrating value at Penikat and Porsanger through exploration and resource definition, whilst also acquiring and exploring additional complimentary assets.

Finally, on behalf of the Board, I would like to take this opportunity to thank our shareholders for their support as we implement our new strategy. I believe the Company is well positioned for success and I look forward to reporting on our progress over the coming year.

Yours Faithfully

Mike Andrews

Chairman

EXPLORATION

Overview

During the 2022 financial year, the Company acquired Element-46 Ltd for 100% ownership of the Penikat and Porsanger mineral exploration projects in Finland and Norway (Figure 1), with a focus on Platinum Group Elements (PGE), nickel and copper. An Exploration Target estimate for the Penikat PGE project was announced on 28 June 2022 which demonstrates the large scale and high-grade potential that attracted Kingsrose to the project. Fieldwork at the Porsanger PGE-copper-nickel project has included a fixed loop electromagnetic survey and resampling of historical drill core that demonstrated good repeatability of historical assays. Furthermore, the Company is continuing to search for additional projects with Tier One PGE, nickel, copper and gold exploration potential as part of its strategy to grow shareholder value.

Exploration at the 85% owned Way Linggo gold project, Indonesia, resulted in the discovery of the Maul Vein prospect, located 500 metres west of the Talang Santo mine and mineral resource. Despite past production at the Way Linggo project having been highly profitable at times and exploration potential remaining within the project area, the Board of Kingsrose determined that current resources at the project do not meet the economic thresholds required to realise the Company's strategy. The Company entered into a process deed for the potential acquisition of the Way Linggo project by a third party as announced to the ASX on 1 July 2022.

Acquisition of Element-46 Ltd

In November 2021 the Company announced the acquisition of Element-46 Limited and accordingly its 100% owned Penikat and Porsanger PGE-nickel-copper exploration projects in Finland and Norway, respectively. The transaction marked Kingsrose's entry into the highly prospective and stable jurisdictions of the Fennoscandian region, and interest in future facing critical metals.

Penikat Project, Finland

Exploration work at Penikat has focused on interpreting and validating historical results by way of an extensive drill core relogging and resampling exercise. This work confirmed the presence of high-grade platinum and palladium as well as showing that the deposit contains significant concentrations of the high value, rare precious metals rhodium and iridium, as announced to the ASX on 10 November 2021, 24 November 2021, 14 March 2022 and 5 May 2022. As a result of the interpretation and validation work, an independent JORC compliant Exploration Target was estimated for the Penikat project and announced to the ASX on 28 June 2022 (Figure 2):

- JORC Exploration Target range of 21 to 32 million tonnes at 4.0 to 7.4 g/t 6E, for 2.8 to 7.7 million ounces 6E (6E = the sum of platinum, palladium, rhodium, iridium, ruthenium and gold) *

  * *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*

- Exploration Target ranks Penikat as one of the highest-grade PGE exploration projects globally.
- Mineralisation occurs from surface and estimation of the Exploration Target was limited to 500 metres depth, whereas regional seismic data and geological interpretations suggest potential to at least 1 kilometre depth as is commonly seen in similar deposits worldwide.
- Exploration Target estimation was limited to the SJ and PV Reefs which are exposed over a strike of 10 and 3.6 kilometres respectively on Kingsrose tenure, the AP Reef was not included due to insufficient distribution of historical drilling however it is exposed over approximately 8 kilometres of strike and includes the "ballroom" feature where drill hole resampling returned 8.8 metres at 8.1 g/t Pd, 2.3 g/t Pt, 0.2 g/t Rh, 0.5 g/t Au, 0.5 % Cu and 0.2 % Ni from surface (ASX Announcement dated 5 May 2022).
- The Exploration Target was prepared by Jeremy Witley, Head of Department – Mineral Resources, MSA Ltd (South Africa). Mr Witley has 33 years' experience in Mineral Resource estimation, exploration and mine geology on PGE deposits hosted in the Bushveld (South Africa) and Great Dyke (Zimbabwe) intrusions, which are layered intrusions characterised by strong continuity of mineralisation, similar to Penikat.
- The Company is now working towards drill permitting through an exploration licence application process at Penikat.

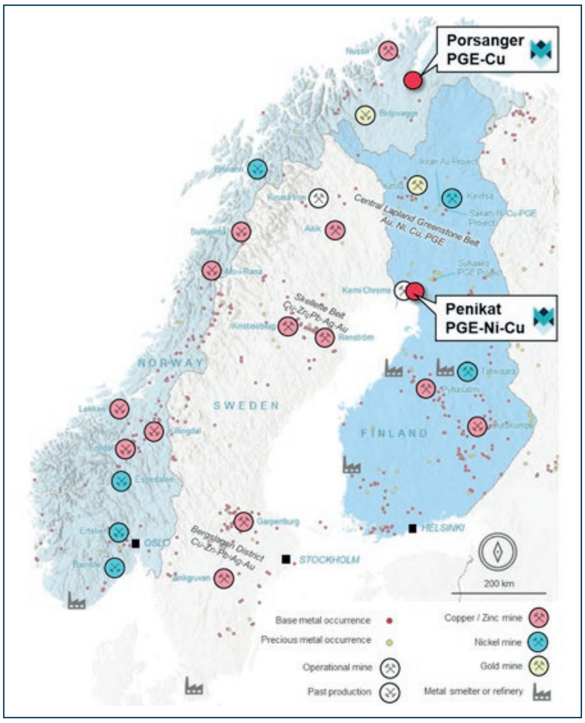

Figure 1: Location of the Penikat and Porsanger Projects in Finland and NorwayProjects in Finland and Norway

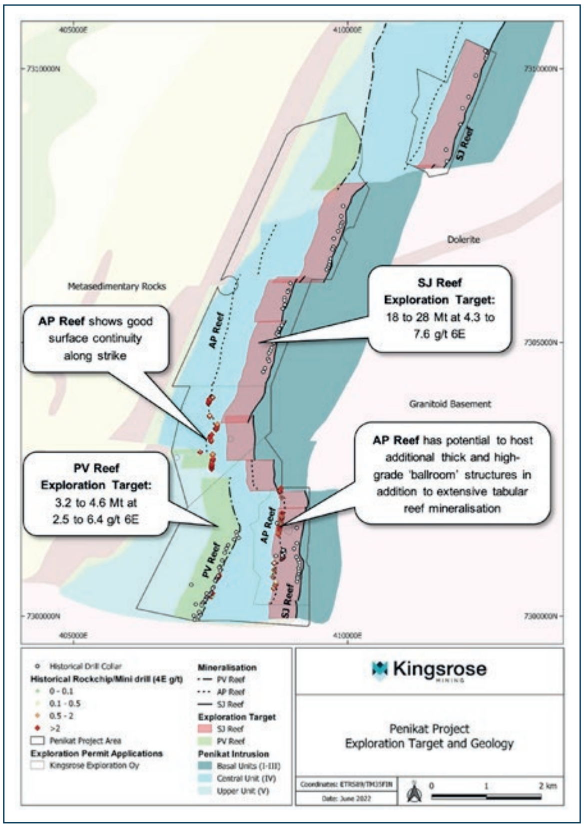

Figure 2: Penikat Geology and Exploration Target. Exploration Target Dips 45° West for 500m depth

Porsanger Project, Norway

Porsanger is prospective for feeder-conduit style massive sulphide PGE-copper-nickel deposits. Two mafic-ultramafic intrusions at the Porsvann and Karenhaugen prospects (Figure 3) were drilled historically and proven to contain disseminated sulphide associated with copper, PGE and weak nickel mineralisation.

The Company carried out a fixed loop electromagnetic (FLEM) geophysical survey in June 2022, 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. Survey findings are pending.

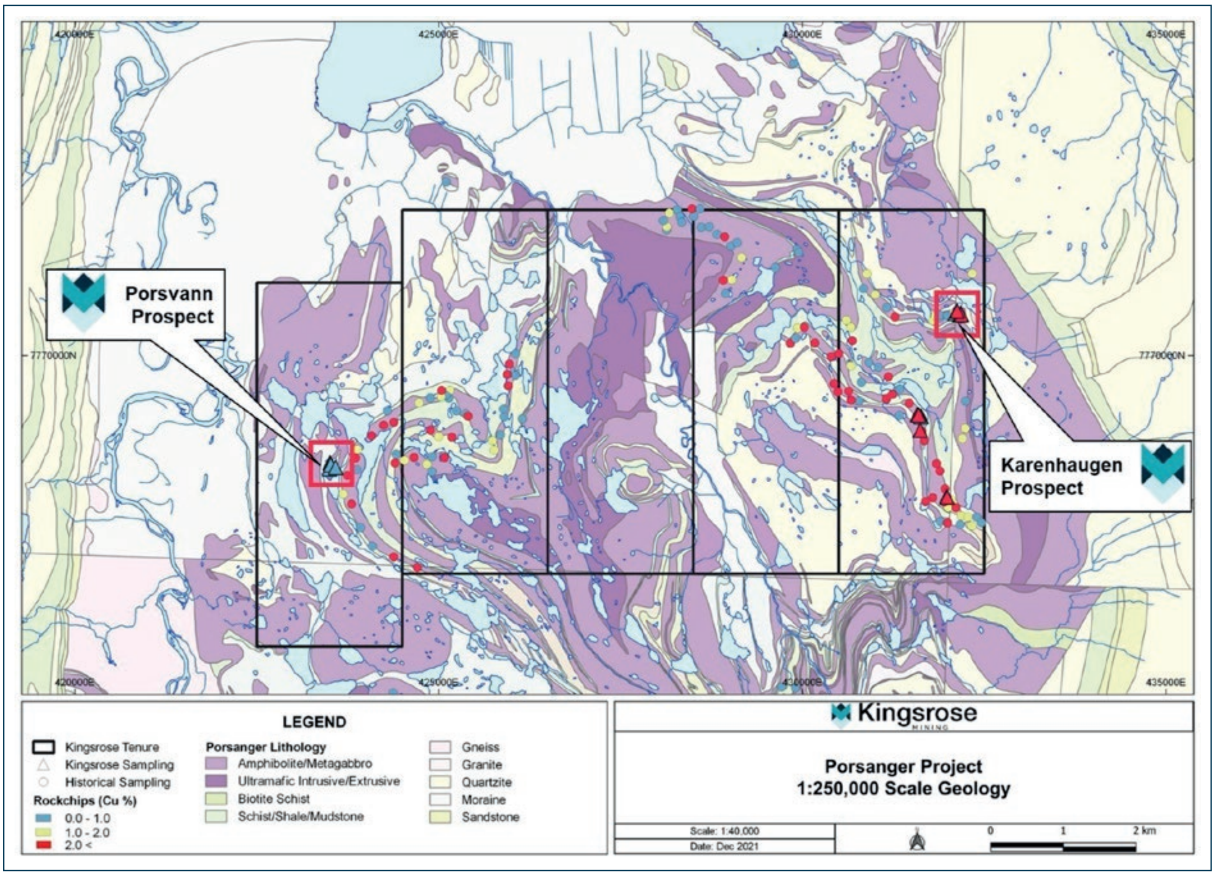

Figure 3: Porsanger geology and location of the Porsvann and Karenhaugen projects with FLEM survey areas

Resampling and logging of historical drill core has also 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 that include palladium, platinum, rhodium, gold, copper and nickel to better understand the polymetallic nature of the mineralisation, and lithogeochemical data to aid with exploration targeting. Results demonstrated good repeatability of historical assay results, and additionally identified anomalous rhodium associated with higher grade platinum and palladium, and nickel values associated with sulphides that point to nickel exploration potential if massive sulphide bodies exist at depth.

In June 2022, Kingsrose submitted a drill permit application for the Porsvann area and are awaiting permission to be granted from the Directorate for Mineral Management.

Way Linggo Project, Indonesia

As part of the Company's strategy to search for Tier One potential gold, PGE, copper and nickel deposits, exploration at Way Linggo focused on generating new targets within the existing Contract of Work. This resulted in the discovery, through mapping, trenching and diamond drilling, of the Maul Vein target located 500 metres west of the Talang Santo mine and existing mineral resource, as announced to the ASX on 1 November 2021, 20 January 2022, 3 May 2022 and 12 July 2022.

The Board of Kingsrose determined that whilst continuing to show good exploration potential, the Way Linggo project did not meet the economic thresholds required to realise the Company's strategy and sought to divest all or part of the project to maximise the value of Kingsrose's interest in the Way Linggo project as announced to the ASX on 20 January 2022. The Company entered into a process deed for the potential acquisition of the Way Linggo project by PT Kreasi Cemerlang Lestari (Registration No. AHU-10.04847.PENDIRIAN-PT.2014) (PTKCL) as announced to the ASX on 1 July 2022. 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 the assay results announced to the ASX on 12 July 2022;
- a deposit of any agreed purchase of US$100,0000 (Deposit); and
- a 60 day exclusivity period (extended by 30 days on 31 August 2022)
- 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. Shareholders are reminded that there is no certainty that final terms will be agreed with PTKCL nor that any transaction will take place.

SUSTAINABILITY

Overview

In Q3 2022, Dr Katariina Koikkalainen was appointed as the Head of Sustainability for Kingsrose, a leading environmental scientist and sustainability expert who has worked with most major mining projects in Finland and will be managing the Company's permitting and sustainable development. The latter part of 2022 has focused on stakeholder engagement with the communities local to the Penikat and Porsanger projects. As well as this, advancement on permits for the two Nordic projects has been a priority and supported by Kingsrose carrying out various environmental and ecological surveys as well as technical studies to enable submission in FY2023.

Penikat Project, Finland

The Penikat project consists of five exploration areas. Areas 1 to 3 are held under exploration licence applications, whereas areas 4 and 5 are held as exploration reservations.

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. As an exploration license can be granted only if the planned activities will not significantly impact the conservation criteria for the site, the purpose of the Natura Assessment is to describe the planned activities, assess how they are likely to impact the conservation criteria and how the mitigation measures planned by the Company help to mitigate those impacts so that no significant impacts are caused.

The Natura Assessment for area 1 has been prepared and submitted in August 2022. For the remaining 4 areas (2-5), drill planning and a series of protected species and habitat surveys are ongoing in preparation for the submission of the Natura Assessment in December 2022.

Stakeholder meetings commenced in Q2 2022 and have continually been taking place within the communities surrounding the Penikat project. The purpose of these meetings is to provide stakeholders an update on the project and ensure they can give feedback and ask questions in person as well as keeping lines of communications open. Additionally, interviews with local media outlets have been undertaken and a local website with an online feedback system was launched at the end of Q2 2022 to widen communication channels.

Porsanger Project, Norway

Meetings with local stakeholders commenced in February 2022 and continuous communication has been ongoing throughout 2022 to ensure stakeholders are well informed and listened to, as well as to build relationships with the local communities. At the start of the FLEM geophysical survey, the community was invited to a local meeting to understand more of the logistics and equipment involved in the survey.

Submission of an application for a drilling permit was made in June 2022 to the Directorate of Mining. The application process includes a consultation period, during which the reindeer grazing district, the landowner, Sami Parliament, municipality, and state administrator will be heard. An extension was granted on the consultation period to mid-August 2022 as requested by one of the stakeholder groups. To support the permitting and associated consultation processes, Kingsrose has maintained an active dialogue with the relevant stakeholders. These stakeholder engagement meetings coincided with the publication of the local website by the Company including a feedback system to start building local stakeholder relationships and in addition, open a channel of communication.

Following the extension, the process is anticipated to take two months before a decision on the permit is made. After the permit has been granted, but two months before the planned commencement of drilling, Kingsrose will be required to submit a notification of commencement of drilling to key stakeholders. As such it is anticipated that drilling will not occur until early in the Norwegian summer, 2023.

Way Linggo Project, Indonesia

Throughout the year, 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.

REVIEW OF OPERATIONS

IMPACT OF COVID-19 PANDEMIC

The COVID-19 pandemic had a profound effect on individuals and companies of all sizes within the communities in which we operate. During the period Kingsrose continued to protect the health and integrity of the Company's workforce, local communities and business interests, by ensuring rigorous adherence to the COVID-19 management protocols, which have developed over time and learning. Kingsrose is following the requirements and recommendations of regional and national governments in Indonesia and Australia in respect to COVID-19.

Kingsrose's operations in South Sumatra are remote and fortunately, with positive protection measures implemented by the Company, and support of local governments and employees, activity has not been materially impacted by government-regulated COVID-19 restrictions.

Travel restrictions, both internationally between Australia and Indonesia and internally from region to region in Indonesia, have impacted the workforce maintained on site. Employees at all levels have had to change the way they worked and adapt to shifting rosters, changed travel schedules and enhanced health and hygiene measures. All employees and contractors travelling to site from outside the immediate region are required to have a negative COVID-19 test before travel, to spend time in isolation in the camp, and be further tested before joining the workforce. Heightened hygiene and social distancing measures have been implemented across all work areas and within the camp and messing.

Kingsrose would like to extend gratitude for the commitment and outstanding response of our employees, contractors and communities for adapting to the COVID-19 protocols. The Board and Management acknowledge those employees and contractors that were required to spend extended time at the operation and apart from their families, due to the travel restrictions imposed by the Indonesian Government. It is through the commendable work of these people that has contributed to keeping our operations safe and our people free of COVID-19.

FINANCIAL REVIEW

Income Statement

The Group recorded a net loss after tax for the year ended 30 June 2022 of $10,741,120 (2021: net loss after tax $6,625,928), largely contributed by the following significant items:

- Write off of exploration and evaluation assets at Way Linggo of $10,594,325 (2021: nil).
- Corporate costs of $3,481,960 (2021: $3,048,992) and share based payments expense of $1,234,515 (2021: $119,731).
- These significant items were positively offset by an unrealised net foreign exchange gain of $6,692,201 (2021: net loss of $6,752,355). The gain arose mainly from the revaluation of its foreign currency denominated monetary assets and liabilities, driven by a weaker Australian dollar against the United States dollar during the period.

Financial Position

At 30 June 2022 the Group's net assets were $41,876,369 (2021: $50,144,057).

Assets

At reporting date, the Group's total current assets were $29,094,627 which represents a decrease of $3,872,812 over the year ended 30 June 2021. This movement was primarily driven by a decrease of $2,944,544 in cash and cash equivalents and decreases of $409,317 in trade and other receivables, and $441,782 in other current assets.

Non-current assets of the Group stood at $16,376,921 at balance date, $3,562,075 lower than 30 June 2021, mainly due to a decrease in exploration and evaluation assets of $3,979,719.

Liabilities

At reporting date, the Group's total liabilities were $3,595,180 which represents an increase of $832,804 over the year ended 30 June 2021, main due to an increase in other non-current liabilities resulting from the deferred consideration payable on the Element-46 Limited transaction.

Group Cash Flows and Liquidity

At 30 June 2022 the Group held cash and cash equivalents of $27,626,719 (2021: $30,571,261).

