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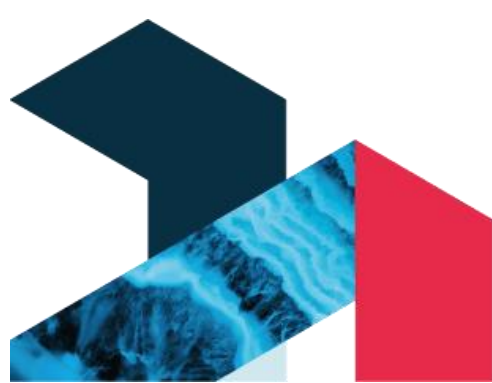
HALF YEAR FINANCIAL REPORT

31 DECEMBER 2022

ASX:KRM

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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

Registered Office

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Share Registry

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Stock Exchange Listing

Australian Securities Exchange (ASX: KRM)

Australian Business Number

49 112 389 910

DIRECTORS REPORT

The Directors of Kingsrose Mining Limited (“Kingsrose” or the “Company”) present their report for the half year ended 31 December 2022.

DIRECTORS

The names of the Company’s directors in office during the half year and until the date of this report are set out below.

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

Directors were in office for the entire period unless otherwise stated.

PRINCIPAL ACTIVITIES

The principal activities of the Group during the reporting period were:

- Divestment of the Way Linggo project in Indonesia; and
- Work on entering into a Transaction Implementation Agreement for a staged investment into the brownfield Råna Nickel-Copper-Cobalt (Ni-Cu-Co) project in Norway (announced January 2023); and
- Exploration and evaluation of the Penikat and Porsanger PGE-Nickel-Copper projects in Finland and Norway respectively; and
- Selection after an extensive review process to participate in the inaugural BHP Xplor program (announced January 2023).

OPERATIONS REVIEW

During the period, the Company completed the sale of its interest in the Way Linggo gold project to Capwill Global Limited (**Capwill Global**).

At Completion of the sale, the Company received US\$7,500,000 (or A\$11,250,000¹) that will be used to further its strategy of responsible critical metals discovery. Additionally, the Company will receive a 2% net smelter royalty in respect of the Way Linggo project, subject to a cap of US\$7,500,000 including the applicable withholding tax.

The Company remains well financed, with A\$36.7 million in cash as at 31 December 2022, and continues to assess additional project acquisition and target generation opportunities.

Additionally, the Company recently announced the following post-quarter events:

- On 18 January 2023, Kingsrose announced that it has entered into a Transaction Implementation Agreement (**TIA**) with Scandinavian Resource Holdings Pty Ltd and Global Energy Metals Corporation for a staged investment into the brownfield Råna Nickel-Copper-Cobalt (Ni-Cu-Co) project, Norway, and formation of a joint venture for the development and operation of the Project (Figure 1). The TIA allows for Kingsrose to earn up to 75% over 8 years, through staged expenditure up to a total of A\$15m.

¹ Based on USD\$1.00:A\$1.50 by reference to the USD:AUD rate specified on www.xe.com on 16 December 2022.

The Company intends to commence geophysical surveys, geological mapping and geochemical sampling to generate targets for drilling later in 2023.

- Kingsrose also announced on 18 January 2023 that the Company has been selected to participate in the BHP Xplor program. BHP Xplor is an accelerator program introduced by BHP in August 2022, which is designed to help provide participants with the opportunity to accelerate their growth and the potential to establish a long-term relationship with BHP and its global network of partners. The Company will receive up to US\$500,000 in cash payments from BHP and access to a network of internal and external experts, to help advance regional target generation for nickel massive sulphide deposits across two highly prospective but underexplored geological belts in Finland and Norway.

EXPLORATION

Penikat Project, Finland

An airborne magnetic survey was completed between 12-14 October 2022, covering the entire Penikat project over an area of approximately 25 square kilometres using a UAV mounted magnetometer, at a line spacing of between 100 metres and 50 metres totalling 868 line kilometres. The data is being interpreted to produce a three-dimensional model which will inform and assist in geological mapping and drill planning.

Detailed drilling, access route and water supply planning continues in support of the licence application process for the entire Penikat project.

Porsanger Project, Norway

Work at Porsanger has delivered an exploration drill target at Karenhaugen as well as identifying a new zone of mineralised intrusions in the southern part of the project area.

Results from resampling of historical drill core at the Porsvann and Karenhaugen prospects confirmed and verified the historical results as well as indicating the presence of anomalous rhodium concentrations associated with the platinum and palladium mineralisation (refer to ASX announcement dated 25 August 2022).

A ground based electromagnetic survey was also completed which has generated a large 350 by 400 metre, shallow and strongly conductive body immediately south from outcropping mineralisation at Karenhaugen (refer to ASX announcement dated 12 October 2022). A drill permit application for Porsvann and Karenhaugen has been submitted and is pending.

Field work at Porsanger also identified mineralised ultramafic intrusions southwest of the initial exploration licence holding acquired from Element-46 Ltd, including a maximum rock-chip sample assay of 0.21% Ni, 0.15% Cu, 0.12 g/t Pt and 0.11 g/t Pd (refer to ASX announcement dated 12 October 2022). The mineralised outcrops occur 1.5 kilometres to the northwest and along strike from a 1.4 square kilometre cumulate texture, layered peridotite through gabbro intrusion which has never been explored for magmatic nickel-copper-PGE mineralisation. Kingsrose has been granted three new exploration licences contiguous with the original block of licences to include these newly identified exploration targets.

