



**Kingsgate Consolidated Limited**

**September Quarter 2013**



# Disclaimer

## Forward Looking Statements:

*These materials include forward looking statements. Forward looking statements inherently involve subjective judgment & analysis & are subject to significant uncertainties, risks & contingencies, many of which are outside of the control of, & may be unknown to, the company.*

*Actual results and developments may vary materially from that expressed in these materials. The types of uncertainties which are relevant to the company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the company & general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements.*

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*Some statements in this presentation regarding estimates or future events are forward looking statements. They involve risk and uncertainties that could cause actual results to differ from estimated results. Forward looking statements include estimates of future production, cash and total costs per ounce of production, reserve and mineralized material estimates, capital costs, and other estimates or prediction of future activities. They include statements preceded by words such as “believe,” “estimate,” “expect,” “intend,” “will,” and similar expressions. Actual results could differ materially depending on such things as political events, labour relations, currency fluctuations and other general economic conditions, market prices for Kingsgate Consolidated Limited products, timing of permits and other government approvals and requirements, changes in operating conditions, lower than expected ore grades, unexpected ground and mining conditions, availability and cost of materials and equipment, and risks generally inherent in the ownership and operation of mining properties and investment in foreign countries.*

# September Quarter - Key Points

- **Group quarterly gold production of 50,786oz in line with expectations.**
- **Highest quarterly gold production from Challenger since the June quarter 2012 at 18,545oz.**
- **New mine plan and new contractor at Challenger delivering lower costs and improved productivity.**
- **Continued focus on cost initiatives at Chatree results in lower unit operating costs for the quarter.**
- **Akara IPO documentation submitted to Thai authorities for review. Timing will depend on market conditions and valuation metrics.**
- **Nueva Esperanza moving into final feasibility and design with preliminary results supporting a 3Mtpa heap leach.**
- **Continued focus on lowering costs with a number of initiatives delivering across the Group.**

# All-in Sustaining Cost

		<b>Chatree</b>	<b>Challenger</b>	<b>Group</b>
<b>Gold Sales</b>	<b>oz</b>	<b>36,203</b>	<b>19,594</b>	<b>55,797</b>
<b>Adjusted Total Cash Costs (incl royalties and bi-product)</b>	<b>US\$/oz</b>	<b>785</b>	<b>1,439*</b>	<b>1,017</b>
<b>Sustaining Capex</b>	<b>US\$/oz</b>	<b>191</b>	<b>73</b>	<b>150</b>
<b>Exploration Expense</b>	<b>US\$/oz</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Corporate and Admin Costs ^</b>	<b>US\$/oz</b>	<b>-</b>	<b>-</b>	<b>56</b>
<b>All-in Sustaining Cost</b>	<b>US\$/oz</b>	<b>976</b>	<b>1,512</b>	<b>1,223</b>

\* Includes underground mine development.

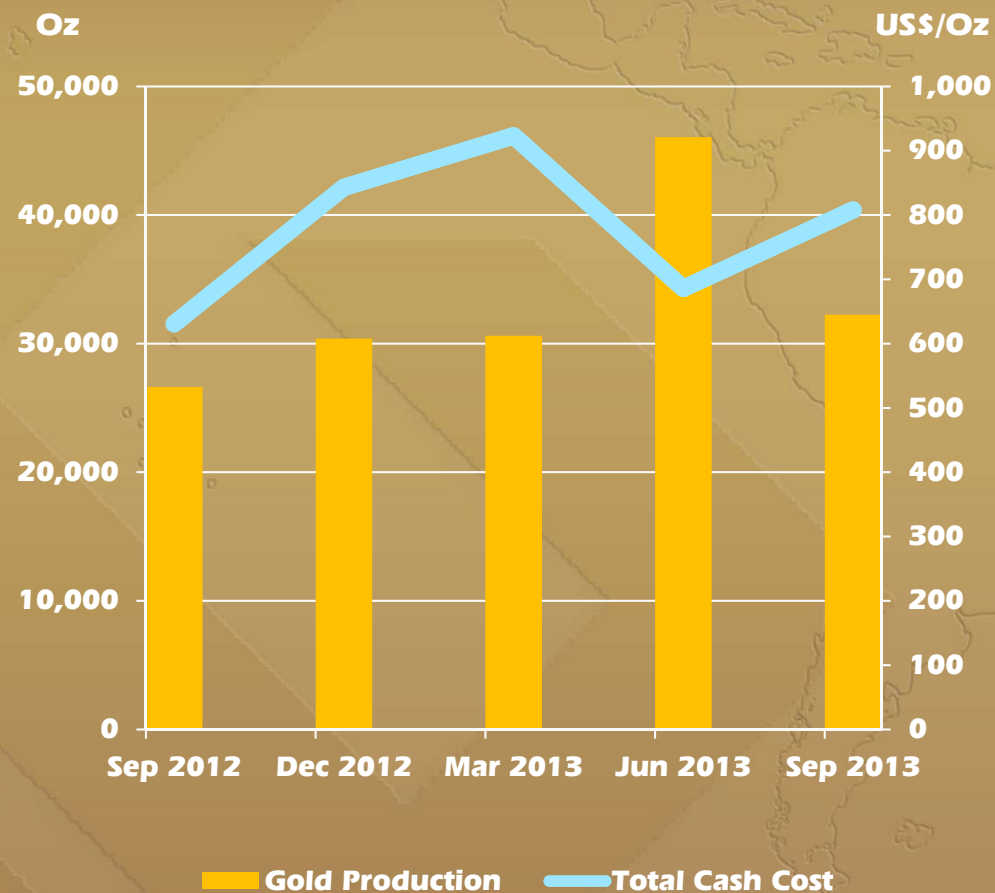
^ Corporate and Admin costs have been allocated 73% : 27 % between operating assets and development projects.



