



KINGSROSE
MINING LIMITED

ASX Announcement
1 August 2017

CLEANSING PROSPECTUS

Kingsrose Mining Limited (ASX: KRM) advises that it has issued a cleansing prospectus (**Prospectus**) pursuant to section 708A(11) of the Corporations Act. The purpose of the Prospectus is to remove any trading restrictions on the sale of shares recently issued by the Company.

-ENDS-

For more information please contact:

Joanna Kiernan
Company Secretary
+61 8 981 5588
info@kingsrosemining.com.au

KINGSROSE MINING LIMITED

ACN 112 389 910

PROSPECTUS

For the offer of 250 Shares in the capital of the Company at a price of \$0.04 per Share to raise up to \$10.00 (before expenses).

This Prospectus has been prepared primarily for the purpose of Section 708A(11) of the Corporations Act to remove any trading restrictions on the sale of Shares issued by the Company prior to the Closing Date.

IMPORTANT NOTICE

This Prospectus is a transaction specific prospectus issued in accordance with section 713 of the Corporations Act. This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the Shares being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

TABLE OF CONTENTS

1. CORPORATE DIRECTORY 1

2. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES 2

3. DETAILS OF THE OFFER..... 4

4. PURPOSE AND EFFECT OF THE OFFER 8

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES..... 9

6. RISK FACTORS 12

7. ADDITIONAL INFORMATION..... 17

8. DEFINITIONS 24

1. CORPORATE DIRECTORY

Directors

John Morris	Chairman
Joanna Kiernan	Non Executive Director
Andrew Spinks	Non Executive Director

Company Secretary

Joanna Kiernan

Registered Office

8/150 Hay Street
Subiaco WA 6008
T: +61 8 9381 5588 | F: +61 8 9381 7755
E: info@kingsrosemining.com.au
W: www.kingsrosemining.com.au

Indonesian Office

PT. Natarang Mining
Jl. Ciputat Raya 16
Pondok Pinang, Kebayoran Lama
Jakarta Selatan 12310 Indonesia

Solicitors

King & Wood Mallesons
Level 30, QV1 Building
250 St Georges Terrace
Perth WA 6000

Auditors*

Ernst & Young
11 Mounts Bay Road
Perth WA 6000

Share Registry*

Link Market Services Limited
Level 4, 152 St Georges Terrace
Perth WA 6000
T: 1300 554 474

* This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.

2. SUMMARY OF IMPORTANT DATES AND IMPORTANT NOTES

2.1 TIMETABLE

Lodgement of Prospectus with the ASIC and ASX	1 August 2017
Opening Date	1 August 2017
Closing Date*	2 August 2017

*The Directors reserve the right to change the Closing Date at any time after the Opening Date without notice.

2.2 IMPORTANT NOTES

This Prospectus is dated 1 August 2017 and a copy of this Prospectus was lodged with the ASIC on that date. Neither ASIC nor ASX take no responsibility for the content of this Prospectus or the merits of the investment to which this Prospectus relates.

No Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give any information or to make any representation in connection with this Prospectus which is not contained in the Prospectus. Any information or representation not contained in this Prospectus may not be relied on as having been authorised by the Company in connection with this Prospectus.

The Offer is only available to those who are personally invited to accept the Offer. Applications for Shares offered pursuant to this Prospectus can only be submitted on an original Application Form which accompanies this Prospectus.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

2.3 WEB SITE – ELECTRONIC PROSPECTUS

A copy of this Prospectus can be downloaded from the website of the Company at www.kingsrosemining.com.au. If you are accessing the electronic version of this Prospectus for the purpose of making an investment in the Company, you must be an Australian resident and must only access this Prospectus from within Australia.

The Corporations Act prohibits any person passing onto another person an Application Form unless it is attached to a hard copy of this Prospectus. Any person may obtain a hard copy of this Prospectus free of charge by contacting the Company.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

2.4 RISK FACTORS

Potential investors should consider subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 6 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

2.5 OVERSEAS INVESTORS

No action has been taken to permit the offer of Shares under this Prospectus in any jurisdiction other than Australia.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions constitutes a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue make such an offer.

