



# Kingsgate

Consolidated Limited

ABN 42 000 837 472

26 October 2005

**Via ASX Online  
(13 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 30 September 2005**

We enclose the Quarterly Report on activities for three (3) months for the period ended 30 September 2005.

KINGSGATE CONSOLIDATED LIMITED

**JOHN FALCONER**  
Company Secretary



**Kingsgate**  
Consolidated Limited

# QUARTERLY REPORT

For the three months ended  
30 September 2005

## SUMMARY OF ACTIVITIES

### Quarter Production

#### Gold Produced:

September 2005:	34,011 ozs
June 2005:	34,162 ozs
September 2004:	29,024 ozs

#### Cash Operating Cost:

September 2005:	US\$175/oz
June 2005:	US\$194/oz
September 2004:	US\$240/oz

#### Average Gold Price Received:

September 2005:	US\$355 /oz
June 2005:	US\$398/oz

#### Average Spot Gold Price

September 2005:	US\$439 /oz
June 2005:	US\$426/oz

### Securities

As at 30 September 2005

Ordinary shares:	85,819,160
Unlisted options:	2,830,000

**GAVIN THOMAS**  
CEO  
26 October 2005

### KEY POINTS

- **Gold production 34,011 ozs, up 17% on Sept 04**
- **Cash Operating Costs of US\$175/oz**
- **One Mining Lease granted at Chatree North**
- **Reserves and Resources significantly increased**
- **Excellent exploration results continue**

### OVERVIEW

#### Chatree Gold Mine

- Gold production steady at 34,011 ounces in the quarter.
- Annual wet season impacts managed – production up 17% on Sept quarter 2004.
- Total Cash operating costs reduced to US\$175/oz in the quarter.
- Average gold grade treated was 2.8g/t gold.
- Excellent safety & environmental result continues at record levels.
- Pebble crusher stage 1 installation commissioned in October.

#### Development (\* previously reported)

- Mineral Resources at Chatree and Chatree North at 30 June 2005 increased 66% to 3 million ozs gold and ~23 million ozs silver. \*
- Ore Reserves increased 39% to 1.5 million ozs gold and 12.7 million ozs silver. \*
- Resources at the Chatree North area, being A, A East, K East, K West and Q areas, are merging into one large mineralized zone some 3 kms long by up to 1 km wide and likely to be mined in one semi-continuous open pit.
- A mining lease at Chatree North permitted for gold & silver.\*
- Permitting for remaining Chatree North area is well advanced.
- Plant upgrade study continues with various parameters ranging from 3 to 5 million tonnes per annum being considered.

#### Exploration

- Drilling at Chatree North significantly increasing mineral resource potential (mineralization potential over 5m oz).
- Additional discoveries are envisaged at a low discovery cost (US\$7/oz).
- A new high grade gold zone discovered to the east of A East.
- Mineralization extended by 350m to the north of proposed A pit.

#### Corporate

- Share buyback active and 269,523 shares purchased at an average of \$3.18/sh.
- Final dividend of 5 cents per share (Year 7c/share).
- Total cash on hand A\$19.5 million (US\$14.8 million).
- Significant position taken (19.7%) in an emerging Australian gold explorer/miner, Goldstar Resources NL, at a cost of \$2.4 million.

