



14 March 2013

Company Announcements Office
Australian Securities Exchange Limited
Level 6, 20 Bridge Street
Sydney NSW 2000

WAY LINGGO PROJECT UPDATE

Kingsrose Mining Limited (ASX:KRM) (“Kingsrose” or “the Company”) provides the following update in relation to the status of its activities at Talang Santo located on its 85% owned Way Linggo Project in southern Sumatra, Indonesia.

TALANG SANTO UPDATE

Indonesia’s Mines Department advised Kingsrose’s 85% owned subsidiary, PT Natarang Mining (“PTNM”) of the key steps it was required to take prior to full scale mining activities resuming at Talang Santo. (*Refer ASX Announcement 28 November 2012*). PTNM has substantially complied with these requirements, and now anticipates the resumption of full mining activities at Talang Santo in April.

UPDATED PROJECT MINE DEVELOPMENT PLAN

An updated Way Linggo Project mine development plan to include Talang Santo was first submitted to the Indonesian Mines Department for review in January 2013. Further requests required revisions to the mining schedule, emergency evacuation plans and secondary egress.

The final updated project mine development plan encompassing the above has since been submitted to the Indonesian Mines Department, and the Company has been advised that it will make its final presentation of this plan in the last week of March.

WAY LINGGO UPDATE

WAY LINGGO HIGH GRADE SILVER VEIN

Exploration development commenced in the area where historical exploration drilling that returned a high-grade silver result. The drilling was conducted in 1994 by PT Natarang Mining and returned a high grade silver intercept from drill hole DDH-LL05 of 1.0m grading 2.05 g/t gold and 3,390 g/t silver from 163.0 metres downhole.

Recent development of the 4 Level in the vicinity of this historic drill result has enabled access for exploration development into this area. This is aimed at confirming the existence of a high-grade silver vein and determining the geometry of the vein, which will enable the targeting of further exploration drilling.

Initial exploration development consisting of an 8m winze has successfully confirmed the existence of the silver vein with all face sampling results and locations shown in Appendix 1. Results ranged from **1.90m @ 0.15g/t Au & 198.46g/t Ag to 0.60m @ 4.50g/t Au & 6,271 g/t Ag.**

Each development face within the exploration development winze is horizontally chip sampled. The sampling intervals are dominated by geological constraints (eg rock types, veining and alteration/sulphidation). Samples of 2 – 3kgs are taken in range from 0.10m up to 1.40m for assay.

These results are significant as they highlight the potential for a new epithermal vein system and potentially a new ore body.

Exploration development is now planned to drive out on the vein to the north and south to better understand the geometry of the vein to enable drill targets to be established. An update and further details will be provided in April.

WAY LINGGO MINING REVIEW

A review of mining has been conducted at Way Linggo Mine with regards to ore production from the remnant mining and pillar recovery. The review considered:

- Recent confirmation of the existence of the high-grade silver vein below 4 Level. Further remnant mining and pillar recovery in the upper levels increases the risk of ground collapses once these areas are mined out completely and could potentially restrict access and ventilation to the high silver vein area.
- As remnant mining and removal of pillars has occurred, it has become evident that ground conditions are not as robust in these areas as anticipated.

As a result of the review it was decided to suspend remnant mining and pillar recovery above 3 Level until the high silver vein has been explored further and additional geotechnical investigations can be completed. As a result, mining rates will decrease with mining activities now primarily consisting of development in the lower grade Level 4 area and the high-grade silver vein.

Cost reduction measures have also continued with the number of personnel falling by 174.

PRODUCTION GUIDANCE FOR FY13

Given the delays to the resumption of mining at Talang Santo and the reduced rate of mining at the Way Linggo mine, the forecast of gold production for the financial year ending 30 June 2013 will be materially lower than previous guidance. An updated estimate is currently being calculated.

Yours faithfully
KINGSROSE MINING LIMITED



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About Kingsrose Mining Limited:

Kingsrose Mining Limited is a gold producer that owns 85% of the Way Linggo Project in South Sumatra, Indonesia. The Project has emerged as small but highly profitable due to its high gold and silver grades and low operating costs. The Way Linggo Project hosts a JORC compliant resource of 2,188,500 tonnes with a grade of 6.9/t gold containing 485,900 ounces and 135g/t silver containing 3,183,200 ounces. Management are targeting production of +40,000 ounces of gold and +250,000 ounces of silver per annum at cash costs of circa US\$300oz after silver credits.

The Way Linggo Project, held under a highly prized 4th Generation Contract of Work agreement with the Indonesian government (mining title of 10,000 hectares), sits on the prolifically mineralised Trans-Sumatra Fault which is part of the Pacific Rim of Fire. The area is considered highly prospective for low-sulphidation epithermal gold-silver deposits. Kingsrose made a second high grade epithermal gold discovery in mid-2011, named Talang Santo, 7km NNE of the Way Linggo mine and has commenced development of that ore system to supplement and sustain its gold production.

Competent Persons Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Andrew Spinks, B.App.Sc (Geology), Grad.Dip (Mining) and is a member of AusIMM. Mr Spinks is a Director of Kingsrose Mining Limited and has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activities he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Spinks consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX 1 – FACE SAMPLING RESULTS OF SILVER VEIN IN EXPLORATION WINZE BELOW 4 LEVEL

