

HALF YEAR FINANCIAL REPORT

31 DECEMBER 2023



ASX:KRM

Suite 5 CPC, 145 Stirling Highway, Nedlands Western Australia 6009 • ABN 49 112 389 910
E: info@kingsrose.com T: +61 8 9389 3190 W: kingsrose.com



CONTENTS

Corporate Directory	Page 2
Directors' Report	Page 3
Auditor's Independence Declaration	Page 20
Consolidated Income Statement	Page 21
Consolidated Statement of Comprehensive Income	Page 22
Consolidated Statement of Financial Position	Page 23
Consolidated Statement of Cash Flows	Page 24
Consolidated Statement of Changes in Equity	Page 25
Notes to the Financial Statements	Page 27
Directors' Declaration	Page 42
Independent Auditor's Review Report	Page 43

CORPORATE DIRECTORY

Directors

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

Company Secretary

Erlyn Dawson
Alessandra Gauvin

Registered Office

Suite 5 CPC, 145 Stirling Highway
Nedlands WA 6009
T: +61 8 9389 3190
E: info@kingsrose.com
W: www.kingsrose.com

Australian Business Number

49 112 389 910

Jersey Office

2nd Floor, Weighbridge House
St Helier
Jersey, JE2 3NA

Auditors

Ernst & Young
11 Mounts Bay Road
Perth WA 6000

Share Registry

Link Market Services Limited
Level 12, QV1 Building
250 St Georges Terrace
Perth WA 6000
T: 1300 554 474

Stock Exchange Listing

Australian Securities Exchange (ASX: KRM)



DIRECTORS REPORT

The Directors of Kingsrose Mining Limited ("Kingsrose" or the "Company") present their report for the half year ended 31 December 2023.

DIRECTORS

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

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

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

PRINCIPAL ACTIVITIES

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

- Completion of the conditions to first completion of the Transaction Implementation Agreement (as amended) announced on 18 January 2023 regarding the Company's staged investment into the Råna Nickel-Copper-Cobalt project (Råna Project) have been satisfied (First Completion). As at First Completion, the Company has earned a 10% interest in the Råna Project by the issue of 10,000 shares in Narvik Nikkel AS, the company that operates the Råna Project; and
- Completion of large-scale geophysical programs and completion of 4,318 metres of core drilling at the Råna Nickel-Copper-Cobalt project, Norway, including discovery of massive sulphide nickel-copper-cobalt mineralisation at the Rånbogen prospect in hole 23RAN002:
 - 9.3 metres at 1.0 % Ni, 0.3 % Cu and 0.10 % Co from 176.5 metres within a broader intercept of 26.2 metres at 0.7 % Ni, 0.2 % Cu and 0.06 % Co from 169.0 metres; and
- Grant of 2,736 square kilometres of new exploration licences over two Ni-Cu-Co-PGE prospective mineral belts in Northern Norway; and
- Submission of Penikat Area 1 Natura Assessment.

OPERATIONS REVIEW

During the half year the Company completed a 4,318 metre diamond drilling program at the Råna Nickel-Copper-Cobalt project, Norway. Drill testing targets generated by large-scale geophysical programs lead to the discovery of massive sulphide nickel-copper-cobalt mineralisation at the Rånbogen prospect, including a drill intersection of 9.3 metres at 1.0 % Ni, 0.3 % Cu and 0.10 % Co from 176.5 metres (Hole 23RAN002). Drilling ceased with the onset of challenging winter weather conditions. A number of compelling targets remain to be drill tested.

Following the completion of the BHP Xplor program, Kingsrose announced that it had secured 291 new exploration licences in Finnmark County, northern Norway, totalling 2,736 square kilometres of early-stage nickel-copper-cobalt-PGE prospective ground across two mineral belts (the Finnmark Regional Exploration Project). Early prospecting work has identified several targets with encouraging rock-chip results. Exploration planning and stakeholder engagement is ongoing to develop work programmes for the 2024 calendar year.

Work on permitting the Penikat and Porsanger drilling programmes continued, with the Penikat Natura Assessment for Area 1 being submitted in September 2023.



The Company remains well funded with A\$27.25 million in cash as at 31 December 2023.

During December 2023 Kingsrose held a series of internal meetings to assess progress to date, as well as review the Company's business strategy and plans for CY2024. Kingsrose will continue to pursue drill permits at Penikat and exploration at Råna which both host compelling drill ready exploration targets, whilst seeking a partner to support funding of earlier-stage regional nickel exploration in Norway and Finland following on from the BHP Xplor program. A key component of the Kingsrose strategy will be seeking the acquisition of a more advanced critical minerals exploration project, to complement the existing portfolio by offering a nearer-term value creation opportunity through defining mineral resources and a potential development pathway.

Additionally, the Company recently announced the following post half-year events:

- On 24 January 2024, Kingsrose announced that it has received a positive statement (Statement) from the Centre for Economic Development, Transport and the Environment of Lapland (ELY) following its review of the Natura 2000 Assessment prepared by the Company for Area 1 of the Penikat project. The Statement is an important milestone in the process required to obtain a permit to commence exploration drilling in Area 1 of the Penikat Project.
- On 5 February 2024, Kingsrose announced the final results of drilling at the Råna project, Norway, including:
 - the interception of mineralisation along strike and up-dip of hole 23RAN002 at the Rånbogen prospect (1.4 metres at 1.8% Ni, 0.2% Cu, 0.19% Co from 233.9 metres 23RAN004);
 - discovery of a new zone of massive sulphide mineralisation at the Malmhaugen prospect; and
 - identification of high grade nickel sulphide mineralisation 200 metres west of the Bruvann Mine in hole 23BRU006 (2.6 metres at 1.0% Ni, 0.1% Cu, 0.03% Co from 414.9 metres, including 0.6 metres at 3.2% Ni, 0.3% Cu, 0.07% Co from 416.9 metres).
- On 4 March 2024, Kingsrose announced that in accordance with the Option Agreement with VIAD Royalties AB (Optionor), a wholly owned subsidiary of EMX Royalty Corp (EMX), as announced 6 March 2023, it has exercised the option to purchase 100% of Rana Nickel AS (Target). Rana Nickel AS is 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.

EXPLORATION

Råna Project, Norway

Drilling at Råna targeting the Bruvann and Rånbogen prospects (Figures 1 and 2) was designed to test along strike and down dip from known mineralisation, as well as conductive magnetotelluric (MT) anomalies with coincident electromagnetic (EM) modelled plates generated from ground-based and downhole surveys and prospective geology identified from mapping in underexplored areas. The drill program was completed in November 2023 for a total of 12 holes and 4,318 metres. Final assays were reported on 5 February 2024.

Drilling intercepted newly discovered zones of massive sulphide at the Rånbogen and Malmhaugen prospects, as announced on 23 October 2023 and 5 February 2024 (Figures 2 to 5) with highlight intercepts of:

Hole 23RAN002:

- High-grade massive and breccia sulphide zone returned 9.3 metres at 1.0 % Ni, 0.3 % Cu and 0.10 % Co from 176.5 metres, within a broader upper mineralised zone which returned:
 - 26.2 metres at 0.7 % Ni, 0.2 % Cu and 0.06 % Co from 169.0 metres.
- Lower mineralised zone returned 2.7 metres at 0.9 % Ni, 0.1 % Cu and 0.08 % Co from 281.9 metres.

Hole 23RAN004:

- 1.4 metres at 1.8% Ni, 0.2% Cu, 0.19% Co from 233.9 metres.



Drilling at the Bruvann prospect along strike and down dip from historical mining has shown that mineralisation remains open both adjacent to historical mine infrastructure (holes 23BRU001 and 23BRU003) and to the west where mineralisation is blind, underlying barren gneiss at surface (Hole 23BRU005) (Figures 6 and 7):

Hole BRU23001:

- 2.5 metres at 1.00 % Ni, 0.14% Cu and 0.08 % Co from 172.91 metres (Hole 23BRU001), including
- 1.0 metre at 1.94 % Ni, 0.18% Cu and 0.18 % Co from 173.91 metres.

Hole 23BRU003:

- 50.0 metres at 0.43 % Ni, 0.10% Cu and 0.02 % Co from 470.6 metres.

Hole 23BRU005:

- 2.6 metres at 1.0% Ni, 0.1% Cu, 0.03% Co from 414.9 metres, including
- 0.6 metres at 3.2% Ni, 0.3% Cu, 0.07% Co from 416.9 metres.

Kingsrose considers these intercepts to represent an important advancement in our understanding of the geological controls on mineralisation and are proof of concept that the intrusion is host to well-mineralised, undiscovered massive sulphide bodies. Our systematic approach of geological mapping and application of MT and EM geophysical surveys has successfully identified new zones of mineralisation and will remain a key tool in advancing exploration at Råna in 2024.

The Company has earned a 10% interest in the Råna Project by the issue of 10,000 shares in Narvik Nikkel AS, the 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. This will require incurring A\$3 million in expenditure on the Råna Project within three years from the date of first completion of 5 July 2023.

