



**Kingsgate Consolidated Limited**

**Growing a Premier Mid-Tier Gold Miner  
in Asia/Pacific**



**Diggers and Dealers  
August 2012**



# 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.*

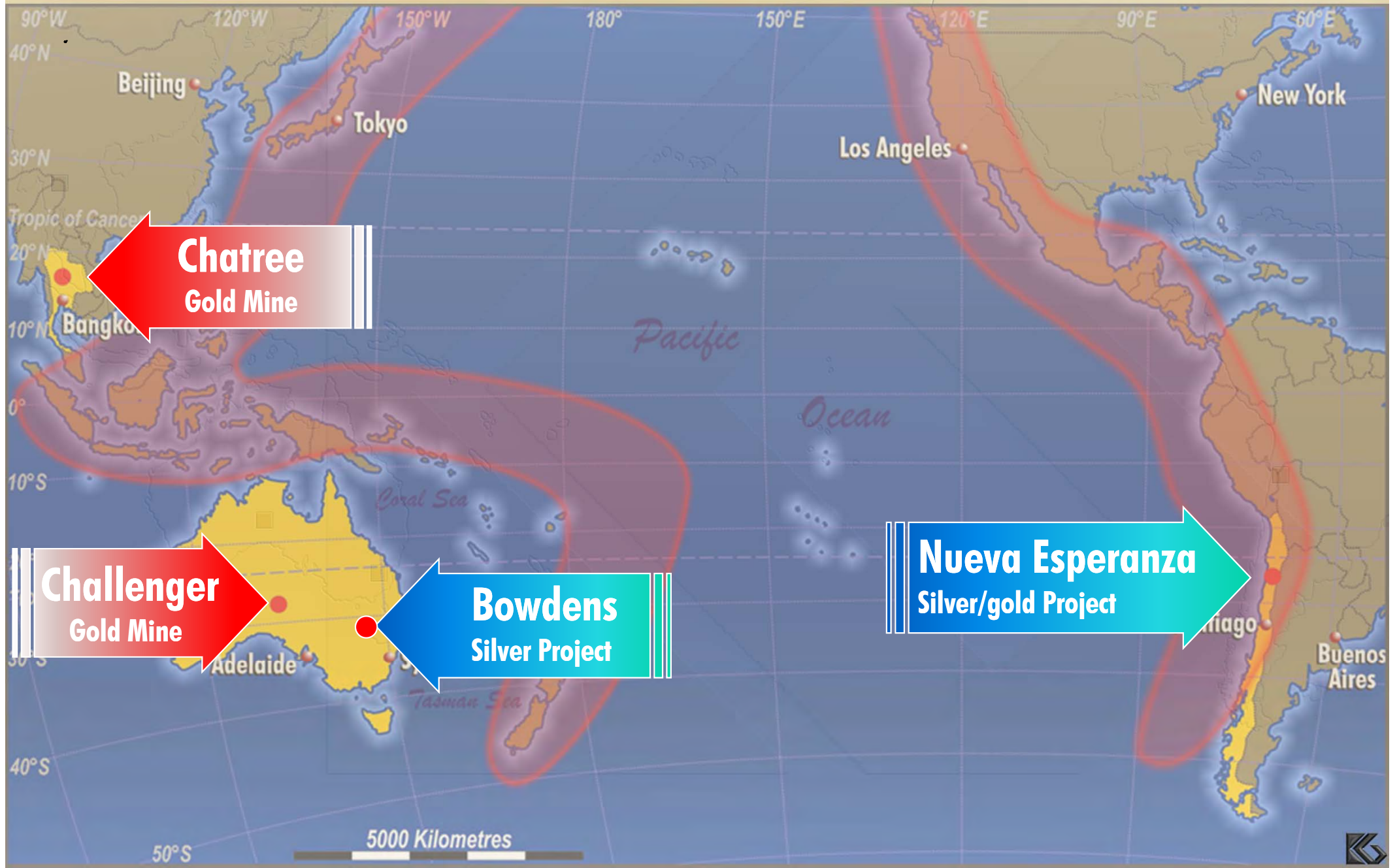
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# Growing Gold Miner in Asia/Pac