Cash flow from operating activities for the year ended 30 June 2022 was a net cash outflow of $4,287,406, primarily due to disbursements during the year for corporate and other related expenditure.

Cash flow from investing activities for the year ended 30 June 2022 related mainly to payments for exploration and evaluation expenditure and the acquisition of a subsidiary (net of cash acquired).

Cash flow from financing activities for the year ended 30 June 2022 related to equity issues through conversion of employee share options offset by the repayment of lease liabilities.

CORPORATE

Board and Executive Management Changes

To support the Company's discovery focused strategy and commitment to responsible operating practices, key management appointments were made during the year.

Dr Katariina Koikkalainen was appointed Head of Sustainability in March 2022 to lead the Company's permitting and sustainable development. Dr Koikkalainen is a leading environmental scientist and sustainability expert who has worked with most major mining projects in Finland.

Andrew Tunningley was appointed Head of Exploration in March 2022 to lead the Company's exploration and technical programmes. Mr Tunningley has had over 20 years of global experience in exploration for a diverse range of precious and base metal deposits in Europe, Middle East, Central Asia and the Americas.

FORWARD LOOKING STATEMENTS

Kingsrose Mining Limited has prepared this report based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this report. To the maximum extent permitted by law, none of Kingsrose Mining Limited, its Directors, employees or agents, advisers, nor any other person accepts any liability, including without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this report or its contents or otherwise arising in connection with it.

The information contained in this report contains forward looking statements and forward looking information, which are based on assumptions and judgements of management regarding future events and results. Such forward looking statements and forward looking information involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward looking statements. Such factors include, among others, the actual market prices of commodities, the actual results of current exploration, the availability of debt and equity financing, the volatility in global financial markets, the actual results of future mining, processing and development activities, receipt of regulatory approvals as and when required and changes in project parameters as plans continue to be evaluated.

WAY LINGGO PROJECT MINERAL RESOURCE

As at 30 June 2022, the Total Mineral Resource for the Way Linggo Project was 1.57 million tonnes @ 5.7 g/t Au and 24 g/t Ag for 288,000 ounces of gold and 1,205,000 ounces of silver. This estimate is reported in accordance with the JORC Code (2012 ed.) with an effective date of 30 June 2021.

2022 Way Linggo Project Mineral Resource

Category	Tonnes (kt)	Gold (Au) g/t	Au Ounces (koz)	Silver (Ag) g/t	Ag Ounces (koz)
TALANG SANTO					
Measured	-	-	-	-	-
Indicated	240	6.0	47	13	100
Inferred	1,100	5.3	190	19	690
Subtotal	**1,340**	**5.4**	**240**	**18**	**790**
WAY LINGGO					
Measured	-	-	-	-	-
Indicated	152	6.5	32	65	318
Inferred	84	4.6	12	36	97
Subtotal	**236**	**5.8**	**44**	**55**	**415**
Grand Total	**1,576**	**5.7**	**288**	**24**	**1,205**

2021 Way Linggo Project Mineral Resource

Category	Tonnes (kt)	Gold (Au) g/t	Au Ounces (koz)	Silver (Ag) g/t	Ag Ounces (koz)
TALANG SANTO					
Measured	-	-	-	-	-
Indicated	240	6.0	47	13	100
Inferred	1,100	5.3	190	19	690
Subtotal	**1,340**	**5.4**	**240**	**18**	**790**
WAY LINGGO					
Measured	-	-	-	-	-
Indicated	152	6.5	32	65	318
Inferred	84	4.6	12	36	97
Subtotal	**236**	**5.8**	**44**	**55**	**415**
Grand Total	**1,576**	**5.7**	**288**	**24**	**1,205**

Mineral Resource Governance and Internal Controls

The Company ensures that the Mineral Resource estimate reported is subject to governance arrangements and internal controls at both a site and corporate level. The original Mineral Resource estimates at Way Linggo Mine and Talang Santo Mine were externally derived by an independent consulting organisation whose staff have exposure to best practice in modelling and estimation techniques. In addition, Kingsrose management has carried out internal reviews of the estimate to ensure that it accurately represents the geological models and has been classified appropriately.

COMPETENT PERSONS STATEMENT

The information in this report that relates to the Mineral Resource estimates is based on and fairly represents information compiled under the supervision of Mr Bill Rayson, who is a member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Rayson is a consultant to the Company and is an employee of "Total Earth Science Pty Ltd as The Trustee for TES Trust". Mr Rayson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves." Mr Rayson consents to the inclusion in this report of the matter based on his information in the form and context in which it appears.

The information relating to the Penikat Exploration Target is extracted from the ASX Announcement entitled "EXPLORATION TARGET ESTIMATED FOR THE PENIKAT PROJECT, FINLAND" created on 28 June 2022, prepared by Jeremy Witley as the Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves" and is available to view on www.kingsrosemining.com. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The information in this report that relates to Exploration Results at Way Linggo, Penikat and Porsanger is based on information compiled under the supervision of Andrew Tunningley, who is a Member and Chartered Professional (Geology) of the Australasian Institute of Mining and Metallurgy and is a full-time employee as Head of Exploration for Kingsrose Mining Limited. Mr Tunningley has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves." Mr Tunningley consents to the inclusion in this report of the matter based on his information in the form and context in which it appears.

Information relating to Exploration Results at Way Linggo, Penikat and Porsanger is extracted from the following ASX announcements available to view on www.kingsrosemining.com. The company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements:

- 10 August 2021 – Kingsrose Mining Reports Update of Talang Santo Mineral Resource Estimate.
- 1 November 2021 – Discovery of Maul Vein and Commencement of Drilling at the Way Linggo Gold-Silver Project, Indonesia.
- 24 November 2021 – Resampling Confirms and Extends Mineralisation on the AP reef, Penikat PGE-Nickel-Copper Project.
- 21 December 2021 – High Grade PGE-Copper-Nickel Mineralisation Confirmed at the Porsanger Project.
- 20 January 2022 – Kingsrose Announces Near Surface High-Grade Gold at the Maul Vein, Way Linggo Project.
- 14 March 2022 – Kingsrose Announces Further High-Grade PGE-Nickel-Copper Results of Drill Core Resampling at the Penikat Project, Finland.
- 3 May 2022 – Step-Out Drilling Extends Gold Mineralisation at the Maul Vein, Way Linggo Project.
- 5 May 2022 – Significant Rhodium Mineralisation Confirmed at the Penikat Project, Finland.
- 28 June 2022 – Exploration Target Estimated for the Penikat Project, Finland.
- 12 July 2022 – Kingsrose Reports Near Surface Gold Intercepts at the Maul Vein, Way Linggo Project.
- 25 August 2022 – Kingsrose Confirms PGE-Copper Mineralisation and Identifies Anomalous Rhodium at the Porsanger Project, Norway.

The Directors submit their report of the "Consolidated Entity" or "Group", being Kingsrose Mining Limited ("Kingsrose" or "the Company") and its Controlled Entities for the year ended 30 June 2022.

COMPANY SECRETARY

Joanna Kiernan was appointed Company Secretary on 31 December 2020. Ms Kiernan holds a Bachelor of Arts degree and is a governance professional with over 16 years' experience in the administration and operation of listed public companies, predominately in the resources sector having previously held the position of Company Secretary for numerous ASX, AIM and SGX listed companies.

DIRECTORS

The names of the Company's Directors in office during the financial year and until the date of this report are listed below. Directors were in office for the entire period unless otherwise stated.

Name and Qualification	Experience, Special Responsibilities and Other Directorships
Michael Andrews	
BSc (Hons), PhD, FAusIMM, FSEG Non-Executive Chairman Appointed: 5 December 2018 Non-Executive Director Appointed: 16 August 2017 Resigned: 4 December 2018	Dr Andrews is a geologist with more than 40 years of research and mining industry experience in gold, copper, coal and iron exploration. He holds an honours degree in Geology from the University of Reading, and a doctorate in Exploration Geochemistry from the University of Wales. Dr Andrews was a Founding Director of Kingsrose and played an instrumental role in the discovery, exploration, feasibility and development of its Way Linggo Gold Mine in Indonesia and he has been closely involved with the development of several other gold mines in Southeast Asia. Dr Andrews also held the positions of Executive Director and Chief Geologist of Aulron Energy Ltd, Director of Gold Operations for Meekatharra Minerals Ltd, and managed the Teck Corporation-MM Gold Indonesian Joint Venture, an exploration portfolio of 13 gold and copper projects, and also held senior exploration positions with Ashton Mining Ltd, Aurora Gold Ltd and Muswellbrook Energy and Minerals. Dr Andrews is a Fellow of the Australasian Institute of Mining and Metallurgy, the Geological Society and the Society of Economic Geologists. Dr Andrews is a substantial shareholder of the Company.
Other Directorships	Dr Andrews is currently a Non-Executive Director of Southern Arc Minerals Inc, an exploration company listed on the Toronto Venture Exchange. Dr Andrews was a Non-Executive Director of Japan Gold Corp until October 2021.
Special Responsibilities	None.
Fabian Baker	
BSc Applied Geology Managing Director Appointed: 25 June 2021 Chief Executive Officer Appointed: 8 February 2021 Ceased: 25 June 2021	Mr Baker is a geologist with more than 13 years of experience in the minerals exploration industry. Mr Baker was the founder and Chief Executive Officer of Tethyan Resource Corp ("Tethyan"), a TSX Venture Exchange listed company. He led Tethyan's entry into Serbia and neighbouring Balkan countries, identifying and negotiating the acquisition of significant gold, copper and base metal advanced exploration assets. In 2020 Tethyan was successfully acquired by Adriatic Metals Plc, a company listed on the ASX and LSE.

	Mr Baker's positions prior to Tethyan include that of Chief Geologist at Lydian International, where he was an integral part of the team which proved up the +4 million ounce gold resource and completed the feasibility study on the major Amulsar gold deposit in Armenia. He was also Exploration Manager for Royal Road Minerals in Turkey. Mr Baker holds a Bachelor of Science in Applied Geology from the Camborne School of Mines
Other Directorships	Mr Baker is currently a Non-Executive Director of Highland Silver Corp.
Special Responsibilities	None.
John Carlile	
BSc (Honours) Geology, MSc DIC in Mineral Exploration, FAusIMM Independent Non-Executive Director Appointed: 4 February 2019	Mr Carlile is a geologist with more than 40 years' experience in both major and junior resources companies. He has played key roles in major discoveries, project acquisitions and the establishment and growth of public companies. Mr Carlile led Newcrest's presence in Indonesia and grass-roots discovery and exploration of Gosowong high grade epithermal gold-silver deposit. Previously as a member of BHP-Utah's World Metals Group, he was involved in evaluation of acquisition and exploration opportunities in a number of countries, particularly in Asia.
Other Directorships	Mr Carlile is currently a Non-Executive Director of Southern Arc Minerals Inc an exploration company listed on the Toronto Venture Exchange. Mr Carlile was a Non-Executive Director of Japan Gold Corp until October 2021.
Special Responsibilities	Member of the Audit and Risk Committee.
Andrew Cooke	
LLB Independent Non-Executive Director Appointed: 19 November 2020	Mr Andrew Cooke holds a law degree from Sydney University and has extensive experience in law, corporate finance, governance and compliance. He has over 30 years of boardroom experience and has developed a practical blend of legal and commercial acumen. He has served as a consultant to listed, public and private companies in the resources, property, mining services, technology and biotech sectors focusing on stock exchange, capital raisings, regulatory compliance and a wide range of corporate transactions. Much of his work has been focussed on the resources sector where he has worked closely with exploration, mining and oil and gas companies in Australia, Canada, Fiji and the Solomon Islands.
Other Directorships	Mr Cooke was a Non-Executive Director of Ampila Therapeutics Limited until February 2020.
Special Responsibilities	Chair of the Audit and Risk Committee.
Daryl Corp	
B.Eng (Mining), GradDipGeoSc FAusIMM Independent Non-Executive Director Appointed: 19 November 2020	Mr Corp is an experienced mining executive with over 40 years in the minerals industry in a wide range of both corporate and operational roles. This has involved base metals, iron ore and precious metals projects and operations, both in Australia and offshore. Commencing his career as a graduate mining engineer in Broken Hill he moved to a role as Senior Mining Engineer with a small gold and base metals

	company before joining Newcrest Mining Limited in mid-1990. Whilst at Newcrest he progressed through technical roles to more senior roles where he developed broader corporate skills, holding a range of positions including Transformation Executive – Business Development, General Manager – ExCo Co-ordination and Projects, Head of Ore Reserves Governance, General Manager – Corporate Affairs, and Manager – Business Development. Mr Corp managed feasibility studies for several underground gold mine developments and well as initial studies for both the Cadia Hill and Ridgeway mines. He was responsible for delivering permits required for development of the Gosowong Gold Mine in Indonesia, remaining with the project as Project Manager – Mining during the construction and early operations at Gosowong. Mr Corp holds a Bachelor of Engineering in Mining from the University of Melbourne and a Diploma in Geoscience from Macquarie University. He is a Fellow of The Australasian Institute of Mining and Metallurgy.
Other Directorships	Mr Corp is currently a Non-Executive Director of Sihayo Gold Limited, listed on the Australian Securities Exchange (ASX).
Special Responsibilities	Lead Independent Director.
Timothy Coughlin	
BSc, MSc, PhD, FAusIMM, MSEG Independent Non-Executive Director Appointed: 19 November 2020	Dr Coughlin is an exploration geologist with over 30-years of experience exploring for gold, copper, base metals and oil in Australasia, the Americas, Asia, the Middle East and Eastern Europe. Dr Coughlin was responsible for the discovery of new gold deposits in Peru and Armenia. He has held senior positions with major companies and founded and listed two successful exploration companies on the Toronto Stock Exchange.
Other Directorships	Dr Coughlin is currently President and CEO of TSXV-listed and Latin America-focused Royal Road Minerals Ltd.
Special Responsibilities	Member of the Audit and Risk Committee.

PRINCIPAL ACTIVITIES

The principal activity of the Group for the year ended 30 June 2022 was exploration activities at the Way Linggo Project (Indonesia), the Penikat Project (Finland) and the Porsanger Project (Norway).

OPERATING AND FINANCIAL REVIEW

A review of the operations and financial position of the Group during the year ended 30 June 2022, including details of the results of operations, changes in the state of affairs, impact of COVID-19 pandemic and likely developments in the operation of the Company in subsequent financial years are set out on pages 3 to 12.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

Other than as referred to in the Review of Operations there have not been any significant changes in the state of affairs of the Group during the financial year.

DIVIDENDS

No dividends were declared or paid during the financial year (2021: nil).

NEW ENTITIES

As part of the acquisition of Element-46 Limited in November 2021 an additional wholly owned subsidiary entity Pallagen Oy was acquired. To facilitate exploration activities in Finland (Penikat Project) and Norway (Porsanger Project) additional entities of Kingsrose Exploration Oy and Kingsrose Exploration AS respectively were incorporated during the year.

SUBSEQUENT EVENTS

On 1 July 2022, the Company announced that it had entered into a process deed with PT Kerasi Cemerlang Lestari (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 (Process Deed).

There are no other material subsequent events after the balance date.

DIRECTORS' MEETINGS

The number of Directors' meetings (including meetings of committees or Directors) and number of meetings attended by each of the Directors of the Company during the financial year are set out below:

	Directors' Meetings		Audit and Risk	
Director	Eligible	Attended	Eligible	Attended
Michael Andrews	5	5	-	-
Fabian Baker	5	5	-	-
John Carlile	5	5	2	2
Andrew Cooke	5	5	2	2
Daryl Corp	5	5	-	-
Timothy Coughlin	5	3	2	2

DIRECTORS' INTERESTS

The relevant interest of each Director in the share capital as notified by the Directors to the Australian Securities Exchange in accordance with section 205G(1) of the *Corporations Act 2001*, at the date of this report is as follows:

Director	Fully Paid Ordinary Shares	Options Over Ordinary Shares	Performance Rights
Michael Andrews	71,388,435	4,500,000	-
Fabian Baker	3,113,000	5,000,000	2,500,000
John Carlile	1,750,000	4,500,000	-
Andrew Cooke	-	4,500,000	-
Daryl Corp	-	4,500,000	-
Timothy Coughlin	1,700,001	4,500,000	-
Total	**77,951,436**	**27,500,000**	**2,500,000**

SHARES UNDER OPTION

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Instrument	Number Under Option	Exercise Price	Expiry Date
Options	5,000,000	$0.100	22 April 2025
Options	5,000,000	$0.059	8 February 2026
Options	22,500,000	$0.107	30 June 2026
Options	3,000,000	$0.072	24 July 2026
Total	**35,500,000**		

Option holders do not have any right, by virtue of the options, to participate in any share issue of the Company or any related body corporate.

OPTIONS AND SHARE PERFORMANCE RIGHTS ISSUED

The following options were issued during the financial year ended 30 June 2022:

Instrument	Number Under Option	Exercise Price	Expiry Date
Options	5,000,000	$0.100	22 April 2025
Options	22,500,000	$0.107	30 June 2026
Options	3,000,000	$0.072	24 July 2026
Total	**30,500,000**		

The following share performance rights were issued during the financial year ended 30 June 2022:

Instrument	Number	Exercise Price	Expiry Date
Share Performance Rights	1,800,000	-	31 December 2023
Share Performance Rights	700,000	-	31 December 2024
Share Performance Rights	2,000,000	-	31 December 2025
Total	**4,500,000**		

SECURITIES LAPSED OR CANCELLED

The following securities lapsed during the financial year ended 30 June 2022:

Instrument	Number	Exercise Price	Expiry Date
Options	600,000	$0.060	26 November 2021
Options	1,000,000	$0.057	29 April 2022
Total	**1,600,000**		

SECURITIES EXERCISED

The following securities exercised during the financial year ended 30 June 2022:

Instrument	Number	Exercise Price	Exercise Date
Options	600,000	$0.060	26 November 2021
Options	3,000,000	$0.057	29 April 2022
Total	**3,600,000**		

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's activities in Indonesia and Scandinavia are subject to local environmental laws, regulations and permit conditions.

The Directors of the Company are not aware of any material breach of environmental legislation while conducting their activities in Indonesia and Scandinavia during the 2022 reporting period.

INSURANCE OF OFFICERS

During the financial year, the Company paid a premium of $32,689 (2021: $31,150) to insure the Directors and Officers of the Company and its controlled entities. The liabilities insured are costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the Directors and Officers in their capacity as officers of entities in the Group except where the liability arises out of conduct involving a lack of good faith.

INDEMNIFICATION OF AUDITORS

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

REMUNERATION REPORT (AUDITED)

INTRODUCTION

This report for the year ended 30 June 2022 outlines the remuneration arrangements of the Group in accordance with the requirements of the *Corporations Act 2001* and its regulations. This information has been audited as required by section 308(3C) of the *Corporations Act 2001*.

