



# Kingsgate

Consolidated Limited

ABN 42 000 837 472

24 January 2006

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

**FOR PUBLIC RELEASE**

Manager, Company Announcements  
Australian Stock Exchange Limited  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sir,

## **Quarterly Report Ended 31 December 2005**

We enclose the Quarterly Report on activities for three (3) months for the period ended 31 December 2005.

KINGSGATE CONSOLIDATED LIMITED

**JOHN FALCONER**  
Company Secretary



**Kingsgate**  
Consolidated Limited

# QUARTERLY REPORT

For the three months ended  
31 December 2005

## SUMMARY OF ACTIVITIES

### Quarter Production

#### Gold Produced:

December 2005:	40,094 ozs
September 2005:	34,011 ozs
December 2004:	29,649 ozs

#### Cash Operating Cost:

December 2005:	US\$174/oz
September 2005:	US\$175/oz
December 2004:	US\$214/oz

#### Average Gold Price Received:

December 2005:	US\$343 /oz
September 2005:	US\$355 /oz
December 2004:	US\$396/oz

#### Average Spot Gold Price

December 2005:	US\$481/oz
September 2005:	US\$439 /oz
December 2004:	US\$435/oz

### Securities

As at 31 December 2005

Ordinary shares:	85,712,516
Unlisted options:	3,470,000

**GAVIN THOMAS**  
CEO  
24 January 2006

### KEY POINTS

- **US\$174/oz Cash Operating Costs, down 18% on Dec'04**
- **Gold production 40,094 ozs, up 35% on Dec'04\***
- **Reserves increased 25% in Nov'05\***
- **Forecast 2005-06 gold production of at least 145-150,000oz**
- **Excellent exploration results below Chatree open pit**
- **Increased throughput rate expected in June half'06**
- **Plant expansion feasibility study underway**

### OVERVIEW

#### Chatree Gold Mine

- Quarterly gold production increased to 40,094 ounces, due to higher gold grades\*.
- Cash operating costs maintained at US\$174/oz for the quarter, down 18% on Dec'04. The December half year cash costs were US\$175/oz.
- Average gold grade treated was 2.8 g/t gold, above forecast 2.4 g/t.
- World class safety result reached of four million hours without a lost time incident\*.
- Pebble crusher under final commissioning for a 25% increase in throughput to 2.3mtpa. Annualised throughput rate of 2mtpa for quarter is second best ever.

#### Development

- Ore Reserves at Chatree and Chatree North at 30 September 2005 increased 25% to 1.84 million ozs gold and 16.6 million ozs silver. Mineral Resources increased 8% to 3.2 million ozs gold and 26 million ozs silver.\*
- Permitting discussions for the Chatree North area continue at an advanced stage.
- Feasibility study underway for plant expansion, considering doubling production to 5mtpa. Ausenco is scheduled to complete study by the end of March quarter'06.

#### Exploration

- Drilling under current C pit shows down-dip extensions of high grade zones, including 17m @ 7.4 g/t gold, that was previously thought to pinch out.\* Also significant gold intercepts in H pit include 6m @ 4.8 g/t, 2m @ 12.2 g/t, 14m @ 3.25 g/t & 4m @ 8.01 g/t.
- Discovery costs continue to be one of the world's lowest, with additional gold reserves costing US\$12 per ounce since mid-2004.
- New gold zones were located immediately west of Pit H (J prospect including 6m @ 10.4 g/t & 30m @ 2.5 g/t) and north of Pit C (K central prospect including 7m @ 6 g/t gold).
- New Singto prospect drilled 17km from mine with 5m @ 13.2 g/t gold near surface.

#### Corporate

- Share buyback active and 106,644 shares purchased at an average of \$3.78/sh.
- Total cash on hand A\$16.7 million (US\$12.2 million).

(\* previously reported)

