



Kingsgate
Consolidated
Limited

QUARTERLY REPORT

for the three months ended
30 June 2011

PRODUCTION HIGHLIGHTS

Gold Produced

30 Jun 2011	36,877 oz
31 Mar 2011	32,973 oz
30 Jun 2010	30,456 oz

Total Cash Costs (incl. Royalty)

30 Jun 2011	US\$850/oz
31 Mar 2011	US\$634/oz
30 Jun 2010	US\$345/oz

Average Gold Price Received

30 Jun 2011	US\$1,516/oz
31 Mar 2011	US\$1,349/oz
30 Jun 2010	US\$1,196/oz

SECURITIES

As at 30 June 2011

Ordinary shares	135,274,823
Unlisted options	1,589,536

KEY POINTS

- ◆ Group quarterly gold production of 36,877 ounces (Chatree 16,180 ounces and Challenger 20,697 ounces).
- ◆ Total cash costs of US\$583/oz at Chatree and US\$1,059/oz at Challenger (incl. royalties).
- ◆ Chatree North Plant expansion on schedule and near 5% under budget.
- ◆ Strong positive gold reconciliation of 124% from lower levels of the Challenger M2 Shoot system.
- ◆ Deeper drilling at Challenger confirmed the ore shoot system offset and included an intersection of 9.6m @ 17.1g/t with visible gold.
- ◆ Arqueros resource drilling completed and feasibility study commenced.
- ◆ Acquisition of Esperanza and Chimberos leases significantly enhances the Arqueros Project.
- ◆ Forecast gold production for the year to 30 June 2012 of 240,000 to 260,000 ounces.



Resource drilling at Arqueros, Chile

OPERATING SUMMARY

Operation	March Quarter 2011		June Quarter 2011		Year To Date 2011	
	Production (ounces)	Total Cash Costs (US\$/ounce)	Production (ounces)	Total Cash Costs (US\$/ounce)	Production (ounces)	Total Cash Costs (US\$/ounce)
Chatree	16,784	425	16,180	583	76,248	479
Challenger (attributable)	16,189*	852*	20,697	1,059	36,886	968
Total	32,973	634	32,877	850	113,134	639

* includes only February and March as attributable to Kingsgate.

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Gavin Thomas
Gavin Thomas, MD & CEO

29 July 2011



Visible gold in drillcore (NQ core size, 47.6mm diameter) from Challenger gold mine, South Australia

21/06/2011

OVERVIEW

Kingsgate achieved total production of 36,877 ounces in the June quarter, an increase of 12% over the March quarter that included two months contribution from Challenger. Production was impacted by delays in obtaining approvals to mine higher grade ore at Chatree in Thailand and by stope dilution and residual weather related effects at Challenger in South Australia.

Group operating cash costs in the June quarter were US\$850/oz due to the lower production at Chatree and cost pressures at Challenger.

Gold sales in the quarter were 38,135 ounces at US\$1,516/oz maintaining a healthy cash margin.

Annual group gold production was 113,134 ounces (Chatree 76,248 ounces and Challenger 36,886). Gold sales for the year were 114,380 ounces at an average gold price of US\$1,386/oz.

THAILAND

Chatree Gold Mine

Chatree gold production of 16,180 ounces of gold in the June quarter was down 4% compared to the March quarter. Gold grade was lower than expected at 1.0g/t as mining continued to be restricted to lower grade areas of A Hill, while awaiting approvals to access C North and the impact of the operating noise curfew that remained in place during the quarter. Mill throughput was supplemented by lower grade ore from stockpiles.

Approval to access the high grade C North deposit was obtained and mining of the overburden commenced late in the quarter. Mining of the higher grade ore is not expected until late in the September quarter, once overburden has been removed, and will have a significant positive impact on production in the December 2011 and March 2012 quarters.

Costs were also under pressure with total cash costs up 37% on the March quarter at US\$583/ounce (including Thai royalties). Underlying costs reflect the grade of ore processed and the lower recoveries but are expected to improve as higher grade is processed later in the year.

Plant Expansion

The Chatree North Expansion Project construction is on schedule and is under budget. The current estimate has the EPCM contract with Ausenco coming in around 5% under the original US\$100 million budget. This is a remarkable achievement considering it has been constructed during one of the heaviest wet seasons in many decades in Thailand and in the high pressure current resource construction environment. This is a testament to the strong working relationship between Kingsgate and our EPCM contractor Ausenco. Practical completion and first gold are still expected in the September quarter 2011, subject to final regulatory approvals.

AUSTRALIA

Challenger Gold Mine, South Australia

Gold production for the quarter at Challenger of 20,697 ounces was the result of dilution caused by pillar failure in several stopes impacting both grade and production rates. Grade to the mill was 3.97g/t reflecting both the dilution and the effect of low grade stockpile material that supplemented reduced mine ore feed. A review of stope design and blasting patterns is being undertaken to address the pillar failures.

Mining through the 79 Fault structure on the 280 level was achieved without undue difficulty. Drilling from the exploration drive on this level continued to delineate main lode structures for resource conversion at the base of the mine. Drilling of the Challenger West lode from the 800mRL level returned a number of high grade intersections including 2.16m @ 109.83g/t and 0.89m @ 32.84g/t gold. Both areas will remain the focus of drilling in the next few months.