2.6 FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements which are identified by words such as 'may', 'could', 'believes', 'estimates', 'targets', 'expects', or 'intends' and other similar words that involves risks and uncertainties.

These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management.

The Company cannot and does not give any assurance that the results, performance or achievements expressed or implied by the forward-looking statements contained in this Prospectus will actually occur and investors are cautioned not to place undue reliance on these forward looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

These forward looking statements are subject to various risk factors that could cause the Company's actual results to differ materially from the results expressed or anticipated in these statements. These risk factors are set out in Section 6 of this Prospectus.

3. DETAILS OF THE OFFER

3.1 BACKGROUND AND PURPOSE OF THE OFFER

Recent Share issues

In February 2017, the Company announced that two of the Company's secured lenders (**Lenders**) had entered into an agreement with the Company (**Conversion Agreement**) under which the Lenders agreed to convert the outstanding principal and interest under loan facilities (being A\$5,183,389 in aggregate) (**Secured Debt**) to equity as part of a broader equity raising. Conversion of these debts to equity was conditional upon the Company raising no less than US\$4m through an equity raising or alternative debt arrangement, with at least US\$1m being by way of equity (or a convertible loan) within three months. The Conversion Agreement was further conditional upon the Company obtaining any necessary shareholder approvals and the simultaneous conversion of any convertible loan forming part of the additional funding.

On 24 March 2017 the Company announced it had raised approximately \$5.4m via a number of secured convertible loan facilities (together with the subsequent convertible loan facilities on the same, or substantially the same terms, the **Convertible Facility**) to assist with the ongoing restructure of the Company's financial arrangements and operations at the Way Linggo Project in Indonesia. As announced on 19 April 2017 and 5 May 2017, the Company accepted a further \$1.1 m, to raise a total of \$6,548,471 under the Convertible Facility.

Following shareholder approval having been received, the Company issued 129,584,725 Shares (in aggregate) to the Lenders in respect of the conversion of the Secured Debt to equity and 163,711,775 Shares to lenders under the Convertible Facility in respect of the conversion to equity of amounts owed by the Company under the Convertible Facility (the aggregate of 293,296,500 Shares issued to the Secured Lenders and lenders under the Convertible Facility being the **Debt Conversion Shares**).

Purpose of the Prospectus

The Company is seeking to raise only a nominal amount of \$10 under this Prospectus and, accordingly, the purpose of this Prospectus is not to raise capital.

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to the Shares issued by the Company prior to the Closing Date (including the Debt Conversion Shares described in the section entitled "Recent Share issues" above).

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

Section 708A(11) of the Corporations Act provides an exemption from this general requirement where:

- (a) the relevant securities are in a class of securities that are quoted securities of the body;
- (b) either:
 - (i) a prospectus is lodged with the ASIC on or after the day on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) a prospectus is lodged with ASIC before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the day on which the relevant securities were issued; and
- (c) the prospectus is for an offer of securities issued by the body that are in the same class of securities as the relevant securities.

The purpose of this Prospectus is to comply with section 708(11) of the Corporations Act so that the Shareholders who received the Debt Conversion Shares can sell the Debt Conversion Shares issued to them within the next twelve months without the issue of a prospectus.

3.2 OFFER

Under this Prospectus, the Company invites investors identified by the Directors to apply for up to 250 Shares at an issue price of \$0.04 per Share payable in full on application to raise \$10 (**Offer**).

The Offer will only be extended to specific parties on invitation from the Directors. Application Forms will only be provided by the Company to these parties.

All of the Shares offered under this Prospectus will rank equally with Shares on issue at the date of this Prospectus.

3.3 OPENING AND CLOSING DATES OF THE OFFER

The Opening Date of the Offer will be 1 August 2017 at 9:00am WST and the Closing Date will be 2 August 2017 at 5:00pm WST.

The Directors reserve the right to close the Offer early or extend the Closing Date (as the case may be), should it be considered by them necessary to do so.

3.4 APPLICATION FOR SHARES

This Offer is being extended to investors who are invited by the Company to subscribe for Shares and is not open to the general public.

