

Kingsrose Mining Limited



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(ABN 49 112 389 910)

ASX Code: KRM

Gold Miners
December 2011



General Disclaimer

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The SARINC target statement has been based on data provided by Regional Government of Sardinia, Italy. The estimate of the potential quantity and grade are considered conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Competent Person Statement

The information in this report that relates to exploration results, mineral resources and ore reserves is based on information compiled by Mr. Peter G. Cook, BSc Applied Geol, MSc (Min Econ), who is a Member of the Australasian Institute of Mining and Metallurgy, and a Director of and consultant to Kingsrose Mining Limited. Mr. Cook has sufficient experience which is relevant to the styles of mineralisation and types of deposits and to the activity 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 (“JORC Code”). Mr. Cook consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

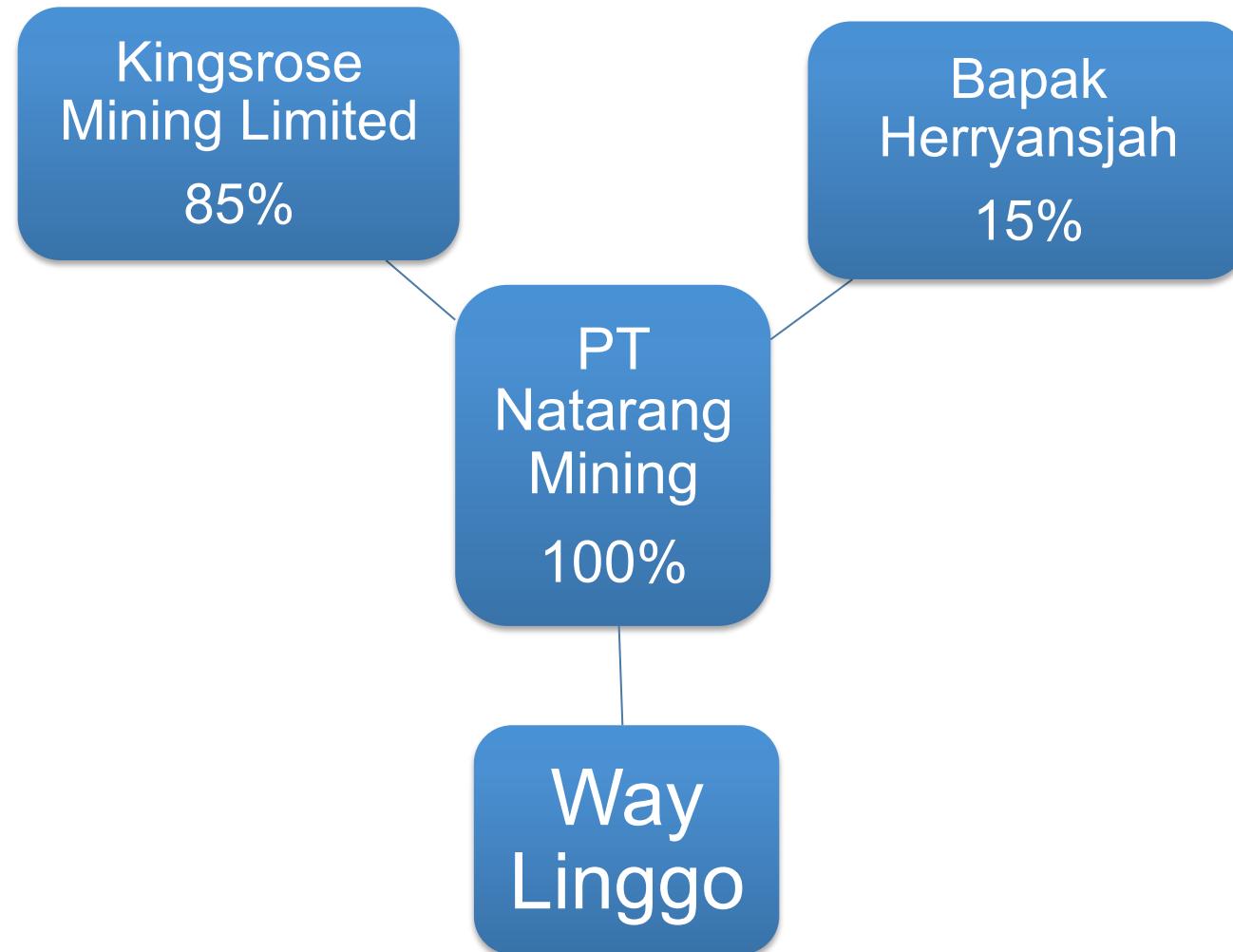


Who is Kingsrose Mining?

- **Gold miner in production**
 - Targeting 45 koz gold, 500 koz silver production
- **One of the lowest cost producers in the world**
 - Targeting US\$150/oz (After silver credits)
- **High operating margins generating significant cash flow**
 - \$33 million in cash and bullion (at 30 Sep 2011)
- **Talang Santo Discovery**
 - Discovery hole – June 2011
 - Maiden Resource of **396,430 oz gold & 413,000 silver** (Dec 2011)
 - Commenced exploration drive and shaft sinking for trial mining
- **Massive growth opportunity**
 - Highly prospective land holdings on Trans Sumatra Fault
 - Aggressive exploration with 12 drill rigs



Way Linggo ownership





Way Linggo - mining

Underground mining

- Sub-vertical epithermal vein
- Access via 2 adits & internal shaft
- Hand-held stoping methods
- Small scale boggers, locos and granbys on rails
- Skip hoisting up slope to stockpile





North Vein ore bodies

Mine performance to date

Original resource estimate grade

- 8.44 g/t Gold
- 129 g/t Silver

Mining to date (approx)

