



**PRODUCTION HIGHLIGHTS**

**Gold Produced**

30 Sep 2013	50,786 oz
30 Jun 2013	61,973 oz
30 Sep 2012	44,264 oz

**Total Cash Costs (incl. Royalty)**

30 Sep 2013	US\$1,044/oz
30 Jun 2013	US\$824/oz
30 Sep 2012	US\$716/oz

**Average Gold Price Received**

30 Sep 2013	US\$1,309/oz
30 Jun 2013	US\$1,423/oz
30 Sep 2012	US\$1,638/oz

**SECURITIES**

**As at 30 September 2013**

Ordinary shares	152,284,777
Unlisted options	4,833,334
Deferred Rights	194,839
Performance Rights	343,410



Gold pour on-site

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*Gavin Thomas*  
Gavin Thomas, MD & CEO

28 October 2013

**KEY POINTS**

- ◆ Group quarterly gold production of 50,786 ounces, in line with expectations.
- ◆ Quarterly production from Challenger was the highest for five quarters with combined unit operating and capital costs 28% lower than the June quarter.
- ◆ The implementation of the new mine plan at Challenger progressed during the quarter. The new mining contractor commenced on August 1st with initial results showing cost reductions and productivity improvements.
- ◆ Continued focus on cost initiatives at Chatree results in lower unit operating costs in the September quarter.
- ◆ Documentation for listing Akara Resources on the Thai stock exchange was submitted to the Thai authorities for review. Timing of an IPO will depend on market conditions and valuation metrics.
- ◆ Nueva Esperanza project to move into final feasibility and design stage with preliminary study results supporting a 3 Mtpa heap leach operation.

**GROUP OPERATING SUMMARY**

Operation	September Quarter 2013		June Quarter 2013	
	Production (ounces)	Total Cash Costs (US\$/ounce)	Production (ounces)	Total Cash Costs (US\$/ounce)
Chatree	32,241	807	46,053	686
Challenger	18,545	1,454	15,920	1,215*
<b>Total</b>	<b>50,786</b>	<b>1,044</b>	<b>61,973</b>	<b>824</b>

\* Excludes June mine development costs of US\$815/oz which were capitalised.



Challenger crushing facilities

## SEPTEMBER QUARTER OVERVIEW

Gold production for the September quarter was in line with expectations from both Chatree and Challenger with a total of 50,786 ounces of gold produced at total cash costs of US\$1,044/ounce.

Gold sales in the quarter were 55,797 ounces at an average received gold price of US\$1,309/ounce.

### OPERATIONS

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#### CHATREE GOLD MINE

Chatree gold production was 32,241 ounces for the quarter. Mining of the defined high-grade ore from Q prospect was largely completed at the end of the previous quarter and this contributed to the lower gold grade delivered to the process plant of 0.79 grams per tonne ("g/t"). Though mining was impacted by some minor interruptions due to high rainfall during the wet season, processing proceeded in line with plan with supplementary ore feed available from stockpiles.

Total cash costs of US\$807/ounce (including US\$123/ounce royalty) reflect the impact of reduced gold production although the continued focus on cost initiatives at Chatree is resulting in lower unit operating costs per tonne. While the 20% fall from the June quarter reflects some one-off effects, revised grade control, more efficient blast patterns and new pit designs will continue to deliver cost savings into the future. Total production costs after depreciation and amortisation for the September quarter were US\$1,051/ounce.

Capital expenditure for the quarter at Chatree was A\$2.5 million, with an additional A\$4.8 million incurred on Tailings Storage Facility (TSF) #2.

#### CHALLENGER GOLD MINE, SOUTH AUSTRALIA

Challenger gold production was 18,545 ounces for the quarter, the highest level since the June 2012 quarter. Total cash costs are now being reported inclusive of all operating and mine development costs. These costs were US\$1,454/ounce (including royalties) for the quarter. This represents a 28% decline over the June quarter, inclusive of mine development.

These results were achieved despite the expected disruption in August with Byrncut Australia Ltd commencing as the new mining contractor.

As previously stated, Challenger is transitioning from the original mine plan to a new plan that focusses primarily on the higher-grade Challenger West orebody. The benefits from this change are already emerging including:

- Increased mill head grade; 4.67g/t this quarter vs 3.47g/t in the June quarter.
- Mining contractor costs in September were 26% lower than average monthly costs in the 2013 fiscal year, following the commencement of the new contractor.
- Haulage has increased by 10% with three less trucks.

Results achieved to date are providing a positive trend in costs and production on a monthly basis.

Capital expenditure at Challenger for the quarter was A\$1.5 million, mostly related to the cost of acquiring the underground infrastructure and miscellaneous equipment from the previous contractor.

