

# **Kingsgate** Consolidated Limited



**Kingsgate  
Update  
February  
2011**



# Disclaimer

## Forward Looking Statements:

These materials include forward looking statements. Forward looking statements inherently involve subjective judgment & analysis & are subject to significant uncertainties, risks & contingencies, many of which are outside of the control of, & may be unknown to, the company.

Actual results and developments may vary materially from that expressed in these materials. The types of uncertainties which are relevant to the company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the company & general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements.

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# **Dominion Joins Kingsgate**

- **Overwhelming vote in favour of Dominion Scheme of Arrangement**
- **Share Scheme proxies lodged**
  - **Total 67.9M Holders 1,033**
  - **For 66.5M (98.0%)**
  - **Against 1.0M (1.5%)**
  - **Open 0.5M (0.5%)**
- **Court Hearing on Friday 4 February**
- **Scheme anticipated to be effective from 7 February**





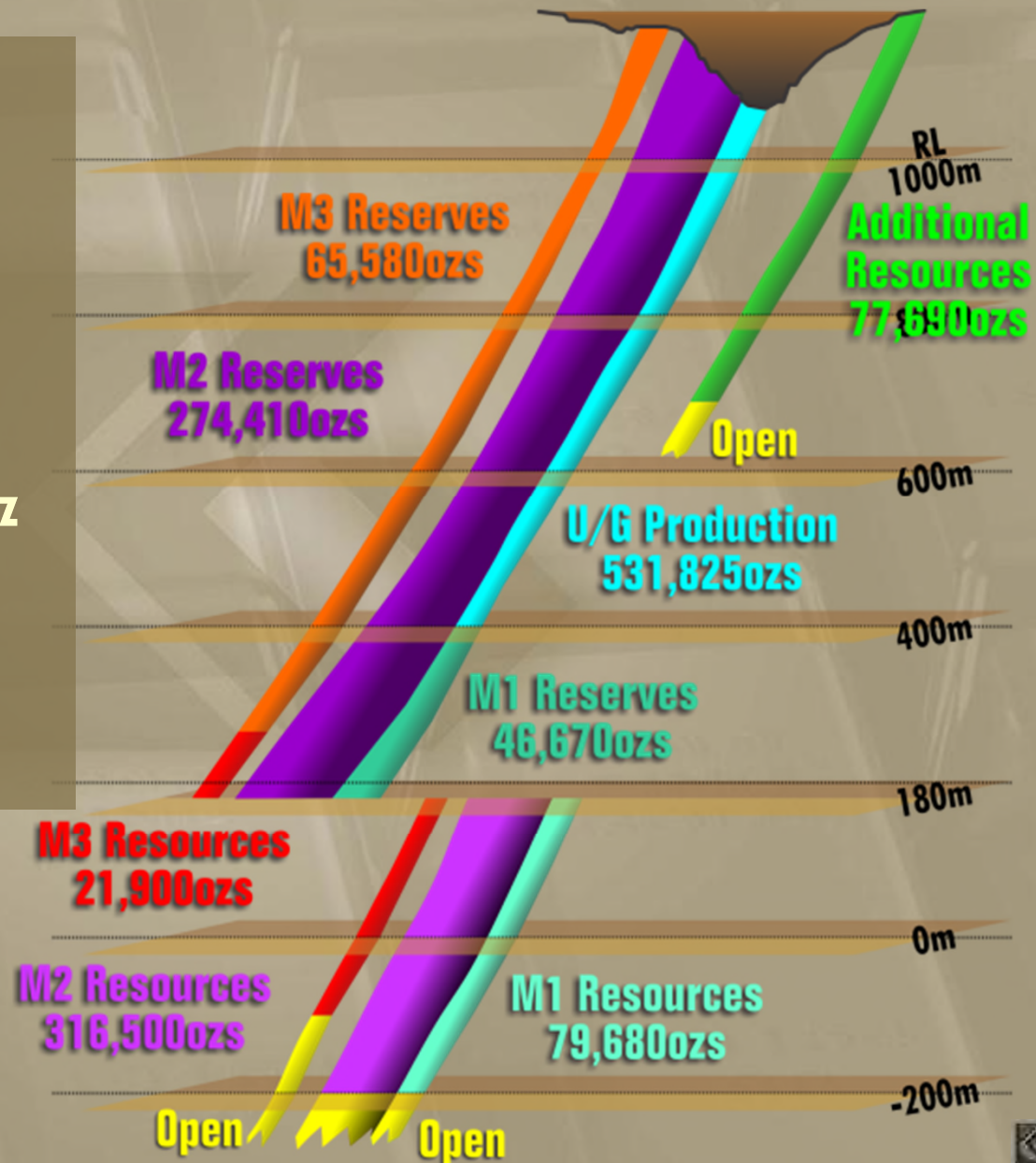
# Dominion Assets

- Challenger underground mine in South Australia
