



# Kingsgate

Consolidated Limited

ABN 42 000 837 472

26 July 2004

**Via ASX Online  
(14 pages including cover letter)**

FOR PUBLIC RELEASE

The Manager  
Announcements  
Company Announcements Office  
Australian Stock Exchange Limited

Dear Sir/Madam

## **Quarterly Report Ended 30 June 2004**

We enclose the Quarterly Report on activities for three (3) months to 30 June 2004.

KINGSGATE CONSOLIDATED LIMITED

**STEVE REID**  
Managing Director and CEO

**SUMMARY OF ACTIVITIES FOR THE QUARTER**

**PRODUCTION**

- Gold production at Kingsgate's Chatree Gold Mine in Thailand was a record **51,979 ounces** for the June quarter. Production for the full year was **149,979 ounces**.
- Total cash cost of production was **US\$135 per ounce** for the year including US\$136 per ounce for the June quarter.
- Plant feed grades increased as a result of ore mined from the high grade "P Pit".
- The expanded plant maintained design throughput of 1.8 million tonnes per annum after reducing process plant throughput to maintain gold recovery in the high grade ore.
- Mineral inventories at 30 June 2004 increased over those from the previous year:
  - Total Ore reserves were 1.08 million ounces of gold;
  - Mineral Resources were 1.80 million ounces of gold.

**EXPLORATION**

- Numerous new discoveries were made both around the Chatree Mine and regionally:
  - S Prospect southwest of D Pit on the mining lease and near the process plant has high grade, near surface intersections;
  - M Prospect lying under cover 2 kilometres northwest of the mine is associated with a distinct resistivity anomaly with several high grade intersections;
  - At R Prospect, 2 kilometres southeast of the mine, drilling suggests economic grades of mineralization close to surface;
  - A completely new style of mineralization has been encountered at N Prospect 2.5km south of the mine with highly anomalous copper mineralization hosted in a quartz stockwork within a porphyry intrusive;
  - Drilling at Q Prospect indicates the mineralization extends at least 1,200m along strike and is open below 200m. A second zone of mineralization has been identified at Q Prospect, parallel to and east of the original discovery.
- The accelerated exploration program is now fully resourced and operational:
  - High resolution IP/resistivity is being used to identify potential targets;
  - Soil geochemistry and mapping has identified new regional prospects for evaluation;
  - Stream sediment sampling has identified additional anomalies for follow up;
  - A 2,000 km<sup>2</sup> airborne geophysical survey was completed during June;
  - Regional exploration has identified several new gold prospects.

**SUMMARY OF ACTIVITIES FOR THE QUARTER (cont.)**

**CORPORATE**

- The interim dividend of **10 cents per share** was paid to shareholders on the 2<sup>nd</sup> April 2004:
  - Approximately \$0.9 million (11%) of the total amount payable of \$8.5 million was satisfied through the issue of new shares under the Dividend Reinvestment Plan.
- A Free Trade Agreement was signed between Australia and Thailand, permitting Australian companies to own up to 60% of Thai mining ventures.
- The group was in a net cash position of US\$41.2 million at 30 June 2004 with no debt.

Steve Reid  
Managing Director & CEO  
26 July 2004

## PRODUCTION

Gold production at Chatree for the June quarter was a record for the operation at just under 52,000 ounces of gold. This reflects the higher plant throughput following the upgrade in December 2003 and improved ore grades, particularly from the P pit.

Chatree Mine	Units	June 2004 Quarter	Total 2003/04 Year
Waste mined	BCM	1,192,847	4,443,797
Ore mined	BCM	229,802	801,395
Waste:ore ratio		5.2	5.5
Ore mined	Tonnes	549,216	1,946,413
Ore treated	Tonnes	446,926	1,670,854
Head grade	Au g/t	3.8	3.1
	Ag g/t	17.7	15.0
Gold recovery	%	93.4	91.2
<b>Gold poured</b>	<b>Ounces</b>	<b>51,979</b>	<b>149,979</b>
Silver poured	Ounces	104,812	395,346

During the quarter, ore was sourced from C, H South, D and P pits. Excavation to the new mine plan progressed well with the stage one cutback on the western wall and development of new haulage and waste dump access.

