



**Kingsgate**  
Consolidated  
Limited

# QUARTERLY REPORT

for the three months ended  
**31 December 2010**

## PRODUCTION HIGHLIGHTS

### Gold Produced

31 Dec 2010	21,451 oz
30 Sep 2010	21,833 oz
31 Dec 2009	40,224 oz

### Total Cash Costs (incl Royalty)

31 Dec 2010	US\$458/oz
30 Sep 2010	US\$465/oz
31 Dec 2009	US\$312/oz

### Average Gold Price Received

31 Dec 2010	US\$1,368/oz
30 Sep 2010	US\$1,225/oz
31 Dec 2009	US\$1,091/oz

## SECURITIES

### As at 31 December 2010

Ordinary shares	102,286,251
Unlisted options	1,685,116

## KEY POINTS

- ◆ Chatree gold production in line with expectations at 21,451 ounces.
- ◆ Cash costs of US\$458/ounce gold (including US\$117/oz Thai royalty).
- ◆ Chatree North Plant expansion on budget and schedule.
- ◆ Full year production forecast of 110,000 to 120,000 ounces, subject to accessing C North in February 2011.
- ◆ Drilling continues to advance underground mining potential at Chatree.
- ◆ Control of Laguna Resources NL was achieved with acceptances now over 66%. Bid to close on 1 February 2011, unless extended.
- ◆ Dominion Mining Ltd Scheme Meeting on 2 February 2011.

## OVERVIEW

### Chatree Gold Mine

Gold production of 21,451 ounces in the December quarter was down 2% compared to the September quarter and in line with expectations. Gold grade was 1.2 grams/tonne, as forecast, with mining undertaken in lower grade areas of A Hill and K West pits while managing access during the late wet season and prior to accessing higher grade ore in C North and Q pits, now expected in February.

Cash costs for the quarter were down 2% on the September quarter at US\$458/ounce (US\$341/ounce before Thai royalties). Total production costs after depreciation and amortisation were US\$561/ounce. Cash costs should decrease through the balance of the year as higher grade ore is mined and processed.

Chatree continues to demonstrate world's best practice for safety with over 15.6 million hours worked without a Lost Time Injury (LTI), as at the end December 2011.

### Plant Expansion

Construction of the Chatree North plant expansion is on schedule and budget despite heavy rain impacting construction early in the quarter. Practical completion and first gold are expected in the September quarter 2011.

### Resource Development

Drilling at A and S pits at Chatree North and Chatree continues to deliver good results and also advance the underground mining potential. The better intersections include 21m @ 4.08g/t gold from 43m (including 5m @ 14.4g/t gold from 45m) at A Hill/Central, 8m @ 6.00 g/t gold from 295m (including 4m @ 11.3g/t gold from 299m) at A East and 5m @ 6.63g/t gold from 156m at S Pit. Potential strike lengths of more than 4km for the underground structures are open in all directions.

### Corporate

At the end of December, Kingsgate had total cash in bank and bullion on hand of A\$22.6 million. During the quarter, A\$30 million to fund the Chatree North expansion was drawn on the A\$60 million standby debt facility with Investec. In December 2010, an Information Memorandum for a medium term facility of US\$125 million was distributed to a number of Thai and international banks. Non-binding expressions of interest were received in mid-January from six Thai and international banks for in-excess of US\$250 million. It is expected that the funding will be completed mid-March.

The off-market takeover for Laguna Resources NL progressed with control of Laguna passing to Kingsgate during the quarter. Kingsgate Managing Director and CEO, Gavin Thomas, was appointed Chairman of Laguna. Current acceptances are over 66% and the unconditional bid closes on 1 February 2011, unless extended.

On 20 October 2010, Kingsgate and Dominion Mining Ltd announced an agreed transaction for Kingsgate to acquire all of the shares in Dominion via a Scheme of Arrangement. The Dominion Scheme Meeting is to be held at 10.00am (Sydney time) on Wednesday 2 February 2011.

### Outlook

Production for the second half FY2011 will be higher than the first half in line with plan. Full year gold production to June 2011 is now expected to be in the range of 110,000 to 120,000 ounces at Chatree following delayed access to higher grade areas in C North. Low operating costs are expected for the rest of the year as the higher grade ore from C North is accessed.

For the half year, unrealised non-cash foreign exchange losses on intercompany loans and costs associated with the two outstanding corporate transactions are expected to have an adverse impact of around A\$13 million on the December 2010 half year profit.



Primary Crusher (No.2) under construction

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*Gavin Thomas*  
Gavin Thomas, MD & CEO

25 January 2011

# CHATREE GOLD MINE

## OPERATIONAL PERFORMANCE

During the quarter, mining continued as planned in lower grade areas of A Hill and K West with 1,329,800 tonnes of ore mined at a strip ratio of 2.8:1 (previous quarter 2.5:1). Mining at K West was completed in October. Mine production continued at full capacity despite the heavy wet season that ended in November. However, managing the prolonged and heavy wet season meant delaying access into higher grade areas such as C North where difficult conditions have been experienced in the past. Operations at A Hill were constrained by a night curfew to reduce noise effects on the local community however, following the completion of K West, additional equipment was mobilized to A Hill to compensate for the limited operating hours. Mining of A Hill Stage 2 advanced while access to higher grade areas was not available. Some preparatory work was able to be undertaken in these areas prior to an expected start in January 2011.