### DEVELOPMENT PROJECTS

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#### NUEVA ESPERANZA SILVER/GOLD PROJECT

Following the evaluation of heap leach processing during the quarter, the Nueva Esperanza development plan is now focused on a 3 million tonne per annum heap leach operation with an initial mine life of 6+ years. Annualised production levels (post ramp-up) are estimated at 6.0 - 8.0 million ounces per annum of silver and 18,000 - 22,000 ounces of gold, at an indicative start-up capital cost of between US\$130 - US\$150 million (inclusive of 25% contingency).

These parameters are based on preliminary results only and are insufficient to provide assurance as to the economic development of the project at this stage and these parameters may also change following completion of the Definitive Feasibility Study.

The project will now move into the final feasibility and design stage with results expected to be available during the March quarter 2014.

Total feasibility and assessment expenditure for the quarter was significantly lower at Nueva Esperanza at A\$1.1 million, with an additional A\$1.2 million incurred on scheduled royalty and related payments to previous owners.

## **BOWDENS SILVER PROJECT, NEW SOUTH WALES**

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Following the completion of major elements of the Definitive Feasibility Study (DFS), ongoing technical work at Bowdens was significantly reduced during the quarter. Various aspects required for completion of the Environmental Impact Statement (EIS) continued as planned, in particular, dust, water, wind and noise monitoring.

Planning is underway for a sterilisation drilling program that is expected to be completed during the December quarter with the results forming part of the DFS.

Total project expenditure for the quarter at Bowdens was A\$2.7 million which includes the cost of unbilled work completed in previous quarters and A\$1.6 million for land acquisition. A further reduction in expenditure is planned for the December quarter.

## **EXPLORATION**

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Exploration activity has been scaled back as non-essential expenditure was curtailed in response to the ongoing volatility in the gold price.

Total regional exploration expenditure for the Group over the quarter was A\$0.3 million.

## **CORPORATE**

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At the end of the September, quarter cash and bullion/doré totalled A\$44.0 million, comprising cash of A\$30.7 million and bullion/doré of A\$13.3 million.

Kingsgate debt consists of a Corporate facility of A\$40 million drawn to A\$20 million and a convertible loan facility of A\$35 million. Kingsgate's Thai subsidiary, Akara Resources Public Company Limited ("Akara"), has a fully drawn loan facility of US\$125 million. A credit approved term sheet has been received from Kingsgate's lenders for a restructure and amalgamation of the Kingsgate Corporate and convertible loan facilities.

Akara has submitted its listing application and draft Prospectus to the Thai Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) for an initial public offering of its shares on the SET.

The SEC and SET will review the draft Prospectus in the coming months in order to approve the listing of Akara. The decision to list Akara will depend on market conditions and other factors at the time of approval.

Kingsgate currently reports operating costs in-line with the Gold Institute Standard. Following the recent release of the guidance note from the World Gold Council on "all-in sustain costs" and "all-in costs". Kingsgate has implemented these metrics that are available in the Corporate Section of the quarterly report.

## **OUTLOOK**

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Total gold production guidance for Kingsgate for the financial year 2014 is estimated to be 190,000 and 210,000 ounces. This includes 120,000 to 130,000 ounces from Chatree and 70,000 to 80,000 ounces from Challenger following the implementation of the new mining plan.

## OPERATIONAL PERFORMANCE

		September Quarter 2013			June Quarter 2013		
		Chatree	Challenger	Consolidated	Chatree	Challenger	Consolidated
<b>Production Summary</b>							
Ore Mined	BCM's	502,981			754,526		
Waste Mined	BCM's	666,522			728,276		
Waste to Ore Ratio		1.3 : 1			1.0 : 1		
Ore Mined	tonnes	1,297,877	126,780	1,424,657	1,958,441	155,623	2,114,064
Ore Treated	tonnes	1,592,759	128,976	1,721,735	1,553,271	152,183	1,705,454
Head Grade - Gold	Au g/t	0.79	4.67	-	1.01	3.47	-
Head Grade - Silver	Ag g/t	12.8	-	-	13.1	-	-
Gold Recovery		80.1	95.5	-	84.1	94.4	-
Silver Recovery		38.1	-	-	48.8	-	-
Gold Poured	ounces	32,241	18,545	50,786	46,053	15,920	61,973
Silver Poured	ounces	235,922	903	236,825	325,728	956	326,684
<b>Financial Summary</b>							
<b>Cost Summary</b>							
Mining Cost	US\$/oz	322	1,008	573	263	616	354
Milling Cost	US\$/oz	417	213	342	324	342	329
Administration & Other	US\$/oz	63	186	108	45	167	77
Deferred Waste & Stockpile Adjustments	US\$/oz	39	(3)	24	70	36	62
By-Product Credit*	US\$/oz	(157)	(1)	(100)	(128)	(1)	(95)
<b>Cash Operating Cost</b>	US\$/oz	<b>684</b>	<b>1,403</b>	<b>947</b>	<b>574</b>	<b>1,160</b>	<b>727</b>
Gold Royalty	US\$/oz	123	51	97	112	55	97
<b>Total Cash Cost</b>	US\$/oz	<b>807</b>	<b>1,454<sup>^</sup></b>	<b>1,044</b>	<b>686</b>	<b>1,215</b>	<b>824</b>
Depreciation & Amortisation - Operating	US\$/oz	244	186	223	203	971	400
Depreciation & Amortisation - Acquisition	US\$/oz	-	-	-	-	194	50
<b>Total Production Cost</b>	US\$/oz	<b>1,051</b>	<b>1,640</b>	<b>1,267</b>	<b>889</b>	<b>2,380</b>	<b>1,274</b>
<b>Total Cash Cost per Tonne of Ore Treated</b>	US\$/t	<b>16.34</b>	<b>209.09</b>		<b>20.37</b>	<b>127.07</b>	
<b>Revenue Summary</b>							
Gold Sold	ounces	36,203	19,594	55,797	42,932	16,068	59,000
Silver Sold	ounces	266,924	994	267,918	283,027	834	283,861
Average Gold Price Received	US\$/oz	1,324	1,281	1,309	1,420	1,432	1,423
Average Silver Price Received	US\$/oz	21.1	21.4	21.1	23.2	23.6	23.2
Revenue from Metal Production	US\$m	53.6	25.1	78.7	67.5	23.0	90.6
Average Exchange Rate	\$/US\$			0.92			0.99

