ASX Announcement
20 November 2019

More strong deep drilling results highlight potential for underground mining at Talang Santo

Kingsrose Mining Limited (ASX: KRM) ("Kingsrose" or the "Company") is pleased to announce that the first phase of deep drilling at Talang Santo has recently been completed and encouraging final assay results have been received. Significant mineralisation was encountered in all holes drilled.

This Phase 1 Deep Drilling Programme of 21 drill holes (7,318.2m) was designed to infill and test grade continuity between widely spaced intersections from the drilling campaigns completed by the Company in 2012 and 2013 which highlighted the potential for continuation of high-grade gold mineralisation below the underground mine at Talang Santo. Areas targeted are both beneath and along strike from previous workings. The results for the first 10 holes were reported to the ASX on 11 November 2019.

Results of these final 11 holes are shown in Figure 1 and presented in Table 1. The Figure has results for all 21 holes recorded in the diagram, and the final 11 not previously reported are highlighted in white boxes for clarity.
They include the following very encouraging highlights (Note: All intervals are downhole lengths):

DDH-567	**4.20m @ 19.8 g/t Au from 263.4m** **(Inc. 0.7m @ 65.3 g/t Au from 263.9m)**
DDH-564	**6.30m @ 16.8 g/t from 308.8m** **(Inc. 2.1m @ 42.4 g/t Au from 313.0m)**
DDH-544	**2.90 @ 7.77 g/t Au from 333.1m** **(Inc. 1.0m @ 14.6 g/t Au from 333.75m)**
DDH-565	**2.95m @ 6.06 g/t Au from 336.75m**

Planning is underway for a second phase of deep drilling beneath the Talang Santo Mine with the objectives of extending the known depth and strike extents of these high-grade zones and testing other areas along the Main Talang Santo Vein where individual high-grade intersections from the earlier drilling were never followed up.

The outcome of this and subsequent drilling programmes, in conjunction with an assessment of appropriate underground mining methodologies, will enable the Company to determine the potential for future underground mining at Talang Santo.

An integral part of the Company's growth strategy is to identify additional resource development opportunities close to the existing Talang Santo and Way Linggo infrastructure.

Kingsrose Chief Executive Karen O'Neill said: *"The results of this programme are very encouraging and highlight the potential for a return to underground mining at Talang Santo.*

"With all the assays in, we will move to the next stage in determining the economic and technical merits of further drilling and underground development at Talang Santo."

-ENDS-

For more information please contact:

Karen O'Neill,
Chief Executive Officer
+61 8 9381 5588
info@kingsrosemining.com.au

Paul Armstrong
Read Corporate
+ 61 8 9388 1474

For further information regarding the Company and its projects please visit www.kingsrosemining.com.au

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.

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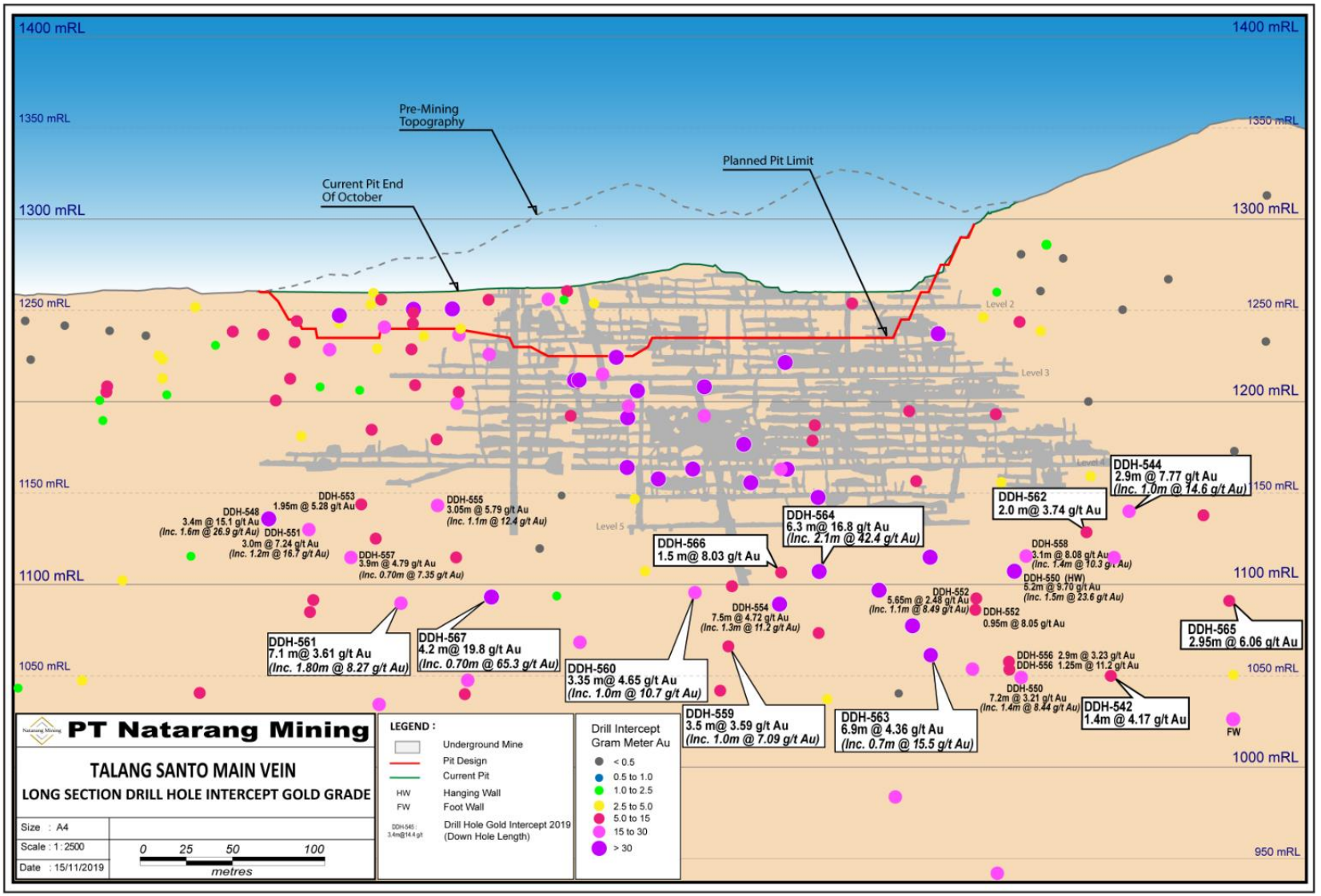

