

KINGSROSE MINING LIMITED
(The Company)

QUARTERLY REPORT FOR THE QUARTER ENDED 31 DECEMBER 2007

HIGHLIGHTS

- ◆ Kingsrose Mining Ltd Listed on Australian Securities Exchange 7 December 2007.
- ◆ \$6,000,000 raised in Initial Public Offering.
- ◆ Detailed mine plan and budget for 2008 being developed.
- ◆ Kalgoorlie based specialist geological consultancy contracted for Comet Vale.
- ◆ First group of overseas miners due to arrive in February 2008.
- ◆ Rail development on 3 Level completed; stope development above 3 Level progressing.
- ◆ Treatment of 4,000 tonne ore parcel completed in January, awaiting final reconciliation.

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Listing Update

Kingsrose Mining Ltd successfully listed on the Australian Stock Exchange on 7 December 2007.

In accordance with the Prospectus, costs associated with the listing, including the repayment of vendor debt have been settled. A total of \$6.0 million was raised by the issue of 30 million new shares at an issue price of 20 cents. Together with vendor considerations, the Company's register totals 65,050,020 shares on issue.

The Company is currently concluding an upgrade of its website <www.kingsrosemining.com.au> and expects this new shareholder facility to be operational within the coming weeks.

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Following listing, the management team has been working on the development of a detailed mine plan and budget for 2008, with the clear focus on realizing the 50% Joint Venture obligations (which were outlined in the Prospectus) in a timely manner. It is expected that this will be approved by the Board of Directors in the coming weeks.

The Company held its inaugural Board meeting in December, 2007 and this was followed by a Joint Venture meeting with Reed Resources Ltd in early January, 2008.

A Kalgoorlie based specialist geological consultancy has been formally contracted to provide a full-time mine geology service at the Comet Vale mine. Under this arrangement, the principles of BMGS are available to provide higher level support as required and the Company has avoided the cost of acquiring computers and high level technical software at this time.

2008 Mine Plan and Budget

The Company's management team has made good progress in developing a detailed mine plan for 2008, together with the associated operating and capital budget. A clear objective of this plan is to reach the metal production Joint Venture obligation of 25,000 ozs comfortably within the required timeframe of 31 May 2009. The budgeting process is expected to be completed in February 2008 with formal approval of the mine plan and budget by the Board of Directors.

In order to achieve the production requirements, the workforce at the Sand Queen/Sand George mine on the Comet Vale leases will need to increase. The Company is progressing the mobilization of overseas workers, with the first group of Tanzanian underground miners due in early February. Additional miners sourced from the Philippines are being processed and are expected to arrive around the end of March 2008, thereby achieving the required level of manning.

The Company will extend mine operations in 2008 to the 4 Level at Sand Queen and expects to be hoisting ore from this level during the second half. Prior work will involve dewatering, shaft refurbishment and level development.

Summary details of the 2008 mine plan and budget will be advised soon.

Operations Report

During the December 2008 quarter, 58 metres of rail development was completed on the 3 Level to the end of the Sand George lode, some 600 metres south of the Sand Queen shaft. Stope development above the 3 Level progressed with the establishment of a number of rises and sub-levels.

Although manpower constraints affected production capacity during the quarter, a parcel of ore was mined and hoisted ready for toll treatment. Previous ore parcels were mostly derived from level development. The January 2008 ore parcel is the first parcel of ore from Sand Queen and Sand George that mostly originated from new stoping above the 3 Level and remnant stoping above the 2 Level.

The ore parcel was hauled to the Greenfields Plant in Coolgardie during January and treatment commenced on 21 January, concluding on 25 January. Final metal reconciliation is still being carried out with the results expected to be available during the coming week. It is apparent however that the grade of this most recent ore parcel of some 4,000 tonnes is significantly higher than any of the previous ore parcels. Details will be advised shortly when the parcel has been fully reconciled and accounted for.

Kingsroose Mining Ltd's gold production is unhedged and therefore fully leveraged to further upward movements in the price of gold.



Figure 1 - Underground Miner Mark Donaldson boring in Sand George Stope



Figure 2 - Derek Mullins operating rail mounted bogger in 3 Level stope drawpoint

During the December quarter, a saline water discharge event occurred at Sand Queen when a surface transfer pump tripped at shift change. Statutory authorities were notified promptly and site management in consultation with the regulatory bodies then moved quickly to implement remedial and preventative measures. An application has been submitted to increase allowable water discharge. The budget includes provision to upgrade the water discharge pipeline and attend to any outstanding compliance matters.

One of the underground shift bosses slipped on a stope rill slope and was struck on the back of the head by a rock in December. This injury required several stitches and the shift boss returned to work on surface duties after 4 days of lost time. Remedial hand rope/chain improvements have been implemented.

D. F. Hatch .

DAVID F. HATCH
MANAGING DIRECTOR