



Kingsgate
Consolidated
Limited

QUARTERLY REPORT

for the three months ended
31 DECEMBER 2009

PRODUCTION HIGHLIGHTS

Gold Produced

31 December 2009	40,224 ozs
30 September 2009	29,302 ozs
31 December 2008	12,771 ozs

Cash Operating Costs (incl Royalty)

31 December 2009	US\$312/oz
30 September 2009	US\$359/oz
31 December 2008	US\$717/oz

Average Gold Price Received

31 December 2009	US\$1091/oz
30 September 2009	US\$956/oz
31 December 2008	US\$800/oz

SECURITIES

As at 31 December 2009

Ordinary shares	97,443,268
Unlisted options	4,827,460



On-going exploration drilling

Gavin Thomas
Gavin Thomas, MD & CEO
19 January 2010

Kingsgate Consolidated Limited

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KEY POINTS

- ◆ Quarterly Gold Production: 40,224 ounces
- ◆ Quarterly Cash costs: US\$312/ounce gold (incl US\$73/oz royalty)
- ◆ Potential to re-open old pits at Chatree
- ◆ New gold project area identified near Chatree
- ◆ Millionth ounce of gold production expected in February

OVERVIEW

Chatree Gold Mine

- ◆ Gold production was 40,224 ounces gold in the December quarter. As predicted, the gold grade increased to 2.0 grams/tonne due to access to high grade ore at the C North Pit.
- ◆ Forecast production remains at the upper limit of the range of 120-140,000 ounces gold for the year to June 2010, with 69,526 ounces produced for the half year ended December 2009.
- ◆ Total cash costs were US\$312/ounce (US\$239/ounce before Thai royalties) for the quarter due to a return to higher grade ore feed. Total production costs after depreciation and amortisation were US\$388/ounce maintaining Kingsgate's position in the lowest quartile of global gold producers (GFMS, 2009).
- ◆ Chatree is expected to pour its first millionth ounce of gold in February after 8 years of production and still has at least 1.5 million ounces in ore reserves.

Plant Expansion

- ◆ Ausenco has been retained to complete detailed design and engineering for the proposed plant expansion to 5 million tonnes per annum and the steel shells of the grinding mills will arrive on site during January 2010. A decision is still awaited on an application to the Thai Board of Investment for fiscal support for the proposal.

Resource Development

- ◆ New and deeper gold zones have been identified in Resource Development drilling beneath the previously closed Chatree D Pit. Results show the potential to re-open and expand the D Pit within the original mining leases. Best results from the drilling to date are 14 metres (m) at 3.8 grams/tonne (g/t) gold, 21m at 2.9g/t gold and 9m at 4.2g/t gold.
- ◆ A seismic survey will soon commence to help identify deeper drilling targets for potential high grade structural intersections and a possible large bulk-disseminated gold deposit beneath the current workings. The survey will be conducted initially over the area of the closed Chatree pits and later over the Chatree North A Pit.

Exploration – Near Mine

- ◆ The Suwan Gold Project area was identified 6-10 kilometres (km) north of Chatree and has the potential to provide future ore feed for Chatree within trucking distance if proven to be economic. Mineralisation covers an area 4km x 5km with best drilling results being 42m at 1.8g/t gold and 7m at 7.4g/t gold.

Corporate

- ◆ Total cash at bank as at 31 December 2009 was A\$30.3 million (US\$28.6 million), plus 9,566 ounces of gold bullion on hand, with no debt and an undrawn US\$30 million debt facility.
- ◆ Kingsgate won the Producer of the Year 2009 award from Resource Stocks magazine, part of Aspermont's Mining News group.
- ◆ Kingsgate was declared the third best performing stock in the ASX-200 for the last decade by The Australian Financial Review using Bloomberg data, with an 1138% return over the last 10 years.
- ◆ BlackRock Investment Management (Australia) Limited became a 9.8% shareholder during the quarter. BlackRock is the largest institutional fund manager in the world.

CHATREE GOLD MINE

OPERATIONAL PERFORMANCE

The Chatree/Chatree North mine continues to operate from 4 open pits with the processing plant operating at a high annualised throughput rate of over 2.6 million tonnes per annum.

Gold production at Chatree for the quarter was higher than the previous quarter at 40,224 ounces at an average plant head grade of 2.0 grams/tonne (g/t) gold, due to access to higher grade ore at C North. Silver production was 131,948 ounces.

Total cash costs decreased to US\$312/ounce (US\$239/ounce before Thai royalties) for the quarter. Royalties are higher due to higher gold prices. Total production costs after tax, depreciation and amortisation were US\$388/ounce. These costs continue to place the mine in the lowest quartile of global gold producers (Source: GFMS 2009).

Gold production for the half year to 31 December 2009 was 69,526 ounces gold at 1.8g/t gold at total cash costs of US\$332/ounce. Since the Chatree North Mining Leases were granted and mining recommenced in 2008, the processing plant has now operated at full capacity over the past 12 months and has produced nearly 146,000 ounces of gold at a total cash cost of US\$307/ounce.

Ore feed is sourced mainly from two separate A Pits - one across the top of the main A Hill and the other at the base of A Hill. Additional feed came from the C North cutback, which provided high grade ore, and the K East Pit which will be completed in January. The new K West Pit was opened in December. C North will be completed early in the June quarter, with the A Hill scheduled to provide higher grade ore feed from that time. Since mining commenced on the A Hill in January 2009, the top of the hill has been lowered by 70 metres. Stripping has commenced on an enlarged A Pit as part of its future development, aided by an expanded mining fleet, with another new RH90 excavator (now 2 in total) and 4 new Caterpillar 777 haul trucks (now 8 in total).

During the quarter, 1,936,120 tonnes of ore were mined and 668,804 tonnes treated. Mining continues at a higher rate than ore processing, maintaining a number of open pits, which provides ore blending flexibility and a stockpile-build prior to an expanded plant potentially being in operation. Stockpiled ore is now 3.8 Million tonnes at a grade of 0.84g/t gold for 104,700 ounces gold.

An underpass beneath the highway between Chatree and Chatree North is advanced and should be in use from February onwards. This will allow the haul trucks to transport ore directly from Chatree North to the ROM ore feed pad next to the processing plant, reducing the need for double handling of ore and, potentially, further lowering costs of production. In late December, the high tension power line was relocated to new pylons on the eastern perimeter of the Chatree North mining leases.

