



**PRODUCTION HIGHLIGHTS**

**Gold Produced**

30 Sep 2014	53,557oz
30 Jun 2014	55,450oz
30 Sep 2013	50,786oz

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

30 Sep 2014	US\$906/oz
30 Jun 2014	US\$857/oz
30 Sep 2013	US\$1,044/oz

**Average Gold Price Received**

30 Sep 2014	US\$1,278/oz
30 Jun 2014	US\$1,293/oz
30 Sep 2013	US\$1,309/oz

**LISTED SECURITIES**

**As at 30 September 2014**

Ordinary shares	223,584,937
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**KEYPOINTS**

- ◆ Good Group operating performance with quarterly gold production of 53,557 ounces at total cash cost of US\$906/oz.
- ◆ Chatree produced 33,648 ounces of gold at US\$751/oz and Challenger produced 19,909 ounces of gold at US\$1,167/oz for the quarter.
- ◆ Spectacular drilling results from Nueva Esperanza, Chile, with one of the best intersections ever recorded by Kingsgate:
  - ◇ **170 metres @ 2.79g/t gold & 82g/t silver** (4.16g/t AuEq60) from 58 metres, in hole ECHR-25, including
  - ◇ **36 metres @ 8.63g/t gold & 177g/t silver** (11.57g/t AuEq60) from 168 metres.
- ◆ Following the release of an updated Mineral Resource and Ore Reserve Statement, Group Mineral Resources at 30 June 2014 are now estimated at 10.34Moz gold equivalent<sup>^</sup> (4.73Moz gold and 250Moz silver) and Group Ore Reserves estimated at 2.72Moz gold equivalent<sup>^</sup> (1.69Moz gold and 69.7Moz silver).

<sup>^</sup> see Note on page 10.



*Nueva Esperanza, Chile, access road construction, winter 2014*

**GROUP OPERATING SUMMARY**

Operation	September Quarter 2014		June Quarter 2014	
	Production (ounces)	Total Cash Costs (US\$/ounce)	Production (ounces)	Total Cash Costs (US\$/ounce)
Chatree	33,648	751	36,475	631
Challenger*	19,909	1,167	18,975	1,291
<b>Total</b>	<b>53,557</b>	<b>906</b>	<b>55,450</b>	<b>857</b>

\*Includes mine development costs

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*T. Benfield*

Tim Benfield, Interim CEO

30 October 2014



*Laguna Verde, Nueva Esperanza Project, Chile*

## SEPTEMBER QUARTER OVERVIEW

Kingsgate had a solid September quarter with gold production of 53,557 ounces at total cash cost of US\$906/ounce. Chatree production was in line with expectations at 33,648 ounces and a good performance from Challenger with 19,909 ounces produced.

Gold sales for the quarter of 49,200 ounces were lower than production due to the timing of gold shipments and out-turn received from the refineries. The average gold price received was US\$1,278/ounce and the Group All-in Sustaining Cash Cost based on gold sold was US\$1,102/ounce.

### OPERATIONS

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#### CHATREE GOLD MINE, THAILAND

Chatree gold production for the quarter was 33,648 ounces compared to 36,475 ounces in the previous quarter reflecting a lower head grade of 0.81g/t (0.9g/t) and lower plant throughput due to planned maintenance.

A re-optimisation of the Chatree mine plan was completed with a strong focus on further cost reductions given the on-going volatility of metal prices.

Total cash costs for the September quarter were US\$751/ounce (including US\$96/ounce royalty). This compares to the June quarter of US\$631/ounce (including US\$120/ounce royalty). Total production costs after depreciation and amortisation were US\$1,027/ounce.

Capital expenditure for the quarter at Chatree was A\$2.9 million, with an additional A\$4.4 million incurred on TSF#2.

#### CHALLENGER GOLD MINE, SOUTH AUSTRALIA

Challenger had a good quarter with operations continuing to focus on Challenger West and gold production of 19,909 ounces. The head grade of 5.66g/t was higher than the previous quarter (4.80g/t) as the operating schedule delivered higher grade stope ore to the plant. Total operating cash costs were US\$1,167/ounce (including US\$47/ounce royalty). Note that operating costs at Challenger continue to include all mine development expenditure for the site (i.e. no mine development costs are being capitalised).

### DEVELOPMENT PROJECTS

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#### NUEVA ESPERANZA SILVER/GOLD PROJECT

In the September quarter, work streams focused on post-feasibility study optimisation of the project in the mining, metallurgy and process areas. The modifications to the environmental approvals are still on track for completion in the March quarter 2015 despite some additional requirements from the Chilean environmental authority with respect to water monitoring.

Drilling of gold-rich targets to expand the resource base of the project is well advanced with the new drilling intersecting exceptional gold and silver mineralisation to the west of the existing Chimberos Pit, outside the current resource boundary.

The following intersection in drillhole ECHR-25 is one of the best intersections ever recorded by Kingsgate in any of its operations and projects with:

- 170m @ 2.79g/t gold & 82g/t silver (4.16g/t AuEq60) from 58 metres, including
- 36m @ 8.63g/t gold & 177g/t silver (11.57g/t AuEq60) from 168 metres.

The drillhole followed-up an earlier hole, ECHR-19, and intersected a broad zone of intensely silicified breccia which, together with the results from ECHR-19, suggests the potential for a high grade feeder structure. Thirteen out of the nineteen holes drilled so far in the current program have returned significant gold, silver and silver with gold intersections.

Total feasibility and assessment expenditure for the quarter was A\$0.9 million with an additional A\$1.4 million incurred on scheduled royalty and related payments to the previous owners.

## **DEVELOPMENT PROJECTS (CONTINUED)**

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

During the quarter, work continued to focus on the proposed route for the 132kv transmission line and the ground and surface water studies, which are two of the more detailed studies required for the Environmental Impact Statement (EIS). The EIS remains on schedule for completion by the end of the year.

Total project expenditure for the quarter at Bowdens was A\$0.8 million of which A\$0.5 million was incurred on the EIS.

## **EXPLORATION**

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Resource drilling at Chatree recommenced during the quarter, targeting areas adjacent to the existing pits.