# Chatree

- **Gold production 32,241 oz**
- **1,593Kt @ 0.79g/t & 80.1%**  
(1,553Kt @ 1.01g/t & 84.1%)
- **Total cash costs US\$807**  
(incl. US\$123/oz royalty)
  - **Costs reflect lower grade and recovery as current Q high grade completed and use of stockpile ore.**
- **Mining impacted by heavy wet-season rain**
- **Cost initiatives delivering results**
  - **Revised grade control**
  - **Improved blast patterns**
  - **New pit designs**

Chatree Quarterly Gold Production and Costs



# Akara Resources Thai IPO

## **IPO of Akara Resources on Thai stock exchange**

- **Advisors appointed and IPO documents lodged with Thai authorities**
- **Prospectus registration is current for 12 months**
- **Timing will depend on a number of factors including valuation metrics and market conditions**
- **High quality Asian gold listing expected to be very well supported**
- **Operate fully as a Thai company with a broad Thai ownership**
- **Kingsgate to retain 49%**

## **Capital raised from IPO**

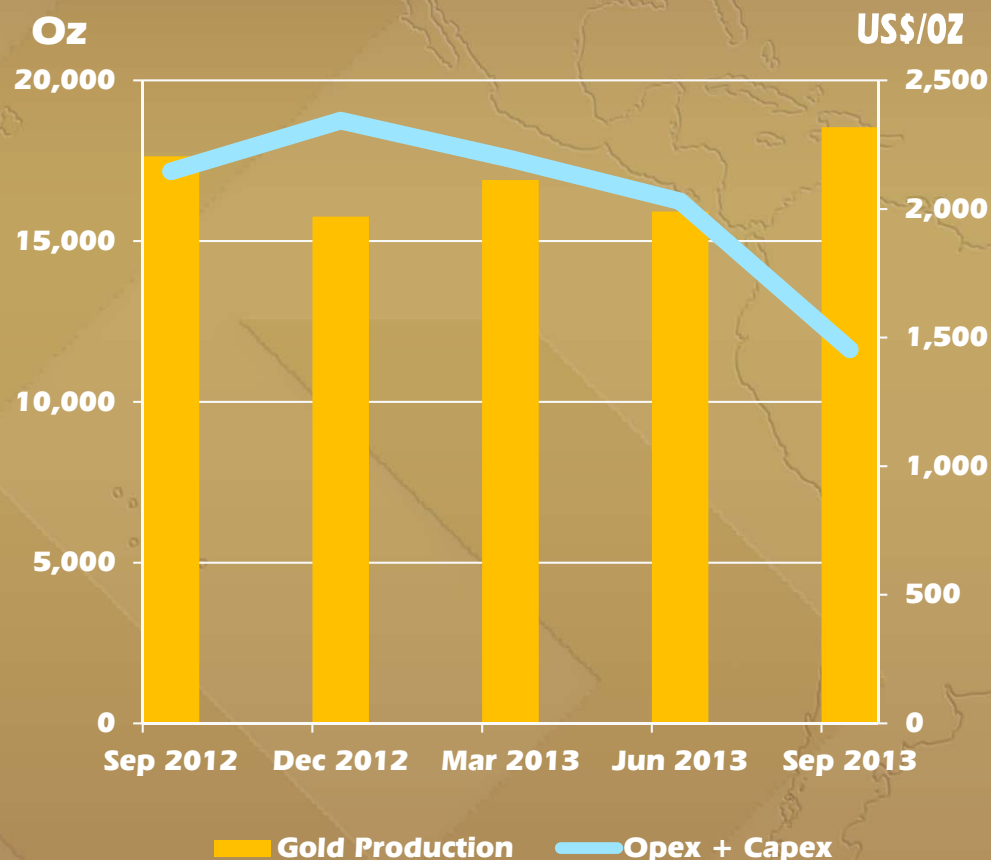
- **Funds to be used to finance capital projects, re-investment in Thailand, debt reduction and return to shareholders**

