



Kingsgate Consolidated Limited

**Half Year to 31 December 2011
Financial Results**



**22 February
2012**



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These materials include forward looking statements. Forward looking statements inherently involve subjective judgment & analysis & are subject to significant uncertainties, risks & contingencies, many of which are outside of the control of, & may be unknown to, the company.

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Financial Highlights

- **Net profit before tax up 269% to \$39M**
- **Net profit after tax up 192% to \$34M**
- **EBITDA of \$70m an increase of 129%**
- **Interim dividend of 10 cps (unfranked)**
- **Gold sales volume up 90% to 82,940oz reflecting the addition of Challenger**
- **Ave gold price received up 30% to \$1,687/oz**



Operating Highlights

- **Group Gold Production 86,311 oz up 99% (Chatree 40,463oz, Challenger 45,848oz)**
- **Group Total Cash Costs, US\$687/oz (inc royalties) Chatree US\$605/oz Challenger US\$759/oz**
- **Chatree North expansion construction completed ~12% under budget**
- **Purchased Bowdens silver project for \$75M and feasibility study commenced**
- **Successful bid for the 30% balance of LRC (LRC delisted on 15 Feb 2012)**
- **Nueva Esperanza feasibility advancing with EIA submitted to Chilean authorities**



Strong Half Year Result

Profit

Total revenue: A\$149 million
EBITDA: A\$70 million (pre significant items)
Net profit after tax \$34 million

Margin

Operating margin US\$1,000/oz

Finance

A\$38M cash and bullion on hand
US\$100M Thai baht facility for expansion
A\$42M drawn on corporate facility
Five year A\$35M convertible for Bowdens



Income Statement

A\$ Million :	Dec 11 HY	Dec 10 HY	Change %
Income Statement			
Total Revenue	148.7	66.2	+124
Direct Costs	(67.3)	(36.8)	+83
Employee Benefits	(11.8)	(6.8)	+74
D & A	(27.2)	(5.4)	+403
Finance Costs	(4.1)	(0.6)	+583
Forex Loss	0	(9.3)	(100)
Inventory	7.8	13.1	(40)
Other	(7.1)	(9.8)	(28)
Profit before tax	39.0	10.6	+268
Income tax (expense)/benefit	(5.2)	1.0	(620)
Profit after tax	33.8	11.6	+191
D&A	27.2	5.4	
Finance costs	4.1	0.6	
Forex	(0.7)	9.3	
Acquisition transaction costs	-	4.5	
Income tax expense / (benefit)	5.2	(1.0)	
EBITDA (before significant items)	69.6	30.4	+129



Chatree Operations

Solid Operational Performance

Gold production 40,463oz .
Low grade areas as access restricted to higher grade C North.
Heaviest rainfall in 50 years.

Total Cash Costs US\$605/oz

Chatree cash costs US\$457/oz
Thai royalty US\$148/oz
Cash Costs reflect low grade ore