- 14.8 g/t Gold
- 174 g/t Silver



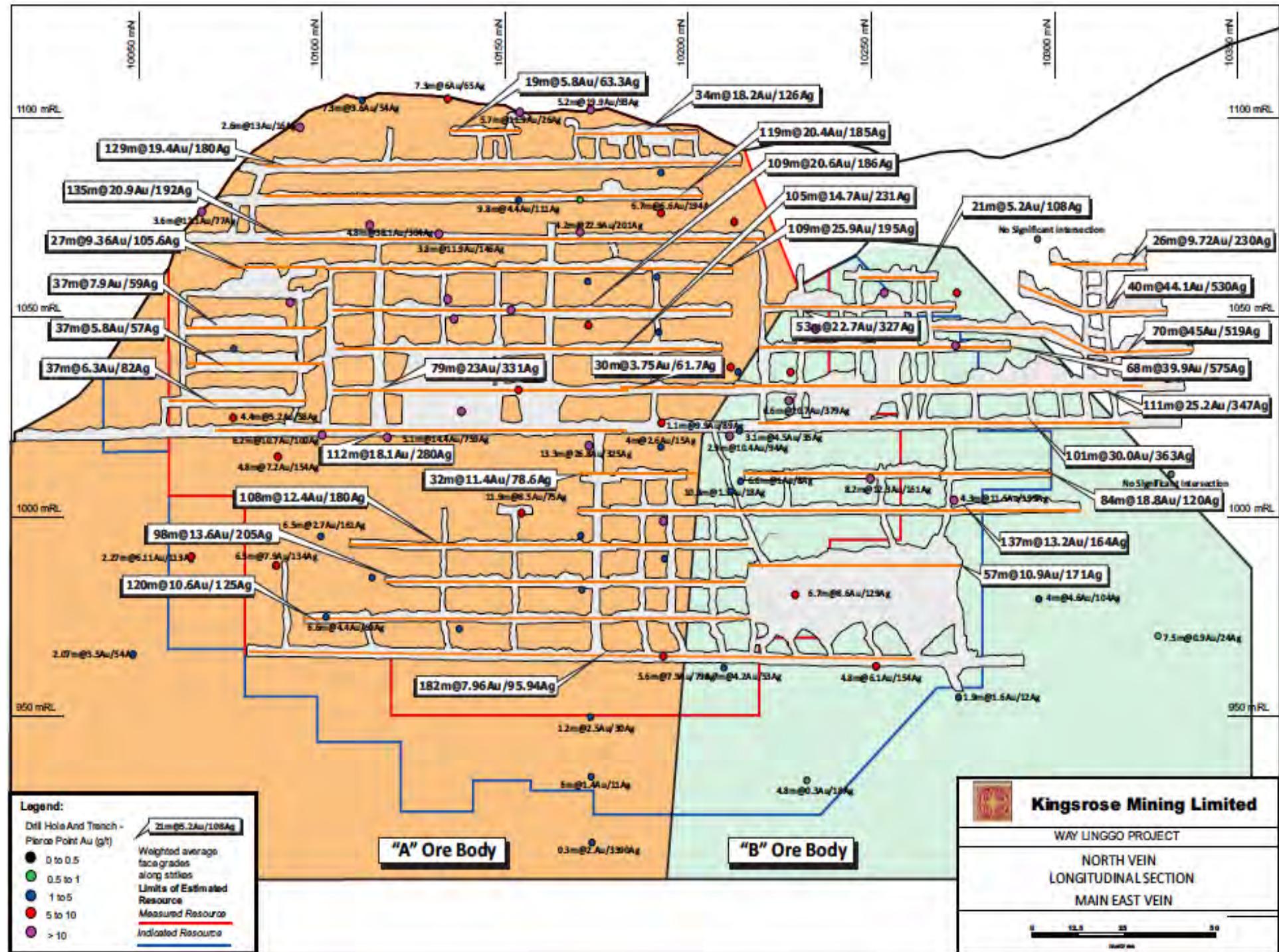
A Ore Body Zone
Quartz - Adularia – Clay Assemblage

1020 Level Face sampling (uncut)
112 m @ 20.4 g Au/t, 304 g Ag/t
Average width 4.1 m



B Ore Body Zone
Quartz – Chlorite – Clay Assemblage

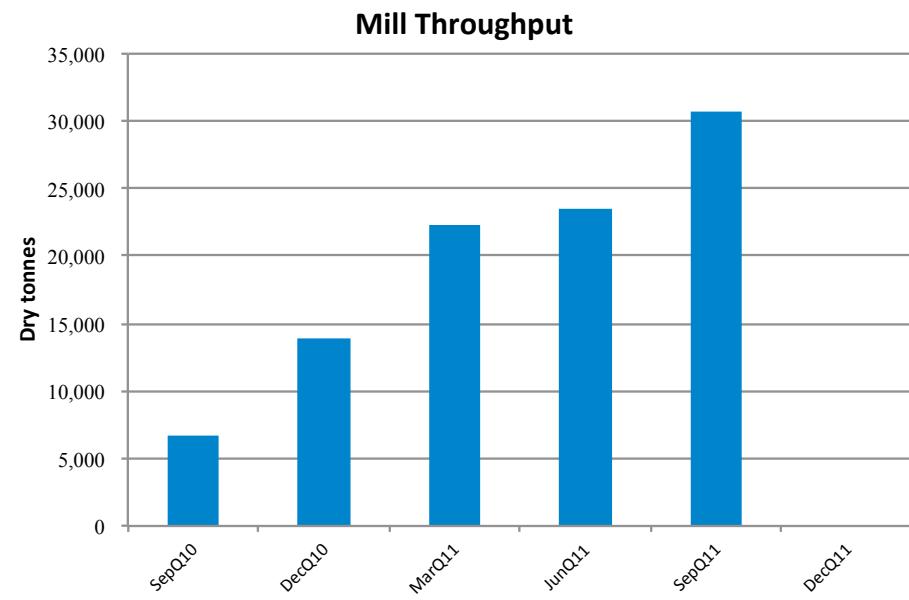
1020 Level Face sampling (uncut)
90 m @ 33.5 g Au/t, 414 g Ag/t
Average width 4.5 m





Way Linggo – process plant

140,000 tpa Plant





Way Linggo – process plant

Improvements

Initially there were clay handling problems restricting throughput

Remedy

SAG Mill installation and minor circuit modifications

- improved plant operability and de-risked the process
- Reduced operating costs
- Increased circuit capacity for future process plant expansion



Opportunity to expand plant to 600 t/day capacity to grow with additional mining from Way Linggo extension and the new discoveries.