# Challenger

## Production and costs improving

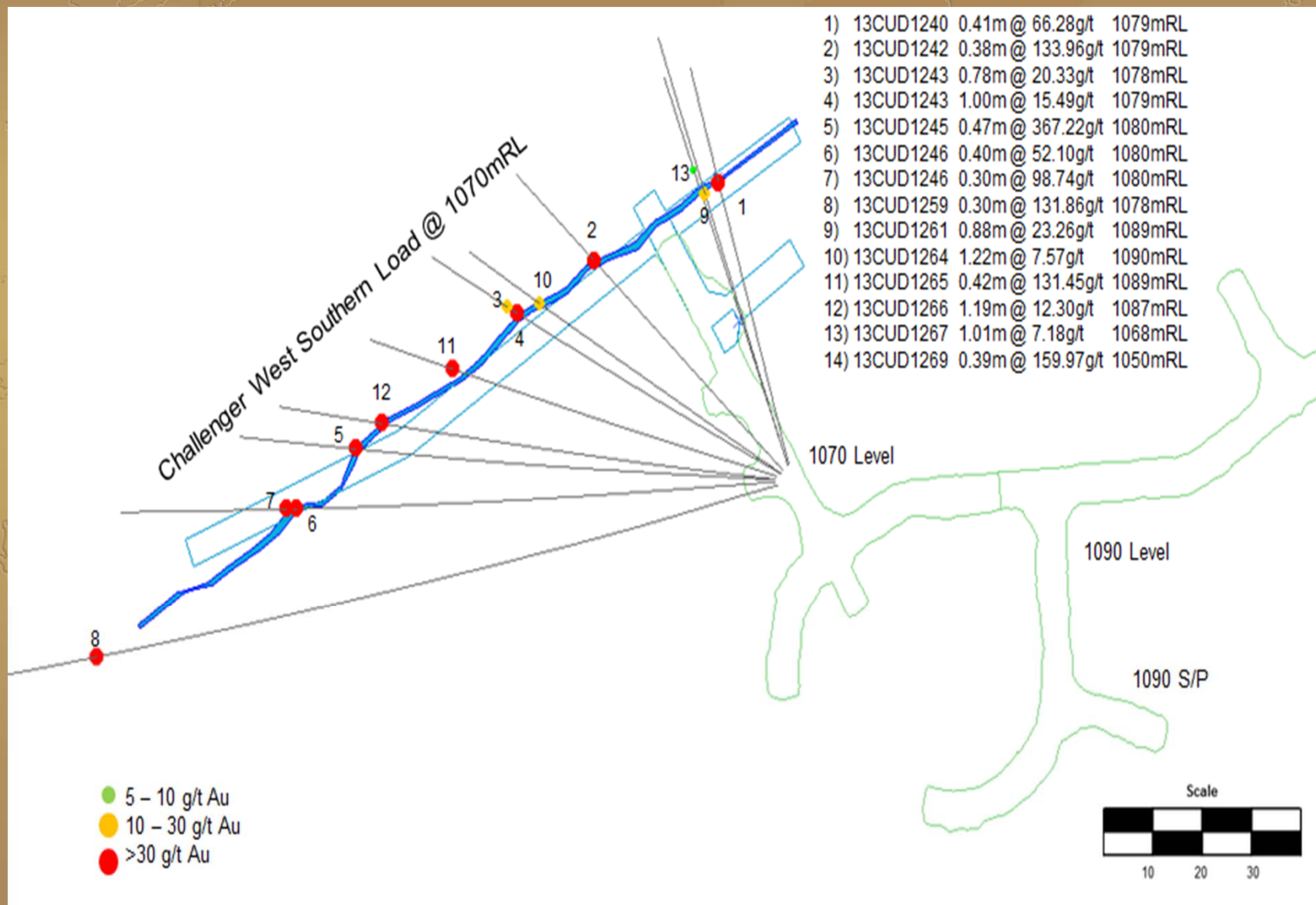
- **Gold production 18,545oz**
  - Highest production since June Qtr 2012
- **129Kt @ 4.67g/t & 95.5%**  
(156Kt @ 3.47g/t & 94.4%)
  - Higher grade with transition to Challenger west
- **Total cash costs US\$ 1,454**  
(incl.US\$51/oz royalty)
  - Costs include mine development expenditure
  - Costs down 28% on June Qtr
- **New contractor commenced on 1 August with lower costs and improved productivity**