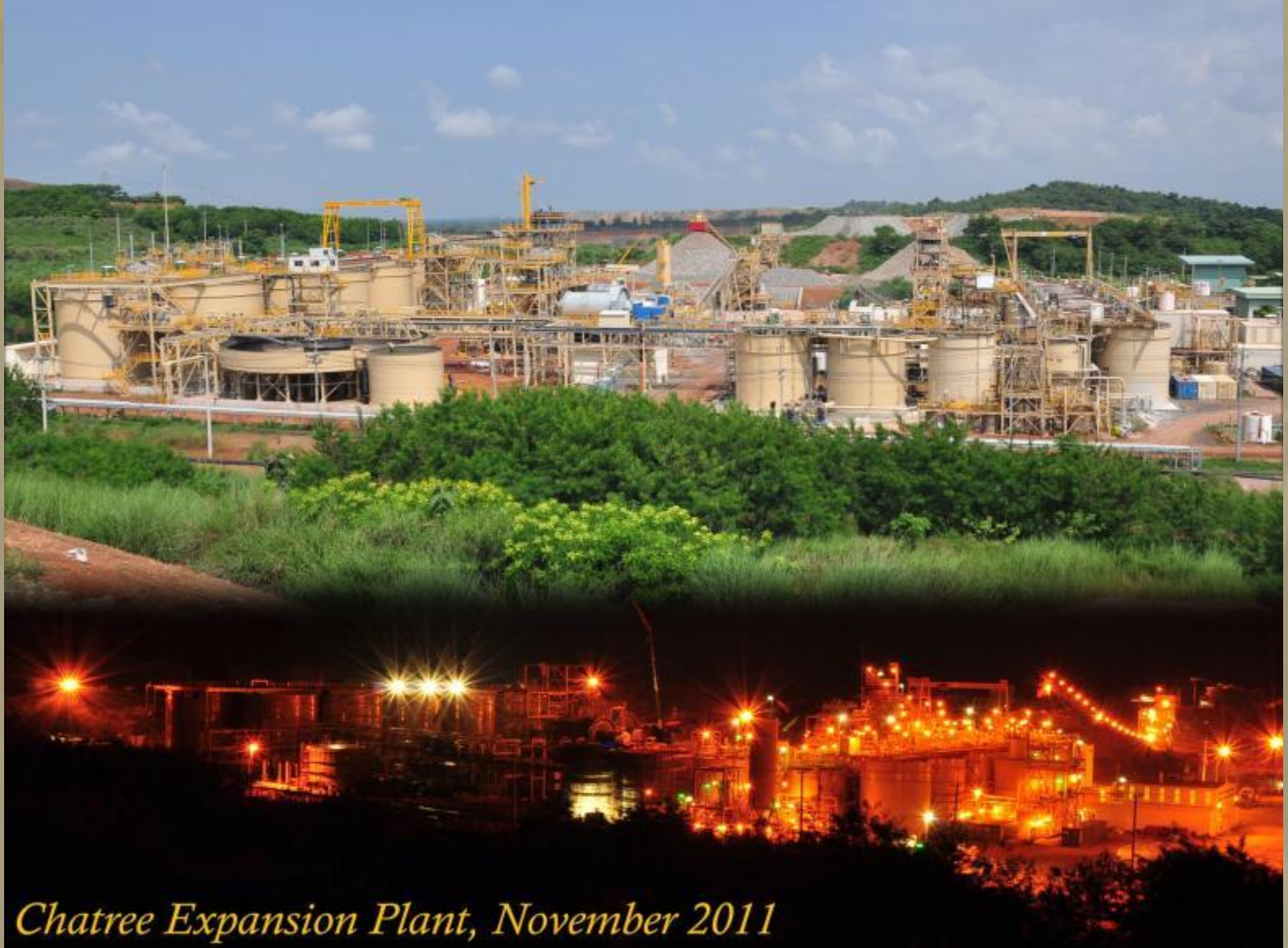
Chatree Plant Expansion

First gold 28 October 2011
Optimization underway
EPCM contract 12% under budget
Overall plant operating +6Mtpa



Chatree North Expansion

Completed on time and 12% under budget



Challenger Operations

Strong Production Performance

Gold production 45,848oz
Strong Dec qtr of 27,285oz
Good indicator of future potential