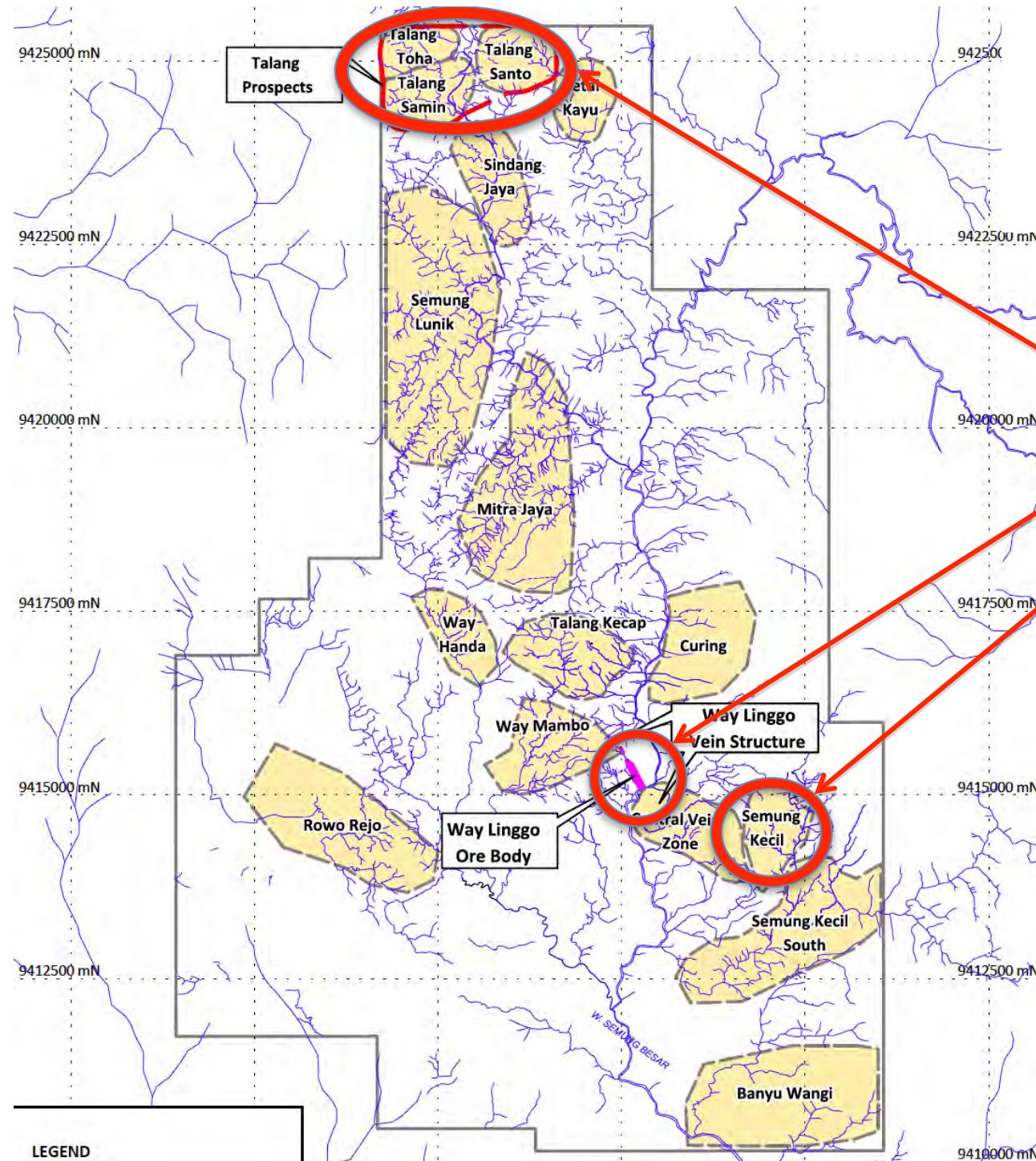
Way Linggo - production scorecard

		2010/2011	Steady State	Expanded Capability
Mine throughput	t	61,068	140,000	200,000
Mine grade	g/t gold	13.0	12.0	12.0
	g/t silver	162	144	144
Mill throughput	t	66,336	140,000	200,000
Mill grade	g/t gold	14.1	12.0	12.0
	g/t silver	179	144	144
Gold production	oz	27,056	45,000	64,000
Silver production	oz	318,869	500,000	710,000
Gold equivalent	oz	33 855	57 500	82 000



Way Linggo - financial scorecard

		2010/2011	Steady State	Expanded Capability
Mining cost	\$/oz	119	200	140
Process cost	\$/oz	253	215	180
Admin cost	\$/oz	92	75	50
Operating cost	\$/oz	464	490	370
Operating cost after silver credits	\$/oz	142	150	80
D & A	\$/oz	246	210	200
Government royalties	\$/oz	33	35	35
Total cost	\$/oz	421	395	315



15 exploration targets

3 exploration priorities

Talang cluster

Way Linggo mine

Semung Kecil

- 12 rigs in action
- 6 field teams
- \$14 million budget over the next 12 months



Talang Santo – drilling results

<u>DDH 194</u>	2.4m @ 7.5 g/t Au, 35 g/t Ag and 3.9m @ 9.2 g/t Au, 21 g/t Ag
<u>DDH 199</u>	1.1m @ 46.9 g/t Au, 88 g/t Ag and 4.35m @ 10.0 g/t Au, 25 g/t Ag
<u>DDH 206</u>	4.80m @ 10.3 g/t Au, 34 g/t Au and 2.00m @ 5.01 g/t Au, 10 g/t Ag
<u>DDH 207</u>	1.45m @ 10.2 g/t Au, 16 g/t Ag and 1.30m @ 14.4 g/t Au, 26 g/t Au
<u>DDH 208</u>	10.65m @ 8.3 g/t Au, 11 g/t Ag including 1.25m @ 30.6 g/t Au, 40 g/t Ag
<u>DDH 226</u>	4.65m @ 16.31 g/t Au, 47 g/t Ag including 1.75m @ 37.9 g/t Au, 117 g/t Ag
<u>DDH 233</u>	4.95m @ 17.56 g/t Au, 33 g/t Ag including 0.95m @ 51.81 g/t Au, 93 g/t Ag





Talang Santo – a potential 2nd mine

- Talang Santo only 7 km NNE from Way Linggo.
- Access road complete - 17 km long
 - Haul road standard to Way Linggo
- Total 6 rigs at Santo
- Fast track resource definition
- Already shaping up as similar size to Way Linggo and still open along strike and at depth.
- No impediments to quick development





Resource Estimate

Classification		Tonnes	Au g/t	Ag g/t	Au oz	Ag oz
Measured	Way Linggo	467,400	12.44	166.8	186,940	2,506,500
Indicated	Way linggo	182,800	6.09	84.5	35,790	497,600
Inferred	Way Linggo	60,200	3.77	38.1	7,300	73,700
Subtotal	Way Linggo	710,000	10.24	135.6	230,030	3,076,800
Inferred	Talang Santo	879,000	5.89	14.6	166,400	413,000
TOTAL		1,589,000	7.89	68.66	396,430	3,489,800

- Resource depleted for mining to the end of June 2011
- Resource reported in compliance with JORC Code 2004
- Gold equivalent (AuEq) assumes 1 g/t Au is equivalent to 45 g/t Ag
- Classified Mineral Resource is based on 2.5 g/t AuEq cut-off grade
- Refer to 2011 Annual Report and www.Kingsrosemining.com.au for further details



