Kingsgate Consolidated Limited

QUARTERLY REPORT

for the three months ended

30 September 2012

Production Highlights

Gold Produced	
30 Sep 2012	44,264 oz
30 Jun 2012	61,835 oz
30 Sep 2011	32,991 oz
Total Cash Costs (incl. Royalty)	
30 Sep 2012	US$712/oz
30 Jun 2012	US$743/oz
30 Sep 2011	US$815/oz
Average Gold Price Received	
30 Sep 2012	US$1,638/oz
30 Jun 2012	US$1,608/oz
30 Sep 2011	US$1,699/oz

Securities

As at 30 September 2012	
Ordinary shares	151,347,122
Unlisted options	6,229,334

Resource drilling at Bowdens Silver project near Mudgee, NSW

Key Points

- Group quarterly gold production of 44,264 ounces at a total cash cost of US$712 per ounce.
- Metallurgical licence granted for Plant 2 at Chatree in early October.
- Chatree production of 26,627 ounces reflects Plant 2 being off-line in September during the final verification process for metallurgical licence.
- At Challenger, production of 17,637 ounces reflects the capital development focus to establish two new mining fronts at Challenger West and Challenger Deeps.
- Following the release of an updated Mineral Resource and Ore Reserve Statement, Group Mineral Resources at 30 June 2012 now estimated at 10.1 million ounces gold equivalent* and Group Ore Reserves estimated at 2.57 million ounces of gold equivalent*.
- Work is continuing on the feasibility study for Nueva Esperanza, Chile, to optimise capital and operating cost estimates and development route.
- Resource drilling completed at Bowdens, NSW, with an updated resource expected by the end of November.
- A credit approved offer has been received for a new multi-currency loan facility equivalent to US$125 million plus a working capital facility equivalent to US$15 million with international banking group, CIMB. The facility will be used to refinance the existing Akara syndicated loan and release funding for growth projects within the Group.

** See note on page 11*

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Gavin Thomas, MD & CEO

31 October 2012

Operating Summary

Operation	September Quarter 2012		June Quarter 2012		September Quarter 2011	
	Production (ounces)	Total Cash Costs (US$/ounce)	Production (ounces)	Total Cash Costs (US$/ounce)	Production (ounces)	Total Cash Costs (US$/ounce)
Chatree	26,627	626	42,188	625	14,428	608
Challenger	17,637	843	19,647	1,000	18,563	975
Total	**44,264**	**712**	**61,835**	**743**	**32,991**	**815**

SEPTEMBER QUARTER OVERVIEW

Total gold production for the September quarter was 44,264 ounces. The production reflects the Chatree North Expansion Plant (Plant 2) being offline in September for the final verification process, and the focus at Challenger on mine development and the establishment of two new mining fronts.

Group operating cash costs of US$712/ounce compared to the June quarter of US$743/ounce.

Gold sales in the quarter were 47,810 ounces at an average gold price received of US$1,638/ounce.

OPERATIONS

CHATREE GOLD MINE

Chatree gold production of 26,627 ounces for the September quarter reflects the impact of reduced throughput at Plant 2 in September to enable the detailed verification and authorisation process required by the Thai authorities prior to the granting of the Metallurgical Licence. Head grade was 0.91g/t gold, reflecting the processing of higher grade ore through Plant 1 while Plant 2 was off-line.

Total cash costs were US$626/ounce (including US$163/ounce royalty). Cash costs compare to the June quarter US$625/ounce (including US$162/ounce royalty), reflecting a higher by-product credit due to the silver price. Total production costs after depreciation and amortisation were US$767/ounce.

Chatree continues to demonstrate world's best practice for safety with 21.4 million man hours (+9 yrs) worked to the end of September 2012, since the last and only Lost Time Incident in January 2003.

Plant Expansion

Optimisation of Plant 2 was completed during the September quarter. Full operation (including the new gold-room) commenced in early October following granting of the Metallurgical Licence. Currently the combined plant is operating at an annualised rate of 6.2Mtpa.

Capital expenditure for the quarter at Chatree was A$4.4 million including A$3.2 million on TSF 2.

CHALLENGER GOLD MINE, SOUTH AUSTRALIA

Gold production at Challenger was 17,637 ounces. The performance reflects the previously reported focus on development during the first half of the fiscal year for the establishment of two new mining fronts at Challenger West and Challenger Deeps.

Total cash costs were US$843/oz (including US$65/oz royalty) and compares to the June quarter costs of US$1,000/oz (including US$59/oz royalty). The operating costs reflect a shift in underground expenditure from production to development and should be read in context with the higher capital development expenditure outlined below.

The reconciled mined ore grade was 4.51g/t gold for the quarter, however, the grade of ore milled was 3.89g/t due to the addition of low grade stockpiled ore.

Capital expenditure at Challenger for the quarter includes mine development of A$14.5 million at Challenger Main (including Challenger Deeps), $5.6 million at Challenger West and A$2.0 million for underground exploration.

DEVELOPMENT PROJECTS

NUEVA ESPERANZA SILVER/GOLD PROJECT

Feasibility, design and approval work continued during the quarter in the absence of major field activities due to restricted access during winter.

A draft of the feasibility study from Ausenco confirmed the viability of the project. Work is continuing with Ausenco to optimise the capital and operating cost estimates and development route.

The draft feasibility study has highlighted the difficulty in securing long term power contracts in this region of Chile and, as a consequence, trade off studies are now underway, in parallel with the

feasibility study, to identify the optimum power supply for the project including the potential for using on-site power generation.

The process for environmental approvals is well advanced and all required analysis and studies are largely complete. The timeline for receipt of the approvals is on track and anticipated to be received early in 2013.

Total feasibility and assessment expenditure for the quarter at Nueva Esperanza was A$3.6 million. In addition, A$1.0 million in scheduled option payments to previous owners was made.

Bowdens Silver Project, New South Wales

The metallurgical, resource and sterilisation drilling program was close to completion at the end of the quarter with only geotechnical drilling outstanding.

Assays for numerous mineralised intersections have been returned during the quarter with several occurring outside the current resource model. These results indicate the potential to increase the current resource estimate with resource modelling expected to be completed by the end of November.

Metallurgical testwork has now been completed with metal recovery from composite samples showing marked increase in recoveries compared to the previous metallurgical design parameters. The flotation results show an increased recovery of by-products and a significant increase in silver recovery to the lead concentrate. The new metallurgical test results will be incorporated into the current Bowdens feasibility study.

Baseline monitoring of local noise, flora, fauna, surface water, groundwater, background dust and weather conditions is ongoing. Collected data will be included in the Environmental Impact Statement (EIS).

Total project expenditure for the quarter at Bowdens was A$6.0 million which includes A$2.4 million for land acquisition. In addition, in accordance with the original acquisition agreement the final purchase payment of $5.0 million was made to Silver Standard.

CORPORATE

At the end of September, cash and bullion/doré total A$57.4 million comprising cash of A$49 million and bullion/doré of A$8.4 million. During the quarter, Kingsgate distributed cash dividends of A$12.8 million and made a scheduled loan repayment equivalent to US$15 million under the Akara loan facility.

A credit approved offer has been received for a new multi-currency loan facility equivalent to US$125 million plus a working capital facility equivalent to US$15 million with international banking group, CIMB. The facility will be used to refinance the existing Akara syndicated loan and release funding for growth projects within the Group.

