



Kingsgate Consolidated NL

Annual Report

2000

CORPORATE DIRECTORY

KINGSGATE CONSOLIDATED NL
ABN 42 000 837 472

DIRECTORS:

ROSS D SMYTH-KIRK (Chairman)
MICHAEL G DIEMAR (Managing Director)
JOHN FALCONER
PETER McALEER
JOHN SHAW

SECRETARY:
JOHN FALCONER

STOCK EXCHANGE LISTING:
Kingsgate Consolidated NL
Ordinary shares are listed on the
Australian Stock Exchange

REGISTERED OFFICE:
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Sydney New South Wales 2000
Website: www.kingsgate.com.au
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SHARE REGISTRY:
SECURITY TRANSFER REGISTRARS PTY LTD
Level 1 168 Adelaide Terrace
Perth Western Australia 6000

AUDITORS:
PRICEWATERHOUSECOOPERS
201 Sussex Street
Sydney New South Wales 2000

BANKERS:
AUSTRALIA & NEW ZEALAND BANKING GROUP
LIMITED
68 Pitt Street
Sydney New South Wales 2000

MACQUARIE BANK LIMITED
No 1 Martin Place.
Sydney New South Wales 2000

CONTROLLED ENTITIES:
Patron Limited (Incorporated in the United Kingdom)
Akara Mining Ltd (Incorporated in Thailand)
Issara Mining Limited (Incorporated in Thailand)
Naka Udsahakum Limited (Incorporated in Thailand)
Parasol Limited (Incorporated in Thailand)

SIGNIFICANT DEVELOPMENTS

CHATREE GOLD PROJECT - THAILAND

- Licence issued to be majority foreign controlled gold mining company
- Definitive Feasibility completed
- EPCM contract let for construction management
- Environmental impact assessment approved
- Mining contract let
- Geotechnical testing completed
- Phase 1 Final engineering design completed
- Mining Leases and metallurgical licence granted
- Equity in project increased to 100%
- Board of Investment sponsorship granted with tax holiday
- Project funding completed

Chatree - Geologist
1963 - 1993



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CHAIRMAN'S REPORT



Mike Diemar

This year has been a momentous one in the history of your Company. After some twelve years' work in Thailand, the Thai Ministry of Industry has approved the granting of four mining leases over the Company's Chatree gold deposit and construction of the mine and plant is about to commence. It will operate initially from two open-cut pits.

In mid October the Company successfully negotiated a \$US35million loan from Macquarie Bank and contracts for all aspects of the construction are let, or in the final stages of being let.

Whilst it has been a lengthy process, the Thai regulatory authorities have been most cooperative and all necessary permits and licences applied for have been granted. Since the year's end, the Royal Thai Board of Investment has granted sponsorship for the Chatree Project which, with its tax holiday and other concessions, will add significantly to the viability of the Project.

Because of the low cost nature of the mine, it is significant in this less than encouraging time for the gold industry, that the Chatree mine will not be gold-price

sensitive and is likely to be highly profitable at both current gold prices or even lower prices.

Your Board has recently been significantly strengthened by the appointment of two new experienced mining practitioners in John Shaw and Peter McAleer and I welcome them and look forward to their contributions over the coming period as we move forward toward production.

Congratulations must go to the Managing Director, Mike Diemar and his dedicated team in Sydney and Thailand for their perseverance and dedication in progressing this Project from grass-roots to its current status. We are certainly looking forward to the next twelve months as this major Project takes shape and eventually commences production.

R.D. SMYTH-KIRK
17 October 2000

MANAGING DIRECTOR'S NOTES

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It has been a year of great change, brought about by the need to refocus from field based activities to those related to ensuring an orderly and efficient implementation of the Chatree Gold Mine.

The many issues to be dealt with, while being important, were rather unexciting from a market perspective. These included environmental, mining, processing and construction approvals, appointment of engineers and mining contractors, tendering for various construction contracts, obtaining a tax holiday, arranging project and political risk insurances, project funding and so on. However each was integral to the success of the project and although it meant some frustrating delays to construction start-up, each task needed to be done in an orderly and meticulous manner. An example was the approval of an 8 year full tax holiday followed by 5 years of 50% tax holiday plus other benefits by the Royal Thai Board of Investment. This had a strongly beneficial effect on the project and was the result of over 6 months of painstaking work by our staff working with the relevant bureaucracies.

Interestingly enough the finalisation of the recently signed funding documentation proved to be by far the longest task for the year, as Thailand is a very difficult legal jurisdiction for resource project funding. Within this framework and in a declining gold price regime, it is a testament to the strength of the Chatree project and the stability of Thailand that Macquarie Bank was prepared to increase their funding from US\$30 million to US\$35

million.

The annual report this year takes note of the staff who have been instrumental in bringing the project to this point of development. I am pleased to be able to say that all of the staff will be involved in the construction program one way or another and will be integrated with the many newcomers to be recruited through the year resulting in a total Thailand based mine workforce of 226 Thais and 14 foreigners required for the mine operations. During the year most of the staff were issued with Kingsgate options from the employee option plan in grateful recognition of their efforts and to encourage them to keep up the good work.

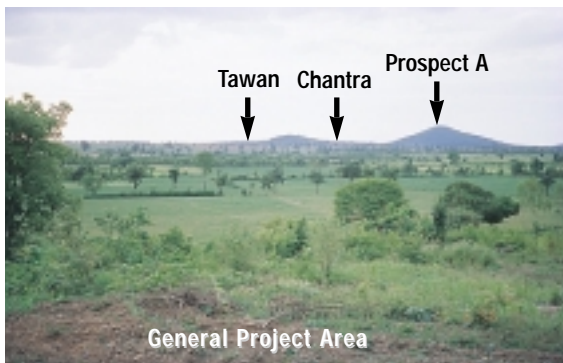
It is however not good enough for us to pat ourselves on the back, as the real work is ahead during this next year. My tasks will be to work with Rob Thomson our Project Manager to build the mine, to work on the political and social issues with Surapol Udompornwirat who runs our Thai operations and in particular to get out there to tell and sell the Kingsgate story.

Mike Diemar
Managing Director
17 October, 2000



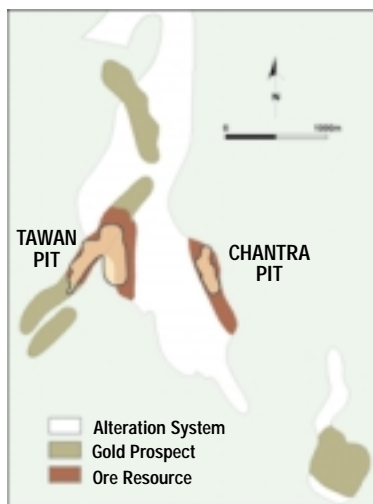
SUMMARY

Kingsgate is an emerging gold mining company with a specialist knowledge of the geological, political and economic climate of mainland South East Asia developed over 12 years of operating there. Exploration in Thailand led to the greenfields discovery of the Chatree gold deposit, a shallow high grade resource of more than 1.2 million ounces adjacent to bitumen roads and grid power. Chatree is located on the eastern edge of the main rice growing Chao Phraya Basin in gently undulating farmland 280km north of Bangkok.



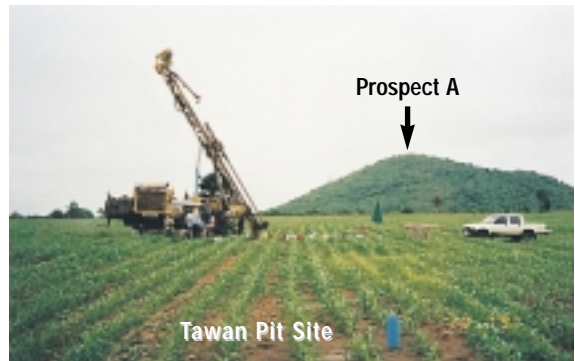
Kingsgate holds 100% of the Project.

Gold occurs in breccias associated with a major fault system and hosted by andesites of upper Permian age. The deposit is metallurgically clean with total resources containing 38 tonnes of gold and 175 tonnes of silver.

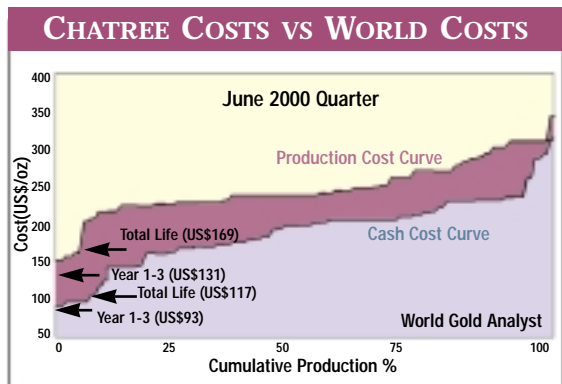


The mine will operate two open cut pits. The Tawan (Sun) Pit contains C and H prospect mineralisation and Chantra (Moon) Pit contains D prospect mineralisation. Gold and silver extraction will be by standard Carbon in Leach (CIL) processing with destruction of cyanide in the pulp to 20ppm prior to delivery to the tailings facility. All plant will be new.

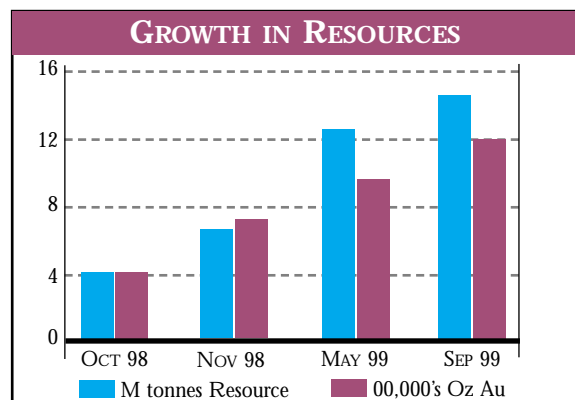
Mine construction will commence in October 2000 with plant commissioning planned for the fourth quarter 2001.



Mine production in the first 3 years will average 135,000 oz of gold and 435,000 oz of silver (143,000 oz of gold equivalent) per year at a cash cost of US\$93.00/oz equivalent placing Chatree as one of the lowest cost gold mines in the world. The project is 100% debt funded by Macquarie Bank and with the support of an 8 year full tax holiday from the Royal Thai Board of Investment (BOI) strong cash flows will be available to Kingsgate.



The project was characterised by rapidly expanding resources during the past drilling phases. Other well mineralised but only partly drilled prospects adjacent to Chatree are expected to ensure a continuation of the expanding resource and reserve base trend allowing the possibility for a major production expansion in future years.