Råna Project, Norway

On 18 January 2023, Kingsrose announced that it has entered into a Transaction Implementation Agreement (TIA) with Scandinavian Resource Holdings Pty Ltd and Global Energy Metals Corporation for a staged investment into the brownfield Råna Nickel-Copper-Cobalt (Ni-Cu-Co) project, Norway, and formation of a joint venture for the development and operation of the Project. The TIA allows for Kingsrose to earn up to 75% over 8 years, through staged expenditure up to a total of A\$15m. The Company intends to commence geophysical surveys, geological mapping and geochemical sampling to generate targets for drilling later in 2023.

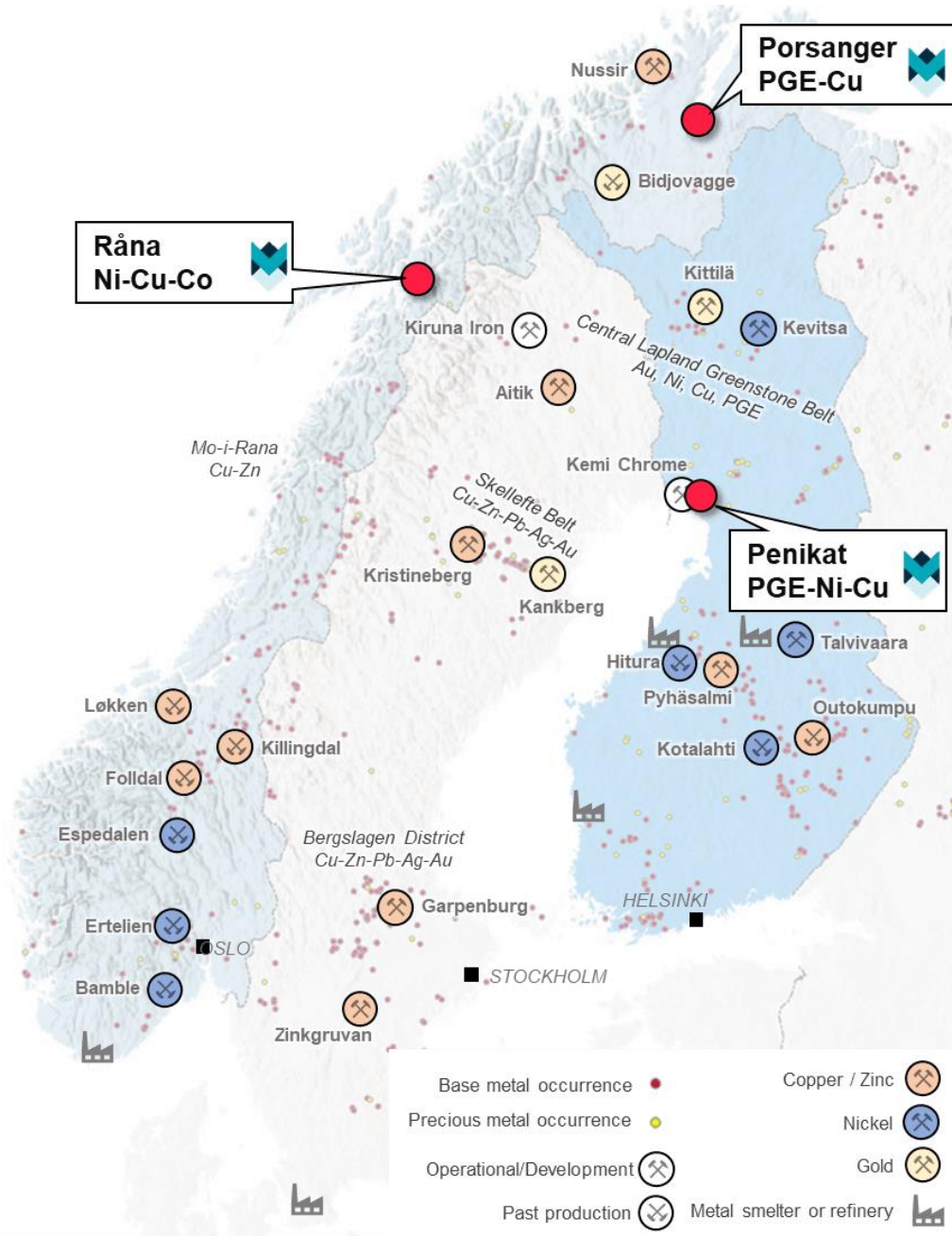


Figure 1: Location of the Penikat, Råna and Porsanger Projects within Fennoscandia

BHP Xplor Program

Kingsrose announced on 18 January 2023 that the Company has been selected to participate in the BHP Xplor program. BHP Xplor is an accelerator program introduced by BHP in August 2022, which is designed to help provide participants with the opportunity to accelerate their growth and the potential to establish a long-term relationship with BHP and its global network of partners. The Company will receive up to US\$500,000 in cash payments from BHP and access to a network of internal and external experts, to help advance regional target generation for nickel massive sulphide deposits across two highly prospective but underexplored geological belts in Finland and Norway.

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SUSTAINABILITY

Company Updates

During the period, the Company was invited to become a member of Euromines. Euromines is the recognised representative of the European metals and minerals mining industry. The main objective of Euromines is to promote the industry and to maintain its relationship with European institutions at all levels. In addition, the association provides advocacy services with regard to EU policy and serves as a network for cooperation and exchange of information throughout the sector. Kingsrose has joined several Euromines committees to foster contacts and contribute towards the development of policy and best practice in exploration and mining in Europe.

Penikat Project, Finland

As a significant portion of the Penikat project area lies within the Martimoaapa – Lumiaapa – Penikat Natura 2000 site (Figure 2), the exploration licence applications must be supplemented with a report called a Natura Assessment.

The Natura Assessment for the Ala Penikka exploration licence application was submitted in August 2022 and is being reviewed by the Finnish environmental authorities. An in-person meeting with the Finnish authorities was held in January 2023 to discuss the content of the assessment and its processing.

