



Kingsgate Consolidated NL

ACN 000 837 472

24 July 2002

Dear Shareholder

QUARTERLY REPORT for the PERIOD ENDED 30 JUNE, 2002

Attached please find a report detailing the excellent progress made at the Chatree Gold Mine and by your company during the three months to 30th of June 2002.

Yours faithfully

Kingsgate Consolidated NL
 Mike Diemar
 Managing Director

**Quarterly Report on Activities
 Three Months to 30 June, 2002
 for Kingsgate Consolidated NL
 ACN 000 837 472**

Chatree Gold Mine Thailand , 100% Kingsgate:
Produced: 41,326 ounces gold
 153,528 ounces silver

Total cash cost: USD65 per ounce

Summary

Production at the company’s Chatree Gold Mine for the quarter was at an annualised rate of 1.17 million tonnes, or 17% above nameplate capacity. The Board approved the first plant upgrade consisting of 3 additional CIL tanks to improve gold recovery at the higher throughput. There were no lost time accidents or environmental incidents.

PRODUCTION

Gold production:	41,326 ozs.	2002/2003 year forecast Approximately as follows; Gold production 160,000 oz
Silver production:	153,528 ozs.	
Total Cash Cost per ounce:	USD65 per oz.	

Average gold price received:	USD312 per oz	Cash cost	USD80 per oz
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FINANCE

Revenue for the period was USD14.2 million.

Cash on hand at the 30th June was USD14.2 million

Hedge book reduced by 1,196 ounces through gold deliveries.

EXPLORATION

Continued positive results were received from a drill program just finished on Prospect A and the result of a first resource estimate on that prospect should be available in early August, 2002

Drilling programs within and surrounding Tawan and the future Chantra Pit of the Chatree Gold Mine have commenced, for the purpose of upgrading the resource category of mineralisation adjacent to the pits. Revised resources and reserves incorporating the new drilling results should be available in October, 2002.

For further information, please contact:

Mike Diemar, Managing Director Telephone 61 2 9223 5273 Fax 61 2 9223 9775

Email: info@kingsgate.com.au Web site: www.kingsgate.com.au

SAFETY

Chatree's excellent safety record continued with no lost time injuries occurring at the Chatree Mine during the quarter. This brought the number of man hours without lost time injury since commencement of construction at the end of November, 2000 to 1.6 million.

PRODUCTION Chatree Mine Thailand

Production during the June quarter was as follows:

Operation	Units	June 2002 Quarter	March 2002 Quarter
Waste mined	Tonnes	639,600	622,246
Ore mined	Tonnes	252,286	274,221
Waste:ore ratio	BCM:BCM	2.7:1	2.7:1
Ore grade	Au g/t	4.9	5.5
	Ag g/t	39	56
Closing stockpiles	Tonnes	156,328	200,277
Stockpile grade	Au g/t	1.6	1.8
	Ag g/t	12	16
Ore treated	Tonnes	291,471	241,096
Head grade	Au g/t	5.2	5.6
	Ag g/t	43	42

Gold poured	Ounce	41,326	40,939
Silver poured	Ounce	153,528	161,225
Gold recovery	%	90.8	90.2

Mining continued in Tawan Pit with ore being sourced mainly from the transition and primary metallurgical zones. Reverse circulation drilling based grade control, continued to reconcile contained gold ounces in ground, to within 1% of the reserve data. To date mining has produced slightly fewer tonnes and slightly higher grade than forecast. The wet season commenced in the latter half of the quarter and consists of irregular storms. Mining has continued without interruption.

Stockpiles of ore are adequate for 1.5 month's supply. Average plant feed gold grade is scheduled to be marginally lower in the September quarter.

The CIL processing plant performed well with throughput 17% above the 1 million tonne per year nameplate capacity and with gold recovery improving to 90.8% despite a greater proportion of primary zone material in the plant feed. Further improvement is considered possible and to this end, 3 additional tanks will be added to the CIL train over the next 5 months, to increase pulp residence time. These tanks were scheduled to be added to the plant in late calendar year 2003, and their addition now is simply bringing that expenditure forward to maximise gold recovery and revenue.

PRODUCTION COSTS Chatree Mine Thailand . (Unaudited)

Gold Institute Revised Standard for Reporting Production Costs.