Finnmark Regional Exploration Project, Norway (formerly supported by the BHP Xplor program)

The Company has been granted 291 new exploration licences in Finnmark County, northern Norway, totalling 2,736 square kilometres of early-stage nickel-copper-cobalt-PGE prospective ground across two mineral belts, (Figure 8 and ASX announcement dated 4 September 2023). During the six months prior to September 2023, Kingsrose conducted a target generation exercise, which was fully funded by the BHP Xplor Program (see ASX announcement dated 18 January 2023). This exercise identified a total of 81 targets within two mineral belts, the Karasjok Belt and the Kautokeino Belt. At the Virdnemuotki target, reconnaissance sampling returned high-grade copper, palladium, gold, and silver from gabbro-hosted sulphide-quartz veins. Such a metal association hosted in a mafic intrusion may represent a late stage, fractionated magmatic sulphide or remobilisation of magmatic sulphide by hydrothermal fluids. Rock chip results include:

- 6.48% Cu, 0.28 g/t Pd, 2.02 g/t Au, 63.3 g/t Ag (Sample 003612).
- 1.41% Cu, 2.02 g/t Pd, 0.76 g/t Au, 5.5 g/t Ag (Sample 003613).
- 8.48% Cu, 2.48 g/t Pd, 1.03 g/t Au, 19.2 g/t Ag (Sample 003614).

Kingsrose is in ongoing exclusive negotiations with BHP regarding future exploration of these areas. These exploration licences, including the Porsanger project, are subject to a Right of First Refusal in favour of BHP as described in Kingsrose's ASX announcement dated 18 January 2023.

Penikat Project, Finland

No exploration work was conducted at the Penikat project during the period, whilst permitting for drilling is progressing.

Porsanger Project, Norway

No exploration work has been completed at the Porsanger project during the quarter, whilst permitting for drilling is progressing.

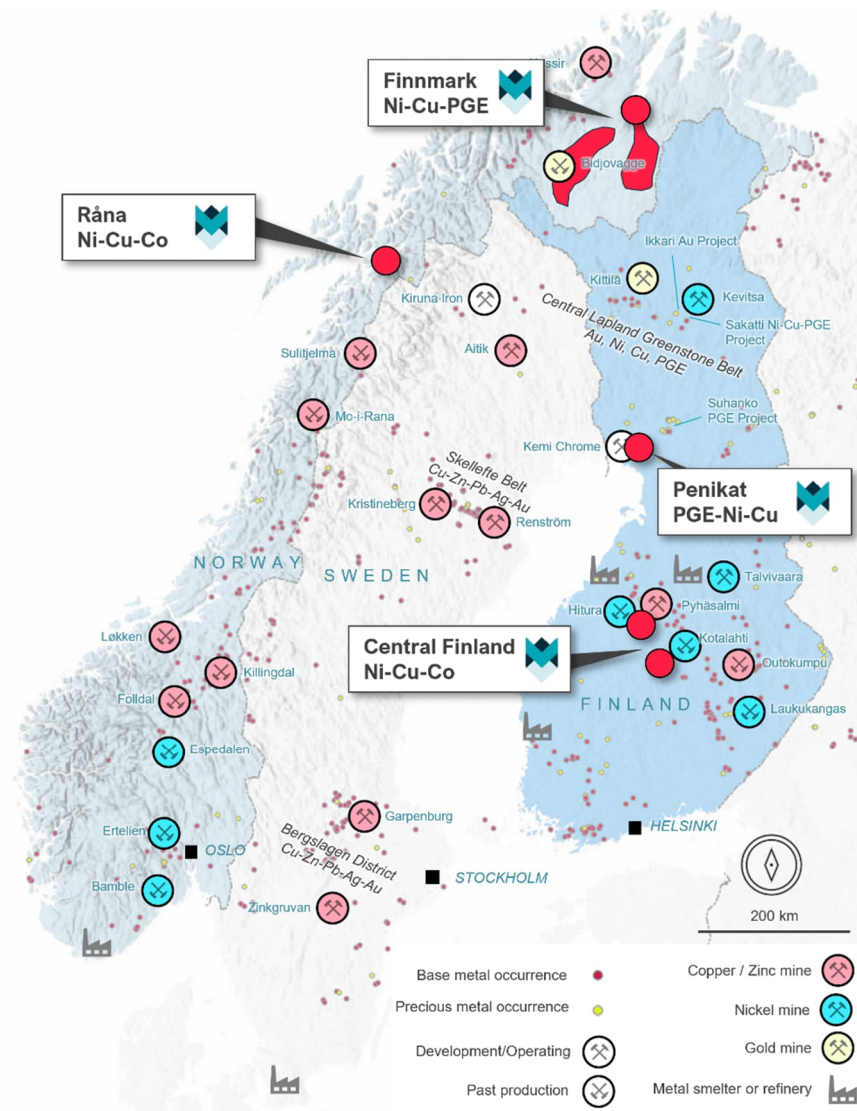


Figure 1: Location of the Penikat, Råna, Finnmark and Central Finland Projects within Fennoscandia

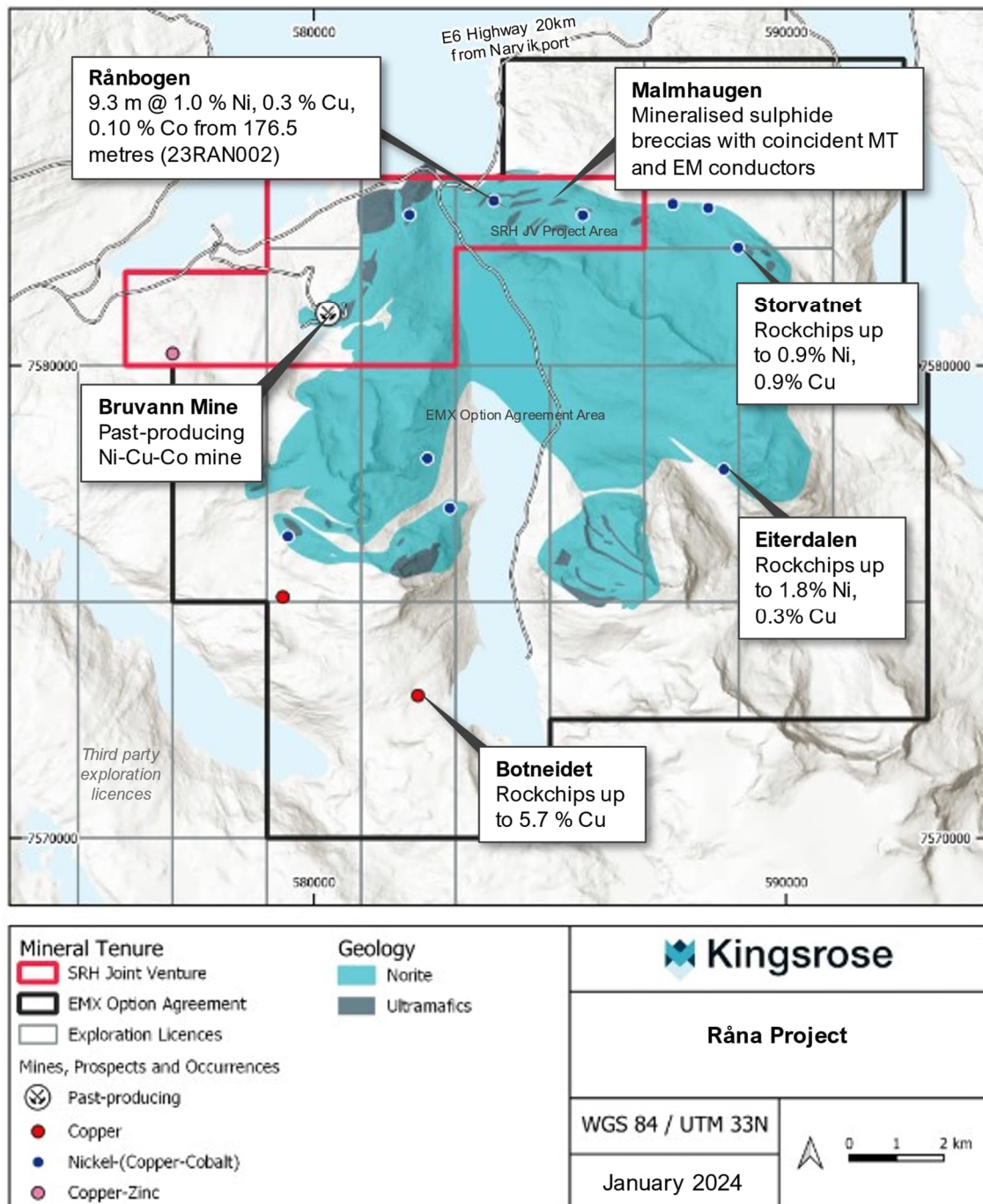


Figure 2: Råna project location, geology, and exploration licences.