Mining at C North has been delayed while regulatory approvals are finalised following the relocation of the highway which was completed during the quarter and recently approved by the Highway Department. Mining at C North is now scheduled for February 2011.

The process plant treated 649,000 tonnes of ore at an average plant head grade of 1.2 grams/tonne gold to produce 21,451 ounces of gold. Silver production was 151,167 ounces. Gold recovery of 88.1% was slightly lower than the prior quarter of 89.0% due mainly to the ore type currently available to mining activity. Recovery is expected to improve over the next three to six months.

Cash costs decreased to US\$458/ounce (US\$341/ounce before Thai royalties) for the quarter with total production costs after depreciation and amortisation of US\$561/ounce. These costs continue to place the mine in the lowest quartile of global gold producers (Source: GFMS).

Stockpiled ore at close of quarter was 7,190,155 tonnes at 0.72g/t containing 167,047oz gold.

## SAFETY, ENVIRONMENT AND LOCAL COMMUNITY

Chatree continues to be the world's safest gold mine, based on publicly available data, having achieved 15.6 million hours worked (almost 8 years) since the last and only Lost Time Injury (LTI) and over 17.7 million hours worked over ten years with one LTI since the commencement of mine construction in the year 2000. This Lost Time Injury Frequency Record (LTIFR) of zero compares favourably to the Australian industry average LTIFR of 2.9 (Minerals Council of Australia Jun 2009) and to Canada's Ontario province industry average of 5 (Jun 2008 data).

There have been no reportable environmental incidents during the life of the mine and it remains in compliance with all environmental regulations.

## FORECAST

Gold production in the December quarter was 21,451 ounces and in line with the September quarter due to mining lower grade areas of A Hill and K West pits. While this production level was expected from these mining areas, final government approvals to mine the higher grade C North pit adjacent to the highway relocation was not forthcoming in December, as budgeted. It is now expected that mining will commence in C North in February 2011.

Chatree Mine	Units	Dec 2010 Quarter	Sep 2010 Quarter	Dec 2009 Quarter
Waste Mined	bcm	1,698,390	1,752,273	1,387,288
Ore Mined	bcm	606,063	712,892	800,181
Waste to Ore Ratio		2.8 : 1	2.5 : 1	1.7 : 1
Ore Mined	tonnes	1,329,766	1,471,487	1,979,904
Ore Treated	tonnes	648,771	645,945	668,050
Head Grade	Au g/t	1.2	1.2	2.0
	Ag g/t	18.2	13.2	13.9
Gold Recovery	%	88.1%	89.0%	92.3%
Gold Poured	ounces	21,451	21,833	40,224
Silver Poured	ounces	151,167	136,501	131,948

Cost Category *	Dec 2010 Quarter US\$/oz Gold	Sep 2010 Quarter US\$/oz Gold	Dec 2009 Quarter US\$/oz Gold
Direct Mining Expense	505	462	290
Refining and Transport	4	4	3
By-product Credit	(168)	(99)	(54)
<b>Cash Operating Cost</b>	<b>341</b>	<b>367</b>	<b>239</b>
Royalty	117	98	73
<b>Total Cash Cost</b>	<b>458</b>	<b>465</b>	<b>312</b>
Depreciation/Amortisation	103	84	76
<b>Total Production Cost</b>	<b>561</b>	<b>549</b>	<b>388</b>

\* Gold Institute Revised Standard for Reporting Production Costs. Kingsgate reports unit costs in accordance with the Gold Institute Standard. Silver is accounted for as a by-product at Chatree whereby revenues from silver are deducted from operating costs in the calculation of cash costs per ounce. The Total Cash Cost of future production at Chatree will fluctuate due to changing grade, throughput, strip ratio and recovery outcomes.

Gold production in the second half FY2011 will be higher than the first half in line with plan however, the delay in accessing C North has reduced the forecast production range for FY2011 to 110,000 to 120,000 ounces of gold.

## CHATREE NORTH PLANT EXPANSION PROPOSAL

Construction of the new Chatree North processing plant was approximately 60% complete at the end of December and remains on schedule and budget. As at 31 December, \$56 million had been expensed on the expansion. The plant is being constructed as a separate 2.7 million tonnes per annum (Mtpa) ore processing plant located beside the current 2.3Mtpa Chatree processing plant. This will result in a combined total ore processing capacity over 5Mtpa with a potential gold production rate of over 200,000 ounces per year.

During the quarter, significant progress continued in all areas despite heavy rain at the end of the wet season. Welding was completed on the Leach and CIP tanks and the Ball and SAG mills were assembled and are in place. Civil works for the crusher and reclaim are well progressed.

Practical completion and the first gold pour are expected in the September quarter 2011.

Construction of the new conference and visitor centre at Chatree was completed during the quarter.



