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Kingsgate Consolidated Limited

Financial Results for the Half Year to 31 December 2012



25 February 2013



Disclaimer

Forward Looking Statements:

These materials include forward looking statements. Forward looking statements inherently involve subjective judgment & analysis & are subject to significant uncertainties, risks & contingencies, many of which are outside of the control of, & may be unknown to, the company.

Actual results and developments may vary materially from that expressed in these materials. The types of uncertainties which are relevant to the company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the company & general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements.

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Financial Summary

Half Year to December 2012

- EBITDA (before significant items) \$65 million
- Net profit before tax and significant items \$27 million
- Net profit after tax \$8.1 million
- EPS of 17.4cps (before significant items)
- Interim dividend of 5cps, unfranked
- Gold sales volume up 10% to 91,480oz
- Ave gold price received down 1% to \$1,676/oz



Operating Highlights

Half Year to December 2012

- Group gold production 90,413oz up 5% on 1H FY12.
- Group Total Cash Costs, US\$843/oz (inc royalties)
(Chatree US\$736/oz Challenger US\$1,026/oz).
- Chatree Plant 2 received the metallurgical licence in October and combined plants now operating ~6.2Mtpa.
- Challenger accelerated development program mostly completed with operating targets being achieved.
- Nueva Esperanza feasibility expanded to include heap leach and power options. Heap leach metallurgical testing underway.
- Bowdens resource increased by 40%. Director General Requirements for EIS submitted to NSW Government.



Income Statement

Income Statement	A\$ Million	1H FY13	1H FY12	Change %
Sales revenue		161.7	146.7	+10
Cost of sales		(119.5)	(95.0)	+26
Gross Profit		42.1	51.7	(19)
Exploration		(15.6)	-	
Group admin		(10.1)	(10.1)	
Other income / (expenses)		(0.2)	0.3	
Forex		(1.4)	0.7	
Profit before finance and tax		14.8	42.6	(65)
Net Finance income/costs		(5.8)	(3.6)	+61
Profit before tax		9.0	40.0	
Income tax expense		(0.9)	(5.2)	(83)
Profit after tax		8.1	33.8	(76)
Income tax expense / (benefit)		0.9	5.1	
Write back of Akara borrowing fees		1.8	-	
Write down of Exploration assets		15.0	-	
Forex		1.4	(0.7)	
Profit before tax and significant items		27.2	38.3	(29)
Finance costs		4.8	4.1	+17
D&A		33.1	27.2	+22
EBITDA (before significant items)		65.0	69.6	(7)

After taking into account a write down of \$14.9M against the capitalised value of WA and QLD exploration assets.



Income Statement

TAX

Effective tax rate 10%.
Chatree Plant 2 BOI tax privileges in place following met licence grant.

Finance Costs

Finance costs of \$6.6M (2011, \$4.1M) mainly reflect interest expensed on the Akara debt facility.

Royalties

Higher royalties with Chatree gold sales up 10% despite lower realised gold price.



Key Cashflow Items

Inventory Movements

Increased by \$8.1M (2011, \$41.9M) reflecting value of net stockpile movements.

Deferred Stripping

Increased by \$1.6M (2011, \$7.2M) reflecting continued mining above the life of mine strip ratio.

Capex

Lower capex reflecting completion of Chatree Plant 2 in prior period, offset by additional development costs at Challenger.



Chatree Operations

Strong Operational Performance

57,018oz up 41% on prior period.
2,546Kt @ 0.87g/t (1,943Kt @ 0.8g/t)
Chatree Plant 2 completed in Nov 2011

Total Cash Costs US\$736/oz

Chatree total cash costs US\$573/oz
(before US\$163/oz royalty).
Higher costs for consumables and royalties.

