



**Kingsgate**

Consolidated Limited

ABN 42 000 837 472

27 August 2004

The Manager  
Announcements  
Company Announcements Office  
Australian Stock Exchange Limited

**Via ASX Online  
(18 pages including this cover letter)**

Dear Sir/Madam

**Re: Letter to Shareholders**

I wish to you inform you that the following documents will be mailed to Kingsgate shareholders during the week of 30 August 2004:

- Covering letter from Managing Director & CEO (1 page);
- Annual Results 2004 (3 pages);
- June 2004 Quarterly Report (13 pages).

Yours faithfully

**JOHN FALCONER**  
Company Secretary



**Kingsgate**

Consolidated Limited

ABN 42 000 837 472

27 August 2004

Dear Shareholder

**Annual Results for 2003/04 & June 2004 Quarterly Report**

Attached please find a copy of the Company's News Release of the Annual Results for 2003/04 and the June 2004 Quarterly Report.

The News Release provides details of:

- A final unfranked dividend of 12 cents a share;
- Net profit of \$37.7 million for the year;
- Strong financial position with net cash of \$59.7million;
- Forecast gold production in 2004/05 of approximately 150,000 ounces of gold.

The record date of the final dividend is 10 September 2004 and it will be paid on 15 October 2004.

The June 2004 Quarterly Report provides details of:

- Annual gold production for 2003/04 of 149,979 ounces;
- Exploration success on and near the mine site;
- Increase in Ore Reserves to 1.08 million ounces of gold.

The Company has implemented a Dividend Reinvestment Plan (DRP) following shareholder approval at the 2003 Annual General Meeting. The plan is voluntary and shareholders who have not participated in the DRP and wish to do so should contact the Company's Registry on 08 9315 0933 to obtain a DRP form.

Yours faithfully

KINGSGATE CONSOLIDATED LIMITED

**STEVE REID**

Managing Director and CEO



**Kingsgate**

Consolidated Limited

ABN 42 000 837 472

24 August 2004

## **NEWS RELEASE**

### **KINGSGATE REPORTS STRONG EARNINGS FOR 2003/04**

#### **Overview**

The directors of Kingsgate Consolidated Limited today announced a net profit after tax of \$37.7 million for the year ended 30 June 2004, its second full year of production. The profit is based on another strong operational performance at the Chatree mine in Thailand, which produced just under 150,000 ounces of gold.

Directors have declared a final unfranked dividend of 12 cents per share, with a record date of 10 September 2004 and a payment date of 15 October 2004.

#### **Dividends**

Kingsgate's dividend policy is to pay out between one quarter and one half of profit after tax by means of dividends to shareholders, subject to cash requirements and the financial position of the company. A final dividend of 12.5 cents per share was paid to shareholders during the year relating to the 2002/03 year. In addition, an interim dividend for 2003/04 of 10 cents per share was paid to shareholders in April 2004.

In view of the company's strong operational performance during the year, the favourable outlook, and the Company's strong financial position, the Directors have declared a final dividend of 12 cents per share, payable on 15 October 2004. This brings the total dividend declared for the year to 22 cents per share.

#### **Finance**

The strong operational performance has resulted in Kingsgate achieving a net profit after tax of \$37.7 million (or 45.5 cents/share), which is a reduction of 20% on the net profit of \$47.3 million achieved in 2002/03. The equivalent US\$ net profit after tax is US\$26.5 million and is similar to the previous year (US\$27.5 M), which demonstrates the impact the Australian Dollar appreciation of 22% has had on the results. Total revenue of \$86.8 million reduced from \$94.6 million in the previous year, with lower gold production offset by a higher realized US\$ gold price before foreign exchange impacts. Costs have increased in line with increased throughput and a higher mining strip ratio. The company has a Board of Investment exemption from income tax in Thailand and there is no withholding tax on dividends remitted to Australia.

