



KINGSROSE
MINING LIMITED

High Grade, Low Cost Turnaround Opportunity

July 2016 | ASX: KRM

The Way Linggo Project – A Great Geological Setting

Located on the prolifically mineralized Trans-Sumatran Fault, a major focus of Tertiary Age Gold-Silver Deposits



"Kingsrose Mining holds a Contract of Work (CoW) comprising 10,500 ha which is located at the southern end of the highly prospective southern part of the Sumatran Fault Zone (SFZ)."

The SFZ is a fundamental control for precious metal mineralization and numerous previous and existing gold mines, the largest of which is Martabe with a gold endowment in excess of 8M oz.

The potential for significantly increasing the gold-silver resources at Talang Santo is excellent as there are multi-phase veins and splays which have only been partially drilled, and untested zones open at depth and to the west. Furthermore there are exciting exploration targets emerging throughout the southern part of the COW where little previous work has been carried out. The discovery potential for entirely preserved epithermal vein systems is rated as very high."

DOUG KIRWIN
KINGSROSE NON-EXECUTIVE DIRECTOR
FORMER EXECUTIVE VICE PRESIDENT – IVANHOE MINES

Kingsrose Mining – An Investment Opportunity

Substantial High Grade Resource	Opportunity to expand known 1.4Mt @ 8g/t Au & 22g/t Ag for 360,000oz Au and 1.012Moz Ag Resource and increase mine life via exploration from existing development at Talang Santo
Strategic Review Underway	Mining & hydrological reviews underway as part of strategy to significantly increase production
Targeting Low Costs	Cost forecast to substantially decrease as production increases
Established Infrastructure	140Ktpa processing plant with Merrill Crowe circuit and all weather haul road forms backbone to the Project area providing access to all priority targets
Substantial Exploration Upside	10,500ha Project area presents significant pipeline of exciting priority targets
Fully Permitted & Socially Responsible	Permitted for all proposed mine operations at Talang Santo and broader Project exploration and drilling activities.Strongly committed to local community engagement and employment

