



# Kingsgate

Consolidated Limited

42 000 837 472

29 October 2010

**Via ASX online  
(13 pages including cover)**

The Manager  
Company Announcements Office  
Australian Securities Exchange

Dear Sir/Madam,

## **Quarterly Report ended 30 September 2010**

We enclose the Quarterly report on activities for three months ended 30 September 2010.

Yours faithfully,  
KINGSGATE CONSOLIDATED LIMITED

**PETER WARREN**  
Company Secretary

**Kingsgate Consolidated Limited**  
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**Kingsgate**  
Consolidated  
Limited

# QUARTERLY REPORT

for the three months ended

## 30 September 2010

### PRODUCTION HIGHLIGHTS

#### Gold Produced

30 Sept. 2010	21,833 oz
30 June 2010	30,456 oz
30 Sept. 2009	29,302 oz

#### Total Cash Costs (incl Royalty)

30 Sept. 2010	US\$465/oz
30 June 2010	US\$345/oz
30 Sept. 2009	US\$360/oz

#### Average Gold Price Received

30 Sept. 2010	US\$1,225/oz
30 June 2010	US\$1,196/oz
30 Sept. 2009	US\$956/oz

### SECURITIES

#### As at 30 September 2010

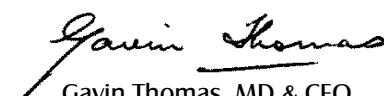
Ordinary shares	101,087,786
Unlisted options	1,685,116



Primary Crusher No 2 under construction

### Kingsgate Consolidated Limited

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Gavin Thomas, MD & CEO

29 October 2010

### KEY POINTS

- ◆ **Quarterly Gold Production at Chatree: 21,833 ounces**
- ◆ **Quarterly Cash Costs: US\$465/ounce gold (including US\$98/oz Thai royalty)**
- ◆ **Chatree Plant expansion (more than doubling capacity to 5 million tonnes) remains on schedule**
- ◆ **Potential for underground mine development at Chatree confirmed with recent drilling results**
- ◆ **Bid announced for agreed acquisition of Dominion Mining**
- ◆ **Bid announced for acquisition of Laguna Resources**

### OVERVIEW

#### Chatree Gold Mine

- ◊ Gold production in the September quarter was 21,833 ounces gold with a gold grade of 1.2 grams/tonne. Operations were carried out in A Hill and K West Pit. As anticipated, the gold grade was reduced due to mining of a scheduled lower grade zone. Operations were also impacted by wet weather and scheduled major maintenance.
- ◊ Correspondingly, cash costs for the quarter were higher at US\$465/ounce (US\$367/ounce before Thai royalties) due to lower grade ore feed. Total production costs after depreciation and amortisation were US\$549/ounce.
- ◊ Cash costs should decrease as the scheduled gold grade increases over the remainder of the year.
- ◊ Chatree has exceeded 14.6 million hours worked over 7 years without a Lost Time Injury (LTI) maintaining its status as the world's safest gold mine, based on publicly available data.

#### Plant Expansion

- ◊ Construction works for the Chatree North plant expansion (doubling processing capacity) have continued apace. Despite heavy rains throughout the quarter, civil works are on schedule, including finalisation of several contracts in September.

#### Resource Development

- ◊ Ore Reserves increased to 1.9 million ounces (Moz.) of gold in 61.7 million tonnes (Mt) of ore at a grade of 1.0 gram/tonne (g/t) gold. This represents a 41% increase in Ore Reserves after mining depletion over the past year, replacing the gold mined at more than four times the current annual mining rate. Contained within the Ore Reserve estimate is 19 M oz. of silver at a grade of 9.4 g/t.

#### Corporate

- ◊ Total cash at bank and bullion on hand was A\$28.8 million (US\$27.9 million) with no debt, after A\$16.9 million was paid out as a dividend in September. The US\$30 million standby debt facility with Investec Bank has been extended to October 2011 and the limit increased to A\$60 million subject to final documentation. This facility will ensure the Company has adequate short term funding available for the Chatree North plant extension whilst a medium term US\$100 million facility is finalised with a consortium of Thai and international banks.
- ◊ On October 20th Kingsgate and Dominion Mining Limited (ASX: DOM) signed a Scheme Implementation Agreement ("SIA") for Kingsgate to acquire all of the shares in DOM via a Scheme of Arrangement. Consideration for the transaction will be Kingsgate shares, with DOM shareholders offered 0.31 Kingsgate shares for each DOM share they own. The transaction values DOM at \$3.63 per share, or approximately A\$376 million.
- ◊ On October 25th Kingsgate and Laguna Resources NL (ASX:LRC) signed a Bid Implementation Agreement for a conditional off-market takeover bid by Kingsgate for all the issued and outstanding shares in Laguna. The transaction values LRC at \$0.02 per share, or approximately A\$22million.



# CHATREE GOLD MINE

## OPERATIONAL PERFORMANCE

Gold production at Chatree for the quarter was 21,833 ounces of gold, lower than the prior quarter, at an average plant head grade of 1.2 grams/tonne gold. Silver production was 136,501 ounces. The lower head grade was largely anticipated and due to mining a scheduled lower grade zone on A Hill and gold production was impacted by a scheduled major shutdown on the jaw crusher and adverse weather conditions. The current wet season (June to October) has had record rainfalls; rain and lightning strikes have impacted operations and plant availability.

Cash costs increased to US\$465/ounce (US\$367/ounce before Thai royalties) for the quarter. Total production costs after tax, depreciation and amortisation are US\$549/ounce. These costs continue to place the mine in the lowest quartile of global gold producers (Source: GFMS Sept 2010).

During the quarter 1,471,500 tonnes of ore was mined and 646,000 tonnes treated at a lower strip ratio of 2.5:1 (previous quarter 4.2:1).

Ore feed was derived from two separate zones – from the main A Hill and from the K West Pit. The K West Pit is nearing completion, scheduled to be mined out by mid-October. Stockpiled ore at the close of the quarter was 6,484,488 tonnes at 0.76 g/t containing 157,385 oz gold.