Operating cash generation achieved was \$49.3 million from which \$24.0 million was reinvested in the business through exploration, development and plant expenditure and dividend payments of \$17.6 million were made to shareholders. Approximately \$41.4 million was raised by the company to fund growth opportunities by means of a share placement to institutional and private investors and a Share Purchase Plan provided to shareholders. The company also negotiated a new financing facility of US\$32 million, which has a 3-year term from inception in December 2003. The company's financing facilities were completely repaid during the year, with no outstanding loans at the end of June 2004 and a net cash position of \$59.7 million.

## **Operations**

Total production at Chatree for the year was 149,979 ounces of gold and 395,346 ounces of silver at a total cash cost of US\$135 per ounce and total production cost of US\$189 per ounce of gold. These results place Chatree as one of the lowest cost operations in the world. Gold production represents a 3% decrease on the previous year as lower grades of ore were treated, partly offset by the successful completion of the plant expansion mid-year.

The expansion to the Chatree plant was completed in December 2003 and increased throughput to approximately 2 million tonnes per year, an improvement of more than 50%. The expansion is designed to maintain production levels in view of forecast declining ore grades. This expansion was completed on time and under budget and has since operated at or above design throughput of 1.8 million tonnes per year.

The company's excellent safety and environmental performance continued during the year with no significant incidents occurring and achieving international accreditations for ISO 14001 for Environmental Management and OHSAS 18001 for Occupational Health and Safety.

## **Exploration**

The company embarked on an accelerated exploration program and achieved immediate success near the existing pits. An extension to the H orebody was discovered and Prospect P was subsequently discovered nearby. This was mined in the June 2004 quarter, providing high grade feed to the plant. When combined with other successes at the site, this raised the total company Ore Reserves to over 1 million ounces of gold as at 30 June 2004.

As a result of the accelerated exploration effort near the mine site and in the surrounding region, the company has confirmed the area to be highly prospective. New discoveries have been made at numerous locations north and south of the existing operation, illustrating mineralisation over approximately six kilometres in strike length. A further escalation of drilling activity will see the Chatree exploration expenditure approach US\$9 million for the 2004/05 year. There will be an increased focus on converting the discoveries to Mineral Resources and a commensurate re-evaluation of the project scale as the size of the project is increased.

In the surrounding region, additional exploration licences have been applied for and Kingsgate now controls approximately 1,500 square kilometres of land along the geological structure. Extensive geophysical work was undertaken during the year, including an airborne IP/resistivity and TEM program. This has provided a better understanding of the geological structures in the region and has resulted in the identification of several new regional gold and base metal prospects which are being further investigated.

## **Business Development**

In addition to financial and operating success, Kingsgate's operating base in SE Asia provides a strategic platform for growth in the region. Consequently, in addition to numerous projects worldwide, Kingsgate has reviewed several potential prospects in China during the past year. During that time, the prospectivity of the country has been confirmed and there is a niche available to credible, mid-tier operators such as Kingsgate. China is likely to play a role in the company's mid-term future in the region.

Given the wealth of knowledge being accumulated about low-sulphidation epithermal gold deposits at the Chatree operation in Thailand, Kingsgate has moved to utilize this information for corporate growth in other relevant parts of the world. One such region of interest is South America, where not only are the deposit origins similar, but specific countries actively encourage mining. Kingsgate is moving to establish an exploration team in Chile and Peru and is currently assessing several properties there.

## **Outlook**

The Directors are confident that Kingsgate is well-positioned to progress its strategy for profitable growth. Opportunities are being continually monitored and evaluated. The outlook for next year is positive and current expectations are for gold production in the vicinity of 150,000 ounces at a cash cost approximately 20% higher than last year. Improvements to these projections are being targeted through a focus on cost and production initiatives and by pursuing short-term contributions from exploration. These particularly include high grade ore body extensions, which will be given processing priority as was the case in 2003/04 with Prospect P.