This report details the remuneration arrangements for key management personnel (KMP) of the Group who are defined as those persons who have the authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including any Director (whether Executive or otherwise) of the parent company. Kingsrose Mining Limited's KMP are defined as Directors (whether Executive or otherwise), the Chief Financial Officer, and the President Director of PTNM.

For the purposes of this report the term "Executive" includes the Managing Director, Chief Financial Officer and President Director of PTNM.

Details of KMP of the Group during the reporting period are set out below:

Name	Position	Term as KMP
Non-Executive Directors		
Michael Andrews	Non-Executive Chairman	Full financial year
John Carlile	Non-Executive Director	Full financial year
Andrew Cooke	Non-Executive Director	Full financial year
Daryl Corp	Non-Executive Director	Full financial year
Timothy Coughlin	Non-Executive Director	Full financial year
Executives		
Fabian Baker	Managing Director	Full financial year
Mark Smith	Chief Financial Officer	Full financial year
Ivan Kusnadi	PTNM President Director	Full financial year

There were no changes to KMP after the reporting date and before the date the financial report was authorised for issue.

REMUNERATION GOVERNANCE

During the reporting period, the Board as a whole carried out the function of the Remuneration Committee, with remuneration matters to be discussed during meetings of the full Board, with Directors excluded from individual discussions as required. The Board will continue to assess the Company's circumstances and reinstate the Remuneration Committee when deemed appropriate.

The Board (operating under the formal charter of the Remuneration Committee) is responsible for reviewing and recommending the remuneration arrangements for the Executive and Non-Executive Directors and KMP each year and ensuring that the Group's remuneration structures are aligned with the long-term interests of the Company and its shareholders. This includes an annual remuneration review of base salary, short-term incentives (STIs) and any long-term incentives (LTIs) including the appropriateness of performance hurdles and total payments proposed, superannuation, termination payments and service contracts.

Additional information regarding the role and function of the Remuneration Committee, which has been assumed by the Board, can be found within the Corporate Governance Section of the Company's website.

REMUNERATION CONSULTANTS

During the reporting period, the Remuneration Committee did not employ the services of a remuneration consultant to provide recommendations as defined in section 9B of the *Corporations Act 2001*.

REMUNERATION OVERVIEW & STRATEGY

The Company has adopted a remuneration strategy intended to support the delivery of long-term shareholder value and to ensure remuneration accurately reflects achievement in line with general market conditions. The strategy is designed to attract, motivate and retain high calibre individuals through the provision of remuneration packages which contain the appropriate balance of fixed remuneration, short-term incentives and long-term incentives measured against clearly defined performance hurdles aligned with the strategic and operational objectives of the Company and the creation of value for shareholders.

In accordance with good corporate governance practices, the structure of Non-Executive Director and Executive remuneration is separate and distinct.

EXECUTIVE REMUNERATION FRAMEWORK

The Board's objective is to reward Executives with a level and mix of remuneration commensurate with their position and responsibilities and that is competitive within the market. With this in mind, the remuneration of Executives comprises both fixed and "at risk" or variable remuneration, with variable remuneration incorporating a balance of short-term and long-term incentives.

Fixed Remuneration

Fixed remuneration consists of base salary, superannuation and other non-cash benefits. It is designed to provide a base level of remuneration which is appropriate for the position, reflecting the Executive's skills, experience and responsibilities.

Performance Linked Remuneration

Performance linked remuneration includes both short- and long-term incentives and is designed to provide an at risk reward in a manner which aligns this element of remuneration with the creation of shareholder value.

All Executives are eligible to receive both short- and long-term incentives.

Short-Term Incentives

The Company's short-term incentive program is made up of two at risk components, a short-term incentive bonus and employee options.

Short-Term Incentive Bonus

The Company's Short-Term Incentive Bonus program offers Executives with the opportunity to earn a cash payment if certain financial hurdles and agreed key performance indicators (KPIs) are achieved. Ordinarily, the KPIs would include measures relating to the Group and individual, and include financial, production, safety and risk measures.

The quantum of STI bonus to be awarded to Executives is determined by the Board and generally does not exceed 40% of the base salary for the Managing Director and Chief Executive Officer and 25% of the base salary of other Executives or any other employee deemed eligible by the Board.

The formal STI bonus program was suspended in May 2019 with the Board retaining the discretion to award STI bonus payments on an ad-hoc basis in the case of exceptional performance.

During the period no cash bonuses were awarded. (FY21: cash bonuses of $35,000 was offered to Mr Fabian Baker – Managing Director and $40,000 was offered to Ms Chloe Lam – ex-Chief Financial Officer).

Employee Options

Options are issued pursuant to the Company's Incentive Option and Performance Rights Plan (IOPRP) and are issued with vesting periods requiring the recipient to complete a minimum period of employment with satisfactory performance before the options vest. Satisfactory performance is determined by the Board of Directors and in some cases, are based on a pre-agreed set of performance conditions. The Board will take into account the individual's performance with a focus on delivery against the key responsibilities outlined in that person's employment agreement and/or job description. During the year, 3,000,000 options with service vesting condition were issued to an executive.

The number of options to vest is subject to the continuity of the employment service with the Company. There were no performance conditions in place for the receipt of these options as these options were issued to align the interest of the Executive with those of the Company and for retention purposes.

Options Granted, Vested and Lapsed During the Year

	Number Granted	Grant Date	Fair Value at Grant Date	Exercise Price	Vesting Date	Expiry Date	Number Vested During the Year	Number Lapsed During the Year	Value of Options Granted During the Year[1] $	Value Optio Exercis Duri the Ye
Executive										
Mark Smith	1,000,000	10-Aug-21	$0.036[1]	$0.072	24-Jan-22	24-Jul-26	1,000,000	-	36,000	
	1,000,000	10-Aug-21	$0.036	$0.072	24-Jul-22	24-Jul-26	-	-	36,000	
	1,000,000	10-Aug-21	$0.036	$0.072	24-Jan-23	24-Jul-26	-	-	36,000	

[1] Determined at date of grant in accordance with AASB 2. For details on the valuation of the options, including models and assumptions used, and amounts expensed to the statement of income, refer to Note 26 to the Financial Statements.

Long-Term Incentives

Long-term incentives are provided to Executives in the form of share performance rights issued pursuant to the Company's IOPRP. The Company's LTI plan is designed to provide its Executives with long term incentives which create a link between the delivery of value to shareholders, financial performance, and rewarding and retaining executives. Share performance rights are designed to reward long term sustainable business performance measured by share price appreciation over a period determined by the Board.

No amount is payable by the recipient on the grant or vesting of share performance rights. Share performance rights that do not vest automatically lapse.

The quantum of share performance rights to be awarded to Executives is determined by the Board and generally does not exceed 50% of the base salary for the Managing Director and Chief Executive Officer and 25% of the base salary of other Executives or any other employee deemed eligible by the Board.

No share performance rights were issued to any Executive during the year.

The share performance rights issued to Managing Director during last year were partly vested and exercised during the year when the performance conditions have been satisfied. The number of share performance rights to vest is subject to the satisfaction of the performance conditions, along with continued employment with the Company. The performance conditions for the share performance rights are:

- The Tranche 1 Rights (1,500,000) vest upon the Company's share price exceeding $0.060 on five consecutive ASX trading days.
- The Tranche 2 Rights (1,000,000) vest upon the Company's share price exceeding $0.080 on five consecutive ASX trading days.
- The Tranche 3 Rights (1,500,000) vest upon the Company's share price exceeding $0.150 on five consecutive ASX trading days.
- The Tranche 4 Rights (1,000,000) vest upon the Company's share price exceeding $0.200 on five consecutive ASX trading days.

The above performance condition was selected as the most relevant to the Company at the time of award to the Executive.

Share Performance Rights Granted, Vested and Lapsed During the Year

	Number Granted	Grant Date	Fair Value at Grant Date	Exercise Price [2]	Vesting Date	Expiry Date	Number Vested During the Year	Number Lapsed During the Year [3]	Value of Rights Vested During the Year[1] $	Value of Rights Exercised During the Year $
Executive										
Fabian Baker	1,500,000	8-Feb-21	$0.050	-	28-Jan-22	30-Jun-22	1,500,000	-	75,000	75,000
	1,000,000	8-Feb-21	$0.042	-	28-Apr-22	30-Jun-22	1,000,000	-	42,000	42,000
	1,500,000	8-Feb-21	$0.034	-	30-Jun-23	30-Jun-23	-	-	-	-
	1,000,000	8-Feb-21	$0.028	-	30-Jun-23	30-Jun-23	-	-	-	-

[1] Determined at date of grant in accordance with AASB 2. For details on the valuation of the share performance rights, including models and assumptions used, and amounts expensed to the statement of income, refer to Note 26 to the Financial Statements.
[2] Share performance rights have no exercise price as they are granted and subsequently vest based on achievement of performance conditions.
[3] No share performance rights lapsed during the year.

Group Performance

The table below sets out the performance of the Group (as measured by the Group's EPS from continuing operations) over the past five years up to and including the current financial year:

	2018	2019	2020	2021	2022
EPS (cents/share)					
- Basic	1.04	(1.96)	2.70	(0.91)	**(1.45)**
- Diluted	1.04	(1.96)	2.70	(0.91)	**(1.45)**
Share Price	$0.066	$0.038	$0.041	$0.053	**$0.056**

EXECUTIVE REMUNERATION

The table below represents the total remuneration (both fixed and variable) paid or payable to Executives of the Group during the 2022 and 2021 financial years:

		Short-Term					Post Employment		Long-Term	Share-Based Payments	Total	Proportion of Remuneration Performance Related
		Salary & Fees $	Cash Bonus $	Annual Leave Benefits $	Non-Monetary Benefits $	Consulting Fees $	Super-annuation $	Termination allowance $	Long Service Leave Benefits $	Options & Rights[5] $	$	%
Executive Directors												
Fabian	2022	156,565	-	-	-	150,000	-	-	-	189,116	495,681	-
Baker[1]	2021	-	35,000	-	-	101,903	-	-	-	140,248	277,151	13%
Karen	2022	-	-	-	-	-	-	-	-	-	-	-
O'Neill[2]	2021	375,000	-	1,154	-	-	14,250	-	2,917	(20,517)	372,804	-
Other Executives												
Mark	2022	-	-	-	-	250,000	-	-	-	91,442	341,442	-
Smith[3]	2021	-	-	-	-	41,528	-	-	-	-	41,528	-
Chloe	2022	-	-	-	-	-	-	-	-	-	-	-
Lam[4]	2021	161,111	40,000	6,154	-	-	19,106	-	3,500	-	229,871	17%
Ivan	2022	167,819	16,208	8,374	11,044	-	-	628,836	48,852	-	881,133	-
Kusnadi	2021	216,743	45,782	16,600	13,139	-	-	-	12,165	-	304,429	15%
Total	**2022**	**324,384**	**16,208**	**8,374**	**11,044**	**400,000**	**-**	**628,836**	**48,852**	**280,558**	**1,718,256**	
Total	**2021**	**752,854**	**120,782**	**23,908**	**13,139**	**143,431**	**33,356**	**-**	**18,582**	**119,731**	**1,225,783**	

[1] Mr Baker was appointed Chief Executive Officer on 8 February 2021 and appointed Managing Director on 25 June 2021.
[2] Ms O'Neill resigned on 31 December 2020.
[3] Mr Smith was appointed Chief Financial Officer on 26 April 2021.
[4] Ms Lam resigned on 21 April 2021.
[5] Details of performance conditions for the options and share performance rights are outlined in the Executive Remuneration Framework section of the Remuneration Report. The amount included as remuneration relating to options and share performance rights is not related to or indicative of the benefit (if any) that the individual may ultimately realise. The fair value of these options and share performance rights as at their date of grant was determined in accordance with AASB 2 *Share-Based Payment* applying valuation models. Details of the assumptions underlying the valuations are set out in Note 26 to the Financial Statements

EXECUTIVE EMPLOYMENT ARRANGEMENTS

Remuneration arrangements for Executives are formalised in employment or consulting agreements. Except as disclosed below, all Executives of the Company are employed on individual open-ended employment contracts with three month notice of termination required by either party except in the event of summary dismissal and are entitled to termination payments in accordance with the National Employment Standards as defined in the Fair Work Act 2009 (Cth), which outline the minimum termination benefits based on years of service.

Fabian Baker

Managing Director (Appointed 25 June 2021)

Chief Executive Officer (Appointed 8 February 2021, ceased 25 June 2021)

- Appointed Chief Executive Officer on 8 February 2021 via a consultancy agreement with no fixed term;
- An initial base consultancy fee of $300,000 per annum plus statutory on-costs and three months' notice of termination required by either party except in the event of summary dismissal. A revised executive service agreement was signed on 28 January 2022 with the Executive being employed as an employee on an annual salary of GBP 170,000 (or equivalent to $300,000);
- In the case of the Company terminating the employment of Mr Baker, three month's termination notice is required and the Company must pay a cash sum equal to six months remuneration (subject to any relevant shareholder approval being obtained); and
- Appointed as Managing Director on 25 June 2021 with then no change to remuneration arrangements.

Mark Smith

Chief Financial Officer (Appointed 26 April 2021)

- Appointed Chief Financial Officer on 26 April 2021 via a consultancy agreement with no fixed term; and
- Base consultancy fee of $250,000 inclusive of statutory on-costs and three months' notice of termination required by either party except in the event of summary dismissal.

Ivan Kusnadi

PTNM President Director

- Appointed acting PTNM President Director from 16 June 2017 pending Indonesian Mines Department approval (obtained 9 April 2018);
- Initial two-year term commencing 9 April 2018 which was extended for a further two years on 10 August 2020. On 1 April 2022 due to the Company's operations having transitioned from producer to explorer a revised employment agreement was signed reducing the annual base salary by 50%. With this reduction it was agreed that 50% of the eligible termination benefits would be paid in advance and the balance six months later; and
- Initial base salary of US$135,000 plus Indonesian statutory entitlements commencing 1 June 2017 which was increased to US$175,000 plus Indonesian statutory entitlements on 1 February 2018. On 1 April 2022 as referenced above the annual base salary was reduced by 50%.

NON-EXECUTIVE DIRECTOR REMUNERATION

The Company's policy is to remunerate Non-Executive Directors at market rates (for comparable ASX listed companies) for their time, commitment, and responsibilities. Fees paid to Non-Executive Directors are not directly linked to the performance of the Company, however, to align Directors' interests with shareholders' interest, Directors are encouraged to hold shares in the Company.

Fees paid to Non-Executive Directors cover all activities associated with their role on the Board and any sub-committees. The Company does not pay additional fees to Directors who are appointed to Board Committees or to the Boards of subsidiary or associated companies. However, Non-Executive Directors may be remunerated at market rates for additional work undertaken as required on behalf of the Group. They may also be reimbursed for reasonable out of pocket expenses incurred as a result of their Directorships.

Non-Executive Director's fees are determined within an aggregate limit, which currently sits at $300,000 per annum and was approved by shareholders at the annual general meeting of 1 November 2012. Fees paid to Non-Executive Directors are reviewed annually against fees paid by comparable peer companies and general market conditions.

The table below represents the total remuneration paid or payable to Non-Executive Directors of the Group during the 2022 and 2021 financial years:

		Short-Term			Post Employment	Share-Based Payments	Total	Proportion of Remuneration Performance Related
		Salary & Fees $	Non-Monetary Benefits $	Consulting Fees $	Superannuation $	Options & Rights $	$	%
Non-Executive Directors								
Michael Andrews[1,6]	2022	66,000	-	-	-	175,500	241,500	-
	2021	65,700	-	-	-	-	65,700	-
John Carlile[2,6]	2022	44,000	-	-	-	175,500	219,500	-
	2021	43,800	-	-	-	-	43,800	-
Tim Coughlin[3,6]	2022	44,000	-	-	-	175,500	219,500	-
	2021	27,010	-	-	-	-	27,010	-
Daryl Corp[3]	2022	40,000	-	-	4,000	175,500	219,500	-
	2021	24,667	-	-	2,343	-	27,010	-
Andrew Cooke[3,7]	2022	44,000	-	-	-	175,500	219,500	-
	2021	27,010	-	-	-	-	27,010	-
John Morris[4]	2022	-	-	-	-	-	-	-
	2021	10,215	-	-	970	-	11,185	-
Peter Lester[5]	2022	-	-	-	-	-	-	-
	2021	15,444	-	9,000	1,467	-	25,911	-
Total	**2022**	**238,000**	**-**	**-**	**4,000**	**877,500**	**1,119,500**	**-**
Total	**2021**	**213,846**	**-**	**9,000**	**4,780**	**-**	**227,626**	**-**

[1] Dr Andrews was appointed Non-Executive Chairman on 5 December 2018.
[2] Mr Carlile was appointed on 4 February 2019.
[3] Dr Coughlin, Mr Corp and Mr Cooke were appointed 19 November 2020.
[4] Mr Morris resigned on 2 October 2020
[5] Mr Lester resigned on 19 November 2020.
[6] As non-residents for Australian tax purposes, Dr Andrews, and Messer's Carlile and Coughlin have elected to receive a cash payment in lieu of all superannuation contributions, in accordance with the Superannuation Guarantee (Administration) Act 1992. The cash payment is paid as part of their non-executive director's fees. The amount is included in salary and fees.
[7] Mr Cooke's fees are inclusive of superannuation in accordance with the Superannuation Guarantee (Administration) Act 1992.

EQUITY INSTRUMENTS HELD BY KMP

Ordinary Shares

The number of ordinary shares in the Company held during the year by each Director of the Company and any other KMP of the Group, including their personally related entities, are as follows:

	Balance at 1 July 2021	Granted as Remuneration	On Exercise of Options/Share Performance Rights	Net Change Other	Balance a 30 June 202
Executive Director					
Fabian Baker	28,000	-	2,500,000	585,000[1]	3,113,00
Non-Executive Directors					
Michael Andrews	71,388,435	-	-	-	71,388,43
John Carlile	1,750,000	-	-	-	1,750,00
Tim Coughlin	-	-	-	1,700,001[2]	1,700,00
Daryl Corp	-	-	-	-	
Andrew Cooke	-	-	-	-	
Other KMP					
Mark Smith	-	-	-	-	
Ivan Kusnadi	-	-	-	-	
Total	**73,166,435**	**-**	**2,500,000**	**2,285,001**	**77,951,43**

[1] Represents 245,000 shares acquired on-market during the financial year and 340,000 shares issued during the financial year as part consideration for the acquisition of Element-46 Ltd (as approved by shareholders).
[2] Represents 1,700,0001 shares issued during the financial year as part consideration for the acquisition of Element-46 Ltd (as approved by shareholders).

