



# Kingsgate

Consolidated Limited

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Manager  
Company Announcements Office  
Australian Securities Exchange

## **Kingsgate 2011 Mineral Resources & Ore Reserves**

Kingsgate Consolidated Limited ("Kingsgate") has substantially increased its global gold and silver Mineral Resource and Ore Reserve inventory over the past 12 months. This has occurred through resource drilling and the acquisition of the Challenger gold mine, the Nueva Esperanza project in Chile (KCN owns 70% of Laguna Resources NL) and the Bowdens silver project in New South Wales.

As at 30 June 2011 combined Mineral Resources at Chatree and Challenger total 4.77 million ounces of gold and 27.3 million ounces of silver in 131.8 million tonnes including Ore Reserves of 2.43 million ounces of gold and 16.6 million ounces of silver in 63.3 million tonnes of ore.

Combined Mineral Resources at Nueva Esperanza and Bowdens total 78.2 million tonnes at 59.3g/t silver for 149 million ounces of silver with additional credits in gold, lead and zinc as tabled below. The combined silver equivalent for these two advanced projects is 188 million ounces (see notes for metal equivalence factors).

Kingsgate Managing Director, Mr Gavin Thomas said, "On a gold equivalent basis, Kingsgate's Ore Reserves are now 2.8 million ounces and Mineral Resources are 9.6 million ounces".

Compared to the previous Financial Year, gold Ore Reserves increased by 0.50 million ounces to 2.43 million ounces. This increase was mainly from the Challenger Gold Mine with an increase of 0.38 million ounces of gold, or over a 100% increase in Ore Reserves after including mine production. Over the same period, gold resources increased to 4.77 million ounces from 4.32 million ounces.

Chatree Ore Reserves and Mineral Resources reflect depletion and geological re-interpretation in the northern end of A Pit. Resource drilling at Chatree over the past 12 months focussed on testing the broader scope of near-mine mineralisation, including the underground potential. This wide-spaced drilling has shown potential to substantially increase Mineral Resources in the future.

The silver resources grew substantially to 176.6 million ounces that include 99.4 million ounces from Bowdens, 49.9 million ounces from Nueva Esperanza (Kingsgate's share) and 27.3 million ounces from Chatree. This is before substantial credits in gold at Nueva Esperanza and lead and zinc at Bowdens equating to around an additional 38.8 million ounces of silver on an equivalent basis.

Mr Thomas said, "This has been a significant year of transition for Kingsgate which has included a substantial growth in our underlying gold and silver reserve and resource base".

"What is particularly pleasing is the reserve and resource growth at Challenger where the significant increase delivers on the expectations of Kingsgate at the time of the acquisition of Challenger."

“The current year will be one of production growth from Chatree where the expansion and higher grade ore from C North will begin to deliver and major project advancement as the feasibility studies at Nueva Esperanza and Bowdens continue towards finalisation during the year.”

Yours sincerely,



**Gavin Thomas**  
Managing Director & CEO  
Kingsgate Consolidated Limited



Locations of Kingsgate's mines and projects

## Kingsgate Consolidated Limited 2011 Mineral Resources and Ore Reserves

As at 30 June 2011 combined Mineral Resources at Chatree and Challenger total 4.77M ("million) ounces of gold and 27.3M ounces of silver in 131.8M tonnes with corresponding Ore Reserves of 2.43M ounces of gold and 16.6M ounces of silver in 63.3M tonnes of ore.

Combined Mineral Resources at Nueva Esperanza and Bowdens total 78.2M tonnes at 59.3g/t silver for 149.3M ounces of silver with additional credits in gold, lead and zinc as tabled below. The combined silver equivalent for these two advanced projects is 188.1M ounces (see notes for metal equivalence factors).

Mineral Resources (Inclusive of Ore Reserves and Stockpiles)						
Source	Category	Tonnes (Million)	Grade		Contained Ounces	
			Gold (g/t)	Silver (g/t)	Gold (MOz)	Silver (MOz)
CHALLENGER	Measured	0.81	3.97	-	0.10	-
	Indicated	2.62	7.00	-	0.59	-
	Inferred	1.63	7.59	-	0.40	-
	<b>Total</b>	<b>5.07</b>	<b>6.71</b>	-	<b>1.09</b>	-
CHATREE	Measured	59.2	0.95	7.2	1.81	13.8
	Indicated	39.7	0.90	5.7	1.14	7.3
	Inferred	19.3	0.87	4.9	0.54	3.0
	Stockpiles	8.4	0.69	11.7	0.19	3.2
	<b>Total</b>	<b>126.7</b>	<b>0.90</b>	<b>6.7</b>	<b>3.68</b>	<b>27.3</b>
<b>TOTAL RESOURCES</b>		<b>131.8</b>	<b>1.13</b>	<b>6.4</b>	<b>4.77</b>	<b>27.3</b>