PROGRESS THROUGH THE YEAR



Montakarm - Secretary

EIA APPROVED

The Office of Environmental Policy and Planning approved the Environmental Impact Assessment for the project in January 2000.

FIELD PROGRAM

A program of site testwork was completed during March 2000 to allow final design of the foundations for the crusher, SAG mill, CIL plant, tailings storage facility and electrical sub-station. This included the drilling of 20 rotary air blast and 13 cored holes and the excavation of 59 pits.

Environmental monitoring continued throughout the whole year and supplies of sand and gravel for construction were sourced in the district.

PHASE 1 ENGINEERING DESIGN

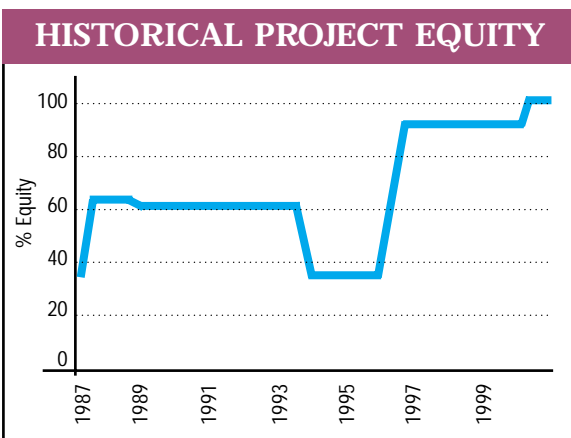
Post feasibility project design re-evaluation was undertaken in February and March 2000 to finalise the processing route and design and to update capital estimates to allow tendering for the project to proceed.

GRANT OF MINING LEASES AND METALLURGICAL LICENCE

The Thai Ministry of Industry granted the 4 mining leases, for a period of 20 years, covering the Chatree Gold Mine in June 2000 and a metallurgical lease approving the construction and operation of the processing plant in September.

PROJECT EQUITY

In June 2000 Kingsgate acquired the remaining 10% equity in Akara Mining Ltd the 100% owner of the project from its Thai partner by the issue of 560,000 fully paid Kingsgate shares. Akara is licenced to be a foreign controlled gold mining company in Thailand.



PURCHASE OF EPOCH LOAN

In June 2000, Kingsgate purchased a loan from Epoch Mining NL, originating from 1993 when Kingsgate acquired the exploration interests in the Thai and Cloncurry projects. The loan involved the sum of A\$1,319,353 due to be paid to Epoch from mining cash flow and was satisfied by the issue of 1,200,000 Kingsgate shares to Epoch.



Drill Chip Samples

PROJECT FUNDING

In mid 1999 Kingsgate accepted a pure debt funding proposal from Macquarie Bank Ltd of US\$30 million for 100% of the project capital cost as defined in the Interim Feasibility Study.

During the first half of calendar 2000 an increase was made in project capital to US\$35 million. This followed extensive engineering design leading to an increase in the size of the grinding circuit and the inclusion in the capital of land and building purchases, capitalised interest for 15 months and an overrun facility.

Macquarie Bank Limited agreed to fund the full US\$35 million of capital on a pure debt basis and documentation for this loan was signed in October 2000.

BOARD OF INVESTMENT SPONSORSHIP

In September 2000 a meeting of the Royal Thai Board of Investment chaired by the Prime Minister approved an application from Akara for sponsorship and awarded the project an 8 year full tax holiday with a further 5 years of 50% tax holiday, relief from import duty on taxes and taxes on dividends, guarantees against nationalisation, the right to export gold and to repatriate funds.



Rob Thomson - Project Manager

CONSTRUCTION

RESOURCES AND RESERVES

Total Measured, Indicated and Inferred Resources and total Proven and Probable Reserves at the Chatree Gold Mine are shown in the adjacent table. These estimates were based on the drilling of 498 RC and cored holes and the sampling of 6,955 metres of trenching. Due to the high level of budgets required for the feasibility and subsequent activities, exploration drilling was curtailed in June 1999. This is planned to resume during the construction period and is expected to lead to increased resources and reserves.

RESOURCES AND RESERVES			
	Tonnes million	Grade g/t (equiv.)	Ounces Au (equiv.)
Total Resource	14.5	2.8	1,270,000
Total Reserve	8.2	3.4	880,000

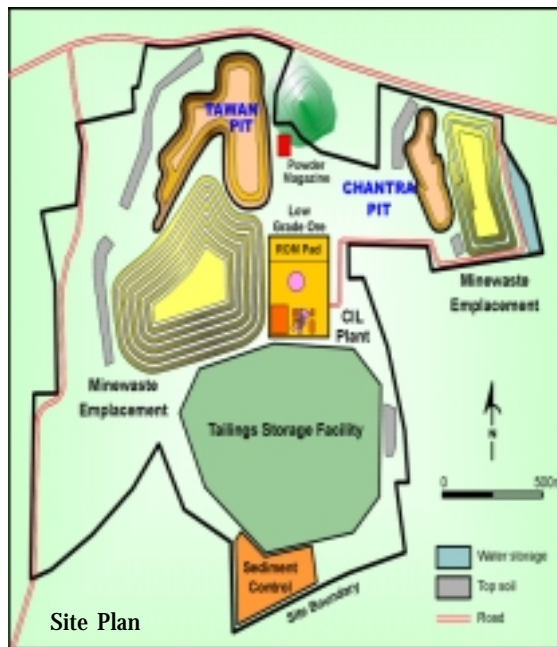
CONSTRUCTION

Mine construction will commence in October 2000 at a capital cost of US\$35 million and a 12 month construction period. The company's engineering design, procurement and construction management (EPCM) engineers, Ausenco Limited were appointed in January 2000 for the development of the Chatree Project and are now gearing up for project commencement. The detailed design for the project has been completed including carbon in leach gold plant design and flowsheet, civil works and infrastructure. Long lead items such as crusher, SAG mill and high voltage transformers have been identified and will be ordered at commencement of construction.

Mining, construction and infrastructure tenders are sufficiently completed to immediately commence development.

Kingsgate has begun recruiting mine staff and is now mobilising its own personnel for project supervision.

The process plant has been designed to treat one million tonnes per annum in Stage 1 of the operations with an upgrade to 1.5 million tonnes planned in year 3.

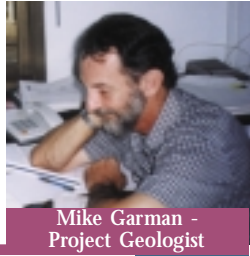


The plant will comprise a single stage crushing circuit, with delivery to a live coarse ore stockpile. Ore will be reclaimed prior to grinding to the required size by a single stage closed circuit SAG mill in closed circuit with hydro cyclones. Carbon in Leach (CIL) processing will extract the gold and silver from the ground ore by cyanidation followed by adsorption of the precious metals onto activated carbon. Desorption, electrowinning and smelting will recover the gold and silver from the loaded carbon and produce a gold/silver bullion.

A cyanide reduction circuit will be incorporated to reduce the total cyanide level in the CIL tailings stream to 20ppm or less using the SO₂/air process.



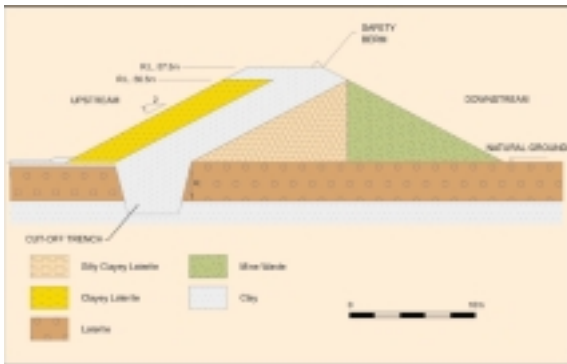
CONSTRUCTION



Mike Garman -
Project Geologist

A 71 hectare tailing storage facility (TSF) designed by Knight Piesold Pty Limited will be constructed under their supervision for the long term storage of CIL tailings incorporating decant and underdrainage water return systems. Water circuits will also include recovery of raw and potable water from bores and the intermediate storage and reticulation of all water within the plant area.

The TSF was designed and will be operated in accordance with the requirements of the Nevada Department of Environmental Protection however in some respects the requirements will be exceeded due to the natural advantages of the site. The initial embankment of 8 metres will be constructed using material from the open pit. The embankments will be raised by about 2 metres annually using low permeability waste material to store 8.2 million tonnes of tailings.



The design incorporates a high level of solution management to achieve minimum seepage within the facility, maximise tailings density and to maximise return of water to the plant site. The design also caters for a succession of rainfall events in excess of any ever recorded or expected. Underdrainage will be collected by a basin collection system and pumped from a collection tower.

Six features are incorporated to control seepage. Basin underdrainage consisting of 55 linear km of slotted drainpipes will continuously remove solution from the tailings area. These will be surrounded by sand to increase their effective width and efficiency. Beneath these will be a low permeability clay liner to inhibit seepage. This liner will be tied in to the embankment

forming a continuous lining. A toe drain will be constructed upstream of the embankment to continuously remove solution and minimise hydraulic head. A cut-off trench of clay will be constructed beneath the embankment. This will be tied in to the natural underlying clay 2 to 3 metres below the surface forming a second clay liner and an additional safety barrier. A laterite collection sump will collect water from the overlying natural laterite layer.

A water storage pond facility will be constructed downstream of the TSF with a capacity of up to 380,000 cubic metres.

Project infrastructure will include plant and mining contractors buildings, a communications system, access roads, site fencing, light vehicles and mobile equipment and refurbishment of houses. Power will be provided from a company built substation at the 115 kV Electricity Generating Authority of Thailand power line 1.5 km east of the project. From there a 22kV line will be run to the plant site. Within the site power will be reticulated by 22kV line to nine borefield pumps, a potable water pump, tailings decant, underdrainage and seepage pumps and the mining contractors area.



Pornthep - Geologist



Suphanit - Geologist

PRODUCTION

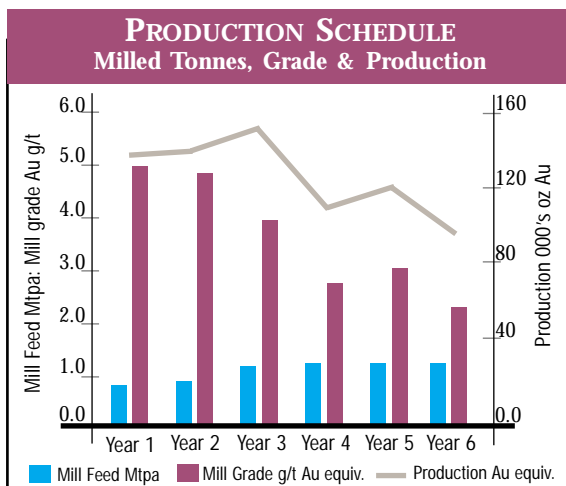
PRODUCTION

Mine life based on current reserves is 6.5 years based on a plant throughput of 1 million tonnes per year for the first 2 years and 1.5 million tonnes per year thereafter. The last year's production is currently modelled to treat low grade stockpiles but it is envisaged that new resources will add to the existing resource base of 14.5 million tonnes to increase mine life and to enable the higher throughput to be maintained.