Options

The number of options over ordinary shares in the Company held during the year by each Director of the Company and any other KMP of the Group, including their personally related entities, are as follows:

	Balance at 1 July 2021	Granted as Remuneration	Options Exercised	Net Change Other	Balance at 30 June 2022	Not Vested and Not Exercisable	Vested and Exercisable
Executive Director							
Fabian Baker	5,000,000	-	-	-	5,000,000	2,000,000	3,000,000
Non-Executive Directors							
Michael Andrews	-	4,500,000	-	-	4,500,000	-	4,500,000
John Carlile	-	4,500,000	-	-	4,500,000	-	4,500,000
Tim Coughlin	-	4,500,000	-	-	4,500,000	-	4,500,000
Daryl Corp	-	4,500,000	-	-	4,500,000	-	4,500,000
Andrew Cooke	-	4,500,000	-	-	4,500,000	-	4,500,000
Other KMP							
Mark Smith	-	3,000,000	-	-	3,000,000	2,000,000	1,000,000
Ivan Kusnadi		-	-	-	-	-	-
Total	**5,000,000**	**25,500,000**	**-**	**-**	**30,500,000**	**4,000,000**	**26,500,000**

Share Performance Rights

The number of share performance rights in the Company held during the year by each Director of the Company and any other KMP of the Group, including their personally related entities, are as follows:

	Balance at 1 July 2021	Granted as Remuneration	Rights Exercised	Rights Cancelled	Balance at 30 June 2022	Not Vested	Vested
Executive Director							
Fabian Baker	5,000,000	-	2,500,000	-	2,500,000	2,500,000	-
Non-Executive Directors							
Michael Andrews	-	-	-	-	-	-	-
John Carlile	-	-	-	-	-	-	-
Tim Coughlin	-	-	-	-	-	-	-
Daryl Corp	-	-	-	-	-	-	-
Andrew Cooke	-	-	-	-	-	-	-
Other KMP							
Mark Smith	-	-	-	-	-	-	-
Ivan Kusnadi	-	-	-	-	-	-	-
Total	**5,000,000**	**-**	**2,500,000**	**-**	**2,500,000**	**2,500,000**	**-**

OTHER TRANSACTIONS AND BALANCES WITH KEY MANAGEMENT PERSONNEL AND THEIR RELATED PARTIES

Michael Andrews

PT Promincon Indonesia, an entity related to Dr Andrews, received $570,979 fees (net of taxes) for drilling services provided to the Company's subsidiary, PTNM during the year (2021: $1,003,514). These fees are payable on arm's length commercial terms resulting from a competitive tender program for PTNM's drilling requirements at the Way Linggo site. At 30 June 2022 an amount of $84,855 (net of taxes) was owing to PT Promincon Indonesia (2021: $0).

Element-46 Limited

E-46 was acquired for a total consideration of $5,206,743 including cash, shares and deferred consideration. Fabian Baker and Tim Coughlin had an ownership interest in E-46 of 0.9% and 10.8% respectively as at the acquisition date. The issue of shares to Messer's Baker and Coughlin following the Company's acquisition of E-46 was approved by shareholders at the Company's Annual General Meeting held on 28 January 2022. As at 30 June 2022, the amount of deferred consideration payable to the former owners of E-46 was $723,377 (2021: $0).

End of Remuneration Report.

AUDITOR'S INDEPENDENCE DECLARATION AND NON-AUDIT SERVICES

Auditor's Independence

The auditor's independence declaration for the year ended 30 June 2022 is on page 28. This declaration forms part of the Directors' Report.

Non-Audit Services

The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

Details of amounts paid or payable to the auditor for non-audit services provided during the year are detailed in Note 30 of the financial statements.

The report is signed for and on behalf of the Directors in accordance with a resolution of the Directors.

Michael Andrews
Chairman
30 September 2022

Building a better working world

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Auditor's independence declaration to the Directors of Kingsrose Mining Limited

As lead auditor for the audit of the financial report of Kingsrose Mining Limited for the financial year ended 30 June 2022, I declare to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b) no contraventions of any applicable code of professional conduct in relation to the audit; and

c) no non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Kingsrose Mining Limited and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

Philip Teale
Partner
30 September 2022

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

		2022	2021
	Note	**$**	$
Continuing operations			
Revenue from contracts with customers	4(a)	**-**	18,382,761
Total revenue			18,382,761
Cost of sales	5(a)	**-**	(11,657,391)
Gross profit		**-**	6,725,370
Other income	5(b)	**7,229,200**	136,003
Administration expenses	5(c)	**(4,811,620)**	(3,189,460)
Other expenses	5(d)	**(13,591,684)**	(10,744,083)
Finance costs	5(e)	**(114,123)**	(86,679)
Loss from continuing operations before income tax		**(11,288,227)**	(7,158,849)
Income tax benefit	6(a)	**547,107**	532,921
Net loss for the year		**(10,741,120)**	(6,625,928)
Loss for the year is attributable to:			
Owners of the parent		**(10,713,011)**	(6,613,790)
Non-controlling interest		**(28,109)**	(12,138)
		(10,741,120)	(6,625,928)
Loss per share attributable to the ordinary equity holders of the parent:		**Cents**	Cents
Basic loss per share – cents per share	7	**(1.45)**	(0.91)
Diluted loss per share – cents per share	7	**(1.45)**	(0.91)

The above consolidated income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2022

	2022	2021
	$	$
Net loss for the year	**(10,741,120)**	(6,625,928)
Other comprehensive income/(loss)		
Items that may be reclassified to profit and loss in subsequent periods		
Foreign currency translations attributable to parent entity interest	**(2,848,588)**	1,569,359
Income tax effect	**-**	-
	(2,848,588)	1,569,359
Items that may not be reclassified to profit and loss in subsequent periods		
Foreign currency translations attributable to non-controlling interest	**-**	4,281
Re-measurement adjustments on defined benefit obligations	**63,896**	(34,036)
Income tax effect	**(14,057)**	8,509
	49,839	(21,246)
Other comprehensive (loss)/income for the year, net of tax	**(2,798,749)**	1,548,113
Total comprehensive loss for the year	**(13,539,869)**	(5,077,815)
Total comprehensive loss for the year is attributable to:		
Owners of the parent	**(13,511,760)**	(5,069,881)
Non-controlling interest	**(28,109)**	(7,934)
	(13,539,869)	(5,077,815)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $	2021 $
Current Assets			
Cash and cash equivalents	9	**27,626,719**	30,571,261
Trade and other receivables	10	**611,081**	1,020,397
Inventories	11	**151,576**	228,743
Income tax receivable	6	**533,050**	705,343
Other		**172,201**	441,695
Total Current Assets		**29,094,627**	32,967,439
Non-Current Assets			
Trade and other receivables	10	**1,348,215**	1,385,341
Plant and equipment	12	**558,356**	518,717
Mine properties and development	13	**4,929,197**	4,514,063
Exploration and evaluation assets	15	**9,541,154**	13,520,873
Total Non-Current Assets		**16,376,922**	19,938,994
TOTAL ASSETS		**45,471,549**	52,906,433
Current Liabilities			
Trade and other payables	16	**1,049,425**	947,572
Interest-bearing liabilities	17	**65,355**	6,294
Other provisions	18	**27,822**	91,622
Total Current Liabilities		**1,142,602**	1,045,488
Non-Current Liabilities			
Interest-bearing liabilities	17	**209,872**	-
Rehabilitation and other provisions	18	**1,519,328**	1,716,888
Other	19	**723,378**	-
Total Non-Current Liabilities		**2,452,578**	1,716,888
TOTAL LIABILITIES		**3,595,180**	2,762,376
NET ASSETS		**41,876,369**	50,144,057
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	20	**107,326,091**	105,688,558
Reserves	21	**9,192,611**	8,406,551
Accumulated losses		**(76,370,444)**	(65,707,272)
		40,148,258	48,387,837
Non-controlling interest	24(b)	**1,728,111**	1,756,220
TOTAL EQUITY		**41,876,369**	50,144,057

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Receipts from customers		**-**	18,382,761
Payments to suppliers and employees		**(6,267,778)**	(11,329,165)
VAT refund received		**1,128,737**	3,533,505
Interest received		**107,726**	57,645
Interest and other finance costs paid		**(6,568)**	(6,075)
Income tax received/(paid)		**750,477**	(696,169)
Net cash flows from operating activities	9(a)	**(4,287,406)**	9,942,502
Cash flows from investing activities			
Payments for plant and equipment		**(63,124)**	(95,662)
Payments for acquisition of subsidiary (net of cash acquired)		**(389,007)**	-
Proceeds from sale of plant and equipment		**103,945**	28,024
Payment for exploration and evaluation expenditure		**(783,444)**	-
Net cash flows used in investing activities		**(1,131,630)**	(67,638)
Cash flows from financing activities			
Conversion of share options		**207,000**	-
Repayment of lease liabilities	9(b)	**(71,648)**	(77,184)
Net cash flows used in financing activities		**135,352**	(77,184)
Net (decrease)/increase in cash and cash equivalents		**(5,283,684)**	9,797,680
Cash and cash equivalents at beginning of the year		**30,571,261**	23,071,665
Effects of exchange rate changes on cash and cash equivalents held		**2,339,142**	(2,298,084)
Cash and cash equivalents at end of the year	9	**27,626,719**	30,571,261

The above consolidated statement of cashflows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Issued Capital	Share-Based Payments Reserve	General Reserve	Foreign Currency Translation Reserve	Other Capital Reserve	Accumulated Losses	Owners of the Parent	Non-Controlling Interest	Total
	$	$	$	$	$	$	$	$	$
At 30 June 2020	**105,688,558**	**8,441,717**	**97,832**	**(5,224,578)**	**3,402,490**	**(59,073,717)**	**53,332,302**	**1,764,154**	**55,096,456**
Net loss for the period	-	-	-	-	-	(6,613,790)	(6,613,790)	(12,138)	(6,625,928)
Other comprehensive income for the period	-	-	-	1,569,359	-	(19,765)	1,549,594	4,204	1,553,798
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**1,569,359**	**-**	**(6,633,555)**	**(5,064,196)**	**(7,934)**	**(5,072,130)**
Transactions with owners in their capacity as owners:									
Share-based payments	-	119,731	-	-	-	-	119,731	-	119,731
At 30 June 2021	**105,688,558**	**8,561,448**	**97,832**	**(3,655,219)**	**3,402,490**	**(65,707,272)**	**48,387,837**	**1,756,220**	**50,144,057**
Net loss for the period	-	-	-	-	-	(10,713,011)	(10,713,011)	(28,109)	(10,741,120)
Other comprehensive income/(loss) for the period	-	-	-	(2,848,588)	-	49,839	(2,798,749)	-	(2,798,749)
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**(2,848,588)**	**-**	**(10,663,172)**	**(13,511,760)**	**(28,109)**	**(13,539,869)**
Transactions with owners in their capacity as owners:									
Issue of shares (Note 15)	1,520,533	2,517,133	-	-	-	-	4,037,666	-	4,037,666
Transfer of share-based payments	117,000	(117,000)	-	-	-	-	-	-	-
Share-based payments	-	1,234,515	-	-	-	-	1,234,515	-	1,234,515
At 30 June 2022	**107,326,091**	**12,196,096**	**97,832**	**6,503,807**	**3,402,490**	**(76,370,444)**	**40,148,258**	**1,728,111**	**41,876,369**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NOTE NUMBER

1. CORPORATE INFORMATION

This full year financial report of Kingsrose Mining Limited ("Kingsrose" or the "Company") and its controlled entities (the "Group") for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors on 30 September 2022.

Kingsrose is a for-profit company limited by shares, incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange (ASX: KRM).

The nature of the operations and principal activities of the Group are described in the Directors' Report.

The address of the registered office of the Company is 45 Ventnor Avenue, West Perth WA 6005.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on a historical cost basis and is presented in Australian dollars.

For the purpose of preparing the financial report, the Company is a for-profit entity.

(b) Compliance with IFRS

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

(c) Going concern

During the year ended 30 June 2022, the Group recorded a net loss for the year of $10,741,120, net cash outflows from operating activities of $4,287,406 and had a net working capital of $27,952,026. The Group has prepared a 15-month cash flow forecast which indicates adequate cash flows to sustain operations and as a result the financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

(d) Changes in Accounting Policies and Disclosures

(i) New and amended accounting standards and interpretations

The Group has adopted all new Australian Accounting Standards and Interpretations effective from 1 July 2021.

There has been no material impact from the adoption of these standards and interpretations.

(ii) Accounting standards and interpretations issued but not yet effective

A number of new standards, amendment of standards and interpretation that have recently been issued but not yet effective have not been adopted by the Group as at the financial reporting date. The Group has reviewed these standards and interpretations and has determined that none of the new or amended standards will significantly affect the Group's accounting policies, financial position or performance.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Principles of consolidation

The consolidated financial statements comprise the financial statements of Kingsrose and its controlled entities, referred to collectively throughout these financial statements as the "Group". Controlled entities are consolidated from the date on which control commences until the date that control ceases.

The financial statements of the controlled entities are prepared for the same reporting period as the parent company using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The balances and effects of transactions between controlled entities included in the consolidated financial statements have been fully eliminated.

Non-controlling interests are allocated their share of net profit or loss after tax in the income statement and are presented within equity in the consolidated statement of financial position, separately from the equity of the owners of the parent. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

(f) Acquisitions

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired, and liabilities and contingent liabilities assumed, in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

When an asset acquisition does not constitute a business combination, the assets and liabilities are assigned a carrying amount based on their relative fair values in an asset purchase transaction and no deferred tax will arise in relation to the acquired assets and assumed liabilities as the initial recognition exemption for deferred tax under AASB 112 applies. No goodwill will arise on the acquisition and transaction costs of the acquisition will be included in the capitalised cost of the asset.

Assets acquired during the period were capitalised as exploration assets.

(g) Foreign currency translation

(i) Functional and presentation currency

Both the functional and presentation currency of Kingsrose and its controlled entities are Australian dollars ($) other than its Indonesian, Scandinavian, United Kingdom and Jersey subsidiaries.

(ii) Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency by applying the prevailing exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are re-translated at the prevailing exchange rate at the reporting date. All exchange differences in the consolidated financial statements are taken to the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

(iii) Translation of Group Companies' functional currency to presentation currency

The results of the foreign subsidiaries are translated into Australian dollars (presentation currency) as at the date of each transaction. Assets and liabilities are translated at exchange rates prevailing at the reporting date.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Foreign currency translation (continued)

Exchange variations resulting from the translation are recognised in the foreign currency translation reserve in equity.

On consolidation, exchange differences arising from the translation of borrowings that form part of the net investment in the foreign subsidiaries are taken to the foreign currency translation reserve. If any foreign subsidiary was sold, the exchange differences would be transferred out of equity and recognised in the income statement.

(h) Revenue from contracts with customers

The Group is principally engaged in the business of producing gold and silver bullion. Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled under the contract in exchange for those goods or services and the performance obligations of transferring control have been met. The Group has generally concluded that it is the principal in its revenue contracts because it typically controls the goods or services before transferring them to the customer.

Most of Group's bullion is sold under a long-term sales contract with the customer. Revenue from bullion sales is recognised at a point in time when control passes to the buyer. This generally occurs after the fine metal is outturned and the Group provides notice to the customer to purchase the outturned fine metal. A trade receivable is recognised at the date of sale and there are only several days between recognition of revenue and payment. The transaction price is determined when the Group provides the notice to the customer to purchase the outturned fine metal by virtue of the deal confirmation and there are no further adjustments to this price. As all performance obligations are satisfied at that time, there are no remaining performance obligations under the contract.

(i) Financial Assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition that are debt instruments depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient for contracts that have a maturity of one year or less, are measured at the transaction price determined under AASB 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial Assets (continued)

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Interest received is recognised as part of finance income in the statement of profit or loss and other comprehensive income. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets that do not meet the criteria for amortised cost are measured at fair value through profit and loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original EIR. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables due in less than 12 months, the Group applies the simplified approach in calculating ECLs. In this regard, the Group recognises a loss allowance based on the financial asset's lifetime ECL at each reporting date. The lifetime ECL on these financial assets is estimated based on the Group's historic credit loss experience, adjusted for factors that are specific to the debtor, general economic conditions and an assessment of both the current as well as forecast conditions at the reporting date.

For all other financial assets measured at amortised cost, the Group recognises lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to a 12-month ECL. The determination of the ECL includes both quantitative and qualitative information and analysis, based on the Group's historical experience and forward-looking information.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial Assets (continued)

The Group considers an event of default has occurred when a financial asset is more than 90 days past due or external sources indicate that the debtor is unlikely to pay its creditors, including the Group. A financial asset is credit impaired when there is evidence that the counterparty is in significant financial difficulty or a breach of contract, such as a default or past due event has occurred. The Group writes off a financial asset when there is information indicating the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(j) Inventories

Inventories comprising gold doré, bullion, gold in circuit and stockpiles of unprocessed ore, are valued at the lower of weighted average cost and net realisable value. Silver obtained as a result of the production process to extract gold is carried at net realisable value.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to gold bullion, gold in circuit and items of inventory on the basis of weighted average costs.

Inventories of consumable supplies and spare parts expected to be used in production are valued at the lower of weighted average cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(k) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement only if it is eligible for capitalisation. All other repairs and maintenance are recognised in the income statement as incurred.

The cost of property, plant and equipment constructed by the Group includes the costs of all materials used in construction, direct labour and an allocation of overheads.

Items of property, plant and equipment are depreciated as outlined below:

- Processing plant: unit of production based on economically recoverable Mineral Resource.
- Other plant and equipment: straight line or diminishing value method at a rate of 20% to 33% per annum, depending on the item of property, plant and equipment.

Assets are depreciated from the date when it is ready to be operated in the manner intended by the Group.

The asset's residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, at each reporting date.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the period the item is derecognised.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Mine properties and development

Mine properties and development represent the acquisition costs and/or accumulation of exploration, evaluation and development expenditure in respect of areas of interest in which mining has commenced. When further development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of mine properties and development only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

Amortisation is provided on a production output basis, proportional to the depletion of the Mineral Resource expected to be ultimately economically recoverable.

(m) Exploration and evaluation assets

Exploration and evaluation expenditure is carried forward as an asset where:

(i) such costs are expected to be recouped through successful development and exploration of the area of interest or, by its sale; or

(ii) exploration activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable Ore Reserves, Mineral Resources and active operations in relation to the area are continued.

Accumulated costs in relation to an abandoned area are written off in full in the year in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. When the technical feasibility and commercial viability of extracting a mineral resource have been demonstrated then exploration and evaluation expenditure and any subsequent expenditure within the area of interest are tested for impairment and reclassified to mine properties and development.

(n) Impairment of non-current assets

The Group assesses, at each reporting date, whether there is an indication that a non-current asset may be impaired. If any indication exists, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Any impairment losses are recognised in the income statement.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. The future cash flows are based on:

- A mine plan based on estimates of the quantities of Ore Reserves and/or Mineral Resources for which there is a high degree of confidence of economic extraction;
- Future production rates;
- Future commodity prices; and
- Future cash costs of production, royalties, capital expenditure and apportionment of overheads.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Trade and other payables

Trade and other payables are carried at amortised cost. Due to their short-term nature, they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 14-30 days of recognition.