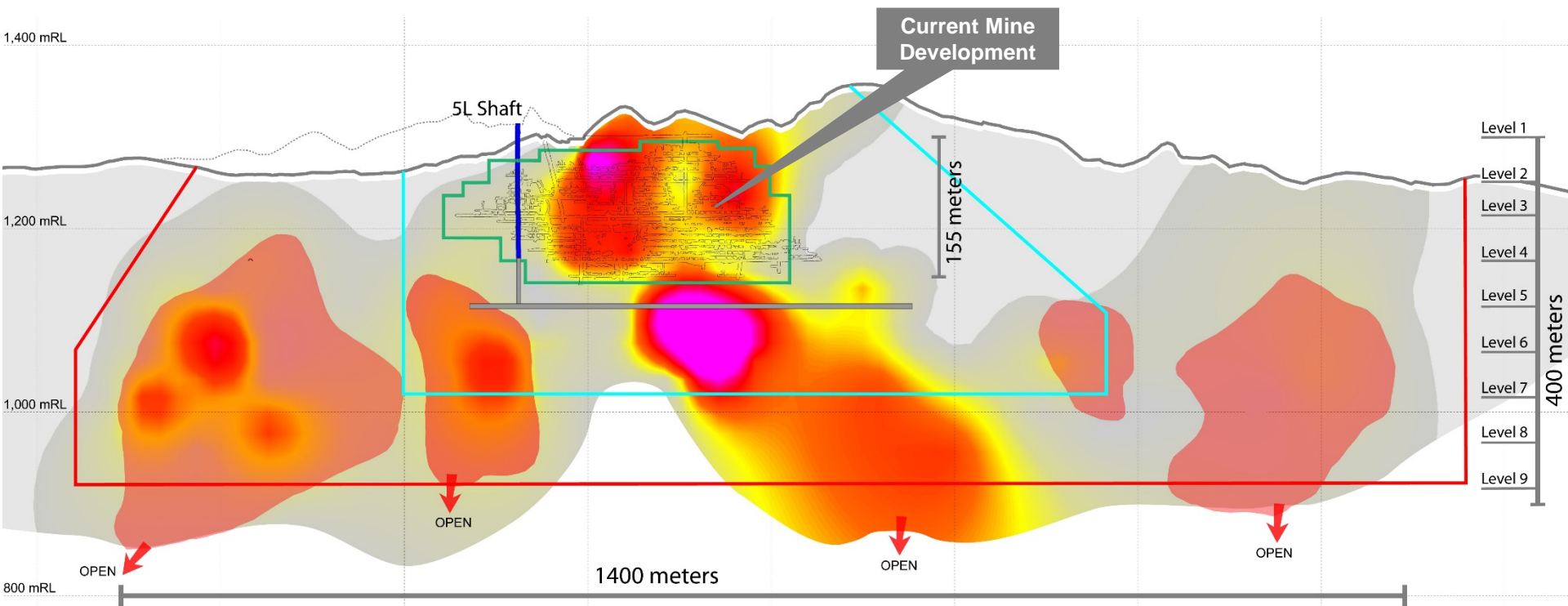
The Talang Santo Mine

- Commenced production in July 2014
- Mineral Resource of **1.4Mt @ 8g/t Au & 22g/t Ag** for **360,000oz of Au & 1,012,000 oz of Ag¹**
- Opportunity to upgrade Inferred Resource of 739,000t @ 5.2 g/t Au through diamond drilling from the 5 Level
- 5 Level haulage shaft underway – direct access to high grade portion of the ore body
- Significant potential for finding short splays or developing offshoots within close proximity to current mining precinct



1. As at 30 June 2015. Refer ASX Announcement dated 12 August 2015

The Talang Santo Mine – Significant Upside



- Multiphase epithermal vein system – open at depth and to the West
- Excellent potential to increase Resource at Talang Santo due to the presence of multi-phase veins and splays which have only been partially drilled or untested
- Ground conditions improving at depth

LEGEND :

	Mine Outline
	Propose Development
	Measured Resources
	Indicated Resources
	Inferred Resources

Drill Hole and Face Sampling Au (ppm)

	< 2	(LG2)
	2 to 5	(LG)
	5 to 10	(MG)
	10 to 30	(HG)
	> 30	(HG)

5 Level Haulage Shaft – Sinking has Recommenced

- Provide direct access to higher grade portions of the ore body
- Provide additional hoisting capacity and flexibility
- Provide a platform for underground drilling to increase Resource base

KEY PROJECT MILESTONES

Breakthrough to the 4 Level & drain static water	<input checked="" type="checkbox"/>	July 2016
Recommencement of sinking	<input checked="" type="checkbox"/>	July 2016
Completion of sinking the remaining 75m of vertical advance		Nov 2016
Establish infrastructure on the 5 Level & waste development to the ore body		Mar 2017
Production to commence on the 5 Level		April 2017



Completed Headframe for 5 Level shaft

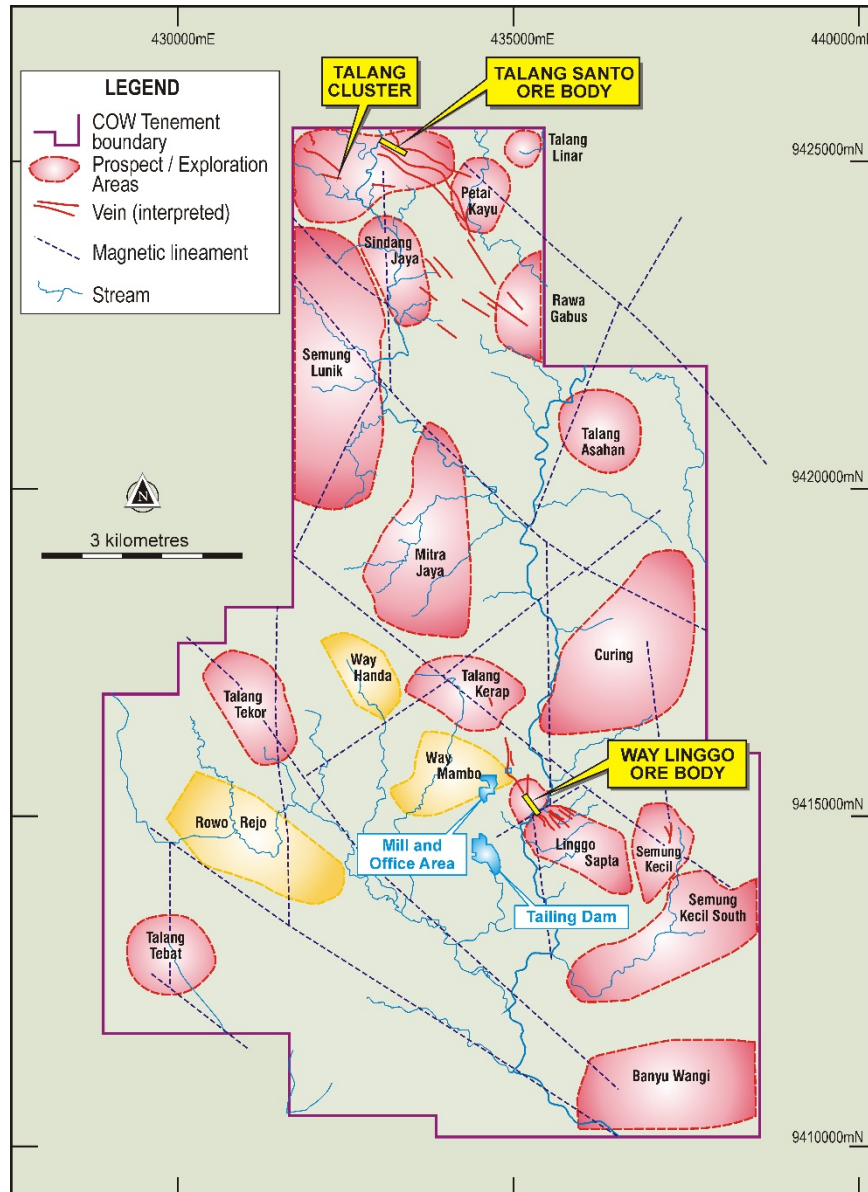
Key Driver to Opening up the Talang Santo System