OPERATING PARAMETERS	
Milling Rate	1-1.5 million tonnes per year
Strip Ratio	2.9 : 1
Production Life	6.5 years
Gold Production	755,000 ounces Au (equiv.)
Av Yearly Production	122,000 ounces Au (equiv.)

Production in the first 3 operating years will average 143,000 ounces gold equivalent per year at a cash cost of US\$93 per ounce, thus ensuring substantial cash flows to Kingsgate.

The production workforce including mining contractors in the first year of operation will be approximately 240 consisting of 14 expatriates and 226 Thai nationals. It is expected that an additional 30 to 40 Thai nationals will be required by the mining contractor from year 3 onwards as waste stripping requirements increase.



Mining operations using expatriate lead Thai contractors will commence during the construction program. Initial activities will be stripping waste from the Tawan Pit as construction materials for the TSE. Ore for commissioning stockpiles will be extracted in the last three months of the 12 month construction program.

At the peak mining rate in years 3 to 5 the mining fleet will include six 40 tonne excavators, three 60 tonne excavators, thirty six 20 tonne trucks, nine 35 tonne trucks and three drills. These will be supported by bulldozers, graders and other ancillary equipment.

Usual operating practice in Thailand is to use large numbers of relatively (to Australia) small mining equipment leading

to low cost operations by avoiding the importation of large expensive plant. Most is good quality used equipment which is already fully owned. This combined with low labour rates keeps costs down.

Long term planning will focus on the plant expansion to 1.5 million tonnes in year 3 including installation of a ball mill, an extra three CIL tanks and associated plant upgrades. 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. If resource drilling of these and exploration of other satellite prospects is successful plant upgrade may justify a larger than currently planned expansion.

A focus of the experienced Thai and expatriate team will be ensuring environmental compliance, job training including safety aspects, community and government liaison and working with the local authorities and communities to provide maximum local benefit.

The board will commission independent audits examining environmental, social and technical compliance of the project at regular intervals commencing immediately after commercial gold production.

PROJECT ECONOMICS

As demonstrated in the cash and production cost curves in the summary and in the adjacent table, Chatree will be one of the lowest cost gold producers in the world.

Support for the project by the Royal Thai Board of Investment in awarding the project an 8 year full tax holiday plus other benefits and a further 5 years of half tax holiday will further enhance the robustness of the project. This along with high potential for the discovery of additional resources will ensure strong capital cash flows to Kingsgate for an extended period.

The backing by Macquarie Bank Ltd in funding the total capital of the project and the beneficial impact of that on the issued capital of Kingsgate will ensure enhanced earnings per share from production.

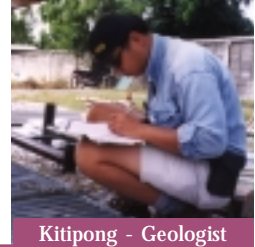
The coming challenge for Kingsgate will be to find the next development project to which a portion of this cash flow can be applied thereby raising the Company status in the international financial and mining community.

COMMERCIAL PARAMETERS (using 300,000 oz hedged - remainder @ spot)	
Total Revenue	US\$232 Million
Total Operating Costs	US\$135 Million
Pre-Production Capex	US\$32 Million
Payback period	12 months
NPV @ 10%	US\$60 Million
Cash cost per oz - Yr 1-3	US\$93
- life of mine	US\$117



Abhisit - Geologist

NEXT RESOURCE TARGETS



Kitipong - Geologist

A PROSPECT

A Prospect is located 1 km north of the proposed Tawan Pit and contains similar low sulphidation epithermal mineralisation. Broadly spaced drilling to date has resulted in the definition of mineralisation over a length of 1300 metres. The most promising intersections are shown in the table below with mineralisation shown on the adjacent plan. Further resource drilling will be undertaken once construction is in progress with a view to establishing the first resource at A Prospect.

A Prospect. Best Results to Date

Line	Hole	Intersection (m)	Grade Au (g/t)
Line20,749mN	RC107	16.00	2.09
	RAB29	13.00	2.11
Line20,287mN	RC111	38.00	2.35 &
		8.00	3.33
	DDH301	8.10	3.63 &
		7.20	5.24 &
7.85		22.55 &	
5.10	42.72		
Line20,200mN	DDH39	12.80	3.17
Line20,106mN	RCD114	10.00	3.47
	DDH304	3.30	9.17
Line20,000mN	DDH38	31.00	1.60
	DDH36	58.00	1.39
Line20,006mN	RC112	30.00	2.16
Line19,800mN	DDH32	5.00	4.34 &
		2.32	18.13 &
		1.15	51.00
	DDH307	13.93	4.32

OTHER POTENTIAL

Exploration including regional and local geochemical programs are underway in the Chatree area with the object of defining drill targets to be tested during the project construction period. In addition, an evaluation of the inferred resource blocks close to and within the designed pits is in progress so that they can be infill drilled and added to reserves before production commences.

Three main areas of further potential exist at Chatree.

(i) Immediately adjacent to Tawan and Chantra Pits approximately 350,000 ounces of gold occurs in the Inferred Resource category. Further drilling and a gold

price above US\$260/oz can be expected to translate some of these ounces to reserve category.

(ii) Down dip and along strike of the existing orebodies. These orebodies are contained within major structures only part of which have been tested to date.

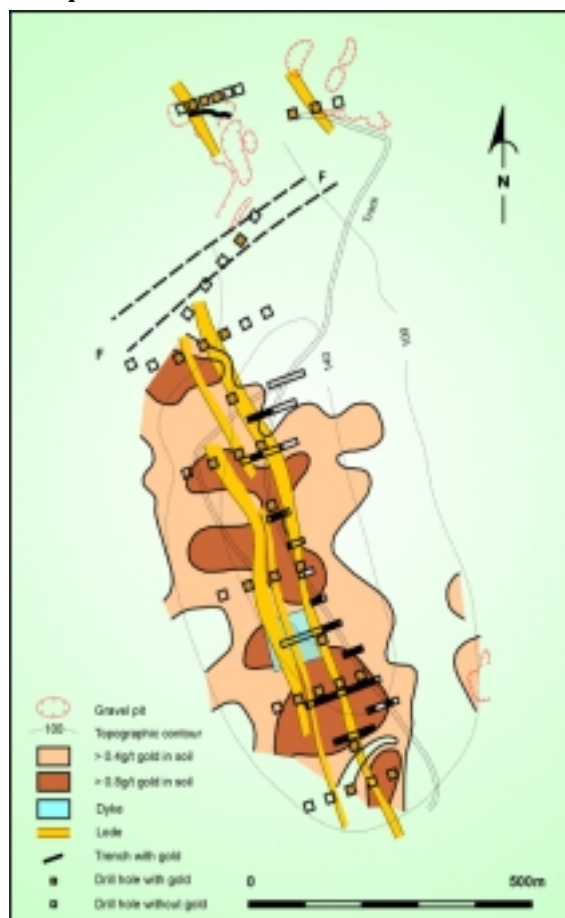
(iii) A number of partly drill-defined prospects on other structures occur within 3 kilometres of the proposed plant site.

The exploration history of this project has seen strong growth in resources and reserves and the well defined exploration potential will ensure a continuation of this growth in the future.

The company has a very extensive database of Thai geology and mineralisation accumulated during the 13 years of activity there. These targets will be re-evaluated with the benefit of the Chatree experience.

Advanced projects are being evaluated throughout mainland South East Asia, which have potential similar to Chatree.

Prospect A - Plan



Thibdee - Geologist



Vicki Diemar - Geologist

CORPORATE GOVERNANCE

This statement outlines the principal Corporate Governance practices that were in place throughout the financial year.

The Directors of the Company in office at the date of this statement are set out at the front of the Annual Report.

Directors are appointed for a three year term, after which time they are required to seek re-election by shareholders.

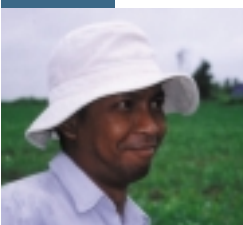
When a Board vacancy exists or where it is considered that a Director with particular skills or experience is required, the Board selects a panel of candidates with the appropriate expertise and experience from which the most suitable candidate is appointed on merit.

The Board annually determines the remuneration for the Executive and Non-Executive Directors.

The Board is responsible for establishing the policies of the Company and overseeing its financial position, including the audit process, approving major capital expenditure, approving mining plans, exploration, determining the appropriateness of management compensation and monitoring the corporate conduct of its officers.

Board members, executive management and all employees are made aware of the requirements to follow corporate policies and procedures, to obey policies and procedures, to obey the law and to behave with high standards of honesty, integrity, fairness and equity.

The Board assumes the responsibilities of an Audit Committee and discusses matters relating to the review and approval of all publications, reports and financial statements issued to shareholders.



Sanae - Field

Directors have the right, in connection with their duties and responsibilities as Directors, to seek independent professional advice at the Company's expense. Prior written approval of the Chairman is required, which will not be unreasonably withheld. A copy of the advice is to be provided to all Directors.

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DIRECTORS' REPORT

In respect of the financial year ended 30 June 2000, the directors of Kingsgate Consolidated N.L., the Company and chief entity, submit the following report made out in accordance with a resolution of the directors.

1. DIRECTORS

The following persons were directors of Kingsgate Consolidated NL during the whole of the financial year and up to the date of this report:

Ross D Smyth-Kirk	(Chairman)
Michael G Diemar	(Managing Director)
John Falconer	(Company Secretary)

Mr John Shaw and Mr Peter McAleer were directors from their appointment on 6 September 2000 up to the date of this report.

Mr A J Grey was a director from the beginning of the financial year until the Company's Annual General Meeting on 26 November 1999 where Mr Grey did not seek re election as a director.

2. PRINCIPAL ACTIVITY OF THE CONSOLIDATED ENTITY

The principal activity of the consolidated entity during the year was mineral exploration. There have been no significant changes in the principal activities of the consolidated entity during the financial year.

3. OPERATING RESULTS

The consolidated results of the consolidated entity for the financial year ended 30 June 2000 was a loss of \$942,398 (1999 - \$745,447 loss) after deducting income tax of \$nil (1999 - nil).