Review by Finnish environmental authorities is expected to take up to six months. This is then followed by a processing and public consultation period by the Finnish exploration licence awarding authority TUKES, expected to last approximately four months. In parallel, a research permit is also required from the Environmental Ministry. The timeline for processing this application is imprecise but is currently expected to take between 3 and 12 months. The Company is actively engaging with the relevant authorities and expects to provide a full update on the status of these permit applications and expected timelines in Q4 FY2023 when more specific information is expected to be available.

For the remaining four exploration licence application areas, drill planning and a series of protected species and habitat surveys were undertaken during May through to September last year and will be completed in March-May of 2023 in preparation for the submission of the Natura Assessment. Once submitted in late Q4 FY2023, this will be followed by the same process as detailed above for a decision to be made by the relevant Finnish regulatory bodies in relation to the award of the exploration licences.

The Martimoaapa – Lumiaapa – Penikat Natura 2000 site is an important habitat for several protected species, including large birds of prey and rare flora. As part of the required surveys, trapping and tracking of large birds of prey were completed in December 2022 allowing data to be collected to identify important habitats and nesting sites. Exploration plans will be adjusted to avoid and mitigate any potentially negative impact exploration activities might have on these important natural values.

Engagement with local stakeholders has continued throughout the quarter, with direct contact made with surrounding landowners to the project. Both in-person and telephone conversations undertaken were positive and constructive. The Company will continue open and transparent dialogue with local stakeholders and local authority representatives. Site visits by these parties are planned for European spring of 2023.

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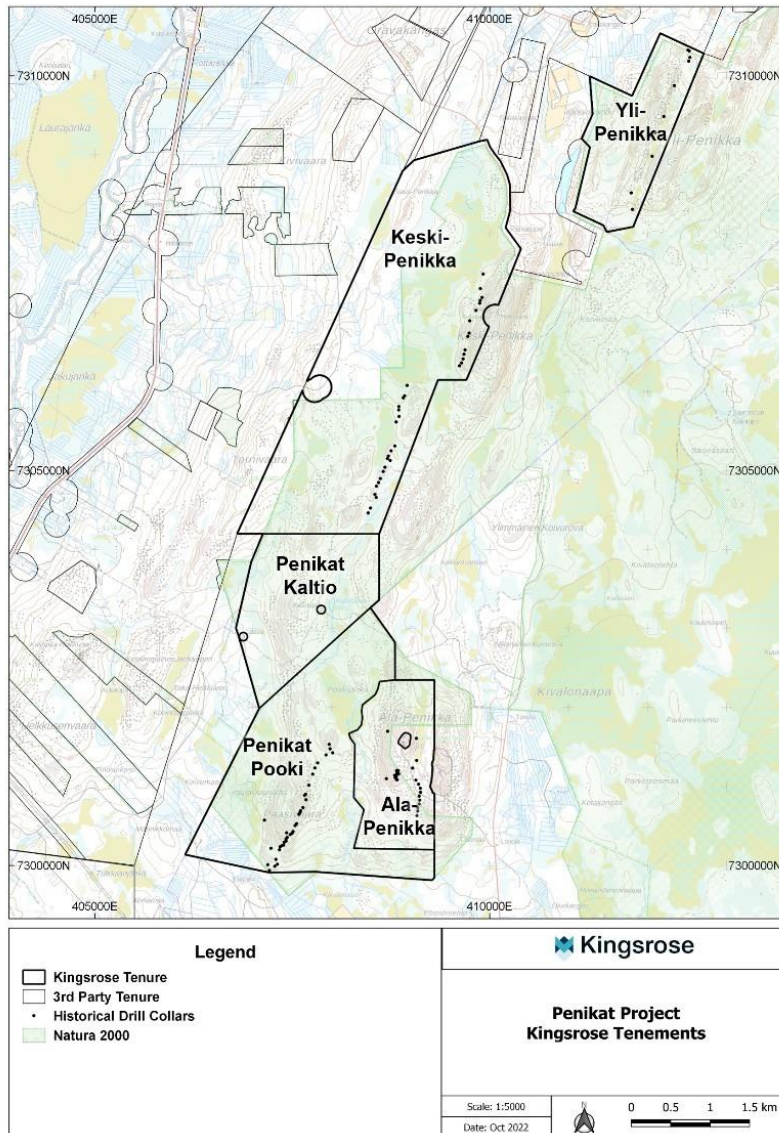


Figure 2: Penikat exploration licence areas

Porsanger Project, Norway

At the Karenhaugen (Sami translation: Karenvarri) prospect, findings from the ecological and archaeological surveys undertaken in September 2022 have been produced to assist in the planning of the drill hole locations without impacting indigenous monuments or protected species and habitats.

The Company continues to work with the local reindeer herding district, 14A, to finalise a process agreement. The agreement will formalise a clear understanding of the timing and methods of the Company’s exploration activities so that the reindeer herding district can be assured that the Company’s activities will not impact their livelihood.

Stakeholder engagement meetings continued throughout the quarter, and a working group with Kingsrose and local stakeholders has been established. The working group involves multiple local group representatives, totalling around 30 local participants. The aims of the working group are to provide information and education on exploration activities, and to discuss how the Company can obtain a social license to operate within the community. The first meeting was held in mid January-2023 and the next is scheduled for late March 2023.

Competent Persons Statement

The information in this report that relates to resampling results at the Porsanger Project was first reported by the Company in compliance with the 2012 edition of the JORC Code in an ASX announcement dated 25 August 2022.

The information in this report that relates to EM geophysical survey results at the Porsanger Project was first reported by the Company in compliance with the 2012 edition of the JORC Code in an ASX announcement dated 12 October 2022.

The information in this report that relates to discovery of new mineralised intrusions at the Porsanger Project was first reported by the Company in compliance with the 2012 edition of the JORC Code in an ASX announcement dated 12 October 2022.

