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KINGSROSE MINING LIMITED | QUARTERLY REPORT

For the period ended 30 September 2015

PRODUCTION

- 4,010 ounces of gold and 9,815 ounces of silver produced during the quarter.
- Successful transition to conventional Shrink and Gallery stoping by the end of the quarter.
- Initial 4,274t @16.94 g/t Au and 35 g/t Ag mined from Shrink and Gallery stoping from 4 Level stopes.
- Estimated 2,500t of high grade broken stocks in first Shrink stope and increasing, building baseload for production for the coming quarters.
- Water inflow continued to present a challenge which impacted development rates.

TALANG SANTO RESOURCE UPDATE

- 27% increase in contained gold, with an additional 77,000 ounces of gold.
- Significant potential for additional grade upside.
- Opportunity to upgrade Inferred Resource through further drilling.

DEVELOPMENT

- Excellent progress on the 5 Level haulage shaft which will provide access to the higher grade zones.
- 53m of fully equipped advance achieved during the quarter reaching 4 Level horizon.

PROJECT SCALE EXPLORATION

- Success in follow-up drilling at Talang Toha with 1.55m @ 7.23 g/t Au 50 metres below the previously identified gold veins near surface, supporting potential for a fertile gold system.
- Drilling commenced on the high priority Mitra Jaya target.

CORPORATE

- Commencement of experienced General Manager, Paul Androvic for the Way Linggo Project.
- Commencement of debt repayments with $1.88M of principle and interest paid during the quarter.
- Cash and Bullion on hand of $A7.68M at 30 September 2015.

TALANG SANTO OPERATIONS OVERVIEW

	UNITS	SEPTEMBER 2015 QUARTER	YEAR TO DATE
MINE PRODUCTION			
ORE MINED	t	13,162	13,162
MINE GRADE (GOLD)	g/t	10.2	10.2
MINE GRADE (SILVER)	g/t	26	26
ORE PROCESSED			
TONNES MILLED	t	13,250	13,250
HEAD GRADE (GOLD)	g/t	9.8	9.8
HEAD GRADE (SILVER)	g/t	25	25
RECOVERY (GOLD)	%	95.6	95.6
RECOVERY (SILVER)	%	91.6	91.6
GOLD PRODUCED	Oz	4,010	4,010
SILVER PRODUCED	Oz	9,901	9,901
COSTS OF PRODUCTION			
CASH OPERATING COSTS (C1)	US$/oz	920	920
ALL-IN-SUSTAINING COSTS OF PRODUCTION (AISC)	US$/oz	1,580	1,580

SAFETY

There were no Lost Time Injuries ("LTIs") for the quarter with the 12 month moving average Lost Time Injury Frequency Rate ("LTIFR") currently at 2.6. The Way Linggo Project was also awarded a Bronze safety award by the Indonesian Mines Department for overall safety performance ranked against 68 other operations.

MINING

Mining activities during the period were focussed on sublevel development and setting up stope production on the 4 Level. 922 metres of lateral development and 480 metres of vertical development was completed during the period. (Refer to Figure 1 & Figure 2). This included 53 metres of vertical development on the 5 Level external shaft, which remains on schedule to reach the 5 Level by the end of December 2015.

Despite water inflows remaining high, significant advance was achieved on the set up of stoping from the 4 Level. A 120 metre panel of dry work area above the 4 Level being established by the end of the quarter. This, in conjunction with a significant improvement in ground conditions over what was encountered above the 3 Level to surface, saw the operation transition to the more conventional and ultimately more productive mining methods with the establishment of Shrink and Gallery stopes in both the Hanging wall and Splay veins, by the end of the quarter.

Production from stoping (predominately during the latter part of the period) was 4,274t @ 16.94 g/t Au and 35 g/t Ag.

13,162 tonnes were mined at 10.2 g/t Au and 26 g/t Ag for the period, which following the resource upgrade *(Refer ASX Announcement 12 August 2015)* continued to reconcile positively based on forecast from the measured and indicated categories of the Mineral Resource estimation. (Refer to Figure 3).

