



KINGSROSE
MINING LIMITED

ASX Announcement
4 August 2016

Kingsrose Expands Share Placement

Plus, lender converts debt to equity in strong vote of confidence

Kingsrose Mining Limited (ASX: KRM) is pleased to announce that it has agreed to accept a further \$0.5 million under the second tranche of its share placement at 12 cents a share ([see ASX release dated 21 July 2016](#)).

This increase, which is in response to investor demand, takes the total amount raised to \$9 million.

Kingsrose also advises that one of the Company's lenders, Michael John Andrews, has agreed to reduce the amount outstanding under his Loan Facility via a Share subscription. This will see the loan balance reduced by US\$500,000 in return for the Company issuing him Shares at a deemed price of 12 cents, being the same issue price to sophisticated investors in the Placement. This issue of Shares to Mr Andrews will be subject to shareholder approval.

As previously announced, Kingsrose, Mr Andrews and the Company's other Lenders, Beaurama Pty Ltd and Great Golden Investment Limited, have reached an in-principle agreement to defer debt repayments until July 2017.¹

Kingsrose Executive Chairman John Morris said the demand for the Placement and ongoing support provided by the Company's Lenders were strong votes of confidence in the outlook for the Way Linggo Project and the potential of the Talang Santo Mine to deliver high-grade, low cost production.

"The proceeds of the Placement will help fund completion of the external haulage shaft to the 5 Level which will in turn underpin increased production rates and lower costs," Mr Morris said.

"With our financial position strengthened considerably and the review of our mining practices and water management strategy now well advanced, we are moving towards unlocking the true value of Talang Santo."

Placement Details:

Tranche one of the Placement was completed on 27 July 2016 and comprised the issue of 53,791,723 shares raising a total of \$6,455,006.76. The shares were issued under the Company's available 15% capacity pursuant to ASX Listing Rule 7.1.

Following the acceptance of additional applications under Tranche two for a further 4,166,667 Shares, Tranche two now comprises the issue of a total of 21,268,479 shares to raise a further \$2,552,217.48 and will be issued subject to shareholder approval at a General Meeting to be held in September 2016. A Notice of Meeting will be sent to shareholders in due course.

Bell Potter Securities Limited acted as the sole Lead Manager and Bookrunner to the Placement.

-ENDS-

For more information please contact:

Investor Enquiries:

John Morris, Chairman

+61 8 9486 1149

info@kingsrosemining.com.au

Joanna Kiernan, Company Secretary

+61 8 9486 1149

joanna@kingsrosemining.com.au

Media Enquiries:

Paul Armstrong, Read Corporate

+61 8 9388 1474

paul@readcorporate.com.au

¹ The variation to the repayment profile of the Loan Facilities is subject to formal documentation and ASX confirming that the variation falls under the scope of the waiver from ASX Listing Rule 10.1 granted by ASX on 30 January 2015 and no further waiver of the terms of ASX Listing Rule 10.1 or shareholder approval is required. (Refer ASX Announcement dated 30 January 2015).

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 a track record of high grade, low cost production from the original Way Linggo Mine.

The Company is currently producing from 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 Way Linggo Mine. In addition, significant exploration upside exists on the wider Project area with numerous high priority targets identified.