Mining has yet to be completed in the lowest 3 levels of the Challenger mine (400, 380 and 360mRL) but reconciliation so far is showing that the M2 shoot is already producing over 24% more ounces of gold than its ore reserves. This data will be incorporated into an update of minelife ore reserves next month.

Mining constraints during the last six months has required all waste rock to be hauled to the surface. Scheduling of development advance has re-introduced back-filling of stopes near working areas in the lower sections of the mine which will result in significant savings and increased supply of higher grade ore to the treatment plant.

Cash operating costs for the quarter of US\$1,059/oz (including royalties) were up 24% from the March quarter, reflecting lower production, mining dilution and the restricted ore haulage effects.

CHILE

Acquisition during the quarter of the Esperanza and Chimberos Mining leases has significantly enhanced the Arqueros Project. The acquired leases surround Arqueros and allows consolidation into one project integrating geology, infrastructure and surface rights. It expands the Arqueros resource base with the addition of over 20 million ounces of silver equivalent (~340,000 ounces of gold equivalent). The resource at Teterita and surface infrastructure, including an 80 man camp and workshop, will facilitate an earlier start-up of the project.

Resource definition drilling was completed at Arqueros and the feasibility study commenced and was advancing well by the end of the quarter. Access to water was secured following the signing of a water supply agreement.

CORPORATE

During the quarter, Kingsgate secured a US\$100 million (baht denominated) syndicated loan facility completing its funding requirements for the expansion of its Chatree Mine. In addition, Kingsgate replaced an existing A\$60 million standby facility with a US\$50 million revolving credit facility with Investec.

At the end of June, Kingsgate had total cash in bank and bullion on hand of A\$33 million. The Thai debt facility was drawn to US\$83 million and the Kingsgate facility was drawn to A\$15 million.

Management Restructure

Kingsgate conducted a review of the finance and company secretarial functions following the notification from Mr Peter Warren, Chief Financial Officer and Company Secretary, to the Board of his intention to retire at the end of August 2011. Following the review, the functions are to be restructured and former Finance Director and Company Secretary of Dominion, Mr Ross Coyle, has been appointed as General Manager Finance and Administration and will become Kingsgate Company Secretary from 1 September 2011.

After an extensive executive search, an internal candidate, Mr Duane Woodbury, General Manager Strategic Development, has been appointed to succeed Mr Warren as Chief Financial Officer of Kingsgate. In his new role, Mr Woodbury will continue to be responsible for business development. As part of the transition, Mr Warren is to be retained in a corporate advisory capacity.

Mr Woodbury has a BEc (Hons) Degree and has worked in various financial, accounting and advisory roles in a number of locations, including London, New York and Singapore, during his career. He has been assisting Kingsgate in its business development initiatives since August 2007 and brings over 18 years of experience in financial markets and corporate finance transactions, principally with the Macquarie Group.

OUTLOOK

Forecast full year total gold production to 30 June 2012 is expected to be in the range of 240,000 to 260,000 ounces. This includes 145,000 to 155,000 ounces from Chatree, due to the higher grade ore from the C North deposit and the ramp-up of the Chatree North Plant expansion, and between 95,000 to 105,000 ounces from Challenger.

OPERATIONAL PERFORMANCE

Chatree Mine	Units	Year to Date FY2011	June 2011 Quarter	March 2011 Quarter	Dec 2010 Quarter	Sep 2010 Quarter
Waste Mined	bcm	6,128,347	1,261,692	1,410,531	1,698,390	1,757,734
Ore Mined	bcm	2,352,427	575,853	457,619	606,063	712,892
Waste to Ore Ratio		2.6 : 1	2.2 : 1	3.1 : 1	2.8 : 1	2.5 : 1
Ore Mined	tonnes	5,301,052	1,388,606	1,111,193	1,329,766	1,471,487
Ore Treated	tonnes	2,532,926	591,623	646,587	648,771	645,945
Head Grade	Au g/t	1.1	1.0	1.0	1.2	1.2
	Ag g/t	15.7	15.3	16.0	18.2	13.2
Gold Recovery	%	87.2	85.4	86.3	88.1	89.0
Gold Poured	ounces	76,248	16,180	16,784	21,451	21,833
Silver Poured	ounces	549,699	119,815	145,307	151,167	133,410
Challenger Mine	Units	Year to Date FY2011	June 2011 Quarter	March 2011 Quarter	Dec 2010 Quarter	Sep 2010 Quarter
Ore Mined	tonnes	511,041	119,162	117,075	138,597	136,207
Ore Treated	tonnes	683,913	178,602	169,706	174,180	161,425
Head Grade	Au g/t	4.7	4.0	4.8	4.9	5.3
Gold Recovery	%	92.3	92.3	92.4	92.4	92.1
Gold Poured	ounces	96,645	20,697	24,851	25,195	25,902
Silver Poured	ounces	6,765	1,448	1,740	1,764	1,813
Challenger Mine (attributable to Kingsgate)						
Gold Poured	ounces	36,886	20,697	16,189	N/A	N/A
Silver Poured	ounces	2,581	1,448	1,133	N/A	N/A
Kingsgate Group Production						
Gold Poured	ounces	113,134	36,877	32,973	21,451	21,833
Silver Poured	ounces	552,280	121,263	146,440	151,167	133,410

CHATREE GOLD MINE

OPERATIONAL PERFORMANCE

During the quarter mining was restricted to lower grade areas of A Hill while waiting for approval to mine the higher grade areas in C North. Ore mined was 1,388,606 tonnes at a strip ratio of 2.2:1 (previous quarter 3.1:1). Mine production was low in the quarter due to heavy wet season rain and the effects of a night curfew to reduce noise effects on the local community. These issues resulted in a lack of flexibility to access alternative high grade and less disruptive areas. Mining of A Stage 2 continued to advance while access to higher grade areas was not available.