  - Gold production rate ~100,000 ounces pa
- Exploration targets to increase reserve and resource position
- Ungearing balance sheet and healthy cash balance
- Prospective portfolio of regional exploration tenements and applications in Western Australia, South Australia and Laos
- Strong underground mining expertise and exploration team



# Challenger Gold Mine

- Reserves of 421,650 ounces (as at June 30, 2010)
- Resources of 950,220 ounces (as at June 30, 2010)
- Dec Qtr 2010 production 25,195oz @ cash cost \$769/oz
- Strong reserve increase since commencement and further reserve growth anticipated



# December Quarter Summary

- **Chatree Gold Production 21,451oz**
- **Low Cash Costs US\$458/oz**  
(including US\$117 Thai royalty)
- **Expansion on Time & Budget**
- **Drilling advances u/g potential**
- **Access to high grade C North in 2HY**
- **FY2011 Production 110Koz – 120Koz**

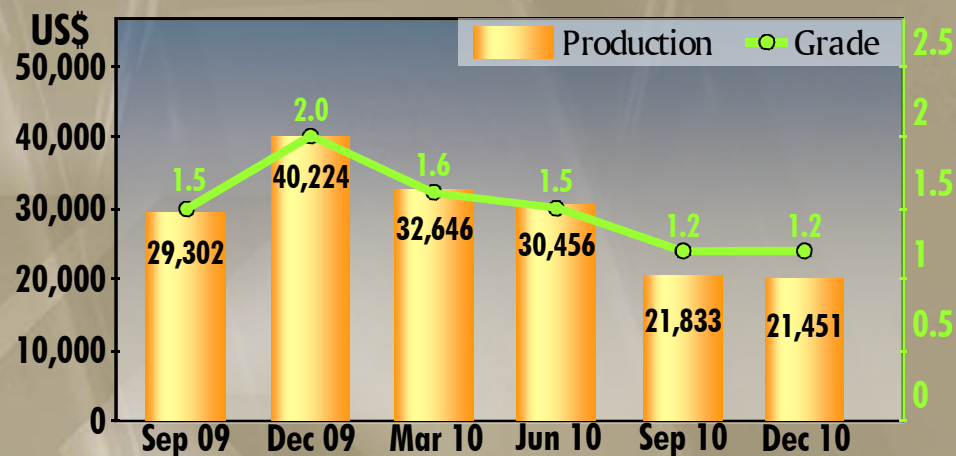




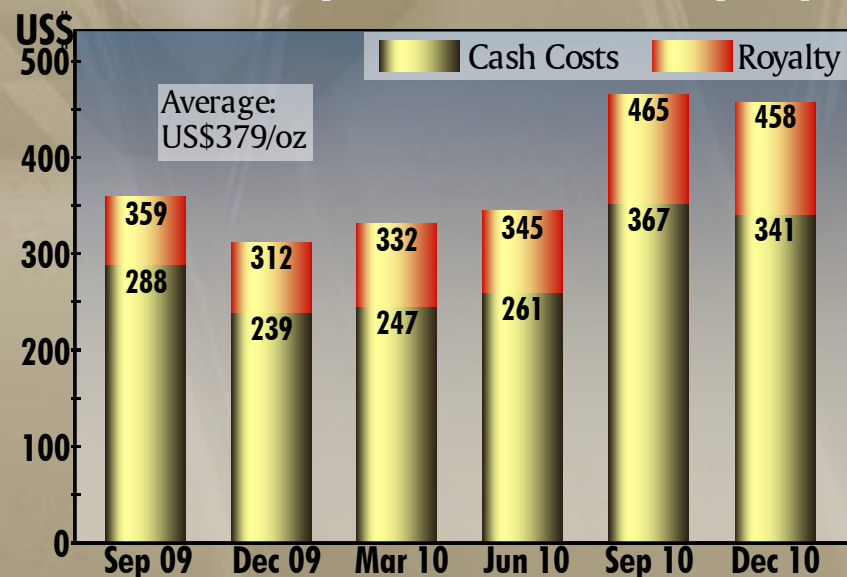
# Production Statistics

- Production in-line with expectations
- Throughput 648,770 tonnes
- Recovery 88.1%
- Costs/oz vary with grade
- Stronger 2<sup>nd</sup> half expected with access to C North

