

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of Entity	Kingsrose Mining Limited	Quarter ended:	
ABN	49 112 389 910	30 September 2011	
Consolidated statement of cash flows		Current quarter	Year to date (3 months)
		\$A'000	\$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	15,642	15,642
1.2	Payments for		
	(a) exploration and evaluation	(4,395)	(4,395)
	(b) development	(656)	(656)
	(c) production	(6,229)	(6,229)
	(d) administration	(1,468)	(1,468)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	199	199
1.5	Interest and other costs of finance paid	(2)	(2)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	3,091	3,091
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(1,513)	(1,513)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(1,513)	(1,513)
1.13	Total operating and investing cash flows	1,578	1,578
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	592	592
1.15	Proceeds from sale of forfeited shares	-	-
1.16a	Intercompany borrowings	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19a	Other (Royalty Settlement)	-	-
1.19b	Other (Repayment of hire purchases)	(72)	(72)
	Net financing cash flows	520	520
Net increase / (decrease) in cash held		2,098	2,098
1.20	Cash at beginning of period/year to date	23,951	23,951
1.21	Exchange rate adjustments to item 1.20	185	185
1.22	Cash at end of quarter	26,234	26,234

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	388
1.24 Aggregate amount of loans to the parties included in item 1.10	0
1.25 Explanation necessary for an understanding of the transactions	
Nil	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

60,015 ounces of silver were delivered to Credit Suisse during the quarter as part of the Company's obligation under the prepaid silver forward sale transaction entered into in December 2010.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

Nil

- 3.1 Loan facilities

- 3.2 Credit standby arrangements

Amount available \$A'000	Amount used \$A'000
-	-
-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,690
4.2 Development	600
4.3 Production	4,990
4.4 Administration	565
Total	8,845

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	3,234	8,951
5.2 Deposits at call	23,000	15,000
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	26,234	23,951

Changes in interests in mining tenements

	Tenement reference	Nature of interest (Note 2)	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2 Interests in mining tenements acquired or increased	Nil			

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number		Number quoted	Issue price per security (See Note 3) (\$)	Amount paid up per security (See Note 3) (\$)
7.1	+Preference securities	-	-	-	-	-
7.2	Changes during quarter					
	(a) Increases through issues	-	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-	-
7.3	+Ordinary securities	KRM	267,223,726	267,223,726	-	-
7.4	Changes during quarter					
	(a) Increase through exercise of options	KRM	2,816,671	2,816,671	-	-
	(b) Increase through issues	-	-	-	-	-
	(c) Release from escrow	-	-	-	-	-
	(d) Decreases through returns of capital, buy-backs	-	-	-	-	-
7.5	+Convertible debt securities	-	-	-	-	-
7.6	Changes during quarter					
	(a) Increases through issues	-	-	-	-	-
	(b) Decreases through redemption of securities.	-	-	-	-	-
7.7	Options	Unlisted	Unlisted		<i>Exercise price (\$)</i>	<i>Expiry date</i>
		KRMAA	100,000	-	0.39	13/07/2014
		KRMAI	700,000	-	0.20	29/12/2014
		KRMAK	75,000	-	1.59	31/12/2012
		KRMAM	150,000	-	0.73	8/03/2015
		KRMAO	3,500,000	-	0.25	31/12/2012
		KRMAS	500,000	-	0.14	16/02/2014
		KRMAQ	2,000,000	-	1.59	various
		KRMAU	3,000,000	-	1.54	various
		KRMAY	250,000	-	1.42	22/12/2013
		KRMAW	250,000	-	1.58	various
			<u>10,525,000</u>			
		Listed	Listed			
		KRMO	20,001,304	20,001,304	0.20	31/12/2012
			<u>20,001,304</u>			
7.9	Exercised during quarter	KRMAA	(310,000)		0.39	13/07/2014
		KRMAS	(500,000)		0.14	16/02/2014
		KRMAI	(500,000)		0.20	29/12/2014
		KRMO	(1,506,671)		0.20	31/12/2012
			<u>(2,816,671)</u>			
7.10	Expired during quarter	-	-	-	-	-
7.11	Debentures (totals only)	-	-	-	-	-
7.12	Unsecured notes (totals only)	-	-	-	-	-

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 31 OCTOBER 2011
(Company Secretary)

Print name: JEANNETTE P SMITH

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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