Kingsrose
MINING

2023
ANNUAL REPORT

CONTENTS

CORPORATE DIRECTORY

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Fabian Baker	Managing Director
John Carlile	Non-Executive Director
Tim Coughlin	Non-Executive Director
Daryl Corp	Non-Executive Director
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Alessandra Gauvin

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Stock Exchange Listing

Australian Securities Exchange (ASX: KRM)

On behalf of the Board of Directors, I am pleased to present the 2023 Annual Report for Kingsrose Mining Limited.

2023 saw Kingsrose continue to deliver on its strategy focused on the discovery of future critical minerals nickel, copper and PGEs in the highly prospective and stable jurisdictions of the Fennoscandian region.

The Company is enthusiastic about the potential of the Penikat project in Finland. The independent JORC (2012) Exploration Target we released in June 2022 indicated potential for a multi-million ounce high-grade palladium dominant project. Drill permitting is progressing and has been an opportunity for Kingsrose to establish credibility with local government and communities. The Company is working towards achieving permits and commencing drilling late in the 2024 calendar year.

Highlights during the year include Kingsrose's entry into a joint venture agreement on the Råna Nickel-Copper-Cobalt Project in Norway, and selection to participate in the inaugural BHP Xplor program.

The Råna project is a brownfield former producing mine site, with a number of early-stage regional nickel targets in close proximity. Commencing in January 2023, Kingsrose, in collaboration with the local municipality, established an operational base at the project by renovating former mine site buildings for offices and a core shed in collaboration with the local municipality. We went on to complete multiple large-scale geophysical programs to identify targets and commenced an initial 5,000 metre diamond drilling program in July 2023. Kingsrose sees potential to discover both extensions to the historical mine and new deposits of both massive and disseminated nickel-copper-cobalt mineralisation at Råna.

Selection to participate in the inaugural BHP Xplor program was a significant endorsement of the Kingsrose team, our responsible approach, and the quality of our exploration concept. Between January and June 2023 BHP Xplor worked closely with our team to advance a regional nickel exploration concept in Northern Norway and Central Finland. The work resulted in the development of a multifaceted database that identified numerous exploration targets. It is Kingsrose's ambition to lead a pioneering regional exploration program underpinned by high quality exploration and sustainability values intertwined to deliver the discovery of critical mineral deposits and shared value with local communities.

Bruvann past-producing nickel mine, Råna project, Norway.

To meet our operational goals, Kingsrose has continued to build a sustainability team and frameworks, to safeguard the local environment, work closely with local stakeholders, expedite permitting and deliver safe working conditions for our teams. This work is constantly evolving as we strive to continually advance how we operate. We believe that this will lead to greater access to opportunities and an enhanced chance of discovery success.

The Company remains in a strong financial position with A$33.8 million in cash and cash equivalents following the successful sale of its past-producing Way Linggo project in Indonesia. This enviable financial position allows us to both deliver on our existing exploration projects, while continuing to assess additional business development opportunities.

Finally, on behalf of the Board, I would like to take this opportunity to thank our shareholders for their continued support. 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

OVERVIEW

During the 2023 financial year, Kingsrose Mining Limited ("Kingsrose" or "the Company") completed the sale of its interest in the Way Linggo gold project to Capwill Global Limited (Capwill Global) by announcement on 16 December 2022. At completion of the sale, the Company received US$7,500,000 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 gold project, subject to a cap of US$7,500,000 including the applicable withholding tax.

Additionally, during the first quarter of 2023 the Company announced:

- On 18 January 2023 that it had 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 (Råna Project) in Norway, and formation of a joint venture for the development and operation of the project. The TIA allows for Kingsrose to earn up to a 75% interest over eight years, through staged expenditure up to a total of A$15,000,000.
- On 18 January 2023 that it had 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 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. Since the announcement, the Company has received payments totalling US$500,000 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.
- On 6 March 2023 that it had entered into an Option Agreement with VIAD Royalties AB (Optionor), a wholly owned subsidiary of EMX Royalty Corp (EMX), to purchase Råna 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 Kingsrose under a joint venture.

Post end of the financial year, on 25 July 2023 the Company announced that the conditions to first completion of the TIA announced on 18 January 2023 regarding its staged investment into the Råna Nickel-Copper-Cobalt project have been satisfied. As at First Completion, the Company has earnt a 10% interest in the Råna Project by the issue of 10,000 shares in Narvik Nikkel AS, the joint venture company that operates the Råna Project. The Company intends to proceed to earn the second milestone interest, which equates to a 51% interest in the Råna Project, by incurring at least A$3,000,000 of expenditure including completing 2,000 metres of drilling by 31 December 2023 and 3,000 metres of drilling and preliminary metallurgist test work by 31 December 2024 on the Råna Project within the next three years.

Details of Exploration activity on the Company's projects during the financial period are discussed in the next section.

Kingsrose geologists reviewing drill core, Råna project, Norway.

EXPLORATION

Kingsrose is exploring for nickel, copper and PGE at three project locations across Norway and Finland (Figure 1). In addition, Kingsrose was selected to participate in the inaugural BHP Xplor accelerator program including a US$500,000 grant which has been used to advance area selection and target generation work in two prospective nickel-copper belts in Norway and Finland which are underexplored. Each project is described below.

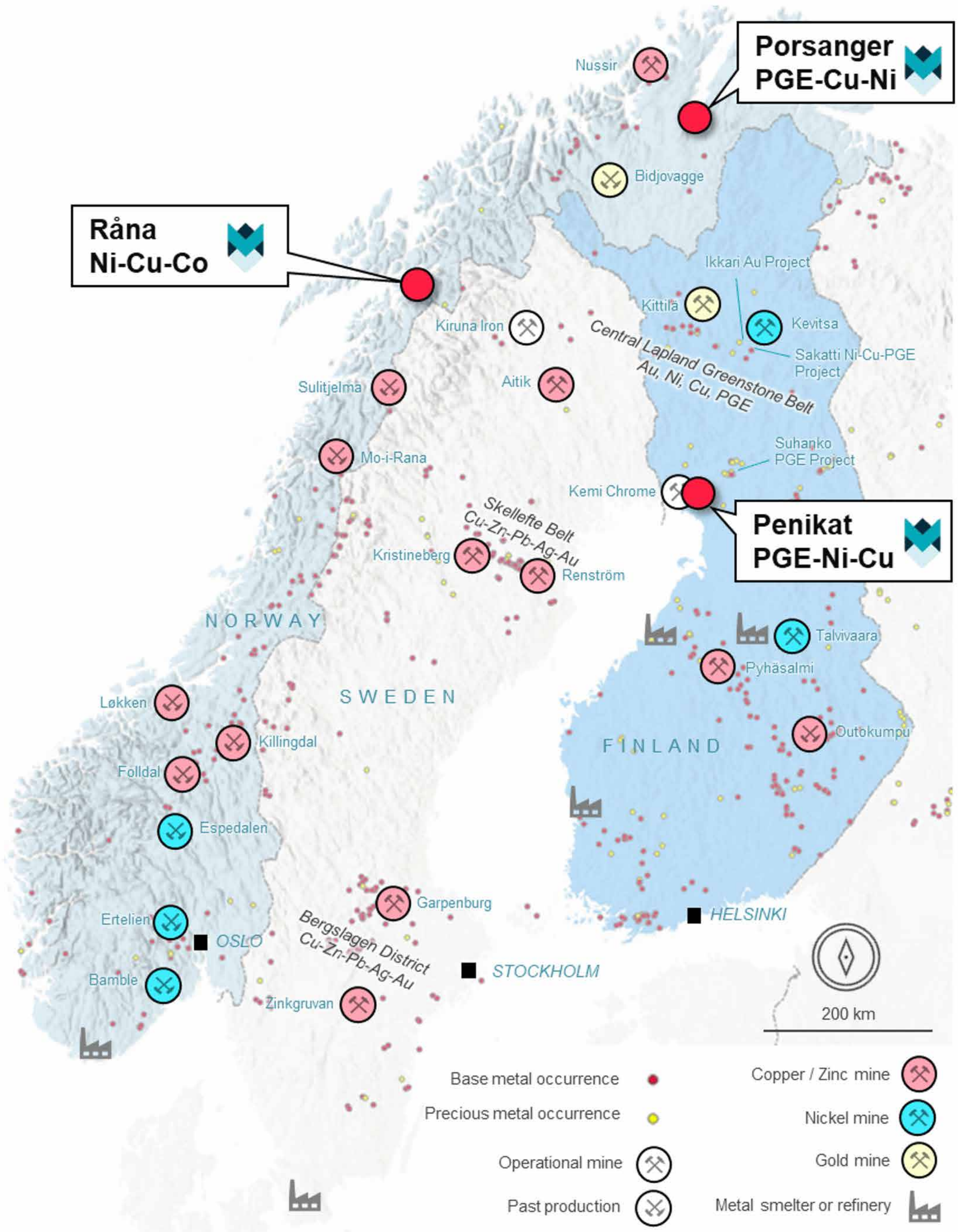

Figure 1: Kingsrose project locations

Råna Project

Location and Tenure

The Råna project is located Nordland County, Norway, 37 kilometres west by road from the town of Narvik and a deep-water, ice-free port which ships approximately 18-20 million tonnes of cargo per year, mostly from Swedish iron ore operations. The Project comprises 24 contiguous exploration licences totalling 211 square kilometres, which are being explored by Kingsrose under two separate agreements with Scandinavian Resource Holdings (see announcement dated 18 January 2023) and EMX Royalties (see announcement dated 6 March 2023), (Figure 2).

