

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

KINGSROSE MINING LIMITED

ABN

49 112 389 910

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

| | | | | | | |
|----------------|--|--|----------------|-------------|--------|------------------|
| 1 | +Class of +securities issued or to be issued | Unlisted Options | | | | |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 100,000 | | | | |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | <table><tr><td>Exercise Price</td><td>Expiry Date</td></tr><tr><td>\$1.27</td><td>14 February 2015</td></tr></table> | Exercise Price | Expiry Date | \$1.27 | 14 February 2015 |
| Exercise Price | Expiry Date | | | | | |
| \$1.27 | 14 February 2015 | | | | | |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | |
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| <p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment | <p>N/A</p> |
| <p>5 Issue price or consideration</p> | <p>Nil</p> |
| <p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p> | <p>Issue to senior employee under ESOP.</p> |
| <p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the +securities the subject of this Appendix 3B</i>, and comply with section 6i</p> | <p>N/A</p> |
| <p>6b The date the security holder resolution under rule 7.1A was passed</p> | <p>N/A</p> |
| <p>6c Number of +securities issued without security holder approval under rule 7.1</p> | <p>N/A</p> |
| <p>6d Number of +securities issued with security holder approval under rule 7.1A</p> | <p>N/A</p> |

+ See chapter 19 for defined terms.

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| 6e | Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) | N/A | |
| 6f | Number of securities issued under an exception in rule 7.2 | N/A | |
| 6g | If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation. | N/A | |
| 6h | If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements | N/A | |
| 6i | Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A - complete Annexure 1 and release to ASX Market Announcements | N/A | |
| 7 | Dates of entering +securities into uncertificated holdings or despatch of certificates | 22 August 2012 | |
| 8 | Number and +class of all +securities quoted on ASX (<i>including</i> the securities in section 2 if applicable) | Number | +Class |
| | | 289,243,617 | Ordinary Shares KRM |
| | | 1,281,413 | Listed Options KRMO |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

| | Number | +Class |
|--|------------------|---------------------------------|
| 9 Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable) | 150,000 | KRMAM – Unlisted options (ESOP) |
| | 1,500,000 | KRMAO – Unlisted options |
| | 75,000 | KRMAK – Unlisted options (ESOP) |
| | 3,000,000 | KRMAU – Unlisted options (ESOP) |
| | 2,000,000 | KRMAQ – Unlisted options (ESOP) |
| | 250,000 | KRMAY – Unlisted options (ESOP) |
| | 1,000,000 | KRMAW – Unlisted options (ESOP) |
| | 500,000 | KRMAW - Unlisted options |
| | 500,000 | KRMAS – Unlisted options (ESOP) |
| | 100,000 | KRM?? – Unlisted options (ESOP) |
| | 9,075,000 | TOTAL UNLISTED OPTIONS |

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| 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests) | <p>On 20 December 2011 the Company announced a Dividend Policy stating that Kingsrose intends, to the extent permissible under the Corporations Act and the Company’s Constitution, to pay an annual dividend to shareholders, subject to capital expenditure requirements, acquisition activity and liquidity needs. Franking will be subject to the composition of income.</p> <p>The Policy will periodically be reviewed by the Board to ensure it complies with any applicable legal requirements and remains relevant and effective and may be amended by the Board of Kingsrose by resolution.</p> <p>The Policy is not intended to be contractual in nature.</p> |
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Part 2 - Bonus issue or pro rata issue N/A

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| 11 Is security holder approval required? | |
| 12 Is the issue renounceable or non-renounceable? | |
| 13 Ratio in which the +securities will be offered | |
| 14 +Class of +securities to which the offer relates | |
| 15 +Record date to determine entitlements | |
| 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? | |

+ See chapter 19 for defined terms.

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| 17 | Policy for deciding entitlements in relation to fractions | |
| 18 | Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small> | |
| 19 | Closing date for receipt of acceptances or renunciations | |

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

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|----|---|--|
| 20 | Names of any underwriters | |
| 21 | Amount of any underwriting fee or commission | |
| 22 | Names of any brokers to the issue | |
| 23 | Fee or commission payable to the broker to the issue | |
| 24 | Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders | |
| 25 | If the issue is contingent on +security holders' approval, the date of the meeting | |
| 26 | Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled | |
| 27 | If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders | |
| 28 | Date rights trading will begin (if applicable) | |
| 29 | Date rights trading will end (if applicable) | |
| 30 | How do +security holders sell their entitlements <i>in full</i> through a broker? | |
| 31 | How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance? | |

+ See chapter 19 for defined terms.

32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?

33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) YES Securities described in Part 1

(b) All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

Entities that have ticked box 34(b)

38 Number of securities for which
 +quotation is sought

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39 Class of +securities for which
 quotation is sought

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40 Do the +securities rank equally in all
 respects from the date of allotment
 with an existing +class of quoted
 +securities?

If the additional securities do not
 rank equally, please state:

- the date from which they do
- the extent to which they
 participate for the next dividend,
 (in the case of a trust,
 distribution) or interest payment
- the extent to which they do not
 rank equally, other than in
 relation to the next dividend,
 distribution or interest payment

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41 Reason for request for quotation
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Example: In the case of restricted securities, end of
 restriction period

(if issued upon conversion of another
 security, clearly identify that other
 security)

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| | Number | +Class |
|---|--------|--------|
| 42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38) | | |

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:



Print name:

Jeannette Smith
Company Secretary
23 August 2012

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

N/A

+ See chapter 19 for defined terms.