Figure 1: Talang Santo Long Section Phase 1 Drill Hole Intercepts

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Table 1. Summary of Interim Talang Santo Phase One Drilling Results

Hole ID	Easting (UTM 48S)	Northing (UTM 48S)	RL (m)	Azimuth (degrees)	Dip (degrees)	End of Hole	Down-Hole From (m)	Down-Hole To (m)	Down-Hole Interval (m)	Au g/t (uncut)	Ag g/t (uncut)	Core Recovery %
DDH-542	433512	9425602	1399	176	-46	**535.50**	**465.85**	**467.25**	**1.40**	**4.17**	**12**	93%
DDH-544	433521	9425439	1399	175	-51	**372.40**	**333.10**	**336.00**	**2.90**	**7.77**	**8.7**	93%
									(inc . 1.0m@14.6g/t Au and 15g/t Ag from 333.75m)			
DDH-548	433176	9425421	1307	226	-49	243.50	**218.00**	**221.40**	**3.40**	**15.1**	**35**	94%
									(inc. 1.6m@26.9g/t Au and 70g/t Ag from 218.9m)			
DDH-550	433506	9425486	1400	186	-61	391.90	**322.20**	**327.40**	**5.20**	**9.70**	**26**	100%
									(inc. 1.5m@23.6g/t Au and 72g/t Ag from 324.2m)			
						and	**384.70**	**391.90**	**7.20**	**3.21**	**1.8**	73%
									(inc. 1.4m@8.44g/t Au and 27g/t Ag from 385.2m)			
DDH-551	433176	9425421	1307	219	-55	255.30	**211.50**	**214.50**	**3.00**	**7.24**	**23**	90%
									(inc. 1.2m@16.7g/t Au and 54g/t Ag from 213.3m)			
DDH-552	433520	9425440	1399	201	-61	375.40	**342.90**	**348.55**	**5.65**	**2.48**	**3.2**	86%
									(inc. 1.1 m@8.49g/t Au and 10g/t Ag from 342.9m)			
						and	**352.20**	**353.15**	**0.95**	**8.05**	**12**	100%
DDH-553	433176	9425421	1307	206	-53	230.40	**196.30**	**198.25**	**1.95**	**5.28**	**11**	100%
DDH-554	433375	9425516	1350	186	-48	361.50	**335.70**	**343.20**	**7.50**	**4.72**	**5.6**	81%
									(inc. 1.3 m@11.2g/t Au and 15g/t Ag from 335.7m)			
DDH-555	433176	9425422	1307	182	-54	229.30	**195.00**	**198.05**	**3.05**	**5.79**	**11**	100%
									(inc. 1.1 m@12.4g/t Au and 21g/t Ag from 196.05m)			
DDH-556	433506	9425484	1400	187	-60	384.40	**383.10**	**386.00**	**2.90**	**3.23**	**6.9**	95%
						and	**388.65**	**389.90**	**1.25**	**11.2**	**7.5**	100%
DDH-557	433178	9425484	1315	196	-52	290.10	**253.60**	**257.50**	**3.90**	**4.79**	**15**	72%
									(inc. 0.7m@7.35g/t Au and 32g/t Ag from 255.6m)			
DDH-558	433521	9425439	1399	190	-58	363.90	**327.20**	**330.30**	**3.10**	**8.08**	**26**	74%
									(inc. 1.4m@10.3g/t Au and 41g/t Ag from 327.9m)			
DDH-559	433376	9425516	1350	198	-58	**374.90**	**331.80**	**335.30**	**3.50**	**3.59**	**4.7**	100%
									(inc. 1.0m@7.09g/t Au and 5.6g/t Ag from 333.9m)			
DDH-560	433376	9425516	1350	196	-48	**363.40**	**334.95**	**338.30**	**3.35**	**4.65**	**5.0**	91%
									(inc. 1.0m@10.7g/t Au and 10g/t Ag from 336.6m)			
DDH-561	433178	9425484	1315	188	-56	**300.70**	**266.90**	**274.00**	**7.10**	**3.61**	**12**	98%
									(inc. 1.8m@8.27g/t Au and 30g/t Ag from 266.9m)			
DDH-562	433521	9425439	1399	180	-54	**357.00**	**327.20**	**329.20**	**2.00**	**3.74**	**11**	90%
DDH-563	433505	9425486	1399	199	-60	**429.70**	**385.40**	**392.30**	**6.90**	**4.36**	**8.7**	94%
									(inc. 0.7m@15.5g/t Au and 47g/t Ag from 385.4m)			
DDH-564	433431	9425441	1371	187	-60	**350.70**	**308.80**	**315.10**	**6.30**	**16.8**	**106**	92%
									(inc. 2.1m@42.4g/t Au and 5.2g/t Ag from 313.0m)			
DDH-565	433573	9425408	1387	171	-60	**415.70**	**336.75**	**339.70**	**2.95**	**6.06**	**3.6**	100%
DDH-566	433376	9425516	1350	186	-45	**367.40**	**331.70**	**333.20**	**1.50**	**8.03**	**42**	100%
DDH-567	433178	9425485	1315	170	-56	**325.10**	**263.40**	**267.60**	**4.20**	**19.8**	**9.1**	93%
									(inc. 0.7m@65.3g/t Au and 129g/t Ag from 263.9m)			

