

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

		Quarter ended ('current quarter')	
		30 June 2010	
		Current quarter \$A'000	Year to date (12 months) \$A'000
Name of Entity		Kingsrose Mining Limited	
ABN		49 112 389 910	
Consolidated statement of cash flows			
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	4,151	6,090
1.2	Payments for		
	(a) exploration and evaluation	(789)	(1,832)
	(b) development	(2,005)	(8,421)
	(c) production	(864)	(4,056)
	(d) administration	(928)	(4,165)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	112	327
1.5	Interest and other costs of finance paid	(22)	(310)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
	Net Operating Cash Flows	(345)	(12,367)
Cash flows related to investing activities			
1.8	Payment for purchases of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(2,559)	(7,560)
1.9	Proceeds from sale of:		
	(a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	1,051	2,057
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
	Net investing cash flows	(1,508)	(5,503)
1.13	Total operating and investing cash flows	(1,853)	(17,870)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	1,369	10,802
1.15	Proceeds from sale of forfeited shares	-	-
1.16a	Intercompany borrowings	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	(100)
1.18	Dividends paid	-	-
1.19a	Other (Capital raising costs)	-	(480)
1.19b	Other (Repayment of hire purchases)	(137)	(137)
	Net financing cash flows	1,232	10,085
Net increase (decrease) in cash held		(621)	(7,785)
1.20	Cash at beginning of period/year to date	8,455	15,619
1.21	Exchange rate adjustments to item 1.20	(8)	(8)
1.22	Cash at end of quarter	7,826	7,826

**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 \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	98
1.24 Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

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

On 30 June 2010 the Company redeemed 11,000,000 Convertible Notes ("Notes") at \$0.20 each. The Notes were issued in December 2007 to discharge liabilities totalling \$2.2m. The Notes bore interest at 6% per annum. The Company was able to negotiate repayment of the Notes via unsecured 3-month loans from the noteholders bearing an interest rate of 6% per annum.

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

Add notes as necessary for an understanding of the position.

Nil

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,490
4.2 Development	406
4.3 Production	3,241
4.4 Administration	536
Total	5,672

Reconciliation of cash

Reconciliation of cash 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	7,787	8,455
5.2 Deposits at call	39	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	7,826	8,455

Changes in interests in mining tenements

	Tenement reference	Nature of interest (Note 2)	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 (See Note 3) (\$)	Amount paid up per security (See Note 3) (\$)
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	KRM 241,433,060	241,433,060	-	-
7.4	Changes during quarter				
	(a) Increase through exercise of options	KRM 2,348,040	2,348,040	-	-
	(b) Increase through issues	-	-	-	-
	(c) Release from escrow	-	-	-	-
	(d) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	+Convertible debt securities <i>(description)</i> 'Convertible Notes, convertible into ordinary shares of 20c each on or before 30 June 2010. Interest of 6% pa paid on unconverted	KRMAQ 11,000,000 KRMAQ (11,000,000) -	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through redemption of securities.	KRMAQ (11,000,000)	-	-	-
7.7	Options <i>(description and conversion factor)</i>	Unlisted	Unlisted	<i>Exercise price (\$)</i>	<i>Expiry date</i>
		KRMAA 1,300,000	-	0.39	13/07/2014
		KRMAI 2,000,000	-	0.20	29/12/2014
		KRMAK 500,000	-	0.25	31/12/2012
		KRMAM 150,000	-	0.73	8/03/2015
		KRMAO 5,000,000	-	0.25	31/12/2012
		KRMAS 1,000,000	-	0.14	16/02/2014
		KRMAY 2,000,000	-	0.14	9/04/2014
		KRMAZ 1,125,000	-	0.26	14/05/2014
		13,075,000			
		Listed	Listed		
		KRMO 36,166,970	36,166,970	0.20	31/12/2012
7.8	Issued during quarter	-	-	-	-
7.9	Exercised during quarter	KRMAA (50,000) KRMAB (1,000,000) KRMAW (2,000,000) KRMO (2,348,040) (5,398,040)	(2,348,040)	0.39 0.48 0.20 0.20	13/07/2014 28/07/2014 16/04/2014 31/12/2012
7.1	Expired during quarter	-	-	-	-
7.11	Debentures (totals only)	-	-	-	-
7.12	Unsecured notes (totals only)	-	-	-	-

+ See chapter 19 for defined terms.

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 (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: Date: 12 AUGUST 2010

(Company Secretary)

Print name: TANYA ASHLEY

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 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, 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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