KINGSROSE MINING LIMITED | QUARTERLY REPORT

For the period ended 31 March 2015

KEY ACTIVITIES

Operations

- 50% increase in reconciled mined grade of 12.44 g/t Au
- 17% increase in gold production on the December quarter
- 6,409 ounces of gold and 11,509 ounces of silver produced
- 5 Level shaft preliminary works completed and advanced 15 metres
- High grade target drill intersection at Talang Samin confirmed by underground development
- Definition drilling from 4 Level completed with the following significant intercepts:

  UDH047 (Splay vein) **1.3 m @ 44.80 g/t Au and 92 g/t Ag**

  UDH048 (Mawi vein) **3.7 m @ 11.97 g/t Au and 43 g/t Ag**
- Capital improvement projects including commencement of change out of truck fleet, replacement generators for mill powerhouse, underground mining equipment and capital mine development on the 5 Level shaft and 4 Level infrastructure

Corporate

- Cash and Bullion on hand of A$8.79M at 31 March 2015
- Loan Facilities restructured; to be repaid over 20 instalments to February 2017

Subsequent Events

- A$3.60M received from 2013 Corporate Income Tax Return
- Current Cash and Bullion on hand of A$11.94M

OPERATIONS OVERVIEW

	UNITS	SEPTEMBER 2014 QUARTER	DECEMBER 2014 QUARTER	MARCH 2015 QUARTER	YEAR TO DATE
MINE PRODUCTION					
ORE HOISTED	t	16,123	20,242	16,475	52,840
MINE GRADE (GOLD)	g/t	8.86	8.31	12.44	9.77
MINE GRADE (SILVER)	g/t	33.6	25.3	24.9	27.7
ORE PROCESSED					
TONNES MILLED	t	23,278	23,747	17,002	64,027
HEAD GRADE (GOLD)	g/t	9.11	7.38	12.11	9.27
HEAD GRADE (SILVER)	g/t	30.8	24.4	24.3	26.7
RECOVERY (GOLD)	%	96.66	96.97	96.70	96.73
RECOVERY (SILVER)	%	91.71	90.37	86.95	89.84
GOLD PRODUCED	oz	6,590	5,465	6,409	18,464
SILVER PRODUCED	oz	21,137	16,870	11,509	49,516
COSTS OF PRODUCTION					
CASH OPERATING COSTS (C1)	US$/oz	660	780	658	695
ALL-IN-SUSTAINING COSTS OF PRODUCTION (AISC)	US$/oz	997	1,208	1,006	1,064

SAFETY

There were 4 Lost Time Injuries ("LTI") for the quarter with a continued focus on manual handling practices. The 12 month moving average Lost Time Injury Frequency Rate ("LTIFR") stands at 3.16.

TALANG SANTO

Mining activity during the period was focussed on continued stoping in the main orezones of the Mawi and Hanging Wall veins on the 2 and 3 Levels, along with sublevel development below the current 3 Level. 940 metres of lateral development and 420 metres of vertical development was completed during the period (refer Figure 1). This included 15 metres of vertical development on the 5 Level external shaft, which is scheduled to reach the 5 Level by the end of December 2015.

In line with the improvement in mined grade in December 2014, grades continued to increase over the March quarter with 16,474 tonnes mined at 12.44 g/t Au and 28 g/t Ag. This represents a significant increase in mined grade of 50% quarter on quarter.

Production for the March quarter was affected by low production tonnages in February which related to an increased requirement for ground support on the 2 and 3 Levels and timing of the set up for a new mining sub level below the 3 Level. The focus remains clearly on increasing the productivity from the mine whilst maintaining head grade at the upper levels of the guidance range. The mine plan is aligned to establishing mining fronts to the lower levels of the mine over the next 12 months and progressively reducing the reliance on production tonnes from the challenging conditions on the 2 and 3 Levels. Despite the performance in February impacting an improved quarter, production for the month of March was encouraging with 5,815 tonnes mined at a reconciled grade of 15 g/t Au and 28 g/t Ag.