Total Cash Costs US\$759/oz

Challenger cash costs US\$696/oz
Royalty US\$63/oz
Cash costs improving

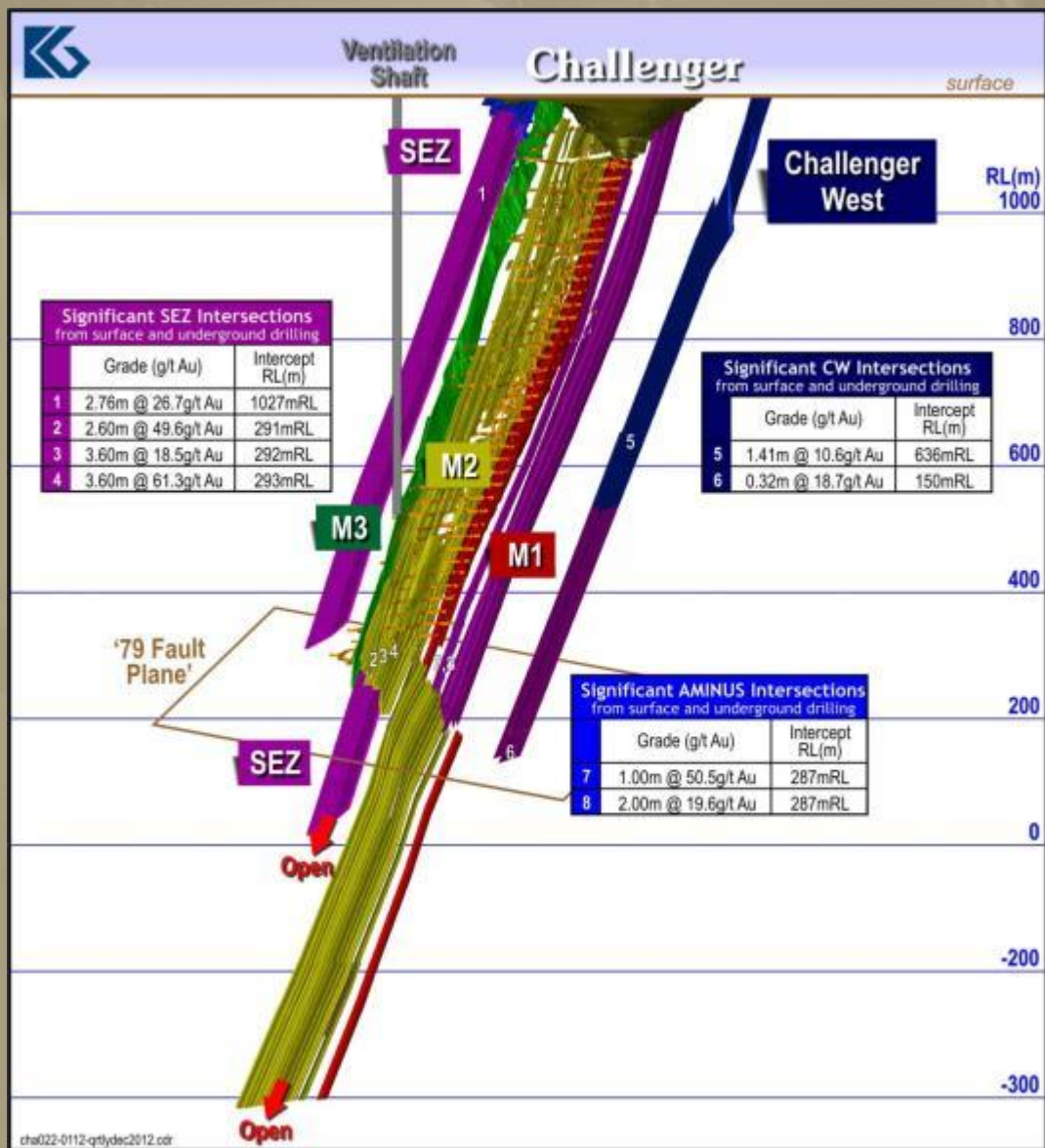
Reconciliation to Reserves at 137%

137% gold reconciliation to reserves from the lowest 5 operating levels.
Good exploration results



Challenger Exploration Drilling

Good results from CW, SEZ and Aminus structures



Nueva Esperanza

Resource Drilling

Strong drilling results from Teterita expected to upgrade project. Assays include 40m @ 868g/t Ag, incl. 15m @ 2,248g/t Ag.

