KINGSROSE MINING LIMITED | QUARTERLY REPORT

For the period ended 31 December 2014

KEY ACTIVITIES

Operations

- 5,465 ounces of gold and 16,870 ounces of silver produced.
- Internal Shaft reached the 4 Level in mid-December as scheduled and establishment of infrastructure to access ore drives commenced.
- Preliminary site works completed in preparation for the establishment of a second shaft at Talang Santo to access the 5 Level providing access to the higher grade sections of the main orebody.
- Talang Santo mined grade progressively increased with a 9.5 g/t Au reconciled head grade for December; expectation of continued improvement in the March quarter.
- FY2015 guidance revised downwards in November related to delays in production ramp up.
- 126m of underground exploration development completed at the Talang Samin prospect exposing high grade veining.
- Underground diamond drilling at Talang Santo continued with intersections in the Splay, Mawi, Hanging Wall and Silver veins with a broad zone of alteration in Silver veins.

Corporate

- Cash and Bullion on Hand of A$8.43M

OPERATIONS OVERVIEW

	UNITS	SEPTEMBER 2014 QUARTER	DECEMBER 2014 QUARTER	YEAR TO DATE
MINE PRODUCTION				
ORE HOISTED	t	16,123	20,242	36,365
MINE GRADE (GOLD)	g/t	8.90	8.30	8.60
MINE GRADE (SILVER)	g/t	34	25.00	29.00
ORE PROCESSED				
TONNES MILLED	t	23,278	23,747	47,025
HEAD GRADE (GOLD)	g/t	9.11	7.38	8.24
HEAD GRADE (SILVER)	g/t	30.80	24.00	28.00
RECOVERY (GOLD)	%	96.70	97.00	96.80
RECOVERY (SILVER)	%	91.70	90.40	91.00
OUNCES PRODUCED (GOLD)	oz	6,590	5,465	12,055
OUNCES PRODUCED (SILVER)	oz	21,137	16,870	38,007
COSTS OF PRODUCTION				
CASH OPERATING COSTS (C1)	US$/oz	660	780	714
ALL IN SUSTAINING COSTS OF PRODUCTION (AISC)	US$/oz	997	1,208	1,092

SAFETY

There was one Lost Time Injury ("LTI") for the quarter which was related to a hand injury in processing whilst undertaking maintenance. The 12 month moving average Lost Time Injury Frequency Rate ("LTIFR") now stands at 0.70.

TALANG SANTO

Mining activity during the period focussed on the completion of development for the commencement of stoping activities in the main orezones on the 2 and 3 Levels. 1,263 metres of lateral development and 557 metres of vertical development was completed during the period as per Figure 1. This included the completion of the vertical development on the internal shaft to the 4 Level as scheduled by mid-December.

The trial stoping in Zone A of the Splay vein between the 2 and 3 Levels was completed during the period. A total of 7,142t @ 8.50 g/t Au and 37 g/t Ag has been mined project to date. The result was influenced by failure in stopes and lower mining recoveries related to the placement of rib pillars to mitigate this. Evaluation of further stoping in the narrower sections of Zone B above the 3 Level is ongoing where short length high grade shoots were identified in development. Development is planned on sublevels below the 3 Level and from the 4 Level in the coming quarter.

With the establishment of stoping activities on the 2 Level early in the quarter it became apparent that additional ground support would be required to safely recover ore from these areas. This resulted in a reduction in the anticipated mining rate from these higher grade stopes which had been a key component of the scheduled production ramp up. This contributed to the revision of guidance for production in the 2015 financial year from 40,000 ounces of gold to a range of 30,000-35,000 ounces of gold. *(Refer ASX Announcement – 21/11/2014)*

Definition drilling on the 2 and 3 Levels during development highlighted a number of wider sections of mineralisation within the main ore zone, where the Hanging Wall and Mawi veins coalesced in areas of local structural dilation along the orebody. A mine plan to maximise the recovery of these wider areas was completed and implemented in late November. This required further development around the existing workings and additional ground control measures to be installed in-cycle to support mining in the wider areas. Due to the set-up required and additional ground control measures to maximise recovery, there was in a drop in mining rates in the latter half of the quarter.

The overall mined grade for the period was lower than expected, however with the increase in stoping the grade did increase towards the end of the quarter with a reconciled mined grade from Talang Santo in December of 9.50 g/t Au. The expectation is for continued improvement in grade in the March quarter, however tonnage is likely to remain below the initially targeted levels whilst mining continues to be undertaken on the 2 and 3 Levels.