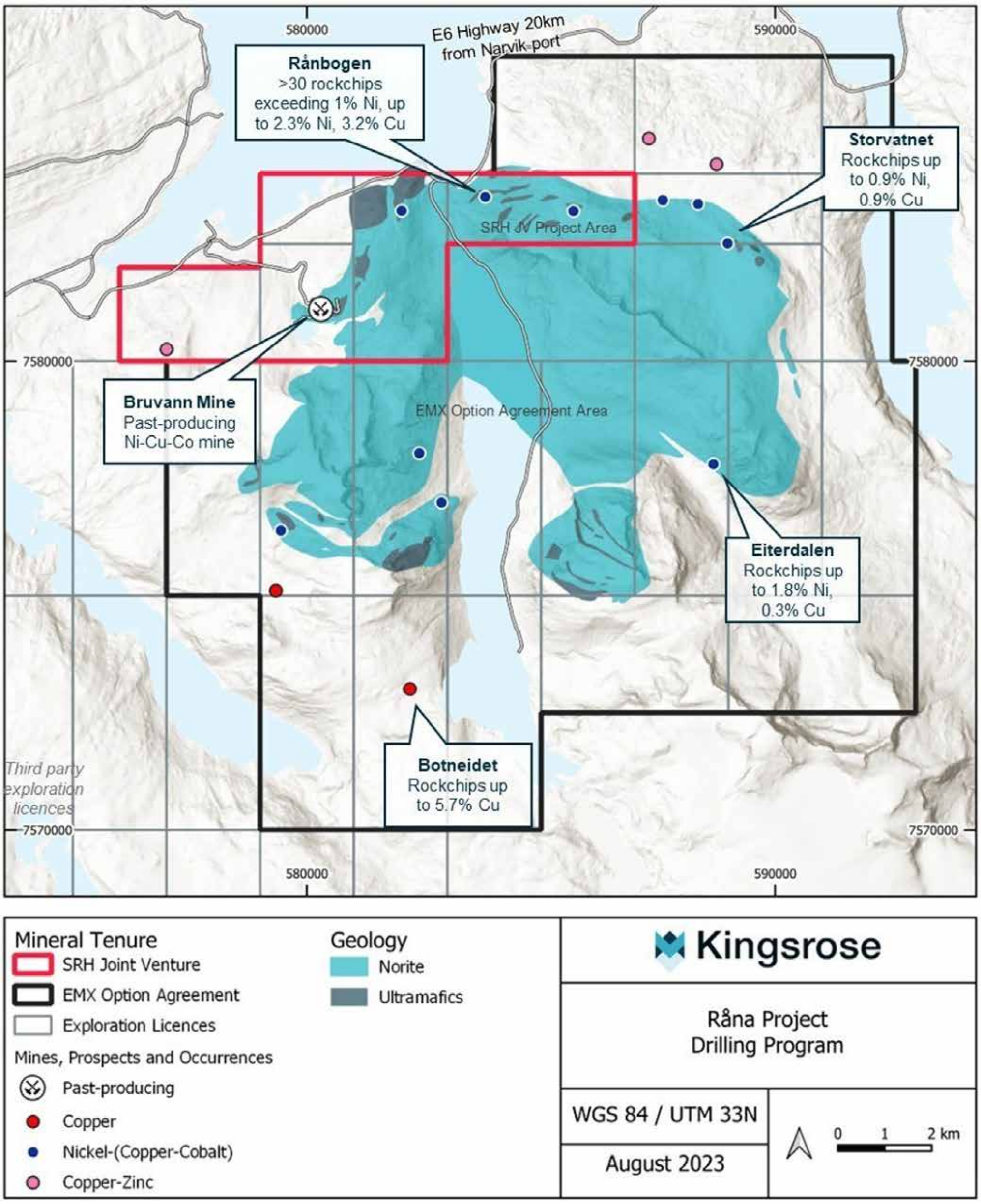

Figure 2: Råna Project area and simplified geology

History

Exploration has been carried out sporadically at the Råna intrusion since at least 1880 when sulphides were discovered in the south at Eiterdalen. Exploration by Stavanger Staal and the NGU (Norwegian geological survey) in the 1970s and 1980s focused on Bruvann, including 33,769.7 metres of drilling and various ground based geophysical surveys which defined the Bruvann deposit. A private company, Nikkel og Olivin and Outokumpu conducted mining at Bruvann from 1989 until 2002, initially through a small open pit and later underground mining. Production is reported to have totalled 8.5 million tonnes at 0.5 % Ni, 0.1 % Cu and 0.03 % Co from approximately 25 kilometres of underground workings, with life of mine recoveries reported as 74 % Ni, 85 % Cu and 62 % Co. Scandinavian Highlands explored the northern part of the intrusion from 2004 to 2013, carrying out surface geochemical sampling and a SkyTEM geophysical survey over the whole licence area before testing Arnes and Rånbogen with 16 diamond drill holes for 4,000 metres. The SkyTEM survey identified several strong, near surface conductors at Bruvann, Arnes and Rånbogen, however the effectiveness of this survey method is limited by the steep topography and only has a depth of penetration of approximately 100 metres below surface.

Geology and Mineralisation

The Råna mafic-ultramafic intrusion outcrops over an area measuring approximately 9 by 11 kilometres and is emplaced into gneisses and argillaceous metasediments with localised graphitic horizons.

The intrusion is inferred to be syn-orogenic, having formed in a back-arc setting within the Caledonide Orogeny and dips to the south and west, therefore the basal ultramafic sequence is exposed in the north. Upper, more fractionated gabbro and norite is exposed in the centre and south.

Mineralisation typically occurs in the basal ultramafic units which host the highest tenor nickel sulphides and outcrop mainly in the northwest, and southern parts of the intrusion. Offset massive sulphides have been found to inject into the surrounding country rock. Sulphide mineralisation is also observed in the upper gabbronorites albeit of lower nickel tenor.

Kingsrose interprets the mineralised intrusions at Bruvann and Rånbogen to be chonoliths forming part of a larger, multi-phase intrusive complex. Chonoliths are pipe-like intrusions which may have short lateral but significantly down dip continuity.

Helicopter supported geophysics, Råna project, Norway.

Massive sulphide mineralisation typically occurs at the base of a chonolith and in the immediate footwall as 'offset' bodies of massive sulphide mineralisation. Exploration for these styles of mineralisation has not been systematically undertaken at Råna and these may be blind at surface, compromising detection by traditional methods.

Historical work focused predominantly on near mine exploration of outcropping mineralisation at Bruvann with limited to no application of modern exploration models for chonolith hosted magmatic sulphide deposits.

Massive sulphide outcrops with high nickel tenors at Bruvann and Rånbogen demonstrate fertility and, with 8 kilometres of largely untested strike along the northern intrusion margin, Kingsrose considers that there is scope for a significant discovery.

Geological Work

Kingsrose commenced a large scale geophysical and geological program at Råna during the second quarter of 2023, including:

- Airborne magnetotelluric (MT) survey of 815 line-kilometers to cover the entire Råna intrusion and the Sørfjorden prospect (65 line-kilometres), with the aim of modelling geology, structure and identifying conductive bodies with the potential for massive sulphide mineralisation. The was conducted by Expert Geophysics and the survey was completed in June 2023 with data processing, inversion and interpretation currently in progress.
- Ground based MT surveys at the Bruvann and Ranbogen target areas, conducted by Quantec Geoscience Ltd using their SPARTAN MT system. The Bruvann survey was completed in June 2023 and the Rånbogen survey was completed in July 2023. Results were announced on 21 July 2023 and 8 August 2023.
- Ground based electromagnetic (EM) surveys in two local loops by Geovisor Oy: Area A is located over the Bruvann Mine and potential extensions along strike; Area B is located northeast of the Bruvann Mine to investigate the contact between the intrusion and wallrock gneiss, where previous operators identified multiple conductors from airborne SkyTEM surveys parallel to the geological contact. Results were announced on 21 July 2023 and 8 August 2023.
- Following completion of the Bruvann MT and EM surveys, Newexco Exploration Pty Ltd was commissioned to review and interpret the data for target generation purposes.
- Drill rig mobilisation occurred at the end of June 2023 and diamond core drilling commenced 6 July 2023 (see ASX announcement 6 July 2023). Drilling is being conducted by Norse Drilling AS under a 5,000 metre drill contract.

Geophysical crew utilising snow cover to conduct ground electromagnetic surveys, Råna project, Norway.

Penikat Project, Finland

Location and Tenure

The Penikat Project is located 25 kilometres east of the town of Kemi and associated port with rail connections. The port is used to export nickel and copper concentrates from other Finnish operations. The Penikat Project comprises three exploration permit applications and two reservation notifications totalling 20 square kilometres (Figure 3). Kingsrose owns 100% of the project through its subsidiary Kingsrose Exploration Oy. The project is subject to a 1% NSR royalty payable to Mr Andrew Dacey (the project vendor).

History

Penikat was discovered in 1981 by Outokumpu who mapped the deposit in detail, followed up by a shallow drilling program totalling 103 holes for 3704 metres within Kingsrose's tenements. Arctic Platinum Partnership Oy held claims over the area between 2000 and 2003. It is not known what exploration was conducted in this period. Gold Fields Arctic Platinum Oy drilled six holes for 564.15 metres on the PV reef in 2007.

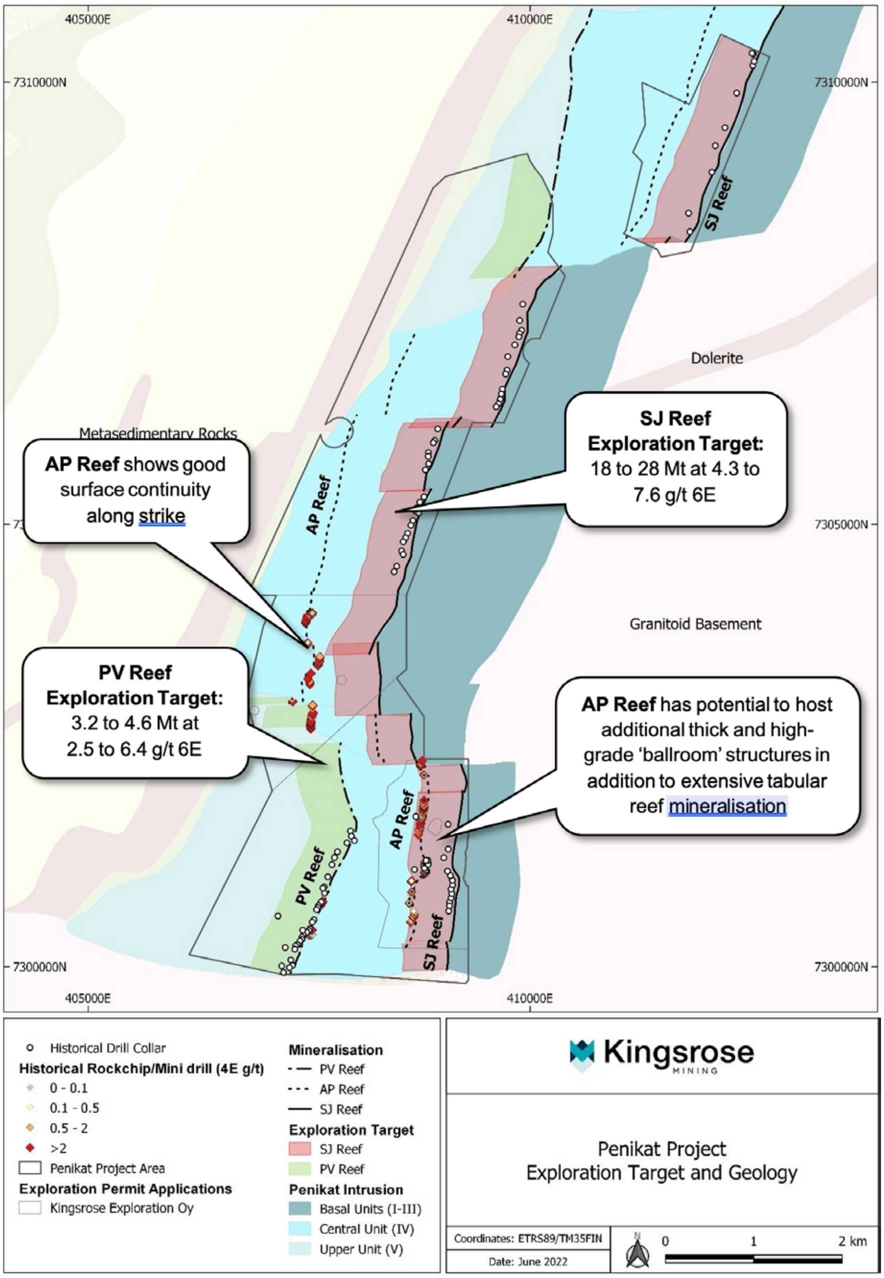

Figure 3: Penikat Project geology and Exploration Target

Penikat project, Finland.

Geology and Mineralisation

Penikat is a mafic-ultramafic intrusion hosted PGE-nickel-copper deposit.

The Penikat intrusion is >20 kilometres long and 1 to 3 kilometres thick and is part of the larger 300-kilometre-long Tornio-Narankavaara belt which contains >20 mafic-ultramafic intrusions. The Penikat intrusion has been divided into five layered megacyclic units (MCU-I to MCU-V), composed of alternating sequences of bronzite, pyroxenite, gabbronorite, gabbro and anorthosite cumulates. The intrusion dips between 45° and 60°. Mineralisation occurs in three sub-parallel reefs, all of which are hosted in MCU-IV and are each spatially and temporally related to compositional reversals.

Within the Penikat project area, historically the mineralised reefs have been mapped over a cumulative strike length of approximately 25 kilometres, and average 1.5 metres thick, composed of disseminated sulphide (pyrrhotite, pentlandite, chalcopyrite and bornite) mineralisation hosted in websterite, gabbronorite and anorthosite. Chromite and silicate type PGE mineralisation is also observed.

The reefs are termed, from the lowermost to uppermost, as the SJ, AP and PV reefs. The SJ and AP reefs are typically 450 metres apart, and the AP and PV reefs are typically 850 metres apart. Locally the reefs may pinch and swell, with the AP reef recording >20 metre thickness over <100 metres strike at the colloquially termed 'AP Ballroom' structure.

Geological Work

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:

- 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.

An airborne magnetic survey was completed between 12 and 14 October 2022. This covered 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 for a total of

Geological mapping by Kingsrose at Penikat, Finland.

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.

Work on permitting the Penikat drilling program continued, with the Penikat Natura Assessments nearing completion and due for submission in August 2023 as the relevant authorities return from summer vacations. A series of meetings with government authorities in Finland are scheduled for August and September 2023 to support the various submissions.

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

Porsanger Project, Norway

Location and Tenure

Porsanger is located in Finnmark County, Northern Norway, next to the coast and near the town of Lakselv with a local airport. The project can be reached by main road, with ATV trails and footpaths which cross parts of the licence areas. Several power lines are located within the exploration licence area. The area is typified by rocky hills, moorland and forested, shallow but steep sided gullies dissected by a network of streams, ponds and lakes. The project comprises eight contiguous exploration licences (Figure 4), totalling 64 square kilometres which are 100% owned by Kingsrose Norge AS, a wholly owned subsidiary of Kingsrose.

