



## Kingsgate Consolidated NL

ACN 000 837 472

### Quarterly Report on Activities for Three Months to 31 March 2002

#### 100% owned Chatree Gold Mine Thailand , first full quarter of production completed:

Produced: 40,939 ounces gold  
 161,225 ounces silver  
 Total cash cost: USD58 per ounce

#### SUMMARY

The 100% owned Chatree Mine settled down to steady state production during the quarter and there were no lost time accidents or environmental incidents.

#### PRODUCTION

Gold production: 40,939 ounces.

Silver production: 161,225 ounces.

Total Cash Cost per ounce: USD58 per ounce.

Average gold price received: USD305 per ounce.

#### FINANCE

Revenue for the period was USD12.6 million.

Cash on hand at the end of March was USD12.3 million

Hedge book reduced by 28,995 ounces through gold deliveries.

#### EXPLORATION

Drilling is in progress at Prospect A, 1 km north of the Chatree Mine. Results received in the period were encouraging and indicated the widespread occurrence of gold mineralisation.

Three exploration tenements were applied for in the volcanic belt along strike from the Chatree deposits. Each application covers mineralised volcanic rocks.

For further information, please contact:

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#### SAFETY

No lost time injuries occurred at the Chatree Mine during the quarter bringing the number of man hours without lost time injury since commencement of construction at the end of November, 2000 to 1.4 million.

#### PRODUCTION Chatree Mine Thailand

Production during the March quarter was as follows:

Operation	Units	March 2002 Quarter
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Waste mined	Tonnes	622,246
Ore Mined	Tonnes	274,221
Waste to ore ratio		2.7:1
Ore grade	Au g/t	5.5
	Ag g/t	56
Closing stockpiles	tonnes	200,277
Stockpile grade	Au g/t	1.8
	Ag g/t	16
Ore treated	tonnes	241,096
Head grade	Au g/t	5.6
	Ag g/t	42
Gold Poured	Ounce	40,939
Silver poured	Ounce	161,225

Mining progressed well, with reverse circulation drilling based grade control completed to date, reconciling contained gold ounces in ground to within 1% of the feasibility reserve data. Additional waste was mined to prepare the mine drainage system for the wet season due to commence in June and to ensure that the ore production benches would be accessible in the event of unusually heavy rain in that period.

Ore during the quarter came from oxide, transition and primary metallurgical zones. Ore geometry in the pit was relatively simple and with close technical supervision of the mining contractor, dilution was less than anticipated.

Stockpiles of low and medium grade ore were built up to 2 months of supply for the processing plant. Average plant feed gold grade is scheduled to be marginally less in the

June quarter and this should be offset by planned higher throughput.

Processing proceeded reasonably well although throughput was reduced in January and February due to the slowness of clearing spare parts through customs and higher than anticipated use of grinding media in the grinding mill. This issue was overcome in March and 3 months supply of grinding media is now in store. Gold recoveries in the processing plant were 3% below expectation for the quarter, reflecting the start-up phase in the plant and the metallurgically variable oxide, transition and primary ore being fed to the plant from this upper part of the Tawan Pit.

**PRODUCTION COSTS Chatree Mine Thailand . (Unaudited)**

Gold Institute Revised Standard for Reporting Production Costs.

March 2002 Quarter Cost Category	USD per ounce gold Produced
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Direct mining expenses	63
Refining and transport costs	2
By product credits	(15)
<b>Cash Operating Costs</b>	<b>50</b>
Royalties	8
<b>Total Cash Costs</b>	<b>58</b>
Depreciation and amortisation	56
<b>Total Production Costs</b>	<b>114</b>

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 USD71	silver USD1.04
Noncash costs	<u>gold USD53</u>	<u>silver USD0.77</u>
	Gold USD124	silver USD1.81

Previous Total Cash Cost projections by Kingsgate from the Chatree feasibility study were calculated using the gold equivalent method. If this method had been applied to the March quarter production, the Total Cash Cost would have been USD71 per ounce instead of USD58 per ounce.

The Gold Institute Revised Standard by-product method (rather than gold equivalent method) has been adopted because it is accepted as being applicable to mining operations such as Chatree where by-product revenues are received.