SAFETY, ENVIRONMENT AND LOCAL COMMUNITY

Chatree continues to be the world's safest gold mine, based on publicly available data, with 12.5 million hours worked (6 years) since the last and only Lost Time Injury (LTI) and over 14.6 million hours worked over 9 years with one LTI since the commencement of mine construction in the year 2000. There have been no reportable environmental incidents during the

Chatree Mine	Units	Dec 2009 Quarter	Sep 2009 Quarter	Dec 2008 Quarter
Waste Mined	bcm	1,403,821	1,344,392	1,437,285
Ore Mined	bcm	783,642	623,253	238,054
Waste to Ore Ratio		1.8 : 1	2.2 : 1	6.0 : 1
Ore Mined	tonnes	1,936,120	1,495,280	571,369
Ore Treated	tonnes	668,804	673,050	421,533
Head Grade	Au g/t	2.0	1.5	1.1
	Ag g/t	14.0	17.4	6.4
Gold Recovery	%	92.3%	88.7%	91.3%
Gold Poured	ounces	40,224	29,302	12,771
Silver Poured	ounces	131,948	137,348	34,146

Cost Category *	Dec 2009 Quarter US\$/oz Gold	Sep 2009 Quarter US\$/oz Gold	Dec 2008 Quarter US\$/oz Gold
Mining/Treatment Expense	290	345	694
Refining and Transport	3	3	2
By-product Credit	(54)	(60)	(18)
Cash Operating Cost	239	288	678
Royalty	73	71	39
Total Cash Cost	312	359	717
Depreciation/Amortisation	76	100	100
Total Production Cost	388	459	817

* Gold Institute Revised Standard for Reporting Production Costs.
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.

life of the mine and it remains in compliance with all environmental regulations under the approved EIA (Environmental Impact Assessment).

FORECAST

Forecast production remains at the upper limit of the range of 120-140,000 ounces gold for the year to June 2010, with 69,526 ounces produced for the half year to end December 2009.

CHATREE NORTH PLANT EXPANSION PROPOSAL

Ausenco has been retained to complete detailed design and engineering for the proposed plant expansion to 5 million tonnes per annum and complete all necessary works to commence construction promptly after formal project approval. The complete Engineering team of Ausenco's Perth office is working on the project and weekly meetings with our Akara team are progressing the project. The grinding mill heads and shells are in transit to site and will arrive in Thailand in January 2010 (see photos just received).

A decision is still awaited on an application to the Thai Board of Investment for fiscal support of the proposal. A decision on the expansion is expected soon after.

EXPLORATION - CHATREE

Resource Development Drilling

Within the mining leases, the Resource Development drilling program continued, aimed at better defining the ultimate extent of the mineralisation that may be contained within an open pit mining operation. More open pit targets are being identified using a higher US\$950/ounce gold price and current and past open pits are being re-evaluated using US\$1100-1200/ounce gold prices.

In an attempt to better understand the extent of deeper structures and possible feeder zones beneath the current workings, an orientation seismic survey will commence in the next quarter. The aim is to improve the understanding of deeper, possibly high grade gold structures and aid the targeting of deeper drill holes in the Chatree system. Favourable areas with encouraging results would be reviewed for follow-up drilling and potential scoping studies for underground development. Such a survey may assist in determining whether the possibility exists for a large bulk-disseminated gold deposit beneath current workings. The deepest open pit to date is the Chatree C Pit at 150 metres depth with very limited drilling below this depth.

D Pit

The Resource Development drilling program has identified new gold veins and extended gold zones beneath the previously closed Chatree D Pit within the original mining leases.

Near-surface gold results show the potential to re-open and expand the D Pit, especially at current gold prices. Once the current drill program is completed, studies will be undertaken to determine the optimum pit design for D Pit. By way of comparison, Chatree mine's deepest pit, the C Pit, was mined to a depth of -50 metres RL (150 metres below surface) and the depth potential of D Pit may be similar.

Some of the best results from the drilling under D Pit to date, over a lateral distance of more than 250 metres, include 14m at 3.8g/t gold from close to surface, 21m at 2.9g/t gold and 9m at 4.2g/t gold.

A new massive quartz-carbonate vein was intersected at depth in 3 holes to the east of the main D Pit mineralisation. The vein appears to be dipping at about 50° to the west and contains much higher silver values than were previously found in D Pit: 10.9m at 2.58g/t gold, 82g/t silver (drillhole 1574RDext), 1m at 11.9g/t gold, 320g/t silver (drillhole 7204RD) and 8.7m at 2.38g/t gold, 80g/t silver (drillhole 7206RD). These intersections are well outside current, planned open pits and, if future drilling results remain encouraging, these intersections may further expand planned pits. Follow-up drilling is being carried out to test the extent of this vein system.

A Pit and Q Pits Area

Drilling within the current pit on the A Hill shows the continuity of mineralisation down to the footwall.

The planned Q Pits are being drilled at closer spacings and have been extended to the north by results from drillholes with 9m at 2.2g/t gold and 11m at 1.8g/t gold. Other resource development drilling has shown up to 12m at 1.3g/t gold.

D PIT HIGHLIGHT DRILL RESULTS

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
1574RDext	244.55	255.45	10.90	2.58
7058RC	12.00	21.00	9.00	2.49
	59.00	63.00	4.00	8.52
	69.00	75.00	6.00	2.68
	86.00	95.00	9.00	4.17
7059RC	25.00	39.00	14.00	3.79
	98.00	119.00	21.00	2.90
7197RD	18.00	27.00	9.00	1.78
	93.00	94.00	1.00	24.70
	102.90	113.30	10.40	1.93
7200DD	97.40	136.50	39.10	1.07
	144.00	155.00	11.00	1.48
7203RC	12.00	22.00	10.00	1.79
	41.00	76.00	35.00	0.96
7206RD	12.00	30.00	18.00	1.09
	210.90	219.60	8.70	2.38

* Intersections may not be true width.

A PROSPECT HIGHLIGHT DRILL RESULTS

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
7194RC	0.00	20.00	20.00	1.78
7044RC	0.00	13.00	13.00	2.16

* Intersections may not be true width.

Q PROSPECT HIGHLIGHT DRILL RESULTS

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
3061RCext	86.00	98.00	12.00	1.28
	103.00	138.00	35.00	0.83
7191RC	98.00	109.00	11.00	1.82

* Intersections may not be true width.

Exploration – Near Mine

The near-mine exploration effort, especially during the last year, focussed on identifying potential satellite open-pit deposits which could provide future supplementary ore feed to the Chatree operation. Such ore feed is being sought within a radius of 10 kilometres around Chatree, considered an economic trucking distance for ore of similar grade to Chatree.