Challenger and Chatree Ore Reserves						
Source	Category	Tonnes (Million)	Grade (g/t)		Contained Ounces (MOz)	
			Gold (g/t)	Silver (g/t)	Gold (MOz)	Silver (MOz)
CHALLENGER	Proven	0.60	4.46	-	0.09	-
	Probable	2.74	5.94	-	0.52	-
	Stockpiles	incl	-	-	-	-
	<b>Total</b>	<b>3.34</b>	<b>5.67</b>	-	<b>0.61</b>	-
CHATREE	Proven	36.0	0.99	8.5	1.14	9.86
	Probable	15.6	0.97	7.0	0.49	3.53
	Stockpiles	8.4	0.69	11.7	0.19	3.2
	<b>Total</b>	<b>60.0</b>	<b>0.94</b>	<b>8.6</b>	<b>1.82</b>	<b>16.56</b>
<b>TOTAL RESERVES</b>		<b>63.3</b>	<b>1.03</b>	<b>8.6</b>	<b>2.43</b>	<b>16.56</b>

Mineral Resources - Nueva Esperanza & Bowdens										
Source	Category	Tonnes (Million)	Grade				Contained Ounces		Silver Equivalent	
			Gold (g/t)	Silver (g/t)	Lead (%)	Zinc (%)	Gold (MOz)	Silver (MOz)	AgEq (MOz)	
NUEVA ESPERANZA <small>(see Note below)</small>	Indicated	11.2	0.32	81.0	-	-	0.12	29.2	34.4	
	Inferred	8.8	0.20	73.8	-	-	0.06	20.8	23.3	
	<b>Total</b>	<b>20.00</b>	<b>0.25</b>	<b>77.8</b>	-	-	<b>0.16</b>	<b>49.9</b>	<b>57.1</b>	
BOWDENS	Indicated	31.2	-	60.6	0.3	0.4	-	60.8	78.0	
	Inferred	27.0	-	44.0	0.3	0.4	-	38.7	53.0	
	<b>TOTAL</b>	<b>58.2</b>	-	<b>52.9</b>	<b>0.3</b>	<b>0.4</b>	-	<b>99.4</b>	<b>131.0</b>	
<b>TOTAL RESOURCES</b>		<b>78.20</b>	-	<b>59.3</b>	-	-	<b>0.16</b>	<b>149.3</b>	<b>188.1</b>	

Notes:

- (1) Nueva Esperanza figures are those attributable to Kingsgate Consolidated (70%)
- (2) Nueva Esperanza silver equivalent (AgEq) on the basis of gold/silver ratio of 45 calculated as  $Au * Eq + Ag$ , where  $Eq = (Price\ Gold * Recovery\ Gold) / (Price\ Silver * Recovery\ Silver)$ ;  
Price basis US\$1250/oz Au and US\$30/oz Ag; and  
Metallurgical recovery basis 85% Au and 78% silver
- (3) Bowdens silver equivalent (AgEq)  $g/t = Ag (g/t) + 22.4 \times Pb (\%) + 25.5 \times Zn (\%)$
- (4) Cut-off grade for Chatree is 0.4g/t Au; Nueva Esperanza is 0.5g/t AuEq; Bowdens is 30g/t AgEq
- (5) Bowdens was purchased after 30 June 2011

## CHATREE

As at 30 June 2011 Mineral Resources at Chatree total 3.68M ounces of gold and 27.3M ounces of silver in 126.7M tonnes with corresponding Ore Reserves of 1.82M ounces of gold and 16.6M ounces of silver in 60.0M tonnes of ore.

<b>Chatree Mineral Resources Inclusive of Ore Reserves At &gt;0.4g/t Gold Cut-Off Grade</b>					
<b>Category</b>	<b>Tonnes</b>  (Million)	<b>Grade</b>		<b>Contained Ounces</b>	
		<b>Gold</b> (g/t)	<b>Silver</b> (g/t)	<b>Gold</b> (M Oz)	<b>Silver</b> (M Oz)
Measured	59.2	0.95	7.2	1.81	13.8
Indicated	39.7	0.90	5.7	1.14	7.3
Inferred	19.3	0.87	4.9	0.54	3.0
Stockpiles	8.4	0.69	11.7	0.19	3.2
<b>Total</b>	<b>126.7</b>	<b>0.90</b>	<b>6.7</b>	<b>3.68</b>	<b>27.3</b>

Note some rounding of figures may cause numbers not to add correctly.

