



**Kingsgate**

Consolidated Limited

ABN 42 000 837 472

# Kingsgate Consolidated Limited

## **Half-Year Financial Report**

**For the six months ended 31 December 2014**

## CORPORATE INFORMATION AS AT 2 MARCH 2015

### Directors

Ross Smyth-Kirk (Chairman)  
Peter Alexander  
Peter McAleer  
Sharon Skeggs  
Peter Warren

### Company Secretary

Paul Mason

### Interim Chief Executive Officer

Tim Benfield

### Stock Exchange Listing

Kingsgate Consolidated Limited is a Company limited by shares, listed on the Australian Stock Exchange under the code KCN. The Company's shares also trade in the United States of America over-the-counter (OTC) as an American Depository Receipt (ADR) under the code OTC: KSKGY.

### Registered Office & Principal Business Address

Kingsgate Consolidated Limited  
Suite 801, Level 8, 14 Martin Place  
Sydney NSW 2000  
Australia  
Tel: +61 2 8256 4800  
Fax: +61 2 8256 4810  
Email: [info@kingsgate.com.au](mailto:info@kingsgate.com.au)

### Challenger Mine

Challenger Gold Operations Pty Ltd  
PO Box 453  
Torrensville SA 5031  
Australia  
Tel: +61 8 8450 0100  
Fax: +61 8 8450 0188

### Bangkok Office

Akara Resources Public Company Limited  
19th Floor, Sathorn Thani Building 2  
No. 92/54-55, North Sathorn Road,  
Kwaeng Silom, Khet Bangrak  
Bangkok 10500  
Thailand  
Tel: +66 2 233 9469  
Fax: +66 2 236 5512

### Chatree Mine Office

Akara Resources Public Company Limited  
No. 99 Moo 9, Tambon Khao Chet Luk  
Amphur Thap Khlo  
Phichit 66230  
Thailand  
Tel: +66 56 614 500  
Fax: +66 56 614 195

### Thailand Exploration Office

Issara Mining Limited  
156/9-10 Moo 11, Tambol Dong Khui  
Amphur Chon Daen  
Phetchabun 67190  
Thailand  
Tel: +66 56 649 253  
Fax: +66 56 649 082

### Chile Office

Laguna Resources Chile Ltda  
San Pio X 2460, oficina 1202  
Providencia  
Santiago  
Chile  
Tel: +56 2 2231 7565

### Share Registry

Link Market Services Limited  
Level 12, 680 George Street, Sydney NSW 2000  
*Postal Address:*  
Locked Bag A14, Sydney South NSW 1235  
Australia  
Tel: +61 1300 554 474  
Fax: +61 2 9287 0303  
Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)  
Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

### ADR Depository

(American Depository Receipts)  
The Bank of New York Mellon, ADR Division  
101 Barclay Street, 22<sup>nd</sup> Floor  
New York, NY 10286  
USA  
Tel: +1 212 815 2293

### Auditor

PricewaterhouseCoopers  
201 Sussex Street  
Sydney NSW 2000  
Australia  
Tel: +61 2 8266 0000  
Fax: +61 2 8266 9999

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*This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 30 June 2014 and any public announcements made by Kingsgate Consolidated Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.*



**KINGSGATE CONSOLIDATED LIMITED**  
**ABN 42 000 837 472**

**APPENDIX 4D**

**Half-Year Report**  
**For the six months ended 31 December 2014**

**Results for Announcement to the Market:**

			<b>6 months 31 Dec 2014 \$'000</b>	<b>6 months 31 Dec 2013 \$'000</b>
Revenue from ordinary activities	Revenue increased	4.5%	172,576	165,086
Loss from ordinary activities after tax attributable to members	Loss increased	81.4%	(12,654)	(6,975)
Net loss for the period attributable to members	Loss increased	81.4%	(12,654)	(6,975)

**DIVIDENDS**

No final dividend was paid in relation to the year ended 30 June 2014.

No interim dividend will be paid in relation to the half-year ended 31 December 2014.

	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
Net tangible asset backing per ordinary share: \$ per share	1.86	2.26

Refer attached Review of Operations for commentary on the results for the half-year.

## DIRECTORS' REPORT

The Directors' of Kingsgate Consolidated Limited present their report for the half-year ended 31 December 2014.

### DIRECTORS

The following persons were Directors of Kingsgate during the whole of the half-year and up to the date of this report unless noted otherwise:

Name	Title
Ross Smyth-Kirk	Executive Chairman
Peter Alexander	Non-Executive Director
Peter McAleer	Non-Executive Director
Sharon Skeggs	Non-Executive Director (appointed 1 January 2015)
Peter Warren	Non-Executive Director (appointed 1 July 2014)
Craig Carracher	Non-Executive Director (resigned 17 October 2014)

## REVIEW OF OPERATIONS

Kingsgate is a gold mining, development and exploration company based in Sydney, Australia. Kingsgate owns and operates two gold mines, the world class Chatree Mine in Thailand and the underground Challenger Mine in South Australia. In addition, the Company has two advanced development projects, the Nueva Esperanza Silver/Gold Project, in the highly prospective Maricunga Gold/Silver Belt in Chile, and the Bowdens Silver Project in New South Wales, Australia.

### Operational Performance

Gold production for the half-year to 31 December 2014 was 115,106 ounces, an increase of 9% on the half-year to 31 December 2013. The contribution from Chatree was 72,782 ounces (Dec 2013: 66,462 ounces), while Challenger produced 42,324 ounces (Dec 2013: 38,863 ounces).