During the quarter the plant had five unplanned mechanical stoppages, 4 due to lightning strikes and 1 due to power shortages in the grid. Scheduled refurbishment and repair to the crushing circuit was completed by quarter's end with 31 hours of downtime charged to maintenance.

## SAFETY, ENVIRONMENT AND LOCAL COMMUNITY

Chatree continues to be the world's safest gold mine, based on publicly available data, having achieved, by October, 14.6 million hours worked (7 years) since the last and only Lost Time Injury (LTI) and over 16 million hours worked over nine years with one LTI since the commencement of mine construction in the year 2000. This Lost Time Injury Frequency Record (LTIFR) of zero compares favourably to the Australian industry average LTIFR of 3 (Minerals Council of Australia June 2008) and to Canada's Ontario province industry average of 4 (June 2007 data).

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

## FORECAST

Production for the coming year to June 2011 is expected to be within the forecast range of 120,000 to 130,000 ounces of gold.

## CHATREE NORTH PLANT EXPANSION PROPOSAL

The new Chatree North processing plant will be 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 potential gold production levels up to 200,000 ounces per year.

During the quarter significant progress on the construction phase for the Chatree expansion was achieved across several divisions. The civil contracts, comprising principally the concrete foundation work, were awarded and the successful bidder

Chatree Mine	Units	Sep 2010 Quarter	Jun 2010 Quarter	Sep 2009 Quarter
Waste Mined	bcm	1,752,273	1,875,519	1,344,392
Ore Mined	bcm	712,892	451,482	623,253
Waste to Ore Ratio		2.5 : 1	4.2 : 1	2.2 : 1
Ore Mined	tonnes	1,471,487	1,103,732	1,459,280
Ore Treated	tonnes	645,945	690,092	673,050
Head Grade	Au g/t	1.2	1.5	1.5
	Ag g/t	13.2	14.9	17.4
Gold Recovery	%	89.0%	90.0%	88.7%
Gold Poured	ounces	21,833	30,456	29,302
Silver Poured	ounces	136,501	146,577	137,348

Cost Category *	Sep 2010 Quarter US\$/oz Gold	Jun 2010 Quarter US\$/oz Gold	Sep 2009 Quarter US\$/oz Gold
Mining/Treatment Expense	462	345	346
Refining and Transport	4	2	3
By-product Credit	(99)	(86)	(60)
<b>Cash Operating Cost</b>	<b>367</b>	<b>261</b>	<b>289</b>
Royalty	98	84	71
<b>Total Cash Cost</b>	<b>465</b>	<b>345</b>	<b>360</b>
Depreciation/Amortisation	84	66	83
<b>Total Production Cost</b>	<b>549</b>	<b>411</b>	<b>443</b>

\* Gold Institute Revised Standard for Reporting Production Costs.

Kingsgate reports unit costs in accordance with the Gold Institute Standard. Silver is accounted for as a by-product at Chatree whereby revenues from silver are deducted from operating costs in the calculation of cash costs per ounce. The Total Cash Cost of future production at Chatree will fluctuate due to changing grade, throughput, strip ratio and recovery outcomes.

mobilised onsite in July. This contract is nearing completion. The contract to construct the various tanks was also awarded and this aspect is progressing well. Major new contracts are currently being let and despite the heavy rain the project remains on schedule for a September quarter 2011 finish date.

Construction of the security building at the entrance to Chatree North was completed in August as were the concrete pours for the thickener footings, ring beams for tanks and crusher vault.



## EXPLORATION - CHATREE

### Chatree and Chatree North Deposit Growth Potential

#### Open Pit Potential

The Reserves and Resources for the Chatree deposit have been updated. Ore Reserves increased to 1.9 million ounces (Moz) of gold in 61.7 million tonnes (Mt) of ore at a grade of 1.0 gram/tonne (g/t) gold as at the 30th June 2010. This represents a 41% increase in Ore Reserves after mining depletion over the past year, replacing the gold mined at more than four times the current annual mining rate. Contained within the Ore Reserve estimate is 19 M oz. of silver at a grade of 9.4 g/t. Mineral Resources increased to 4.3 million ounces of gold in 174 million tonnes of ore at a grade of 0.8 grams per tonne gold.

Resource Definition drilling program continued on the Chatree North mining leases. The results were put into new Whittle models with differing gold prices. The resources at Chatree have an excellent potential to increase Ore Reserves substantially with higher gold prices. For example, at US\$1250/oz. gold and using the same geological block model, the corresponding ore reserves are 100 million tonnes for 2.73 million ounces of gold at a 0.3 g/t cut-off grade vs. present reserves of 68 million tonnes for 2.16 million ounces based on a gold price of US\$950/oz.

Drilling during the quarter to extend mineral resources at Chatree has intersected new high grade gold zones in the A, Q and S Pit areas. The drilling program continued within the mining leases, aimed at better defining the ultimate extent of the mineralisation that may be contained within an open pit mining operation. Current results support the previous reports of high grade gold mineralisation in extensive, near-vertical structures under existing open pits. The strike and depth extent of deep mineralisation under eight of the existing pits remains open. These drill results further confirm the high grade underground potential at Chatree which is further detailed below in the potential underground target section below.

Furthermore, significant potential exists for the dimensions of the open pits to be substantially larger than those used in the Ore Reserve calculations due to the current gold prices, with minimum impact on the gold grade. To understand the potential of the Chatree Mine better, a base cut-off gold grade of 0.3 g/t was adopted for long-term mine planning. Various pit optimisation studies have been completed utilising different gold price scenarios with their related gold cut-off grades.

For this optimisation study, using only Measured and Indicated categories from the resource block model, scenario analyses were used at Chatree to determine the impact of higher gold prices on pit optimisations (see table below). These analyses did not consider the impact of silver on the outcomes. Results are summarised in the table below.