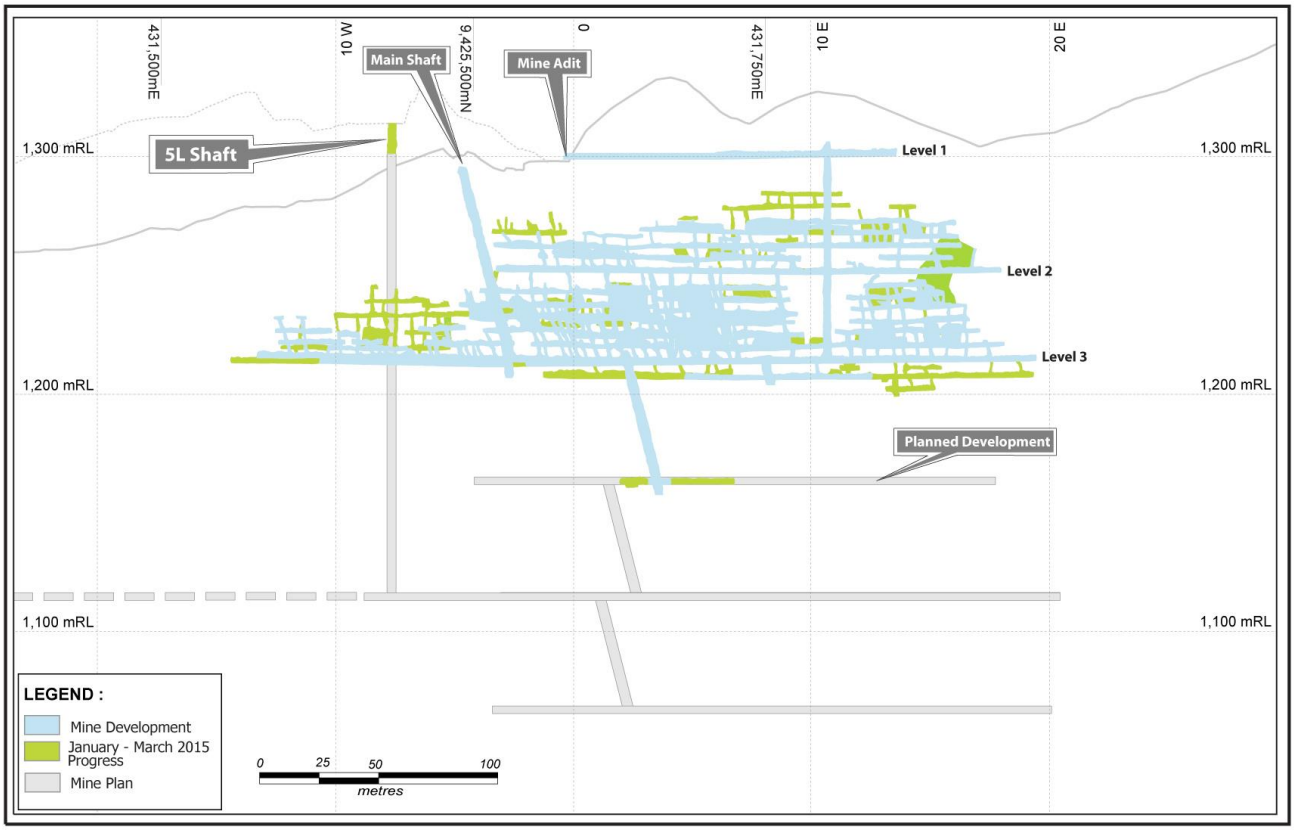

Figure 1 – Quarterly mine development progress

Capital Mine Development

The development of the shaft to the 5 Level continued during the March quarter which included the finalisation of setup for the commencement of shaft sinking and 15 metres of fully equipped advance being achieved. Once completed, this shaft will provide direct access to the high grade zones identified on the 5 Level and allow for the evaluation of additional resources in the Central and North-West Mawi veins (refer Figure 2).

Planning was completed for the location of a 90kW surface vent fan required to provide airflow to the planned deeper levels of the mine. This will involve a small amount of surface earthworks and is expected to intersect the upper levels of the vein system. Any economic material recovered as part of this will be stockpiled for processing.