New resource models for the A, Q and S Pits were completed during the year. New drilling with updated geology interpretation and fact mapping in the mined areas was taken into consideration in the new models.

In A Pit there was a decrease of 8% in ounces and tonnes compared to the previous block model from 2009. The change in ounces and tonnes is a mainly a result of mining depletion and reconciliation changes.

In Q Prospect there was an increase of 5% ounces and 4% tonnes compared to the 2010 block model. The increase was due to better drill coverage allowing more mineralisation to be defined in the updated block model. Compared to the 2010 model, the current model has a 25% upgrade from Inferred Resource to Indicated Resources as well as an upgrade from Indicated to Measured Resources.

There is an increase of 22% ounces and 41% tonnes at S Prospect. The new drilling and interpretation extended the block model at depth and along strike. Updated mineral resources are tabled below based on Multiple Indicator Kriging as per previous Chatree resource estimates.

Further drilling will be carried out over the mining leases as some of the modelled open pits, which were based on lower than current gold prices are limited by the present drilling data.

Overall there was a reduction in Resources and Reserves at Chatree due to mining depletion and a geological reinterpretation for a part of A Hill.

<b>Chatree Ore Reserves At &gt;0.4g/t Gold Cut-off Grade</b>					
<b>Category</b>	<b>Tonnes</b>  (Million)	<b>Grade</b>		<b>Contained Ounces</b>	
		<b>Gold</b> (g/t)	<b>Silver</b> (g/t)	<b>Gold</b> (M Oz)	<b>Silver</b> (M Oz)
Proven	36.0	0.99	8.5	1.14	9.9
Probable	15.6	0.97	7.0	0.49	3.5
Stockpiles	8.4	0.69	11.7	0.19	3.3
<b>Total</b>	<b>60.0</b>	<b>0.94</b>	<b>8.6</b>	<b>1.82</b>	<b>16.6</b>

Note some rounding of figures may cause numbers not to add correctly.

Notes:

1. Reserves are based on a three (3) year average gold price of USD1,100/oz and a silver price of USD20/oz.
2. Underground options have not been included in the reserves.
3. All reserves are based on detailed pit designs.

## CHALLENGER

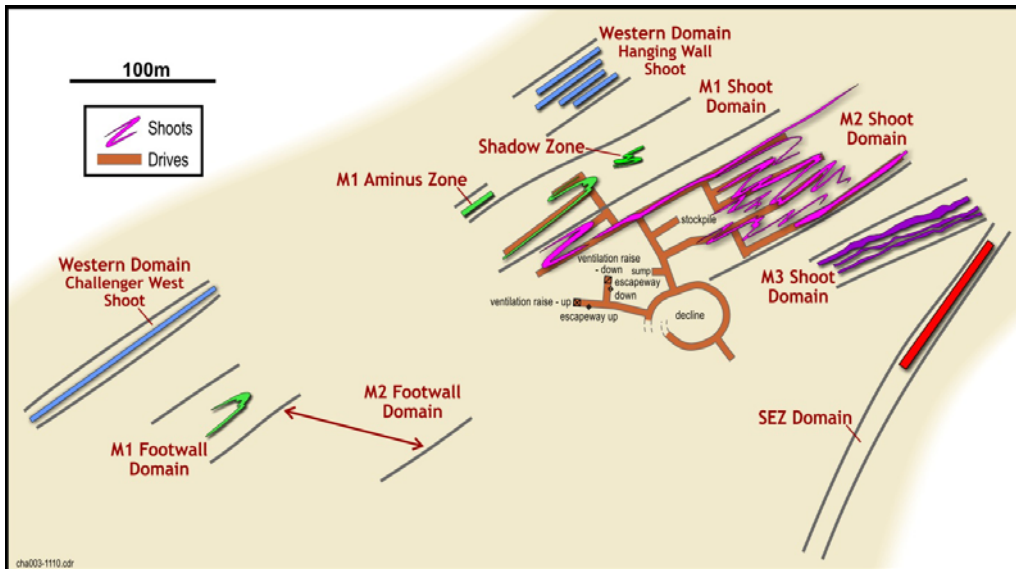
As at 30 June 2011 Mineral Resources at Challenger total 1.09 million ounces of gold which, allowing for mining depletion, is an increase of 0.24 million ounces over the June 2010 total, and Reserves at 0.61 million ounces have increased by 0.38 million ounces, almost 100% after allowing for mining depletion. Ongoing and planned resource development programmes are targeted at both replacing and increasing these resources and ore reserves during the coming year.