## Two gold mines and two advanced projects



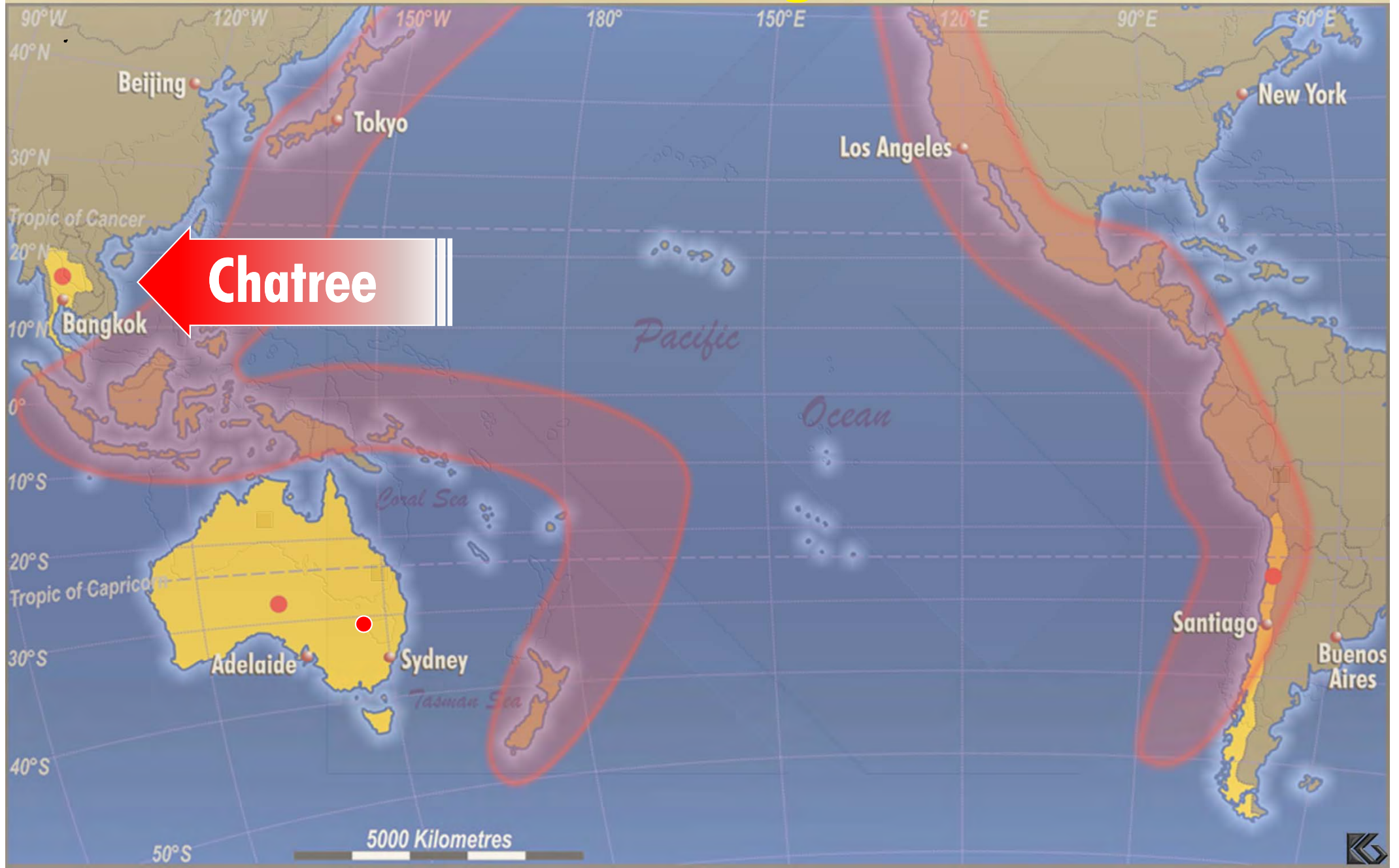
# Records Set in June Quarter

- **Record quarterly gold production of 61,835oz, up 2% on the March quarter at total cash cost of US\$744/oz.**
- **Record annual gold production of 208,760oz, up 85% on FY11 (113,134oz) at a total cash cost of US\$720/oz.**
- **Strong operating performance at Chatree with gold production of 42,188oz, up 9% on the March quarter.**
- **Challenger West meets initial expectations with high grade visible gold.**
- **At Nueva Esperanza, metallurgical testing of Teterita underway. Integrated mine plan close to completion.**
- **Good results from Bowdens resource drilling with ore grade silver intersections outside current resource.**