4. DIVIDENDS

The directors of the consolidated entity do not recommend the payment of a dividend. No dividends were paid or declared by the consolidated entity since the end of the previous financial year.

5. REVIEW OF OPERATIONS

The Company advanced the Chatree Gold Project in Thailand as follows:

- * September 1999 - the ore resource and ore reserve estimates were finalised.
- * October 1999 - the Definitive Feasibility Study was completed.
- * December 1999 - the Environmental Impact Assessment was approved by the Thai authorities.
- * January 2000 - Ausenco Limited were appointed as the Chatree Project EPCM Engineers.
- * February, March and April 2000 - final engineering design, geotechnical programs and foundation designs were carried out.
- * June 2000 - Mining Leases were granted.

On 30 June 2000, agreement was reached with Ban Pu Public Co Ltd, in which Kingsgate's wholly owned subsidiary, Naka Udsahakum Limited (Naka), acquired a 10% interest in Akara Mining Ltd (Akara). The consolidated entity now holds 100% of the issued capital of Akara which owns 100% of the Chatree Gold Mine.

During the year, the consolidated entity disposed of a subsidiary, Suan Sak Patana Ltd (Suan Sak), (see Note 14). Akara has entered into a 10 year lease agreement with Suan Sak commencing on 5 May 2000, to lease the Chatree Gold Mine land. Akara has the exclusive right to extend the lease of the land on the same terms and conditions for a further 30 years.

6. CHANGE IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity that occurred during the financial year not otherwise disclosed in this report or the consolidated financial statements.

7. EVENTS SUBSEQUENT TO BALANCE DATE

The directors are not aware of any matter or circumstance since the end of the financial year, not otherwise dealt with in this report or consolidated accounts, that has significantly or may significantly, affect the operations of the consolidated entity, the results of those operations or the state of affairs of the consolidated entity in subsequent financial years.

8. LIKELY DEVELOPMENTS

The likely developments of the consolidated entity in the subsequent financial year involve the ongoing principal activities of mineral exploration in Thailand. In addition, the consolidated entity expects to start the development of the Chatree Gold Mine. Final negotiations are in progress with Macquarie Bank Ltd to lend up to US\$35 million to finance the development of the Chatree Gold Mine.

9. SHARES & OPTIONS ISSUED

During the year the Company issued 5,313,785 fully paid ordinary shares at \$0.50 per share pursuant to the exercise of options by option holders of 5,313,785 options with an expiry date of 31 March 2000.

On 31 August 1999, the Company issued 1,000,000 fully paid ordinary shares at \$0.63 per share by private placement.

On 22 December 1999 213,000 options were issued pursuant to the Company's Employees and Contractors option plan. The options have an expiry date of 22 December 2002 and each option entitles the holder to acquire fully paid ordinary shares at \$0.81 each.

On 23 June 2000, 40,000 options were issued pursuant to the Company's Employees and Contractors option plan. The options have an expiry date of 23 June 2003 and each option entitles the holder to acquire fully paid ordinary shares at \$0.69 each.

DIRECTORS' REPORT

10. DIRECTORS' & EXECUTIVES EMOLUMENTS

The Company's policy for determining the nature and amount of emoluments of Board members and senior executives of the Company is as follows:

The Board determines from time to time the remuneration of executive and non-executive directors having regards to the Company's stage of development, remuneration in the industry and performance.

The emoluments of each Director are as follows:

DIRECTORS

Parent Entity	Salary	Director's Fees	Total
Mr A J Grey	-	-	-
Mr M G Diemar	128,333	-	128,333
Mr R D Smyth-Kirk	-	24,000	24,000
Mr J Falconer	-	-	-

For payments to directors related entities refer to note 16.

Other Executive of the Consolidated Entity

Surapol Udompornwirat	62,145	-	62,145
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"Other executives" are officers who are involved in, concerned in, or who take part in, the management of the affairs of the consolidated entity.

11. DIRECTORS' INTERESTS IN CONTRACTS

No material contracts involving directors' interests were entered into since the end of the previous financial year or existed at the end of the financial year other than the transactions detailed in Note 16 in the accounts.

INFORMATION ON DIRECTORS

Ross D Smyth-Kirk, B. Com, C.P.A., ASIA

Mr Smyth-Kirk was a founding director of the former leading investment management company Clayton Robard Management Limited and has had extensive experience over a number of years in investment management including a close involvement with the minerals and mining sectors.

Particulars of director's interest in shares of Kingsgate Consolidated NL 2,373,827 shares

Michael G Diemar, B.Sc., M Aust. I.M.M., M.G.S.A., MAICD, Managing Director

Mr Diemar was appointed to the Board on 29 November 1994, having previously served as executive director and chief executive officer of Epoch Mining N.L. He has over 25 years experience in the exploration and mining industry throughout Australasia, Asia, west and north-west Pacific region concentrating on coal, uranium, base metals and gold exploration/mining. He also has considerable experience in project generation/planning, property evaluation/valuation, project and Company administration.

Particulars of director's interest in shares of Kingsgate Consolidated NL 3,631,250 shares

John Falconer, FCA, ASIA

Mr Falconer is a Fellow of the Institute of Chartered Accountants in Australia and an Associate of the Securities

Institute of Australia. He is principal of Carbone Falconer & Co, a firm of Chartered Accountants practising in Sydney, whose client base includes small publicly listed companies as well as a number of successful family businesses.

Particulars of director's interest in shares of Kingsgate Consolidated NL 38,000 shares

John T Shaw, BSc, Peng, F AusIMM, CIM, FAICD, AIME
Mr Shaw, a geological engineer, is a director of Delta Gold Ltd. and Chairman of Zimbabwe Platinum Mines Ltd. He has extensive experience in four countries in building and operating both open cut and underground mines for gold, silver, tungsten and copper. He was, until last year, Vice-President Australian Operations for Placer Dome Asia Pacific as well as Managing Director of the Kidston Gold Mines Ltd.

Mr Shaw does not have any interests in shares and options of Kingsgate Consolidated NL.

Peter McAleer B (Hons) Commerce, Barrister at Law (Kings Inns -Dublin - Ireland)

Mr McAleer is a director of Equatorial Mining Ltd. and Minera El Tesoro (Chile) and previously was a director of Whim Creek Consolidated NL, Austwhim Resources NL and The Northgate Group of Companies (Canada). He has been involved in the discovery, and/or successful development, of over 10 base and precious metal deposits in Europe, Australia, South America and North America.

Particulars of director's interest in shares of Kingsgate Consolidated NL 240,000 shares

The particulars of directors' interests in shares and options are as at the date of the Directors' Report

12. DIRECTORS' MEETINGS

The number of directors' meetings held during the financial year and the number of meetings attended by each director are:

Director	Board of Directors' Meetings No. Held	No. Attended
A. Grey	7	7
M. Diemar	19	19
R. Smyth-Kirk	19	19
J Falconer	19	19

13. ENVIRONMENTAL REGULATIONS

For the year ended 30 June 2000, the consolidated entity has operated within Thai Laws in respect of its exploration activities at the Chatree Gold Project.

DATED at SYDNEY this 29 September 2000

For and on behalf of the Board of Directors



M G DIEMAR
Director

J FALCONER
Director

PROFIT AND LOSS STATEMENT

for the year ended 30 June 2000

	Note	Company		Consolidated	
		2000 \$	1999 \$	2000 \$	1999 \$
TOTAL REVENUE	2	28,432	89,954	103,755	115,217
OPERATING LOSS before abnormal items & income tax	3(a)	(677,086)	(434,592)	(942,398)	(745,447)
Abnormal items before income tax	3(b)	(86,684)	-	-	-
OPERATING LOSS before income tax		(763,770)	(434,592)	(942,398)	(745,447)
Income tax attributable to operating loss	4	-	-	-	-
OPERATING LOSS AFTER INCOME TAX		(763,770)	(434,592)	(942,398)	(745,447)
Accumulated losses at the beginning of the financial year		(5,166,048)	(4,731,456)	(5,897,925)	(5,152,478)
Accumulated losses at the end of the financial year		(5,929,818)	(5,166,048)	(6,840,323)	(5,897,925)

Basic loss per share (cents per share)		¢ (1.70)	¢ (1.60)
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- (a) Diluted earnings per share are not materially different from basic earning per share.
- (b) Weighted average number of ordinary shares used in the calculation of basic loss per share 55,323,484
- (c) There have been no conversions to, calls of, or subscriptions for ordinary shares since 30 June 2000 and before completion of these financial statements

The above profit and loss statement should be read in conjunction with the accompanying notes.

BALANCE SHEET

as at 30 June 2000

	Note	Company		Consolidated	
		2000 \$	1999 \$	2000 \$	1999 \$
CURRENT ASSETS					
Cash		538,890	1,375,680	846,034	1,617,341
Receivables	5	10,209	9,456	23,390	9,456
Other Assets	7	13,996	17,295	76,189	35,764
TOTAL CURRENT ASSETS		563,095	1,402,431	945,613	1,662,561
NON-CURRENT ASSETS					
Receivables	5	16,798,480	11,538,507	3,737,353	-
Investments	6	250,000	250,000	-	-
Property, plant and equipment	8	47,942	68,312	167,443	305,236
Other Assets	7	382,396	-	12,597,476	12,236,954
TOTAL NON-CURRENT ASSETS		17,478,818	11,856,819	16,502,272	12,542,190
TOTAL ASSETS		18,041,913	13,259,250	17,447,885	14,204,751
CURRENT LIABILITIES					
Accounts Payable	9	1,054,599	94,883	1,371,076	1,225,235
TOTAL CURRENT LIABILITIES		1,054,599	94,883	1,371,076	1,225,235
NON-CURRENT LIABILITIES					
Borrowings	10	1,335,560	-	1,335,560	541,760
TOTAL NON-CURRENT LIABILITIES		1,335,560	-	1,335,560	541,760
TOTAL LIABILITIES		2,390,159	94,883	2,706,636	1,766,995
NET ASSETS		15,651,754	13,164,367	14,741,249	12,437,756
SHAREHOLDERS' EQUITY					
Share capital	11	21,581,572	18,330,415	21,581,572	18,330,415
Reserves	12	-	-	-	-
Accumulated losses		(5,929,818)	(5,166,048)	(6,840,323)	(5,897,925)
Shareholders equity attributable to members of Kingsgate Consolidated NL		15,651,754	13,164,367	14,741,249	12,432,490
Outside Equity Interest - Share capital		-	-	-	5,266
TOTAL SHAREHOLDERS' EQUITY		15,651,754	13,164,367	14,741,249	12,437,756