At Sayabouly in Lao PDR, exploration activities during the quarter slowed down with the onset of the wet season. Final assay results were returned from several follow-up trenches north and south of the previous intercepts reported last quarter. The results support a strike extension to the identified quartz veins that remain open towards both the north and south. Additional channel assay results include: 6.0m @ 1.8 g/t Au (from 3 metres) in Trench LTR-11 and 1.0m @ 41.9 g/t Au (from 126 metres) in Trench LTR-14. The dry season is expected to commence in late October and additional trenches are planned to test for continuation of the veins either side of the existing trenches, in advance of drilling later in the year.

Total regional exploration expenditure for the Group over the quarter was A\$0.4 million.

## **CORPORATE**

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At the end of September, cash and bullion/doré totalled A\$76.4 million, comprising cash of A\$60.7 million and bullion/doré of A\$15.7 million.

Kingsgate had A\$30 million outstanding under its corporate debt facility and approximately US\$98 million outstanding under the Akara loan facility.

Currently, Kingsgate has hedging in place of 28,000 ounces for delivery over the December and March quarters at an average delivery price of A\$1,418/oz to mitigate the \$A gold price risk associated with forecast production from the Challenger mine.

The Kingsgate Board has appointed Chairman, Mr Ross Smyth-Kirk as interim Executive Chairman and Mr Tim Benfield, who is the Company's Chief Operating Officer, as interim Chief Executive Officer. In addition, Mr Ross Coyle, Kingsgate's General Manager Finance and Administration has been appointed Interim Chief Financial Officer.

These appointments are made pending permanent appointments to these positions following the cessation of employment of the former CEO, Mr Geoff Day, and CFO, Mr Austen Perrin.

Mr Craig Carracher resigned from the Board, effective 17 October 2014.

## **OUTLOOK**

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Total gold production guidance for Kingsgate for the 2015 financial year remains between 195,000 and 215,000 ounces including 130,000 to 140,000 ounces from Chatree and 65,000 to 75,000 ounces from Challenger.

Kingsgate continues to implement strategies to adapt to the volatile operating environment for gold producers in order to maximise shareholder returns. Operating efficiency and cost saving initiatives continue to be pursued.

## OPERATIONAL PERFORMANCE

		September Quarter 2014			June Quarter 2014		
		Chatree	Challenger	Consolidated	Chatree	Challenger	Consolidated
<b>Production Summary</b>							
Ore Mined	BCM's	536,169			535,366		
Waste Mined	BCM's	141,346			152,923		
Waste to Ore Ratio		0.3:1			0.3:1		
Ore Mined	tonnes	1,384,568	121,243	-	1,405,891	124,542	-
Ore Treated	tonnes	1,546,921	114,930	-	1,599,284	125,951	-
Head Grade - Gold	Au g/t	0.81	5.66	-	0.90	4.80	-
Head Grade - Silver	Ag g/t	13.7	-	-	15.2	-	-
Gold Recovery		78.9	96.4	-	79.5	96.8	-
Silver Recovery		36.0	-	-	34.2	-	-
Gold Poured	ounces	33,648	19,909	53,557	36,475	18,975	55,450
Silver Poured	ounces	259,141	361	259,502	249,721	400	250,121
<b>Financial Summary</b>							
<b>Cost Summary</b>							
Mining Cost	US\$/oz	210	799	429	221	848	436
Milling Cost	US\$/oz	411	240	347	351	257	319
Administration & Other	US\$/oz	63	123	85	56	135	83
Stockpile Adjustments	US\$/oz	92	(42)	43	15	2	10
By-Product Credit*	US\$/oz	(121)	-	(76)	(132)	(1)	(87)
<b>Cash Operating Cost</b>	<b>US\$/oz</b>	<b>655</b>	<b>1,120</b>	<b>828</b>	<b>511</b>	<b>1,241</b>	<b>761</b>
Gold Royalty	US\$/oz	96	47	78	120	50	96
<b>Total Cash Cost</b>	<b>US\$/oz</b>	<b>751</b>	<b>1,167</b>	<b>906</b>	<b>631</b>	<b>1,291<sup>^</sup></b>	<b>857</b>
Depreciation & Amortisation - Operating	US\$/oz	246	72	181	226	215	222
Depreciation & Amortisation - Deferred Stripping**	US\$/oz	30	-	19	27	-	18
<b>Total Production Cost</b>	<b>US\$/oz</b>	<b>1,027</b>	<b>1,239</b>	<b>1,106</b>	<b>884</b>	<b>1,506</b>	<b>1,097</b>
<b>Total Cash Cost per Tonne of Ore Treated</b>	<b>US\$/t</b>	<b>16.34</b>	<b>202.20</b>	<b>-</b>	<b>14.39</b>	<b>194.42</b>	<b>-</b>
<b>Revenue Summary</b>							
Gold Sold	ounces	29,799	19,401	49,200	40,686	19,375	60,062
Silver Sold	ounces	236,077	361	236,438	272,228	600	272,828
Average Gold Price Received	US\$/oz	1,274	1,283	1,278	1,291	1,299	1,293
Average Silver Price Received	US\$/oz	19.4	19.0	19.4	19.6	20.5	19.6
Revenue from Metal Production	US\$m	42.5	24.9	67.4	57.8	25.2	83.0
Average Exchange Rate	\$/US\$			0.93			0.93

\*Net of silver royalties. ^ Includes mine development costs. \*\* Change in Accounting Standard (IFRIC20) which accounts for deferred strip assets as being depreciable over the life of the respective pit on a ounces produced basis rather than expensed based on the future actual waste/ore ratio.

# OPERATIONAL PERFORMANCE

## CHATREE GOLD MINE, THAILAND

Chatree had a solid operating quarter as mining in A Pit Stage 2 continued to advance towards the higher grade areas within the pit. Total ore mined was 1,384,568 tonnes.

A trial using Blast Monitoring Technology to measure blast movement, was completed during the quarter and this technology has been implemented site-wide to help minimise ore loss and dilution.

Total ex-pit mine production was slightly below budget and was a result of delayed pit dewatering due to the wet season.