\* Net of silver royalties. ^ Includes mine development costs.

## OPERATIONAL PERFORMANCE

### CHATREE GOLD MINE, THAILAND

Mining continued in areas of A Hill with some further development at Q Prospect. Mining was impacted by heavy wet season rainfall with ore mined of 1,297,877 tonnes. With access to ore in A Pit Stage 2 restricted by the wet weather, mining was directed towards waste movement and ore was drawn from stockpiles for processing. Total material moved, ex-pit, was also affected by low excavator availability and productivity early in the quarter. This was largely related to the slow supply of spare parts which is the subject of ongoing discussions with the parts supplier and a major component failure on the spare excavator. Mining of the currently available high-grade ore in Q Prospect was completed in the quarter with drilling underway to identify additional near-surface high-grade targets. The strip ratio was 1.3:1 (previous quarter 1.0:1).

The process plants treated 1,592,759 tonnes of ore at an average plant head grade of 0.79 grams per tonne gold to produce 32,241 ounces of gold. Silver production was 235,922 ounces. Gold recovery was 80.1% which reflects the expected recovery from the lower lower-grade ore blended from stockpiles.

The conversion of the four leach tanks to Carbon in Leach (CIL) to improve recovery at Plant #2 was completed during the quarter.

Stockpiled ore at close of quarter was 9,421,036 tonnes at 0.55 grams per tonne containing 167,349 ounces of gold.

### SAFETY, ENVIRONMENT AND COMMUNITY

Chatree recorded its first Lost Time Injury (LTI) since June 2003 with two LTI's within the past month. One injury was sustained by an Akara employee and one by a contractor. Both were treated and have subsequently returned to work.

There were no reportable environmental incidents at Chatree during the quarter.

### EXPLORATION

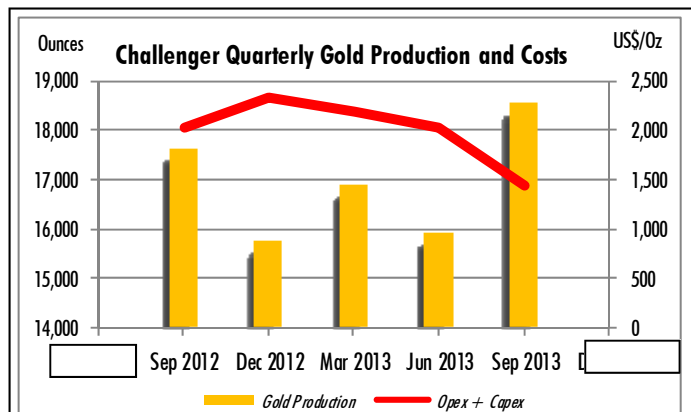
With the continuing volatility in the gold price, exploration activity has focused on near-surface oxide gold targets within the mining lease. Although the targets are incremental to the global Mineral Resource and Reserves, they provide a valuable low cost opportunity to the operation. Drilling during the quarter, has successfully identified new shallow gold mineralisation immediately adjacent to A Pit, and also within the Q Prospect area. Results include **21 metres @ 2.6g/t** gold from 1 metre at A North East and **14 metres @ 5.3g/t** gold from 10 metres at Q Prospect. Follow-up drilling is planned for Q Prospect.