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CASH FLOWS

for the year ended 30 June 2000

	Note	Company		Consolidated	
		2000 \$	1999 \$	2000 \$	1999 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to trade creditors, other suppliers and employees		(585,665)	(480,243)	(1,007,920)	(541,171)
Interest received		28,432	89,954	28,909	112,883
Borrowing costs		(33,512)	-	(33,512)	-
NET CASH OUT FLOWS APPLIED TO OPERATING ACTIVITIES	18	(590,745)	(390,289)	(1,012,523)	(428,288)
CASH FLOWS FROM INVESTING ACTIVITIES					
Payments for exploration		(382,396)	(8,452)	(3,594,747)	(4,544,868)
Proceeds from sale of entity, net of cash transferred		-	-	(1,744)	-
Loan to others		-	-	(660,599)	-
Loans to related entities		(4,372,008)	(4,716,480)	-	-
Payment for property, plant and equipment		(9,514)	(56,818)	(19,567)	(234,052)
NET CASH OUT FLOWS APPLIED TO INVESTING ACTIVITIES		(4,763,918)	(4,781,750)	(4,276,657)	(4,778,920)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares		3,286,892	3,615,721	3,286,892	3,615,721
Payments on issue of shares		(35,735)	(246,103)	(35,735)	(246,103)
Proceeds from borrowing		1,266,716	-	1,266,716	-
NET CASH INFLOWS FROM FINANCING ACTIVITIES		4,517,873	3,369,618	4,517,873	3,369,618
NET INCREASE/(DECREASE) IN CASH HELD					
Cash at the beginning of the financial year		1,375,680	3,178,101	1,617,341	3,454,931
CASH AT THE END OF THE FINANCIAL YEAR	18	538,890	1,375,680	846,034	1,617,341

The above statement of cashflows should be read in conjunction with the accompanying notes.

NOTES

to, and forming part of, the Financial Statements
For the year ended 30 June 2000

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are a general purpose financial report prepared in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views and the Corporations Law.

The accounting policies adopted in preparing the financial statements have been consistently applied by entities in the consolidated entity except as otherwise indicated.

The financial statements have been prepared on the going concern basis. The directors believe the going concern basis to be appropriate for the following reasons:

- (i) Final negotiations are in progress with Macquarie Bank Limited (Macquarie) to lend up to US\$ 35 million to finance the development of the Chatree Gold Mine.

Kingsgate currently has a corporate cash advance facility in place with Macquarie of US\$2 million. At 30 June 2000 the Company had drawn down US\$800,000. The corporate cash advance facility is due for repayment on 31 December 2001.

- (ii) Other amounts due to third parties recognised as current liabilities per the financial statements (see Note 9), will be settled by the issue of 1,760,000 shares in the Company.

Based on the above the directors are satisfied that the consolidated entity will be able to satisfy its current liabilities as and when they fall due and maintain adequate working capital.

(a) Basis of Accounting

The accounts have been prepared on the basis of historical costs and, except where stated, do not take into account current valuations of non-current assets. Non-current assets are revalued from time to time as considered appropriate by the directors and are not stated at amounts in excess of their recoverable amounts. Except where stated recoverable amounts are not determined using discounted cash flows. The consolidated entity has not adopted a policy of revaluing its non-current assets on a regular basis.

(b) Principles of Consolidation

The consolidated accounts of the consolidated entity include the assets and liabilities of the Company and the entities it controlled at the end of the financial year and the results of the Company and the entities it controlled during the year.

The controlled entities are listed in Note 14 to the accounts.

The effect of all transactions between entities in the consolidated entity and inter-entity balances are eliminated in full in preparing the consolidated accounts. Outside equity interests in the results and the equity of controlled entities are shown separately in the consolidated profit and loss account and balance sheet respectively.

Where control of the entity is obtained during a financial year,

its results are included in the consolidated profit and loss statement from the date on which control commences. Where control of an entity ceases during a financial year its results are included for that part of the year during which control existed.

Where necessary, dissimilar accounting policies adopted by controlled entities have been amended to ensure consistent policies are adopted within the consolidated entity.

(c) Foreign Currency

Transactions denominated in a foreign currency are converted at the exchange rate of the date of the transaction. Foreign currency receivables and payables outstanding at balance date are translated at the exchange rates prevailing as at that date. Exchange gains and losses are brought to account in determining the profit or loss for the year. Foreign exchange differences arising on the translation of fully integrated operations, using the temporal method, are taken to the profit and loss statement.

(d) Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred by or on behalf of the entity is accumulated separately for each area of interest. Such expenditure comprises net direct costs and does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Each area of interest is limited to a size related to known probable mineral resource capable of supporting a mining operation.

Exploration expenditure for each area of interest, other than that acquired from the purchase of another mining company, is carried forward as an asset provided one of the following conditions is met:

- * such costs are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- * exploration activities in the area of interest have not reached a stage which permits a reasonable assessment of the existence or otherwise of recoverable mineral resources, and active and significant operations in relation to the area are continuing.

Exploration expenditure failing to meet at least one of the conditions outlined above is written off.

Identifiable exploration assets acquired from another mining company are recognised as assets at their cost of acquisition, as determined by the requirements of AASB 1015 Accounting for the Acquisition of Assets. Exploration assets acquired are reassessed on a regular basis and these costs are carried forward provided that at least one of the conditions outlined above is met.

NOTES

to, and forming part of, the Financial Statements
For the year ended 30 June 2000

(d) Exploration and Evaluation Expenditure (cont)

Exploration and evaluation expenditure incurred subsequent to the acquisition in respect of an exploration asset acquired is accounted for in accordance with the policy outlined above for the exploration expenditure incurred by or on behalf of the entity.

Acquired exploration assets are not written down below acquisition cost until such time as the acquisition cost is not expected to be recovered.

Evaluation expenditure for each area of interest/mineral resource is carried forward, but only to the extent to which its recoupment out of revenue to be derived from the relevant area of interest/mineral resource, or from the sale of that area of interest, is reasonably assured.

When an area of interest is abandoned, any expenditure carried forward in respect of that area is written off.

Expenditure is not carried forward in respect of any area of interest/mineral resource unless the Company's right of tenure to that area of interest are current.

(e) Tax

Tax effect accounting procedures are followed whereby the income tax expense in the profit and loss account is matched with the accounting profit after allowing for permanent differences. The future tax benefit relating to tax losses is not carried forward as an asset unless the benefit is virtually certain of realisation. Income tax on cumulative timing difference is set aside to the deferred income tax or the future income tax benefit accounts at the rate which are expected to apply when those timing differences reverse.

(f) Depreciation and Amortisation of Property, Plant and Equipment

The cost of property, plant and equipment is written off over its expected useful life to the consolidated entity. Estimates of remaining useful lives are made on a regular basis with annual reassessments for major items. Depreciation is provided for on a diminishing basis at the following annual rates:

Plant & Equipment	25%
Motor Vehicles	20%
Computer Software	40%

(g) Investments

The Company's and the consolidated entity's interests in companies which are not controlled are brought to account at cost and dividends and other distributions are recognised in the profit and loss account when received. Where, in the opinion of the directors, there has been a permanent diminution in the value of an investment, the carrying amount of the investment is written down to its recoverable amount.

The provision for investments has been made on the basis of the uncertainty of the carrying value at the time the investments were in their formative stages. The provision shall remain until such time when there is a permanent and sustainable increase in value of the investments.

(h) Operating Revenue

Revenue includes interest income on short term monetary investments.

(i) Cash

For the purpose of the statements of cash flows, cash includes cash on hand, deposits held at call with banks, investments in money market instruments and net of bank overdrafts.

(j) Receivables

A provision is raised for any doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off during the period in which they are identified.

(k) Trade and Other Creditors

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(l) Interest Bearing Liabilities

Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period as it becomes due and is recorded as part of other creditors.

(m) Borrowing Costs

Borrowing costs are recognised as expenses in the period in which they are incurred, except where they are included in the costs of qualifying assets.

Borrowing costs include:

- interest on bank overdraft and short-term and long-term borrowings.
- ancillary costs incurred in connection with the arrangement of borrowings

(n) Operating Leases

Operating lease payments are expensed in the period in which they are incurred.

(o) Earnings per share

(i) Basic Earnings per Share

Basic earnings per share is determined by dividing the operating profit after income tax to members of the company by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted Earnings per Share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year.

NOTES

to, and forming part of, the Financial Statements
For the year ended 30 June 2000

	Company		Consolidated	
	2000 \$	1999 \$	2000 \$	1999 \$
2. (i) Revenue from operating activities				
- Interest received	28,432	89,954	103,755	112,883
- Other	-	-	-	2,334
	28,432	89,954	103,755	115,217
(ii) Revenue from outside operating activities	-	-	-	-
Total revenue	28,432	89,954	103,755	115,217
3. OPERATING LOSS				
(a) (i) Operating loss before income tax includes the following specific net gains and expenses				
Net Gain				
Other foreign exchange (losses)/gains	-	-	(45,190)	43,812
Expenses				
Borrowing costs				
- Interest and finance charges payable	433,973	-	433,973	-
- Exchange losses on foreign currency borrowings	86,909	-	86,909	-
	520,882	-	520,882	-
Less: Amount capitalised	382,396	-	382,396	-
Borrowing costs expensed	138,486	-	138,486	-
Depreciation				
- Plant and equipment	29,885	22,776	29,928	32,445
(a) (ii) Directors' Remuneration				
Income paid or payable, or otherwise made available to directors by entities in the consolidated entity and related parties in connection with the management of affairs of the parent entity or its controlled entities	152,333	24,000	152,333	24,000

The number of parent entity directors of whose total income from the parent entity or related parties was within the specified bands are as follows:

Income between:	Number	Number
\$nil - \$ 9,999	1	3
\$20,000 - \$29,999	1	1
\$120,000 - \$129,999	1	-

Details of other amounts paid to directors related entities are set out in Note 16.