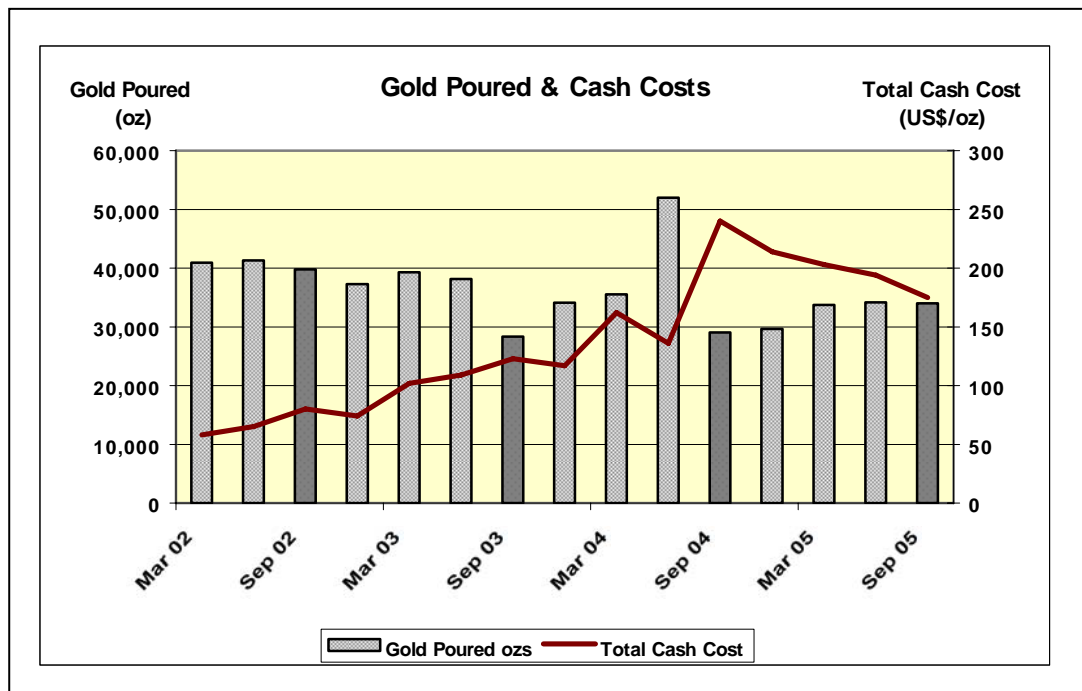


Figure 1:  
Quarterly gold  
production &  
cash operating  
costs - Chatree  
mine

## CHATREE GOLD MINE

### PRODUCTION COSTS

Total Cash Costs decreased to a competitive US\$175 per ounce for the September quarter as a result of improved head grades and higher volumes of ore being mined at a reduced mining strip ratio. Total Production costs were US\$230 per ounce for the quarter.

Cost Category *	Sep 05 Quarter US\$/oz Gold Produced	Jun 05 Quarter US\$/oz Gold Produced	2004/05 Year US\$/oz Gold Produced
Direct mining expense	182	196	216
Refining and transport	2	2	2
By product credit	(19)	(14)	(16)
<b>Cash Operating Cost</b>	<b>165</b>	<b>184</b>	<b>202</b>
Royalty	10	10	10
<b>Total Cash Cost</b>	<b>175</b>	<b>194</b>	<b>212</b>
Depreciation/Amortisation	55	56	54
<b>Total Production Cost</b>	<b>230</b>	<b>250</b>	<b>266</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.

Total cash costs remained in the lowest quartile of global gold producers 2005 cash costs (Source: Global Mining Research). Costs are maintained by control on energy costs (grid power at ~US6c/kwh); a low number of expatriates and a "Buy Thai" policy sourcing over 85% of store items.

### OPERATIONAL PERFORMANCE

Production at Chatree for the September quarter was 34,011 ounces of gold. This level of production is comparable to the previous quarter and arose from treatment of less tonnes of ore at an improved head grade, despite two scheduled plant shut downs amounting to 3 days. Better management of the annual wet season enabled higher grade ore to be accessed earlier than forecast and gold production was 17% higher than the September 2004 quarter.

Mining volumes remained relatively constant during the wet season as all zones of the pit were developed concurrently. Ore was sourced principally from C South and Main pits. D Pit is now being used as a wet season run-off water storage facility.

Chatree Mine	Units	Sep 05 Quarter	Sep 04 Quarter	Jun 05 Quarter
Waste mined	bcm	1,300,432	1,159,528	1,317,685
Ore mined	bcm	197,582	128,104	177,416
Waste:ore ratio		6.6	9.1	7.4
Ore mined	tonnes	551,619	239,144	485,329
Ore treated	tonnes	413,660	479,364	456,825
Head grade	Au g/t	2.8	2.0	2.6
	Ag g/t	19.0	10.0	16.0
Gold recovery	%	91.2	91.1	91.4
<b>Gold poured</b>	<b>ounces</b>	<b>34,011</b>	<b>29,024</b>	<b>34,162</b>
Silver poured	ounces	118,691	60,511	101,592

Overall mining volumes were affected by reduced availability of trucks and excavators and repairs are being hampered by delays in delivery of parts. The production tracking system is operational and is enhancing equipment utilization. The new Ingersoll Rand drill rig continues to perform well.

The downstream construction of the Tailings Storage Facility continued and over 273,000 BCM of waste have been consumed during the quarter on foundation works. The whole perimeter is now completed with a compacted rock layer above the clay base.

Plant throughput was lower than the June quarter and was affected by the ore hardness and lack of fines within the ore available. There were also two scheduled plant shutdowns.

Optimization of plant throughput rates and recovery is continuing and has resulted in improved mill circuit grinding efficiencies. The pebble crusher installation into the existing mill circuit commenced during the quarter and stage 1 was commissioned in early October. The direct feed conveyor from the SAG mill to the pebble crusher will be available by December 2005. This will enable plant throughput to be increased to over 2.3 Mtpa.

Akara Mining became a signatory to the newly established International Cyanide Management Code during the quarter. A project has commenced that is focused on obtaining compliance with the code from both operational and mechanical perspectives.

### **SAFETY AND ENVIRONMENT**

The company's excellent safety and environmental record continued during the September quarter with no Lost Time Injuries (LTI) incurred at the Chatree operation. Over 3.8 million man-hours have been worked at Chatree since the last and only LTI. There were no LTI's incurred in the exploration division during the quarter.

The group had no reportable environmental incidents and remains in compliance with its environmental requirements.