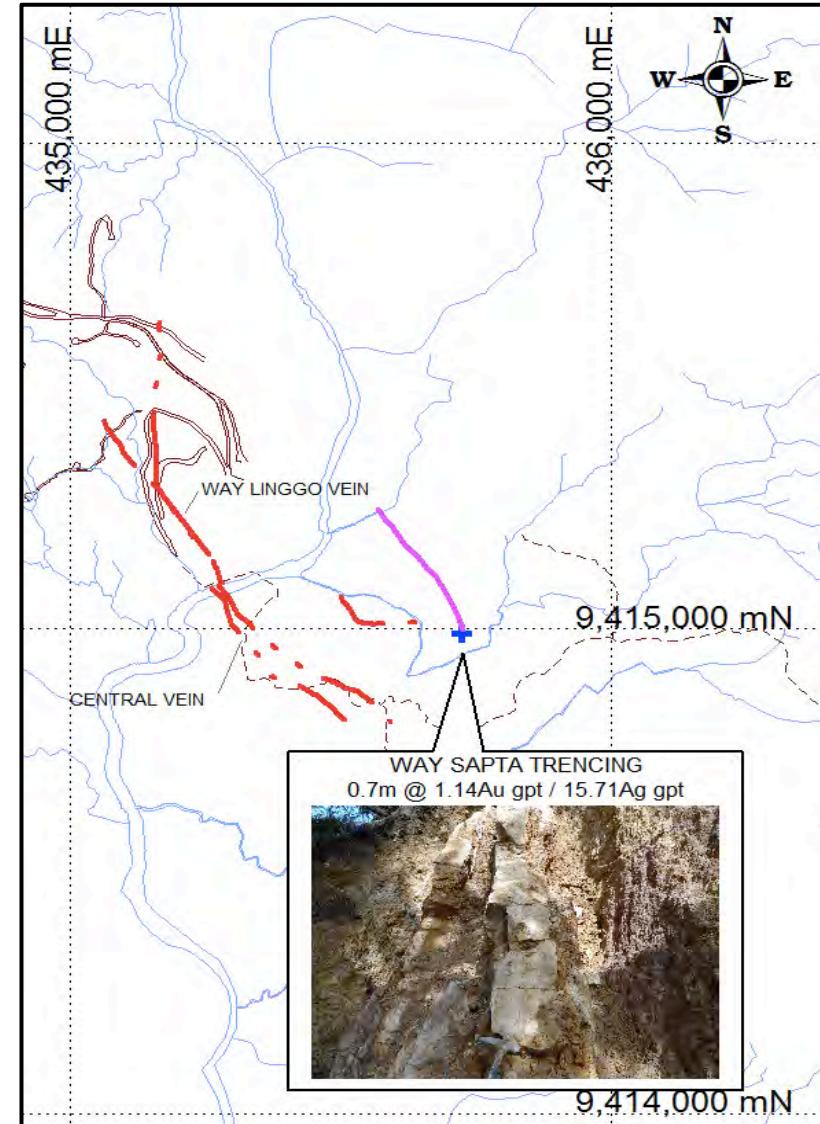
Commenced Exploration Adit & drive at Talang Santo





Way Linggo Area – Way Sapta

- Outcropping vein discovered in November 2011
- Mineralised with similar gold/silver ratio as Way Linggo
- Possibly the faulted extension of Way Linggo or a parallel vein.
- Preparing access and mobilising man portable drill rig for December drilling





Way Sapta outcropping vein





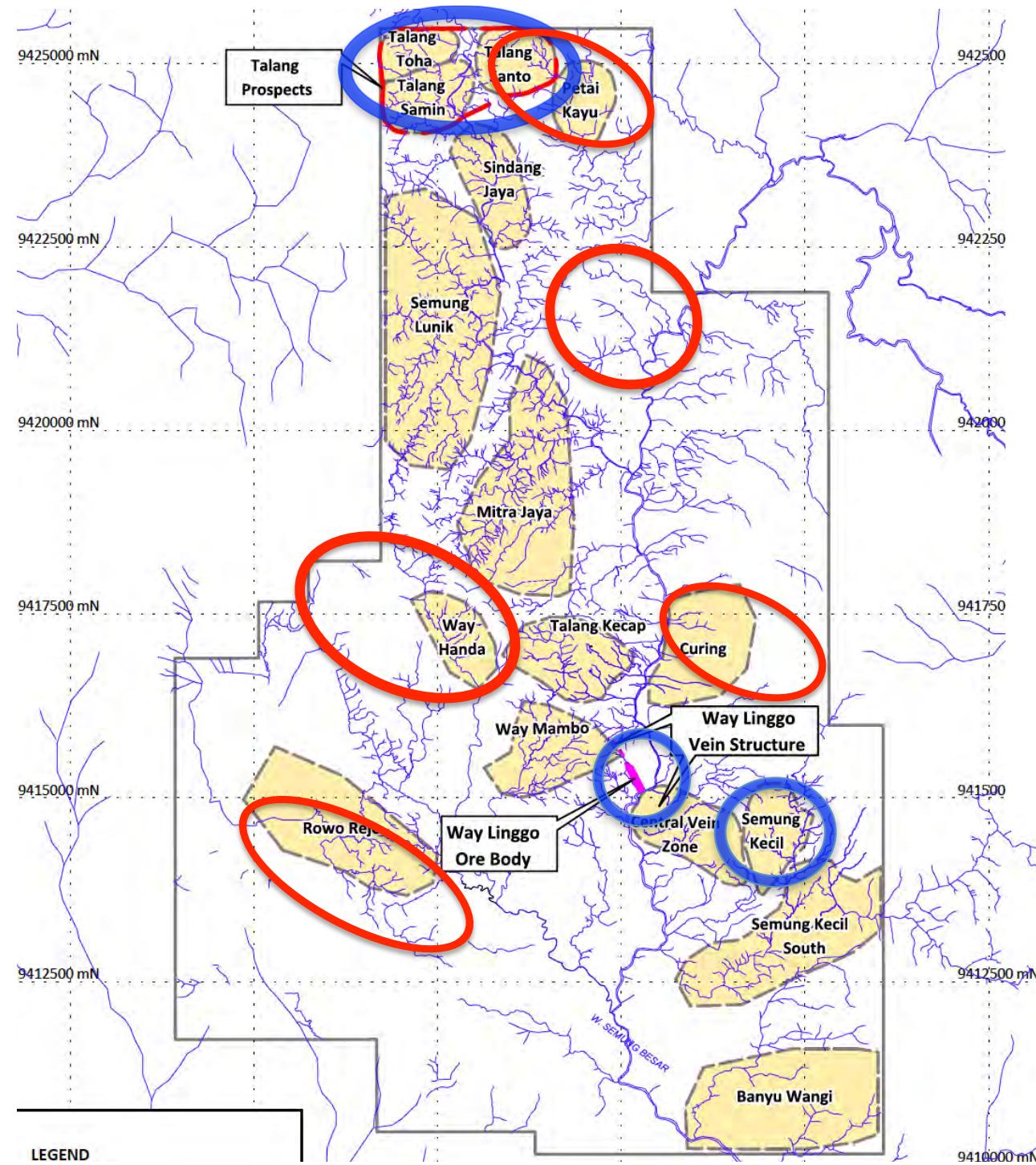
Semung Kecil

Historical

- Geologically similar to Way Linggo and highly prospective
- High grade rock float samples
- Mineralised outcropping veins identified
- Rugged terrain and limited exploration

Current Progress

- Geological Mapping and geological re-interpretation completed
- Access path and fly camp established
- Drill rig mobilised by helicopter and drilling first hole