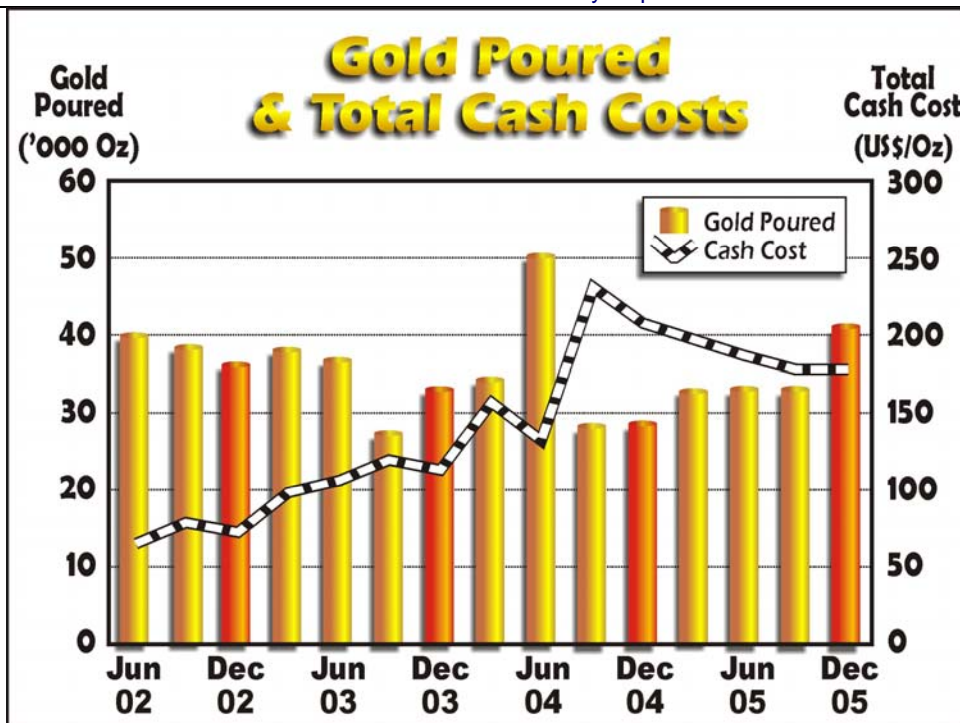


Figure 1: Quarterly gold production & cash operating costs - Chatree mine

## CHATREE GOLD MINE

### PRODUCTION COSTS

Total Cash Costs were maintained at a competitive US\$174 per ounce for the December quarter as a result of higher head grades maintained above budget. Total Production costs were US\$201 per ounce for the quarter.

Total cash costs and total production costs remained in the lowest quartile of global gold producers 2005 cash costs (Source: *Global Mining Research*). Costs are maintained by low cost grid power; few expatriates and a “Buy Thai” policy of sourcing items locally.

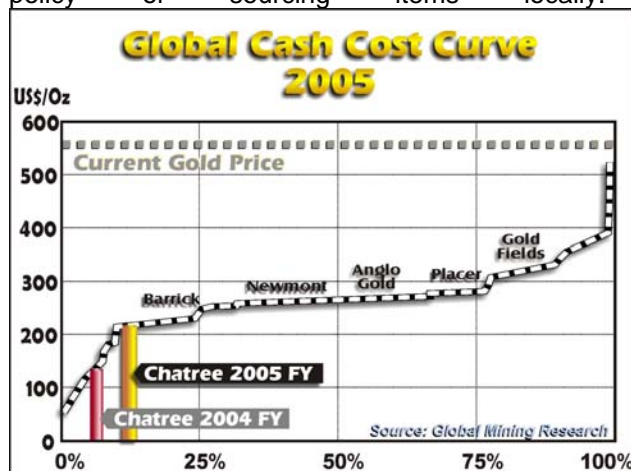


Figure 2: Lowest quartile cash cost producer

Cost Category * * Gold Institute Revised Standard for Reporting Production Costs.	Dec 05 Quarter US\$/oz Gold Produced	Sept 05 Quarter US\$/oz Gold Produced	Dec 04 Quarter US\$/oz Gold Produced
Direct mining expense	183	182	219
Refining and transport	2	2	2
By product credit	(24)	(19)	(17)
<b>Cash Operating Cost</b>	<b>161</b>	<b>165</b>	<b>204</b>
Royalty	13	10	10
<b>Total Cash Cost</b>	<b>174</b>	<b>175</b>	<b>214</b>
Depreciation/Amortisation	27	55	51
<b>Total Production Cost</b>	<b>201</b>	<b>230</b>	<b>265</b>

*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. Depreciation rates changed in the quarter due to an increased Ore Reserve base.*

The depreciation charge has reduced due to higher reserves, but this is unaudited.

### OPERATIONAL PERFORMANCE

Production at Chatree for the December quarter was 40,094 ounces of gold. This level of production is the highest quarter for 18 months and the second highest quarter since 2002. This was mainly due to an improved head grade, similar to the September quarter with some gold in circuit also removed. The gold grade is expected to return to a Life-of Mine average in the June half.



**Figure 3: Quarterly total production costs (Cash Costs + Depreciation & Amortisation)**

*Company receives less than spot price.*

Plant throughput was the second highest ever at an annualised rate of 2.0mtpa, due to plant optimisation. The final commissioning of the pebble crusher is underway, with a shutdown in late January to install a direct feed conveyor and improved screens. This should enable the plant throughput rate to be increased to over 2.3 Mtpa once fully commissioned. Harder ore from the deeper portions of the Chatree pit may limit the throughput rate, but this may be balanced by the near surface ore from the new mining lease at Chatree North.

Ore was sourced principally from C and H pits. Overall mining volumes continue to be affected by reduced availability of trucks due to maintenance as well as increased in-pit blast hole drilling due to increasing hardness at depth.

Cutbacks are underway in H and P west pits. Small slips in C (ramp) & H west pits have been managed, with most waste from slips and cutbacks used in the ongoing foundation works in the Tailings Storage Facility. This increased the strip ratio to 9.0 but is expected to return to around 7 during the June half. A cutback is being considered in C South pit due to recent high grade drill intercepts immediately below the pit floor.

Cost pressures are expected in the June half which include extra haulage costs for the mining of the new mining lease in Chatree North, plus industry wide cost rises in cyanide and explosives.

### **SAFETY AND ENVIRONMENT**

The company has an excellent safety and environmental record with the milestone 4 million man-hours worked at Chatree without an LTI reached in early November. No Lost Time Injuries (LTI) were incurred at the Chatree mine or in exploration during the quarter. The group had no reportable environmental incidents and remains in compliance with its environmental requirements.