A new gold project area identified 6-10 kilometres north of Chatree and named Suwan, has the potential to provide future ore feed for Chatree if proven to be economic. The mineralisation covers an area 4km x 5km and contains Chatree style ore within similar host rocks. A zone of alteration covers a larger area, 8km x 5km, and may represent a substantial hydrothermal system. Virtually no outcrop exists although the mineralisation commences from close to the surface, below a thin (2-20m) cover of alluvium making exploration difficult as the project area is essentially 'blind'. The prospect was identified through top-of-bedrock drilling and geophysics, followed up by RC drilling.

Best results from RC drilling to date are: 42m at 1.8g/t gold, 37m at 1.6g/t gold and 7m at 7.4g/t gold. See the attached Appendix A for a detailed table of the best results. Results in Appendix A vary slightly from the release to the ASX on 5 November 2009 as they have been recalculated to a 0.5g/t gold cut-off.

REGIONAL EXPLORATION - THAILAND & AUSTRALIA

REGIONAL EXPLORATION - THAILAND

Chokdee Prospect

Exploration will be expanded at Chokdee but during the quarter no drilling has been possible due to wet weather and access issues.



Chatree C North Pit and A Hill in the background

EXPLORATION - AUSTRALIA

Queensland

An agreement was signed with a private company over a blind gold target, near Charters Towers, ready to be drill tested.

The Wynberg tenement near Cloncurry has had the native title claims finalised and final processing to grant can now commence.

The Company regularly reviews exploration and advanced project farm-in opportunities within Australia and south east Asia.



The highway underpass nearing completion north of C North Pit

CORPORATE

FINANCE

Total cash in bank was A\$30.3 million, plus gold bullion of 9,566 ounces, at 31 December 2009 with no debt and an undrawn US\$30 million working capital debt facility with Investec Bank (Australia) Limited. As at 5 January 2010, cash at bank was A\$40.0 million (US\$36.1 million).

BlackRock became a 9.8% shareholder during the quarter via purchases on-market and through its merger with Barclays Global Investors, previously a shareholder. BlackRock is the largest institutional fund manager in the world.

COMPANY ASSESSMENT

Kingsgate won the Producer of the Year 2009 award from Resource Stocks magazine which is part of Aspermont's Mining News group.

Kingsgate was declared the third best performing stock in the ASX-200 for the last decade by The Australian Financial Review on 23 December 2009, using Bloomberg data, with an 1138% return over the last 10 years.

ADMINISTRATION

During the quarter, a new position of Chief Executive Officer was created for the Thai subsidiary, Akara Mining Limited, and was filled by Pakorn Sukhum. Khun Pakorn brings, to Akara, over 20 years of industrial and commercial management experience in Thailand's international and domestic markets, including metallurgy, chemicals and

ceramics. Previously, he held senior management positions in Thailand's only substantial listed mineral resources company, Paedang Industries, as well as multi-national companies such as Basel Polyolefins and Bayer AG. His prior responsibilities ranged from project management to commercial marketing and sales and to business development.

GOLD SALES

Kingsgate is an unhedged gold producer. The average cash price received by Kingsgate for gold sales in the quarter was US\$1091/ounce, much higher than the previous quarter.

SUMMARY SALES - GOLD & SILVER				
Category	Units	Dec 2009 Quarter	Sep 2009 Quarter	Dec 2008 Quarter
Average Cash Price Received (on gold production)	US\$/oz	1,091	956	800
Gold sold	ounces	40,221	30,849	10,670
Silver sold	ounces	140,577	131,963	27,816
Revenue from Metal Production	US\$M	43.9	31.4	8.8

KINGSGATE CONSOLIDATED LIMITED

BOARD OF DIRECTORS

Ross Smyth-Kirk

Chairman

Gavin Thomas

Managing Director and Chief Executive Officer

Craig Carracher

Non-Executive Director

Peter McAleer

Non-Executive Director

COMPANY SECRETARY

Peter Warren

SENIOR MANAGEMENT TEAM

Peter Warren

Chief Financial Officer

Phil MacIntyre

Chief Operating Officer & General Manager,
Akara Mining Limited

Stephen Promnitz

Corporate Development Manager

Ron James

General Manager, Exploration & Resources Development

Pakorn Sukhum

CEO, Akara Mining Limited

REGISTERED OFFICE

Kingsgate Consolidated Limited

Suite 801, Level 8, 14 Martin Place

Sydney NSW 2000, Australia

Phone: (61 2) 8256 4800

Facsimile: (61 2) 8256 4810

Email: info@kingsgate.com.au

Website: www.kingsgate.com.au

ISSUED SHARE CAPITAL

Kingsgate had 97,443,268 ordinary shares on issue and 4,827,460 unlisted options at 31 December 2009. 937,933 options were converted to shares during the quarter.

QUARTERLY SHARE PRICE ACTIVITY

QUARTER	HIGH	LOW	LAST
March 2005	\$2.75	\$2.05	\$2.26
June 2005	\$2.98	\$2.02	\$2.84
September 2005	\$3.75	\$3.08	\$3.72
December 2005	\$4.67	\$3.55	\$4.60
March 2006	\$6.45	\$4.55	\$6.44
June 2006	\$6.80	\$3.74	\$5.14
September 2006	\$5.39	\$4.15	\$4.59
December 2006	\$4.65	\$3.65	\$4.20
March 2007	\$4.94	\$3.47	\$4.75
June 2007	\$6.06	\$4.57	\$5.55
September 2007	\$5.70	\$4.06	\$5.37
December 2007	\$5.74	\$3.87	\$4.65
March 2008	\$5.41	\$3.34	\$4.40
June 2008	\$5.69	\$3.69	\$5.23
September 2008	\$6.30	\$3.78	\$4.64
December 2008	\$4.85	\$2.20	\$3.54
March 2009	\$5.38	\$3.20	\$5.22
June 2009	\$7.11	\$4.93	\$6.70
September 2009	\$8.39	\$6.26	\$8.14
December 2009	\$10.30	\$7.30	\$9.21

SHARE REGISTRY

Security Transfer Registrars Pty Ltd

770 Canning Highway, Applecross, WA 6953 Australia.

PO Box 535, Applecross, WA 6953 Australia.

Phone: (61 8) 9315 2333. Facsimile: (61 8) 9315 2233.

Email: registrar@securitytransfer.com.au

Please direct all shareholding enquiries to the share registry.