Established Infrastructure

- 140Ktpa processing plant with Merrill Crowe circuit – historical recoveries up to 97% Au
- Opportunity to expand to 200Ktpa for low capital cost
- Established all weather haul roads providing ease of access to priority targets throughout the Project area
- On-site laboratory allows for quick turn around of assay results
- Camp and messing facilities, site workshops, medical centre and dedicated administration building



Real Scope for Organic Growth at the Project Scale



- **Multiple epithermal targets** within the existing 10,500ha Project area
- Recent age dating and petrological studies indicates a young system (~350,000 years old) – **amongst worlds' youngest**
- Little time for erosion – discovery potential for finding **entirely preserved** (new) systems **very high** across the Project area
- Three **new targets** recently identified with surface exploration ongoing

Expanding Exploration Footprint Within the Project



“Petrological research shows that there is abundant adularia (a key mineral formed during the deposition of bonanza zones) present with the gold mineralization...

...thus far, three new exciting targets have emerged... two of which have never been drilled. As the low cost surface exploration continues, additional discoveries are very likely.”

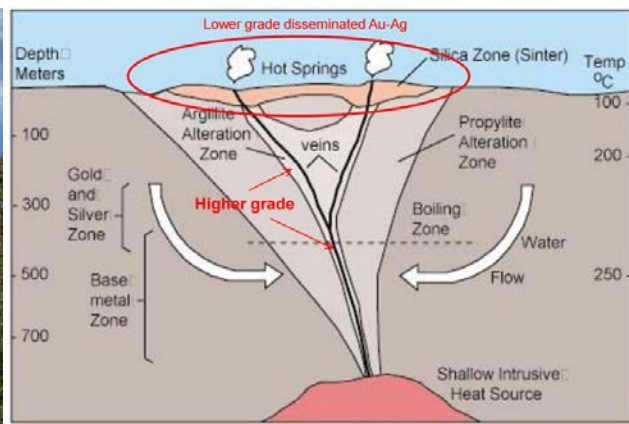
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Growing Pipeline of High Priority Exploration Targets

- Silica Cap discovered at **Way Handa**
- Silica Caps represent the uppermost expression of epithermal vein systems
- New discovery – no previous drilling
- Mapping, trenching and sampling is ongoing
- Initial drilling campaign will be designed to target 100 – 150m below surface



Silica Cap – Way Handa



What potentially sits underneath a Silica Cap



Silica Cap – Way Handa

- Silica Sinters discovered at **Rowo Rejo** and **Way Mambo**
- Mapping, trenching and sampling is ongoing
- Both prospects are high priority drill targets

Looking Ahead – 12 Month Targets

- Evaluate alternative water management options with a focus on reducing the flow of water into the mine
- Improve pumping network reliability – establishment of a ‘fit-for-purpose’ pumping station on the 5 Level
- Completion of 5 Level haulage shaft
- Establish production fronts on the 5 Level
- Increase mine production rates and improve mining recoveries
- Continue cost saving initiatives
- Strengthen Board & Management team through the recruitment of a Managing Director and additional Non-executive Directors