(p) Loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. The increase in the loans and borrowings due to the passage of time is recognised as a finance cost.

Gains and losses are recognised in the income statement when the liabilities are derecognised.

Borrowing costs

Borrowing costs are recognised as an expense when incurred, except where the borrowing costs incurred are directly associated with the construction, purchase or acquisition of a qualifying asset, in which case the borrowing costs are capitalised as part of the cost of the asset.

(q) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, long service leave and other long-term service benefits.

Short-term benefits

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

Long-term benefits

The long-term employee benefits within the Group relate to liabilities for long service leave of the Group's employees and termination benefits for PTNM employees.

The liability for long service leave is recognised and measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. The obligation is calculated using expected future increases in wage and salary rates, experience of employee departures and period of service. Expected future payments are discounted using the market yields at the reporting date on high quality corporate bonds which have maturity dates approximating the terms of the Company's obligations.

The termination benefits are unfunded. The liability for termination benefits recognised is the present value of the defined benefit obligation at the reporting date. The obligation is calculated by independent actuaries using the projected unit credit valuation method. Actuarial gains and losses arising from the changes in actuarial estimates are recognised immediately in other comprehensive income. Past service costs arising from the introduction of the defined benefit plan or changes in the benefits payable of an existing plan are recognised immediately in the income statement if the benefits have vested immediately following the introduction of, or changes to, the defined benefit plan.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Employee benefits (continued)

Defined contribution superannuation plan

Contributions to defined contribution superannuation plans are expensed when incurred.

Share-based payments

The Company provides benefits to its employees (including KMP and eligible employees of the Group) in the form of share-based payments via the Kingsrose Mining Limited Options and Share Rights Plan (OSRP), whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options is determined using a Binomial based model and the fair value of share performance rights is determined using a Monte Carlo simulation model, further details of which are provided in Note 26. In valuing equity-settled transactions, no account is taken of any vesting conditions, other than conditions linked to the price of the shares of the Company (market conditions) if applicable.

The cost of equity-settled transactions with non-employees is measured by reference to the fair value of the goods and services received unless this cannot be reliably measured, in which case these are measured at the fair value of the equity instruments granted.

At each reporting date, the Group revises its estimate of the number of equity-settled transactions that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in the income statement with a corresponding adjustment to equity.

(r) Leases

When a contract is entered into, the Group assess whether the contract contains a lease. A lease arises when the Group has the right to direct the use of an identified asset which is not substitutable and to obtain substantially all economic benefits from the use of the asset throughout the period of use.

The Group separates the lease and non-lease components of the contract and accounts for these separately. The Group allocates the consideration in the contract to each component on the basis of their relative stand-alone prices.

Leases as a lessee

Lease assets and lease liabilities are recognised at the lease commencement date, which is when the assets are available for use. The assets are initially measured at cost, which is the present value of future lease payments adjusted for any lease payments made at or before the commencement date, plus any make-good obligations and initial direct costs incurred.

Lease assets are depreciated using the straight-line method over the shorter of their useful life and the lease term. Periodic adjustments are made for any re-measurements of the lease liabilities and for impairment losses, assessed in accordance with the Group's impairment policies.

Lease liabilities are initially measured at the present value of future minimum lease payments, discounted using the Group's incremental borrowing rate if the rate implicit in the lease cannot be readily determined, and are subsequently measured at amortised cost using the effective interest rate. Minimum lease payments are fixed payments or index-

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Leases (continued)

The lease liability is remeasured when there are changes in future lease payments arising from a change in rates, index or lease terms from exercising an extension or termination option. A corresponding adjustment is made to the carrying amount of the lease assets, with any excess recognised in the income statement.

Short-term leases and lease of low value assets

Short-term leases (lease term of 12 months or less) and leases of low value assets are recognised as incurred as an expense in the income statement. Low value assets comprise office equipment.

(s) Income tax and other taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the income statement.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income tax and other taxes (continued)

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Other taxes

Revenues, expenses and assets are recognised net of the amount of GST/VAT except when the GST/VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST/VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The net amount of GST/VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST/VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST/VAT recoverable from, or payable to, the taxation authority.

(t) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(u) Provisions for decommissioning and restoration costs

The Group is required to decommission and rehabilitate mines at the end of their producing lives to a condition acceptable to the relevant authorities.

The expected cost of any approved decommissioning and rehabilitation program, discounted to its present value, is provided when the related environmental disturbance occurs. The cost is capitalised when it gives rise to future benefits, whether the rehabilitation activity is expected to occur over the life the operation or at the time of closure. The capitalised cost is amortised over the life of the operation and the increase in the net present value of the provision for the expected cost is included in financing expenses over the life of the mine. Expected decommissioning and rehabilitation costs are based on the discounted value of the estimated future cost of detailed plans prepared for each site.

Where there is a change in the expected decommissioning and restoration costs, the value of the provision and any related assets are adjusted, and the effect is recognised in the income statement on a prospective basis over the remaining life of the operation.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares, options or share performance rights are shown in equity as a deduction, net of tax, from the proceeds.

(w) Earnings per share

Basic earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends);
- The after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and

Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares, divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(x) Operating segments

The Group identifies its operating segments based on the internal reports that are reviewed and used by the Board of Directors and executive management team (chief operating decision makers) in assessing performance and determining the allocation of resources.

(y) Significant accounting judgements, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

(i) Impairment of non-current assets

Cash-generating unit (CGU)

The recoverable amount of a CGU is determined as the higher of value in use and fair value less costs of disposal.

The future recoverability of the CGU is dependent on a number of factors, including the level of measured, indicated and inferred Mineral Resources, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

Given the nature of the Group's mining activities, future changes in long term assumptions upon which these estimates are based, may give rise to material adjustments to the carrying value of the CGU.

To the extent that the carrying value of the CGU is determined not to be recoverable in the future, the carrying amount of the CGU would be reduced to its recoverable amount and an impairment loss recognised.

Refer to Note 14 for impairment testing of the Group's CGU at 30 June 2022.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Significant accounting judgements, estimates and assumptions (continued)

Exploration and evaluation assets

The future recoverability of exploration and evaluation assets is dependent on a number of factors, including whether the Group decides to exploit the related area of interest itself. Factors that could impact the future recoverability include the level of Mineral Resources, future technological changes, which could impact the cost of mining, future legal changes (including changes to environmental restoration obligations) and changes to commodity prices.

To the extent that the carrying value of the exploration and evaluation assets is determined not to be recoverable in the future, the carrying amount of the CGU would be reduced to its recoverable amount and an impairment loss recognised.

(ii) Deferred tax assets

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets, including those arising from unutilised tax losses, require management to assess the likelihood that the Group will comply with relevant tax legislation and will generate sufficient taxable profit in future years in order to recognise and utilise those deferred tax assets. Estimates of future taxable profit are based on forecast cash flows from operations and existing tax laws in each jurisdiction. These assessments require the use of estimates and assumptions such as commodity prices and operating performance over the life of the assets.

At 30 June 2022, the Group has net deferred tax assets of $18,653,681 (2021: $16,003,950) which have not been recognised. A tax benefit will only be recognised to the extent that it is probable that future taxable profit will allow the deferred tax asset to be recovered.

(iii) Provision for Indonesian employee termination benefits

The present value of the Group's obligation for its Indonesian employee termination benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include among others, the determination of discount rate, future salary increase, employee turnover rate, disability rate, retirement age and mortality rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about the provision for Indonesian employee termination benefits are provided in Note 18(i).

(iv) Provisions for decommissioning and restoration costs

Decommissioning and restoration costs are a normal consequence of mining and the majority of this expenditure is incurred at the end of a mine's life. In determining an appropriate level of provision, consideration is given to the expected future costs to be incurred, the timing of these expected future costs (largely dependent on the life of the mine), and the estimated future level of inflation.

The ultimate cost of decommissioning and restoration is uncertain and costs can vary in response to many factors including changes to the relevant legal requirements, the emergence of new restoration techniques or experience at other mine sites. The expected timing of expenditure can also change, for example in response to changes in reserves or to production rates.

Changes to any of the estimates could result in significant changes to the level of provisioning required, which would in turn impact future financial results.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Significant accounting judgements, estimates and assumptions (continued)

(v) Share-based payments

The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of options and share performance rights is determined by using a Binomial and Monte Carlo simulation models respectively, with the assumptions detailed in Note 26. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

(vi) Asset acquisitions

The acquisition of an entity that meets the requirements of the concentration test under AASB 2018-6 would be accounted for as an asset acquisition and not a business combination. During the year, the acquisition of Element-46 Ltd was assessed as meeting the mentioned concentration test; therefore, was accounted for as asset acquisition.

(z) Comparatives

Where necessary, comparatives have been reclassified and repositioned for consistency with current year's disclosures.

(aa) Impact of COVID-19 pandemic

In preparing the financial report, the Group has considered the impact of COVID-19. Amounts received from the Australian Federal Government in the form of cash flow boost payments have been recognised as other income in the consolidated income statement and included within sundry income disclosed in Note 5(b) to the consolidated financial statements. The Group's processes for determining expected credit losses, provisions for employee entitlements and other provisions have not been impacted by COVID-19.

(ab) Government grants

Government grants are recognised as other income where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

3. OPERATING SEGMENTS

Identification of reportable segments

- The Group has identified one operating segment, i.e. gold & silver, based on internal reports that are reviewed and used by the Board and executive management team (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

Types of products

- The Group produces gold and silver at its Way Linggo Project in Indonesia, which is refined locally in Indonesia to produce gold and silver granules.

Accounting policies

- The accounting policies used by the Group in reporting segments internally are the same as those contained in Note 2 to the financial statements.
- Segment profit/(loss) include external finance costs that relate directly to segment operations.
- Unallocated corporate costs are non-segmented expenses such as head office expenses and finance costs that do not relate directly to segment operations.
- Income tax expense is calculated based on the segment operating net profit/(loss).

Major customers

Major customers to which the Group provides goods that are more than 10% of external revenue are as follows:

	2022		2021	
	Revenue	**% of External Revenue**	Revenue	% of External Revenue
	$	**%**	$	%
Customer A	**-**	**-**	18,382,761	100

Revenue from external customers by geographical locations

Revenue from external customers by geographical locations is detailed below. Revenue is attributed to geographic location based on the location of customers.

	2022	**2021**
	$	$
Australia	**-**	18,382,761
Indonesia	**-**	-
Total revenue	**-**	18,382,761

Analysis of location of non-current assets

The analysis of location of non-current assets is as follows:

	2022	**2021**
	$	$
Australia	**4,967,109**	53,534
Indonesia	**10,963,385**	19,885,460
United Kingdom	**272,338**	-
Finland	**174,090**	-
Total non-current assets	**16,376,922**	19,938,994

4. REVENUE WITH CONTRACTS WITH CUSTOMERS

		2022	2021
		$	$
(a)	**Segment:**	**Gold & Silver**	Gold & Silver
	Type of goods		
	- Sale of gold	**-**	17,029,735
	- Sale of silver	**-**	1,353,026
	Total revenue from contracts with customers	**-**	18,382,761
	Geographical markets:		
	Australia	**-**	18,382,761
	Indonesia	**-**	-
	Total revenue from contracts with customers	**-**	18,382,761
	Timing of revenue recognition:		
	Goods transferred at a point in time	**-**	18,382,761
	Total revenue from contracts with customers	**-**	18,382,761
(b)	**Reconciliation of revenue from contracts with customers with the amounts disclosed in the segment information in Note 3**		
	Revenue		
	External customer	**-**	18,382,761
	Total revenue from contracts with customers	**-**	18,382,761

(c) Performance obligation

For sale of gold and silver, the performance obligation is satisfied when the fine metal is outturned and credited to the metal account, and the Group provides notice to purchase the outturned fine metal. Payment is generally due within two to four trading days from date of invoice.

5. EXPENSES

		2022	2021
		$	$
(a)	**Cost of sales**		
	Mine production costs	**-**	2,440,248
	Royalties	**-**	895,972
	Depreciation of plant and equipment	**-**	793,451
	Inventory movements	**-**	7,527,720
	Total cost of sales	**-**	11,657,391
(b)	**Other income**		
	Interest income	**107,725**	57,638
	Gain on disposal of plant and equipment	**68,024**	27,798
	Net gain on foreign exchange	**6,692,201**	-
	Sundry income	**361,250**	50,567
	Total other income	**7,229,200**	136,003

5. EXPENSES (continued)

		2022	2021
		$	$
(c)	**Administration expenses**		
	Corporate costs:		
	- Wages and salaries	**1,483,387**	1,604,877
	- Consultants	**576,640**	557,136
	- Director fees	**249,100**	202,896
	- Legal and compliance fees	**428,735**	119,946
	- Travel and accommodation	**167,398**	118
	- Auditor fees	**197,019**	231,795
	- Other general and administrative costs	**379,681**	332,224
	Depreciation of equipment	**95,145**	20,737
	Share-based payments	**1,234,515**	119,731
	Total administration expenses	**4,811,620**	3,189,460
(d)	**Other expenses**		
	Net loss on foreign exchange	**-**	6,752,355
	Exploration and evaluation assets written off	**10,594,325**	-
	Exploration administration costs	**503,602**	-
	Resource definition and extension costs	**-**	1,649,796
	Re-measurement adjustments on VAT receivables	**(1,560)**	(79,777)
	Consumables written down	**-**	576,393
	Non-production mine site costs:		
	- Termination / redundancy costs	**777,830**	291,653
	- Site care and maintenance	**1,455,714**	1,553,663
	- Depreciation of equipment	**261,773**	-
	Total other expenses	**13,591,684**	10,744,083
(e)	**Finance costs**		
	Borrowing costs	**41,794**	787
	Interest on lease liabilities	**6,568**	5,288
		48,362	6,075
	Unwinding of discount and effect of changes in discount rate on rehabilitation provision and other non-current liabilities	**65,761**	80,604
	Total finance costs	**114,123**	86,679
(f)	**Depreciation and amortisation**		
	Plant and equipment	**356,918**	902,206
	Total depreciation and amortisation	**356,918**	902,206
	Included in:		
	Cost of sales	**-**	881,469
	Administration expenses	**95,145**	20,737
	Other expenses	**261,773**	-
		356,918	902,206

5. EXPENSES (continued)

	2022	2021
	$	$
(g) Employee benefits expense		
Wages and salaries	**2,675,894**	2,269,003
Defined contribution superannuation expense	**11,160**	53,987
Defined benefit expense	**-**	143,255
Share-based payments	**1,234,515**	119,731
Other employee benefits	**130,766**	289,234
Total employee benefits expense	**4,052,335**	2,875,210
Included in:		
Cost of sales	**-**	1,003,814
Administration expenses	**4,052,335**	1,871,396
	4,052,335	2,875,210

6. INCOME TAX

	2022	2021
	$	$
(a) Income tax expense		
Income Statement		
Current income tax		
Current income tax (benefit)	**(533,050)**	(545,591)
Under provision in prior year	**-**	-
	(533,050)	(545,591)
Deferred income tax		
Relating to origination and reversal of temporary differences	**(14,057)**	12,670
Income tax (benefit) reported in the Income Statement	**(547,107)**	(532,921)
(b) Amounts charged directly to other comprehensive income		
Statement of Other Comprehensive Income		
Deferred tax related to items recognised in other comprehensive income:		
Re-measurement adjustments on defined benefit obligations	**14,057**	(12,670)
Income tax benefit / (expense) reported in other comprehensive income	**14,057**	(12,670)

6. INCOME TAX (continued)

(c) Numerical reconciliation of accounting loss to tax expense

A reconciliation between tax expense and the accounting loss before income tax multiplied by the Company's applicable income tax rate is as follows:

	2022	2021
	$	$
Accounting loss before income tax	**(11,288,227)**	(7,158,849)
At Australian statutory income tax rate of 30%	**(2,590,926)**	(2,147,655)
Effect of different tax rate in accordance with Contract of Work Agreement and its amendment in Indonesia	**-**	201,672
Net movement in unrecognised deferred tax assets - Australia	**(696,650)**	592,628
Derecognition of deferred tax assets - Indonesia	**2,036,088**	822,888
Net movement in unrecognised deferred tax assets – other countries	**136,618**	-
Non-assessable income	**(13,969)**	(80,057)
Non-deductible expenses	**581,732**	-
Unclaimed foreign tax credit	**-**	77,603
Aggregate income tax benefit	**(547,107)**	(532,921)

(d) Numerical reconciliation of current income tax assets and liabilities

	2022	2021
	$	$
At 1 July	**705,343**	(452,908)
Charged to income	**533,050**	545,591
Net payments/(refunds)	**(705,343)**	612,660
At 30 June	**533,050**	705,343

6. INCOME TAX (continued)

(e) Recognised deferred tax assets and liabilities

	BALANCE SHEET	
	2022	2021
	$	$
Deferred tax at 30 June relates to the following:		
Deferred tax assets		
Provisions	**2,680,441**	2,725,208
Plant and equipment	**383,822**	450,484
Unrealised foreign exchange movements	**-**	609,436
Losses available for offset against future taxable income	**16,008,092**	12,112,794
Gross deferred tax assets	**19,072,355**	15,897,922
Deferred tax liabilities		
Unrealised foreign exchange movements	**(82,919)**	-
Mine properties and development	**(335,755)**	106,028
Gross deferred tax liabilities	**(418,674)**	(106,028)
Net deferred tax assets	**18,653,681**	16,003,950
Unrecognised net deferred tax assets	**(18,653,681)**	(16,003,950)
Net deferred tax assets	**-**	-
Reconciliation of net deferred tax assets movement:		
At 1 July		-
Charged to income	**(14,057)**	12,760
Credited to other comprehensive income	**14,057**	(12,670)
At 30 June	**-**	-

Tax consolidation

The Company and its wholly owned Australian controlled entities formed a tax consolidated group on 27 February 2009. The head entity, Kingsrose, and its wholly owned Australian entities in the tax consolidated group continue to account for their own current and deferred tax balances. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

The Company and its wholly owned Australian entities in the tax consolidated group have entered into a tax funding arrangement and a tax sharing agreement on 7 September 2022.

Unrecognised net deferred tax assets and tax losses

The Group has unrecognised net deferred tax assets in Australia of $2,156,099 (2021: $2,852,749) and Indonesia of $16,497,582 (2021: $13,151,201). Included in this balance are tax losses that arose in Australia of $252,806 (2021: $252,806) and Indonesia of $15,755,286 (2021: $11,859,987). The Australian tax losses are available indefinitely. The Indonesian tax losses are available for a period of five years (for tax loss incurred in 2018 financial year) and for a period of eight years, seven years and six years (for tax losses incurred in 2014, 2016 and 2017 financial years, respectively) for offsetting against future taxable profits of the respective companies in which the losses arose.