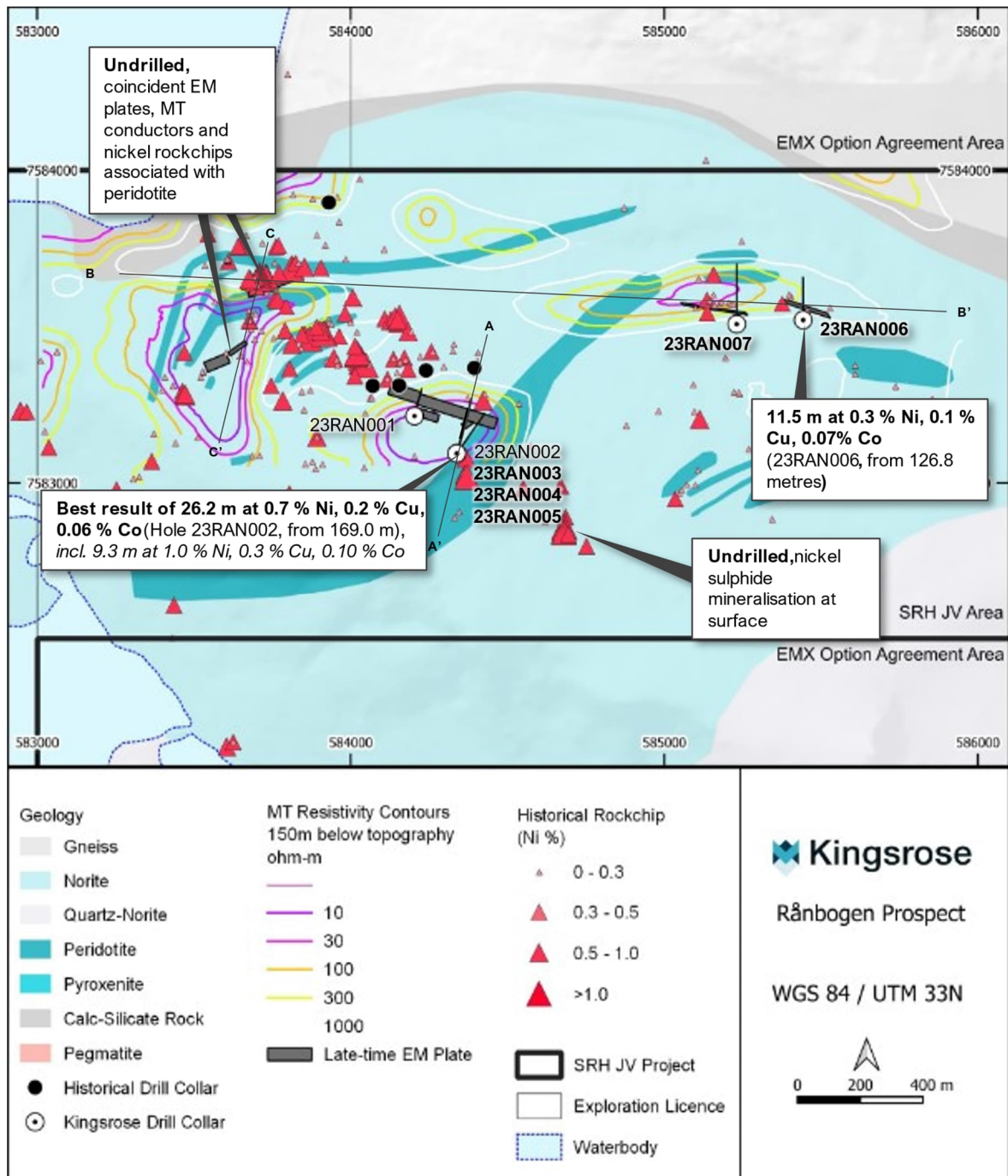


Figure 3: Rånbogen project, Råna Project, showing drill hole locations, geology, MT conductive anomalies and EM modelled plates.

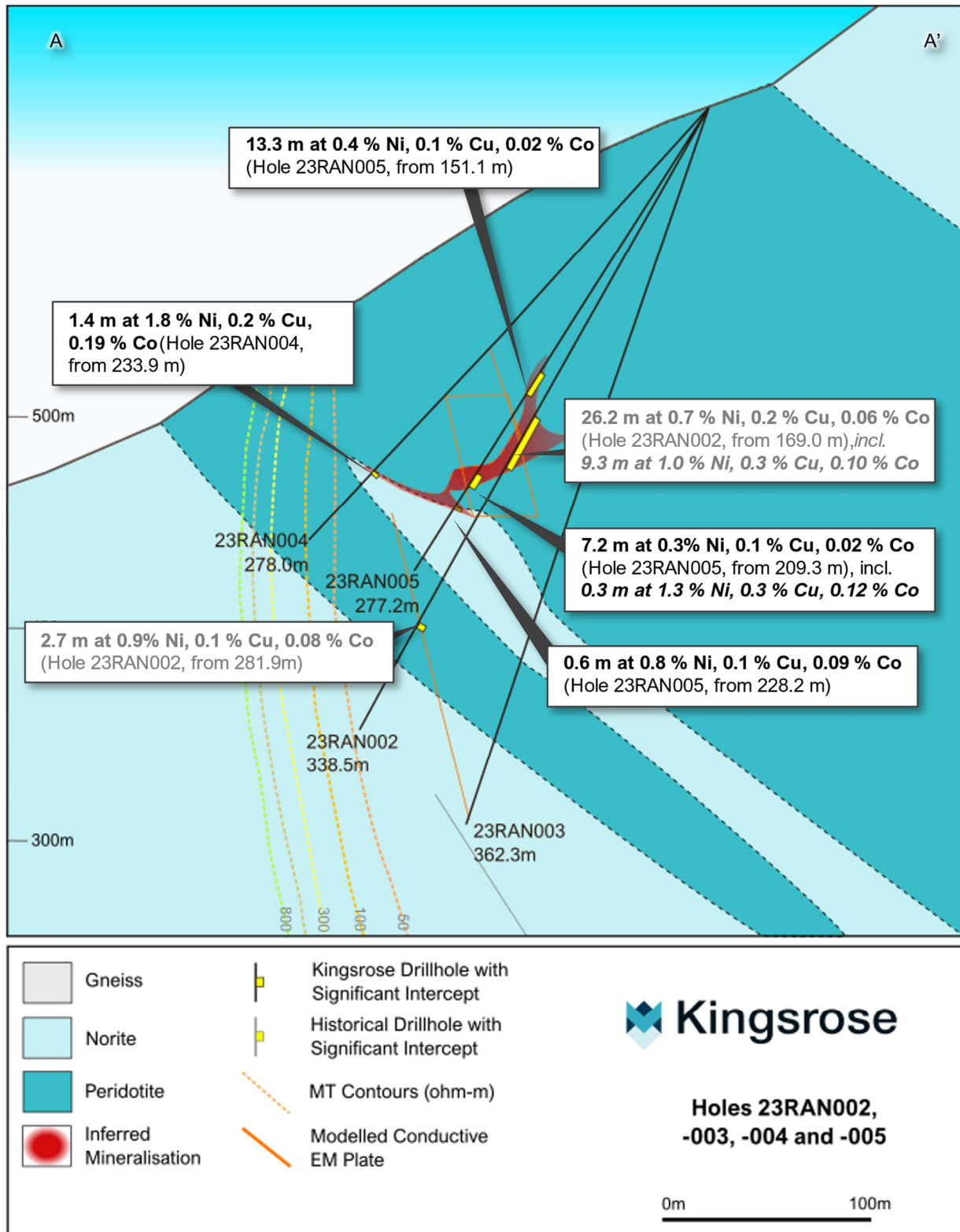


Figure 4: Cross section (Section A-A') at the Rånbogen Prospect.

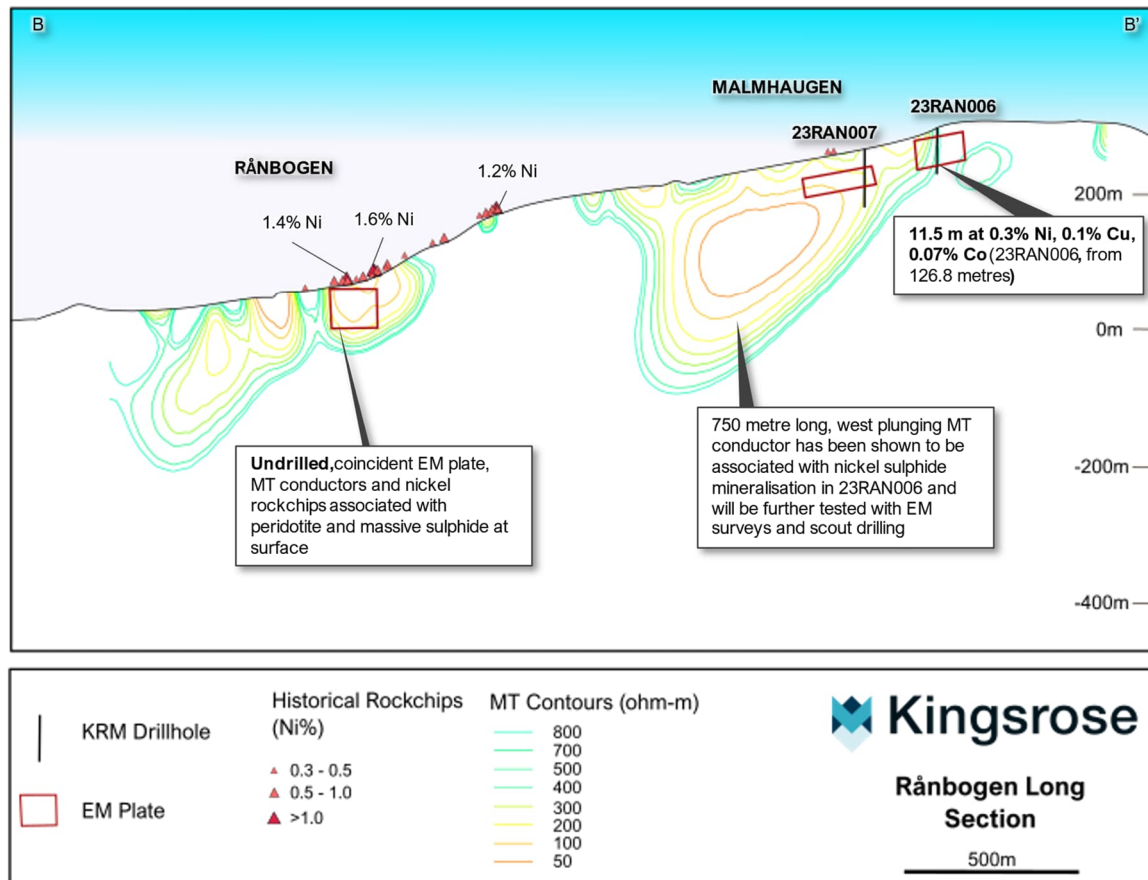


Figure 5: Long section showing highly conductive MT anomalies underlying near surface EM modelled plates and nickel mineralised massive sulphide at surface, Rånbogen and Malmahugen prospects.

