



Kingsgate

Consolidated Limited

ABN 42 000 837 472

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Manager
Company Announcements Office
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Kingsgate 2014 Mineral Resources and Ore Reserves

Kingsgate Consolidated Limited (ASX: KCN) wishes to advise that it has completed an annual update to its Mineral Resources and Ore Reserves for the period ending 30 June 2014. The update takes in to account mining depletion and current economic and operational assumptions. Reflecting the importance of silver and other economic by-products to Kingsgate, Mineral Resources and Ore Reserves are quoted on both a gold and silver only basis and a gold equivalent (AuEq) basis.

Group Mineral Resources

Group Mineral Resources (inclusive of Ore Reserves) were estimated at 4.73 million ounces of gold and 250.0 million ounces of silver (300.7Mt at 0.49g/t Au and 25.9g/t Ag). This equates to a reduction of 0.29 million ounces (~6%) for gold and an increase of 4.0 million ounces (~2%) for silver compared to the 30 June 2013 estimate.

On a gold equivalent basis, Group Mineral Resources were estimated at 10.34 million ounces gold equivalent (300.7Mt at 1.07g/t AuEq) representing a decrease of 0.30 million ounces gold equivalent (~3%) compared to the 30 June 2013 estimate. Approximately 70% of the decrease relates to mining depletion at Chatree and Challenger, the other 30% relates to a reduction from Challenger mostly due to the removal of non-Challenger West resources.

Group Ore Reserves

Group Ore Reserves are estimated at 1.69 million ounces of gold and 69.7 million ounces of silver (72.3Mt at 0.73g/t Au and 30.0g/t Ag). This represents a decrease of 0.23 million ounces (~12%) of gold and an increase of 52.7 million ounces (~410%) of silver compared to the 30 June 2013 estimate. The substantial increase in silver is due to the addition of Ore Reserves from the Nueva Esperanza Project in Chile. The decrease in gold mostly relates to mining depletion from Chatree and Challenger (~92%) with the remainder due to updated pit designs using lower metal prices. The decrease was partially offset by the addition of gold reserves from Nueva Esperanza.

On a gold equivalent basis, Group Ore Reserves are estimated at 2.72 million ounces gold equivalent (72.3Mt at 1.17g/t AuEq). This represents an increase of 0.64 million ounces (~31%) gold equivalent compared to the 30 June 2013 estimate. This increase is principally due to the addition of gold equivalent Ore Reserves from Nueva Esperanza from the conversion of 52.7 million ounces of silver.

Chatree Gold Mine, Thailand

Chatree Mineral Resources are estimated at 3.84 million ounces of gold (181.3Mt at 0.66g/t Au and 6.46g/t Ag) compared to 4.03 million ounces of gold in April 2013. This decrease is in line with mining depletion for the period.

Chatree Ore Reserves are estimated at 1.40 million ounces gold (54.4Mt at 0.80g/t Au and 9.25g/t Ag) compared to 1.82 million ounces gold in 2013, mainly due to mining depletion and pit re-optimisation at lower gold and silver prices.

Challenger Gold Mine, South Australia

Challenger Mineral Resources are now estimated at 0.64 million ounces of gold (2.5Mt at 7.80g/t Au). This compares to 0.74 million ounces of gold in June 2013 and represents a decrease in line with mining depletion for the period and the removal of non-Challenger West resources, partly offset by an increase in the Mineral Resource at Challenger West..

The Ore Reserve estimate for Challenger increased by 0.06 million ounces (~60%) to 0.16 million ounces gold (0.84Mt at 5.77g/t Au) compared to 0.10 million ounces gold in 2013. The increase is principally a result of additional conversion to reserves at Challenger West.

Nueva Esperanza Project, Chile

The Nueva Esperanza Mineral Resource estimate has not changed from 30 June 2013. Mineral Resources are estimated at 1.56 million ounces of gold equivalent (28.9Mt at 1.67g/t AuEq60).

Ore Reserves were estimated for the first time at Nueva Esperanza as part of a feasibility study that was announced on ASX on 17 March 2014. Ore Reserves are estimated at 1.04 million ounces gold equivalent (17.1Mt at 1.89g/t AuEq60).

Bowdens Silver, Lead & Zinc Project, New South Wales

The Bowdens Mineral Resource estimate has not changed from that previously reported (ASX announcement, 18 October 2013) of 88.0Mt at 47.4g/t Ag, 0.29g/t Pb and 0.39g/t Zn for a combined 182 million ounces silver equivalent (AgEq).

The Mineral Resource and Ore Reserve estimates have been reported according to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012).