7. LOSS PER SHARE

The following reflects the income and share data used in the basic and dilutive earnings per share computations:

	2022	2021
	$	$
(a) Loss per share		
The following reflects the income used in the calculation of basic and diluted loss per share computations:		
Net loss attributable to ordinary equity holders of the parent	**(10,713,011)**	(6,613,790)
	Shares	Shares
(b) Weighted average number of shares		
Weighted average number of ordinary shares for basic loss per share	**741,228,948**	730,007,352
Effect of dilution:		
Options and share performance rights *	**-**	-
Weighted average number of ordinary shares adjusted for the effect of dilution	**741,228,948**	730,007,352
	Cents	**Cents**
(c) Loss per share attributable to the equity holders of the Company:		
Basic loss per share – cents per share	**(1.45)**	(0.91)
Diluted loss per share – cents per share	**(1.45)**	(0.91)

Note (*): Because the diluted loss per share amount is decreased when taking share options into account, the share options had an anti-dilutive effect on the basic loss per share for the year and were ignored in the calculation of diluted loss per share. Therefore, the diluted loss per share amounts are based on the loss for the year of $10,713,011 (2021: loss of $6,613,790), and the weighted average number of ordinary shares 741,228,948 (2021: 730,007,352) on issue during the year that are considered in the calculation of basic loss per share.

(d) Information on the classification of securities

Options and share performance rights

Total options of 35,500,000 (2021: 10,200,000) on issue at balance date are considered to be potential ordinary shares; however, are not included in the determination of diluted loss per share given they have anti-dilutive effect.

Total share performance rights of 7,000,000 (2021: 5,000,000) on issue at balance date are not included in the determination of diluted loss per share as they are contingently issuable securities.

No shares, options or share performance rights were issued between the reporting date and the date of completion of these financial statements.

8. DIVIDENDS PAID AND PROPOSED

No dividends have been paid, declared or recommended by the Company for the years ended 30 June 2022 and 30 June 2021.

9. CASH AND CASH EQUIVALENTS

	2022	2021
	$	$
Current		
Cash at bank and in hand (i)	**4,219,660**	6,562,073
At-call deposits (ii)	**23,407,059**	24,009,188
	27,626,719	30,571,261

Terms and conditions

(i) Cash at bank earn interest at floating rates based on bank deposit rates.

(ii) At-call deposits are made for a minimum period of 31 days and earn interest at the respective currency's official cash rate plus an agreed margin.

(a) Reconciliation to the Statement of Cash Flows

Reconciliation of net loss after income tax to net cash flows from operating activities:

	2022	2021
	$	$
Net loss after income tax	**(10,741,120)**	(6,625,928)
Adjustments for:		
Depreciation of plant and equipment	**356,918**	902,206
Unrealised net foreign exchange (gain)/loss	**(6,519,745)**	5,684,575
Share-based payments	**1,234,515**	119,731
Gain on disposal of plant and equipment	**(68,024)**	(27,798)
Exploration and evaluation assets written off	**10,594,325**	-
Change in assets and liabilities		
Decrease in trade and other receivables	**762,503**	3,408,214
Decrease in inventories	**77,167**	8,855,186
Decrease/(increase) in income tax receivable	**172,189**	(750,453)
(Increase)/decrease in other assets	**(46,466)**	205,039
Increase/(decrease) in trade and other payable	**109,648**	(1,332,993)
Decrease in income tax payable	**-**	(452,908)
Decrease in provisions	**(219,316)**	(87,479)
Net cash flows from operating activities	**(4,287,406)**	9,942,502
Non-cash investing and financing activities		
Acquisition of assets by means of leases	**351,774**	-

9. CASH AND CASH EQUIVALENTS (continued)

(b) Changes in Liabilities Arising from Financing Activities

For the financial year ended 30 June 2022:

	1 July 2021	Cash Flows	Foreign Exchange Movement	New Leases	Other	30 June 2022
	$	$	$	$	$	$
Current						
Lease liabilities	**6,294**	**(70,950)**	**1,428**	**61,444**	**67,139**	**65,355**
Non-Current						
Lease liabilities	**-**	**-**	**(13,319)**	**290,330**	**(67,139)**	**209,872**
Total liabilities from financing activities	**6,294**	**(70,950)**	**(11,891)**	**351,774**	**-**	**275,227**

For the financial year ended 30 June 2021:

	1 July 2020	Cash Flows	Foreign Exchange Movement	New Leases	Other	30 June 2021
	$	$	$	$	$	$
Current						
Lease liabilities	83,744	(77,184)	(6,626)	-	6,360	6,294
Non-Current						
Lease liabilities	7,084	-	(724)	-	(6,360)	-
Total liabilities from financing activities	**90,828**	**(77,184)**	**(7,350)**	**-**	**-**	**6,294**

The 'Other' column includes the effect of reclassification of non-current portion of lease liabilities to current due to passage of time.

The Group classifies interest paid as cash flows from operating activities.

10. TRADE AND OTHER RECEIVABLES

	2022	2021
	$	$
Current		
Bonds and deposits	**285,596**	-
Other receivables (i)	**326,485**	1,020,397
	611,081	1,020,397
Non-Current		
Bonds and deposits	**1,317,935**	1,206,729
Other receivables (i)	**30,280**	178,612
	1,348,215	1,385,341

Terms and conditions

(i) Other receivables consist primarily of VAT recoverable from PTNM's operations that are expected to be recovered within 1 to 24 months.

11. INVENTORIES

	2022	2021
	$	$
Current		
Gold doré and bullion at cost or net realisable value	**-**	47,506
Consumables and spares at cost	**151,576**	181,237
	151,576	228,743

12. PLANT AND EQUIPMENT

	2022	2021
	$	$
Non-Current		
Plant and Equipment		
Gross carrying amount – at cost	**31,936,255**	29,575,163
Accumulated depreciation and impairment	**(31,683,160)**	(29,133,774)
Net carrying amount	**253,095**	441,389
Right-of-Use Assets – Equipment		
Gross carrying amount – at cost	**406,490**	372,481
Accumulated depreciation	**(390,308)**	(325,104)
Net carrying amount	**16,182**	47,377
Right-of-Use Assets – Office Premises		
Gross carrying amount – at cost	**419,702**	79,013
Accumulated depreciation	**(130,623)**	(49,062)
Net carrying amount	**289,079**	29,951
Capital Work in Progress		
Gross carrying amount – at cost	**-**	-
Total Plant and Equipment	**558,356**	518,717

12. PLANT AND EQUIPMENT (continued)

	2022	2021
	$	$
Movements in Plant and Equipment		
Plant and Equipment		
Carrying amount at 1 July	**441,389**	1,274,504
Additions	**63,124**	95,662
Transfer from capital work in progress	**-**	49,208
Disposals	**(33,294)**	(521)
Depreciation charge	**(245,027)**	(853,894)
Foreign exchange translation gain/(loss)	**26,903**	(123,570)
Carrying amount at 30 June	**253,095**	441,389
Right-of-Use Assets - Equipment		
Carrying amount at 1 July	**47,377**	85,235
Transfer from leased equipment	**-**	-
Depreciation charge	**(34,809)**	(29,927)
Foreign exchange translation gain/(loss)	**3,615**	(7,931)
Carrying amount at 30 June	**16,182**	47,377
Right-of-Use Assets - Office Premises		
Carrying amount at 1 July	**29,951**	6,879
Additions	**351,774**	41,664
Depreciation charge	**(77,081)**	(18,386)
Foreign exchange translation gain/(loss)	**(15,565)**	(206)
Carrying amount at 30 June	**289,079**	29,951
Capital Work in Progress		
Carrying amount at 1 July	**-**	54,815
Additions	**-**	-
Transfer to plant and equipment	**-**	(49,208)
Foreign exchange translation loss	**-**	(5,608)
Carrying amount at 30 June	**-**	-

13. MINE PROPERTIES AND DEVELOPMENT

	2022	2021
	$	$
Non-Current		
Gross carrying amount – at cost	**57,800,201**	53,122,849
Accumulated amortisation and impairment	**(52,871,004)**	(48,608,786)
	4,929,197	4,514,063
Movements in Mine Properties and Development		
Carrying amount at 1 July	**4,514,063**	4,947,994
Foreign exchange translation gain/(loss)	**415,134**	(433,931)
Carrying amount at 30 June	**4,929,197**	4,514,063

After the write-off to the exploration and evaluation assets (Note 15), the assessment of the recoverable amount of the Way Linggo Project CGU has determined that no further impairment is required at 30 June 2022. Refer to Note 14 for further details.

14. IMPAIRMENT TESTING OF NON-CURRENT ASSETS

30 June 2022 Assessment

In accordance with the Group's accounting policies, each asset or cash-generating unit (CGU) is evaluated to determine whether there are any indications of impairment. If any such indications of impairment exist, a formal estimate of the recoverable amount is performed.

The Group has identified one cash generating unit (CGU), the Way Linggo project including the Way Linggo mine and Talang Santo mine. The Way Linggo project CGU comprises mine properties and development assets, associated plant and equipment, inventories and exploration assets. During the year, a decision was made and disclosed in the second quarterly report (i.e. Quarter 2 2022) to commence a process to assess divestment opportunities. This decision to divest the Way Lingo assets requires an assessment of the assets' recoverable values. As at the date of these financial statements, a potential buyer is in process of doing due diligence on the CGU.

In assessing whether an impairment is required, the carrying value of the asset or CGU is compared with its recoverable amount. The recoverable amount is the higher of the CGU's fair value less costs of disposal (FVLCD) and value in use (VIU). FVLCD will provide the higher value for these assets as a VIU cannot be determined for the Exploration Assets given the nature of these assets. As the intention of the Group is to dispose of these assets, the FVLCD is also the most appropriate assessment for this scenario.

In assessing fair value of the Way Linggo CGU, the Group have chosen an approach based on assessed resource multiples for comparable gold companies as the primary valuation methodology. This valuation methodology seeks to arrive at a value for mineral assets by applying a resource multiple (being the implied enterprise value per ounce of reported contained gold resource acquired as part of a transaction) to the asset's total contained gold resource. The fair value of the CGU is being estimated at a resource multiple of $40 per ounce which is within the range of comparable transactions and therefore no impairment is required at 30 June 2022.

30 June 2021 Assessment

For the year ended 30 June 2021, the Group assessed whether there were any indicators of impairment in relation to the Way Linggo Project CGU. Upon the identification of impairment indicator relating to Company's market capitalisation relative to the Group's net assets, management performed an impairment assessment on the CGU, applying the fair value less costs of disposal basis using a discounted cash flow model over a 5-year period (level 3 in the fair value hierarchy).

The assessment of the recoverable amount of the Way Linggo Project CGU has determined that no further impairment is required at 30 June 2021.

The determination of the recoverable amount required the use of assumptions which impact the estimates associated with future cash flows. The table below summarises the key assumptions used in the carrying value assessments at 30 June 2021.

14. IMPAIRMENT TESTING OF NON-CURRENT ASSETS (continued)

Assumptions		
Gold price (US$ per ounce)	$1,600-$1,775	Commodity prices are estimated with reference to external market forecasts.
Size and grade of ore bodies	Way Linggo Resource: 236,000t @ 5.8g/t Au and 55g/t Ag Talang Santo Resource: 850,000t @ 5.1g/t Au and 13g/t Ag	
Projected operating and capital costs	The operating and capital cost assumptions are based on the Group's latest forecasts and CGU specific studies. These projections can include expected operating performance improvements reflecting the Group's objectives to maximise free cash flow, optimize and reduce operational activity and improve capital and labour productivity.	
Discount rate (post tax)	10.9%	

The headroom between the carrying amount and recoverable amount in the Way Linggo CGU is, on the prior period assumptions marginal, and any unfavourable changes to key assumptions and inputs would result in an impairment charge. If the key assumptions used in the carrying value assessments at 30 June 2021 were changed to the extent in the following table, the changes would have the following approximate impact on the carrying amount for the year ended 30 June 2021. It must be noted that each of the sensitivities below assumes that the specific assumption moves in isolation, while all other assumptions are held constant. In reality, a change in one of the aforementioned assumptions is usually accompanied with a change in another assumption, which may have offsetting impact.

	Impairment Charge
	$
-5% change in USD gold price per ounce	(4,360,153)
+2.5% change in project operating costs	(1,388,189)
+150 basis points change in discount rate	(610,205)

15. EXPLORATION AND EVALUATION ASSETS

	2022	2021
	$	$
Non-Current		
At cost	**9,541,154**	13,520,873
Movements in Exploration and Evaluation Assets		
Carrying amount at 1 July	**13,520,873**	14,811,294
Additions – Element-46 Limited (i)	**4,918,165**	-
Additions - Other	**780,334**	-
Write off (ii)	**(10,594,325)**	-
Foreign exchange translation gain/(loss)	**916,107**	(1,290,422)
Carrying amount at 30 June	**9,541,154**	13,520,873

Recoverability of the carrying amount of the exploration and evaluation assets is dependent upon the successful development and continuing exploitation, or alternatively, sale of the assets.

15. EXPLORATION AND EVALUATION ASSETS (continued)

(i) On 30 November 2021, the Group acquired Element-46 Limited. The total consideration under the acquisition comprises a mixture of upfront and deferred considerations. The fair values of the purchase considerations have been allocated to the acquired assets and liabilities as at the acquisition date. The fair value of the upfront consideration settled in equity of $1,313,533 was measured based on the share price of the Company at acquisition date and was recognised as increase in issued capital during the period. The fair value of the deferred consideration to be settled in equity of $2,517,133 is measured using a probability of 100% likelihood of achieving the contingent event based on share price of the Company at acquisition date and was recognised as increase in share-based payments reserve during the period. The fair value of the deferred consideration to be settled in cash is discounted to net present value of expected settlement date and was recognised as a non-current liability as at 30 June 2022 (Note 19).

(ii) At each reporting date, the Group undertakes an assessment of the carrying amount of its exploration and evaluation assets. During the year ended 30 June 2022, the Group has not identified any indicator of impairment on is exploration and evaluation assets. However during the period a write off of $10,594,325 (2021: nil) was recognised in the income statement in relation to areas of interest where no future exploration and evaluation activities are expected.

16. TRADE AND OTHER PAYABLES

	2022	2021
	$	$
Current		
Trade creditors	**416,480**	224,714
Accruals	**632,945**	666,779
Sundry creditors	**-**	56,079
	1,049,425	947,572

Terms and conditions

Trade and sundry creditors are non-interest bearing and are normally settled in accordance with the terms of trade.

17. INTEREST BEARING LIABILITIES

	2022	2021
	$	$
Current		
Lease liabilities (i)	**65,355**	6,294
Non-Current		
Lease liabilities (i)	**209,872**	-

Terms and conditions

(i) Lease liabilities represent *Right of Use Assets* for leased office space with an average term of 2 to 5 years.

18. REHABILITATION AND OTHER PROVISIONS

	2022	2021
	$	$
Current		
Other provisions	**21,123**	-
Employee entitlements (i)	**6,700**	91,622
	27,823	91,622
Non-Current		
Employee entitlements (i)	**-**	307,252
Rehabilitation (ii)	**1,519,328**	1,409,636
	1,519,328	1,716,888

The nature of the provisions is described in Note 2(t) and 2(u).

(i) Included in the current and non-current provision for employee entitlements is the provision for Indonesian employee termination benefits. The Indonesian employee termination benefits arrangement is regulated under Indonesian labour laws enacted in 2003, which require companies to provide a minimum level of benefits to employees upon employment termination, based on the reason for termination and the employee's years of service.

(ii) The rehabilitation provision represents the present value of rehabilitation costs relating to the mine site, which are expected to be incurred over the life of the mine. However, the timing of rehabilitation expenditure is dependent on the life of the mine which may vary in future.

	2022	2021
	$	$
Movements in Rehabilitation Provision		
At 1 July	**1,409,636**	1,208,584
Provisions recognised – net	**-**	273,405
Unwinding of discount	**-**	80,604
Utilised during the year	**(18,829)**	-
Foreign exchange translation loss/(gain)	**128,521**	(152,957)
At 30 June	**1,519,238**	1,409,636

19. OTHER NON-CURRENT LIABILITIES

	2022	2021
	$	$
Non-Current		
Deferred cash consideration (i) (Note 15)	**723,377**	-

(i) The deferred cash consideration relates to the £451,250 due to former shareholders of Element-46 Limited based on the occurrence of certain milestone events which the Company has assigned a 100% probability of at least one of these events occurring. The fair value of the deferred consideration to be settled in cash is discounted to net present value of expected settlement date.

19. OTHER NON-CURRENT LIABILITIES (continued)

	2022	2021
	$	$
Movements in Deferred Consideration		
At 1 July	**-**	-
Initial recognition	**695,383**	-
Unwinding of discount	**65,762**	-
Foreign exchange translation gain	**(37,767)**	-
At 30 June	**723,377**	-

20. CONTRIBUTED EQUITY

	2022	2022	2021	2021
	$	Number	$	Number
Ordinary Shares				
Issued and fully paid	**107,326,091**	**752,526,519**	105,688,558	730,007,352
Movement in Ordinary Shares				
Balance at 1 July	**105,688,558**	**730,007,352**	105,688,558	730,007,352
Shares issued	**1,313,533**	**16,419,167**	-	-
Options exercised	**324,000**	**6,100,000**	-	-
Balance at 30 June	**107,326,091**	**752,526,519**	105,688,558	730,007,352

Terms and conditions

Holders of ordinary shares have the right to receive dividends as declared and, in the event of winding up of the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of, and amounts paid up on shares held. Ordinary shares entitle the holder to one vote, either in person or by proxy, at a meeting of the Company.

Escrow restrictions

There are no escrow restrictions on securities in the Company.

Options and share performance rights on issue

The total number of options on issue as at 30 June 2022 was 35,500,000 (2021: 10,200,000).

The total number of share performance rights on issue at 30 June 2022 was 7,000,000 (2021: 5,000,000).

21. RESERVES

Nature and purpose of reserves

Share-based payments reserve

The share-based payments reserve is used to record the value of deferred equity consideration, options and share performance rights provided to shareholders, consultants, vendors and employees including key management personnel as part of their remuneration.

General reserve

The general reserve is used to record the portion of PTNM's accumulated profits required to be set aside in accordance with the prevailing laws and regulations in Indonesia.

21. RESERVES (continued)

Nature and purpose of reserves (continued)

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries. It is also used to record exchange gains or losses on borrowings that form part of the Company's net investments in foreign operations.

Other capital reserve

The other capital reserve is used to record the minority shareholder's 14.7% interest in PTNM at 23 December 2014. The minority shareholder has legal ownership interest in PTNM of 15%; however its interest was reduced to 0.3% from December 2014 in the financial statements due to the accounting treatment of the limited recourse loans extended by the Group to the minority shareholder on 8 October 2013 and 23 December 2014 under *AASB 2 Share-Based Payment*.

22. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT

The Group's principal financial instruments comprise receivables, payables, loans, leases, cash and short-term deposits.

Objectives and Policies

The Group manages its exposure to key financial risks in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, commodity price risk, liquidity risk and credit risk. The Group uses different methods to measure and manage different types of risk to which it is exposed. These include monitoring levels of exposure to interest rate and foreign exchange risk and assessments of market forecasts for interest rates, foreign exchange and commodity prices. Ageing analysis and monitoring of specific credit allowances are undertaken to manage credit risk. Liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks as summarised below.

Primary responsibility for identification and control of financial risks rests with the Board of Directors because, due to the size of the Company, there is currently no financial risk management committee.

(a) Interest rate risk

The Group's exposure to market interest rates relates primarily to the Group's cash holdings. At the reporting date, the Group had the following financial assets exposed to variable interest rate risk:

	2022	2021
	$	$
Financial Assets		
Cash and cash equivalents	**27,626,719**	30,571,261
Net exposure	**27,626,719**	30,571,261

The Group constantly monitors its interest rate exposure and consideration is given to renewals of existing positions and the mix of fixed and variable interest rates. The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date. The 2% increase and 2% decrease in rates is based on management's assessment of the reasonably possible changes over a financial year.

22. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

(a) Interest rate risk (continued)

At 30 June 2022, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post-tax profit would have been affected as follows:

	Post-Tax Profit Higher/(Lower)	
	2022	2021
Judgements of reasonably possible movements:	$	$
+2% (200 basis points)	427,631	323,003
-2% (200 basis points)	(345,917)	(323,003)

(b) Foreign currency risk

The Group has transactional currency exposures as a result of interests in Indonesia, United Kingdom, Jersey and Scandinavia. Due to the Group's large cash holdings in USD the income statement and statement of financial position can be affected significantly by movements in the AUD/USD rate. The Group seeks to mitigate the effect of its foreign currency exposure by actively monitoring foreign exchange movements and their impact on the Group's budgeted future cash flows and future net asset positions denominated in foreign currencies.

At 30 June 2022, the Group had the following exposure to foreign currencies:

	2022	2022	2022	2022
	USD Denominated balances	IDR Denominated balances	GBP Denominated balances	EUR Denominated balances
	A$	A$	A$	A$
Financial Assets				
Cash and cash equivalents	26,673,087	533,923	106,079	190,363
	26,673,087	533,923	106,079	190,363
Financial Liabilities				
Trade and other payables	-	(780,625)	(7,783)	(20,471)
Interest-bearing liabilities (Note 17)	-	-	(275,227)	-
Deferred cash consideration (Note 19)	-	-	(723,377)	-
	-	(780,625)	(1,006,387)	(20,471)
Net exposure	26,673,087	(246,702)	(900,308)	170,192

At 30 June 2021, the Group had the following exposure to foreign currencies:

	2021	2021	2021	2021
	USD Denominated balances	IDR Denominated balances	GBP Denominated balances	EUR Denominated balances
	A$	A$	A$	A$
Financial Assets				
Cash and cash equivalents	29,277,232	957,713	-	-
	29,277,232	957,713	-	-
Financial Liabilities				
Trade and other payables	-	(710,651)	-	-
Interest-bearing liabilities (Note 17)	-	(6,294)	-	-
	-	(716,945)	-	-
Net exposure	29,277,232	240,768	-	-

22. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

(b) Foreign currency risk (continued)

At 30 June 2022, had the Australian and US dollar moved, as illustrated in the table below, with all other variables held constant, post-tax loss would have been affected as follows:

	Post-Tax Loss Higher/(Lower)	
	2022	2021
Judgements of reasonably possible movements:	$	$
A$/US$ +10% (2021: +10%)	**(1,697,378)**	(975,908)
A$/US$ -10% (2021: -10%)	**2,074,573**	1,078,635

Significant assumptions used in the foreign currency exposure sensitivity analysis include:

- Reasonably possible movements in foreign exchange rates were determined based on a review of the last two years' historical movements, economic forecaster's expectations and volatility experienced since the onset of COVID-19 pandemic;
- The reasonably possible movement of 10% was calculated by taking the foreign currency spot rate as at balance date, moving this spot rate by 10% and then re-converting the foreign currency into AUD with the "new spot-rate". This methodology reflects the translation methodology undertaken by the Group;
- The translation of the net assets in subsidiaries with a functional currency other than AUD has not been included in the sensitivity analysis as part of the equity movement; and
- The net exposure at balance date is representative of what the Group was and is expecting to be exposed to in the next twelve months from balance date.

(c) Commodity price risk

Commodity price risk is the risk of financial loss resulting from movements in the price of the Group's commodity inputs and outputs. The Group is exposed to commodity price risk arising from revenue derived from sales of gold and silver.

As at reporting date, the Group had no financial instruments with material exposure to commodity price risk.

(d) Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet their obligations to repay their financial liabilities as and when they fall due.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of external funding. The Group monitors on a regular basis rolling forecasts of liquidity on the basis of expected cash flow.

The following table reflects the liquidity risk arising from the financial liabilities held by the Group at balance date. The contractual maturity represents undiscounted gross amounts.

	Maturity Analysis			
	Within 1 year	1 to 5 years	After 5 years	Total
	$	$	$	$
Financial Liabilities				
2022				
Trade and other payables	**(1,049,425)**	**-**	**-**	**(1,049,425)**
Interest-bearing liabilities				
- Lease liabilities	**(70,534)**	**(211,603)**	**-**	**(282,137)**
Deferred cash consideration	**-**	**(795,715)**	**-**	**(795,715)**
	(1,119,959)	**(1,007,318)**	**-**	**(2,127,277)**

22. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

(d) Liquidity risk (continued)

	Maturity Analysis			
	Within 1 year	1 to 5 years	After 5 years	Total
	$	$	$	$
Financial Liabilities				
2021				
Trade and other payables	(947,572)	-	-	(947,572)
Interest-bearing liabilities				
- Lease liabilities	(6,294)	-	-	(6,294)
	(953,866)	-	-	(953,866)

(e) Credit risk exposure

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents and trade and other receivables. The Group's exposure to credit risk arises from potential default of the counterparty, with the maximum exposure equal to the carrying amount of these assets as indicated in the statement of financial position.

The Group does not hold any credit derivatives to offset its credit exposure. The Group trades only with recognised, credit worthy third parties and as such collateral is not requested nor is it the Group's policy to securitise its trade and other receivables. Receivable balances are monitored on an ongoing basis with the result that the Group does not have a significant exposure to bad debts.

Cash

Cash is held with several reputable financial institutions assigned A or greater credit ratings by Standard and Poor's.

Trade Receivables

While the Group has policies in place to ensure that sales of its products are made to customers with an appropriate credit history, it does have a concentration of credit risk in relation to its gold and silver sales due to a dependence on a single buyer. The Group has in place policies that aim to ensure that sales transactions are limited to high credit quality customers and that the amount of credit exposure to any one customer is limited as far as is considered commercially appropriate. Sales are settled within four trading days from invoice date, minimising credit exposure.

Since the Group trades only with recognised credit worthy third parties, there is no requirement for collateral. There are no past due or material impaired receivables at balance date.

As at 30 June 2022, the Group did not have trade receivable balance (2021: nil).

(f) Fair values

The fair values of all financial assets and liabilities approximate their carrying amounts at balance date.

The fair values of the Group's cash and cash equivalents, trade and other receivables, and trade and other payables approximate their carrying amounts largely due to the short-term maturities of these instruments.

(g) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future developments of the business. Capital, in this context, consists of debt, which includes trade and other payables, interest-bearing liabilities, cash and cash equivalents and equity. The Board's focus has been to raise sufficient funds through debt and equity to fund exploration, evaluation and development activities. There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements. The table below summarises the components of capital managed by the Group.

22. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (continued)

(g) Capital management (continued)

	2022	2021
	$	$
Total borrowings*	**1,114,779**	953,866
Less: Cash and cash equivalents	**(27,626,719)**	(30,571,261)
Net (cash)	**(26,511,940)**	(29,617,395)
Total equity	**41,876,369**	50,144,057
Total capital	**15,364,429**	20,526,662
Gearing ratio	**-**	-

*Includes trade and other payables and interest-bearing liabilities

23. LEASES

Group as a lessee

The Group has lease contracts for various plant and equipment. These leases have average term of three years with the option to purchase the assets at the completion of the lease term at a nominal value.

The Group also has certain leases with lease terms of 12 months or less and leases of office equipment with low value. The Group applies the ‘short-term lease’ and ‘lease of low-value assets’ recognition exemption for these leases. The carrying amounts of right-of-use assets recognised and the movements during the year are set out in Note 12.

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	2022	2021
	$	$
At 1 July	**6,294**	90,828
Additions	**351,774**	-
Accretion of interest	**6,568**	5,288
Payments	**(77,518)**	(82,471)
Foreign exchange translation loss	**(11,891)**	(7,351)
At 30 June	**275,227**	6,294
Included in the financial statements as interest-bearing liabilities (Note 17):		
Current	**65,355**	6,294
Non-current	**209,872**	-
Total	**275,227**	6,294

The maturity analysis of lease liabilities is disclosed in Note 22(d).

The following are the amounts recognised in profit or loss:

	2022	2021
	$	$
Depreciation expense of right-of-use assets	**77,081**	48,313
Interest expense on lease liabilities	**6,568**	5,288
Expense relating to short-term leases (included in cost of sales)	**-**	17,899
Expense relating to leases of low-value assets (included in admin expenses)	**5,536**	65,863
Total amount recognised in profit or loss	**89,186**	137,363

23. LEASES (continued)

The Group had total cash outflows for leases of $77,518, comprising payments of principal $70,950 and interest $6,568 during the year. The Group had total cash outflows for short-term leases and leases of low value assets of $5,536 during the year (2021: $83,762).

The Group did not have leases that have not yet commenced but committed at reporting date.

24. INFORMATION RELATING TO SUBSIDARIES

(a) The consolidated financial statements of the Group include:

		Equity Interest	
Entity	**Place of Incorporation**	**2022**	**2021**
MM Gold Pty Ltd	Australia (WA)	**100%**	100%
Natarang Offshore Pty Ltd	Australia (WA)	**100%**	100%
PT Natarang Mining	Indonesia (JAK)	**85%**	85%
Kingsrose Tanggamus Pty Ltd	Australia (WA)	**100%**	100%
Kingsrose Mining (Jersey) Limited	Jersey (SH)	**100%**	100%
Element-46 Limited	United Kingdom (LON)	**100%**	-
Pallagen Oy	Finland (HEL)	**100%**	-
Kingsrose Exploration Oy	Finland (HEL)	**100%**	-
Kingsrose Exploration AS	Norway (OS)	**100%**	-

(b) Financial information of subsidiary that has material non-controlling interest are provided below:

PTNM is the subsidiary in the Group that has material non-controlling interest. PTNM's principal place of business is in Indonesia. At 30 June 2022, the proportion of legal equity interest held by non-controlling interest was 15% (2021: 15%).

	2022	**2021**
	$	$
Accumulated balances of material non-controlling interest	**1,728,111**	1,756,220
Loss allocated to material non-controlling interest	**(28,109)**	(12,138)

The summarised financial information of PTNM is provided below. This information is based on amounts before intercompany eliminations.

Summarised Income Statement	**2022**	**2021**
	$	$
Revenue from contracts with customers	**-**	18,382,761
Cost of sales	**-**	(11,657,391)
Other income	**297,972**	31,495
Administrative expenses	**(755,718)**	(1,207,777)
Other expenses	**(8,903,689)**	(8,406,742)
Finance costs	**(20,696)**	(810,711)
Loss from continuing operations before income tax	**(9,382,131)**	(3,668,365)
Income tax	**14,057**	(12,670)
Loss for the year from continuing operations after income tax	**(9,368,074)**	(3,681,035)
Total comprehensive loss	**(9,368,074)**	(3,653,009)
Attributable to non-controlling interest	**(28,109)**	(7,934)
Dividend paid to non-controlling interest	**-**	-

24. INFORMATION RELATING TO SUBSIDIARIES (continued)

Summarised Statement of Financial Position	2022	2021
	$	$
Current Assets	**1,440,437**	2,708,078
Non-Current Assets	**10,946,642**	19,918,067
Current Liabilities	**(48,222,046)**	(46,077,258)
Non-Current Liabilities	**(1,518,328)**	(1,717,409)
Total Capital Deficiency	**(37,354,295)**	(25,168,522)
Attributable to:		
Owners of the parent	**(39,082,406)**	(26,924,742)
Non-controlling interest	**1,728,111**	1,756,220

Summarised Cash Flow Information	2022	2021
	$	$
Operating	**(2,286,782)**	12,381,211
Investing	**-**	(13,975)
Financing	**1,573,728**	(11,802,013)
Net (decrease)/increase in cash and cash equivalents	**(713,053)**	565,223

25. PARENT ENTITY DISCLOSURES

The parent entity is Kingsrose Mining Limited.

	2022	2021
	$	$
Current Assets	**27,167,004**	30,259,351
Non-Current Assets	**15,639,741**	10,844,646
Total Assets	**42,806,745**	41,103,997
Current Liabilities	**(206,999)**	(124,482)
Non-Current Liabilities	**(723,377)**	521
Total Liabilities	**(930,377)**	(123,961)
Net Assets	**41,876,369**	40,980,036
Issued Capital	**107,326,092**	105,688,558
Accumulated Losses	**(77,645,819)**	(73,269,968)
Reserves	**12,196,096**	8,561,446
Total Shareholder's Equity	**41,876,369**	40,980,036
Loss of the parent entity	**(4,375,845)**	(2,767,018)
Total comprehensive income of the parent entity	**(4,375,845)**	(2,767,018)

Kingsrose has not entered into any guarantees in relation to the debts of its controlled entities during the years ended 30 June 2022 and 30 June 2021.

There are no contractual commitments for acquisition of plant and equipment and contingent liabilities for the Company at balance date.

26. SHARE-BASED PAYMENTS

(a) Recognised share-based payment expenses

The expense arising from share-based payment transactions recognised for employee services received during the year are as follows:

	2022	2021
	$	$
Options	**1,090,023**	94,614
Share performance rights	**144,492**	25,117
	1,234,515	119,731

(b) Incentive Option and Performance Rights Plan

The Company has an Incentive Option and Performance Rights Plan (IOPRP or Plan) which was approved by shareholders at the Annual General Meeting on 2 November 2018. Under the Plan, the Company can issue options or share performance rights to eligible persons or their nominees for no cash consideration. The options or share performance rights granted under the Plan may be subject to various forfeiture conditions and/or performance conditions as determined by the Board.

(c) Movements in options during the year

The following table illustrates the number and weighted average exercise price (WAEP) of, and movements in, options during the year.

	2022	2022	2021	2021
	Number	WAEP	Number	WAEP
Outstanding at the beginning of the year	**10,200,000**	**0.06**	5,200,000	0.06
Granted during the year	**30,500,000**	**0.10**	5,000,000	0.06
Exercised during the year	**(3,600,000)**	**0.06**	-	-
Lapsed/cancelled during the year	**(1,600,000)**	**0.06**	-	-
Outstanding at the end of the year	**35,500,000**	**0.10**	10,200,000	0.06
Exercisable at the end of the year	**26,500,000**	**0.10**	10,200,000	0.06

- Weighted average share price – The weighted average share price of options exercised during the year ended 30 June 2022 was $0.058 (2021: Nil).
- Weighted average remaining contractual life – The weighted average remaining contractual life for the options outstanding as at 30 June 2022 is 3.79 years (2021: 2.84 years).
- Range of exercise price – The range of exercise prices for the options outstanding at the end of the year is $0.059 to $0.100 (2021: $0.057 to $0.059).
- Weighted average fair value – The weighted average fair value of options granted during the year ended 30 June 2022 was $0.039 (2021: $0.036).
- Valuation model – The fair value of the options granted during the period was estimated at the date of grant using a binomial pricing model, taking into account the terms and conditions upon which the options were granted.

26. SHARE-BASED PAYMENTS (continued)

(c) Movements in options during the year (continued)

The following table lists the inputs to the model used for the year ended 30 June 2022:

Grant date	10 August 2021	28 January 2022	22 April 2022
Number granted	3,000,000	22,500,000	5,000,000
Dividend yield	-	-	-
Share price at grant date	$0.047	$0.073	$0.075
Exercise price	$0.072	$0.107	$0.100
Expected volatility	85%	80%	80%
Risk-free interest rate	0.415%	1.645%	2.695%
Expiration period	5 years	4.42 years	3 years
Expiry date	24 July 2026	30 June 2026	22 April 2025
Binomial valuation per option	$0.036	$0.039	$0.038

The following table lists the inputs to the model used for the year ended 30 June 2021:

Grant date	8 February 2021
Number granted	5,000,000
Dividend yield	-
Share price at grant date	$0.055
Exercise price	$0.059
Expected volatility	85%
Risk-free interest rate	0.415%
Expiration period	5 years
Expiry date	8 February 2026
Binomial valuation per option	$0.036

(d) Movements in share performance rights during the year

The following table illustrates the number of, and movements in, share performance rights during the year.