Applications for Shares must be made using the Application Form accompanying this Prospectus. To the maximum extent permitted by law, the Directors will have discretion over whether to accept any or all Applications. There is no guarantee that any applications will be accepted.

Payment for the Shares must be made in full at the issue price of \$0.04 per Share.

Completed Application Forms and accompanying cheques, made payable to "Kingsrose Mining Limited" and crossed "Not Negotiable", must be mailed or delivered to the address set out on the Application Form by no later than the Closing Date.

3.5 MINIMUM SUBSCRIPTION

There is no minimum subscription in respect of the Offer.

3.6 OVERSUBSCRIPTIONS

No oversubscriptions will be accepted by the Company.

3.7 NO UNDERWRITING

The Offer is not underwritten.

3.8 ISSUE OF SHARES

This Prospectus has been issued primarily to cleanse the issue of Shares on or before the date of this Prospectus. As such, it is not anticipated that the Company will issue any Shares under this Prospectus.

In the event that the Directors decide to issue Shares under this Prospectus, the issue of Shares under the Offer will take place as soon as practicable after the Closing Date. Application moneys will be held in a separate subscription account until the Shares are issued. This account will be established and kept by the Company in trust for each Application. Any interest earned on the application moneys will

be for the benefit of the Company and will be retained by the Company irrespective of whether any Shares are issued and each Application waives the right to claim any interest.

The Directors will determine the recipients of all the Shares. The Directors reserve the right to reject any application or to allocate any Applicant fewer Shares than the number applied for.

Where the number of Shares issued is less than the number applied for, the surplus moneys will be returned by cheque as soon as practicable after the Closing Date. When no issue of Shares is made, the amount tendered on application will be returned in full by cheque as soon as practicable after the Closing Date. Interest will not be paid on moneys refunded.

3.9 REINSTATEMENT OF TRADING ON ASX

The Company's shares were suspended from trading on the ASX on 13 December 2016.

Reinstatement to trading on the ASX is at the discretion of ASX. The ASX requires the Company to satisfy a number of conditions for reinstatement which are set out in Annexure 2 of the Explanatory Statement for the Notice of General Meeting which the Company lodged with the ASX on 28 June 2017.

3.10 ASX QUOTATION

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made within 7 days after the date of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

3.11 RESTRICTIONS ON THE DISTRIBUTION OF THE PROSPECTUS

The distribution of this Prospectus outside the Commonwealth of Australia may be restricted by law.

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

Residents of countries outside Australia should consult their professional advisers as to whether any government or other consents are required, or whether any formalities need to be observed should they wish to make an application to take up Shares on the basis of this Prospectus. The return of a duly completed Application Form will be taken to constitute a representation and warranty that there has been no breach of such laws and that all approvals and consents have been obtained.

3.12 PRIVACY ACT

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

3.13 ENQUIRIES

Any questions concerning the Offer should be directed to Joanna Kiernan, Company Secretary, on +61 8 9381 5588.

4. PURPOSE AND EFFECT OF THE OFFER

4.1 PURPOSE OF THE OFFER

The primary purpose of this Prospectus is to remove any trading restrictions that may have attached to the Debt Conversion Shares issued by the Company prior to the Closing Date (including prior to the date of this Prospectus). All of the funds raised from the Offer will be applied towards the expenses of the Offer. Refer to Section 7.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

4.2 THE EFFECT OF THE OFFER ON THE CAPITAL STRUCTURE OF THE COMPANY IS SET OUT BELOW.

	Shares ¹	Options and Performance Rights
Currently on issue	730,007,352	12,800,000 Options 416,413 share performance rights
Offered pursuant to the Offer	250	-
Total on issue on completion of the Offer²	730,007,602	12,800,000 Options 416,413 share performance rights

Notes:

¹ The rights and liabilities attaching to the Shares are summarised in Section 5 of this Prospectus.

² This assumes the Offer is fully subscribed.

4.3 FINANCIAL EFFECT OF THE OFFER

After expense of the Offer of approximately \$21,900 there will be no proceeds from the Offer. The expenses of the Offer (exceeding \$10) will be met from the Company's existing cash reserves.