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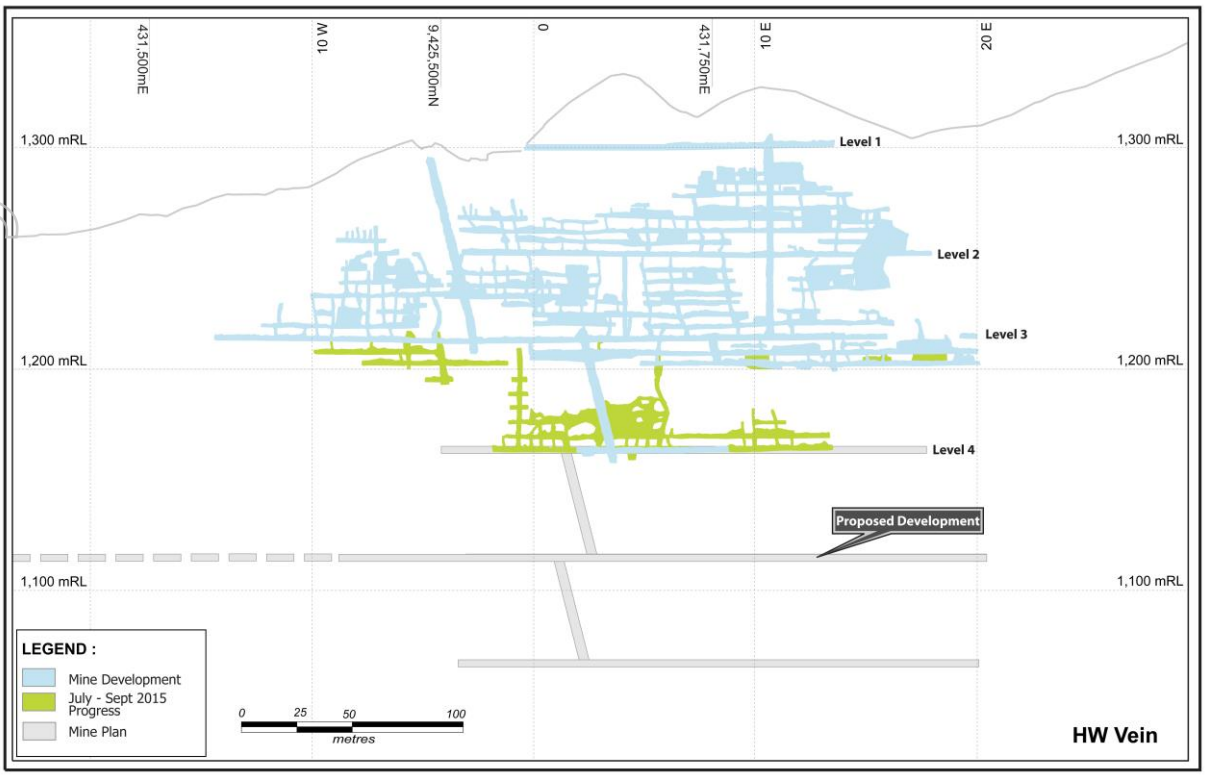


