ASX Announcement
12 August 2015

TALANG SANTO RESOURCE UPDATE

27% increase in contained gold

Significant potential for additional grade upside remains

- Total Mineral Resource of **1.4 million tonnes @ 8 g/t Au and 22 g/t Ag for 360,000 ounces of gold and 1,012,000 ounces of silver** at the Talang Santo deposit as at 30 June 2015.
- A **27% increase in contained gold,** with an additional 77,000 ounces of gold over the 2012 Talang Santo Mineral Resource after allowing for depletion by mining.
- Opportunity to upgrade Inferred Resource of 739,000 tonnes at a grade of 5.23 g/t Au through further diamond drilling from the 5 Level.
- Significant potential for additional grade upside with further drilling and mine development – **orebody remains open at depth and along strike**.
- Total Mineral Resource for the Way Linggo Project of 1.9 million tonnes @ 8.9 g/t Au and 52 g/t Ag for 546,000 ounces of gold and 3,168,000 ounces of silver.

Kingsrose Managing Director Scott Huffadine commented ***"this is an excellent result, especially in light of the fact that Talang Santo is a new operation within its first 12 months of production. This Resource upgrade clearly demonstrates the increasing size and scale of the Talang Santo Resource base. Furthermore, these results support the grade uplift we have been realising from the 2012 Resource as we get more clarity on the grade distribution throughout the orebody and increase the informing data density. The fact that such a large proportion of the Resource remains in the Inferred category at a grade of 5.23 g/t Au bodes well for the work we have scheduled to infill and subsequently upgrade this Resource category. This infill work will also support the extension of the current mine plan below the 6 Level. Importantly, the deepest drill intersection still shows strong structure and mineralisation 150 metres below the 6 Level, 400 metres below surface. Talang Santo remains open both at depth and along strike".***

2015 Talang Santo Mineral Resource

Category	Tonnes (Kt)	Gold (Au) g/t	Au Ounces (Koz)	Silver (Ag) g/t	Ag Ounces (Koz)
Measured	197	10.8	68	25	155
Indicated	468	11.1	167	22	326
Inferred	739	5.2	124	22	531
Total	**1,403**	**8.0**	**360**	**22**	**1,012**

Note: Small discrepancies may have occurred due to rounding

Suite 9, Level 2, 12-14 Thelma Street, West Perth WA 6005 | T (08) 9486 1149 | F (08) 9486 1151
info@kingsrosemining.com.au | www.kingsrosemining.com.au | ASX: KRM
ABN: 49 112 389 910

The 2015 Talang Santo Mineral Resource upgrade represents the first significant update to the resource since production at Talang Santo commenced in July 2014. The pre-production Resource was based upon 83 diamond drill holes, whereas the updated Mineral Resource adds another 39 diamond drill holes and over 3,200 development face samples to the informing data package.

The most significant variance between the 2012 and 2015 Talang Santo Mineral Resource is the significant uplift in grade, and subsequent contained ounces. Whilst a component of this update is a function of the increased data density, and better definition of the higher-grade extensions to the mineralised zone via further drilling, the key driver to this upgrade is the ability to more completely sample gold bearing clay during underground development. This clay is partially washed out during diamond drilling by drilling fluids, and consequently areas that are significantly or totally informed by diamond drilling have a tendency to under-report the contained gold within the system.

This Resource upgrade is well supported by mill head grade and gold production recorded to date at Talang Santo, and is similar to the uplift seen during production at the Way Linggo mine where gold bearing clay loss during drilling was also observed.

Kingsrose continues to work on quantifying the uplift between drilling and development grades, however, for reporting purposes, a conservative approach was adopted and thus no factorisation of the resource dominated by drill hole data was undertaken.

Pleasingly, interpretation of system geometry and structural architecture of the deposit has remained consistent between Mineral Resource estimates, providing a high level of confidence that the Mineral Resource estimate is robust.

Resource Development Strategy

Future drilling is planned from the 5 Level to increase the confidence in the Inferred Resource component, particularly the extensions of the main ore zone at Talang Santo and the along strike targets of the Central and North West Mawi veins.