The process plant treated 1,546,921 tonnes of ore at an average head grade of 0.81 grams per tonne gold to produce 33,648 ounces of gold. Silver production was 259,141 ounces. Gold recovery of 78.9% was lower than the June quarter of 79.5% as a result of the lower head grade mainly due to a reduction in the volume of high grade clay material blended during the rainy season.

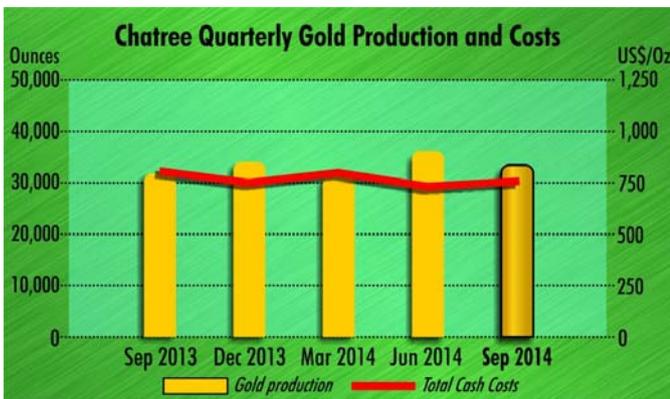
Stockpiled ore at close of the quarter was 9,494,356t at 0.52g/t containing 158,795 ounces of gold.

### Resource Development Drilling

Resource drilling in the A Pit and Q Prospect areas recommenced during the quarter. The drilling targeted Inferred Resources that lie in close proximity to existing pit designs. Additional drilling will continue into the next quarter targeting additional resource expansion targets on the eastern side of the mining lease.

### Safety, Environment and Community

There were no lost time injuries during the quarter. The Lost Time Injury Frequency Rate (LTIFR) is currently 0.10.



## CHALLENGER GOLD MINE

During the quarter, mining continued to focus on Challenger West with gold production of 19,909 ounces. Ore mined and processed was lower than the previous quarter with the operating schedule delivering higher grade stope and development ore. The head grade of 5.66g/t was higher than the previous quarter (4.80g/t) with development ore representing 30% of the ounces mined and stope ore representing 70% of ounces mined. The grade of the stope ore was above budget due to lower than expected dilution.

The current mine plan at Challenger is under review following an increase in the Challenger reserve base to 160,000 ounces as at the end of June 2014. Further extensions to the mine life are dependent on the successful conversion to reserves from on-going drilling and development within the extensive resource envelope at Challenger West (640Koz at 30 June 2014).

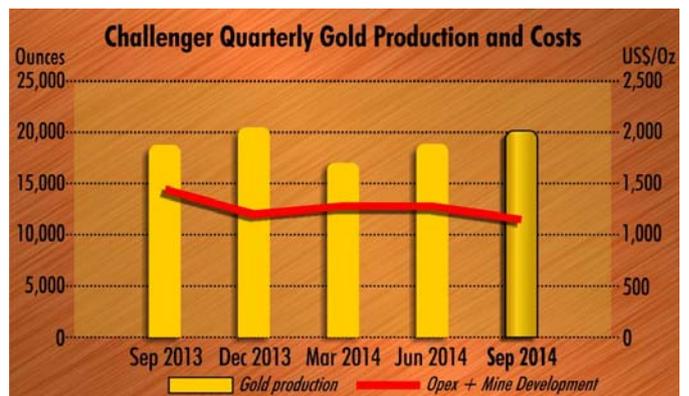
Mining continues to focus on initiatives to minimise dilution from both stoping and development.

Total operating costs, inclusive of both operating, mine development and royalty, for the quarter were US\$1,167/ounce (including US\$47/ounce royalty).

The mining contractor, Byrnegut, continued their strong operating performance with productivity improvements remaining an important focus.

The underground development advance was nearly identical to last quarter's excellent result and confirms sustained improvement in jumbo availability and utilisation. A total of 1,809 metres of development was achieved for the quarter. Ore mined for the quarter totalled 121,243 tonnes.

The process plant operated consistently over the quarter with 114,930 tonnes of ore treated at an average gold grade of 5.66g/t. The lower throughput reflects a major shutdown to replace the girth gear, pinion and trunion bearing on Mill 1. Metallurgical recovery has remained above budget at 96.4%.



## Resource Development Drilling

A total of 8,503 metres of underground development and exploration diamond drilling was completed. Drilling rates were significantly improved from last quarter, continuing the positive trend despite low manning levels. The drilling targeted Challenger West, Challenger West Extension and the Challenger West to Aminus Corridor.

## Exploration

A total of 1,332m of RC Drilling was conducted at the beginning of the quarter to complete the program targeting potential extensions to the 'Challenger Matrix' lode model. Although logging identified encouraging "Challenger Style" vein quartz-feldspar with cordierite ± sulphides in some holes, no significant intersections were returned with the best result being 1 metre @ 2.09g/t gold.

The focus for surface exploration at Challenger has moved away from the mine onto other mineralised trends on Northern limbs of interpreted antiforms, which are the same as those that host the high grade M1-M2 lodes. Three prospective targets on the mining lease – Atlantis, Atlantis East and Challenger South – fit this criteria and warrant systematic follow up. These will be targeted in the next quarter with Air Core drilling ( Figure 1).

## Safety, Environment and Community

No Lost Time Injuries (LTI's) were recorded at Challenger during the quarter with the site 176 days LTI free as at 30 September 2014.