The head grade treated in the plant increased as a result of the high grades encountered in P pit. The third lift on the Tailing Storage Facility was completed during the quarter.

After reducing process plant throughput to maintain gold recovery in the high grade ore, the expanded plant maintained design throughput of 1.8 million tonnes per annum. A water bore drilling program to increase the water supply is in progress.

## PRODUCTION COSTS

Cost Category *	June 2004 Quarter US\$/oz Gold Produced	2003/04 Year US\$/oz Gold Produced
Direct mining expense	136	137
Refining and transport	1	2
By product credit	(11)	(14)
<b>Cash Operating Cost</b>	<b>126</b>	<b>125</b>
Royalty	10	10
<b>Total Cash Cost</b>	<b>136</b>	<b>135</b>
Depreciation/Amortisation	38	54
<b>Total Production Cost</b>	<b>174</b>	<b>189</b>

Total Cash Costs reduced as expected, as higher ore grades in P pit were mined and treated. Non-cash charges were lower as a consequence of adjusting for the June ore reserves.

Chatree continues to be one of the world's lowest cost producers of gold with Total Cash Costs for the year of US\$135 per ounce produced. Cash costs are expected to increase as the waste to ore strip ratio increases.

*Kingsgate reports unit costs in accordance with the Gold Institute Standard. Silver is accounted for as a by-product at Chatree whereby revenues from silver are deducted from operating costs in the calculation of cash costs per ounce.*

*The Total Cash Cost of future production at Chatree will fluctuate due to changing grade, throughput, strip ratio and recovery outcomes.*

## SAFETY AND ENVIRONMENT

The company's excellent safety and environmental record continued during the June quarter with no Lost Time Injuries (LTI) incurred at the Chatree operation. Over 1.8 million man-hours have been worked at Chatree since the last and only LTI. There was one LTI incurred in the exploration division as a consequence of a motor vehicle accident.

There were no environmental incidents in the group during the quarter.

## MINERAL RESOURCES AND ORE RESERVES

Mineral inventories at 30 June 2004 increased over those from the previous year:

- Mineral Resources were 33 million tonnes at an average grade of 1.7 g/tAu, containing over **1.8 million ounces** of gold;
- Ore Reserves were 17.4 million tonnes at 1.9 g/tAu, containing **1.08 million ounces** of gold.

*Details are contained in Schedule C attached.*

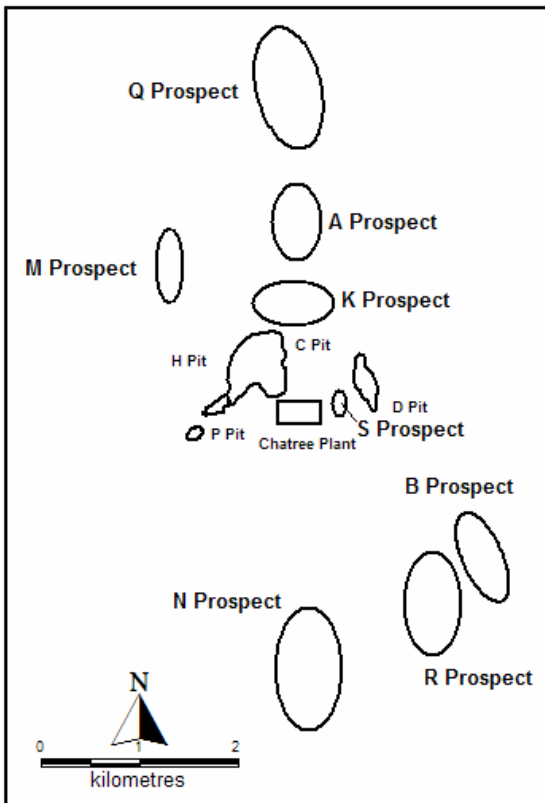
## FORECAST

Production for the year to 30 June 2005 is expected to meet or exceed that of 2003/04 with operating costs rising in line with an increasing stripping ratio.