Chatree Mine	Units	Dec 05 Quarter	Dec 04 Quarter	Sept 05 Quarter
Waste mined	bcm	1,510,538	1,152,580	1,300,432
Ore mined	bcm	168,600	141,461	197,582
Waste:ore ratio		9.0	8.1	6.6
Ore mined	tonnes	446,287	264,906	524,337#
Ore treated	tonnes	498,480	442,393	413,660
Head grade	Au g/t	2.8	2.3	2.8
	Ag g/t	17.0	11.7	19.0
Gold recovery	%	90.9	90.5	91.2
<b>Gold poured</b>	<b>ounces</b>	<b>40,094</b>	<b>29,649</b>	<b>34,011</b>
Silver poured	ounces	131,517	83,665	118,691
				#Revised

### **COMMUNITY**

The company has funded and opened a second school in a nearby village during January. This continues Kingsgate's aim to deliver benefits directly to the local communities in which it operates.

### **FORECAST**

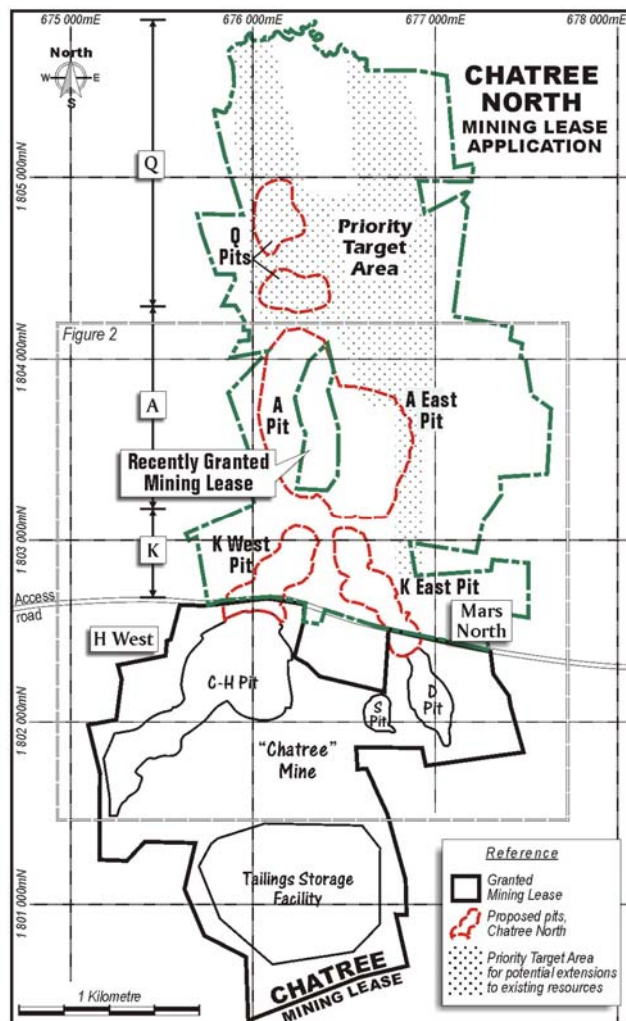
**Company remains on track to meet forecast production for the year to 30 June 2006 of 145,000 to 150,000 ounces of gold, and may exceed this range. Forecast average cash costs for 2005/2006 remain at US\$200-220/oz of gold, but are trending towards the lower end of the range.**

## **DEVELOPMENT - CHATREE NORTH**

Surface works continued on the newly granted mining lease with mine grade control drilling to commence in late January. Production will commence during the March quarter, which represents a significant milestone in the development of the full Chatree North area. Continued progress on the Chatree North Mining Lease applications occurred during the December quarter.

An Interim Mineral Resources and Ore Reserves statement for the company as at 30 September 2005 was released during November. The statement confirms that there are over 3.2 million ounces of gold in Mineral Resources, of which 1.84 million ounces are in Ore Reserves. Of these, the Chatree North area holds over two million ounces of resources and one million ounces of reserves. These reserves have been calculated using a US\$375/oz gold price and potential exists to adjust these as the industry increases its confidence in higher gold prices.





**Figure 4: Chatree mine with new mining lease and proposed pits at Chatree North**

Infill drilling continued to increase the upside potential of the resources in the Chatree North area around A and A East. Currently there are over 50 million tonnes of resources contained in the Chatree and Chatree North area. It is anticipated that geological resources will continue to be rapidly and materially increased. The current plant size is likely to require upgrading to treat the available ore in the most economical fashion.

Ausenco has been commissioned to complete a feasibility study into increasing the plant throughput rate to 5 million tonnes per year. The report is scheduled to be complete by the end of the March quarter. The objective of the report is to deliver a Lump Sum Turn-key amount for the expansion based on an open book approach, which can be independently reviewed. If agreement cannot be reached, then Kingsgate may proceed on an EPCM basis. While the ultimate size of the increased throughput rate is yet to be fully defined, the plant expansion being studied is around 5mtpa, which would be capable of doubling production to over 300,000 ozs per year.

## EXPLORATION

For much of the quarter, drill rigs were returned to the main Chatree mining lease to focus on poorly tested targets around and beneath the current pits. Substantial drill intercepts of ore grade gold were returned from drilling beneath C and H pits, which will probably deepen the currently planned final pit profile.

New targets were defined just west of the Chatree mine at J prospect and immediately north of the mine between K East and K West.

The focus on resource/reserve development in the Chatree North area continued in October in the new mining lease at proposed Pit A with drilling in the Chatree pits in Nov-Dec.

Regional exploration continues to discover new prospects with the Singto prospect displaying good grades from near surface. This prospect is located in another mineralised system to Chatree, 17 kilometres from the mine.

In South America, Kingsgate has been exploring recently granted tenements in Peru and Chile and established an office in Argentina. A number of submittals are being reviewed.