Feasibility Study

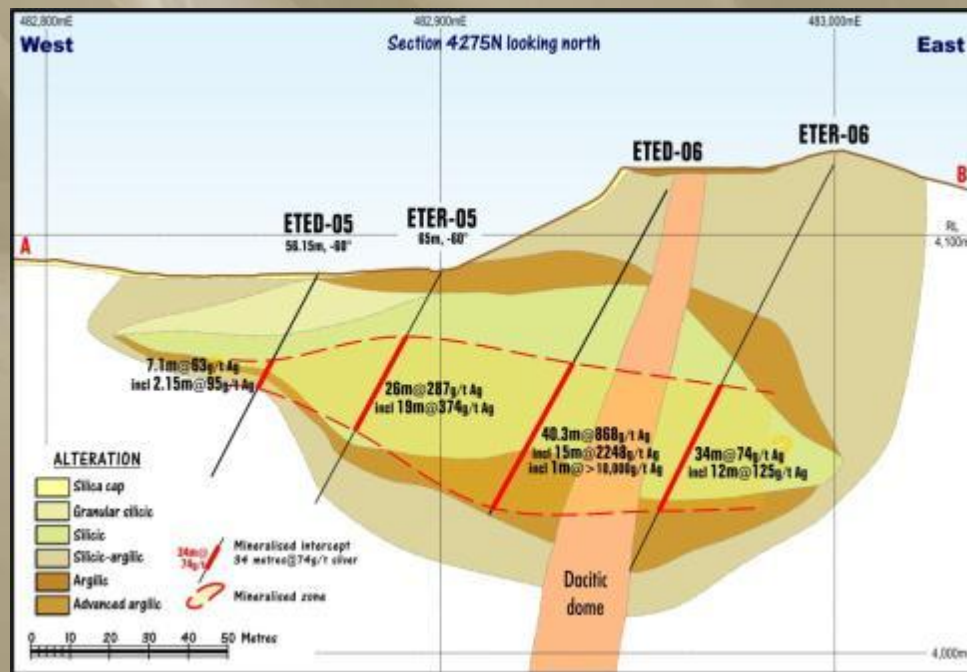
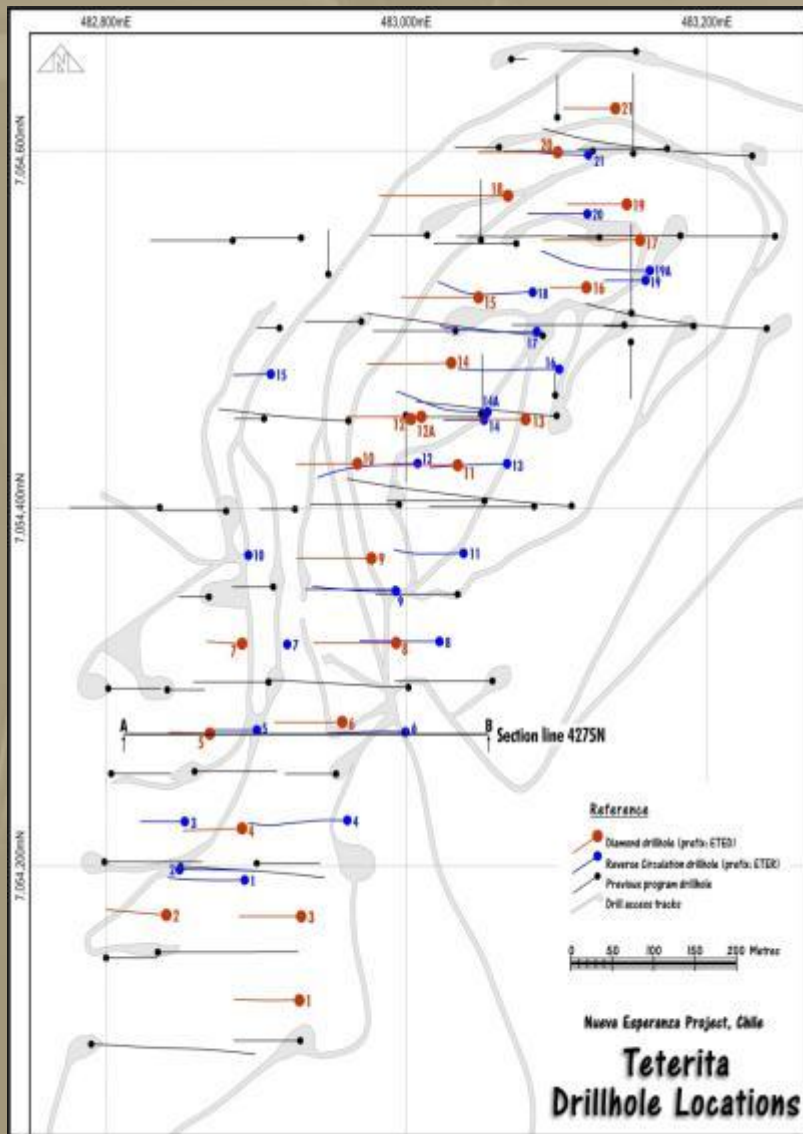
Feasibility study currently Arqueros. Teterita and Chimberos to be added. Technical feasibility completed by end June quarter.