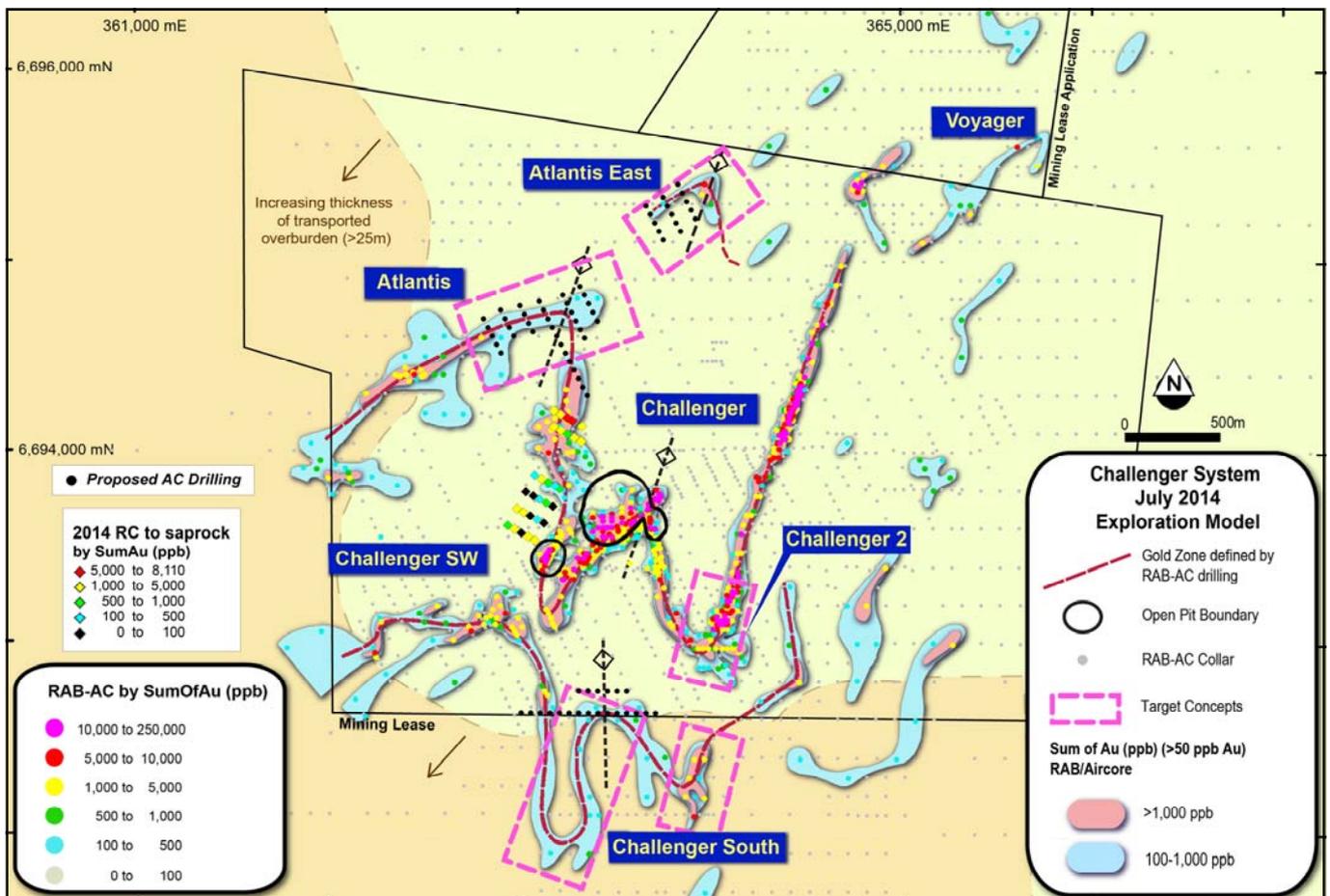


Figure 1. RC Results and upcoming AC drilling targeting northern limbs of interpreted antiforms



## NUEVA ESPERANZA PROJECT

In the September quarter, work streams focused on post-feasibility study optimisation of the project in the mining, metallurgy and process areas. The modifications to the environmental approvals are still on track for completion in the March quarter 2015 despite some additional requirements from the Chilean environmental authority with respect to water monitoring.

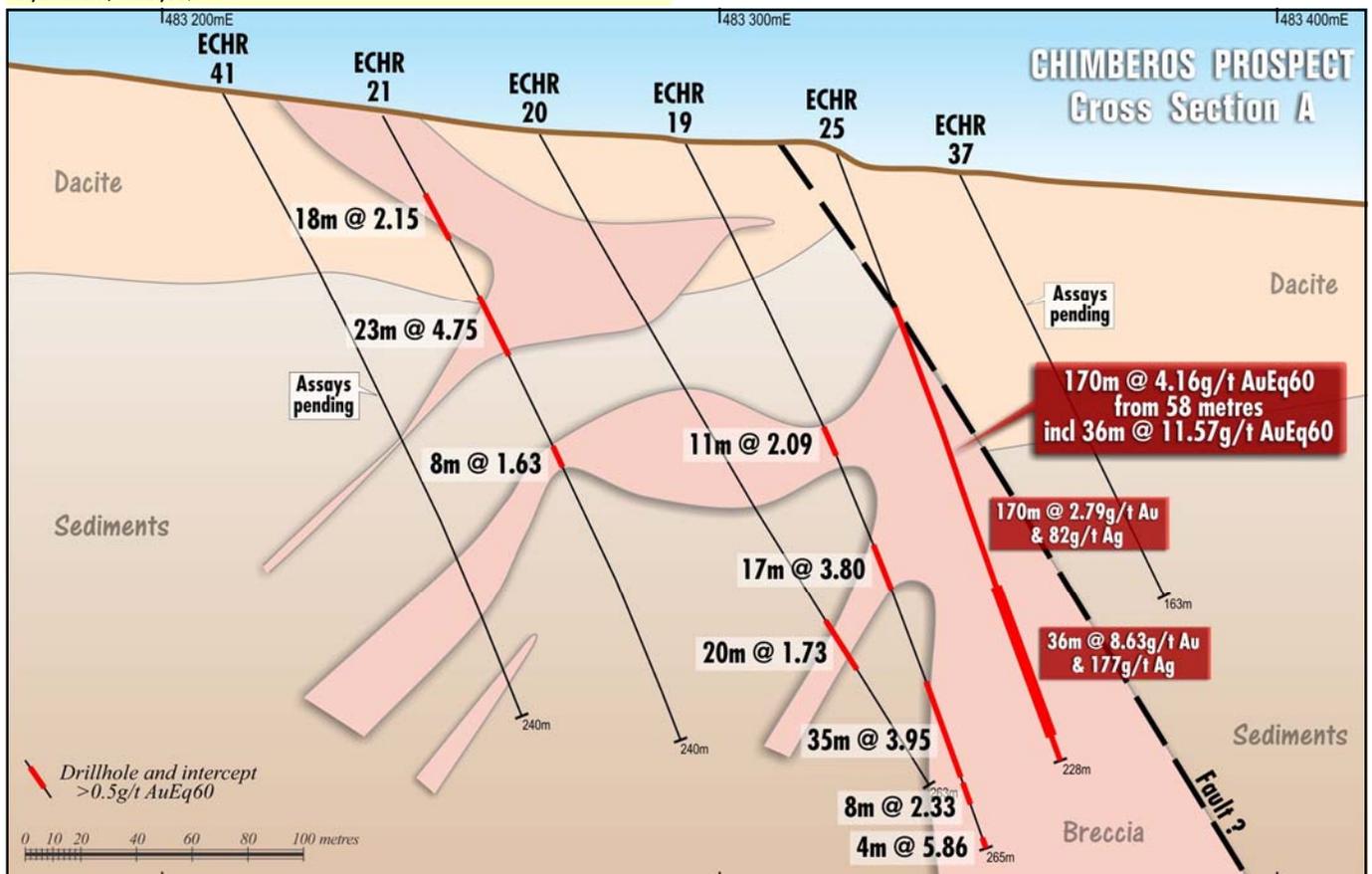
Drilling of gold-rich targets to expand the resource base of the project is well advanced with the new drilling intersecting exceptional gold and silver mineralisation to the west of the existing Chimberos Pit, outside the current resource boundary.