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

## FINANCE

### Kingsgate Group

Borrowings: USD30 million at end of March

Cash on hand at end of March USD12.3 million. (The utilisation of cash is subject to the terms of the syndicated Chatree funding facility)

Exploration expenditure in March quarter USD133,000

### Chatree Mine

Category	Unit	March 2002 Quarter
Average spot gold for quarter, London close	USD/oz	290
Average gold price received	USD/oz	305
Gold sold	Ounce	38,995
Silver sold	Ounce	150,676

Revenue from metal sales	USD	12,562,996
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## PROJECT BACKGROUND

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

Total Measured, Indicated and Inferred Resources are 14.5 million tonnes at 2.6 g/t Au and 12 g/t Ag. (0.8 g/t Au cutoff) for 1.2 million ounces of Au and 5.4 million ounces of Ag.

Remaining open cut Proven and Probable Reserves at the end of March are 8.0 million tonnes at 3.1 g/t Au and 14 g/t Ag (0.8 g/t Au cutoff at US\$260/oz) for 767,000 oz Au and 3.6 million oz Ag.

The mine will operate 2 open cut pits, Tawan Pit, and Chantra Pit. 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. All plant is new.

Mine life is currently 6.1 years at 1 million tonnes per year for the first 2 years and 1.5 million tonnes per year thereafter. Life of mine waste to ore ratio is 2.9:1.

The feasibility study provides for production in the first 3 years to average 134,000 ounces gold and 435,000 ounces of silver per year.

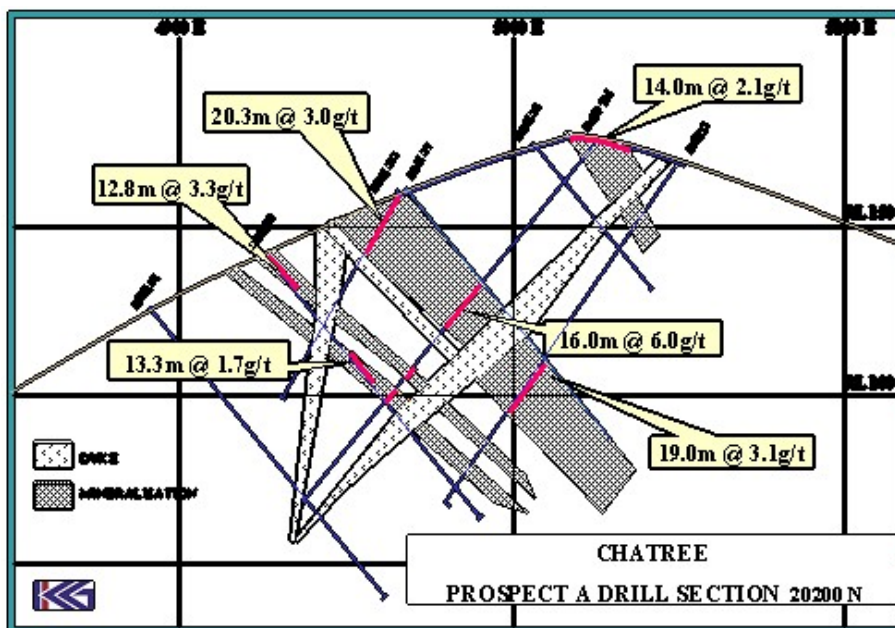
The Royal Thai Board of Investment approved a tax holiday and other benefits to the Chatree Mine.

## EXPLORATION

During the March quarter a total of 3679 metres of drilling was completed, comprised of 3496 metres of reverse circulation and 183 metres of core.

At Prospect A, a total of 37 drill holes were completed at an average depth of 99 metres and at Prospect K 2 holes were completed at Prospect K at an average depth of 85 metres.

The mineralisation at Prospect A, 1 kilometre north of Tawan Pit, is mainly low sulphidation adularia sericite epithermal gold silver mineralisation hosted in quartz carbonate veins and fault breccia fill. Quartz poor gold sulphide mineralisation appears to be present in a number of zones. Most gold bearing zones dip at about 50 degrees to the east as shown on the cross-section below. It is located within a structural zone up to 150 metres wide and extending for 1300 metres on a bearing of about 330 degrees.



The results obtained during the March quarter for intersections greater than 10 gram metres Au\* in drill holes follow.

RC762 was the most northerly hole and RC740 was the most southerly hole.

“Interval (m)” in the table represents approximate true thickness of the mineralised zone in metres. This table includes those results announced to the ASX on 07 March, 2002 and # means result not previously reported.

The current drill program will be completed at the end of April when the results will be assessed prior to the design of a larger follow-up program.

Two scout reverse circulation holes were drilled at Prospect K, which is located between the Chatree Mine and Prospect A.