### CHATREE MINE INTERIM MINERAL RESOURCES AND ORE RESERVES AT 30 SEPTEMBER 2005

During the quarter the Company released its Interim Mineral Resource and Ore Reserve Statements as at 30 September 2005. These disclose Ore Reserves containing over 29 million tonnes at a grade of 1.9 g/t Au for over 1.8 million ounces of gold. This is within a Mineral Resource of over 52 million tonnes at 1.9 g/t Au for over 3.2 million ounces of gold. The details are contained in Appendix B.

These estimates represent interim reserve/resource calculations, using information as at 30 September 2005, as part of a large, ongoing exploration drilling program involving all eight available drill rigs. The interim reserve and resource estimate includes upgrades from Sections A, A East and Q at Chatree North, all of which remain open along strike and at depth and are all being actively drilled. The revised reserve estimates do not include any of the recent high grade zones recently located east of A East.

In addition to the Proved and Probable Ore Reserves, there is over 100,000 ounces of gold in the Inferred Resource category contained within the Chatree pits which has a high probability of being converted to ore reserves in the near future.

**CHATREE MINE****C South Pit:**

In-pit resource development drilling has identified significant high grade gold mineralization on the C South lode beneath the current limits of the main open pit. Further drilling is continuing to test the down dip and strike extent of this high grade structure with a view to assess the cut-back or underground mining potential of this mineralisation. Recently reported significant intersections in C South include (holes collared from the pit floor):

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
5168RC	54.00	63.00	9.00	7.54 #
and	68.00	76.00	8.00	9.00 #
5173RC	40.00	43.00	3.00	4.69 #
and	72.00	89.00	17.00	7.36 #

\*Intersections may not be true width #Previously reported

**H West Pit:**

Resource development drilling on the H West structure was undertaken during the quarter and continues to produce very encouraging results. Significant intersections in H West include:

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
5201RC	54.00	56.00	2.00	7.44
and	118.00	131.00	13.00	1.73
5217RC	90.00	94.00	4.00	8.01
and	143.00	153.00	10.00	2.56
5100RD	79.00	93.00	14.00	3.25
and	99.00	105.00	6.00	1.80
5218RC	65.00	71.00	6.00	4.81
and	83.00	89.00	6.00	2.73
5139RD	70.00	71.00	1.00	11.20
and	78.00	83.00	5.00	4.66
5110RD	91.00	93.20	2.20	12.27
5098RD	85.00	89.00	4.00	4.15
and	95.00	98.00	3.00	3.78

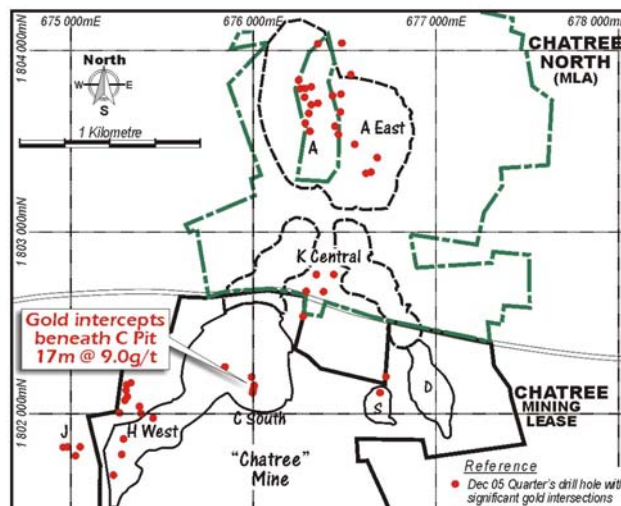
\*Intersections may not be true width

**J Project:**

Limited infill drilling was undertaken on J Prospect about 250m west of the H West Zone. Results received were encouraging with good grade mineralization being intersected from surface. Significant intersections in J Prospect include:

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
5258RC	42.00	50.00	8.00	1.74
5260RC	0.00	7.00	7.00	6.50
5257RC	3.00	9.00	6.00	10.42

\*Intersections may not be true width



**Figure 5: Location of drillholes with significant gold intersections during the Dec'05 quarter.**

**S Pit:**

Limited drilling to the north of S Pit produced encouraging results. Further drilling is required to determine the extent of this mineralization. Significant intersections in S Prospect include:

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
5180RD	84.50	90.00	5.50	2.44
5179RC	13.00	32.00	19.00	1.63

\*Intersections may not be true width

**CHATREE NORTH****A Pit:**

Infill and extension drilling continued on the main A Pit area. The aim was to increase the confidence in the 30 June 2005 resource estimate with infill drilling, which upgraded much of the Inferred resources near the bottom of the pit to Indicated or Measured category. Results below were included in the latest mineral resource upgrade but have not been reported individually. Significant intersections from A drilling include:

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
5083RD	81.00	83.50	2.50	4.36
and	141.00	145.50	4.50	5.30
5085RC	25.00	32.00	7.00	3.62
and	36.00	44.00	8.00	1.24
and	53.00	59.00	6.00	3.03
and	79.00	82.00	3.00	3.82
5097RC	2.00	7.00	5.00	3.89
and	15.00	24.00	9.00	1.59
and	56.00	71.00	15.00	2.43
5095RC	23.00	32.00	9.00	5.17

\*Intersections may not be true width

**A East Zone:**

Infill drilling was also concentrated in the A East Zone, which upgraded and extended mineral resources. Results below were included in the latest resource upgrade but have not been reported individually. Significant intersections from A East Zone include:

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
5069RD	122.00	132.00	10.00	2.78
and	141.00	142.40	1.40	13.00
and	172.00	177.90	5.90	3.40
and	299.00	305.10	6.10	4.15
and	310.40	325.70	15.30	2.83
and	336.15	340.55	4.40	2.46
3235RC	175.00	177.00	2.00	5.06
and	269.00	278.00	9.00	4.92
3224RD	215.35	224.15	8.80	4.67
and	230.80	234.00	3.20	4.29
2999RD	256.00	260.20	4.20	8.47
and	285.60	291.60	6.00	3.69

\*Intersections may not be true width

**K Central Zone: New Discovery**

Coincident resistivity and recently completed Air Core bedrock gold geochemical anomalies were tested in the area between K West and K East. This area had not been drilled previously due to the more urgent requirements to upgrade mineral resources in A and A East. Two lines of RC drill holes were drilled 100m apart with encouraging results even at this wide spacing. Further drilling is required in order to determine the extent of the mineralisation. Significant intersections in K Central Zone include:

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
3264RC	3.00	8.00	5.00	3.90
3269RC	49.00	60.00	11.00	1.23
and	66.00	78.00	12.00	1.24
3266RC	111.00	141.00	30.00	2.52
3268RC	139.00	141.00	2.00	8.35
5196RC	0.00	12.00	12.00	1.53
and	23.00	29.00	6.00	1.63
and	45.00	52.00	7.00	6.05

\*Intersections may not be true width

**REGIONAL EXPLORATION – THAILAND**

Encouraging gold and copper geochemistry assay results were received from Singto and Chang Puek Prospects located 17km and 24km from Chatree Gold Mine respectively.

Singto prospect is a porphyry/skarn hosted in phyllic and propylitic altered diorite. Previously reported channel sampling in old pits returned up to 46.2m at 2.23 g/t Au in an area not previously considered for gold. Recently completed Air Core drilling returned **5m at 13.25 g/t Au** (including **2m at 29.5 g/t Au**), 22m at 1.24 g/t Au, 4m at 4.96 g/t Au and 4m at 2.42 g/t Au.

Chang Puek prospect is a quartz stockwork style hosted in silicified rhyolitic tuff. Geological mapping identified a zone of silicification approximately 200m wide and 2.3km long. Assay results of quartz stockwork returned up to 7.83 g/t Au with follow-up Air Core drilling intersecting 2m at 3.82 g/t Au and 2m at 2.96 g/t Au.

Project generation is underway in other provinces of Thailand.

**REGIONAL EXPLORATION – SOUTH AMERICA**

During the Quarter, the company evaluated numerous prospects in several countries including Chile, Peru and Argentina. Some of these have been selected for further evaluation with regard to their acquisition and development.

Exploration in Chile continued with grass roots reconnaissance in the Paleocene Belt and commenced with project work in the San Luis property near Copiapó. This area is prospective for gold and silver epithermal mineralisation hosted in veins, breccias and silicified volcanic rocks. Work in progress includes geological mapping and sampling. A ground geophysics program is proposed to improve targeting.

Grass roots exploration continued in the southern Peru Paleocene-Miocene volcanic field. To date, eight out of eleven areas of interest have been visited and sampled with favourable results in three of these.

Exploration in Argentina commenced with the appointment of two geologists and establishment of an office in San Juan. Initial work includes database preparation that will be applied to exploration for bonanza style low sulphidation epithermal gold-silver vein deposits in the provinces of Mendoza, Neuquén, Chubut and Santa Cruz.

## CORPORATE

### FINANCE

At 31 December 2005, the group had net cash on hand of US\$12.2 million, of which US\$10.2 million is denominated in Australian dollars. Cash was used mainly on land access payments and exploration. The Company also has in place a revolving credit facility for US\$16 million, with four participating banks. The entire facility was available at 31 December 2005.

The Company announced a share buyback for up to 10% of the issued shares on the 8th April 2005. During the December quarter, a total of 106,644 shares were bought back and cancelled at a cost of \$403,000.

### GOLD HEDGE POSITION

The average cash price received by Kingsgate for gold sales in the December quarter was US\$343/oz, compared with an average spot price of US\$481/oz. The lower realized price was caused by delivery of gold sales into out-of-the-money hedge positions.

Hedge commitments were reduced by 36,250 oz gold in the quarter. Hedge commitments outstanding at 31 December 2005 were 119,250 ounces of gold and hedged positions totalled 191,500 ounces of gold. The entire hedge program is illustrated in 'Appendix – A' attached.

The Kingsgate Group had no foreign exchange currency hedging at the date of this report.

There was a negative mark to market valuation of US\$24.3 million for the hedge book at 31 December 2005. Assumptions are on a spot price of US\$517.38/oz and an exchange rate of US\$0.7320

The Group is not exposed to any margin calls from hedge counterparties. In the event that the spot gold price is below US\$330/oz and A\$570/oz, a proportion of production can be delivered to US\$ and A\$ puts respectively.

The Company reviews the hedge book regularly and has recently moved aggressively to reduce commitments to counteract the accounting treatment of some instruments under the new AIFRS guidelines. The low cost of gold production offsets the lower revenue received and the company remains well positioned to participate in the upside should gold prices continue to move upwards.