The results indicate that the resources at Chatree have an excellent potential to increase Ore Reserves substantially with higher gold prices. For example, at US\$1250/oz gold, the corresponding ore reserves are 100 million tonnes for 2.73 million ounces of gold at a 0.3 g/t cut-off grade vs. present reserves of 68 million tonnes for 2.16 million ounces.

While the current ore reserves adopt a gold price assumption of US\$950/oz., the substantial increase in tonnes, at modest gold price increments, shown in the following table, demonstrate the robust

future of the processing plant expansion currently underway from 2.3 to 5.0 million tonnes of ore per annum at Chatree.

#### CHATREE & CHATREE NORTH ALTERNATIVE ESTIMATES OF OPTIMUM OPEN PIT SHELLS USING WHITTLE FOUR-X MODELLING\*\* GRADE/TONNAGE VARIANCE VERSUS GOLD PRICE

Gold Price (US\$/oz)	Gold Grade (g/t)	Tonnes (Millions)	Contained Gold (Moz)	Cut-off Grade (g/t)
950	0.99	68	2.16	0.40
1,050	0.98	71	2.22	0.38
1,150	0.96	78	2.40	0.35
1,250	0.85	100	2.73	0.32

\* Final ore reserves may vary from optimised figures by approximately ± 15%.

#### Potential Underground Targets

As previously advised there is significant potential for underground targets at Chatree. The open pit mineralised veins are themselves a "world class" gold deposit. The vein swarms that make up the open pit mineralisation trend downwards below the limit of the open pits into more narrow zones that have higher grade. These narrow and higher grade veins appear to extend several hundreds of metres on known drilling and are open at depth. Should underground mining be shown to be economic it would supplement higher grade ore feed to the plant and increase the average grade of the deposit.

The latest deep drilling under the S-Pit and A-East areas has provided significant encouragement for potential underground mining targets. Both zones have reasonable grades, considerable strike lengths and mineralisation is currently open in all directions. Drilling has confirmed that the trends are up to 900 metres long and open along strike and down dip. A strong geophysical anomaly that appears to be related to the high grade structure indicates that this trend may extend to up to 1.3kms long.

In the A East area a potentially significant underground target has been identified 300 metres below surface. Alteration and structural interpretation has been carried out to define the target. A new deep intersection of 19 metres at 2.64g/t gold from 328 metres was obtained in Hole RC7425, including 3 metres at 9.88g/t gold from 343 metres. There are now significant intersections of high grade mineralisation on 4 cross sections along a strike length of approximately 900 metres that identify this zone. The other intersections include:

- 10m at 3.82g/t gold from 293m, including 1m at 14.6g/t gold from 298m in hole 2804RC,
- 1.7m at 4.26g/t gold from 333m depth and 1.05m at 22.3g/t gold from 359m depth in hole 3129RD, and
- 6m at 6.84g/t gold from 349m in hole 3229RD.

Mineralisation in these underground targets is open in all directions and appears related to known vein systems within the current \$1250 pit shell (see section A19600N) with a vertical extent of over 150 metres. Results indicate a significant mineralised vein zone with grades high enough to support an underground target. A follow-up infill drill program comprising 9 diamond-tail drill holes has begun to test the depth extent of the mineralisation along strike at the -200m RL -approximately 300 metres below ground surface. Drilling will also test up-dip and down-dip of significant intersections and strike extensions of the zone, both north and south.

## EXPLORATION - CHATREE (continued)

Work planned for the next quarter includes alteration studies to aid in providing vectors to potential mineralised zones as well as drilling to further define and extend these zones. A review of other potential underground targets will also be carried out and recommendations for follow-up made.

### Resource Development Drilling

Resource Development drilling in the September quarter focused on A, Q and S prospects. The primary aims of the 2010 drilling programme at Chatree were to:

increase resources and to define the open pit potential of the mine, and better understand the potential high-grade underground targets within the mining leases particularly the A-East and S Pit areas.

The deep drilling in the A-East and S Pit areas has been particularly encouraging during the September Quarter with good continuous high-grade mineralisation now intersected over considerable strike lengths. Work in both these areas is ongoing. The results are summarized below.

#### A Pit

Drilling in the A Pit area was aimed at:

conceptual targeting of feeder structures beneath the west wall of the pit

examining potential underground targets in the A-East area

These target zones are identified on the attached section. Drilling beneath the west wall of the Pit has been aimed at identifying high-grade feeder structures using base metals (lead and zinc) as vectors to mineralisation. The program was successful in intersecting base-metal anomalous hydrothermal breccias with some narrow gold intersections. A detailed alteration study will be combined with pit mapping to determine the follow-up programme here.

Alteration studies are also in progress for A-Hill to examine in detail the alteration patterns to better identifying the vectors to deeper mineralised vein systems.

consistent and significant high-grade structures in the Chatree mining leases and will be further tested to the north and south and at depth, to define the extent of mineralisation.

### S PIT HIGHLIGHT DRILL RESULTS

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
7420RD	162.00	163.00	1.00	9.20
	175.00	176.00	1.00	15.85
	272.00	274.00	2.00	10.65
7414RD	249.70	253.40	3.70	4.11
	278.70	287.25	8.55	5.34
	280.45	285.00	4.55	7.83
7418RC	105.00	110.00	5.00	4.80
	105.00	107.00	2.00	10.30
7397RC	100.00	112.00	12.00	4.17
	103.00	107.00	4.00	6.24
	110.00	112.00	2.00	11.00

\* Intersections may not be true width.

### Proposed Q-Pit Area

Drilling in Q Prospect during the quarter was focused on following up previous anomalous results from the resource definition drilling program. Drilling followed up mineralisation along strike in both Q North and Q South. The most significant results received from Q South in the reporting period included:

- 11m at 1.8g/t gold from 86m depth in drill hole 7373RC,
- 9m at 2.7g/t gold from 151m depth and 10m at 1.96g/t gold in drill hole 7293RC, and
- 2m at 11g/t gold from 192m depth in drill hole 7375RC.