Chatree Upside

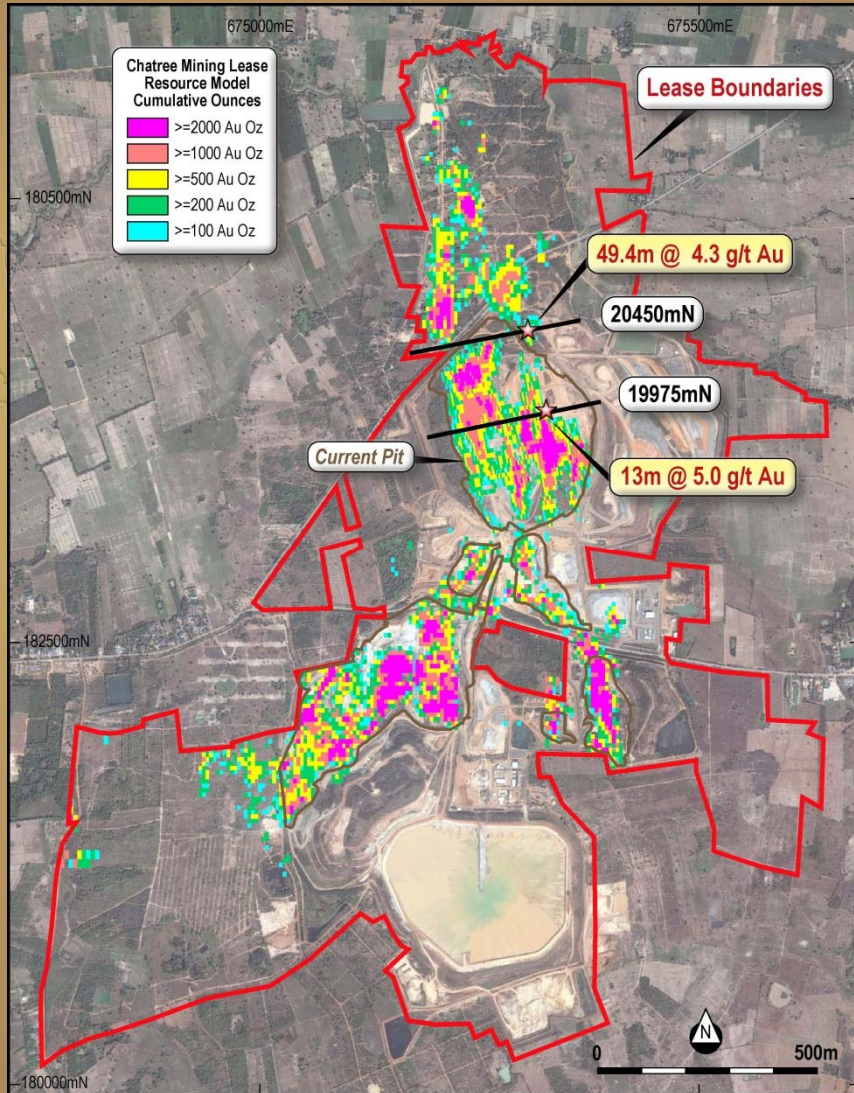
Consistent combined throughput of 6.2Mtpa.
Expansion to ~7Mtpa under review.
Resource drilling delivering results



