

Kingsrose Mining Limited



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MEDIA RELEASE

Kingsrose Mining Limited (ASX "KRM") is applying the finishing touches to its Way Linggo gold project on the Indonesian island of Sumatra with plant commissioning scheduled for the end of May.

The company also said in its March quarter report filed at the ASX today that drilling had started at its second major asset, the "SARINC" zinc and lead tailings project on the Italian island of Sardinia.

Kingsrose executive chairman, John Morris, said the past three months had seen significant developments in shaping the future of the company.

"Over the course of 2010 Kingsrose will emerge as a very profitable gold producer with an exciting zinc project to follow," Morris said.

"At Way Linggo there is now more than 16,000 tonnes of high grade ore on the surface waiting to be processed.

"We had hoped to commission the 400 tonne-a-day plant at the mine before the end of the March quarter but confronted exceptionally wet weather from an extended monsoon season, and delays in shipping specialist parts to site.

"Despite running over our timetable the project remains on budget."

Way Linggo is a high-grade epithermal vein system and the Project has been designed to produce gold at an initial rate of 45,000 ounces a year, plus an associated 750,000 ounces of silver.

Reconciliation between the JORC Resource estimate and material transported to the stockpile, and from face sampling and grade control drilling, continues to be very positive. The stockpile grades an average 20.5g/t of gold and 241g/t silver. Face sampling along the strike of various levels in the A and B orebodies consistently exceeds 20g/t gold with some well above 30g/t.

Activity in the March quarter focussed on development of underground mine workings, completion of the power station, and process plant construction. All major concrete works are complete as is structural erection of the crusher circuit. The two balls mills are in position and gold room construction nearly complete.

In Sardinia, Kingsrose is exploring a series of zinc and lead tailings dams left from more than 200 years of base metal mining on the island. It is believed between 70-and-90 million tonnes of tailings are contained in the dams with metal grades believed to average slightly more than 2% zinc and 0.5% lead.

Significantly, the silver content in the dams has not been assayed as the project is classified as an environmental clean-up operation with Kingsrose working closely with the government of Sardinia.

"Drilling started on the second last day of the quarter with approximately 4000 metres completed at the time of writing the March quarter report," Morris said.

"We are planning an initial campaign of 8700 metres in 11 areas containing more than 20 dams," he said.

"As we expand work on the ground we believe more significant tailings deposits will be found."

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