Mining commenced at C North late in the June quarter and it is expected that high grade ore will be accessed late in the September quarter once the unstable laterite and clay overburden layers have been removed. This higher grade ore is expected to positively impact production in the December 2011 and March 2012 quarters.

The process plant treated 591,623 tonnes of ore at an average plant head grade of 1.0g/t gold to produce 16,180 ounces of gold. Ore into the process plant was supplemented with marginal ore when higher grade ore was not available. Silver production was 119,815 ounces. Gold recovery of 85.4% was lower than the prior quarter of 86.3% due to continued difficulties with the ore type currently available and lack of mining flexibility. Recovery is expected to improve over the next three to six months.

Stockpiled ore at the close of the quarter was 8,446,785 tonnes at 0.69g/t containing 187,712 ounces gold.

SAFETY, ENVIRONMENT AND COMMUNITY

Chatree has now achieved 17.6 million hours worked (+8 years) since the last and only Lost Time Injury (LTI). This Lost Time Injury Frequency Record (LTIFR) of zero compares favourably to the Australian industry average LTIFR of 2.9 (Minerals Council of Australia June 2009) and to Canada's Ontario province industry average of 5 (June 2008 data).

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

Akara Mining entered the Aon Hewitt "Best Employer in Thailand 2011" competition with the intention of being benchmarked within all companies and industries in Thailand. Akara Mining came 2nd in Thailand ahead of PTT Chemicals and Unilever and only surpassed by AIS and thus has the distinction of being a "Best Employer in Thailand 2011".

CHATREE NORTH PLANT EXPANSION

The Chatree North Expansion Project construction is on schedule and is under budget. The current estimate has the EPCM contract with Ausenco coming in around 5% under the original US\$100 million budget. Construction is in the final phase with most contracts finalized and the major outstanding task being electrical and instrumentation work, a significant result given the excessive rainfall over the past 12 months in Thailand.

During the quarter, wet weather conditions had an impact on construction progress over the months of May and June with a loss of 10 days when critical works could not be progressed.

Alternatives to overcome the impact on the construction schedule were implemented and the Project remains on schedule.

It is noteworthy that the construction program has completed over 1.2 million man hours thus far without a Lost Time Incident.

The plant is being constructed as a separate 2.7 million tonnes per annum (Mtpa) ore processing plant located besides the current 2.3 Mtpa Chatree processing plant. This will result in a combined total ore processing capacity over 5 Mtpa with a potential gold production rate of over 200,000 ounces per year.

Mobilisation of the commissioning team commenced at the end of June with practical completion and the first gold pour expected in the September quarter 2011, subject to final regulatory approvals.

RESOURCE DRILLING

Resource Development drilling in the June quarter focused on A and S Pits.

Drilling in the A Pit area continued to target the A East structure along strike and at depth.

The most significant results in the A Pit area included:

23m @ 2.38g/t Au from 93m, including

8m @ 3.03g/t Au, and

1m @ 9.7g/t Au from 109m,

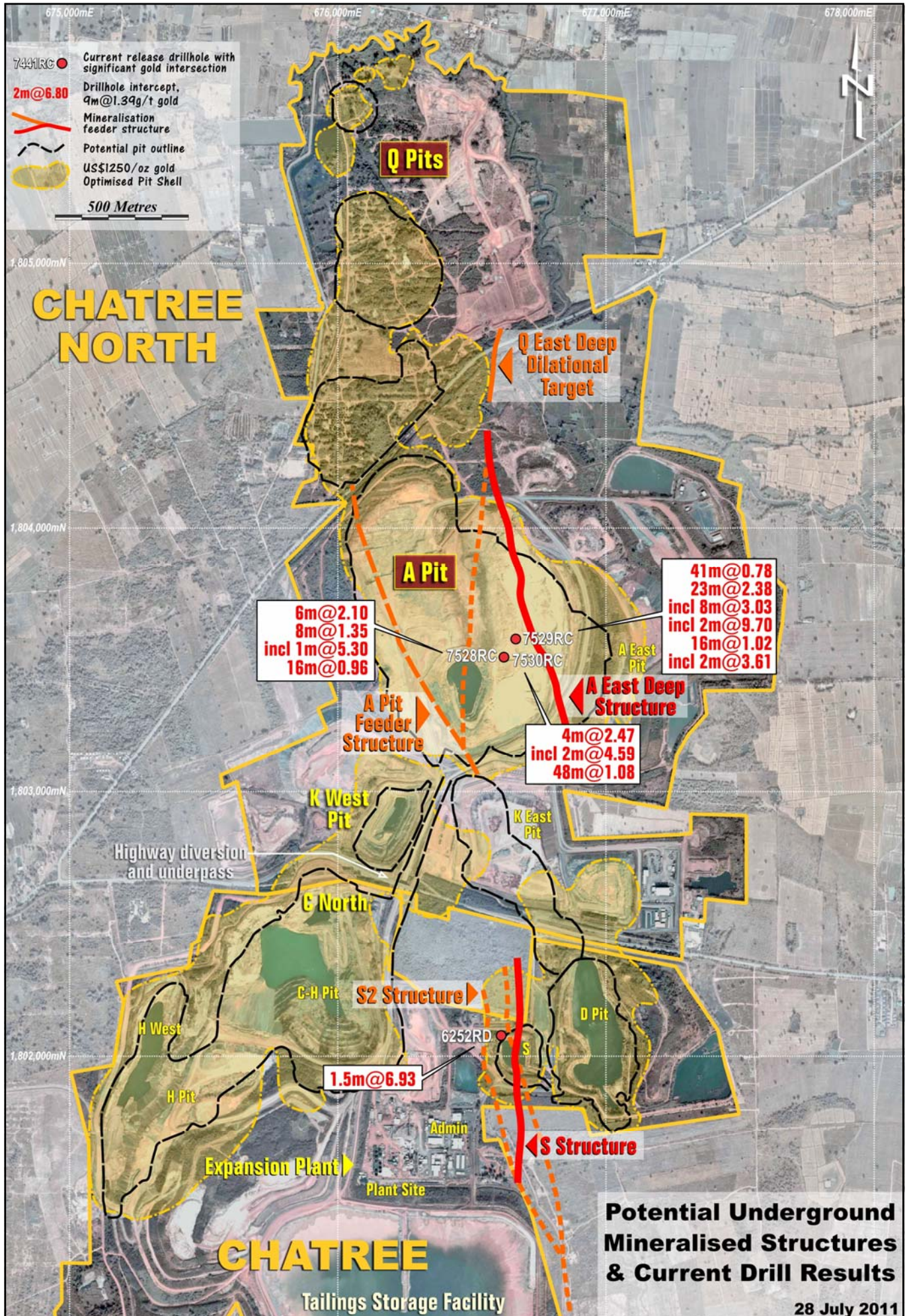
48m @ 1.08g/t Au from 47m in drillhole 7530RC.