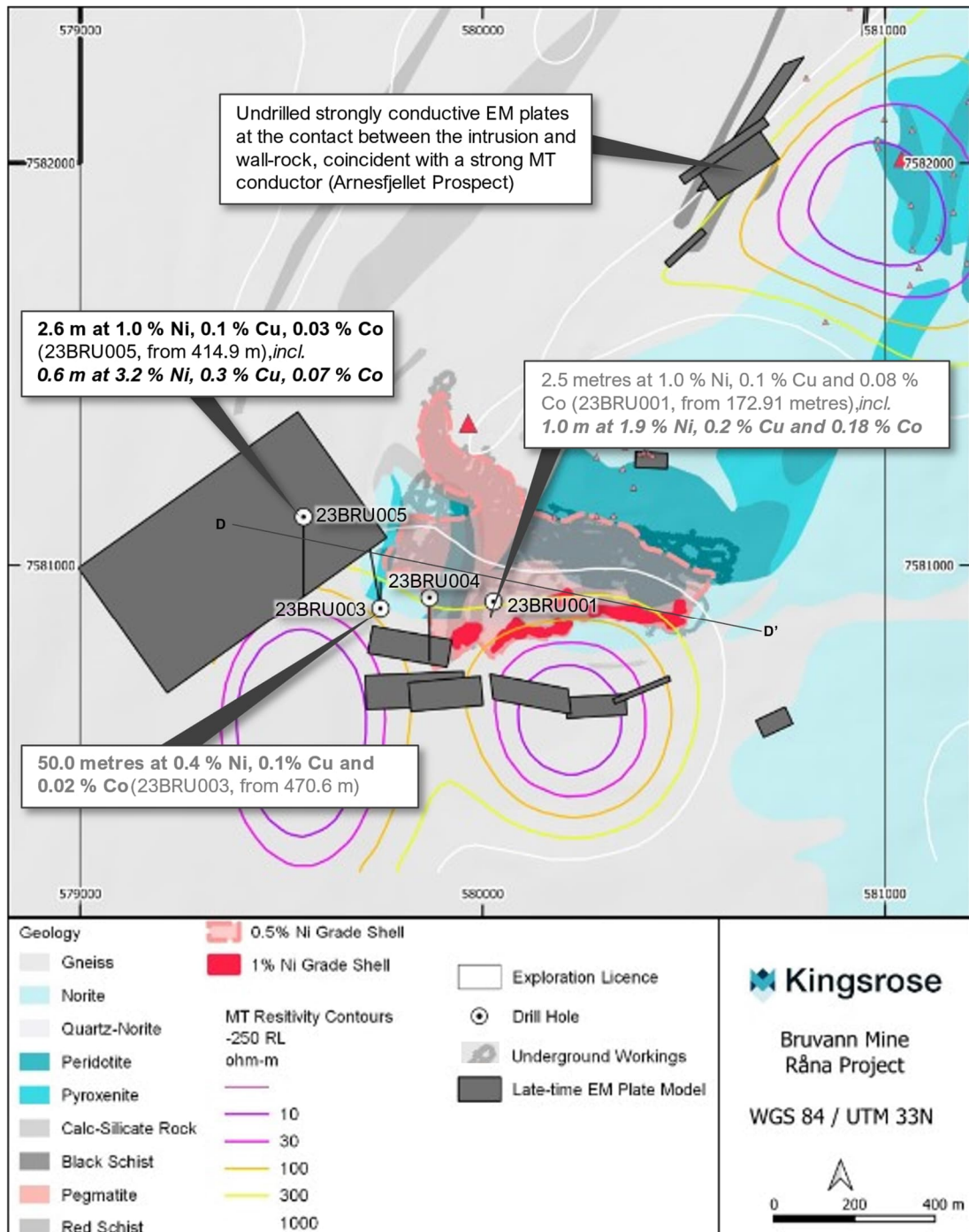


Figure 6: Map showing reported drill holes, geology, MT conductive anomalies, and modelled EM plates at the Bruvann Mine, Råna Project. Note the EM and MT conductive anomalies north-northeast of Bruvann which are undrilled.

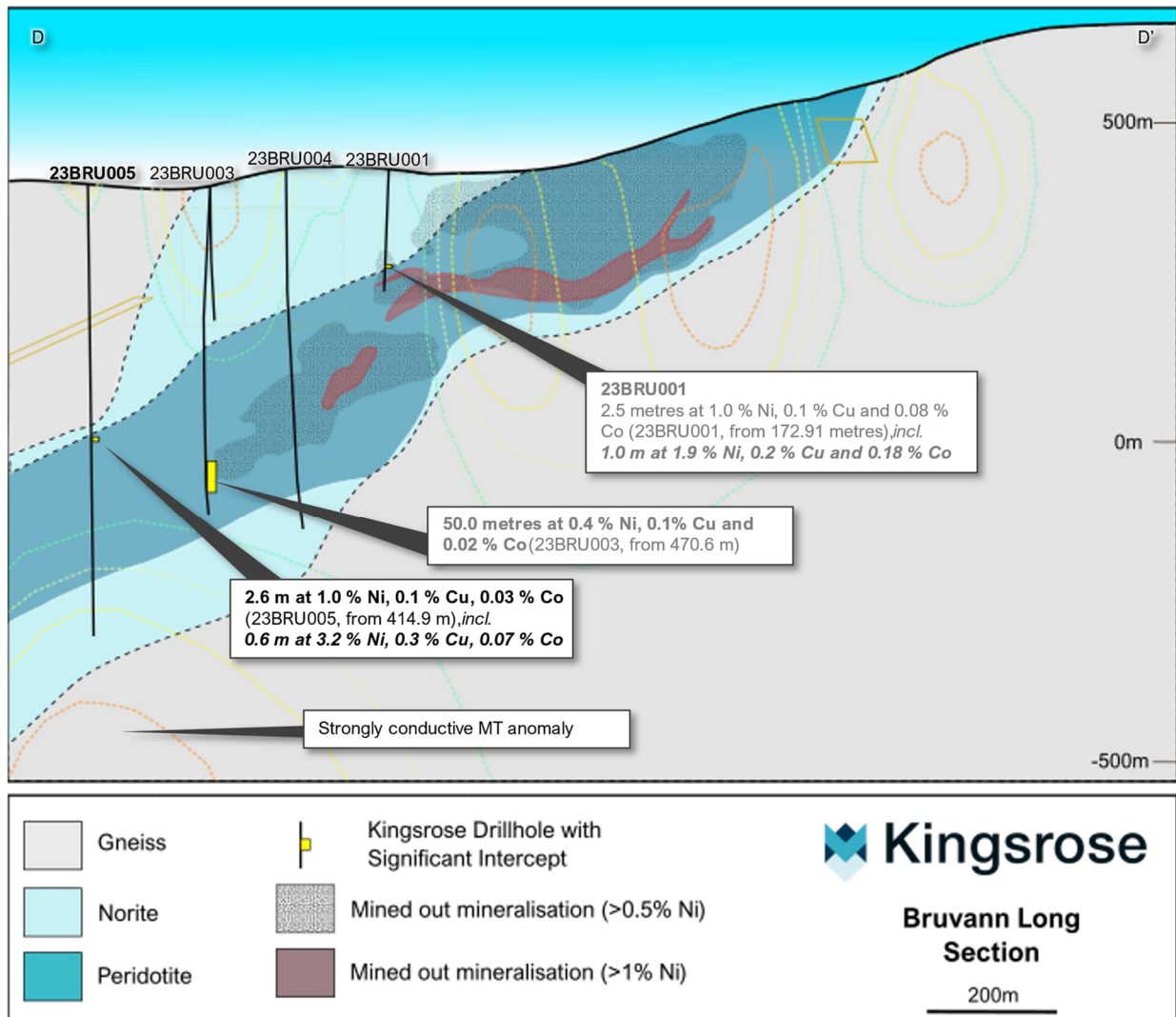


Figure 7: Long section showing Kingsrose drill holes, MT conductive anomalies, modelled EM plates and mined out mineralisation for reference at the Bruvann underground mine.

