

Kingsrose Mining Limited



21 December 2010

MEDIA RELEASE

KINGSROSE RESTRUCTURE DEBT WITH A\$13M SILVER FINANCING

Kingsrose Mining Limited (ASX:KRM) is pleased to announce that it has successfully arranged a pre-paid silver forward sale transaction with Credit Suisse International raising A\$13 million and allowing Kingsrose to repay various outstanding loans totalling A\$10 million.

The current historically high silver price and the support of Credit Suisse, has enabled Kingsrose' 85% owned subsidiary and operator of the Indonesian Way Linggo Gold/Silver Project, PT Natarang Mining ("PTNM"), to enter into a 2-year silver forward structure whereby PTNM has agreed to sell a total of 480,120 silver ounces over 24 months starting in March 2011, receiving the proceeds of the forward sales now. The quantity of forward sold ounces represents 37% of targeted production over the same period.

The deal allows Kingsrose to fulfill an agreement made as part of the acquisition of Way Linggo in February 2009 to repay the pre-existing loans from the proceeds any equity/debt fund raising exceeding US\$12m (actually triggered in May 2009 when A\$20m was raised via a share placement).

The silver financing effectively allows the Company to apply surplus funds now being generated from production on an aggressive exploration programme (5 rigs are now operational with another due onsite by year-end) rather than committing those funds towards the repayment of outstanding debt.

The Way Linggo Gold/Silver Project is now on target to produce 45,000oz of gold per annum at a cash operating cost of \$147/oz (after silver credits), making it one of the lowest cost gold producers globally.

* * * * *

For further comment please contact John Morris or Tim Spencer on +61 8 9486 1149.

Ends