Chatree Maintenance Team

## CHALLENGER GOLD MINE

Challenger gold production was 18,545 ounces for the quarter, the highest level since the June 2012 quarter. Total cash costs are now being reported inclusive of both operating and capital (i.e.: “all-in costs”) and for the quarter were US\$1,454/ounce (including royalties). This represents a 28% decline over the June quarter.



These results were achieved with the previous contractor being operational in July and the expected disruption that occurred in August with the changeover to Byrnegut Australia Ltd as the new mining contractor.

The new contract was expected to deliver lower mining costs through a number of initiatives, including a reduced workforce, lower contact unit costs and lower consumable costs. During the transition period, the plan is delivering above expectations. The first full month of operation by Byrnegut (September) resulted in contractor cost savings of around 26% compared to the average monthly contractor costs in FY2013 and savings of around 15% in overall costs for the month.

A total of 1,190 metres of development was carried out during the quarter with operating development advance completed at Challenger West on the 670 and 650 levels, as well as the M2 orebody on the 135 and 155 levels. Capital development advance was in the Challenger West 770 and 630 declines, 910 incline and a restart of the 550 Access.

The main stoping was undertaken, during the quarter, below the 79 Fault/215 Shear at M1 on the 155 level, M2 on the 155 and 175 levels and above the Shear at Challenger West on 670 and 870 levels and M2 on the 860 and 880 levels. Airleg stoping took place in the 260, 740 and 880 levels.

## Processing

During the September quarter, 128,976 tonnes of ore were milled. The process plant operated consistently with the throughput reflecting the focus on higher-grade ore. Metallurgical recovery was better than expected at 95.5%.

## Resource Development Drilling

A total of 9,451 metres of diamond drilling was carried out during the quarter. Mine development drilling focused on the Challenger West 1050 to 1090 levels and 590 to 510 levels. Diamond drilling rates and costs improved after Kingsgate took ownership of the drilling function during the quarter.

Significant intersections are summarised in Appendix A.

## CHALLENGER WEST

Drilling of Challenger West from the 670 level (targeting 630 level) continued to return high-grade gold intersections, including 1.00m @ 141.89g/t (627 level) and 1.81m @ 19.35g/t (627 level). Drilling has delineated two high-grade limbs on the 630 level where development will commence when 670 production is completed. Challenger West drilling from the 550 level (targeting 550-450mRL) returned gold assay results including 2.51m @ 27.79g/t (553 level) and 3.00m @ 7.28g/t (554 level). Core logging identified numerous visible gold intersections co-incident with high-grade gold assay results. Significant intercepts include, among others, 0.47m @ 367.22g/t (1080 level).