The Company has updated its Mineral Resource and Ore Reserve estimates for the year to 30 June 2012. Group Mineral Resources are estimated at 10.1 million ounces gold equivalent*, including by-products, an increase of 10% compared to the June 2011 estimate of 9.3 million ounces gold equivalent*. Included in this estimate are 5.1 million ounces of gold and 207 million ounces of silver. Group Ore Reserves are now estimated at 2.57 million ounces gold equivalent* compared to 2.61 million ounces gold equivalent* in 2011.

OUTLOOK

Total gold production guidance for the financial year 2013 is maintained at between 200,000 and 220,000 ounces. Chatree production is expected to be between 120,000 to 130,000 ounces and Challenger between 80,000 and 90,000 ounces.

Bowdens sky line

Operational Performance

Chatree Mine	Units	September 2012 Quarter	June 2012 Quarter	September 2011 Quarter	% Change Qtr to Qtr
Waste Mined	bcm	1,114,683	1,342,703	1,943,133	(17)
Ore Mined	bcm	713,609	689,788	302,714	3
Waste to Ore Ratio		1.6 : 1	1.9 : 1	6.4 : 1	n/a
Ore Mined	tonnes	1,853,949	1,777,300	750,822	4
Ore Treated	tonnes	984,253	1,615,472	664,265	(39)
Head Grade	Au g/t	0.91	0.96	0.81	(4)
	Ag g/t	13.1	11.1	13.4	18
Gold Recovery	%	83.3	84.6	84.2	(2)
Gold Poured	ounces	26,627	42,188	14,428	(37)
Silver Poured	ounces	223,532	276,422	140,129	(19)
Challenger Mine	**Units**	**September 2012 Quarter**	**June 2012 Quarter**	**September 2011 Quarter**	**% Change Qtr to Qtr**
Ore Mined	tonnes	118,883	147,644	149,867	(19)
Ore Treated	tonnes	150,214	164,206	143,903	(9)
Head Grade	Au g/t	3.89	4.04	4.41	(4)
Gold Recovery	%	94.2	92.2	91.9	2
Gold Poured	ounces	17,637	19,647	18,563	(10)
Silver Poured	ounces	1,107	1,214	1,230	(9)
Kingsgate Group	**Units**	**September 2012 Quarter**	**June 2012 Quarter**	**September 2011 Quarter**	**% Change Qtr to Qtr**
Gold Poured	ounces	44,264	61,835	32,991	(28)
Silver Poured	ounces	224,639	277,636	141,359	(19)

CHATREE GOLD MINE, THAILAND

Mining continued in areas of A Hill with total ore mined of 1,853,949 tonnes. Mine production was higher in the quarter due to the addition of a 3rd RH90 Excavator to increase excavator availabilities. Increased fragmentation in the ore blasts also improved excavator productivity. Blasthole drilling was extended to 24 hours per day with the mining area below the natural ground elevation.

The process plant treated 984,253 tonnes of ore at an average plant head grade of 0.91 grams per tonne gold to produce 26,627 ounces of gold. Silver production was 223,532 ounces. Gold recovery of 83.3% was slightly lower than the prior quarter of 84.6%. Work is being undertaken to address the lower than expected recovery.

Stockpiled ore at the end of September was 9,233,143 tonnes at 0.63 grams per tonne containing 185,611 ounces of gold. This represents an increase of 870,000 tonnes at a capitalised cost of A$6.2 million.

Chatree North Plant Expansion

The Metallurgical Licence was granted for the new Plant 2 in early October following the finalisation of a detailed verification process by Thai authorities. Plant 2 will now operate on a continuous basis including the new gold room that was subject to the granting of the Metallurgical Licence. The combined plant has been operating consistently at an annualised rate of 6.2 million tonnes during the plant commissioning and optimisation phase and this rate is expected to be maintained.

A scoping study is underway on both plants to identify the opportunity to expand the throughput in the most cost efficient manner.

Construction of Tailings Storage Facility #2 (TSF2) was completed in the September quarter and is expected to be commissioned in the December quarter.

Regional Exploration - Thailand

With the approvals of the Special Prospecting License (SPL) applications still awaiting the Minister of Industry's consent, exploration attention has focused on the deeper high grade potential within A Pit and C South. Drilling of the down plunge extension of these targets commenced in late August. Two high grade structures within A Pit (M01 and M04 lodes) lie in close proximity to each other. Confirmation of higher grades and the continuity of these two structures down-plunge will provide the operation with significant exploration upside. This has the potential to drive the A Pit deeper or, alternatively, increase confidence of an underground operation below A Pit or C Pit.

To date, three drill holes have been completed and have tested parts of the M01 lode with hole 7554RD confirming continuation of the quartz veins down dip. Assay results are reported in Appendix A.

OPERATING COSTS: CHATREE

Cost Category	Units	September 2012 Quarter	June 2012 Quarter	September 2011 Quarter	% Change Qtr to Qtr
Operating Expense	US$/oz	693	633	747	6
By Product Credit	US$/oz	(230)	(170)	(310)	35
Cash Operating Cost	**US$/oz**	**463**	**463**	**437**	**(4)**
Royalty	US$/oz	163	162	171	1
Total Cash Cost	**US$/oz**	**626**	**625**	**608**	**(3)**
Depreciation/Amortisation - Operating	US$/oz	141	139	93	1
Total Production Cost	**US$/oz**	**767**	**764**	**701**	**(2)**

OPERATING COSTS: CHALLENGER

Cost Category	Units	September 2012 Quarter	June 2012 Quarter	September 2011 Quarter	% Change Qtr to Qtr
Operating Expense	US$/oz	780	943	901	(17)
By Product Credit	US$/oz	(2)	(2)	()	-
Cash Operating Cost	**US$/oz**	**778**	**941**	**899**	**(17)**
Royalty	US$/oz	65	59	76	10
Total Cash Cost	**US$/oz**	**843**	**1,000**	**975**	**(16)**
Depreciation/Amortisation - Acquisition	US$/oz	200	179	128	12
Depreciation/Amortisation - Operating^	US$/oz	505	481	326	5
Total Production Cost	**US$/oz**	**1,548**	**1,660**	**1,429**	**(7)**