	2022	2021
	Number	Number
Outstanding at the beginning of the year	**5,000,000**	789,115
Granted during the year	**4,500,000**	5,000,000
Exercised during the year	**(2,500,000)**	-
Cancelled during the year	**-**	(789,115)
Outstanding at the end of the year	**7,000,000**	5,000,000
Exercisable at the end of the year	**-**	-

- Weighted average remaining contractual life – The weighted average remaining contractual life for the share performance rights outstanding as at 30 June 2022 is 2.00 years (2021: 1.50 years).
- Range of exercise price – The exercise price for the share performance rights outstanding at the end of the year 30 June 2022 is Nil (2021: Nil).
- Weighted average fair value – The weighted average fair value of share performance rights granted during the year ended 30 June 2022 was $0.062 (2021: $0.038).
- Valuation model – The fair value of the share performance rights was estimated at the date of grant using a Monte Carlo simulation model with the following assumptions for the year ended 30 June 2022:

26. SHARE-BASED PAYMENTS (continued)

(d) Movements in share performance rights during the year (continued)

Grant date	22 April 2022				
Tranche number	1	2	3	4	5
Number of rights	350,000	200,000	100,000	200,000	200,000
Dividend yield	-	-	-	-	-
Share price at grant date	$0.080	$0.080	$0.080	$0.080	$0.080
Exercise price	-	-	-	-	-
Expected volatility	80%	80%	80%	80%	80%
Risk-free interest rate	2.390%	2.390%	2.390%	2.390%	2.390%
Expected life	1.69 years	1.69 years	1.69 years	1.69 years	1.69 years
Expiry date	30 Dec 2023	30 Dec 2023	30 Dec 2023	30 Dec 2023	30 Dec 2023
Binomial valuation per right	$0.062	$0.062	$0.062	$0.062	$0.062

Grant date	22 April 2022				
Tranche number	6	7	8	9	10
Number of rights	500,000	600,000	200,000	500,000	350,000
Dividend yield	-	-	-	-	-
Share price at grant date	$0.080	$0.080	$0.080	$0.080	$0.080
Exercise price	-	-	-	-	-
Expected volatility	80%	80%	80%	80%	80%
Risk-free interest rate	2.390%	2.695%	2.695%	2.695%	2.695%
Expected life	1.69 years	3.70 years	2.70 years	2.70 years	3.70 years
Expiry date	30 Dec 2023	30 Dec 2025	30 Dec 2024	30 Dec 2024	30 Dec 2025
Binomial valuation per right	$0.062	$0.068	$0.063	$0.063	$0.061

Grant date	22 April 2022
Tranche number	11
Number of rights	1,300,000
Dividend yield	-
Share price at grant date	$0.080
Exercise price	-
Expected volatility	80%
Risk-free interest rate	2.695%
Expected life	3.70 years
Expiry date	30 Dec 2025
Binomial valuation per right	$0.061

The number of share performance rights to vest is subject to the satisfaction of the performance conditions, along with continued employment with the Company. The performance conditions for the share performance rights are:

- The Tranche 1 Rights will vest upon the issue of an exploration licence at the Penikat Project by the relevant regulatory bodies and the Company's share price exceeding $0.12 for five consecutive trading days prior to the expiry date.
- The Tranche 2 Rights will vest upon achieving Finnish Towards Sustainable Mining rating of AAA in Community, Environment and Safety categories and the Company's share price exceeding $0.12 for 5 consecutive trading days prior to the expiry date.
- The Tranche 3 Rights will vest upon the issue of drill permits by the relevant regulatory body at the Porsanger Project and the Company's share price exceeding $0.12 for 5 consecutive trading days prior to the expiry date.
- The Tranche 4 Rights will vest upon the acquisition of a new exploration project and completion of 2,000 metres ('m') of drilling on that project and the Company's share price exceeding $0.12 for 5 consecutive trading days prior to the expiry date.

26. SHARE-BASED PAYMENTS (continued)

(d) Movements in share performance rights during the year (continued)

- The Tranche 5 Rights will vest upon the completion of a geophysical survey at the Porsanger Project and detailed mapping of mineralised reefs and finalisation of drilling plans for Natura Assessments for all Penikat licence applications and reservation areas prior to 31 December 2022 and the Company's share price exceeding $0.12 for 5 consecutive trading days prior to the expiry date.
- The Tranche 6 Rights will vest upon the acquisition of a new exploration project and the Company's share price exceeding $0.12 for 5 consecutive trading days prior to the expiry date.
- The Tranche 7 Rights will vest upon all exploration licences at the Penikat Project being issued by the relevant regulatory body and the completion of 5,000m of drilling at the Penikat Project and the Company's share price exceeding $0.15 for 5 consecutive trading days prior to the expiry date.
- The Tranche 8 Rights will vest upon the completion of 2,000m drilling on any project in Scandinavia and the Company's share price exceeding $0.15 for 5 consecutive trading days prior to the expiry date.
- The Tranche 9 Rights will vest upon the completion of 2,000m drilling on any project and the Company's share price exceeding $0.15 for 5 consecutive trading days prior to the expiry date.
- The Tranche 10 Rights will vest upon the announcement of a mineral resource on a project in Scandinavia and the Company's share price exceeding $0.20 for 5 consecutive trading days prior to the expiry date.
- The Tranche 11 Rights will vest upon the announcement of a mineral resource by the Company and the Company's share price exceeding $0.20 for 5 consecutive trading days prior to the expiry date.

Share performance rights that do not vest will automatically lapse.

27. RELATED PARTY DISCLOSURES

(a) Interests in Subsidiaries

The information about the Group's structure including the details of the subsidiaries is set out in Note 24(a).

(b) Transactions with Related Parties

The following table provides the amount of transactions and outstanding balances that have been entered into with related parties during the year.

		Amount of Transactions	Interest Charged	Amount Owed by/(to) Related Parties
		$	$	$
Drilling services (i)	**2022**	**570,979**	**-**	**84,855**
	2021	1,003,514	-	-
E-46 Acquisition (ii)	**2022**	**5,206,743**	**-**	**723,377**
	2021	-	-	-
Consulting services (iii)	**2022**	**-**	**-**	**-**
	2021	9,000	-	-

(i) Drilling Services

PT Promincon Indonesia, an entity related to Dr Andrews, received $570,979 fees (net of taxes) for drilling services provided to the Company's subsidiary, PTNM during the year (2021: $1,003,514). These fees are payable on arm's length commercial terms resulting from a competitive tender program for PTNM's drilling requirements at the Way Linggo site. At 30 June 2022 an amount of $84,855 (net of taxes) was owing to PT Promincon Indonesia (2021: $0).

27. RELATED PARTY DISCLOSURES (continued)

(b) Transactions with Related Parties (continued)

(ii) E-46 Acquisition

E-46 was acquired for a total consideration of $5,206,743 including cash, shares and deferred consideration. Fabian Baker and Tim Coughlin had an ownership interest in E-46 of 0.9% and 10.8% respectively as at the acquisition date. The issue of shares to Messer's Baker and Coughlin following the Company's acquisition of E-46 was approved by shareholders at the Company's Annual General Meeting held on 28 January 2022. As at 30 June 2022, the amount of deferred consideration payable to the former owners of E-46 was $723,377 (2021: $0).

(iii) Consulting Services

Vintage94 Pty Ltd an entity related to Mr Lester, received $9,000 fees (net of taxes) for metallurgical services provided to the Company during the 2021 year. The services are ad-hoc and minor in nature and on an "as required basis". At 30 June 2022, no amount was owing to Vintage94 Pty Ltd (2021: $0).

(c) Compensation of Key Management Personnel

	2022	2021
	$	$
Short-term benefits	**1,046,863**	1,289,125
Post-employment benefits	**4,000**	38,137
Long-term benefits	**-**	6,417
Termination allowance	**628,836**	-
Share-based payments	**1,158,058**	119,731
Total	**2,837,757**	1,453,410

Interests held by Key Management Personnel under the IOPRP

Options and share performance rights held by key management personnel under the Incentive Option and Performance Rights Plan (IOPRP) have the following expiry dates and weighted average exercise prices:

Issue Date	Expiry Date	WAEP	2022 Number Outstanding	Expiry Date	WAEP	2021 Number Outstanding
Options						
FY 2021	-	-	-	FY 2026	$0.059	5,000,000
FY 2022	FY 2026	$0.103	25,500,000	-	-	-
Share Performance Rights						
FY 2021	-	-	-	FY 2022 and FY 2023	-	5,000,000

Details of the IOPRP are set out in Note 26.

28. COMMITMENTS AND CONTINGENCIES

(a) Royalties

As part of the acquisition of the Way Linggo Project, the Company's wholly owned subsidiary MM Gold Pty Ltd inherited various project royalty commitments. At balance date, the only outstanding commitment was the "tonnage or net profit royalty". The gross royalty is calculated as follows:

Royalty	Calculation Method	Gross Royalty Calculation Formula
Tonnage royalty	If gold revenue is greater than 90% of total PTNM revenue	10% of ore tonnes treated x gold price x 2%
Net profit royalty	If gold revenue is less than 90% of total PTNM revenue	5% of net profit

The gross royalty is then multiplied by the Company's Australian subsidiary's ownership percentage of PTNM (currently 85%) to determine the net royalty payable.

In addition, PTNM is obligated to pay gold and silver royalties to the Indonesian government, calculated at 3.75% to 5.00% of the value of gold bullion sales and 3.25% of the value of silver bullion sales.

(b) Divestment

Under Article 24 of the Contract of Work ("CoW") signed with the Government of the Republic of Indonesia ("GoRI") on 2 December 1986 and Article 24 of the Amended CoW signed with GoRI on 14 March 2018 on "Promotion of National Interest", the Group was obligated to comply its shareholder composition in accordance with current law and regulation i.e. the foreign shareholder only owned its interest maximum at 49%. Therefore, the foreign shareholder was obligated to offer for sale a percentage of its shares in PT Natarang Mining ("PTNM"), the Company's subsidiary who entered into the CoW with GoRI, to the Indonesian government, Indonesian nationals or Indonesian companies controlled by Indonesian nationals. Article 24 of the Amended CoW used a timetable outlining the percentage of the shares that must be offered for sale in each year after five years of the operating period in accordance with the prevailing mining laws on divestment.

On 16 November 2020, PTNM submitted a share divestment offer to GoRI amounting to 36% equity in the Company. Accordingly, the Group fulfilled its obligation to apply for divestment of shares in the tenth year since production in accordance with the prevailing mining laws and regulations at the time. GoRI has not yet responded to the offer.

On 9 September 2021, GoRI issued Government Regulation No. 96 year 2021 ("PP") as implementing regulations for the Mining Law No. 3 year 2020 issued on 10 June 2020. Based on the new PP, companies that carry out open pit mining and have been integrated with processing and/or refining facilities are required to offer shares for divestment purposes in the fifteenth year of the operating period and with a tiered percentage of shares according to the schedule stipulated in the PP. This divestment schedule would see the Group's obligation to offer up shares commence in 2025 and culminating in a total of 51% being offered by 2030. Given PTNM currently has 15% ownership by Indonesian nationals this means that Group would need to offer additional shares for sale in 2028 to meet the requirements of the PP.

29. SUBSEQUENT EVENTS

On 1 July 2022, the Company announced that it had entered into a process deed with PT Kerasi Cemerlang Lestari (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 (Process Deed).

There are no other material subsequent events after the balance date.

30. AUDITOR'S REMUNERATION

The auditor of Kingsrose Mining Limited is Ernst & Young (Australia).

	2022	2021
	$	$
Fees to Ernst & Young (Australia) for:		
(i) Auditing the statutory financial report of the parent covering the group and auditing the statutory financial reports of any controlled entities	**130,000**	120,700
(ii) Other services		
- Tax compliance	**8,500**	45,000
Total fees to Ernst & Young (Australia)	**138,500**	165,700
Fees to other overseas member firms of Ernst & Young (Australia) for:		
(i) Auditing the financial report of any controlled entities	**58,519**	66,095
Total fees to overseas member firms of Ernst & Young (Australia)	**58,519**	66,095
Total auditor's remuneration	**197,019**	231,795

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Kingsrose Mining Limited, I state that:

1. In the opinion of the Directors:

   (a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:

      (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

      (ii) complying with the Australian Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulations 2001*.

   (b) the financial statements and notes also comply with International Financial Reporting Standards as disclosed in Note 2(a).

   (c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2022.

On behalf of the Board

Michael Andrews
Chairman
30 September 2022

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Independent auditor's report to the members of Kingsrose Mining Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Kingsrose Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2022 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report.

Building a better working world

We have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report, Including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Carrying value of the Way Linggo Project Cash generating unit

Why significant	How our audit addressed the key audit matter
The Group's non-current assets including property, plant and equipment and mine properties, totaling $5,487,553 at 30 June 2022, are required to be assessed for indicators of impairment in accordance with the Group's accounting policies at each reporting date. Where impairment indicators are identified, the applicable assets are required to be tested for impairment. As at 30 June 2022, the Group identified impairment indicators and performed an assessment of the recoverable value of the Way Linggo Project cash generating unit ("CGU"), including the relevant property, plant and equipment and mine properties, utilising a fair value less costs of disposal ("FVLCD") model. The Group determined that the recoverable amount of the Way Linggo Project CGU, based on the FVLCD model, approximated the carrying amount of the CGU at 30 June 2022 and therefore, no further impairment nor reversal of impairment, was recorded. Given the degree of judgement involved in assessing whether impairment indictors are present as well as determining the recoverable value of the CGU, we consider this a key audit matter. Refer to Note 14 of the financial report for the amounts recorded in the consolidated statement of financial position as at 30 June 2022 and related disclosure.	We evaluated the Group's assessment as to the presence of any indicators of impairment. Our audit procedures included the following: ▶ Comparison of the Group's market capitalisation relative to its net assets ▶ Reading operational reports, board reports, minutes and market announcements ▶ Consideration of changes to reserves and resources including the gold price and discount rates Our audit procedures related to the impairment assessment made by the Group following the identification of impairment indicators included the following: ▶ Assessed the carrying value assigned to the CGU by the Group having regard to the requirements of the applicable accounting standard ▶ Evaluated, with the assistance of our valuation specialists, where appropriate, the Group's assumptions and estimates to determine the recoverable value of the CGU taking into consideration the requirements of ASA 540 revised – *Auditing Accounting Estimates and Related Disclosures*, including the Group's assumptions relating to resource multiples for comparable gold projects. ▶ Read correspondence with a potential buyer of the CGU ▶ Assessed the adequacy of the related disclosures in the consolidated financial statements.

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2. Carrying value of capitalised exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
The carrying value of exploration and evaluation assets are assessed for impairment by the Group when facts and circumstances indicate that the capitalised exploration and evaluation expenditure may exceed its recoverable amount. As a result of the current year assessment $10,594,325 of previously capitalized exploration and evaluation expenditure assets was written off. The determination as to whether there are any indicators to require an exploration and evaluation asset to be assessed for impairment, involves a number of judgments including whether the Group has title and tenure to the licenses, will be able to perform ongoing exploration and evaluation expenditure and whether there is sufficient information for a decision to be made that the area of interest is not commercially viable. Given the significance of the capitalised exploration and evaluation assets relative to the Group's total assets and the degree of judgement involved in assessing whether any indicators of impairment exist, we consider this a key audit matter. Refer to Note 15 of the financial report for the amounts recorded in the consolidated statement of financial position as at 30 June 2022 and related disclosure.	We evaluated the Group's assessment of the carrying value of exploration and evaluation assets. In performing our procedures, we: ▶ Considered the Group's right to explore in the relevant exploration area which included obtaining and assessing supporting documentation such as the license agreement. ▶ Considered the Group's intention to carry out exploration and evaluation activity in the relevant exploration areas which included an assessment of the Group's cash-flow budgets, enquiries with senior management and Directors as to the intentions and strategy of the Group. ▶ Considered the Group's assessment of the commercial viability of results relating to exploration and evaluation activities carried out in the relevant area. ▶ Assessed the ability of the Group to finance any planned future exploration and evaluation activity. ▶ Assessed the appropriateness of amounts written off. ▶ Assessed the adequacy of the related disclosures in the consolidated financial statements.

Information other than the financial statements and auditor's report

The Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially consistent with the financial report and our knowledge obtained in the audit or otherwise doesn't appear to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

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- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Kingsrose Mining Limited for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Philip Teale
Partner
Perth
30 September 2022

SHAREHOLDER INFORMATION

The following information as required by ASX Listing Rules is current as at 1 September 2022.

Distribution of Equity Securities

There are 752,526,519 ordinary fully paid shares quoted on ASX.

Size of Shareholding	Number of Holders	Number of Shares	% of Issued Capital
1 -1,000	351	155,243	0.02
1,001 – 5,000	586	1,772,446	0.24
5,001 – 10,000	362	2,973,847	0.40
10,001 – 100,000	1,138	44,900,070	5.97
100,001 and Over	513	702,724,913	93.38
Total	**2,950**	**752,526,519**	**100.00**

There are 1,172 shareholders holding less than a marketable parcel of shares in the Company.

The names of the twenty largest holders of ordinary fully paid shares are listed below:

Name	Number of Shares	% of Issued Capital
Citicorp Nominees Pty Ltd	166,178,745	22.08
City Securities Ltd	67,791,142	9.01
Mr Michael John Andrews	66,826,024	8.88
BNP Paribas Noms Pty Ltd <DRP>	55,529,121	7.38
HSBC Custody Nominees (Australia) Limited	18,380,266	2.44
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP>	13,285,542	1.77
Pegasus Corp (Aust) Pty Ltd <Xingfa Ma Family A/C>	10,000,000	1.33
BNP Paribas Nominees Pty Ltd <ATF Clearstream>	9,549,981	1.27
Cameron John French	8,000,000	1.06
Mrs Anna Vorontsova	7,534,114	1.00
Peter Bowman Nominees Pty Ltd <Peter Bowman Family A/C>	6,500,000	0.86
Xanthi Pty Ltd <Xanthi A/C>	6,000,000	0.80
Mr Ming You Ko	5,500,000	0.73
Just Greenery Pty Ltd <Green Family Super Fund A/C>	5,410,000	0.72
Mr Binh Thanh Le	5,270,000	0.70
Mrs Nicole Marie Abbott	5,165,751	0.69
Blue Mango Enterprises Pty Ltd <Blue Mango Family A/C>	4,500,000	0.60
Zilstame Nominees Pty Ltd	4,213,392	0.56
Idrawfast Qld Pty Ltd	4,202,165	0.56
Mr Laurie Thomas Etherington & Mrs Wendy Etherington <Arcadia S/F A/C>	4,000,000	0.53
Total	**473,836,243**	**62.97**

Substantial Shareholders

Substantial shareholders as disclosed in the substantial shareholding notices received by the Company are:

Name	Number of Shares	% of issued capital
Michael John Andrews	71,388,435	9.49
Grimpeur Holdings Limited	56,893,039	7.56
Rex Harbour and Associates	54,729,940	7.27

Options

The Company has 35,500,000 unlisted options with various exercise prices and expiry dates on issue. Options do not entitle the holder to vote in respect of that Option, nor participate in dividends, when declare, until such time as the Option is exercised and is subsequently registered as an ordinary share.

Instrument	Number Under Option	Exercise Price	Expiry Date	Number of Holders
Employee Options	5,000,000	$0.100	22 April 2025	6
Employee Options	5,000,000	$0.059	8 February 2026	1
Employee Options	22,500.000	$0.107	30 June 2026	5
Employee Options	3,000,000	$0.072	24 July 2026	1
Total	**35,500,000**			

Performance Rights

The Company has 7,000,000 Performance Rights on issue. Performance Rights do not entitle the holder to vote in respect of that Performance Right, nor participate in dividends, when declared, until such time as the Performance Rights vest and are subsequently registered as ordinary shares.

Instrument	Number	Exercise Price	Expiry Date	Number of Holders
Performance Rights	2,500,000		30 June 2023	1
Performance Rights	1,800,000	-	31 December 2023	5
Performance Rights	700,000	-	31 December 2024	2
Performance Rights	2,000,000	-	31 December 2025	4
Total	**7,000,000**			**12**

Restricted Securities

Currently no securities are subject to either ASX imposed or voluntary restrictions.

On Market Buy Back

Currently there is no on-market buy-back of the Company's securities.

Voting Rights

All fully paid ordinary shares carry one vote per ordinary share without restriction.

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