



29 May 2008

GOLD PRODUCTION UPDATE

HIGHLIGHTS

- **Fifth toll treatment campaign produces 1,466 oz Au (KRM share 700 ozs).**
- **Underground production for May expected to exceed 2,000 tonnes of ore for the first time.**

Kingsrose Mining Limited (ASX: KRM) announces the results of the fifth toll-treatment campaign of ore from the Sand Queen Gold Mine, situated at Comet Vale, 100 kilometres north of Kalgoorlie.

Under the terms of the joint venture between Reed Resources Ltd and Kingsrose Mining Limited, Reed is required to truck and toll-treat the ore for 50% of the contained gold.

A parcel of 5,196 tonnes, comprising 3,821t of stoping ore grading 10.85 g/t Au and 1,375g/t of development ore grading 3.3g/t, from the Sand George deposit has been processed at Higginsville Mining's Greenfields plant at Coolgardie.

A total of 1,466 ounces of gold and 143 ounces of silver have been extracted of which 700 ounces of gold has been credited to Kingsrose. Total gold production from the Comet Vale operation since underground mining resumed in 2005 has now exceeded 6,000 ozs.

The gravity circuit recovered about 54% of the gold with a total gold recovery of 97.5% calculated from the metallurgical balance. The leach and adsorption kinetics of the ore parcel improved from 85% to 95% and the tail grade fell from 0.44 to 0.21g/t Au.

All gold production is unhedged and therefore fully leveraged to further upward movements in the price of gold.

The May 2008 ore parcel is the second parcel of ore from Sand Queen and Sand George that mostly originated from new stoping above the 3 Level. Kingsrose 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.

Kingsrose Mining is progressing the mobilization of overseas workers, with the first group of Philippino underground miners now in Kalgoorlie.

David Hatch
Managing Director