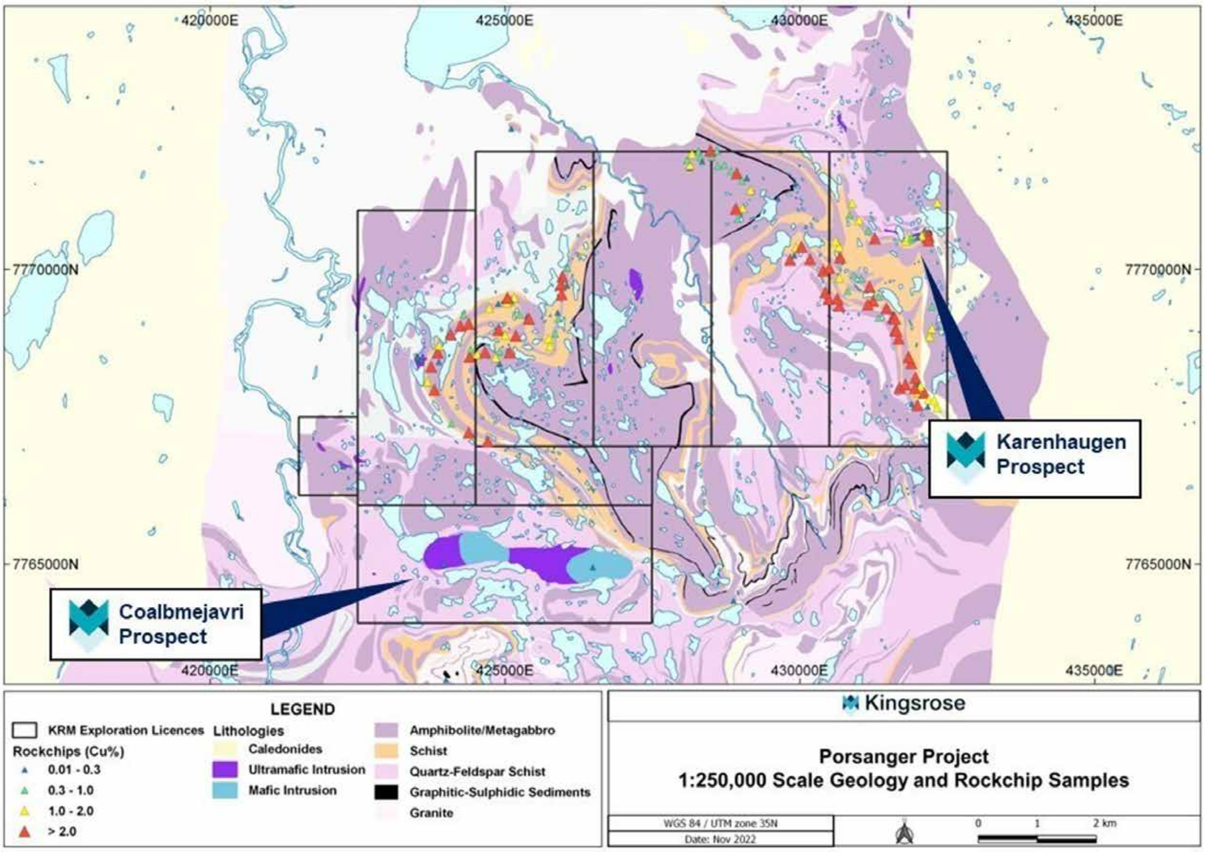

Figure 4: Porsanger project

History

Copper mineralisation was discovered at Porsanger in the early 1900s resulting in small scale near surface mining which produced approximately 110kt of mineralised material. In the 1980s BP Norsk Hydro investigated the gold potential of the copper occurrences through mapping and rock chip sampling. At the Porsvann prospect, in 1992 four holes for 357.45 meters were drilled by the NGU targeting PGE mineralisation. At the Karenhaugen prospect, in 1939 eight holes totalling 531 meters were drilled to test copper-nickel mineralisation at surface. In 1993, the NGU drilled five shallow holes totalling 371.8 metres. Between 2001 and 2003, the Porsvann and Karenhaugen projects were explored by Tertiary Minerals plc. No drilling was completed.

Geology and Mineralisation

Porsanger is located within the Early Proterozoic Karasjok Greenstone Belt, which is a north-south trending belt approximately 150 kilometres long and an extension of the Lapland Greenstone Belt. The belts host numerous significant Ni-Cu-PGE, sedimentary copper, and gold deposits in the region, including the recently discovered Sakatti Ni-Cu-PGE project (Anglo American plc) and Ikkari gold project (Rupert Resources Limited).

Two magmatic feeder conduit-style mafic-ultramafic intrusions are present within the project area. The Porsvann and Karenhaugen intrusions are located within the west and east of the area. Both intrusions contain disseminated sulphide (pyrrhotite, chalcopyrite, pentlandite) with associated Pd, Pt, and Cu mineralisation. Surface outcrops are locally stained by malachite. Previous field mapping indicates that the mineralisation is concentrated towards the base of the intrusions and locally within the footwall. The best historical drill intersection is 43 metres at 1.2 g/t PdEq, including 15.2 metres at 2.1 g/t PdEq. Copper grades range between 0.01 and 0.5%.

Copper-dominant mineralisation also occurs more extensively across the property in the form of en-echelon and tensional quartz vein arrays hosted by amphibolite and mica schist. Individual vein zones are localised into <30 metre by <2 metre lenticular bodies. These frequently occur along a 10 kilometre long zone of intermittent mineralisation. The vein mineralogy is quartz with massive to semi massive intergrowths of chalcopyrite and bornite. Individual veins are typically <30cm thick.

Geological Work

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

Results from resampling 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.

BHP Xplor Program

During the first and second quarters of 2023 Kingsrose attended the BHP Xplor Bootcamp, Toolkit and Showcase sessions where training on Mineral Systems Frameworks, operational readiness and business strategy were delivered. Selected service providers were also introduced who specialise in early-stage target generation, geophysical exploration methods, and sustainable operations.

Kingsrose has identified two prospective nickel-copper belts in Norway and Finland which are underexplored. The BHP Xplor program supported a detailed geochemical, geophysical and remote sensing data processing and interpretation exercise, designed to identify and rank potentially mineralised mafic-ultramafic intrusions, produce a regional geological and structural interpretation of the belts, and reach a decision point on areas of interest for further exploration work. In parallel with the technical work, a comprehensive cultural and social engagement plan is being developed and implemented.

The details of future plans for the target areas identified through the Xplor program are expected to be announced in due course.

SUSTAINABILITY

Overview

Graham Farrer was appointed Head of Sustainability in May 2023 following the resignation of Dr Katariina Koikkalainen in February 2023. The focus during 2023 has been on stakeholder engagement with the communities local to the Penikat, Råna and Porsanger projects. As well as this, advancement on permits for drilling at the Penikat and Porsanger projects has been a priority with Kingsrose conducting various environmental and ecological surveys as well as technical studies to enable submission.

Sustainability is at the centre of the way in which Kingsrose approaches exploration and development of projects, and this is reiterated in the Kingsrose vison and values. While the sustainability strategy is still in development, it broadly consists of five pillars.

Corporate Governance: development and communication of polices, implementation of governance structures such as working groups and committees, development and implementation of standardized procedures which dictate the way in which activities are undertaken (such as a drilling and ground disturbance procedures). Developing a social investment program including an annual in-kind contribution, which is led by stakeholders, to maximise benefits of exploration and development.

Geological mapping by Kingsrose at Råna, Norway.

Airborne geophysical survey, Råna project, Norway.

Stakeholder Engagement and Communication: identifying stakeholders and tailoring a communication approach for each stakeholder group and individuals. Formalising engagement and communication plans, developing key messaging and questions and answers for identified concerns and/or uncertainties, and developing engagement calendars to provide adequate notice for proposed engagement.

Permitting: developing permitting roadmaps for each key task and communicating this approach with relevant stakeholders and assigning roles and responsibilities for each permitting component. Adhering to permitting legislation and expectations, and where possible, exceeding these with additional impact identification, management and mitigation of impacts, and transparency. Developing and implementing a post-drilling monitoring process, including communication with key stakeholders.

Industry Participation: collaborating with industry bodies (FinnMin, Norsk Bergindustri, Euromines, Towards Sustainable Mining (TSM) and The Institute for Responsible Mining Assurance (IRMA)), participating in training, sharing ideas and approaches with other exploration and mining organisations. Aligning our approach and activities with industry leading practice (International Finance Corporation (IFC), Global Reporting Initiative (GRI), TSM and IRMA).

Sustainability Data Management and Reporting: identifying and collecting sustainability data in general accordance with GRI, regularly reporting this data publicly, and developing a peer reviewed sustainability report which is considered leading practice.

Penikat Project, Finland

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 Natura Assessment report.

The first Natura Assessment for the Ala Penikka exploration licence application was submitted in August 2022 and an in-person meeting was held with the Finnish authorities in January 2023 to discuss the content of the assessment and its processing. During the meeting, the authorities provided guidance on additional content and specific studies or surveys that they would like to see added to the report. Kingsrose has developed a road map to complete all additional tasks by the end of July 2023, and submission is expected in September 2023.

Thereafter review by Finnish environmental authorities is expected to take three to six months. This is then followed by a processing and public consultation period by the Finnish exploration licence awarding authority TUKES. This and is expected to take approximately two to 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 will provide a full update on the status of these permit applications and expected timelines as further information becomes available.

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 adverse impact exploration activities could have on these important natural values.

Engagement with local stakeholders has continued, with direct contact made with landowners surrounding 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.

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 planning the drill hole locations to avoid impacting indigenous sites 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 confident that the Company's activities will not impact their livelihood. The local reindeer herding district 14A invited the Company to attend and present at their Annual General Meeting, which was held in early July 2023.

Stakeholder engagement meetings have continued, 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 secure and retain a social license to operate within the community. The first meeting was held in March 2023, and it is anticipated that these meetings will occur regularly.

FINANCIAL REVIEW

Income Statement

The Group recorded a net loss after tax for the year ended 30 June 2023 of $6,875,757 (2022: net loss after tax $10,741,120), largely contributed by the following significant items:

- Net loss on the disposal of its investment in the Way Linggo project of $4,633,726 (2022: nil).
- Corporate costs of $4,959,115 (2022: $3,481,960) and share based payments expense of $226,410 (2022: $1,234,515).
- These significant items were positively offset by an unrealised net foreign exchange gain of $1,166,532 (2022: net gain of $6,692,201), funds received from the BHP Xplor Program of $758,269 (2022: nil) and bank interest from term deposits of $1,092,719 (2022: $107,726). The foreign exchange 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 2023 the Group's net assets were $39,942,135 (2022: $41,876,369).

Assets

At reporting date, the Group's total current assets were $34,065,562 which represents an increase of $4,970,934 over the year ended 30 June 2022. This movement was primarily driven by an increase of $6,213,711 in cash and cash equivalents and decreases of $267,834 in trade and other receivables, $450,982 in tax receivable, and $372,386 in other current assets.

Non-current assets of the Group stood at $7,313,891 at balance date, $9,063,030 lower than 30 June 2022, mainly due to the derecognition 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 $1,437,318 which represents a decrease of $2,157,862 over the year ended 30 June 2022, mainly due to the derecognition of those liabilities that were part of the divestment of the Way Linggo project.

Group Cash Flows and Liquidity

At 30 June 2023 the Group held cash and cash equivalents of $33,840,430 (2021: $27,626,719).

Cash flow from operating activities for the year ended 30 June 2023 was a net cash outflow of $3,901,080, primarily due to disbursements during the year for corporate and other related expenditure.

Cash flow from investing activities for the year ended 30 June 2023 was a net cash inflow of $9,087,670 related mainly to payments for projects and receipt of funds from the divestment of the Way Linggo project (net of cash disposed).

Cash flow from financing activities for the year ended 30 June 2023 was a new cash outflow of $50,596 related to 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.

Graham Farrer was appointed Head of Sustainability in May 2023 following the resignation of Dr Katariina Koikkalainen in February 2023. Graham will lead the Company's permitting and sustainable development programs and is a sustainability professional with more than 20 years' experience within land development, oil and gas and mining. Graham holds professional memberships with Australasian Institute of Mining and Metallurgy and Chartered Institution of Water and Environmental Management and is a Chartered Water and Environmental Manager, Chartered Environmentalist, and Certified Environmental Practitioner. He also holds tertiary qualifications in environmental management, environmental science, project management, and sustainable resource development.