The increases in resources (0.24 million ounces) and reserves (0.38 million ounces) were mainly due to depth extensions to the M1 and M2 Shoots below the 79 Fault (reserves extended from the 200m RL down to the 0m RL and resources from the minus 200m RL to the minus 300m RL). Significant additions were also attributed to the Challenger West Shoot (reserves extended from 1000m RL down to the 700m RL and resources from the 700m RL to the 400m RL).

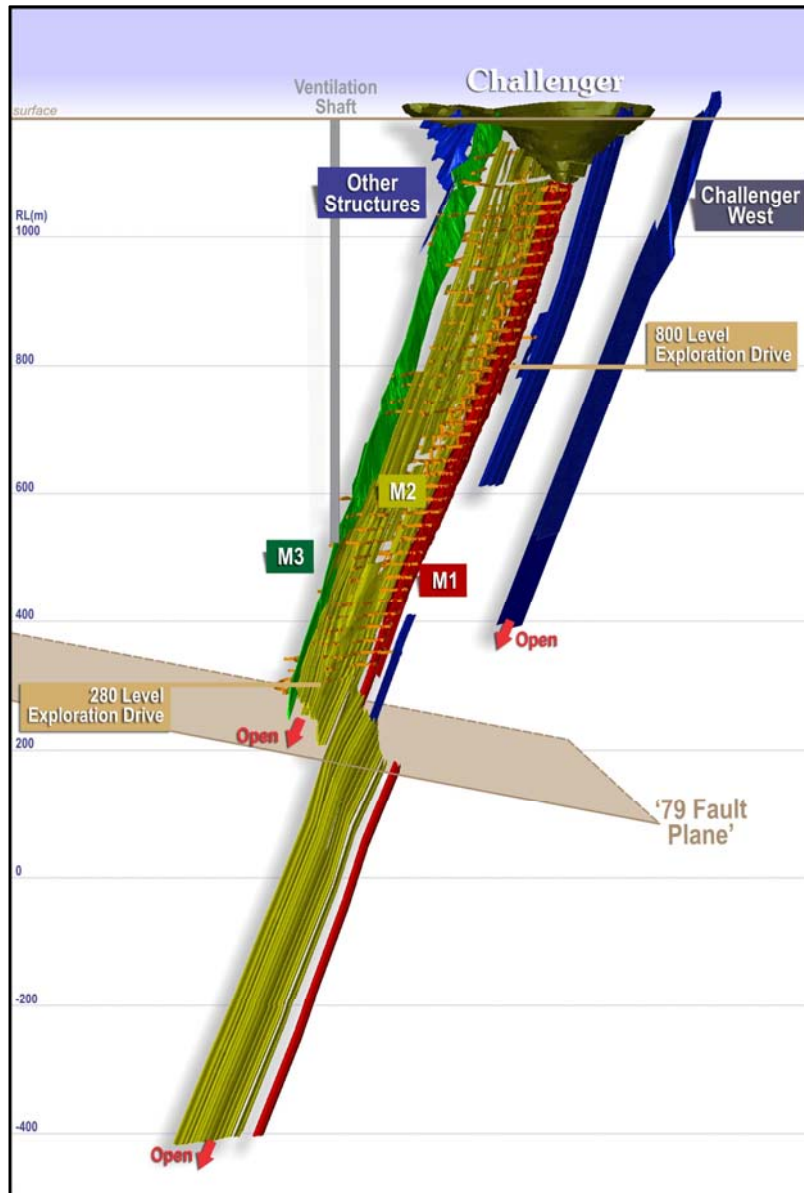
Mineral Resources and Ore reserves are summarised in the table below with details in Appendix A.

