



KINGSROSE
MINING LIMITED

30 January 2015
ASX Announcement

Restructure of Loan Facilities

Kingsrose Mining Limited (ASX: KRM) advises that it has agreed with its lenders, Beaurama Pty Ltd (“Beaurama”) and Advance Concept Holdings Limited (“ACH”) to restructure the repayment profile of its Loan Facilities.

Under the previous terms, the Beaurama Loan Facility and the ACH Loan Facility were required to be repaid over ten (10) instalments, commencing in January 2015 with final repayment due in October 2015. Under the revised terms, the debt will be repaid over twenty (20) instalments commencing in July 2015 with final repayment due in February 2017. Interest is payable monthly in arrears and the applicable interest rates remain unchanged. No restructuring fees were charged by the lenders.

In addition, the US\$5m ACH Loan Facility has been assigned equally to Great Golden Investment Limited and Michael John Andrews (both related parties of the Company), have each agreed to accept the assignment of the ACH Loan Facility. Great Golden Investment Limited and Michael John Andrew and have been granted joint security with Beaurama over all of the issued shares in Kingsrose’s Australian subsidiaries that hold its 85% shareholding in PT Natarang Mining, owner and operator of the Way Linggo Project.

Managing Director Scott Huffadine said “the continued support of the Lenders and their understanding in the long term fundamentals and strategy for the Way Linggo Project is greatly appreciated. The extension of the repayment profile will allow the Company to remain focussed on consolidating production at the Talang Santo Mine and undertake the necessary capital development including the installation of the vertical shaft to the 5 Level which will provide access to the high grade zones indicated by drilling.”

To allow the restructure and assignment of the Loan Facilities to occur without first seeking shareholder approval, the Company was required to seek a waiver from ASX listing rule 10.1. ASX has since granted the waiver on the terms and conditions outlined below:

- 2.1. *Grant security over its assets in favour of Beaurama Pty Ltd (“Beaurama”) (the “Beaurama Security”) pursuant to the extension of a loan facility agreement under which Beaurama may provide the Company up to A\$5 million to assist with its working capital requirements (the “Beaurama Facility”), without obtaining shareholder approval on the following conditions:*
 - 2.1.1. *The Beaurama Facility includes a term that if an event of default occurs and Beaurama exercises its rights under the Beaurama Security, neither Beaurama nor any of its associates can acquire any legal or beneficial interest in an asset of the Company in full or part satisfaction of the Company's obligations under the Beaurama Facility, or otherwise deal with the assets of the Company, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver and manager*



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- (or any other person acting on behalf of Beaurama) appointed by Beaurama exercising its power of sale under the Beaurama Security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to Beaurama in accordance with its legal entitlements.*
- 2.1.2. *A summary of the material terms of the Beaurama Facility is made in each annual report of the Company during the term of the Beaurama Facility.*
- 2.1.3. *Any variations to the terms of the Beaurama Facility or the Beaurama Security which is:*
- 2.1.3.1. *Not a minor change; or*
- 2.1.3.2. *Inconsistent with the terms of the waiver, must be subject to shareholder approval.*
- 2.1.4. *The Company must seek to discharge the Beaurama Security when the funds advanced under the Beaurama Facility are repaid, or if it is not discharged, seek shareholder approval for the continuation of the Beaurama Security for any further loan facility amount.*
- 2.1.5. *The Company immediately releases to the market an announcement which sets out the terms of the waiver, and the Company's plans with respect to the repayment of the funds advanced under the Beaurama Facility and the discharge of the Beaurama Security, including the timeframe within which it expects the repayment and discharge to occur.*
- 2.2. *Grant security over its assets in favour of Great Golden Investment Limited ("Great Golden") and Michael John Andrews ("Andrews") ("jointly and severally referred to as the "GG/A Security") pursuant to the extension to an existing loan facility agreement under which Advance Concept Holdings Limited ("Advance") may provide the Company up to US\$5 million to assist with its working capital requirements (the "Advance Facility") and Advance may assign its rights and obligations under the Advance Facility in equal proportions to both Great Golden and Andrews, without obtaining shareholder approval on the following conditions:*
- 2.2.1. *The Advance Facility includes a term that if an event of default occurs and either or both of Great Golden and Andrews exercises its rights under the GG/A Security, neither Great Golden, Andrews or any associates of either party can acquire any legal or beneficial interest in an asset of the Company in full or part satisfaction of the Company's obligations under the Advance Facility, or otherwise deal with the assets of the Company, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver and manager (or any other person acting on behalf of Great Golden or Andrews) appointed by Great Golden or Andrews exercising its power of sale under the GG/A Security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to Great Golden or Andrews in accordance with their legal entitlements.*



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- 2.2.2. *A summary of the material terms of the Advance Facility is made in each annual report of the Company during the term of the Advance Facility.*
- 2.2.3. *Any variations to the terms of the Advance Facility or the GG/A Security, save for changes associated with the division and assignment of the Advance Facility, which is:*
- 2.2.3.1. *Not a minor change; or*
- 2.2.3.2. *Inconsistent with the terms of the waiver must be subject to shareholder approval.*
- 2.2.4. *The Company must seek to discharge the GG/A Security when the funds advanced under the Advance Facility are repaid, or if it is not discharged, seek shareholder approval for the continuation of the GG/A Security for any further loan facility amount.*

The Company intends to discharge the security provided to Beaurama, Great Golden & Andrews in due course upon the repayment of the Loan Facilities. The Company intends to repay the Loan Facilities on or before their respective repayment dates.

-ENDS-

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Kingsrose Mining Limited (ASX:KRM) owns 85% of the Way Linggo Gold Project in Southern Sumatra, Indonesia. The Project is held under a 100km² 4th Generation Contract of Work (CoW) and is located on the mineral rich Trans-Sumatran Fault, part of the Pacific Rim of Fire. The Project has established infrastructure with a 140Ktpa processing plant and has produced 65,000oz of gold at an average grade of 13.1g/tAu.

The Company is currently transitioning to full production at its second mine on the Project area – Talang Santo, which, based on current development is pointing to being a significantly larger mineralised system than that seen at the original Way Linggo Mine. In addition, significant exploration upside exists on the wider Project area, in particular at the Talang Samin prospect which presents the potential for continued organic growth.