



PRODUCTION HIGHLIGHTS

Gold Produced

31 Dec 2012	46,149 oz
30 Sep 2012	44,264 oz
31 Dec 2011	53,320 oz

Total Cash Costs (incl. Royalty)

31 Dec 2012	US\$975/oz
30 Sep 2012	US\$712/oz
31 Dec 2011	US\$608/oz

Average Gold Price Received

31 Dec 2012	US\$1,723/oz
30 Sep 2012	US\$1,638/oz
31 Dec 2011	US\$1,680/oz

SECURITIES

As at 31 December 2012

Ordinary shares	151,828,173
Unlisted options	6,229,334

KEY POINTS

- ◆ Group quarterly gold production of 46,149 ounces at a total cash cost of US\$975/oz.
- ◆ Chatree Plant 2 offline until metallurgical licence granted in early October. Continued underground development focus at Challenger.
- ◆ Record quarterly development at Challenger of 1,833 metres shows initiatives are working.
- ◆ Significant exploration results at Chatree and Challenger continue to highlight the resource upside at both operations.
- ◆ The Nueva Esperanza feasibility study has been expanded to incorporate a complementary heap leach operation.
- ◆ Bowdens resource increased by 40% to 182 million ounces, silver equivalent (AgEq*). An application for the Director Generals Requirements for the Environmental Impact Study was submitted to the NSW Government.

* See note on page 11



Accumulated bulk samples from drilling at Chatree Gold Mine, Thailand.

GROUP OPERATING SUMMARY

Operation	December Quarter 2012		September Quarter 2012		First Half FY2013	
	Production (ounces)	Total Cash Costs (US\$/ounce)	Production (ounces)	Total Cash Costs (US\$/ounce)	Production (ounces)	Total Cash Costs (US\$/ounce)
Chatree	30,391	843	26,627	626	57,018	747
Challenger	15,758	1,229	17,637	843	33,395	999
Total	46,149	975	44,264	712	90,413	840

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Gavin Thomas
Gavin Thomas, MD & CEO

24 January 2013



The completed Chatree Expansion Plant.

DECEMBER QUARTER OVERVIEW

Group gold production for the December quarter was 46,149 ounces at a total cash cost of US\$975/ounce. The production level mainly reflects the Chatree North Expansion Plant (Plant 2) being offline early in October for the final verification process, and the continuing focus on mine development at Challenger for the establishment of two new mining fronts.

Gold sales in the quarter were 43,670 ounces at an average gold price received of US\$1,723/ounce.

OPERATIONS

CHATREE GOLD MINE

Chatree gold production of 30,391 ounces in the December quarter was up 14% on the September quarter (26,627 ounces). Total plant throughput was adversely impacted with Plant 2 offline until the metallurgical licence was granted on the 10th October and Plant 1 offline for four days late in December following the failure of a trunion bearing. Head grade for the quarter was 0.81 grams gold per tonne.

Total cash costs were US\$843/ounce (including US\$162/ounce royalty). These costs reflect ore grades closer to the reserve average. They also reflect ore sourced from an area of A Pit known to have lower recoveries. Total production costs after depreciation and amortisation were US\$1,005/ounce.

Plant Expansion

The Metallurgical Licence for Plant 2 was granted on 10th October 2012 following the finalisation of a detailed verification process by Thai authorities. This process resulted in the loss of 60 days production from Plant 2 in the September and December quarters. The combined plant is now operating at steady state of around 6.2million tonnes per annum and this rate is expected to be maintained.

Capital expenditure for the quarter at Chatree was A\$5.6 million, including A\$3.5 million on TSF 2.

CHALLENGER GOLD MINE, SOUTH AUSTRALIA

Gold production at Challenger was 15,758 ounces. This reflects the continuing focus on development during the first half of the fiscal year for the establishment of two new mining fronts at Challenger West and Challenger Deeps and the limited availability of stoping areas during the quarter.

Underground development of 1,833 metres for the quarter was a record since Challenger was acquired by Kingsgate in February 2011. The development rates were; October 525 metres, November 620 metres and December 688 metres. The strategic development objectives planned as part of the recapitalization of Challenger are being achieved. Tenders were called for the provision of a new underground mining contract to commence after the current contract expires on 31 July 2013.

Resource drilling at Challenger West continues to extend the structure with significant intersections recorded during the quarter including visible gold.

Total cash operating costs for the quarter of US\$1,229/ounce (including US\$60/ounce royalty) reflect both the lower production level and higher maintenance expenditure underground and on surface from unplanned breakdowns.

The mined ore grade reconciled at 5.90 grams gold per tonne during the quarter, however, the milled ore head grade was 4.37 grams gold per tonne due to the processing of additional low grade stockpiled ore.

Capital expenditure at Challenger for the quarter includes, mine development of A\$11.3 million at Challenger Main (including Challenger Deeps) and A\$5.6 million at Challenger West.

DEVELOPMENT PROJECTS

NUEVA ESPERANZA SILVER/GOLD PROJECT

The feasibility study has been extended to incorporate on-site power options and a heap leach process route due to its lower power requirements. The work is being conducted in parallel with the ongoing milling study with the potential for both process routes to be incorporated in the overall project development.

The process for environmental approvals is close to completion with all the required analysis and studies largely complete and delivered to the relevant authorities for final determination. If no further clarification is required, the receipt of the approvals is anticipated towards the end of the current quarter.

Total feasibility and assessment expenditure for the quarter at Nueva Esperanza was A\$2.8 million. In addition, A\$1.9 million in scheduled option payments were made to previous owners.

BOWDENS SILVER PROJECT, NEW SOUTH WALES

Silver equivalent resources at Bowdens increased by 40% to 182 million ounces (AgEq*), comparable to 4 million ounces of gold equivalent (AuEq)*, following resource modelling utilising the additional assay data from drilling in 2012.