<b>Challenger Mineral Resources (Inclusive of Ore Reserves and Stockpiles)</b>			
<b>Category</b>	<b>Tonnes</b>  (Million)	<b>Grade</b>	<b>Contained Ounces</b>
		<b>Gold</b> (g/t)	<b>Gold</b> (M Oz)
Measured	0.81	3.97	0.10
Indicated	2.62	7.00	0.59
Inferred	1.63	7.59	0.40
<b>Total</b>	<b>5.07</b>	<b>6.71</b>	<b>1.09</b>

<b>Challenger Ore Reserves</b>			
<b>Category</b>	<b>Tonnes</b>  (Million)	<b>Grade (g/t)</b>	<b>Contained Ounces</b>
		<b>Gold</b> (g/t)	<b>Gold</b> (M Oz)
Proven	0.60	4.46	0.09
Probable	2.74	5.94	0.52
Stockpiles	incl		-
<b>Total</b>	<b>3.34</b>	<b>5.67</b>	<b>0.61</b>



Schematic level plan showing developed and target shoots



Schematic oblique projection showing shoot system

## BOWDENS

The Bowdens deposit is approximately 200 km northwest of Sydney and 3 km northeast of the village of Lue, New South Wales, Australia.

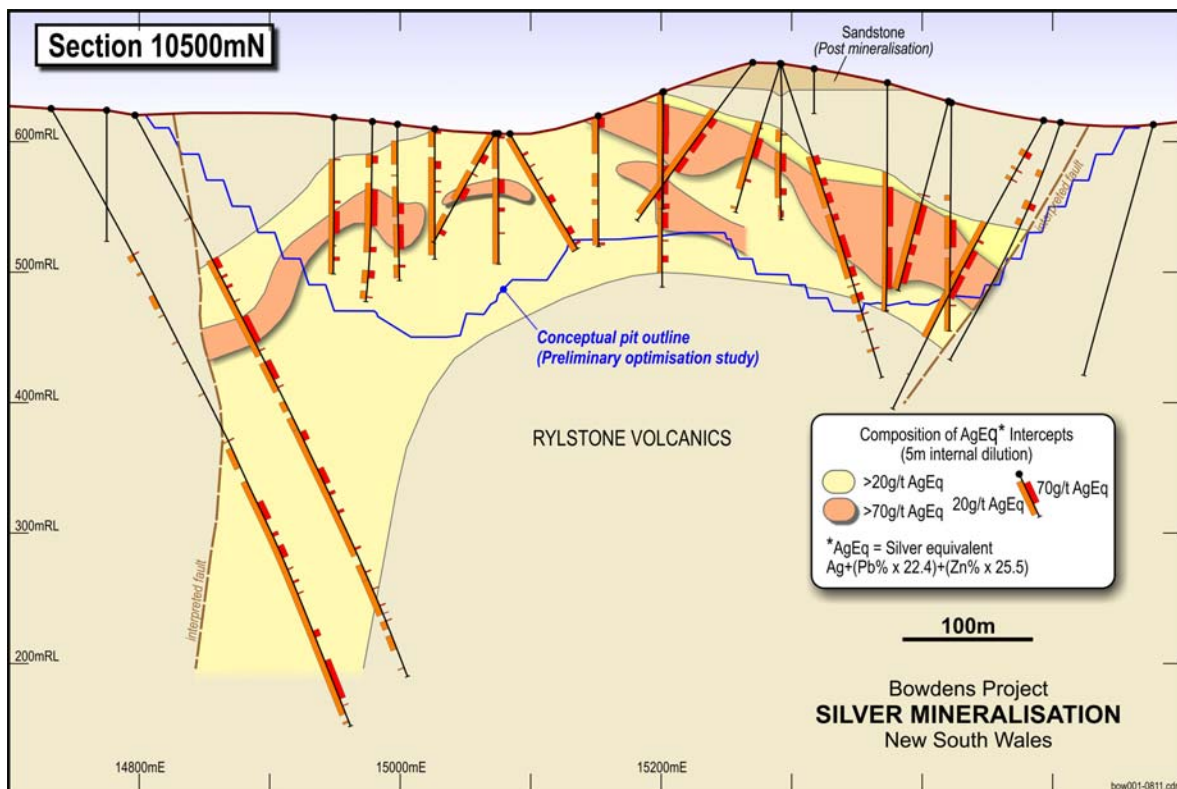
The Bowdens deposit was originally discovered by CRA Exploration Pty Ltd in 1989 and has since been explored by several companies. The combination of this drilling activity and the continuous improvement in the silver price has seen estimated resources for Bowdens progressively grow in size and confidence to the current estimates as listed in the table below.