Commenting on the results, Managing Director and CEO, Steve Reid said:

“This excellent profitability is what people have come to expect of us, but remains somewhat unique in the gold mining business. Our efforts at adding capacity across all aspects of the business have paid off and provided another strong result.

By far the most exciting aspect of our progress however has been the positive change in our understanding of the geology around the mine. The year-long increased exploration effort has begun to pay the dividends that we believed it would. All of us are looking forward to demonstrating a far larger mineralised system than our current Ore Reserves reflect.”

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For further information, contact:

**Steve Reid**  
Managing Director & CEO  
(02) 9223 5273

**Niall Lenahan**  
Chief Financial Officer  
(02) 9223 5273

**SUMMARY OF ACTIVITIES FOR THE QUARTER**

**PRODUCTION**

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

**EXPLORATION**

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

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

**CORPORATE**

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

Steve Reid  
Managing Director & CEO  
26 July 2004

## PRODUCTION

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

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

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

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

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

## PRODUCTION COSTS

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

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

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

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

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

## SAFETY AND ENVIRONMENT

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

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

## MINERAL RESOURCES AND ORE RESERVES

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

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

*Details are contained in Schedule C attached.*

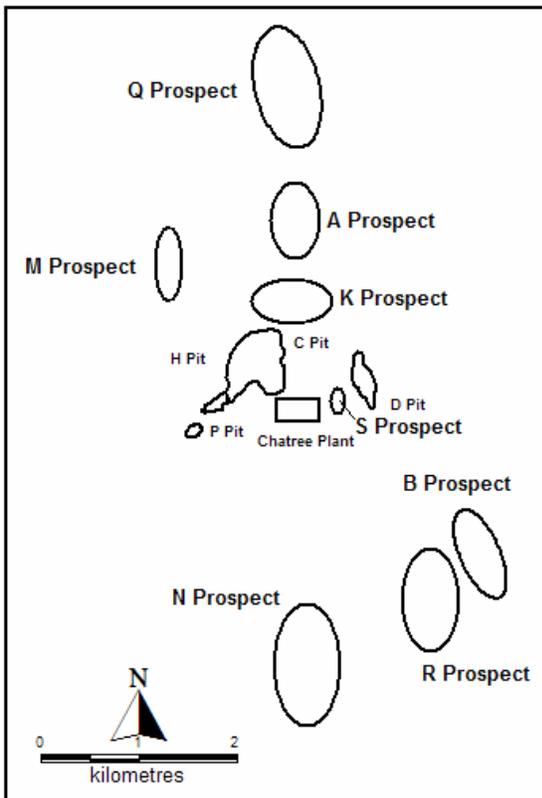
## FORECAST

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

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

## EXPLORATION

Several new discoveries were made during the quarter.



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

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

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

## Q PROSPECT

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

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

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

*\* Intersections may not be true thickness.*

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

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

## K PROSPECT

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

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

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

*\* Intersections may not be true thickness.*

## M PROSPECT

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

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

*\* Intersections may not be true thickness.*

## N PROSPECT

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

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

\* Intersections may not be true thickness.

## R PROSPECT

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

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

\* Intersections may not be true thickness.

## S PROSPECT

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

Significant intersections encountered during the quarter include:

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

\* Intersections may not be true thickness.

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

## **GEOPHYSICS**

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

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

## **REGIONAL EXPLORATION**

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

**CORPORATE**

**FINANCE**

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

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

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

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

**GOLD HEDGE POSITION**

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

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

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

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

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

**STEVE REID**

Managing Director & CEO  
Kingsgate Consolidated Limited

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

**SUPPLEMENTARY INFORMATION - A**

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

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

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

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

**Cont: SUPPLEMENTARY INFORMATION - A**

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

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

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

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

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## SUPPLEMENTARY INFORMATION - B

### Gold Hedging Positions as at 30 June 2004

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

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

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

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

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

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

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

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

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## SUPPLEMENTARY INFORMATION - C

### Ore Reserves as at 30 June 2004

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

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

(2) 0.7 g/t cut-off grade

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