Drilling below the 6 Level is currently limited; however the intersections returned to date are significant and support the continuity of the mineralisation well below this area (Figure 1). This can be seen in the Plates below, showing the diamond drill intercepts from the deeper parts of the orebody identified in Figure 1. Plate 1 shows the main ore shoot and illustrates the strong mineralisation that it is anticipated that the 5 Level development will access. Plates 2 and 3 show intersections from the deeper holes drilled below the current mine plan. They illustrate the solid structure and the grade distribution within the mineralised zone at depth.

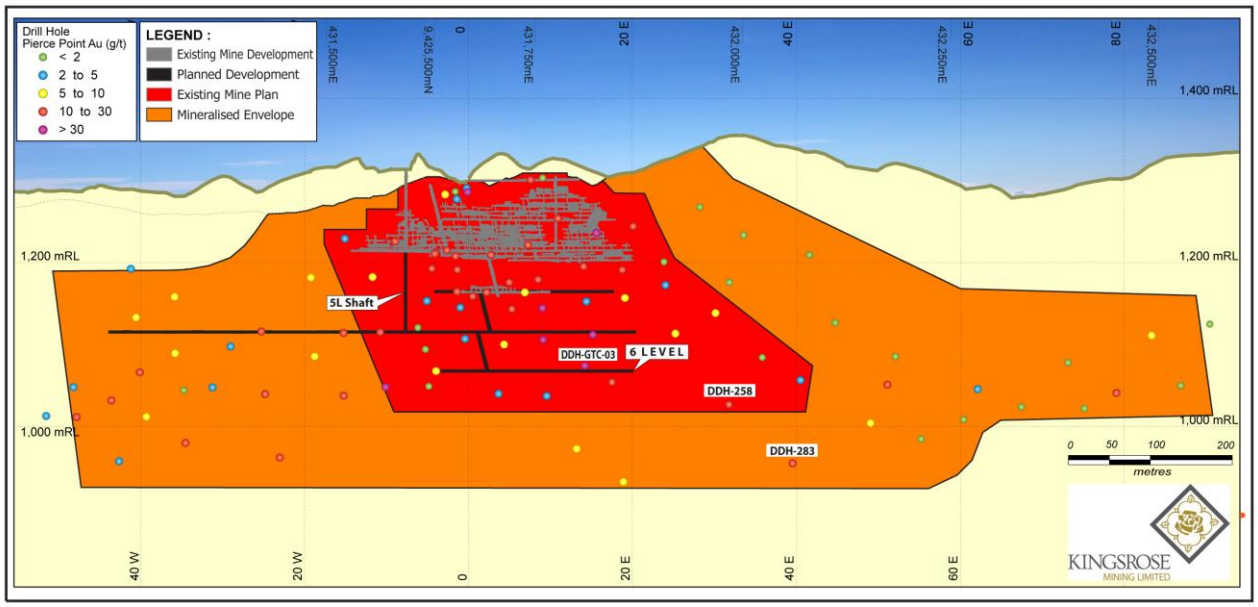

Figure 1 - Long section of Talang Santo

Plate 1- Main Ore Shoot | DDH-GTC-03

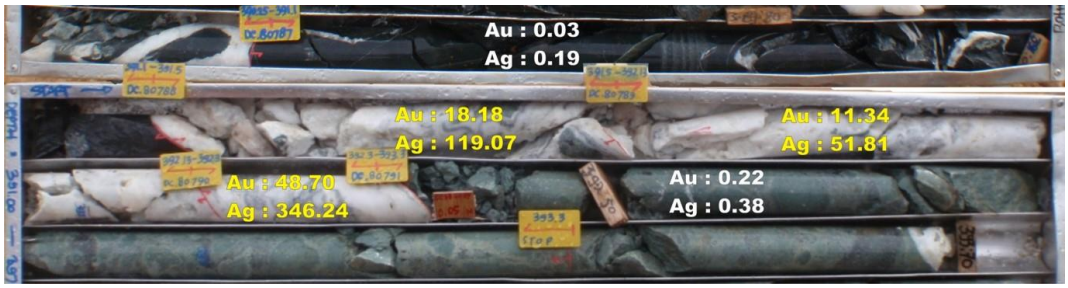

Plate 2 – DDH-258 as per Figure 1

Plate 3 - DDH-283 as per Figure 1

GEOLOGY AND MINERALISATION

Talang Santo Geology

The geology of the Talang Santo project area consists predominantly of mid-Miocene volcanic units, comprising andesitic volcanic breccia and andesite lava grading upwards into andesitic tuff with parallel lamination sediment structures. These rocks are intruded by both plagioclase andesite porphyry and hornblende andesite porphyry.