Metallurgical testwork, completed as part of the 2012 feasibility study, has returned an 82% silver recovery to the lead and zinc concentrates. This is an increase of 9% over the metallurgical results completed by the previous owner. The testwork has also allowed a simplification of the metallurgical flow sheet that will reduce capital and operating costs.

In late December documentation supporting an application for Director-Generals Requirements for the Bowdens silver project was submitted to the NSW Government. This document has sufficient information to enable the Director-General's Requirements (DGRs) for an Environmental Impact Statement to be prepared for the project.

Total project expenditure for the quarter at Bowdens was A\$2.6 million.

CORPORATE

At the end of December quarter cash and bullion/doré totalled A\$52.8 million, comprising cash of A\$42.0 million and bullion/doré of A\$10.8 million. This is after a tax payment by Akara in November of around A\$11 million. During the quarter Kingsgate finalised the Akara US\$125 million refinancing. At quarter end, the facility was fully drawn with a further A\$15 million outstanding on Kingsgate's corporate facility. In addition, Kingsgate has a A\$35 million convertible loan outstanding.

On 23 January 2013, Kingsgate signed a Binding Memorandum of Understanding with Caravel Minerals Limited (ASX:CVV) for the sale of Kingsgate's Western Australian and Queensland exploration assets to Caravel for Caravel shares and options. The transaction will result in a non cash write-down of approximately A\$15 million to be taken in the December 2012 half year accounts. Please refer to separate ASX releases by Kingsgate and Caravel for the full details.

OUTLOOK

Total gold production guidance for the financial year 2013 is maintained at between 200,000 and 220,000 ounces. Chatree production is expected to be between 120,000 to 130,000 ounces and Challenger between 80,000 and 90,000 ounces. The Company expects that gold production from both mines will be higher in the second half of the financial year.



Drilling on Arqueros Prospect, Nueva Esperanza Project, Chile showing terraced drillpad complex.

OPERATING PERFORMANCE

		December Quarter 2012		September Quarter 2012		First Half FY2013	
		Chatree	Challenger	Chatree	Challenger	Chatree	Challenger
Production Summary							
Ore Mined	BCM's	662,905		713,609		1,376,514	
Waste Mined	BCM's	852,212		1,114,683		1,966,895	
Waste to Ore Ratio		1.3:1		1.6:1		1.4:1	
Ore Mined	tonnes	1,724,987	98,135	1,853,949	118,883	3,578,936	217,018
Ore Treated	tonnes	1,561,577	117,883	984,253	150,214	2,545,830	268,097
Head Grade	Au g/t	0.81	4.37	0.91	3.89	0.87	4.10
Recovery - Gold		78.3%	95.2%	83.3%	94.2%	80.7%	94.7%
Recovery - Silver		44.5%	nm	49.3%	nm	46.5%	nm
Gold Poured	ounces	30,391	15,758	26,627	17,637	57,018	33,395
Silver Poured	ounces	248,928	645	223,532	1,107	472,460	1,752
Financial Summary							
Cost Summary							
Mining Cost	US\$/oz	408	652	517	262	459	446
Milling Cost	US\$/oz	424	364	361	355	394	359
Administration & Other	US\$/oz	86	166	103	100	88	132
Deferred Waste & Stockpile Adjustments	US\$/oz	(24)	(13)	(288)	62	(149)	27
By Product Credit*	US\$/oz	(213)	(1)	(230)	(2)	(219)	(1)
Cash Operating Cost	US\$/oz	681	1,169	463	778	573	963
Gold Royalty	US\$/oz	162	60	163	65	163	62
Total Cash Cost	US\$/oz	843	1,229	626	843	736	1,026
Depreciation & Amortisation - Operating	US\$/oz	162	573	141	505	155	537
Depreciation & Amortisation - Acquisition	US\$/oz	-	204	-	200	0	202
Total Production Cost	US\$/oz	1,005	2,006	767	1,548	891	1,765
Revenue Summary							
Gold Sold	ounces	29,027	14,643	29,372	18,438	58,399	33,081
Silver Sold	ounces	223,987	665	235,002	1,111	458,989	1,776
Average Gold Price Received	US\$/oz	1,718	1,732	1,628	1,656	1,684	1,625
Average Silver Price Received	US\$/oz	32.0	32.4	29.0	30.8	31.0	30.2
Revenue from Metal Production	US\$m	57.0	25.4	54.6	30.6	111.6	56.0

**Net of silver royalties. Average Exchange Rate: A\$/US\$ 1.04*

OPERATIONAL PERFORMANCE

CHATREE GOLD MINE, THAILAND

Mining continued in areas of A Pit. Ore mined was 1,723,553 tonnes at a strip ratio of 1.3:1 (previous quarter 1.6:1). Mine production was lower in the quarter due to the longer haul distance from A Pit. A site-wide optimisation initiative on drill and blast was commenced to increase productivities. This included 9-metre bench trials which were successfully completed and are being standardised throughout operations. Mining of A Stage 2 continued to advance access to higher grade areas.

The process plant treated 1,561,577 tonnes of ore at an average plant head grade of 0.81 grams per tonne gold to produce 30,391 ounces of gold. Silver production was 248,928 ounces. The lower throughput was a result of Plant 2 being offline for 10 days in early October due to the metallurgical licence process and Plant 1 offline for 4 days at the end of December following the failure of a trunion bearing. Gold recovery of 78.3% was lower than the previous quarter of 83.3%. The lower recovery appears related to the metallurgical characteristics of mineralisation in particular areas of A Pit and is being addressed through optimised blending.