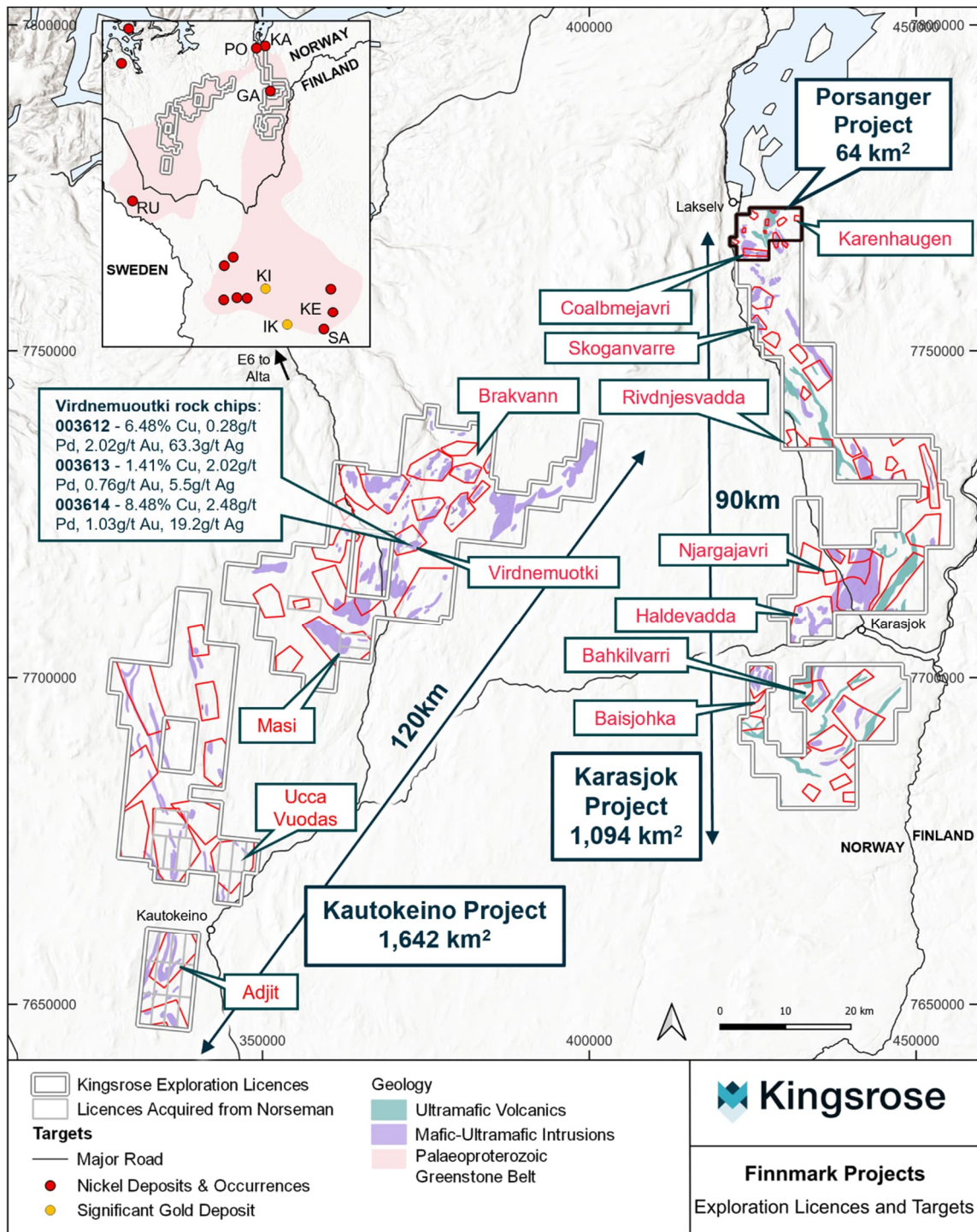


Figure 8: Overview map of Kingsrose Exploration Licences and Targets in the Karasjok and Kautokeino greenstone belts of Finnmark County, Northern Norway. Inset is a regional scale map showing extension of Palaeoproterozoic greenstone belts from Finland into Norway and selected magmatic nickel-copper and orogenic gold deposits (GA – Gallujavri, IK – Ikkari, KA – Karenhaugen, KE – Kevitsa, KI – Kittila, PO – Porsanger, RU – Ruossokero, SA – Sakatti).



SUSTAINABILITY

Råna Project, Norway

Local stakeholder communication has continued, which included landowners, the municipality, and local businesses. Feedback on the Project and the Company have been largely positive, with much anticipation for the results of ongoing exploration works.

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 Company submitted a Natura 2000 Assessment Report (the Report) for the Ala-Penikka area (Area 1) (Figure 9) to the local Environmental Regulatory Body (ELY) in September 2023. This was followed by a productive face-to-face meeting. It is anticipated that the Natura 2000 Assessment Report for Areas 2-5 will be submitted by the end of Q1 CY2024 (Figure 9) to incorporate guidance from feedback on the Area 1 Report. Highlights of the Report are as follows:

- Submission of the Report satisfies the key requirement to apply for an exploration licence in Natura 2000 protected areas.
- The Report concluded that the potential impacts of proposed exploration activities were either not present or insignificant and localised.
- With consideration of the permitting process, the Company anticipates that exploration activities may be able to commence December 2024, noting that delays related to public appeals and regulatory processes are possible.
- The Report, and planned subsequent report for Areas 2-5, are intended to secure approvals for 443 drill pads and associated access routes for an initial four-year exploration licence which may be extended to a maximum of 15 years.

Through mapping of the permitting regime, Kingsrose has been able to establish milestones and associated timeframes and develop an increased level of clarity in the permitting process. ELY, has reviewed the Natura 2000 Assessment prepared by Kingsrose for Area 1 of the Penikat project and determined that the proposed exploration drilling will not negatively impact the integrity of the Natura 2000 area. This Statement represents the primary environmental review in the process to obtain a permit for exploration drilling and is therefore an important and positive milestone.

Details of the permitting process and associated timeframes are summarised in the permitting roadmap provided in Figure 10.

Engagement with local stakeholders has continued throughout the half-year, with direct contact made with surrounding landowners to the Project. Both in-person and telephone conversations undertaken were positive and constructive. The Company will continue open and transparent dialogue with local stakeholders and local authority representatives.

Finnmark Regional Exploration Project, Norway (formerly supported by the BHP Xplor program)

At the request of the Ministry of Trade and Fisheries of Norway, Kingsrose delivered a detailed report to support its application to drill at the Karenhaugen (Sami translation: Karenvarri) prospect, within the Porsanger area. The report included findings from ecological and archaeological surveys to assist in planning of the drilling without impacting indigenous special sites or protected species and habitats.

A comprehensive stakeholder engagement framework is being developed to support exploration activities during CY2024.



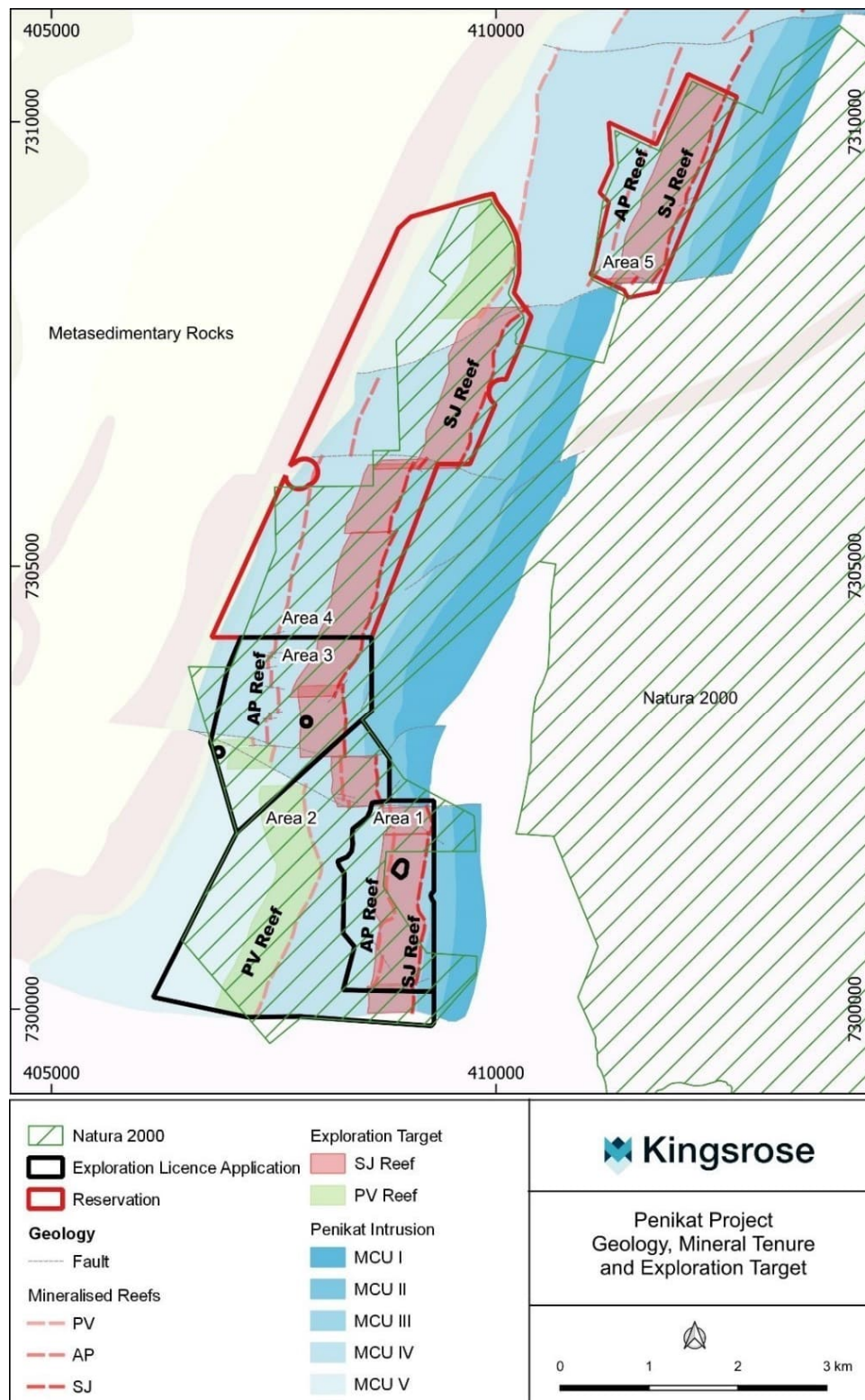


Figure 9: Kingsrose mineral tenure and geology of the Penikat Project, Finland.