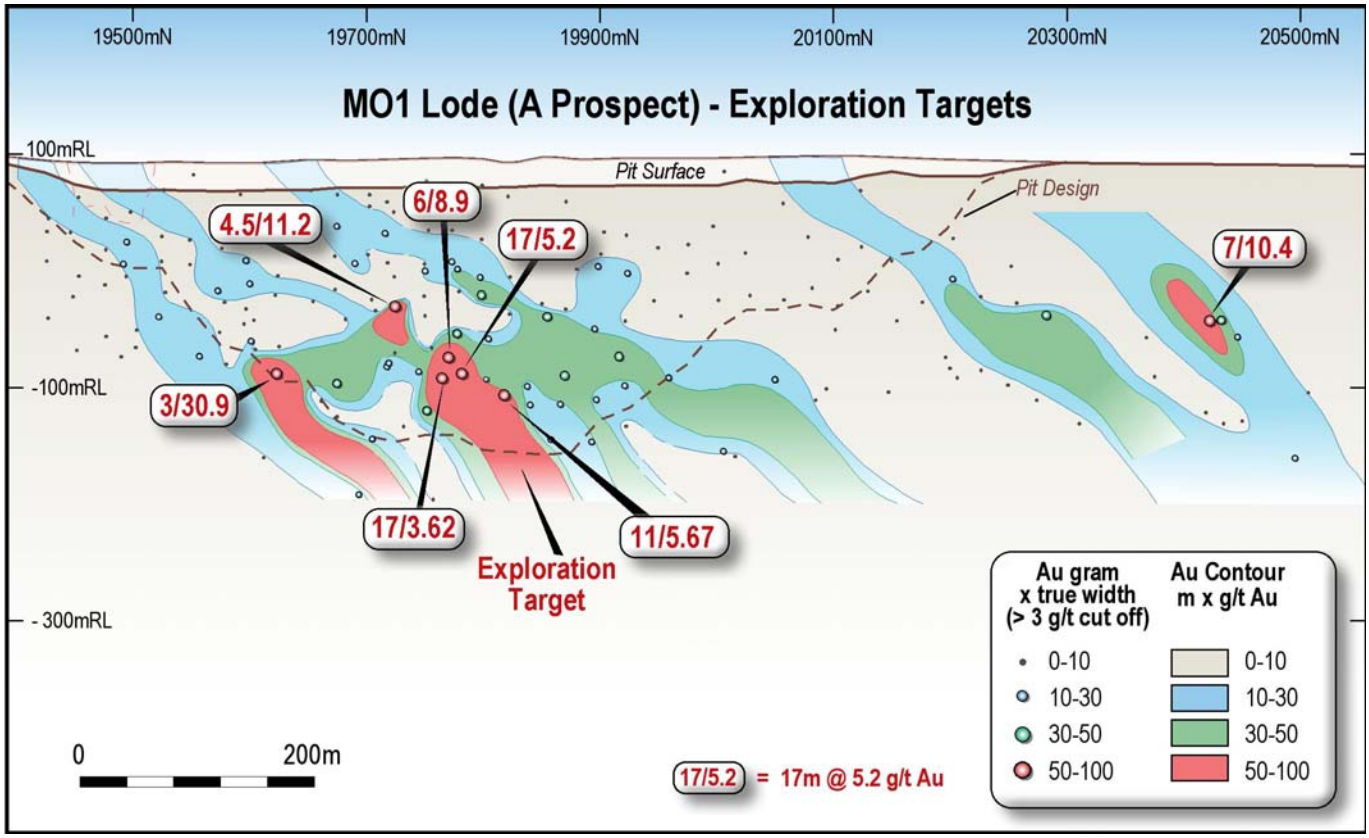
OPERATING COSTS: KINGSGATE GROUP

Cost Category	Units	September 2012 Quarter	June 2012 Quarter	September 2011 Quarter	% Change Qtr to Qtr
Cash Operating Cost	**US$/oz**	**589**	**614**	**697**	**(6)**
Royalty	US$/oz	123	129	118	(5)
Total Cash Cost	**US$/oz**	**712**	**743**	**815**	**(6)**
Depreciation/Amortisation - Acquisition	US$/oz	80	57	72	40
Depreciation/Amortisation - Operating	US$/oz	286	248	223	15
Total Production Cost	**US$/oz**	**1,078**	**1,048**	**1,110**	**2**

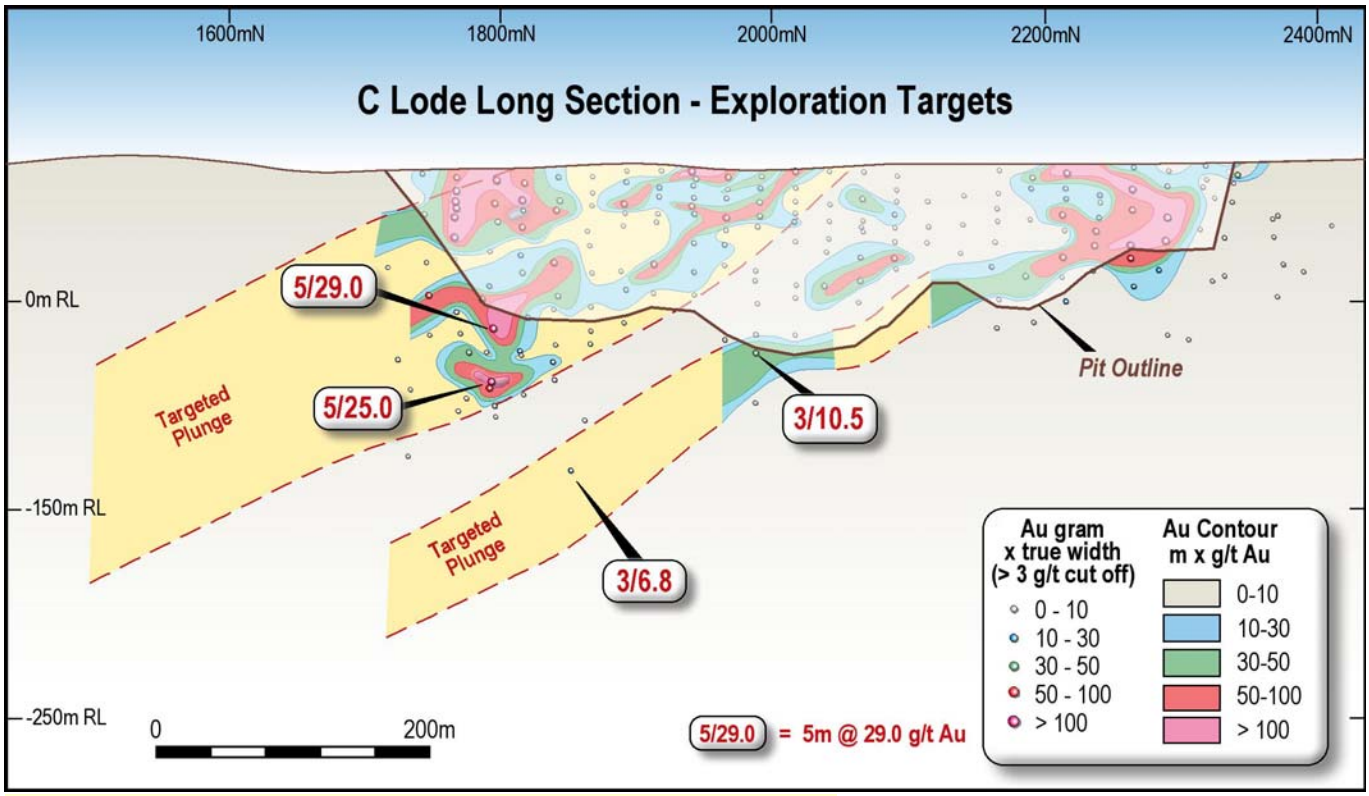
Category	Units	September 2012 Quarter	June 2012 Quarter	September 2011 Quarter	% Change Qtr to Qtr
Average Cash Gold Price Received	US$/oz	1,638	1,608	1,699	2
Gold sold	Ounces	47,810	62,650	33,330	(24)
Silver sold	Ounces	236,113	276,983	131,282	(15)
Revenue from Metal Production	US$M	85.1	108.7	61.6	(22)

Exchange Rates	Units	September 2012 Quarter	June 2012 Quarter	September 2011 Quarter	% Change Qtr to Qtr
Average Exchange Rate	A$/$US	1.04	1.01	1.06	3

^ Depreciation and amortisation charges are calculated with reference to expenditure capitalised on an individual mining level basis. This will result in a variability in these charges on a quarter by quarter basis, which occur depending on where ore is sourced during a specific quarter.



A Pit Long Section showing proposed final pit design and high grade exploration targets.



C Pit Long Section showing current final pit and high grade exploration targets.

CHALLENGER GOLD MINE

A total of 1,508 metres of underground development was completed during the quarter. Operating development was undertaken on the 790 level at Challenger West and on the 215 level for the M1 and M2 structures. Capital development focused on the Challenger West decline, the main decline below the 79 Fault and access on the 195 and 205 levels. In addition, development was undertaken on the 240 level Vent Extension as part of the transfer of the ventilation system across the 79 Fault at the base of the mine. Exploration development was on the 240 and 205 levels targeting extensions of the Aminus lode.