Drilling on Q Central was aimed at checking the continuity of mineralisation along strike on a resource spacing (50m) and to test targets that have the potential to expand the current \$950 pit design. Results include:

- 13m at 1.4g/t gold from 51m depth in drill hole 6542RC,
- 15m at 2.78g/t gold from 114m depth, including 3m at 9.8g/t gold from 119m depth in drill hole 6559RC.

Current interpretations are being updated with the new results.

### A PROSPECT HIGHLIGHT DRILL RESULTS

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
7287RD	0.00	10.00	10.00	2.33
7298RC	25.00	27.00	2.00	6.80
7425RC	328.00	347.00	19.00	2.64
Incl.	343.00	346.00	3.00	9.88

\* Intersections may not be true width.

#### S Pit

The recent drilling in S Prospect was designed to test the depth and strike extensions of existing mineralisation. High grade intersections from the follow-up work confirmed previously reported results in S Pit.

The best gold results from the recent drilling at S Pit are:

8.5m at 5.34g/t gold from 279m depth, including 4.55m at 7.83 g/t gold from 280m in drill hole 7414RD,

5m at 4.8g/t gold from 105m depth, including 2m at 10.3g/t gold from 105m in drill hole 7418RC,

1m at 15.8g/t gold from 175m depth and 2 metres at 10.6g/t gold from 272m depth in drill hole 7420RD, and

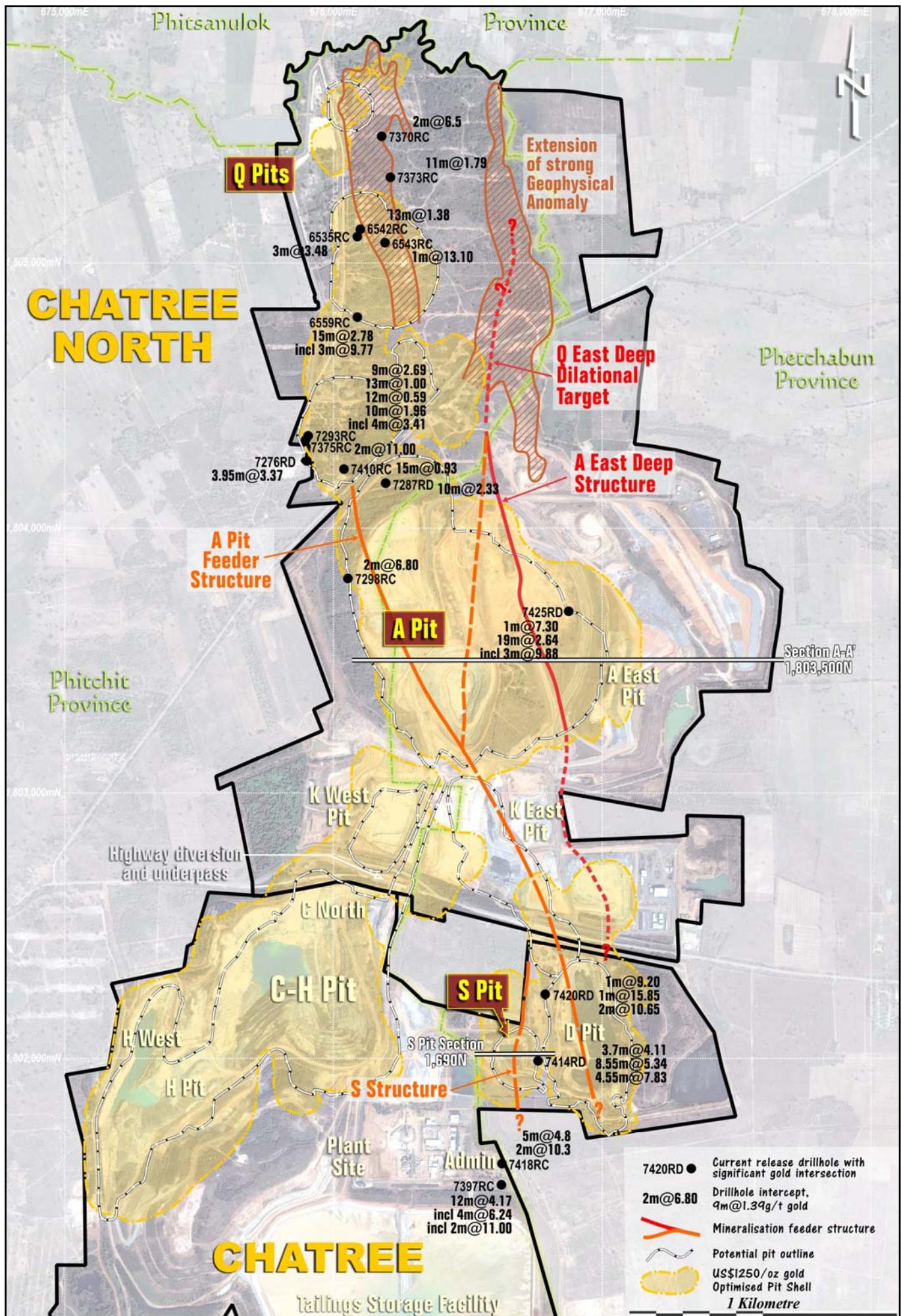
2m at 7.5g/t gold from 205m depth in drill hole 7362RC

The high grade intersection in 7414RD confirmed excellent continuity of the sub-vertical structure in S Pit extending to at least 220m below surface and which remains open at depth. High grade intersections in holes 7362RC, 7397RC, 7418RC and 7420RD indicate that the structure has a minimum strike length of 700 metres. The S-Pit structure is one of the most

