

**Kingsgate Consolidated NL**

ACN 000 837 472

31 January, 2001

The Manager
Announcements
Company Announcements Office FOR PUBLIC RELEASE
Australian Stock Exchange Limited

Dear Sir,

QUARTERLY REPORT for the PERIOD ENDING 31 DECEMBER, 2000**CHATREE GOLD PROJECT THAILAND****1. COMMENCEMENT OF CONSTRUCTION**

The 12 month construction period for Chatree commenced at the end of November, 2000, with finalisation of the conditions precedent for the USD35 million project loan, first loan drawdown and signing of the updated version of the contract with Ausenco Ltd, the company's engineering design, procurement and construction management (EPCM) engineers.

Since then, contracts have been finalised for all of the critical path equipment and for most of the early on-site works.

At Chatree work is in full swing with mining, site earthworks, road construction, perimeter fencing, tailings storage facility, process plant site preparation, water bore drilling, explosives stores and many other jobs all underway.

The recruitment of Thai and foreign project staff is in progress and will continue throughout the construction period.

At the date of this report, the total on-site workforce at Chatree is approximately 122 and increasing and there are 81 units of earthmoving equipment in use.

2. GOLD and CURRENCY HEDGING

In November, 2000 as a condition precedent for loan drawdown, a total of 407,000 ounces of gold were hedged as flat forwards at a forward price of USD306.5 per ounce, with deliveries from December 2001 to September, 2007. This represents 56% of the project gold production.

In December, 2000 currency hedging was completed for the purchase of AUD15.4 million at 0.5525 to the US dollar in a series of contracts maturing between December 2000 and January 2002. This cover was arranged as insurance to protect the Australian dollar portion of the capital cost of the Chatree Project.

3. PROJECT BACKGROUND

Chatree is located in gently undulating farmland, 280 km by bitumen highway north of Bangkok.

The project represents a greenfields discovery of metallurgically clean, shallow gold mineralisation in a logistically simple terrain with very good infrastructure.

Total Measured, Indicated and Inferred Resources are 14.5 million tonnes at 2.6 g/t Au and 12 g/t Ag. (0.8 g/t Au cutoff) for 1.2 million ounces of Au and 5.4 million ounces of Ag.

Open cut Proven and Probable Reserves are 8.2 million tonnes at 3.1 g/t Au and 14 g/t Ag (0.8 g/t Au cutoff at US\$260/oz) for 807,000 oz Au and 3.8 million oz Ag.

The mine will operate 2 open cut pits, Tawan Pit, (Sun Pit) and Chantra Pit, (Moon Pit). The ore is metallurgically clean with gold and silver extraction by standard Carbon in Leach (CIL) processing with destruction of cyanide in the pulp to 20ppm prior to delivery to the tailings dam.

Mine life is currently 6.5 years at 1 million tonnes per year for the first 2 years and 1.5 million tonnes per year thereafter.

Two additional gold prospects within 3 km of the plant site and within company owned exploration tenements have been drilled and contain similar widespread gold mineralisation which will, with further exploration, add considerably to mine life.

Road access, grid power and water are all available on or adjacent to the site.

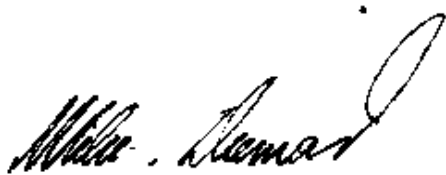
Production in the first 3 years will average 143,000 ounces gold equivalent at a cash cost of less than US\$100 per ounce, thus ensuring substantial cash flows which, under the Thai Board of Investment sponsorship, will be tax free for the first 8 years

Information in this report relating to resources, reserves and feasibility studies is based on information compiled by the Competent Persons nominated in previous ASX releases. This report accurately reflects the information compiled by them and is released with their permission

For further information contact the undersigned or visit our website at www.kingsgate.com.au.

Yours faithfully

Kingsgate Consolidated NL

A handwritten signature in black ink, appearing to read "Mike Diemar". The signature is fluid and cursive, with a large loop at the end.

Mike Diemar
Managing Director.