A total of 7,057 metres of development and exploration diamond drilling was carried out during the quarter. Additional drilling targeted Challenger West, the Kelpie Trend and Aminus 2.

The main stoping levels during the quarter were the 280, 260 & 240 M2, 240 M1, 700 M3 and both the 790 and 800 Challenger West.

The impact of the '79 Fault' has delayed the mining of complete levels at the base of the mine and therefore has precluded full reconciliation of mined ore to reserves. A preliminary reconciliation of the Challenger West 800 level closely matched the reserve.

The focus during the current half year will be on establishing capital access to three separate Challenger West horizons and extending the base of the mine to open up the mining fronts at Challenger Deeps on the lower side of the 79 Fault. This will come at the expense of production but will enable the development to advance away from production horizons and allow access to more ore headings. Significant intersections are summarised in Appendix B.

CHALLENGER WEST

Continuity of high grade mineralisation and associated visible gold in the Challenger West Shoot below the current resource and mining levels has been confirmed with intersections including 3 metres @ 14.7g/t (167 level) and 0.35 metres @ 100.7g/t (165 level).

M1 FOOTWALL

An intercept of 1 metre @ 12.0g/t was returned from the M1 Orthogonal Footwall position at 217mRL. This is currently outside the resource and will be evaluated as part of the ongoing Challenger West drilling.

AMINUS 2

Aminus 2 was targeted at the 180 level and returned mineralised intersections including 0.39 metres @ 43.8g/t with associated visible gold.

SEZ

The SEZ structure was targeted from the 1100 level with 3 flat drill fans covering 1080-1120 levels. A number of significant intersections were received including 2.4 metres @ 14.5g/t in a localised high grade zone of around 30 metres in strike length.

Drilling from the 280 Level to evaluate the area up plunge of the previously defined SEZ high grade zone has returned a best intersection of 1.89 metres @ 54.2 g/t (286 Level). Up plunge continuity is disrupted by offsetting structures. Drilling during the next quarter will target the interpreted down plunge continuity on the 220 level.

'WILDCAT' DRILLING

Two 'wildcat' holes were completed from the 1100 level targeting the zone from SEZ through to the Kelpie trend. The initial hole intersected two narrow veins of Chalcopyrite, the best of which returned 0.40m @ 4.23% Cu, with no associated gold. This is the first significant amount of copper intersected in underground drilling at Challenger and is near to the interpreted location of the Kelpie trend. While the significance is unclear at this stage, it highlights the importance of drilling unexplored portions of the Challenger system as this may lead to the definition of further exploration targets.

SAFETY, ENVIRONMENT AND COMMUNITY

There was one Lost Time Injury during the quarter which occurred when a previous Restricted Work Injury suffered by an employee of the mining contactor required corrective surgery. The site is now currently 30 days LTI Free at 30 September 2012.

Regular training including simulated accidents ensures continuous safety at Challenger

BOWDENS SILVER PROJECT

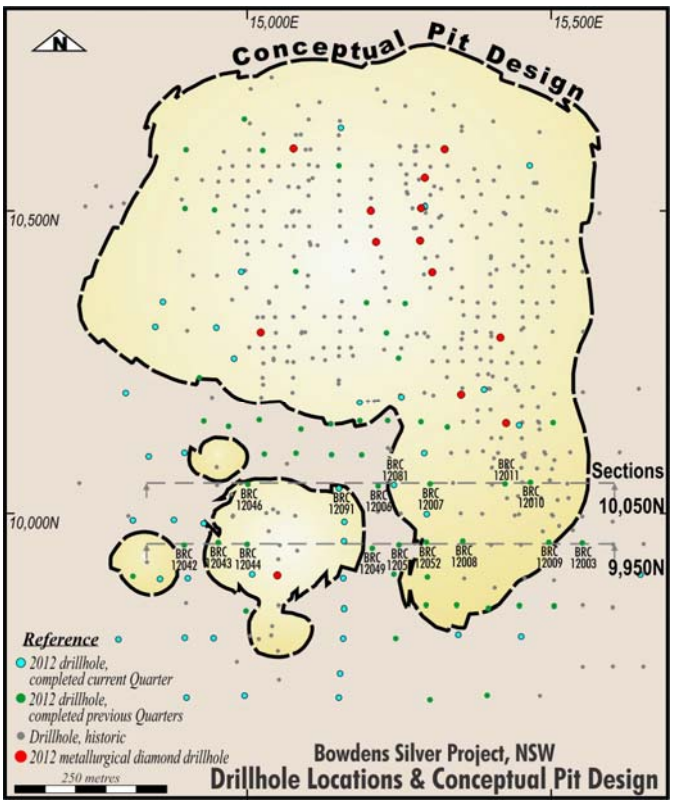
The metallurgical, resource and sterilisation drilling program was completed in early October with only geotechnical drilling outstanding. In total, 123 drillholes were successfully completed in this year's programme of which 43 resource holes were drilled during the quarter with assay results received for a total of 65 holes.

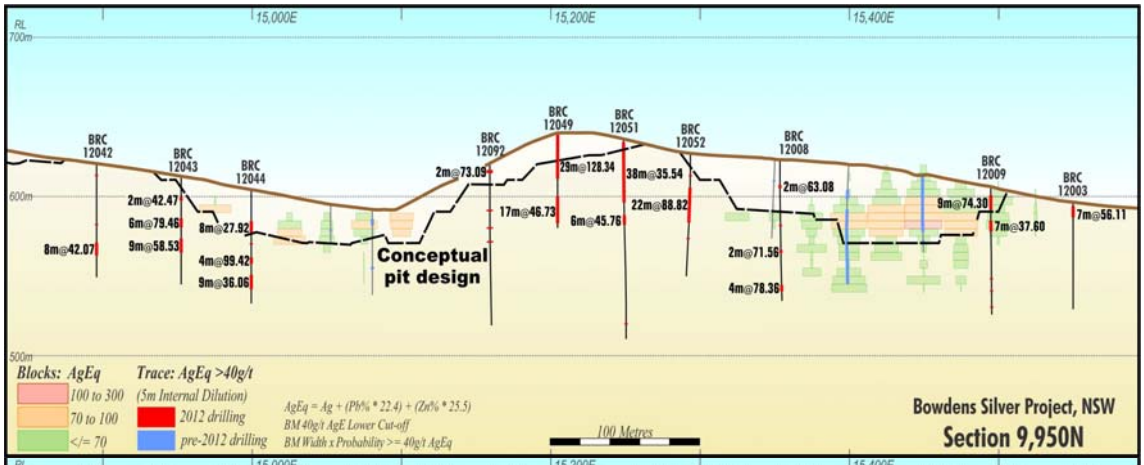
Assays for numerous mineralised intersections have been returned during the quarter with several occurring outside the current conceptual pit boundary. These results have the potential to increase the current resource estimate with resource modelling expected to be completed by the end of November. Drill sections 9950mN and 10050mN with intersections in hole BRC12049 (29m @ 128.34 AgEq from surface) and hole BRC12091 (28m @ 111.66 AgEq from 51m) are outside the existing resource model. (AgEq refers to silver equivalent values. See Appendix C.).