The information in this report that relates to entry into a TIA on the Råna Project was first reported by the Company in compliance with the 2012 edition of the JORC Code in an ASX announcement dated 18 January 2023.

The information in this report that relates to the BHP Xplor Program was first reported by the Company in compliance with the 2012 edition of the JORC Code in an ASX announcement dated 18 January 2023.

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FINANCIAL REVIEW

	31 December 2022 Six Months (\$)	31 December 2021 Six Months (\$)
Sales Revenue	-	-
Loss Before Interest, Tax, Depreciation & Amortisation – EBITDA ¹	(6,192,972)	(7,696,853)
Loss Before Interest & Tax – EBIT ²	(6,290,708)	(7,862,854)
Net Loss After Tax	(5,916,453)	(7,439,890)
Loss Per Share	(0.0079)	(0.0101)
	31 December 2022 (\$)	30 June 2022 (\$)
Total Assets	42,517,151	45,471,549
Net Assets	40,859,150	41,876,369

¹ EBITDA has been calculated by adding back interest, tax, depreciation and amortisation to net loss after tax.

² EBIT has been calculated by adding interest and tax to net loss after tax.

Note: EBITDA and EBIT are non-IFRS measures and unaudited. These measures are used in order to provide more meaningful information for the users of the Group's financial information and to allow users to assess the Group's performance relative to other companies in the industry.

Income Statement

The Group recorded a net loss after tax for the half year ended 31 December 2022 of \$5,916,453 (31 December 2021: net loss after tax \$7,439,890), attributable to expenditure on corporate administration, divestment of Way Linggo project, offset by bank interest received and unrealised foreign exchange gains recognised during the period.

Revenue

There was no sales revenue recorded during the half year ended 31 December 2022.

Loss from sale of discontinued operation

The Group recorded a loss on the disposal of its investment in the Way Linggo project of \$5,534,155.

Financial Position

Assets

At reporting date, the Group's total current assets were \$36,862,745 inclusive of cash and cash equivalents of \$36,695,785.

Non-current assets of the Group stood at \$5,654,406 at balance date, \$10,722,515 lower than at 30 June 2022, largely due to the removal of those non-current assets that were part of the divestment of the Way Linggo project.

Liabilities

At reporting date, the Group's total liabilities were \$1,658,001, \$1,937,179 lower than 30 June 2022 mainly due to the removal of those liabilities that were part of the divestment of the Way Linggo project.

These factors resulted in a decrease in total Group net assets of \$1,017,219 to a total of \$40,859,150.

Group Cash Flows and Liquidity

The Group had net operating cash outflows of \$1,209,845 during the period.

At balance date, the Group held cash and cash equivalents of \$36,695,785 (30 June 2022: \$27,626,719).

CORPORATE

Board and Executive Management Changes

No board or management changes occurred during the period.

EVENTS AFTER REPORTING DATE

- On 18 January 2023 the Company announced that it has entered into a transaction implementation agreement (Transaction Implementation Agreement) with Scandinavian Resource Holdings Pty Ltd (SRH) and Global Energy Metals Corporation (GEMC) for a staged investment into the brownfield Råna Nickel-Copper-Cobalt (Ni-Cu-Co) project (Project) and formation of a joint venture for the development and operation of the Project.
- On 18 January 2023 the Company announced that it has been selected to participate in the BHP Xplor program. BHP Xplor, an accelerator program introduced by BHP in August 2022, is designed to help provide participants with the opportunity to accelerate their growth and the potential to establish a long-term partnership with BHP and its global network of partners.
- On 6 March 2023 the Company announced that it has entered into an Option Agreement with VIAD Royalties AB (Optionor), a wholly owned subsidiary of EMX Royalty Corp (EMX), to purchase Rana Nickel AS (Target), a Norwegian incorporated entity that holds a 100% interest in 19 exploration licences (EMX Licences) totalling 183 square kilometres adjacent to the brownfield Råna Nickel-Copper-Cobalt (Ni-Cu-Co) project held by the Company under a joint venture.

Other than the above, there are no other material subsequent events after the balance date.

AUDITOR'S INDEPENDENCE DECLARATION

Ernst and Young's independence declaration is set out on page 12 and forms part of the Directors' Report for the half year ended 31 December 2022.

Signed in accordance with a resolution of the Directors.



Michael Andrews
Chairman
14 March 2023

Caution Regarding Forward Looking Statements and Forward-Looking Information

The information contained in the Directors' 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 gold, 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.

Except as required by law or regulation (including ASX Listing Rules), Kingsrose Mining Limited undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by COVID-19.



**Building a better
working world**

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Auditor's independence declaration to the directors of Kingsroose Mining Limited

As lead auditor for the review of the half-year financial report of Kingsroose Mining Limited for the half-year ended 31 December 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 review;
- b) no contraventions of any applicable code of professional conduct in relation to the review; and
- c) no non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

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

Ernst & Young

Mark Cunningham

Partner

Perth

14 March 2023

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**CONSOLIDATED INCOME STATEMENT FOR THE HALF YEAR ENDED 31
 DECEMBER 2022**