### **FORECAST**

**As previously advised, production for the year to 30 June 2006 is expected to be in the range of 145,000 to 150,000 ounces of gold.**

**Average cash costs for 2005/2006 are likely to remain approximately similar to 2004/05 at US\$200-220/oz of gold.**

## **DEVELOPMENT - CHATREE NORTH**

Confirmation was received in October that the first mining lease had been granted, involving conversion of an existing mining lease for quartz to include gold and silver. This represents a significant milestone and is encouraging for the final approval of the full Chatree North area. Continued progress on the Chatree North Mining Lease applications occurred during the September quarter.

The Mineral Resources and Ore Reserves statement for the company as at 30 June 2005 was released during August. The statement confirms that there are over 3 million ounces of gold in Mineral Resources, of which 1.5 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.

Infill drilling continued during the quarter to increase the upside potential of the resources in the Chatree North area. Currently there are almost 50 million tonnes of resources contained in the Chatree and Chatree North area. It is anticipated that geological resources will continue to be materially increased and that the current plant size is likely to require upgrading to treat the available ore in the most economical fashion. An interim updated Mineral Resource and Ore Reserve statement is scheduled for early November, 2005.

Resources at Chatree North are now merging into one large system over an area of three kilometres by one kilometre. Current geological work is focused on increasing resources further north from the identified mineralization at A East and the new discovery area where geophysical responses outline mineralised zones. The geophysical signature that has been identified to closely correlate with the gold mineralization still has over 500 metres to be drilled due north of the current area in A East as well as an additional plus one kilometre in Q.

The scoping study to review the benefits of increasing the plant throughput rate to 3, 4 and 5 million tonnes per annum continues. While the ultimate size of the increased throughput rate will be dependent upon the resources and reserves identified, current indications are that the most likely outcome for the plant expansion is at the upper end of the options being considered.

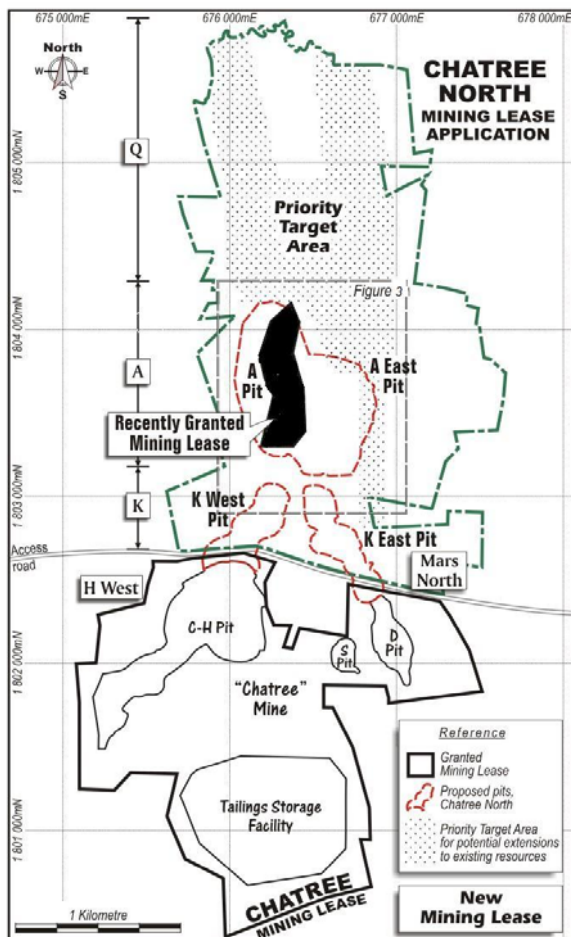


Figure 2: Location of new mining lease.

## EXPLORATION

During the Quarter exploration continued the focus on resource/reserve development in the Chatree North area and the H West Section of the Chatree Mine. In total, 8 drill rigs are aggressively defining the very large epithermal mineralised system at Chatree and Chatree North. The annual 2005/06 drilling program is estimated to be almost 200 kilometres comprised of 115,000m of diamond/reverse circulation drilling and 83,000m of air core/RAB drilling. At Chatree North a reserve and resource statement was completed following infill and extensional drilling and geological reinterpretation. Drilling on the new, high grade, mineralised zone to the east of A east has revealed further continuation of high grade gold intercepts beneath the planned open pit. Drilling has also extended the known mineralisation about 350m north of the central zone between A and A East.

Regional exploration continues to discover new prospects from stream sediment, soil and rock chip sampling as well as mapping and geophysical interpretation.

In South America Kingsgate has been granted tenements in Peru and Chile and is actively exploring opportunities in other countries including Argentina. Exploration is progressing at reconnaissance level and a number of submittals are under consideration.

## CHATREE MINE MINERAL RESOURCES AND ORE RESERVES AT 30 JUNE 2005

During the quarter the Company released its Mineral Resource and Ore Reserve Statements as at 30 June 2005. These disclose a Mineral Resource containing over 49 million tonnes at a grade of 1.9 g/t Au for over 3.0 million ounces of gold. Of these, over 23 million tonnes at 2.0 g/t Au for 1.5 million ounces of gold are contained in Ore Reserves. The details are contained in Appendix B.