## Quarterly Gold Production & Grade



## Quarterly Cash Costs & Royalty



# Expansion on Time and Budget

Chatree processing plant capacity increase from 2.3 to +5 Mtpa  
Commissioning expected September Quarter 2011  
Increase production rate up to 200,000 ounces per year



Project capex: ~US\$56M expensed; Remaining ~US\$69M  
Positive expressions of interest from 6 Thai and international banks for US\$125m debt facility  
Tax incentives granted for production from new plant



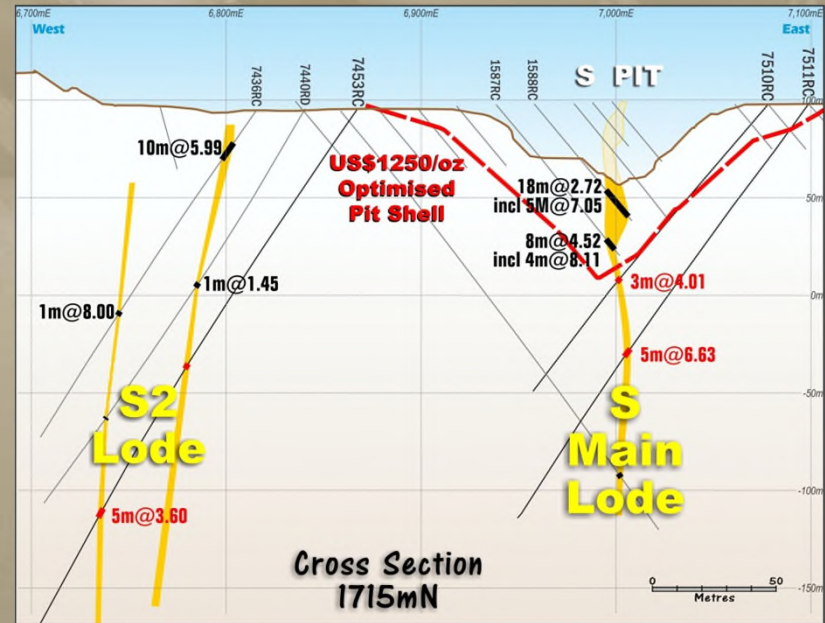