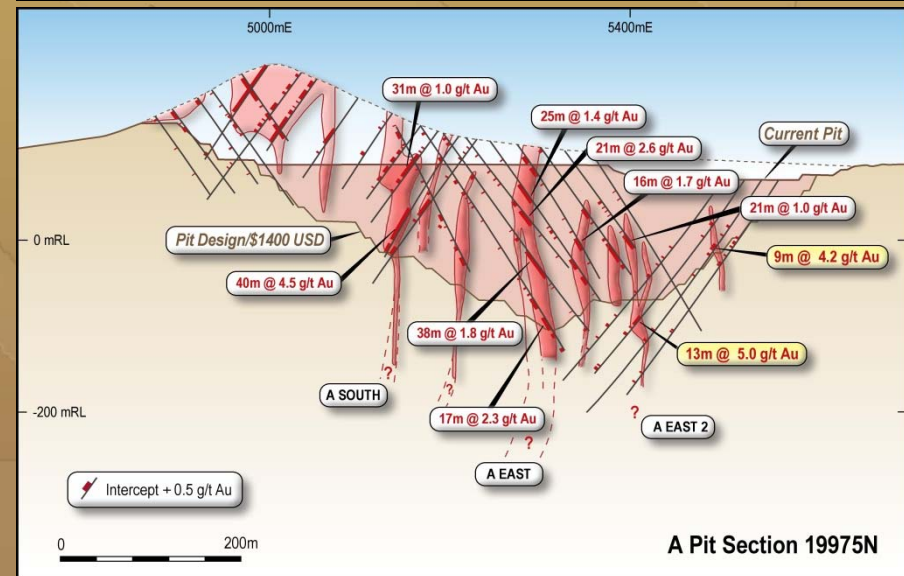
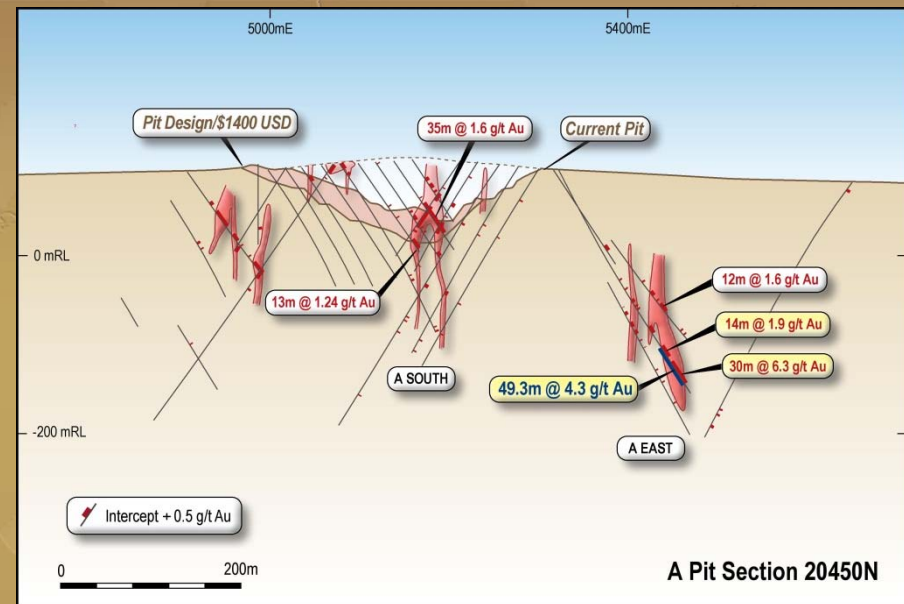
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A Pit Drilling

High grade gold intersections adjacent to pit shell



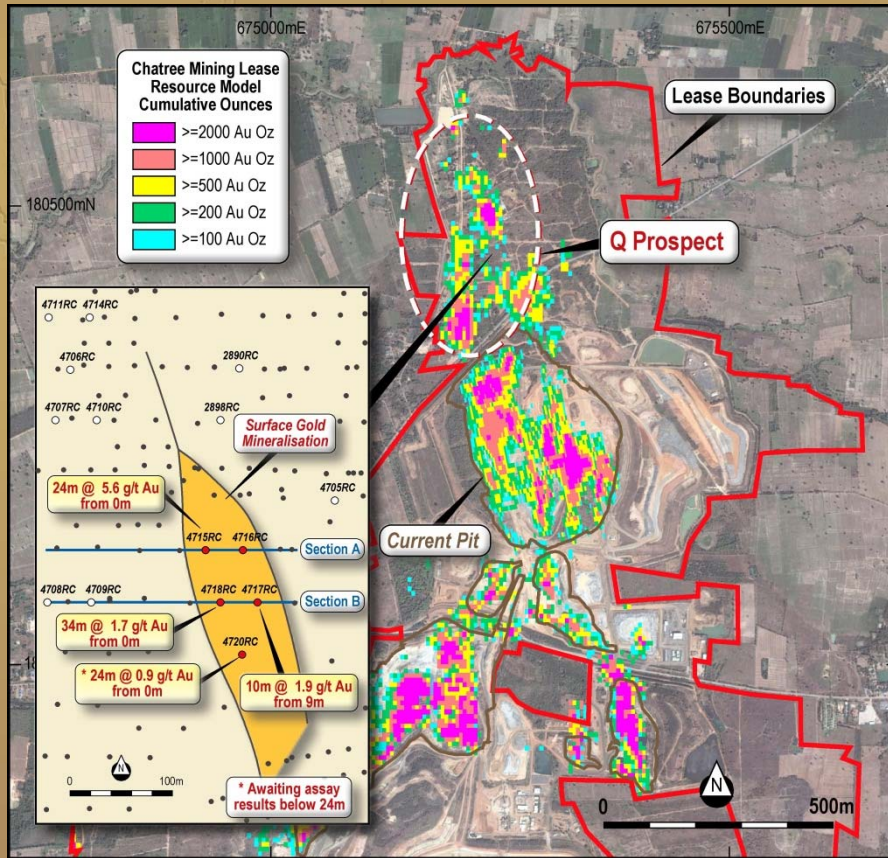
Visual representation of the total gold accumulation at Chatree from the resource modelling (gram metres)