EXCHANGE LISTING

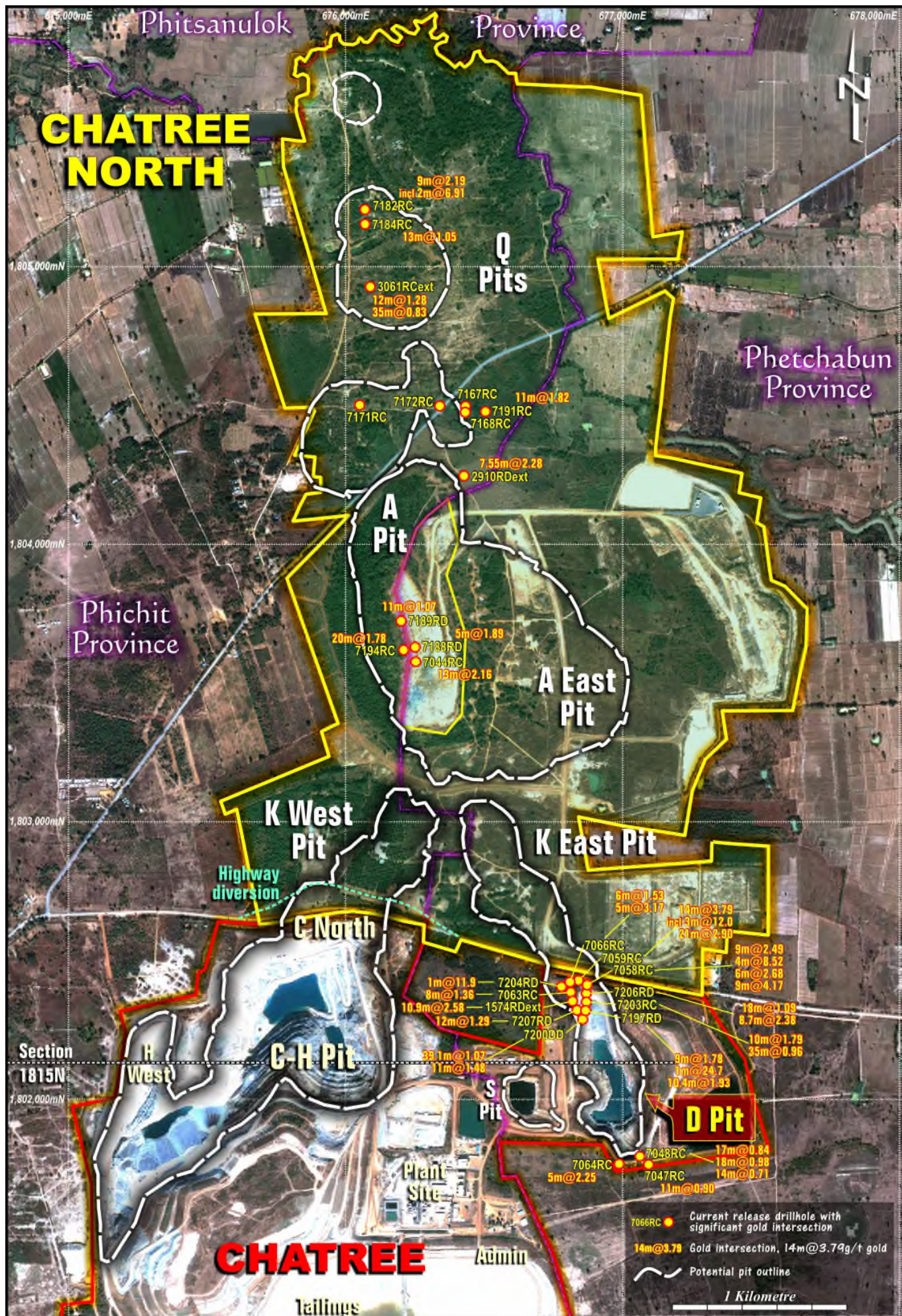
ASX:KCN; OTC:KSKGY (ADR)



