

7 April 2014

Company Announcements Office
Australian Securities Exchange Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

Variation of Loan Facilities with Beaurama Pty Ltd and Advance Concept Holdings Limited

Kingsrose Mining Limited ("Kingsrose") entered into a Deed of Variation of Loan Agreement on 15 January 2014 with each of Advance Concept Holdings Limited ("ACH") and Beaurama Pty Ltd ("Beaurama") to defer the repayment date of the Loan Facilities for a six month period and increase the interest rate by 2%. Pursuant to the deferral, the loan repayments would commence in July 2014 with the last instalment due in October 2014. The revised terms of the Loan Facilities were disclosed to the ASX on 16 January 2014.

The application of the interest rate increase associated with the Deed of Variation has since been deferred until:

- Receipt of an appropriate waiver from ASX Limited ("ASX") under listing rule 10.1 to allow the implementation of the variation of the Loan Facilities without first seeking Shareholder approval, subject to certain conditions; and
- The Company entering into further Deeds of Variation in respect to the commencement of the interest rate increase with both ACH and Beaurama.

On 7 April 2014 the Company entered into a further Deed of Variation with both ACH and Beaurama in respect to the commencement of the interest rate increase following the grant of a waiver by the ASX from listing rule 10.1.

The terms and conditions attached the to the waiver are as follows:

1. Grant security over its assets in favour of Beaurama Pty Ltd ("Beaurama") (the "Beaurama Security") pursuant to the extension of a loan facility agreement under which Beaurama may provide the Company up to US\$5 million to assist with its working capital requirements (the "Beaurama Facility"), without obtaining shareholder approval on the following conditions:
 - 1.1.1. The Beaurama Facility includes a term that if an event of default occurs and Beaurama exercises its rights under the Beaurama Security, neither Beaurama nor any of its associates can acquire any legal or beneficial interest in an asset of the Company in full or part satisfaction of the Company's obligations under the Beaurama Facility, or otherwise deal with the assets of the Company, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver and manager (or any other person acting on behalf of Beaurama) appointed by Beaurama exercising its power of sale under the Beaurama Security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing

the cash proceeds to Beaurama in accordance with its legal entitlements.

1.1.2. A summary of the material terms of the Beaurama Facility is made in each annual report of the Company during the term of the Beaurama Facility. Any variations to the terms of the Beaurama Facility or the Beaurama Security which is:

1.1.2.1. not a minor change; or

1.1.2.2. inconsistent with the terms of the waiver, must be subject to shareholder approval.

1.1.3. The Company must seek to discharge the Beaurama Security when the funds advanced under the Beaurama Facility are repaid, or if it is not discharged, seek shareholder approval for the continuation of the Beaurama Security for any further loan facility amount.

1.1.4. The Company immediately releases to the market an announcement which sets out the terms of the waiver, and the Company's plans with respect to the repayment of the funds advanced under the Beaurama Facility and the discharge of the Beaurama Security, including the timeframe within which it expects the repayment and discharge to occur.

1.2. Grant security over its assets in favour of Advanced Concept Holding Pty Ltd ("Advanced") (the "Advanced Security") pursuant to the extension to an existing loan facility agreement under which Advanced may provide the Company up to US\$5 million to assist with its working capital requirements (the "Advanced Facility"), without obtaining shareholder approval on the following conditions:

1.2.1. The Advanced Facility includes a term that if an event of default occurs and Advanced exercises its rights under the Advanced Security, neither Advanced nor any of its associates can acquire any legal or beneficial interest in an asset of the Company in full or part satisfaction of the Company's obligations under the Advanced Facility, or otherwise deal with the assets of the Company, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver and manager (or any other person acting on behalf of Advanced) appointed by Advanced exercising its power of sale under the Advanced Security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to Advanced in accordance with its legal entitlements.

1.2.2. A summary of the material terms of the Advanced Facility is made in each annual report of the Company during the term of the Advanced Facility.

1.2.3. Any variations to the terms of the Advanced Facility or the Advanced Security which is:

1.2.3.1. not a minor change; or

1.2.3.2. inconsistent with the terms of the waiver, must be subject to shareholder approval.

1.2.4. The Company must seek to discharge the Advanced Security when the funds advanced under the Advanced Facility are repaid, or if it is not discharged, seek shareholder approval for the continuation of the Advanced Security for any further loan facility amount.

1.2.5. The Company immediately releases to the market an announcement which sets out the terms of the waiver, and the Company's plans with respect to the repayment of the funds advanced under the Advanced Facility and the discharge of the Advanced Security, including the timeframe within which it expects the repayment and discharge to occur.

The Company intends to discharge the security provided to ACH and Beaurama in due course upon the repayment of the Loan Facilities. The Company intends to repay the Loan Facilities on or before their respective repayment dates.

Yours Faithfully



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Kingsrose Mining Limited owns 85% of the Way Linggo Project in Southern Sumatra, Indonesia. The Project, held under a 4th generation Contra of Work Agreement (CoW) with the Indonesian Government is located on the mineral rich Trans-Sumatran Fault – part of the Pacific Rim of Fire. The Project has emerged as small, but highly profitable due to its high gold and silver grades and low operating costs, with the Way Linggo Mine producing 64,706oz gold at an average grade of 13.1g/t and generating a Project EBITDA of USD\$83m from July 2010 to June 2012.

The Project area is considered highly prospective for the discovery of additional low-sulphidation epithermal gold-silver deposits. The Company completed an aggressive exploration program which culminated in a second high grade epithermal gold discovery in mid 2011, named Talang Santo located just 7km NNE of the Way Linggo Mine. Talang Santo is currently under development with early modelling indicating that it is a significantly larger mineralised system than seen at the Way Linggo orebody and remains open along strike and at depth.