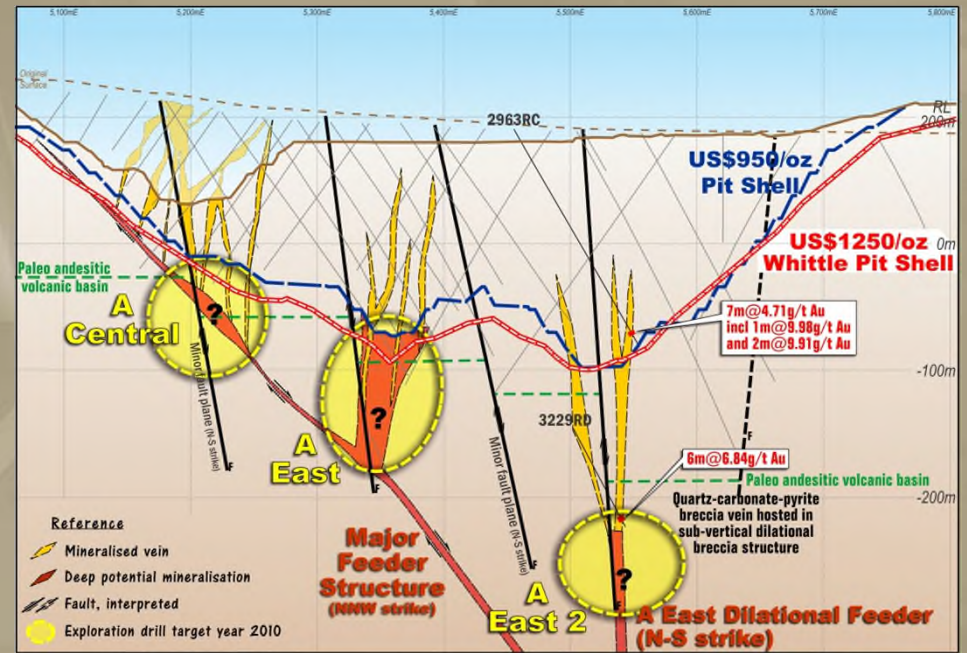
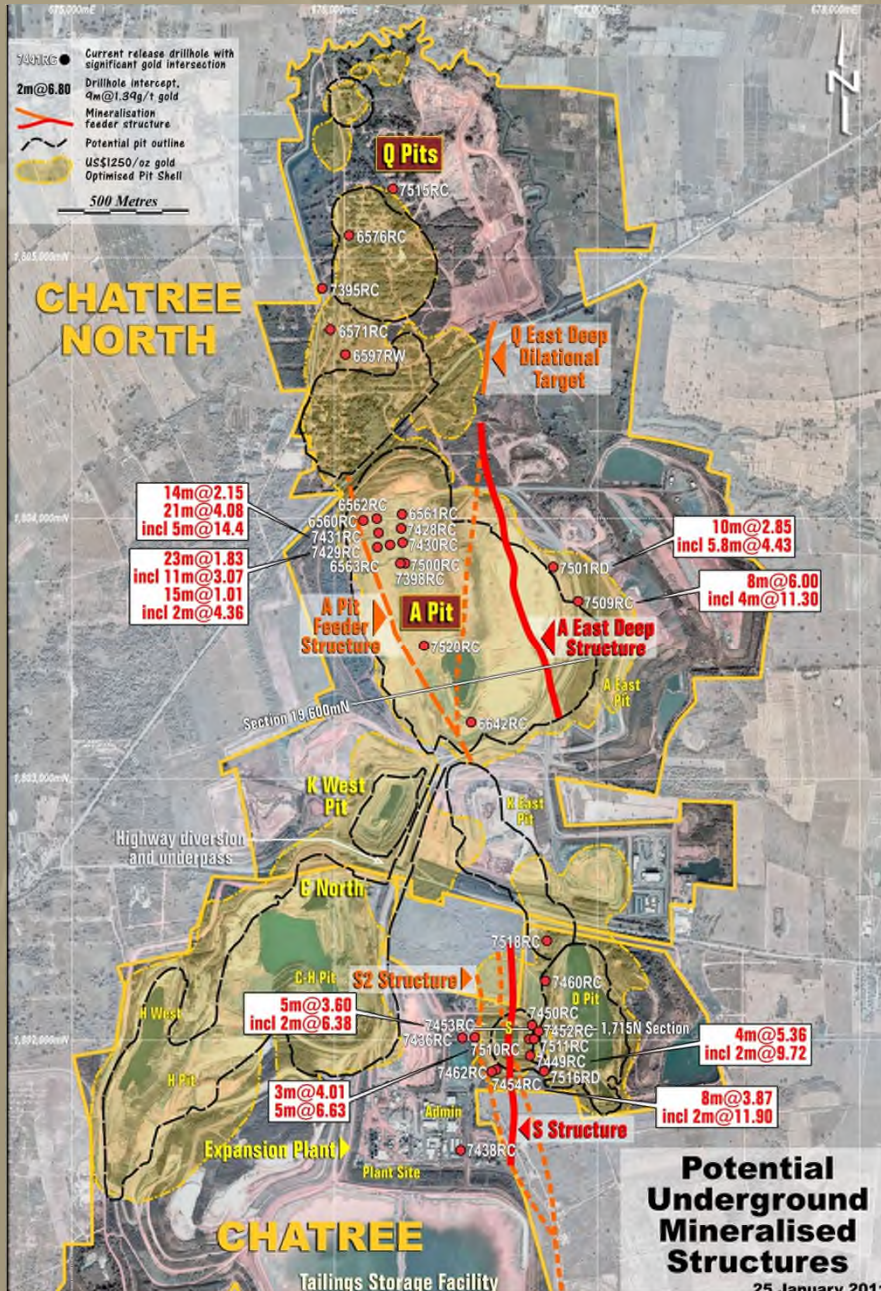


# Expansion 60% complete





# Underground Potential





# Corporate Social Responsibility

- **World Safest Gold Mine**
  - **15.6M hours worked (8 years)**  
**No incidents**
- **Zero Environmental Incidents**
- **ISO Standards on all activities**
- **Only mining company granted Social Accountability SA8000**
- **Training focus – 99% Thai**
  - **31% women in management**
- **High quality, stable workforce**
- **Created local support industry**