Drilling around S Pit was designed to intersect the main S lode along strike. The drilling has continued to support the continuation of the strike length with the most significant result being:

1.5m @ 6.93g/t Au from 209m in drillhole 6252RD.



Resource drilling at Chatree, Thailand.



CHALLENGER GOLD MINE

Operations at Challenger during the quarter continued to suffer some residual effects from the heavy rains last quarter and were also impacted by low grades and production rates. Lower than expected ore mined of 119,162 tonnes and high process plant throughput of 178,602 tonnes resulted in the milling of additional low grade ore from stockpile. Production and grade were both affected by significant falloff inside several stopes, causing delays and reducing mined grades. As a result, grade for the quarter was lower than planned at 3.97g/t as a result of both stope dilution and the processing of low grade ore stockpiles. A review of stope design and blasting patterns is being undertaken to address the pillar failures. Mill recovery was consistent with recent quarters at 92.3%.

Development within M1, M2 and M3 shoots continued in the lower levels, mainly from the 340 down to the 280 level while most stope material was sourced from the 340 and 360 levels. Minor stoping and development progressed within the M2 and M3 shoots on the 460, 680 and 720 levels.

The Challenger process plant continued to perform well, processing above budget tonnes.

intersections have demonstrated excellent continuity of this narrow, high grade structure down to the 800RL. Further drilling is underway to intersect the structure between the 700 and 600 RLs.

The Challenger West drilling has also returned gold intersections of 1.55m @ 14.67g/t and 2.80m @ 5.60g/t in what is interpreted to be part of the adjacent M1FW Shoot.

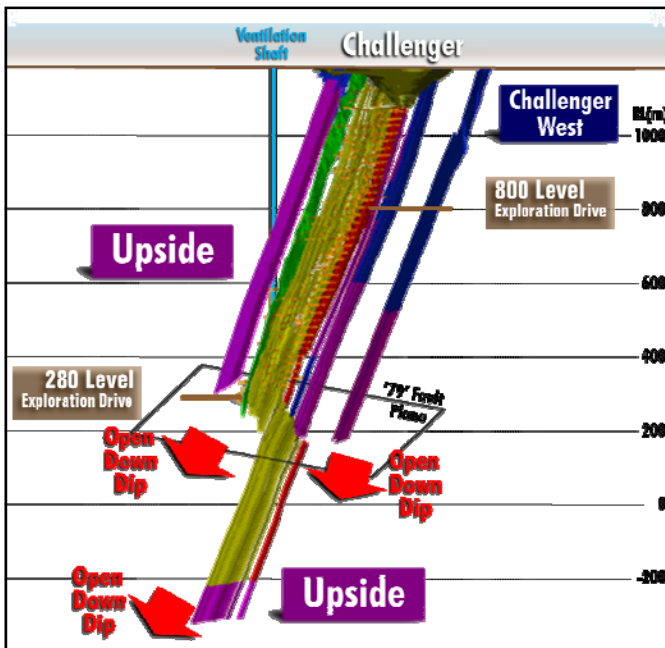
A single diamond drill hole from the 1040m RL has returned intersections of 1.00m @ 31.39g/t in the Shadow Zone (the highest level that this shoot has been intersected) and 2.00m @ 6.58g/t and 1.77m @ 6.32g/t in the Hanging Wall Shoot. This is an encouraging result from the initial drilling to test the depth continuity of this target shoot below its development within the upper levels of the open pit.

Diamond drilling from the 300m RL has returned intersections of 1.50m @ 58.43g/t and 0.72m @ 37.57g/t in the Aminus Shoot, adjacent to the M1 Shoot.

