

ASX Announcement
January 18, 2016

Talang Santo posts strong production increase in December Quarter

Kingsrose Mining Limited (ASX: KRM) is pleased to advise that its strategy to lift the performance of its flagship Talang Santo gold mine in Indonesia is delivering highly encouraging results, with December Quarter production rising 55 per cent to 6,213 ounces.

The increased production, which saw mined tonnages rise by 62 per cent to 21,341 tonnes, is largely due to the successful measures implemented to manage water inflows at the mine.

The all-in sustaining costs at Talang Santo during the December quarter are now being finalised and will be published as part of the Quarterly Report later this month. However, it is clear that the increased production resulted in a significant reduction in Talang Santo's costs per ounce during the Quarter.

Kingsrose Chairman John Morris, who will work in an executive capacity while the Company finalises the appointment of a new Managing Director, (*refer ASX Announcement 3 November 2015*), said the water management plan and ongoing focus on increasing production at Talang Santo was proving effective.

"Talang Santo is an outstanding mine with exceptionally high grades and low costs," Mr Morris said. "Unfortunately, the mine's performance has been hampered in recent times by the challenges associated with water inflows in some parts of the mine."

"These latest results are pleasing and we are confident that the project will continue to see ongoing progress on both the production and cost fronts, generating increasing cashflow for the Company."

Kingsrose is also seeking to build on the exploration strategy implemented over the past 12 months. This has yielded early-stage success on numerous prospects across the wider project area.

A review of geophysical data is currently underway, which will assist with refining targets for a drill program scheduled for later in the calendar year.

-ENDS-

Investor Enquiries:

John Morris, Chairman

+61 8 9486 1149

info@kingsrosemining.com.au

Joanna Kiernan, Company Secretary

+61 8 9486 1149

joanna@kingsrosemining.com.au

Media Enquiries:

Paul Armstrong, Read Corporate

+61 8 9388 1474

paul@readcorporate.com.au

Kingsrose Mining Limited (ASX:KRM) owns 85% of the Way Linggo Gold Project in Southern Sumatra, Indonesia. The Project is held under a 100km² 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.