Category	Units	Dec 2005 QTR	Sep 2005 QTR	Dec 2004 QTR
Avg prevailing spot gold price	US\$/oz	481	439	435
Avg cash price received (on gold Production)	US\$/oz	343	355	396
<b>Gold sold</b>	<b>Ounces</b>	<b>40,921</b>	<b>30,594</b>	<b>29,649</b>
Silver sold	Ounces	136,391	106,171	83,665
Revenue from metal production	US\$M	15.1	11.6	12.3

### OTHERS

The CFO Niall Lenahan resigned during the quarter for personal reasons. Interviews are underway with high quality candidates for a replacement.

Ross Smyth-Kirk was re-elected to the Board for a further three years at the AGM in November 2005.



# KINGSGATE CONSOLIDATED LIMITED

## Board of Directors

Ross Smyth-Kirk	Chairman
John Falconer	Non-Executive Director
Peter McAleer	Non-Executive Director

## Company Secretary

John Falconer

## Senior Management Team

Gavin Thomas	CEO
Phil MacIntyre	GM Chatree Gold Mine
Ron James	GM Exploration & Resources Development
Stephen Promnitz	Corporate Development Manager
Surapol Udornpornwirat	VP Akara Mining Limited

*Information in this report that relates to geology, drilling, mineralization and Mineral Resource estimates is based on information compiled by Rob Spiers, 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.*

## Issued Share Capital

Kingsgate has 85,712,516 ordinary shares on issue at the end of December 2005. There are 3,470,000 unlisted options issued to employees.

## Quarterly Share Price Activity

	High	Low	Last
Sep 2003	\$4.00	\$2.70	\$3.88
Dec 2003	\$4.25	\$3.38	\$3.84
Mar 2004	\$3.98	\$3.25	\$3.76
Jun 2004	\$3.90	\$3.32	\$3.51
Sep 2004	\$3.59	\$2.92	\$3.00
Dec 2004	\$3.40	\$2.35	\$2.45
Mar 2005	\$2.75	\$2.05	\$2.26
Jun 2005	\$2.98	\$2.02	\$2.84
Sep 2005	\$3.75	\$3.08	\$3.72
Dec 2005	\$4.67	\$3.55	\$4.60

Kingsgate Consolidated (ASX:KCN) is part of the S&P/ASX 200 Index.

## Registered Office

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Sydney NSW 2000, Australia  
Phone (61 2) 8256 4800  
Fax (61 2) 8256 4810  
Email [info@kingsgate.com.au](mailto:info@kingsgate.com.au)  
Website [www.kingsgate.com.au](http://www.kingsgate.com.au)

## Share Registry

Security Transfer Registrars Pty Ltd  
770 Canning Highway  
Applecross WA 6953  
PO Box 535  
Applecross WA 6953  
Phone (61 8) 9315 0933  
Fax (61 8) 9315 2233  
Email [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)

Please direct shareholding enquiries to the share registry

## APPENDIX - A

### Gold Hedging Positions as at 31 December 2005

Kingsgate has hedge positions in place that provide price protection for 191,500 ounces of gold over the next three fiscal years and provide price caps for 119,250 ounces of gold. These represent 10% and 6% respectively of Ore Reserves as at 31 December 2005. The Company has significant exposure to spot gold prices in the medium term.

Hedge commitments represent 45-50% of planned production over the next two years.

Average annual amounts remaining will be:

2005/06	32,500 ozs	US\$317/oz
2006/07	5,750ozs	US\$360/oz
	58,500 ozs	US\$317/oz
2007/08	22,500 ozs	US\$360/oz

### Detailed Positions

		2005/06	2006/07	2007/08	Total
<b>Put Options Purchased</b>					
US\$ denominated	'000oz	32.5	73.5	22.5	128.5
ENRP (average)	US\$/oz	300	306	330	307
A\$ denominated	'000oz	17.5	31.5	14.0	63.0
ENRP (average)	A\$/oz	570	570	570	570
<b>Call Options Sold (no barriers)</b>					
US\$ denominated	'000oz	-	5.8	22.5	28.3
Strike price (average)	US\$/oz		360	360	360
<b>Call Options Sold (with barriers)</b>					
US\$ denominated	'000oz	32.5	58.5	-	91.0
Strike price (average)	US\$/oz	317	317	-	317
Barriers (average)	US\$/oz	301	302	-	302
<b>Total Gold Hedged</b>	'000oz	191.5			
<b>Total Commitment (no barriers)</b>	'000oz	28.3			
<b>Total Committed (with barriers) <sup>(2)</sup></b>	'000oz	91.0			
<b>Total Committed (all hedges) <sup>(3)</sup></b>	'000oz	119.3			

(1) ENRP (Estimated Net Realisable Price) is after making allowance for gold lease fees. Following a restructure during the June 2004 quarter, all puts and have no lease rate exposure.

(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 relevant US\$ barriers after 15 March 2005, 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) There was a negative mark to market valuation of US\$24.3 million for the hedge book based on a spot price of US\$517.38/oz and an exchange rate of US\$0.7320 on 31 December 2005.

