

QUARTERLY ACTIVITIES REPORT For the three months ending 31 March 2009



HIGHLIGHTS DURING THE QUARTER

ASX Code: KRM, KRMO

Ordinary Shares on Issue

53.5m (listed)

64.8m (escrowed)

Options

38.6m (listed)

12.75m (unlisted)

Convertible Notes

11,000,000

*Market Capitalisation
(undiluted)*

A\$32.5m as at 24 April 2009

A\$0.275/share

Major Shareholders

Icon Enterprises Ltd (35.9%)

KRM (WA) Pty Ltd (16.9%)

Airedale Asia Limited (5.2%)

Comet Vale Gold Project (earning 50%)

- Mine production from Comet Vale was 4,433t @ 9.05g/t Au for the quarter.
- Sale of ore totalling 5,700t @ 9.21g/t was completed during the quarter.
- Revenue from Kingsrose's share of gold sales during the quarter was \$2.1m.

Way Linggo Gold Project (85%)

- Completion of Way Linggo Project acquisition.
- Mining at Way Linggo commenced with highly positive grade reconciliations.
- Plant construction commenced with expected commissioning before year end.
- The Way Linggo development strategy is to become a steady state producer of precious metals with an expected output of 30,000oz of gold and over 300,000oz of silver per annum with a target cash operating cost of under US\$300 per ounce.

Corporate

- A significant restructure of the Board occurred during the quarter.
- A placement of 9.7m shares at \$0.10 per share was completed early in the quarter.
- A placement of 100m shares at \$0.20 per share was finalised on April 6, 2009 and is subject to a shareholder approval at a meeting planned for May 7, 2009. The issue will raise a net \$19m in funds to enable the construction of plant, mine and exploration works at Way Linggo to advance without debt funding.



- Kingsrose is a gold mining company specialising in the development of high grade precious metal deposits.
- Kingsrose is an owner miner with excellent in-house underground mining and exploration skills.
- Kingsrose currently has two gold projects, Comet Vale in Western Australia which is currently in production and Way Linggo in Sumatra which is under construction.
- Kingsrose is looking to expand through aggressive exploration programmes and a well defined acquisition strategy.

WAY LINGGO PROJECT

The Way Linggo Project is located in the Lampung Province of Southern Sumatra. The acquisition was completed on 27 February 2009. Kingsrose now owns an 85% interest in the project with the remaining 15% being owned by an Indonesian Partner.

Way Linggo is a substantial epithermal gold-silver discovery within Indonesia's rim of fire. In particular the geological setting is associated with pull-apart basins, dilation jogs and splays along the Great Sumatra Fault.

Approximately 11,300m of diamond core drilling in 112 holes has defined a low-sulphidation epithermal vein system exhibiting high grade gold and silver. The ore system remains open at depth and along strike and has only been drilled to a 150m maximum vertical extent.



Plate 1: View of mine services area showing headframe and mine services area.

Within the main area of drilling completed to date, a total JORC compliant resource of 669,000 tonnes at 8.44g/t gold and 129 g/t Silver (or 10.6 g/t Gold equivalent) has been estimated by Snowden Mining Industry Consultants.



Mine development has commenced with adits cut at the 1020mRL and 1065mRL levels into the North Vein. To date development grades have substantially outweighed pre-mining estimates and 3,690 tonnes of ore grading 15.8 g/t gold and 222 g/t silver has been stockpiled in readiness for processing. In addition, alimak rising between these two levels has also returned grades substantially above pre-mined estimates.

A gold-silver process plant with a nominal 140,000tpa capacity is planned. Most major components have been procured and civil construction works have commenced. The plant will include a Merrill-Crowe zinc precipitation circuit. It is anticipated that the plant will commission late in the December quarter 2009.