Challenger Quarterly Gold Production and Costs



# Challenger

## High grade structures at Challenger West





# Nueva Esperanza

## Moving to final feasibility and design stage

### Feasibility Study

- **Heap leach processing and on-site power confirmed.**
- **Confidence in technical and financial robustness**
- **Moving to final feasibility and design stage.**
- **DFS expected to be finalised in March Qtr 2014.**

### Environmental Impact Assessment

- **Modification to approved EIA for heap leach and on-site power via a DIA (Declaracion Impacto Ambiental) expected by mid 2014.**

# Nueva Esperanza

## Positive preliminary feasibility results

<b>Resources</b>	<b>93.3Moz Silver Eq / 1.6Moz Gold Eq</b>
<b>Throughput</b>	<b>3,000,000 tonnes per annum</b>
<b>Initial mine life</b>	<b>+6 years</b>
<b>Annualised production (post ramp up)</b>	
- <b>Silver</b>	<b>6,000,000 – 8,000,000 oz</b>
- <b>Gold</b>	<b>18,000 – 22,000 oz</b>
<b>Estimated start-up capital cost</b>	<b>US\$130-150 million</b>
<b>Average metallurgical recovery</b>	
- <b>Silver</b>	<b>70-75%</b>
- <b>Gold</b>	<b>65-70%</b>
<b>Average strip ratio</b>	<b>5.5:1</b>
<b>Average operating cost (after gold credits)</b>	<b>US\$11-13/oz silver</b>

- **Three stage crushing circuit with High Pressure Grinding Rolls (HPGR)**
- **On site power costs in line with spot price, eliminating a 45km power line**
- **Overland conveyor to leach pads (4.7km)**
- **Merrill Crowe circuit to recover silver/gold doré**
- **Proceeding to final feasibility and design stage**



# Bowdens Silver Project

## Project timing to reflect market conditions

### Feasibility Study

- Completion of the technical feasibility study including mine planning and infrastructure aligned to the finalisation of the EIS in 2014.

### Mining

- Open pit mining with pit optimisation delivering a low strip ratio and a high grade starter pit. 10+ year mine life.

### Processing

- DFS based on 4Mtpa conventional flotation plant initially producing 8Moz – 9Moz AgEq.
- Process design parameters finalised.
- Sterilisation drilling underway in current qtr.

### Environmental Impact Statement

- EIS work to be completed in 2014.
- Ongoing community consultation prior & post EIS submission.



# Outlook

- **Group gold production for the fiscal year FY2014 is expected to be 190,000 to 210,000 ounces gold.**
- **Chatree production expected to be 120,000 to 130,000 ounces.**
- **Challenger production expected to be 70,000 to 80,000 ounces following restructure.**
- **Nueva Esperanza DFS expected to be finalised in the March quarter with EIA variation anticipated in June 2014.**
- **Sterilisation drilling to be completed at Bowdens in the December quarter. EIS and DFS work aligned for completion in 2014.**
- **Focus on cost reduction to continue for mining operations, development projects and corporate.**



# **Kingsgate** Consolidated Limited



**Shares: 152 Million**

**Market Cap: ~A\$235 Million**

**ASX: KCN**

***[www.kingsgate.com.au](http://www.kingsgate.com.au)***



# Appendix

## General Disclaimer:

*The information contained in this presentation is for informational purposes only and does not constitute an offer to issue, or arrange to issue securities or other financial products. The information contained in this presentation is not investment or financial product advice and has been prepared without taking into account the investment objectives, financial situation or particular needs of any person. To the maximum extent permitted by law, none of Kingsgate Consolidated Limited, its directors, employees or agents, nor any other person accepts any liability including without limitation any liability arising out of fault or negligence for any loss caused from the use of the information contained in this presentation. No representation or warranty, express or implied, is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts or other forward looking statements.*