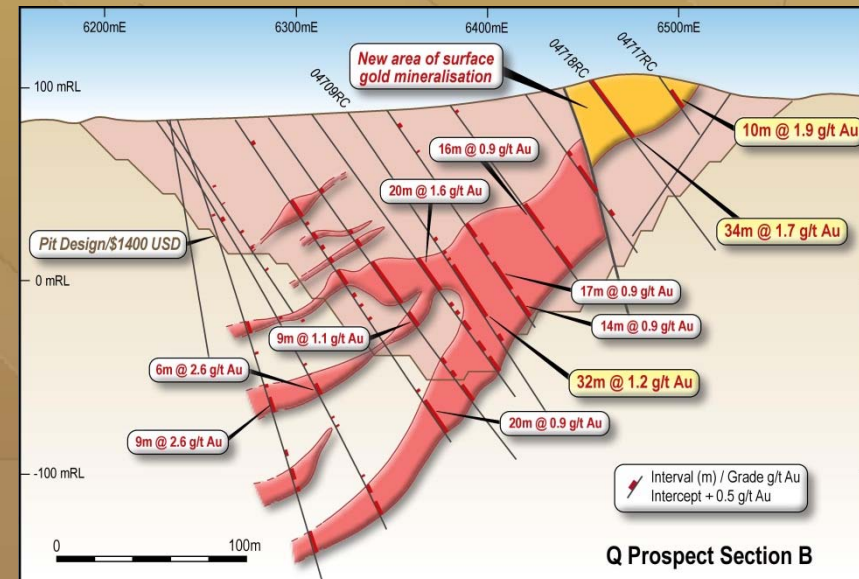
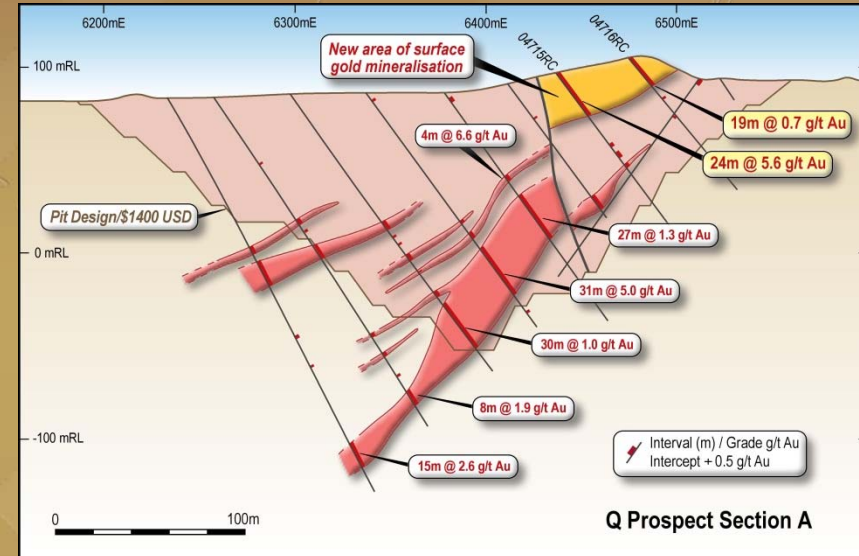
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Q Prospect Drilling

High grade gold intersections from surface



Visual representation of the total gold accumulation at Chatree from the resource modelling (gram metres)



Challenger Operations

Turning around the operation

Gold Production
33,395oz

268.1Kt @ 4.1g/t (309.6Kt @ 5.0g/t)
Accelerated development with focus on
Challenger West and Challenger Deeps.