Executives' Remuneration

Remuneration received, or due and receivable, from entities in the consolidated entity or related parties by Australian based executive officers (including directors) whose remuneration was at least \$100,000

Executive officer of the parent entity	128,333	-
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Only one executive officer received income from the consolidated entity or related corporation in excess of \$100,000

NOTES

to, and forming part of, the Financial Statements
For the year ended 30 June 2000

	Company		Consolidated	
	2000	1999	2000	1999
	\$	\$	\$	\$
3. OPERATING LOSS (cont)				
(a) (iii) Auditors' Remuneration				
Remuneration for audit or review of the financial reports of the parent entity or any entity in the consolidated entity:				
Auditors of the parent entity				
- Parent entity	33,650	32,000	33,650	32,000
- Controlled entities	-	-	14,822	15,860
Remuneration for other services by the parent entity auditors:				
- Parent entity	-	750	-	750
(b) Abnormal Items				
Operating profit after income tax includes the following abnormal items				
Gains				
Other exchange gains	172,057	-	-	-
Gain on disposal of a subsidiary	-	-	258,741	-
Expenses				
Write down of Loan to Others	258,741	-	258,741	-
	(86,684)	-	-	-
The income tax expense of each abnormal item for the financial year is nil.				
4. INCOME TAX				
The aggregate amount of income tax attributable to the current financial year differs from the prima facie tax benefit on the operating loss before income tax. The difference is reconciled as follows:-				
Operating loss before income tax	(763,770)	(434,592)	(942,398)	(745,447)
Prima facie income tax on operating loss @ 36%	(274,957)	(156,453)	(339,263)	(268,360)
Add -				
Non deductible items				
- Write down of loan	93,147	-	93,147	-
	(181,810)	(156,453)	(246,116)	(268,360)
Less - Future income tax benefits not brought to account in respect of:				
- Current year tax loss	181,810	156,453	246,116	268,360
Income tax attributable to operating loss	-	-	-	-

Potential future income tax benefits of \$1,140,995 (1999- \$959,185) attributable to Australian tax losses carried forward by the Company and future benefits attributable to exploration expenditure and other timing differences allowable for deduction have not been brought to account in the consolidated accounts at 30 June 2000 because the directors do not believe it is appropriate to regard realisation of the future income tax benefits as virtually certain. These benefits will only be obtained if:

- the Consolidated entity derives future assessable income of a nature and an amount sufficient to enable the benefit from the deductions for the loss and exploration expenditure to be realised;
- the Consolidated entity continues to comply with the conditions for deductibility imposed by the law; and
- no changes in tax legislation adversely affect the Consolidated entity in realising the benefit from the deductions for the loss and exploration expenditure carried forward.

NOTES

to, and forming part of, the Financial Statements
For the year ended 30 June 2000

	Company		Consolidated	
	2000	1999	2000	1999
	\$	\$	\$	\$
5. RECEIVABLES				
CURRENT				
Other debtors	10,209	9,456	23,390	9,456
NON-CURRENT				
Loan to controlled entities (see note 16)	14,319,831	11,538,507	-	-
Loan receivable	2,478,649	-	3,737,353	-
	16,798,480	11,538,507	3,737,353	-
6. INVESTMENTS				
NON-CURRENT				
Shares in controlled entity, at cost - Patron Ltd.	560,000	560,000	-	-
Less: Provision for diminution in value	(310,000)	(310,000)	-	-
	250,000	250,000	-	-
7. OTHER ASSETS				
CURRENT				
Deposits	13,996	13,312	17,851	27,336
Prepayments	-	3,983	58,338	8,428
	13,996	17,295	76,189	35,764
NON - CURRENT				
Exploration expenditure capitalised at cost	382,396	-	12,597,476	12,133,918
Deposit for land purchase	-	-	-	103,036
	382,396	-	12,597,476	12,236,954
8. PROPERTY, PLANT & EQUIPMENT				
Plant, equipment and motor vehicles (at cost)	133,011	123,496	322,881	402,372
Less: accumulated depreciation	(85,069)	(55,184)	(155,438)	(97,136)
	47,942	68,312	167,443	305,236
9. ACCOUNTS PAYABLE				
CURRENT				
Other creditors	75,002	94,883	391,479	1,225,235
Other amounts due to third parties	979,597	-	979,597	-
	1,054,599	94,883	1,371,076	1,225,235
10. BORROWINGS				
NON CURRENT				
Bank loan - Secured	1,335,560	-	1,335,560	-
Loan - Secured	-	-	-	541,760
	1,335,560	-	1,335,560	541,760

NOTES

to, and forming part of, the Financial Statements
For the year ended 30 June 2000

10. BORROWINGS (cont)

Bank loan

Kingsgate has a corporate cash advance with Macquarie Bank for US\$2 million. The Company drew down on the loan in December 1999 and the loan is due for repayment on 31 December 2001.

At 30 June 2000 the Company had drawn down US\$800,000.

Security for the corporate cash advance is as follows:

- (a) Share Mortgage over all entities collectively holding the Company's 100% interest in Akara Mining Limited;
- (b) First ranking charge over the assets and undertakings of the Company. (The charge would be fixed over all exploration and mining information in connection with the project and include all written data and computer storage media);
- (c) Assignment or pledge with respect to mining leases, contracts, and approvals associated with the operation of the Chatree Gold Mine;
- (d) Pledges as required over all other movable properties associated with the Chatree Gold Project and directly or indirectly owned by Akara Mining Limited; and,
- (e) Any other securities which our lawyers advise are required with respect to the securities listed above.

Loan - Secured

In 1999, the loan of \$541,760 (comprising \$1,865,177 less fair value adjustment of \$1,323,417) from Epoch Mining NL (Epoch) was payable by Patron Limited through its controlled entity Issara Mining Limited (Issara) (see Note 14). The Company had the option to settle the loan by Issara paying Epoch US\$600,000 at the mine development stage of the Chatree Gold Project. Otherwise, Issara will procure repayment of the loan from future production of the mining tenements at a rate of 5% of the value of the gross mine production until the loan has been fully repaid. The loan was recognised in the consolidated accounts at the directors' estimate of their fair values at the date of acquisition of Patron Limited.

As at 30 June 2000 agreement was reached with Epoch whereby the Company agreed to issue 1,200,000 shares in settlement of all liabilities to Epoch on behalf of Issara.

As at 30 June 2000, the shares were not issued and the liability is recognised as other amounts due to third parties (see Note 9).

The shares will be escrowed under a voluntary restriction agreement for a period of 12 months from 30 June 2000.

	Company		Consolidated	
	2000	1999	2000	1999
	\$	\$	\$	\$
11. SHARE CAPITAL				
(a) Paid Up Capital				
Ordinary shares				
Ordinary shares fully paid	21,581,572	18,330,415	21,581,572	18,330,415

NOTES

to, and forming part of, the Financial Statements
For the year ended 30 June 2000

11. SHARE CAPITAL (cont)

(b) Movements in ordinary share capital of the Company during the past two years were as follows:

Date	Details	Notes	Number of Shares	Issue Price	\$
01-07-1998	Opening balance		42,525,999		10,631,500
01-07-1998	Transfer from share premium account (i)	(i)			4,329,297
12-02-1999	Rights issue (ii)	(ii)	9,653,587	\$0.34	3,282,220
25-02-1999	Rights issue (ii)	(ii)	977,913	\$0.34	332,490
07-05-1999	Exercise of options (iii)	(iii)	2,021	\$0.50	1,011
			53,159,520		18,576,518
	Less: Transaction costs on Rights Issue				246,103
30-06-1999	Balance		53,159,520		18,330,415
31-08-1999	Placement	(iv)	1,000,000	\$0.63	630,000
31-08-1999	Exercise of options	(v)	2,195	\$0.50	1,097
01-11-1999	Exercise of options	(v)	6,375	\$0.50	3,187
27-01-2000	Exercise of options	(v)	938	\$0.50	469
28-01-2000	Exercise of options	(v)	3,142	\$0.50	1,571
22-02-2000	Exercise of options	(v)	30,582	\$0.50	15,291
23-02-2000	Exercise of options	(v)	3,750	\$0.50	1,875
03-03-2000	Exercise of options	(v)	3,000	\$0.50	1,500
06-03-2000	Exercise of options	(v)	12,813	\$0.50	6,407
10-03-2000	Exercise of options	(v)	24,343	\$0.50	12,171
13-03-2000	Exercise of options	(v)	172,198	\$0.50	86,099
17-03-2000	Exercise of options	(v)	132,359	\$0.50	66,180
21-03-2000	Exercise of options	(v)	30,532	\$0.50	15,266
24-03-2000	Exercise of options	(v)	478,047	\$0.50	239,023
27-03-2000	Exercise of options	(v)	110,341	\$0.50	55,171
28-03-2000	Exercise of options	(v)	103,912	\$0.50	51,956
31-03-2000	Exercise of options	(v)	3,346,059	\$0.50	1,673,029
03-04-2000	Exercise of options	(v)	464,630	\$0.50	232,315
04-04-2000	Exercise of options	(v)	171,632	\$0.50	85,816
01/05/2000	Exercise of options	(v)	216,937	\$0.50	108,469
			59,473,305		21,617,307
	Less: Transaction costs on options exercised				35,735
					21,581,572

(i) In accordance with section 1446 of the Corporations Law, the amounts standing to the credit of the share premium account on 1 July 1998 became part of share capital. This was the consequence of the abolition of par values of shares which took effect on 1 July 1998. All of the share premium account related to ordinary shares. Prior to this time, the par value was \$0.25 per share, and the issue price in excess of this was recognised as share premium.

(ii) In February 1999, pursuant to the rights issue announced by the Company on 22 December 1998, 10,631,500 fully paid ordinary shares and 5,315,806 options were issued by the company. The ordinary shares were issued at \$0.34 per share and an option was issued in respect of every 2 shares subscribed. The issue raised \$3,368,607 (being \$3,614,710 less issue cost of \$246,103)

(iii) On 7 May, 1999, pursuant to the exercise of 2,021 options, the Company issued 2,021 fully paid ordinary shares at \$0.50 per share. The issue raised \$1,011.

(iv) On 31 August 1999, the Company issued 1,000,000 fully paid ordinary shares at \$0.63 per share by private placement.

(v) During the year ended 30 June 2000, the Company issued in total 5,313,785 fully paid ordinary shares at \$0.50 per share pursuant to the exercise of options by option holders of 5,313,785 options with an expiry date of 31 March 2000.

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to, and forming part of, the Financial Statements
For the year ended 30 June 2000

	Company		Consolidated	
	2000	1999	2000	1999
	\$	\$	\$	\$
12. RESERVES				
Share premium account				
Opening balance	-	4,329,297	-	4,329,297
Transferred to Share capital (note 11)	-	(4,329,297)	-	(4,329,297)
	-	-	-	-
13. OTHER COMMITMENTS				
Exploration				
In order to maintain current rights of tenure to exploration tenements, the consolidated entity has the following discretionary exploration expenditure requirements up until expiry of the leases. These obligations, which are subject to renegotiation upon expiry of the leases, are not provided for in the financial statements and are payable:				
Not later than one year	-	-	208,928	211,240
Later than one year but not later than 2 years	-	-	35,585	207,980
	-	-	244,513	419,220

Operating leases

Commitment in relation to leases contracted for at the reporting date but not recognised as liabilities payable:

	Consolidated	
	2000	1999
	\$	\$
Not later than one year	103,570	39,684
Later than one year but not later than 2 years	68,428	41,628
Later than 2 years but not later than 5 years	184,200	10,543
Later than 5 years	307,000	-
	663,198	91,855

14. INVESTMENT IN CONTROLLED ENTITIES

Name of Entity	Country of Incorporation	Class of Shares	Equity Interest		Cost of Parent Entity's Investment	
			2000	1999	2000	1999
			%	%	\$	\$
Patron Limited*	U.K.	Ordinary	100	100	250,000	250,000
Issara Mining Limited xx	Thailand	Ordinary	100	100	-	-
Parasol Limited xx	Thailand	Ordinary	100	100	-	-
Naka Udsahakum Limited xx	Thailand	Ordinary	100	100	-	-
Akara Mining Limited xx	Thailand	Ordinary	100	90	-	-
Suan Sak Patana Limited	Thailand	Ordinary	-	90	-	-

* Controlled entity of which PricewaterhouseCoopers have not acted as auditor.

xx Controlled entity audited by another PricewaterhouseCoopers firm.