The following intersection in drillhole ECHR-25 is one of the best intersections ever recorded by Kingsgate in any of its operations and projects with:

- 170m @ 2.79g/t gold & 82g/t silver (4.16g/t AuEq60) from 58 metres, including
- 36m @ 8.63g/t gold & 177g/t silver (11.57g/t AuEq60) from 168 metres.

The hole, drilled to follow-up ECHR-19, intersected a broad zone of intensely silicified breccia which, together with the results from ECHR-19, suggests the potential for a high grade feeder structure as shown in Figure 2. Individual one-metre intervals for the bonanza zone in ECHR-25, which are shown in Table 2, indicate the intensity of mineralisation.

Figure 2. Cross section of Chimberos recent drilling intersections and preliminary interpretation. (All intercepts in cross section are gold equivalent, AuEq60).



Further significant results include:

- 35m @ 3.40g/t gold & 33g/t silver (3.95g/t AuEq60) from 204 metres, including
- 6m @ 15.36g/t gold and 52g/t silver (16.23g/t AuEq60) from 218 metres in ECHR-19;
- 19m @ 4.16g/t gold & 77g/t silver (5.45g/t AuEq60) from 195 metres in ECHR-18;
- 17m @ 2.63g/t gold & 70g/t silver (3.80g/t AuEq60) from 153 metres in ECHR-19;
- 23m @ 0.18g/t gold & 274g/t silver (4.75g/t AuEq60) from 71 metres in ECHR-21; and,
- 32m @ 1.97g/t gold & 75g/t silver (3.22g/t AuEq60) from 173 metres in ECHR-29.

Thirteen out of the nineteen holes drilled so far in the current program have returned significant gold, silver and silver with gold intersections (See Appendix A).

The mineralisation identified from this drill program extends for approximately 300 metres to the west of the current Chimberos Pit, is located outside the current resource boundary and remains open at depth and along strike. Further drilling to follow up these intersections is underway and a second drill rig has been diverted to this campaign. A ground geophysical orientation survey is also underway in order to determine the most appropriate technique for identifying these targets elsewhere within the Nueva Esperanza lease area.

The geological significance of these results is still being assessed within the context of the mineralisation in the Chimberos Pit and nearby satellite prospects.

## BOWDENS SILVER PROJECT

Work continued to focus on two of the more detailed Environmental Impact Statement (EIS) studies, the proposed 132kv transmission line route and the ground and surface water studies.

Landholder consultation along the proposed 132kv line route is well advanced and ground and surface water modelling is being finalised for inclusion in the EIS.

A final site walkthrough was conducted by key engineering and environmental consultants during the quarter, which reconfirmed the extensive modelling work already undertaken.