Figure 1 – Quarterly mine development progress | Hanging Wall vein

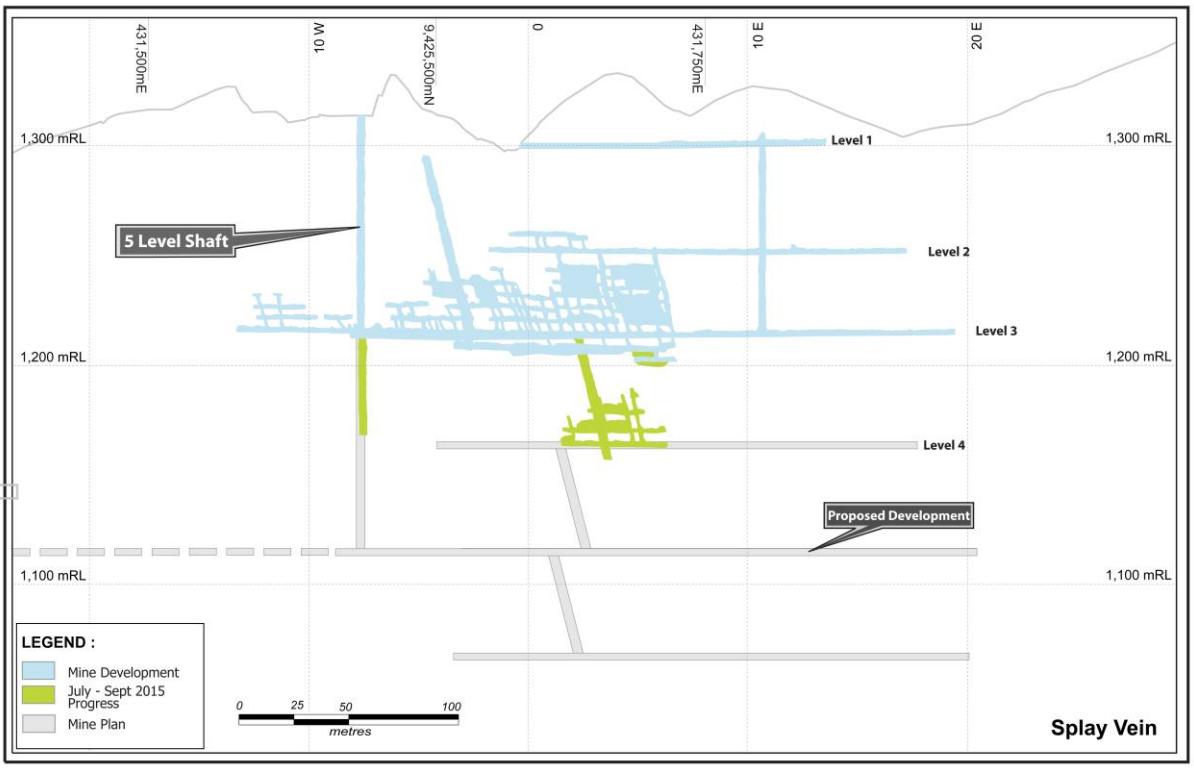


Figure 2 – Quarterly mine development progress | Splay vein

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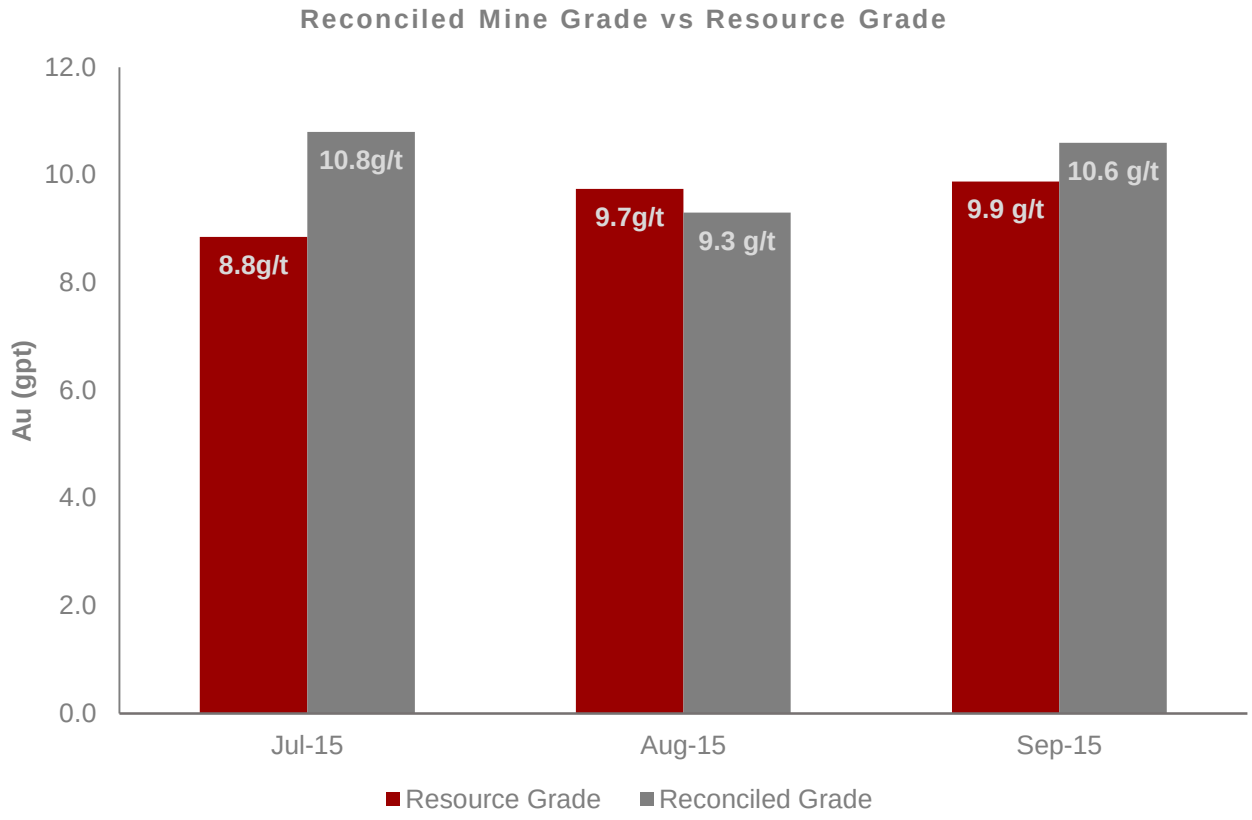