JORC CODE, 2012 EDITION – Talang Santo Phase One Deep Drilling Report

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.*	• The information in this release relates to results from a deep diamond drill sampling programme targeting beneath the Talang Santo underground mine at PT Natarang Mining's ("PT NM") Way Linggo Gold Project. • Diamond core is placed in core boxes aligned and measured by tape, referenced to downhole core blocks. • Diamond drilling was performed to industry standards using triple tube coring techniques. Samples were taken by geological intervals, taken in such a way the sample length is generally targeting 1m or smaller Minimum sample length is 10 cm and maximum 1.5 m. Diamond core is split onsite by rock saw and half core submitted for crushing, pulverisation at the assay laboratory located at the Way Linggo mine site, managed by independent contractor PT Geoservices. A separate crushing, pulverising and splitting circuit is operated exclusively for exploration samples to avoid contamination from higher grade mine samples. Core is drilled in PQ, HQ and NQ core sizes depending on the depth of intersections sampled, hence there is some variability in total sample weight, generally in the range of 1 – 5 kg.
Drilling techniques	• *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.* • *Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-*	
Drill sample recovery		• Diamond drill recoveries are recorded as a percentage of measured core against downhole drilled length in industry standard practise. Drill holes having less than acceptable recoveries in the ore zones are redrilled. • No relationship between core recoveries and grade has been established.

Criteria	JORC Code explanation	Commentary
	sampling bit or other type, whether core is oriented and if so, by what method, etc). • *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Core logging was conducted by PT. Natarang Mining ("PTNM") geologists, who delineate intervals on geological, structural, alteration and/or mineralogical boundaries, to industry standard. • Logging is qualitative and all core is photographed. Rock types, veining and alteration/sulphidation are all recorded. • All drill core is logged.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in-situ material collected, including for*	• Core is cut by diamond saw and half core used for sampling, the remaining half is archived in a secure core storage facility. For gouge, soft and friable core a manual knife (or similar device) is used to approximately halve the core. • The nature, quality and appropriateness of the sample preparation technique is typical for mineralisation and resource estimation of this type. • The competent person is not aware of any work taken to influence the representivity of the sample. • Duplicate samples are not routinely sampled.

