Kingsrose Mining Limited

17 October 2012

Company Announcements Office
Australian Securities Exchange Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

RE: CORPORATE GOVERNANCE STATEMENT

On 2 October 2012 the Company lodged the 'glossy' 2012 Annual Report with the ASX. Unfortunately it has just come to light that due to a file conversion error, the Corporate Governance section was inadvertently omitted and accordingly it is now hereby lodged. This section should be read in conjunction with the balance of the Annual Report.

The Annual Report which was uploaded to the Company's website has been corrected to include the Corporate Governance section.

We apologise for any inconvenience caused in this regard.

Yours Faithfully

JEANETTE SMITH
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KINGSROSE MINING LIMITED

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About Kingsrose Mining Limited:

Kingsrose Mining Limited is a gold producer that has an 85% interest in the Way Linggo mine in South Sumatra, Indonesia. The project has emerged as a small but highly profitable miner from its high grade gold and silver mine, largely due to its low operating costs. The Way Linggo project hosts a JORC compliant resource of 2,188,500 tonnes with a grade of 6.91/t gold containing 485,900 ounces and 135.6g/t silver containing 3,183,200 ounces, and is targeting production of +40,000 ounces of gold and +250,000 ounces of silver per annum at cash costs of circa US$300oz after silver credits. Kingsrose owns a highly prized 4th Generation contract of work (mining title of 10,000 hectares) in Indonesia which regionally sits on the pacific rim of fire and in close proximity to the prolifically mineralised Trans-Sumatra Fault. The area is considered highly prospective for low-sulphidation epithermal gold-silver deposits. Kingsrose has recently made a second high grade epithermal gold discovery at its Talang Santo Prospect, 7km NNE of the Way Linggo mine and has already commenced trial mining of that ore system to supplement and sustain its gold production.

At the end of the June 2012 quarter, Kingsrose had $34 million in cash and bullion. The Company's operations generate strong free cash flow and importantly, the Company has just paid a maiden interim dividend.

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CORPORATE GOVERNANCE STATEMENT

TO BE READ IN CONJUNCTION WITH THE 2012 ANNUAL REPORT

1. CORPORATE GOVERNANCE PRINCIPLES

The Board of Directors of Kingsrose Mining Limited is responsible for establishing the corporate governance framework of the Group having regard to the ASX Corporate Governance Council (CGC) published guidelines as well as its corporate governance principles and recommendations. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable. Where a recommendation has not been followed that fact is disclosed together with the reasons for the departure.

The Corporate Governance Council's principles are summarised as follows:

Principle 1 - Lay solid foundations for management and oversight
Principle 2 - Structure the board to add value
Principle 3 - Promote ethical and responsible decision-making
Principle 4 - Safeguard integrity in financial reporting
Principle 5 - Make timely and balanced disclosure
Principle 6 - Respect the rights of shareholders
Principle 7 - Recognise and manage risk
Principle 8 - Remunerate fairly and responsibly

The table below summarises the Company's compliance with the CGC's recommendations.

	ASX P & R	Reason for non-compliance		ASX P & R	Reason for non-compliance
Recommendation 1.1	Yes	Y	Recommendation 4.2	No	(iii)
Recommendation 1.2	Yes	Y	Recommendation 4.3	No	(iii)
Recommendation 1.3	Yes	Y	Recommendation 4.4	Yes	
Recommendation 2.1	No	(i)	Recommendation 5.1	Yes	
Recommendation 2.2	Yes		Recommendation 5.2	Yes	
Recommendation 2.3	Yes		Recommendation 6.1	Yes	
Recommendation 2.4	No	(ii)	Recommendation 6.2	Yes	
Recommendation 2.5	Yes		Recommendation 7.1	Yes	
Recommendation 2.6	Yes		Recommendation 7.2	Yes	
Recommendation 3.1	Yes		Recommendation 7.3	Yes	
Recommendation 3.2	Yes		Recommendation 7.4	Yes	
Recommendation 3.3	Yes		Recommendation 8.1	Yes	
Recommendation 3.4	Yes		Recommendation 8.2	Yes	
Recommendation 3.5	Yes		Recommendation 8.3	Yes	
Recommendation 4.1	No	(iii)	Recommendation 8.4	Yes	

(i) Refer to 2(b) below
(ii) Refer to 2(d) below
(iii) Refer to 3(a) below

Kingsrose Mining Limited's corporate governance practices were in place throughout the year ended 30 June 2012.

