



Kingsgate

Consolidated Limited

ABN 42 000 837 472

25 February 2013

Manager
Company Announcements Office
Australian Securities Exchange

Financial Results – Half Year to 31 December 2012

- **EBITDA (before significant items)* of \$65.0 million (2011, \$69.6 million).**
- **Net profit before tax and significant items of \$27.2 million (2011, \$38.3 million).**
- **Net profit after tax of \$8.1 million (2011, \$38.9 million). This was impacted by a non-cash write down \$14.9 million relating to the sale of greenfield exploration properties and a write back of the balance of capitalised borrowing fees of \$1.8 million following the Akara re-financing.**
- **An interim dividend of 5 cents per share, unfranked, was declared. The dividend record date is 15 March 2013 with payment on 12 April 2013.**

Kingsgate's financial results for the half year reflect the transitional nature of the 2013 financial year with Chatree finally receiving its metallurgical licence for Plant 2 in October and Challenger undergoing an accelerated development program during the December half year to set the mine up for a sustainable future.

The result reflected higher revenue from increased gold sales volumes of 91,480 ounces (up 10% from 2011) with a higher contribution from Chatree offset by lower production from Challenger and a lower realised average gold price of US\$1,676 per ounce (2011, US\$1,687). Cost of sales increased to \$119.6 million (2011, \$95.0 million) mostly reflecting the increased treatment costs with the addition of Plant 2 at Chatree and higher depreciation and amortisation charges.

At Nueva Esperanza in Chile, detailed feasibility, design and approval work continued during the period. The feasibility study has been expanded to investigate a complementary heap leach operation and on-site power options.

At Bowdens in New South Wales, the initial phase of the drilling program for metallurgical and resource evaluation was completed and resulted in a 40% increase in the Mineral Resources.

In late December documentation was submitted to the NSW Government to enable the Director-General's Requirements for an Environmental Impact Statement (EIS) to be prepared for the project.

Outlook

The outlook for the Group is for a stronger production performance in the second half of fiscal year 2013. Chatree Plant 2 will be operating for a full six months and Challenger will benefit from the accelerated development program.

Group gold production for the full year to 30 June 2013 is expected to be in the range of 200,000 to 220,000 ounces. This includes 120,000 to 130,000 ounces from Chatree and between 80,000 to 90,000 ounces from Challenger. Kingsgate's two advanced development projects are both expected to progress through feasibility studies during the second half of the financial year.



Gavin Thomas
Managing Director and CEO
Kingsgate Consolidated Limited

IMPORTANT NOTICES

Competent Person Statement

The information in this report that relates to Bowdens Mineral Resource estimation is based on work completed by Jonathon Abbott who is a full-time employee of MPR Geological Consultants and a member of the Australian Institute of Geoscientists. Mr Abbott has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to comments on the resource estimates, metal equivalence factors and economic potential of the estimated resources for Bowdens is based on information compiled by Ron James who is a member of the Australasian Institute of Mining and Metallurgy. Mr James has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr James consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Caution regarding forward-looking statements

This announcement contains forward-looking statements, which can usually be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or words of similar effect. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual outcomes to differ materially from those expressed in the statements contained in this release. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to us as of the date of this release. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.

Past performance not indicative of future performance

Past performance information given in this announcement is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

***EBITDA**

EBITDA before significant items is a financial measure which is not prescribed by International Financial Reporting Standards (IFRS) and represents the profit under IFRS adjusted for specific significant items. The EBITDA before significant items has not been subject to any specific review procedures by our auditor but has been extracted from the accompanying half financial report