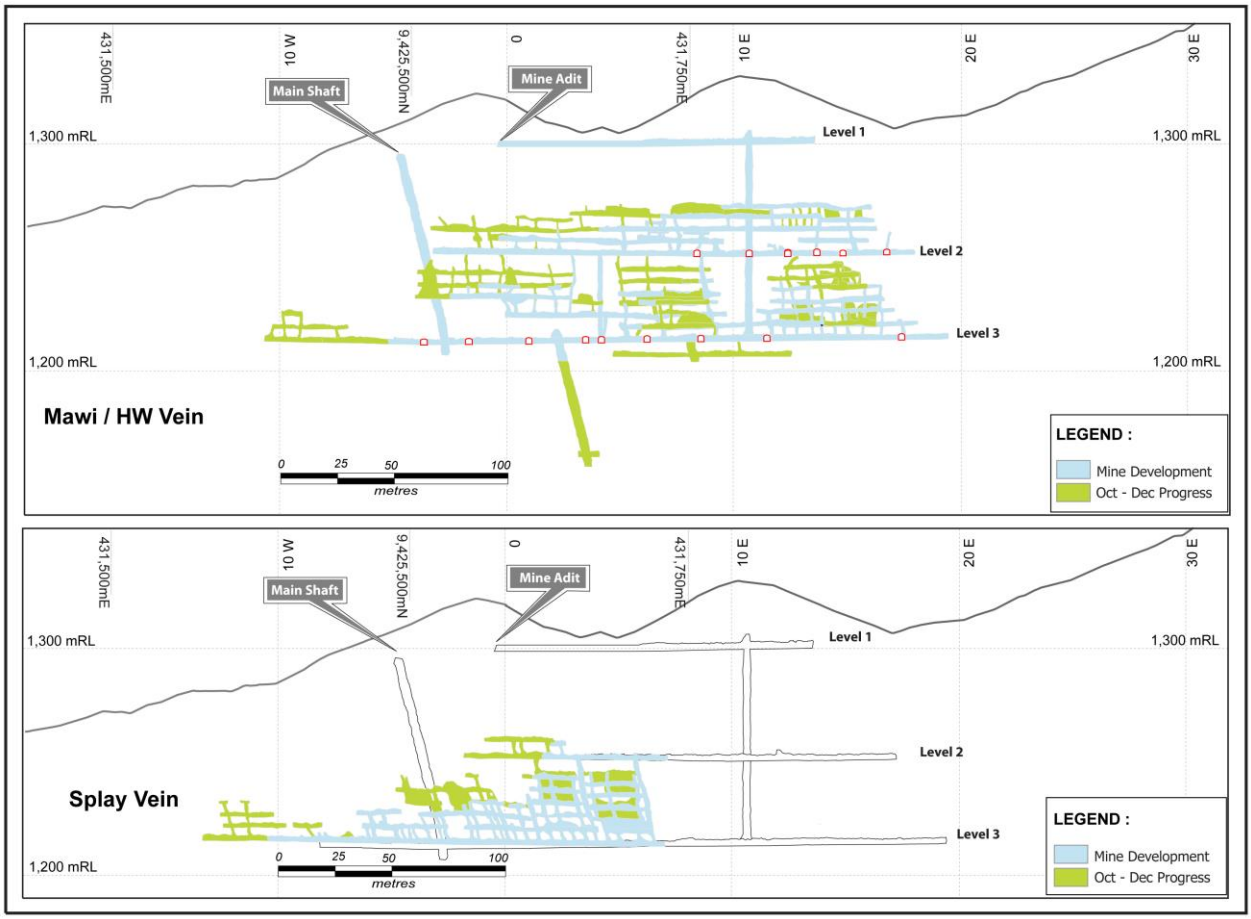

Figure 1 – Quarterly mine development progress

Capital Mine Development

During the period, development continued on the internal shaft from the 3 to the 4 Level with the shaft reaching the target depth by mid-December. The remainder of the period focused on completion of the shaft sump and establishing development from the shaft onto the Level. The focus of activity in the March 2015 quarter will be on establishing pumping infrastructure on the Level prior to accessing the orebody.

During the quarter work commenced on the sinking of a second vertical shaft at Talang Santo to the 5 Level. This will provide a direct access to the higher grade sections of the main orebody indicated by drilling and also allow development to be undertaken to evaluate the potential of the Central and North West Mawi propsects (Figure 2). A key benefit is the establishment of services for pumping and electrical reticulation for accessing the deeper part of the mine which will reduce future capital requirements. In the latter part of the quarter, a pilot and geotechnical hole was completed as well as site works. It is expected to take 12 months to reach the 5 Level (ground conditions and water dependent).

