

ASX Announcement
12 June 2018

Kingsrose Receives Tekno-Ekonomi Approval for Ongoing Open Pit Activities

- Receipt of the Tekno-Ekonomi approval is an important step in the permitting process
- Permit allows expansion of Way Linggo open pit down to the 3 Level
- Permit also allows start up activities at the second open pit, Talang Santo to commence

Kingsrose Mining Limited (ASX: KRM) (**Kingsrose** or the **Company**) is pleased to advise that its 85%-owned Indonesian subsidiary, PT Natarang Mining (**PTNM**), has received Tekno-Ekonomi, (Technical and Economic Assessment) approval from the Indonesian Mines Department related to the development of multiple open pit operations within the Way Linggo Project, South Sumatra.

Importantly, the receipt of this permit demonstrates the Company's ability to manage the processes to obtain these regulatory requirements. The Company is confident it will now start to move quickly through the final stages of the approvals process with only the Pinjam Pakai (Forestry Permit) and AMDAL (Environmental Permit) outstanding and which are expected to be received in the September 2018 Quarter.

Tekno-Ekonomi approval allows immediate work to commence on the expansion of the Way Linggo open pit beyond the current mine plan to recover the remaining ore body down to the 3 Level. The Way Linggo Mine has generated strong cashflow for the Company since the commencement of open pit mining in February 2017 and this expansion of the pit will ensure mining continue through until mid-2019, with the processing of ore taken from the mine to continue for an additional three months.

The expansion of the Way Linggo open pit requires a large amount of waste to be pre-stripped over the next six months to allow access to the ore remaining from the underground mine above the 3 Level. Ore will continue to be extracted from the pit during this six month pre-strip phase, albeit at lower rates than previously experienced. It is anticipated that ore production will return to normal rates following the completion of the pre-strip.

In addition to the expansion of the Way Linggo open pit, the Tekno-Ekonomi allows for the commencement of pre-start activities including the establishment of key infrastructure at the Talang Santo Mine. This will ensure PTNM is well placed to commence full open pit mining and processing upon receipt of the outstanding permits and board approval.

Managing Director Paul Jago said the receipt of the Teckno-Economic approval was a major milestone along the path to increasing production, mine life and cashflow.

“To obtain this approval within the expected timeframe is another outstanding result by the hardworking and dedicated PTNM team. Furthermore, it unlocks the substantial value at Way Linggo by enabling us to access the high-grade ore and allows us to set up Talang Santo as the Company’s second significant production source.

At the same time, we are continuing to accelerate our exploration program which has produced some promising early-stage results. Fieldwork is nearing completion and this will assist in finalising an exploration drilling program currently scheduled for the September quarter.

This progress demonstrates that we are continuing to deliver on our commitment to shareholders and stakeholders to build the Way Linggo Project into a long term, low cost sustainable mining operation.”

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