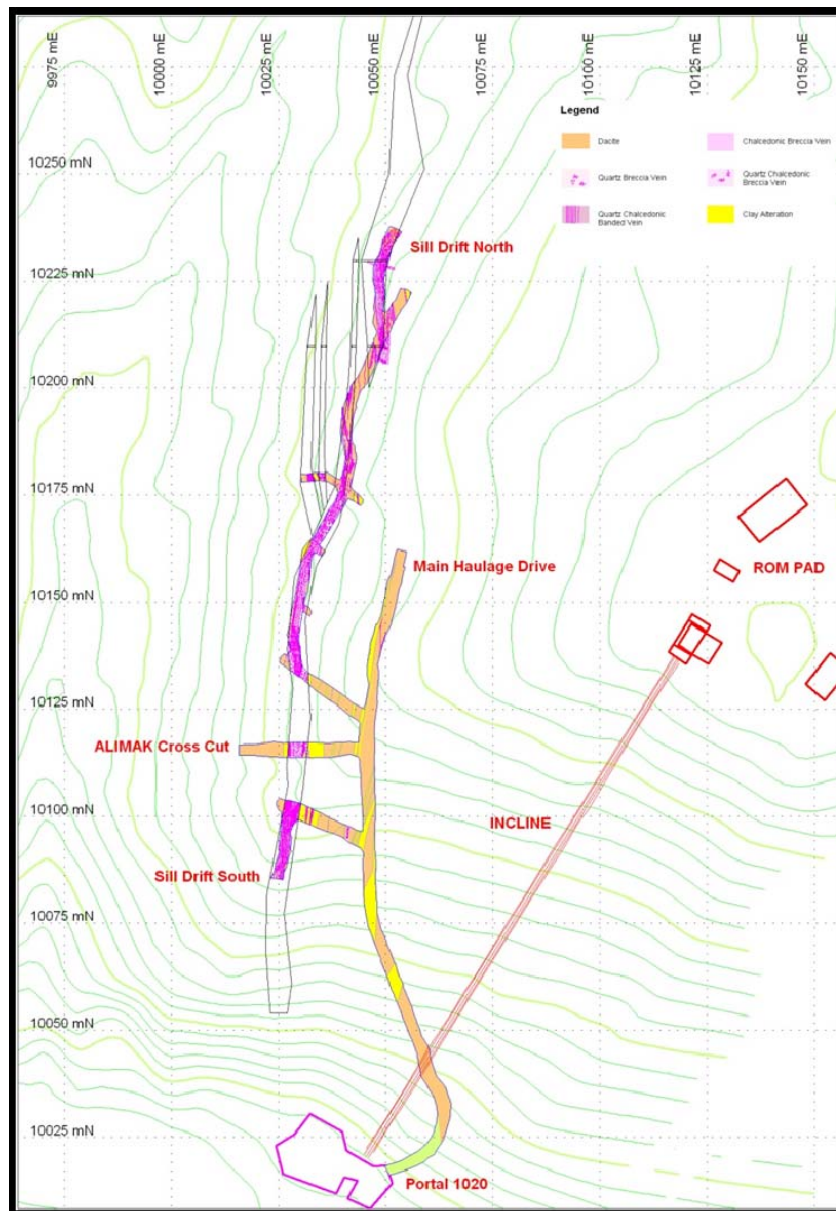


Figure 1: Map showing extent of underground development and geology on the 1020 Level



The Way Linggo (PT Natarang Mining Contract of Work) mining tenure covers some 10,540 hectares located over a zone of structural complexity within the Trans Sumatra Fault Zone, the major strike-slip fault which extends the length of western Sumatra. All significant gold discoveries in Sumatra are associated with this fault zone and related to its development. Significant deposits in Sumatra and West Java in similar structural settings include Martabe (5.9M oz Gold), Pongkor (3.6M oz Gold), Lebong Tandai (1.4M oz Gold) and Lebong Donok (1.3M oz Gold).. The structural setting of Way Linggo is analogous with many other substantive gold mine environments in the world such as Fruta Del Norte (13.6 M oz Gold equiv.) in Ecuador.

Regional exploration within the Way Linggo Project has revealed numerous gold BLEG (Bulk Leach Extractable Gold) anomalies which warrant follow-up.

The Semung Kecil Prospect, located 2 km to the east of Way Linggo is the second priority advanced exploration target in the Contract of work area. Vein mineralization associated with fossil hot spring deposits was identified by previous operators within a mineralized zone some 200 m wide by 900 m long defined by anomalous gold in soils and geological mapping. Shallow drilling programmes by the previous operator failed to locate the source of the gold anomalies. The Semung Kecil prospect represents a large, structurally controlled, epithermal system which has not undergone significant erosion. Therefore the potential for high grade "boiling zone" bonanza gold mineralization at depth is high.

Near mine exploration has discovered mineralized epithermal float rock with strong gold values at the Central Vein Zone, South Vein and Harto's Vein areas. In addition CSAMT geophysical surveys have outlined possible parallel vein structures to the North Vein. All await drill testing.

Reconnaissance geological traverses following up gold anomalous BLEG sediments has discovered high sulphidation-style alteration in silicified breccias rocks in a distinct circular structure in an area approximately 3km northwest of the Way Linggo mine and this area, Way Mambu, shapes as an exciting high sulphidation target for a bulk tonnage low grade gold deposit.

Kingsrose has commenced the mobilisation of drill rigs to site to enable the testing of these and other targets and expects to be in a position to report on early exploration drill results in the ensuing quarter.

COMET VALE GOLD PROJECT

Kingsrose Mining operates the Sand Queen Mine as part of the joint venture with Reed Resources Ltd (ASX.RDR). Ore is mined and stockpiled at surface until sufficient quantity and plant availability, for a batch processing of the ore.

Kingsrose Mining Limited – Quarterly Activities Report – March 2009



During the December Quarter 2008 the 8th parcel of ore from the Sand Queen Mine, comprising 4,055 tonnes of ore grading 14.7 g Au/t were processed at a third parties mill. Payment for the ore was received end-January, Kingsrose share being \$1.1 million.