Mineral Resources – Bowdens At a Cut-off grade of 30g/t AgEq						
Category	Tonnes (Million)	Grade			Contained Ounces	Silver Equivalent AgEq
		Silver g/t	Lead (%)	Zinc (%)	Silver (M oz)	AgEq (M oz)
Inferred	31.2	60.6	0.3	0.4	60.8	78.0
Indicated	27.0	44.0	0.3	0.4	38.7	53.0
<b>TOTAL</b>	<b>58.2</b>	<b>52.9</b>	<b>0.3</b>	<b>0.4</b>	<b>99.4</b>	<b>131.0</b>

Notes:

1. Rounding of numbers may generate rounding errors.
2. Bowdens silver equivalent (AgEq) g/t = Ag (g/t) + 22.4 x Pb (%) + 25.5 x Zn (%)
3. Cut-off grade for Bowdens is 30g/t AgEq.
4. Bowdens purchased after 30 June 2011

The style of mineralisation and hydrothermal alteration at Bowdens is comparable to many precious metal deposits throughout the Southwest Pacific regional, and is typically termed as a “low-sulphidation, carbonate-base metal silver deposit”. Kingsgate believe that the paucity of drilling outside the boundaries to the current resource provides an immediate drilling target in the coming 12 months.



Representative Cross section showing silver mineralization and conceptual pit outline

## NUEVA ESPERANZA (100%)

The combined Indicated and Inferred Mineral Resource for Nueva Esperanza (Kingsgate 70%) located in northern Chile Region III, 200 km northeast of Copiapo, is based on resource modelling of Arqueros, Chimberos and Teterita and has been estimated at a cut-off grade of 0.5 g/t gold equivalent to be:

*28.5 million tonnes at 0.25 g/t gold and 78 g/t silver*

This represents approximately 229,000 ounces of gold and 71.3M ounces of silver.

The Indicated and Inferred resource of Nueva Esperanza may be expressed in gold or silver equivalent ounces as (see notes beneath table for metal equivalence factors):

*Gold equivalent ounces (EQ45): 1.81 million ounces at 2.0g/t gold equivalent, or*

*Silver equivalent ounces (EQ45): 81.6 million ounces at 89g/t silver equivalent*

The Inferred resources at Chimberos and Teterita will remain outside of the scope of the feasibility study until they are converted into Indicated resources. With that objective, 7,350 metres of reverse circulation and diamond drilling have commenced with a view to increasing and upgrading resource estimates. In addition, a number of regional prospects will become the focus of a concerted exploration program.

<b>Nueva Esperanza Mineral Resources &gt;0.5g/t Gold Equivalent ("AuEq")</b>											
	<b>Indicated</b>			<b>Inferred</b>			<b>Total</b>				
	<b>Tonnes (M)</b>	<b>Gold (g/t)</b>	<b>Silver (g/t)</b>	<b>Tonnes (M)</b>	<b>Gold (g/t)</b>	<b>Silver (g/t)</b>	<b>Tonnes (M)</b>	<b>Gold (g/t)</b>	<b>Silver (g/t)</b>	<b>Gold (Moz)</b>	<b>Silver (Moz)</b>
Arqueros	16.0	0.32	81	4.0	0.3	50	20.0	0.32	75	0.20	48.1
Chimberos				3.7	0.2	85	3.7	0.20	85	0.02	10.1
Teterita				4.8	0.0	85	4.8	0.01	85	-	13.1
<b>Total</b>	<b>16.0</b>	<b>0.32</b>	<b>81</b>	<b>12.5</b>	<b>0.2</b>	<b>74</b>	<b>28.5</b>	<b>0.25</b>	<b>78</b>	<b>0.23</b>	<b>71.3</b>

### **Nueva Esperanza Gold and Silver Equivalent Mineral Resources**

<b>Gold Equivalent</b>	<b>Indicated</b>		<b>Inferred</b>		<b>Total</b>		
	<b>Tonnes (M)</b>	<b>Au Eq (g/t)</b>	<b>Tonnes (Mt)</b>	<b>Au Eq (g/t)</b>	<b>Tonnes (M)</b>	<b>Au Eq (g/t)</b>	<b>Au Eq (Moz)</b>
Arqueros	16.0	2.12	4.0	1.4	20.0	1.98	1.27
Chimberos			3.7	2.1	3.7	2.09	0.25
Teterita			4.8	1.9	4.8	1.90	0.29
<b>Total</b>	<b>16.0</b>	<b>2.12</b>	<b>12.5</b>	<b>1.8</b>	<b>28.5</b>	<b>1.98</b>	<b>1.81</b>