A dextral, strike-slip fault which hosts the gold-bearing vein epithermal veins at Talang Santo trends west-northwest, whilst the north-northeast structures observed in the mine area have resulted from the intrusion of the andesitic porphyry. Low-angle quartz veins dipping to north-northeast are potentially the result of hydrothermal fluid flow following fractures related to a dilatational compressive event. It is anticipated that gold / silver precipitation occurred when the regional tectonic field was in compressive relaxation.

The Talang Santo gold / silver deposit is centred on an extensive epithermal quartz vein system (and associated wall rock alteration), which has been identified over a strike of approximately fourteen hundred metres.

Drilling has identified a semi-regular, parallel quartz vein system, dipping at approximately fifty degrees to the east-northeast, with several parallel mineralised structures and sub-parallel mineralised splays also observed. The mineralised veins vary in width from sub-one metre to five metres with an average width of approximately one and

a half metres. The system effectively remains open in all directions.

The Company has divided the Talang Santo vein system into the following primary elements;

Mawi Vein

The main mineralised entity, the Mawi vein is brecciated parallel quartz veins with a dominantly clay supported matrix which also contains clay altered volcanic fragment. The veins outcrops and are typically banded and brecciated.

Splay vein

The splay vein is a lower-grade gold bearing vein, which sees an increase in tenor at its intersection with the Mawi vein where it also results in a deflection of the Mawi vein strike.

Silver Vein

The Silver vein outcrops to the south from Mawi vein, and joins with it at West Santo. Drilling has indicted that commercial grades are attainted where the Silver Vein merges with the Mawi vein.

South Santo Vein

The South Santo vein is located approximately 250m to the south of the Mawi vein. Currently the vein is untested by drilling.