The northern extensions of the mineralisation in the Chatree Tawan Pit and the future Chantra Pits are interpreted to converge in the Prospect K area. Reverse circulation hole 716 returned 5 metres at 2.54 g/t Au. Further drilling will be completed on Prospect K in the June quarter.

Hole Number	From (m)	To (m)	Interval (m)	Gold (g/t)
RC762	42	46	4	8.1
	72	74	2	6.4
	78	84	6	3.0
	93	97	4	5.2
RC 721	56	66	10	1.2
RC 722	21	40	19	1.7
	105	116	11	1.3
RC 742	54	57	3	4.1
	86	90	4	4.9
RC 760 #	29	39	10	2.3
	53	62	9	3.3
	72	77	5	2.2
RC 723	70	89	19	3.1
RC 724	4	13	10	2.1
	73	78	5	2.8

RC 725	9	14	<b>5</b>	<b>2.4</b>
	65	88	<b>23</b>	<b>3.3</b>
RC 757 #	47	56	<b>9</b>	<b>1.7</b>
RC 726	10	19	<b>9</b>	<b>1.3</b>
	30	37	<b>7</b>	<b>2.3</b>
	59	67	<b>8</b>	<b>1.6</b>
RC 755 #	50	53	<b>3</b>	<b>5.5</b>
	82	84	<b>2</b>	<b>27.5</b>
RC 756 #	38	43	<b>5</b>	<b>3.1</b>
RC 727	1	3	<b>2</b>	<b>10.9</b>
RCD 753 #	0	2	<b>2</b>	<b>6.0</b>
	59	65	<b>6</b>	<b>1.7</b>
	74	87	<b>13</b>	<b>1.1</b>
RCD 754 #	12	19	<b>7</b>	<b>1.6</b>
RC 729	44	65	<b>21</b>	<b>1.8</b>
RC 728	2	26	<b>24</b>	<b>2.6</b>
RC 751 #	82	94	<b>12</b>	<b>1.6</b>
RC 730	0	59	<b>59</b>	<b>1.7</b>
RC 732	0	29	<b>29</b>	<b>2.4</b>
	45	56	<b>11</b>	<b>3.2</b>
RC 734	1	7	<b>6</b>	<b>3.2</b>
RC 736	18	25	<b>7</b>	<b>1.7</b>
	49	61	<b>12</b>	<b>2.3</b>
RC 746 #	5	15	<b>10</b>	<b>1.0</b>
RC 738	0	17	<b>17</b>	<b>1.1</b>
RC 741	5	11	<b>6</b>	<b>4.7</b>
	19	26	<b>7</b>	<b>4.0</b>
RC 744 #	3	6	<b>3</b>	<b>3.9</b>
RC 740	20	25	<b>5</b>	<b>3.6</b>

\*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.

#### HEDGE POSITION AS AT 28 MARCH 2002

The Kingsgate Group had no foreign exchange hedging in place at the end of March.

The gold hedge position at the end of March is detailed in the following table. Kingsgate's policy is to cover at least the group corporate costs, debt repayments and mine operating costs with gold hedging. At the end of March, 55% of the gold reserve was committed to hedge.

Gold Hedge Disclosure		June 2002	June 2003	June 2004	June 2005	Balance	Total
<b>Forward Sales</b>							
USD denominated <sup>(2)</sup>	oz	25,689	66,800	66,800	66,800	143,600	369,689
ENRP <sup>(1)</sup>	USD/oz	306.5	306.5	306.5	306.5	306.5	306.5

<b>Spot Deferred</b>							
<b>USD denominated</b>	oz	42,220					42,220
ENRP minimum	USD/oz	291.8					291.8
<b>Total Committed</b>	oz	67,909	66,800	66,800	66,800	143,600	411,909
<b>ENRP</b>	USD/oz	297.4	306.5	306.5	306.5	306.5	305.0
<b>Total Hedged<sup>(2,3)</sup></b>	oz	67,909	66,800	66,800	66,800	143,600	411,909
<b>ENRP</b>	USD/oz	297.4	306.5	306.5	306.5	306.5	305.0

(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 0.86% over various quantities until 11 June2002.

(2)Margin calls do not apply.

(3)Mark to market of negativeUSD14.67 million, spot price USD302.95 on 28 March 2002 .

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](http://www.kingsgate.com.au).