- There is a high probability that mining of additional on-lease discoveries will favourably impact this estimate.

## EXPLORATION

Several new discoveries were made during the quarter.



The acquisition of high resolution IP/resistivity data over the mine area has resulted in the delineation of the main structural controls on mineralization and has revealed covered extensions to existing structures as well as new targets for drill testing. This survey led directly to the discovery of mineralization at Prospect Q, some 3 kilometres north of the Chatree plant and 500 metres north of the Prospect A mineralization. This mineralization has now been traced for 1,200 metres along strike and 200 metres down dip.

New discoveries have also been made at M Prospect north west of the mine, R Prospect to the south east, S Prospect near the process plant and N Prospect to the south utilising new understanding of the geology of the Chatree deposit and the geophysical data.

The discovery of P Prospect during the quarter, a zone of extremely high grade gold mineralization along the trend of the H orebody to the south, has also strengthened the observations that the mineralization at Chatree can contain bonanza grades over economic dimensions.

## Q PROSPECT

Drilling continues to confirm the extent and continuity of mineralization at Q Prospect. Mineralization is of a different style to that currently being mined to the south and exploration is ongoing to develop a resource in this area.

Significant intersections have been encountered to the north, centre and east of the prospect and include:

<b>Hole Number</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval *</b>	<b>Gold (g/t)</b>
2317	90	103	13	18.00
2313	30	37	7	16.90
2465	122	129	7	12.70
2273	53	63	10	5.78

*\* Intersections may not be true thickness.*

Current interpretations suggest that the mineralization may be forming distinct high grade zones or shoots and the geophysical data suggests the presence of more than one north - south trending zone within the prospect.

Indications are that the prospect may extent further to the north than originally expected.

## K PROSPECT

Drilling between C/D Pits and A Prospect continues to intersect patchy but locally economic grades of gold mineralization at K Prospect.

Significant intersections encountered in the western part of K during the quarter included:

<b>Hole Number</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval *</b>	<b>Gold (g/t)</b>
2479	45	55	10	1.86
2481	191	197	6	2.93
Incl.	195	196	1	12.20
2393	155	163	8	4.97

*\* Intersections may not be true thickness.*

## M PROSPECT

Drilling of a strong IP anomaly at M Prospect has intersected high grade gold mineralization which is currently being investigated by further drilling. Significant intersections include:

<b>Hole Number</b>	<b>From (m)</b>	<b>To (m)</b>	<b>Interval *</b>	<b>Gold (g/t)</b>
2377	42	46	4	9.60
2451	7	12	5	4.35

*\* Intersections may not be true thickness.*

## N PROSPECT

A strong chargeability anomaly located to the south of the Chatree Mine was tested by RAB/Aircore drilling and a copper-in-bedrock anomaly has been defined. Reconnaissance RC drilling has confirmed that this is related to stockwork quartz veining within a porphyritic intrusive with considerable thicknesses of anomalous copper grades being intersected. This is a completely new style of mineralization and the copper is not associated with elevated gold grades.

Hole Number	From (m)	To (m)	Interval *	Copper (% Cu)
2410	10	54	44	0.17
2411	12	58	46	0.17
2412	7	60	53	0.17
2413	9	63	54	0.16
2414	12	58	46	0.17
2415	10	48	38	0.13
2416	10	69	59	0.14

\* Intersections may not be true thickness.

## R PROSPECT

Aircore drilling on IP anomalies to the south of B Prospect resulted in the discovery of a consistent gold-in-bedrock anomaly which reconnaissance RC drilling has confirmed is related to economic grades of gold mineralization close to surface. These early indications of mineralization are very encouraging. Significant intersections encountered during the quarter include:

Hole Number	From (m)	To (m)	Interval *	Gold (g/t)
2419	17	26	9	2.14
2432	15	23	8	2.00

\* Intersections may not be true thickness.