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.

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 Råna, 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 Råna, 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:

- 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.
- 14 March 2022 – Kingsrose Announces Further High-Grade PGE-Nickel-Copper Results of Drill Core Resampling at the Penikat Project, Finland.
- 5 May 2022 – Significant Rhodium Mineralisation Confirmed at the Penikat Project, Finland.
- 28 June 2022 – Exploration Target Estimated for the Penikat Project, Finland.
- 25 August 2022 – Kingsrose Confirms PGE-Copper Mineralisation and Identifies Anomalous Rhodium at the Porsanger Project, Norway.
- 12 October 2022 - Kingsrose identifies large geophysical target and discovers additional Nickel-Copper-PGE mineralised intrusions 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 2023.

COMPANY SECRETARY

Joanna Kiernan was appointed Company Secretary on 31 December 2020 and resigned on 31 May 2023.

Erlyn Dawson and Alessandra Gauvin were appointed as joint Company Secretaries on 1 June 2023. Both Mrs Dawson and Ms Gauvin are experienced corporate governance professionals with over 15 years of combined company secretarial experience working with ASX listed companies across a diverse range of industries including mining, technology, biotech and industrials. Both Mrs Dawson and Ms Gauvin are Chartered Secretaries and each hold a Bachelor of Commerce and a Graduate Diploma in Applied Corporate Governance.

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 AuIron 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	Member of the Remuneration Committee.
Fabian Baker	
BSc Applied Geology Managing Director Appointed: 25 June 2021	Mr Baker is a geologist with more than 14 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

Chief Executive Officer Appointed: 8 February 2021 Ceased: 25 June 2021	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 an exploration company listed on the Canadian Securities Exchange.
Special Responsibilities	Member of the Health and Safety Committee.
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 the 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	Chair of Remuneration Committee. Former member of the Audit and Risk Committee (resigned 9 May 2023)
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 and member of the Remuneration 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, Chair of Health and Safety Committee and member of the Audit and Risk Committee.
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 and Remuneration Committee.

PRINCIPAL ACTIVITIES

The principal activity of the Group for the year ended 30 June 2023 were:

- Divestment of the Way Linggo project in Indonesia;
- 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);
- Work on entering into an Option Agreement with VIAD Royalties AB to purchase a 100% interest in 19 exploration licences totalling 183 square kilometres adjacent to the brownfield Råna Nickel-Copper-Cobalt (Ni-Cu-Co) project;
- Exploration and evaluation of the Penikat and Porsanger PGE-Nickel-Copper projects in Finland and Norway respectively; and
- Following an extensive review process by BHP, selected to participate in the inaugural BHP Xplor program (announced January 2023).

OPERATING AND FINANCIAL REVIEW

A review of the operations and financial position of the Group during the year ended 30 June 2023, including details of the results of operations, changes in the state of affairs and likely developments in the operation of the Company in subsequent financial years are set out on pages 4 to 16.

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 (2022: nil).

NEW ENTITIES

As part of the Transaction Implementation Agreement (TIA) entered into on 18 January 2023 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 (Råna Project) in Norway, and formation of a joint venture for the development and operation of the project, the joint venture company Narvik Nikkel AS was incorporated. As noted below in the Subsequent Events section, t, as at the date of this report the Company now holds a 10% interest in this new entity.

SUBSEQUENT EVENTS

On 25 July 2023, the Company announced that the conditions to first completion of the Transaction Implementation Agreement (as amended) announced on 18 January 2023 regarding its staged investment into the Råna Nickel-Copper-Cobalt (Ni-Cu-Co) project (Råna Project) have been satisfied (First Completion). As at First Completion, the Company has earnt a 10% interest in the Råna Project by the issue of 10,000 shares in Narvik Nikkel AS, the joint venture company that operates the Råna Project.

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		Remuneration		Health & Safety	
Director	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Michael Andrews	3	3	-	-	3	3	-	-
Fabian Baker	3	3	-	-	-	-	1	1
John Carlile	3	3	2	2	3	3	-	-
Andrew Cooke	3	3	2	2	-	-	-	-
Daryl Corp	3	3	-	-	-	-	1	1
Timothy Coughlin	3	3	2	2	3	3	-	-

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	-
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**	**-**

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	3,250,000	$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
Options	1,000,000	$0.102	23 May 2028
Total	**34,750,000**		

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.

PERFORMANCE RIGHTS UNDER ISSUE

The performance rights of the Company under issue at the date of this report are as follows:

Instrument	Number Under Issue	Exercise Price	Expiry Date
Share Performance Rights	1,400,000	-	31 December 2023
Share Performance Rights	500,000	-	30 June 2024
Share Performance Rights	1,200,000	-	31 December 2024
Share Performance Rights	2,150,000	-	31 December 2025
Total	**5,250,000**		

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.

OPTIONS AND SHARE PERFORMANCE RIGHTS ISSUED

The following options were issued during the financial year ended 30 June 2023:

Instrument	Number Under Option	Exercise Price	Expiry Date
Options	1,000,000	$0.102	23 May 2028
Total	**1,000,000**		

The following share performance rights were issued during the financial year ended 30 June 2023:

Instrument	Number	Exercise Price	Expiry Date
Share Performance Rights	500,000	-	30 June 2024
Share Performance Rights	500,000	-	31 December 2024
Share Performance Rights	500,000	-	31 December 2025
Total	**1,500,000**		

OPTIONS AND SHARE PERFORMANCE RIGHTS LAPSED OR CANCELLED

The following options were forfeited during the financial year ended 30 June 2023:

Instrument	Number	Exercise Price	Expiry Date
Options	1,750,000	$0.10	22 April 2025
Total	**1,750,000**		

The following share performance rights were lapsed or forfeited during the financial year ended 30 June 2023:

Instrument	Number	Exercise Price	Expiry Date
Share Performance Rights	2,500,000	-	30 June 2023
Share Performance Rights	400,000	-	31 December 2023
Share Performance Rights	350,000	-	31 December 2025
Total	**3,250,000**		

SECURITIES EXERCISED

There were no securities exercised during the financial year ended 30 June 2023.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group's activities in 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 Scandinavia during the 2023 reporting period.

INSURANCE OF OFFICERS

During the financial year, the Company paid a premium of $38,624 (2022: $32,689) 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 2023 outlines the remuneration arrangements of the Group in accordance with the requirements of section 300A 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. 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	Until 16 December 2022 following the divestment of the Way Linggo project

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 until the formation of the Remuneration Committee on 9 December 2022.

The Remuneration Committee (and previously the Board acting in the capacity 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.

Prior to the formation of the Remuneration Committee, remuneration matters were discussed during meetings of the full Board, with Directors excluded from individual discussions as required. Subsequent to the formation of the Remuneration Committee, remuneration matters are discussed by non-conflicted Remuneration Committee members during Remuneration Committee meetings. Remuneration matters are then recommended by the Remuneration Committee to the full Board for approval, as appropriate.

Additional information regarding the role and function of the Remuneration Committee can be found within the Corporate Governance Section of the Company's website.

REMUNERATION CONSULTANTS

During the year, the Remuneration Committee approved the engagement of BDO Rewards (WA) Pty Ltd, ("BDO") to provide advice on Executive Remuneration Benchmarking.

The Board is satisfied that the advice from BDO is free from undue influence from the KMP to whom the remuneration recommendations apply. The remuneration recommendations were provided to the Remuneration Committee and the Board as an input into decision making only. The Remuneration Committee and the Board considered the recommendations, along with other factors, in making its decisions.

BDO Reward (WA) Pty Ltd was paid $11,963 for these services.

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. (FY22: nil).

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 no options were issued to any executive.

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.

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	Value of Rights Vested During the Year[1] $	Value of Rights Exercised During the Year $
Executive										
Fabian Baker	1,500,000	8-Feb-21	$0.034	-	30-Jun-23	30-Jun-23	-	1,500,000	-	-
	1,000,000	8-Feb-21	$0.028	-	30-Jun-23	30-Jun-23	-	1,000,000	-	-

[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.

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:

	2019	2020	2021	2022	2023
EPS (cents/share)					
- Basic	(1.96)	2.70	(0.91)	(1.45)	**(0.91)**
- Diluted	(1.96)	2.70	(0.91)	(1.45)	**(0.91)**
Share Price	$0.038	$0.041	$0.053	$0.056	**$0.068**

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EXECUTIVE REMUNERATION

The table below represents the total remuneration (both fixed and variable) paid or payable to Executives of the Group during the 2023 and 2022 financial years:

		Short-Term					Post Employment		Long-Term	Share-Based Payment	Total	Proportion of Remuneration Performance Related
		Salary & Fees $	Cash Bonus $	Annual Leave Benefits $	Non-Monetary Benefits $	Consulting Fees $	Super-annuation[4] $	Termination Allowance $	Long Service Leave Benefits $	Options & Rights[5] $	$	%
Executive Directors												
Fabian Baker[1]	2023	316,725	-	-	-	-	-	-	-	46,636	363,361	9
	2022	156,565	-	-	-	150,000	-	-	-	189,116	495,681	24
Other Executives												
Mark Smith[2]	2023	-	-	-	-	255,000	-	-	-	16,558	271,558	-
	2022	-	-	-	-	250,000	-	-	-	91,442	341,442	-
Ivan Kusnadi[3]	2023	57,870	-	-	-	-	-	-	-	-	57,870	-
	2022	167,819	16,208	8,374	11,044	-	-	628,836	48,852	-	881,133	2
Total	**2023**	**374,595**	**-**	**-**	**-**	**255,000**	**-**	**-**	**-**	**63,194**	**692,789**	
Total	**2022**	**324,384**	**16,208**	**8,374**	**11,044**	**400,000**	**-**	**628,836**	**48,852**	**280,558**	**1,718,256**	

[1] Mr Baker was appointed Chief Executive Officer on 8 February 2021 and appointed Managing Director on 25 June 2021.
[2] Mr Smith was appointed Chief Financial Officer on 26 April 2021.
[3] Mr Kusnadi ceased employment with the Group on 16 December 2022 following the divestment of the Way Linggo project.
[4] The executives reside outside Australia; therefore, are not subject to superannuation.
[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 £170,000 (or equivalent to $300,000). On 1 January 2023, following a remuneration review, the annual salary was increased to £183,150 (or equivalent to $327,472);
- 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.

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;
- 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; and
- On 1 January 2023, following a remuneration review, the annual salary of Mr Smith was increased to $260,000.

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. Contractual termination benefits totalled US$433,205 (A$628,836);
- 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%; and
- Following the divestment of Way Linggo on 16 December 2022 Mr Kusnadi ceased to be an Employee and KMP of the Group.

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 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 2023 and 2022 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[1,4]	2023	66,000	-	-	-	-	66,000	-
	2022	66,000	-	-	-	175,500	241,500	-
John Carlile[2,4]	2023	49,000	-	-	-	-	49,000	-
	2022	44,000	-	-	-	175,500	219,500	-
Tim Coughlin[3,4]	2023	44,000	-	-	-	-	44,000	-
	2022	44,000	-	-	-	175,500	219,500	-
Daryl Corp[3]	2023	45,000	-	-	4,725	-	49,725	-
	2022	40,000	-	-	4,000	175,500	219,500	-
Andrew Cooke[3,5]	2023	50,400	-	-	-	-	50,400	-
	2022	44,000	-	-	-	175,500	219,500	-
Total	**2023**	**254,400**	**-**	**-**	**4,725**	**-**	**259,125**	**-**
Total	**2022**	**238,000**	**-**	**-**	**4,000**	**877,500**	**1,119,500**	**-**

[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] 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.
[5] 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 2022	Granted as Remuneration	On Exercise of Options/Share Performance Rights	Net Change Other	Balance at 30 June 2023
Executive Director					
Fabian Baker	3,113,000	-	-	-	3,113,000
Non-Executive Directors					
Michael Andrews	71,388,435	-	-	-	71,388,435
John Carlile	1,750,000	-	-	-	1,750,000
Tim Coughlin	1,700,001	-	-	-	1,700,001
Daryl Corp	-	-	-	-	-
Andrew Cooke	-	-	-	-	-
Other KMP					
Mark Smith	-	-	-	-	-
Ivan Kusnadi	-	-	-	-	-
Total	**77,951,436**	**-**	**-**	**-**	**77,951,436**

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 2022	Granted as Remuneration	Options Exercised	Net Change Other	Balance at 30 June 2023	Not Vested and Not Exercisable	Vested and Exercisable
Executive Director							
Fabian Baker	5,000,000	-	-	-	5,000,000	-	5,000,000
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	-	3,000,000
Ivan Kusnadi	-	-	-	-	-	-	-
Total	**30,500,000**	**-**	**-**	**-**	**30,500,000**	**-**	**30,500,000**

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 2022	Granted as Remuneration	Rights Exercised	Rights Lapsed	Balance at 30 June 2023	Not Vested	Vested
Executive Director							
Fabian Baker	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	**2,500,000**	**-**	**-**	**2,500,000**	**-**	**-**	**-**

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

Michael Andrews

In prior year, PT Promincon Indonesia, an entity related to Dr Andrews, received $570,979 (net of taxes) for drilling services provided to the Company's subsidiary, PTNM. 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 $84,855 (net of taxes) was owing to PT Promincon Indonesia. No services were provided by PT Promincon Indonesia to the Group during the current year and as at 30 June 2023, nil amount was owing to PT Promincon Indonesia.