Plate 1: Preliminary site works and shaft collar installation at the Talang Santo Mine

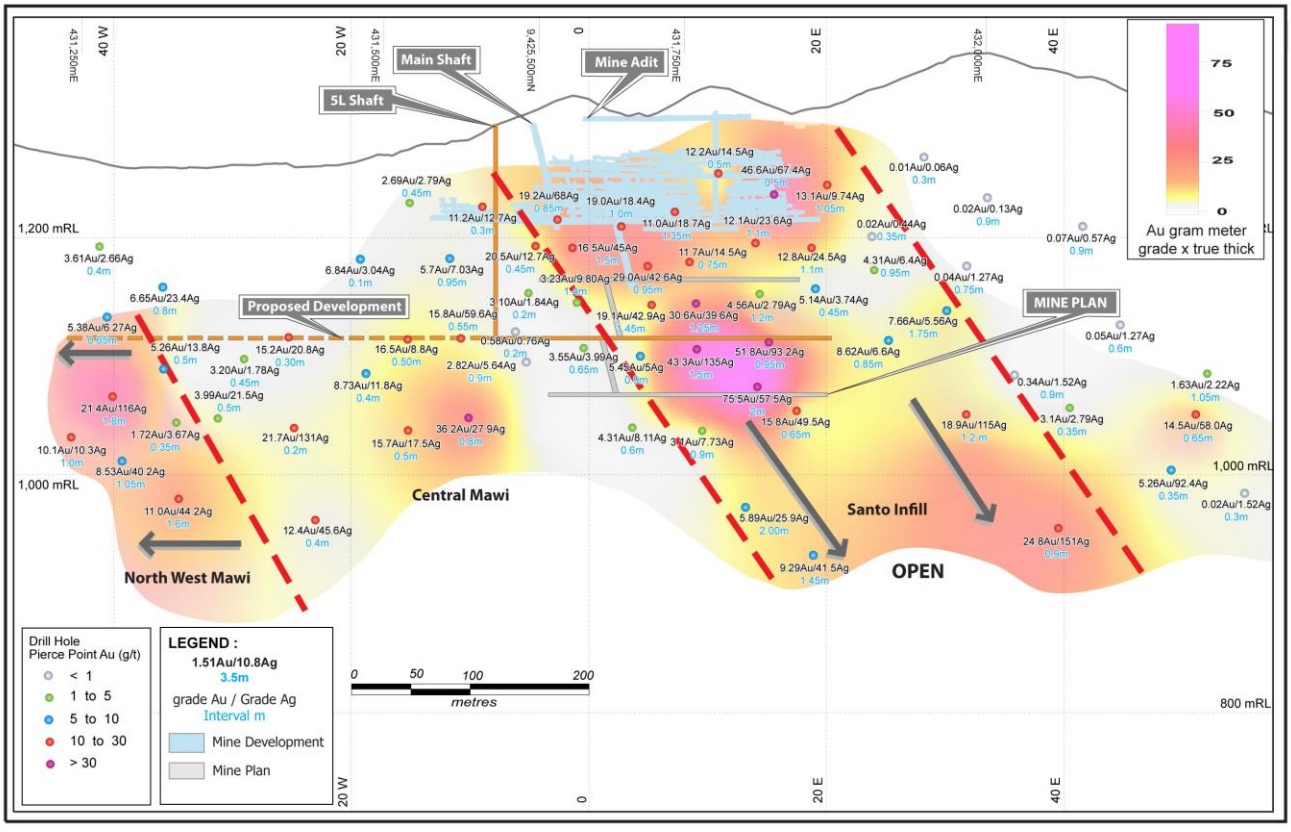

Figure 2: Location of second vertical shaft at the Talang Santo Mine

PROCESSING

The processing statistics for the operating period are tabulated below:

ORE PROCESSED	UNITS	SEPTEMBER 2014 QUARTER	DECEMBER 2014 QUARTER	YEAR TO DATE
TONNES MILLED	t	23,278	23,747	47,025
HEAD GRADE (GOLD)	g/t	9.11	7.38	8.24
HEAD GRADE (SILVER)	g/t	30.80	25.00	28.00
RECOVERY (GOLD)	%	96.70	97.00	96.80
RECOVERY (SILVER)	%	91.70	90.40	91.00
OUNCES PRODUCED (GOLD)	oz	6,590	5,465	12,055
OUNCES PRODUCED (SILVER)	oz	21,137	16,870	38,007

Mill feed for the period was from a combination of mine production, stockpiled ore and low grade material recovered from Talang Samin exploration.