#### Chatree

Chatree performed strongly over the December half-year with the increase in gold production being principally due to higher grade ore from A Pit Stage 2 at 0.91 grams per tonne with a higher recovery of 81.1%, compared to the previous period (Dec 2013: 0.86 grams per tonne and 80.2%).

Total mill throughput for the half-year was 3.1 million tonnes, in line with the previous period (Dec 2013: 3.1 million tonnes). The combined plants continue to operate around 24% above annual "nameplate" throughput rate at 6.2 million tonnes per annum and this is expected to continue based on expected blending ratios between fresh and stockpiled ore.

Cost reduction remains a continuing objective with cost saving initiatives contributing towards total cash costs of US\$693 per ounce (US\$594 per ounce exclusive of Thai royalties). The total cash costs are a 10% improvement over the half-year to December 2013 (US\$774 per ounce, including US\$110 per ounce Thai royalty). Total production costs after depreciation and amortisation were US\$1,001 per ounce of gold produced.

## Challenger

Challenger continued to benefit from the focus on the Challenger West orebody and the good performance of the mining contractor that delivered a very strong December half-year. Gold production of 42,324 ounces was an increase of 9% over 2013. Operating costs were US\$1,083 per ounce (including US\$49 per ounce royalty) a significant 18% improvement over 2013 (Dec 2013: US\$1,327 per ounce including US\$49 per ounce royalty). Note that operating costs at Challenger currently include all mine development expenditure for the site (i.e. no mine development costs are being capitalised).

The current mine plan at Challenger is under review following an increase in the Challenger reserve base to 160,000 ounces as at 30 June 2014. Further extensions of the mine life are dependent on the successful conversion of reserves from ongoing drilling and development within the extensive resource base at Challenger West (640,000 ounces at 30 June 2014).

While the focus on cost reduction will remain, the mine has currently settled at a cost base that is delivering a sustainable operation at the current spot gold price. This is complemented by a hedge position that covers around 40% of forecast annual production.

## Financial Results

Kingsgate recorded an after tax loss of \$12.654 million for the half-year compared to an after tax loss of \$6.975 million for the previous corresponding period.

EBITDA before significant items was \$43.203 million, increased from \$28.682 million in the previous period.

	Half-Year	
	2014	2013
	\$'000	Restated \$'000
<b>Loss after income tax</b>	<b>(12,654)</b>	(6,975)
Income tax (benefit)/expense	(40)	1,233
<b>Loss before income tax</b>	<b>(12,694)</b>	(5,742)
<b>Significant items</b>		
Impairment of Bowdens Silver Project	20,587	-
Foreign exchange gain	(607)	(2,971)
Change in fair value of undesignated gold contracts held for trading	41	(2,532)
Change in fair value of available-for-sale financial assets	150	124
Share of loss in associate	112	216
Divestment transaction costs	149	2,090
<b>Profit/(loss) before tax and significant items</b>	<b>7,738</b>	(8,815)
Finance costs	7,032	9,392
Depreciation and amortisation	28,433	28,105
<b>EBITDA before significant items</b>	<b>43,203</b>	28,682

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 table above summarises key items between statutory profit after tax and EBITDA before 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-year report.

### **Dividends**

No dividend was declared with respect of the half-year ended 31 December 2014.

## **DEVELOPMENT PROJECTS**

### **Nueva Esperanza Silver/Gold Project - Chile**

In the December half-year, project work primarily focused on drilling gold rich targets mainly to the west of the Chimberos Pit. The strong and consistent drilling results are expected to significantly expand the gold resource base of the project with a large number of intercepts intersecting exceptional gold and silver mineralisation to the west of the existing Chimberos Pit, in an area now called Chimberos West.

While mineralisation remains open at depth and laterally, geological interpretation shows well defined structural control, which can be used to target extensions to this highly prospective area. The new mineralisation extends for over 300 metres outside the current resource boundary. The addendum to the Environmental Impact Assessment (EIA) is expected to be approved mid-year.

### **Bowdens Silver Project - New South Wales, Australia**

During the half-year project work continued to focus on studies required for the Environmental Impact Statement (EIS). However, as a result of ongoing market volatility in the precious metals sector and a sustained period of a lower than anticipated silver price, Kingsgate has applied to the NSW Department of Planning and Infrastructure to have the Director-General's Requirements (DGR's) for the Bowdens Silver Project reissued for a further two years. The DGR's prescribe a comprehensive range of assessments spanning environmental, socio-economic and regional impact that mining companies must satisfy in order to lodge an EIS and ultimately have it approved to commence mining operations.

Kingsgate plans to maintain community relations and engagement while the project is progressing at a reduced rate.

In accordance with AASB 136 - Impairment of Assets an impairment charge has been made against the carrying value of the Bowdens Silver Project (Bowdens) as a result of the significant and sustained decline in the silver price. The fair value of Bowdens Silver Project is assessed as being equal to its carrying amount of \$11,000,000 after impairment as at 31 December 2014. The fair value has been assessed by calculating the enterprise value per ounce resource of equivalent silver of the peer group and applying a value of \$0.06/oz Ag to the Bowdens silver equivalent resource (detailed in the previously published 2014 Ore Reserves and Mineral Resources Statement) less estimated transaction costs.

## **EXPLORATION**

The Group has a portfolio of exploration tenements and applications in Thailand, Australia, Chile and Laos. Exploration expenditure outside of the operations and development projects remained curtailed during the half-year in response to the ongoing volatility in the gold price and as part of a Group-wide cost reduction focus.

## **OUTLOOK**

Total gold production guidance for Kingsgate for the 2015 financial year remains between 195,000 and 215,000 ounces including 130,000 to 140,000 ounces from Chatree and 65,000 to 75,000 ounces from Challenger.