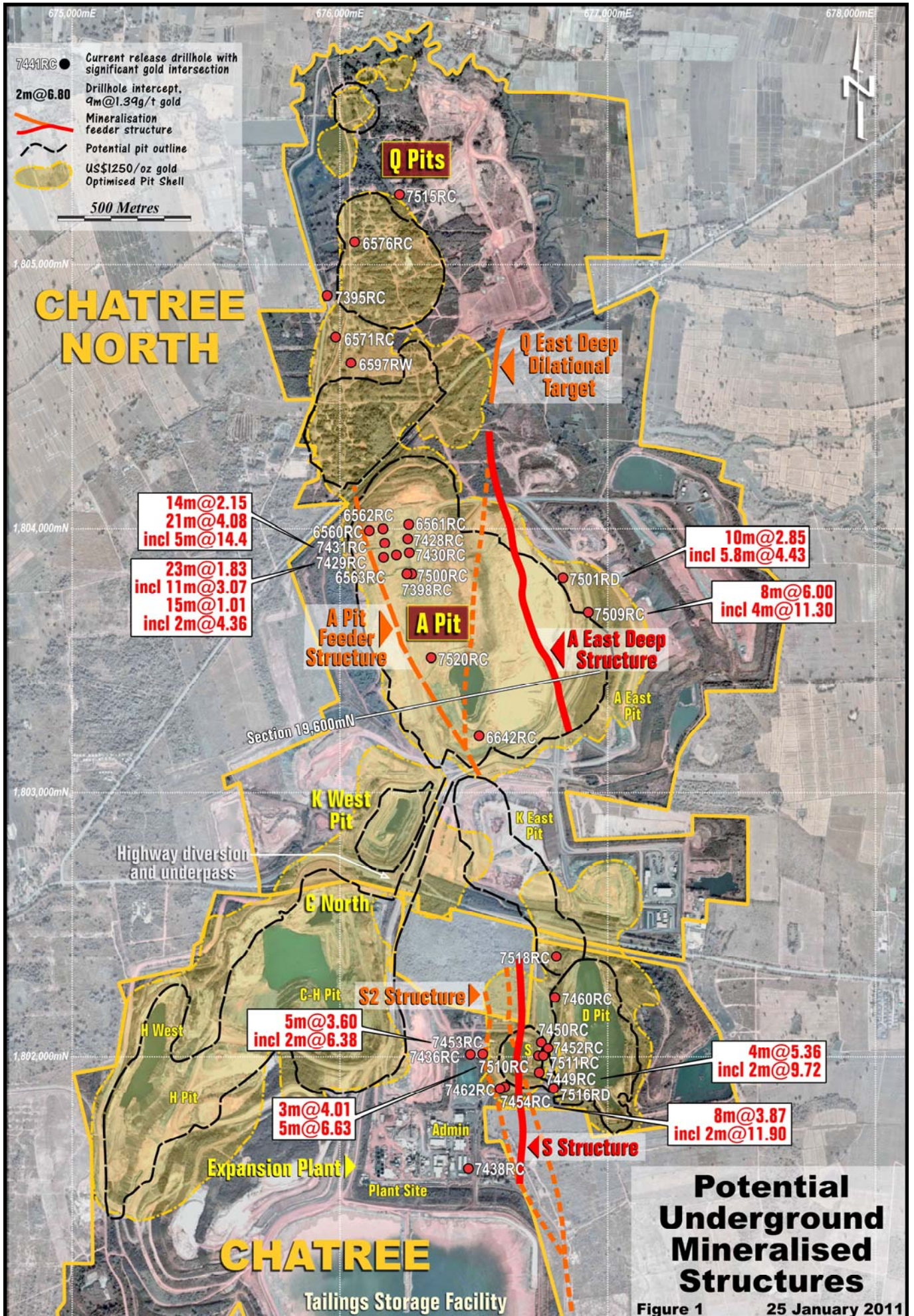


Figure 1 25 January 2011



# EXPLORATION - CHATREE

## Resource Development Drilling

Resource Development drilling in the December Quarter focused on A, Q and S prospects with the main aim of increasing resources and to more fully understand the open pit potential of the mine. Additional drilling to target deeper high grade structures, particularly at A East and S Pit areas, continues to advance the underground mining potential with good continuous high-grade mineralisation now intersected over considerable strike lengths. During the quarter a new S-lode (S2) was discovered to the west of S-Pit. Mineralisation is still open in several directions. Work in both these areas is ongoing with the results summarized below.

### A Pit

Drilling in the A pit was designed to target potential structures between A Hill and A Central and beneath the A Central zone (Figure 1). Drilling along the A East structure was also carried out this quarter.

Alteration studies combining pit mapping, drill logging and spectral data is underway for the A East and A Hill areas.

The most significant results in A Hill/Central included:

- 14m @ 2.15g/t gold from 18m,
- 21m @ 4.08g/t gold from 43m,
- including 5m @ 14.4g/t gold from 45m in drillhole 7431RC;
- 23m @ 1.83g/t gold from 0m,
- including 11m @ 3.07g/t gold from 5m;
- 15m @ 1.01g/t gold from 166m,
- 2m @ 4.36g/t gold from 193m in drillhole 7429RC.

The most significant results in the A East are:

- 10m @ 2.85g/t gold from 250m,
- including 5.85m @ 4.43g/t gold from 250m in drillhole 7501RD;
- 8m @ 6g/t gold from 295m,
- including 4m @ 11.3g/t gold from 299m in drill hole 7509RC.