Total Cash Costs
US\$1,026/oz

Total cash costs US\$964/oz
(before US\$62/oz royalty)
Reflects low production vs development

Challenger
Development

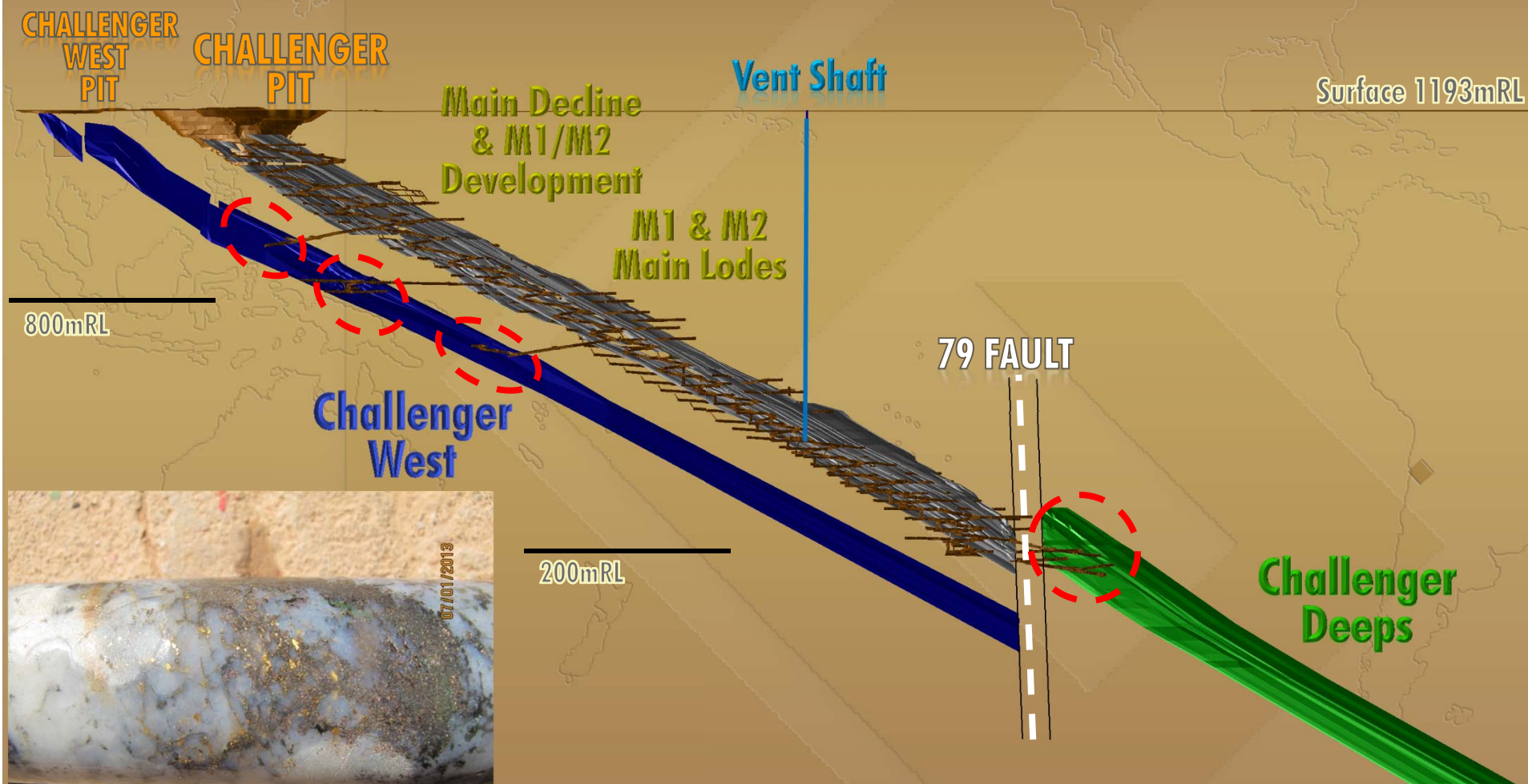
Achieving target development rates.
Level development ahead of mining.
Mining contract up for tender.



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Challenger

Operation turning around and upside potential



Visible gold in core (BQ) from Challenger West



Nueva Esperanza

Feasibility Study

- Feasibility study extended to include on-site power options and heap leach
- Conducted in parallel to milling study

Metallurgical Testwork

- Heap leach metallurgical testwork is underway.
- On-site column leach testing facilities in place.
- Results received progressively to end of June quarter.