Figure 3: Resource Grade vs Reconciled Mine Grade from Measured & Indicated Categories

Capital Mine Development

The development of the haulage shaft to the 5 Level remains on schedule with 53 metres of fully equipped advance being achieved during the quarter. Installation of the headframe and winder was also completed. Upon achieving its target depth of approximately 210 metres, this shaft will provide direct access to the high grade zones identified on the 5 Level and allow for the evaluation of additional resources in the Central and North-West Mawi veins, which, as indicated by Figure 5 below, remain open.



Figure 4: Completed Headframe

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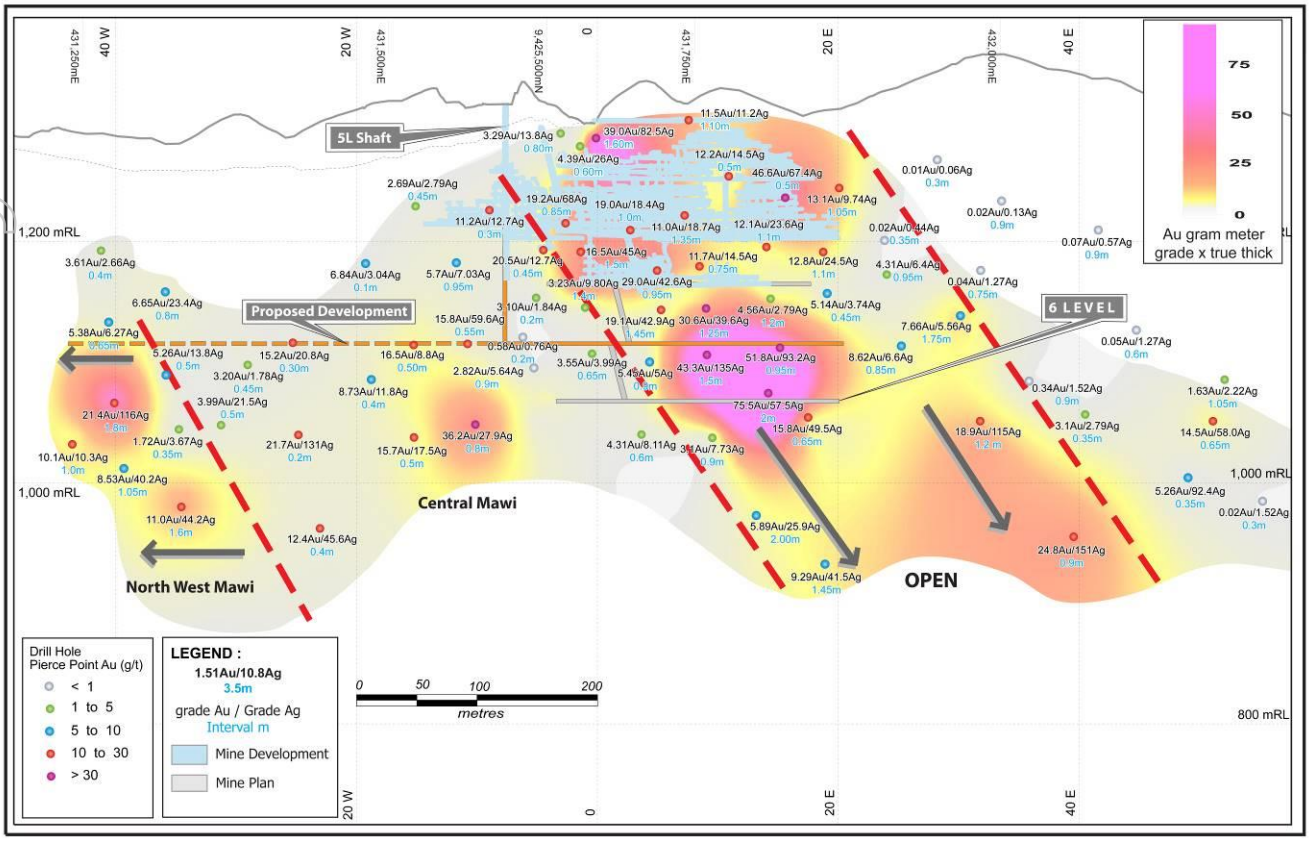