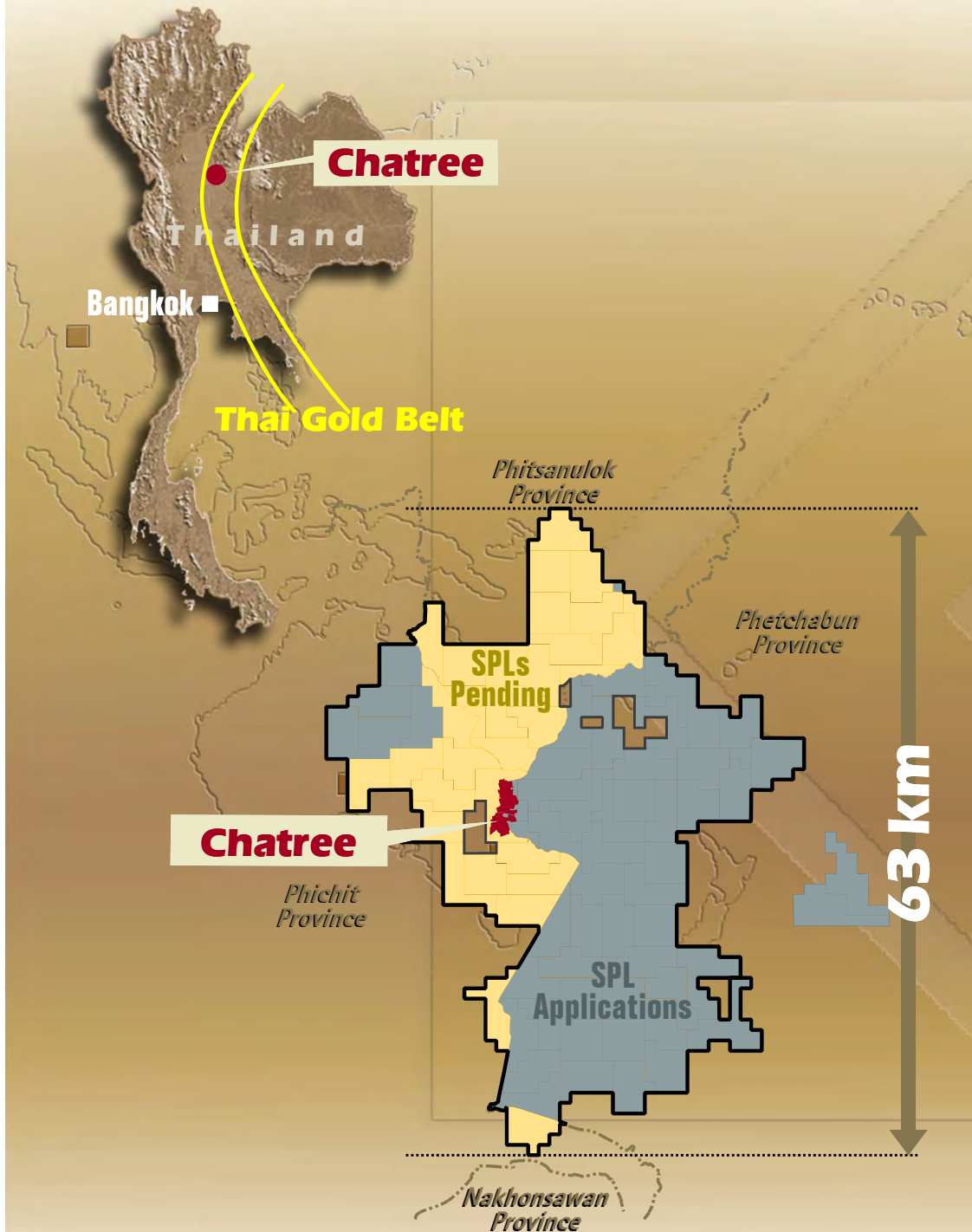


# Chatree Gold Mine in Thailand

## Asian showcase gold mine



# Chatree – Thai Gold Belt



**World Class Gold Province**

**First Mover Advantage**

**1,200 km<sup>2</sup> Tenement Package  
Multiple Targets**