Safety, Environment and Community

One Lost Time Injury occurred during the quarter with a worker sustaining a strained knee underground. Injury prevention and safe work practices continue to be a major focus on site.

The repairs of the Challenger Access road to fix damage caused by heavy rains in the last quarter are almost complete, with local pastoralists pleased by the improvements.



Resource Drilling

Exploration development on the 280mRL exploration drive was completed through the '79' Fault during the quarter. Ground conditions in the fault zone were broken, but mining was successfully completed without significant difficulty, giving confidence in the outcome of future planned development through this major structure.

Drilling from this exploration drive to evaluate the continuity of the main shoot system below the 79 Fault has confirmed the offset position of the shoots as previously interpreted from surface drilling. Visible gold has been noted in a number of holes and several high grade intersections, including 9.58m @ 17.09g/t gold, have been returned.

Drilling from the 800RL exploration drive to test the Challenger West Shoot has also returned significant high grade intersections including 2.16m @ 109.83g/t gold, 0.89m @ 32.84g/t gold and 0.42m @ 129.91g/t gold. These



Drilling an underground face at the Challenger gold mine, SA.



Stamping the ID numbers into a recently poured Challenger gold bar.

EXPLORATION - AUSTRALIA

WESTERN AUSTRALIA

Exploration continued on the Calingiri, Kukerin and Blue Dam prospects and the Bryah Joint Venture in Western Australia.

At Calingiri, reconnaissance aircore drilling of the broader copper (Cu) system identified additional bedrock copper mineralisation within in areas where the surface geochemistry is considered ineffective. Significant copper intercepts include: 12m @ 0.57% Cu (boh), 27m @ 0.28% Cu including 3m @ 1.06% Cu and 15m @ 0.21% Cu.

Recognition of significant molybdenum (Mo) within the copper mineralisation at Calingiri has prompted the complete re-assaying of last quarter's RC drilling. New results to hand confirm the close association of Mo and Cu in several prospects with RC hole 11CARC011 returning 77m @ 0.42% Cu and 175ppm Mo (excluding a late dyke within this intercept).

Further drilling and geophysics is currently scheduled post the wheat harvest in early 2012.



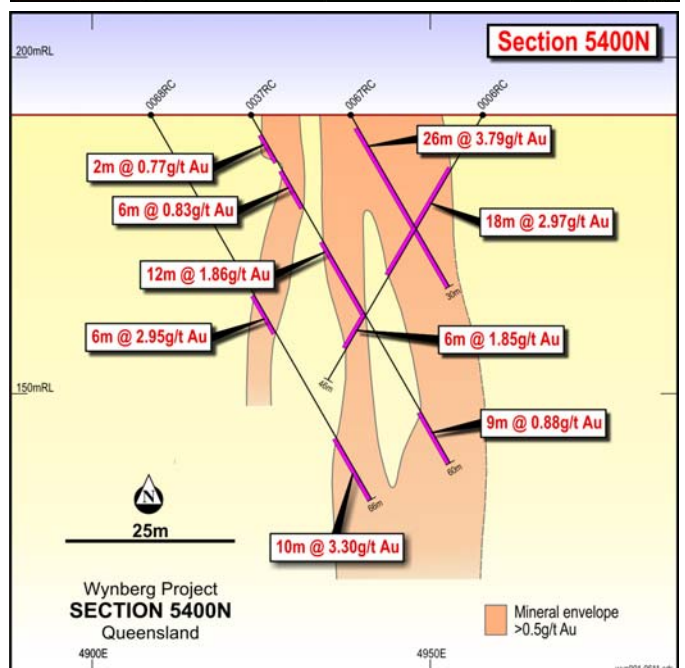
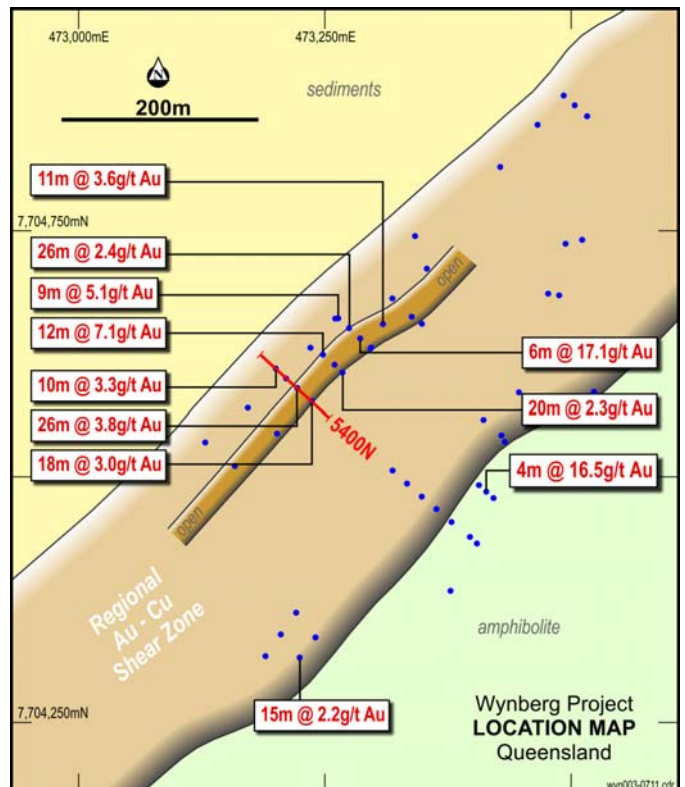
Exploration drilling on WA tenements

QUEENSLAND

Wynberg

A technical review of previous drilling at Wynberg shows excellent potential to significantly upgrade the existing gold resource due to historical RC drilling being restricted to approximately 60 metres depth on account of the drill rigs capability. Numerous sections remain open at depth with drilling ending in mineralisation. Significant intersections from the drilling include: 6m @ 17.09g/t, 26m @ 3.79g/t and 12m @ 7.05g/t gold.