Kingsgate is focused on continuous improvement and operating efficiencies that couple with ongoing cost saving initiatives in order to maximise shareholder returns in the volatile operating environment for gold producers.

## **FINANCING ARRANGEMENTS**

### **Senior Corporate Facility**

A\$25 million under a Senior Corporate Loan Facility with a maturity date of 31 July 2015. This is an Akara pre-IPO Bond payable from proceeds raised through the Akara IPO or repayment can be made by Kingsgate in cash.

### **Multi-Currency and Syndicated Loan Facilities**

Kingsgate's Thai operating subsidiary, Akara, has an amortising multi-currency loan facility with approximately four years remaining. It is currently drawn to the equivalent of US\$92 million, following the commencement of quarterly repayments in November 2013. Under the terms of this loan facility, Akara is required to maintain a debt service reserve account of US\$5 million.

## **MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD**

### ***Chatree Temporary Suspension***

Chatree was issued with a temporary suspension notice for up to 30 days by the Department of Primary Industry and Mining (DPIM), Thailand on 13 January 2015. Due to uncertainty around the timing of the re-start of the operation, the Kingsgate Board requested voluntary suspension of trading in Kingsgate shares on the ASX.

The temporary closure of Chatree was ordered because of unsubstantiated claims that slightly elevated levels of arsenic and manganese that had been found in some local inhabitants living in the region was attributable to the mining operation at Chatree. Importantly, Chatree does not use and has never used arsenic or manganese in any of its operations.

During the 30 day suspension period Akara Resources undertook a series of steps to qualify that Chatree is not the cause of elevated arsenic and manganese in the local community. This included commissioning an independent study by Mahidol University, a highly respected and credible academic institution in Thailand, to examine the root cause of these elevated readings. The study findings concluded that these elevated readings of arsenic and manganese are most likely caused by lifestyle factors such as diet, as arsenic can be found in local fish products and rice.

In addition, Akara Resources arranged secondary health checks for approximately 250 local villagers, which coincided with the presentation of a petition to the DPIM containing 2,495 signatures from the local community in support of the Chatree Mining Operation.

Akara Resources presented a strong case for lifting the temporary suspension order at two community meetings, and made the Mahidol University Study and all health check medical documentation available to the DPIM. As a result the DPIM, as an administrative measure, has issued another temporary suspension order for a period of up to 45 days to allow time for all of the Akara documentation to be verified by a DPIM appointed Review Committee.

The Review Committee has now verified all relevant supporting documentation and the DPIM is satisfied that Akara Resources has complied with all the requests made under the suspension orders. Therefore on



27 February 2015 the DPIM rescinded the temporary suspension order, following which Akara Resources recommenced operations at Chatree on the same day.

#### **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

#### **ROUNDING OF AMOUNTS TO NEAREST THOUSAND DOLLARS**

Kingsgate is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investment Commission, relating to the "rounding off" of amounts in the Directors' Report and Financial Report. Amounts in the Directors' Report and Financial Report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

This report is made in accordance with a resolution of the Directors.



Ross Smyth-Kirk  
Chairman  
2 March 2015



## Auditor's Independence Declaration

As lead auditor for the review of Kingsgate Consolidated Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Kingsgate Consolidated Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read 'B Entwistle', is written over the printed name.

Brett Entwistle  
Partner  
PricewaterhouseCoopers

Sydney  
2 March 2015

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
For the half-year ended 31 December 2014

	Note	Half-Year	
		2014	2013
		\$'000	*Restated \$'000
Sales revenue	3a)	172,576	165,086
Cost of sales	3b)	(148,743)	(154,298)
<b>Gross profit</b>		<b>23,833</b>	10,788
Exploration expenses		(471)	(671)
Corporate and administration expenses	3c)	(9,412)	(11,716)
Other income and expenses	3d)	95	2,300
Foreign exchange gain		607	2,971
Share of loss in associate		(112)	(216)
Impairment losses – Bowdens Silver Project		(20,587)	-
<b>(Loss)/profit before finance costs and income tax</b>		<b>(6,047)</b>	3,456
Finance income		385	194
Finance costs	3e)	(7,032)	(9,392)
<b>Net finance costs</b>		<b>(6,647)</b>	(9,198)
Loss before income tax		(12,694)	(5,742)
Income tax benefit/(expense)		40	(1,233)
<b>Loss after income tax</b>		<b>(12,654)</b>	(6,975)
<b>Other comprehensive income</b>			
<i>Items that will never be reclassified to profit and loss</i>			
Change in fair value of employee provisions (net of tax)		808	-
<i>Items that may be reclassified to profit and loss</i>			
Exchange differences on translation of foreign operations (net of tax)		48,339	(9,990)
<b>Other comprehensive income/(loss) for the half-year</b>		<b>49,147</b>	(9,990)
<b>Total comprehensive income/(loss) for the half-year</b>		<b>36,493</b>	(16,965)
<b>Loss attributable to:</b>			
Owners of Kingsgate Consolidated Limited		(12,654)	(6,975)
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of Kingsgate Consolidated Limited		36,493	(16,965)
<b>Earnings per share</b>		<b>Cents</b>	Cents
Basic loss per share	12	(5.7)	(4.6)
Diluted loss per share	12	(5.7)	(4.6)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

\*Restated Comparative information has been restated as a result of the correction of error in respect of prepaid mining services balance (refer to Note 14 for details).