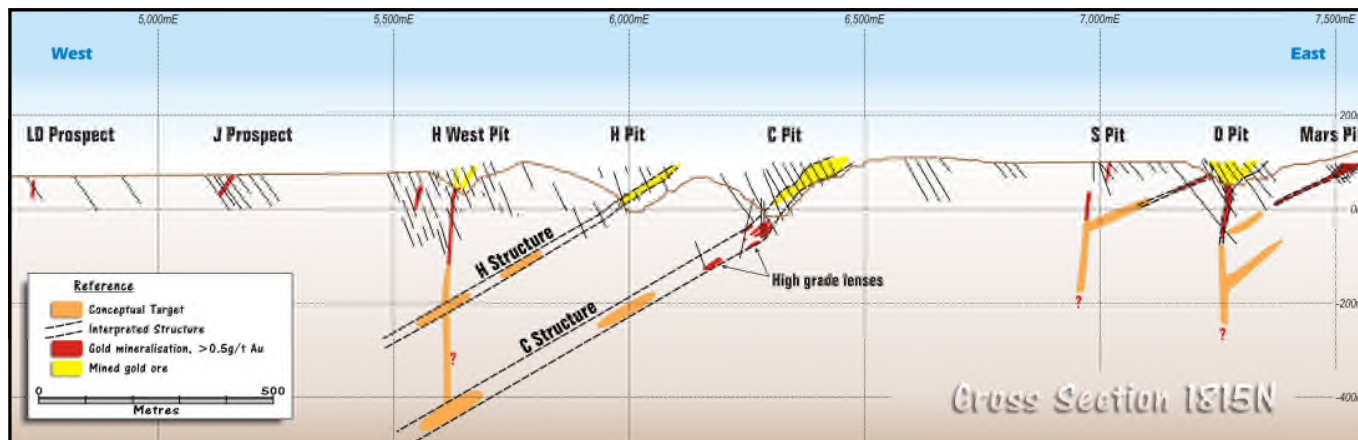
A Pit South taking shape

COMPETENT PERSONS STATEMENT

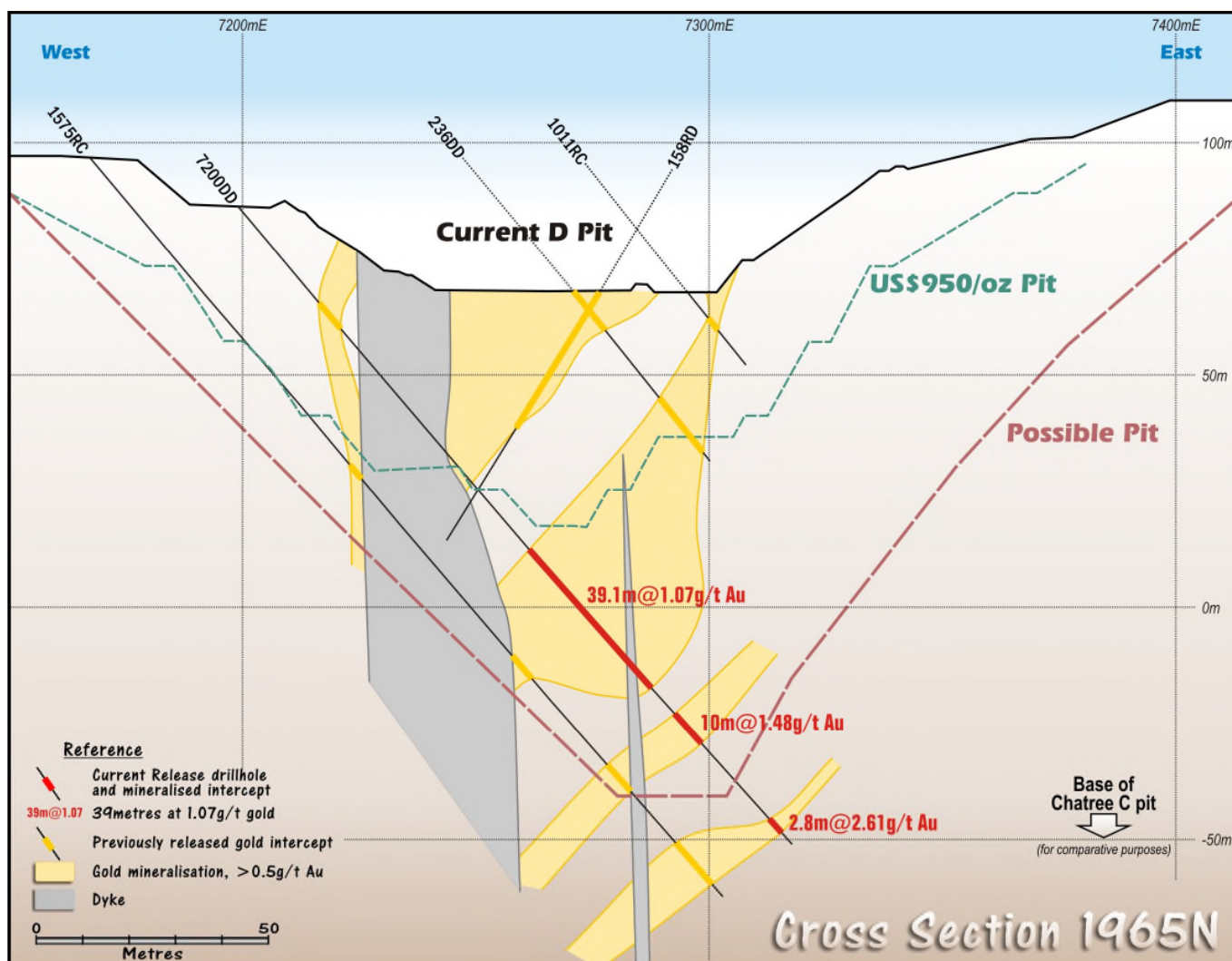
Information in this report relates to Exploration Results, Mineral Resource and Ore Reserve estimates based on information compiled by the following Competent Persons: Ron James, Mike Garman, Guy Davies and Suphanit Suphananthi who are employees of the Kingsgate Group and members of The Australasian Institute of Mining and Metallurgy, and Rob Spiers who is an employee of Hellman & Schofield Pty Ltd and Member of the Australian Institute of Geoscientists. These people qualify as Competent Persons as defined in the Australasian code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2004 edition) and possess relevant experience in relation to the mineralisation being reported herein as Exploration Results, Mineral Resources and Ore Reserves. Each Competent Person has consented to the Public Reporting of these statements and the inclusion of the material in the form and context in which it appears.



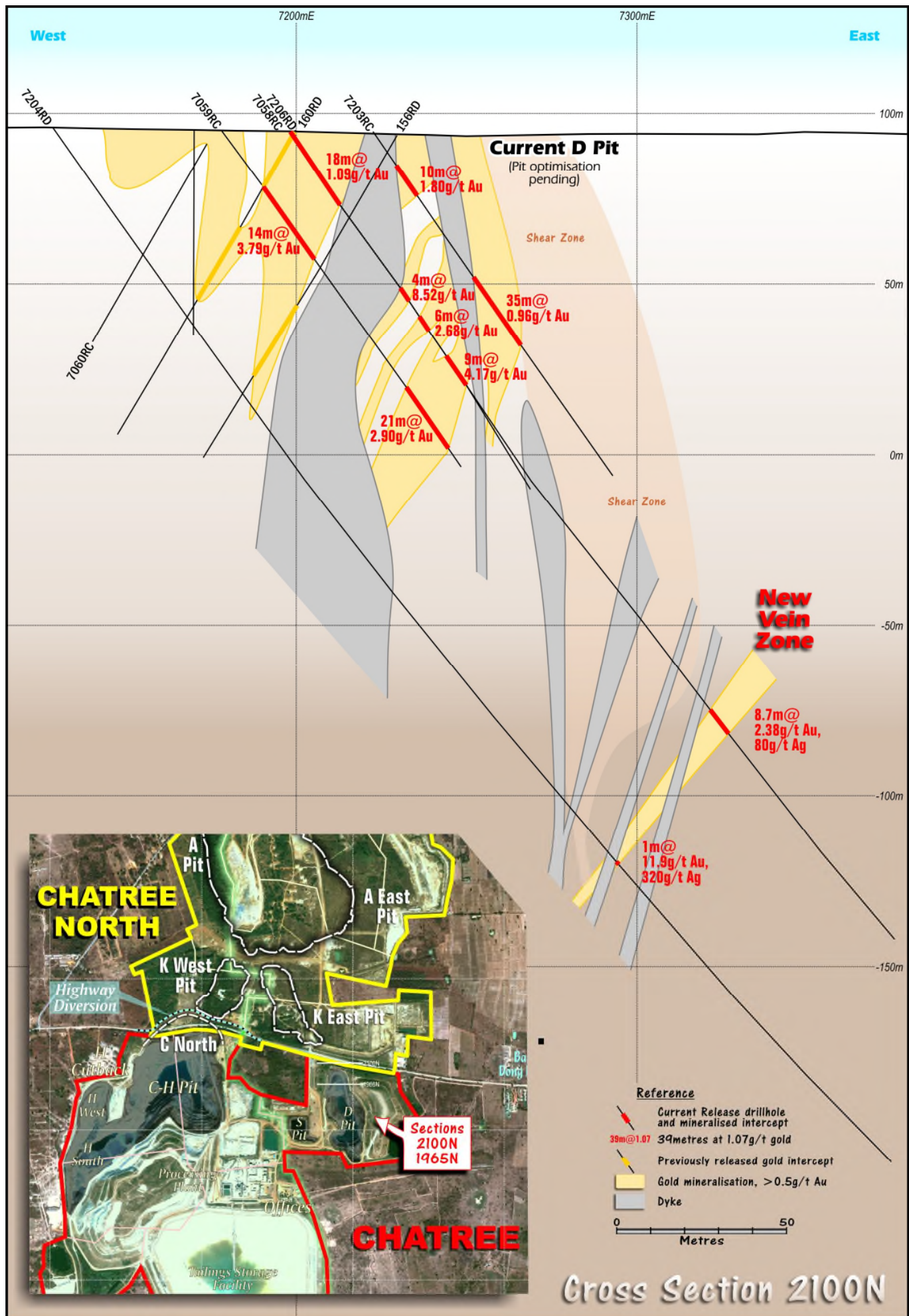
Location map showing Chatree North Resource Development drilling with significant intersections during the quarter