## CHATREE NORTH

A location map of the A – A East Zones of the Chatree North Project Area showing the collars of the drill holes discussed in this report is shown in Fig 3.

### A Zone:

Significant new intersections continue to be made in the infill drilling on the main A Zone and a previously untested area in the northern part of A Zone has produced some particularly encouraging results:

Significant intersections from A Infill drilling include:

Hole No	From (m)	To (m)	Interval (m)*	Au (g/t)
5044RC	10.00	14.00	4.00	2.70
and	29.00	33.00	4.00	2.99
and	45.00	88.00	43.00	2.94
5046RC	0.00	7.00	7.00	2.04
and	23.00	61.00	38.00	2.23
5063RC	98.00	101.00	3.00	3.74
and	120.00	126.00	6.00	3.45
and	126.00	138.00	9.00	14.43

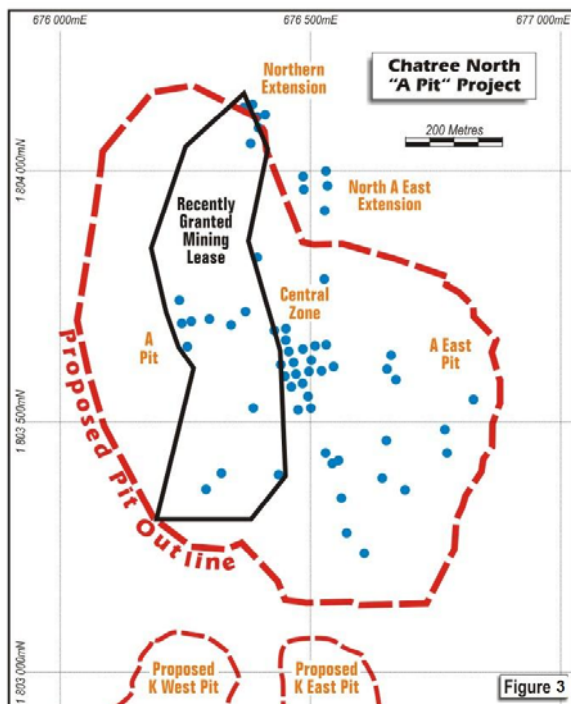
\*Intersections may not be true width

Significant intersections from A Pit Northern extension drilling include:

Hole No	From (m)	To (m)	Interval (m)*	Au (g/t)
5053RC	78.00	87.00	9.00	3.90
5055RC	92.00	95.00	3.00	4.17
and	132.00	144.00	12.00	4.38
5058RC	92.00	104.00	12.00	2.32
and	147.00	155.00	8.00	18.44

\*Intersections may not be true width





**Figure 3: Location of recent drillholes (blue) with the new mining lease & proposed 'A' pit.**

#### A East Zone:

Drilling during the Quarter concentrated on upgrading and extending the resources in the A East Zone. The strike of the New Discovery Zone, to the east of the main A East Zone, has now been extended to 500m. Mineralisation is deep but generally good grade.

Significant intersections from New Discovery Zone include:

Hole No	From (m)	To (m)	Interval (m)*	Au (g/t)
2940RD	263.00	267.40	4.40	4.17
3158RD	246.00	248.00	2.00	14.50
3126RD	264.30	273.10	8.80	5.43
	187.00	195.00	8.00	4.68
	212.70	214.00	1.30	9.62

*\*Intersections may not be true width*

Drilling in the main part of A East continues to produce good results. Significant intersections from A East Zone include:

Hole No	From (m)	To (m)	Interval (m)*	Au (g/t)
2951RD	117.00	122.00	5.00	3.59
	213.00	228.00	15.00	3.48
	231.20	243.00	11.80	5.19
2949RD	222.30	242.00	19.70	6.12
	261.40	269.00	7.60	3.34
	293.00	295.00	2.00	7.79
2977RC	140.00	152.00	12.00	10.7
2986RC	213.00	226.00	13.00	8.80

*\*Intersections may not be true width*

A zone of sparsely drilled, near surface mineralization had been previously identified to the east of the main A Zone, within the central part of the proposed pit. Recent drilling has confirmed significant mineralisation at depth. This is referred to as the Central zone (see Figure 3). This area will improve open pit economics and impact final pit design.

Significant intersections from the Central Zone include:

Hole No	From (m)	To (m)	Interval (m)*	Au (g/t)
2770RD	161.00	164.00	3.00	9.46
and	181.00	185.00	4.00	7.61
2972RC	102.00	116.00	14.00	3.43
2971RC	53.00	60.00	7.00	9.65
2713RD	69.00	75.70	6.70	2.99
2975RC	36.00	42.00	6.00	4.60
3205RC	21.00	28.00	7.00	3.94
and	82.00	83.00	1.00	10.7
and	100.00	102.00	2.00	6.26
and	125.00	126.00	1.00	11.7

*\*Intersections may not be true width*

To the north of A East some widely spaced intersections have been made. The relationship to A East and the Central Zone has not been confirmed to date. Additional drilling is being undertaken to further test this zone.