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2014**

	Note	31 Dec 2014 \$'000	30 Jun 2014 *Restated \$'000
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		64,461	53,632
Receivables		15,685	13,360
Inventories		48,129	47,917
Other assets	4	12,366	20,893
<b>Total current assets</b>		<b>140,641</b>	<b>135,802</b>
<b>Non-current assets</b>			
Restricted cash		6,307	5,489
Inventories		55,068	49,805
Available-for-sale financial assets		1,080	270
Investment in associate		-	1,072
Property, plant and equipment		175,486	170,658
Exploration, evaluation and development		266,568	255,086
Other assets	4	16,982	13,537
Deferred tax assets		12,052	9,205
<b>Total non-current assets</b>		<b>533,543</b>	<b>505,122</b>
<b>TOTAL ASSETS</b>		<b>674,184</b>	<b>640,924</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Payables		23,009	25,478
Borrowings	6	63,498	42,978
Derivatives held for trading		1,004	623
Current tax liabilities		956	1,148
Provisions		3,255	3,115
<b>Total current liabilities</b>		<b>91,722</b>	<b>73,342</b>
<b>Non-current liabilities</b>			
Payables		5,667	4,800
Borrowings	6	84,255	110,654
Deferred tax liabilities		11,178	8,628
Provisions		34,268	32,998
<b>Total non-current liabilities</b>		<b>135,368</b>	<b>157,080</b>
<b>TOTAL LIABILITIES</b>		<b>227,090</b>	<b>230,422</b>
<b>NET ASSETS</b>		<b>447,094</b>	<b>410,502</b>
<b>EQUITY</b>			
Contributed equity		677,109	677,109
Reserves	8	40,897	(8,349)
Accumulated losses		(270,912)	(258,258)
<b>TOTAL EQUITY</b>		<b>447,094</b>	<b>410,502</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

\*Restated Comparative information has been restated as a result of the correction of error in respect of prepaid mining services balance (refer to Note 14 for details).

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the half-year ended 31 December 2014**

	Contributed equity \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
<b>Balance as at 1 July 2013 (*Restated)</b>	605,504	18,042	(161,036)	462,510
Loss after income tax	-	-	(6,975)	(6,975)
Total other comprehensive income for the half-year	-	(9,990)	-	(9,990)
<b>Total comprehensive income for the half-year</b>	-	(9,990)	(6,975)	(16,965)
<b>Transactions with owners in their capacity as owners:</b>				
Contributions of equity, net of transaction costs	14,862	-	-	14,862
Transfer on conversion of deferred rights	487	(487)	-	-
Share-based payments	-	379	-	379
<b>Total transactions with owners</b>	15,349	(108)	-	15,241
<b>Balance at 31 December 2013 (*Restated)</b>	620,853	7,944	(168,011)	460,786
<b>Balance as at 1 July 2014 (*Restated)</b>				
	677,109	(8,349)	(258,258)	410,502
Loss after income tax	-	-	(12,654)	(12,654)
Total other comprehensive income for the half-year	-	49,147	-	49,147
<b>Total comprehensive income for the half-year</b>	-	49,147	(12,654)	36,493
<b>Transactions with owners in their capacity as owners:</b>				
Share-based payments	-	99	-	99
<b>Total transactions with owners</b>	-	99	-	99
<b>Balance at 31 December 2014</b>	677,109	40,897	(270,912)	447,094

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

\*Restated Comparative information has been restated as a result of the correction of error in respect of prepaid mining services balance (refer to Note 14 for details).

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
For the half-year ended 31 December 2014

	Half-Year	
	2014	2013
	\$'000	*Restated \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	169,159	157,586
Payments to suppliers and employees (inclusive of goods and services tax)	(114,231)	(137,873)
Interest received	385	194
Finance costs paid	(4,515)	(4,294)
Income tax paid	(910)	(286)
<b>Net cash inflow from operating activities</b>	<b>49,888</b>	<b>15,327</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(1,788)	(1,817)
Payments for exploration, evaluation and development	(18,047)	(24,274)
Interest capitalised to expansion and development projects	-	(1,463)
Deposits and debt service reserve account	(229)	118
Payments for other assets	-	(554)
<b>Net cash outflow from investing activities</b>	<b>(20,064)</b>	<b>(27,990)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings, net of transaction costs	-	15,000
Repayment of borrowings	(23,460)	(17,919)
<b>Net cash outflow from financing activities</b>	<b>(23,460)</b>	<b>(2,919)</b>
<b>Net increase/(decrease) in cash held</b>	<b>6,364</b>	<b>(15,582)</b>
Cash at the beginning of the reporting period	53,632	30,494
Effects of exchange rates on cash and cash equivalents	4,465	(483)
<b>Cash at the end of the half-year</b>	<b>64,461</b>	<b>14,429</b>

*The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.*

*\*Restated Comparative information has been restated as a result of the correction of error in respect of prepaid mining services balance (refer to Note 14 for details).*

## **NOTES TO THE FINANCIAL STATEMENTS**

### **For the half-year ended 31 December 2014**

#### **1. BASIS OF PREPARATION OF THE HALF-YEAR REPORT**

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2014 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Kingsgate Consolidated Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies applied are the same as those applied by Kingsgate in its annual financial report for the year ended 30 June 2014.

#### **New or Revised Standards and Interpretations that are First Effective in the Current Reporting Period**

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to their operations and effective for the current reporting period. None of the new and revised standards and interpretations adopted during the period had a material impact nor did they result in any changes to the Group's presentation of, or disclosure in, its half-year financial statements.

#### **New Accounting Standards for Application in Future Periods**

There are no new and revised Standards and amendments thereof and Interpretations effective for future reporting periods issued during the current reporting period that are relevant to the Group.