Mineralisation at A-Deeps lies within three main zones named A-Central, A-East and A-East 2 (Figure 2). The main mineralisation within these zones appears to be hosted where the main N-S structures intersect the preferred sedimentary host unit.

Mineralisation within each of these structures is:

#### A-Central:

+1,200 metres N-S with a vertical extent of +250 metres. Open in places to depth and along strike to the north.

#### A-East:

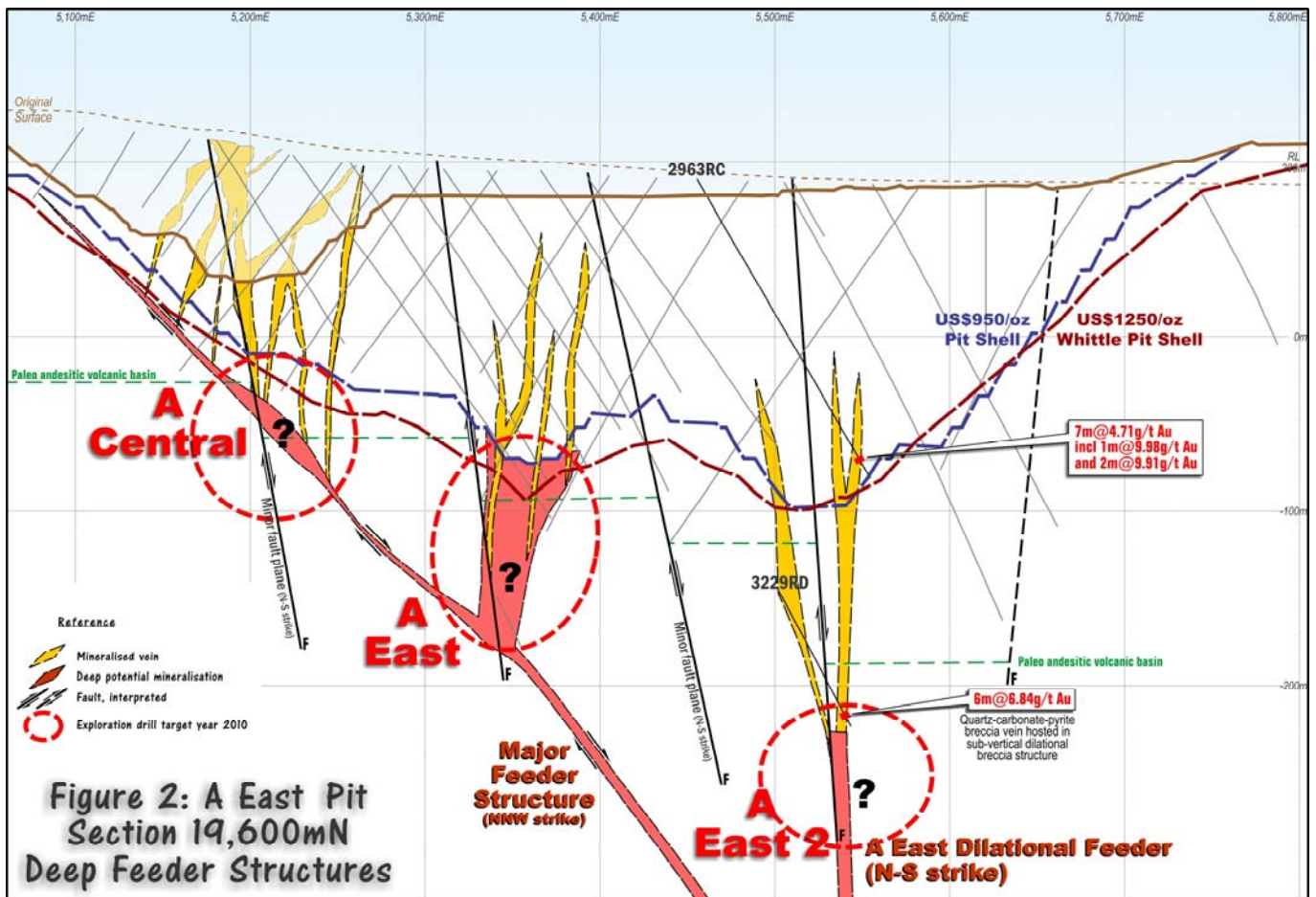
+600 metres N-S with a vertical extent of +200 metres. Open to depth and along strike to the north

#### A-East 2:

+500 metres N-S with a vertical extent of +150 metres. Open to depth and along strike to the north.

For each mineralised zone the preferred sedimentary host unit dips gently to the east-northeast and remains to be tested by deep drilling.

A program will be planned to test these targets in the next quarter.