Stockpiled ore at the end of the quarter was 9,409,999 tonnes at 0.6 grams per tonne containing 182,425 ounces of gold (September: 9,233,143t at 0.63g/t for 185,611 ounces). The reduction in the contained ounces reflects net stockpile movements with low grade ore added to the stockpile as medium grade ore was recovered and processed. The medium grade ore is blended with fresh ore to optimise throughput and to address the reduced recovery.

CHATREE NORTH PLANT EXPANSION

The Metallurgical Licence was granted for Plant 2 on the 10th of October following the finalisation of a detailed verification process by Thai authorities. Plant 2 is now operating on a continuous basis with the combined plant operating consistently at an annualised rate of 6.2 million tonnes per annum. This rate is expected to be maintained.

A scoping study has identified the opportunity to incrementally expand the combined throughput of both plants to approximately 7 million tonnes per annum with minimal capital expenditure. Feasibility work is underway on the implementation of the potential upgrade.

Successful commissioning of Tailings Storage Facility #2 (TSF2) was completed in the December quarter.

Chatree continues to demonstrate world's best practice for safety with 22.1 million man hours (+9.9 years) worked to December, 2012 since the last and only Lost Time Incident in January 2003.

REGIONAL EXPLORATION - THAILAND

With the Special Prospecting Licence (SPL) applications still awaiting the Minister of Industry's approval, the focus of exploration has been on new opportunities within the current Mining Leases.

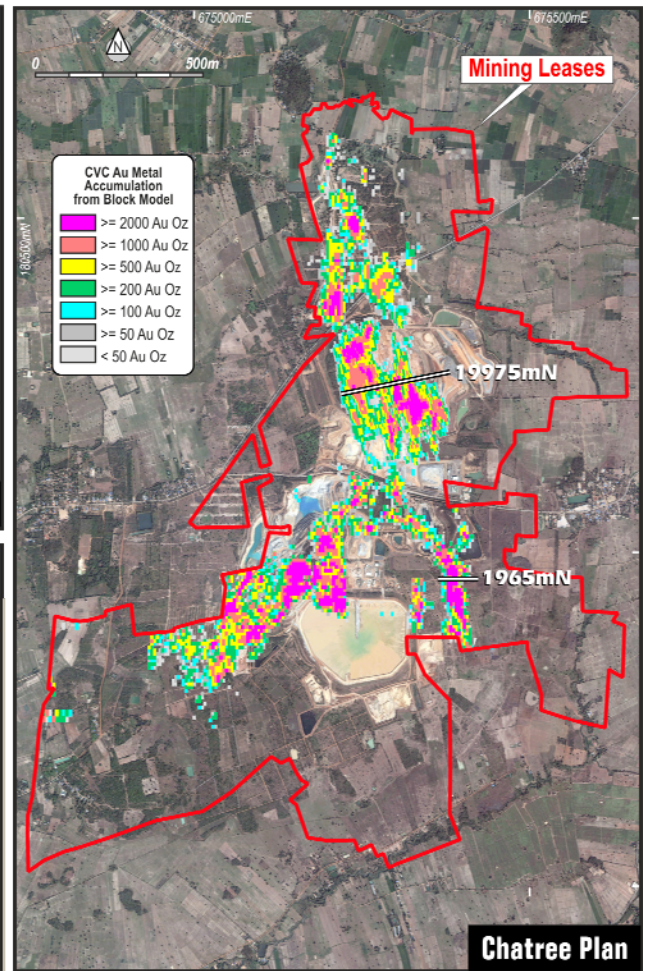
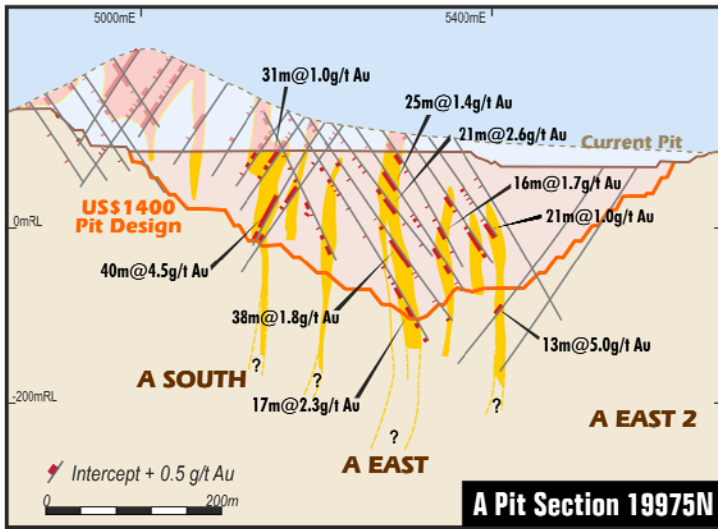
EXPLORATION - CHATREE