#### **2. SEGMENT INFORMATION**

The Group's operating segments are based on the internal management reports that are reviewed and used by the Board of Directors (chief operating decision maker). The operating segments represent the Group's operating mines and projects and include the following:

- Chatree Mine - Thailand
- Challenger Mine - South Australia, Australia
- Bowdens Silver Project - New South Wales, Australia
- Nueva Esperanza Silver/Gold Project - Chile; and
- Exploration - South East Asia.

Information regarding the results of each reportable segment is included as follows:

**SEGMENT INFORMATION (Continued)**

2014	Operation		Development		Exploration	Corporate	Total Group
	Chatree \$'000	Challenger \$'000	Bowdens \$'000	Nueva Esperanza \$'000	South East Asia \$'000		
External sales revenue	110,888	61,688	-	-	-	-	172,576
Other income	272	9	5	-	-	-	286
<b>Total segment revenue</b>	<b>111,160</b>	<b>61,697</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>172,862</b>
Segment EBITDA	36,885	8,124	(8)	(1,882)	(817)	671	42,973
Impairment	-	-	(20,587)	-	-	-	(20,587)
Depreciation and amortisation	(25,080)	(3,314)	(10)	(3)	-	(26)	(28,433)
<b>Segment result (Operating EBIT)</b>	<b>11,805</b>	<b>4,810</b>	<b>(20,605)</b>	<b>(1,885)</b>	<b>(817)</b>	<b>645</b>	<b>(6,047)</b>
Finance income	175	39	3	-	-	168	385
Finance costs	(4,987)	(174)	(3)	(1)	-	(1,867)	(7,032)
<b>Net finance costs</b>	<b>(4,812)</b>	<b>(135)</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>(1,699)</b>	<b>(6,647)</b>
<b>Profit/(loss) before tax</b>	<b>6,993</b>	<b>4,675</b>	<b>(20,605)</b>	<b>(1,886)</b>	<b>(817)</b>	<b>(1,054)</b>	<b>(12,694)</b>
<b>Other segment information</b>							
Segment assets	536,033	32,359	11,517	86,471	3,600	4,204	674,184
Segment liabilities	(165,590)	(29,567)	(6,727)	(8,509)	(647)	(16,050)	(227,090)
Segment intercompany assets/liabilities	42,586	(73,056)	(31,185)	(69,708)	(16,712)	148,075	-



**SEGMENT INFORMATION (Continued)**

2013 (Restated)	Operation		Development		Exploration	Corporate	Total Group
	Chatree \$'000	Challenger \$'000	Bowdens \$'000	Nueva Esperanza \$'000	South East Asia \$'000		
External sales revenue	110,321	54,765	-	-	-	-	165,086
Other income	138	65	-	-	-	-	203
<b>Total segment revenue</b>	<b>110,459</b>	<b>54,830</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>165,289</b>
Segment EBITDA	39,487	(15)	(35)	(1,748)	(294)	(5,834)	31,561
Depreciation and amortisation	(20,156)	(7,902)	(10)	(5)	-	(32)	(28,105)
<b>Segment result (Operating EBIT)</b>	<b>19,331</b>	<b>(7,917)</b>	<b>(45)</b>	<b>(1,753)</b>	<b>(294)</b>	<b>(5,866)</b>	<b>3,456</b>
Finance income	131	35	3	-	-	25	194
Finance costs	(8,309)	(174)	(4)	(3)	-	(902)	(9,392)
<b>Net finance costs</b>	<b>(8,178)</b>	<b>(139)</b>	<b>(1)</b>	<b>(3)</b>	<b>-</b>	<b>(877)</b>	<b>(9,198)</b>
<b>Profit/(loss) before tax</b>	<b>11,153</b>	<b>(8,056)</b>	<b>(46)</b>	<b>(1,756)</b>	<b>(294)</b>	<b>(6,743)</b>	<b>(5,742)</b>
<b>Other segment information</b>							
Segment assets	498,303	35,416	111,664	68,212	4,566	5,285	723,446
Segment liabilities	(180,090)	(25,925)	(990)	(5,977)	(1,024)	(48,655)	(262,661)
Segment intercompany assets/liabilities	54,197	(65,922)	(26,614)	(49,334)	(14,728)	102,401	-

### 3. REVENUE AND EXPENSES

#### a) Sales revenue

	Half-Year	
	2014	2013
	\$'000	\$'000
Gold sales	162,231	152,698
Silver sales	10,345	12,388
<b>Total sales revenue</b>	<b>172,576</b>	<b>165,086</b>

#### b) Cost of sales

	Half-Year	
	2014	2013
	\$'000	Restated \$'000
Direct costs of mining and processing	101,389	111,581
Royalties	11,627	11,388
Inventory movements	7,360	3,297
Depreciation (operations)	28,367	28,032
<b>Total costs of sales</b>	<b>148,743</b>	<b>154,298</b>

#### c) Corporate and administration expenses

	Half-Year	
	2014	2013
	\$'000	Restated \$'000
Administration	6,978	7,366
Divestment transaction costs	149	2,090
Technical support and business development	669	722
Statutory and professional fees	1,550	1,465
Depreciation	66	73
<b>Total corporate and administration expenses</b>	<b>9,412</b>	<b>11,716</b>

#### d) Other income and expenses

	Half-Year	
	2014	2013
	\$'000	\$'000
Net gain/(loss) on the sale of fixed assets	19	(311)
(Loss)/gain on the change in fair value of undesignated gold contracts held for Trading	(41)	2,532
Loss on the change in fair value of available-for-sale financial assets	(150)	(124)
Other income	267	203
<b>Total other income and expenses</b>	<b>95</b>	<b>2,300</b>

