



Kingsgate

Consolidated Limited

18 November 2010

(3 pages including cover letter)

**Via ASX Online
For Public Release**

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir/Madam,

**Managing Director and CEO Address
2010 Annual General Meeting**

Please find attached Managing Director and CEO's Address for our 2010 Annual General Meeting held at 2:00 p.m. today at the Museum of Sydney on the Corner of Bridge and Phillip Streets, Sydney NSW 2000.

Yours Sincerely,
KINGSGATE CONSOLIDATED LIMITED

PETER WARREN
Company Secretary

MANAGING DIRECTOR AND CEO'S ADDRESS 2010

Good afternoon. Continuing on from the Chairman's address I would like to focus on our current operations as well as detail our recent corporate initiatives that we have been outlining to shareholders over the last several years.

Kingsgate has a well established strategy to consolidate its position as one of the ASX's premier mid-tier gold producers. From this position, we believe we are best placed to continue to build your company and thereby create shareholder value.

Kingsgate will endeavour to achieve this objective by not only optimising the value of our world class Chatree mine, but also by growing and diversifying the Company's asset base through the acquisition of operating mines, pursuing development opportunities and undertaking focussed exploration programs around the world. I will discuss the Chatree mine in more detail shortly, but I wanted to spend a few moments updating you on some of our recent growth initiatives which have the potential to significantly add value for shareholders.

Your company has recently announced two share market acquisition initiatives. The first involves acquiring all the issued shares in Dominion Mining through a Scheme of Arrangement, and the second involves making an off market takeover offer for all the shares in Laguna Resources. Documentation for both transactions will be sent to the relevant shareholders shortly so I need to be mindful of what is discussed today. However, these are important steps in enhancing the growth profile of your company and some comment is required

Regarding Dominion, a successful completion of this transaction will see our asset portfolio expand to include for the first time a producing asset in Australia, the Challenger gold mine. Challenger is a high quality underground gold mine, which is expected to generate sustained levels of cashflow over the longer term. Kingsgate completed an extensive Due Diligence program on the Challenger Mine and we are comfortable that the mine has addressed all operational issues that have been evident for the past year and the mine will continue to improve over the next year. We have been impressed by the quality of people at both Challenger and Dominion and this is reflected in a very efficient running of the mine and exploration portfolio. With that said, we believe by contributing a strong balance sheet to the current operations, we can pursue a number of good exploration opportunities that we have identified in and around the Challenger mine. These opportunities have the potential to expand the currently identified reserve and resource base and further extend the mine life of the current operation.

Whilst your Board remains excited by the opportunities for growth in Thailand, it is also strongly of the view that it is prudent to diversify our asset base across different jurisdictions and operations. In this regard, we see Australia as very complimentary to Thailand. In particular we value the access to underground mining expertise that we can source from the Challenger operation. Furthermore, the joint cash flows from both Challenger and Chatree will better position us to have the financial flexibility to take advantage of development opportunities that may arise, which may by their very nature require significant capital commitments to bring into production.

Laguna is our second potential acquisition. Its key asset is the Arqueros epithermal silver and gold project in Chile. This has the potential to be our first project in South America after being active in the region over several years. Arqueros is a high quality deposit with over one million gold equivalent ounces of a JORC compliant resource. Based on our initial analysis, Arqueros is likely to start as an open pit operation with potential for smaller tonnage higher grade feeder zones at depth. If our bid is successful, we plan to fast track Arqueros through to final feasibility stage and, if results from this study are positive, quickly move the project into development and ultimately production. Your Board and senior management have extensive experience in Chile having been involved in the development and production of three mining projects. This experience combined with Laguna's existing Chilean focussed management team places us in a

unique position to not only evaluate Arqueros but also review other opportunities in the region.

While we continue to organically grow our JORC compliant Resources and Reserves at and around Chatree, which I will detail later in my presentation, the combination of Dominion and Laguna adds significantly to our JORC Compliant Resource and Reserve base. The combined entity will have Resources of some 6.3 million ounces, an increase of two million ounces or approximately 50%, and the Reserves will increase to 2.4 million ounces of gold, or about 22%.

We see these two acquisitions as just the start of an exciting growth phase for your company. Our primary focus will be in Australasia, South East Asia and South America with opportunities outside of these areas to be pursued only on an opportunistic basis. We are currently evaluating other opportunities.

Before I commence the slides I would like to add a personal note. When I joined Kingsgate nearly six years ago I believed in the long term value of the company's assets. Accordingly, I chose to enter into long term incentive arrangements that involved an option package that was unusual at the time with exercise prices more than twice the then prevailing share price and well above any historical trading price of the company. In June this year those options expired and I borrowed a very significant sum to fund these shares under a cap and collar arrangement with my bank. My funding arrangements require that I reduce some of my debt during this financial year and pursuant to these funding arrangements I may have to sell up to 300,000 shares during this period. My purpose for telling you this today is that I want to make it clear that I am a firm believer in the future of this company and any sales of Kingsgate shares in the short term are solely in relation to my personal financial position.

While I have the opportunity I wish to add my thanks to the board which has been supportive of management and its initiatives over many years. It has been a pleasure to work with them. As part of our strategic initiatives we are adding several new additions to our corporate team, as well as the additional skills we will achieve should the Dominion and Laguna transactions be successful, and I see this team will be able to meet the challenges of the future. I will now proceed to the slide presentation.

Gavin Thomas
Managing Director and CEO