	Note	31 December 2022 \$	31 December 2021 (as restated) \$
Continuing operations			
Other income	3(a)	856,300	1,033,103
Administration expenses	3(b)	(2,163,774)	(1,497,034)
Other expenses	3(c)	37,697	(3,518)
Finance costs	3(d)	(10,114)	(8,807)
Loss before income tax		(1,279,891)	(476,256)
Income tax (expense)/benefit		(2,836)	376,459
Loss after tax from continuing operations		(1,282,727)	(99,797)
Discontinued operations			
Loss after tax from discontinued operations	19 (a)	(4,633,726)	(7,340,093)
Loss after tax from discontinued operations		(4,633,726)	(7,340,093)
Net loss for the period		(5,916,453)	(7,439,890)
Loss for the period is attributable to:			
Owners of the parent		(5,916,453)	(7,417,867)
Non-controlling interest		-	(22,023)
		(5,916,453)	(7,439,890)
		Cents	Cents
Loss per share attributable to the ordinary equity holders of the parent:			
Basic loss per share – cents per share		(0.79)	(1.01)
Diluted loss per share – cents per share		(0.79)	(1.01)
		Cents	Cents
Loss per share for continuing operations attributable to the ordinary equity holders of the parent:			
Basic loss per share – cents per share		(0.17)	(0.01)
Diluted loss per share – cents per share		(0.17)	(0.01)

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

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**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF
 YEAR ENDED 31 DECEMBER 2022**

	31 December 2022 \$	31 December 2021 \$
Net loss for the period	(5,916,453)	(7,439,890)
Other comprehensive loss		
<i>Items that may be reclassified subsequently to profit or loss in subsequent periods</i>		
Exchange differences on translation of foreign currency operations	(1,254,419)	(1,013,909)
Income tax effect	-	-
	(1,254,419)	(1,013,909)
<i>Items that may not be reclassified subsequently to profit or loss in subsequent periods</i>		
Re-measurement adjustments on defined benefit obligations	-	49,839
Income tax effect	-	-
	-	49,839
Other comprehensive loss for the period, net of tax	(1,254,419)	(964,070)
Total comprehensive loss for the period	(7,170,872)	(8,403,960)
Total comprehensive loss for the period is attributable to:		
Owners of the parent	(7,170,872)	(8,381,937)
Non-controlling interest	-	(22,023)
	(7,170,872)	(8,403,960)
Total comprehensive loss for the period attributable to owners of the parent arises from:		
Continuing operations	(1,349,403)	(80,820)
Discontinued operations	(5,821,469)	(8,323,140)
	(7,170,872)	(8,403,960)

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

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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE HALF YEAR
 ENDED 31 DECEMBER 2022**

	Note	31 December 2022 \$	30 June 2022 \$
Current Assets			
Cash and cash equivalents	5	36,695,785	27,626,719
Trade and other receivables	6	80,235	611,081
Inventories	7	-	151,576
Income tax receivable	8	-	533,050
Other		86,725	172,201
Total Current Assets		36,862,745	29,094,627
Non-Current Assets			
Trade and other receivables	6	-	1,348,215
Plant and equipment - net		309,942	558,356
Mine properties and development	9	-	4,929,197
Exploration and evaluation assets	10	5,344,464	9,541,154
Total Non-Current Assets		5,654,406	16,376,922
TOTAL ASSETS		42,517,151	45,471,549
Current Liabilities			
Trade and other payables	11	683,117	1,049,425
Interest-bearing liabilities		66,014	65,355
Other provisions		3,144	27,822
Total Current Liabilities		752,275	1,142,602
Non-Current Liabilities			
Interest-bearing liabilities		176,433	209,872
Rehabilitation and other provisions	12	-	1,519,328
Other	13	729,293	723,378
Total Non-Current Liabilities		905,726	2,452,578
TOTAL LIABILITIES		1,658,001	3,595,180
NET ASSETS		40,859,150	41,876,369
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity		107,326,091	107,326,091
Reserves		12,287,153	9,192,611
Accumulated losses		(78,754,094)	(76,370,444)
		40,859,150	40,148,258
Non-controlling interest		-	1,728,111
TOTAL EQUITY		40,859,150	41,876,369

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

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**CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE HALF YEAR ENDED 31
 DECEMBER 2022**

	Note	31 December 2022	31 December 2021
		\$	\$
Cash flows from operating activities			
Cash used in operating activities	5(a)	(1,209,845)	(2,571,066)
Net cash flows used in operating activities		(1,209,845)	(2,571,066)
Cash flows from investing activities			
Payments for plant and equipment		-	(81,053)
Payments for acquisition of subsidiary (net of cash acquired)		-	(389,007)
Proceeds from sale of subsidiary (net of cash disposed and disposal costs)	19(a)	10,165,224	-
Payments for exploration and evaluation expenditure		(252,208)	(327,041)
Other cashflows from investing activities		6,046	13,573
Net cash flows generated from/ (used in) investing activities		9,919,062	(783,528)
Cash flows from financing activities			
Conversion of share options		-	36,000
Repayment of lease liabilities		(32,781)	(6,294)
Net cash flows (used in)/ generated from financing activities		(32,781)	29,706
Net increase / (decrease) in cash and cash equivalents		8,676,436	(3,324,888)
Cash and cash equivalents at beginning of the period		27,626,719	30,571,262
Effects of exchange rate changes on cash and cash equivalents held		392,630	(3,209,168)
Cash and cash equivalents at end of the period		36,695,785	28,232,150

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

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 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 1 July 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
Net loss for the period	-	-	-	-	-	(5,919,154)	(5,919,154)	2,701	(5,916,453)
Other comprehensive income/(loss) for the period	-	-	-	(1,254,419)	-	-	(1,254,419)	-	(1,254,419)
Total comprehensive income/(loss) for the period	107,326,091	12,196,096	97,832	(7,758,226)	3,402,490	(82,289,598)	32,974,685	1,730,812	34,705,497
Transactions with owners in their capacity as owners:									
Transfer on Divestment	-	-	(133,014)	7,710,504	(3,402,490)	3,535,504	7,710,504	(1,730,812)	5,979,692
Share-based payments	-	173,961	-	-	-	-	173,961	-	173,961
On 31 December 2022	107,326,091	12,370,057	(35,182)	(47,722)	-	(78,754,094)	40,859,150	-	40,859,150