## S PROSPECT

S Prospect is located on the mining lease, near the process plant and immediately to the southwest of the mineralization being mined at D Pit. This newly discovered zone of mineralization appears to be truncated to the south by a dyke but remains open to the north along strike and down dip.

Significant intersections encountered during the quarter include:

Hole Number	From (m)	To (m)	Interval *	Gold (g/t)
1629	2	29	27	9.81
1630	42	47	5	12.41
1631	66	72	6	18.74

\* Intersections may not be true thickness.

Infill drilling is planned with a view to early mining of the S Prospect.

## **GEOPHYSICS**

The ground geophysics program was completed during the quarter. Results are proving to be extremely useful in targeting both Air Core and deeper RC drill holes and adding to the understanding of the structures in the area. The numerous discovery successes have highlighted the value of resistivity as an exploration tool at Chatree and it is now being used routinely to site drill holes.

During the quarter two large scale airborne geophysical surveys were flown across the area of Kingsgate/Akara SPLA's. Interpretation of the aeromagnetic/radiometric and TEM data from these surveys is currently underway. The magnetic dataset has revealed the regional scale structural controls on Chatree Mine and on other regional prospects which has facilitated both near mine and regional exploration. The TEM data has already allowed much better definition of regional scale alteration patterns and their relationships to mineralization.

## **REGIONAL EXPLORATION**

Follow up of the regional stream sediment sampling programme has resulted in the identification of several new regional gold and base metal prospects, a number of which are considered to be highly prospective. These are currently being followed up by detailed mapping, trenching, rock chip sampling, RAB/Aircore, RC and diamond drilling.



**CORPORATE****FINANCE**

At 30 June 2004, the group had net cash on hand of US\$41.2 million, of which A\$45.7 million is denominated in Australian dollars. The company also has in place a revolving credit facility for US\$32 million, with 4 banks participating. The entire facility was available at 30 June 2004.

The interim dividend of 10 cents per share was paid to shareholders on the 2<sup>nd</sup> April 2004. The dividend amounted to \$8.5 million and \$0.9 million was paid by means of 275,707 shares issued in accordance with the Dividend Reinvestment Plan.

A Free Trade Agreement (FTA) negotiated between Australia and Thailand includes provision for Australian companies to own up to 60% of mining ventures. It is not possible to predict at this stage if this will have any positive impact upon Kingsgate's current Board of Investment approvals. The FTA was signed in July 2004 by the respective governments during a meeting in Canberra attended by the Thai Prime Minister, Dr Thaksin Shinawatra.

Category	Units	June 2004 Quarter	2003/04 Year
Average prevailing spot gold price	US\$/oz	386	390
Average gold price received	US\$/oz	378	385
Gold sold	Ounces	<b>51,979</b>	<b>149,979</b>
Silver sold	Ounces	104,812	395,346
Revenue from metal sales	US\$M	20.3	60.0

**GOLD HEDGE POSITION**

The average gold price received by Kingsgate for the June quarter was US\$378 per ounce, compared with an average spot price of US\$386 per ounce. Deliveries were made to 15,000 ounces of US\$ calls at approximately US\$359 per ounce during the quarter.

Hedge commitments outstanding at 30 June 2004 were 330,300 ounces compared with 337,100 ounces at 31 March 2004. The entire hedge program is illustrated in Schedule B attached. The Kingsgate Group had no foreign exchange currency hedging in place at the date of this report.

There was a negative mark to market valuation of US\$20.7 million for the hedge book based on a spot price of US\$393.1 and an exchange rate of US\$0.6893 on 30 June 2004.

The Group is not exposed to any margin calls from hedge counterparties. In the event that the spot gold price is below US\$300 or AU\$570, a proportion of production can be delivered to US\$ and AU\$ puts. The company is constantly reviewing the hedge book with a view to reducing commitments, while preserving a degree of price protection.

For further information contact the undersigned or visit our website at [www.kingsgate.com.au](http://www.kingsgate.com.au).