Evaluation of data identifying new priority targets

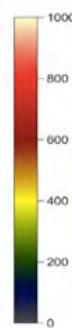
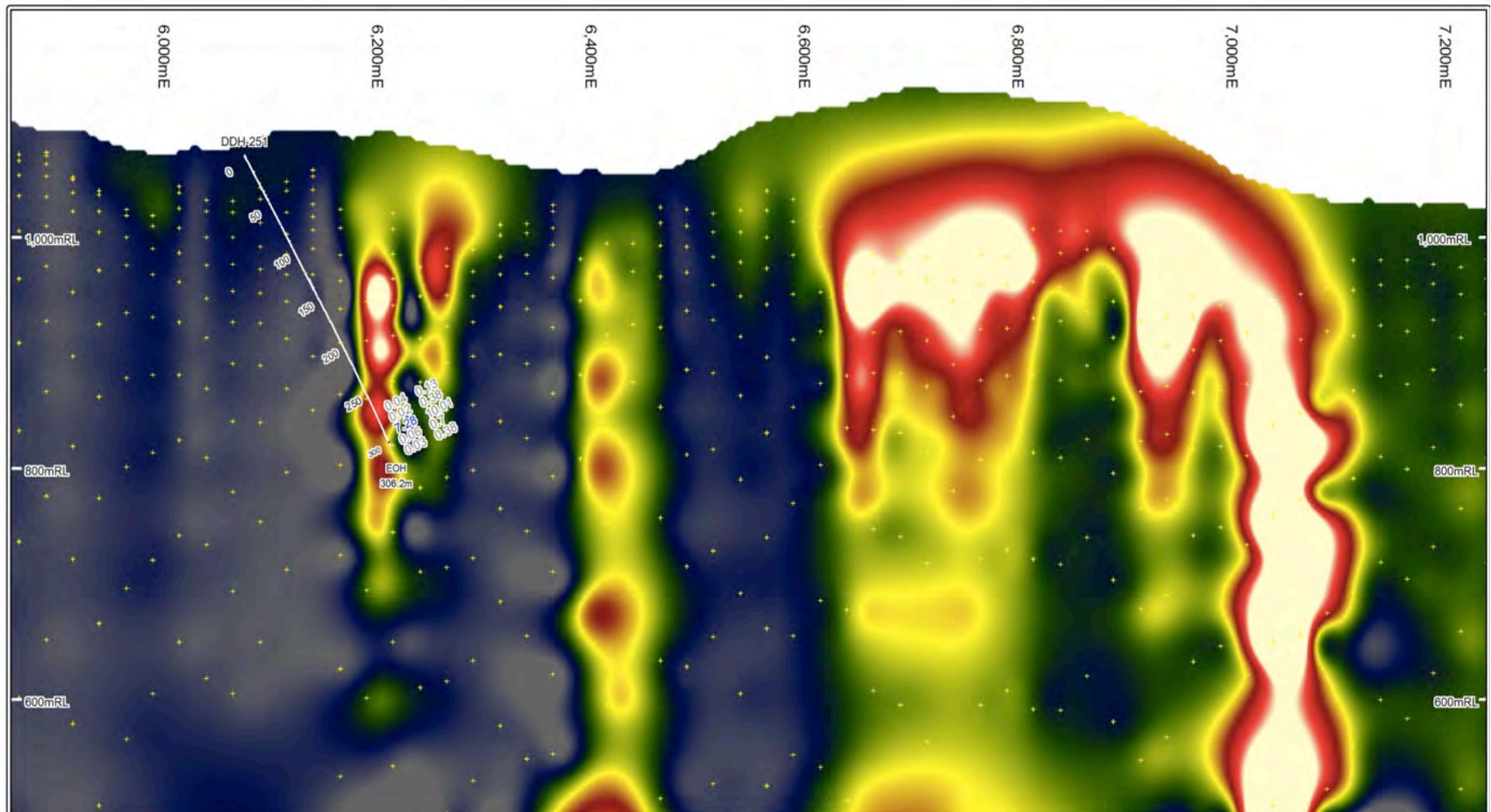


Roworejo

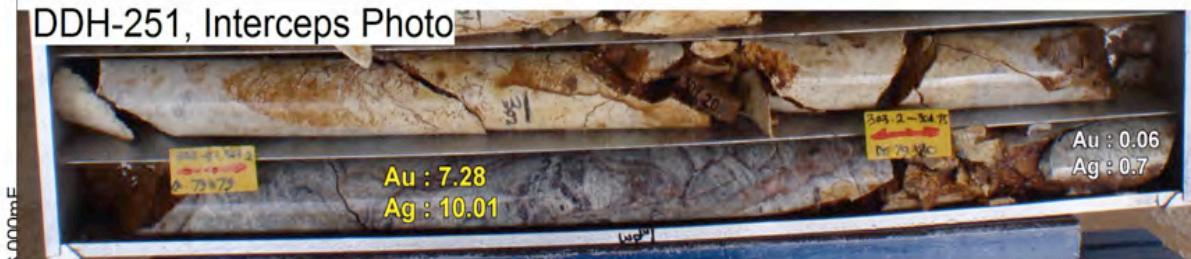
- Identified a Sinter, outcropping breccia and a hot spring in the area
- 1 drill hole drilled to 307m

Hole No.	N	E	Dip/Az	Intercept	From	True Width
251	11456	6073	-50/130	0.80m @ 7.28 g/t Au, 10.0 g/t Ag	302.4m	0.33m