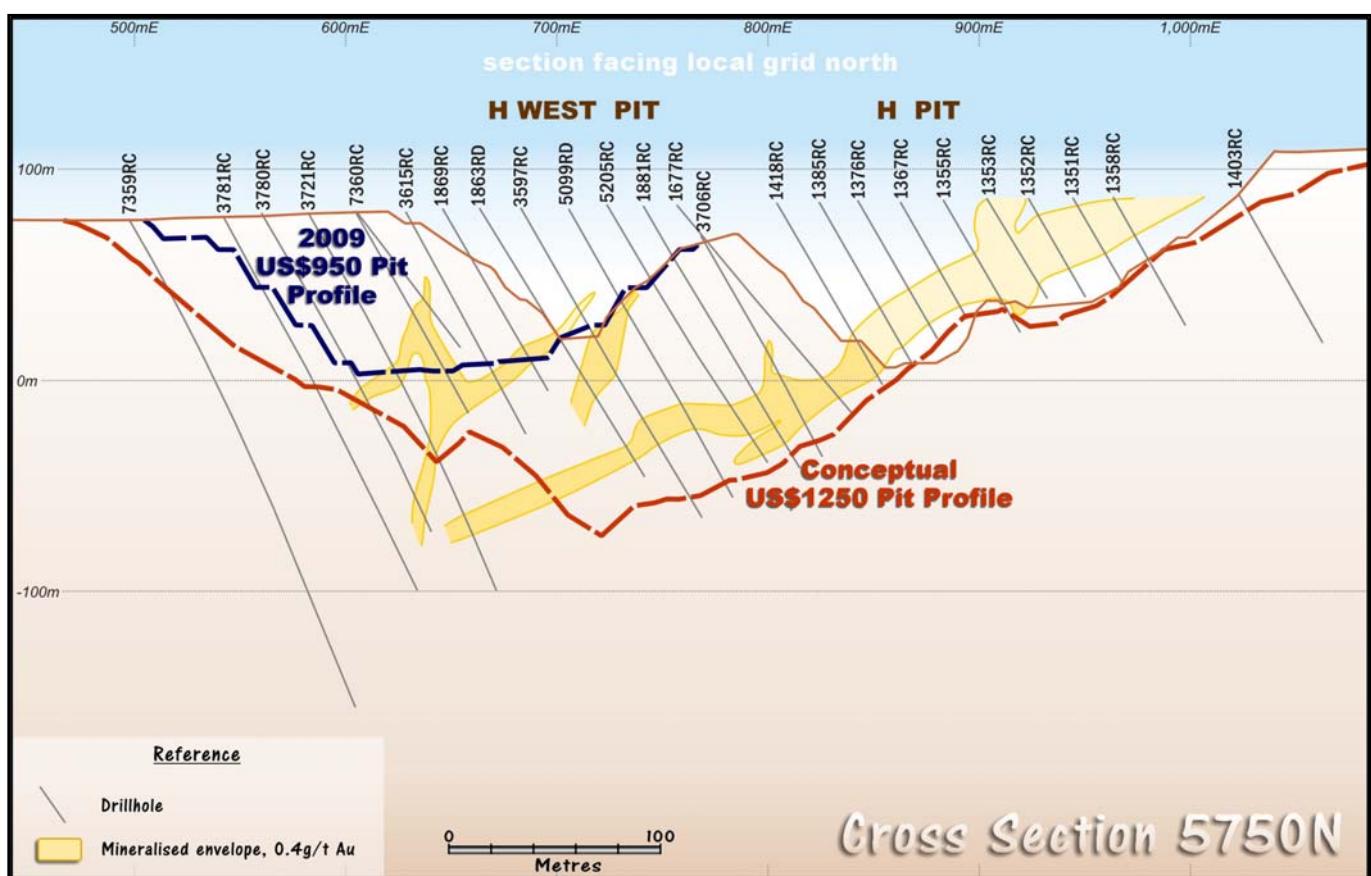
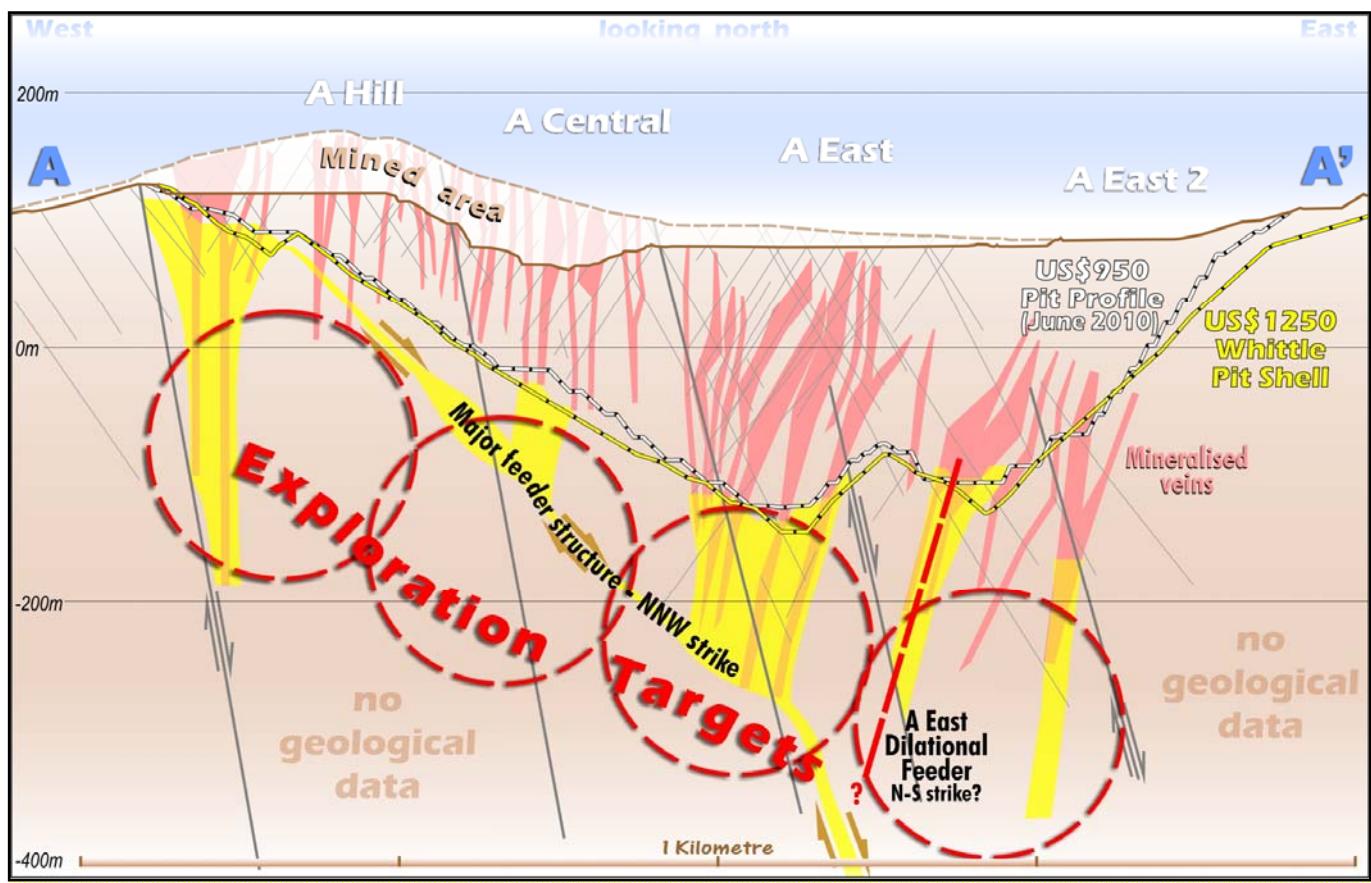
### Q PROSPECT HIGHLIGHT DRILL RESULTS