Environmental Impact Assessment

EIA submitted on 29 December. Review process 9 to 12 months from submission. Required prior to mining lease grant.

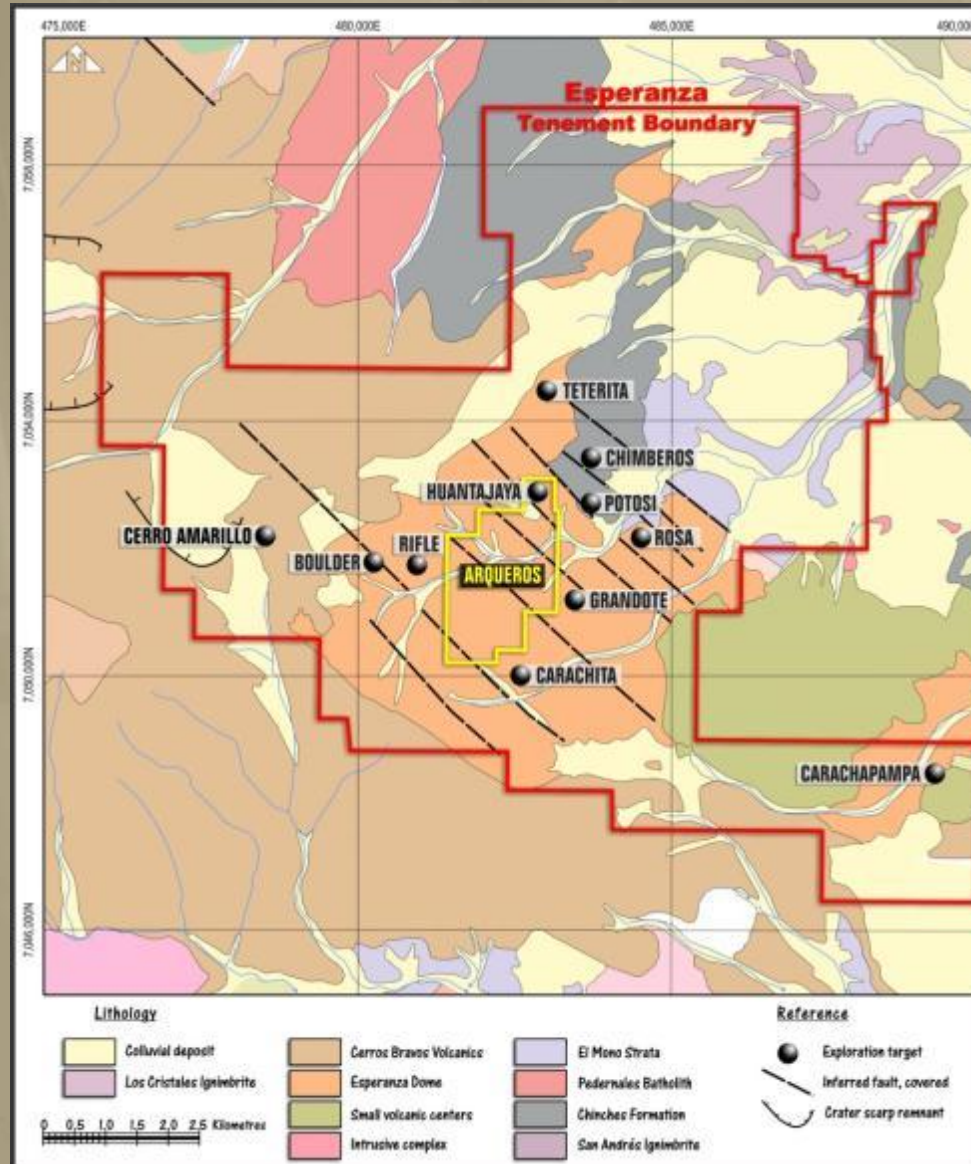


Nueva Esperanza Drilling at Teterita



Nueva Esperanza

Highly prospective regional exploration



Bowdens Silver Project

Drill Program

Resource definition, geotech and metallurgical drilling now underway.