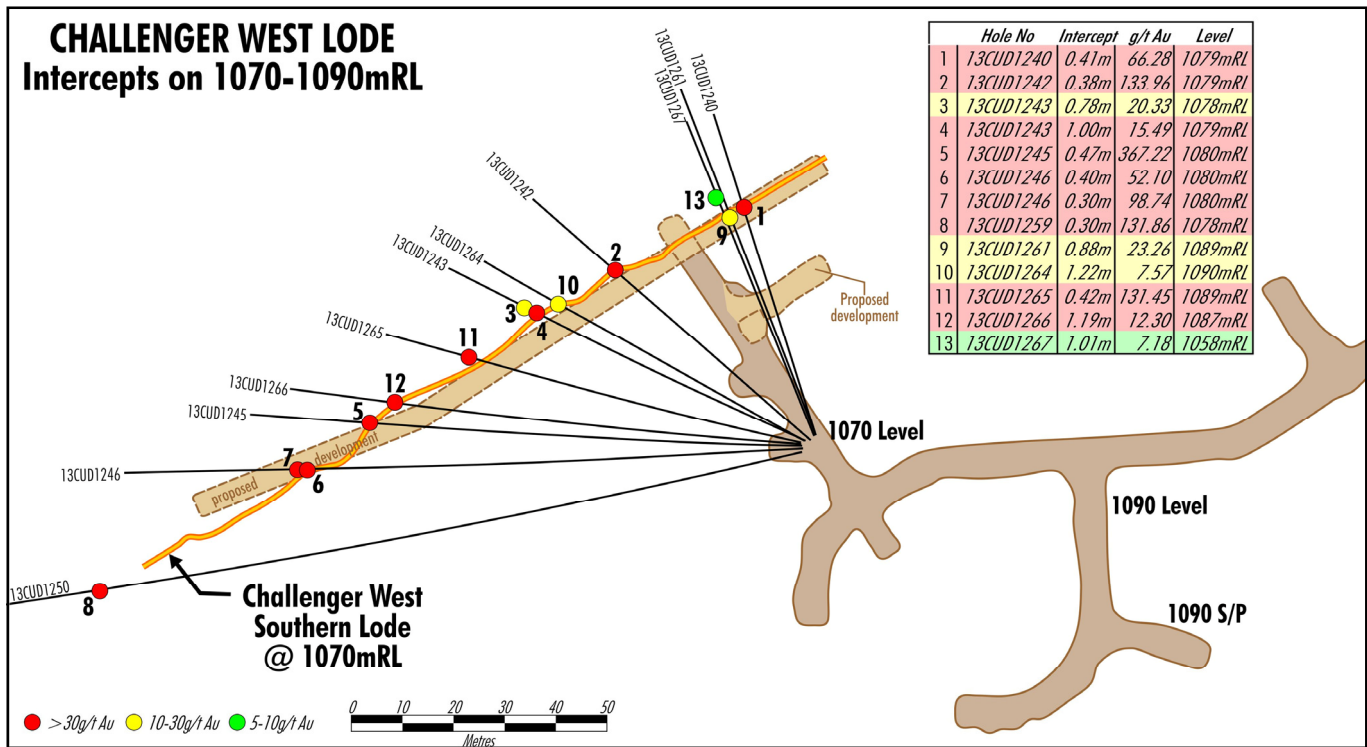
## AMINUS CORRIDOR

A single intersection of 3.00m @ 10.92g/t gold was returned as part of the Challenger West resource drilling. This zone lies in the ‘Aminius Corridor’ to the south of the Challenger West OD1 position and some distance along strike from Aminius 2. This highlights the potential that exists in Challenger structural domains that have yet to be tested.

## SAFETY, ENVIRONMENT AND COMMUNITY

There were no Lost Time Injuries (LTI) during the quarter and the site was 97 days LTI free as at 30 September 2013.

Challenger		Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013	% Change Sept Quarter to June Quarter
Gold production	oz	17,637	15,759	16,900	15,920	18,545	
Operating Cost	US\$/oz	843	1,228	1,278	1,215	1,454	
Mine Development	A\$M	22.1	16.9	14.9	13.1	-	
Mine Development	US\$/oz	1,303	1,115	917	815	-	
Opex + Mine Development	US\$/oz	2,146	2,343	2,195	2,030	1,454	-28%
FX AUD:USD		1.04	1.04	1.04	0.99	0.92	



## NUEVA ESPERANZA PROJECT

Nueva Esperanza project work, during the quarter, was focussed on progressing the heap leach processing route alternative and on-site power supply.

### Feasibility Study Update

The preliminary and interim phase of the feasibility work has now been completed and the initial findings provide confidence in the technical and financial robustness of the project at current spot silver and gold prices.

The preliminary estimates are summarised as follows.

Throughput <sup>(1)</sup>	3,000,000 tonnes per annum
Initial mine life	6 years
Annualised production <sup>(1)</sup>	
Silver	6,000,000 – 8,000,000 ozs
Gold	18,000 – 22,000 ozs
Start-up capital cost	US\$130-150 million
Average metallurgical recovery	
Silver	70-75%
Gold	65-70%
Average strip ratio	5.5 : 1
Average operating cost (after gold credits)	US\$11-13/oz silver
<i>Note: These parameters are based on preliminary results only and may change following completion of the DFS.</i>	
<i>(1) Following completion of the ramp up to full capacity expected to take between 18-24 months</i>	

The current plant and infrastructure design comprises the following:

- Three-stage crushing circuit with a design crush of between 4 and 8mm. The circuit will include High Pressure Grinding Rolls (“HPGR”) as the third crushing stage to generate micro fracturing of the mineralisation to achieve the targeted metallurgical recovery rates. Agglomeration of

the product will be required following the final crushing stage.

- A third party power supplier will provide on-site power generation using LNG. Current indications are that all-in power costs will be largely in line with current spot rates of approximately US\$0.25/kWh. This will eliminate the need for the previously planned 45kms electricity transmission line from the nearest access point to the power grid.
- An overland conveyor of approximately 4.7kms to transport the agglomerated product from the crushing plant to the leach pads.
- Initial leach pad design of 10 million tonnes.
- Merrill Crowe circuit to recover a silver/gold doré.
- Water usage rights have been secured from two water bores approximately 10kms from the project that will provide sufficient water to meet all planned requirements.

An indicative capital cost for a 3 Mtpa heap leach option has been calculated building upon the information from the engineering work completed by external engineering consultants undertaken for the agitated leach (milling) option and internal estimates. The capital cost is anticipated to be much lower than previous estimates and is likely to have a positive impact on both project returns and the financing of any development.

Category	Low (US\$ million)	High (US\$ million)
Direct Costs	73	81
Indirect Costs	25	31
EPCM	7	8
Sub Total	105	120
Contingency	25	30
Total	130	150
<i>Note: These parameters are based on preliminary results only.</i>		

The project parameters outlined are based on preliminary results only and are insufficient to provide assurance as to the economic development of the project at this stage and these parameters may also change following completion of the Definitive Feasibility Study.