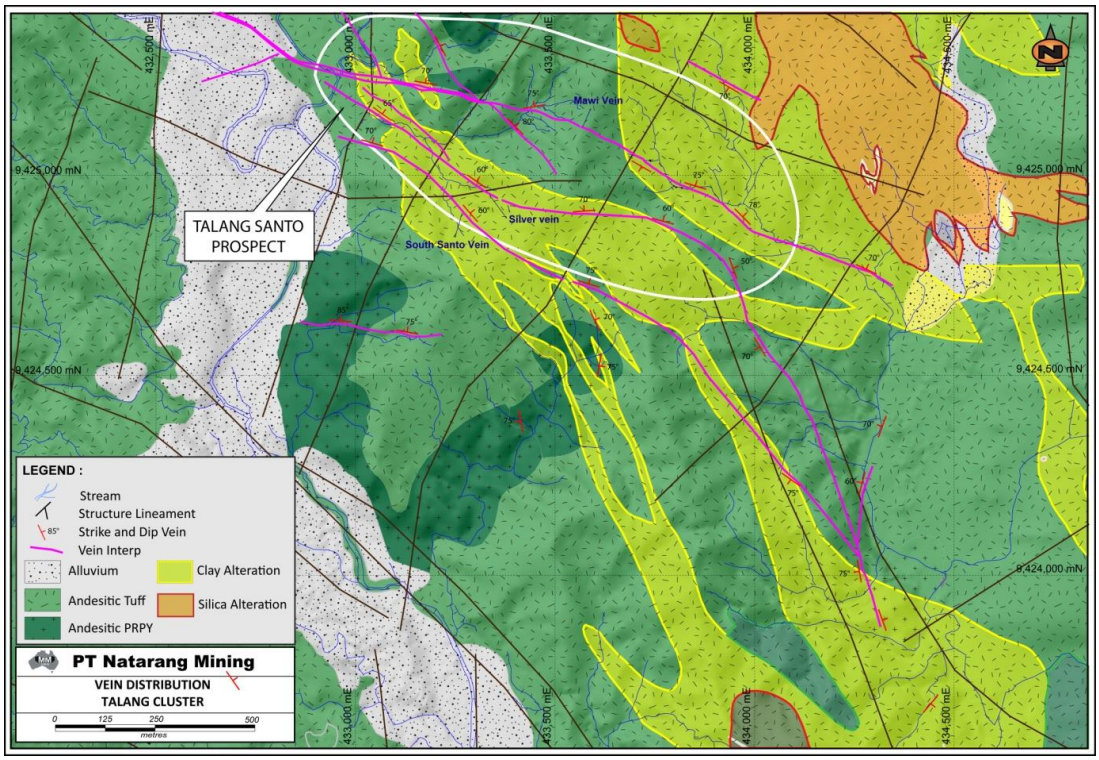

Figure 2 – Local geology of the Talang Santo area

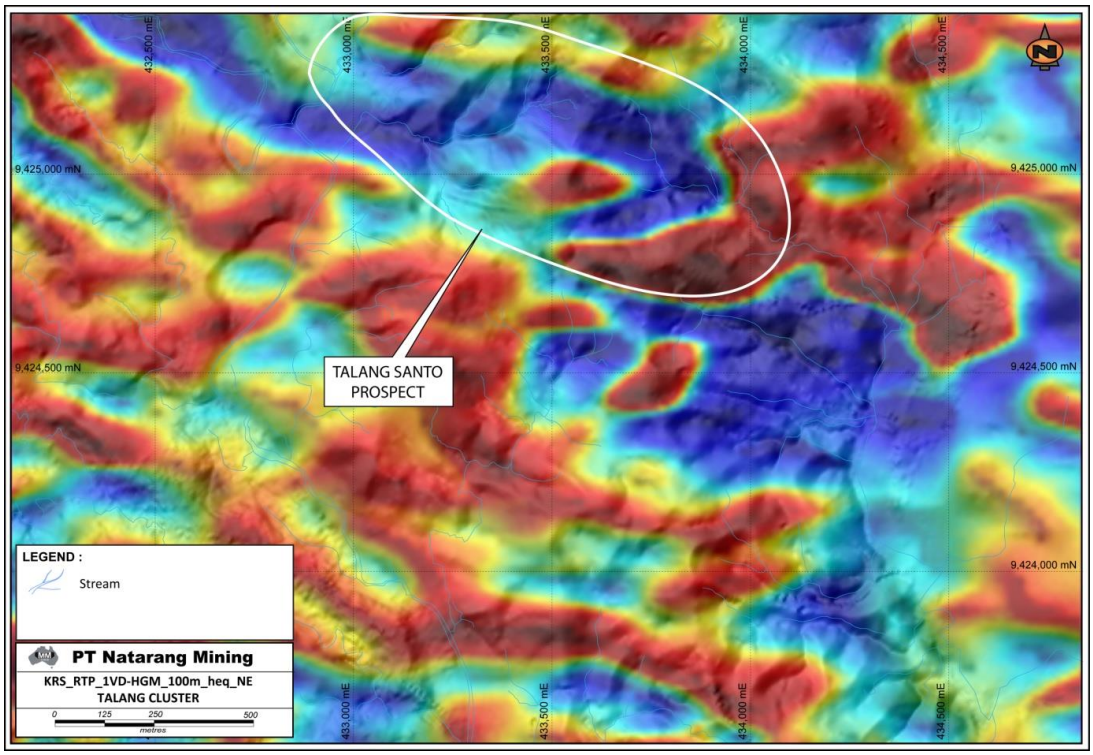

Figure 3 - First vertical derivative minus the horizontal gradient magnitude of the reduced to the pole magnetic data (100m line spacing) for the Talang Santo area created by Fathom Geophysics (October 2009)

Mineralisation

Epithermal gold-silver quartz vein mineralisation has been identified at Talang Santo over a strike length of fourteen hundred metres and to an explored depth of approximately four hundred metres below surface.

High-grade gold and silver was detected in the Mawi vein in layers of banded quartz veins and in brecciated quartz-altered wall rock. Massive white quartz and chalcedony is generally low in gold and silver content.

Propylitic alteration prominently occurs at the periphery of the veins. With clay and silica alteration displayed close to the veins structures.

-ENDS-

For more information please contact:

Investors:
Scott Huffadine
Managing Director
+61 8 9486 1149
info@kingsrosemining.com.au
www.kingsrosemining.com.au

Media:
Richard Glass
Citadel MAGNUS
+61 8 6160 4902

Competent Persons Statement

The information in this announcement that relates to Mineral Resource estimations exploration results, data quality, geological interpretations, potential for eventual extraction and estimates of exploration potential, is based on and fairly represents information complied under the supervision of Scott Huffadine, who is a member of the Australasian Institute of Mining and Metallurgy and a Director and full time employee of Kingsrose Mining Limited. Mr Huffadine has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves." Mr Huffadine consents to the inclusion in this report of the matter based on his information in the form and context in which it appears.