The plant ran without issue for the period, silver grades were lower as a result of the increase in the proportion of mill feed recovered from the Hanging Wall and Mawi veins which overall have lower silver grades in the upper parts of the mine. Recoveries of both gold and silver have remained consistently high at 97% and 90.4% respectively.

GOLD SALES AND COSTS OF PRODUCTION

During the quarter the Company sold 5,884 ounces of gold at an average gold price of A$1,346 and realised A$7.92M in revenue.

The cash costs of production for the quarter were US$780/oz and the all-in sustaining costs of production were US$1,208/oz.

All in-sustaining costs are expected to reduce and fall within guidance range as mine production increases.

TALANG SAMIN EXPLORATION SHAFT

Work at Talang Samin during the quarter was focussed on setting up from the base of the shaft and advancing towards the mineralised intercepts from previously drilled DDH 180 located on this horizon. The veining was intersected on schedule in mid-November and a further 126 metres of exploratory development was completed to the end of December.

Development has indicated a broad alteration zone with a number of semi contiguous stock work zones and narrow high grade vein sets. The development on the Level has confirmed the presence of the veining and it is considered that the current Level is located at a higher level of, or peripheral to, a potentially larger system. It is anticipated development will intersect the projection of the high grade intersection in DDH-180 early in the March quarter.

DDH 180 4.75m @ 4.30 g/t Au and 5.45 g/t Ag from 73.75m
(including 0.5m @ 30.2 g/t Au and 30.4 g/t Ag)

RESOURCE DEFINITION DRILLING

835 metres of underground diamond drilling was completed at Talang Santo during the quarter with the schedule dictated by available drill sites as mine development took priority. A second hole (UDH-044) into the narrower section of the Splay vein in Zone B was completed which intersected the veining, however only returned low grade results. This is consistent with the variability in grade which has been seen in this narrower section of the vein. Drilling was also undertaken on the Silver vein target with drilling confirming the vein system and a number of narrow mineralised intersections returned from UDH-045 with a second hole underway at the end of the period. The collar position for the drilling of the Silver vein drilling meant that both holes UDH-045 and UDH-046 also intersected the Splay vein and Hanging Wall and Mawi veins below the 3 Level with the significant assays tabulated below:

UDH 045

Splay vein	2.10m @ 11.69 g/t Au and 8.01 g/t Ag (including 1m @ 17.29 g/t Au and 10.1 g/t Ag)
Silver vein	1.20m @ 2.22 g/t Au and 6.6 g/t Ag 0.10m @ 5.70 g/t Au and 69.7 g/t Ag 1.60m @ 2.70 g/t Au and 15.4 g/t Ag 1.65m @ 1.33 g/t Au and 7.1 g/t Ag

UDH 046

Mawi & Hanging Wall vein	1.00m @ 6.59 g/t Au and 20.0 g/t Ag 1.30m @ 7.03 g/t Au and 23.9 g/t Ag
Splay vein	1.70m @ 8.70 g/t Au and 13.31 g/t Ag

EXPLORATION

Project/Regional Exploration

The broader strategy for growth at the Way Linggo Project is focussed on testing near mine opportunities from underground, in conjunction with the evaluation of advanced projects in particular, Talang Samin.

At the Project scale, groundwork is ongoing to rank and prioritise existing targets prior to the commencement of surface drilling.

The Project scale exploration during the period concentrated on the Talang Cluster (Refer to Figure 3). With the completion of mapping over the bulk of this area, a soil geochemistry program was initiated as an orientation survey over the areas of known mineralisation at Talang Santo, Talang Samin and Talang