A reverse circulation and diamond drilling programme is scheduled for later in the year once all approvals, including heritage clearances are in place.



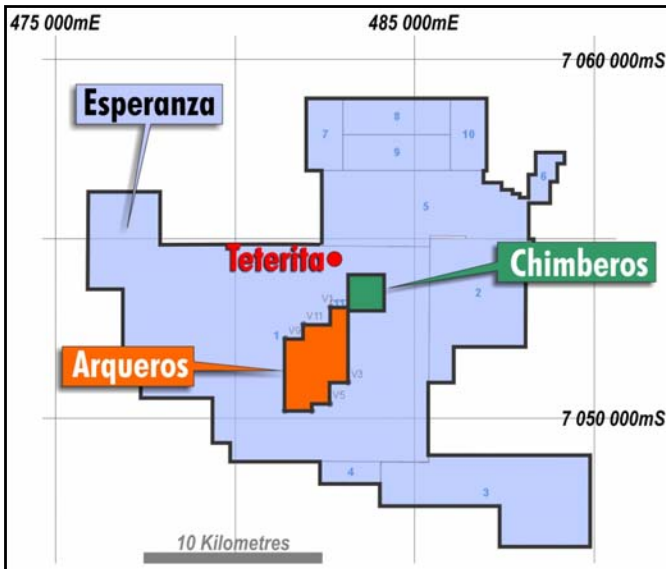
LAGUNA RESOURCES (KINGSGATE 70%)

ARQUEROS

Acquisition of the Esperanza and Chimberos mining leases

Laguna signed a binding agreement to acquire the Esperanza and Chimberos mining leases, which surround its wholly owned Arqueros Project.

The transaction allows consolidation the Arqueros, Esperanza and Chimberos mining leases into one project, integrating the geology, infrastructure and surface rights, and to expand its resource base. The lease areas hosted a number of high sulphidation epithermal and porphyry gold and silver deposits and exploration targets.



Chimberos was mined in 1998/99 producing about 40 million ounces of high-grade silver that was processed at the La Coipa mine. During mining at Chimberos, the cut-off grade was understood to be between 90-120g/t silver. Significant remnant mineralisation remains containing a substantial amount of silver and minor gold could be processed at Arqueros. In addition, low grade stockpiles that are not included in the resource estimate are being assessed that could provide supplementary ore to the future Arqueros processing plant.

Esperanza hosts a number of exploration gold and silver targets, including the Teterita silver deposit, which is 500 metres north west of Chimberos. Teterita has been comprehensively drilled resulting in the delineation and estimation of silver mineralisation. Basic metallurgical testwork has been performed.

As part of its due diligence, Laguna estimated a mineral resource for Chimberos and Teterita based on 27,650 metres of drilling in 334 holes. The combined Inferred Resource at a cut-off grade of 30g/t silver equivalent (0.5g/t gold equivalent cut-off) is 20.5 million ounces of silver equivalent, or 340,000 ounces of gold equivalent (See Appendix tables p11).

The estimate will have to be verified and validated before it can be upgraded and integrated into the Arqueros Project. The combined Arqueros, Chimberos and Teterita deposits are estimated to have a consolidated resource (Inferred and Indicated) to exceed 95 million silver equivalent ounces or over 1.6 million gold equivalent ounces. The ratio used for gold to silver equivalents is 1 gold unit to 60 silver units.

The transaction also delivered to the Arqueros Project the surface rights and mine infrastructure associated with the Chimberos mine, which has been well-maintained. The

former presents the project with several options for placement of its future plant and tailings storage facility.

Resource Definition Drilling

Resource drilling was concluded in the quarter with 17,000 metres of drilling completed since the project was acquired. This is in addition to the approximately 100,000 metres of historical exploration and production drilling undertaken by previous operators on the property. In 2011, 3,329 metres of surface reverse circulation drilling and 4,216 metres of diamond drilling from surface and underground was undertaken by Laguna.

Drilling is continuing with geotechnical and civil work being performed as part of the feasibility study on sites identified for plant layout, waste disposal and tailings storage facility.

Bulk density tests, assays and quality control work are being completed, and it is expected that an updated resource estimate will be released for publication in early August 2011.

Water Work

A water supply agreement was signed to obtain water from two wells within 15 km of Arqueros. Inspection of the bores has shown that the aquifer is intact, with water detected at 15 metres below the surface. The wells are currently being rehabilitated and tested.

Feasibility Study

Coffey Consultoria y Servicios, a division of Coffey International Limited ("Coffey") was appointed Feasibility Study partner for the development of the Arqueros project. Coffey has commenced work and is in the process of completing Stage 1, which will define the mine and processing concept. The feasibility study is expected to take approximately 10 months to complete.



Drilling at the Arqueros Project, Chile.