## Competent Persons Statements:

*In this report, information concerning Thailand operations relates to Exploration Results, Mineral Resources and Ore Reserve estimates is based on and fairly represents information compiled by the following Competent Persons: Ron James, Brendan Bradley Kevin Woodward 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 is based on and fairly represents information compiled by Stuart Hampton and Luke Phelps who are full-time employees of the Kingsgate Group. Both 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'. Paul Androvic and Tim Benfield 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 Australian Institute of Geoscientists and Mr Ron James. Mr Abbott and Mr James have 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 and Mr James consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



# Chatree

## Chatree Ore Reserves as at 30 April 2013 (>0.35g/t gold cut-off grade)

Source	Category	Tonnes	Gold Grade	Silver Grade	Gold Contained	Silver Contained	AuEq
		(million)	(g/t)	(g/t)	(Moz)	(Moz)	(Moz)
From Pits	Proven	45.4	0.87	7.8	1.27	11.39	
	Probable	14.8	0.78	6.0	0.37	2.86	
Stockpiles		9.3	0.58	9.3	0.17	2.78	
<b>Chatree Total</b>	<b>Total</b>	<b>69.5</b>	<b>0.81</b>	<b>7.6</b>	<b>1.82</b>	<b>17.04</b>	

## Chatree Mineral Resources as at 30 April 2013 (>0.3g/t gold cut-off grade)

Source	Category	Tonnes	Gold Grade	Silver Grade	Gold Contained	Silver Contained	AuEq
		(million)	(g/t)	(g/t)	(Moz)	(Moz)	(Moz)
From Pits	Measured	92.8	0.72	6.60	2.15	19.7	
	Indicated	49.8	0.64	4.69	1.02	7.51	
	Inferred	45.7	0.58	3.81	0.85	5.60	
<b>Chatree Total</b>	<b>Total</b>	<b>188.3</b>	<b>0.66</b>	<b>5.42</b>	<b>4.03</b>	<b>32.8</b>	

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# Challenger

## Challenger Ore Reserves as at 30 June 2013

Source	Category	Tonnes	Gold Grade	Gold Contained
		(million)	(g/t)	('000 oz)
From Mine	Proven	0.25	5.52	40
	Probable	0.22	8.30	60
<b>Challenger Total</b>	<b>Total</b>	<b>0.47</b>	<b>6.82</b>	<b>100</b>

## Challenger Mineral Resources as at 30 June 2013

Source	Category	Tonnes	Gold Grade	Gold Contained
		(million)	(g/t)	('000 oz)
From Mine	Measured	0.44	8.97	130
	Indicated	1.04	10.6	350
	Inferred	0.68	12.1	260
<b>Challenger Total</b>	<b>Total</b>	<b>2.16</b>	<b>10.7</b>	<b>750</b>

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# Nueva Esperanza

## Nueva Esperanza Mineral Resources as at 30 June 2013 (0.5g/t AuEq60 cut-off grade)

Category	Tonnes	Gold Grade	Silver Grade	Gold Equiv Grade	Gold Contained	Silver Contained	AgEq Contained	AuEq Contained
	(millions)	(g/t)	(g/t)	(g/t)	(Koz)	(Moz)	(Moz)	(Moz)
<b>Measured</b>	<b>1.5</b>	<b>0.01</b>	<b>101</b>	<b>1.69</b>	<b>1.0</b>	<b>4.9</b>	<b>4.9</b>	<b>0.08</b>
<b>Indicated</b>	<b>21.3</b>	<b>0.28</b>	<b>88</b>	<b>1.74</b>	<b>190</b>	<b>60.2</b>	<b>71.6</b>	<b>1.19</b>
<b>Inferred</b>	<b>6.1</b>	<b>0.3</b>	<b>67</b>	<b>1.4</b>	<b>60</b>	<b>13.0</b>	<b>16.8</b>	<b>0.28</b>
<b>Total</b>	<b>28.9</b>	<b>0.27</b>	<b>84</b>	<b>1.67</b>	<b>251</b>	<b>78.2</b>	<b>93.3</b>	<b>1.56</b>

Notes: Au = gold; Ag = silver; M = million; g/t = grams per tonne; MOz = million ounces.