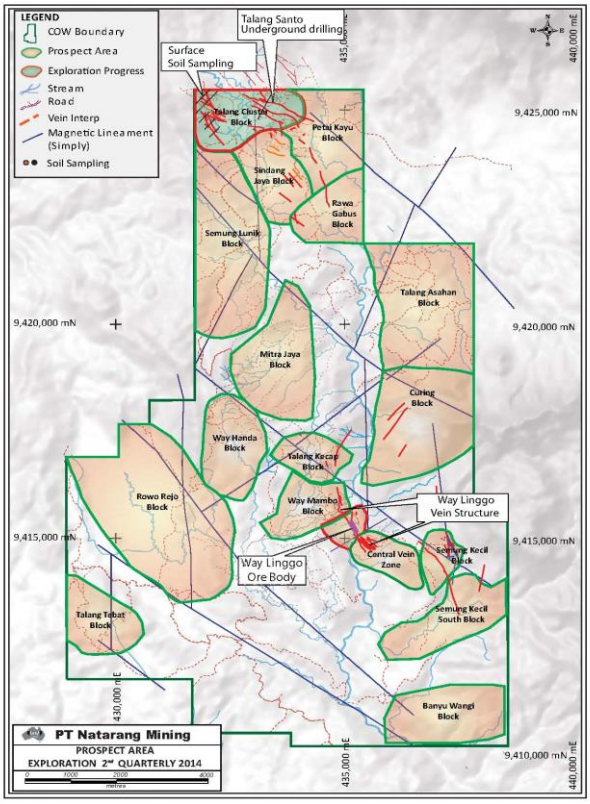

Figure 3: Quarterly exploration progress at the Way Linggo Project

Toha to evaluate a baseline to be applied over the other priority areas within the Project area to further refine targeting prior to drilling.

COMMUNITY DEVELOPMENT

The Group continued to actively engage and support the local communities surrounding the Project area as well as the wider Lampung province. Significant support to local kindergartens and schools was provided throughout the quarter with the donation of educational supplies and assistance with ongoing school building maintenance.

Resources continue to be directed towards various cultural and sporting events, as well as local infrastructure projects including ongoing maintenance of local roads and bridges with approximately 20km of road maintenance completed throughout the quarter.

Local employment at site continues to be actively encouraged with approximately 70% of employees coming from the nearby Lampung province.

Construction of mini museum at Bandar Neegri Semoung, Lampung

Donation of baby scale & food supplies to child care centre

CORPORATE

CORPORATE SNAPSHOT AS AT 31 DECEMBER 2014

KEY STATISTICS	
Shares on Issue	358,611,493
Unlisted Options	15,100,000
Share Price	$0.26
Market Capitalisation	$91.5M
Cash & Bullion	A$8.43M
Debt	A$11.1

DIRECTORS & MANAGEMENT	
John Morris	Chairman
Scott Huffadine	Managing Director
Bill Phillips	Non Exec Director
Andrew Spinks	Non Exec Director
Matthew Smith	CFO
Joanna Kiernan	Company Secretary

CASH AND BULLION ON HAND AS AT 31 DECEMBER 2014

Cash & Term Deposits	A$6.11M
Bullion*	A$2.32M
Total	**A$8.43M**

* Bullion includes unrefined (filter cake, dore) and refined gold (at A$1,443/oz) and silver (at A$18.97/oz).

SUMMARY OF MINING TENEMENTS AND AREAS OF INTEREST

PROJECT/TENEMENT HELD	LOCATION	TENEMENT NUMBER	EQUITIY'S INTEREST AT QUARTER END	CHANGE IN ENTITY'S INTEREST DURING QUARTER
4th generation Contract of Work (CoW)	Lampung Province, South Sumatra, Indonesia	N/A	85%	N/A

-ENDS-

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Competent Persons Statement

The information in this announcement that relates to exploration results, data quality, geological interpretations, potential for eventual extraction and estimates of exploration potential, is based on and fairly represents information complied by or under the supervision of Scott Huffadine, who is a member of the Australasian Institute of Mining and Metallurgy and a Director and full time employee of Kingsrose Mining Limited. Mr Huffadine 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 Huffadine consents to the inclusion in this report of the matter based on his information in the form and context in which it appears.

The information in this report that relates to Talang Samin exploration results was first reported by the Company in compliance with the 2004 edition of the JORC Code in an ASX release dated 29 April 2011. The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX release dated 29 April 2011 and further confirms that all material assumptions and technical parameters underpinning the exploration results contained in the ASX release dated 29 April 2011 continue to apply and have not materially changed.