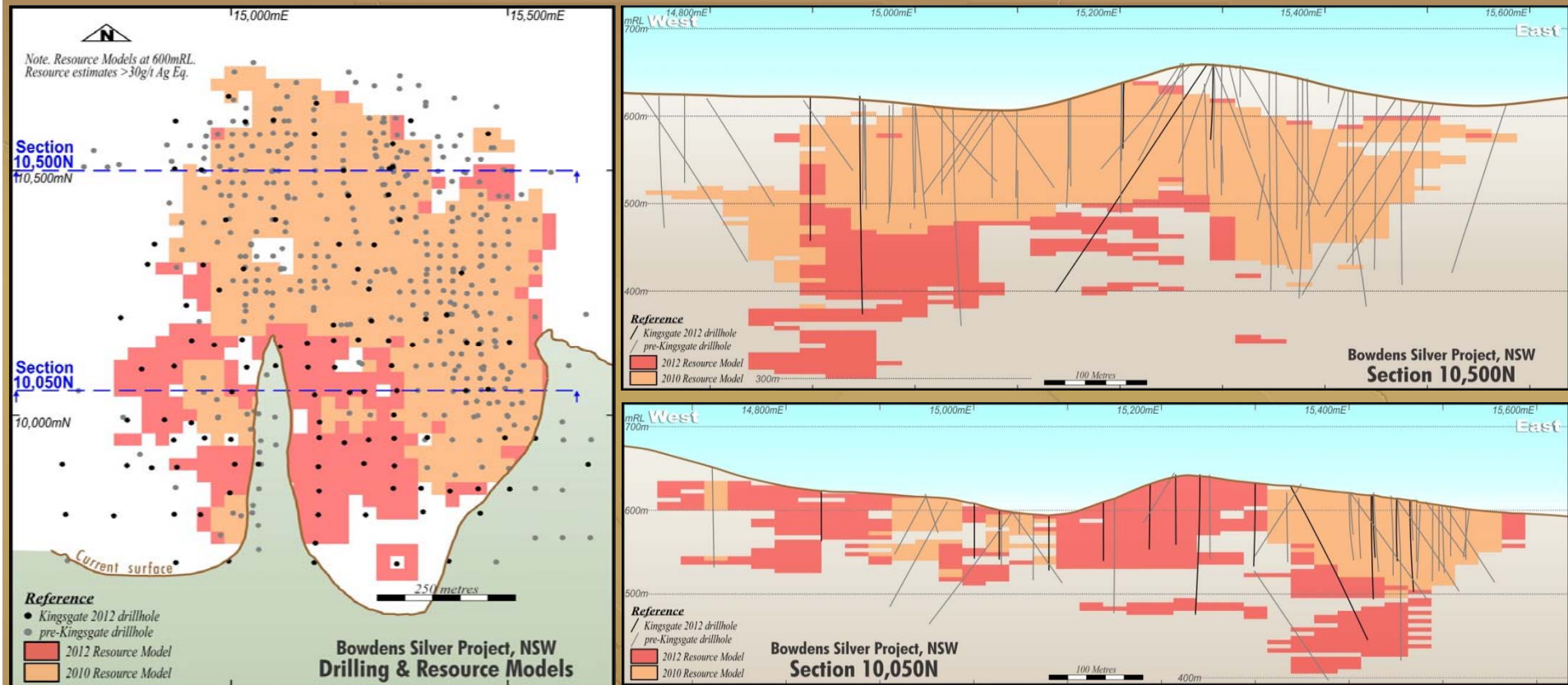
Environmental Impact Assessment

- EIA process close to completion.
- Final approvals anticipated by end of March quarter.



Bowdens Resource Growth

Resources grow by 40% to 182Moz AgEq*



- Pit optimisation delivers low strip ratio (~1:1) and high grade starter pit.
- Metallurgical testing delivers 9% improvement in recovery over earlier work.
- Application for Director General's Requirements for EIS lodged with NSW Govt.

Outlook for FY2013

Gold Production

Group gold production 200,000oz to 220,000oz.
Stronger second half year from both operating mines.

Chatree

Chatree gold production 120,000oz to 130,000oz
Higher throughput at lower grade.
Strategic drilling program to grow reserves and resources.

Challenger

Challenger gold production 80,000oz to 90,000oz
Achieving target development rates and level development.
Ramping up access to stope ore through June half.

Nueva Esperanza

Feasibility extended to include heap leach and on-site power
Met. testing including on-site columns through June half.
Development decision in the September quarter.

