



Wednesday, December 16, 2009

News Release

MASSIVE ZINC-LEAD TAILINGS PROJECT

The Directors of Kingsrose Mining Ltd are pleased to announce that the Company will begin pre-feasibility work on a potentially very large scale Tailings Retreatment Project in one of the largest historic mining districts in Europe.

Kingsrose has reached in principle agreement with the regional government of Sardinia, Italy, to commence work on multiple Zinc-Lead tailings deposits containing a target of between 70 - 90 million tonnes of material accumulated from over 200+ years of mining.

Highlights

- Historic tailings deposits estimated at between 70-90Mt @ target grades between 1.7 - 2.5% Zn and 0.4 – 0.6% Lead.¹
- Residues from largest historic Zinc-Lead province in Europe.
- In principle agreement reached with Sardinian regional government
- Local partner with 15% Net Interest.

1. This Statement has been based on data provided by Regional Government of Sardinia, Italy. The estimate of the potential quantity and grade are considered conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Kingsrose Executive Chairman John Morris said, "This is a massive project with a very large metal inventory. There is a lot of technical work to be done, but the project has the ability to become a major lead-zinc producer without enduring the typical mining risks. We believe having this additional base metals project in the pipeline, along with the near-production high margin Way Linggo gold/silver project in Indonesia will bring significant value to Kingsrose. We are delighted for our shareholders".

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Details

Kingsrose Mining Limited (“KRM”) advises that it has reached in principle agreement with the regional government of Sardinia, a semi-autonomous region in Italy, to extract minerals from a massive amount of Zinc-Lead mine tailings.

The Sardinian government has provided estimates of tonnages and grade of the main historic tailings storage areas suggesting a target of between 70 - 90 million tonnes grading 1.7 – 2.5% Zinc and 0.4 – 0.6% Lead (silver has not been assayed). Other areas known to contain tailings residues have not yet been estimated. The estimate of the potential quantity and grade are considered conceptual in nature as there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

The tailings are the residue from one of the largest Zinc, Lead and Silver mining provinces in Europe. The historical mining district of southwest Sardinia includes the mining regions of Monteponi, Iglesias, Ingurtosu and Montevecchio. Mining has occurred from the Nuragic age of 2000BC until modern times with production continuing until the early 1990’s.

KRM will develop the Project through a wholly owned subsidiary company with a prominent local Sardinian partner holding a carried 15% Net Interest in the Project.

In early 2010, KRM will commence detailed drilling of the major tailings sites for metal profile analysis, preliminary metallurgical test-work and establishing JORC compliant resource estimates. A budget estimate of US\$2.5 million has been estimated for this phase over the ensuing 12 months.

The Project dovetails with an overall strategy developed by the Sardinian/Italian Governments and the EU to reclaim and rehabilitate this historic mining area and reduce the outflow of heavy metals into the environment. It has been indicated to Kingsrose that it is likely significant EU and Italian Government support for this environmental clean-up will be received.



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Sardinian scientific research has shown that the abandoned mine tailings in various areas of Sardinia, particularly in the Iglesias province, have caused severe ongoing environmental problems and significant economic and social costs have been incurred by having such a large, polluting and idle land resource. The Kingsrose Project proposes to re-process the abandoned tailings to extract the polluting contained metals and assist with the subsequent rehabilitation of the treated areas.



Picture showing Buggerru Marina – tailings are located in the Marina (bottom left of picture) and on side wall (circled).

KRM has made a commitment to the Sardinian Government to provide finance for the technical evaluation and feasibility for extraction of all metals from the historic tailings. Kingsrose will be working closely with the government agency, IGEA, which is the government organization responsible for the rehabilitation of the legacy mining areas on the island.

IGEA has granted access to all tailings under its control to enable the initial feasibility stage to be completed. Should Kingsrose then decide to proceed to the second stage of development and production, IGEA will grant permission for Kingsrose to complete the Project.

The deposits of the region vary from Mississippi Valley style at Montoponi/Iglesias to Hydrothermal style in the Montevecchio Region. Consequently, differing mineralogical compositions exist in each region. Over time several different metallurgical processes have been used to recover metals and similarly over time different methods of tailings encapsulation were applied. These ranged from outright dumping in creeks, rivers, valleys and the ocean to more modern style encapsulation dams.

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Picture showing an eroding tailings dam (Dam 2) located in Montevecchio.

The legacy of many centuries of mining is many separate tailings dams and disposal sites of sizes ranging from a few thousand tonnes to major ones containing millions of tonnes. The majority of the remaining dams are poorly constructed and all are known to leach heavy metals and/or acid drainage into the surrounding rural and semi-rural areas. A number of natural entrapment areas exist located within and near coastal swamps and perched valleys, which have caught and contained finer tailings material eroded from the dams or that were discharged directly into the steep valleys and waterways. Re-treatment of the historic tailings with the consequential removal of heavy metals and better storage of processing residues is expected to significantly reduce their environmental damage. End.

KINGSROSE BACKGROUND : WAY LINGGO GOLD PROJECT

Kingsrose owns (85%) high grade Way Linggo gold/silver mining project located on the island of Sumatra, Indonesia. The project is expected to produce approximately 45,000 ounces of gold and 500,000 ounces of silver on an annualised basis at a cash cost of ~US\$150/toz gold. The date for commissioning of the process plant is anticipated to be towards the end of the first quarter of calendar 2010.

The information in this report that relates to Exploration Results, Mineral Resources and Ore Reserves is based upon information compiled by Dr Mike Andrews PhD Geol, FAusIMM) who is a director of Kingsrose Mining Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to duly qualify as a Competent Person as defined in the 2004 Edition of Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Andrews consents to the inclusion in the report of the matters based upon their information in the form and context to which it appears.

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