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
7370RC	139.00	141.00	2.00	6.50
7373RC	86.00	97.00	11.00	1.79
6542RC	51.00	64.00	13.00	1.38
6535RC	52.00	55.00	3.00	3.48
6543RC	65.00	66.00	1.00	13.10
6559RC	114.00	129.00	15.00	2.78
	119.00	122.00	3.00	9.77
7293RC	151.00	160.00	9.00	2.69
	190.00	203.00	13.00	1.00
	268.00	278.00	10.00	1.96
	272.00	276.00	4.00	3.41
7375RC	192.00	194.00	2.00	11.00
7276RD	234.15	238.10	3.95	3.37
7410RC	60.00	75.00	15.00	0.93

\* Intersections may not be true width.



## EXPLORATION - CHATREE (continued)



Cross section 5,750N across H West Pit and the original H Pit at Chatree.

# EXPLORATION - NEAR MINE & REGIONAL

## EXPLORATION - NEAR MINE

A focus of the exploration effort near mine - especially during the last year - has been to identify potential satellite open pit deposits, which could provide supplementary ore feed to the Chatree operation. Such ore feed is being sought within a 10km radius of Chatree, which is considered an economic trucking distance for ore of similar grade to Chatree.

During the current quarter some RC drilling was carried out in a number of near-mine prospects in the Suwan District. Assay highlights are shown below.

## REGIONAL EXPLORATION - THAILAND

### Chokdee Prospect

Exploration is still on hold in the Chokdee District, waiting for the dry season. Several drillable targets have been generated from recent data compilation, including re-logged EOH RAB alteration, alteration analysis and geophysical re-processing.

### SUWAN NORTH PROSPECT HIGHLIGHT DRILL RESULTS

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
4526RC	123.00	126.00	3.00	3.883

\* Intersections may not be true width.

### SUWAN EAST PROSPECT HIGHLIGHT DRILL RESULTS

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
4553RC	87.00	95.00	8.00	1.47

\* Intersections may not be true width.

## REGIONAL EXPLORATION - AUSTRALIA

### Queensland

No exploration activities were undertaken on the Company's tenements during the quarter.

# CORPORATE

## BUSINESS DEVELOPMENT

On October 20 Kingsgate and Dominion Mining Limited (ASX: DOM) signed a Scheme Implementation Agreement ("SIA") for Kingsgate to acquire all of the shares in DOM via a Scheme of Arrangement. Consideration for the transaction will be Kingsgate shares, with DOM shareholders offered 0.31 Kingsgate shares for each DOM share they own. The transaction values DOM at \$3.63 per share, or approximately A\$376 million. Dominion Mining Limited is an Australian gold producer and explorer whose principal asset is the Challenger Gold Project in South Australia which has been in production since 2002, initially as an open cut mine and in the past five years as an underground operation. DOM recently completed an expansion at the Challenger mine which is forecast to produce in excess of 100,000 ounces in the current financial year. DOM also has an extensive exploration portfolio in Western Australia and South Australia and has recently applied for exploration licences in the Peoples Democratic Republic of Laos.

On October 25th Kingsgate and Laguna Resources NL (ASX:LRC) signed a Bid Implementation Agreement for a conditional off-market takeover bid by Kingsgate for all the issued and outstanding shares in Laguna. Laguna's wholly owned Arqueros project is an exciting advanced epithermal gold and silver project in Chile with a current resource of 1.1 Moz gold and which has the potential to be Kingsgate's first development project in South America.

## FINANCE

On 30 September 2010, the Company had cash in bank and bullion on hand of A\$28.8 million (US\$27.9 million) with no bank debt, after paying a fully franked 20 cent per share dividend on 24 September 2010 of A\$16.9 million with a further 286,605 shares being issued under the company's dividend reinvestment plan (DRP).

The US\$30 million standby debt facility with Investec Bank has been extended to October 2011 and the limit increased to A\$60 million subject to final documentation. This facility will ensure the Company has adequate short term funding available for the Chatree North plant extension whilst a medium term US\$100 million facility is finalised with a consortium of Thai and international banks.

During the quarter, 2.8 million employee options were exercised.