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2021

	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 1 July 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	-	-	-	-	-	(7,417,867)	(7,417,867)	(22,023)	(7,439,890)
Other comprehensive income/(loss) for the period	-	-	-	(1,013,909)	-	49,839	(964,070)	-	(964,070)
Total comprehensive income/(loss) for the period	-	-	-	(1,013,909)	-	(7,368,028)	(8,381,937)	(22,023)	(8,403,960)
Transactions with owners in their capacity as owners:									
Issue of shares (Note 10)	1,349,533	2,517,133	-	-	-	-	3,866,666	-	3,866,666
Transfer of share based payments	75,000	(75,000)	-	-	-	-	-	-	-
Share-based payments	-	188,313	-	-	-	-	188,313	-	188,313
On 31 December 2021	107,113,091	11,191,894	97,832	(4,669,128)	3,402,490	(73,075,300)	44,060,879	1,734,197	45,795,076

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

NOTES TO THE FINANCIAL STATEMENTS

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. CORPORATE INFORMATION

This half year financial report of Kingsrose Mining Limited (“Kingsrose” or the “Company”) and its controlled entities (the “Group”) for the half year ended 31 December 2022 was authorised for issue in accordance with a resolution of the directors on 14 March 2023.

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.

The Group’s corporate structure is:

Entity	Place of Incorporation	Equity Interest Held	
		As at 31 December 2022	As at 31 December 2021
		%	%
MM Gold Pty Ltd	Australia	100	100
Natarang Offshore Pty Ltd *	Australia	-	100
PT Natarang Mining (PTNM) *	Indonesia	-	85
Kingsrose Tanggamus Pty Ltd	Australia	100	100
Kingsrose Mining (Jersey) Limited	Jersey	100	100
Element-46 Limited	Great Britain	100	88
Kingsrose Exploration Oy	Finland	100	100
Pallagen Oy	Finland	100	88
Kingsrose Exploration AS	Norway	100	-

* On 16 December 2022 the Company announced the completion of the sale of the interest in the Way Linggo gold project which comprised the entities of Natarang Offshore Pty Ltd and PT Natarang Mining (PTNM).

Information on other related party transactions of the Group is provided in Note 15.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

(a) Basis of preparation

This half year financial report for the interim period ended 31 December 2022 is a general purpose condensed financial report for the half year ended 31 December 2022 prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report.

It is recommended that the half year financial report should be read in conjunction with the annual financial report of Kingsrose as at 30 June 2022 and considered together with any public announcements made by the Company during the half year ended 31 December 2022 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* and the ASX listing rules.

Except as disclosed below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

(b) Going concern

During the half year ended 31 December 2022, the Group recorded a net loss for the period of \$5,916,453, with cash outflows from operations of \$1,209,845 and had positive net working capital of \$36,110,470. 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.

(c) New accounting standards and interpretations adopted

The Group has adopted all Accounting Standards and Interpretations effective from 1 July 2022.

New and amended Accounting Standards and Interpretations applied for the first time from 1 July 2022 did not have a significant impact on the consolidated financial statements of the Group.

(d) Amended accounting standards and interpretations issued but not yet effective

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

(e) 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 prior period were capitalised as exploration assets.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. REVENUE AND EXPENSES

	Note	31 December 2022 \$	31 December 2021 (as restated) \$
(a) Other income			
Interest income		377,088	31,430
Net gain on foreign exchange		473,996	991,731
Sundry income		5,216	9,942
Total other income		856,300	1,033,103
(b) Administration expenses			
Corporate costs		1,945,866	1,268,776
Depreciation of equipment		43,947	39,945
Share-based payments	14	173,961	188,313
Total administration expenses		2,163,774	1,497,034
(c) Other expenses			
Sundry expenses		(37,697)	3,518
Total other expenses		(37,697)	3,518
(d) Finance costs			
Bank charges		7,339	8,807
Finance charges payable under lease arrangement		2,775	-
Total finance costs		10,114	8,807

4. DIVIDENDS PAID AND PROPOSED

No dividends have been paid, declared or recommended by the Company for the half year ended 31 December 2022 (2021: nil).

5. CASH AND CASH EQUIVALENTS

	31 December 2022 \$	30 June 2022 \$
Current		
Cash at bank and on hand (i)	12,527,228	4,219,660
At-call deposits (ii)	24,168,557	23,407,059
	36,695,785	27,626,719

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. CASH AND CASH EQUIVALENTS (CONTINUED)

(a) Reconciliation to the Statement of Cash Flows

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

		31 December 2022	31 December 2021
	Note	\$	\$
Net loss after income tax		(5,916,453)	(7,439,890)
<i>Adjustments for:</i>			
Depreciation of plant and equipment		97,737	199,098
Share based payments	14	173,961	188,313
Unrealised foreign exchanges gains		(1,993,554)	(2,717,476)
Exploration and evaluation assets written off		-	6,829,708
Loss on sale of subsidiary	19	5,534,155	-
<i>Change in assets and liabilities:</i>			
(Increase)/decrease in inventories		(2,004)	71,731
Decrease/(increase) in trade receivables		236,959	(88,046)
Decrease/(increase) in other current assets		591,607	(446,571)
Increase in trade and other payables		55,557	1,062,318
Increase in other liabilities		-	49,839
Increase/(decrease) in provisions		12,190	(280,090)
Net cash flows from operating activities		(1,209,845)	(2,571,066)

6. TRADE AND OTHER RECEIVABLES

	31 December 2022	30 June 2022
	\$	\$
Current		
Bonds and deposits (ii)	18,898	285,596
Other receivables (i)	61,337	326,485
	80,235	611,081
Non-Current		
Bonds and deposits (ii)	-	1,317,935
Other receivables (ii)	-	30,280
	-	1,348,215

Notes

- (i) Other receivables consist primarily of VAT recoverable that is expected to be recovered within 1 to 12 months.
- (ii) On 16 December 2022 the Company announced the completion of the sale of the interest in the Way Linggo gold project. As a result of this divestment all non-current related assets relating to Way Linggo have been removed from the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INVENTORIES

	31 December 2022	30 June 2022
	\$	\$
Current		
Consumables and spares at cost or net realisable value (i)	-	151,576
	-	151,576

Notes

- (i) On 16 December 2022 the Company announced the completion of the sale of the interest in the Way Linggo gold project. As a result of this divestment all inventories relating to Way Linggo have been removed from the statement of financial position.