Looking Ahead – Longer Term Targets

- Establish mining fronts on multiple production levels to maximise production and leverage off existing hoisting, haulage and processing capacity
- Increase Resource base at Talang Santo through systematic drilling program
- Discover additional orebodies on the existing 10,500ha Project area through a reinvigorated regional exploration program



Technical Review of Mining

Following the retirement of Bill Phillips on 22 June 2016, the Board initiated a comprehensive review of mining operations to address ongoing operational challenges and engaged the following consultants:

Mining Plus

- International consulting firm specialising in mining engineering services
- Review of current mining practices with a focus on mining productivity and Resource recovery

CDM Smith

- Global engineering firm specialising in water management
- Review and update hydrological model
- Provide solutions that may reduce water flow into the mine

Quattro Project Engineering

- Engineering firm specialising in the design of mine infrastructure, including mechanical pumping solutions
- Recently assisted in Sandfire's dewatering of the Degruessa Mine
- Review pumping set-up and assist with pumping system design on the 5 Level

Water Management Plan

Water inflows have impacted mining productivity to date. Significant improvements have been made over the past year through:

- Establishment of 3, multistage pumping stations on the 4 Level horizon pumping direct to surface – equipment reliability has remained an issue
- Grouting program which has been successful in allowing development on the 4 Level out to the 5 Level haulage shaft to be completed which facilitated the draining of static water from the shaft and allowed shaft sinking to recommence in July 2016

Planned Improvements to Water Management

Hydrological Study – independent water management experts CDM Smith have commenced a multi-faceted water management review incorporating:

- A detailed study to update the Talang Santo hydrological model
- The development of alternate water management solutions to reduce the flow of water into the Mine

Pumping Network Review – independent pumping experts Quattro Project Engineering have commenced a review of the existing pumping network and will advise on:

- Design of the pumping station to be installed on the 5 Level
- Short term improvements to the existing 4 Level pumping network

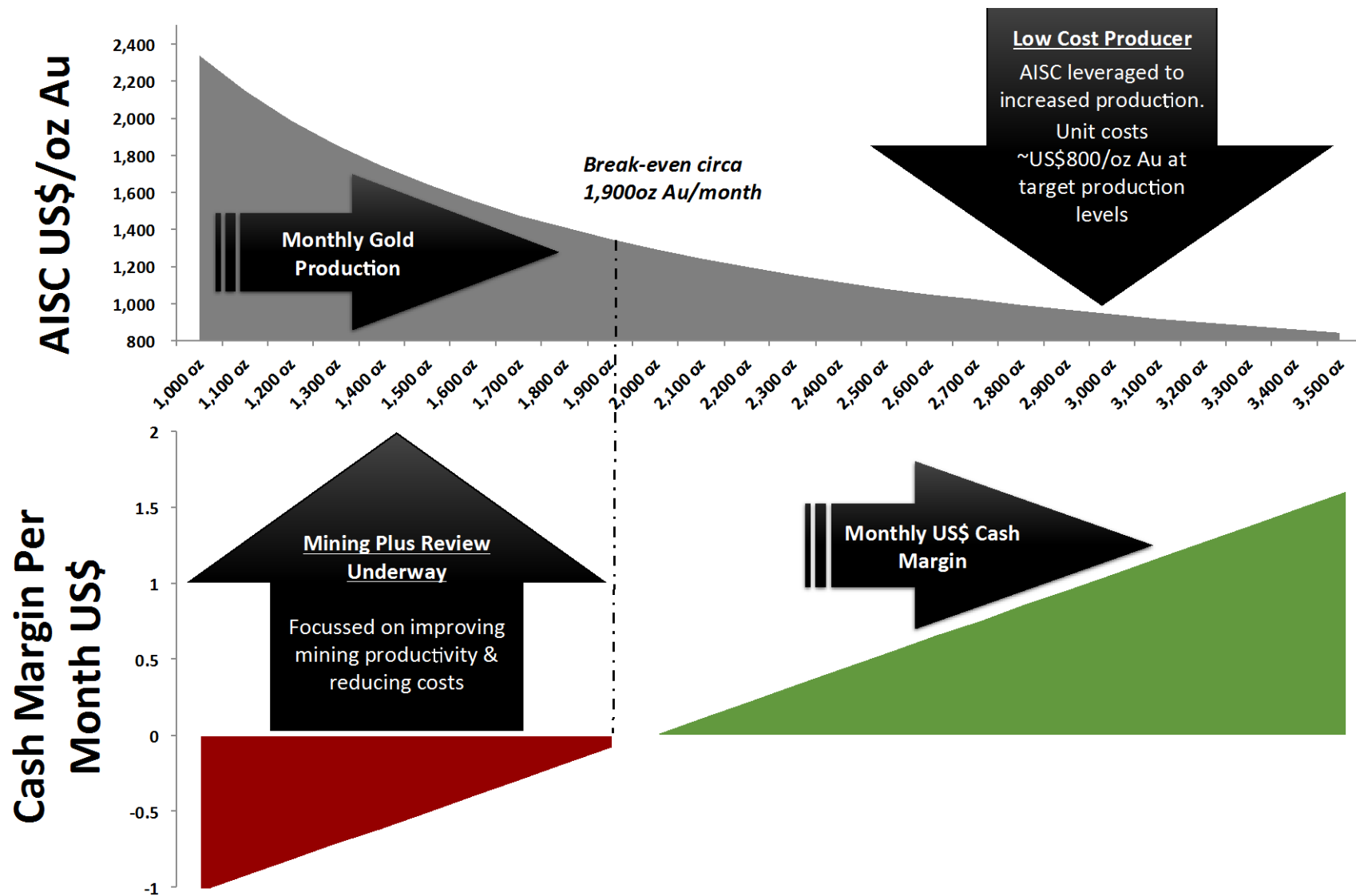
The result will be a superior Water Management Plan designed to reduce water inflow into the mine, provide a reliable pumping solution, improve mining productivity and drive down costs.