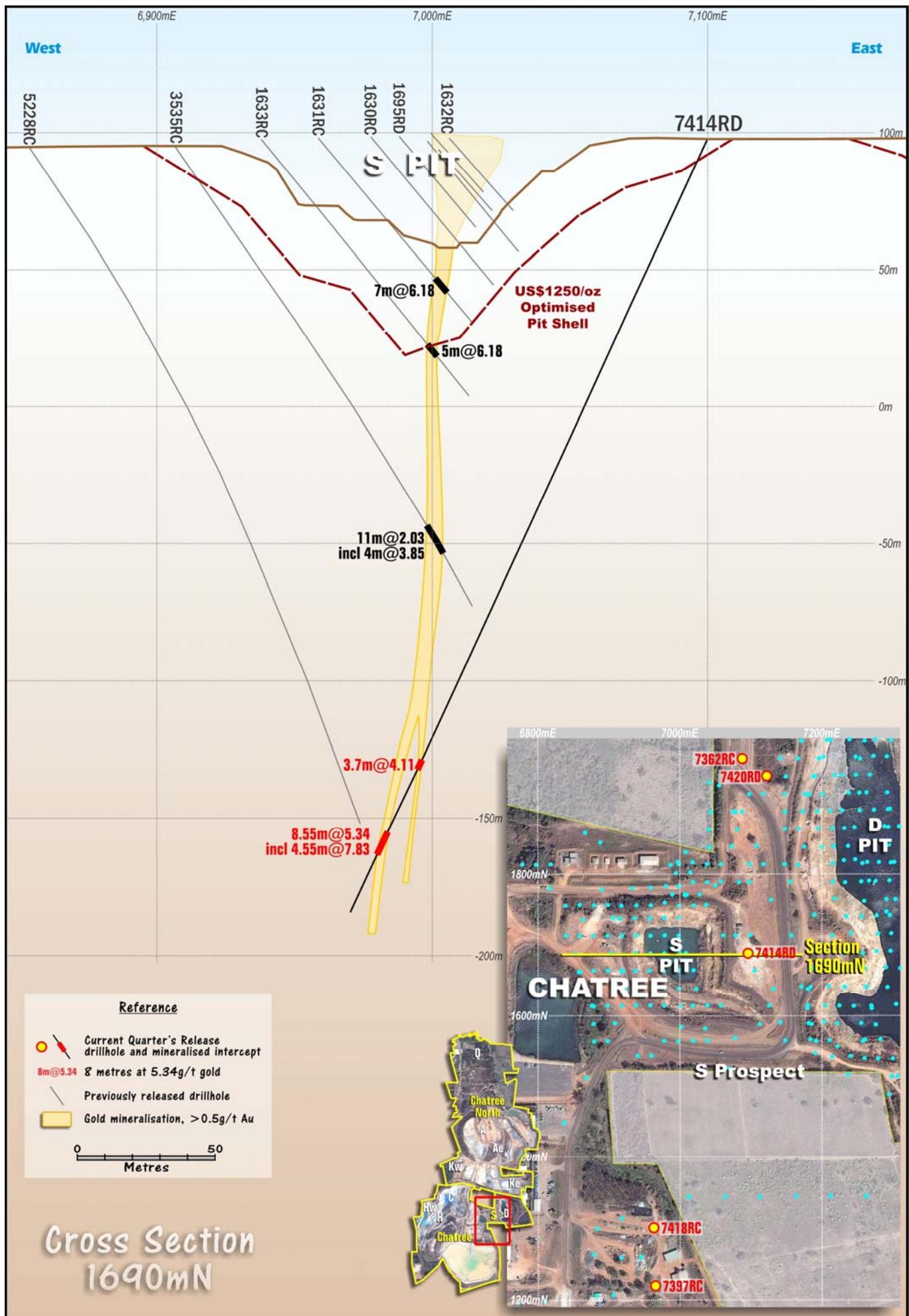
## GOLD SALES

Kingsgate is an unhedged gold producer. The average cash price received by Kingsgate for gold sales in the quarter was US\$1196/ounce.

### SUMMARY SALES - GOLD & SILVER

Category	Units	Sep 2010 Quarter	Jun 2010 Quarter	Sep 2009 Quarter
Average Cash Price Received (on gold production)	US\$/oz	1,225	1,196	956
<b>Gold sold</b>	<b>ounces</b>	<b>20,902</b>	<b>33,081</b>	<b>30,849</b>
Silver sold	ounces	125,861	156,040	131,963
Revenue from Metal Production	US\$M	28.0	42.4	31.4





*Cross section 1690N through S Pit showing deep mineralisation.*

## APPENDIX A: SIGNIFICANT INTERSECTIONS

Hole No.	Easting Local Grid	Northing Local Grid	Azimuth Local Grid	Dip (°)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
<b>A PROSPECT DRILL RESULTS (INTERCEPTS WITH AU ASSAYS GENERALLY &gt;10GRAM.METRES)</b>									
7287RD	5070	20450	270	-55	349.60	0.00	10.00	10.00	2.33
7298RC	4866	20127	90	-60	210.00	25.00	27.00	2.00	6.80
7425RC	5650	19850	270	-55	584.90	227.00	228.00	1.00	7.30
						328.00	347.00	19.00	2.64
				Incl.	343.00	346.00	3.00		9.88
<b>Q PROSPECT DRILL RESULTS (INTERCEPTS WITH AU ASSAYS GENERALLY &gt;10GRAM.METRES)</b>									
7370RC	6521	5154	270	-55	275.00	139.00	141.00	2.00	6.50
7373RC	6557	5003	90	-55	120.00	86.00	97.00	11.00	1.79
6542RC	6439	4805	90	-55	110.00	51.00	64.00	13.00	1.38
6535RC	6426	4780	90	-55	110.00	52.00	55.00	3.00	3.48
6543RC	6532	4755	90	-55	75.00	65.00	66.00	1.00	13.10
6559RC	6425	4480	90	-80	150.00	114.00	129.00	15.00	2.78
7293RC	6238	4030	90	-73	291.00	119.00	122.00	3.00	9.77
						151.00	160.00	9.00	2.69
						190.00	203.00	13.00	1.00
						218.00	230.00	12.00	0.59
						268.00	278.00	10.00	1.96
				Incl.	272.00	276.00	4.00		3.41
7375RC	6232	4021	90	-60	335.00	192.00	194.00	2.00	11.00
					344.80	234.15	238.10	3.95	3.37
					160.00	60.00	75.00	15.00	0.93
<b>S PROSPECT DRILL RESULTS - (INTERCEPTS WITH AU ASSAYS GENERALLY &gt;10GRAM.METRES)</b>									
7420RD	7124	1944	270	-55	213.00	162.00	163.00	1.00	9.20
						175.00	176.00	1.00	15.85
						272.00	274.00	2.00	10.65
7414RD	7098	1690	270	-65	311.60	249.70	253.40	3.70	4.11
						278.70	287.25	8.55	5.34
					Incl.	280.45	285.00	4.55	7.83
7418RC	6963	1300	90	-60	210.00	105.00	110.00	5.00	4.80
					Incl.	105.00	107.00	2.00	10.30
7397RC	6965	1221	90	-60	200.00	100.00	112.00	12.00	4.17
					Incl.	103.00	107.00	4.00	6.24
					Incl.	110.00	112.00	2.00	11.00
7292RC	6233	3936	90	-72	248.00	242.00	248.00	6.00	1.54