## EXPLORATION - CHATREE (continued)

A PROSPECT HIGHLIGHT DRILL RESULTS				
Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
6560RC	32.00 <b>32.00</b>	51.00 <b>36.00</b>	19.00 <b>4.00</b>	1.80 <b>6.04</b>
6561RC	179.00	181.00	2.00	12.10
6562RC	66.00	74.00	8.00	3.21
Incl.	<b>66.00</b>	<b>69.00</b>	<b>3.00</b>	<b>7.53</b>
	96.00	101.00	5.00	2.04
	145.00	147.00	2.00	6.70
	170.00	177.00	7.00	1.58
7429RC	0.00	23.00	23.00	1.83
Incl.	<b>5.00</b>	<b>16.00</b>	<b>11.00</b>	<b>3.07</b>
	166.00	181.00	15.00	1.01
	193.00	195.00	2.00	4.36
7431RC	18.00	32.00	14.00	2.15
	43.00	64.00	21.00	4.08
Incl.	<b>45.00</b>	<b>50.00</b>	<b>5.00</b>	<b>14.40</b>
	117.00	125.00	8.00	2.86
	151.00	167.00	16.00	2.05
7501RD	250.00	260.00	10.00	2.85
Incl.	<b>250.00</b>	<b>255.85</b>	<b>5.85</b>	<b>4.43</b>
7509RC	295.00	303.00	8.00	6.00
Incl.	<b>299.00</b>	<b>303.00</b>	<b>4.00</b>	<b>11.30</b>

\* Intersections may not be true width. RD=Reverse Circulation drillhole with diamond tail.

### S Pit

At S Pit, follow-up drilling has confirmed and extended previously reported high grade gold zones below the pit. Drill holes 7510RC and 7511RC have confirmed that S Main Lode continues a further 100 metres below the current pit floor (see section 1715mN). The best gold intersections are:

**3m @ 4.01g/t gold** from 117m in drillhole 7510RC,

**5m @ 6.63g/t gold** from 156m in drillhole 7511RC.

Drill hole 7453RC has extended the depth of the new S2 Structure, located to the west of S Pit, by over 100 metres giving a total depth below surface of 200-250 metres. The best gold intersection is:

**5m @ 3.60g/t gold** from 243m,  
including **2m @ 6.38g/t gold** from 245m.

Further drilling at S Pit has continued to confirm mineralisation along strike with the best gold intersections:

**4m @ 5.36g/t gold** from 104m,  
including **2m @ 9.72g/t gold** from 105m in drillhole 7449RC;

**8m @ 3.87g/t gold** from 50m,  
including **2m @ 11.9g/t gold** from 52m in drillhole 7454RC.

The main S-structure has been confirmed along a N-S strike length of 700 metres and extends for over 220 metres below the surface. It consists of a narrow sub-vertical high-grade mineralised zone with relatively sharp boundaries with the surrounding altered host rock and is open to depth..

The newly discovered S2 Structure is located 200m west of the main S mineralised structure and is also within a narrow structure with possible strike length of approximately 400 metres. Holes 7436RC and 7438RC intersected this structure.

Further work is planned to test the potential of both of these zones.

S PIT HIGHLIGHT DRILL RESULTS				
Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
7436RC	21.00	31.00	10.00	5.99
Incl.	<b>21.00</b>	<b>23.00</b>	<b>2.00</b>	<b>19.20</b>
Incl.	<b>26.00</b>	<b>27.00</b>	<b>1.00</b>	<b>17.10</b>
	125.00	126.00	1.00	8.00
7438RC	61.00	62.00	1.00	10.90
7449RC	104.00	108.00	4.00	5.36
Incl.	<b>105.00</b>	<b>107.00</b>	<b>2.00</b>	<b>9.72</b>
7450RC	158.00	165.00	7.00	2.63
Incl.	<b>162.00</b>	<b>164.00</b>	<b>2.00</b>	<b>4.92</b>
7452RC	284.00	288.00	4.00	4.42
Incl.	<b>284.00</b>	<b>286.00</b>	<b>2.00</b>	<b>8.02</b>
7453RC	243.00	248.00	5.00	3.60
Incl.	<b>245.00</b>	<b>247.00</b>	<b>2.00</b>	<b>6.38</b>
7454RC	50.00	58.00	8.00	3.87
Incl.	<b>52.00</b>	<b>54.00</b>	<b>2.00</b>	<b>11.90</b>
7511RC	156.00	161.00	5.00	6.63
Incl.	<b>157.00</b>	<b>161.00</b>	<b>4.00</b>	<b>8.11</b>

\* Intersections may not be true width. RD=Reverse Circulation drillhole with diamond tail.

### Potential Underground Targets

The latest deep drilling on S-Pit and A-East has continued to advance potential underground targets. Both zones have reasonable grades, considerable strike lengths and are open in all directions. The A-Pit mineralisation has great potential to depth and down-dip to the north within the preferred sedimentary host unit. More drilling is planned to test these targets as suitable for underground mining.

### Proposed Q-Pit Area

Drilling in Q Prospect this quarter was focused on drilling gaps in the Q Central design pit area and drilling out the proposed waste dump area.

The most significant results in Q Prospect included in the table below:

Q PROSPECT HIGHLIGHT DRILL RESULTS				
Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
6571RC	98.00	108.00	10.00	1.15
6576RC	101.00	107.00	6.00	2.24
6597RW	99.00	123.00	24.00	0.92
7395RCext	111.00	120.00	9.00	1.07
7515RC	109.00	113.00	4.00	2.77

\* Intersections may not be true width. RD=Reverse Circulation drillhole with diamond tail.

## EXPLORATION - NEAR MINE & AUSTRALIA

### EXPLORATION – NEAR MINE

A focus of the near-mine exploration effort has been to identify potential satellite open pit deposits, which could provide future supplementary ore feed to the Chatree operation. Such ore feed is being sought within a 10km radius of Chatree, which is considered an economic trucking distance for ore of similar grade as Chatree.