8. INCOME TAX RECEIVABLE

	31 December 2022	30 June 2022
	\$	\$
Current		
Income tax receivable	-	533,050
	-	533,050

9. MINE PROPERTIES AND DEVELOPMENT

	31 December 2022	30 June 2022
	\$	\$
Non-Current		
Gross carrying amount - at cost	-	57,800,201
Accumulated amortisation and impairment	-	(52,871,004)
	-	4,929,197
Movements in Mine Properties and Development:		
Opening balance	4,929,197	4,514,063
Divestment of subsidiary (i)	(5,103,294)	-
Foreign exchange translation gain	174,097	415,134
Closing balance	-	4,929,197

Notes

- (i) On 16 December 2022 the Company announced the completion of the sale of the interest in the Way Linggo gold project. As a result of this divestment all mineral properties and development assets relating to Way Linggo have been removed from the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. EXPLORATION AND EVALUATION ASSETS

	31 December 2022	30 June 2022
	\$	\$
Non-Current		
At cost	5,344,464	9,541,154
	5,344,464	9,541,154
Movements in Exploration and Evaluation Assets:		
Opening balance	9,541,154	13,520,873
Additions – Element-46 Limited (i)	-	4,918,165
Additions – Other	252,208	780,334
Write off (ii)	-	(10,594,325)
Divestment of subsidiary (iii)	(4,575,763)	-
Foreign exchange translation gain	126,865	916,107
Closing balance	5,344,464	9,541,154

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.

Notes

- (i) On 30 November 2021, the Group acquired 88.2% issued capital of E46 with the balance of 11.8% subsequently acquired following the Company's Annual General Meeting held on 28 January 2022. 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 \$2,517,1333 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 other non-current liabilities (Note 13).
- (ii) At each reporting date, the Group undertakes an assessment of the carrying amount of its exploration and evaluation assets. During the half year ended 31 December 2021, the Group has not identified any indicator of impairment on its exploration and evaluation assets. However during the prior year a write off of \$10,594,325 was recognised in the income statement in relation to areas of interest where no future exploration and evaluation activities are expected.
- (iii) On 16 December 2022 the Company announced the completion of the sale of the interest in the Way Linggo gold project. As a result of this divestment all exploration and evaluation assets relating to Way Linggo have been removed from the statement of financial position.

11. TRADE AND OTHER PAYABLES

	31 December 2022	30 June 2022
	\$	\$
Current		
Trade creditors (i)	541,917	416,480
Accruals	141,201	632,945
	683,117	1,049,425

Terms and conditions

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

12. REHABILITATION AND OTHER PROVISIONS

	31 December 2022	30 June 2022
	\$	\$
Non-Current		
Mine site rehabilitation (i)	-	1,519,328
	-	1,519,328

Notes

- (i) On 16 December 2022 the Company announced the completion of the sale of the interest in the Way Linggo gold project. As a result of this divestment all mine site rehabilitation liabilities relating to Way Linggo have been removed from the statement of financial position.

13. OTHER NON-CURRENT LIABILITIES

	31 December 2022	30 June 2022
	\$	\$
Non-Current		
Deferred cash consideration (i) (Note 10)	729,293	723,378
	729,293	723,378

Notes

- (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.

14. SHARE-BASED PAYMENTS

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

	31 December 2022	31 December 2021
	\$	\$
Options	102,310	102,407
Share performance rights	71,651	85,906
	173,961	188,313

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. RELATED PARTY DISCLOSURES

Drilling Services

PT Promincon Indonesia, an entity related to Dr Andrews (Non-Executive Chairman), received \$0 fees for drilling services provided to the Company's subsidiary, PTNM during the period (2021: \$213,641). These fees are payable at normal commercial terms. During the period, the Company has disposed PTNM to Capwill Global Ltd.

E-46 Acquisition

E-46 was acquired for a total consideration of \$5,206,743 including cash, shares and deferred consideration. Fabian Barker and Tim Coughlin had an ownership interest in E-46 of 0.9% and 10.8% respectively as at the acquisition date on 30 November 2021.

16. COMMITMENTS AND CONTINGENT LIABILITIES

There are no material commitments and contingent liabilities as at and for the half year ended 31 December 2022.

17. CHANGE IN COMPOSITION OF THE GROUP

Since the last annual reporting date the composition of the Group has changed through the disposal of sale of its interest in the Way Linggo gold project to Capwill Global Limited. This has resulted in Natarang Offshore Pty Ltd and PT Natarang Mining no longer forming part of the composition of the Group from 16 December 2022. An additional entity, Kingsrose Exploration AS, was incorporated during the period to support the Group's exploration activities in Norway.

18. IMPAIRMENT TESTING OF NON-CURRENT ASSETS

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.

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.

The assessment has determined that no further impairment is required at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. DISCONTINUED OPERATION

In February 2022, the Group announced that it was considering divestment opportunities for the Way Linggo project.

On 3 October 2022, the Group entered into a binding Share Sale and Purchase Agreement with Capwill Global Ltd for the sale of the Way Linggo gold project, via the sale of the entire issued capital of its subsidiary, Natarang Offshore Pty Ltd.