Figure 5: Location of second vertical shaft at the Talang Santo Mine

PROCESSING

The processing statistics for the operating period are tabulated below:

ORE PROCESSED	UNITS	SEPTEMBER 2015 QUARTER	YEAR TO DATE
TONNES MILLED	t	13,250	13,250
HEAD GRADE (GOLD)	g/t	9.8	9.8
HEAD GRADE (SILVER)	g/t	25	25
RECOVERY (GOLD)	%	95.6	95.6
RECOVERY (SILVER)	%	91.6	91.6
GOLD PRODUCED	Oz	4,010	4,010
SILVER PRODUCED	Oz	9,901	9,901

The plant throughput for the period was 13,147 dry tonnes at a head grade of 9.85 g/t Au and 25 g/t Ag. Recoveries of both gold and silver have remained steady at 96% and 92% respectively.

GOLD SALES AND COSTS OF PRODUCTION

During the quarter the Company sold 4,404 ounces of gold at an average gold price of A$1,526 and realised A$6,718,547 in revenue.

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The cash costs of production for the quarter were US$920/oz and all-in sustaining costs of production for the period were US$1580/oz.

The cash costs of production for the quarter were US$920/oz which was impacted by an increase in fuel costs associated with pumping from the Talang Santo Mine. The all-in sustaining costs of production for the period were US$1,580/oz which included US$456/oz of sustaining capital relating to the Company's ongoing investment in mine infrastructure. Key capital items during the period included the continued development of the 5 Level Shaft, the purchase of additional pumps and the purchase of a new generator to provide additional support for pumping infrastructure.

TALANG SANTO MINERAL RESOURCE

A significant upgrade of the Talang Santo Mineral Resource was reported during the period with an additional 39 drill holes and over 3,200 development face samples supporting the increase. The total Mineral Resource for the Talang Santo deposit as at 30 June 2015 was 1.4 million tonnes @ 8 g/t Au and 22 g/t Ag for 360,000 ounces of gold and 1,012,000 ounces of silver.

This represented a 27% increase in contained gold, with an additional 77,000 ounces of gold over the 2012 Talang Santo Mineral Resource after allowing for depletion by mining.

The opportunity to upgrade the remaining Inferred Resource of 739,000 tonnes at a grade of 5.23 g/t Au through further diamond drilling from the 5 Level remains high, and there remains significant potential for additional grade upside with further drilling and mine development with the orebody remaining open at depth and along strike.

EXPLORATION

Project/Regional Exploration

The company continues to see significant potential for organic growth supported by the early success of the current exploration program in identifying targets within the prospective Way Linggo Project area. The exploration program for FY2016 includes drill testing of the recently identified Mitra Jaya and Talang Toha targets with first pass reconnaissance drilling programs.

A total of 917 m of surface diamond drilling across Mitra Jaya and Talang Toha was completed during the period.