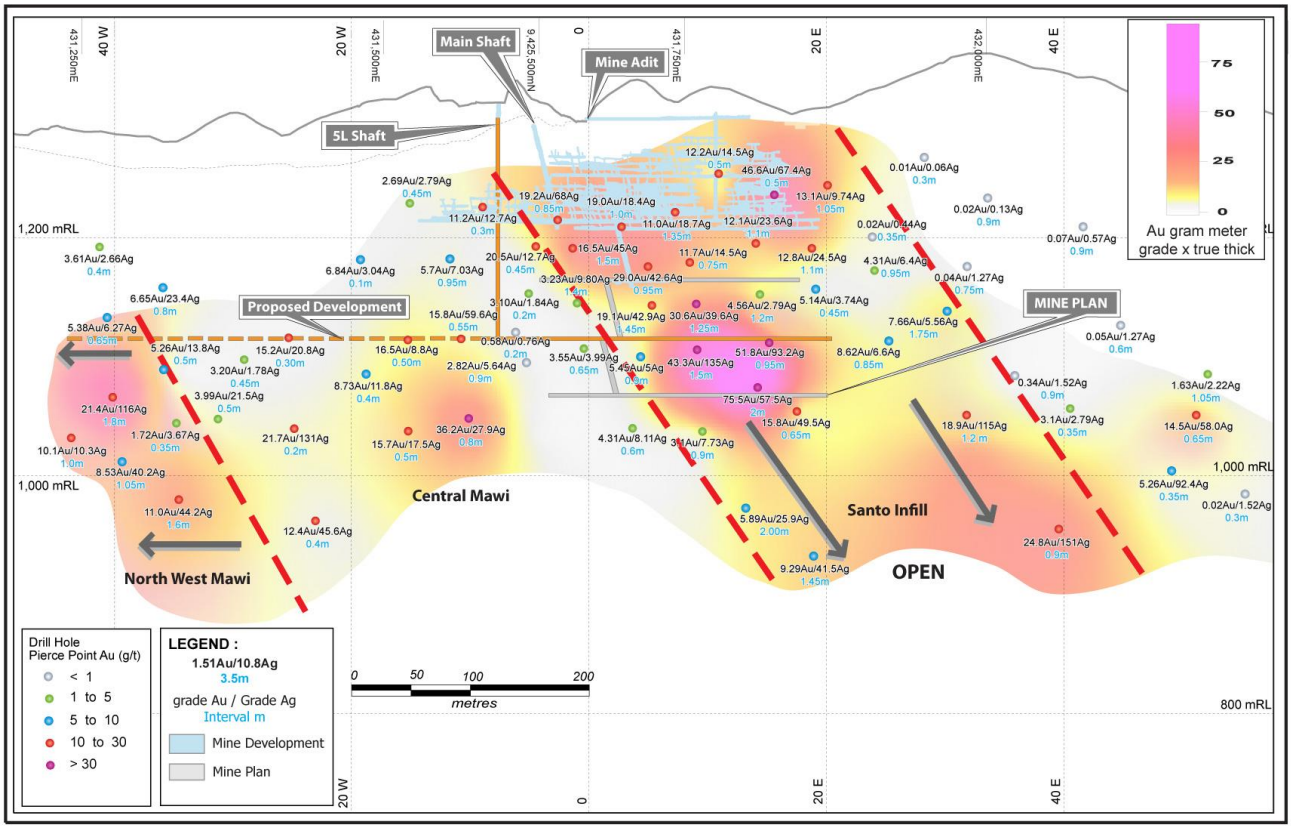

Figure 2: Location of second vertical shaft at the Talang Santo Mine

PROCESSING

The processing statistics for the operating period are tabulated below:

ORE PROCESSED	UNITS	SEPTEMBER 2014 QUARTER	DECEMBER 2014 QUARTER	MARCH 2014 QUARTER	YEAR TO DATE
TONNES MILLED	t	23,278	23,747	17,002	64,027
HEAD GRADE (GOLD)	g/t	9.11	7.38	12.11	9.27
HEAD GRADE (SILVER)	g/t	30.8	24.4	24.3	26.7
RECOVERY (GOLD)	%	96.66	96.97	96.70	96.73
RECOVERY (SILVER)	%	91.71	90.37	86.95	89.84
GOLD PRODUCED	oz	6,590	5,465	6,409	18,464
SILVER PRODUCED	oz	21,137	16,870	11,509	49,516

Mill feed for the period was sourced predominantly from Talang Santo Mine production.

The plant ran without issue and the head grade for the March quarter of 12.12 g/t Au represented an increase of 64% from the December quarter. Recoveries of both gold and silver have remained consistently high at 97% and 87% respectively.

GOLD SALES AND COSTS OF PRODUCTION

During the quarter the Company sold 5,647 ounces of gold at an average gold price of A$1,522 and realised A$8.56M in revenue.

The cash costs of production for the quarter were US$658/oz representing a 16% improvement on the December quarter. All-in sustaining costs of production for the period were US$1,006/oz representing a 17% improvement on the December quarter.

All-in-sustaining costs for the period included a number of one-off capital items that are expected to provide future improvements to ongoing production costs. All-in-sustaining costs are expected to reduce to targeted levels as mine production increases.