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For the year ended 30 June 2000

14. INVESTMENT IN CONTROLLED ENTITIES (cont)

Acquisition of minority interest in controlled entity

On 30 June 2000, Naka Udsahakum Limited (Naka), a wholly owned subsidiary of the Company, acquired the remaining 10% of the issued share capital of Akara Mining Limited (Akara), a controlled entity, from Ban Pu Public Company Ltd (Ban Pu).

The Company agreed to issue 560,000 shares on behalf of Naka to acquire the remaining 10% interest in Akara and in settlement of payables owed by Akara to Ban Pu. The shares had not been issued to Ban Pu as at 30 June 2000 and the amount payable to Ban Pu has been classified as other amounts due to third parties (see Note 9).

The shares shall be escrowed under a voluntary restriction agreement for a period of 12 months from the date of issue.

Details of the acquisition are as follows:

Fair value of identifiable net assets acquired.

	\$
Cash	28,689
Exploration expenditure	1,276,350
Property & Equipment	11,973
Other assets	145,684
Creditors	(23,831)
Loans	(1,505,529)

	(66,664)
Losses of Akara included in the consolidated entity	71,930

Consideration	5,266

Disposal of controlled entity

On 1 July 1999, Akara Mining Limited, a controlled entity, disposed of its 100% interest in Suan Sak Patana Limited (Suan Sak).

A receivable of \$4,538 was recognised as at 30 June 2000 from the purchaser of Suan Sak. Outflow of cash during the period from the disposal of the entity was \$1,744.

Details of the disposal are as follows:

	\$
Cash	1,744
Deposit for Land purchase	103,036
Exploration Expenditure	2,749,551
Property & Equipment	89,448
Other assets	47,574
Loans	(3,078,804)
Creditors	(166,752)

Net Assets of Entity sold	(254,203)
Gain on disposal	258,741

Consideration	4,538

15. CONSOLIDATED SEGMENT INFORMATION

INDUSTRY SEGMENT

The consolidated entity operates primarily in one industry being gold exploration.

GEOGRAPHIC SEGMENTS	Australia		Thailand		Consolidated	
	2000 \$	1999 \$	2000 \$	1999 \$	2000 \$	1999 \$
Total operating revenue	28,432	89,954	75,323	25,263	103,755	115,217
Segment result	(659,249)	(434,592)	(274,347)	(305,052)	(933,596)	(739,644)
Unallocated expenses					(8,802)	(5,803)
Operating Loss					(942,398)	(745,447)
Segment assets	600,145	1,470,743	16,847,740	12,734,008	17,447,885	14,204,751

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16. RELATED PARTY INFORMATION

Directors

The names of persons who were directors of Kingsgate Consolidated NL ("Kingsgate") at any time during the financial year are as follows: M G Diemar, R D Smyth-Kirk, J Falconer and A J Grey. Mr Grey held office as a director until 26 November 1999. All of these persons were also directors during the year ended 30 June 1999.

Remuneration Benefits

Remuneration received or receivable by the directors of the Company and the consolidated entity are disclosed in Note 3(a) to the accounts.

Director related entities

Technical and administrative fees of \$139,298 (1999 - \$248,381) were paid or payable to Diemar & Associates Pty Ltd, a company in which M G Diemar is a shareholder and director. Accounting, secretarial and taxation service fees of \$70,975 (1999 - \$124,883) were paid or payable to Carbone Falconer & Co, Chartered Accountants, of which John Falconer is the principal. Consulting fees of \$25,000 (1999 - \$60,000) were paid to Gordian Investments Pty Ltd, a company controlled by A J Grey.

Aggregate amounts payable to directors and director-related entities at balance date:

	Company		Consolidated	
	2000	1999	2000	1999
	\$	\$	\$	\$
Current Liabilities	21,652	39,556	21,652	39,556

All transactions with director related entities were based on normal commercial terms and conditions.

Ownership interests in related parties

Interests held in a controlled entity are set out in Note 14 to the accounts.

Transactions of Directors and Director related entities concerning Share or Share Options

During the financial year, directors and their related entities acquired 419,250 fully paid ordinary shares pursuant to the exercise of 419,250 options.

The aggregate number of shares of the Company held directly or indirectly by directors or director related entities at balance date:

Issuing Entity	Class of Share	2000 Number	1999 Number
Kingsgate Consolidated N.L.	Ordinary shares	5,757,750	8,372,500
	Options over ordinary shares		709,250

Wholly - Owned Group and other controlled entities

The wholly-owned group consists of Kingsgate Consolidated NL and its wholly owned controlled entities. Ownership interest in these controlled entities are set out in Note 14.

Transactions between Kingsgate Consolidated NL and controlled entities during the years ended 30 June, 2000 and 30 June, 1999 consisted of loans advanced by and assignment of liabilities to Kingsgate Consolidated NL. The loans do not bear interest.

Aggregate amounts receivable from controlled entities at balance date were as follows.

	Company		Consolidated	
	2000	1999	2000	1999
	\$	\$	\$	\$
Non Current Receivable				
Wholly owned subsidiaries (see Note 5)	14,319,831	1,376,333	-	-
Provision for non recovery of loans	-	-	-	-
Other controlled entities	-	10,162,174	-	-
	14,319,831	11,538,507	-	-

During the year the Company advanced \$4,372,008 to controlled entities.

Ultimate Controlling Entity

The ultimate parent entity in the wholly owned group is Kingsgate Consolidated NL.

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For the year ended 30 June 2000

17. EMPLOYEE ENTITLEMENTS

Superannuation Commitments

The consolidated entity makes contributions on behalf of employees to externally managed defined superannuation funds. Contributions are based on percentages of employees' wages and salaries.

Employee and Contractors Option Plan

The establishment of the Kingsgate Employee and Contractors Option plan was approved by special resolution at the Annual General Meeting held on 27 November 1998 to issue up to 500,000 options to employees and contractors of the Company (excluding directors of the Company). The terms of options issued pursuant to the plan are as follows:

1. The exercise period for the options is three years from the date the options are granted.
2. Each option will entitle the holder to subscribe for 1 ordinary share of the Company and the exercise price for each option will be 10% above the average closing sale price of the Company's ordinary fully paid shares on the Australian Stock Exchange Ltd ("ASX") over 5 business day preceding the day on which options are issued (but in any event not less than 20 cents).
3. The options will be issued to eligible employees and contractors free of charge.

During the year 253,000 options were issued to 12 employees. 213,000 options having an exercise price of \$0.81 and expiring on 22 December 2002. 40,000 options having an exercise price of \$0.69 and expiring on 22 June 2003. No options were exercised during the year.

The number of unissued ordinary shares under these options at 30 June 2000 is 253,000. The market price of the shares as at balance date was \$0.75.

Options are granted for no consideration. The amount received on the exercise of options is recognised as issued share capital at the date of issue of the shares. No amounts were recognised during the year ended 30 June 2000 (1999 - Nil).

Note	Company		Consolidated	
	2000 \$	1999 \$	2000 \$	1999 \$
18. CASH FLOW INFORMATION				
Reconciliation of Cash				
Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:				
- Cash	538,890	1,375,680	846,034	1,617,341
Reconciliation of net cash flows from operating activities to operating loss after income tax is as follows:				
- Operating loss after income tax	(763,770)	(434,592)	(942,398)	(745,447)
Non cash items-				
- Depreciation	29,885	22,776	29,928	32,445
- Unrealised exchange loss on borrowing	86,909	-	132,099	3,060
- Mining tenements and exploration expenditure	-	8,452	7,106	8,452
- Write off of loan to others	258,741	-	258,741	-
- Gain on disposal of controlled entity	-	-	(258,741)	-
- Exchange gain on translation of receivable	(172,057)	-	-	-
- Write off of capitalised operating cost	-	-	-	264,872
Changes in Assets and Liabilities				
- Increase/(Decrease) in accounts payable	(33,683)	26,870	(189,483)	19,495
- (Increase)/Decrease in other assets	3,230	(13,795)	(49,775)	(11,165)
Net Cash Outflows used in operating activities	(590,745)	(390,289)	(1,012,523)	(428,288)

19. SUBSEQUENT EVENTS

There were no subsequent event from the financial year end 30 June 2000 up to the date of signing this report.

20. CONTINGENT LIABILITIES

The Company and the consolidated entity have no other contingent liabilities at 30 June 2000.

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to, and forming part of, the Financial Statements
For the year ended 30 June 2000

	Company		Consolidated	
	2000 \$	1999 \$	2000 \$	1999 \$
21. RECEIVABLES AND PAYABLES DENOMINATED IN FOREIGN CURRENCIES				
Amounts not effectively hedged				
Receivable				
Thai Baht	14,838,565	10,162,174	2,478,649	-
Payable				
Thai Baht	-	-	316,477	1,130,352

22. FINANCIAL INSTRUMENTS

(a) Commodity Contract

At 30 June 2000, Kingsgate Consolidated NL had purchased gold put options for 20,000 ounces of gold in order to protect the consolidated corporate cash advance from adverse movement in gold prices and as a condition precedent to the draw down of the loan facility with Macquarie Bank (see Note 10). The strike price of the put option is US\$250.50 per ounce and the expiry date is 3 July 2001

(b) Credit Risk Exposures

The credit risk on financial assets of the consolidated entity which have been recognised on the balance sheet, other than investments in shares, is generally the carrying amount, net of any provisions for doubtful debts.

(c) Interest Rate Risk Exposures

The consolidated entity's exposure to interest rate risk and the effective weighted average interest rate for each class of financial assets and financial liabilities is set out in the following table.

Exposure arises predominantly from assets and liabilities bearing variable interest rates as the consolidated entity intends to hold fixed rate assets and liabilities to maturity.