Tim Benfield
Acting CEO
Kingsgate Consolidated Limited

Kingsgate Ore Reserves and Mineral Resources

as at 30 June 2014

Challenger, Chatree, and Nueva Esperanza Ore Reserves

Source	Category	Tonnes (Million)	Grade						Contained Metal			
			Gold (g/t)	Silver (g/t)	Lead (%)	Zinc (%)	Au Equiv. (g/t)	Ag Equiv. (g/t)	Gold (M oz)	Silver (M oz)	Au Equiv. (M oz)	Ag Equiv. (M oz)
Challenger	Proved	0.06	5.63	-	-	-	5.63	355	0.01	-	0.01	0.7
	Probable	0.78	5.78	-	-	-	5.78	364	0.14	-	0.14	9.1
	Total	0.84	5.77	-	-	-	5.77	363	0.16	-	0.16	9.8
Chatree	Proved	42.4	0.80	9.69	-	-	0.88	108	1.09	13.2	1.20	148
	Probable	12.0	0.77	7.70	-	-	0.83	102	0.30	3.0	0.32	39.5
	Total	54.4	0.80	9.25	-	-	0.87	107	1.39	16.2	1.52	187
Nueva Esperanza	Proved											
	Probable	17.1	0.27	97	-	-	1.89	113	0.15	53.5	1.04	62.5
	Total	17.1	0.27	97	-	-	1.89	113	0.15	53.5	1.04	62.5
Total	Proved	42.5	0.81	9.68	-	-	0.89	109	1.10	13.2	1.21	148.4
	Probable	29.9	0.61	59	-	-	1.57	116	0.59	56.5	1.51	111.1
	Total	72.3	0.73	30	-	-	1.17	112	1.69	69.7	2.72	259.6

Challenger, Chatree, and Nueva Esperanza Mineral Resources (Inclusive of Ore Reserves)

Source	Category	Tonnes (Million)	Grade						Contained Metal			
			Gold (g/t)	Silver (g/t)	Lead (%)	Zinc (%)	Au Equiv. (g/t)	Ag Equiv. (g/t)	Gold (M oz)	Silver (M oz)	Au Equiv. (M oz)	Ag Equiv. (M oz)
Challenger	Measured	0.37	7.34	-	-	-	7.34	462	0.09	-	0.09	5.5
	Indicated	1.59	7.87	-	-	-	7.87	496	0.40	-	0.40	25.3
	Inferred	0.58	7.88	-	-	-	7.88	496	0.15	-	0.15	9.3
	Total	2.54	7.80	-	-	-	7.80	491	0.64	-	0.64	40.1
Chatree	Measured	86.7	0.71	7.71	-	-	0.77	95.0	1.98	21.5	2.15	265
	Indicated	49.7	0.64	5.94	-	-	0.69	84.7	1.02	9.5	1.10	135
	Inferred	44.9	0.58	4.63	-	-	0.62	76.0	0.84	6.7	0.89	109.7
	Total	181.3	0.66	6.46	-	-	0.71	87.5	3.84	37.7	4.15	510
Nueva Esperanza	Measured	1.5	0.01	101	-	-	1.69	102	0.00	4.9	0.08	4.9
	Indicated	21.3	0.28	88	-	-	1.75	105	0.19	60.3	1.20	71.8
	Inferred	6.1	0.30	67	-	-	1.42	85	0.06	13.1	0.28	16.7
	Total	28.9	0.27	84	-	-	1.67	100	0.25	78.3	1.56	93.3
Total	Measured	88.6	0.73	9.26	-	-	0.82	96.7	2.07	26.4	2.32	275
	Indicated	72.6	0.69	29.9	-	-	1.16	99.6	1.62	69.8	2.70	232
	Inferred	51.6	0.63	12.0	-	-	0.79	81.8	1.04	19.8	1.32	136
	Total	212.7	0.69	17.0	-	-	0.93	94.1	4.73	115.9	6.34	643

Bowdens Mineral Resources

Source	Category	Tonnes (Million)	Grade						Contained Metal			
			Gold (g/t)	Silver (g/t)	Lead (%)	Zinc (%)	Au Equiv. (g/t)	Ag Equiv. (g/t)	Gold (M oz)	Silver (M oz)	Au Equiv. (M oz)	Ag Equiv. (M oz)
Bowdens	Measured	23.6	-	56.6	0.31	0.41	1.64	74.5	-	43.0	1.25	57
	Indicated	28.4	-	48.0	0.27	0.36	1.40	63.6	-	43.8	1.28	58
	Inferred	36.0	-	41.0	0.30	0.40	1.27	58.0	-	47.5	1.47	68
	Total	88.0	-	47.4	0.29	0.39	1.41	64.4	-	134.1	4.00	182

Group Total Mineral Resources		300.7	0.49	25.9	-	-	1.07	85.3	4.73	250.0	10.34	825
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Notes to Ore Reserves and Mineral Resources table:

Some rounding of figures may cause numbers to not add correctly

(1) Nueva Esperanza equivalent factors:

Silver equivalent: $\text{AgEq (g/t)} = \text{Ag (g/t)} + \text{Au (g/t)} \times 60$

Gold equivalent: $\text{AuEq (g/t)} = \text{Au (g/t)} + \text{Ag (g/t)} / 60$

Calculated from prices of US\$1380/oz Au and US\$21.50/oz Ag, and metallurgical recoveries of 70% Au and 75% Ag estimated from test work by Kingsgate.