5. RIGHTS AND LIABILITIES ATTACHING TO SHARES

5.1 SHARES

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

The rights, privileges and restrictions attaching to Shares can be summarised as follows:

(a) **General meetings**

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the Constitution of the Company.

(b) **Voting rights**

On a show of hands every Shareholder present having the right to vote at the meeting has one vote. On a poll every Shareholder present has one vote for each full paid Share and, in the case of a partly paid Share or Shares held by the Shareholder, a fraction of a vote equivalent to that proportion which the amount paid (but not credited) is of the total amounts paid and payable (excluding amounts credited) on the Share or Shares held.

(c) **Dividend rights**

The Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend. The dividend as declared shall (subject to the Constitution, the rights of any preference Shareholders and to that right of the holders of any shares created or raised under any special arrangement as to dividend) be payable on all Shares in accordance with Section 254W of the Act.

(d) **Winding-up**

On a winding up, the assets of the Company must be applied in repayment to the members in proportion to their respective holdings. Where an order is made for the winding up of the Company or it is resolved by special resolution to wind up the Company, then on a distribution of assets to members, Shares classified by ASX as restricted securities at the time of the commencement of the winding up shall rank in priority after all other shares.

(e) **Transfer of Shares**

Generally, Shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

(f) **Future increase in capital**

The allotment and issue of any Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of securities contained in the Listing Rules, the Constitution and the Corporations Act and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors

may issue Shares as they shall, in their absolute discretion, determine.

(g) **Variation of rights**

Pursuant to Section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up may be varied or abrogated with the consent in writing of the holders of three-quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

The Shares are quoted on ASX.

(h) **Partly paid shares**

The Directors may, subject to compliance with the Constitution, the Corporations Act and the Listing Rules, issue partly paid shares upon which there are outstanding amounts payable.

(i) **Dividend reinvestment and share plans**

The members of the Company, in general meeting, may authorise the Directors to implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company) and any other share plans (under which any member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of fully paid shares).

(j) **Directors**

The Constitution states that the minimum number of Directors is three.

(k) **Share buy backs**

Subject to the provisions of the Corporations Act and the Listing Rules, the Company may buy back shares in itself on terms and at times determined by the Directors.

(l) **Unmarketable parcels**

The Constitution permits the Board to sell the shares held by a shareholder if they comprise less than a marketable parcel within the meaning of the Listing Rules. The procedure may only be invoked once in any 12 month period and requires the Company to give the shareholder notice of the intended sale. If a shareholder does not want his shares sold, he may notify the Company accordingly.

(m) **Capitalisation of profits**

The Company may capitalise profits, reserves of other amounts available for distribution to members.

(n) **Capital reduction**

Subject to the Corporations Act and the Listing Rules, the Company may reduce its share capital.

(o) **Preference shares**

The Company may issue preference shares including preference shares that are liable to be redeemed. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company.

6. RISK FACTORS

6.1 GENERAL

The Shares offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this Section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The follow is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

6.2 COMPANY SPECIFIC

(a) Shares suspended

The Company's Shares are currently suspended from trading on the ASX. ASX has an ultimate discretion on the lifting of the suspension. However, ASX has provided notice to the Company that upon the Company satisfying certain conditions, ASX intends to reinstate the Shares to Official Quotation.

(b) Additional Requirements for Capital

The Company's capital requirements depend on numerous factors. The availability of equity funding is subject to market risk at the time and there is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations, scale back its exploration programmes and may result in loss of tenure, as the case may be.

(c) Exploration Risks

Exploration is inherently associated with risk. Notwithstanding the experience, knowledge and careful evaluation a company brings to an exploration project, there can be no assurance that recoverable mineral resources will be identified. Even if identified, other factors such as technical difficulties, geological conditions, adverse changes in government policy or legislation or lack of access to sufficient funding may mean that the resource is not economically recoverable or may otherwise preclude the Company from successfully exploiting the resource.