1. In situ density 2.0 t/bcm, based on 350 measurements at Arqueros. This is lower than previously used 2.2 t/bcm. 2. Gold equivalent on basis of gold/silver revenue ratio of 60; calculated as Au + Ag/EQ (gold plus [silver divided by 60]). 3. Silver equivalent on the basis of gold/silver revenue ratio of 60; calculated as Au x EQ + Ag ([gold times 60] plus silver). 4. EQ = (Price Gold x Recovery Gold) / (Price Silver x Recovery Silver). 5. Price basis US\$1,380/oz Au and US\$21.50/oz Ag. 6. Metallurgical recovery basis 70% Au and 75% silver. 7. It is the company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered. 8. Rounding of numbers may generate rounding errors.



# Bowdens

## Bowdens Mineral Resources as at 30 June 2013

(30g/t AgEq cut-off grade)

Category	Tonnes (million)	Grade				Contained Metal		
		Silver g/t	Lead %	Zinc %	AgEq g/t	Silver (Moz)	AgEq (Moz)	AuEq (Moz)
<b>Measured</b>	<b>23.6</b>	<b>56.6</b>	<b>0.31</b>	<b>0.41</b>	<b>74.5</b>	<b>43.0</b>	<b>57</b>	<b>1.25</b>
<b>Indicated</b>	<b>28.4</b>	<b>48.0</b>	<b>0.27</b>	<b>0.36</b>	<b>63.6</b>	<b>43.8</b>	<b>58</b>	<b>1.28</b>
<b>Meas &amp; Ind</b>	<b>52.0</b>	<b>51.9</b>	<b>0.29</b>	<b>0.38</b>	<b>68.6</b>	<b>86.8</b>	<b>115</b>	<b>2.53</b>
<b>Inferred</b>	<b>36</b>	<b>41</b>	<b>0.3</b>	<b>0.4</b>	<b>58</b>	<b>47.5</b>	<b>68</b>	<b>1.47</b>
<b>Total</b>	<b>88.0</b>	<b>47.4</b>	<b>0.29</b>	<b>0.39</b>	<b>64.4</b>	<b>134.1</b>	<b>182</b>	<b>4.00</b>

### Notes:

1. Rounding of numbers may generate rounding errors. 2. NSR metallurgical recoveries of 72% Ag, 75% Pb, and 66% Zn estimated from test work by Kingsgate. NSR or net smelter return metallurgical recovery is defined as the payable metal recovered after allowing for smelter deductions, which includes deductions for precious metals. 3. Price basis Ag US\$26.33/oz, Pb US\$2,206/t and Zn US\$2,111/t 4. Bowdens silver equivalent equation (AgEq) g/t = Ag (g/t) + 27.5 x Pb (%) + 22.8 x Zn (%) 5. It is the company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered. 6. Cut-off grade for Bowdens is 30g/t AgEq.

### Kingsgate Group Metal Equivalent Notes:

#1. Nueva Esperanza silver equivalent:  $AgEq (g/t) = Ag (g/t) + Au(g/t) \times EQa$ . Gold Equivalent:  $AuEq (g/t) = Au (g/t) + Ag (g/t)/EQa$ ;  $EQa = (\text{price gold} * \text{recovery gold}) / (\text{price silver} * \text{recovery silver})$ . Calculated from prices of US\$1380/oz Au and US\$21.50/oz Ag, and metallurgical recoveries of 70% Au and 75% Ag estimated from test work by Kingsgate and Laguna. #2. Bowdens silver equivalent:  $AgEq (g/t) = Ag (g/t) + 27.5 \times Pb (\%) + 22.8 \times Zn (\%)$ . Calculated from prices of US\$26.33/oz Ag, US\$2,206/t Pb, US\$2,111/t Zn and NSR recoveries of 72% Ag, 75% Pb, and 66% Zn estimated following test work by Kingsgate. #3. Bowdens gold equivalent:  $AuEq (g/t) = 45 (\text{gold price} / \text{silver price})$ . Calculated from prices of US\$1200/oz Au, US\$26.33/oz Ag. #4. Chatree gold equivalent:  $AuEq/t = Au (g/t) + Ag (g/t) / EQa$ . EQa see note 1 above. Calculated from prices of US\$1480/oz Au and US\$26/oz Ag and metallurgical recoveries of 80.5% Au and 43.6% silver based on metallurgical test work and plant performance. #5. Cut-off grade for Chatree is 0.35g/t Au; Nueva Esperanza is 0.5g/t AuEq; Bowdens is 30g/t AgEq. #6. In the company's opinion, the silver, gold lead and zinc included in the metal equivalent calculations have a reasonable potential to be recovered.