Element-46 Limited

E-46 was acquired in November 2021 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 2023, the amount of deferred consideration payable to the former owners of E-46 was $819,524. As referred to in Note 19 the underlying amount owing of £451,250 has been converted to the applicable end of financial year exchange rate for AUD (2022: $723,377).

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 2023 is on page 33. 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 31 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
29 September 2023

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 2023, 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

Mark Cunningham
Partner
29 September 2023

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 $	2022 (as restated) $
Continuing operations			
Other income	4(a)	**3,017,517**	2,542,828
Administration expenses	4(b)	**(5,279,644)**	(4,333,619)
Other expenses	4(c)	**-**	(23,446)
Finance costs	4(d)	**(59,136)**	(91,859)
Loss before income tax		**(2,321,263)**	(1,906,096)
Income tax benefit	5(a)	**79,232**	533,050
Loss after tax from continuing operations		**(2,242,031)**	(1,373,046)
Discontinued operations			
Loss after tax from discontinued operations	28	**(4,633,726)**	(9,368,074)
Loss after tax from discontinued operations		**(4,633,726)**	(9,368,074)
Net loss for the period			
Loss for the year is attributable to:			
Owners of the parent		**(6,878,458)**	(10,713,011)
Non-controlling interest		**2,701**	(28,109)
		(6,875,757)	(10,741,120)
Loss per share attributable to the ordinary equity holders of the parent:		**Cents**	Cents
Basic loss per share – cents per share	6	**(0.91)**	(1.45)
Diluted loss per share – cents per share	6	**(0.91)**	(1.45)
Loss per share for continuing operations attributable to the ordinary equity holders of the parent:		**Cents**	Cents
Basic loss per share – cents per share	6	**(0.30)**	(0.18)
Diluted loss per share – cents per share	6	**(0.30)**	(0.18)

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 2023

	2023	2022
	$	$
Net loss for the year	**(6,875,757)**	(10,741,120)
Other comprehensive loss		
Items that may be reclassified to profit and loss in subsequent periods		
Foreign currency translations attributable to parent entity interest	**6,445,925**	(2,848,588)
Income tax effect	**-**	-
	6,445,925	(2,848,588)
Items that may not be reclassified to profit and loss in subsequent periods		
Re-measurement adjustments on defined benefit obligations	**-**	63,896
Income tax effect	**-**	(14,057)
	-	49,839
Other comprehensive income/ (loss) for the year, net of tax	**6,445,925**	(2,798,749)
Total comprehensive loss for the year	**(429,832)**	(13,539,869)
Total comprehensive loss for the year is attributable to:		
Owners of the parent	**(432,533)**	(13,511,760)
Non-controlling interest	**2,701**	(28,109)
	(429,832)	(13,539,869)
Total comprehensive loss for the year attributable to owners of the parent arises from:		
Continuing operations	**(2,318,867)**	(1,354,092)
Discontinued operations	**1,889,035**	(12,185,777)
	(429,832)	(13,539,869)

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 2023

	Note	2023 $	2022 $
Current Assets			
Cash and cash equivalents	8	**33,840,430**	27,626,719
Trade and other receivables	9	**58,651**	611,081
Inventories	10	**-**	151,576
Income tax receivable	5	**82,068**	533,050
Other	11	**84,413**	172,201
Total Current Assets		**34,065,562**	29,094,627
Non-Current Assets			
Trade and other receivables	9	**-**	1,348,215
Plant and equipment	12	**445,614**	558,356
Mine properties and development	13	**-**	4,929,197
Exploration and evaluation assets	15	**5,796,748**	9,541,154
Other	11	**1,071,529**	-
Total Non-Current Assets		**7,313,891**	16,376,922
TOTAL ASSETS		**41,379,453**	45,471,549
Current Liabilities			
Trade and other payables	16	**451,766**	1,049,425
Interest-bearing liabilities	17	**67,913**	65,355
Other provisions	18	**33,562**	27,822
Other	19	**819,524**	-
Total Current Liabilities		**1,372,765**	1,142,602
Non-Current Liabilities			
Interest-bearing liabilities	17	**64,553**	209,872
Rehabilitation and other provisions	18	**-**	1,519,328
Other	19	**-**	723,378
Total Non-Current Liabilities		**64,553**	2,452,578
TOTAL LIABILITIES		**1,437,318**	3,595,180
NET ASSETS		**39,942,135**	41,876,369
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity	20	**107,326,091**	107,326,091
Reserves	21	**12,329,442**	9,192,611
Accumulated losses		**(79,713,398)**	(76,370,444)
		39,942,135	40,148,258
Non-controlling interest	24(b)	**-**	1,728,111
TOTAL EQUITY		**39,942,135**	41,876,369

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 2023

	Note	2023 $	2022 $
Cash flows from operating activities			
Payments to suppliers and employees		**(4,823,231)**	(6,267,778)
VAT refund received		**146,291**	1,128,737
Interest received		**1,092,716**	107,726
Interest and other finance costs paid		**(6,724)**	(6,568)
Disposal costs on sale of subsidiary		**(843,182)**	-
Income tax received		**533,050**	750,477
Net cash flows from operating activities	8(a)	**(3,901,080)**	(4,287,406)
Cash flows from investing activities			
Payments for plant and equipment		**(170,480)**	(63,124)
Payments for acquisition of subsidiary (net of cash acquired)		**-**	(389,007)
Proceeds from sale of subsidiary (net of cash disposed)		**11,008,406**	-
Proceeds from sale of plant and equipment		**-**	103,945
Prepayments of other non-current assets		**(1,071,529)**	-
Payment for exploration and evaluation expenditure		**(678,727)**	(783,444)
Net cash flows used in investing activities		**9,087,670**	(1,131,630)
Cash flows from financing activities			
Conversion of share options		**-**	207,000
Repayment of principal portion of lease liabilities	8(b)	**(50,596)**	(71,648)
Net cash flows used in financing activities		**(50,596)**	135,352
Net increase/(decrease) in cash and cash equivalents		**5,135,994**	(5,283,684)
Cash and cash equivalents at beginning of the year		**27,626,719**	30,571,261
Effects of exchange rate changes on cash and cash equivalents held		**1,077,717**	2,339,142
Cash and cash equivalents at end of the year	8	**33,840,430**	27,626,719

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 2023

	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 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 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**
Net loss for the period	-	-	-	-	-	(6,878,458)	(6,878,458)	2,701	(6,875,757)
Other comprehensive income for the period	-	-	-	6,445,925	-	-	6,445,925	-	6,445,925
Total comprehensive income/(loss) for the period	**-**	**-**	**-**	**6,445,925**	**-**	**(6,878,458)**	**432,533**	**2,701**	**429,832**
Transactions with owners in their capacity as owners:									
Transfer on Divestment	-	-	(133,014)	-	(3,402,490)	3,535,504	-	(1,730,812)	(1,730,812)
Share-based payments	-	226,410	-	-	-	-	226,410	-	226,410
At 30 June 2023	**107,326,091**	**12,422,506**	**(35,182)**	**(57,882)**	**-**	**(79,713,398)**	**39,942,135**	**-**	**39,942,135**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

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 2023 was authorised for issue in accordance with a resolution of the directors on 28 September 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 Suite 5 CPC, 145 Stirling Highway WA 6009.

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 2023, the Group recorded a net loss for the year of $6,875,757, net cash outflows from operating activities of $3,901,080 and had a net working capital of $32,692,797. 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 2022.

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 is in the process of analysing these standards and interpretations but does not expect that 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.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, whilst any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

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 are 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) Income from Xplor agreement with BHP

Income is recognised for the amounts received under the Xplor agreement with BHP, where BHP made payments to the Group to be spent on exploration and stakeholder relationship building activities in respect of the Group's nickel exploration interests in Finland and Norway. Income is recognised when, or as, obligations in the contract are satisfied.

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.

Derivatives such as options to acquire equity instruments are accounted for at fair value through profit or 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.

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. Where an indicator of impairment is identified, the carrying value of exploration and evaluation assets is compared to the recoverable amount, which is the higher of value-in-use and the fair value less costs of disposal.

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 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-based variable payments incorporating the Group's expectations of extension options and do not include non-lease components of a contract.

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); and
- The after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses.

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 2023.

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. 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.

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 derecognised from the statement of financial position.

(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 3 would be accounted for as an asset acquisition and not a business combination. During the prior 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.

On 16 December 2022 the Company announced the completion of the sale of the interest in the Way Linggo gold project which has been classified as a discontinued operation.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Comparative information in the Consolidated Income Statement have been re-presented for the Way Linggo gold project categorised as discontinued operations.

3. OPERATING SEGMENTS

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 year the Way Linggo project (gold and silver) was disposed of, please refer to note 28 for further details.

4. OTHER INCOME AND EXPENSES

		2023	2022 (as restated)
		$	$
a)	**Other income**		
	Interest income	**1,092,716**	105,689
	Net gain on foreign exchange	**1,166,532**	2,371,825
	Sundry income	**758,269**	65,314
	Total other income	**3,017,517**	2,542,828
b)	**Administration expenses**		
	Corporate costs:		
	- Wages and salaries	**1,656,015**	1,150,556
	- Consultants and contractors	**1,301,919**	518,513
	- Director fees	**249,125**	249,100
	- Legal and compliance fees	**468,190**	411,047
	- Travel and accommodation	**386,932**	164,710
	- Auditor fees	**120,561**	197,109
	- Communications and computers	**122,598**	37,898
	- Other general and administrative costs	**653,775**	275,026
	Depreciation of equipment	**94,119**	95,145
	Share-based payments	**226,410**	1,234,515
	Total administration expenses	**5,279,644**	4,333,619
c)	**Other expenses**		
	Sundry expenses	**-**	23,446
	Total other expenses	**-**	23,446
d)	**Finance costs**		
	Borrowing costs	**19,641**	19,529
	Interest on lease liabilities	**6,724**	6,568
		26,365	26,097
	Unwinding of discount and effect of changes in discount rate on non-current liabilities	**32,771**	65,762
	Total finance costs	**59,136**	91,859
e)	**Depreciation and amortisation**		
	Plant and equipment	**94,119**	95,145
	Total depreciation and amortisation	**94,119**	95,145
	Included in:		
	Administration expenses	**94,119**	95,145
		94,119	95,145

4. OTHER INCOME AND EXPENSES (continued)

		2023	2022 (as restated)
		$	$
f)	**Employee benefits expense**		
	Wages and salaries	**1,601,583**	1,121,353
	Defined contribution superannuation expense	**8,477**	10,602
	Share-based payments	**226,410**	1,234,515
	Other employee benefits	**45,955**	18,601
	Total employee benefits expense	**1,882,425**	2,385,071
	Included in:		
	Administration expenses	**1,882,425**	2,385,071
		1,882,425	2,385,071

5. INCOME TAX

		2023	2022
		$	$
a)	**Income tax expense**		
	Income Statement		
	Current income tax		
	Current income tax (benefit)	**(80,293)**	(533,050)
	Under provision in prior year	**1,061**	-
		(79,232)	(533,050)
	Deferred income tax		
	Relating to origination and reversal of temporary differences	**-**	(14,057)
	Income tax (benefit) reported in the Income Statement	**(79,232)**	(547,107)
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
	Income tax benefit reported in other comprehensive income	**-**	14,057

5. 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:

	2023	2022
	$	$
Accounting loss before income tax from continuing operations	**(2,321,263)**	(1,906,096)
Loss before tax from a discontinued operation	**(4,633,726)**	(9,368,074)
Accounting loss before income tax	**(6,954,989)**	(11,274,170)
At statutory income tax rates	**(1,975,991)**	(2,587,834)
Net movement in unrecognised deferred tax assets - Australia	**1,496,865**	(696,650)
Derecognition of deferred tax assets - Indonesia	**-**	2,036,088
Net movement in unrecognised deferred tax assets – other countries	**399,894**	136,618
Non-assessable income	**-**	(13,969)
Non-deductible expenses	**-**	578,640
Aggregate income tax benefit	**(79,232)**	(547,107)
Income tax expense reported in the statement of income	**(79,232)**	(533,050)
Income tax attributable to a discontinued operation	**-**	(14,107)
Aggregate income tax benefit	**(79,232)**	(547,107)

d) Numerical reconciliation of current income tax assets and liabilities

	2023	2022
	$	$
At 1 July	**533,050**	705,343
Charged to income	**79,232**	533,050
Net payments/(refunds)	**(530,214)**	(705,343)
At 30 June	**82,068**	533,050

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5. INCOME TAX (continued)

e) Recognised deferred tax assets and liabilities

	BALANCE SHEET	
	2023	2022
	$	$
Deferred tax at 30 June relates to the following:		
Deferred tax assets		
Provisions	**18,840**	2,680,441
Plant and equipment	**-**	383,822
Losses available for offset against future taxable income	**20,567,041**	16,008,092
Gross deferred tax assets	**20,585,881**	19,072,355
Deferred tax liabilities		
Unrealised foreign exchange movements	**(323,761)**	(82,919)
Mine properties and development	**-**	(335,755)
Gross deferred tax liabilities	**(323,761)**	(418,674)
Net deferred tax assets	**20,262,120**	18,653,681
Unrecognised net deferred tax assets	**(20,262,120)**	(18,653,681)
Net deferred tax assets	**-**	-
Reconciliation of net deferred tax assets movement:		
At 1 July		
Charged to income	**-**	(14,057)
Credited to other comprehensive income	**-**	14,057
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 in order to allocate the income tax liabilities between the entities within the Group should the head entity default on its tax payment obligations. At the balance date, the possibility of default is remote.

Unrecognised deferred tax assets and tax losses

Included in unrecognised deferred tax assets are capital tax losses that arose in Australia of $19,705,605 (2022: nil) and tax losses that arose in Indonesia of nil (2022: $15,755,286). The Australian tax losses are available indefinitely.

6. LOSS PER SHARE

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

		2023	2022
		$	$
a)	**Loss per share**		
	Continuing operations	**(2,242,031)**	(1,373,046)
	Discontinued operations	**(4,636,427)**	(9,339,965)
	Net loss attributable to ordinary equity holders of the parent	**(6,878,458)**	(10,713,011)
		Shares	Shares
b)	**Weighted average number of shares**		
	Weighted average number of ordinary shares for basic loss per share	**752,526,519**	741,228,948
	Effect of dilution:		
	Options and share performance rights *	**-**	-
	Weighted average number of ordinary shares adjusted for the effect of dilution	**752,526,519**	741,228,948
		Cents	**Cents**
c)	**Loss per share attributable to the equity holders of the Company:**		
	Basic loss per share – cents per share	**(0.91)**	(1.45)
	Diluted loss per share – cents per share	**(0.91)**	(1.45)
	Loss per share for continuing operations attributable to the ordinary equity holders of the parent:		
	Basic loss per share – cents per share	**(0.30)**	(0.18)
	Diluted loss per share – cents per share	**(0.30)**	(0.18)

To calculate the EPS for discontinued operations (Note 28), the weighted average number of ordinary shares for both the basic and diluted EPS is as per the table above.

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 $6,878,458 (2022: loss of $10,713,011), and the weighted average number of ordinary shares 752,526,519 (2022: 741,228,948) 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 34,750,000 (2022: 35,500,000) 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 5,250,000 (2022: 7,000,000) 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.

7. DIVIDENDS PAID AND PROPOSED

No dividends have been paid, declared or recommended by the Company for the years ended 30 June 2023 and 30 June 2022.

8. CASH AND CASH EQUIVALENTS

	2023	2022
	$	$
Current		
Cash at bank and in hand (i)	**25,448,019**	4,219,660
At-call deposits (ii)	**8,392,411**	23,407,059
	33,840,430	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.

a) Reconciliation to the Statement of Cash Flows

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

	2023	2022
	$	$
Net loss after income tax	**(6,875,757)**	(10,741,120)
Adjustments for:		
Depreciation of plant and equipment	**147,910**	356,918
Unrealised net foreign exchange gain	**(2,715,358)**	(6,519,745)
Share-based payments (Note 26)	**226,410**	1,234,515
Gain on disposal of plant and equipment	**-**	(68,024)
Exploration and evaluation assets written off	**-**	10,594,325
Loss on sale of subsidiary, before disposal costs	**4,690,973**	-
Change in assets and liabilities		
Decrease in trade and other receivables	**258,543**	762,503
(Increase)/decrease in inventories	**(2,004)**	77,167
Decrease in income tax receivable	**450,875**	172,189
Decrease/(increase) in other assets	**60,975**	(46,466)
(Decrease)/increase in trade and other payable	**(186,254)**	109,648
Increase/(decrease) in provisions	**42,607**	(219,316)
Net cash flows from operating activities	**(3,901,080)**	(4,287,406)
Non-cash investing and financing activities		
Acquisition of assets by means of leases	**136,818**	351,774

8. CASH AND CASH EQUIVALENTS (continued)

b) Changes in Liabilities Arising from Financing Activities

For the financial year ended 30 June 2023:

	1 July 2022	Cash Flows	Foreign Exchange Movement	New Leases	Disposal	Other	30 June 2023
	$	$	$	$	$	$	$
Current							
Lease liabilities	**65,355**	**(53,600)**	**5,288**	**72,265**	**(71,991)**	**50,596**	**67,913**
Non-Current							
Lease liabilities	**209,872**	**-**	**14,442**	**64,553**	**(173,718)**	**(50,596)**	**64,553**
Total liabilities from financing activities	**275,227**	**(53,600)**	**19,730**	**136,818**	**(245,709)**	**-**	**132,466**

For the financial year ended 30 June 2022:

	1 July 2021	Cash Flows	Foreign Exchange Movement	New Leases	Disposal	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**

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.

9. TRADE AND OTHER RECEIVABLES

	2023	2022
	$	$
Current		
Bonds and deposits	**26,125**	285,596
Other receivables (i)	**32,526**	325,485
	58,651	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 3 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 derecognised from the statement of financial position.

10. INVENTORIES

	2023	2022
	$	$
Current		
Consumables and spares at cost (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 derecognised from the statement of financial position.

11. OTHER ASSETS

	2023	2022
	$	$
Current		
Other assets (i)	**84,413**	172,201
Non-Current		
Other assets (ii)	**1,071,529**	-

Notes

(i) Other current assets represent prepayments for insurances and software licences.

(ii) Other non-current assets represent prepayments for expenditure incurred under the Råna and EMX project agreements.

Råna Project Agreement

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 (Transaction).

The Transaction Implementation Agreement allows for Kingsrose to earn up to 75% over eight years, through staged expenditure up to a total of A$15m.

As per the Subsequent Events in Note 30 the Company has completed First Completion under the Transaction Implementation Agreement and holds a 10% interest in the project following the issue of 10,000 shares in Narvik Nikkel AS, the joint venture company that operates the Råna Project.

Subsequent Completion events under the Transaction Implementation Agreement which create contingent payments are:

- Second Completion: for the Company to obtain a 51% shareholding in Narvik Nikkel AS it is required to spend A$3,000,000 including completing 2,000 metres of drilling by 31 December 2023 and 3,000 metres of drilling and preliminary metallurgist test work by 31 December 2024 on the Råna Project within the next three years within three years from the date of First Completion. Upon achievement of this milestone the Company is then required to issue 1,000,000 shares in Kingsrose Mining Limited to Scandinavian Resource Holdings Pty Ltd.
- Third Completion: for the Company to extend the shareholding to 65% of Narvik Nikkel AS it is required to spend a further A$4,000,000 within two years following the date of Second Completion. The Company is then required to issue 1,000,000 shares in Kingsrose Mining Limited and make a cash payment of A$250,000 to Scandinavian Resource Holdings Pty Ltd.

11. OTHER ASSETS (continued)

- Fourth Completion: for the Company to extend the shareholding to 75% of Narvik Nikkel AS it is required to spend a further A$8,000,000 within three years following the date of Third Completion. The Company is then required to make a cash payment of A$750,000 to Scandinavian Resource Holdings Pty Ltd.

It is Kingsrose's discretion whether to seek to achieve these milestones or not. The milestones represent derivatives for the acquisition of an equity interest. Given the short period since the agreement was signed, and the limited activity on the projects, the value of the associated derivates are not material at 30 June 2023.

Råna EMX Project Agreement

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 Råna 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 Kingsrose under a joint venture.

The Company can acquire a 100% interest in the Target by a) making A$30,000 and NOK 75,000 cash payments upon execution of the Option Agreement and b) making a further cash payment of A$100,000 and spending a minimum of A$150,000 on exploration during a 12-month option period. Upon exercise of the option, Kingsrose will:

- Provide EMX with a 2.5% NSR royalty interest in the EMX Licences. On or before the eighth anniversary after exercise of the option, Kingsrose has the option to purchase 0.5% of the NSR on the EMX Licences by paying EMX A$1,200,000.
- To maintain its interest in the EMX Licences, Kingsrose will make additional exploration expenditures of A$150,000 by the second anniversary, A$350,000 by the third anniversary, and A$350,000 by the fourth anniversary of the agreement, respectively, for a total of A$1,000,000 in exploration expenditures within four years.
- Pay to EMX annual advance royalty ("AAR") payments of A$25,000 commencing on the third anniversary of the agreement, with the AAR payment increasing 10% each year thereafter (but capped at an annual payment of A$75,000).
- A milestone cash payment of A$250,000 will be made to EMX upon completion of the first 10,000 metres of drilling on the EMX Licences.
- An additional milestone cash payment of A$500,000, will be made to EMX upon disclosure of a Mineral Resource estimate from within the EMX Licences.

If completed, the acquisition of Narvik Nikkel AS is expected to be accounted for as an acquisition of assets.

12. PLANT AND EQUIPMENT

	2023	2022
	$	$
Non-Current		
Plant and Equipment		
Gross carrying amount – at cost	**404,068**	31,936,255
Accumulated depreciation and impairment	**(89,572)**	(31,683,160)
Net carrying amount	**314,496**	253,095
Right-of-Use Assets – Equipment		
Gross carrying amount – at cost	**-**	406,490
Accumulated depreciation	**-**	(390,308)
Net carrying amount	**-**	16,182
Right-of-Use Assets – Office Premises		
Gross carrying amount – at cost	**136,818**	419,702
Accumulated depreciation	**(5,700)**	(130,623)
Net carrying amount	**131,118**	289,079
Total Plant and Equipment	**445,614**	558,356

Movements in Plant and Equipment

	2023	2022
	$	$
Plant and Equipment		
Carrying amount at 1 July	**253,095**	441,389
Additions	**274,004**	63,124
Disposals	**(158,128)**	(33,294)
Depreciation charge	**(90,775)**	(245,027)
Foreign exchange translation gain	**36,300**	26,903
Carrying amount at 30 June	**314,496**	253,095
Right-of-Use Assets - Equipment		
Carrying amount at 1 July	**16,182**	47,377
Disposals	**(19,200)**	-
Depreciation charge	**-**	(34,809)
Foreign exchange translation gain	**3,018**	3,615
Carrying amount at 30 June	**-**	16,182
Right-of-Use Assets - Office Premises		
Carrying amount at 1 July	**289,079**	29,951
Additions	**136,818**	351,774
Disposals	**(240,341)**	-
Depreciation charge	**(57,135)**	(77,081)
Foreign exchange translation gain/(loss)	**2,697**	(15,565)
Carrying amount at 30 June	**131,118**	289,079

13. MINE PROPERTIES AND DEVELOPMENT

	2023	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		
Carrying amount at 1 July	**4,929,197**	4,514,063
Disposals	**(5,103,294)**	-
Foreign exchange translation gain	**174,097**	415,134
Carrying amount at 30 June	**-**	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 derecognised from the statement of financial position.

14. IMPAIRMENT TESTING OF NON-CURRENT ASSETS

30 June 2023 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.

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 impairment is required at 30 June 2023.