Cost Category	June ¼ USD/oz Au Produced	March ¼ USD/oz Au Produced
Direct mining expenses	71	63
Refining and transport costs	2	2
By product credits	(15)	(15)
Cash Operating Costs	58	50
Royalties	7	8
Total Cash Costs	65	58

Depreciation and amortisation	52	56
Total Production Costs	117	114

Silver is accounted for as a by-product at Chatree Mine whereby revenues from silver are deducted from operating costs in the calculation of cash costs per ounce. If the Company had accounted for silver production as a co product, whereby costs were allocated separately to gold and silver based on their proportion of revenues, the following costs per ounce would be reported:

Total cash Costs	gold USD75	silver USD1.14
Noncash costs	gold USD49	silver USD0.74
	Gold USD124	silver USD1.88

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

FINANCE

Kingsgate Group

Borrowings: USD25 million at 30th June.

Cash on hand at 30th June: USD14.2 million. (The utilisation of cash is subject to the terms of the syndicated Chatree funding facility)

Exploration expenditure in June quarter: USD129,000

Chatree Mine

Category	Unit	June 2002 Quarter	March 2002 Quarter
Average spot gold for quarter, London close	USD/oz	312	290
Average gold price received	USD/oz	312	305
Gold sold	Ounce	43,006	38,995
Silver sold	Ounce	154,384	150,676
Revenue from metal sales	USD	14,152,135	12,562,996

PROJECT BACKGROUND

Chatree Gold Mine is 280 km by bitumen highway north of Bangkok in an area with good infrastructure.

Total remaining Measured, Indicated and Inferred Resources at 30th June were 14.2 million tonnes at 2.6 g/t Au and 11 g/t Ag. (0.8 g/t Au cutoff).

Remaining open cut Proven and Probable Reserves at 30th June were 7.7 million tonnes at 3.0 g/t Au and 13 g/t Ag (0.8 g/t Au cutoff at US\$260/oz).

The mine currently operates the Tawan Pit, and early next year mining at Chantra Pit will commence. Gold

and silver extraction is by standard Carbon in Leach processing with destruction of cyanide in the pulp to 20ppm prior to delivery to the tailings dam.

The Royal Thai Board of Investment approved a tax holiday and other benefits to the Chatree Mine.

EXPLORATION

Prospect A.

During the June quarter drilling was located at Prospect A, 1 kilometre north of Tawan Pit. A total of 3,260 metres of reverse circulation and 1,641 metres of cored drilling was completed. The mineralisation at Prospect A, is similar to that being mined in Tawan Pit. Independent consultants have been commissioned to carry out the first resource estimate on this prospect and the results should be available in early August. A program of metallurgical test-work was completed on Prospect A drill intercepts, which indicated that the gold recovery was acceptable and on par with Tawan Pit mineralisation recoveries.

The results obtained since early March for intersections greater than 10 gram metres* gold in drill holes follow. RC796 was the most northerly hole on the Prospect A grid and RC775 was the most southerly hole.

Hole Number	From (m)	To (m)	Interval (m)	Gold (g/t)
RCD796#	50.0	55.0	5.0	3.7
	105.0	115.6	10.6	2.6
RCD762	42.0	46.0	4.0	8.1
	72.0	74.0	2.0	6.4
	78.0	97.0	19.0	2.4
RCD770	88.0	93.0	5.0	5.7
	104.0	107.1	3.1	15.0
RCD793#	98.0	105.0	7.0	2.7
	143.8	154.4	10.6	2.8
RCD794#	32.0	41.0	9.0	1.7
	48.0	60.0	12.0	1.8
RC 722	21.0	40.0	19.0	1.7
	142.6	153.8	11.2	1.8
RC761	43.0	48.0	5.0	2.2
	53.0	59.0	6.0	1.8
	67.0	86.0	19.0	3.7
	114.0	122.0	8.0	1.3
RC771	83.0	104.0	21.0	6.1
RCD759	64.0	67.0	3.0	6.6
RCD792#	154.6	157.6	3.0	18.0
RCD758	12.0	14.0	2.0	6.3
	28.0	35.0	7.0	2.7
	65.0	70.0	5.0	2.3
	87.4	96.0	8.6	1.2

RCD788#	89.6	95.6	6.0	10.3
RCD790	74.9	77.0	2.1	10.3
	159.6	161.6	2.0	5.8
RCD789#	125.0	146.1	21.1	2.3
RCD754	12.0	19.0	7.0	1.6
	73.0	80.7	7.7	1.5
RCD787#	9.0	19.0	10.0	3.3
	111.7	112.8	1.1	11.1
RC766	70.0	74.0	4.0	3.1
RC772	36.0	50.0	14.0	1.3
	61.0	67.0	6.0	4.1
RC784#	8.0	18.0	10.0	1.9
RC765	31.0	36.0	5.0	6.5
	36.0	48.0	12.0	1.0
	52.0	59.0	7.0	1.8
RC778	41.0	58.0	17.0	2.3
RC775#	21.0	38.0	17.0	2.8
RC 797#	15.0	24.0	9.0	3.6
	27.0	37.0	10.0	1.3
	80.0	89.0	9.0	3.8

“Interval (m)” in the table represents approximate true thickness of the mineralised zone in metres. *gram metres means the length of the intersection in metres multiplied by the gold grade of the intersection in grams per tonne, e.g. 12 metres @ 3.5 g/t Au equals 42 gram metres. Gold values are uncut. RC means reverse circulation drill hole. RCD means reverse circulation drill hole with diamond tail.