FINANCE

GOLD LOAN FACILITY

During the quarter, Kingsgate's Thai subsidiary, Akara Mining Limited, executed a US\$100 million (baht denominated) syndicated loan facility that completes its funding requirements for the expansion of its Chatree Mine to over 5 million tonnes per annum ore throughput. The participants in the syndicated loan facility are CIMB Thai Bank Public Company Limited (CIMB), the Bangkok branch of Sumitomo Mitsui Banking Corporation (SMBC) and Investec Bank (Australia) Limited (Investec). Participation is US\$42 million, US\$40 million and US\$18 million respectively. CIMB and SMBC are Mandated Lead Arrangers with CIMB also acting as Facility and Security Agents. Investec is the Arranger and Technical Agent. The syndicated loan facility is a four year amortising loan with equal half yearly repayments commencing on 31 March 2012. The loan documentation contains no mandatory hedging requirements. In conjunction with the syndicated loan facility, Kingsgate's existing one year standby A\$60 million facility with Investec, that has been used as a bridge while the expansion funding was completed, is being replaced by a three year US\$50 million revolving facility with Investec.

OPERATING COSTS

CHATREE						
Cost Category	Units	Year to Date FY2011	Jun 2011 Quarter	Mar 2011 Quarter	Dec 2010 Quarter	Sep 2010 Quarter
Direct Mining Expense	US\$/oz	545	692	563	505	462
Refining and Transport	US\$/oz	4	4	4	4	4
By Product Credit	US\$/oz	(187)	(254)	(259)	(168)	(99)
Cash Operating Cost	US\$/oz	362	442	308	341	367
Royalty	US\$/oz	117	141	117	117	98
Total Cash Cost	US\$/oz	479	583	425	458	465
Depreciation/Amortisation	US\$/oz	102	116	109	103	84
Total Production Cost	US\$/oz	581	699	534	561	549
CHALLENGER (attributable to Kingsgate)						
Cost Category *	Units	Year to Date FY2011	Jun 2011 Quarter	Mar 2011 Quarter	Dec 2010 Quarter	Sep 2010 Quarter
Direct Mining Expense	US\$/oz	912	999	801		
Refining and Transport	US\$/oz	3	3	3		
By Product Credit	US\$/oz	(2)	(2)	(1)		
Cash Operating Cost	US\$/oz	913	1,000	803		
Royalty	US\$/oz	55	59	49		
Total Cash Cost	US\$/oz	968	1,059	852		
KINGSGATE GROUP						
Cost Category *	Units	Year to Date FY2011	Jun 2011 Quarter	Mar 2011 Quarter	Dec 2010 Quarter	Sep 2010 Quarter
Cash Operating Cost	US\$/oz	542	755	551	341	367
Royalty	US\$/oz	97	95	83	117	98
Total Cash Cost	US\$/oz	639	850	634	458	465
Revenue	Units					
Av cash gold price received	US\$/oz	1,386	1,516	1,349	1,368	1,225
Gold sold	Ounces	114,380	38,135	32,629	22,713	20,902
Silver sold	Ounces	548,554	121,495	152,515	148,682	125,861
Revenue from Metal Production	US\$M	174.4	62.5	48.8	35.1	28.0

* Challenger depreciation/amortisation will be finalised following purchase price allocation.

APPENDIX A

CHATREE, THAILAND, A PROSPECT DRILL RESULTS (INTERCEPTS WITH AU ASSAYS GENERALLY >10GRAM.METRES)

Hole No.	Easting Local Grid	Northing Local Grid	Azimuth Local Grid	Dip (°)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)	
7528RC	5,388	19,721	90	-60	128.00	44.00	50.00	6.00	2.10	
7529RC	5,427	19,785	90	-65	150.00	41.00	82.00	41.00	0.78	
						93.00	116.00	23.00	2.38	
						incl	94.00	102.00	8.00	3.03
						incl	109.00	111.00	2.00	9.70
					125.00	141.00	16.00	1.02		
7530RC	5,393	19,721	90	-60	150.00	47.00	95.00	48.00	1.08	

CHATREE, THAILAND, S PROSPECT DRILL RESULTS (INTERCEPTS WITH AU ASSAYS GENERALLY >10GRAM.METRES)

Hole No.	Easting Local Grid	Northing Local Grid	Azimuth Local Grid	Dip (°)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
6252RD	6,959	1,782	90	-56	271.60	209.00	210.50	1.50	6.93

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

CHALLENGER RESOURCE DEVELOPMENT DRILLING

UNDERGROUND DIAMOND DRILLING – SHOOT SYSTEM BELOW THE 79 FAULT

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)	Midpoint (m RL)
11CUD0732	324.14	325.00	0.86	29.68	211
11CUD0817	103.00	105.00	2.00	7.41	240
11CUD0823	27.71	28.03	0.32	12.84	275
And	277.00	286.58	9.58	17.09	139
And	300.15	301.39	1.24	6.25	128
11CUD0827	20.00	21.00	1.00	8.79	280

UNDERGROUND DIAMOND DRILLING – CHALLENGER WEST AND M1FW SHOOTS

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)	Midpoint (m RL)
11CUD0781	23.45	25.00	1.55	14.67	813
11CUD0782	153.00	153.89	0.89	32.84	848
11CUD0783	145.54	147.70	2.16	109.83	826
11CUD0784	19.20	22.00	2.80	5.96	810
11CUD0800	149.45	149.87	0.42	129.91	826