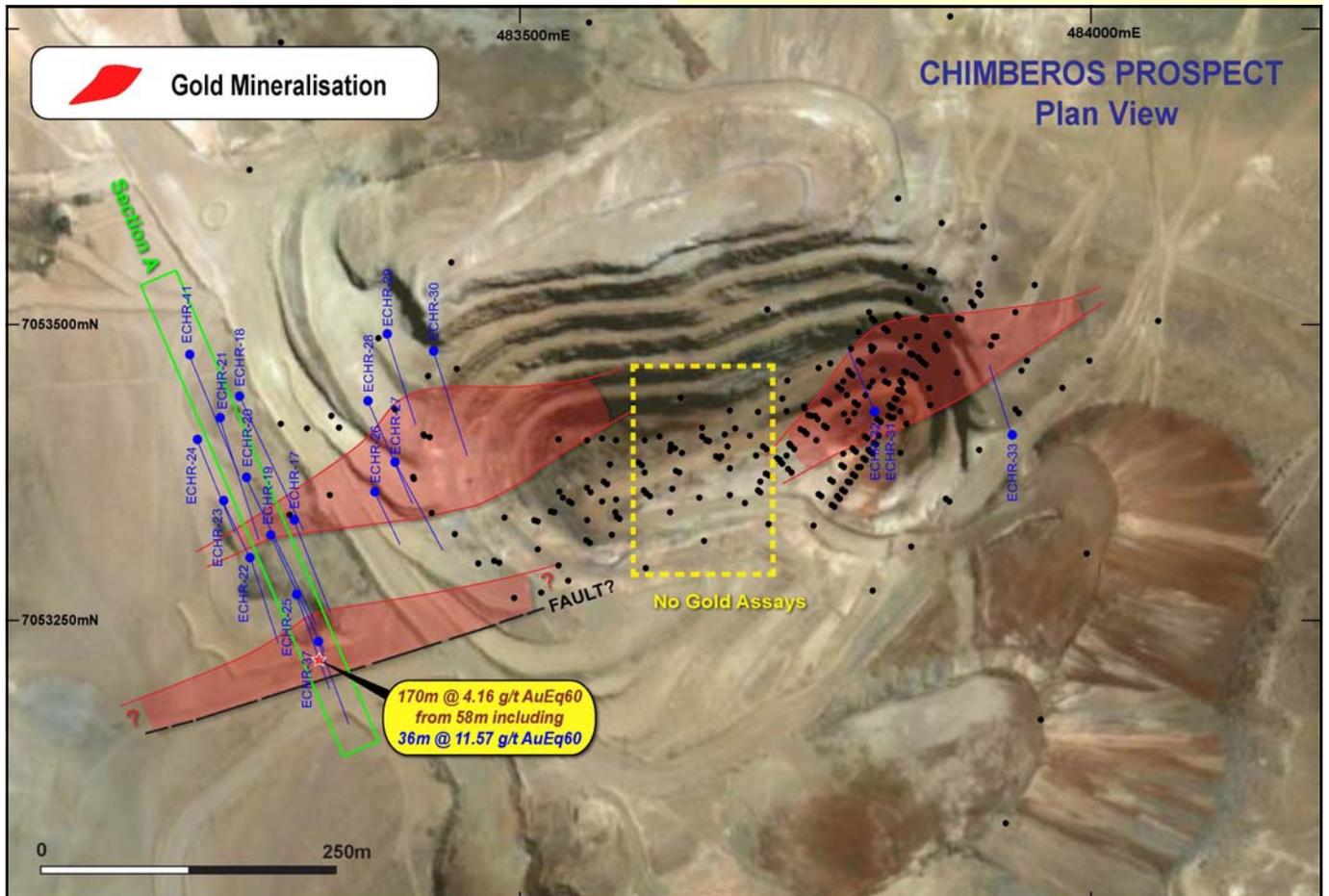
Environmental monitoring of surface and ground water, air quality, noise and weather continued during the period, with Macquarie University working in partnership with Kingsgate Bowdens to undertake some baseline atmospheric testing on site.

The timetable to complete the Bowdens EIS remains on schedule and is expected to be finalised in the coming months.



Oblique view of the Chimberos pit area, Nueva Esperanza Project, Chile

Figure 3. Plan of Chimberos recent drilling intersections and preliminary interpretation



# REGIONAL EXPLORATION

## SAYABOULY PROJECT – LAO PDR

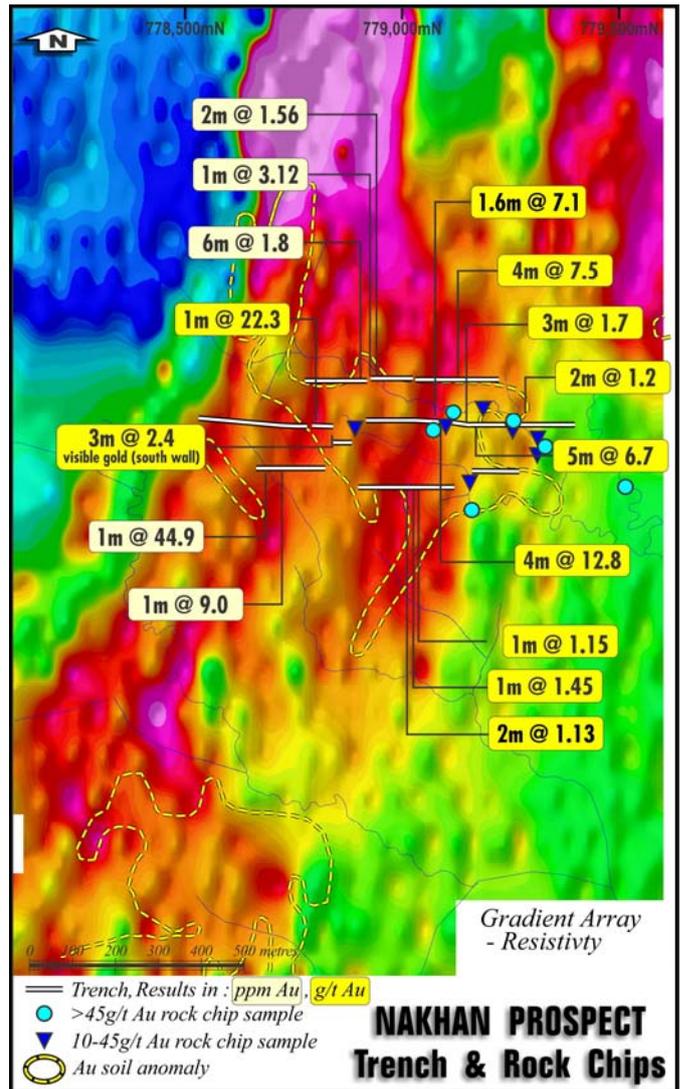
Exploration activities during the quarter slowed down with the onset of the wet season. Final assay results were returned from several follow up trenches north and south of the previous intercepts reported last quarter. Results support a strike extension to the quartz veins encountered in earlier trenches and remain open to both the north and south (see Figure 4). Additional channel assay results include:

- 6.0m @ 1.8 g/t Au (from 3m) in Trench LTR-11
- 1.0m @ 41.9 g/t Au (from 126m) in Trench LTR-14

With an expected return to the dry season in late October, additional trenches are planned to test for continuation of the veins either side of the existing trenches in advance of drilling later in the year. To the south, trenching is also planned across a large soil anomaly that overlays a feature identified in the ground magnetic data. This anomaly has no outcrop exposed and the depth of weathering is unknown.