FY 2016 Production

	UNITS	SEPTEMBER 2015 QUARTER	DECEMBER 2015 QUARTER	MARCH 2016 QUARTER	JUNE 2016 QUARTER	FY 2016
MINE PRODUCTION						
ORE MINED	t	13,162	21,341	17,571	13,807	65,882
MINED GRADE (GOLD)	g/t	10.2	9.4	8.5	8.8	9.2
MINED GRADE (SILVER)	g/t	26	24	17	18	21
ORE PROCESSED						
TONNES MILLED	t	13,250	21,612	17,400	15,125	67,387
HEAD GRADE (GOLD)	g/t	9.8	9.3	8.6	8.3	9.0
HEAD GRADE (SILVER)	g/t	25	24	18	17	21
RECOVERY (GOLD)	%	95.6	95.8	95.2	94.9	95.4
RECOVERY (SILVER)	%	91.6	86.0	89.0	86.5	88.0
GOLD PRODUCED	oz	4,010	6,212	4,591	3,828	18,642
SILVER PRODUCED	oz	9,901	14,188	8,730	6,994	39,812

- Production impacted by water and low productivity
- Company has subsequently commissioned hydrological, mechanical and mine engineering experts to provide long term solutions
- FY 2017 guidance is subject to an independent review by Mining Plus and the Company will release guidance on production and costs upon completion of the review process
- 1 – 17 July 2016, unreconciled mined production of 2,235t @ 13.1 g/t Au
- The outcomes of the Mining Plus review will allow the Company to conduct an assessment of impairment as at 30 June 2016

Cost Base Highly Leveraged to Production Output



The Way Linggo Project – Key Drivers

- ✓ High Grade Gold producer
- ✓ Targeting low costs
- ✓ Substantial opportunity to capitalise on Talang Santo's high grade
Resource of 1.4Mt @ 8 g/t Au & 22 g/t Ag for 360,000oz Au and 1.012Moz of Ag
- ✓ Extensive organic growth potential through exploration of highly prospective Project area – world class geological setting
- ✓ Raising proceeds will help fund the ongoing development of the 5 Level haulage shaft and water solution measure, paving the way for significant production increase and strong cashflow

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Competent Persons Statement

The information in this presentation that relates to the following was first reported by the Company in compliance with the 2012 edition of the JORC Code in ASX releases dated as follows:

- Pages 3, 4 and 18 – 12 August 2015

The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX Releases referred to above and further confirms that all material assumptions and technical parameters underpinning the exploration results contained in those ASX Releases continue to apply and have not materially changed.

Appendix 1 | Corporate Overview

Key Statistics (ASX:KRM)

Shares on issue	359m
Options on issue	11.3m
Share Price	\$0.15
Market Cap	\$54m
Cash & Bullion	\$2.7m ¹
Debt **	\$9.80m ¹

** In-principle agreement reached with lenders to defer debt repayments. Refer *Appendix 2 | Deferral of debt repayments* slide for additional information.