## REVENUE AND EXPENSES (Continued)

### e) Finance costs

	Half-Year	
	2014	2013
	\$'000	\$'000
Interest and finance charges	5,066	6,342
Foreign exchange loss on loans	948	3,883
Unwinding of discount	495	585
Amortisation of deferred borrowing costs	523	45
Less: borrowing costs capitalised	-	(1,463)
<b>Total finance costs</b>	<b>7,032</b>	<b>9,392</b>

### f) Depreciation and amortisation

	Half-Year	
	2014	2013
	\$'000	Restated \$'000
Property, plant and equipment	8,446	8,813
Mine properties	20,466	19,454
Less: Depreciation capitalised	(479)	(162)
<b>Total depreciation and amortisation expenses</b>	<b>28,433</b>	<b>28,105</b>
<i>Included in:</i>		
Costs of sales depreciation	28,367	28,032
Corporate depreciation	66	73

### g) Employee benefits expenses

	Half-Year	
	2014	2013
	\$'000	\$'000
Included in:		
Costs of sales	10,402	11,531
Corporate and administration expenses	4,972	5,704
<b>Total employee benefits expenses</b>	<b>15,374</b>	<b>17,235</b>

### h) Significant items

	Half-Year	
	2014	2013
	\$'000	Restated \$'000
Impairment of Bowdens Silver Project	20,587	-
Foreign exchange gain	(607)	(2,971)
Change in fair value of undesignated gold contracts held for trading	41	(2,532)
Change in fair value of available-for-sale financial assets	150	124
Share of loss in associate	112	216
Divestment transaction costs	149	2,090
<b>Total significant items (pre-tax)</b>	<b>20,432</b>	<b>(3,073)</b>

#### 4. OTHER ASSETS

	31 Dec 2014 \$'000	30 Jun 2014 \$'000
<b>Current</b>		
Prepaid mining services	5,223	6,042
Prepayments	3,807	11,996
Other deposits	3,336	2,855
<b>Total other assets - current</b>	<b>12,366</b>	<b>20,893</b>
<b>Non-current</b>		
Prepayments	10,172	7,333
Other deposits	6,810	6,204
<b>Total other assets - non-current</b>	<b>16,982</b>	<b>13,537</b>

##### *Prepayments*

Non-current prepayments include prepaid royalties in respect of the Nueva Esperanza Silver/Gold Project in Chile and electricity and fuel supplies for the Chatree Mine in Thailand.

##### *Other deposits*

Other deposits current includes cash held on deposit with financial institutions that is restricted to use on community projects in Thailand.

Other deposits non-current includes \$1,850,000 (30 June 2014: \$1,828,000) restricted cash deposits against bank guarantees supporting the rehabilitation bond requirements against the Group's mining operations and \$4,232,000 (30 June 2014: \$3,680,000) of security deposits.

## 5. IMPAIRMENT ASSESSMENT

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units “CGUs”).

### ***Bowdens Silver Project***

In accordance with AASB 136 - *Impairment of Assets* an impairment charge has been made against the carrying value of the Bowdens Silver Project (“Bowdens”) as a result of the significant and sustained decline in the silver price.

The fair value of Bowdens Silver Project is assessed as being equal to its carrying amount of \$11,000,000 after impairment as at 31 December 2014. The fair value has been assessed by calculating the enterprise value per ounce resource of equivalent silver of the peer group and applying a value of \$0.06/oz Ag to the Bowdens silver equivalent resource (detailed in the previously published 2014 Ore Reserves and Mineral Resources Statement) less estimated transaction costs.

### ***Chatree Gold mine and the Nueva Esperanza Silver/Gold Project***

The recoverable amount of the Chatree Gold mine and the Nueva Esperanza project at 31 December 2014 were determined based on a fair value less cost to sell model. Based on the assumptions noted below, at 31 December 2014, the recoverable amount for the Chatree Gold mine and the Nueva Esperanza project were determined to be above book value resulting in no impairment.

The recoverable amounts for these two projects have been determined using a discounted cash flow model. The key assumptions to which the models are most sensitive include:

- Gold and silver prices
- Foreign exchange rates
- Production and capital costs
- Discount rate
- Reserves and resources

In determining the value assigned to each key assumption, management has used external sources of information and utilised experts within the Group to validate entity specific assumptions such as reserves and resources. The Group's cash flow forecasts are based on estimates of future metal prices which assume market prices will revert to the Group's assessment of longer term metal prices of US\$1,280 – US\$1,340 per ounce for gold and US\$18 – US\$23.5 per ounce for silver.

For both the Chatree gold mine project and the Nueva Esperanza project, gold and silver prices forecast that results in the recoverable amount exceeding the book value are generally achieved when the high end of the range is adopted.

The Group receives long term forecast price data from multiple externally verifiable sources when determining its pricing forecasts.

The foreign exchange rate used in the models are AUD/USD of 0.8 and USD/THB of 32.9 based on exchange rates current at period end.

Production and capital costs are based on the Group's estimate of forecast geological conditions, capacity of existing plant and equipment and future production levels. This information is obtained from internally maintained budgets, mine models and project evaluations performed by the Group in its ordinary course of business.

The Group has applied post-tax discount rates to discount the forecast future attributable post-tax cash flows. The equivalent pre-tax nominal discount rates applied to the Group's CGUs are in the range of 10.8-12.4%. The post-tax discount rate applied to the future cash flow forecasts represent an estimate of the

rate the market would apply having regard to the time value of money and the risks specified to the asset for which the future cash flow estimates have not been adjusted.