TALANG SAMIN EXPLORATION SHAFT

During the period, development on the 1 Level of the Talang Samin exploration shaft reached the targeted intersection of DDH-180 of 4.75 m @ 4.30 g/t Au and 5.45 g/t Ag from 73.75 m **(including 0.5 m @ 30.2 g/t Au and 30.4 g/t Ag)**. The intersection was contained within a short ~15 metre strike quartz lode. This is consistent with the information gathered from the lateral development over the 171 metres of strike and supports the interpretation that the current development is located at a higher level of, or peripheral to, a potentially larger system.

The overall review of development from the shaft is that there are 4 discrete, narrow zones of mineralisation representing an aggregate of approximately 85 metres of strike (refer Figure 3). During the period the decision was made to suspend mining and conduct further drilling from the surface subject to the outcomes of geochemical sampling which has been completed over the Talang Toha area immediately to the North of current development.

Whilst a small volume of ore could be recovered from the current drive, the decision was made in order to maintain the integrity for future access to ore identified by additional evaluation work. The mining crews were transferred to the Talang Santo Mine to assist in the 5 Level shaft sink and to increase development rates.

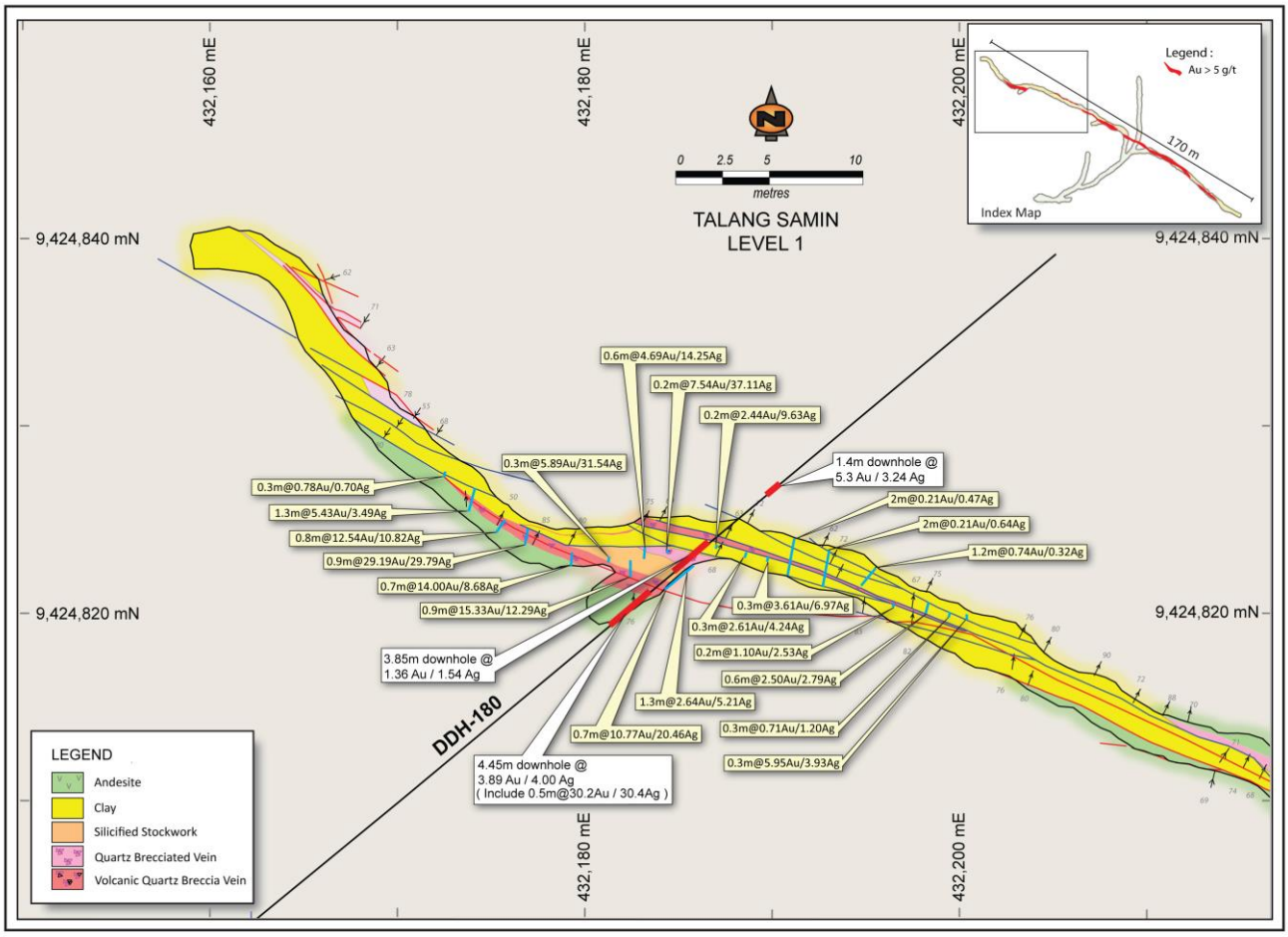

Figure 3: Talang Samin Exploration Shaft Level 1 plan view of geology and assays associated with DDH-180