\*Intersections may not be true width. RD = Reverse Circulation drillhole with diamond drillhole tail.

# KINGSGATE CONSOLIDATED LIMITED

## BOARD OF DIRECTORS

**Ross Smyth-Kirk**  
Chairman  
**Gavin Thomas**  
Managing Director and Chief Executive Officer  
**Craig Carracher**  
Non-Executive Director  
**Peter McAleer**  
Non-Executive Director

## COMPANY SECRETARY

**Peter Warren**

## SENIOR MANAGEMENT TEAM

**Peter Warren**  
Chief Financial Officer  
**Phil MacIntyre**  
Chief Operating Officer & General Manager,  
Akara Mining Limited  
**Stephen Promnitz**  
Corporate Development Manager  
**Ron James**  
General Manager, Exploration & Resources Development  
**Pakorn Sukhum**  
Chief Operating 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](mailto:info@kingsgate.com.au)  
Website: [www.kingsgate.com.au](http://www.kingsgate.com.au)

## ISSUED SHARE CAPITAL

Kingsgate had 101,087,786 ordinary shares on issue and 1,685,116 unlisted options.

## COMPETENT PERSONS STATEMENT

Information in this report relates to Exploration Results, Mineral Resource and Ore Reserve estimates based on information compiled by the following Competent Persons: Ron James, Genesio Circosta, Fiona Davidson, Mike Garman, 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

## QUARTERLY SHARE PRICE ACTIVITY

QUARTER	HIGH	LOW	LAST
June 2005	\$2.98	\$2.02	\$2.84
September 2005	\$3.75	\$3.08	\$3.72
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

## 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.*

## EXCHANGE LISTING

ASX:KCN; OTC:KSKGY (ADR)



Chatree Ore Reserves as at 30 June 2010 (>0.4 grams/tonne gold cut-off grade)

Source	Category	Tonnes Million	Grade		Contained Ounces	
			Gold grams/tonne	Silver grams/tonne	Gold Million ounces	Silver Million ounces
Chatree Mine Leases <sup>(2,4)</sup>	Proved	5.4	1.06	5.0	0.18	0.86
	Probable	2.7	1.27	4.9	0.11	0.44
	Total	8.1	1.13	5.0	0.29	1.30
Chatree North Mine Leases <sup>(6,7,8)</sup>	Proved	32.0	0.99	10.3	1.02	10.56
	Probable	16.0	0.93	8.9	0.48	4.59
	Total	48.0	0.97	9.8	1.49	15.15
Stockpiles	Subtotal	5.6	0.79	12.1	0.14	2.19
Total from Pits	Proved	37.4	1.00	9.5	1.20	11.42
	Probable	18.7	0.98	8.4	0.59	5.02
Chatree Total	Total	61.7	0.97	9.4	1.93	18.63

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

Source	Category	Tonnes Million	Grade		Contained Ounces	
			Gold grams/tonne	Silver grams/tonne	Gold Million ounces	Silver Million ounces
Chatree Mine Leases <sup>(1)</sup>	Measured	23.6	0.79	4.4	0.60	3.36
	Indicated	15.2	0.82	4.2	0.40	2.07
	Inferred	11.5	0.80	4.5	0.30	1.67
	Total	50.3	0.80	4.4	1.30	7.10
Chatree North Mine Leases <sup>(2)</sup>	Measured	56.2	0.81	8.6	1.47	15.49
	Indicated	41.6	0.74	6.7	0.99	9.00
	Inferred	19.8	0.66	5.0	0.42	3.19
	Total	117.6	0.76	7.3	2.88	27.68
Stockpiles	Subtotal	5.6	0.79	12.1	0.14	2.19
	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
Chatree Total	Total	173.5	0.77	6.6	4.32	36.97

Notes on Ore Reserves:

1. Reserves are based on a three (3) year average gold price of US\$950/oz and a silver price of US\$15.00/oz.
2. C North and D Pit assume the approval to mine through highway 1301 will be granted.
3. H West and J Pits assume the mining lease approval to the west of Chatree will be granted.
4. S Pit assumes the mining lease is extended beyond the current northern limit.
5. All reserves are based on detailed pit designs.
6. Q South assumes the approval to mine through highway 1191 will be granted.
7. Q South assumes the approval to extend the mining lease to the west of the current mining lease will be granted.
8. Q South, Q Central and Q North assume the approval to mine through highway 1344 will be granted.
9. All proportions >0% have been used hence no Ore Discounting has been applied.

Notes for Mineral Resources:

1. Includes Cn, C, H, S, D and J cut to the end of June 2010 Chatree mine surface
2. Includes A, Ae, Q, Kw and Ke at Chatree North mine, cut to the end of June 2010 Chatree mine surface

Competent Persons

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