The information in this announcement that relates exploration drilling was first reported by the Company in compliance with the 2004 edition of the JORC code in ASX releases dated as follows: DDH-258 & DDH-283 – 30 April 2012; and DDH-GTC-03 – 30 January 2013. The Company confirms that it is not aware of any new information or data that materially affects the information included in the announcements referred to above and further confirms that all material assumptions and technical parameters underpinning the exploration results contained in those ASX released continue to apply and have not materially changed.

2015 Way Linggo Project Mineral Resource

Category	Tonnes (Kt)	Gold (Au) g/t	Au Ounces (Koz)	Silver (Ag) g/t	Ag Ounces (Koz)
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**
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**
GRAND TOTAL	**1,905**	**8.9**	**546**	**52**	**3,168**

Note: Small discrepancies may have occurred due to rounding

Kingsrose Mining Limited (ASX:KRM) owns 85% of the Way Linggo Gold Project in Southern Sumatra, Indonesia. The Project is held under a 100km^2 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. A systematic and disciplined exploration program was implemented over the last 12 months which has yielded early stage success with gold veins identified undercover and encouraging results from a recent orientation drilling program testing blind mineralisation.

JORC CODE, 2012 EDITION – TABLE 1

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary

Sampling techniques
 	
Drilling techniques
 	
Drill sample recovery
	• Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.
	• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.
	• Aspects of the determination of mineralisation that are Material to the Public Report.
	• In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.
	• Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).
	• Method of recording and assessing core and chip sample recoveries and results assessed.
	• Measures taken to maximise sample recovery and ensure representative nature of the samples.
	• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.
		• This Table 1 relates to sampling by diamond drilling, face sampling and rock chip sampling. Sample intervals are designed to honour geological boundaries.
		• Core is aligned and measured by tape, referenced to downhole core blocks.
		• Diamond drilling and face sampling are completed to industry standard using various sampling intervals (0.1m to 1.5m) domained by geological constraints (e.g. Rock types, veining and alteration/sulphidation).
		• Rock chip samples are collected by hand using a rock hammer with multiple pieces of rock collected at one location for each sample.
		• Rock chip sample locations are picked up by a handheld GPS. Sample rock types were recorded where the rock was identifiable.
		• Rock chip samples are collected directly from the rock. Samples taken were dry.
		• Rock chip samples are inherently variable and do not accurately represent the average grade of the surrounding rock. Rock chip samples are used as a non-quantitative guide for assessing prospectivity hence are regarded as suitable for this purpose.
		• Diamond drilling samples are crushed and pulverised to create a 30g charge for fire assay lead collection followed by flame atomic adsorption spectrometry. Analysis for silver is via gamma ray spectrometry.
		• Face samples are analysed for gold and silver via an aqua regia digestion of a 30g charge with an atomic absorption spectrometry (AAS) finish.
		• Underground diamond drill core. Several core sizes are
		  • used:
		  • NQ (47.6mm nominal core diameter).
		  • HQ (63.5mm nominal core diameter).
		  • PQ (85.0mm nominal core diameter).
		• Diamond drill recoveries are recorded as a percentage of measured core against downhole drilled intervals. Achieved ≈90% recoveries. • Standard drilling practice used to ensure maximum core recoveries. • A documented relationship between core recoveries and grade has not yet been established although core loss occurred in some of the high-grade intersections due to the friable nature of the vein material.

Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. • The total length and percentage of the relevant intersections logged.	• Core logging is conducted by PT. Natarang Mining ("PTNM") geologists, who delineate intervals on geological, structural, alteration and/or mineralogical boundaries, to industry standard. • Logging is qualitative and all core is photographed. Rock types, veining and alteration/sulphidation are all recorded. • 100% of drill core is logged.
Sub-sampling techniques and sample preparation	• If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique.	• Core is cut by diamond saw and half core used for sampling, the remaining half is archived. For gouge, soft and friable core a knife splitter is used to halve the core. • Face chips are nominally chipped horizontally across the face from left to right, sub set by geological features. • The nature, quality and appropriateness of the sample preparation technique is deemed adequate.