During the current quarter, a review of the Suwan District was completed and a plan is now in place to fully assess the potential of this district.

Exploration is on hold in the Chokdee District, awaiting further permitting. Several drillable targets have been generated from recent data review, including re-logged EOH Air-Core chips, alteration analysis and re-processing geophysical data.

### REGIONAL EXPLORATION – AUSTRALIA

#### Queensland

No exploration activities were undertaken on the Company's tenements during the quarter.

## CORPORATE

### BUSINESS DEVELOPMENT

On 20 October 2011, Kingsgate and Dominion Mining Ltd announced an agreed transaction for Kingsgate to acquire all of the shares in Dominion via a Scheme of Arrangement. Consideration for the transaction will be Kingsgate shares, with Dominion shareholders to receive 0.31 Kingsgate shares for each Dominion share they own.

Dominion Directors unanimously recommend, in the absence of a superior proposal, that Dominion Shareholders vote in favour of the Scheme. An Independent Expert has concluded that the Share Scheme, in the absence of a superior proposal, is in the best interest of Dominion Shareholders.

The Dominion Share Scheme Meeting is to be held at 10.00am (Sydney time) on Wednesday, 2 February 2011 at the Metcalfe Auditorium, State Library of NSW, Macquarie Street, Sydney, New South Wales.

On 25 October 2011, an off-market takeover for Laguna Resources NL was announced. The bid has progressed with control of Laguna passing to Kingsgate during the quarter. Kingsgate Managing Director and CEO, Gavin Thomas, was appointed Chairman of Laguna. Current acceptances are over 66% and the unconditional bid closes on 1 February 2011, unless extended.

### FINANCE

At the end of December, Kingsgate had net debt of A\$7.4 million with total cash in bank and bullion on hand of A\$22.6 million with A\$30 million drawn on the A\$60 million standby debt facility with Investec to fund the expansion. In December 2010, an Information Memorandum for a medium term facility of US\$125 million was distributed to a number of Thai and international banks. The facility includes an amortising US\$100 million tranche to fund the Chatree North plant expansion and a revolving US\$25 million tranche for working capital.

Non-binding expressions of interest were received in mid-January from six Thai and international banks for in-excess of

US\$250 million. It is expected that the funding will be completed mid-March.

The low production for the December 2010 half year will be reflected in the profit for that period in comparison to an expected stronger second half result. Although profit is expected to be slightly ahead of budget at the Chatree Mine for the December 2010 half year, the consolidated Kingsgate profit for that period will be unfavourably impacted by unrealised non-cash exchange rate losses on the intercompany loans due to the stronger AUD/BHT foreign exchange rate as well as the write-off of the costs associated with the Dominion and Laguna transactions as outlined in the Scheme Book. As yet unaudited, the one-off adverse impact on December 2010 half year profit is expected to be in the order of A\$13 million.

### GOLD SALES

Kingsgate is an unhedged gold producer. The average cash price received by Kingsgate for gold sales in the quarter was US\$1,368/ounce, slightly higher than the previous quarter of US\$1,225/ounce. With low cash costs, the current gold price is generating a very strong cash margin.

SUMMARY SALES - GOLD & SILVER				
Category	Units	Dec 2010 Quarter	Sep 2010 Quarter	Dec 2009 Quarter
Average Cash Price Received (on gold production)	US\$/oz	1,368	1,225	1,091
<b>Gold sold</b>	<b>ounces</b>	<b>22,713</b>	<b>20,902</b>	<b>40,221</b>
Silver sold	ounces	148,682	125,861	140,577
Revenue from Metal Production	US\$M	35.1	28.0	46.3