Feasibility Study

Feasibility study commenced.
Environmental baseline studies started.
Data collected will add to previous work.

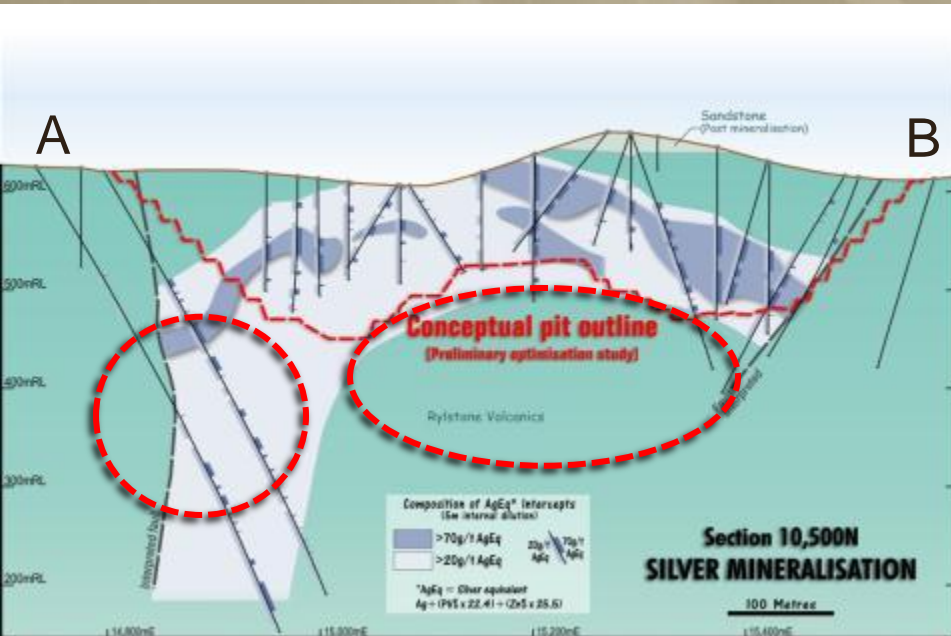
Geology and Metallurgy

Detailed surface geological mapping completed.
Geomet review prior to metallurgical testwork.