	Notes	Fixed interest maturing in:				Non-interest bearing \$	Total \$
		Floating interest rate \$	1 year or less \$	over 1 to 5 years \$	more than 5 years \$		
2000							
Financial assets							
Cash		515,873	-	-	-	330,161	846,034
Receivables	5	-	-	3,737,353	-	23,390	3,760,743
Other Assets	7	13,063	-	-	-	4,788	17,851
		528,936	-	3,737,353	-	358,339	4,624,628
Weighted average interest rate		4.5%	-	8%	-	-	-
Financial liabilities							
Borrowings	10	-	-	1,335,560	-	-	1,335,560
Account payable	9	-	-	-	-	391,479	391,479
		-	-	1,335,560	-	391,479	1,727,039
Weighted average interest rate		-	-	8.23%	-	-	-
Net financial assets (liabilities)		528,936	-	2,401,793	-	(33,140)	2,897,589

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to, and forming part of, the Financial Statements
For the year ended 30 June 2000

	Notes	Fixed interest maturing in:				Non-interest bearing \$	Total \$
		Floating interest rate \$	1 year or less \$	over 1 to 5 years \$	more than 5 years \$		
1999							
Financial assets							
Cash		1,278,788	-	-	-	338,553	1,617,341
Receivables	5	-	-	-	-	9,456	9,456
Other Assets	7	13,062	-	-	-	22,702	35,764
		1,291,850	-	-	-	370,711	1,662,561
Weighted average interest rate		5.07%	-	-	-	-	-
Financial liabilities							
Accounts payable	9	-	170,548	-	-	1,054,687	1,225,235
Borrowings	10	-	-	-	-	541,760	541,760
		-	170,548	-	-	1,596,447	1,766,995
Weighted average interest rate		-	15%	-	-	-	-
Net financial assets (liabilities)		1,291,850	(170,548)	-	-	(1,225,736)	(104,434)

	Notes	2000 \$	1999 \$
Reconciliation of Net Financial Assets to Net Assets			
Net financial assets (liabilities) as above		2,897,589	(104,434)
Non-financial assets and liabilities			
Other assets	7	12,655,814	12,236,954
Property, plant and equipment	8	167,443	305,236
Other liabilities	9	(979,597)	-
Net assets per balance sheet		14,741,249	12,437,756

(d) Net Fair Value of Financial Assets and Liabilities

On-balance Sheet

The net fair value of cash and cash equivalents and non-interest bearing monetary financial assets and financial liabilities of the consolidated entity approximates their carrying value.

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes set out on pages 12 to 27:

- (a) comply with Accounting Standards, the Corporation Regulations and other mandatory professional reporting requirements; and
- (b) give a true and fair view of the Company's and the consolidated entity's financial position as at 30 June 2000 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date.

In the directors' opinion:

- (a) the financial statements and notes are in accordance with the Corporations Law; and
- (b) there are reasonable grounds to believe that the Company and its subsidiaries will be able to pay their debts as and when they become due and payable; and

This declaration is made in accordance with a resolution of the directors.

DATED at SYDNEY this 29 September 2000
On behalf of the Board



M G DIEMAR
Director



J FALCONER
Director

INDEPENDENT AUDIT REPORT

To the Members of Kingsgate Consolidated NL

SCOPE

We have audited the financial report of Kingsgate Consolidated NL (the Company) for the financial year ended 30 June 2000 as set out on pages 12 to 28. The Company's directors are responsible for the financial report which includes the financial statements of the Company and the consolidated financial statements of the consolidated entity comprising the Company and the entities it controlled at the end of, or during, the financial year. We have conducted an independent audit of the financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards, other mandatory professional reporting requirements and the Corporations Law in Australia so as to present a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion, the financial report of the Company is in accordance with:

- (a) the Corporations Law, including:
 - (i) giving a true and fair view of the Company's and consolidated entity's financial position as at 30 June 2000 and of their performance for the financial year ended on that date;
 - (ii) complying with Accounting Standards and the Corporations Regulations; and
- other mandatory professional reporting requirements.



PricewaterhouseCoopers
Chartered Accountants



Peter Buchholz
Partner

Sydney
29 September 2000

SHAREHOLDER INFORMATION

Directors' Shareholdings as at 22 September 2000

DIRECTOR	SHARES
Ross Smyth-Kirk	2,274,827
Michael G Diemar	3,631,250
John Falconer	38,000
Peter McAleer	240,000

Substantial shareholders and their associates who have notified the Company are listed below.

Holder	No. of shares held as disclosed in notices to the company
M G Diemar	3,631,250
Ellaridge Pty Limited	4,838,619
Spencer Global Associates	2,085,837

Distribution of equity securities as at 22 September 2000

Size of Holding	Number of Shareholders Fully paid Ordinary Shares	Number of Optionholders
1 - 1,000	282	-
1,001 - 5,000	350	4
5,001 - 10,000	187	4
10,001 - 100,000	321	4
100,001 -	83	-
	1,223	12

Of which 229 have less than a marketable parcel of ordinary shares.

SHAREHOLDER INFORMATION

20 Largest Holders of Quoted Ordinary Shares as at 22 September 2000

	No. of shares	Percentage
1 National Nominees Limited	3,009,375	5.06%
2 Ellaridge Pty Ltd	2,928,895	4.92%
3 Bird Bruce Clayton (PO)	2,747,745	4.62%
4 Prelarmor Nominees Pty Ltd	2,740,000	4.61%
5 Westpac Custodian Nominees	2,508,884	4.22%
6 AMP Nominees Pty Limited	2,362,700	3.97%
7 Centenia Investments Pty Ltd	2,301,250	3.87%
8 Docherty Paul Gerard	2,197,504	3.69%
9 Whinners Pty Limited	2,164,835	3.64%
10 Arinya Investments Pty Ltd	2,062,500	3.47%
11 ANZ Nominees Limited	1,419,346	2.39%
12 Diemar & Associates Pty Limited	1,330,000	2.24%
13 Thoroughbred Planette	861,403	1.45%
14 Saltbush Nominees Pty Limited	753,442	1.27%
15 Komor Christopher	721,874	1.21%
16 Grimwade Frederick Shepp	700,000	1.18%
17 Kahlbetzer John	635,158	1.07%
18 Donwillow Pty Ltd	566,275	0.95%
19 Bindibango Pty Ltd	533,088	0.90%
20 D L N Pty Limited	525,000	0.88%
Total	33,069,274	55.61%

Unquoted equity securities as at 22 September 2000

There were 253,000 options issued under the Kingsgate Consolidated NL Employees and Contractors option plan. There are 12 option holders.

Voting rights

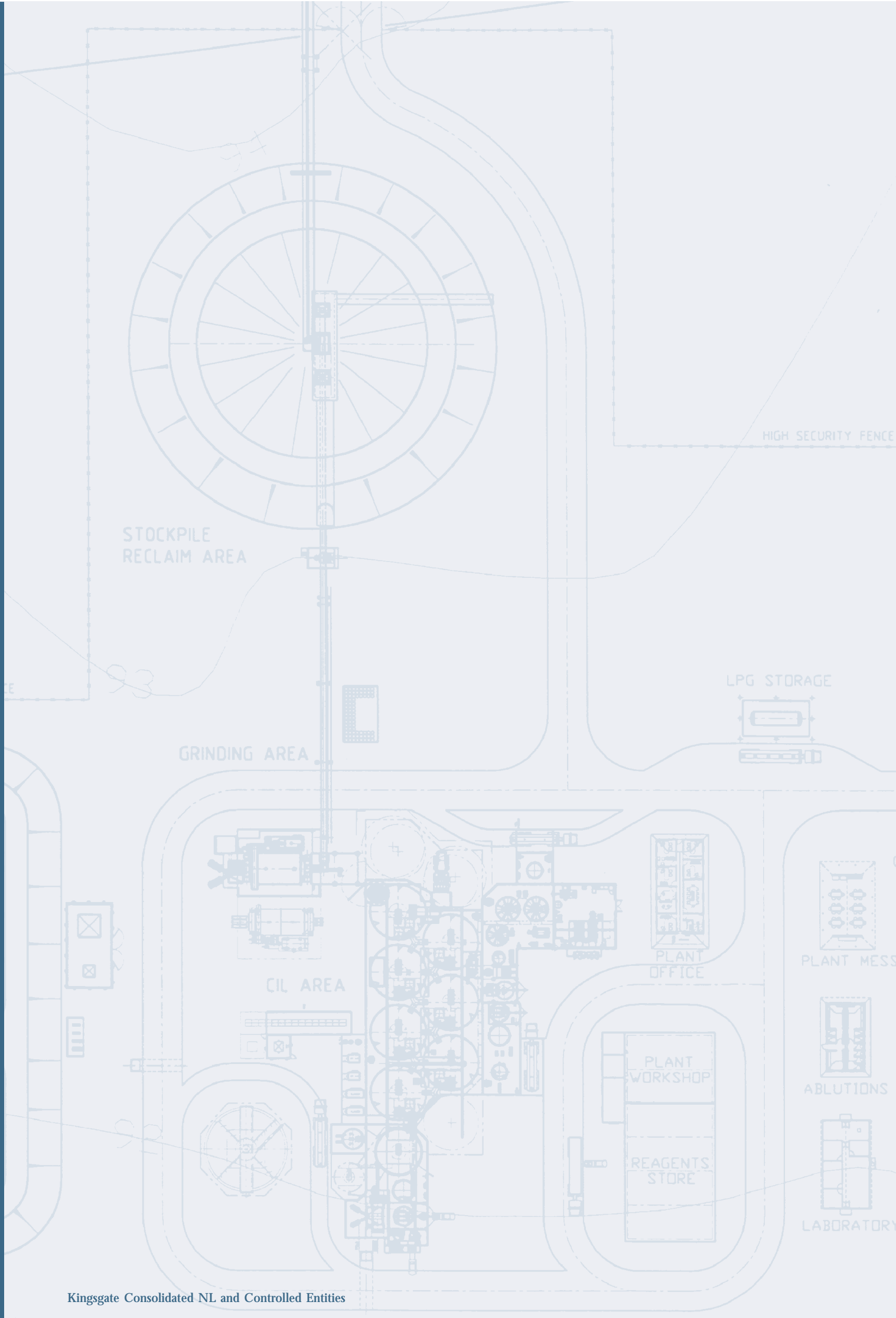
- (a) Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.
- (b) Options
No voting rights.

MINING LEASES

Mining leases covering the Chatree Gold Project were granted by the Thai Ministry of Industry

Kingsgate Tenements Held

Akara Mining Limited: Chatree Project, Thailand: 100% - flow through interest for gold.



WEBPAGE



**The full text of all announcements to the Australian
Stock Exchange is available on our web-site at
<http://www.kingsgate.com.au>**