(2) Bowdens equivalent factors:

Silver equivalent: $\text{AgEq (g/t)} = \text{Ag (g/t)} + 27.5 \times \text{Pb (\%)} + 22.8 \times \text{Zn (\%)}$

Calculated from prices of US\$26.33/oz Ag, US\$1250/oz Au, US\$2206/t Pb, US\$2111/t Zn and metallurgical recoveries of 72% Ag, 75% Pb, and 66% Zn estimated from test work by Kingsgate.

Gold equivalent: $\text{AuEq (g/t)} / 46$ calculated from prices of US\$1200/oz Au, US\$26.33/oz Ag

(3) Chatree equivalent factors:

Chatree gold equivalent: $\text{AuEq/t} = \text{Au (g/t)} + \text{Ag (g/t)} / 123$

Silver equivalent: $\text{AgEq g/t} = \text{Au (g/t)} \times 123 + \text{Ag g/t}$

Calculated from prices of US\$1350/oz Au and US\$21.50/oz Ag and metallurgical recoveries of 83.2% Au and 42.6% silver based on metallurgical test-work and plant performance.

(4) Challenger equivalent factors:

Silver Equivalent: $\text{AgEq/t} = \text{Au (g/t)} \times 63$

Calculated from prices of US\$1350/oz Au and US\$21.50/oz Ag and consistent metallurgical recoveries for gold and silver.

(5) Cut-off grades for Mineral Resources are:

Chatree 0.30 g/t Au, Nueva Esperanza 0.5g/t AuEq, Bowdens 30g/t AgEq, Challenger underground 5.0 g/t Au, Challenger open pit 1.5 g/t Au and Challenger stockpile variable.

(6) Cut-off grades for Ore Reserves are:

Chatree 0.35g/t Au, Nueva Esperanza 0.5g/t AuEq, Bowdens 30g/t AgEq, Challenger underground 5.0 g/t Au, Challenger stockpile variable.

(7) In the company's opinion, all the elements included in the metal equivalent calculations have a reasonable potential to be recovered.

Competent Person Statement

All of the Company's Mineral Resources and Ore Reserves are internally peer reviewed at the time of estimation and are subject to ongoing review, as and when required. Should any Mineral Resources or Ore Reserves be utilised within a Bankable or Definitive Feasibility Study, it is expected that an audit by independent experts would be conducted. For both mine sites, ongoing reconciliations between Mineral Resource, Ore Reserve, mining production, mill feed tonnes and grade are completed on a regular basis and, to date, there have been no material differences identified in any of these processes.

The information relating to Nueva Esperanza Mineral Resources and Ore Reserves is extracted from an ASX announcement by Kingsgate titled "Nueva Esperanza, Chile – Definitive Feasibility Study Delivers Strong Results" on 17 March 2014.

The information relating to Bowdens Mineral Resources is extracted from an ASX announcement by Kingsgate titled "Bowdens Mineral Resource Report 2013" on 18 October 2013.

The above-mentioned announcements are available to view on Kingsgate's public website (<http://www.kingsgateconsolidated.com.au>). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially altered from the original announcement.

In this report, information concerning Chatree Exploration Results, Mineral Resources and Ore Reserves estimates is based on information compiled by the following Competent Persons: Ron James, Brendan Bradley, Maria Munoz, Rob Kinnard and Suphanit Suphananthi who are employees of the Kingsgate Group. All except Brendan Bradley are members of The Australasian Institute of Mining and Metallurgy; Brendan Bradley is a member of the Australian Institute of Geoscientists. These people qualify as Competent Persons as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012 edition) and possess relevant experience in relation to the mineralisation of being reported herein as Exploration Results, Mineral Resources and Ore Reserves. Each Competent Person has consented to the public reporting of these statements and the inclusion of the material in the form and context in which it appears.

Additional information on the compilation of Chatree Mineral Resources and Ore Reserves can be found in Table 1 that was appended to an ASX announcement by Kingsgate titled "Chatree 2013 Mineral resources and Ore Reserves" on 29 July 2013.

In this report, information concerning Challenger Exploration Results, Mineral Resources and Ore Reserves estimates is based on information compiled by Stuart Hampton and Luke Phelps who are employees of the Kingsgate Group. Both are members of The Australasian Institute of Mining and Metallurgy. These people qualify as Competent Persons as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012 edition) and possess relevant experience in relation to the mineralisation being reported herein as Exploration Results, Mineral Resources and Ore Reserves. Each Competent Person has consented to the public reporting of these statements and the inclusion of the material in the form and context in which it appears.

Additional information on the compilation of Challenger Mineral Resources and Ore Reserves can be found in Table 1 that was appended to an ASX announcement by Kingsgate titled "Challenger Gold Operations Mineral Resource Update" on 30 September 2013.