2. THE BOARD OF DIRECTORS

2(a) Roles and Responsibilities of the Board

The Board seeks to identify the expectations of the shareholders, as well as other regulatory and ethical expectations and obligations. It is also responsible for identifying areas of significant business risk and ensuring arrangements are in place to adequately manage those risks. In addition, it is accountable to the shareholders and investors for the overall performance of the Company and takes responsibility for monitoring the Company's business and affairs and setting its strategic direction, establishing and overseeing the Company's financial position.

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The Board is responsible for:

- Appointing, evaluating, rewarding and if necessary the removal of the Managing Director and senior management;
- Development of corporate objectives and strategy with management and approving plans, new investments, major capital and operating expenditures and major funding activities proposed by management;
- Monitoring actual performance against defined performance expectations and reviewing operating information to understand at all times the state of the health of the Company;
- Overseeing the management of business risks, safety and occupational health, environmental issues and community development;
- Satisfying itself that the financial statements of the Company fairly and accurately set out the financial position and financial performance of the Company for the period under review;
- Satisfying itself that there are appropriate reporting systems and controls in place to assure the Board that proper operational, financial, compliance, risk management and internal control process are in place and functioning appropriately.
- Approving and monitoring financial and other reporting;
- Assuring itself that appropriate audit arrangements are in place;
- Ensuring that the Company acts legally and responsibly on all matters and assuring itself that the Company has adopted a Code of Conduct and that the Company practice is consistent with that Code; and other policies; and
- Reporting to and advising shareholders.

Other than as specifically reserved to the Board, responsibility for the day-to-day management of the Company's business activities is delegated to the Executive Management. Whilst at all times the Board retains full responsibility for guiding and monitoring the Group, in discharging its stewardship it makes use of sub-committees. Specialist sub-committees are able to focus on a particular responsibility and provide informed feedback to the Board.

2(b) Structure of the Board

The skills, experience and expertise relevant to the position of director held by each director in office at the date of the Annual Report are included in the Directors' Report. Directors of Kingsrose are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with – or could reasonably be perceived to materially interfere with – the exercise of their unfettered and independent judgement.

In the context of director independence, "materiality" is considered from both the Group and individual director perspective. The determination of materiality requires consideration of both quantitative and qualitative elements. An item is presumed to be quantitatively immaterial if it is equal to or less than 5% of the appropriate base amount. It is presumed to be material (unless there is qualitative evidence to the contrary) if it is equal to or greater than 10% of the appropriate base amount.

Qualitative factors considered include whether a relationship is strategically important, the competitive landscape, the nature of the relationship and the contractual or other arrangements governing it and other factors that point to the actual ability of the director in question to shape the direction of the Group's loyalty.

The Board believes that the Company is not of sufficient size to warrant the inclusion of more independent non-executive Directors in order to meet the ASX recommendation of maintaining a majority of independent non-executive Directors. The Company maintains a mix of Directors from different backgrounds with complementary skills and experience.

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The following table shows whether directors meet the definition of independence above, and the materiality thresholds set.

Name	Position	First Appointed	Independent
J.C. Morris	Non-executive Chairman	17-Aug-07	Yes
C.N. Start	Managing Director	1-Jul-11	No
T.G. Spencer	Finance Director	28-Mar-09	No
J.W. Phillips	Non-executive Director	12-Jan-05	No
P.G. Cook	Non-executive Director	1 Oct 10	Yes
A.P. Spinks	Non-executive Director	21 Aug 12	Yes

The Directors determine the composition of the Board employing the following principles:

- the Board, in accordance with the Company's constitution must comprise a minimum of three Directors;
- the roles of the Chairman of the Board and of the Managing Director should be exercised by different individuals if possible;
- the majority of the Board should comprise Directors who are non-executive and independent;
- the Board should represent a broad range of qualifications, experience and expertise considered of benefit to the Company; and
- the Board must be structured in such a way that it has a proper understanding of, and competency in, the current and emerging issues facing the Company, and can effectively review management's decisions.

There are procedures in place, agreed by the Board, to enable Directors in furtherance of their duties to seek independent professional advice at the Company's expense.

Term in Office

- J.C. Morris – 5 years
- J. W. Phillips – 7 ½ years
- T. G. Spencer – 3 ½ years
- P.G. Cook – 2 years
- C.N. Start – 1 ¼ years
- A.P. Spinks – 1 month

The Company's constitution requires one-third of the Directors (or the next lowest whole number) to retire by rotation at each Annual General Meeting (AGM). The Directors to retire at each AGM are those who have been longest in office since their last re-election. Where Directors have served for equal periods, they may agree amongst themselves or determine by lot who will retire. A Director must retire in any event at the third AGM since he or she was last elected or re-elected. Retiring Directors may offer themselves for re-election.