After considering the inputs of the cash flow forecasts, the most sensitive input is determined to be revenue which is primarily dependent on estimated future gold and silver prices. As the recoverable amount only marginally exceeds the carrying amount, applying any negative sensitivity to the cash flow forecasts would result in an impairment charge at 31 December 2014.

## 6. BORROWINGS

	31 Dec 2014 \$'000	30 Jun 2014 \$'000
<b>Current</b>		
Secured bank loans	52,120	33,514
Preference shares in controlled entity	11,378	9,464
<b>Total borrowings - current</b>	<b>63,498</b>	<b>42,978</b>
<b>Non-current</b>		
Secured bank loans	84,173	110,572
Preference shares in controlled entity	82	82
<b>Total borrowings - non-current</b>	<b>84,255</b>	<b>110,654</b>
<b>Borrowings</b>		
Secured bank loans	136,293	144,086
Preference shares in controlled equity	11,460	9,546
<b>Total borrowings</b>	<b>147,753</b>	<b>153,632</b>

### Secured bank loans

#### Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

	Currency	Nominal interest	Financial year of maturity	Face value \$'000	Carrying amount \$'000
Convertible loan facility	AUD	BBSY <sup>1</sup> + margin	2016	25,000	25,000
Multi-currency and Syndicated loan facilities	Thai Baht	THBFIX <sup>2</sup> + margin	2018	47,605	47,605
	USD	LIBOR <sup>3</sup> + margin	2018	66,031	66,031
Less capitalised borrowing costs					(2,343)
<b>Total</b>					<b>136,293</b>

1 BBSY means bank bill swap bid rate

2 THBFIX means Thai Baht interest rate fixing

3 LIBOR means London interbank offered rate

## BORROWINGS (Continued)

### Senior corporate facility

A\$25 million under a Senior Corporate Loan Facility with a maturity date of 31 July 2015. This is an Akara pre-IPO Bond payable from proceeds raised through the Akara IPO or repayment can be made by Kingsgate in cash.

As security for the above facility the lender has a fixed and floating charge over Kingsgate including its shares in its material subsidiaries.

### Multi-currency, syndicated loan facility

Kingsgate's Thai operating subsidiary, Akara, has an amortising multi-currency loan facility with four years remaining. It is currently drawn to the equivalent of \$113,636,000, following the commencement of quarterly repayments in November 2013.

As security against the above facility the lender has a fixed and floating charge over the land, buildings and machinery in Thailand owned by Akara and its material subsidiaries.

### Restricted funds

Under the terms of the loan facilities, Akara is required to maintain a debt service reserve account of US\$5,000,000 (\$6,307,000).

### Preference shares in controlled entity

#### Terms and repayment schedule

Terms and conditions of outstanding preference shares in controlled entity were as follows:

	Currency	Interest rate	Financial year of maturity	Face value \$'000	Carrying amount \$'000
Preference shares in controlled entity	Thai Baht	12%	n/a	11,460	11,460

## 7. CONTRIBUTED EQUITY

	2014 Shares	2013 Shares	2014 \$'000	2013 \$'000
<b>Issue of ordinary shares during half-year:</b>				
Issue of ordinary shares related to Executive Rights Plan	-	92,872	-	487
Issue of ordinary shares to repay funds drawn down under the convertible revolving credit facility	-	11,774,572	-	15,001
Share issue costs	-	-	-	(139)
<b>Total ordinary share issues</b>	-	11,867,444	-	15,349

## 8. RESERVES

	31 Dec 2014 \$'000	30 Jun 2014 \$'000
Foreign currency translation reserve	35,772	(12,567)
Share-based payment reserve	8,697	8,598
General reserve	(3,572)	(4,380)
<b>Total reserves</b>	<b>40,897</b>	<b>(8,349)</b>

## 9. NON-CASH FINANCING ACTIVITIES

	Half-Year	
	2014 \$'000	2013 \$'000
Repayment of loan by issue of ordinary shares	-	15,000

## 10. CONTINGENT LIABILITIES

The Group had contingent liabilities at 31 December 2014 in respect of guarantees. Bank guarantees have been given by Kingsgate's controlled entities to participating banks in the syndicated loan facility and corporate loan facility as described in Note 6 as part of the security package. These guarantees may give rise to liabilities in the parent entity if the controlled entities do not meet their obligations under the terms of the loans subject to guarantees. No material losses are anticipated in respect of the above contingent liabilities.

Included in non-current other assets is \$1,850,000 related to restricted cash deposits against bank guarantees supporting the rehabilitation bond requirements against the Group's mining operations.

## 11. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL PERIOD

### *Chatree Temporary Suspension*

Chatree was issued with a temporary suspension notice for up to 30 days by the Department of Primary Industry and Mining (DPIM), Thailand on 13 January 2015. Due to uncertainty around the timing of the re-start of the operation, the Kingsgate Board requested voluntary suspension of trading in Kingsgate shares on the ASX. During the period of the closure of the mine, Kingsgate remained in a voluntary suspension from its official quotation on the ASX. Under the corporate loan facility a waiver is required from the lender where the Company is in voluntary suspension for a period of not less than 15 trading days. The request for the waiver was submitted to the lenders.

The temporary closure of Chatree was ordered because of unsubstantiated claims that slightly elevated levels of arsenic and manganese that had been found in some local inhabitants living in the region was attributable to the mining operation at Chatree. Importantly, Chatree does not use and has never used arsenic or manganese in any of its operations.

During the 30 day suspension period Akara Resources undertook a series of steps to qualify that Chatree is not the cause of elevated arsenic and manganese in the local community. This included commissioning an independent study by Mahidol University, a highly respected and credible academic institution in Thailand, to examine the root cause of these elevated readings. The study findings concluded that these elevated readings of arsenic and manganese are most likely caused by lifestyle factors such as diet, as arsenic can be found in local fish products and rice.