UNDERGROUND DIAMOND DRILLING – SHADOW ZONE AND HANGING WALL SHOOTS

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)	Midpoint (m RL)
11CUD0770	15.00	16.00	1.00	31.39	1039
And	81.00	83.00	2.00	6.58	1039
And	90.23	92.00	1.77	6.32	1039

UNDERGROUND DIAMOND DRILLING – AMINUS SHOOT

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)	Midpoint (m RL)
11CUD0785	43.50	45.00	1.50	58.43	332
11CUD0786	38.00	38.72	0.72	37.57	332

CALINGIRI PROSPECT, WESTERN AUSTRALIA - DRILL RESULTS

Hole No.	Easting	Northing	From (m)	To (m)	Interval (m)*	Cu Grade (g/t)	Comments
11CAAC017	467 700	6 560 000	9	22	13	0.21	Open BOH
11CAAC019	467 900	6 560 000	12	24	12	0.57	Open BOH. incl 3m @ 1.02% Cu (18-21m)
11CAAC242	467 300	6 560 750	12	24	12	0.18	
11CAAC243	467 500	6 560 750	21	36	15	0.21	
11CAAC245	467 900	6 560 750	51	78	27	0.28	incl 3m @ 1.06% (69-72m)
And			300.15	301.39	1.24	6.25	128

APPENDIX A continued

WYNBERG PROJECT, QUEENSLAND, AUSTRALIA - DRILL RESULTS*

Hole No.	Easting (GDA 94)	Northing (GDA 94)	Azimuth	Dip (°)	From (m)	To (m)	Interval (m)*	Au (g/t)
0001RC	473224E	7704316N	306.5	-55	5	20	15	2.2
0003RC	473309E	7704655N	258.5	-55	4	20	16	3.6
0006RC	473237E	7704577N	311.5	-60	10	28	18	3
0007RC	473268E	7704606N	312.5	-60	28	48	20	2.3
0015RC	473414E	7704485N	311.5	-59	29	33	4	16.5
0040RC	473275E	7704651N	131.5	-60	21	47	26	2.4
0041RC	473248E	7704624N	131.5	-60	26	38	12	7.1
0063RC	473286E	7704640N	131.5	-60	22	28	6	17.1
0064RC	473264E	7704661N	132.5	-60	57	66	9	5.1
0067RC	473222E	7704590N	129	-60	4	30	26	3.8
0068RC	473200E	7704610N	134	-60	56	66	10	3.3

*Cut-off: 0.5g/t Au ppm; 3m Maximum Internal Dilution; 1m Minimum Interval; metres x Au >= 30

ARQUEROS PROJECT, CHILE - JORC INFERRED MINERAL RESOURCE

Inferred Resource	Million Tonnes	Grades (g/t)				Ounces ('000)			
		Gold	Silver	AuEQ60	AgEQ60	Gold	Silver	AuEQ60	AgEQ60
Chimberos	3.4	0.3	75	1.6	93	34	8,126	169	10,166
Teterita	2.7	-	115	2.0	119	-	10,314	172	10,3114
Total	6.1	0.2	93	1.7	104	34	18,440	341	20,480

Note 1. Cut-off grade 30g/t Ag EQ60 (0.5g/t Au EQ60). **Note 2.** AuEQ60 = gold equivalent with gold/silver price ratio of 60. **Note 3.** AgEQ60 = silver equivalent with silver/gold price ratio of 60. **Note 4.** Metallurgical recovery difference in equivalence ratio assumed to be nil. **Note 5.** Teterita is based on 9000 metres of RC drilling in 68 drill holes. **Note 6.** Chimberos is based on 18,650 metres of RC drilling in 266 drill holes.



Logging drill core is an essential task on every project

KINGSGATE CONSOLIDATED LIMITED

BOARD OF DIRECTORS

Ross Smyth-Kirk
Chairman

Gavin Thomas
Managing Director and Chief Executive Officer

Peter Alexander
Non-Executive Director

Craig Carracher
Non-Executive Director

Peter McAleer
Non-Executive Director

COMPANY SECRETARY

Peter Warren

SENIOR MANAGEMENT TEAM

Peter Warren
Chief Financial Officer

Duane Woodbury
General Manager Strategic Development

Ross Coyle
General Manager Finance and Administration

Joel Forwood
General Manager Corporate & Markets

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

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Sydney NSW 2000, Australia
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Facsimile: (61 2) 8256 4810
Email: info@kingsgate.com.au
Website: www.kingsgate.com.au

ISSUED SHARE CAPITAL

Kingsgate had 135,274,823 ordinary shares on issue and 1,589,536 unlisted options.



Drilling at Challenger, South Australia

QUARTERLY SHARE PRICE ACTIVITY

QUARTER	HIGH	LOW	LAST
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	\$12.15	\$10.00	\$10.88
March 2011	\$10.81	\$7.45	\$8.69
June 2011	\$9.06	\$7.08	\$8.00

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
Please direct all shareholding enquiries to the share registry.

COMPETENT PERSONS STATEMENTS

In this report, the information concerning Australian operations that relates to 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 Kingsgate Group and members of The Australasian Institute of Mining and Metallurgy. They have sufficient experience which is relevant to the 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.

In this report, information concerning all other operations relates to Exploration Results, Mineral Resource and Ore Reserve estimates based on information compiled by the following Competent Persons: Ron James, Genesio Circosta, Mike Garman, Guy Davies, Fiona Davidson 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 a member of the Australian Institute of Geoscientists. These people qualify as Competent Persons as defined in the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code, 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.