**STEVE REID**

Managing Director & CEO  
Kingsgate Consolidated Limited

*Information in this report that relates to geology, drilling, mineralization and Mineral Resource estimates is based on information compiled by Marcus Tomkinson, Ron James and Mike Garman, employees of the Kingsgate Group, and N Johnson of Hellman & Schofield who are Competent Persons under the meaning of the JORC Code with respect to the mineralization being reported on. All have given their consent to the Public Reporting of these statements concerning geology, drilling and mineralization.*

**SUPPLEMENTARY INFORMATION - A**

Drill Intersections greater than 10 gram metres obtained during the June quarter included:

<b>Q Prospect</b>									
Hole No.	Easting (mE)	Northing (mN)	Azimuth UTM	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)
2317	676295	1805450	90	55	118	90	103	13	18.00
2473	676351	1805432	90	55	114	97	99	2	9.48
2469	676365	1805279	90	55	84	45	52	7	2.19
					incl.	45	47	2	5.10
2313	676380	1805275	90	55	120	30	37	7	16.90
2466	676475	1804725	90	55	189	114	135	21	1.21
2340	676479	1804700	90	65	175	56	69	13	1.66
						77	82	5	2.03
						116	119	3	3.30
2465	676453	1804700	90	55	180	122	129	7	12.70
2333	676500	1804650	90	55	188	74	81	7	3.59
						116	118	2	1.96
						119	122	3	1.68
						128	132	4	4.91
2365	676475	1804650	90	55	200	88	101	13	1.79
2366	676450	1804650	90	55	186	91	102	11	2.08
						108	111	3	8.78
2273	676538	1804600	90	55	152	53	63	10	5.78
2331	676512	1804600	90	55	168	72	83	11	2.56
						99	105	6	1.51
2363	676485	1804600	90	55	162	87	108	21	1.82
2464	676550	1804575	90	55	132	47	54	7	1.75
2474	676475	1804575	90	55	168	98	106	8	1.52
2330	676525	1804550	90	55	186	146	154	8	4.22
2356	676425	1804525	90	55	180	43	45	2	6.84
2276	676402	1804497	90	55	200	80	88	8	3.82
2338	677000	1804700	90	55	102	66	72	6	2.28

<b>K Prospect</b>									
Hole No.	Easting (mE)	Northing (mN)	Azimuth UTM	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)
2479	676380	1802530	90	55	126	45	55	10	1.86
2481	676280	1802530	90	55	198	191	197	6	2.93
					incl.	195	196	1	12.20
2393	676315	1802455	90	55	84	155	163	8	4.97

<b>M Prospect</b>									
Hole No.	Easting (mE)	Northing (mN)	Azimuth UTM	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)
2377	675125	1802900	90	55	57	42	46	4	9.60
2451	675155	1802900	270	55	42	7	12	5	4.35

**Cont: SUPPLEMENTARY INFORMATION - A**

N Prospect									
Hole No.	Easting (mE)	Northing (mN)	Azimuth UTM	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Cu (%)
2410	677332	1799000	90	-55	54	10	54	44	0.17
2411	677312	1799000	90	-55	84	12	58	46	0.17
2412	677372	1799000	270	-55	60	7	60	53	0.17
2413	677171	1799200	90	-55	78	9	63	54	0.16
2414	677191	1799200	90	-55	60	12	58	46	0.17
2415	677211	1799200	90	-55	48	10	48	38	0.13
2416	677255	1799200	270	-55	78	10	69	59	0.14

R Prospect									
Hole No.	Easting (mE)	Northing (mN)	Azimuth UTM	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)
2419	678713	1799375	270	55	50	17	26	9	2.14
2432	678583	1799000	90	55	48	15	23	8	2.00