The 9th ore parcel from the joint venture, comprising 5,700 tonnes grading 9.21 g Au/t was milled during February 2009, for which Kingsrose received payment of \$1.0 million end-March. The Kingsrose share of revenue received during the quarter was \$2.1 million.

De-watering of the mine and refurbishment of the Sand Queen shaft was completed to the 4 Level. Development on the 4 Level commenced during the quarter with ground conditions indicating that conditions will be conducive to mining. Work establishing the 4 Level included construction and installation of all the necessary rail and rail mounted equipment and other Level development infrastructure.

Mining in a southerly direction towards the Sand Queen and Sand George ore bodies progressed well and intersected historic workings which will be utilized as a return airway and a diversion for any water inflow. A total of 150m of waste development to the Sand Queen ore body were completed and a further 20m of development towards the Sand George was driven. In terms of near mine development, the Joint Venture partners are planning and implementing a comprehensive underground drill program to define all known near mine resource targets.

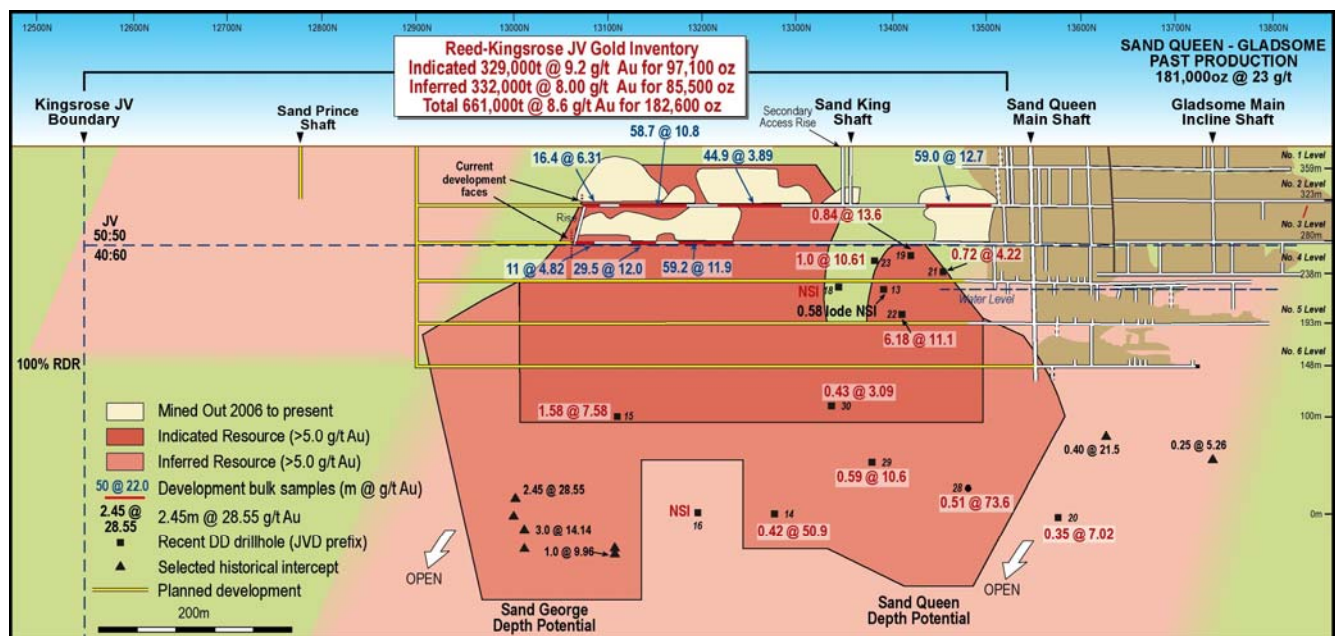


Figure 2: Longitudinal section of the Sand Queen gold mine, looking west. (Courtesy of JV Partner Reed Resources Ltd)



CORPORATE

A significant restructure of the Board occurred during the quarter:

- Mr. David F. Hatch resigned as Managing Director
- Mr. John C. Morris was appointed Executive Chairman (previously non-executive)
- Mr. Dennis W. Franks resigned as Finance Director
- Mr. Timothy G. Spencer was appointed Finance Director

Additionally, Miss Tanya Ashley was appointed Joint Company Secretary.

A placement of 9.7 million shares at \$0.10 per share was completed early in the quarter.

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JOHN C. MORRIS
EXECUTIVE CHAIRMAN

Competent Person Statement:

The information in this report that relates to exploration results, mineral resources and ore reserves is based on information compiled by Dr. Michael Andrews B.Sc. (Hons) Ph.D., who is a Fellow of the Australasian Institute of Mining and Metallurgy, and a Director of Kingsrose Mining Limited. Dr. Andrews 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”). Dr. Andrews consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.