Criteria	JORC Code explanation	Commentary
	• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled.	• Duplicate samples are not routinely sampled. • External laboratories coarse duplicates are used. • Sample sizes are considered appropriate for the grain size of the material being sampled.

Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.
	• For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.
	• Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.
		• Gold concentration in diamond drilling samples is determined by both fire assay lead collection followed by flame atomic adsorption spectrometry, and is considered to be total gold. Analysis for silver is via gamma ray spectrometry, and is considered total silver, and by by aqua regia digestion with an AAS finish, and is considered to be total gold.
		• Gold and silver concentrations in face samples is determined by aqua regia digestion with an AAS finish, and is considered to be total gold.
		• Geophysical tools etc are not applicable to this report.
		• One in 25 (1:25) drill core coarse duplicates are sent to an external laboratory, PT Intertek Utama Services, as part of quality control testing.
		• The QAQC protocols used include the following:
		  ○ Commercial blanks are used at an incidence of 1 in 10 samples.
		  ○ Drill core coarse duplicates are sent to an external laboratory, PT Intertek Utama Services, at an incidence of 1 in 25 samples.

Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data.	• Significant intersections were reviewed by senior exploration geology and mining geology managers from PTNM and by KRM personnel. • Twinned holes have not been used to date as they are not considered necessary. • Data is manually checked by PTNM staff geologists prior to input into excel for transfer to an access database. • Hard copies of face sampling, core log sheets, surveys and assay results are stored on site. • No adjustment is made to any assay data.
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. • Specification of the grid system used. • Quality and adequacy of topographic control.	• Surface diamond holes are set-out and picked-up by the site survey team using a Leica TGRA+1203 total station. • Exploration drillholes are surveyed with Sure-Shot digital downhole camera at nominally fifty metre intervals. • Rock chip sample locations were recorded using a handheld GPS. Elevation values were in AHD RL and values recorded within the database. Expected accuracy is + or – 5m for easting, northing and 10m for elevation coordinates. • The Universal Transverse Mercator (UTM) system is used. No local grid system is used at Talang Santo Mine. Page | 12 Quarterly Activities Report | Period Ended 31 December 2014. • Topographic data is not relevant to the underground mine. For general use remote sensing data with the incorporation of local scale topographic surfaces, collected by the site survey team, is used.
Data spacing and distribution	• Data spacing for reporting of Exploration Results. • Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. • Whether sample compositing has been applied.	• • Exploration result data spacing can be highly variable, as little as 5m and up to 100m. • Data spacing and distribution is considered sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource estimation and classifications applied. • Sampling is based on geological intervals. Compositing is not applied until estimation stage.
Orientation of data in relation to	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the	• Intercept angles are generally of suitable orientation (40° to 90°) to the vein system to provide unbiased sampling results. Development openings on strike of the vein system confirm this.

Criteria	JORC Code explanation	Commentary
geological structure	deposit type. • If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	• The rock chip sampling method is used to provide a surface sample only. • Generally drilling orientation is not considered to introduce a sampling bias due to the relatively high (40° to 90°) intercept angles.
Sample security	• The measures taken to ensure sample security.	• Samples retrieved from drilling are stored securely in a locked facility patrolled by onsite security. Samples are then logged, cut and stored in numbered sample bags for transported by PTNM employees to the ISO17025 accredited onsite assay laboratory operated by PT. Geoservices Geo-assay Laboratory.
Audits or reviews	• The results of any audits or reviews of sampling techniques and data.	• Independent review conducted in 2011 which resulted in work practices being modified and brought in line with industry standards. • Data handling and management is performed by PTNM geologists and is to industry standard. • Data is stored in an access database.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• Tenure is occasioned via a fourth generation Contract of Work (CoW) held by PTNM. • PTNM is 85% owned by KRM with the remaining 15% interest held by an Indonesian national. • The mine, mill and camp area are all located within agricultural land that produces primarily coffee and cocoa. • Good relations with local community. • CoW is valid until 2034. • There are no known impediments to continued operation.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• All exploration at the Way Linggo Project has been completed by PTNM/KRM.
Geology	• Deposit type, geological setting and style of mineralisation.	• The Talang Santo deposit is an epithermal gold / silver deposit. Mineralisation is hosted within a vein system of brecciated parallel quartz veins with a dominantly clay supported matrix which also contains clay altered volcanic fragments.
Drill hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	• No new drillhole information is being presented in this release
Data aggregation methods	• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.	• No new drillhole information is being presented in this release