TABLE 1 – RESOURCE DEFINITION DRILLING AT TALANG SANTO

Hole No	N	E	RL	Easting (UTM)	Northing (UTM)	RL	Dip (degrees)	Azimuth (degrees)	End of Hole Depth (m)	Downhole From (m)	Downhole To (m)	Downhole Intersection (m)	Au gpt (uncut)	Ag gpt (uncut)	Est. True Thickness (m)
UDH044	19162.65	14899.15	1306	433236.65	9425254.19	1212.66	-13.30	23.30	139.10	0.00	2.10	2.10	18.54	28.80	1.48
										8.40	9.30	0.90	12.90	6.40	0.62
										105.80	106.60	0.80	1.52	28.44	0.51
										111.80	113.90	2.10	1.17	3.31	1.27
UDH045	19279.85	14998.08	1330	433238.87	9425408.64	1214.24	-57.03	179.20	271.00	3.90	6.00	2.10	11.69	8.01	2.04
										126.90	127.50	0.60	1.43	1.52	0.53
										140.20	141.50	1.30	1.05	2.94	0.99
										249.90	250.00	0.10	3.17	17.86	0.10
										252.70	253.90	1.20	2.22	6.62	0.85
										256.30	256.40	0.10	5.70	69.67	0.08
										261.80	263.40	1.60	2.70	15.40	1.58
										268.25	269.90	1.65	1.33	7.10	1.06
UDH046	19279.84	14998.38	1330	433238.78	9425407.89	1214.60	-65.78	164.86	327.47	6.40	8.10	1.70	8.70	13.31	1.39
										157.70	158.70	1.00	6.59	20.84	0.73
										159.60	160.00	0.40	3.48	9.31	0.30
										160.20	161.50	1.30	7.03	23.88	0.97

JORC CODE, 2012 EDITION – TABLE 1
Section 1: Sampling Techniques and Data

Criteria	JORC Code Explanation	Commentary
Sampling techniques	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. • In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverised to produce a 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	• This Table 1 relates to sampling by diamond drilling, face sampling and rock chip sampling. Sample intervals are designed to honour geological boundaries. • Core is aligned and measured by tape, referenced to downhole core blocks. • Diamond drilling and face sampling are completed to industry standard using various sampling intervals (0.1m to 1.5m) domained by geological constraints (e.g. Rock types, veining and alteration/sulphidation). • Rock chip samples are collected by hand using a rock hammer with multiple pieces of rock collected at one location for each sample. • Rock chip sample locations are picked up by a handheld GPS. Sample rock types were recorded where the rock was identifiable. • Rock chip samples are collected directly from the rock. Samples taken were dry. • Rock chip samples are inherently variable and do not accurately represent the average grade of the surrounding rock. Rock chip samples are used as a non-quantitative guide for assessing prospectivity hence are regarded as suitable for this purpose. • Diamond drilling samples are crushed and pulverised to create a 30g charge for fire assay lead collection followed by flame atomic adsorption spectrometry. Analysis for silver is via gamma ray spectrometry. • Face samples are analysed for gold and silver via an aqua regia digestion of a 30g charge with an atomic absorption spectrometry (AAS) finish.
Drilling techniques	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	• Underground diamond drill core. Several core sizes are used: NQ (47.6mm nominal core diameter). HQ (63.5mm nominal core diameter). PQ (85.0mm nominal core diameter).
Drill sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	• Diamond drill recoveries are recorded as a percentage of measured core against downhole drilled intervals. Achieved ≈90% recoveries. • Standard drilling practice used to ensure maximum core recoveries. • A documented relationship between core recoveries and grade has not yet been established although core loss occurred in some of the high-grade intersections due to the friable nature of the vein material.
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant	• Core logging is conducted by PT. Natarang Mining ("PTNM") geologists, who delineate intervals on geological, structural, alteration and/or mineralogical boundaries, to industry standard. • Logging is qualitative and all core is photographed. Rock types, veining and alteration/sulphidation are all recorded. • 100% of drill core is logged.