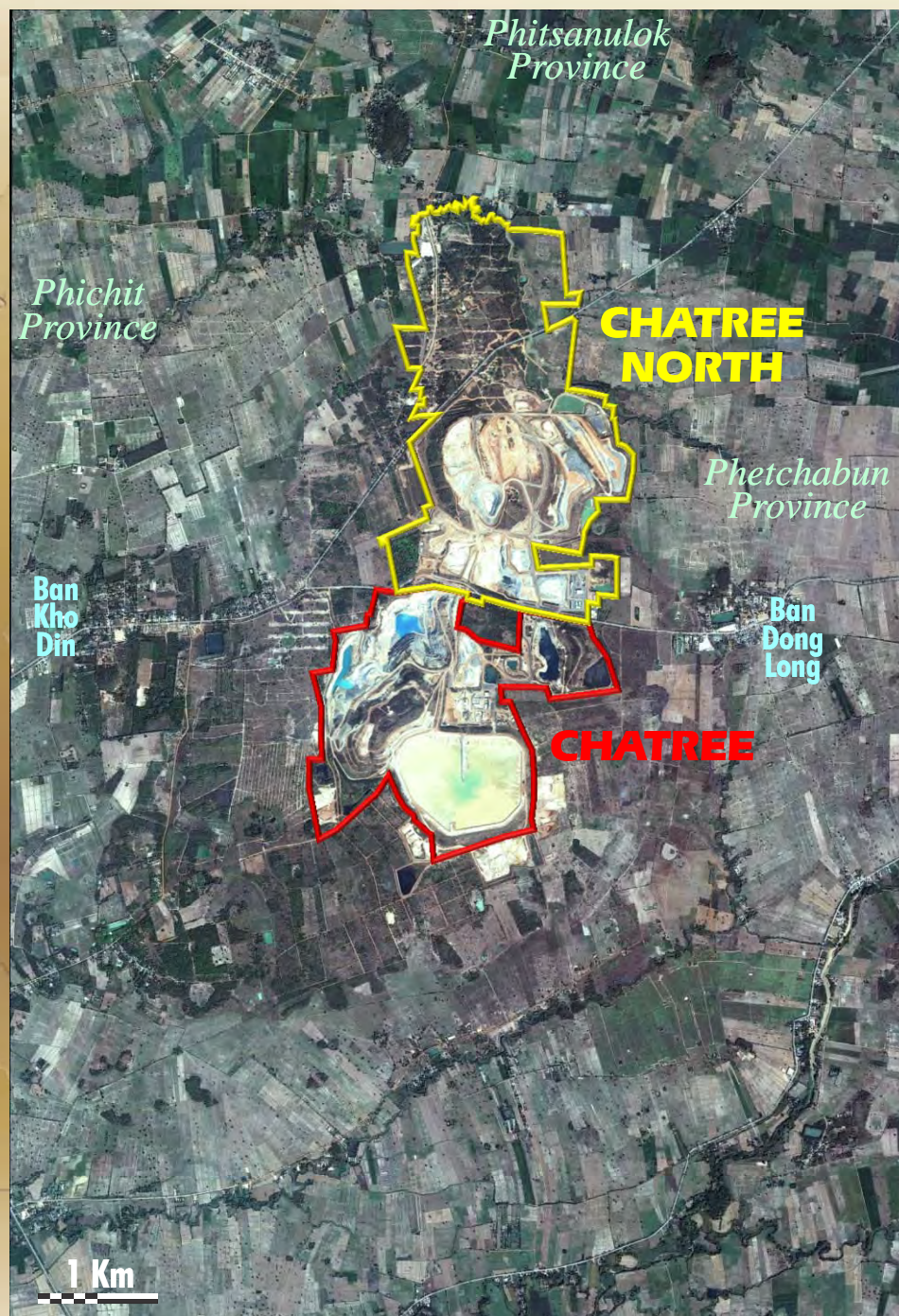
# Chatree - World Class Deposit

**Chatree +5Moz system  
to date & growing  
(including mined to date)**

**Large low grade and low  
cost gold deposit**

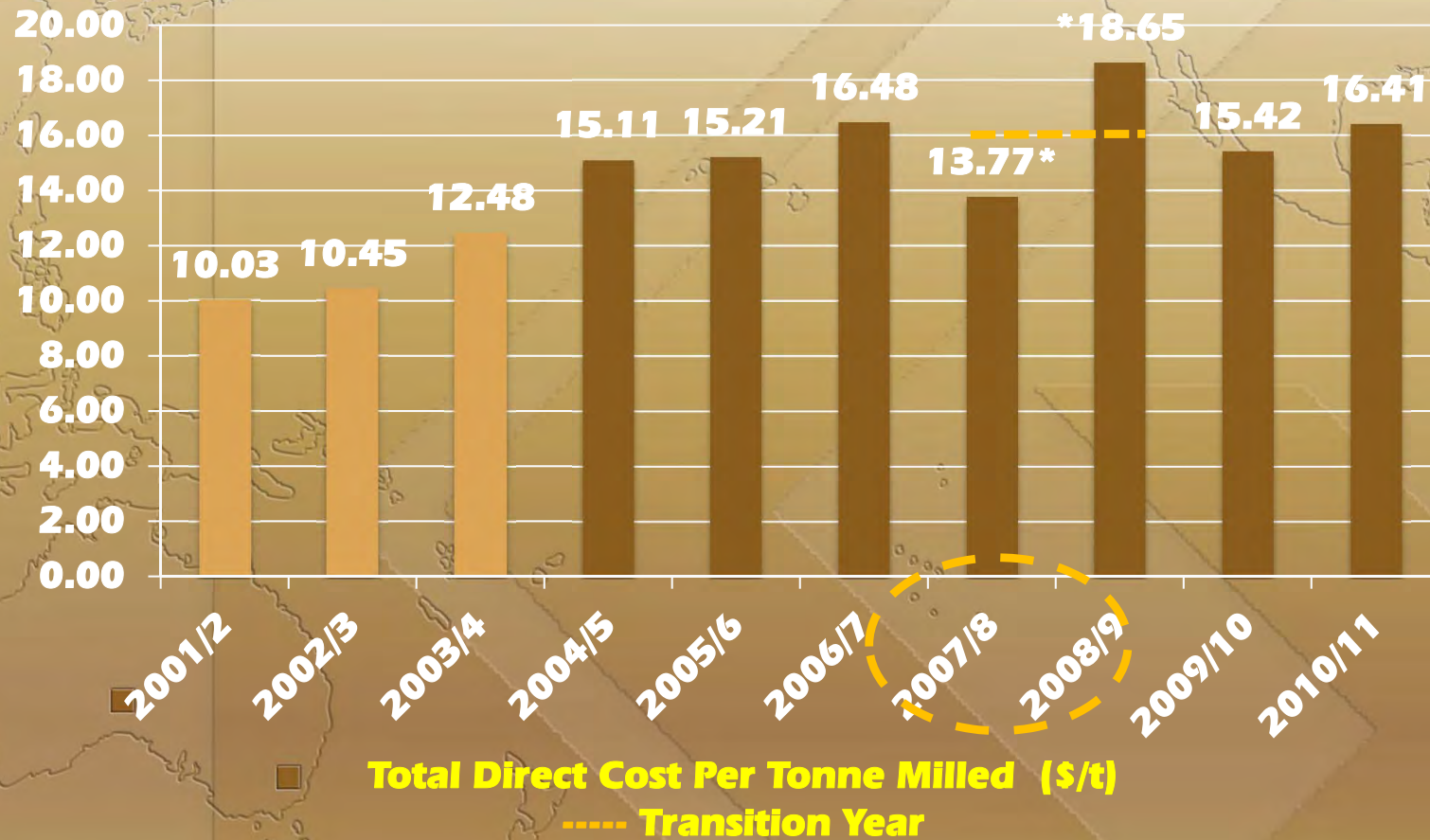
**Expansion completed  
~6.2Mtpa @ 0.8g/t – 1.0g/t  
Approx. 140Koz to 180Koz**

**Significant near mine  
potential**



# Chatree Unit Operating Costs

Asian competitive advantage



Established infrastructure.

Competitive input costs including power at ~9 cents/KwH.

Stable highly skilled Thai workforce and only four expats.