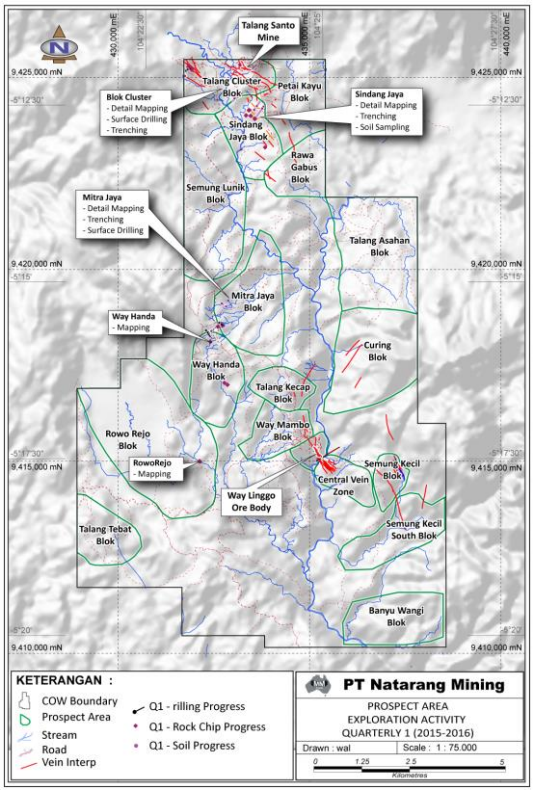


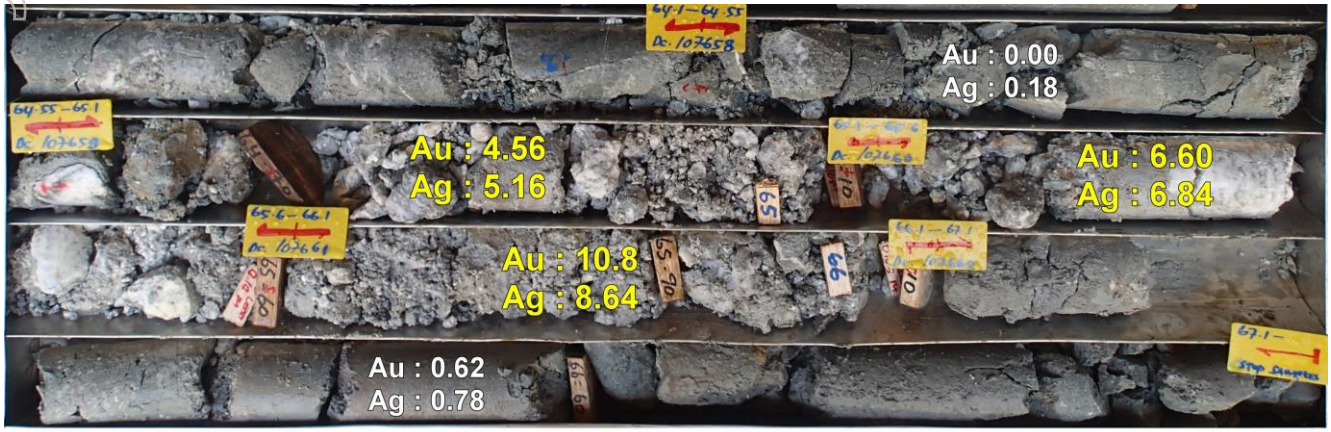
Figure 6: Quarterly exploration progress at the Way Linggo Project

Talang Toha

First pass drilling to test below trenching over the soil anomalies which identified three separate mineralised occurrences, including a vein grading 7.22 g/t Au over 0.4m beneath shallow soil cover.

Initial results at Talang Toha were very encouraging with the first hole (DDH-417) testing the blind mineralisation returning **1.55m @ 7.23 g/t Au and 6.82 g/t Ag** from 65 metres down hole in a brecciated clay

quartz zone with geology similar to the recent holes drilled near surface above the proximal Talang Santo deposit (Refer to Figure 6). A review of the results including a hole drilled below DDH-417 which intersected altered andesitic volcanics and the fact that the intersection in DDH-417 was encountered much earlier than anticipated, indicates that the mineralised structure may be in a different orientation. Whilst it is still at an early stage, it is considered very encouraging as it represents one of the most significant intersections outside of the known mineralisation.



DDH-417 Talang Toha; 1.55m @ 7.23Au /6.82Ag (include 0.5m@10.8Au/8.64Ag) from 64.55m downhole

Mitra Jaya

The second priority area is the Mitra Jaya prospect which lies immediately along strike from the historic Way Linggo Mine. Historic magnetic interpretation at Mitra Jaya identified windows of older altered andesitic host lithologies outcropping through the younger overlying volcanics and has previously returned a number of surface quartz float samples over 5 g/t Au with gold assays including as high as 43 g/t Au, 33 g/t Au and 16.7 g/t Au.

Drill testing of geochemical and structural targets commenced during the period with 2 holes completed the first to test the geochemical targets which intersected the overlying Ranau Tuff and volcanic and a second hole targeting a structural corridor in an alteration corridor which intersected altered andesitic units however no significant assays were returned from either hole. Drilling is ongoing and further holes are planned

Ongoing trenching and hand auger work was also conducted to test soil geochemistry anomalies over the prospect during the period with a number of alteration zones identified with the best result returned a grab sample from altered andesite material assaying 3.10 g/t Au and 16.34 g/t Ag.

Sindang Jaya

Soil Geochemistry was completed over the period and follow up auger sampling and trenching was undertaken however no significant results were returned from this work despite strong alteration and barren quartz veins being identified. The review of the results is ongoing.

Initial reconnaissance was commenced over the Way Handa and Rowa Rejo prospects.