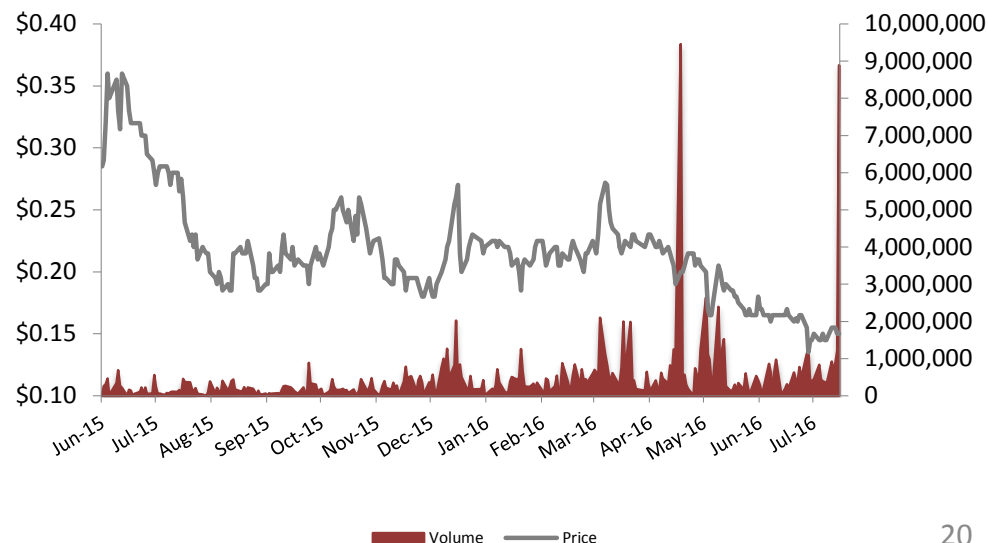
Major Shareholders

Rex Harbour & Associates	15.26%
James William Phillips	6.18%
Top 20	69.6%

Directors & Management

John Morris	Executive Chairman
Doug Kirwin	Non Exec Director
Andrew Spinks	Non Exec Director
Matthew Smith	CFO
Paul Androvic	General Manager
Joanna Kiernan	Company Secretary

KRM Price & Volume



¹ As at 15 July 2016

Appendix 2 | Deferral of Debt Repayments

- The Company's lenders have reached an in-principle agreement to defer debt repayments until July 2017
- Revision subject to formal documentation and ASX waiver pursuant to Listing Rule 10.1
- Revised terms as follows:

Lender	Loan Balance	Repayment Terms <small>(before deferral)</small>	Revised Repayment Terms
Beaurama	AU\$4,250,000	<ul style="list-style-type: none"> • Repayment commencing October 2016 • 17 monthly installments of AU\$250,000 	<ul style="list-style-type: none"> • Repayment commencing July 2017 • 17 monthly installments of AU\$250,000
Great Golden Investment	US\$2,125,000	<ul style="list-style-type: none"> • Repayment Commencing October 2016 • 17 monthly installments of US\$125,000 	<ul style="list-style-type: none"> • Repayment commencing July 2017 • 17 monthly installments of US\$125,000
Mike Andrews	US\$2,125,000	<ul style="list-style-type: none"> • Repayment commencing October 2016 • 17 monthly installments of US\$125,000 	<ul style="list-style-type: none"> • Repayment commencing July 2017 • 17 monthly installments of US\$125,000

Appendix 3 | Community, Safety & the Environment

Occupational Health & Safety

- Continued focus on improving safety practices

Environmental Awareness

- Small footprint underground mines – minimise surface disturbance
- Rehabilitation and reforestation program
- Natural resource management workshops held for local community

Health Initiatives

- Subsidised medical care, including malaria control & prevention

Education Initiatives

- Student scholarships & teacher allowances

Economic Stimulus

- Employment opportunities – 70% of mine workforce are local
- Financial assistance to local infrastructure projects



Appendix 4 | Way Linggo Project Mineral Resource Statement As at 30 June 2015

Classification	Tonnes(Kt)	Gold (Au) g/t	Au ounces (Koz)	Silver (Ag) g/t	Ag ounces (Koz)
Talang Santo					
Measured	197	10.8	68	25	155
Indicated	468	11.1	167	22	326
Inferred	739	5.2	124	22	531
Subtotal	1,403	8.0	360	22	1,012

Way Linggo					
Measured	318	14.4	147	174	1,784
Indicated	170	6.3	34	61	333
Inferred	14	12.1	5	88	39
Subtotal	502	11.5	186	134	2,156

GRAND TOTAL	1,905	8.9	546	52	3,168
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