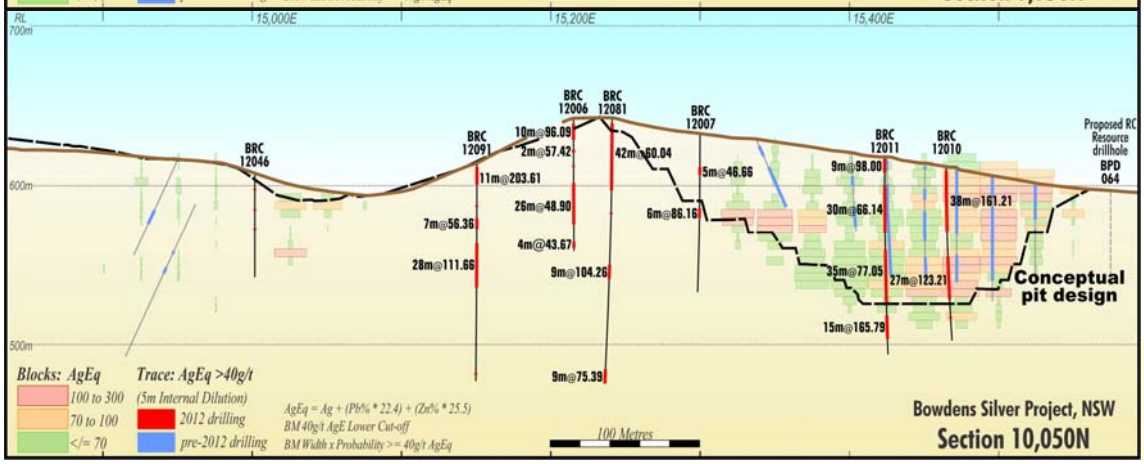
Metallurgical testwork of selected samples has been completed for recovery of silver, lead and zinc by froth flotation and physical characterisation. The aim of the testwork was to verify the results from earlier metallurgical testwork and optimise planned process conditions based on the response of the dominant lithological units within the conceptual pit shell.

Flotation tests were completed on each lithology sample prior to testing mine average composite samples. Importantly, metal recovery from the mine composite samples shows a marked recovery increase, well above the previous metallurgical design parameters. The flotation results show an increased recovery of by-products and a significant increase in silver recovery to the lead concentrate. The new metallurgical test results will be incorporated into the current Bowdens feasibility study.

Baseline monitoring of local noise, flora, fauna, surface water, groundwater, background dust and weather conditions is ongoing. Collected data will be included in the Environmental Impact Statement (EIS).







Bowdens Silver project cross sections located as shown on the location plan above.

NUEVA ESPERANZA PROJECT

Feasibility, design and approval work continued during the quarter with field activities restricted during winter.

A draft of the feasibility study from Ausenco confirmed the viability of the project. Feasibility work is currently continuing with Ausenco to optimise the capital and operating cost estimates. The ongoing work reflects the difficult and volatile environment for capital projects currently being experienced in Chile with further time required to finalise the feasibility study.

The feasibility study has highlighted the difficulty in securing long term power contracts in this region of Chile with power currently only available on a spot basis off the local grid. As a consequence, trade off studies are now underway (in parallel with the feasibility study) to identify the optimum power supply for the project, including consideration of on-site power generation.

As part of the finalisation of the feasibility study, a review is being undertaken of a trade-off study for the development of the project between milling and heap leach that was completed in 2010. Metallurgical work completed to date suggests that a significant portion of the overall resource is likely to be amenable to heap leaching. As a result, a detailed on-site metallurgical test-work program will commence shortly.

The process for environmental approvals is well advanced and all required analysis and studies are now mostly complete. The timeline for receipt of the approvals is on track and anticipated to occur early in 2013.

Chimberos Pit showing high grade mineralisation

REGIONAL EXPLORATION

SAYABOULY PROJECT – LAO PDR

Despite the wet season, field exploration activities continued throughout the quarter with primary activities focused on ridge line and grid based soil sampling.

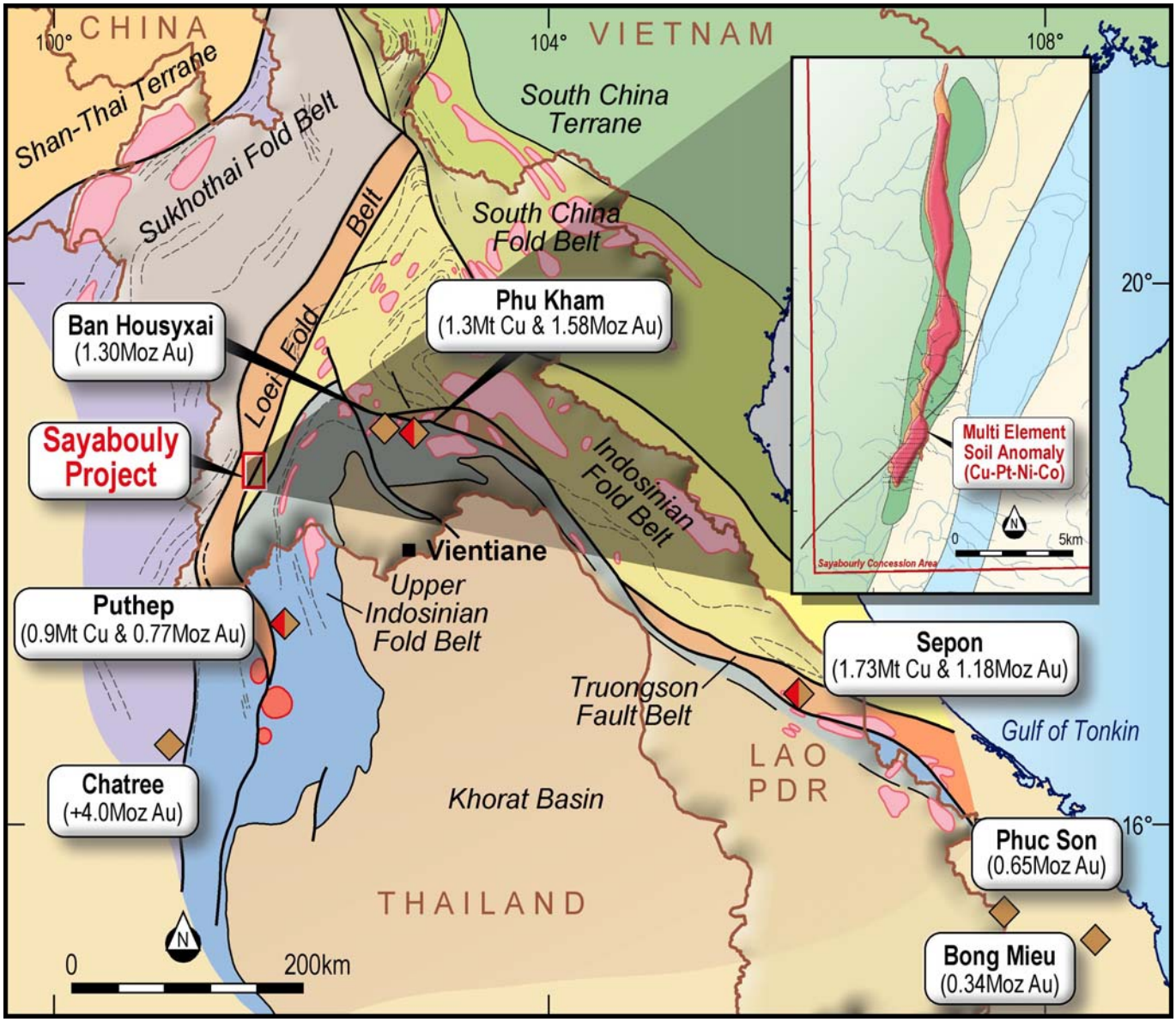
Soil assay results indicate an extensive multi-element soil anomaly elevated in copper, platinum, cobalt and nickel. The soil anomaly is well defined over 16 kilometers in length and 700 metres width with peak values of 829ppm copper (Cu), 1.05% nickel (Ni), 1.54ppm platinum (Pt), and 0.27% cobalt (Co). Preliminary field mapping and ground geophysics (magnetics) indicates a close association between this soil anomaly and a differentiated mafic-ultramafic intrusive.