<b>Silver Equivalent</b>	<b>Indicated</b>		<b>Inferred</b>		<b>Total</b>		
	<b>Tonnes (M)</b>	<b>Ag Eq (g/t)</b>	<b>Tonnes (M)</b>	<b>Ag Eq (g/t)</b>	<b>Tonnes (M)</b>	<b>Ag Eq (g/t)</b>	<b>Ag Eq (Moz)</b>
Arqueros	16.0	95	4.0	64	20.0	89	57.2
Chimberos			3.7	94	3.7	94	11.2
Teterita			4.8	85	4.8	85	13.2
<b>Total</b>	<b>16.0</b>	<b>95</b>	<b>12.5</b>	<b>81</b>	<b>28.5</b>	<b>89</b>	<b>81.6</b>

Notes: Moz = million ounces.

1. In situ density 2.0 t/bcm, based on 350 measurements at Arqueros. This is lower than previously used 2.2 t/bcm
2. Gold equivalent on basis of gold/silver revenue ratio of 45; calculated as Au + Ag/EQ (gold plus [silver divided by 45])
3. Silver equivalent on the basis of gold/silver revenue ratio of 45; calculated as Au\*EQ + Ag ([gold times 45] plus silver)
4. EQ = (Price Gold \* Recovery Gold) / (Price Silver \* Recovery Silver)
5. Price basis US\$1250/oz Au and US\$30/oz Ag
6. Metallurgical recovery basis 85% Au and 78% silver
7. Rounding of numbers may generate rounding errors

### **Competent Persons Statement:**

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, Genesisio Circosta, Guy Davies, Fiona Davidson and Suphanit Suphananthi who are employees of the Kingsgate Group and members of The Australasian Institute of Mining and Metallurgy. 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 Peter Bamford, Tony Poustie and Andrew Giles who are full-time employees of the Kingsgate Group. Peter Bamford 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'. Peter Bamford, 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 Laguna Resources Mineral Resource estimation is based on work completed by Jonathon Abbott who is a full-time employee of Hellman & Schofield Pty Ltd 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 Resources 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'.

