



Kingsgate

Consolidated Limited

30 August 2011

Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir/Madam,

Financial Results – Year to June 2011

Profit after tax for the year was \$21 million (2010, \$73 million). This was principally due to lower gold sales of 114,380 ounces, a decrease of 15.2% from the previous year reflecting the abnormal operating conditions at both Chatree and Challenger during this transition year.

The profit result for the full year included a \$15.8 million loss on foreign currency denominated intercompany loans and bank accounts, \$4.8 million relating to costs associated with the acquisition of Dominion Mining Limited (Dominion) and Laguna Resources NL (Laguna) and higher depreciation and amortization for the year of \$27.8 million reflecting the inclusion of the Challenger gold mine assets.

EBITDA before significant items was \$67.8 million down from \$100.7 million in the previous year.

A final dividend of 5 cents per share, unfranked, was declared making a total of 15 cents per share for the year. The record date for the final dividend is 12 September 2011 with payment of the dividend on 30 September 2011.

Kingsgate underwent a major transformation in 2011 with the successful acquisition and integration of Dominion Mining Limited and the acquisition of 70% of Laguna Resources NL which owns 100% of the Nueva Esperanza silver and gold project in Chile.

Together with the addition of Bowdens silver project in NSW, these initiatives have taken Kingsgate to a company with two producing mines and two advanced development projects across three geographic regions.

Outlook

The outlook for the Group is for a much stronger production performance in fiscal year 2012 with Chatree benefitting from accessing the high grade ore in the C North deposit, expected from late in the September quarter 2011, and the contribution from the Chatree North expansion which is on schedule and under budget for practical completion in September 2011.

Group gold production for the full year to 30 June 2012 is expected to be in the range of 240,000 to 260,000 ounces. This includes 145,000 to 155,000 ounces from Chatree and between 95,000 to 105,000 ounces from Challenger.

Following the settlement with Sinphum Co Ltd, the holder of the preference shares in the Kingsgate's Thai operating subsidiary, Akara Mining Limited, the Company can recommence preparations for an IPO of its Thai mining operations on the Stock Exchange of Thailand.

Yours sincerely,

Gavin Thomas
Managing Director and CEO
Kingsgate Consolidated Limited

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