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 required an assessment of the assets' recoverable values. As at the date of these financial statements, this CGU has been fully disposed of.

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.

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

30 June 2022 Assessment (continued)

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.

15. EXPLORATION AND EVALUATION ASSETS

	2023	2022
	$	$
Non-Current		
At cost	**5,796,748**	9,541,154
Movements in Exploration and Evaluation Assets		
Carrying amount at 1 July	**9,541,154**	13,520,873
Additions – Element-46 Limited (i)	**-**	4,918,165
Additions - Other	**678,727**	780,334
Write off (ii)	**-**	(10,594,325)
Divestment of subsidiary (iii)	**(4,575,763)**	-
Foreign exchange translation gain	**152,630**	916,107
Carrying amount at 30 June	**5,796,748**	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 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 an increase in the share-based payments reserve during the prior period. The fair value of the deferred consideration to be settled in cash is discounted to the net present value at the expected settlement date and was recognised as a non-current liability as at 30 June 2022 and has been reclassified as a current liability as at 30 June 2023 (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 2023, the Group has not identified any indicator of impairment on is exploration and evaluation assets. However during the prior period 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 derecognised from the statement of financial position.

16. TRADE AND OTHER PAYABLES

	2023	2022
	$	$
Current		
Trade creditors (i)	**248,410**	416,480
Accruals	**203,356**	632,945
	451,766	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.

17. INTEREST BEARING LIABILITIES

	2023	2022
	$	$
Current		
Lease liabilities (i) (Note 23)	**67,913**	65,355
Non-Current		
Lease liabilities (i) (Note 23)	**64,553**	209,872

Terms and conditions
(i) Lease liabilities represent *Right of Use Assets* for leased office space with an average term of 1 to 2 years.

18. REHABILITATION AND OTHER PROVISIONS

	2023	2022
	$	$
Current		
Other provisions	**20,380**	21,122
Employee entitlements	**13,182**	6,700
	33,562	27,822
Non-Current		
Rehabilitation (i) (ii)	**-**	1,519,328
	-	1,519,328

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

Notes
(i) 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.
(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 mine site rehabilitation liabilities relating to Way Linggo have been derecognised from the statement of financial position.

	2023	2022
	$	$
Movements in Rehabilitation Provision		
At 1 July	**1,519,328**	1,409,636
Disposals	**(1,549,415)**	-
Utilised during the year	**-**	(18,829)
Foreign exchange translation loss	**30,087**	128,521
At 30 June	**-**	1,519,328

19. OTHER NON-CURRENT LIABILITIES

	2023	2022
	$	$
Current		
Deferred cash consideration (i)	**819,524**	-
Non-Current		
Deferred cash consideration (i)	**-**	723,377

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 at the expected settlement date. During the period a reassessment of the expected settlement date of the deferred cash consideration was conducted with settlement timing to be by 30 June 2024. As a result, the deferred cash consideration has been reclassified as a current liability as at 30 June 2023.

	2023	2022
	$	$
Movements in Deferred Consideration		
At 1 July	**723,377**	-
Initial recognition	**-**	695,383
Unwinding of discount	**32,771**	65,762
Reclassification to current liability	**(819,524)**	-
Foreign exchange translation loss/(gain)	**63,376**	(37,768)
At 30 June	**-**	723,377

20. CONTRIBUTED EQUITY

	2023	2023	2022	2022
	$	Number	$	Number
Ordinary Shares				
Issued and fully paid	**107,326,091**	**752,526,519**	107,326,091	752,526,519
Movement in Ordinary Shares				
Balance at 1 July	**107,326,091**	**752,526,519**	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**	107,326,091	752,526,519

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 2023 was 34,750,000 (2022: 35,500,000).

The total number of share performance rights on issue at 30 June 2023 was 5,250,000 (2022: 7,000,000).

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 primarily to record the portion of PTNM's accumulated profits required to be set aside in accordance with the prevailing laws and regulations in Indonesia.

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, the majority of the general reserve has been reclassified to accumulated losses.

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.

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, foreign currency translation reserve relating to the translation of the financial statements of related entities have been reclassified from equity to profit or loss.

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*.

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, other capital reserve has been reclassified to accumulated losses.

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.

22. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

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:

	2023	2022
	$	$
Financial Assets		
Cash and cash equivalents	**33,840,430**	27,626,719
Net exposure	**33,840,430**	27,626,719

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.

At 30 June 2023, 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)	
	2023	2022
Judgements of reasonably possible movements:	$	$
+2% (200 basis points)	**461,225**	427,631
-2% (200 basis points)	**(461,225)**	(345,917)

b) Foreign currency risk

The Group has transactional currency exposures as a result of interests in 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 2023, the Group had the following exposure to foreign currencies:

	2023	2023	2023	2023
	USD Denominated balances	NOK Denominated balances	GBP Denominated balances	EUR Denominated balances
	A$	A$	A$	A$
Financial Assets				
Cash and cash equivalents	32,944,608	327,652	257,121	238,381
	32,944,608	327,652	257,121	238,381
Financial Liabilities				
Trade and other payables	-	(121,272)	(12,051)	(80,994)
Interest-bearing liabilities (Note 17)	-	-	(132,466)	-
Deferred cash consideration (Note 19)	-	-	(819,524)	-
	-	(121,272)	(964,041)	(80,994)
Net exposure	32,944,608	206,380	(706,920)	157,387

22. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

b) Foreign currency risk (continued)

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)	169,892

At 30 June 2023, 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)	
	2023	2022
Judgements of reasonably possible movements:	$	$
A$/US$ +10% (2022: +10%)	**(2,096,475)**	(1,697,378)
A$/US$ -10% (2022: -10%)	**2,562,358**	2,074,573

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 and economic forecasters' expectations;
- 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. 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.

22. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

d) Liquidity risk (continued)

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				
2023				
Trade and other payables	**(451,766)**	**-**	**-**	**(451,766)**
Interest-bearing liabilities				
- Lease liabilities	**(67,913)**	**(66,082)**	**-**	**(133,995)**
Deferred cash consideration	**(819,524)**	**-**	**-**	**(819,524)**
	(1,339,203)	**(66,082)**	**-**	**(1,405,285)**

	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)

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.

22. FINANCIAL INSTRUMENTS AND CAPITAL RISK MANAGEMENT (Continued)

(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.

	2023	2022
	$	$
Total borrowings*	**1,339,203**	1,114,779
Less: Cash and cash equivalents	**(33,840,430)**	(27,626,719)
Net (cash)	**(32,501,227)**	(26,511,940)
Total equity	**39,942,135**	41,876,369
Total capital	**7,440,908**	15,364,429
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:

	2023	2022
	$	$
At 1 July	**275,227**	6,294
Additions	**136,818**	351,774
Disposals	**(245,709)**	-
Accretion of interest	**6,724**	6,568
Payments	**(60,324)**	(77,518)
Foreign exchange translation loss	**19,730**	(11,891)
At 30 June	**132,466**	275,227
Included in the financial statements as interest-bearing liabilities (Note 17):		
Current	**67,913**	65,355
Non-current	**64,553**	209,872
Total	**132,466**	275,227

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

The following are the amounts recognised in profit or loss:

	2023	2022
	$	$
Depreciation expense of right-of-use assets	**57,135**	77,081
Interest expense on lease liabilities	**6,724**	6,568
Expense relating to leases of low-value assets (included in admin expenses)	**61,894**	5,536
Total amount recognised in profit or loss	**125,753**	89,186

The Group had total cash outflows for leases of $60,324, comprising payments of principal $53,600 and interest $6,724 during the year. The Group had total cash outflows for short-term leases and leases of low value assets of $61,894 during the year (2022: $5,536).

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**	**2023**	**2022**
MM Gold Pty Ltd	Australia (WA)	**100%**	100%
Natarang Offshore Pty Ltd (i)	Australia (WA)	**-**	100%
PT Natarang Mining (i)	Indonesia (JAK)	**-**	85%
Kingsrose Tanggamus Pty Ltd	Australia (WA)	**100%**	100%
Kingsrose Mining (Jersey) Limited	Jersey (SH)	**100%**	100%
Element-46 Limited	United Kingdom (LON)	**100%**	100%
Kingsrose Minerals Oy (formerly Pallagen Oy)	Finland (HEL)	**100%**	100%
Kingsrose Exploration Oy	Finland (HEL)	**100%**	100%
Kingsrose Exploration AS	Norway (OS)	**100%**	100%

Notes

(i) 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).

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 2023, the proportion of legal equity interest held by non-controlling interest was 0% due to the completion of the sale of the interest in the Way Linggo gold project announced on 16 December 2022 (2022: 15%).

	2023	2022
	$	$
Accumulated balances of material non-controlling interest	**-**	1,728,111
Gain/(loss) allocated to material non-controlling interest	**2,701**	(28,109)

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

Summarised Income Statement	**Period ended 16 December 2022**	**Year ended 30 June 2022**
	$	$
Other income	**1,205,578**	297,972
Administrative expenses	**(266,705)**	(755,718)
Other expenses	**(37,122)**	(8,903,689)
Finance costs	**(1,322)**	(20,696)
Gain/(loss) from discontinued operations before income tax	**900,429**	(9,382,131)
Income tax	**-**	14,057
Gain/(loss) for the year from discontinued operations after income tax	**900,429**	(9,368,074)
Total comprehensive gain/(loss)	**900,429**	(9,368,074)
Attributable to non-controlling interest	**2,701**	(28,109)
Dividend paid to non-controlling interest	**-**	-

24. INFORMATION RELATING TO SUBSIDARIES (continued)

Summarised Statement of Financial Position	16 December 2022	30 June 2022
	$	$
Current Assets	**533,651**	1,440,437
Non-Current Assets	**11,223,360**	10,946,642
Current Liabilities	**(47,849,205)**	(48,222,046)
Non-Current Liabilities	**(1,549,416)**	(1,518,328)
Total Capital Deficiency	**(37,641,610)**	(37,353,295)
Attributable to:		
Owners of the parent	**(37,638,909)**	(39,082,406)
Non-controlling interest	**(2,701)**	1,728,111

Summarised Cash Flow Information	Period ended 16 December 2023	Year ended 30 June 2022
	$	$
Operating	**(550,217)**	(2,286,782)
Financing	**-**	1,573,728
Net (decrease) in cash and cash equivalents	**(550,217)**	(713,054)

25. PARENT ENTITY DISCLOSURES

The parent entity is Kingsrose Mining Limited.

	2023	2022
	$	$
Current Assets	**33,118,626**	27,167,004
Non-Current Assets	**563,001**	15,639,741
Total Assets	**33,681,627**	42,806,745
Current Liabilities	**(1,038,089)**	(206,999)
Non-Current Liabilities	**-**	(723,377)
Total Liabilities	**(1,038,089)**	(930,376)
Net Assets	**32,643,538**	41,876,368
Issued Capital	**107,326,092**	107,326,092
Accumulated Losses	**(87,105,059)**	(77,645,819)
Reserves	**12,422,506**	12,196,096
Total Shareholder's Equity	**32,643,539**	41,876,369
Loss of the parent entity	**(10,815,929)**	(4,375,845)
Total comprehensive income of the parent entity	**(10,815,929)**	(4,375,845)

Kingsrose has not entered into any guarantees in relation to the debts of its controlled entities during the years ended 30 June 2023 and 30 June 2022.

Kingsrose has contractual commitments arising under agreements entered in respect of Råna and Råna EMX projects as disclosed in Note 11.

There are no other contractual commitments 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:

	2023	2022
	$	$
Options	**101,113**	1,090,023
Share performance rights	**125,297**	144,492
	226,410	1,234,515

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.