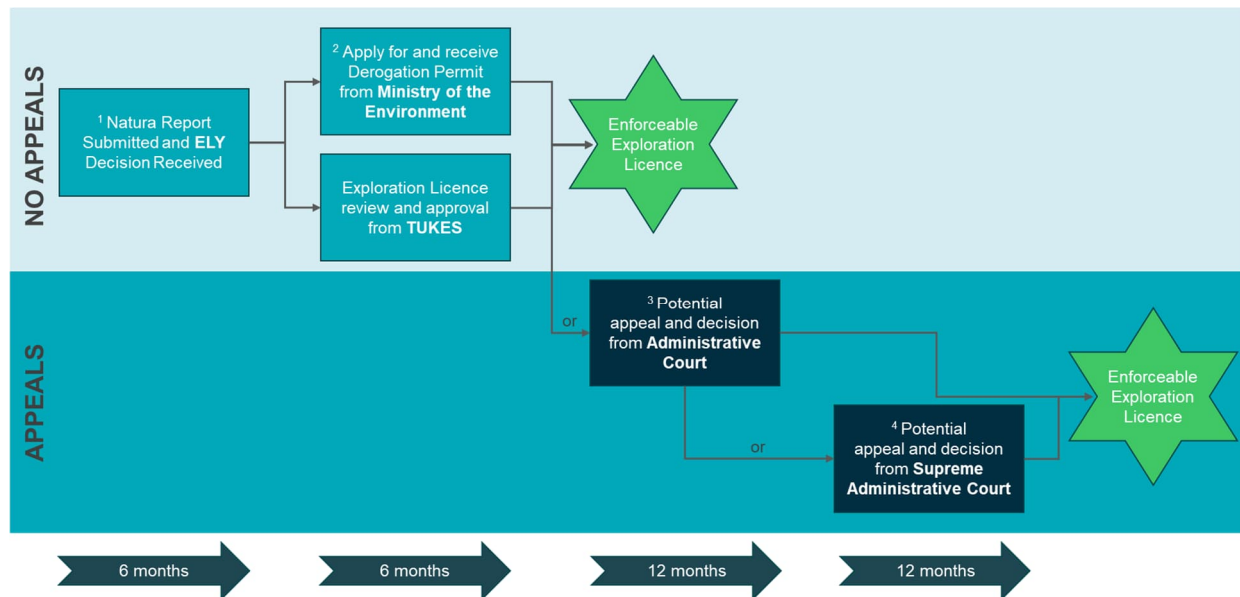


Figure 10: Simplified Permitting Roadmap, Penikat Project, Finland.

Explanatory Notes:

¹ The quality of the Natura 2000 Assessment Report and strength of a positive ELY statement may reduce timeframes.

² There is not a prescribed timeframe for a decision by the Ministry of Environment, however a positive statement by ELY and proactive engagement by TUKES is believed to support a six-month timeframe.

³ An appeal to the Administrative Court is likely, but not certain.

⁴ An appeal to the Supreme Administrative Court is unlikely due to the quality of the Natura report and the anticipated positive statement from ELY and endorsement by TUKES.

Competent Persons Statement

The information in this report that relates to exploration results at the Råna Project was first reported by the Company in compliance with the 2012 edition of the JORC Code in ASX announcements dated 6 July 2023, 21 July 2023, 8 August 2023, 4 September 2023, 23 October 2023 and 5 February 2024.

The information in this report that relates to new exploration licences in Northern Norway was first reported by the Company in compliance with the 2012 edition of the JORC Code in an ASX announcement dated 4 September 2023.



FINANCIAL REVIEW

	31 December 2023 Six Months (\$)	31 December 2022 Six Months (\$)
Loss Before Interest, Tax, Depreciation & Amortisation – EBITDA ¹	(2,638,997)	(6,192,972)
Loss Before Interest & Tax – EBIT ²	(2,717,816)	(6,290,708)
Net Loss After Tax	(2,722,404)	(5,916,453)
Loss Per Share	(0.0036)	(0.0079)
	31 December 2023 (\$)	30 June 2023 (\$)
Total Assets	38,905,959	41,379,453
Net Assets	37,638,782	39,942,135

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

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

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

Income Statement

The Group recorded a net loss after tax for the half year ended 31 December 2023 of \$2,722,404 (31 December 2022: net loss after tax \$5,916,453), attributable to expenditure on corporate administration and sustainability, an unrealised foreign exchange losses recognised during the period, offset by bank interest received.

Revenue

There was no sales revenue recorded during the half year ended 31 December 2023.

Loss from sale of discontinued operation

There was no discontinued operation for the half year ended 31 December 2023. For the prior comparative period the Group recorded a loss on the disposal of its investment in the Way Linggo project of \$5,534,155.

Financial Position

Assets

At reporting date, the Group's total current assets were \$27,739,080 inclusive of cash and cash equivalents of \$27,250,039. This was \$6,326,482 lower than at 30 June 2023 due to expenditure on corporate administration and sustainability, exploration and evaluation.

Non-current assets of the Group stood at \$11,166,879 at balance date, \$3,852,988 higher than at 30 June 2023, largely due to the addition of exploration and evaluation expenditure at the Group's projects in Scandinavia.

Liabilities

Total liabilities of the Group were \$1,267,177 at balance date, \$170,141 lower than 30 June 2023 mainly due to the timing of receipts and payments of invoices.

These factors resulted in a decrease in total Group net assets of \$2,303,353 to a total of \$37,638,782.

Group Cash Flows and Liquidity

The Group had net operating cash outflows of \$2,351,648 during the period.



At balance date, the Group held cash and cash equivalents of \$27,250,039 (30 June 2023: \$33,840,430).

CORPORATE

Board and Executive Management Changes

No board or management changes occurred during the period.

EVENTS AFTER REPORTING DATE

- On 24 January 2024, Kingsrose announced that it has received a positive statement (Statement) from the Centre for Economic Development, Transport and the Environment of Lapland (ELY) following its review of the Natura 2000 Assessment prepared by the Company for Area 1 of the Penikat project. The Statement is an important milestone in the process required to obtain a permit to commence exploration drilling in Area 1 of the Penikat Project.
- On 5 February 2024, Kingsrose announced the final results of drilling at the Råna project, Norway, including:
 - o the interception of mineralisation along strike and up-dip of hole 23RAN002 at the Rånbogen prospect (1.4 metres at 1.8% Ni, 0.2% Cu, 0.19% Co from 233.9 metres 23RAN004);
 - o discovery of a new zone of massive sulphide mineralisation at the Malmhaugen prospect; and
 - o identification of high-grade nickel sulphide mineralisation 200 metres west of the Bruvann Mine in hole 23BRU006 (2.6 metres at 1.0% Ni, 0.1% Cu, 0.03% Co from 414.9 metres, including 0.6 metres at 3.2% Ni, 0.3% Cu, 0.07% Co from 416.9 metres).
- On 4 March 2024, that in accordance with the Option Agreement with VIAD Royalties AB (Optionor), a wholly owned subsidiary of EMX Royalty Corp (EMX), as announced 6 March 2023, it has exercised the option to purchase 100% of Rana Nickel AS (Target). Rana Nickel AS is 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.

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



AUDITOR'S INDEPENDENCE DECLARATION

Ernst and Young's independence declaration is set out on page 20 and forms part of the Directors' Report for the half year ended 31 December 2023.

Signed in accordance with a resolution of the Directors.

Michael Andrews
Chairman
14 March 2024

Caution Regarding Forward Looking Statements and Forward-Looking Information

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.

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

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

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



Ernst & Young



Mark Cunningham
Partner
Perth
14 March 2024



CONSOLIDATED INCOME STATEMENT FOR THE HALF YEAR ENDED 31 DECEMBER 2023

		31 December 2023	31 December 2022
	Note	\$	\$
Continuing operations			
Other income	3(a)	769,651	856,300
Administration expenses	3(b)	(2,743,631)	(2,163,774)
Other expenses	3(c)	(734,537)	37,697
Finance costs	3(d)	(9,299)	(10,114)
Loss before income tax		(2,717,816)	(1,279,891)
Income tax expense		(4,588)	(2,836)
Loss after tax from continuing operations		(2,722,404)	(1,282,727)
Discontinued operations			
Loss after tax from discontinued operations	17 (a)	-	(4,633,726)
Loss after tax from discontinued operations		-	(4,633,726)
Net loss for the period		(2,722,404)	(5,916,453)
Loss for the period is attributable to:			
Owners of the parent		(1,961,355)	(5,919,154)
Non-controlling interest		(761,049)	2,701
		(2,722,404)	(5,916,453)

	Cents	Cents
Loss per share attributable to the ordinary equity holders of the parent:		
Basic loss per share – cents per share	(0.26)	(0.79)
Diluted loss per share – cents per share	(0.26)	(0.79)

	Cents	Cents
Loss per share for continuing operations attributable to the ordinary equity holders of the parent:		
Basic loss per share – cents per share	(0.26)	(0.17)
Diluted loss per share – cents per share	(0.26)	(0.17)