- CSAMT survey conducted



DDH-251, Interceps Photo



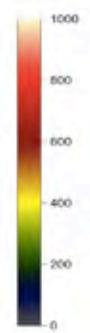
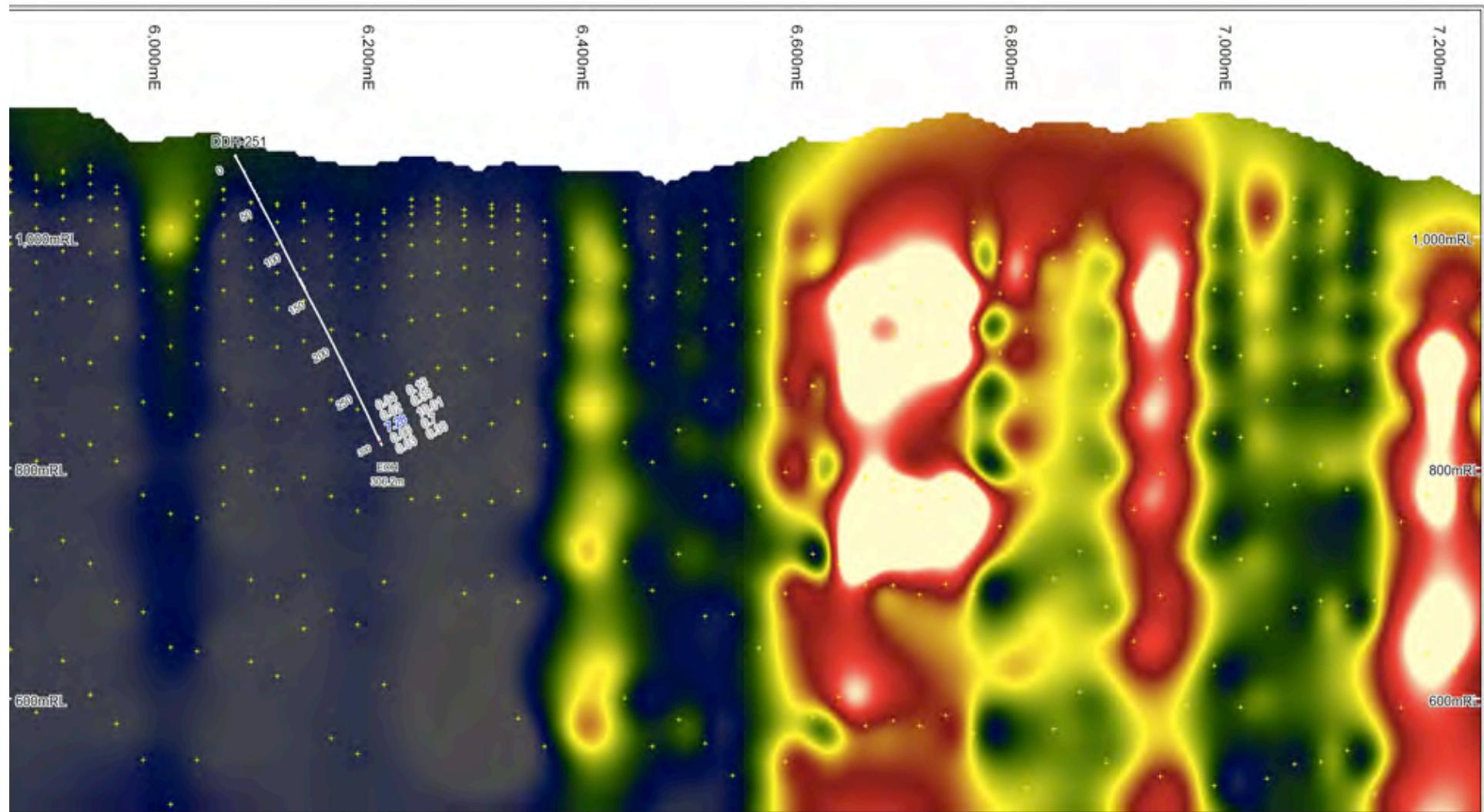
PT Natarang Mining

PROJECT : WAY LINGGO

DDH-251
PROJECTED TO LINE 11000
CSAMT GEOPHYSICS

Author: w.a.l	Projection: Non-Earth (meters)	Report No.:
Date: 24/11/2011	Workspace: DDH_251_PRJ/011400	Map No.:
Scale: 1:5000		