Significant intersections from this Zone include:

Hole No	From (m)	To (m)	Interval (m)*	Au (g/t)
2989RC	144.00	154.00	10.00	7.33
	198.00	202.00	4.00	6.66
2991RC	120.00	126.00	6.00	7.15

*\*Intersections may not be true width*

#### Mars North Zone:

A few additional intersections were made in the Mars North Zone (300m East of K East). This mineralization is dipping at about 40 degrees to the west (towards K East). The relationship of this mineralisation to the K East mineralization at depth is not yet known. Drilling to test downdip of Mars North is being undertaken.

Significant intersections from Mars North Zone include:

Hole No	From (m)	To (m)	Interval (m)*	Au (g/t)
3139RC	24.00	32.00	8.00	6.22
3141RC	60.00	64.00	4.00	10.20

*\*Intersections may not be true width*

**REGIONAL EXPLORATION – THAILAND**

Regional exploration concentrated on rock chip and soil sampling, geological mapping and air core drilling. Four new prospects were recognized including quartz base metal and high level epithermal veins. Numerous gold anomalies were identified by air core drilling, the best intercept being 4m x 2.74 g/t gold in bedrock. Project generation is being undertaken in other provinces distant from the mine.

Seven new SPL's (Special Prospecting Licences) were applied for during the Quarter taking the total to 101 SPLA's covering an area of 1,507 km<sup>2</sup>.

**CORPORATE****FINANCE**

At 30 September 2005, the group had net cash on hand of US\$14.8 million, of which US\$12.1 million is denominated in Australian dollars. The Company also has in place a revolving credit facility for US\$24 million, with four participating banks. The entire facility was available at 30 September 2005.

The Company announced a share buyback for up to 10% of the issued shares on the 8th April 2005. This is considered by the Board to be an appropriate capital management initiative at the present time. During the September quarter, a total of 269,523 shares were bought back and cancelled at a cost of \$850,000.

A strategic 19.72% stake was taken in the emerging Victorian goldminer Goldstar Resources NL (GDR.ASX) as part of their \$5.07 million capital raising in July/August 2005.

The investment was made via two tranches of share placements and an entitlement and sub-underwriting in a rights issue. The cash cost of the investment amounted to \$2.4 million for 16.7 million shares at 13-15c/share.

Goldstar's key asset is the historic Walhalla gold mine in Victoria. It produced ~1.5 million ozs at ~1oz/t gold, mainly from Cohen's shoot.

Drilling (3 diamond drill holes) during the quarter focused on the Eureka vein set at the southern end of the Ross Creek line, 2km east of the Cohen's shoot. Best results were 2 m at 65g/t from one of seven veins intersected at Eureka. Surface exploration successfully linked old workings on the Ross Creek Line over a 9km strike length.

**DIVIDEND & DIVIDEND REINVESTMENT PLAN**

A final dividend of 5 cents per share was paid to shareholders on 27 September 2005. The dividend amounted to \$4.29 million of which \$0.44 million was paid by means of 139,912 shares issued in accordance with the Dividend Reinvestment Plan. To date total dividends paid by Kingsgate have amounted to \$0.69/share.

**GOLD HEDGE POSITION**

The average cash price received by Kingsgate for gold sales in the September quarter was US\$355/oz, compared with an average spot price of US\$439/oz. The lower realized price was caused by delivery of gold sales into out-of-the-money hedge positions.

Hedge commitments outstanding at 30 June 2005 were 155,500 ounces of gold and hedged positions totalled 229,000 ounces of gold. The entire hedge program is illustrated in 'Appendix – A' 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\$25.0 million for the hedge book based on a spot price of US\$473.80/oz and an exchange rate of US\$0.7617 on 30 September 2005.

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 is constantly reviewing the hedge book with a view to reducing commitments, while preserving a degree of price protection. 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	Sep 2005 QTR	Jun 2005 QTR	2004/05
Avg prevailing spot gold price	US\$/oz	439	426	423
Avg cash price received (on gold Production)	US\$/oz	355	398	401
<b>Gold sold</b>	<b>Ounces</b>	<b>30,594</b>	<b>34,162</b>	<b>126,550</b>
Silver sold	Ounces	106,171	101,592	353,275
Revenue from metal production	US\$M	11.6	14.4	53.2

# 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  
 Ron James      GM Exploration & Resources  
                          Development  
 Niall Lenahan      Chief Financial Officer  
 Phil MacIntyre      GM Chatree Gold Mine  
 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 85,819,160 ordinary shares on issue at the end of September 2005. There are 2,830,000 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

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

## Registered Office

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 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 30 September 2005