Upon completion of all closing conditions of the agreement on 16 December 2022, the Group received gross proceeds of US\$7.5 million (approximately A\$11.07 million).

Additionally, the Group will receive a 2% net smelter royalty in respect of the Way Linggo project, subject to a cap of US\$7,500,000 including the applicable withholding tax payable from the restart of the smelter operation.

(a) Financial performance and net cash flow generated from sale of the discontinued operation

The results of the discontinued operation for the period are presented below:

	31 December 2022 ⁽¹⁾	31 December 2021
	\$	\$
Statement of income		
Other income	1,205,578	2,093,316
Expenses	(305,149)	(9,447,467)
Profit/(loss) before income tax	900,429	(7,354,151)
Income tax benefit	-	14,057
Profit/(loss) from discontinued operation after income tax	900,429	(7,340,094)
Loss on sale of subsidiary after income tax (see (b) below)	(5,534,155)	-
Loss from discontinued operation	(4,633,726)	(7,340,094)

The net cashflows generated from the divestment of the Way Linggo project are, as follows:

Cash received from the sale of the discontinued operation net of disposal costs	10,224,486
Cash sold as part of the discontinued operation	(59,262)
Net cash inflow on date of disposal	10,165,224

The net cashflows incurred by the discontinued operation are, as follows:

	31 December 2022 ⁽¹⁾	31 December 2021
	\$	\$
Net cash outflow from ordinary activities	(550,217)	(1,414,080)
Net cash inflow from investing activities	-	1,036,599
Net cash outflow	(550,217)	(377,481)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. DISCONTINUED OPERATION (CONTINUED)

(a) Financial performance and net cash flow generated from sale of the discontinued operation (continued)

	31 December 2022 ⁽ⁱ⁾	31 December 2021
	Cents	Cents
Loss per share		
Basic loss per share from discontinued operations	(0.62)	(1.00)
Diluted loss per share from discontinued operations	(0.62)	(1.00)

Notes

- (i) Represents 5.5 months of activity prior to the sale on 16 December 2022.

(b) Details of the sale of the discontinued operation

	31 December 2022
	\$
Calculation of loss	
Disposal consideration net of costs to sell (ii)	10,224,486
Carrying amount of net assets disposed of	(9,778,949)
Non-controlling interest	1,730,812
Gain on sale before income tax and reclassification of foreign currency translation reserve	2,176,349
Reclassification of foreign currency translation reserve	(7,710,504)
Loss on sale of discontinued operation (iii)	(5,534,155)
Attributable tax expense	-
Loss on sale of discontinued operations after income tax	(5,534,155)

Notes

- (ii) Due to uncertainty of receipt of the 2% royalty from the smelter in the future, this amount was not recognised as part of the disposal consideration.
- (iii) The loss on sale of discontinued operation is derived from the release of the foreign currency translation reserve associated with the disposal of the discontinued operation's net assets. There were no tax consequences on the sale consideration due to available tax losses in Indonesia.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. DISCONTINUED OPERATION (CONTINUED)

(b) Details of the sale of the discontinued operation (continued)

The carrying amounts of assets and liabilities of the discontinued operation as at the date of sale (16 December 2022) were:

	16 December 2022 \$
Carrying amounts of assets and liabilities	
Cash	59,262
Trade and other receivables	293,887
Inventories	153,580
Other current assets	26,922
Plant and equipment	158,128
Mine properties and development	5,103,294
Exploration and evaluation assets	4,575,763
Non-current receivables	1,386,175
Total assets disposed of	11,757,011
Trade and other payables	(421,865)
Provisions	(1,556,197)
Total liabilities disposed of	(1,978,062)
Net assets disposed of	9,778,949

20. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Consolidated Entity has one operating segment being mineral exploration. In the 30 June 2022 financial report the Group identified gold and silver as its single operating segment. During the current half-year the Way Linggo project (gold and silver) was disposed of, please refer to note 19 for further details.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

21. EVENTS AFTER REPORTING DATE

- On 18 January 2023 the Company announced that it has entered into a transaction implementation agreement (Transaction Implementation Agreement) with Scandinavian Resource Holdings Pty Ltd (SRH) and Global Energy Metals Corporation (GEMC) for a staged investment into the brownfield Råna Nickel-Copper-Cobalt (Ni-Cu-Co) project (Project) and formation of a joint venture for the development and operation of the Project.
- On 18 January 2023 the Company announced that it has been selected to participate in the BHP Xplor program. BHP Xplor, an accelerator program introduced by BHP in August 2022, is designed to help provide participants with the opportunity to accelerate their growth and the potential to establish a long-term partnership with BHP and its global network of partners.
- On 6 March 2023 the Company announced that it has entered into an Option Agreement with VIAD Royalties AB (Optionor), a wholly owned subsidiary of EMX Royalty Corp (EMX), to purchase Rana Nickel AS (Target), a Norwegian incorporated entity that holds a 100% interest in 19 exploration licences (EMX Licences) totalling 183 square kilometres adjacent to the brownfield Råna Nickel-Copper-Cobalt (Ni-Cu-Co) project held by the Company under a joint venture.

Other than the above, there are no other material subsequent events after the balance date.

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DIRECTORS' DECLARATION

In the opinion of the Directors:

- (a) The interim consolidated financial statements and notes of the entity for the half year ended 31 December 2022 are in accordance with the *Corporations Act 2001*, including:
- (i) Giving a true and fair view of the entity's interim consolidated financial position as at 31 December 2022 and of its interim consolidated performance for the half year ended on that date; and
 - (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Michael Andrews
Chairman
14 March 2023



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Independent auditor's review report to the members of Kingsroose Mining Limited

Conclusion

We have reviewed the accompanying half-year financial report of Kingsroose Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink, appearing to read 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Mark Cunningham'.

Mark Cunningham
Partner
Perth
14 March 2023

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