RESOURCE DEFINITION DRILLING

During the March quarter, 295 metres of underground diamond drilling was completed at Talang Santo. A final diamond hole into the Silver vein (UDH046) was abandoned in a strongly altered fault structure at 302 metres downhole prior to hitting target. Definition drilling to assess the position of the veins was also undertaken from the 4 Level whilst capital development was completed. This drilling was also undertaken to assess water flows anticipated on the level. High grades were intersected in the Splay and Mawi veins with both returning higher grades than indicated by the previous wider spaced resource drilling.

Significant intercepts as follows:

UDH 047	
Splay vein	1.30 m @ 44.80 g/t Au and 92.4 g/t Ag
Hanging Wall vein	0.80 m @ 9.74 g/t Au and 6.6 g/t Ag
UDH 048	
Mawi vein	3.70 m @ 11.97 g/t Au and 43 g/t Ag

EXPLORATION

Project/Regional Exploration

The Project scale exploration during the period concentrated on the Talang Cluster with work commencing on the Mitra Jaya prospect (refer Figure 4). The soil geochemistry program and an orientation survey was completed over the areas of known mineralisation at Talang Santo, Talang Samin and Talang Toha to evaluate a baseline to be applied over the other priority areas within the Project Area. These samples were prepared for submission for multi element analysis. The results from the Talang Samin and Talang Toha soils will be used in conjunction with the information gathered from the underground exploration to target further drilling to evaluate this highly prospective area of the Talang Cluster.

A second area of focus for completion of the soil geochemistry is the Mitra Jaya prospect which lies immediately along strike from the Way Linggo Mine. Mitra Jaya has coincident host lithologies, alteration, geophysical anomalies and has previously returned a number of surface quartz float samples[1] over 5 g/t Au with gold assays including as high as 43 g/t Au, 33 g/t Au and 16.7 g/t Au.

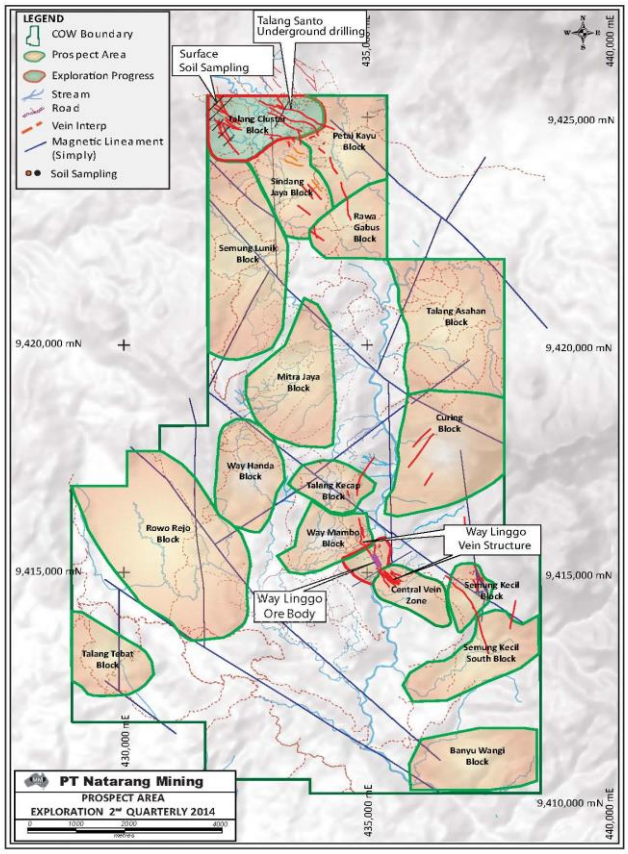

Figure 4: Quarterly exploration progress at the Way Linggo Project

Soil Geochemistry will be completed and submitted for analysis in the June quarter.

COMMUNITY DEVELOPMENT

The group continued to actively engage and support the local communities around the project in conjunction with its Corporate Social Responsibility plan. During the period ongoing support was provided for community events, infrastructure maintenance and assistance with the establishment of mother and child centre and running medical clinics in the local community.

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

Meeting at the Mother and child care centre

[1] Float samples are by definition not in-situ, however may be considered as indicative of the source geology.