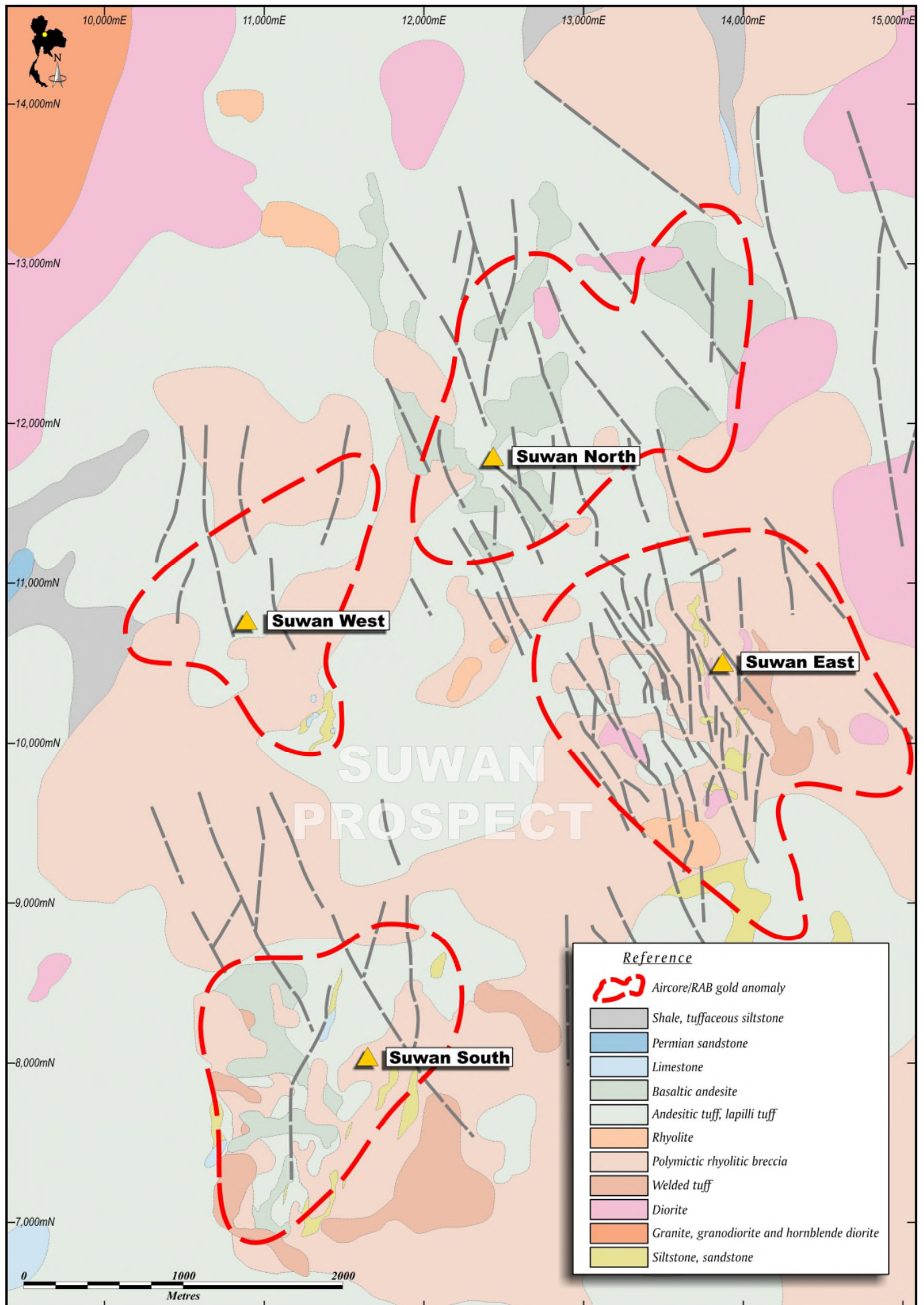
Cross section 1815N - an east-west cross section through the Chatree mineralised system (see previous map for location of section)



Cross section 1965N showing recent drilling extending mineralisation and the potential size of a re-opened Chatree D Pit (see following Section 2100N for location)



Cross section through previously-closed Chatree D Pit with recent drilling extending mineralisation



Suwan Gold Project - prospect locations and top-of-bedrock aircore/RAB drill anomalies located on the local geology

APPENDIX A: SIGNIFICANT INTERSECTIONS

Q PROSPECT DRILL RESULTS - (INTERCEPTS WITH AU ASSAYS GENERALLY >10GRAM.METRES)

Hole No.	Easting Local Grid	Northing Local Grid	Azimuth Local Grid	Dip (°)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
2910RDext	6777	3926	90	-55	264.00	184.45	192.00	7.55	2.28
3061RCext	6444	4604	90	-55	143.00	86.00	98.00	12.00	1.28
						103.00	138.00	35.00	0.83
7182RC	6422	4881	90	-55	100.00	26.00	35.00	9.00	2.19
					incl.	29.00	31.00	2.00	6.91
7184RC	6423	4830	90	-55	96.00	25.00	38.00	13.00	1.05
7191RC	6858	4156	270	-55	140.00	98.00	109.00	11.00	1.82

* Intersections may not be true width. RD = Reverse Circulation drillhole with diamond drillhole tail.