## APPENDIX - B

### Mineral Resources<sup>(3-6)</sup> inclusive of Ore Reserves as at 30 September 2005 (>0.7 g/t Au)

Source	Category	Tonnes (kt)	Grade		Contained Ounces	
			Gold (g/t)	Silver (g/t)	Gold	Silver
On Mining Lease <sup>(1)</sup>	Measured	6,254	2.0	9	399,000	1,832,000
	Indicated	6,496	1.7	8	365,000	1,621,000
	Inferred	3,392	1.9	9	203,000	979,000
	<b>Sub-total</b>	<b>16,142</b>	<b>1.9</b>	<b>9</b>	<b>967,000</b>	<b>4,432,000</b>
Chatree North <sup>(2)</sup>	Measured	18,167	1.9	20	1,115,000	11,624,000
	Indicated	10,759	2.0	19	681,000	6,656,000
	Inferred	6,986	2.0	15	444,000	3,283,000
	<b>Sub-total</b>	<b>35,912</b>	<b>1.9</b>	<b>19</b>	<b>2,240,000</b>	<b>21,563,000</b>
<b>Kingsgate</b>	<b>Total</b>	<b>52,054</b>	<b>1.9</b>	<b>16</b>	<b>3,207,000</b>	<b>25,995,000</b>

(1) Includes C, H, D, HS, HW, S and P

(2) Includes A, AE, Q, KW and KE

(3) Calculated from composite pit outlines (including modified 4X pit shell) optimised at US\$375/Oz

(4) Above 0.7 g/t cut-off grade, based on Cat 1&2 only

(5) No access designed unless road is relocated.

(6) Below 31st September 2005 mine depleted surface

### Ore Reserves<sup>(1-2)</sup> as at 30 September 2005 (>0.7 g/t Au)

Pit Source	Category	Tonnes (kt)	Grade		Contained Ounces	
			Gold (g/t)	Silver (g/t)	Gold	Silver
On Current Lease <sup>(1)</sup>	Proved	3,323	2.3	10	246,000	1,035,000
	Probable	2,796	1.9	8	170,000	711,000
	<b>Sub-total</b>	<b>6,119</b>	<b>2.1</b>	<b>9</b>	<b>416,000</b>	<b>1,746,000</b>
Chatree North <sup>(2)</sup>	Proved	16,204	1.9	20	1,004,000	10,639,000
	Probable	6,233	1.9	20	390,000	3,980,000
	<b>Sub-total</b>	<b>22,437</b>	<b>1.9</b>	<b>20</b>	<b>1,394,000</b>	<b>14,619,000</b>
Total from Pits	Proved	19,527	2.0	19	1,250,000	11,674,000
	Probable	9,029	1.9	16	560,000	4,691,000
	<b>Total</b>	<b>28,556</b>	<b>2.0</b>	<b>18</b>	<b>1,810,000</b>	<b>16,365,000</b>
Stockpiles		<b>923</b>	<b>1.1</b>	<b>8</b>	<b>33,000</b>	<b>237,000</b>
<b>Kingsgate</b>	<b>Total</b>	<b>29,479</b>	<b>1.9</b>	<b>18</b>	<b>1,843,000</b>	<b>16,602,000</b>

Due to rounding some figures may not add correctly

## APPENDIX - C

<b>A PROJECT DRILLING RESULTS - (Intercepts with Au assays &gt; 10g.metres)</b>									
Hole No.	Easting Local_A	Northing Local_A	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
5083RD	5179	20363	259	-55	193.6	81.00	83.50	2.50	4.36
					and	141.00	145.50	4.50	5.30
5091RC	5031	20175	259	-55	138.0	94.00	106.00	12.00	1.99
5085RC	5095	20125	259	-55	108.0	25.00	32.00	7.00	3.62
					and	36.00	44.00	8.00	1.24
					and	53.00	59.00	6.00	3.03
					and	79.00	82.00	3.00	3.82
5090RC	5055	20121	259	-55	156.0	51.00	66.00	15.00	1.11
5092RC	5031	20126	259	-55	120.0	79.00	90.00	11.00	1.65
5087RC	5045	20076	259	-55	115.0	4.00	14.00	10.00	1.93
					and	19.00	26.00	7.00	2.78
5086RC	5077	20023	259	-55	120.0	11.00	16.00	5.00	2.94
					and	71.00	80.00	9.00	1.51
5088RC	5115	20024	259	-55	120.0	63.00	67.00	4.00	4.04
5097RC	5052	19977	259	-55	96.0	2.00	7.00	5.00	3.89
					and	15.00	24.00	9.00	1.59
					and	56.00	71.00	15.00	2.43
5095RC	5022	19926	259	-55	66.0	23.00	32.00	9.00	5.17
5096RC	5038	19874	259	-55	72.0	47.00	56.00	9.00	2.69

\*Intersections may not be true width

<b>A EAST PROJECT DRILLING RESULTS - (Intercepts with Au assays &gt; 10g.metres)</b>									
Hole No.	Easting Local_A	Northing Local_A	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
3246RC	5316	20340	90	-60	90.0	66.00	77.00	11.00	1.95
3240RC	5332	20150	90	-60	174.0	157.00	160.00	3.00	3.45
2816RD	5255	20051	90	-55	281.6	241.90	243.00	1.10	11.80
2817RD	5206	20050	90	-55	287.3	245.60	253.00	7.40	1.51
2611RD	5234	19950	90	-55	330.3	269.85	272.00	2.15	11.70
5069RD	5187	19875	90	-55	353.2	122.00	132.00	10.00	2.78
					and	141.00	142.40	1.40	13.00
					and	172.00	177.90	5.90	3.40
					and	299.00	305.10	6.10	4.15
					and	310.40	325.70	15.30	2.83
					<b>incl</b>	<b>320.10</b>	<b>325.00</b>	<b>4.90</b>	<b>4.77</b>
					and	336.15	340.55	4.40	2.46
3235RC	5197	19825	90	-55	300.0	175.00	177.00	2.00	5.06
					and	269.00	278.00	9.00	4.92
					<b>incl</b>	<b>274.00</b>	<b>278.00</b>	<b>4.00</b>	<b>9.02</b>
3224RD	5276	19751	90	-55	307.3	215.35	224.15	8.80	4.67
					<b>incl</b>	<b>221.05</b>	<b>224.15</b>	<b>3.10</b>	<b>7.31</b>
					and	230.80	234.00	3.20	4.29
2999RD	5390	19651	90	-60	302.2	256.00	260.20	4.20	8.47
					and	285.60	291.60	6.00	3.69
3237RC	5311	19575	90	-55	186.0	112.00	116.00	4.00	3.54