In addition, Akara Resources arranged secondary health checks for approximately 250 local villagers, which coincided with the presentation of a petition to the DPIM containing 2,495 signatures from the local community in support of the Chatree Mining Operation.

Akara Resources presented a strong case for lifting the temporary suspension order at two community meetings, and made the Mahidol University Study and all health check medical documentation available to the DPIM. As a result the DPIM, as an administrative measure, has issued another temporary suspension order for a period of up to 45 days to allow time for all of the Akara documentation to be verified by a DPIM appointed Review Committee.

The Review Committee has now verified all relevant supporting documentation and the DPIM is satisfied that Akara Resources has complied with all the requests made under the suspension orders. Therefore on 27 February 2015 the DPIM rescinded the temporary suspension order, following which Akara Resources recommenced operations at Chatree on the same day. The DPIM order was accompanied by some additional compliance conditions, including provision of medical assistance to people nearby the mine, organisation of public forums in each of the two provinces where the mine is located and Bangkok to present the results of the study undertaken on the slightly elevated level of arsenic and manganese identified, completion of quarterly audits and presentation of a plan on how such matters will be dealt with going forward. Akara Resources is committed to working closely with the Thai Authorities and local communities. Procedures are being strengthened to ensure that this temporary suspension period will not be repeated.

No other material matter or circumstance has occurred subsequent to period end that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in subsequent financial periods.

## 12. EARNINGS PER SHARE

	Half-Year	
	2014	2013
	Cents	Restated Cents
Basic loss per share	(5.7)	(4.6)
Diluted loss per share	(5.7)	(4.6)
	\$'000	\$'000
Net loss used to calculate basic and diluted earnings per share	(12,654)	(6,975)
	Number	Number
Weighted average number of shares used as the denominator: basic	223,584,937	153,027,447
Weighted average number of shares used as the denominator: diluted	223,584,937	153,027,447

### 13. FINANCIAL INSTRUMENTS

The carrying values of financial assets and liabilities of the Group approximate their fair values. Fair values of financial assets and liabilities have been determined for measurement and/or disclosure purposes.

#### *Fair value hierarchy*

The Group classifies assets and liabilities carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in determining that value. The table following analyses financial instruments carried at fair value by the valuation method. The different levels in the hierarchy have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
<b>31 December 2014</b>				
Available-for-sale financial asset	1,080	-	-	1,080
Derivatives held for trading	-	(1,004)	-	(1,004)
<b>Total as at 31 December 2014</b>	<b>1,080</b>	<b>(1,004)</b>	<b>-</b>	<b>76</b>
<b>30 June 2014</b>				
Available-for-sale financial asset	270	-	-	270
Derivatives held for trading	-	(623)	-	(623)
<b>Total as at 30 June 2014</b>	<b>270</b>	<b>(623)</b>	<b>-</b>	<b>(353)</b>

### 14. CORRECTION OF PRIOR PERIOD ERROR

During the period the Group reviewed the basis for calculating the balance of prepaid mining services costs and determined that this prepayment balance had been overstated since July 2010. The majority of that overstatement related to work performed on the construction of a tailings storage facility and as a result, the corresponding cost of exploration, evaluation and development was understated. The error has been adjusted retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. As a result of this:

- the balance of prepaid mining services costs was reduced by \$1,135,000 as at 30 June 2014 as a prior period adjustment;
- the balance of exploration, evaluation and development was increased by \$343,000 as at 30 June 2014 as a prior period adjustment;
- the depreciation and amortisation expense was increased by \$330,000 for the half-year ended 31 December 2013; and
- the mining cost was increased by \$41,000 for the half-year ended 31 December 2013.

There was no material impact on the Statement of Cash Flows or earnings per share reported in prior periods.

## **DIRECTORS' DECLARATION**

In the Directors' opinion:

- a) The financial statements and notes set out on pages 8 to 23 are in accordance with the *Corporations Act 2001*, including:
  - i. comply with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
  - ii. give a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and
- b) There are reasonable grounds to believe that Kingsgate will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



ROSS SMYTH-KIRK  
Director

2 March 2015  
On behalf of the Board



## **Independent auditor's review report to the members of Kingsgate Consolidated Limited**

### ***Report on the Half-Year Financial Report***

We have reviewed the accompanying half-year financial report of Kingsgate Consolidated Limited (the Company), which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Kingsgate Consolidated Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

### ***Directors' responsibility for the half-year financial report***

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

### ***Auditor's responsibility***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Kingsgate Consolidated Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Independence***

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

### ***Conclusion***

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Kingsgate Consolidated Limited is not in accordance with the *Corporations Act 2001* including:

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
Darling Park Tower 2, 201 Sussex Street, GPO BOX 2650, SYDNEY NSW 1171  
T: +61 2 8266 0000, F: +61 2 8266 9999, [www.pwc.com.au](http://www.pwc.com.au)



- a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Matters relating to the electronic presentation of the reviewed financial report*

This review report relates to the financial report of the company for the half-year ended 31 December 2014 included on Kingsgate Consolidated Limited's web site. The company's directors are responsible for the integrity of the Kingsgate Consolidated Limited web site. We have not been engaged to report on the integrity of this web site. The review report refers only to the statements named above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the reviewed financial report to confirm the information included in the reviewed financial report presented on this web site.

A handwritten signature in blue ink that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in blue ink that appears to read 'Brett Entwistle'.

Brett Entwistle  
Partner

Sydney  
2 March 2015