Bowdens

Feasibility and EIS expected to be completed in the
September quarter 2013



Kingsgate Consolidated Limited



Shares: 152 Million

Market Cap: ~A\$550M

ASX: KCN

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Appendix

General Disclaimer:

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Competent Persons Statements:

In this report, information concerning Thailand operations relates to Exploration Results, Mineral Resources and Ore Reserve estimates is based on information compiled by the following Competent Persons: Ron James, Brendan Bradley, and Suphanit Suphananthi who are employees of the Kingsgate Group. All except Brendan Bradley are members of The Australasian Institute of Mining and Metallurgy; Brendan Bradley is a 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 of 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.

In this report, the information concerning Challenger operations that relates to Exploration Results, Mineral Resources and Ore Reserves estimates is based on information compiled by Paul Androvic, Tim Benfield, Tony Poustie and Andrew Giles who are full-time employees of the Kingsgate Group. Paul Androvic, Tim Benfield and Tony Poustie are members of The Australasian Institute of Mining and Metallurgy and Andrew Giles is a member of the Australian Institute of Geoscientists. These persons have sufficient experience that is relevant to the mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Paul Androvic, Tim Benfield, Tony Poustie, and Andrew Giles consent to the inclusion in the report of the matters based on their information in the form in which it appears.

The information in this report that relates to Bowdens and Nueva Esperanza Mineral Resource estimation is based on work completed by Jonathon Abbott who is a full-time employee of MPR Geological Consultants and a member of the Australian Institute of Geoscientists and Mr Ron James. Mr Abbott and Mr James have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Abbott and Mr James consent to the inclusion in the report of the matters based on his information in the form and context in which it appears.



Chatree

Chatree Ore Reserves as at 30 June 2012 (>0.3g/t gold cut-off grade)

Source	Category	Tonnes	Gold Grade	Silver Grade	Gold Contained	Silver Contained	AuEq
		(millions)	(g/t)	(g/t)	(Moz)	(Moz)	(Moz)
From Pits	Proven	46.2	0.79	7.9	1.17	11.7	1.30
	Probable	16.7	0.72	5.9	0.39	3.2	0.42
Stockpiles		8.4	0.63	10.7	0.17	2.9	0.2
Chatree Total	Total	71.3	0.75	7.8	1.73	17.8	1.92

Chatree Mineral Resources as at 30 June 2012 (>0.3g/t gold cut-off grade)

Source	Category	Tonnes	Gold Grade	Silver Grade	Gold Contained	Silver Contained	AuEq
		(millions)	(g/t)	(g/t)	(Moz)	(Moz)	(Moz)
From Pits	Measured	86.9	0.74	7.0	2.07	19.6	2.28
	Indicated	50.7	0.67	4.8	1.09	7.8	1.18
	Inferred	31.2	0.65	4.3	0.65	4.3	0.70
Chatree Total	Total	168.8	0.70	5.8	3.81	31.7	4.16

Competent Persons Statement. Information in this presentation relates to Exploration Results, Mineral Resource and Ore Reserve estimates based on information compiled by the following Competent Persons: Ron James, Brendan Bradley and Suphanit Suphananthi who are employees of the Kingstgate 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.



Challenger

Challenger Ore Reserves as at 30 June 2012

Source	Category	Tonnes	Gold Grade	Gold Contained
		(million)	(g/t)	('000 oz)
From Mine	Proven	0.64	4.32	90
	Probable	2.61	6.61	550
Challenger Total	Total	3.25	6.16	640

Challenger Mineral Resources as at 30 June 2012

Source	Category	Tonnes	Gold Grade	Gold Contained
		(million)	(g/t)	('000 oz)
From Mine	Measured	1.15	3.56	130
	Indicated	2.55	7.80	640
	Inferred	1.31	7.46	310
Challenger Total	Total	5.01	6.74	1,090

Competent Persons Statement. The information in this presentation that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Tony Poustie and Andrew Giles who are full-time employees of the Company. Tony Poustie is a member of The Australasian Institute of Mining and Metallurgy and Andrew Giles is a member of the Australian Institute of Geoscientists. Tony Poustie and Andrew Giles have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking, to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Tony Poustie and Andrew Giles consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.



