



KINGSGROSE
MINING LIMITED

Kingsrose production guidance for six months to 31 December 2019

Guidance is 9,500 Au oz – 11,000 Au oz at AISC of US\$1,000 – US\$1,200 / Au oz

- Studies underway to extend the lives of the Way Linggo and Talang Santo open pits
- Drilling program commenced to firm up underground resources at Way Linggo and Talang Santo

Kingsrose Mining (ASX: KRM) ('Kingsrose' or 'The Company') is pleased to publish production guidance for its Way Linggo Gold Project in Indonesia.

The guidance below is for the six months to December 31, 2019. The Company is currently reviewing the production profiles of both Way Linggo and Talang Santo open pits and guidance for the six months to end June 2020 will be provided on completion of this study.

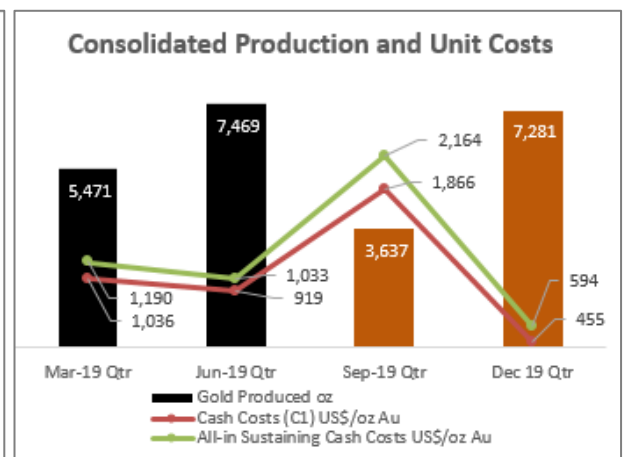
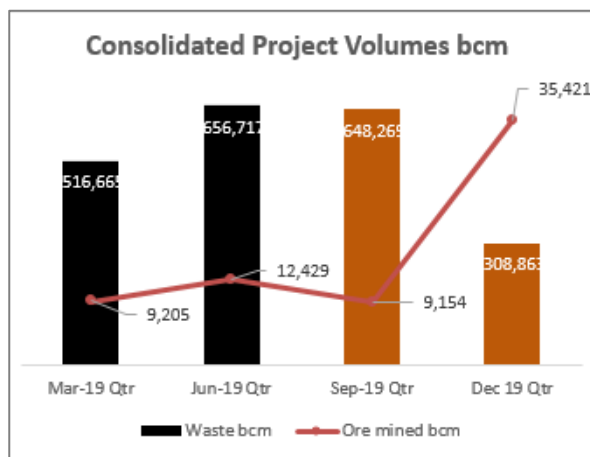
Kingsrose expects to produce **9,500oz – 11,000oz** in the six months to December 31, 2019 at an all-in sustaining cost of **US\$1,000-US\$1,200/oz**.

During the coming six months, Kingsrose will complete a Phase 1 drilling program to firm up resource for studies aimed at future underground mining at both Way Linggo and Talang Santo.

OPERATIONS OVERVIEW

The Way Linggo wall failure towards the end of June (see ASX release dated June 28, 2019) has impacted the production outlook for the September quarter.

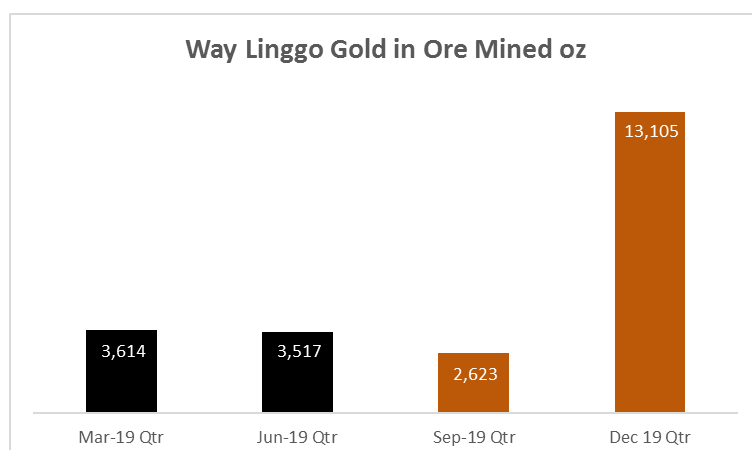
The lower production impacts the unit cash costs and all-in sustaining costs for the September quarter.