CORPORATE SNAPSHOT AS AT 31 MARCH 2015

KEY STATISTICS	
Shares on Issue	358,611,493
Unlisted Options	14,850,000
Share Price	$0.215
Market Capitalisation	$77.10M
Cash & Bullion	A$8.79M
Debt	A$11.5M

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

CASH AND BULLION ON HAND AS AT 31 MARCH 2015

Cash & Term Deposits	A$5.31M
Bullion*	A$3.48M
Total	**A$8.79M**

* Bullion includes unrefined (filter cake, dore) and refined gold (at A$1,555/oz) and silver (at A$22/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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Kingsrose Mining Limited (ASX:KRM) owns 85% of the Way Linggo Gold Project in Southern Sumatra, Indonesia. The Project is held under a 100km^2 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 Merrill Crowe gold circuit and has a track record of high grade, low cost gold production from the original Way Linggo Mine.

The Company's second mine on the Project area – Talang Santo is now fully permitted and transitioning to full production. Based on current development Talang Santo 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.

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.

Caution Regarding Forward Looking Statements and Forward Looking Information

The information contained in this Quarterly Report contains forward looking statements and forward looking information, which are based on assumptions and judgements of management regarding future events and results. Such forward looking statements and forward looking information involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward looking statements. Such factors include, among others, the actual market prices of gold, the actual results of current exploration, the availability of debt and equity financing, the volatility in global financial markets, the actual results of future mining, processing and development activities, receipt of regulatory approvals as and when required and changes in project parameters as plans continue to be evaluated.

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

TABLE 1 – RESOURCE DEFINITION DRILLING AT TALANG SANTO

Hole No	Easting	Northing	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)
UDH047	433348.06	9425251.68	1163.53	0.00	35.00	47.10	4.40	4.70	0.30	7.73	5.89	0.28
							6.00	6.80	0.80	9.74	6.55	0.65
							15.90	17.20	1.30	44.80	92.35	1.30
UDH048	433301.69	9425261.37	1163.71	0.00	295.00	80.50	32.30	32.60	0.30	1.40	4.43	0.15
							32.60	33.40	0.80	2.43	7.93	0.40
							33.40	37.10	3.70	11.97	42.87	1.85
							40.50	41.20	0.70	2.10	5.19	0.31

TABLE 2 – UNCUT FACE SAMPLING RESULTS | 1 LEVEL AT TALANG SAMIN EXPLORATION SHAFT

Face Sample Id	Easting	Northing	Elevation	Depth From	Depth To	Interval	Au	Ag	Thickness	Average Au	Average Ag
L1_SMN_3E_DW_W15_MS116012	432200.5	9424818.2	1207.4	0	0.6	0.6	0.35	0.57	1.8	1.26	1.43
				0.6	0.9	0.3	0.26	1.84			
				0.9	1.5	0.6	0.32	0.82			
				1.5	**1.8**	**0.3**	**5.95**	**3.93**			
L1_SMN_5E_DW_W16_MS116016	432199.1	9424818.6	1207.41	0	0.4	0.4	0.55	1.14	1.5	0.34	0.63
				0.4	1	0.6	0.03	0.06			
				1	1.2	0.2	0.28	0.44			
				1.2	**1.5**	**0.3**	**0.71**	**1.2**			
L1_SMN_5E_DW_W17_MS116023	432198	9424819	1207.42	0	0.2	0.2	0.42	1.58	1.6	1.02	1.34
				0.2	1	0.8	0.06	0.19			
				1	**1.6**	**0.6**	**2.5**	**2.79**			
L1_SMN_5E_DW_W18_MS116030	432196.2	9424819.8	1207.44	0	0.6	0.6	0.05	0.13	1.8	0.42	0.60
				0.6	**0.8**	**0.2**	**1.1**	**2.53**			
				0.8	1.4	0.6	0.33	0.32			
				1.4	1.8	0.4	0.77	0.76			
L1_SMN_5E_DW_W19_MS116037	432194.5	9424821.1	1207.41	0	0.3	0.3	0.03	0.06	1.7	0.54	0.35
				0.3	0.5	0.2	0.25	0.95			
				0.5	**1.5**	**1**	**0.74**	**0.32**			
				1.5	1.7	0.2	0.58	0.32			
L1_SMN_5E_DW_W20_MS116044	432192.8	9424821.4	1207.43	0	0.2	0.2	0.44	5.26	2	0.21	0.64
				0.2	0.8	0.6	0.5	0.38			
				0.8	2	1.2	0.03	0			
L1_SMN_5E_DW_W21_MS116050	432190.9	9424822	1207.45	0	0.3	0.3	0.02	0.06	2	0.21	0.47
				0.3	0.5	0.2	0.12	2.09			
				0.5	1	0.5	0.05	0.25			
				1	2	1	0.37	0.38			
L1_SMN_4E_DW_W01_MS116707	432189.6	9424822.2	1207.47	0	0.6	0.6	0.08	0.44	1.4	0.98	2.04
				0.6	**0.9**	**0.3**	**3.61**	**6.97**			
				0.9	1.4	0.5	0.48	1.01			