Field activities to the end of the year will continue to be focused on surface definition of this multi-element anomaly including geological mapping, ground geophysics and grid based soil sampling.

Whilst fresh rock occurs within the anomaly, it is anticipated that broad spaced trenching across the anomaly will provide a consistent geological model and identify the host rock for these anomalous elements in the lead up to drilling early in the new year.

Total regional exploration expenditure for the Group over the quarter was A$1.0 million.

Exploration geologists, Lao



Geologic map of SE Asia showing fold belts and major projects; insert is portion of Laos Concession area

Exploration team takes a break, Lao

CORPORATE

Kingsgate's Thai subsidiary, Akara Mining, has received a credit approved offer for a six year amortising multi-currency loan facility equivalent to US$125 million and an additional Thai Baht denominated working capital facility of approximately US$15 million ("Facility"), from the international banking group, CIMB.

The purpose of the Facility is to refinance the existing Akara syndicated loan and release funding for growth projects throughout the Kingsgate Group. Establishment of the Facility is subject to satisfactory documentation and satisfaction of market standard conditions precedent. Financial close is scheduled for December 2012.

CIMB was a Mandated Lead Arranger of Akara's existing facility and the bank continues to be the facilities agent. The refinancing reflects the strong cash flow generation of the Chatree mine and the long life nature of its reserve base.

The refinancing takes advantage of the historically low US Dollar interest rates and the high level of liquidity prevailing in the Thai banking market. As a result, the Facility provides for improved terms compared to Akara's existing syndicated loan facility. It should also be noted that, as before, no mandatory hedging is required under the Facility.

At the end of the quarter, the balance of the existing Akara loan was approximately US$70 million. In addition, the Kingsgate A$50 million amortising corporate credit facility was drawn to A$40 million. Kingsgate also has a five year A$35 million convertible loan facility that provided funding for the Bowdens acquisition.

MINERAL RESOURCES AND ORE RESERVES JUNE 2012

Kingsgate recently updated its Mineral Resource and Ore Reserve estimates for the year ending 30 June 2012. Group Mineral Resources are now estimated at 10.1 million ounces gold equivalent, including by-products, an increase of 10% compared to the June 2011 estimate of 9.3 million ounces gold equivalent. Included in this estimate are 5.1 million ounces of gold and 207 million ounces of silver. Resources depleted by mining have been replaced at Challenger and increased at Chatree, and the addition of Teterita and Chimberos has increased the global resources at Nueva Esperanza.

The major changes for each project encompassed the following:

- Chatree, Thailand: At a gold price of US$1,400/ ounce the gold cut-off grade was reduced from 0.4 to 0.3 grams per tonne but with pit parameters essentially unchanged since 2010. This has resulted in a significant increase in reserve tonnes at a slightly lower average gold grade.
- Challenger, South Australia: The inclusion of the Challenger West structure increased the average grade of the total deposit from 5.6 to 6.1 grams per tonne gold.
- Nueva Esperanza, Chile: The inclusion of the Teterita and Chimberos mineralised bodies significantly increased resources and the additional drilling has upgraded resource categories for much of the mineralisation.
- Bowdens, New South Wales: Drilling is ongoing at Bowdens and an upgrade to the current resources is anticipated before the end of the year.

Group Ore Reserves are now estimated at 2.57 million ounces gold equivalent compared to 2.61 million ounces gold equivalent in 2011. This change reflects mining depletion of approximately 280,000 ounces gold equivalent which has been mostly offset by increases at both Challenger and Chatree.

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

Note. The full Mineral Resource and Ore Reserve Statement, including definition of metal equivalents, is available within the ASX release of 16 October 2012 and is available on the Company's website, www.kingsgate.com.au.

At Nueva Esperanza, the Teterita leached cap, looking to the north

APPENDIX A

CHATREE DRILLING: A PROSPECT, SIGNIFICANT DRILL INTERCEPTS (+5.0 GRAM X METRES)

Hole No.	Local Co-ordinates (mE, mN)	Azimuth (°)	Dip (°)	Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)
7554RD	5499E, 19775N	270	-60	305.50	45.00	52.00	7.00	1.29
					63.00	70.00	7.00	1.85
					82.00	119.90	37.90	1.96
				incl	**110.90**	**115.92**	**5.02**	**6.89**
					146.00	154.00	8.00	0.72
					157.40	161.55	4.15	2.95
				incl	**158.10**	**158.50**	**0.40**	**15.70**
					175.20	187.00	11.80	0.84
					191.15	221.00	29.85	1.69
				incl	***201.00***	***212.00***	***11.00***	***3.65***
					224.55	243.30	18.75	0.89
					247.00	258.38	11.38	0.63
7555RD	5512E, 19775N	270	-62	338.64	51.00	66.00	15.00	1.04
					91.00	111.58	20.58	2.34
				incl	**96.00**	**98.13**	**2.13**	**4.95**
				incl	**103.40**	**104.70**	**1.30**	**5.03**
					131.50	138.20	6.70	0.75
					157.80	159.00	1.20	9.80
					260.15	269.00	8.85	0.89
7556RD	5450E, 19625N	270	-62	245.90	84.00	99.00	15.00	0.80
					105.00	113.00	8.00	0.90
					129.00	131.00	2.00	11.25
					177.00	184.25	7.25	1.25

Resource drilling, Chatree, Thailand

Appendix B

Challenger Resource Development Drilling

Underground Diamond Drilling – Aminus

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)	Midpoint (m RL)
12CUD1016	108.92	109.25	0.33	50.44	191

Underground Diamond Drilling – Aminus 2

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)	Midpoint (m RL)
12CUD1013	116.00	116.39	0.39	43.83	180
12CUD1014	116.50	117.40	0.90	8.32	181

Underground Diamond Drilling – Challenger West

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)	Midpoint (m RL)
12CUD1002	311.35	311.70	0.35	100.71	165
12CUD1008	328.00	331.00	3.00	14.75	167

Underground Diamond Drilling – M1

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)	Midpoint (m RL)
12CUD1013	45.10	45.55	0.45	48.99	200
	28.05	29.50	1.45	11.85	205
	22.20	22.55	0.35	13.50	207
12CUD1014	23.26	29.65	6.39	21.79	205
12CUD1016	23.00	29.30	6.30	16.71	207

Underground Diamond Drilling – M1 OFW

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)	Midpoint (m RL)
12CUD1010	173.00	174.00	1.00	12.00	217

Underground Diamond Drilling – SEZ

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)	Midpoint (m RL)
12CUD0963	26.88	29.00	2.12	10.09	1,080
12CUD0967	35.80	36.92	1.12	21.65	1,114
12CUD0969	45.00	46.00	1.00	16.56	1,084
12CUD0997	22.79	24.68	1.89	54.21	286
12CUD1011	31.00	33.40	2.40	14.53	1,096
12CUD1022	30.06	32.00	1.94	12.23	1,096

Underground Diamond Drilling – Kelpie Trend

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)	Midpoint (m RL)
12CUD1011	374.35	374.75	0.40	4.23	1,082

