



KINGSROSE
MINING LIMITED

ASX Announcement
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INDEPENDENT CONSULTANTS REPORT SOLID PROGRESS AT TALANG SANTO GOLD MINE

Numerous key initiatives being implemented to increase mine development and production rates, manage water inflow and improve efficiencies

Kingsrose Mining (ASX: KRM) advises that independent consultants Mining Plus are continuing to work alongside the Company to evaluate and improve operational performance at the Talang Santo Mine at Kingsrose's flagship Way Linggo gold project in Indonesia.

Mining Plus, which said in its initial report in August that Talang Santo contained "exceptionally good ore and high potential for additional resources", have advised Kingsrose that their approach to improving production at Talang Santo will focus on three key areas over the next 12 months. Accordingly, a series of measures are being implemented at the project to improve development rates, recover remnant pillars to boost short-term production and ensure there are suitable mine planning and production systems in place.

Mining Plus said a strong focus was being placed on vertical development of the External Haulage Shaft because a life-of-mine plan had identified this as the most critical development location to unlock additional working areas and drive future production. Changes to the management of water in the External Haulage Shaft are being implemented to improve the vertical advance rate including the continued use of grout to reduce water inflows along with a range of initiatives designed to divert water away from the direct working areas. In addition, a trial has been designed to test the increased use of mechanisation in the development cycle focussed on improving bogging productivity rates.

At the same time, Mining Plus is implementing new labour management methods on site involving changes to work cycles and shift changes to directly increase the amount of time on the job and improve efficiencies.

Significant efforts have been directed towards planning for the recovery of remnant pillars to help increase production rates in the short-term. Geotechnical reviews have been completed as have all the requisite submissions to the Indonesian Mines Department, with test work scheduled to commence in the December 2016

Quarter. “Successful implementation of pillar recovery in the Splay vein will result in further areas being evaluated for pillar recovery and transition of mining method to include consolidated fill,” Mining Plus said.

“When preliminary trials have been completed, and any adjustments implemented, a further opportunity exists to evaluate the re-entry and pillar recovery potential of the historic Way Linggo Mine.”

Mining Plus said other initiatives being considered included a review of the mine Resource and near-mine opportunities and prioritising exploration targets for integration into the life-of-mine plan.

Kingsrose Executive Chairman John Morris said the latest report from Mining Plus provided further evidence that the true value of Talang Santo could be unlocked by investigating alternate mining methods, including increased mechanisation and planning systems.

“It is early days in this process, and production for the September Quarter remains low, but we are already beginning to see some benefits of the new approach at a working level,” Mr Morris said.

“The emphasis is now on implementing the new mining methods, developing the vertical shaft, further improving the water management systems and training our people.

“We are confident that the changes, reforms and training processes being implemented with the assistance of Mining Plus will underpin an improved performance at Talang Santo.”

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