Kingsgate has hedge positions in place that provide price protection for 229,000 ounces of gold over the next three fiscal years and provide price caps for 155,500 ounces of gold. These represent 15% and 10% respectively of Ore Reserves as at 30 June 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	52,000 ozs	US\$316/oz
	7,500 ozs	US\$315/oz
2006/07	15,000ozs	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	52.0	73.5	22.5	148.0
ENRP (average)	US\$/oz	304	306	330	308
A\$ denominated	'000oz	28.0	31.5	14.0	73.5
ENRP (average)	A\$/oz	570	570	570	570
<b>Spot Deferred</b>					
US\$ denominated	'000oz	7.5			7.5
Price	US\$/oz	315			315
<b>Call Options Sold (no barriers)</b>					
US\$ denominated	'000oz		15.0	22.5	37.5
Strike price (average)	US\$/oz		360	360	360
<b>Call Options Sold (with barriers)</b>					
US\$ denominated	'000oz	52.0	58.5		110.5
Strike price (average)	US\$/oz	316	317		316
Barriers (average)	US\$/oz	301	302		301
A\$ denominated	'000oz				
Strike price (average)	A\$/oz				
Barriers (average)	A\$/oz				
<b>Total Gold Hedged</b>	'000oz	229.0			
<b>Total Commitment (no barriers)</b>	'000oz	45.0			
<b>Total Committed (with barriers) <sup>(2)</sup></b>	'000oz	110.5			
<b>Total Committed (all hedges) <sup>(3)</sup></b>	'000oz	155.5			

(1) ENRP (Estimated Net Realisable Price) is after making allowance for gold lease fees. Following a restructure during the June 2004 quarter, all the A\$ puts and the majority of the US\$ puts have no lease rate exposure. Gold lease fees for 23,750 US\$ puts were funded at 0.14% and prepaid at 0.5%.

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

(5) There was a negative mark to market valuation of US\$25.0 million for the hedge book based on a spot price of US\$473.80/oz and an exchange rate of US\$0.7617 on 30 September 2005.

## APPENDIX - B

### Mineral Resources inclusive of Ore Reserves as at 30 June 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	6,769	2.0	9	428,000	1,956,000
	Indicated	6,663	1.8	8	377,000	1,666,000
	Inferred	3,410	1.9	9	203,000	985,000
	<b>Sub-total</b>	<b>16,842</b>	<b>1.9</b>	<b>9</b>	<b>1,008,000</b>	<b>4,607,000</b>
Chatree North <sup>(2)</sup>	Measured	12,946	1.9	19	794,000	8,065,000
	Indicated	9,396	2.0	19	592,000	5,791,000
	Inferred	10,262	1.9	16	626,000	5,253,000
	<b>Sub-total</b>	<b>32,604</b>	<b>1.9</b>	<b>18</b>	<b>2,012,000</b>	<b>19,109,000</b>
<b>Kingsgate</b>	<b>Total</b>	<b>49,446</b>	<b>1.9</b>	<b>15</b>	<b>3,020,000</b>	<b>23,716,000</b>

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

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

### Ore Reserves<sup>(1-4)</sup> as at 30 June 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>(5)</sup>	Proved	3,833	2.2	9	277,000	1,165,000
	Probable	2,996	1.9	8	183,000	770,000
	<b>Sub-total</b>	<b>6,829</b>	<b>2.1</b>	<b>9</b>	<b>460,000</b>	<b>1,935,000</b>
Chatree North <sup>(6)</sup>	Proved	7,795	2.0	21	507,000	5,327,000
	Probable	8,283	1.9	20	512,000	5,297,000
	<b>Sub-total</b>	<b>16,078</b>	<b>2.0</b>	<b>21</b>	<b>1,019,000</b>	<b>10,624,000</b>
Total from Pits	Proved	11,628	2.1	17	783,000	6,492,000
	Probable	11,279	1.9	17	695,000	6,067,000
	<b>Total</b>	<b>22,907</b>	<b>2.0</b>	<b>17</b>	<b>1,478,000</b>	<b>12,559,000</b>
Stockpiles		843	1.0	7	27,000	176,000
<b>Kingsgate</b>	<b>Total</b>	<b>23,750</b>	<b>2.0</b>	<b>17</b>	<b>1,505,000</b>	<b>12,735,000</b>

(1) Calculated from composite pit outlines (Including modified 4X pit shell) optimised at US\$ 375/oz

(2) Above 0.7 g/t cut-off grade, based on Category 1 and 2 only

(3) No access designed unless road is relocated.