S Prospect									
Hole No.	Easting (mE)	Northing (mN)	Azimuth UTM	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)
1629	1690	7000	90	-50	54	2	29	27	9.81
1630	1690	6980	90	-50	70	42	47	5	12.41
1631	1690	6960	90	-50	87	66	72	6	18.74
1632	1690	7010	90	-50	34	7	20	13	2.51
1633	1690	6940	90	-50	120	94	99	5	6.22
1590	1715	7000	90	-50	40	8	9	1	13.63
1589	1715	6980	90	-50	78	23	25	2	4.14
1589	1715	6980	90	-50	78	27	29	2	2.02
1588	1715	6960	90	-50	78	61	75	14	3.32
1587	1715	6540	90	-50	100	88	95	7	5.08
1606	1815	7000	90	-50	48	27	35	8	2.11

Gram metres = length of intersection in metres, multiplied by gold grade in grams/tonne.  
 Grades are uncut.  
 Intersections may not be true thickness.  
 Collar co-ordinates may be local grid.

*Information in this report that relates to geology, drilling, mineralization and Mineral Resource estimates is based on information compiled by Marcus Tomkinson, Ron James and Mike Garman, employees of the Kingsgate Group, who are Competent Persons under the meaning of the JORC Code with respect to the mineralization being reported on. All have given their consent to the Public Reporting of these statements concerning geology, drilling and mineralization*

## SUPPLEMENTARY INFORMATION - B

### Gold Hedging Positions as at 30 June 2004

		2004/05	2005/06	2006/07	2007/08	Total
<b>Put Options Purchased</b>						
US\$ denominated	'000 oz	79.0	82.8	73.5		235.3
ENRP (average) <sup>(1)</sup>	US\$/oz	300	304	306		303
AU\$ denominated	'000 oz	32.2	38.5	31.5	14.0	116.2
ENRP (average) <sup>(1)</sup>	AU\$/oz	570	570	570	570	570
<b>Call Options Sold (no barriers)</b>						
US\$ denominated	'000 oz	30.0	11.3	15.0		56.3
Strike price (average)	US\$/oz	310	352	360		332
<b>Call Options Sold (with barriers)</b>						
US\$ denominated	'000 oz	39.0	71.5	58.5		169.0
Strike price (average)	US\$/oz	315	316	317		316
Barriers (average) <sup>(2)</sup>	US\$/oz	300	301	302		301
AU\$ denominated	'000 oz	21.0	38.5	31.5	14.0	105.0
Strike price (average)	AU\$/oz	610	611	614	615	612
Barriers (average) <sup>(2)</sup>	AU\$/oz	550	552	557	560	554
<b>Total Hedged</b>						
	'000 oz	351.5				
<b>Total Committed (no barriers)</b>						
	'000 oz	56.3				
<b>Total Committed (with barriers)</b>						
<sup>(2)</sup>	'000 oz	274.0				
<b>Grand Total (Committed) <sup>(3)</sup></b>						
	'000 oz	330.3				

(1) ENRP (Estimated Net Realisable Price) is after making allowance for gold lease fees. Following a restructure during the quarter, all the A\$ puts and the majority of the US\$ puts have no lease rate exposure. Gold lease fees for 11,250 US\$ puts are fixed funded out to 28 June 2005. Thereafter floating gold lease fees are prepaid at 0.5% on the amortized face value of these put options.

(2) When active the barrier on the call option is triggered by a single trade at or below the respective barrier level, with all associated ounce commitments knocked out. If gold trades below all relevant barriers after 15 March 2005, all of the remaining call options with barriers will be cancelled and the committed ounces with barriers will reduce to zero.

(3) Put options are not committed ounces and do not form part of the Total Committed ounces.

(4) The company is not exposed to any margin calls by counterparty banks in times of higher spot gold prices.