Criteria	JORC Code explanation	Commentary
	• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	• No new drillhole information is being presented in this release.
Diagrams	• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	• No new drillhole information is being presented in this release.
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	• No new drillhole information is being presented in this release.
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	• No new drillhole information is being presented in this release.
Further work	• The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Further drilling on extensions is planned and will be undertaken once drillling platforms become available on the 5 Level of the mine which is currently being accessed.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• The database used for the estimation was created using the flat files provided by KRM. KRM performed validation checks on the database and found no significant issues.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits.	• Mr. Huffadine visits site on a regular basis.

Criteria	JORC Code explanation	Commentary
	• If no site visits have been undertaken indicate why this is the case.	
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• Current mining activities at Talang Santo provide significant confidence in the geological interpretation of all projects. • No gross-scale alternative interpretations are currently considered viable, although there is room for refinement of the current interpretation at depth with the acquisition of additional data. • In all cases the local lithological and structural geology (where available) has been used to inform the interpretive process. All available information from drilling and mapping has been considered during interpretation.
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• The Talang Santo mineral resource extends over 1,400m in strike length, 350m in lateral extent and 430m in depth.
Estimation and modelling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables. • Description of how the geological interpretation was used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	• For Talang Santo modelling and estimation work was undertaken utilising Surpac Vision 6.6 3D mining software. • Digitised polygons form the basis of the three dimensional orebody wireframe. Wireframing is then carried out using a combination of automated stitching algorithms and manual triangulation to create an accurate three dimensional representation of the sub-surface mineralised body. • Drillhole intersections within the mineralised body are defined. These intersections are then used to flag the appropriate sections of the drillhole database tables for compositing purposes. Drillholes are subsequently composited to allow for grade estimation. In all aspects of resource estimation the factual and interpreted geology was used to guide the development of the interpretation. • Once the sample data has been composited, a statistical analysis is undertaken to assist with determining estimation search parameters, top-cuts etc., this is carried out using Snowden's Supervisor. Top cut analysis was carried out by assessing normal and log-histograms for extreme values and using a combination of mean variance plots and population disintegration techniques. Variographic analysis of individual domains is undertaken to assist with determining appropriate search parameters. In all cases knowledge of the geology was used to guide the analysis of the variogram fans in determining the orientation of maximum continuity. • An empty block model is then created for the area of interest; with each ore wireframe used to assign block domain codes which match the flag used for the composites. This model contains attributes set at background values for gold as well as density, and various estimation parameters that are subsequently used to assist in resource categorisation. The block sizes used is determined by orebody geometry, minimum mining units, estimation parameters and levels of informing data available. • Grade estimation is then undertaken, with ordinary kriging estimation as standard. • No by-products or deleterious elements are estimated. • No assumptions have been made about the correlation between variables. • The estimation is validated using the following: a visual interrogation, a comparison of the mean composite grade to the mean block grade for each domain, a comparison of the wireframe volume to the block volume for each domain, grade trend plots (moving window statistics), comparison to the previous resource estimates and statistical analysis of input v output data.

Criteria	JORC Code explanation	Commentary
		• The resource was then sterilised to account for areas considered to be unrecoverable, then depleted for mining voids and subsequently classified in line with JORC guidelines utilising a combination of various estimation derived parameters and geological / mining knowledge. • Broad-scale reconciliation data is available to validate the current estimate.
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• Tonnage estimates are dry tonnes.
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• The cut off grades used for the reporting of the Mineral Resources have been selected based on the style of mineralisation, depth from surface of the mineralisation and the current extraction technique.

Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• The principle extraction method at Talang Santo is underground mining using hand-held mining methods for all development with Emco 21B boggers and electric locomotives hauling 1-4 Granby's with a 1.5 tonne capacity. A combination of stoping methods are applied;
		  ○ Longhole stoping with a Boart Longyear Stopemate for stope sizes of fifteen metres along strike, a depth of seven metres and widths of one to six metres in the wider zones of the orebody.
		  ○ Shrink stopes for narrower sections of the orebody with good ground conditions.
		  ○ Gallery stopes for narrower sections of the orebody with less competent ground conditions.
		• A minimum mining width of 1.0m was applied when estimating the reportable resource.
		• No external mining dilution was applied to the mineral resource model.

Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• Metallurgical test work has been carried out as part of KRM's 2013 feasibility study. Ongoing diagnostic metallurgical testwork has been undertaken on characterised ore types since the production commenced in 2014. • Current processing history provides confidence in the amenability of Talang Santo ore to conventional gold ore processing practices.
Environmental factors or assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• All environmental considerations for the Talang Santo have been considered by KRM during their 2014 mining re-start study. • Process waster options, waste water disposal, tailing disposal facilities etc. have all been defined and are operational.
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the	• Specific gravity data is available for Talang Santo, with test-work performed by Bandung University on Santo core in November 2012.

Criteria	JORC Code explanation	Commentary
	method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• Densities were assigned based on advice from KRM.
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• Resources are classified in line with JORC guidelines utilising a combination of various estimation derived parameters, input data and geological / mining knowledge. • This approach considers all relevant factors and reflects the Competent Person's view of the deposit.
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• Resource estimates are peer reviewed by KRM's technical team. • No external reviews have been undertaken.
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• All currently reported resources estimates are considered robust, and representative on a global scale as demonstrated by the extensive validation process undertaken. • Local-scale variation at depth is expected as new data is acquired.

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	• Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. • Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves.	• No Ore Reserves are currently defined at Talang Santo.

Criteria	JORC Code explanation	Commentary
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• No Ore Reserves are currently defined at Talang Santo.
Study status	• The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves. • The Code requires that a study to at least Pre-Feasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	• No Ore Reserves are currently defined at Talang Santo.
Cut-off parameters	• The basis of the cut-off grade(s) or quality parameters applied.	• No Ore Reserves are currently defined at Talang Santo.
Mining factors or assumptions	• The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). • The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. • The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre-production drilling. • The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). • The mining dilution factors used. • The mining recovery factors used. • Any minimum mining widths used. • The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. • The infrastructure requirements of the selected mining methods.	• No Ore Reserves are currently defined at Talang Santo.
Metallurgical factors or assumptions	• The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. • Whether the metallurgical process is well-tested technology or novel in nature. • The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. • Any assumptions or allowances made for deleterious elements. • The existence of any bulk sample or pilot scale test work and the degree to which such samples are considered representative of the orebody as a whole. • For minerals that are defined by a specification,	• No Ore Reserves are currently defined at Talang Santo.

Criteria	JORC Code explanation	Commentary
	has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	
Environmental	• The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	• No Ore Reserves are currently defined at Talang Santo.
Infrastructure	• The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided, or accessed.	• No Ore Reserves are currently defined at Talang Santo.
Costs	• The derivation of, or assumptions made, regarding projected capital costs in the study. • The methodology used to estimate operating costs. • Allowances made for the content of deleterious elements. • The source of exchange rates used in the study. • Derivation of transportation charges. • The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. • The allowances made for royalties payable, both Government and private.	• No Ore Reserves are currently defined at Talang Santo.
Revenue factors	• The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. • The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	• No Ore Reserves are currently defined at Talang Santo.
Market assessment	• The demand, supply and stock situation for the particular commodity, consumption trends and factors likely to affect supply and demand into the future. • A customer and competitor analysis along with the identification of likely market windows for the product. • Price and volume forecasts and the basis for these forecasts. • For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	• No Ore Reserves are currently defined at Talang Santo.
Economic	• The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. • NPV ranges and sensitivity to variations in the significant assumptions and inputs.	• No Ore Reserves are currently defined at Talang Santo.
Social	• The status of agreements with key stakeholders and matters leading to social licence to operate.	• No Ore Reserves are currently defined at Talang Santo.
Other	• To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves:	• No Ore Reserves are currently defined at Talang Santo.

Criteria	JORC Code explanation	Commentary
	• Any identified material naturally occurring risks. • The status of material legal agreements and marketing arrangements. • The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	
Classification	• The basis for the classification of the Ore Reserves into varying confidence categories. • Whether the result appropriately reflects the Competent Person's view of the deposit. • The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	• No Ore Reserves are currently defined at Talang Santo.
Audits or reviews	• The results of any audits or reviews of Ore Reserve estimates.	• No Ore Reserves are currently defined at Talang Santo.
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. • It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• No Ore Reserves are currently defined at Talang Santo.