(4) Below 30 June 2005 mine depleted surface

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

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

Due to rounding some figures may not add correctly

## APPENDIX - C

### Q PROJECT DRILLING RESULTS - (Intercepts with Au assays > 10g.metres)

Hole No.	Easting Local_C	Northing Local_C	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
3149RC	6382	4635	90	-55	150.00	121.00	129.00	8.00	4.85

\*Intersections may not be true width

### A PROJECT DRILLING RESULTS - (Intercepts with Au assays > 10g.metres)

Hole No.	Easting Local_A	Northing Local_A	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)	
5053RC	5232	20450	270	-55	140.00	78.00	87.00	9.00	3.90	
5054RC	5213	20447	270	-55	130.00	82.00	87.00	5.00	4.80	
5032RC	5235	20400	270	-55	102.00	89.00	96.00	7.00	2.02	
5034RC	5236	20423	270	-55	108.00	77.00	87.00	10.00	1.69	
						and	101.00	106.00	5.00	6.42
5055RC	5253	20423	270	-55	165.00	92.00	95.00	3.00	4.17	
						and	132.00	144.00	12.00	4.38
5058RC	5213	20371	270	-55	174.00	92.00	104.00	12.00	2.32	
						and	147.00	155.00	8.00	18.44
5131RD	5180	20132	270	-55	90.00	28.00	34.00	6.00	3.04	
5132RC	5002	20074	270	-55	60.00	3.00	23.00	20.00	2.37	
5041RC	5133	20025	270	-55	120.00	37.00	54.00	17.00	1.91	
5043RC	5057	20023	270	-55	130.00	10.00	21.00	11.00	2.97	
						and	45.00	57.00	12.00	1.18
5044RC	5018	20026	270	-55	118.00	10.00	14.00	4.00	2.70	
						and	29.00	33.00	4.00	2.99
						and	45.00	88.00	43.00	2.94
5045RC	4998	20026	270	-55	72.00	1.00	12.00	11.00	3.78	
						and	39.00	55.00	16.00	1.48
5042RC	5099	20002	270	-55	115.00	58.00	66.00	8.00	1.29	
5064RC	5252	19898	270	-55	156.00	36.00	39.00	3.00	5.41	
5069RD	5189	19876	90.0	-55	114.00	66.00	71.00	5.00	2.13	
5038RC	5111	19821	270	-55	80.00	39.00	43.00	4.00	2.27	
5039RC	5187	19973	270	-55	126.00	39.00	44.00	5.00	2.89	
						and	69.00	72.00	3.00	3.60
5046RC	5000	19975	270	-55	130.00	0.00	7.00	7.00	2.04	
						and	23.00	61.00	38.00	2.23
5063RC	5211	19974	270	-55	160.00	98.00	101.00	3.00	3.74	
						and	120.00	126.00	6.00	3.45
						and	126.00	138.00	9.00	14.43
5127RC	5019	19700	270	-55	114.00	100.00	102.00	2.00	7.09	
5077RC	5252	19676	270	-55	134.00	22.00	26.00	4.00	3.00	
5126RC	5138	19674	270	-55	50.00	24.00	30.00	6.00	2.22	
5160RC	4981	19673	270	-55	54.00	34.00	42.00	8.00	1.42	
5071RD	5253	19526	270	-55	160.00	85.00	96.00	11.00	1.54	
5123RC	5282	19477	270	-55	144.00	113.00	122.00	9.00	1.89	

\*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)
2989RC	5357	20283	90	-60	230.00	144.00	154.00	10.00	7.33
						and 198.00	202.00	4.00	6.66
3129RD	5307	20281	90	-60	380.10	359.10	360.20	1.10	22.30
3218RC	5354	20252	90	-60	230.00	216.00	218.00	2.00	5.50
3219RC	5304	20253	90	-60	288.00	67.00	75.00	8.00	2.14
2991RC	5338	20202	90	-60	230.00	120.00	126.00	6.00	7.15
2941RD	5310	20060	90	-55	235.75	156.00	157.00	1.00	10.7
2770RD	5206	19950	90	-57	353.30	161.00	164.00	3.00	9.46
						and 181.00	185.00	4.00	7.61
2970RC	5238	19925	90	-55	108.00	65.00	72.00	7.00	5.66
2972RC	5208	19925	90	-55	156.00	102.00	116.00	14.00	3.43
						<b>incl. 102.00</b>	<b>108.00</b>	<b>6.00</b>	<b>5.96</b>
3089RD	5264	19926	90	-55	303.60	234.90	253.00	18.10	3.04
						<b>incl 249.00</b>	<b>253.00</b>	<b>4.00</b>	<b>8.25</b>
2951RD	5288	19924	90	-55	281.00	117.00	122.00	5.00	3.59
						and 213.00	228.00	15.00	3.48
						and 231.20	243.00	11.80	5.19
						<b>incl 231.20</b>	<b>233.60</b>	<b>2.40</b>	<b>16.70</b>
2973RC	5213	19900	90	-55	150.00	8.00	13.00	5.00	2.23
						and 97.00	104.00	7.00	3.28
						and 138.00	147.00	9.00	2.54
3225RC	5186	19900	90	-57	252.00	188.00	196.00	8.00	2.54
						and 237.00	252.00	15.00	3.54
2971RC	5242	19875	90	-55	96.00	53.00	60.00	7.00	9.65
2974RC	5213	19875	90	-55	132.00	12.00	16.00	4.00	5.08
						and 88.00	95.00	7.00	2.73
						and 124.00	131.00	7.00	1.96
2949RD	5268	19871	90	-55	311.70	222.30	242.00	19.70	6.12
						<b>incl 224.00</b>	<b>227.00</b>	<b>3.00</b>	<b>13.10</b>
						<b>incl 232.00</b>	<b>234.00</b>	<b>2.00</b>	<b>15.00</b>
						<b>incl 238.00</b>	<b>241.00</b>	<b>3.00</b>	<b>10.30</b>
						and 261.40	269.00	7.60	3.34
						<b>incl 261.40</b>	<b>263.50</b>	<b>2.10</b>	<b>8.50</b>
						and 293.00	295.00	2.00	7.79
2980RD	5418	19875	90	-55	329.20	268.00	274.00	6.00	2.12
3099RD	5294	19875	90	-55	318.80	226.00	233.00	7.00	1.68
						and 235.90	238.30	2.40	17.4
						and 243.00	251.00	8.00	19.4
2713RD	5223	19853	90	-55	168.10	69.00	75.70	6.70	2.99
2938RD	5404	19849	90	-55	300.10	154.00	157.00	3.00	5.53
3232RC	5198	19850	90	-58	252.00	172.00	179.00	7.00	1.53
2975RC	5229	19824	90	-55	240.00	36.00	42.00	6.00	4.60
2940RD	5417	19823	90	-55	326.30	263.00	267.40	4.40	4.17
3205RC	5230	19798	90	-57	147.00	21.00	28.00	7.00	3.94
						and 82.00	83.00	1.00	10.7
						and 100.00	102.00	2.00	6.26
						and 125.00	126.00	1.00	11.7