# Chatree Growth Strategy

## Completed

- Plant expansion under optimisation and operating at +6.2Mtpa
- C North high grade zone completed

## Under Review

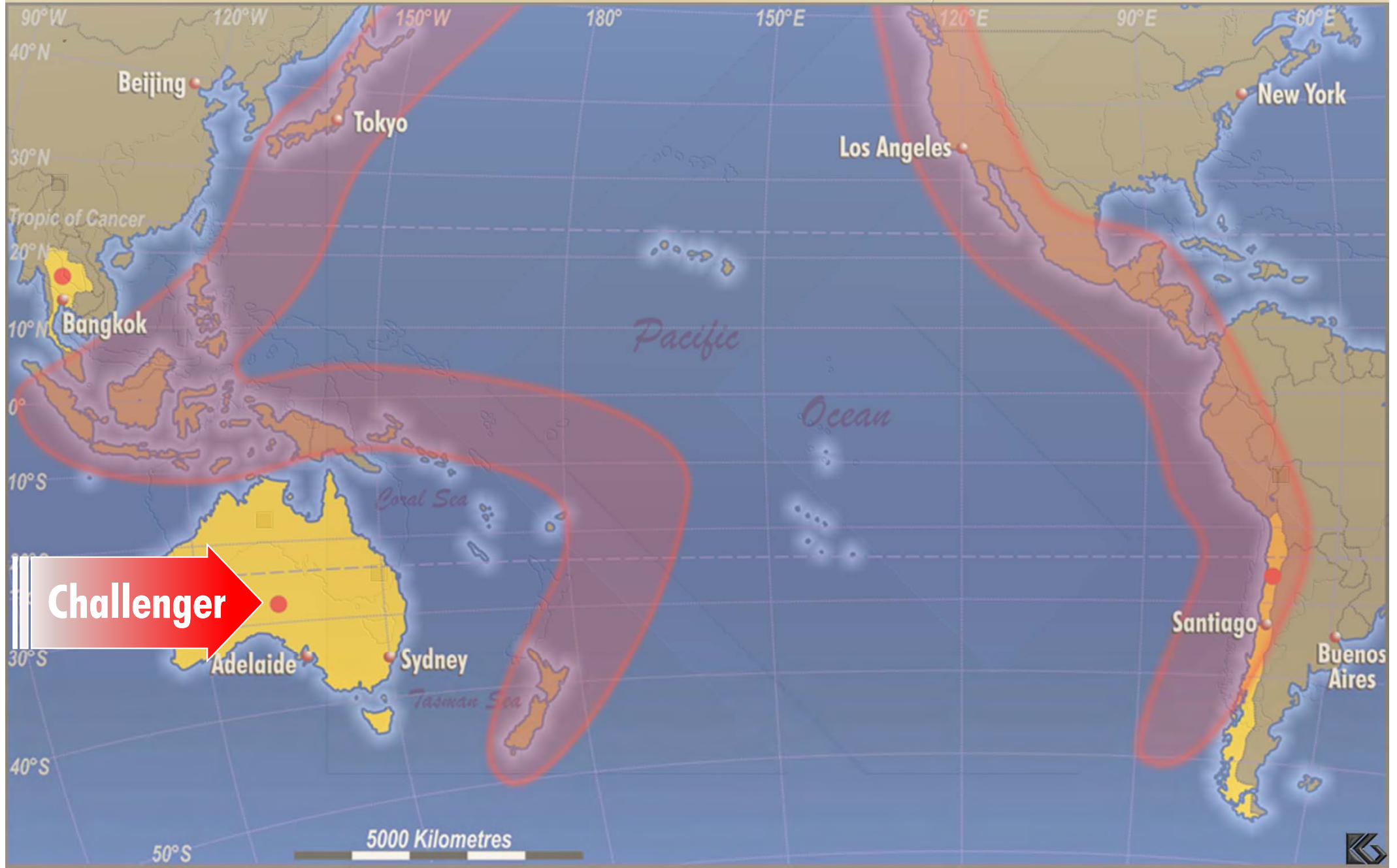
- Incremental expansion options to ~7.2Mtpa
- Access to surrounding resources

## Future

- Underground potential through high grade feeder structures
- Regional satellite deposits

# Challenger Gold Mine

Acquired by Kingsgate in Feb 2011



# Challenger Gold Mine

## Challenging six months

- June Qtr 19,647oz @ US\$1,000/oz (incl. US\$59/oz royalty)
- Full year 87,388oz @ US\$862/oz (incl. US\$62/oz royalty)
- Stope availability fell behind due to development shortfall and ore dilution
- Strategy being implemented to address the issues.
- Dec Qtr good indicator of potential: 27,285oz @ US\$612/oz (incl. US\$54/oz)
- Exploration potential remains good



# Challenger Strategy

## Turning around the operation

### Understand the issues

**Contractor Underperforming**  
Development shortfall due to poor equipment availability, maintenance manning and experienced operators