A Director appointed as an additional or casual Director by the Board will hold office until the next AGM when he or she may be re-elected. If a Managing Director is appointed he or she will not be subject to retirement by rotation and, along with any Director appointed as an additional or casual Director, is not to be taken into account in determining the number of Directors required to retire by rotation.

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2(c) Chairman and Managing Director

The Chairman is responsible for:

- leadership of the Board;
- the efficient organisation and conduct of the Board's functions;
- the promotion of constructive and respectful relations between Board members and between the Board and management;
- contributing to the briefing of Directors in relation to issues arising at Board meetings;
- facilitating the effective contribution of all Board members; and
- committing the time necessary to effectively discharge the role of the Chairman.

The Managing Director / Executive Directors are responsible for:

- implementing the Company's strategies and policies; and
- the day-to-day management of the Company's business activities

The Board specifies that generally the roles of the Chairman and the Managing Director are separate roles to be undertaken by separate people and the Managing Director assumes the role of Chief Executive Officer.

2(d) Nomination Committee

The Company does not comply with ASX Recommendation 2.4. The Company is not of a relevant size to consider formation of a nomination committee to deal with the selection and appointment of new Directors and as such a nomination committee has not been formed.

2(e) Avoidance of conflicts of interest by a Director

In order to ensure that any interests of a Director in a particular matter to be considered by the Board are known by each Director, each Director is required by the Company to disclose any relationships, duties or interests held that may give rise to a potential conflict. Directors are required to adhere strictly to constraints on their participation and voting in relation to any matters in which they may have an interest.

2(f) Board access to information and independent advice

Directors are able to access members of the management team at any time to request relevant information. There are procedures in place, agreed by the Board, to enable Directors, in furtherance of their duties, to seek independent professional advice at the Company's expense.

2(g) Review of Board performance

The performance of the Board is reviewed regularly by the Chairman. The Chairman conducts performance evaluations which involve an assessment of each Board member's performance against specific and measurable qualitative and quantitative performance criteria. The performance criteria against which Directors and executives are assessed is aligned with the financial and non-financial objectives of Kingsrose Mining Limited. Directors whose performance is consistently unsatisfactory may be asked to retire.

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3. BOARD COMMITTEES

3(a) Audit Committee

Given the size and scale of the Company's operations the full Board undertakes the role of the Audit Committee. The role and responsibilities of the Audit Committee are summarised below.

The Audit Committee is responsible for reviewing the integrity of the Company's financial reporting and overseeing the independence of the external auditors. The Board sets aside time to deal with issues and responsibilities usually delegated to the Audit Committee to ensure the integrity of the financial statements of the Company and the independence of the auditor.

The Board reviews the audited annual and half-year financial statements and any reports which the Company published financial statements and recommends their approval to the members. The Board also reviews annually the appointment of the external auditor, their independence and their fees.

The Board is also responsible for establishing policies on risk oversight and management. The Company has not formed a separate Risk Management Committee due to the size and scale of its operations.

External Auditors
The Company's policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. It is Ernst & Young's policy to rotate engagement partners on listed companies at least every five years.

An analysis of fees paid to the external auditors, including a break-down of fees for non-audit services, is provided in the notes to the financial statements in the Annual Report.

There is no indemnity provided by the Company to the auditor in respect of any potential liability to third parties.

The external auditor is requested to attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and preparation and content of the audit report.

The Directors are satisfied that the provision of non-audit services during the year by the auditors is compatible with the general standard of independence for auditors imposed by the Corporations Act.

The Directors are satisfied that the provision of the non-audit services did not compromise the auditor's independence requirements of the Corporations Act because the services were provided by persons who were not involved in the audit and the decision as to whether or not to accept the tax planning advice was made by management.

3(b) Remuneration Committee

The role of a Remuneration Committee is to assist the Board in fulfilling its responsibilities in respect of establishing appropriate remuneration levels and incentive policies for employees.

The Board has established a separate Remuneration Committee. It is the Company's objective to provide maximum stakeholder benefit from the retention of a high quality Board and executive team by remunerating directors and key executives and appropriately with reference to relevant employment market conditions.

The Committee is responsible for determining and reviewing compensation arrangements for the Directors themselves and the executive team, reviewing and making recommendations to the Board on the Company's incentive schemes and superannuation arrangements, reviewing the remuneration of both executive and non-executive Directors.

The Company has structured the remuneration of its senior executives such that it comprises a fixed salary, statutory superannuation and participation in the Company's employee share option plan. The Company

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believes that by remunerating senior executives in this manner it rewards them for performance and aligns their interests with those of shareholders and increases the Company's performance.

Non-executive Directors are paid their fees out of the maximum aggregate amount approved by shareholders for non-executive Directors' remuneration.