### Environmental Licensing

The Environmental Impact Assessment (EIA) will need to be modified via a DIA (Declaracion de Impacto Ambiental, which translates into Declaration of Environmental Impact) to incorporate heap leaching, on-site power generation and an updated mine plan for the Chimberos and Teterita deposits which were not included in the original EIA. Work on this is expected to begin in the current quarter with approvals expected to take between 3-6 months from submission.

### Project Status

The project will now move into the final feasibility and design stage with results expected to be available during the March 2014 quarter. This work is building upon the engineering work previously undertaken for the agitated leach (milling) option and can be completed with only modest additional expenditure.

## BOWDENS SILVER PROJECT

Major elements of the Definitive Feasibility Study (DFS) have now been largely completed, particularly, the design of the process plant and related infrastructure. Given the updated timetable for lodgement of the Environmental Impact Statement (EIS), now due in mid-2014, further technical analysis has been reduced and is being phased with the EIS work.

Design work for the sterilisation drilling program is being finalised and will focus on the proposed locations areas for the processing plant and related infrastructure. This program comprises 1,200m of diamond drilling and 1,600m of RC drilling and is expected to be completed during the December quarter with the results forming part of the DFS.

### Environmental Licensing

Work continues on the preparation of an Environmental Monitoring Plan that includes surface water, groundwater, air quality, stream-gauging, noise, weather and lead studies. This study is a record of continuous environmental monitoring and is an important requirement as part of the Director General's Requirements (DGR's).

Kingsgate continues to monitor the recent NSW Land and Environment Court rulings and subsequent developments

with the NSW Government's proposed changes to state planning laws to ensure that the EIS preparation continues to be of a superior standard and in accordance with environmental regulatory frameworks.

### Project Status

Technical work required to finalise the DFS is being phased in order to align it with the timing of the EIS. Accordingly, project expenditure has been reduced.

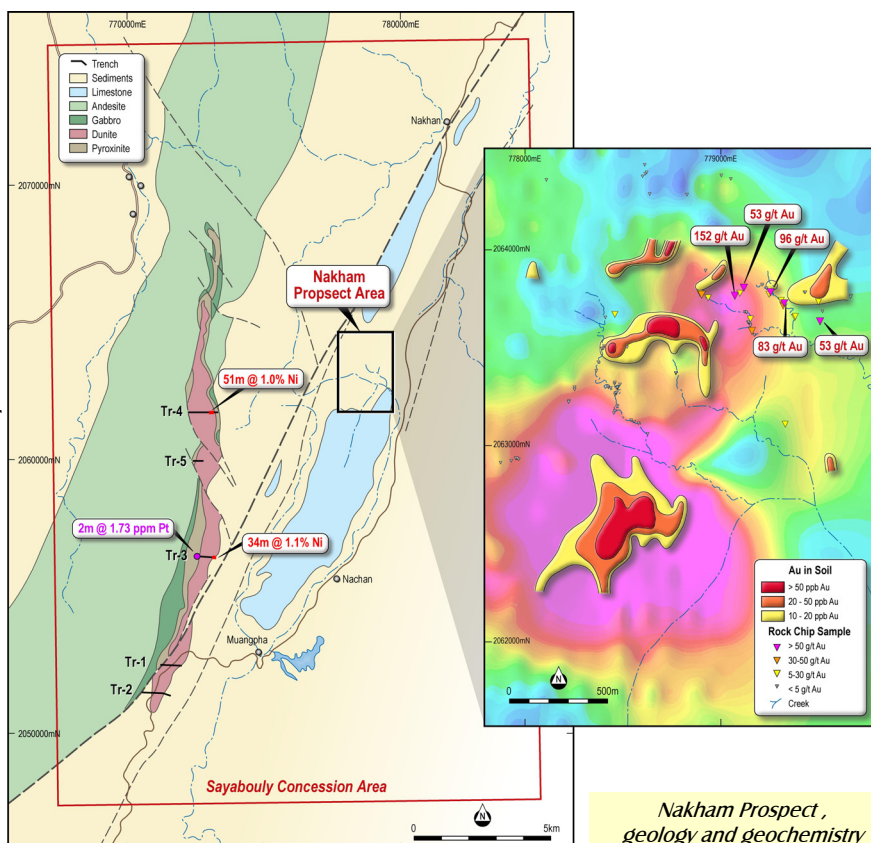
## REGIONAL EXPLORATION

### Sayabouly Project – Lao PDR

With the onset of the wet season, exploration activity over the nickel/copper/platinum group element (PGE) target has been on hold and field work predominantly focused on several new gold occurrences identified within the concession area.