A EAST PROJECT DRILLING RESULTS - (Intercepts with Au assays > 10g.metres)										
3223RC	5202	19800	90	-59	280.00	191.00	203.00	12.00	1.75	
2977RC	5569	19751	270	-55	216.00	140.00	152.00	12.00	10.7	
						<b>incl.</b>	<b>141.00</b>	<b>147.00</b>	<b>6.00</b>	<b>19.3</b>
2049RD	5373	19702	90	-60	340.76	95.05	100.00	4.95	2.55	
						and	105.00	109.75	4.75	6.04
						and	286.00	291.40	5.40	3.10
2962RD	5498	19700	90	-60	316.90	248.00	257.00	9.00	1.29	
3217RD	5243	19700	90	-60	371.10	208.00	214.00	6.00	4.33	
						and	229.00	234.00	5.00	5.16
						and	317.00	327.00	10.00	2.67
2986RC	5266	19679	90	-60	270.00	213.00	226.00	13.00	8.80	
						<b>incl.</b>	<b>218.00</b>	<b>222.00</b>	<b>4.00</b>	<b>25.20</b>
3158RD	5494	19651	90	-60	300.10	246.00	248.00	2.00	14.50	
						and	264.30	273.10	8.80	5.43
						<b>incl.</b>	<b>271.50</b>	<b>273.10</b>	<b>1.60</b>	<b>12.50</b>
3228RC	5350	19625	90	-60	180.00	91.00	98.00	7.00	1.81	
2985RC	5257	19600	90	-55	216.00	161.00	166.00	5.00	2.09	
3126RD	5392	19591	90	-55	320.40	187.00	195.00	8.00	4.68	
						and	212.70	214.00	1.30	9.62

\*Intersections may not be true width

H WEST PROJECT DRILLING RESULTS - (Intercepts with Au assays > 10g.metres)										
Hole No.	Easting Local_C	Northing Local_C	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)	
5114RC	5666	2048	130	-60	102.00	85.00	89.00	4.00	4.08	
						and	92.00	97.00	5.00	10.75
5081RC	5571	1799	130	-60	156.00	47.00	50.00	3.00	6.53	
						and	90.00	94.00	4.00	16.41
5121RC	5321	1480	130	-60	104.00	22.00	25.00	3.00	25.85	
						and	38.00	50.00	12.00	1.29
5120RC	5316	1457	130	-60	90.00	11.00	18.00	8.00	2.54	

\*Intersections may not be true width

K EAST PROJECT DRILLING RESULTS - (Intercepts with Au assays > 10g.metres)									
Hole No.	Easting Local_C	Northing Local_C	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
5124RC	6781	2645	270	-55	108.00	18.00	20.00	2.00	28.95

\*Intersections may not be true width

MARS NORTH PROJECT DRILLING RESULTS - (Intercepts with Au assays > 10g.metres)										
Hole No.	Easting Local_C	Northing Local_C	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)	
3139RC	7341	2332	90	-60	120.00	24.00	32.00	8.00	6.22	
						<b>incl</b>	<b>24.00</b>	<b>25.00</b>	<b>1.00</b>	<b>38.40</b>
3160RC	7290	2328	90	-55	90.00	60.00	68.00	8.00	1.30	
3141RC	7315	2278	90	-55	132.00	60.00	64.00	4.00	10.20	
						<b>incl</b>	<b>61.00</b>	<b>62.00</b>	<b>1.00</b>	<b>34.80</b>

\*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