A PROSPECT DRILL RESULTS - (INTERCEPTS WITH AU ASSAYS GENERALLY >10GRAM.METRES)

Hole No.	Easting Local Grid	Northing Local Grid	Azimuth Local Grid	Dip (°)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
7044RC	5025	19850	90	-53	220.00	0.00	13.00	13.00	2.16
7188RD	5035	19902	90	-55	307.80	0.00	5.00	5.00	1.89
7189RD	5000	20002	90	-55	260.00	36.00	47.00	11.00	1.07
7194RC	4994	19900	90	-55	150.00	0.00	20.00	20.00	1.78

* Intersections may not be true width. RD = Reverse Circulation drillhole with diamond drillhole tail.

D PROSPECT DRILL RESULTS - (INTERCEPTS WITH AU ASSAYS GENERALLY >10GRAM.METRES)

Hole No.	Easting Local Grid	Northing Local Grid	Azimuth Local Grid	Dip (°)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
1574RDext	7161	2065	90	-50	269.20	244.55	255.45	10.90	2.58
7047RC	7440	1440	270	-60	120.00	62.00	73.00	11.00	0.90
7048RC	7407	1465	270	-55	105.00	28.00	45.00	17.00	0.84
						53.00	71.00	18.00	0.98
						81.00	95.00	14.00	0.71
7058RC	7198	2094	63	-53	249.00	12.00	21.00	9.00	2.49
						59.00	63.00	4.00	8.52
						69.00	75.00	6.00	2.68
						86.00	95.00	9.00	4.17
7059RC	7178	2100	65	-53	140.00	25.00	39.00	14.00	3.79
					incl.	34.00	37.00	3.00	12.00
						98.00	119.00	21.00	2.90
7063RC	7149	2084	55	-53	183.00	143.00	151.00	8.00	1.36
7064RC	7338	1445	90	-54	160.00	105.00	110.00	5.00	2.25
7066RC	7178	2100	48	-53	200.00	30.00	36.00	6.00	1.53
						96.00	101.00	5.00	3.17
7197RD	7216	2015	90	-55	150.10	18.00	27.00	9.00	1.78
						93.00	94.00	1.00	24.70
						102.90	113.30	10.40	1.93
7200DD	7199	1965	90	-55	182.00	97.40	136.50	39.10	1.07
						144.00	155.00	11.00	1.48
7203RC	7220	2090	90	-55	123.00	12.00	22.00	10.00	1.79
						41.00	76.00	35.00	0.96
7204RD	7127	2090	90	-55	390.80	271.00	272.00	1.00	11.90
7206RD	7196	2090	90	-55	50.00	12.00	30.00	18.00	1.09
						210.90	219.60	8.70	2.38
7207RD	7165	2015	90	-55	120.00	209.60	221.60	12.00	1.29

* Intersections may not be true width. RD = Reverse Circulation drillhole with diamond drillhole tail.

APPENDIX A: SIGNIFICANT INTERSECTIONS

SUWAN NORTH PROSPECT DRILL RESULTS - (INTERCEPTS WITH AU ASSAYS GENERALLY >10GRAM.METRES)

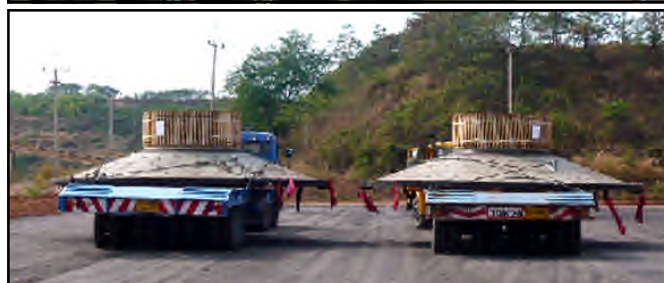
Hole No.	Easting Local Grid	Northing Local Grid	Azimuth Local Grid	Dip (°)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)	gram.metres
4147RC	13780	11697	90	-55	150.00	60.00	65.00	5.00	2.17	10.9
4149RD	12378	11724	90	-55	274.95	50.00	53.00	3.00	6.05	18.2
						57.00	65.00	8.00	1.19	9.5
						174.00	186.00	12.00	1.45	17.4
4150RD	12327	11773	90	-55	234.17	144.00	172.00	28.00	1.46	40.9
4151RC	12386	11525	90	-55	170.00	87.00	102.00	15.00	1.43	21.5
4152RC	12359	11674	90	-55	130.00	73.00	115.00	42.00	1.78	74.7
						122.00	130.00	8.00	1.42	11.3
4153RC	12368	11773	90	-55	170.00	59.00	67.00	8.00	1.29	10.4
4154RD	12337	11724	90	-55	222.00	109.00	130.00	21.00	2.15	45.2
						157.00	182.00	25.00	2.68	67.0
4155RD	12364	11624	90	-55	242.80	63.00	70.00	7.00	1.19	8.4
4156RC	12360	11574	90	-55	177.00	152.00	170.00	18.00	1.48	26.7
4160RC	12350	11821	90	-55	120.00	61.00	98.00	37.00	1.62	59.8
					incl.	73.00	77.00	4.00	5.87	23.5
4161RC	12388	11774	90	-55	90.00	42.00	55.00	13.00	2.22	28.9
					incl.	42.00	46.00	4.00	5.56	22.2
4162RC	12400	11565	90	-55	153.00	51.00	66.00	15.00	1.01	15.2
						126.00	128.00	2.00	6.68	13.4
4165RD	12314	11826	90	-55	240.20	131.00	132.00	1.00	9.00	9.0
4167RC	12361	11920	90	-55	183.00	33.00	35.00	2.00	6.78	13.6
4169RD	12311	11970	90	-55	240.50	144.00	171.00	27.00	1.32	35.6
4180RC	12654	11668	90	-55	99.00	53.00	63.00	10.00	1.09	10.9
4186RC	12362	11877	90	-55	150.00	64.00	88.00	24.00	0.79	19.0
4187RC	12393	11817	90	-55	120.00	33.00	49.00	16.00	1.97	31.6
4189RC	12442	11628	90	-55	183.00	107.00	115.00	8.00	1.41	11.3
4192RC	12616	11669	90	-55	183.00	84.00	98.00	14.00	1.34	18.7
4197RC	12576	11670	90	-55	195.00	48.00	51.00	3.00	7.53	22.6
4198RC	12333	12019	90	-55	160.00	96.00	120.00	24.00	0.77	18.5
4199RC	12431	11727	270	-60	150.00	24.00	46.00	22.00	1.60	35.2
						62.00	69.00	7.00	2.17	15.2
4481RC	12463	11675	270	-60	180.00	116.00	131.00	15.00	1.48	22.2
4483RC	12498	11575	90	-55	159.00	133.00	137.00	4.00	2.81	11.2

* Intersections may not be true width. RD = Reverse Circulation drillhole with diamond drillhole tail.