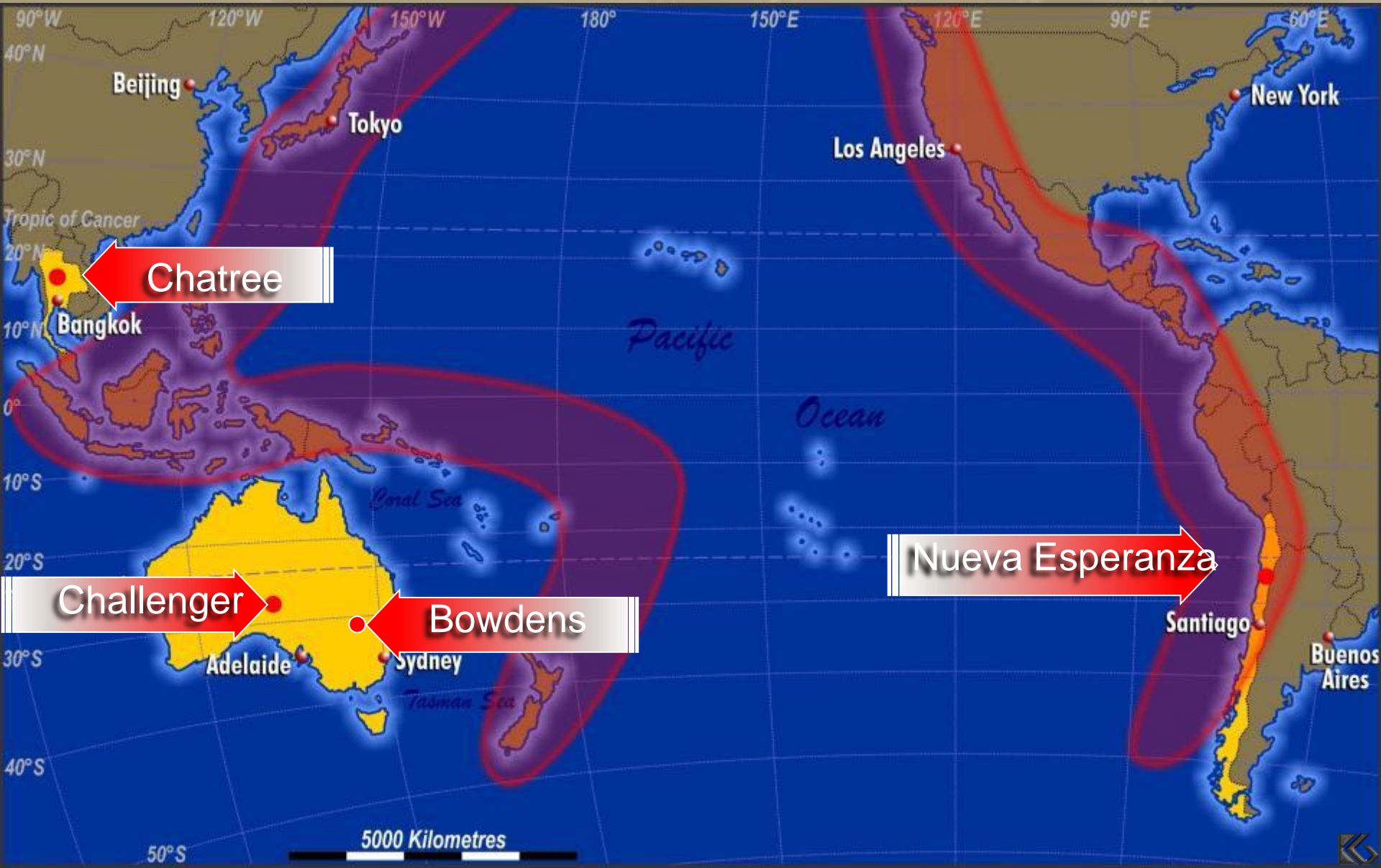
Bowdens Upside Potential

- Significant resource potential along strike and at depth
- Drilling started in Feb 2012
- Pit shell reflects the current base of drilling
- High grade starter pit



Kingsgate Growing in the Pacific Rim

Geographic and operational diversity



Outlook for FY 2012

Stronger Second Half

Group production 210,000oz - 230,000oz

- Chatree 115,000oz - 125,000oz
- Challenger 95,000oz - 105,000 oz

Chatree high grade (June qtr) & ~6Mtpa

Nueva Esperanza

Teterita resource upgrade – end Mar qtr.
Revised mine plan with all 3 deposits.
Feasibility study completed by end June qtr.
Highly prospective regional exploration .

Bowdens

Resource drilling and met. work underway.
Environmental baseline studies to add to previous work.
Feasibility study continuing to advance.



Kingsgate Consolidated Limited



Shares: 141 Million

Market Cap: ~A\$1.1Bn

ASX: KCN

www.kingsgate.com.au



Kingsgate Consolidated Limited

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Competent Persons Statements:

Information in this presentation that relates to Kingsgate's Exploration Results, Mineral Resource and Ore Reserve estimates, geology, drilling and mineralisation, is based on information compiled by Ron James, who is an employee of the Kingsgate Group and is a member of The Australasian Institute of Mining and Metallurgy. Ron James is a Competent Person under the meaning of the JORC Code with respect to Exploration Results, Mineral Resource and Ore Reserve estimates, geology, drilling and mineralisation being presented. He has given his consent to the Public Reporting of these statements concerning Exploration Results, Mineral Resource and Ore Reserve estimates, geology, drilling and mineralisation, and is in agreement with the contents and format of this presentation.

The information in this presentation that relates to Challenger's Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Peter Bamford, Tony Poustie and Paul Androvic who are full-time employees of the Company, members of the Australasian Institute of Mining and Metallurgy. Peter Bamford, Tony Poustie and Paul Androvic have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Peter Bamford, Tony Poustie and Paul Androvic, consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