A PIT - HIGH GRADE CONCEPT

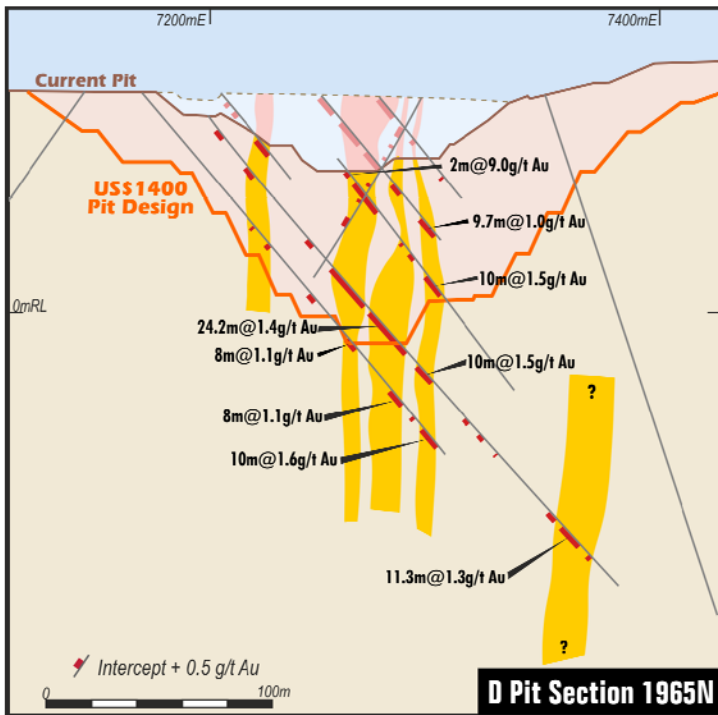
Exploration at A Pit, to further investigate the deeper high grade potential, is continuing. Drilling into the central and northern position of the M01 lode has encountered additional high grade gold mineralisation including 4.13m @ 39.3g/t Au from 275m in Hole 7565DD and 13m @ 5.0g/t Au from 197m in 7564DD (see figure below). The later intercept lies 20 metres north of the current pit design and has the potential to expand the current US\$1,400 pit shell should additional drilling prove successful. Additional drilling to follow up these results is underway. Significant intersections are included in Appendix A.

INFERRED RESOURCE ENHANCEMENT WITHIN THE MINING LEASES

As part of the resource and reserve optimisation an internal study is investigating the impact of successful conversion of Inferred Resources to Indicated category and has revealed significant potential to improve the reserve base. Targeting of inferred resources in both previously mined and unmined areas is valid throughout the Mining Lease, but most notably within Q, H, C and D Prospects. Two additional drill rigs will commence drilling in the March quarter. This program of work represents a planned step-up in drilling activity within the mining lease over the next twelve (12) months.



The above plan provides a visual representation of the total gold accumulation at Chatree in gram metres, from the resource modelling and the location of the cross sections.



Sampling drill cuttings, Chatree Gold Mine, Thailand.

CHALLENGER GOLD MINE

A total of 1,833 metres of development was completed during the quarter, a record for underground development at Challenger since Kingsgate took ownership in February 2011. (Oct 525m, Nov 620m, December 688m). This has been achieved with the existing contractor, existing manning levels and the existing equipment. Development rates are expected to stabilise between 600 and 650 metres per month for the remainder of the financial year.

The 2012/13 financial year was planned as a year of recapitalisation for Challenger based around a set of strategic goals now being achieved and are as follows;

1. Improve development rates from around 500 metres per month to 600-650 metres per month:
 - Achieved over 600 metres in both November and December.
2. Develop three levels below the last stoping horizon:
 - Currently accessing the 205, 195, 175 and 155 levels below the 79 Fault with the decline currently at the 135 level.
3. Develop three mining horizons at Challenger West:
 - Currently have access at Challenger West on the 890, 800 and 690 levels.
4. Improve gold recovery in the process plant:
 - Gold recovery has improved from 93.5% to over 95% in the December quarter.

Additional development was undertaken on the 205 levels targeting extensions of the Aminus lode. Visible gold was identified in the previously unknown parallel Aminus 2 lode and at Challenger West. In the next year, Challenger West is anticipated to contribute up to 25% of the production at Challenger and this structure, along with the South East Zone (SEZ), has the potential to greatly extend the mine life at Challenger.

The development of three mining fronts in Challenger West, along with multiple access levels to the orebodies on the east side of the 79 Fault at Challenger Deeps, will bring on line additional ore drives in the coming quarters. The capital/operating split this quarter resulted in development ore increasing from 10% of total ore mined to 25%. This has placed a greater reliance on development ore and negatively impacted the ounces produced for the quarter. Productivity late in the quarter was also impacted by the necessity to haul waste to the surface until additional underground backfill sites are set-up.



Visible gold in 36mm diameter BQ drill core from Challenger West.

The main stoping levels during the quarter were the 240 Aminus, 240 M2 S2, 680 M3 and 790 Challenger West.

Prior to the completion of current underground mining contract at Challenger on 31 July 2013, tenders were called during the quarter for the provision of a new underground mining contract. These are expected to be received and evaluated during the March quarter.

PROCESSING

In November, campaign milling was introduced to deal with the low supply of ore being delivered to the ROM pad due to the limited availability of underground ore. Additionally, milling of all available low grade surface stockpiles was completed. Plant recovery increased to 95.2% over the quarter due to the implementation of on-site improvement initiatives. The milling circuit has now re-commenced full time operation.

RESOURCE DEVELOPMENT DRILLING

A total of 8,674 metres of underground development and exploration diamond drilling was carried out during the quarter. Significant intersections are summarized in Appendix B.

Challenger West

Continuity of high grade mineralization and associated visible gold in the Challenger West Shoot below the current resource and mining levels has been confirmed with an intersection of 0.5 metres @ 59.7g/t (119 level). Delineation drilling of Challenger West from the 670 level has also been highly successful with gold intersections including; 1.2 metres @ 47.5 g/t (655 level), 0.3 metres @ 50.99 g/t (662 level), 0.3 metres @ 56.6 g/t (675 level) and 0.4 metres @ 559.5 g/t (675 level).

M2

M2 was successfully targeted on the southern side of the 79 Fault. Intercepts from this drilling include 0.9 metres @ 71.3 g/t (187 level), 1.0 metres @ 58.5 g/t (177 level) and 2.9 metres @ 21.3 g/t (175 level).

SEZ

Drilling continues to delineate the SEZ structure with a significant gold intersection of 0.4 metres @ 15.48g/t (945 level) from drilling targeting the SEZ extension.