The remuneration received by Directors and executives in the current period is contained in the "Remuneration Report" within the Directors' Report of the Annual Report.

There is no scheme to provide retirement benefits to non-executive Directors.

3(c) Finance Committee

The Board has not established a separate Finance Committee due to the size and scale of its operations. However the Board as a whole takes responsibility for such issues, viz:

- Establishing and monitoring the Company's capital management strategy, including dividend payment strategies;
- Assessing the Company's funding requirements regarding specific funding proposals;
- Monitoring borrowings from financial institutions and compliance with borrowing covenants.

3(d) Treasury Committee

The Board has not established a separate Treasury Committee due to the size and scale of its operations. However the Board as a whole takes responsibility for such issues in that it monitors financial risks and exposure from movements in interest rates and exchange rates.

3(e) Risk Committee

The Board has not established a separate Risk Committee due to the size and scale of its operations. However the Board as a whole has a proactive approach to risk management and takes responsibility for such issues in that it monitors financial risks and exposure from movements in interest rates and exchange rates.

3(f) CEO and CFO certification

In accordance with Section 295A of the Corporations Act, the CEO and CFO have provided a written statement to the Board that:

- Their view provided on the Company's financial report is founded on a sound system of risk management and internal compliance and control which implements the financial policies adopted by the Board;
- The Company's risk management and internal compliance and controls systems is operating effectively in all material respects.

The Board agrees with the view of the ASX on this matter and notes that due to its nature, internal control assurance from the CEO and CFO can only be reasonable rather than absolute. This is due to such factors as the need for judgement, the use of testing on a sample basis, the inherent limitations in internal control and because much of the evidence available is persuasive rather than conclusive and therefore is not and cannot be designed to detect all weaknesses in control procedures.

In response to this, internal control questions are required to be completed by the key management personnel of all significant business units, including finance managers, in support of these written statements.

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4. ETHICAL AND RESPONSIBLE DECISION MAKING

4(a) Code of Ethics and Conduct

The Board endeavours to ensure that the Directors, officers and employees of the Company act with integrity and observe the highest standards of behaviour and business ethics in relation to their corporate activities.

The "Code of Conduct" sets out the principles, practices and standards of personal behaviour the Company expects people to adopt in their daily business activities.

All Directors, officers and employees are required to comply with the Code of Conduct. Senior managers are expected to ensure that employees, contractors, consultants, agents and partners under their supervision are aware of the Company's expectations as set out in the Code of Conduct.

All Directors, officers and employees are expected to:

a) comply with the law;
b) act in the best interests of the Company;
c) be responsible and accountable for their actions; and
d) observe the ethical principles of fairness, honesty and truthfulness, including prompt disclosure of potential conflicts.

4(b) Policy concerning trading in Company securities

The Board adopted a revised Share Trading Policy effective from January 2011 in relation to the trading in the securities of the Company and has distributed the policy to all employees of the Company. The policy describes what constitutes Insider Trading, the penalties for undertaking such activities and makes recommendations on when employees should not trade in the Company's securities. The policy also notes designated "black out" periods during which Directors and senior management are not allowed to trade in securities of the Company. Full details of the Company's Securities Trading Policy may be found on the Company's website www.kingsrosemining.com.au.

4(c) Policy concerning Diversity

The Company has adopted a Diversity Policy, which came into effect 1 July 2011. The Policy supports the commitment of the Company to an inclusive workplace that embraces and promotes diversity, and provides a framework for new and existing diversity-related initiatives, strategies and programs within the Company's business.

The workforce of Kingsrose is made up of many individuals with diverse skills, values, backgrounds and experiences. The Company is committed to provide an environment in which all employees are treated with fairness and respect, and have equal access to opportunities available at work.

Diversity in the workplace refers to the variety of differences between people in an organisation which encompasses gender, race, ethnicity, age, disability, cultural background and more.

The Company believes that embracing diversity in its workforce contributes to the achievement of its corporate objectives and enhances its reputation. It enables the Company to:

- Recruit the right people from a diverse pool of talented candidates;
- Make more informed and innovative decisions, drawing on the wide range of ideas, experiences, approaches and perspectives that employees from diverse backgrounds, and with differing skill sets, bring to their roles; and
- Better represent the diversity of all our stakeholders.

The Company has a fair dealing policy that requires all employees and directors to deal on a fair and honest basis with the Company's shareholders, customers, suppliers, consultants, regulators and other employees. Dealings shall be done on an arm's length basis, free from any personal interest or bias and without discrimination.

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The Company's recruitment policy provides that selection of employees will be such that no discrimination will be made on the basis of ethnicity, religion, age or gender.