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



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 31 DECEMBER 2023

	31 December 2023	31 December 2022
	\$	\$
Net loss for the period	(2,722,404)	(5,916,453)
Other comprehensive loss		
<i>Items that may be reclassified subsequently to profit or loss in subsequent periods</i>		
Exchange differences on translation of foreign currency operations	(3,739)	6,456,085
Income tax effect	-	-
	(3,739)	6,456,085
<i>Items that may not be reclassified subsequently to profit or loss in subsequent periods</i>		
Re-measurement adjustments on defined benefit obligations	-	-
Income tax effect	-	-
	-	-
Other comprehensive (loss)/income for the period, net of tax	(3,739)	6,456,085
Total comprehensive (loss)/income for the period	(2,726,143)	539,632
Total comprehensive (loss)/income for the period is attributable to:		
Owners of the parent	(1,965,094)	536,931
Non-controlling interest	(761,049)	2,701
	(2,726,143)	539,632
Total comprehensive (loss)/income for the period attributable to owners of the parent arises from:		
Continuing operations	(2,726,143)	(1,349,403)
Discontinued operations	-	1,889,035
	(2,726,143)	539,632

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



CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE HALF YEAR ENDED 31 DECEMBER 2023

		31 December 2023	30 June 2023
	Note	\$	\$
Current Assets			
Cash and cash equivalents	5	27,250,039	33,840,430
Trade and other receivables	6	321,809	58,651
Income tax receivable	7	82,068	82,068
Other	8	85,164	84,413
Total Current Assets		27,739,080	34,065,562
Non-Current Assets			
Plant and equipment		395,424	445,614
Exploration and evaluation assets	9	10,379,935	5,796,748
Other	8	391,520	1,071,529
Total Non-Current Assets		11,166,879	7,313,891
TOTAL ASSETS		38,905,959	41,379,453
Current Liabilities			
Trade and other payables	10	284,987	451,766
Interest-bearing liabilities		69,259	67,913
Other provisions		81,255	33,562
Other	11	801,808	819,524
Total Current Liabilities		1,237,309	1,372,765
Non-Current Liabilities			
Interest-bearing liabilities		29,868	64,553
Total Non-Current Liabilities		29,868	64,553
TOTAL LIABILITIES		1,267,177	1,437,318
NET ASSETS		37,638,782	39,942,135
EQUITY			
Equity attributable to equity holders of the parent			
Contributed equity		107,326,091	107,326,091
Reserves		12,301,995	12,329,442
Accumulated losses		(81,674,753)	(79,713,398)
		37,953,333	39,942,135
Non-controlling interest		(314,551)	-
TOTAL EQUITY		37,638,782	39,942,135

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



CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE HALF YEAR ENDED 31 DECEMBER 2023

		31 December 2023	31 December 2022
	Note	\$	\$
Cash flows from operating activities			
Payments to suppliers and employees		(2,848,843)	(1,575,501)
Interest received		506,493	377,092
Interest and other finance costs paid		(9,298)	(11,436)
Net cash flows used in operating activities	5(a)	(2,351,648)	(1,209,845)
Cash flows from investing activities			
Payments for plant and equipment		(23,106)	-
Proceeds from sale of subsidiary (net of cash disposed and disposal costs)	17(a)	-	10,165,224
Payments for exploration and evaluation expenditure		(3,368,231)	(252,208)
Prepayments of other non-current assets		(52,961)	6,046
Net cash flows (used in) / generated from investing activities		(3,444,298)	9,919,062
Cash flows from financing activities			
Repayment of lease liabilities		(33,339)	(32,781)
Net cash flows used in financing activities		(33,339)	(32,781)
Net (decrease) / increase in cash and cash equivalents		(5,829,285)	8,676,436
Cash and cash equivalents at beginning of the period		33,840,430	27,626,719
Effects of exchange rate changes on cash and cash equivalents held		(761,106)	392,630
Cash and cash equivalents at end of the period		27,250,039	36,695,785

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 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 1 July 2023	107,326,091	12,422,506	(35,182)	(57,882)	-	(79,713,398)	39,942,135	-	39,942,135
Net loss for the period	-	-	-	-	-	(1,961,355)	(1,961,355)	(761,049)	(2,722,404)
Other comprehensive loss for the period	-	-	-	(3,739)	-	-	(3,739)	-	(3,739)
Total comprehensive loss for the period	-	-	-	(3,739)	-	(1,961,355)	(1,965,094)	(761,049)	(2,726,143)
Transactions with owners in their capacity as owners:									
Share-based payments	-	(23,708)	-	-	-	-	(23,708)	-	(23,708)
Acquisition of subsidiary	-	-	-	-	-	-	-	446,498	446,498
On 31 December 2023	107,326,091	12,398,798	(35,182)	(61,621)	-	(81,674,753)	37,953,333	(314,551)	37,638,782

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



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 31 DECEMBER 2022

	Issued Capital	Share- Based Payments Reserve	General Reserve	Foreign Currency Translation Reserve	Other Capital Reserve	Accumulated Losses	Owners of the Parent	Non- Controlling Interest	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 July 2022	107,326,091	12,196,096	97,832	(6,503,807)	3,402,490	(76,370,444)	40,148,258	1,728,111	41,876,369
Net loss for the period	-	-	-	-	-	(5,919,154)	(5,919,154)	2,701	(5,916,453)
Other comprehensive income/(loss) for the period	-	-	-	6,456,085	-	-	6,456,085	-	6,456,085
Total comprehensive income/(loss) for the period	-	-	-	6,456,085	-	(5,919,154)	536,931	2,701	539,632
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	-	173,961	-	-	-	-	173,961	-	173,961
On 31 December 2022	107,326,091	12,370,057	(35,182)	(47,722)	-	(78,754,094)	40,859,150	-	40,859,150

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

NOTES TO THE FINANCIAL STATEMENTS

NOTE NUMBER

1	Corporate Information	Page 28
2	Basis of Preparation and Changes to the Group's Accounting Policies	Page 29
3	Revenue and Expenses	Page 31
4	Dividends Paid and Proposed	Page 31
5	Cash and Cash Equivalents	Page 31
6	Trade and Other Receivables	Page 32
7	Income Tax Receivable	Page 33
8	Other Assets	Page 33
9	Exploration and Evaluation Assets	Page 35
10	Trade and Other Payables	Page 35
11	Other Current Liabilities	Page 36
12	Share-Based Payments	Page 36
13	Related Party Disclosures	Page 36
14	Commitments and Contingent Liabilities	Page 36
15	Change in Composition of the Group	Page 37
16	Impairment Testing of Non-Current Assets	Page 37
17	Discontinued Operation	Page 38
18	Segment Information	Page 40
19	Events after reporting date	Page 40



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. CORPORATE INFORMATION

This half year financial report of Kingsrose Mining Limited (“Kingsrose” or the “Company”) and its controlled entities (the “Group”) for the half year ended 31 December 2023 was authorised for issue in accordance with a resolution of the directors on 13 March 2024.

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, Nedland WA 6009.

The Group’s corporate structure is:

Entity	Place of Incorporation	Equity Interest Held	
		As at 31 December 2023	As at 31 December 2022
		%	%
MM Gold Pty Ltd (i)	Australia	-	100
Kingsrose Tanggamus Pty Ltd (i)	Australia	-	100
Kingsrose Mining (Jersey) Limited	Jersey	100	100
Element-46 Limited	Great Britain	100	100
Kingsrose Exploration Oy	Finland	100	100
Kingsrose Minerals Oy (formerly Pallagen Oy)	Finland	100	100
Kingsrose Norge AS (formerly Kingsrose Exploration AS)	Norway	100	100
Kingsrose Finnmark AS	Norway	100	-
Narvik Nikkel AS	Norway	10	-

Notes

- (i) These entities have been deregistered during the period.

Information on other related party transactions of the Group is provided in Note 13.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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

(a) Basis of preparation

This half year financial report for the interim period ended 31 December 2023 is a general purpose condensed financial report for the half year ended 31 December 2023 prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

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

It is recommended that the half year financial report should be read in conjunction with the annual financial report of Kingsrose as at 30 June 2023 and considered together with any public announcements made by the Company during the half year ended 31 December 2023 in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001* and the ASX listing rules.

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

(b) Going concern

During the half year ended 31 December 2023, the Group recorded a net loss for the period of \$2,722,404, with cash outflows from operations of \$2,351,648 and had positive net working capital of \$26,501,771. The Group has prepared a 15-month cash flow forecast which indicates adequate cash flows to sustain operations and as a result the financial statements have been prepared on a going concern basis which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

(c) New accounting standards and interpretations adopted

The Group has adopted all Accounting Standards and Interpretations effective from 1 July 2023.

New and amended Accounting Standards and Interpretations applied for the first time from 1 July 2023 did not have a significant impact on the consolidated financial statements of the Group.

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

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

(e) Acquisitions

The acquisition method of accounting is used to account for the acquisition of subsidiaries that constitute a business 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.

Råna Project Acquisition



During the year ended 30 June 2023, the Company entered into the Transaction Implementation Agreement ("TIA") to acquire an interest in the Råna Project through purchase of shares in Narvik Nikkel AS, the company that operates the Råna Project. The first completion milestone was satisfied in July 2023 upon which Kingsrose was issued with 10% shares in the company.

The acquisition of an entity that does not meet the definition of a business under AASB 3 Business Combinations would be accounted for as an asset acquisition and not a business combination. It was assessed that Råna Project, due to being in an exploration phase, did not meet the definition of a business. Therefore, the acquisition was accounted for as an asset acquisition as an addition to exploration and evaluation assets.

It was also assessed that on acquisition, when the Group acquired 10% equity in the company, Kingsrose obtained control over the relevant activities of the company for the purpose of application of AASB 10 Consolidated Financial Statements. Therefore, from the acquisition date, the company has been accounted for as a subsidiary of the Group, even though the Group obtained less than 50% of the shares in the company.

At the acquisition date the value of the non-controlling interest was assessed as \$446,498.