## APPENDIX A – CHALLENGER RESOURCES & ORE RESERVES

SHOOT/LEVEL	RESOURCE				RESERVES				NOTES
	CATEGORY	TONNES	GRADE	CONTAINED OUNCES	CATEGORY	TONNES	GRADE	CONTAINED OUNCES	
		0	(g/t Au)			0	(g/t Au)		
<b>Underground Development</b>									
M1 1065 Crown Pillar	Measured	21,000	9.6	6,500	Proven	23,000	7.6	5,600	2
M1 340mRL - 300mRL	Measured	13,500	8.6	3,700	Proven	14,500	7.7	3,600	2/3
M1 300mRL – 0mRL	Indicated	255,300	6.4	52,900	Probable	303,200	5.2	50,900	3
	<b>SUB-TOTAL</b>	<b>289,800</b>	<b>6.8</b>	<b>63,100</b>		<b>341,000</b>	<b>5.5</b>	<b>60,100</b>	
M1 0mRL – -300m RL	Inferred	277,500	6.4	57,500					3
M2 1000-940, 860-720, 600-520, 440-360mRL	Measured	633,700	4.0	80,700	Proven	423,260	4.9	66,200	2
M2 1120-1000, 940-860, 720-600, 520-440, 360-0mRL	Indicated	1,563,600	6.4	319,400	Probable	1,478,800	5.9	279,800	2/3
	<b>SUB-TOTAL</b>	<b>2,197,300</b>	<b>5.7</b>	<b>400,100</b>		<b>1,902,060</b>	<b>5.7</b>	<b>346,000</b>	
M2 0mRL – -300mRL	Inferred	810,000	8.1	211,000					3
M1 Shadow Zone 760mRL - 740mRL	Measured	3,300	10.1	1,100	Proven	4,240	6.9	900	3
M1 Shadow Zone 800mRL - 760, 680 - 660mRL	Indicated	15,100	8.4	4,100	Probable	12,000	6.9	2,700	3
	<b>SUB-TOTAL</b>	<b>18,400</b>	<b>8.8</b>	<b>5,200</b>		<b>16,240</b>	<b>6.9</b>	<b>3,600</b>	
M1 Shadow Zone 1000mRL - 800mRL	Inferred	50,400	8.4	13,600					3
M3 Above 1135m RL	Indicated	16,000	8.5	4,400	Probable	12,000	7.3	2,800	4
M3 730-745, 988-1002, 1052-1072mRL	Measured	24,400	5.9	4,600	Proven	27,050	4.3	3,800	4
M3 1072-1050, 1028-805, 725-600, 275-566mRL	Indicated	262,600	6.9	58,000	Probable	302,010	5.7	55,700	4
	<b>SUB-TOTAL</b>	<b>303,000</b>	<b>6.9</b>	<b>67,000</b>		<b>341,060</b>	<b>5.7</b>	<b>62,300</b>	
M3 275mRL - -300mRL	Inferred	235,500	4.4	33,500				0	4
Chal West 1200 - 700mRL	Indicated	309,300	13.0	129,000	Probable	618,500	6.5	129,000	5*
Chal West 700 - 600mRL	Indicated	53,000	5.8	9,900		0	0.0	0	5
	<b>SUB-TOTAL</b>	<b>362,200</b>	<b>11.9</b>	<b>138,900</b>		<b>618,500</b>	<b>6.5</b>	<b>129,000</b>	
Chal West 600 to 400 mRL	Inferred	190,100	12.0	73,300		0	0.0	0	3
Aminus 710 to 365, 340 to 140mRL	Inferred	71,300	4.3	9,900					
<b>Open Pit Development</b>									
SEZ Shoot	Indicated	133,000	2.6	11,100	Probable	13,000	4.8	2,000	4
<b>Challenger Area "shallow" deposits</b>									
Challenger 3 above 1120m RL	Indicated	16,000	2.9	1,500					5
	<b>SUB-TOTAL</b>	<b>16,000</b>	<b>2.9</b>	<b>1,500</b>					
<b>TOTAL UG and Pit</b>	<b>UG &amp; Pit Meas.</b>	<b>695,900</b>	<b>4.3</b>	<b>96,600</b>	<b>UG &amp; Pit Prov</b>	<b>492,050</b>	<b>5.06</b>	<b>80,100</b>	
	<b>UG &amp; Pit Ind.</b>	<b>2,623,900</b>	<b>7.0</b>	<b>590,300</b>	<b>UG &amp; Pit Prob</b>	<b>2,739,510</b>	<b>5.94</b>	<b>522,900</b>	
	<b>UG and Pit Inf.</b>	<b>1,634,800</b>	<b>7.6</b>	<b>398,800</b>					
<b>Stockpiles</b>									
ROM	Measured	4,700	4.1	600	Proven	4,700	4.1	600	
Low Grade ROM	Measured LG	2,100	1.7	100	Proven LG	2,100	1.7	100	
Low Grade Stockpile & ROM Lining	Measured LG	104,500	1.7	5,700	Proven LG	104,500	1.7	5,700	
	<b>SUB-TOTAL</b>	<b>111,300</b>	<b>1.8</b>	<b>6,400</b>		<b>111,300</b>	<b>1.8</b>	<b>6,400</b>	
<b>GIC</b>									
Gold in plant circuit ("not included in grand total)	Measured			800	Proven			800	

GRAND TOTAL	RESOURCE			RESERVE				
	Measured	Grade	Contained	Proven	Grade	Contained		
	700,600	4.32	97,200	496,750	5.05	80,700		
	106,600	1.69	5,800	106,600	1.69	5,800		
	807,200	3.97	103,000	603,350	4.46	86,500		
	2,623,900	7.00	590,300	2,739,510	5.94	522,900		
	1,634,800	7.59	398,800					
	<b>Total</b>	<b>5,065,900</b>	<b>6.71</b>	<b>1,092,100</b>	<b>Total</b>	<b>3,342,860</b>	<b>5.67</b>	<b>609,400</b>

- Notes:
- 1 Based upon 3D block Model by DGO, A top cut of 180 g/t has been applied.
  - 2 Based upon close spaced grade control and detailed stope designs carried out by DGO.
  - 3 Based upon 'generic' approach...
  - 4 Based upon 3D Block Models by DGO, M3 Using 2g/t cut off grade and a 180 g/t top cut SEZ shoot open pit optimisation based upon 0.5g/t cut off grade and a 5g/t top cut.
  - 5 Based upon 3D Block Models by DGO, Top cut of 80g/t applied.
  - 5\* Mining width > ore width, no ore loss expected.
  - 6 Resources are inclusive of Reserves.