(d) Sovereign Risk

The Company's operations are located in Indonesia. Possible sovereign risks associated with operating in Indonesia include, without limitation, changes in the terms of mining legislation, changes in the foreign ownership requirements in Indonesia, changes to royalty arrangements, changes to taxation rates and concessions, expropriation by the government or private sector entities and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its Shares. No assurance can be given regarding future stability in Indonesia or any other country in which the Company may, in the future, have an interest.

(e) **No geographical diversification**

The project in which the Company holds an interest in is located in Indonesia. Any circumstance or event which negatively impacts the ownership or development of these areas or which negatively affects Indonesia could materially affect the financial performance of the Company and more significantly than if it had a diversified asset base.

(f) **Foreign exchange risk**

The Company has transactional currency exposures as a result of significant operations in Indonesia. As 100% of gold sales are denominated in United States Dollars (USD) and a large proportion of the Company's purchases are denominated in Indonesian Rupiah (IDR) and USD, the Company's income statement and financial position can be affected significantly by movements in the AUD/USD and AUD/IDR exchange rates.

6.3 MINING INDUSTRY SPECIFIC

(a) **Mining and exploration risks**

The primary business of the Company is exploration for, and commercial development of mineral ore bodies, which is subject to the risks inherent in these activities. The current and future operations of the Company may be affected by a range of factors, including:

- (i) geological conditions;
- (ii) limitations on activities due to seasonal weather patterns;
- (iii) alterations to joint venture programs and budgets;
- (iv) unanticipated operations and technical difficulties encountered in trenching, drilling, development, production and treatment activities;
- (v) mechanical failure of operating plant and equipment;
- (vi) adverse weather conditions, industrial and environmental accidents, industrial disputes and other force majeure events;
- (vii) unavailability of drilling, mining, processing and other equipment;
- (viii) unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and labour;
- (ix) prevention of access by reason of political or civil unrest, outbreak of hostilities, inability to obtain regulatory or landowner consents or approvals;
- (x) terms imposed by government on development of mining projects including conditions such as equity participation, royalty rates and taxes;
- (xi) delays in completing feasibility studies and obtaining development approvals; and
- (xii) risks of default or non-performance by third parties providing essential services.

No assurance can be given that future operating, development and exploration activities will be successful and a commercially viable mining operation will continue.

(b) **Resource estimations**

The Company's Mineral Resources and Ore reserves are estimates only and no assurance can be given that any particular recovery level will in fact be realised.

These estimates are prepared in accordance with the JORC Code, but they are expressions of judgement based on knowledge, experience and industry practice. Estimates which are valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretation, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

In addition, commodity price fluctuations, as well as increased production costs or reduced throughput and/or recovery rates, may render reserves and resources uneconomic and so may materially affect the estimates.

(c) **Environmental**

The Company's project are or may be subject to various laws and regulations regarding environmental matters and the discharge of hazardous wastes and materials. The Company conducts its activities in an environmentally responsible manner and in accordance with all applicable laws, but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications.

(d) **Competition**

The Company competes with other companies, including major mineral exploration and mining companies. These companies will likely have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out downstream operations on these and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(e) **Operating risks**

The operations of the Company may be affected by various factors, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration and mining, operations and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes, and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment.

No assurances can be given that the Company will achieve commercial viability through the successful mining of its projects.

(f) **Weather condition risk**

Operations may be delayed due to extreme weather conditions such as flooding, storms or cyclones.

6.4 GENERAL RISKS

(a) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's production, development and exploration activities, as well as on its ability to fund those activities.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(d) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

6.5 SPECULATIVE INVESTMENT

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of Shares offered under this Prospectus.

Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Shareholders should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

7. ADDITIONAL INFORMATION

7.1 CONTINUOUS DISCLOSURE OBLIGATIONS

The Company is a “disclosing entity” (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on the Company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in Section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:
 - (i) the annual financial report most recently lodged by the Company with the ASIC;
 - (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
 - (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in Section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged with ASX since the date of lodgement of the Company’s latest annual financial report and before the lodgement of this Prospectus with the ASIX are set out in the table below:

Date	Description of Announcement
31 July 2017	June 2017 Quarterly Activities & Cashflow Report
28 July 2017	Deed Administrator's Address to Shareholders
28 July 2017	Results of Meeting
11 July 2017	June Quarter Production Increase at the Way Linggo Project
30 June 2017	ASIC Relief
28 June 2017	Payment of Creditors
28 June 2017	Notice of General Meeting/Proxy Form
28 June 2017	Voluntary Administration Update
7 June 2017	Half Yearly Report and Accounts
5 May 2017	Fundraising Update
26 April 2017	Change of Share Registry Address
24 April 2017	March 2017 Quarterly Activities & Cashflow Report
19 April 2017	Operations Update
19 April 2017	Kingsrose Raises Additional Funds
24 March 2017	Kingsrose Raises A\$5.4m via Convertible Loan Facility
15 March 2017	Financial Reporting Relief
23 February 2017	Significant Progress on Financial & Operational Restructure
1 February 2017	December 2016 Quarterly Activities & Cashflow Report
23 January 2017	Voluntary Administration Update
28 December 2016	Voluntary Administration Update
14 December 2016	Kingsrose Appoints Voluntary Administrator
13 December 2016	Suspension from Official Quotation
12 December 2016	Trading Halt
28 November 2016	Section 708A Notice & Appendix 3B
23 November 2016	Change of Registered Office and Principal Place of Business
22 November 2016	Initial Director's Interest Notice
22 November 2016	Final Director's Interest Notice

22 November 2016	Successful Completion of Debt Restructure
17 November 2016	Results of Meeting
16 November 2016	Appointment of Chief Executive Officer
1 November 2016	Debt Restructure
1 November 2016	September 2016 Quarterly Activities & Cashflow Report
18 October 2016	Solid Progress at Talang Santo Mine
17 October 2016	Change in Substantial Holding
14 October 2016	Notice of Annual General Meeting/Proxy Form
21 September 2016	Becoming a substantial holder
20 September 2016	Section 708A Notice & Appendix 3B
14 September 2016	Results of meeting
9 September 2016	Appendix 4G
9 September 2016	2016 Corporate Governance Statement
9 September 2016	2016 Annual Report

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

7.2 MARKET PRICE OF SHARES

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest and lowest market sale prices of the Company's Shares on ASX during the 3 months immediately preceding the date of entry into voluntary administration and the respective dates of those sales were:

	Price	Date
Highest	\$0.16	28 September 2016
Lowest	\$0.10	1 December 2016
Last	\$0.10	9 December 2016*

* Represents the last traded price prior to the Company entering into Voluntary Administration on 14 December 2016

7.3 ASIC RELIEF

The Company has been granted relief from ASIC to allow it to issue a transaction specific prospectus under s713 of the Corporations Act in respect of the Offer rather than a full form prospectus under section 710 of the Corporations Act.

On 15 March 2017 the Company announced that it was relying on a relief granted by ASIC to certain companies under administration in accordance with section 8(1)(e) of *ASIC Corporations (Externally Administered Bodies) Instrument 2015/251 (Instrument 2015/251)* to defer the lodgement of its half yearly reports for the period ended 31 December 2016. As a result of the Company's reliance on the relief available under Instrument 2015/251, its securities do not technically fall within the definition of "continuously quoted securities" and, absent the ASIC relief, it would not be able to issue a transaction specific prospectus.

The effect of the Relief is to permit the Company to make the Offer under a transaction specific prospectus under section 713 of the Act.

7.4 DIRECTORS' INTERESTS

Other than as set out below or elsewhere in this Prospectus, no Director nor any firm in which such a Director is a partner, has or had within 2 years before the lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer pursuant to this Prospectus; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid (in cash or Shares or otherwise) to any Director or to any firm in which any such Director is a partner or director, either to induce him to become, or to qualify him as, a Director or otherwise for services rendered by him or by the firm in connection with the formation or promotion of the Company or the Offer.