SUWAN EAST PROSPECT DRILL RESULTS - (INTERCEPTS WITH AU ASSAYS GENERALLY >10GRAM.METRES)

Hole No.	Easting Local Grid	Northing Local Grid	Azimuth Local Grid	Dip (°)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)	gram.metres
4432RC	13985	10247	90	-55	120.00	16.00	28.00	12.00	1.30	15.6
4439RC	13587	10877	90	-55	93.00	19.00	25.00	6.00	1.84	11.1
4477RC	14647	9942	45	-55	100.00	23.00	33.00	10.00	2.10	21.0

* Intersections may not be true width.



SAG Mill and Ball Mill shells arrive by sea and are road transported to Chatree where the new Ball Mill heads are waiting

APPENDIX A: SIGNIFICANT INTERSECTIONS

SUWAN SOUTH PROSPECT DRILL RESULTS - (INTERCEPTS WITH AU ASSAYS GENERALLY >10GRAM.METRES)

Hole No.	Easting Local Grid	Northing Local Grid	Azimuth Local Grid	Dip (°)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)	gram.metres
4047RC	11660	7876	270	-55	120.00	54.00	62.00	8.00	1.24	9.9
4048RC	11639	7778	270	-55	120.00	45.00	48.00	3.00	5.07	15.2
4050RC	11534	7677	270	-55	90.00	74.00	81.00	7.00	1.42	10.0
4052RC	11742	7975	270	-55	120.00	83.00	93.00	10.00	1.18	11.8
4053RC	11544	7775	90	-55	153.00	44.00	51.00	7.00	7.38	51.6
4056RC	11483	7677	90	-55	90.00	22.00	23.00	1.00	23.70	23.7
4059RC	11941	8175	270	-55	120.00	94.00	105.00	11.00	2.20	24.2
4062RC	11711	7926	270	-55	120.00	47.00	54.00	7.00	1.49	10.5
4066RD	11752	8073	90	-55	150.00	47.50	49.65	2.15	4.79	10.3
4067RD	11518	7775	90	-55	151.08	11.00	20.00	9.00	2.05	18.4
						65.00	66.00	1.00	9.70	9.7
4075RC	11508	7725	90	-55	120.00	21.00	30.00	9.00	5.34	48.1
4077RC	11455	7673	90	-55	100.00	33.00	35.00	2.00	6.71	13.4
4080RD	11570	7829	90	-55	110.60	72.00	72.40	0.40	33.70	13.5
4084RC	11541	7875	90	-55	120.00	17.00	21.00	4.00	4.83	19.3
4085RC	11581	7878	90	-55	120.00	16.00	19.00	3.00	5.74	17.2
4087RC	11643	7926	90	-55	132.00	55.00	68.00	13.00	1.07	13.9
4097RC	11712	8074	90	-55	174.00	29.00	90.00	61.00	0.77	47.1
						143.00	148.00	5.00	3.02	15.1
4098RC	11683	8026	90	-55	120.00	22.00	24.00	2.00	53.3	106.5
						93.00	107.00	14.00	1.19	16.7
4102RD	11631	8073	90	-55	230.10	38.00	44.00	6.00	2.53	15.2
4110RC	11531	7828	90	-55	120.00	58.00	60.00	2.00	4.56	9.1
4111RC	11606	7828	90	-55	90.00	27.00	37.00	10.00	1.54	15.4
4118RC	11784	8179	90	-55	156.00	135.00	149.00	14.00	0.80	11.2
4119RD	11674	8074	90	-55	191.40	17.00	33.00	16.00	0.94	15.1
4122RC	11613	7777	90	-55	90.00	60.00	62.00	2.00	8.14	16.3
4123RC	11640	7828	90	-55	87.00	40.00	51.00	11.00	2.59	28.5
						66.00	68.00	2.00	5.24	10.5
4124RC	11670	7877	90	-55	90.00	10.00	23.00	13.00	2.37	30.8
4125RC	11662	7927	90	-55	93.00	24.00	31.00	7.00	1.98	13.9
4129RC	11527	7724	90	-55	72.00	57.00	61.00	4.00	5.50	22.0
4131RC	10822	8078	90	-55	120.00	44.00	50.00	6.00	1.55	9.3
4134RC	10973	8477	90	-55	120.00	40.00	59.00	19.00	2.10	39.9
						82.00	89.00	7.00	1.44	10.1
4137RC	11484	7725	90	-55	90.00	67.00	70.00	3.00	3.78	11.4
4443RC	10753	8185	90	-55	123.00	21.00	36.00	15.00	0.84	12.6
4445RC	10998	8476	90	-55	140.00	39.00	52.00	13.00	0.80	10.4
4448RC	11580	7725	90	-55	90.00	73.00	84.00	11.00	1.23	13.5
4453RC	11540	7728	90	-55	105.00	29.00	31.00	2.00	6.53	13.1
						78.00	89.00	11.00	1.34	14.8
4468RC	11652	7778	90	-55	120.00	45.00	58.00	13.00	0.95	12.3

* Intersections may not be true width. RD = Reverse Circulation drillhole with diamond drillhole tail.

SUWAN WEST PROSPECT DRILL RESULTS - (INTERCEPTS WITH AU ASSAYS GENERALLY >10GRAM.METRES)

Hole No.	Easting Local Grid	Northing Local Grid	Azimuth Local Grid	Dip (°)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)	gram.metres
4041RC	11137	10859	90	-55	90.00	4.00	29.00	25.00	1.64	41.1
4107RC	11153	10920	90	-55	90.00	48.00	51.00	3.00	3.70	11.1

* Intersections may not be true width.



K East Pit being closed (at left), A Hill (in background), stockpiles (in foreground) and new Lotus Hall maintenance buildings at Chatree North (at right)