	intersections logged.	
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Core is cut by diamond saw and half core used for sampling, the remaining half is archived. For gouge, soft and friable core a knife splitter is used to halve the core. • Face chips are nominally chipped horizontally across the face from left to right, sub set by geological features. • The nature, quality and appropriateness of the sample preparation technique is deemed adequate. • Duplicate samples are not routinely sampled. • External laboratories coarse duplicates are used. • Sample sizes are considered appropriate for the grain size of the material being sampled.
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. • Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	• Gold concentration in diamond drilling samples is determined by fire assay lead collection followed by flame atomic adsorption spectrometry, and is considered to be total gold. Analysis for silver is via gamma ray spectrometry, and is considered total silver. • Gold and silver concentrations in face samples is determined by aqua regia digestion with an AAS finish, and is considered to be total gold. • Geophysical tools etc are not applicable to this report. • One in 25 (1:25) drill core coarse duplicates are sent to an external laboratory, PT Intertek Utama Services, as part of quality control testing. • The QAQC protocols used include the following: • Commercial blanks are used at an incidence of 1 in 10 samples. • Drill core coarse duplicates are sent to an external laboratory, PT Intertek Utama Services, at an incidence of 1 in 25 samples.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Significant intersections were reviewed by senior exploration geology and mining geology managers from PTNM and by Kingsrose Mining Limited ("KRM") personnel. • Twinned holes have not been used to date as they are not considered necessary. • Data is manually checked by PTNM staff geologists prior to input into excel for transfer to an access database. • Hard copies of face sampling, core log sheets, surveys and assay results are stored on site. • No adjustment is made to any assay data.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Surface diamond holes are set-out and picked-up by the site survey team using a Leica TGRA+1203 total station. • Exploration drillholes are surveyed with Sure-Shot digital downhole camera at nominally fifty metre intervals. • Rock chip sample locations were recorded using a handheld GPS. Elevation values were in AHD RL and values recorded within the database. Expected accuracy is + or – 5m for easting, northing and 10m for elevation coordinates. • The Universal Transverse Mercator (UTM) system is used. No local grid system is used at Talang Santo Mine.

		• Topographic data is not relevant to the underground mine. For general use remote sensing data with the incorporation of local scale topographic surfaces, collected by the site survey team, is used.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• Exploration result data spacing can be highly variable, as little as 5m and up to 100m. • Data spacing and distribution is considered sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource estimation and classifications applied. • Sampling is based on geological intervals. Compositing is not applied until estimation stage.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• Intercept angles are generally of suitable orientation (40° to 90°) to the vein system to provide unbiased sampling results. Development openings on strike of the vein system confirm this. • The rock chip sampling method is used to provide a surface sample only. • Generally drilling orientation is not considered to introduce a sampling bias due to the relatively high (40° to 90°) intercept angles.
Sample security	• The measures taken to ensure sample security.	• Samples retrieved from drilling are stored securely in a locked facility patrolled by onsite security. Samples are then logged, cut and stored in numbered sample bags for transported by PTNM employees to the ISO17025 accredited onsite assay laboratory operated by PT. Geoservices Geo-assay Laboratory.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Independent review conducted in 2011 which resulted in work practices being modified and brought in line with industry standards. • Data handling and management is performed by PTNM geologists and is to industry standard. • Data is stored in an access database.

Section 2: Reporting of Exploration Results

Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area	• Tenure is occasioned via a fourth generation Contract of Work (CoW) held by PTNM. • PTNM is 85% owned by KRM with the remaining 15% interest held by an Indonesian national. • The mine, mill and camp area are all located within agricultural land that produces primarily coffee and cocoa. • Good relations with local community. • CoW is valid until 2034.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• All exploration at the Way Linggo Project has been completed by PTNM/KRM.
Geology	• Deposit type, geological setting and style of mineralisation.	• The Talang Santo deposit is an epithermal gold / silver deposit. Mineralisation is hosted within a vein system of brecciated parallel quartz veins with a dominantly clay supported matrix which also contains clay altered

		volcanic fragments.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• All material data is periodically released to the ASX.
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. • Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• All reported assay results have been length weighted to provide an intersection width. A maximum of 2m of barren material between mineralised samples has been permitted in the calculation of these widths. • No assay results have been top-cut for the purpose of this report. A lower cut off grade of 2gpt has been used to identify significant results, although lower results are included where a known ore zone has been intercepted, and the entire intercept is low grade. • No metal equivalents are reported.
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• Exploration results report estimated true width. • Due to the complex nature of the mineralisation geometry and varying intercept angles the true width is manually estimated on a hole by hole basis. • Exploration results are reported with both true width and down hole lengths.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• Refer to Figure 1, 2 & 3 in this ASX release.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• Underground Diamond drilling results and rock chip sample results are attached to this ASX release. • All material data is periodically released to the ASX, including representative reporting of exploration results.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or	• No other exploration data is considered meaningful and material to this announcement.

	contaminating substances.	
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Diamond drilling will continue as required for grade control and resource development. • Included in previous ASX announcements. *(Refer ASX Announcement dated 16/01/2014, 10/04/2014, 23/07/2014, 27/08/2014, 21/11/2014 and 27/11/2014 March 2014 Quarterly Activities Report, June 2014 Quarterly Activities Report, September 2014 Quarterly Activities Report.*