The Company is committed to achieving the goals of:

- Providing access to equal opportunities at work which is merit-based, allowing employees to be considered for advancement and secondment opportunities based on achievement, experience and the value they could bring to a role; and
- Fostering a corporate culture that embraces and values diversity.

Kingsrose is an equal opportunity employer and welcomes people from different backgrounds. Full details of the Company's Diversity Policy may be found on the Company's website www.kingsrosemining.com.au.

The Company's objectives for achieving gender diversity during the financial year have been achieved at head office level in that there are three men and four women employed. One woman serves in a senior executive capacity. No women serve on the Board.

Insofar as the Company's Indonesian subsidiary is concerned, the ratio of men to women is 99:1%. Due to the nature of the Company's operations, it is not possible to ensure gender equality as the majority of employees are underground miners and women have not sought to fill these positions.

5. TIMELY AND BALANCED DISCLOSURE

5(a) Shareholder communication

Pursuant to Principle 6, The Company's objective is to promote effective communication with its shareholders at all times.

Kingsrose Mining Limited is committed to:

- Ensuring that shareholders and the financial markets are provided with full and timely information about the Company's activities in a balanced and understandable way.
- Complying with continuous disclosure obligations contained in applicable the ASX listing rules and the Corporations Act in Australia.
- Communicating effectively with its shareholders and making it easier for shareholders to communicate with Kingsrose Mining Limited.

To promote effective communication with shareholders and encourage effective participation at general meetings, information is communicated to shareholders:

- Through the release of information to the market via the ASX.
- Through the distribution of the Annual Report and Notices of Annual General Meeting.
- Through shareholder meetings and investor relations presentations.
- Through letters and other forms of communication directly to shareholders.
- By posting relevant information on the Company's website www.kingsrosemining.com.au

The Company's website has a dedicated Investor Relations section for the purpose of publishing all important Company information and relevant announcements made to the market.

The external auditors are required to attend the Annual General Meeting and are available to answer any shareholder questions about the manner in which the audit and preparation of the audit report were conducted.

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5(b) Continuous disclosure policy

The Company is committed to ensuring that shareholders and the market are provided with full and timely information and that all stakeholders have equal opportunities to receive externally available information issued by the Company. The Company's "ASX Disclosure Policy" described in 5(a) reinforces the Company's commitment to continuous disclosure and outline management's accountabilities and the processes to be followed for ensuring compliance.

The policy also contains guidelines on information that may be price sensitive. The Company Secretary has been nominated as the person responsible for communications with the ASX. This role includes responsibility for ensuring compliance with the continuous disclosure requirements with the ASX Listing Rules and overseeing and coordinating information disclosure to the ASX.

6. RECOGNISING AND MANAGING RISK

The Board is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. The Company's policies are designed to ensure strategic, operational, legal, reputation and financial risks are identified, assessed, effectively and efficiently managed and monitored to enable achievement of the Company's business objectives. A written policy in relation to risk oversight and management is being established ("Risk Management and Internal Control Policy"). Considerable importance is placed on maintaining a strong control environment.

6(a) Board oversight of the risk management system

The Board is responsible for approving and overseeing the risk management system. The Board reviews, at least annually, the effectiveness of the implementation of the risk management controls and procedures.

The principal aim of the system of internal control is the management of business risks, with a view to enhancing the value of shareholders' investments and safeguarding assets. Although no system of internal control can provide absolute assurance that the business risks will be fully mitigated, the internal control systems have been designed to meet the Company's specific needs and the risks to which it is exposed.

Annually, the Board is responsible for identifying the risks facing the Company, assessing the risks and ensuring that there are controls for these risks, which are to be designed to ensure that any identified risk is reduced to an acceptable level. The Board is also responsible for identifying and monitoring areas of significant business risk. Internal control measures currently adopted by the Board include:

- monthly reporting to the Board in respect of operations and the Company's financial position, with a comparison of actual results against budget; and
- regular reports to the Board by appropriate members of the management team and/or independent advisers, outlining the nature of particular risks and highlighting measures which are either in place or can be adopted to manage or mitigate those risks.

6(b) Risk management roles and responsibilities

The Board is responsible for approving and reviewing the Company's risk management strategy and policy. Executive management is responsible for implementing the Board approved risk management strategy and developing policies, controls, processes and procedures to identify and manage risks in all of the Company's activities.

The Board is responsible for satisfying itself that management has developed and implemented a sound system of risk management and internal control.

6(c) Internal review and risk evaluation

Assurance is provided to the Board by executive management on the adequacy and effectiveness of management controls for risk on a regular basis.