**SUPPLEMENTARY INFORMATION - C****Mineral Resources as at 30 June 2004**

<b>Mineral Resources as at 30 June 2004 (&gt;0.7 g/t Au)</b>						
Source	Category	Tonnes (kt)	Grade		Contained Ounces	
			Gold (g/t)	Silver (g/t)	Gold (g/t)	Silver (g/t)
On Mining Lease <sup>(1)</sup>	Measured	8,027	2.0	9	518,000	2,373,000
	Indicated	6,653	1.7	8	368,000	1,611,000
	Inferred	2,886	1.8	8	166,000	768,000
	<b>Sub-total</b>	<b>17,566</b>	<b>1.9</b>	<b>8</b>	<b>1,052,000</b>	<b>4,752,000</b>
Prospect A	Measured	5,300	1.6	17	274,000	2,871,000
	Indicated	4,300	1.5	15	207,000	2,048,000
	Inferred	3,000	1.5	15	141,000	1,447,000
	<b>Sub-total</b>	<b>12,600</b>	<b>1.6</b>	<b>16</b>	<b>622,000</b>	<b>6,366,000</b>
Prospect K	Measured	0	0	0	0	0
	Indicated	1,347	1.5	8	65,000	347,000
	Inferred	1,507	1.3	9	65,000	445,000
	<b>Sub-total</b>	<b>2,854</b>	<b>1.4</b>	<b>9</b>	<b>130,000</b>	<b>792,000</b>
Overall	Measured	13,327	1.8	12	792,000	5,244,000
	Indicated	12,300	1.6	10	640,000	4,006,000
	Inferred	7,393	1.6	11	372,000	2,660,000
<b>Kingsgate Total</b>	<b>Total</b>	<b>33,020</b>	<b>1.7</b>	<b>11</b>	<b>1,804,000</b>	<b>11,910,000</b>

(1)- Includes C, H, D, HS and P

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**SUPPLEMENTARY INFORMATION - C****Ore Reserves as at 30 June 2004**

<b>Ore Reserves<sup>(1)</sup> as at 30 June 2004 (&gt;0.8 g/t Au)</b>						
Pit Source	Category	Tonnes (kt)	Grade		Contained Ounces	
			Gold (g/t)	Silver (g/t)	Gold (g/t)	Silver (g/t)
Tawan (C/H)	Proved	3,498	2.1	9	232,000	1,028,000
	Probable	4,699	2.4	10	367,000	1,504,000
	<b>Sub-total</b>	<b>8,197</b>	<b>2.3</b>	<b>10</b>	<b>599,000</b>	<b>2,532,000</b>
Chantra (D)	Proved	127	2.0	12	8,000	49,000
	Probable	0	0	0	0	0
	<b>Sub-total</b>	<b>127</b>	<b>2.0</b>	<b>12</b>	<b>8,000</b>	<b>49,000</b>
(A) <sup>(2)</sup>	Proved	4,300	1.8	19	243,000	2,626,000
	Probable	3,100	1.6	17	159,000	1,694,000
	<b>Sub-total</b>	<b>7,400</b>	<b>1.7</b>	<b>18</b>	<b>402,000</b>	<b>4,320,000</b>
(K)	Proved	0	0	0	0	0
	Probable	760	1.6	8	39,000	202,000
	<b>Sub-total</b>	<b>760</b>	<b>1.6</b>	<b>8</b>	<b>39,000</b>	<b>202,000</b>
Total from Pits	Proved	7,925	1.9	15	483,000	3,703,000
	Probable	8,559	2.1	12	565,000	3,400,000
	<b>Total</b>	<b>16,484</b>	<b>2.0</b>	<b>13</b>	<b>1,048,000</b>	<b>7,103,000</b>
Stockpiles		908	1.2	7	34,000	199,000
<b>Kingsgate Total</b>	<b>Total</b>	<b>17,392</b>	<b>1.9</b>	<b>13</b>	<b>1,082,000</b>	<b>7,302,000</b>

(1) Pit Designs optimised at US\$330/oz

(2) 0.7 g/t cut-off grade

*Information in this report that relates to geology, drilling, mineralization and Mineral Resource estimates is based on information compiled by Marcus Tomkinson, Ron James and Mike Garman, employees of the Kingsgate Group, and N Johnson of Hellman & Schofield who are Competent Persons under the meaning of the JORC Code with respect to the mineralization being reported on. All have given their consent to the Public Reporting of these statements concerning geology, drilling and mineralization*