

# Kingsrose Mining Limited



10 September 2008

The Australian Securities Exchange Limited  
2 The Esplanade  
PERTH WA 6000

Dear Sir/Madam

Following please find a market update regarding the proposed acquisition of the Way Linggo Gold and Silver Project in Indonesia.

Yours faithfully  
KINGSROSE MINING LIMITED

A handwritten signature in black ink that reads "D. J. Hatch .". The signature is written in a cursive, slightly slanted style.

David Hatch  
MANAGING DIRECTOR



**MARKET UPDATE – 10 SEPTEMBER 2008**

**KINGSROSE MINING LIMITED**

**WAY LINGGO GOLD AND SILVER PROJECT, INDONESIA**

The Company refers to its announcement made on 28 April 2008 regarding the proposed acquisition of an 85% interest in the Way Linggo Gold and Silver Project in Indonesia (“the Project”).

Kingsrose Mining Limited is pleased to announce that all parties involved in the proposed acquisition of the advanced high grade Way Linggo gold/silver project in South Sumatra, Indonesia have executed agreements relating to the acquisition by the Company of an 85% interest in the Project.

The transaction will take the form of an acquisition by the Company from Icon Enterprises Ltd (“Icon”) of all of the shares of MM Gold Pty Ltd. MM Gold’s wholly owned subsidiary owns 85% of the shares of PT Natarang Mining (PTNM), the Indonesian company which operates the project and holds the Contract of Work issued by the Indonesian Government. As noted in the Company’s previous announcement, Icon is owned by a group of investors including companies controlled by John Morris, Mike Andrews and Bill Phillips, all of whom are directors of the Company.

Completion of the acquisition is subject to a number of conditions precedent (which must be met by 30 November 2008 or such other date as may be agreed) including:

- (1) approval by the Company’s shareholders;
- (2) completion by the Company of due diligence to its satisfaction; and
- (3) the Company receiving commitments for funding in the sum of \$15 million, (which will be applied in connection with construction of the mine and repayment of loans made and expenses incurred in connection with the Project).

As part of its remaining due diligence process the Company will satisfy itself that the last Indonesian permit, notably the “final forestry approval” has or will be obtained from the Ministry of Forestry within a reasonable timeframe, thereby enabling the Company to commence production. PTNM submitted its “final forestry approval” application in August 2008.

The Independent Board Committee is now in the process of finalising the Explanatory Memorandum and the Notice of Meeting for submission to ASX and ASIC for review and subsequent mailing to shareholders.

For further enquiries, please contact David Hatch, Managing Director on 08 9316 2711.

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