Nueva Esperanza

Nueva Esperanza Mineral Resources as at 30 June 2012 (0.5g/t AuEq cut-off grade)

Category	Tonnes	Gold Grade	Silver Grade	Gold Contained	Silver Contained	AgEq Contained	AuEq Contained
	(millions)	(g/t)	(g/t)	(Moz)	(Moz)	(Moz)	(Moz)
Measured	1.8	0.01	90	0.00	5.1	5.2	0.12
Indicated	20.2	0.26	81	0.17	52.6	60.2	1.34
Inferred	8.7	0.2	66	0.06	18.5	21.0	0.47
Total	30.7	0.23	77	0.23	76.3	86.4	1.92

Notes: Au = gold; Ag = silver; M = million; g/t = grams per tonne; MOz = million ounces.

1. In situ density 2.0 t/bcm, based on 350 measurements at Arqueros. This is lower than previously used 2.2 t/bcm. 2. Gold equivalent on basis of gold/silver revenue ratio of 45; calculated as Au + Ag/EQ (gold plus [silver divided by 45]). 3. Silver equivalent on the basis of gold/silver revenue ratio of 45; calculated as Au x EQ + Ag ([gold times 45] plus silver). 4. EQ = (Price Gold x Recovery Gold) / (Price Silver x Recovery Silver). 5. Price basis US\$1250/oz Au and US\$30/oz Ag. 6. Metallurgical recovery basis 85% Au and 78% silver. 7. It is the company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered. 8. Rounding of numbers may generate rounding errors.



Bowdens

Bowdens Mineral Resources as at 19 November 2012 (30g/t AgEq cut-off grade)

Category	Tonnes (t)	Grade				Contained Metal		
		Silver g/t	Lead %	Zinc %	AgEq g/t	Silver (Moz)	AgEq (Moz)	AuEq (Moz)
Measured	23.6	56.6	0.31	0.41	74.5	43.0	57	1.25
Indicated	28.4	48.0	0.27	0.36	63.6	43.8	58	1.28
Meas & Ind	52.0	51.9	0.29	0.38	68.6	86.8	115	2.53
Inferred	36	41	0.3	0.4	58	47.5	68	1.47
Total	88.0	47.4	0.29	0.39	64.4	134.1	182	4.00

Notes:

1. Rounding of numbers may generate rounding errors. 2. NSR metallurgical recoveries of 72% Ag, 75% Pb, and 66% Zn estimated from test work by Kingsgate. NSR or net smelter return metallurgical recovery is defined as the payable metal recovered after allowing for smelter deductions, which includes deductions for precious metals. 3. Price basis Ag US\$26.33/oz, Pb US\$2,206/t and Zn US\$2,111/t 4. Bowdens silver equivalent equation (AgEq) g/t = Ag (g/t) + 27.5 x Pb (%) + 22.8 x Zn (%) 5. It is the company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered. 6. Cut-off grade for Bowdens is 30g/t AgEq.

Kingsgate Group Metal Equivalent Notes:

#1. Nueva Esperanza silver equivalent: $AgEq (g/t) = Ag (g/t) + Au(g/t) \times EQa$. Gold Equivalent: $AuEq (g/t) = Au (g/t) + Ag (g/t)/EQa$; $EQa = (\text{price gold} \times \text{recovery gold}) / (\text{price silver} \times \text{recovery silver})$. Calculated from prices of US\$1250/oz Au and US\$30/oz Ag, and metallurgical recoveries of 85% Au and 78% Ag estimated from test work by Kingsgate and Laguna. #2. Bowdens silver equivalent: $AgEq (g/t) = Ag (g/t) + 27.5 \times Pb (\%) + 22.8 \times Zn (\%)$. Calculated from prices of US\$26.33/oz Ag, US\$2,206/t Pb, US\$2,111/t Zn and NSR recoveries of 72% Ag, 75% Pb, and 66% Zn estimated following test work by Kingsgate. #3. Bowdens gold equivalent: $AuEq (g/t) = 46 (\text{gold price} / \text{silver price})$. Calculated from prices of US\$1200/oz Au, US\$26.33/oz Ag. #4. Chatree gold equivalent: $AuEq/t = Au (g/t) + Ag (g/t) / EQa$. EQa see note 1 above. Calculated from prices of US\$1400/oz Au and US\$26/oz Ag and metallurgical recoveries of 85% Au and 50% silver based on metallurgical test work and plant performance. #5. Cut-off grade for Chatree is 0.3g/t Au; Nueva Esperanza is 0.5g/t AuEq; Bowdens is 30g/t AgEq. #6. In the company's opinion, the silver, gold lead and zinc included in the metal equivalent calculations have a reasonable potential to be recovered.