	2023	2023	2022	2022
	Number	**WAEP**	Number	WAEP
Outstanding at the beginning of the year	**35,500,000**	**0.10**	10,200,000	0.06
Granted during the year	**1,000,000**	**0.10**	30,500,000	0.10
Exercised during the year	**-**	**-**	(3,600,000)	0.06
Lapsed/cancelled during the year	**(1,750,000)**	**0.10**	(1,600,000)	0.06
Outstanding at the end of the year	**34,750,000**	**0.10**	35,500,000	0.10
Exercisable at the end of the year	**32,375,000**	**0.10**	26,500,000	0.10

Notes

- Weighted average remaining contractual life – The weighted average remaining contractual life for the options outstanding as at 30 June 2023 is 2.84 years (2022: 3.79 years).
- Weighted average fair value – The weighted average fair value of options granted during the year ended 30 June 2023 was $0.027 (2022: $0.039).
- 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 2023:

Grant date	23 May 2023
Number granted	1,000,000
Dividend yield	-
Share price at grant date	$0.057
Exercise price	$0.102
Expected volatility	70%
Risk-free interest rate	3.395%
Expiration period	5 years
Expiry date	23 May 2028
Binomial valuation per option	$0.027

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

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:

	2023	2022
	Number	Number
Outstanding at the beginning of the year	**7,000,000**	5,000,000
Granted during the year	**1,500,000**	4,500,000
Exercised during the year	**-**	(2,500,000)
Lapsed/cancelled during the year	**(3,250,000)**	-
Outstanding at the end of the year	**5,250,000**	7,000,000
Exercisable at the end of the year	**-**	-

Notes

- Weighted average remaining contractual life – The weighted average remaining contractual life for the share performance rights outstanding as at 30 June 2023 is 1.66 years (2022: 2.00 years).
- Range of exercise price – The exercise price for the share performance rights outstanding at the end of the year 30 June 2023 is Nil (2022: Nil).
- Weighted average fair value – The weighted average fair value of share performance rights granted during the year ended 30 June 2022 was $0.029 (2022: $0.062).
- 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	23 May 2023	23 May 2023	23 May 2023	23 May 2023
Tranche number	1	2	3	4
Number of rights	500,000	300,000	200,000	500,000
Dividend yield	-	-	-	-
Share price at grant date	$0.057	$0.057	$0.057	$0.057
Exercise price	-	-	-	-
Expected volatility	70%	70%	70%	70%
Risk-free interest rate	3.395%	3.395%	3.395%	3.395%
Expected life	1.11 years	1.61 years	1.61 years	2.61 years
Expiry date	30 Jun 2024	31 Dec 2024	31 Dec 2024	31 Dec 2025
Binomial valuation per right	$0.029	$0.036	$0.029	$0.025

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 completion of geological fieldwork, geophysics and a first drilling programme at the Råna project and successful management of supporting permitting, logistics and stakeholder engagement and the Company's share price exceeding $0.10 for five consecutive trading days prior to the expiry date.
- The Tranche 2 Rights will vest upon the completion of a drilling programme at the Porsanger Project (or any new project withing the area of the BHP Xplor programme) and successful management of supporting permitting, logistics and stakeholder engagement and the Company's share price exceeding $0.10 for five consecutive trading days prior to the expiry date.
- The Tranche 3 Rights will vest upon achieving Towards Sustainable Mining rating of AAA in Community, Environment and Safety categories in Finland and a similar standard of operations in Norway and the Company's share price exceeding $0.12 for five consecutive trading days prior to the expiry date.
- The Tranche 4 Rights will vest upon publication of a JORC compliant Mineral Resource estimate on a project in Norway, Finland or Sweden and the Company's share price exceeding $0.20 for five 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)	**2023**	**-**	**-**	**-**
	2022	570,979	-	84,855
E-46 Acquisition (ii)	**2023**	**-**	**-**	**819,524**
	2022	5,206,743	-	723,777

27. RELATED PARTY DISCLOSURES (continued)

b) Transactions with Related Parties (continued)

(i) Drilling Services

In prior year, PT Promincon Indonesia, an entity related to Dr Andrews, received $570,979 (net of taxes) for drilling services provided to the Company's subsidiary, PTNM. 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 $84,855 (net of taxes) was owing to PT Promincon Indonesia. No services were provided by PT Promincon Indonesia to the Group during the current year and as at 30 June 2023, nil amount was owing to PT Promincon Indonesia.

(ii) E-46 Acquisition

E-46 was acquired in November 2021 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 2023, the amount of deferred consideration payable to the former owners of E-46 was $819,524. As referred to in Note 19 the underlying amount owing of £451,250 has been converted to the applicable end of financial year exchange rate for AUD (2022: $723,377).

c) Compensation of Key Management Personnel

	2023	2022
	$	$
Short-term benefits	**821,125**	1,046,863
Post-employment benefits	**4,725**	4,000
Termination allowance	**-**	628,836
Share-based payments	**63,194**	1,158,058
Total	**889,044**	2,837,757

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	2023	Expiry Date	WAEP	2022
			Number Outstanding			Number Outstanding
Options						
FY 2022	-	-	-	FY 2026	$0.103	25,500,000

Details of the IOPRP are set out in Note 26.

28. 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.

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 mining 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:

	2023	2022
	$	$
Statement of income		
Other income	**1,205,578**	4,383,077
Expenses	**(305,149)**	(13,765,208)
Profit/(loss) before income tax	**900,429**	(9,382,131)
Income tax benefit	**-**	14,057
Profit/(loss) from discontinued operation after income tax	**900,429**	(9,368,074)
Loss on sale of subsidiary after income tax (see (b) below)	**(5,534,155)**	-
Loss from discontinued operation	**(4,633,726)**	(9,368,074)
The net investing cashflows generated from the divestment of the Way Linggo project are, as follows:		
Cash received from the sale of the discontinued operation before disposal costs	**11,067,668**	
Cash derecognised as part of the discontinued operation	**(59,262)**	
Net cash inflow on date of disposal	**11,008,406**	
The net cashflows incurred by the discontinued operation are, as follows:		
Net cash outflow from operating activities	**(1,393,299)**	(2,286,782)
Net cash inflow from investing activities	**-**	1,573,728
Net cash outflow	**(1,393,399)**	(713,054)
	Cents	Cents
Loss per share		
Basic loss per share from discontinued operations	**(0.61)**	(1.24)
Diluted loss per share from discontinued operations	**(0.61)**	(1.24)

28. DISCONTINUED OPERATION (Continued)

b) Details of the sale of the discontinued operation

	2023
	$
Calculation of loss	
Disposal consideration (i)	11,067,668
Disposal costs on sale	(843,182)
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 (ii)	(5,534,155)
Attributable tax expense	-
Loss on sale of discontinued operations after income tax	(5,534,155)

Notes

(i) The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant reversal in the amount of cumulative income recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. 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.

(ii) 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. The sale gave rise to a capital tax loss in Australia which has not been recognised as a deferred tax asset at 30 June 2023.

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

29. COMMITMENTS AND CONTINGENCIES

Exploration expenditure commitments

In order to maintain current rights of tenure to exploration tenements, the Group will be required to outlay approximately $232,543 (2022: $7,374) in the following twelve months in respect of tenement tenure payments. These obligations are expected to be fulfilled in the normal course of operations and have not been provided for in the financial report.

Contingent asset and Contingent Liabilities

There are no contingent assets or contingent liabilities at 30 June 2023 (30 June 2022: nil).

30. SUBSEQUENT EVENTS

On 25 July 2023, the Company announced that the conditions to first completion of the Transaction Implementation Agreement (as amended) announced on 18 January 2023 regarding its staged investment into the Råna Nickel-Copper-Cobalt project (Råna Project) have been satisfied (First Completion). As at First Completion, the Company has earnt a 10% interest in the Råna Project by the issue of 10,000 shares in Narvik Nikkel AS, the joint venture company that operates the Råna Project.

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

31. AUDITOR'S REMUNERATION

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

	2023	2022
	$	$
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	**93,000**	130,000
(ii) Other services		
- **Tax compliance**	**-**	8,500
Total fees to Ernst & Young (Australia)	**93,000**	138,500
Fees to other overseas member firms of Ernst & Young (Australia) for:		
(i) Auditing the financial report of any controlled entities	**-**	58,519
Total fees to overseas member firms of Ernst & Young (Australia)	**-**	58,519
Total auditor's remuneration	**93,000**	197,019

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 2023 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 2023.

On behalf of the Board

Michael Andrews
Chairman
29 September 2023

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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 2023, 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 2023 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.

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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 capitalised exploration and evaluation assets

Why significant	How our audit addressed the key audit matter
As disclosed in Note 15 to the financial report, the Group held capitalised exploration and evaluation assets of $5,796,748 as at 30 June 2023. 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 assets may exceed their recoverable amount. 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.	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. ► Assessed whether exploration and evaluation data existed to indicate that the carrying amount of exploration and evaluation assets is unlikely to be recovered through development or sale. ► Assessed the adequacy of the related disclosures in the consolidated financial statements.

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2. Disposal of Natarang Offshore Pty Ltd

Why significant	How our audit addressed the key audit matter
On 16 December 2022, the Group completed the sale of its 85% interest in the Way Linggo gold project via the sale of 100% of the shares of Natarang Offshore Pty Ltd ("NOPL". The transaction represents the disposal of a separate geographical area of operations. The Share Sale and Purchase Agreement included upfront consideration of US$7,500,000 and a 2% net smelter royalty in respect of the Way Linggo Project, subject to a US$7,500,000 cap. The treatment of the agreement in the financial report required judgement by the Group in relation to the treatment of the net smelter royalty. The divestment is required to be presented by the Group as a 'Discontinued Operation' in the Financial Report in accordance with AASB 5 Non-current Assets Held for Sale and Discontinued Operations. The Group recognised a $5,534,155 loss on sale with respect to the transaction. Given the significance of the loss on sale relative to the Group's total loss after tax and the degree of judgement involved in accounting for the net smelter royalty, we consider this a key audit matter. Disclosures relating to the discontinued operation can be found in note 28 of the financial report.	Our audit procedures in respect of the sale of NOPL included the following: ► Assessed the terms of the Share Sale and Purchase Agreement and the loss on sale calculation based on the net assets of NOPL at 16 December 2022. ► Checked the mathematical accuracy of the net loss attributable to discontinued operations on the basis of underlying agreements and other evidence such as invoices and supporting calculations. ► Assessed the treatment of foreign exchange losses that were recycled from the foreign currency translation reserve to profit or loss. ► Agreed a sample of transaction costs to underlying support. ► 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 2023, 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 2023.

In our opinion, the Remuneration Report of Kingsrose Mining Limited for the year ended 30 June 2023, 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

Mark Cunningham
Partner
Perth
29 September 2023

The following information as required by ASX Listing Rules is current as at 1 September 2023.

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	341	146,957	0.02
1,001 – 5,000	540	1,633,055	0.22
5,001 – 10,000	354	2,922,363	0.39
10,001 – 100,000	1,101	43,840,025	5.83
100,001 and Over	553	703,984,119	93.55
Total	**2,889**	**752,526,519**	**100.00**

There are 996 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 LIMITED	173,227,941	23.02
CITY SECURITIES LTD	67,741,142	9.00
MR MICHAEL JOHN ANDREWS	66,826,024	8.88
BNP PARIBAS NOMS PTY LTD	47,845,605	6.36
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	15,120,822	2.01
BNP PARIBAS NOMINEES PTY LTD	12,237,451	1.63
PEGASUS CORP (AUST) PTY LTD	10,000,000	1.33
MR MING YIU KO	7,500,000	1.00
PETER BOWMAN NOMINEES PTY LTD	6,500,000	0.86
JUST GREENERY PTY LTD	6,000,000	0.80
MR BINH THANH LE	5,999,288	0.80
MRS NICOLE MARIE ABBOTT	5,304,500	0.70
MR SCOTT GORDAN NORTH	5,100,000	0.68
MR SIMON LANYCIA	4,700,000	0.62
BLUE MANGO ENTERPRISES PTY LTD	4,629,185	0.62
MR LAURIE THOMAS ETHERINGTON & MRS WENDY ETHERINGTON	4,000,000	0.53
MR MICHAEL THOMAS ALBERT DUNN	4,000,000	0.53
MR MICHAEL FRANCIS O'BRIEN	3,589,082	0.48
IDRAWFAST QLD PTY LTD	3,297,165	0.44
MRS ANNA VORONTSOVA	3,049,824	0.41
Total	**459,668,029**	**61.08**

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	66,826,024	9.15%
Grimpeur Holdings Limited	56,893,039	7.79%
Rex Harbour and Associates	54,729,940	15.26%

Options

The Company has 34,750,000 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	3,250,000	$0.100	22 April 2025	4
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
Employee Options	1,000,000	$0.102	23 May 2028	1
Total	**34,750,000**			

Performance Rights

The Company has 5,250,000 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	1,150,000	-	31 December 2023	4
Performance Rights	500,000	-	30 June 2024	1
Performance Rights	1,200,000	-	31 December 2024	3
Performance Rights	2,400,000	-	31 December 2025	4
Total	**5,250,000**			

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.

Airborne geophysical survey, Rana project, Norway

Kingsrose
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