APPENDIX C

BOWDENS DIAMOND DRILLING

Hole No.	Local Coordinates (m)	Dip/ Azimuth (°)	Interval (m)	Width (m)	Ag Equivalent (AgEq)	Ag (ppm)	Pb (%)	Zn (%)
BRC12049	*9943N, 15205E*	*-90 / 183*	*0 - 29*	*29*	*128.3*	*119.2*	*0.16*	*0.21*
			40 - 57	*17*	*46.7*	*36.5*	*0.10*	*0.31*
BRC12050	*9901N, 15240E*	*-90 / 300*	*30 - 64*	*34*	*60.4*	*51.9*	*0.06*	*0.28*
			123 - 130	*7*	*39.9*	*11.3*	*0.41*	*0.76*
BRC12051	*9949N, 15249E*	*-90 / 121*	*2 - 40*	*38*	*35.5*	*31.2*	*0.05*	*0.13*
			48 - 54	*6*	*45.8*	*35.0*	*0.13*	*0.31*
BRC12052	*9953N, 15294E*	*-90 / 280*	*22 - 44*	*22*	*88.8*	*77.4*	*0.12*	*0.34*
BRC12053	*9896N, 15296E*	*-90 / 319*	*8 - 23*	*15*	*50.5*	*40.2*	*0.08*	*0.34*
			44 - 51	*7*	*50.8*	*39.4*	*0.14*	*0.32*
BRC12054	*9851N, 15293E*	*-90 / 143*	*43 - 49*	*6*	*34.7*	*30.5*	*0.05*	*0.12*
			56 - 66	*10*	*100.4*	*91.3*	*0.16*	*0.22*
BRC12055	*10153N, 15185E*	*-90 / 121*	*3 - 8*	*5*	*46.5*	*27.0*	*0.40*	*0.42*
			15 - 36	*21*	*60.9*	*32.3*	*0.61*	*0.58*
			68 - 74	*6*	*32.0*	*11.4*	*0.41*	*0.44*
BRC12056	*10097N, 15188E*	*-90 / 185*	*0 - 17*	*17*	*106.2*	*94.7*	*0.25*	*0.23*
			55 - 63	*8*	*47.3*	*16.0*	*0.41*	*0.87*
BRC12057	*10098N, 15138E*	*-90 / 21*	*4 - 20*	*16*	*82.5*	*46.3*	*0.41*	*1.06*
			47 - 53	*6*	*25.8*	*10.5*	*0.22*	*0.40*
BRC12058	*10147N, 15135E*	*-90 / 95*	*0 - 7*	*7*	*37.4*	*31.7*	*0.14*	*0.10*
			17 - 32	*15*	*52.8*	*38.2*	*0.17*	*0.42*
			51 - 74	*23*	*68.2*	*34.5*	*0.38*	*0.99*
BRC12059	*9850N, 15447E*	*-90 / 293*	*11 - 17*	*6*	*43.2*	*32.4*	*0.13*	*0.31*
			41 - 49	*8*	*31.3*	*28.2*	*0.04*	*0.09*
BRC12060	*9846N, 15396E*	*-90 / 169*	*11 - 20*	*9*	*61.0*	*47.7*	*0.13*	*0.40*
BRC12066	*10153N, 14928E*	*-90 / 21*	*10 - 25*	*15*	*46.9*	*43.6*	*0.05*	*0.09*
BRC12068	10256N, 14978E	-90 / 275	27 - 34	7	136.4	94.5	0.21	1.46
			57 - 64	7	46.8	35.7	0.08	0.36
BRC12069	10308N, 14949E	-90 / 284	66 - 78	12	124.2	113.0	0.12	0.33
			88 - 118	30	77.9	58.5	0.20	0.59
BRC12070	10400N, 14990E	-90 / 181	17 - 65	48	168.8	98.9	0.74	2.09
			72 - 91	19	79.0	56.9	0.27	0.63
			97 - 108	11	37.5	25.5	0.17	0.32
			114 - 134	20	31.8	13.4	0.27	0.48
			150 - 155	5	43.2	23.2	0.32	0.50
			190 - 196	6	45.5	17.0	0.59	0.59
BRC12071	10309N, 14849E	-90 / 190	94 - 105	11	93.2	68.0	0.15	0.85
			137 - 152	15	97.9	89.2	0.10	0.25
BRC12072	10351N, 14862E	-90 / 194	141 - 146	5	60.7	57.5	0.04	0.09
			164 - 174	10	38.0	27.6	0.10	0.32
			180 - 191	11	38.0	17.3	0.28	0.57
BRC12076	9990N, 14812E	-90 / 161	23 - 31	8	46.2	37.5	0.09	0.26
			51 - 57	6	37.6	16.3	0.10	0.75
			65 - 72	7	34.2	14.9	0.06	0.70
			79 - 93	14	49.8	22.5	0.09	0.99
BRC12077	9893N, 14856E	-90 / 183	60 - 79	19	36.5	32.4	0.04	0.13
BRC12078	9895N, 14902E	-90 / 183	57 - 74	17	104.6	98.8	0.08	0.16

APPENDIX C (CONTINUED)

BOWDENS DIAMOND DRILLING (CONTINUED)

Hole No.	Local Coordinates (m)	Dip/ Azimuth (°)	Interval (m)	Width (m)	Ag Equivalent (AgEq)	Ag (ppm)	Pb (%)	Zn (%)
BRC12079	9899N, 15006E	-90 / 183	2 - 12	10	50.5	48.2	0.06	0.04
			26 - 42	16	45.6	37.8	0.10	0.22
BRC12080	10193N, 15253E	-70 / 259	21 - 33	12	33.6	6.2	0.34	0.77
			53 - 59	6	85.4	40.7	1.84	0.13
BRC12081	10048N, 15241E	-90 / 312	4 - 46	42	60.0	41.2	0.25	0.52
			93 - 102	9	104.3	25.9	0.94	2.24
			159 - 168	9	75.4	20.1	1.08	1.22
BRC12083	10100N, 15291E	-90 / 259	28 - 33	5	77.5	41.8	1.31	0.25
BRC12085	10000N, 15295E	-90 / 183	8 - 24	16	66.3	51.9	0.29	0.31
			42 - 47	5	58.7	20.9	0.51	1.03
BRC12086	10205N, 15388E	-90 / 183	12 - 69	57	93.6	61.2	0.43	0.90
			93 - 123	30	92.5	66.8	0.44	0.61
			172 - 178	6	46.4	14.1	0.43	0.89
BRC12087	10146N, 15447E	-90 / 0	3 - 37	34	103.6	94.3	0.19	0.20
			44 - 54	10	53.8	47.8	0.08	0.16
			60 - 106	46	67.0	51.7	0.21	0.42
			140 - 150	10	51.6	44.1	0.08	0.22
BRC12088	10507N, 15291E	-90 / 0	52 - 61	9	110.5	94.5	0.25	0.41
			68 - 87	19	181.5	142.7	0.85	0.77
BRC12090	10637N, 15154E	-90 / 0	9 - 42	33	89.2	74.0	0.22	0.40
			76 - 99	23	130.6	107.4	0.39	0.57
BRC12091	10042N, 15150E	-90 / 0	3 - 14	11	203.6	128.5	1.10	1.98
			35 - 42	7	56.4	46.3	0.22	0.20
			51 - 79	28	111.7	94.8	0.21	0.48
BRC12093	9895N, 15157E	-90 / 0	27 - 56	29	42.8	37.3	0.07	0.15
BRC12094	9845N, 15159E	-90 / 0	22 - 37	15	27.2	21.7	0.07	0.15
BRC12095	9797N, 15158E	-90 / 0	6 - 24	18	72.7	68.5	0.06	0.11
			31 - 76	45	100.4	96.1	0.06	0.12
BRC12096	9739N, 15152E	-90 / 0	18 - 28	10	113.1	102.3	0.12	0.31
BRC12097	9987N, 15160E	-90 / 0	50 - 63	13	27.9	26.0	0.05	0.03
BRC12098	10184N, 15185E	-80 / 280	5 - 25	20	48.9	30.6	0.40	0.37
			33 - 56	23	90.6	58.9	0.33	0.96
			65 - 71	6	73.4	28.2	1.13	0.78
			95 - 105	10	26.3	7.1	0.35	0.44
			201 - 208	7	54.5	14.0	0.75	0.93
BRC12099	9991N, 14879E	-90 / 0	3 - 18	15	145.8	132.4	0.19	0.35
BRC12102	9798N, 14700E	-90 / 0	80 - 88	8	62.4	0.3	0.16	2.30
BRC12104	10094N, 14838E	-90 / 0	31 - 50	19	41.2	19.3	0.08	0.79
BRC12105	10101N, 14897E	-90 / 0	11 - 20	9	100.1	77.6	0.15	0.75
			47 - 53	6	116.0	112.5	0.06	0.09
BRC12111	9700N, 15150E	-90 / 0	20 - 27	7	40.1	39.3	0.01	0.02