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COMMUNITY AND THE ENVIRONMENT

Community

The Group continues to enjoy a mutually rewarding relationship with the local community not only surrounding the mine but also the wider Lampung province, through its active engagement and ongoing support of local cultural, environmental, health and educational initiatives and programs. Donations of food and medical supplies continued to be provided to local child care centres and charity groups and assistance with local infrastructure projects remained ongoing, including the installation of the foundations and supply of tanks for fresh water for the Talang Toha-Santo community.

Local employment at site continues to be actively encouraged with approximately 70% of employees coming from the nearby Lampung province.



Image 1: Concreting activities relating to suspension bridge at Sindang Jaya



Image 2: Water tank foundation for Talang Toha-Santo Community

Environment

The Group continues to conduct its operations in a manner that minimises its environmental footprint on the Project area. Monitoring of air quality and emissions as well as bio aquatic sampling was ongoing throughout the period. Donations were provided to the local community nursery to assist with ongoing re-vegetation activities surrounding the Project area and the PTNM environmental team conducted technical re-vegetation training to the local community throughout the quarter.



Image 3: Bio-aquatic monitoring



Image 4: Revegetation activities

CORPORATE

General Manager, Way Linggo Project

Following the departure of Operations Manager Ashley McAleese during the quarter, Paul Androvic was appointed as General Manager of the Way Linggo Project.

Paul, a geologist has over 20 years' experience in Project Development, Exploration Management and Mine Geology in both open pit and underground operations within Australia and overseas, with more his most recent role as General Manager for Kingsgate Consolidated at the Challenger Gold project until his move to the Executive Group in 2013.

Debt repayments

In line with the repayment schedule, debt repayments commenced throughout the period with a total of $1.88M in principle and interest repaid.

CORPORATE SNAPSHOT AS AT 30 SEPTEMBER 2015

KEY STATISTICS	
Shares on Issue	358,611,493
Unlisted Options	8,850,000
Share Price	$0.22
Market Capitalisation	$79M
Cash & Bullion	A$7.68
Debt	A$10.5

DIRECTORS & MANAGEMENT	
John Morris	Chairman
Scott Huffadine	Managing Director
Bill Phillips	Non Exec Director
Andrew Spinks	Non Exec Director
Matthew Smith	Chief Financial Officer
Joanna Kiernan	Company Secretary

CASH AND BULLION ON HAND AS AT 30 SEPTEMBER 2015

Cash & Term Deposits	A$4.96
Bullion*	A$2.72
Total	**A$7.68**

* Bullion includes unrefined (filter cake, dore) and refined gold (at A$1,589/oz) and silver (at A$21/oz).

SUMMARY OF MINING TENEMENTS AND AREAS OF INTEREST

PROJECT/TENEMENT HELD	LOCATION	TENEMENT NUMBER	EQUITIY'S INTEREST AT QUARTER END	CHANGE IN ENTITY'S INTEREST DURING QUARTER
4th generation Contract of Work (CoW)	Lampung Province, South Sumatra, Indonesia	N/A	85%	N/A

-ENDS-

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Competent Persons Statement

The information in this announcement that relates to exploration results, data quality, geological interpretations, potential for eventual extraction and estimates of exploration potential, is based on and fairly represents information complied by or under the supervision of Scott Huffadine, who is a member of the Australasian Institute of Mining and Metallurgy and a Director and full time employee of Kingsrose Mining Limited. Mr Huffadine 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." Mr Huffadine consents to the inclusion in this report of the matter based on his information in the form and context in which it appears.

The information in this report that relates to the following exploration results was first reported by the Company in compliance with the 2012 edition of the JORC code in ASX releases dated as follows: float samples at Mitra Jaya – 4 June 2012, exploration drilling at Talang Toha – 4 August 2015 and the Talang Santo Resource Upgrade – 12 August 2015. The Company confirms that it is not aware of any new information or data that materially affects the information included in the ASX releases referred to above and further confirms that all material assumptions and technical parameters underpinning the exploration results contained in those ASX releases continue to apply and have not materially changed.

Caution Regarding Forward Looking Statements and Forward Looking Information

Kingsrose Mining Limited has prepared this quarterly report based on information available to it. No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information, opinions and conclusions contained in this report. To the maximum extent permitted by law, Kingsrose Mining Limited, its Directors, employees or agents, advisers nor any other person accepts any liability, including without limitation, any liability arising from fault or negligence on the part of any of them or any other person, for any loss arising from the use of this report or its contents or otherwise arising in connection with it.