Yours faithfully

Kingsgate Consolidated NL  
 Mike Diemar  
 Managing Director

**Appendix 5B**

**Mining exploration entity quarterly report**

Introduced 1/7/96 . Origin: Appendix 8. Amended 1/7/97 , 1/7/98 .

Name of entity

KINGSGATE CONSOLIDATED NL

ACN or ARBN

000 837 472

Quarter ended ("current quarter")

31 March 2002

**Consolidated statement of cash flows**

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	23,280	27,277

1.2	Payments for evaluation	(a) exploration and	(133)	(255)
		(b) development	(1,309)	(32,549)
		(c) production	(9,108)	(10,095)
		(d) administration	(400)	(1,347)
1.3	Dividends received		-	-
1.4	Interest and other items of a similar nature received		73	258
1.5	Interest and other costs of finance paid		(1,107)	(1,428)
1.6	Income taxes paid		-	-
1.7	Other (provide details if material)		-	-
	<b>Net Operating Cash Flows</b>		11,296	(18,139)
	<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of:	(a)prospects	-	-
		(b)equity investments	-	-
		(c) other fixed assets	(219)	(1,136)
1.9	Proceeds from sale of:	(a)prospects	-	-
		(b)equity investments	-	-
		(c)other fixed assets	-	-
1.10	Loans to other entities		(318)	(363)
1.11	Loans repaid by other entities		-	-
1.12	Other (provide details if material)		-	-
	<b>Net investing cash flows</b>		(537)	(1,499)
1.13	Total operating and investing cash flows (carried forward)		10,759	(19,638)



1.13	Total operating and investing cash flows (brought forward)	10,759	(19,638)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	-	6,290
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	39,339
1.17	Repayment of borrowings	(4,725)	(8,651)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	<b>Net financing cash flows</b>	(4,725)	36,978
	<b>Net increase (decrease) in cash held</b>	6,034	17,340
1.20	Cash at beginning of quarter/year to date	17,437	6,279
1.21	Exchange rate adjustments to item 1.20	(375)	(523)
1.22	<b>Cash at end of quarter</b>	23,096	23,096

**Payments to directors of the entity and associates of the directors****Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	109
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	NONE	

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NONE

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NONE

**Financing facilities available**

**Add notes as necessary for an understanding of the position.**

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities Facility for mine development USD30m	56,190	56,190
3.2	Credit standby arrangements	-	-

**Estimated cash outflows for next quarter**

		\$A'000
4.1	Exploration and evaluation	485
4.2	Development	-
<b>Total</b>		<b>485</b>

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter	Previous quarter
		\$A'000	\$A'000
5.1	Cash on hand and at bank	513	841
5.2	Deposits at call	22,583	16,596
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)		<b>23,096</b>	<b>17,437</b>

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	N/A		
6.2	Interests in mining tenements acquired or increased	N/A		

### Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

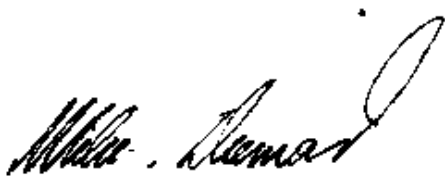
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference + securities</b> (description)	-	-	-	-
7.2 Changes during quarter				
(a) Increases through issues				
(b) Decreases through returns of capital, buy-backs, redemptions				

7.3	<b>+Ordinary securities</b>	71,438,855	71,438,855	-	-
7.4	Changes during quarter				
	(a) Increases through issues	10,205,550	10,205,550	65	65
	(b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	<b>+Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6	Changes during quarter				
	(a) Increases through issues	-	-	-	-
	(b) Decreases through securities matured, converted	-	-	-	-
7.7	<b>Options</b> 1 FOR 1 EMPLOYEE OPTIONS	213,000	-	<i>Exercise price</i>	<i>Expiry date</i>
	DIRECTORS OPTIONS	40,000	-	81 CENTS	22 December 2002
		450,000	-	69 CENTS	22 June 2003
				148 CENTS	28 November 2004
7.8	Issued during quarter – Director Options	-	-	-	-
7.9	Exercised during quarter	-	-	-	-
7.10	Expired during quarter	-	-	-	-
7.11	<b>Debentures</b> <i>(totals only)</i>	-	-		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	-	-		

### Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Law or other standards acceptable to ASX (see note 4).

2 This statement does ~~not~~\* (*delete one*) give a true and fair view of the matters disclosed.



23 April 2002

Sign here: .....

(Director/Company Secretary)

MIKE DIEMAR

Date: .....

Print name: .....

**Notes**

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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