	Easting	Northing	Elevation	Depth From	Depth To	Interval	Au	Ag	Thickness	Average Au	Average Ag
L1_SMN_4E_DW_W02_MS116710	432188.5	9424822.7	1207.48	0	0.3	0.3	0.23	4.88	1.4	0.70	2.28
				0.3	**0.6**	**0.3**	**2.61**	**4.24**			
				0.6	1.4	0.8	0.16	0.57			
L1_SMN_4E_DW_W03_MS116713	432186.9	9424822.9	1207.5	0	0.6	0.6	0.33	2.98	1.8	0.48	2.85
				0.6	**0.8**	**0.2**	**2.44**	**9.63**			
				0.8	1.6	0.8	0.08	1.27			
				1.6	1.8	0.2	0.56	1.96			
L1_SMN_4E_DW_W04_MS116717	432184.5	9424823.2	1207.5	**0**	**0.2**	**0.2**	**7.54**	**37.11**	2.1	0.89	5.26
				0.2	1	0.8	0.34	1.39			
				1	1.3	0.3	0.2	7.35			
				1.3	2.1	0.8	0.04	0.38			
L1_SMN_4E_DW_W05_MS116721	432183.2	9424822.9	1207.5	**0**	**0.6**	**0.6**	**4.69**	**14.25**	2	1.67	5.45
				0.6	1.2	0.6	0.06	0.76			
				1.2	1.6	0.4	0.88	3.8			
				1.6	2	0.4	0.32	0.95			
L1_SMN_4E_DW_W06_MS116725	432181.3	9424822.7	1207.5	**0**	**0.3**	**0.3**	**5.89**	**31.54**	2.5	0.91	4.73
				0.3	0.8	0.5	0.26	0.25			
				0.8	1	0.2	0.84	2.47			
				1	1.2	0.2	0	0.25			
				1.2	1.6	0.4	0	0.32			
				1.6	2.1	0.5	0.12	0.51			
				2.1	2.5	0.4	0.4	3.29			
L1_SMN_4E_DW_W07_MS116742	432179.3	9424822.5	1207.51	**0**	**0.7**	**0.7**	**14**	**8.68**	1.5	6.71	4.28
				0.7	1	0.3	0.49	0.63			
				1	1.5	0.5	0.24	0.32			
L1_SMN_4E_DW_W08_MS116745	432176.7	9424822.8	1207.61	0	0.9	0.9	0.01	0.51	1.8	14.60	15.15
				0.9	**1.4**	**0.5**	**49.15**	**49.27**			
				1.4	**1.8**	**0.4**	**4.24**	**5.45**			
L1_SMN_4E_DW_W09_MS116748	432175	9424823.9	1207.62	0	0.5	0.5	0	0	1.5	6.71	5.85
				0.5	**1**	**0.5**	**6.27**	**6.4**			
				1	**1.3**	**0.3**	**22.99**	**18.18**			
				1.3	1.5	0.2	0.16	0.63			

Face Sample Id	Easting	Northing	Elevation	Depth From	Depth To	Interval	Au	Ag	Thickness	Average Au	Average Ag
L1_SMN_4E_DW_W10_MS116852	432173.8	9424825	1207.63	0	0.4	0.4	0	0	1.7	4.16	2.67
				0.4	**0.9**	**0.5**	**4.81**	**4.31**			
				0.9	**1.2**	**0.3**	**8.04**	**4.05**			
				1.2	**1.7**	**0.5**	**4.5**	**2.34**			
L1_SMN_4E_DW_W11_MS116856	432172.4	9424826.3	1207.65	0	0.3	0.3	0.02	0.06	1.6	0.22	0.29
				0.3	0.6	0.3	0.02	0.13			
				0.6	1	0.4	0.06	0.19			
				1	**1.3**	**0.3**	**0.78**	**0.7**			
				1.3	1.6	0.3	0.28	0.38			
L1_SMN_XCUT_1W_E01_MS116734	432185.8	9424822.6	1207.5	0	0.5	0.5	3.42	10.32	2.4	4.58	8.84
				0.5	1.3	0.8	2.16	2.03			
				1.3	**2**	**0.7**	**10.77**	**20.46**			
				2	2.4	0.4	0.01	0.25			
L1_SMN_XCUT_1W_W01_MS116732	432182.5	9424821.9	1207.63	**0**	**0.9**	**0.9**	**15.33**	**12.29**	1.1	12.67	10.33
				0.9	1.1	0.2	0.72	1.52			