*Geophysics technician, Sayabouly Project, Lao PDR*



*Figure 4. Summary Map for Nakhon Prospect within Sayabouly Concession Area with rock chip and trench results*

### NAKHAN PROSPECT TRENCH GOLD INTERCEPTS (>0.5g/t Au)

Trench Number	Easting (mE)	Northing (mN)	Azimuth	Trench Length (m)	From (m)	To (m)	Interval (m)	Au (g/t)
000110LTR	778,776	2,063,875	90°	143	130.0	136.0	6.0	1.83
000120LTR	778,906	2,063,878	90°	124	3.0	4.0	1.0	3.12
					9.0	11.0	2.0	1.56
					80.0	81.0	1.0	0.99
000130LTR	778,900	2,063,626	90°	222	53.0	54.0	1.0	1.16
					117.0	119.0	2.0	1.13
					Incl. 117.0	119.0	1.0	1.53
					137.0	140.0	3.0	0.86
000140LTR	778,663	2,063,670	90°	160	25.0	26.0	1.0	41.9
					36.0	43.0	7.0	0.65
					Incl. 36.0	37.0	1.0	1.33
					42.0	43.0	1.0	1.72
					51.0	52.0	1.0	9.00

## CORPORATE

At the end of the quarter, Kingsgate's drawn debt facilities consisted of:

### Senior Corporate Facility

A\$30 million under the Senior Corporate Loan Facility consisting of two tranches:

- Tranche A is an amortising loan facility with a balance of A\$5 million owing, to be repaid in December 2014.
- Tranche B is an A\$25 million Akara Resources PCL ("Akara") Pre-IPO Bond with a maturity date of 31 July 2015. The current intention is for this tranche to be repaid from proceeds raised through the Akara IPO although at Kingsgate's election repayment can be made by Kingsgate either in cash or Kingsgate shares.

### Multi-currency, Syndicated Loan Facility

Kingsgate's Thai operating subsidiary, Akara, has an amortising multi-currency loan facility with four years remaining. It is currently drawn to the equivalent of US\$99 million, following the commencement of quarterly repayments in November 2013. Akara also has an additional undrawn Thai Baht denominated working capital facility equivalent to US\$15 million.

### Hedging

As at 30 September 2014, the Group has 19,000 ounces of gold sold forward at an average price of A\$1,417/ounce for delivery over the December quarter. Since the end of the quarter, a further 9,000 ounces of gold have been sold forward for delivery at A\$1,420/ounce over the March quarter 2015. This is put in place for the mitigation of Australian gold price risk and is associated with forecast production from the Challenger Mine. In addition, there is a residual forward sale from the Dominion merger with 1,000 ounces at A\$1,163/ounce remaining.

### ALL-IN SUSTAINING CASH COSTS - SEPTEMBER QUARTER 2014 (BASED ON GOLD SOLD)

		Chatree	Challenger	Group
Adjusted Total Cash Cost <sup>1</sup> (incl royalties)	US\$/oz	710	1,180 <sup>1</sup>	895
Sustaining Capex	US\$/oz	222	4	137
Exploration Expense	US\$/oz	-	-	-
Corporate and Administration Costs <sup>2</sup>	US\$/oz	-	-	70
<b>All-in Sustaining Cash Cost</b>	<b>US\$/oz</b>	<b>932</b>	<b>1,184</b>	<b>1,102</b>

<sup>1</sup> Challenger Adjusted Cash Costs include underground development. <sup>2</sup> Corporate and Administration costs have been allocated 73:27 between operating assets and development projects. This allocation will vary each quarter depending on the relative activity between operations and development projects. <sup>3</sup> Adjusted operating costs are based on gold sales and include movements in gold inventory and stockpiles over the period.

### KINGSGATE GROUP 2014 MINERAL RESOURCES AND ORE RESERVES

Kingsgate completed an annual update to its Mineral Resources and Ore Reserves for the period ending 30 June 2014. The update takes in to account mining depletion and current economic and operational assumptions. Reflecting the importance of silver and other economic by-products to Kingsgate, Mineral Resources and Ore Reserves are quoted on both a gold and silver only basis and a gold equivalent (AuEq) basis.

### Group Mineral Resources

Group Mineral Resources (inclusive of Ore Reserves) were estimated at 10.34Moz gold equivalent (AuEq) representing a decrease of 0.30Moz gold equivalent (~3%) compared to 30 June 2013. This estimate includes 4.73Moz of gold and 250Moz of silver (300.7Mt at 0.49g/t Au and 25.9g/t Ag). This equates to a reduction of 0.29Moz (~6%) for gold and an increase of 4.0Moz (~2%) for silver.

### Group Ore Reserves

Group Ore Reserves are estimated at 2.72Moz gold equivalent (AuEq). This represents an increase of 0.64Moz gold equivalent (~31%) compared to the 30 June 2013 estimate. This increase is principally due to the addition of gold equivalent Ore Reserves from Nueva Esperanza from the conversion of 52.7Moz of silver. This estimate includes 1.69Moz of gold and 69.7Moz of silver (72.3Mt at 0.73g/t Au and 30.0g/t Ag). This represents a decrease of 0.23Moz (~12%) of gold and an increase of 52.7Moz (~410%) of silver. The decrease in gold mostly relates to mining depletion from Chatree and Challenger (~92%) with the remainder due to updated pit designs using lower metal prices. The decrease was partially offset by the addition of gold reserves from Nueva Esperanza.

### Chatree Gold Mine, Thailand

Chatree Mineral Resources are estimated at 3.84Moz of gold (181.3Mt at 0.66g/t Au and 6.46g/t Ag) compared to 4.03Moz of gold in April 2013. This decrease is in line with mining depletion for the period.

Chatree Ore Reserves are estimated at 1.40Moz gold (54.4Mt at 0.80g/t Au and 9.25g/t Ag) compared to 1.82Moz gold in 2013, mainly due to mining depletion and pit re-optimisation at lower gold and silver prices.

### Challenger Gold Mine, South Australia

Challenger Mineral Resources are now estimated at 0.64Moz of gold (2.5Mt at 7.80g/t Au). This compares to 0.74Moz of gold in June 2013 and represents a decrease in line with mining depletion for the period and the removal of non-Challenger West resources, partly offset by an increase in the Mineral Resource at Challenger West.

The Ore Reserve estimate for Challenger increased by 0.06Moz (~60%) after depletion to 0.16Moz gold (0.84Mt at 5.77g/t Au) compared to 0.10Moz gold in 2013. The increase is mainly a result of additional conversion to reserves at Challenger West.

