



9 March 2012

Low costs and high gold grades underpin record profit for Kingsrose

Kingsrose Mining Ltd (ASX:KRM) is pleased to announce that it has posted a record profit for the six months to December 31, 2011. The outstanding result stems from strong production, low costs and robust margins at its 85 per cent-owned Way Linggo gold-silver project in Sumatra, Indonesia. Kingsrose intends to declare a maiden dividend in the June Quarter as previously advised.

HIGHLIGHTS

- Group EBITDA: **A\$26.1m**
- Net profit after tax attributable to Kingsrose: **A\$11.4m**
- Earnings per Kingsrose Mining share (fully diluted): **A\$ 4 cents**
- Way Linggo Project production: **21,278 ounces of gold and 247,158 ounces of silver**
- Project sales revenue: **A\$34.1m** from the sale of 20,671 ounces of gold
- Cash operating cost after silver credits: **A\$222/oz**
- Cash at bank: **A\$34.9m** in cash and equivalents at December 31, 2011, up A\$10.9m from June 30, 2011

NB: Results for the previous corresponding period are not comparable because commissioning of the Way Linggo Project took place and therefore not shown above. Please refer to the Half Year Report for more information.

- Royalty Buyback – A buyback clause was exercised allowing Kingsrose to buy back a 2% net smelter royalty from current holder on the first 250,000 ounces of gold production by paying US\$300,000.
- Simon Sembiring appointed as an Independent Commissioner of PT Natarang Mining (85%-owned by Kingsrose and holder of the Way Linggo Project). Mr. Sembiring, an Indonesian national, holds a PhD in Mineral Economics, School of Mines, from the University of New South Wales. He has held similar positions with other Indonesian companies and for the past decade has held various positions with the Department of Minerals and Energy, including Director General of Geology and Mineral Resources, Director General of Minerals, Coal and Geothermal Energy and finally as Expert Staff Member of Energy, Mineral Resources, Economic and Financial Division.

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