0 25 50 75 100 125 metres



6000

6200

6400

6600

6800

DDH-251, Interceps Photo



Au : 7.28
Ag : 10.01



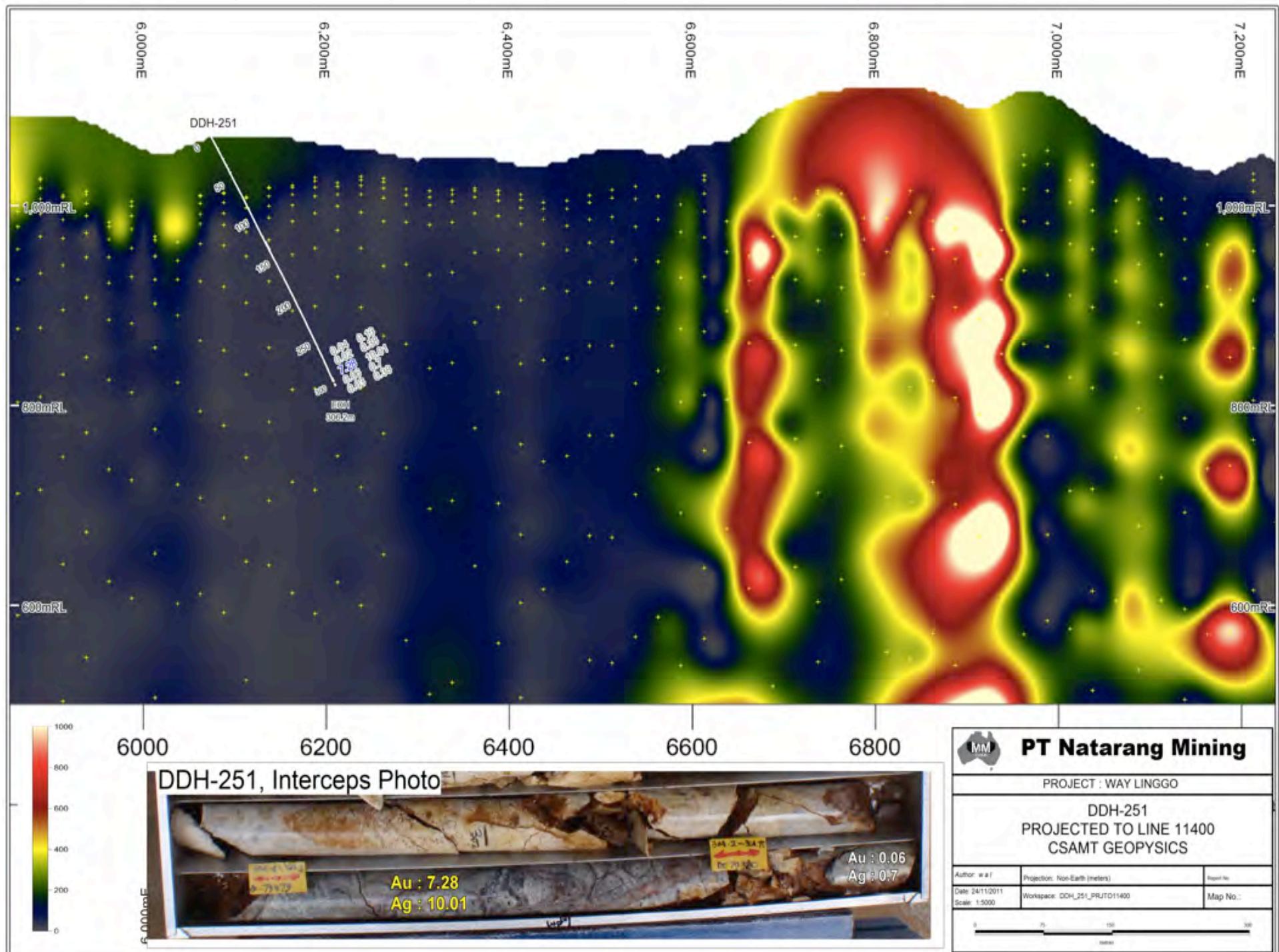
PT Natarang Mining

PROJECT : WAY LINGGO

DDH-251
PROJECTED TO LINE 11200
CSAMT GEOPHYSICS

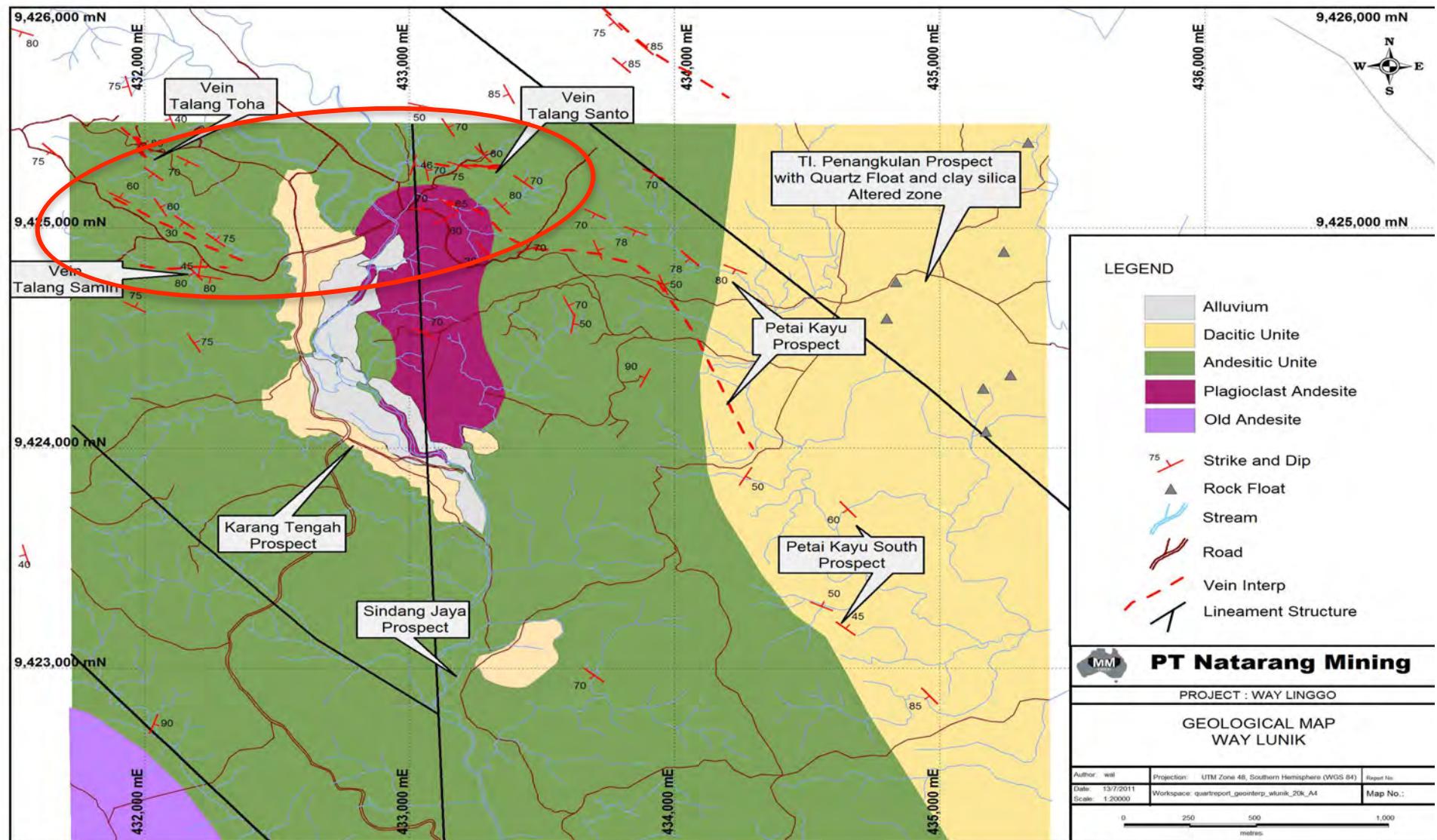
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Date: 24/11/2011	Workspace: DDH_251_PRUTO11400	Map No.:
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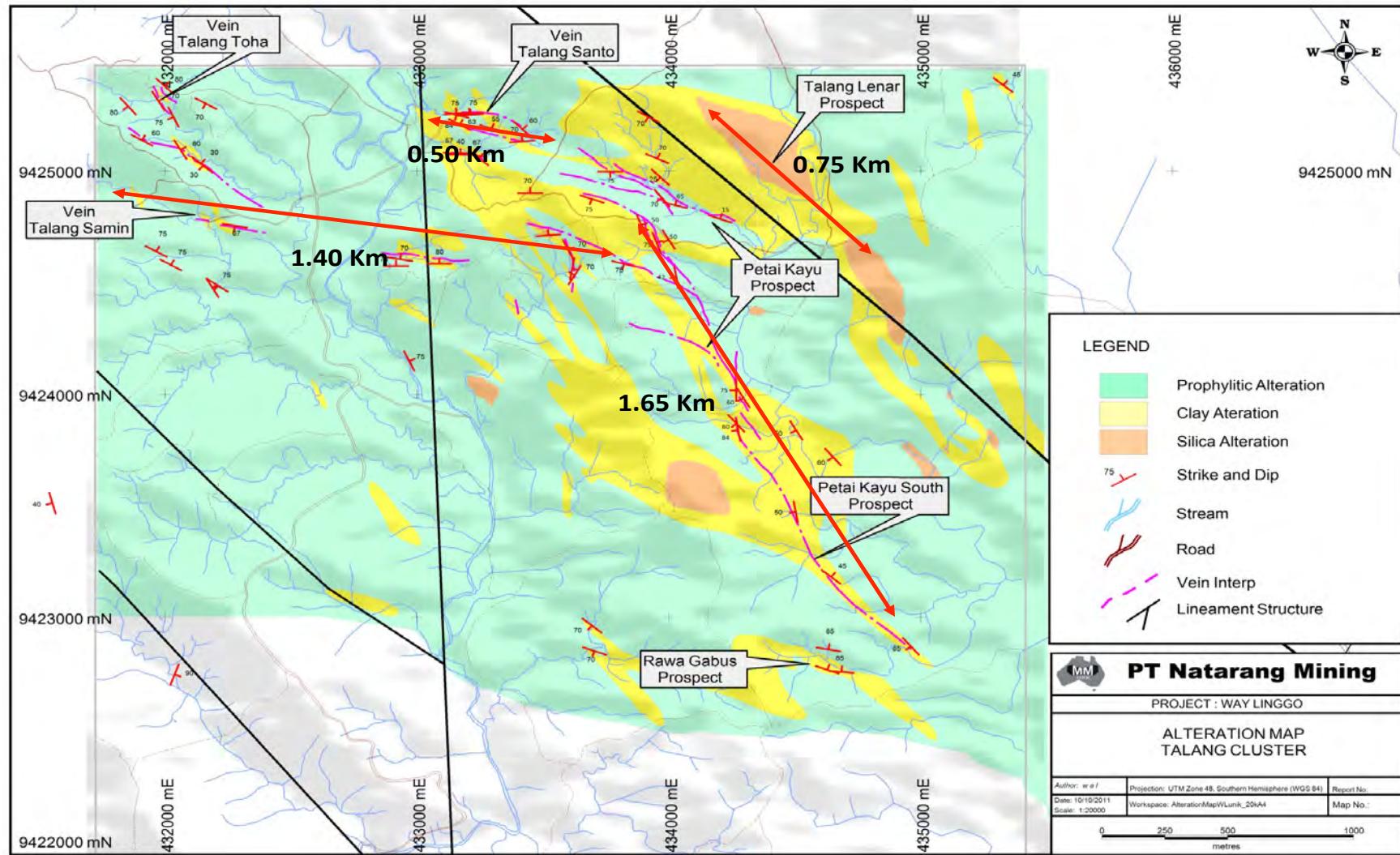