### Nueva Esperanza Project, Chile

The Nueva Esperanza Mineral Resource estimate has not changed from 30 June 2013. Mineral Resources are estimated at 1.56Moz of gold equivalent (28.9Mt at 1.67g/t AuEq60).

Ore Reserves were estimated for the first time at Nueva Esperanza as part of a feasibility study that was announced on ASX on 17 March 2014. Ore Reserves are estimated at 1.04Moz gold equivalent (17.1Mt at 1.89g/t AuEq60).

### Bowdens Silver, Lead & Zinc Project, New South Wales

The Bowdens Mineral Resource estimate has not changed from that previously reported (ASX announcement, 18 October 2013) of 88.0Mt at 47.4g/t Ag, 0.29g/t Pb and 0.39g/t Zn for a combined 182Moz silver equivalent (AgEq).

The Mineral Resource and Ore Reserve estimates have been reported according to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012).

Note. The full Mineral Resource and Ore Reserve Statement, including definition of metal equivalents, is available within the ASX release of 17 October 2014 and is available on the Company's website: [www.kingsgate.com.au](http://www.kingsgate.com.au).

# APPENDIX A

## CHIMBEROS PROSPECT RC DRILLING

### SIGNIFICANT DRILLING INTERCEPTS (AT 0.5G/T AUEQ60)

Hole Number	Easting Local Grid	Northing Local Grid	Azimuth Local Grid	Dip	RL	Hole Depth	From	To	Interval	Average Au	Average Ag	AuEq60	
	m E	m N	(°)	(°)	(m)	(m)	(m)	(m)	(m)*	(g/t)	(g/t)	(g/t)	(gram-metres)
ECHR-17	7,053,334	483,302	155	-60	4,113	130	60	76	16	1.08	44.50	1.83	29.20
ECHR-18	7,053,438	483,254	155	-60	4,124	240	64	66	2	0.00	144.50	2.41	4.82
							81	84	3	0.01	71.33	1.20	3.59
							94	105	11	0.41	54.55	1.32	14.50
							145	163	18	0.77	49.33	1.59	28.69
							195	214	19	4.16	77.32	5.45	103.61
ECHR-19	7,053,321	483,282	155	-60	4,110	265	109	120	11	0.55	92.45	2.09	22.97
							153	170	17	2.63	69.88	3.80	64.57
							179	181	2	0.67	47.50	1.46	2.92
							204	239	35	3.40	33.14	3.95	138.36
							241	249	8	1.18	69.00	2.33	18.66
							261	265	4	3.15	163.00	5.86	23.45
ECHR-20	7,053,370	483,260	155	-60	4,113	263	196	216	20	1.29	26.75	1.74	34.70
ECHR-21	7,053,420	483,237	155	-60	4,119	240	31	49	18	0.02	127.83	2.15	38.63
							71	94	23	0.18	274.17	4.75	109.20
							129	137	8	0.93	42.13	1.63	13.02
ECHR-25	7,053,271	483,304	155	-60	4,105	232	58	228	170	2.79	82.00	4.16	707.20
							Incl. 168	204	36	8.63	177.00	11.57	416.52
ECHR-26	7,053,358	483,373	155	-60	4,121	110	70	82	12	0.35	74.58	1.59	19.06
ECHR-27	7,053,382	483,391	155	-60	4,130	155	85	97	12	0.26	99.50	1.91	22.97
							123	135	12	2.06	50.83	2.91	34.90
ECHR-28	7,053,435	483,367	155	-60	4,141	185	102	110	8	0.21	53.25	1.10	8.78
							119	157	38	0.73	53.05	1.61	61.22
							171	175	4	0.36	59.25	1.35	5.39
ECHR-29	7,053,425	483,811	0	-65	4,001	210	154	171	17	0.08	104.71	1.82	30.99
							173	205	32	1.97	74.69	3.22	103.01
ECHR-30	7,053,477	483,424	155	-65	4,148	200	125	130	5	0.08	171.00	2.93	14.64
							141	166	25	1.82	70.36	2.99	74.70
							178	184	6	0.64	63.00	1.69	10.15
ECHR-32	7,053,491	483,383	155	-90	4,148	210	0	3	3	0.02	61.67	1.05	3.15
ECHR-33	7,053,406	483,931	335	-67	4,067	150	33	37	4	0.03	88.00	1.49	5.97
							81	83	2	0.05	125.50	2.14	4.29

Note. Gold equivalent: AuEq (g/t) = Au (g/t) + Au (g/t) 60. Calculated from metal prices of US\$1,380/oz Au and US\$21.50/oz Ag and metallurgical recoveries of 70% Au and 75% Ag, estimated from testwork by Kingsgate.

# KINGSGATE CONSOLIDATED LIMITED

## BOARD OF DIRECTORS

**Ross Smyth-Kirk**  
Executive Chairman

**Peter Alexander**  
Non-Executive Director

**Peter McAleer**  
Non-Executive Director

**Peter Warren**  
Non-Executive Director

## COMPANY SECRETARY

**Ross Coyle**

## SENIOR MANAGEMENT TEAM

**Tim Benfield**  
Interim Chief Executive Officer

**Ross Coyle**  
Interim Chief Financial Officer

**Joel Forwood**  
General Manager Corporate & Markets

**Ron James**  
General Manager, Exploration & Resources Development

**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 223,584,937 ordinary shares on issue.

## QUARTERLY SHARE PRICE ACTIVITY

QUARTER	HIGH	LOW	LAST
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
December 2013	\$1.70	\$0.875	\$0.93
March 2014	\$1.545	\$0.975	\$1.00
June 2014	\$1.04	\$0.715	\$0.86
September 2014	\$0.975	\$0.72	\$0.72

## SHARE REGISTRY

### Link Market Services Limited

Locked Bag A14, Sydney South, NSW 1235 Australia.  
Phone: +61 1300 554 474 Facsimile: +61 2 9287 0303  
Email: [registrars@linkmarketservices.com.au](mailto:registrars@linkmarketservices.com.au)  
Website: [www.linkmarketservices.com.au](http://www.linkmarketservices.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, Maria Munoz, Rob Kinnard 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 and fairly represent 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'.*