Drilling was also undertaken from the 240 level to test the continuity of the SEZ high grade zone identified on the 280 level. Significant gold intersections received included 0.5 metres @ 9.21g/t (230 level) and 1.5 metres @ 7.0 g/t (232 level), coinciding with SEZ resource model.

SAFETY, ENVIRONMENT AND COMMUNITY

Following a sustained period of ambient temperatures of over 40 degree Celsius late in the quarter, there was one Lost Time Injury (LTI) recorded as a result of one of our contractor's employees suffering heat stress. The site is now currently 9 days LTI Free at 31 December 2012.

NUEVA ESPERANZA PROJECT

The quarter was marked by reduced field activities with a small crew undertaking mapping, surveying and sampling activities in the Chimberos open pit and on satellite mineralised areas within the lease boundaries.

FEASIBILITY STUDY

The feasibility study has been extended to incorporate both on-site power options and heap leaching as an additional process route due to its lower power requirements. It is anticipated that this may lead to a staging of the project commencing with heap leaching complemented by milling for the high grade ore.

Previous testwork indicated that a significant proportion of the mineralisation should be amenable to heap leaching. Further metallurgical testwork has commenced on samples from Arqueros, Teterita and Chimberos for confirmation of the heap leach characteristics. Construction of on-site column leach facilities commenced during the quarter and is due for completion in early February. Results from the test work will be received progressively through to the end of the June quarter.

BOWDENS SILVER PROJECT

MINERAL RESOURCES

Following the completion of the 2012 drilling program silver equivalent (AgEq*) Mineral Resources at Bowdens have increased by 40% compared to the previous Bowdens resource estimate released on 23 September 2011 using the same parameters and cut-off grade (30 grams/tonne ("g/t") AgEq*). Measured, Indicated and Inferred Mineral Resources now comprise 88 million tonnes at an average grade of 64.4g/t AgEq* containing a total of 182 million ounces of AgEq*. Significantly, approximately 63% of the total resource is now classified in the Measured and Indicated categories.

The additional resources defined in 2012 lie beneath previously defined mineralisation in the central and western zones of the deposit and near surface in the south. Approximately 90% of the estimated resource is within 180 metres of surface. Mineralisation at Bowdens remains open to the west and at depth.

Importantly, these results highlight that significant high grade mineralisation occurs near the surface and mining of this shallow zone in the first few years of a potential open pit operation will enhance cash flow and can be expected to improve the overall project economics.

Preliminary pit optimisation of the current resource model shows a low waste rock to ore strip ratio. The life of mine strip ratio is about 1:1 (i.e. one tonne of waste rock to every tonne of ore mined).

ENVIRONMENTAL LICENSING

The process for environmental approvals continues to progress and is now close to completion with all the required analysis and studies largely concluded. During the quarter, the process of responding to additional queries from the authorities took longer than anticipated, meaning the receipt of the final approvals is now anticipated to be received towards the end of the current quarter.

COMMUNITY CONSULTATION

Consultation with local indigenous communities of the Colla peoples has been an important focus of the development process. This has been conducted in a spirit of good faith and is on-going.



Drilling on Arqueros, Nueva Esperanza Project

FEASIBILITY STUDY

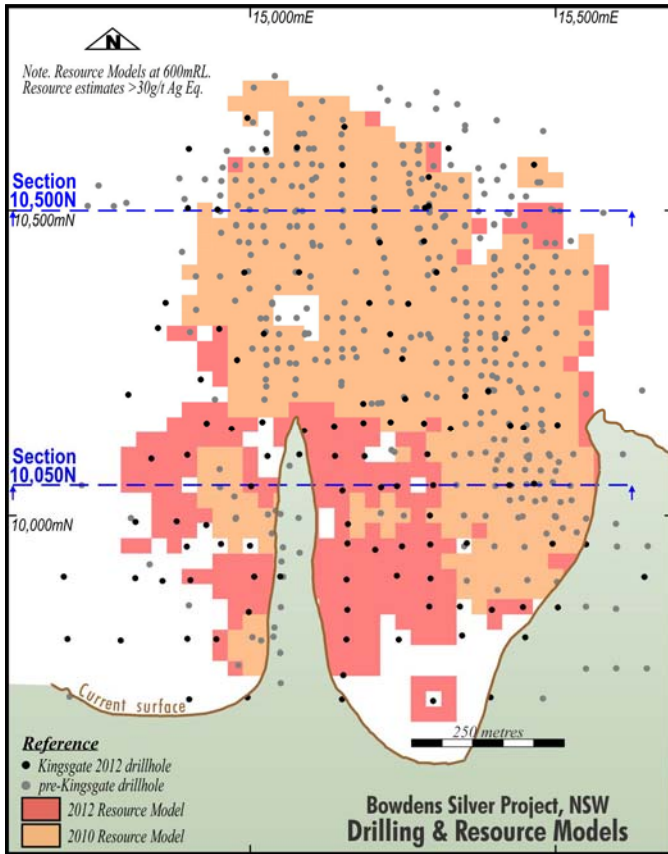
Metallurgical testwork completed as part of the 2012 feasibility study has returned an 82% silver recovery to the lead and zinc concentrates an increase of 9% over the previous recoveries. The testwork has also allowed for a simplification of the metallurgical flow sheet that will reduce capital and operating costs.

These resource and metallurgical upgrades allow for a re-optimisation of the input design criteria for Bowdens. Work on the Definitive Feasibility Study and Environmental Impact Statement is ongoing and both should be completed this financial year.