1. Rounding of numbers may generate rounding errors. 2. 40g/t AgEq, 5m maximum internal dilution and Interval is >/=5m. 8. Figures in italics are the results of drilling conducted in the June quarter (unavailable at the time of the June quarter release).

The following notes refer to metal equivalence calculations referred to in the 'Kingsgate Summary Mineral Resource and Ore Reserve Statement':
*#1. Nueva Esperanza silver equivalent: AgEq (g/t) = Ag (g/t) + Au (g/t) x EQa. Gold Equivalent: AuEq (g/t) = Au (g/t) + Ag (g/t)/EQa. EQa = (price gold * recovery gold) / (price silver * recovery silver). Calculated from prices of US$1250/oz Au and US$30/oz Ag, and metallurgical recoveries of 85% Au and 78% Ag estimated from test work by Kingsgate and Laguna. #2. Bowdens silver equivalent: AgEq (g/t) = Ag (g/t) + 22.4 x Pb (%) + 25.5 x Zn (%). Calculated from prices of US$28/oz Ag, US$2200/t Pb, US$2200/t Zn and metallurgical recoveries of 81% Ag, 73% Pb and 83% Zn estimated from test work by Silver Standard. #3. Bowdens gold equivalent: AuEq (g/t) = AgEq (g/t) / EQb. EQb = (gold price / silver price). Calculated from prices of US$1250/oz Au, US$28/oz Ag and assuming consistent metallurgical recoveries for silver of 81%. 4#. Chatree gold equivalent: AuEq/t = Au (g/t) + Ag (g/t) / EQa. EQa see #1 above. Calculated from prices of US$1400/oz Au and US$26/oz Ag and metallurgical recoveries of 85% Au and 50% silver based on metallurgical test work and plant performance. #5. Cut-off grade for Chatree is 0.3g/t Au; Nueva Esperanza is 0.5g/t AuEq; Bowdens is 30g/t AgEq. #6. In the company's opinion, the silver and gold included in the metal equivalent calculations have a reasonable potential to be recovered.*

Kingsgate Consolidated Limited

Board of Directors

Ross Smyth-Kirk
Chairman

Gavin Thomas
Managing Director and Chief Executive Officer

Peter Alexander
Non-Executive Director

Craig Carracher
Non-Executive Director

Peter McAleer
Non-Executive Director

Company Secretary

Ross Coyle

Senior Management Team

Duane Woodbury
Chief Financial Officer

Tim Benfield
Chief Operating Officer

Ross Coyle
General Manager Finance and Administration

Joel Forwood
General Manager Corporate & Markets

Ron James
General Manager, Exploration & Resources Development

Phil MacIntyre
Chief Operating Officer & General Manager,
Akara Mining Limited

Pakorn Sukhum
Chief Executive Officer, Akara Mining Limited

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Exchange Listing

ASX:KCN

Quarterly Share Price Activity

Quarter	High	Low	Last
June 2006	$6.80	$3.74	$5.14
September 2006	$5.39	$4.15	$4.59
December 2006	$4.65	$3.65	$4.20
March 2007	$4.94	$3.47	$4.75
June 2007	$6.06	$4.57	$5.55
September 2007	$5.70	$4.06	$5.37
December 2007	$5.74	$3.87	$4.65
March 2008	$5.41	$3.34	$4.40
June 2008	$5.69	$3.69	$5.23
September 2008	$6.30	$3.78	$4.64
December 2008	$4.85	$2.20	$3.54
March 2009	$5.38	$3.20	$5.22
June 2009	$7.11	$4.93	$6.70
September 2009	$8.39	$6.26	$8.14
December 2009	$10.30	$7.30	$9.21
March 2010	$10.00	$8.30	$8.51
June 2010	$10.86	$8.14	$9.47
September 2010	$12.22	$9.18	$11.60
December 2010	$12.15	$10.00	$10.88
March 2011	$10.81	$7.45	$8.69
June 2011	$9.06	$7.08	$8.00
September 2011	$9.39	$6.73	$7.18
December 2011	$7.97	$5.69	$5.70
March 2012	$8.04	$5.99	$6.40
June 2012	$5.91	$4.85	$4.85
September 2012	$6.12	$3.95	$6.04

Share Registry

Security Transfer Registrars Pty Ltd

770 Canning Highway, Applecross, WA 6153 Australia.
PO Box 535, Applecross, WA 6953 Australia.
Phone: (61 8) 9315 2333 Facsimile: (61 8) 9315 2233
Email: registrar@securitytransfer.com.au
Please direct all shareholding enquiries to the share registry.

Issued Share Capital

Kingsgate has 151,347,122 ordinary shares on issue and 6,229,334 unlisted options.

Competent Persons Statements

In this report, information concerning Thailand operations relates to Exploration Results, Mineral Resources and Ore Reserve estimates based on information compiled by the following Competent Persons: Ron James, Brendan Bradley, Guy Davies, Fiona Davidson 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, 2004 edition) and possess relevant experience in relation to the mineralisation of being reported herein as Exploration Results, Mineral resources and Ore reserves. Each Competent Person has consented to the Public reporting of these statements and the inclusion of the material in the form and context in which it appears.

In this report, the information concerning Challenger operations that relates to Exploration Results, Mineral Resources and Ore Reserves estimates based on information compiled by Paul Androvic, Tim Benfield, Tony Poustie and Andrew Giles who are full-time employees of the Kingsgate Group. Paul Androvic, Tim Benfield and Tony Poustie are members of The Australasian Institute of Mining and Metallurgy and Andrew Giles is a member of the Australian Institute of Geoscientists. These persons have sufficient experience that is relevant to the mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Tony Poustie and Andrew Giles consent to the inclusion in the report of the matters based on their information in the form in which it appears.

The information in this report that relates to Bowdens and Nueva Esperanza Mineral Resource estimation is based on work completed by Jonathon Abbott who is a full-time employee of MPR Geological Consultants and a member of the Australasian Institute of Geoscientists. Mr Abbott has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Abbott consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to data quality, comments on the resource estimates and economic potential of the estimated resources for Bowdens and Laguna Nueva Esperanza is based on information compiled by Ron James who is a member of the Australasian Institute of Mining and Metallurgy. Mr James has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.