At the Nakham Prospect a coincident gold in soil anomaly overlying a magnetic anomaly lies adjacent to recent high-grade rock chip sampling of locally transported quartz veins (including 96.0g/t Au, 82.7g/t Au, 53.3g/t Au, 44.7g/t Au, 30.0g/t Au and 18.8g/t Au). This confirms the potential for an extensive gold system approximately 2km long by 1 km wide. Outcrop in the southern portion of the soil and magnetic anomaly is minimal and rock chip sampling is not possible due to lack of adequate sample.

With the end of the wet season, exploration will focus on identifying the primary source of this gold occurrence.





## AKARA IPO

Akara submitted its listing application and draft associated documents (Prospectus) to the Thai Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) for an initial public offering (IPO) of its shares on the SET.

The SEC and SET will review the Akara Thai language Prospectus in the coming months in order to approve the listing of Akara. The board's decision to proceed to list Akara will depend on market conditions, valuation metrics and other factors at the time of approval.

If the IPO proceeds, Kingsgate will retain a 49% interest in Akara and will continue to support the operation and management of the Chatree Gold Mine on commercial terms pursuant to a long term Management Agreement with Akara. Kingsgate will also have a majority of directors on the Akara board.

An English version of the draft Prospectus, which is in respect of an international offering, includes all material information contained in the Thai language Prospectus and has been posted on the Company's website [www.kingsgate.com.au](http://www.kingsgate.com.au)

## FINANCE

The Group has a three year secured loan facility with a limit of A\$40 million, of which A\$20 million has been drawn down as at 30 September 2013.

The Group also has a five year A\$35 million convertible loan facility entered into in a prior period to provide funding for the Bowdens acquisition. Kingsgate has the option to make a prepayment against the facility with an issue of Kingsgate shares.

As indicated previously in the Preliminary Final report, at balance date it was the Group's intention to restructure and amalgamate these facilities in the current financial year. This relates to the potential for completion of the Initial Public Offering ("IPO") of Akara on the Stock Exchange of Thailand and the updated mine plan for Challenger. Any restructure would optimise the Group's anticipated balance sheet liquidity and operational cash flows. Accordingly, the Group classified the total amount drawn down under these facilities of \$55 million as a current liability at 30 June 2013.

Subsequent to the end of the financial year, the Group has received from its lenders a credit approved term sheet (subject to formal documentation) for the

restructure of the corporate loan and convertible loan facilities. Following completion of the restructure the total amount outstanding will be reduced to \$40 million. This loan will be provided through a single senior corporate facility which will consist of two tranches:

Tranche one will be a \$25 million Akara Pre IPO Bond with a maturity date of 31 July 2015. The current intention is for this tranche to be repaid as part of the Akara IPO although at Kingsgate's election repayment can be made by either cash or in Kingsgate's shares.

Tranche two is an amortising facility with \$5 million to be repaid during the 2014 financial year and the balance of \$10 million repaid during the 2015 financial year.

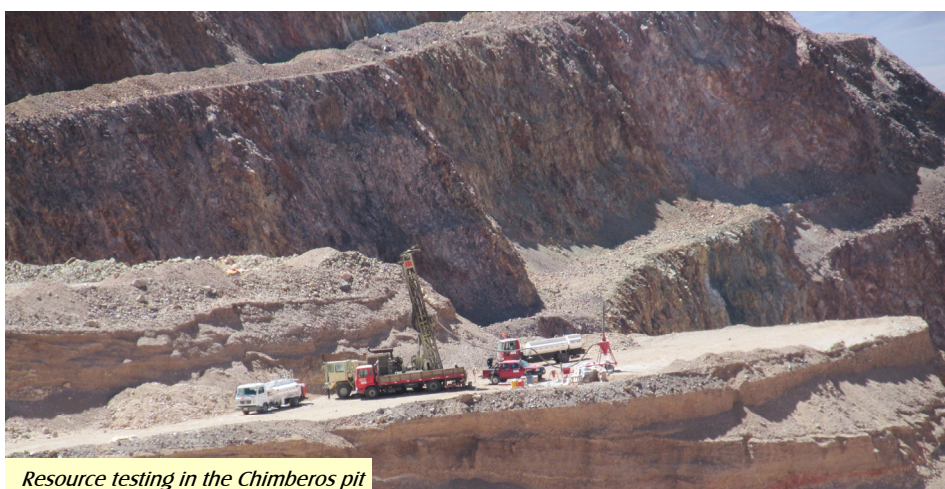
## REVENUE AND COSTS

Kingsgate has 38,000 ounces of gold sold forward at an average price A\$1,435/ounce and a residual forward sale of 5,000 ounces at A\$1,160 from the Dominion merger. The gold is to be delivered over a 12 month period as part of the mitigation of Australian gold price risk associated with forecast production from the Challenger Mine.