ENVIRONMENTAL LICENSING

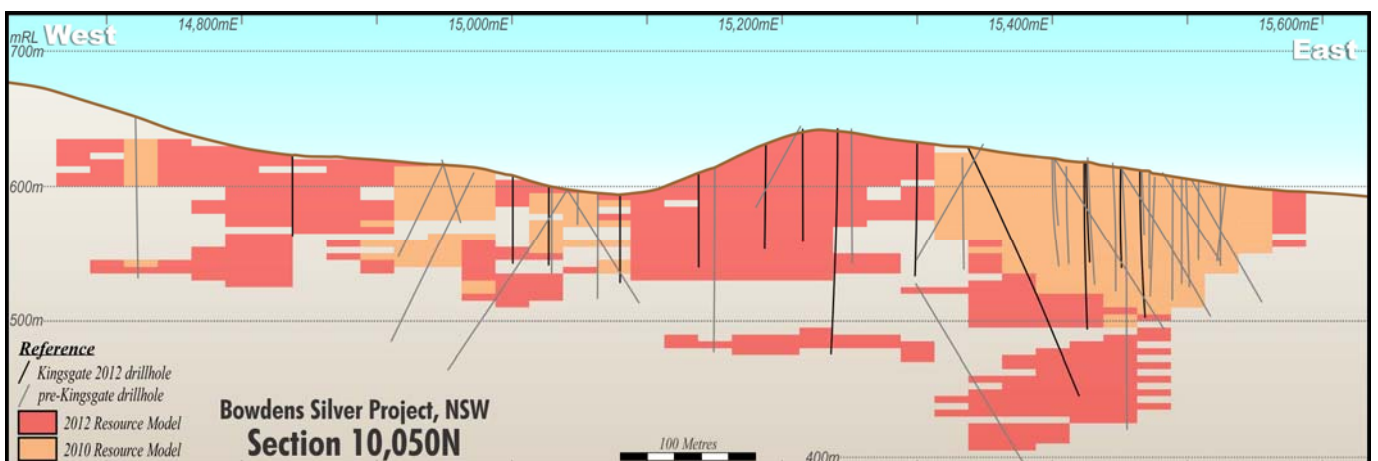
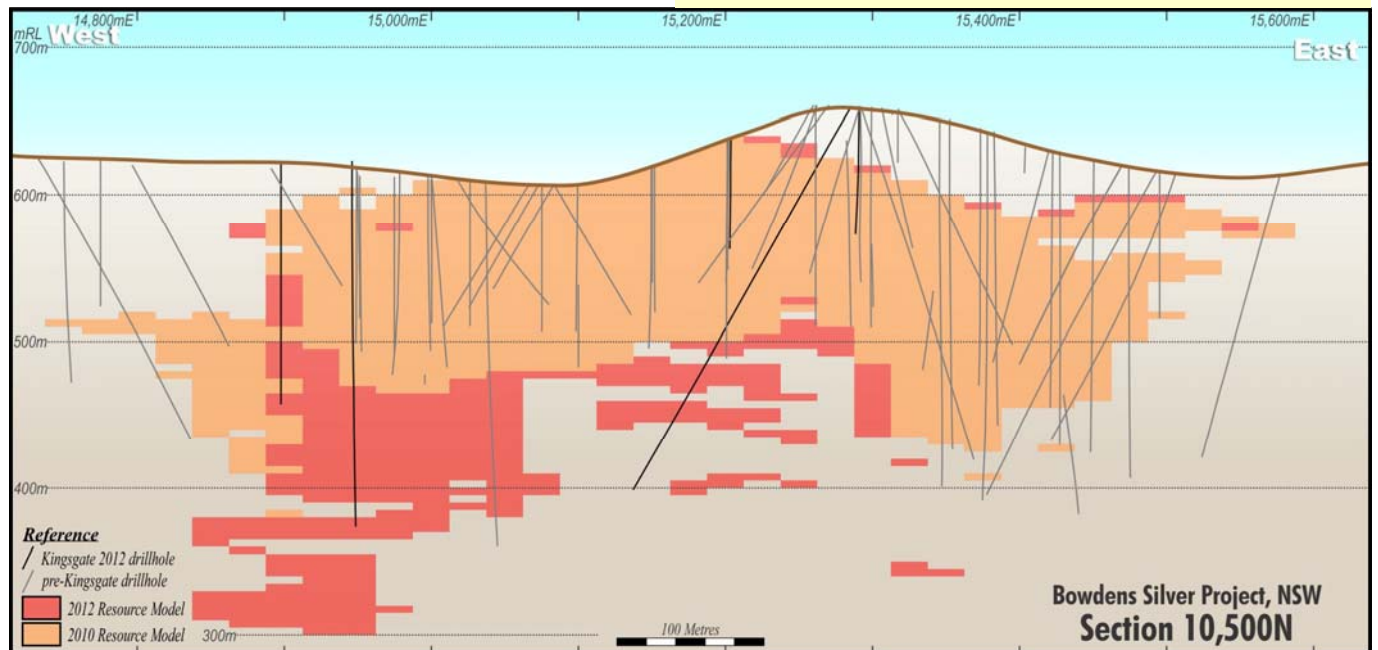
In late December, documentation supporting an application for Director-Generals Requirements for the Bowdens silver project was submitted to the NSW Government. This document has sufficient information to enable the Director-General's Requirements (DGRs) for an Environmental Impact Statement (EIS) to be prepared for the project.

Baseline monitoring of local noise, flora, fauna, surface water, groundwater, background dust and weather conditions is ongoing. Collected data will be included in the draft EIS.



Left: Plan at 600mRL showing pre Kingsgate and Kingsgate 2012 drilling and blocks containing resources at 30g/t AgEq* cut-off from 2011 and 2012 resource models.

Below: Sections 10,500mN and 10,050N, showing pre Kingsgate and Kingsgate 2012 drilling and blocks containing resources at 30g/t AgEq* cut-off from 2011 and 2012 resource models.