## APPENDIX A: SIGNIFICANT INTERSECTIONS

Hole No.	Easting Local Grid	Northing Local Grid	Azimuth Local Grid	Dip (°)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
<b>A PROSPECT DRILL RESULTS (INTERCEPTS WITH AU ASSAYS GENERALLY &gt;10GRAM.METRES)</b>									
6560RC	4955	20311	270	-55	55.00 incl.	32.00 <b>32.00</b>	51.00 <b>36.00</b>	19.00 <b>4.00</b>	1.80 <b>6.04</b>
6561RC	5104	20306	90	-60	280.00	179.00	181.00	2.00	12.10
6562RC	5003	20306	90	-60	300.00 incl.	66.00 <b>66.00</b>	74.00 <b>69.00</b>	8.00 <b>3.00</b>	3.21 <b>7.53</b>
						96.00	101.00	5.00	2.04
						145.00	147.00	2.00	6.70
						170.00	177.00	7.00	1.58
6563RC	5038	20201	90	-55	303.00	20.00	40.00	20.00	1.19
						63.00	74.00	11.00	1.79
6642RC	5211	19477	90	-55	230.00	155.00	166.00	11.00	1.14
7398RC	5066	20126	90	-55	33.00	0.00	25.00	25.00	1.02
7428RC	5088	20261	90	-55	300.00	11.00	31.00	20.00	1.14
7429RC	4988	20202	90	-60	300.00 incl.	0.00 <b>5.00</b>	23.00 <b>16.00</b>	23.00 <b>11.00</b>	1.83 <b>3.07</b>
						166.00	181.00	15.00	1.01
						193.00	195.00	2.00	4.36
7430RC	5100	20200	90	-60	291.00	100.00	115.00	15.00	0.72
7431RC	4998	20262	90	-60	300.00 incl.	18.00 <b>45.00</b>	32.00 <b>50.00</b>	14.00 <b>5.00</b>	2.15 <b>14.40</b>
						43.00	64.00	21.00	4.08
						117.00	125.00	8.00	2.86
						151.00	167.00	16.00	2.05
						174.00	186.00	12.00	0.83
7500RC	5075	20122	90	-60	342.00 incl.	0.00 <b>70.00</b>	10.00 <b>72.00</b>	10.00 <b>2.00</b>	1.30 <b>4.31</b>
						61.00	75.00	14.00	1.18
<i>7501RD</i>	<i>5635</i>	<i>20000</i>	<i>270</i>	<i>-55</i>	<i>250.00</i> <i>incl.</i>	<i>250.00</i> <b><i>250.00</i></b>	<i>260.00</i> <b><i>255.85</i></b>	<i>10.00</i> <b><i>5.85</i></b>	<i>2.85</i> <b><i>4.43</i></b>
<i>7509RC</i>	<i>5701</i>	<i>19849</i>	<i>279</i>	<i>-55</i>	<i>370.00</i> <i>incl.</i>	<i>295.00</i> <b><i>299.00</i></b>	<i>303.00</i> <b><i>303.00</i></b>	<i>8.00</i> <b><i>4.00</i></b>	<i>6.00</i> <b><i>11.30</i></b>
7520RC	5090	19800	90	-55	350.00	36.00	39.00	3.00	6.00
						157.00	159.00	2.00	4.35
						322.00	327.00	5.00	1.75
						348.00	350.00	2.00	4.41
<b>Q PROSPECT DRILL RESULTS (INTERCEPTS WITH AU ASSAYS GENERALLY &gt;10GRAM.METRES)</b>									
6571RC	6315	4430	90	-55	150.00	98.00	108.00	10.00	1.15
6576RC	6386	4780	90	-55	135.00	101.00	107.00	6.00	2.24
6597RW	6370	4330	0	-90	150.00	99.00	123.00	24.00	0.92
7395RCext	6287	4581	90	-68	195.00	111.00	120.00	9.00	1.07
7515RC	6552	4956	90	-70	150.00	109.00	113.00	4.00	2.77
<b>S PROSPECT DRILL RESULTS (INTERCEPTS WITH AU ASSAYS GENERALLY &gt;10GRAM.METRES)</b>									
<i>7436RC</i>	<i>6813</i>	<i>1720</i>	<i>270</i>	<i>-55</i>	<i>201.00</i> <i>incl.</i> <i>incl.</i>	<i>21.00</i> <b><i>21.00</i></b> <b><i>26.00</i></b>	<i>31.00</i> <b><i>23.00</i></b> <b><i>27.00</i></b>	<i>10.00</i> <b><i>2.00</i></b> <b><i>1.00</i></b>	<i>5.99</i> <b><i>19.20</i></b> <b><i>17.10</i></b>
						125.00	126.00	1.00	8.00
<i>7438RC</i>	<i>6809</i>	<i>1290</i>	<i>270</i>	<i>-55</i>	<i>210.00</i>	<i>61.00</i>	<i>62.00</i>	<i>1.00</i>	<i>10.90</i>
<i>7449RC</i>	<i>7078</i>	<i>1653</i>	<i>260</i>	<i>-52</i>	<i>145.00</i> <i>incl.</i>	<i>104.00</i> <b><i>105.00</i></b>	<i>108.00</i> <b><i>107.00</i></b>	<i>4.00</i> <b><i>2.00</i></b>	<i>5.36</i> <b><i>9.72</i></b>
<i>7450RC</i>	<i>7089</i>	<i>1765</i>	<i>270</i>	<i>-57</i>	<i>200.00</i> <i>incl.</i>	<i>158.00</i> <b><i>162.00</i></b>	<i>165.00</i> <b><i>164.00</i></b>	<i>7.00</i> <b><i>2.00</i></b>	<i>2.63</i> <b><i>4.92</i></b>
<i>7452RC</i>	<i>7116</i>	<i>1740</i>	<i>270</i>	<i>-62</i>	<i>321.00</i> <i>incl.</i>	<i>284.00</i> <b><i>284.00</i></b>	<i>288.00</i> <b><i>286.00</i></b>	<i>4.00</i> <b><i>2.00</i></b>	<i>4.42</i> <b><i>8.02</i></b>
<i>7453RC</i>	<i>6867</i>	<i>1714</i>	<i>270</i>	<i>-55</i>	<i>320.00</i> <i>incl.</i>	<i>243.00</i> <b><i>245.00</i></b>	<i>248.00</i> <b><i>247.00</i></b>	<i>5.00</i> <b><i>2.00</i></b>	<i>3.60</i> <b><i>6.38</i></b>
<i>7454RC</i>	<i>6943</i>	<i>1597</i>	<i>75</i>	<i>-63</i>	<i>225.00</i> <i>incl.</i>	<i>50.00</i> <b><i>52.00</i></b>	<i>58.00</i> <b><i>54.00</i></b>	<i>8.00</i> <b><i>2.00</i></b>	<i>3.87</i> <b><i>11.90</i></b>
7460RC	7135	1940	270	-62	350.00	194.00	201.00	7.00	1.21
7462RC	6932	1591	128	-55	141.00	100.00	110.00	10.00	1.58
<i>7510RC</i>	<i>7078</i>	<i>1715</i>	<i>270</i>	<i>-50</i>	<i>190.00</i>	<i>117.00</i>	<i>120.00</i>	<i>3.00</i>	<i>4.01</i>
<i>7511RC</i>	<i>7099</i>	<i>1716</i>	<i>270</i>	<i>-55</i>	<i>260.00</i> incl.	<i>156.00</i> <b><i>157.00</i></b>	<i>161.00</i> <b><i>161.00</i></b>	<i>5.00</i> <b><i>4.00</i></b>	<i>6.63</i> <b><i>8.11</i></b>
<b>D PROSPECT DRILL RESULTS - (INTERCEPTS WITH AU ASSAYS GENERALLY &gt;10GRAM.METRES)</b>									
7516RD	7135	1594	60	-53	440.50	15.00	18.00	3.00	3.37
7518RC	7142	2090	25	-53	255.00	4.00	8.00	4.00	2.58