TABLE 3 – ROCK FLOAT SAMPLING | MITRA JAYA

Location	Sample ID	Easting	Northing	Elevation	Thickness (m)	Au g/t	Ag g/t
Mitra Jaya	RF66451	432499	9418159	803	-	43	220
Mitra Jaya	RF63733	432806	9418623	783	-	33.5	199.5
Mitra Jaya	RF63952	433083	9419642	697	-	16.7	65.23
Mitra Jaya	RF52495	432968	9418430	748	-	15.9	33
Mitra Jaya	RF44071	433691	9418282	791	-	13.7	100
Mitra Jaya	RF52498	432724	9418698	789	-	13.2	59
Mitra Jaya	RF52487	433277	9418802	712	-	9.25	54
Mitra Jaya	RF63955	432961	9419654	714	-	5.84	7.09
Mitra Jaya	RF63739	432997	9418862	748	-	5.34	24.76
Mitra Jaya	RF63865	433136	9419279	718	-	5.06	11.463
Mitra Jaya	RF52335	433019	9418844	731	-	5.04	45

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, float 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 and float chip samples are inherently variable and do not accurately represent the average grade of the surrounding rock. Rock chip and float 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. • Float rock samples are taken from the surface and not from in-situ outcrop. • Float rock sample locations are picked up by hand-held GPS and sample description take to be reviewed in conjunction with other geological data. This includes vein type and host/country rock.
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	• Core logging is conducted by PT. Natarang Mining ("PTNM") geologists, who delineate intervals on geological, structural, alteration and/or mineralogical

	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 intersections logged.	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.
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.	• 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

	• Quality and adequacy of topographic control.	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	• Acknowledgment and appraisal of exploration by other parties.	• All exploration at the Way Linggo Project has been

other parties		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 & 4 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	• Other exploration data, if meaningful and material, should be reported including (but not	• No other exploration data is considered meaningful and

exploration data	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 contaminating substances.	material to this announcement.
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, December 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 March 2015**	
Consolidated statement of cash flows		**Current quarter** **$A'000**	**Year to date (9 months)** **$A'000**
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	8,807	23,698
1.2	Payments for		
	(a) exploration and evaluation	(467)	(1,409)
	(b) development	(863)	(2,591)
	(c) production	(6,480)	(15,192)
	(d) administration	(1,006)	(3,083)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	16	60
1.5	Interest and other costs of finance paid	(323)	(1,107)
1.6	Income taxes paid	(167)	(1,169)
1.7	Other (VAT refund received)	98	328
	Net Operating Cash Flows	**(385)**	**(465)**
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(455)	(1,059)
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	**(455)**	**(1,056)**
1.13	**Total operating and investing cash flows**	**(840)**	**(1,521)**
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)	(235)	(590)
1.19a	Other (Loan to related party)	-	(2,404)
1.19b	Other (Contribution from non-controlling interests to the increase in share capital of subsidiary)	-	2,404
	Net financing cash flows	**(235)**	**(590)**
Net increase / (decrease) in cash and cash equivalents held		**(1,075)**	**(2,111)**
1.20	Cash and cash equivalents at beginning of quarter/year	6,080	6,661
1.21	Exchange rate adjustments to item 1.20	301	756
1.22	**Cash and cash equivalents at end of quarter**	**5,306**	**5,306**

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

Nil

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	11,550	11,550
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	300
4.2	Development	850
4.3	Production	6,830
4.4	Administration	1,100
	Total	**9,080**

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	5,306	4,780
5.2	Deposits at call	-	1,300
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: Cash and cash equivalents at end of quarter (item 1.22)	**5,306**	**6,080**

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**	**14,850,000**	-	-	-
				Exercise Price ($)	*Expiry Date*
		1,000,000	-	1.54	5 Jun 2015
		500,000	-	1.53	5 Jul 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	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired/cancelled during the quarter	250,000	-	Various	Various
7.11	**Share Performance Rights**	**714,434**	**-**	**-**	**30 Jun 2017**
7.12	Issued during quarter	-	-	-	-
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: 20 APRIL 2015
Managing Director

Print name: SCOTT HUFFADINE

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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