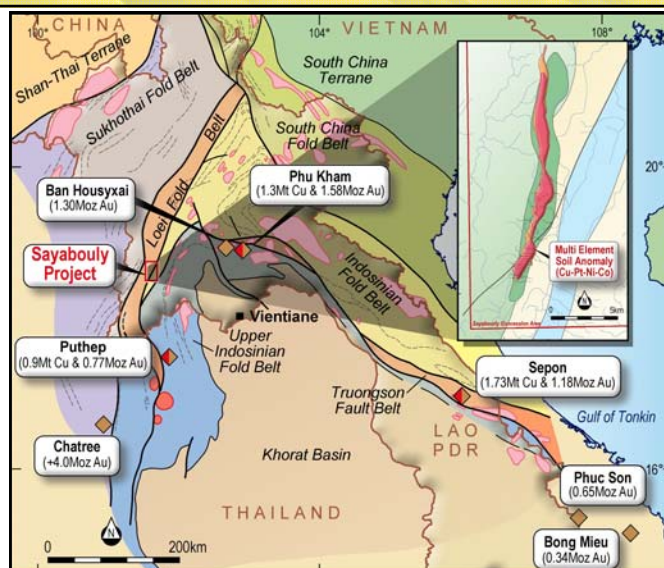
REGIONAL EXPLORATION

SAYABOULY PROJECT – LAO PDR

Exploration activity continued throughout the quarter with primary activities focused on infill soil sampling, geological mapping and ground magnetics.

Soil assay results received this quarter continues to identify the extensive multi-element soil anomaly elevated in copper, platinum, cobalt and nickel and also palladium. The soil anomaly is well defined over an area 16 kilometres long and 700 metres wide with peak values of 829ppm copper (Cu), 1.05% nickel (Ni), 1.54ppm platinum (Pt), and 0.27% cobalt (Co) and 0.57ppm palladium (Pd). Field mapping and whole rock geochemistry supports a Cu, Platinum Group Element (PGE) exploration model similar to the layered intrusions at Munni Munni (Australia) and Great Dyke (Zimbabwe) Deposits

Six broad spaced trenches across the anomaly have commenced within the intrusion. Geology and assays will assist with target definition for drilling in the first half of 2013.



Geologic map of SE Asia showing fold belts and major projects; insert is portion of Laos Concession area



Exploration geologists, Sayabouly Project, Lao

CORPORATE

Kingsgate's Thai subsidiary, Akara Mining, completed the establishment of a six year amortising multi currency loan facility equivalent to US\$125M and an additional Thai Baht denominated working capital facility equivalent to US\$15m ("Facility"), from the international banking group, CIMB.

The purpose of the facility was to refinance the existing Akara syndicated loan and release funding for growth projects throughout the Kingsgate Group. CIMB was a Mandated Lead Arranger of Akara's previous facility and the bank continues to be the facility's agent. The refinancing reflects the strong cash flow generation of the Chatree mine and the long life nature of its reserve base.

The refinancing takes advantage of the historically low US dollar interest rates and the high level of liquidity prevailing in the Thai banking market. As a result the Facility provides for improved terms compared to Akara's previous syndicated loan facility. It should also be noted that, as before, no mandatory hedging was required under the Facility.

At the end of the quarter the Akara loan was fully drawn for approximately US\$125 million. In addition, the Kingsgate A\$40 million amortising corporate credit facility was drawn to A\$15 million. Kingsgate also has a five year A\$35 million convertible loan facility that provided funding for the Bowdens acquisition.

Total regional exploration expenditure for the Group over the quarter was A\$1.0 million.

* Note: Kingsgate's metal equivalence. The following notes refer to metal equivalence calculations referred to in this document: #1. Nueva Esperanza silver equivalent: $AgEq (g/t) = Ag (g/t) + Au (g/t) \times EQa$. Gold Equivalent: $AuEq (g/t) = Au (g/t) + Ag (g/t) / EQa$. $EQa = (price\ gold \times recovery\ gold) / (price\ silver \times recovery\ silver)$. Calculated from prices of US\$1250/oz Au and US\$30/oz Ag, and metallurgical recoveries of 85% Au and 78% Ag estimated from test work by Kingsgate and Laguna. #2. Bowdens silver equivalent: $AgEq (g/t) = Ag (g/t) + 22.4 \times Pb (\%) + 25.5 \times Zn (\%)$. Calculated from prices of US\$28/oz Ag, US\$2200/t Pb, US\$2200/t Zn and metallurgical recoveries of 81% Ag, 73% Pb and 83% Zn estimated from test work by Silver Standard. #3. Bowdens gold equivalent: $AuEq (g/t) = AgEq (g/t) / EQb$. $EQb = (gold\ price / silver\ price)$. Calculated from prices of US\$1250/oz Au, US\$28/oz Ag and assuming consistent metallurgical recoveries for silver of 81%. #4. Chatree gold equivalent: $AuEq/t = Au (g/t) + Ag (g/t) / EQa$. EQa see #1 above. Calculated from prices of US\$1400/oz Au and US\$26/oz Ag and metallurgical recoveries of 85% Au and 50% silver based on metallurgical test work and plant performance. #5. Cut-off grade for Chatree is 0.3g/t Au; Nueva Esperanza is 0.5g/t AuEq; Bowdens is 30g/t AgEq. #6. In the company's opinion, the silver and gold included in the metal equivalent calculations have a reasonable potential to be recovered.