Consolidated Production Summary Guidance		Mar 19 Qtr	Jun 19 Qtr	Sep 19 Qtr	Dec 19 Qtr
Mined Production					
Way Linggo Open Pit	oz	3,614	3,517	2,623	13,105
Talang Santo Open Pit	oz	2,017	4,354	1,978	5,112
Consolidated	oz	5,631	7,871	4,601	18,217
Mined Grade					
Way Linggo Open Pit	g/t	8.1	6.5	8.6	9.2
Talang Santo Open Pit	g/t	7.8	10.6	5.2	5.9
Consolidated Gold Produced	oz	5,471	7,469	3,637	7,281
Consolidated Silver Produced	oz	45,640	46,699	27,750	80,592
Consolidated Cash Costs (C1)	US\$/oz	\$ 1,036	\$ 919	\$ 1,866	\$ 455
Consolidated All-In Sustaining Costs (AISC)	US\$/oz	\$ 1,190	\$ 1,033	\$ 2,164	\$ 594

Way Linggo Open Pit



Mining at the Way Linggo open pit is currently scheduled to continue until December 2019 and gold production from Way Linggo stockpiled ore is set to continue until June 2020.

Kingsrose is assessing the economics of deepening the pit in a further cutback, extending its life beyond December 2019. This review will be completed by the end of September.

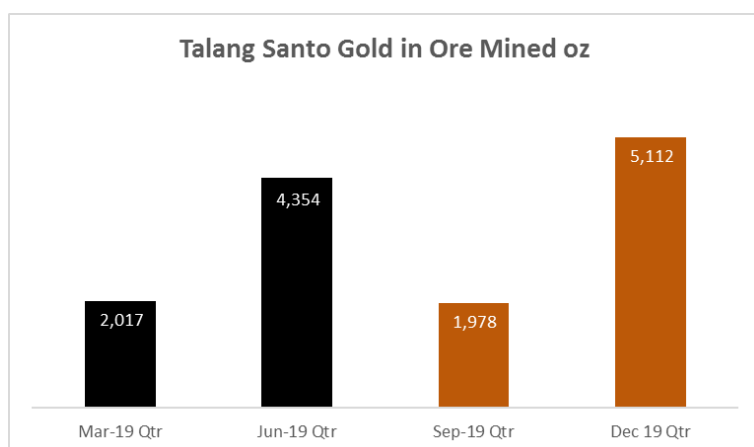
The pit wall failure has removed an estimated 4,000 gold ounces from the current plan. By the

December quarter, Kingsrose expects to have completed most of the stripping required and will be mining mainly ore tonnes.

The previous underground mining at Way Linggo stopped at 175 metres below the surface and there is strong potential for further mineralisation below the previous underground mine. Two deep diamond drill holes to test below the underground workings are scheduled for November 2019 once rigs with sufficient depth capacity become available from Talang Santo. Results will be assessed and reported in December 2019.



Talang Santo Open Pit



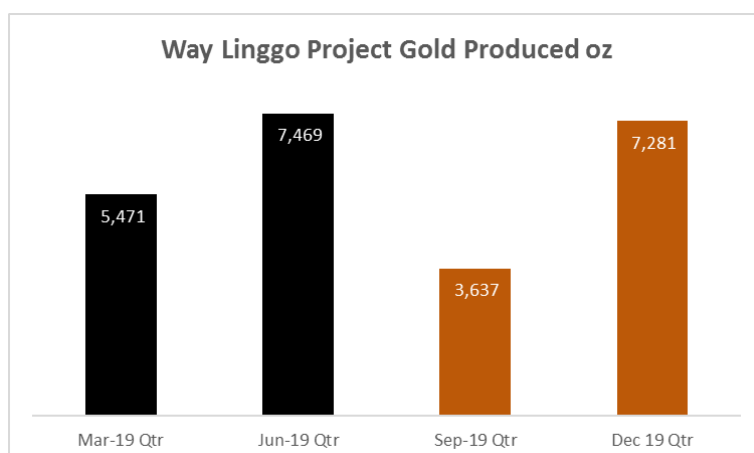
Mining commenced at the Talang Santo pit in November 2018 but reconciliations to the resource model were inconsistent. As a result, the pit design for Talang Santo was refined and scaled back in April 2019 to ensure the mine plan would be delivered. The current pit design takes mining to December 2019 and gold production from Talang Santo stockpiled ore is set to continue to June 2020.

To better inform production scheduling an aggressive diamond drilling program began in May 2019 focusing within the current pit boundary as well as potential near-pit resource extensions around Talang Santo. This drilling finished in late July and the data is being collated in a new resource model. Once this is finished the pit optimisation incorporating this data will be completed and Kingsrose will update the market. This review will evaluate opportunities to enlarge and deepen the current pit into the remnant underground works.

A deep diamond drilling programme to increase confidence in resources beneath the previous deepest level of underground mining at Talang Santo began in late July. During this first phase of drilling, 20 holes are planned (totalling approximately 7,000 metres) and drilling is expected to be completed in November 2019. Results will be assessed, and any further plans reported in December 2019.

Concurrently, Kingsrose is evaluating options for a new underground mine at Talang Santo, including the costs and overall feasibility. The initial study will be completed by the end of November 2019 and will underpin decisions on any new underground mine and further deep drilling phases for Talang Santo.

Processing



The plant was shut from 2 July to 4 August 2019 due to the interruption in ore supply from the Way Linggo pit wall failure. The September quarter production is impacted by this closure.