Criteria	JORC Code explanation	Commentary
	instance results for field duplicate/second-half sampling. • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The sample size far exceeds the grain size of the precious metals, which are generally microscopic. Sample sizes are appropriate.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.*	• Preliminary analysis for gold and silver is carried out at the independent contract managed Way Linggo mine site laboratory using 30g aqua regia digestion and AAS finish to assist in ongoing drill programme management. Final analytical results are completed offsite at the PT Geoservices laboratory in Bekasi, Jakarta using a 40g fire assay technique for gold and a 0.5g aqua regia multi element ICP technique for silver and other elements. • Alteration clay mineralogy is determined on selected drill core samples using benchtop XRD apparatus. • No geophysical logging of drilling was performed • Certified standards, blanks and duplicates are included in each sample batch as part of PT NM's QAQC system. In addition, the laboratory includes its own internal QAQC protocol comprising standards, blanks and duplicates. Follow-up re-assaying is performed by the laboratory upon company request following review of QAQC assay data.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Significant intersections were reviewed by PT NM senior exploration geologists and an independent geological consultant. • Twinned holes have not been used. • Analytical data is received electronically from the laboratory and input into PT NM's SQL database for QA/QC evaluation, data plotting and interpretation using Surpac software. • No adjustment is made to assay data.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Exploration drill holes are surveyed with a digital downhole camera at twenty-five metre intervals. • The PT NM project site operates on standard UTM cartesian grid • The Talang Santo and Way Linggo deposits are within and proximal to an operating open pit mine. Topographical control is provided by conventional modern survey techniques and is adequate for purpose.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• This Talang Santo Deep Drilling Programme is designed to infill between widely spaced historical drill intersections and to test possible extensions of high-grade shoots beneath the now closed Talang Santo underground mine • Data spacing is variable. Intersection locations are shown to scale on the accompanying figure. • Sampling is based on geological intervals. Compositing is not applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• The orientation of the vein system is known, and drilling intercept angles are generally of suitable orientation to the vein system to provide unbiased sampling results. • The drilling and sampling orientation are not considered to introduce a sampling bias.
Sample security	• *The measures taken to ensure sample security.*	• Samples retrieved from drilling are stored securely in a locked facility patrolled by onsite security. Samples are then logged, cut and stored in numbered sample bags for transport by PTNM employees to the assay laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• PTNM has worked with various independent consultants to design its drilling and sampling

Criteria	JORC Code explanation	Commentary
		methodologies and continually reviews and improves its processes and procedures.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• Tenure is occasioned via a fourth generation Contract of Work (CoW) held by PTNM. PTNM is 85% owned by KRM with the remaining 15% interest held by an Indonesian national. The mine, mill and camp area are all currently constructed and operating within the CoW area. Standard Indonesian divestment provisions exist against the COW. KRM is obliged to pay royalties to various parties on its production, including government royalties of 3.75% and 3.25% of gold and silver bullion values respectively. The corporate structure, divestment provisions and royalty obligation are described in detail in the Company's annual report. • The COW is valid till 2034. PT NM currently operates two open pit mines, a CIL mill and tailings storage facility within the CoW boundaries. • Community relations are cordial. There are no known impediments to continued operation.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• All exploration at the Way Linggo Project has been completed by PTNM.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Talang Santo and Way Linggo deposits are vein-type low sulphidation epithermal gold/silver deposit. Economic mineralisation is predominantly restricted to the major vein structures, with the majority of gold and

Criteria	JORC Code explanation	Commentary
		silver contained in main-stage banded quartz veins and quartz vein breccia.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• A table for all drill holes for this Talang Santo Phase One deep drilling programme summarising the following information is attached: ○ easting and northing of the drill hole collar ○ elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar ○ dip and azimuth of the hole ○ down hole length and interception depth ○ hole length ○ Core recoveries • Mineralised intervals are reported as downhole lengths
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high-grade results and longer lengths of low-grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.*	• Downhole drill hole intervals are reported as sample interval weighted averages. • No top cuts are applied • Included high grade intervals within reported mineralised intersections are clearly identified in the accompanying table.

Criteria	JORC Code explanation	Commentary
	• *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• The strike and dip of the veins at Talang Santo are variable and as a number of drill holes are drilled from the same drill pads the vein intersections in some cases are oblique to the vein contacts. • Due to uncertainty in strike and dip of the veins, all intersections are reported as **down hole lengths.** True widths are unknown however would be expected to be between 70% and 90% of the interval lengths.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Appropriate diagrams are included in the report.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All holes completed to date in the Talang Santo Deep drilling Programme are included in the attached table. • The location and tenor of both high- and low-grade intercepts are shown on accompanying diagram. • Pierce points, colour coded for gold grade, for all historic drill holes are shown on accompanying diagram.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater,*	• No other meaningful data to report

Criteria	JORC Code explanation	Commentary
	geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• These diamond drilling results are part of an ongoing program to define and extend the known mineralisation beneath the workings of the abandoned underground Talang Santo Mine.