



Kingsgate

Consolidated Limited

ABN 42 000 837 472

29 August 2014

Manager

Company Announcements Office

Australian Securities Exchange

Preliminary Final Results and Appendix 4E for the Year Ended 30 June 2014

Kingsgate has recorded the following financial performance for the year ended 30 June 2014

- **Gold sold up 11% to 216,887 ounces**
- **Revenue of \$328.3 million.**
- **EBITDA* (before significant items) of \$66.4 million.**
- **Loss before tax and significant items of \$5.2 million.**
- **Loss after tax and significant items of \$96.3 million.**
- **Non-cash asset impairment of \$84.6 million relating to the Bowdens Silver Project.**

Gold sold for the year was up 11% to 216,887 ounces (2013: 195,948 ounces) including 140,868 ounces from Chatree and 76,022 ounces from Challenger. This was offset by a lower realised gold price of US\$1,291 per ounce (2013: US\$1,588 per ounce).

Chatree continued to perform strongly delivering EBITDA of \$87.2 million and a net profit before tax of \$34.3 million. At Challenger the major restructure and new mine plan and new contract miner improved the underlying financial performance with the operation close to breakeven for the year before one-off restructuring costs.

The major contributor to the after tax loss of \$96.3 million is the non-cash impairment to the carrying value of the Bowdens Silver Project ("Bowdens"). The Board of Kingsgate believes that Bowdens remains an important asset in the Kingsgate development portfolio, however in accordance with the current accounting standards the Company is required to assess the carrying value of the operating and development projects within a set valuation framework. The outcome of the assessment is a non-cash impairment of \$84.6 million against the carrying value of Bowdens.

The development projects continued to advance during the year. At Nueva Esperanza, the Definitive Feasibility Study ("DFS") was completed on the project based on a heap leach process and on-site power generation. The results of the study support the technical viability and financial robustness of the project. At Bowdens, the feasibility work continued on mine planning, infrastructure and metallurgy and has confirmed the optimum process route. Work will now focus on completion and lodgement of the Environmental Impact Statement ("EIS") by the end of calendar year 2014.

Outlook

The outlook for the Group in fiscal year 2015 is for gold production to be in the range of 195,000 to 215,000 ounces. The Chatree Mine in Thailand is expected to continue its strong performance and remain the major producing asset for Kingsgate with an improved production performance of between 130,000 to 140,000 ounces. At the Challenger Mine in South Australia, the focus will remain on cost and productivity improvements with drilling to continue to assess the potential to convert further resources to reserves and extend the mine life. Gold production for the year from Challenger is expected to be in the range of 65,000 ounces to 75,000 ounces of gold.

Kingsgate continues to adapt to the volatile operating environment for gold producers and pursue strategies to lower costs and improve operating efficiencies in order to maximise shareholder returns. This includes considering partners for development projects and potential rationalisation of the asset base.



Tim Benfield

Acting CEO

Kingsgate Consolidated Limited

IMPORTANT NOTICES

Caution regarding forward-looking statements

This announcement contains forward-looking statements, which can usually be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or words of similar effect. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual outcomes to differ materially from those expressed in the statements contained in this release. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to us as of the date of this release. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.

Past performance not indicative of future performance

Past performance information given in this announcement is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

**EBITDA*

EBITDA before significant items is a financial measure which is not prescribed by International Financial Reporting Standards (IFRS) and represents the profit under IFRS adjusted for specific significant items. The EBITDA before significant items has not been subject to any specific review procedures by our auditor but has been extracted from the accompanying half financial report