



KINGSROSE
MINING LIMITED

ASX Announcement
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INDEPENDENT REVIEW HIGHLIGHTS OUTSTANDING POTENTIAL OF TALANG SANTO GOLD MINE

Consultants' report points to 'exceptionally good ore and high potential for additional resources' and says a series of conventional practices will increase production rates significantly

Kingsrose Mining (ASX: KRM) advises that the initial report on the Company's flagship Way Linggo gold project in Indonesia by independent consultants Mining Plus has highlighted the outstanding nature of the Talang Santo orebody and recommended measures to significantly improve its operational performance.

The report's key findings included:

- The mine safety performance is good, with the safety KPIs as good or better than the underground mining statistics recorded by the WA minerals industry in 2014-2015;
- The mining risk register contained a number of identified extreme risks with appropriate control measures documented;
- The mine de-watering efforts, in conjunction with the BASF chemical grouting, have enabled the water issues to be kept relatively under control;
- The mine has exceptionally good ore identified below the 5 level and high potential for additional resources along strike and at other favourable structural locations; and
- Talang Santo should have a long and profitable future.

The report also contains several recommendations aimed at increasing production at Talang Santo.

Mining Plus noted that the mine's performance has been hampered by insufficient working faces available to produce ore from and recommended overhauling the mine planning and scheduling methods. It said this would help ensure that ore extraction was maximised, steady production rates could be maintained and production could be more accurately forecasted.

The report noted that alternative mining methods should be investigated with a view to extracting high-value ore, which may have been left behind in pillars. Mining Plus will work alongside the Company's operational team to update the mine plan, create a schedule to rebuild developed stocks and investigate remnant pillar mining.

Kingsrose Executive Chairman John Morris said the Mining Plus report was extremely encouraging because it confirmed the underlying strengths of the Talang Santo orebody and highlighted the strong potential to increase its operational performance.

“The review by Mining Plus has found that Talang Santo is an outstanding orebody, it has high potential to grow resources and it should have a long and profitable future,” Mr Morris said.

“Importantly, it also highlights that Talang Santo’s true value can be unlocked by implementing some relatively conventional Australian operating practices.

“Mining Plus’ technical specialists will work with Kingsrose over the coming three months to implement these changes with the aim of increasing production, reducing costs and taking full advantage of the opportunities we have at Talang Santo.”

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