Thailand National Occupational Safety & Health Award 2010



Zero Accident Award 2010.jpg



Prime Minister's Award 2010





# Kingsgate in Control of Laguna

**ARQUEROS ●**

- ASX listed (ASX:LRC)
- Off market takeover offer of 1 KCN share for every 520 LRC shares
- Kingsgate moves to control with over 67%
- Gavin Thomas appointed Chairman
- Bid now final and closes on 15 February 2011
- Main asset is the Arqueros advanced project in the world-class Maricunga Belt of Northern Chile.
- Portfolio of gold exploration projects in the region

Santiago ●



# Arqueros Field Work Resumes

- Arqueros Camp re-established
- Underground resource drilling commences
- Gaston Araya appointed VP Operations
- Plan to fast-track Arqueros through feasibility study into production





# Kingsgate Geographic Diversity





# Growing gold producer

## Production Growth

Plant expansion on time and on budget  
Commissioning expected Sept Qtr 2011

## Resource Growth

Drilling continues to advance  
underground potential

## Diversified Production

**Australia:** Dominion s/h vote in favour  
**Chile:** Control of Laguna achieved (67%)

## Stronger Second Half

Access to higher grade C North expected in Feb.  
Full year gold production 110,000 to 120,000oz



# **Kingsgate Consolidated Limited**

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The information in this presentation that relates to Dominion's 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 Company, members of the Australasian Institute of Mining and Metallurgy. Peter Bamford, Tony Poustie and Paul Androvic have sufficient experience, which is relevant to the style of 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.



# Appendix 1. Chatree



## Chatree Ore Reserves as at 30 June 2010 (>0.4g/t gold cut-off grade)

Source	Category	Tonnes	Gold Grade	Silver Grade	Gold Contained	Silver Contained
		(millions)	(g/t)	(g/t)	(million ounces)	(million ounces)
From Pits	Proved	37.4	1.00	9.5	1.20	11.42
	Probable	18.7	0.98	8.4	0.59	5.02
Stockpiles		5.6	0.79	12.1	0.14	2.19
<b>Chatree Total</b>	<b>Total</b>	<b>61.7</b>	<b>0.97</b>	<b>9.4</b>	<b>1.93</b>	<b>18.63</b>

## Chatree Mineral Resources Inclusive of Ore Reserves as at 30 June 2010 (>0.3g/t gold cut-off grade)

Source	Category	Tonnes	Gold Grade	Silver Grade	Gold Contained	Silver Contained
		(millions)	(g/t)	(g/t)	(million ounces)	(million ounces)
From Pits	Measured	79.8	0.81	7.4	2.07	18.85
	Indicated	56.7	0.76	6.1	1.39	11.07
	Inferred	31.4	0.71	4.8	0.72	4.86
Stockpiles		5.6	0.79	12.1	0.14	2.19
<b>Chatree Total</b>	<b>Total</b>	<b>173.5</b>	<b>0.77</b>	<b>6.6</b>	<b>4.32</b>	<b>36.97</b>

### Competent Persons Statement:

Information in this presentation relates to Exploration Results, Mineral Resource and Ore Reserve estimates based on information compiled by the following Competent Persons: Ron James, Fiona Davidson, Guy Davies and Suphanit Suphananthi who are employees of the Kingsgate Group and members of The Australasian Institute of Mining and Metallurgy and Rob Spiers who is an employee of Hellman & Schofield Pty Ltd and member of The Australian Institute of Geoscientists. These people qualify as Competent Persons as defined in the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 edition) and possess relevant experience in relation to the mineralisation being reported herein as Exploration Results, Mineral Resources and Ore Reserves. Each Competent Person has consented to the Public Reporting of these statements and the inclusion of the material in the form and context in which it appears.



# Appendix 2. Challenger



## Challenger Ore Reserves as at 30 June 2010

Source	Category	Tonnes (thousands)	Gold Grade (g/t)	Gold Contained (thousand ounces)
From Mine	Proved	318	5.8	59
	Probable	1,834	6.0	352
Stockpiles		157	2.1	9
<b>Challenger Total</b>	<b>Total</b>	<b>2,310</b>	<b>5.7</b>	<b>420</b>

## Challenger Mineral Resources as at 30 June 2010

Source	Category	Tonnes (thousands)	Gold Grade (g/t)	Gold Contained (thousand ounces)
From Mine	Measured	310	6.3	63
	Indicated	2,232	6.4	460
	Inferred	1,672	7.8	418
Stockpiles		157	1.8	8
<b>Challenger Total</b>	<b>Total</b>	<b>4,371</b>	<b>6.8</b>	<b>950</b>

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