The intention is that the processing plant will be running at full capacity from 4 August 2019 through to Q3 2020 and into Q4 2020 based on the current mine plans to December 2019. This will be updated in line with any amendments to the current mine lives.



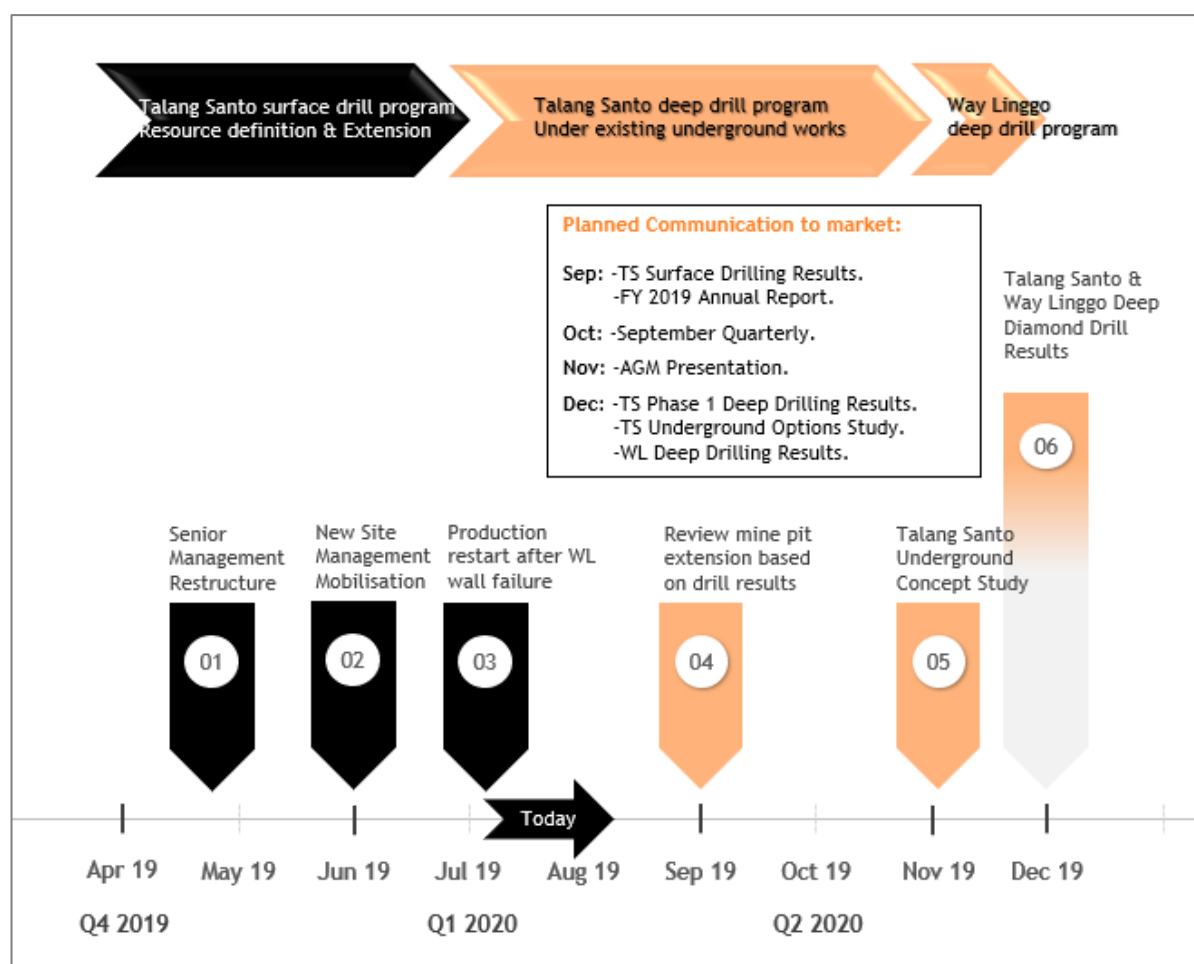
STRATEGIC DECISION TIMELINE

Following the management restructure in May 2019 the immediate targets were set. These were:

- ❑ Achieve consistent quarterly production, increase revenue, lower unit costs;
- ❑ Define near mine opportunities and increase resource through drilling program at Talang Santo;
- ❑ Undertake a deep diamond drilling program at both Way Linggo and Talang Santo;
- ❑ Complete underground study for Talang Santo.

Kingsrose has set all the key pieces of due diligence in motion to provide supportable information for clear and informed decision making.

The timeline of milestones, decision points and key communications from this work is illustrated below.





KINGSROSE
MINING LIMITED

Competent Persons Statement

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled under the supervision of Dr Michael Andrews, who is a Fellow of the Australasian Institute of Mining and Metallurgy and a Director and Substantial Shareholder of Kingsrose Mining Limited. Dr Andrews has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves." Dr Andrews consents to the inclusion in this report of the matter based on his information in the form and context in which it appears.

-ENDS-

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