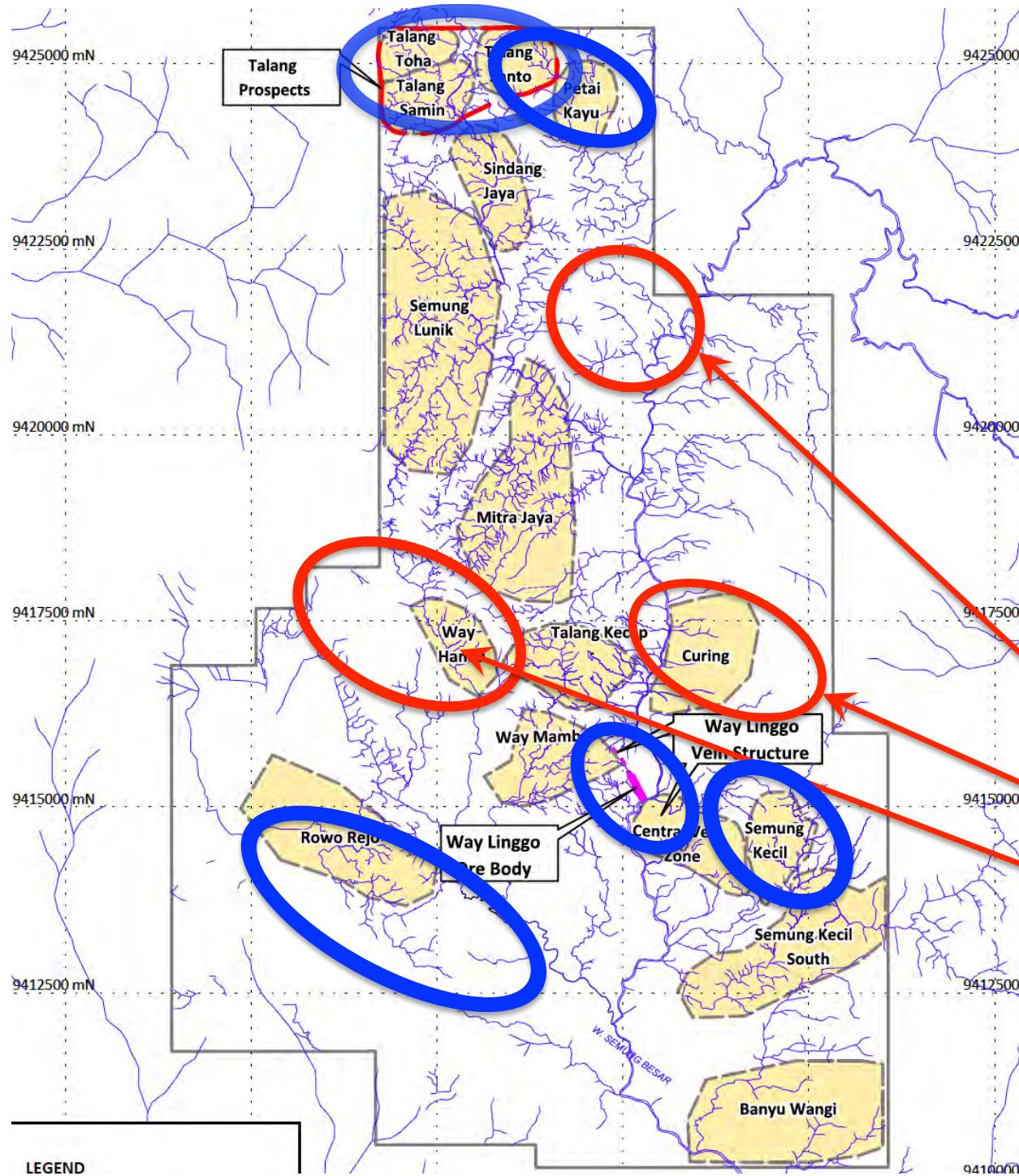
Talang cluster of prospects





Petai Kayu





5 Priority Targets

3 More Targets undergoing further evaluation

Rawa Gabus
Curing
Way Handa



Kingsrose Mining Limited

Investment proposition

- One of the lowest cost gold mines in the world
- Low Risk gold exposure with significant upside
 - Already producing, capital sunk, no debt, high cashflow
- High margins – gold price less \$150/oz
- Strong stock performance
 - Up 620% since purchase of Way Linggo
 - Recent discovery provides opportunity for similar uplift
- \$33 million in cash and bullion at 30 Sep 2011
- Board track record



Way Linggo – gold producer





Board of Directors

John Morris Chairman	Mr. Morris has over 36 years experience in exploration, project development and management of public listed resource companies. He has held prior directorships in a number of gold and base metals public companies in Australia and overseas including Forsayth NL, Uruguay Mineral Exploration Plc and Amerisur Resources Plc (formerly Chaco Resources Plc/Gold Mines of Sardinia Plc)
Chris Start Managing Director	Mr. Start graduated from RMIT as a Metallurgical Engineer with honors in 1988 and has over 23 years of experience in the mining industry. He has worked as a metallurgist, in management positions and as a consultant at a number of mine sites including Kidston, Murrin Murrin, Granny Smith and Boddington. Mr. Start also has international experience working as the Processing Manager at Mt Muro gold and silver mine in Indonesia and as the General Manager at the Musselwhite gold mine in Canada. In addition to his extensive operations experience, Mr Start also has a Master of Science Degree in Mineral Economics.
Tim Spencer Finance Director	Mr Spencer is an economist and qualified accountant with over 16 years experience in various accounting, treasury and finance roles, which included periods with gold companies and a gold refining and trading enterprise. He has particular expertise in precious metals markets and in hedging strategies.
Peter Cook Non-Exec Director	Peter Cook is a Geologist and Mineral Economist and is the current Non-Executive Chairman of Metals X Limited, Aragon Resources Limited and Pacific Niugini Limited. He is also a director of Westgold Resources Limited. Mr Cook brings significant expertise in exploration, mine and corporate management.
Bill Phillips Non-Exec Director	Mr. Phillips has over 30 years experience in mining contracting and mine management, much of which has been gained in Western Australia. He is highly regarded as a leading specialist in underground narrow vein mining. He has managed or been instrumental in the successful development of 16 mines either in the role of contractor or as owner/shareholder. Mr. Phillips most recent role was overseeing development, mining and production at Medusa Mining Limited's Co-O gold mine in the southern Philippines. He is now focused solely on the Way Linggo gold/silver mine located in Sumatra.