Directors' relevant interests in securities of the Company at the date of this Prospectus and remuneration information for the last two financial years is set out below:

Name	Shares	Options
John Morris	9,600,000	-
Andrew Spinks	-	-
Joanna Kiernan	-	300,000 (\$0.26, 18 November 2018)

Remuneration

The Constitution of the Company provides that the non-executive Directors may be paid for their services as Directors, a sum not exceeding such fixed sum per annum as may be determined by the Company in general meeting, where notice of the amount of the suggested increase and the maximum sum that may be paid shall have been given to shareholders in the notice convening the meeting. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$300,000 per annum.

The remuneration of executive Directors is decided by the Board, without the affected executive Director participating in that decision-making process and may be paid by way of fixed salary or commission.

The table below sets out the remuneration provided to the current Directors of the Company and their associated companies during the last financial year prior to the date of this Prospectus and their current remuneration at the date of this Prospectus, inclusive of directors fees and consultancy fees.

Director	Financial year ended 30 June 2015	Financial Year ended 30 June 2016	Current financial year ending 30 June 2017*
John Morris	\$150,000	\$150,000	\$150,000
Andrew Spinks	\$30,000	\$30,000	\$30,000
Joanna Kiernan	Nil	Nil	\$30,000

**Current fees approved by the Board annualised for the full year. The Board may however vary these fees prior to the end of the financial year, subject to compliance with the terms of the Company's constitution. John Morris and Andrew Spinks have not received a fee since 30 November 2016. Joanna Kiernan has not received any Directors' fees since her appointment on 21 November 2016.*

7.5 INTERESTS OF EXPERTS AND ADVISERS

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) Any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (f) the Offer.

King & Wood Mallesons has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay King & Wood Mallesons \$19,500 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with ASIC, King & Wood Mallesons has been paid fees totally approximately \$470,000 (excluding GST and disbursements) for legal services provided to the Company in respect of fundraising, debt restructuring, the voluntary administration and deed of company arrangement and general corporate advice.

7.6 CONSENTS

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Securities), the Directors, any underwriters, persons named in the Prospectus with their consent having made a statement in the Prospectus and persons involved in a contravention in relation to the Prospectus, with regard to misleading and deceptive statements made in the Prospectus. Although the

Company bears primary responsibility for the Prospectus, the other parties involved in the preparation of the Prospectus can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- (a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section; and
- (b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section.

King & Wood Mallesons has given its written consent to being named as the solicitors to the Company in this Prospectus. King & Wood Mallesons has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC.

7.7 LITIGATION

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

7.8 ESTIMATED EXPENSES OF OFFER

The total expenses of the issue are estimated to be approximately \$21,900 comprising legal costs, printing and other administrative expenses, including ASIC fees.

7.9 ELECTRONIC PROSPECTUS

ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic prospectus and electronic application form on the basis of a paper prospectus lodged with the ASIC, and the publication of notices referring to an electronic prospectus or electronic application form, subject to compliance with certain conditions.

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on (08) 9381 5588 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

7.10 CLEARING HOUSE ELECTRONIC SUB-REGISTER SYSTEM (CHESS) AND ISSUER SPONSORSHIP

The Company will not be issuing Share certificates. The Company is a participant in CHESS, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHESS will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of the Holder Identification Number or Security Reference Number and explain, for future reference, the sale and purchase procedures under CHESS and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

7.11 DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with Section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.

Dated: 1 August 2017.



Joanna Kiernan
Director
Signed for and on behalf of
Kingsrose Mining Limited

8. DEFINITIONS

\$ means Australian dollars.

Applicant means an investor who applies for Shares pursuant to the Offer.

Application Form means an application form either attached to or accompanying this Prospectus.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

ASX Listing Rules means the Listing Rules of the ASX.

ASX Settlement Operating Rules means the operating rules of the settlement facility operated by ASX Settlement Pty Ltd ACN 008 504 532.

Board means the board of Directors unless the context indicates otherwise.

Business Day means a day on which trading takes place on the stock market of ASX.

Closing Date means the date specified in Section 1 (unless extended or closed earlier).

Company means Kingsrose Mining Limited (ACN 112 389 910).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Offer means the offer of Shares referred to in the “Details of the Offer” section of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

WST means Western Standard Time as observed in Perth, Western Australia.