The Group holds options to acquire an increased ownership interest in Narvik Nikkel AS in the future. If exercised, these options will be transactions with non-controlling interests. At balance date the fair value of these options has been assessed as nil given the Project's pre-resource exploration stage.





NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

3. REVENUE AND EXPENSES

	Note	31 December 2023 \$	31 December 2022 \$
(a) Other income			
Interest income		769,651	377,088
Net gain on foreign exchange		-	473,996
Sundry income		-	5,216
Total other income		769,651	856,300
(b) Administration expenses			
Corporate costs		2,688,521	1,945,866
Depreciation of equipment		78,818	43,947
Share-based payments	12	(23,708)	173,961
Total administration expenses		2,743,631	2,163,774
(c) Other expenses			
Sundry expenses		-	(37,697)
Net loss on foreign exchange		734,537	-
Total other expenses		734,537	(37,697)
(d) Finance costs			
Bank charges		6,850	7,339
Finance charges payable under lease arrangement		2,449	2,775
Total finance costs		9,299	10,114

4. DIVIDENDS PAID AND PROPOSED

No dividends have been paid, declared or recommended by the Company for the half year ended 31 December 2023 (2022: nil).

5. CASH AND CASH EQUIVALENTS

	31 December 2023 \$	30 June 2023 \$
Current		
Cash at bank and on hand (i)	2,909,656	25,448,019
At-call deposits (ii)	24,340,383	8,392,411
	27,250,039	33,840,430

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 and maximum period of 31 to 90 days respectively and earn interest at the respective currency's official cash rate plus an agreed margin.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5. CASH AND CASH EQUIVALENTS (CONTINUED)

(a) Reconciliation to the Statement of Cash Flows

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

		31 December 2023	31 December 2022
	Note	\$	\$
Net loss after income tax		(2,722,404)	(5,916,453)
<i>Adjustments for:</i>			
Depreciation of plant and equipment		78,818	97,737
Share based payments	12	(23,708)	173,961
Unrealised foreign exchange losses/(gains)		716,357	(1,993,554)
Loss on sale of subsidiary	17	-	5,534,155
<i>Change in assets and liabilities:</i>			
Increase in inventories		-	(2,004)
(Increase)/decrease in trade receivables		(263,158)	236,959
(Increase)/decrease in other current assets		(751)	591,607
(Decrease)/increase in trade and other payables		(184,495)	55,557
Increase in provisions		47,693	12,190
Net cash flows from operating activities		(2,351,648)	(1,209,845)

6. TRADE AND OTHER RECEIVABLES

	31 December 2023	30 June 2023
	\$	\$
Current		
Bonds and deposits	25,981	26,125
Other receivables (i)	18,269	32,526
Interest receivable (ii)	277,559	-
	321,809	58,651

Notes

- (i) Other receivables consist primarily of VAT recoverable that is expected to be recovered within 1 to 3 months.
- (ii) Interest receivable consists of interest revenue due and received from a 3 month term deposit that matured on 8 January 2024.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INCOME TAX RECEIVABLE

	31 December 2023	30 June 2023
	\$	\$
Current		
Income tax receivable	82,068	82,068
	82,068	82,068

8. OTHER ASSETS

	31 December 2023	30 June 2023
	\$	\$
Current		
Other assets (i)	85,164	84,413
	85,164	84,413
Non-current		
Other assets (ii)	391,520	1,071,529
	391,520	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.

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 company that operates the Råna Project. At this time amounts were reclassified from "other assets" to "exploration and evaluation assets."

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.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8. OTHER ASSETS (continued)

- 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.
- 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. The value of the associated derivatives are not material at 31 December 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.

On 4 March 2024, the Company announced that it has acquired 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. Following exercise of the option, Kingsrose has, or 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.

The acquisition of Rana Nikkel AS is expected to be accounted for as an acquisition of assets.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

9. EXPLORATION AND EVALUATION ASSETS

	31 December 2023	30 June 2023
	\$	\$
Non-Current		
At cost	10,379,935	5,796,748
	10,379,935	5,796,748
Movements in Exploration and Evaluation Assets:		
Opening balance	5,796,748	9,541,154
Additions	3,318,620	698,338
Acquisition of Narvik Nikkel AS	496,109	-
Additions from transfer of other non-current assets	732,970	-
Divestment of subsidiary (i)	-	(4,575,763)
Foreign exchange translation gain	35,488	152,630
Closing balance	10,379,935	5,796,748

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. At each reporting date, the Group undertakes an assessment of the carrying amount of its exploration and evaluation assets. During the half year ended 31 December 2023, the Group has not identified any indicator of impairment on its exploration and evaluation assets.

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 exploration and evaluation assets relating to Way Linggo have been removed from the statement of financial position.

10. TRADE AND OTHER PAYABLES

	31 December 2023	30 June 2023
	\$	\$
Current		
Trade creditors (i)	156,519	248,410
Accruals	128,468	203,356
	284,987	451,766

Terms and conditions

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



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11. OTHER CURRENT LIABILITIES

	31 December 2023	30 June 2023
	\$	\$
Current		
Deferred cash consideration (i)	801,808	819,524
	801,808	819,524

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 classified as a current liability as at 30 June 2023 and 31 December 2023.

12. SHARE-BASED PAYMENTS

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

	31 December 2023	31 December 2022
	\$	\$
Options (i)	(593)	102,310
Share performance rights (i)	(23,115)	71,651
	(23,708)	173,961

Notes

- (i) Negative amounts represent an overall movement due to the cessation of employment by various employees where the impact of the forfeiture / lapsing of options is greater than the underlying amount recognised for employee services received during the period.

13. RELATED PARTY DISCLOSURES

There were no related party transactions for the current period (2022: Nil).

14. COMMITMENTS AND CONTINGENT LIABILITIES

There are no material commitments and contingent liabilities as at and for the half year ended 31 December 2023.



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15. CHANGE IN COMPOSITION OF THE GROUP

Since the last annual reporting date the composition of the Group has changed through the deregistration of MM Gold Pty Ltd and Tanggamus Pty Ltd, and the incorporation of Kingsrose Finnmark AS during the period to support the Group's exploration activities in Norway. Additionally, as announced on 25 July 2023 the Company has earned a 10% interest in the Råna Project by the issue of 10,000 shares in Narvik Nikkel AS, the company that operates the Råna Project.

16. IMPAIRMENT TESTING OF NON-CURRENT ASSETS

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

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

No indicators of impairment were identified at 31 December 2023.





NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. DISCONTINUED OPERATION

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

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

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

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

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

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

	31 December 2022 ⁽ⁱ⁾
	\$
Statement of income	
Other income	1,205,578
Expenses	(305,149)
Profit/(loss) before income tax	900,429
Income tax benefit	-
Profit/(loss) from discontinued operation after income tax	900,429
Loss on sale of subsidiary after income tax (see (b) below)	(5,534,155)
Loss from discontinued operation	(4,633,726)

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

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

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

	31 December 2022 ⁽ⁱ⁾
	\$
Net cash outflow from ordinary activities	(550,217)
Net cash inflow from investing activities	-
Net cash outflow	(550,217)



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. DISCONTINUED OPERATION (CONTINUED)

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

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

Notes

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

(b) Details of the sale of the discontinued operation

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

Notes

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



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17. DISCONTINUED OPERATION (CONTINUED)

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

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

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

18. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Entity that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Consolidated Entity has one operating segment being mineral exploration.

19. EVENTS AFTER REPORTING DATE

- On 24 January 2024, Kingsroose announced that it has received a positive statement (Statement) from the Centre for Economic Development, Transport and the Environment of Lapland (ELY) following its review of the Natura 2000 Assessment prepared by the Company for Area 1 of the Penikat project. The Statement is an important milestone in the process required to obtain a permit to commence exploration drilling in Area 1 of the Penikat Project.
- On 5 February 2024, Kingsroose announced the final results of drilling at the Råna project, Norway, including:
 - the interception of mineralisation along strike and up-dip of hole 23RAN002 at the Rånbogen prospect (1.4 metres at 1.8% Ni, 0.2% Cu, 0.19% Co from 233.9 metres 23RAN004);
 - discovery of a new zone of massive sulphide mineralisation at the Malmhaugen prospect; and
 - identification of high-grade nickel sulphide mineralisation 200 metres west of the Bruvann Mine in hole 23BRU006 (2.6 metres at 1.0% Ni, 0.1% Cu, 0.03% Co from 414.9 metres, including 0.6 metres at 3.2% Ni, 0.3% Cu, 0.07% Co from 416.9 metres).



NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

19. EVENTS AFTER REPORTING DATE (CONTINUED)

- On 4 March 2024, Kingsrose announced that in accordance with the Option Agreement with VIAD Royalties AB (Optionor), a wholly owned subsidiary of EMX Royalty Corp (EMX), as announced 6 March 2023, it has exercised the option to purchase 100% of Rana Nickel AS (Target). Rana Nickel AS is 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.

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





DIRECTORS' DECLARATION

In the opinion of the Directors:

- (a) The interim consolidated financial statements and notes of the entity for the half year ended 31 December 2023 are in accordance with the *Corporations Act 2001*, including:
 - (i) Giving a true and fair view of the entity's interim consolidated financial position as at 31 December 2023 and of its interim consolidated performance for the half year ended on that date; and
 - (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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

Michael Andrews
Chairman
14 March 2024

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

Conclusion

We have reviewed the accompanying half-year financial report of Kingsrose Mining Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

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

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



Ernst & Young



Mark Cunningham
Partner
Perth
14 March 2024