Rule 5.5

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Entity Kingsrose Mining Limited **ABN 49 112 389 910**		**Quarter ended:** **31 December 2014**	
Consolidated statement of cash flows		**Current quarter** **$A'000**	**Year to date (6 months)** **$A'000**
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	8,572	14,893
1.2	Payments for		
	(a) exploration and evaluation	(576)	(936)
	(b) development	(935)	(1,734)
	(c) production	(5,729)	(8,684)
	(d) administration	(1,049)	(2,075)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	18	44
1.5	Interest and other costs of finance paid	(311)	(784)
1.6	Income taxes paid	(224)	(1,002)
1.7	Other (VAT refund received)	230	230
	Net Operating Cash Flows	**(4)**	**(48)**
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(248)	(604)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	3
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
	Net investing cash flows	**(248)**	**(601)**
1.13	**Total operating and investing cash flows**	**(252)**	**(649)**
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (Repayment of hire purchases)	(204)	(358)
1.19a	Other (Loan to related party)	(2,404)	(2,404)
1.19b	Other (Contribution from non-controlling interests to the increase in share capital of subsidiary)	2,404	2,404
	Net financing cash flows	**(204)**	**(358)**
Net increase / (decrease) in cash and cash equivalents held		**(456)**	**(1,007)**
1.20	Cash and cash equivalents at beginning of quarter/year	6,208	6,661
1.21	Exchange rate adjustments to item 1.20	360	458
1.22	**Cash and cash equivalents at end of quarter**	**6,112**	**6,112**

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	203
1.24	Aggregate amount of loans to the parties included in item 1.10	0

1.25 Explanation necessary for an understanding of the transactions

Amount included in item 1.19a of the Consolidated Statement of Cash Flows relates to a commercial loan provided to the project minority shareholder to participate in an increase in the equity of the Indonesian operating entity as per the governing Shareholder Agreement.

Amount included in item 1.19b relates to the receipt of funds from the minority shareholder to the Indonesian operating entity for subscription of new shares.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

		Amount $A'000	Amount used $A'000
3.1	Loan facilities	11,096	11,096
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	220
4.2	Development	450
4.3	Production	6,030
4.4	Administration	1,160
	Total	**7,860**

Reconciliation of cash and cash equivalents

Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	4,812	3,708
5.2	Deposits at call	1,300	2,500
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: Cash and cash equivalents at end of quarter (item 1.22)	**6,112**	**6,208**

Changes in interests in mining tenements

		Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2	Interests in mining tenements acquired or increased	Nil			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total Number	Number quoted	Issue price per security ($)	Amount paid up per security ($)
7.1	**+Preference securities**	**-**	**-**	**-**	**-**
7.2	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	**+Ordinary securities**	**358,611,493**	**358,611,493**	**-**	**-**
7.4	Changes during quarter				
	(a) Increase through exercise of options	-	-	-	-
	(b) Increase through issues	-	-	-	
	(c) Release from escrow	-	-	-	-
	(d) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	**+Convertible debt securities**	**-**	**-**	**-**	**-**
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through redemption of securities	-	-	-	-
7.7	**Options**	**15,100,000**	-	-	-
				Exercise Price ($)	*Expiry Date*
		150,000	-	0.73	8 Mar 2015
		1,000,000	-	1.54	5 Jun 2015
		500,000	-	1.53	5 Jul 2015
		100,000	-	1.27	14 Feb 2015
		500,000	-	0.43	11 Aug 2015
		500,000	-	0.44	11 Aug 2016
		4,000,000	-	0.55	15 Sep 2015
		500,000	-	0.39	30 Jun 2016
		500,000	-	0.41	2 Jan 2017
		1,500,000	-	0.55	28 Jan 2016
		500,000	-	0.47	7 Apr 2016
		2,350,000	-	0.55	7 Apr 2016
		3,000,000	-	0.55	13 Jan 2017
7.8	Issued during quarter	3,000,000	-	0.55	13-Jan-17
7.9	Exercised during quarter	-	-	-	-
7.10	Expired/cancelled during the quarter	2,500,000	-	Various	Various
7.11	**Share Performance Rights**	**714,434**	**-**	**-**	**-**
7.12	Issued during quarter	714,434	-	-	30 Jun 2017
7.13	Exercised during quarter	-	-	-	-
7.14	Expired/cancelled during quarter	-	-	-	-
7.15	**Debentures** *(totals only)*	**-**	**-**	**-**	**-**
7.16	**Unsecured notes** *(totals only)*	**-**	**-**	**-**	**-**

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.

Sign here: ..... Date: 28 January 2015
Managing Director

Print name: SCOTT HUFFADINE

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