The information contained in this quarterly report contains forward looking statements and forward looking information, which are based on assumptions and judgements of management regarding future events and results. Such forward looking statements and forward looking information involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any anticipated future results, performance or achievements expressed or implied by such forward looking statements. Such factors include, among others, the actual market prices of gold, the actual results of current exploration, the availability of debt and equity financing, the volatility in global financial markets, the actual results of future mining, processing and development activities, receipt of regulatory approvals as and when required and changes in project parameters as plans continue to be evaluated.

Rule 5.5

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Entity Kingsrose Mining Limited **ABN 49 112 389 910** **Consolidated statement of cash flows**		**Quarter ended: 30 September 2015** **Current quarter $A'000**	**Year to date (3 months) $A'000**
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	6,927	6,927
1.2	Payments for		
	(a) exploration and evaluation	(516)	(516)
	(b) development	(2,358)	(2,358)
	(c) production	(5,347)	(5,347)
	(d) administration	(1,013)	(1,013)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	3
1.5	Interest and other costs of finance paid	(342)	(342)
1.6	Income taxes paid	(114)	(114)
1.7	Other	-	-
	Net Operating Cash Flows	**(2,760)**	**(2,760)**
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(283)	(283)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	3	3
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
	Net investing cash flows	**(280)**	**(280)**
1.13	**Total operating and investing cash flows**	**(3,040)**	**(3,040)**
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(1,549)	(1,549)
1.18	Dividends paid	-	-
1.19	Other (Repayment of hire purchases)	(252)	(252)
	Net financing cash flows	**(1,801)**	**(1,801)**
Net increase / (decrease) in cash and cash equivalents held		**(4,841)**	**(4,841)**
1.20	Cash and cash equivalents at beginning of quarter/year	9,517	9,517
1.21	Exchange rate adjustments to item 1.20	286	286
1.22	**Cash and cash equivalents at end of quarter**	**4,962**	**4,962**

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Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter $A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	204
1.24	Aggregate amount of loans to the parties included in item 1.10	0

1.25 Explanation necessary for an understanding of the transactions

Nil

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

		Amount $A'000	Amount used $A'000
3.1	Loan facilities	10,563	10,563
3.2	Credit standby arrangements	-	-

Estimated cash outflows for next quarter

		$A'000
4.1	Exploration and evaluation	210
4.2	Development	1,320
4.3	Production	5,990
4.4	Administration	1,030
	Total	**8,550**

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Reconciliation of cash and cash equivalents

Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

		Current quarter $A'000	Previous quarter $A'000
5.1	Cash on hand and at bank	4,962	9,517
5.2	Deposits at call	-	-
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
	Total: Cash and cash equivalents at end of quarter (item 1.22)	**4,962**	**9,517**

Changes in interests in mining tenements

		Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	Nil			
6.2	Interests in mining tenements acquired or increased	Nil			

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total Number	Number quoted	Issue price per security ($)	Amount paid up per security
7.1	**+Preference securities**	-	-	-	-
7.2	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3	**+Ordinary securities**	**358,611,493**	**358,611,493**	-	-
7.4	Changes during quarter				
	(a) Increase through exercise of options	-	-	-	-
	(b) Increase through issues	-	-	-	
	(c) Release from escrow	-	-	-	-
	(d) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	**+Convertible debt securities**	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through redemption of securities	-	-	-	-
7.7	**Options**	**8,850,000**	-	-	-
				Exercise Price ($)	*Expiry Date*
		500,000	-	0.44	11 Aug 2016
		500,000	-	0.39	30 Jun 2016
		500,000	-	0.41	2 Jan 2017
		1,500,000	-	0.55	28 Jan 2016
		500,000	-	0.47	7 Apr 2016
		2,350,000	-	0.55	7 Apr 2016
		3,000,000	-	0.55	13 Jan 2017
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired/cancelled during the quarter	-			
		500,000		1.53	5 Jul 2015
		500,000	-	0.43	11 Aug 2015
		4,000,000	-	$0.55	15 Sep 2015
7.11	**Share Performance Rights**	**714,434**	-	-	**30 Jun 2017**
7.12	Issued during quarter	-	-	-	-
7.13	Exercised during quarter	-	-	-	-
7.14	Expired/cancelled during quarter	-	-	-	-
7.15	**Debentures** *(totals only)*	-	-	-	-
7.16	**Unsecured notes** *(totals only)*	-	-	-	-

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Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.

2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 23 OCTOBER 2015
Managing Director

Print name: SCOTT HUFFADINE

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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