All-in Sustaining Cash Costs - September Quarter 2013, based on gold sales:

		Chatree	Challenger	Group
Gold Sales	oz	36,203	19,594	55,797
Adjusted Total Cash Cost (incl royalties)	US\$/oz	785	1,439*	1,017
Sustaining Capex	US\$/oz	191	73	150
Exploration Expense	US\$/oz	-	-	-
Corporate and Administration Costs^	US\$/oz	-	-	56
All-in Sustaining Cash Cost	US\$/oz	976	1,512	1,223

\* Underground mine development included.  
 ^ Corporate and Administration costs have been allocated 73:27 between operating assets and development projects.



Resource testing in the Chimberos pit

## APPENDIX A

### CHATREE DRILLING 2013: A NORTH EAST PROSPECT

Hole No.	Local Grid Easting	Local Grid Northing	Azimuth (°)	Dip (°)	Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)
04790RC	5291	20567	101	-55	24	10	15	5	1.6
04791RC	5281	20609	101	-55	24	1	22	21	2.6
04792RC	5269	20611	101	-55	24	14	24	10	1.7
04795RC	5340	20598	101	-55	24	10	24	14	0.6
04798RC	5324	20642	101	-55	24	6	22	16	0.8
04799RC	5342	20638	101	-55	24	9	21	12	0.5
04830RC	5316	20663	101	-55	24	0	8	8	1.5
04831RC	5334	20660	101	-55	24	4	16	12	0.8
04833RC	5369	20654	101	-55	24	6	17	11	1
04844RC	5304	20605	101	-55	24	0	24	24	0.8
04845RC	5280	20569	101	-55	24	0	7	7	1.4
04848RC	5298	20667	101	-55	24	3	23	20	0.8
04849RC	5359	20636	101	-55	24	3	23	20	0.6

### CHATREE DRILLING 2013: Q PROSPECT

Hole No.	Local Grid Easting	Local Grid Northing	Azimuth (°)	Dip (°)	Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)
04751RC	6435	5353	90	-55	24	10	24	14	5.3
04773RC	6442	5379	90	-55	18	4	10	6	1.4
04843RC	6512	5355	90	-55	24	18	24	6	2.5

### CHALLENGER DRILLING 2013: UNDERGROUND DIAMOND DRILLING – AMINUS CORRIDOR

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Midpoint (mRL)
12CUD1021	244.00	247.00	3.00	10.92	95

### CHALLENGER DRILLING 2013: UNDERGROUND DIAMOND DRILLING – CHALLENGER WEST

Hole ID	From (m)	To (m)	Interval (m)	Au (g/t)	Midpoint (mRL)
13CUD1228	140.69	143.20	2.51	27.79	553
13CUD1229	133.00	133.62	0.62	60.23	553
13CUD1231	91.78	92.20	0.42	312.45	553
	130.00	133.00	3.00	7.28	554
13CUD1232	112.11	113.33	1.22	47.69	554
13CUD1234	32.00	33.00	1.00	141.89	627
13CUD1235	121.30	123.11	1.81	19.35	627
13CUD1240	46.35	46.76	0.41	66.28	1079
13CUD1242	50.37	50.75	0.38	133.96	1079
13CUD1245	83.89	84.36	0.47	367.22	1080
13CUD1246	95.60	96.00	0.40	52.10	1080
	97.67	97.97	0.30	98.74	1080
13CUD1259	138.20	138.50	0.30	131.86	1078
13CUD1261	48.00	48.88	0.88	23.26	1089
13CUD1265	68.46	68.88	0.42	131.45	1089
13CUD1269	50.61	51.00	0.39	159.97	1050

# 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 Resources PCL

## 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)

## EXCHANGE LISTING

ASX:KCN

## ISSUED SHARE CAPITAL

Kingsgate has 152,284,777 ordinary shares on issue, 4,833,334 unlisted options, 194,839 Deferred Rights and 343,410 Performance Rights.

## QUARTERLY SHARE PRICE ACTIVITY

QUARTER	HIGH	LOW	LAST
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
March 2013	\$5.06	\$3.32	\$3.89
June 2013	\$4.00	\$1.265	\$1.265
September 2013	\$2.81	\$1.28	\$1.695

## 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.

## COMPETENT PERSONS STATEMENTS

*In this report, information concerning Thailand operations and Lao exploration relates to Exploration Results, Mineral Resources and Ore Reserve estimates based on and fairly represents information compiled by the following Competent Persons: Ron James, Brendan Bradley, Kevin Woodward 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, 2012 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 and fairly represents information compiled by Stuart Hampton and Luke Phelps who are full-time employees of the Kingsgate Group. Stuart Hampton and Luke Phelps are members of The Australasian Institute of Mining and Metallurgy. 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Stuart Hampton and Luke Phelps 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 and fairly represents 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 2012 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, 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.*



*24 hour operations by the gold plant at Chatree gold mine, Thailand.*