<b>C PROJECT DRILLING RESULTS - (Intercepts with Au assays &gt; 10g.metres)</b>									
Hole No.	Easting Local_C	Northing Local_C	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
5169RC	6270	1866	0	-90	95.0	35.00	47.00	12.00	1.29
5168RC	6286	1813	0	-90	84.0	54.00	63.00	9.00	7.54
					and	68.00	76.00	8.00	9.00
5220RC	6275	1794	275	-75	180.0	61.00	68.00	7.00	2.01
5173RC	6283	1791	0	-90	115.0	40.00	43.00	3.00	4.69
					and	72.00	89.00	17.00	7.36
5194RC	6275	1774	0	-90	110.0	77.00	92.00	15.00	1.34

\*Intersections may not be true width

<b>H PROJECT DRILLING RESULTS - (Intercepts with Au assays &gt; 10g.metres)</b>									
Hole No.	Easting Local_C	Northing Local_C	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
5204RC	5647	1934	130	-60	130.0	79.00	82.00	3.00	3.90
5208RC	6117	1922	130	-55	185.0	19.00	31.00	12.00	1.04
5219RC	5574	1831	130	-58	170.0	93.00	98.00	5.00	2.69
5201RC	5551	1818	130	-60	165.0	54.00	56.00	2.00	7.44
					and	118.00	131.00	13.00	1.73
5217RC	5546	1789	130	-69	210.0	90.00	94.00	4.00	8.01
					and	143.00	153.00	10.00	2.56
5100RD	5548	1788	130	-60	159.4	79.00	93.00	14.00	3.25
					<b>incl</b>	<b>79.00</b>	<b>83.00</b>	<b>4.00</b>	<b>6.90</b>
					and	99.00	105.00	6.00	1.80
5218RC	5553	1750	130	-72	140.0	65.00	71.00	6.00	4.81
					and	83.00	89.00	6.00	2.73
5139RD	5555	1749	130	-60	190.6	70.00	71.00	1.00	11.20
					and	78.00	83.00	5.00	4.66
					<b>incl</b>	<b>81.00</b>	<b>83.00</b>	<b>2.00</b>	<b>9.59</b>
5193RC	5540	1730	130	-60	110.0	80.00	88.00	8.00	1.63
5202RC	5624	1694	130	-60	155.0	81.00	88.00	7.00	2.17
5205RC	5632	1654	130	-60	144.0	121.00	127.00	6.00	2.40
					and	132.00	139.00	7.00	1.53
5110RD	5510	1658	130	-60	182.0	91.00	93.20	2.20	12.27
5098RD	5703	1628	0	-90	113.3	85.00	89.00	4.00	4.15
					and	95.00	98.00	3.00	3.78
5198RC	5531	1507	130	-69	122.0	70.00	83.00	13.00	1.46
5149RC	5520	1417	130	-60	125.0	78.00	85.00	7.00	2.25
5147RD	5472	1299	130	-60	83.0	71.00	72.75	1.75	8.11

\*Intersections may not be true width

<b>J PROJECT DRILLING RESULTS - (Intercepts with Au assays &gt; 10g.metres)</b>									
Hole No.	Easting Local_C	Northing Local_C	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
5258RC	5280	1460	90	-55	100.0	42.00	50.00	8.00	1.74
5259RC	5210	1460	90	-55	97.0	0.00	7.00	7.00	1.62
5260RC	5186	1460	90	-55	114.0	0.00	7.00	7.00	6.50
5257RC	5255	1411	90	-55	90.0	3.00	9.00	6.00	10.42

\*Intersections may not be true width

<b>K CENTRAL PROJECT DRILLING RESULTS - (Intercepts with Au assays &gt; 10g.metres)</b>									
Hole No.	Easting Local_C	Northing Local_C	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
3264RC	6644	2456	90	-60	150.0	3.00	8.00	5.00	3.90
3269RC	6744	2456	90	-60	150.0	49.00	60.00	11.00	1.23
						and 66.00	78.00	12.00	1.24
3266RC	6584	2356	90	-60	150.0	111.00	141.00	30.00	2.52
3268RC	6684	2356	90	-60	150.0	139.00	141.00	2.00	8.35
5196RC	6567	2215	90	-60	96.0	0.00	12.00	12.00	1.53
						and 23.00	29.00	6.00	1.63
						and 45.00	52.00	7.00	6.05

\*Intersections may not be true width

<b>S PROJECT DRILLING RESULTS - (Intercepts with Au assays &gt; 10g.metres)</b>									
Hole No.	Easting Local_C	Northing Local_C	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
5180RD	7043	1865	270	-55	130.9	84.50	90.00	5.50	2.44
5179RC	7009	1772	90	-55	60.0	13.00	32.00	19.00	1.63

\*Intersections may not be true width

Note: RC = Reverse Circulation Drill Hole  
 RD = Reverse circulation drill hole with a diamond core drilled tail  
 DD = Diamond core drill hole  
 Previously announced results