APPENDIX A

CHATREE DRILLING: A PROSPECT (DRILL INTERCEPTS +5.0 GRAM.METRES, AUGUST 2012)

Hole No.	Local Grid Easting	Local Grid Northing	Azimuth (°)	Dip (°)	Depth (m)	From (m)	Interval (m)	Au (g/t)
7556RD	5,450mE	19,625mN	270	-62	245.90	129.00	2.00	11.25
7559DD	5,320mE	20,455mN	93	-62	249.05	202.00	7.00	1.04
						230.00	11.00	1.52
						246.60*	2.45	10.11
7560DD	5,535mE	19,825mN	270	-59	284.90	63.20	7.45	0.68
						76.20	6.70	1.40
						102.00	2.00	2.82
						108.70	0.20	36.60
						116.00	17.00	3.44
						241.65	12.35	1.22
7561DD	5,555mE	19,835mN	270	-60	312.04	99.75	1.25	4.00
						130.15	3.85	1.55
7563DD	5,565mE	19,975mN	270	-58	121.00	114.00	5.00	1.38
7564DD	5,527mE	19,975mN	270	-57	280.00 incl	197.00	13.00	5.0
						197.00	1.00	39.80
7565DD	5,181mE	19,787mN	90	-50	554.60	1.00	11.20	2.40
						17.90	3.75	1.60
						144.00	14.75	0.85
						275.87	4.13	39.30
						294.00	8.60	1.58
					347.70	4.30	1.59	

CHALLENGER RESOURCE DEVELOPMENT DRILLING

UNDERGROUND SLUDGE DRILLING – AMINUS

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)	Midpoint (m RL)
12CUS12233	3.50	6.20	2.70	13.17	215
12CUS12232	2.60	4.40	1.80	23.90	215
12CUS12271	15.20	17.90	2.70	11.31	217

UNDERGROUND SLUDGE DRILLING – AMINUS 2

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)	Midpoint (m RL)
12CUS12129	3.50	5.30	1.80	64.70	251
12CUS12134	0.00	2.60	2.60	159.79	247
12CUS12137	1.70	4.40	2.70	53.82	250
12CUS12154	13.40	14.30	0.90	70.78	253
12CUS12161	0.00	1.80	1.80	151.75	254
12CUS12164	1.00	10.90	9.90	28.82	255
12CUS12210	0.00	11.00	11.00	29.80	253
12CUS12350	0.00	5.30	5.30	19.11	215
12CUS12364	6.20	10.70	4.50	16.44	222
12CUS12366	1.70	5.30	3.60	12.71	216
12CUS12366	8.90	15.20	6.30	7.03	227
12CUS12367	0.00	16.10	16.10	13.20	215
12CUS12370	8.00	9.80	1.80	31.30	222
12CUS12370	15.20	22.40	7.20	143.78	231
12CUS12373	12.50	14.30	1.80	108.04	226
12CUS12422	18.10	19.90	1.80	15.02	219

UNDERGROUND DIAMOND DRILLING – CHALLENGER WEST

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)	Midpoint (m RL)
12CUD1018	258.79	259.28	0.49	59.66	119
12CUD1046	67.77	68.07	0.30	30.60	656
12CUD1046	124.88	125.18	0.30	27.44	646
12CUD1047	59.83	61.00	1.17	47.45	655
12CUD1054	36.17	36.47	0.30	56.63	675
12CUD1056	61.85	62.47	0.62	14.58	674
12CUD1071	47.90	48.20	0.30	50.99	662
12CUD1073	86.96	87.26	0.30	13.02	683
12CUD1092	75.80	76.20	0.40	559.53	675

Note 1. Metal Equivalent Calculations

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

Ross Coyle

SENIOR MANAGEMENT TEAM

Duane Woodbury
Chief Financial Officer

Tim Benfield
Chief Operating Officer

Ross Coyle
General Manager Finance and Administration

Joel Forwood
General Manager Corporate & Markets

Ron James
General Manager, Exploration & Resources Development

Brett Dunstone
General Manager, Human Resources

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
Website: www.kingsgate.com.au

EXCHANGE LISTING

ASX:KCN

ISSUED SHARE CAPITAL

Kingsgate has 151,828,173 ordinary shares on issue and 6,229,334 unlisted options.

QUARTERLY SHARE PRICE ACTIVITY

QUARTER	HIGH	LOW	LAST
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
September 2011	\$9.39	\$6.73	\$7.18
December 2011	\$7.97	\$5.69	\$5.70
March 2012	\$8.04	\$5.99	\$6.40
June 2012	\$5.91	\$4.85	\$4.85
September 2012	\$6.09	\$3.95	\$6.04
December 2012	\$6.12	\$4.36	\$4.40

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, information concerning Thailand operations relates to Exploration Results, Mineral Resources and Ore Reserve estimates based on information compiled by the following Competent Persons: Ron James, Brendan Bradley, Tim Benfield and Suphanit Suphananthi who are employees of the Kingsgate Group. All except Brendan Bradley are members of The Australasian Institute of Mining and Metallurgy; Brendan Bradley is 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 of 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.

In this report, the information concerning Challenger operations that relates to Exploration Results, Mineral Resources and Ore Reserves estimates based on information compiled by Paul Androvic, Tim Benfield, Tony Poustie and Andrew Giles who are full-time employees of the Kingsgate Group. Paul Androvic, Tim Benfield and Tony Poustie are members of The Australasian Institute of Mining and Metallurgy and Andrew Giles is a member of the Australian Institute of Geoscientists. These persons have sufficient experience that is relevant to the mineralisation and type of deposit under consideration and to the activity that 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'. Tony Poustie and Andrew Giles consent to the inclusion in the report of the matters based on their information in the form in which it appears.

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

The information in this report that relates to data quality, comments on the resource estimates and economic potential of the estimated resources for Bowdens and Laguna Nueva Esperanza is based on information compiled by Ron James who is a member of the Australasian Institute of Mining and Metallurgy. Mr James has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.