This table includes those results announced to the ASX on 24 June, 2002 and # means result not previously reported. Results of the last 3 diamond tails are not to hand.

This drill program is now complete and a new program is planned to commence in late September, 2002 following a geological analysis of the program results and the resource estimate.

Chatree Mine Drilling

Drilling has commenced in the vicinity of the Tawan and Chantra Pits for the purpose of converting Inferred Resource blocks within and adjacent to the final pit shells, to at least Indicated Resource status and to locate new mineralisation along strike. Data from the programs will allow resource and reserve estimate updates to aid in final pit design and mine scheduling.

The estimates should be available in October.

HEDGE POSITION AS AT 30th of JUNE 2002

The Kingsgate Group had no foreign exchange hedging in place at the 30th of June.

The gold hedge position at the 30th of June is detailed in the following table. Kingsgate’s policy is to cover

a majority of the group corporate costs, debt repayments and mine operating costs with gold hedging. At the 30th of June, 65 % of the recoverable gold reserve was committed to hedge. For the 2 years to 30th of June 2004, 47% of the projected production is committed to hedge.

Gold Hedge Disclosure Year to		June 2003	June 2004	June 2005	June 2006	After June 2006	Total
Forward Sales							
USD denominated (2)	oz	66,800	66,800	66,800	66,800	76,800	344,000
ENRP (1)	USD/oz	306.5	306.5	306.5	306.5	306.5	306.5
Spot Deferred							
USD denominated	oz	16,713					16,713
ENRP minimum	USD/oz	306.5					306.5
Put Options Purchased							
USD denominated ⁽⁴⁾	oz					50,000	50,000
ENRP minimum	USD/oz					320.0	320.0
Call Options Sold							
USD denominated	oz					50,000	50,000
ENRP minimum	USD/oz					346.1	346.1
Total Committed	oz	83,513	66,800	66,800	66,800	126,800	410,713
ENRP	USD/oz	306.5	306.5	306.5	306.5	322.1	311.3
Total Hedged (2,3)	oz	83,513	66,800	66,800	66,800	126,800	410,713
ENRP	USD/oz	306.5	306.5	306.5	306.5	311.8	308.1

(1) ENRP (Estimate Net Realised Price) is after allowing for gold lease fees of 1.5% over the life of the forward sales. Gold lease fees are currently fixed at a weighted average of 0.60% over various quantities until 11 Mar 2003 .

(2) Margin calls do not apply.

(3) Mark to market of negative USD10.2 million, spot price USD313.85 on 30 June 2002 .

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

THE FUTURE

Forecast production at the Chatree Gold Mine for the 2002/2003 financial year is approximately 160,000 ounces of gold at a cash cost of approximately USD80 per ounce.

Chatree's original feasibility study included a plant expansion from 1.0 million tonnes per year to 1.5 million tonnes per year throughput scheduled for late calendar year 2003. The 3 additional CIL tanks now being added to the Chatree plant are scheduled for completion in December 2002 and were one element of the original feasibility study expansion. Plant throughput in the June quarter was at an annualised rate of 1.17 million tonnes per year. Any throughput at Chatree greater than 1.25 million tonnes per year will require additional grinding capacity and that consideration will rely heavily on the various resource and reserve assessments to be completed this year.


Drill results at Prospect A have been very encouraging, and subject to the resource estimate currently in progress, successful infill drilling and the various development consents, the forward plan for Prospect A is to mine the deposit and blend the higher grade ore component into the Chatree plant feed to extend the period of relatively high head grade and low unit costs.

With the success of the Chatree Gold Mine, Kingsgate has now commenced to look for a further project for acquisition and development. To this end, Steve Reid has been employed as General Manager Business Development and his role will be to evaluate resource and corporate opportunities.

Information in this report which relates to mineralisation is based on information compiled by Michael Garman an employee of the Company who is a Corporate Member of The Australasian Institute of Mining and Metallurgy and who has relevant experience as a Competent Person as defined in the Australasian Code for Reporting of Identified Mineral Resources and Ore Reserves in relation to mineralisation being reported on.

For further information contact the undersigned or visit our website at www.kingsgate.com.au.

Yours faithfully



Kingsgate Consolidated NL
Mike Diemar
Managing Director