



KINGSROSE  
MINING LIMITED

21 July 2016

## KINGSROSE RAISES ~A\$8.5m TO UNLOCK VALUE OF ITS HIGH-GRADE TALANG SANTO GOLD MINE

*Proceeds will help fund completion of external haulage shaft to access extensive high-grade ore, reduce costs and facilitate underground exploration*

Kingsrose Mining (ASX: KRM) is pleased to announce that it has secured firm commitments totalling ~A\$8.5 million under a two-tranche share placement at 12c a share.

The placement was strongly supported by existing institutional and sophisticated investors, including several in London.

The proceeds of the raising will be applied primarily to the ongoing mine development at Talang Santo including the completion of the key 5 Level haulage shaft and the establishment of capital infrastructure.

Sinking of the shaft resumed earlier this month. Along with providing additional hoisting capacity, it will provide direct access to the higher-grade areas of the orebody and act as a platform for underground drilling aimed at increasing the Talang Santo Resource.

Funds will also be applied to ongoing exploration activities across the broader Way Linggo Project where recent reconnaissance work has highlighted three exciting new targets in the southern part of the Project.

As previously advised, total production for the year June 30, 2016 was 18,641 ounces of gold, which was slightly below the Company's guidance of 19,500 – 21,500 ounces of gold. The result was impacted by the ongoing challenges presented by the flow of water into the mine.

In an effort to resolve this issue, Kingsrose has commissioned expert consultants, Mining Plus, to conduct a review of mining practices aimed at increasing productivity and Resource recoveries. Consultants CDM Smith will conduct a hydrological review aimed at providing water management solutions to reduce to flow of water into the Mine and Quattro Project Engineering will assist with designing suitable pumping arrangements for the 5 Level.

On completion of the Mining Plus review, Kingsrose will publish production and cost guidance for the 2017 financial year.

Kingsrose Executive Chairman John Morris said the raising would underpin the Company's strategy to capitalise on the value of Talang Santo.

"Talang Santo is an outstanding orebody which can support substantial, low-cost production thanks to its high grades and access to existing infrastructure, including a fully-owned plant," Mr Morris said.

"The 5 Level haulage shaft holds the key to unlocking this value. The combination of the access this shaft will provide and the prospect of introducing more efficient mining methods following the reviews now under way will maximise our ability to extract the true value of the project."

**Placement Details:**

The Company has agreed to place approximately 71 million fully paid ordinary shares at an issue price of 12 cents each in two tranches. Tranche one comprises of the issue of approximately 53.8m shares to raise approximately \$6.45m and will be issued under the Company's available 15% capacity pursuant to ASX Listing Rule 7.1.

Tranche two comprises of the issue of approximately 17.2 million shares to raise a further ~\$2m and will be issued subject to shareholder approval at a General Meeting to be held in September 2016. A Notice of Meeting will be sent to shareholders in due course.

Bell Potter Securities Limited acted as the sole Lead Manager and Bookrunner to the Placement.

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**For more information please contact:**

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