\*Intersections may not be true width. RD = Reverse Circulation drillhole with diamond tail. Italics indicate previously released data.

# KINGSGATE CONSOLIDATED LIMITED

## BOARD OF DIRECTORS

**Ross Smyth-Kirk**  
Chairman

**Gavin Thomas**  
Managing Director and Chief Executive Officer

**Craig Carracher**  
Non-Executive Director

**Peter McAleer**  
Non-Executive Director

## COMPANY SECRETARY

**Peter Warren**

## SENIOR MANAGEMENT TEAM

**Peter Warren**  
Chief Financial Officer

**Joel Forwood**  
Investor Relations Manager

**Phil MacIntyre**  
Chief Operating Officer & General Manager,  
Akara Mining Limited

**Ron James**  
General Manager, Exploration & Resources Development

**Pakorn Sukhum**  
Chief Executive Officer, Akara Mining Limited

## REGISTERED OFFICE

**Kingsgate Consolidated Limited**  
Suite 801, Level 8, 14 Martin Place  
Sydney NSW 2000, Australia  
Phone: (61 2) 8256 4800  
Facsimile: (61 2) 8256 4810  
Email: [info@kingsgate.com.au](mailto:info@kingsgate.com.au)  
Website: [www.kingsgate.com.au](http://www.kingsgate.com.au)

## ISSUED SHARE CAPITAL

Kingsgate had 102,286,251 ordinary shares on issue and 1,685,116 unlisted options.

## COMPETENT PERSONS STATEMENT

Information in this report relates to Exploration Results, Mineral Resource and Ore Reserve estimates based on information compiled by the following Competent Persons: Ron James, Genesio Circosta, Fiona Davidson, Mike Garman, Guy Davies and Suphanit Suphananthi who are employees of the Kingsgate Group and members of The Australasian Institute of Mining and Metallurgy, and Rob Spiers who is an employee of Hellman & Schofield Pty Ltd and 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, 2004 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.

## QUARTERLY SHARE PRICE ACTIVITY

QUARTER	HIGH	LOW	LAST
September 2005	\$3.75	\$3.08	\$3.72
December 2005	\$4.67	\$3.55	\$4.60
March 2006	\$6.45	\$4.55	\$6.44
June 2006	\$6.80	\$3.74	\$5.14
September 2006	\$5.39	\$4.15	\$4.59
December 2006	\$4.65	\$3.65	\$4.20
March 2007	\$4.94	\$3.47	\$4.75
June 2007	\$6.06	\$4.57	\$5.55
September 2007	\$5.70	\$4.06	\$5.37
December 2007	\$5.74	\$3.87	\$4.65
March 2008	\$5.41	\$3.34	\$4.40
June 2008	\$5.69	\$3.69	\$5.23
September 2008	\$6.30	\$3.78	\$4.64
December 2008	\$4.85	\$2.20	\$3.54
March 2009	\$5.38	\$3.20	\$5.22
June 2009	\$7.11	\$4.93	\$6.70
September 2009	\$8.39	\$6.26	\$8.14
December 2009	\$10.30	\$7.30	\$9.21
March 2010	\$10.00	\$8.30	\$8.51
June 2010	\$10.86	\$8.14	\$9.47
September 2010	\$12.22	\$9.18	\$11.60
December 2010	\$12.30	\$9.82	\$12.15

## SHARE REGISTRY

### Security Transfer Registrars Pty Ltd

770 Canning Highway, Applecross, WA 6153 Australia.  
PO Box 535, Applecross, WA 6953 Australia.  
Phone: (61 8) 9315 2333. Facsimile: (61 8) 9315 2233.  
Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)  
*Please direct all shareholding enquiries to the share registry.*

## EXCHANGE LISTING

ASX:KCN; OTC:KSKGY (ADR)



Grinding Plant and Elution Tanks under construction