

ASX Announcement
19 April 2017

Operational Update

- **Revised operational strategy delivering encouraging results**
- **Work commenced on first phase of open cut at the Way Linggo Mine**
- **Progress to date - 4,728 ore tonnes mined at 9.2g/t Au**

Kingsrose Mining Limited (administrators appointed) advises that the restructure of its operations at the Way Linggo Project in South Sumatra, Indonesia is progressing, with March Quarter production increasing 72% to 3,361 ounces of gold.

The increase in production is largely due to the commencement of open cut activities at the Way Linggo Mine.

The Way Linggo Mine, characterised by its high grade and low costs, operated as an underground mine from July 2010 until June 2013 and produced approximately 75,000 ounces of gold at an average of 12g/t during that period.

Following a review of the remaining resource at the Way Linggo Mine, a plan to recover part of this resource through an open cut mine was developed. The plan is to extract the remaining resources left as pillars and resources too wide to mine with previously used methods.

Following approvals from the Indonesian Mines Department, work commenced in mid-February on the first stage of the open cut mine plan including clearing and establishing access, haul road construction and the establishment of other necessary infrastructure prior to the commencement of mining from the Trench 1 pit.

To date, 4,728 ore tonnes has been extracted from the Way Linggo Open Pit at an average mine grade of 9.2 g/t Au. Processing of the ore commenced in March 2017.

In order to obtain the full approval for the open cut mine plan at the Way Linggo Mine, the Indonesian Mines Department requires an updated feasibility study for the mine. It is anticipated that the updated feasibility study will be completed and submitted for approval by mid-May.



KINGSROSE
MINING LIMITED
ADMINISTRATORS APPOINTED



Figure 1: Way Linggo Open Cut



Figure 2: Way Linggo Open Cut

The Talang Santo Mine

Operations at the Talang Santo Mine are ongoing, with total production for the quarter of 8,085 ore tonnes at 8.6 g/t Au. This is a significant uplift in grade over the 5.9g/t Au reported for the December 16 Quarter. A key focus has been on developing a long term solution to the water ingress into the mine, which when finalised, will be incorporated into the mine plan.

-ENDS-

Enquiries:

Michael Ryan, Ian Francis and Eileen Chan

FTI Consulting

+61 8 9321 8533