### Implementing change

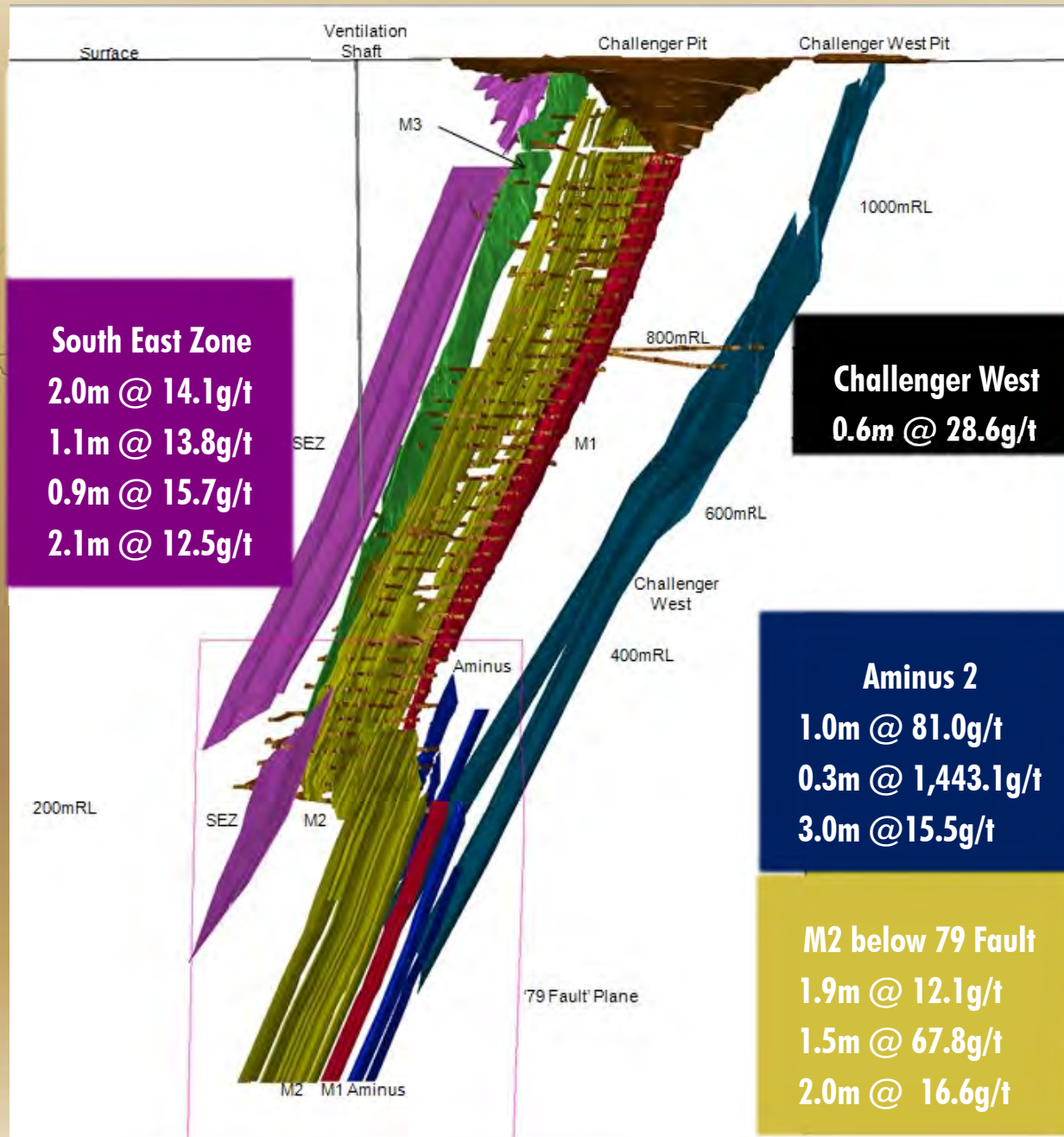
- Site responsible for business unit.
- Additional KCN experienced people in mine management and contractor supervision.

### Plan for the future

- Establish two new mining fronts at Challenger West and across '79 Fault.
- Implement over the next 6 months to set up the mine for the future.



# Challenger Exploration Upside



**Challenger West 800 level  
 stope meets expectations**

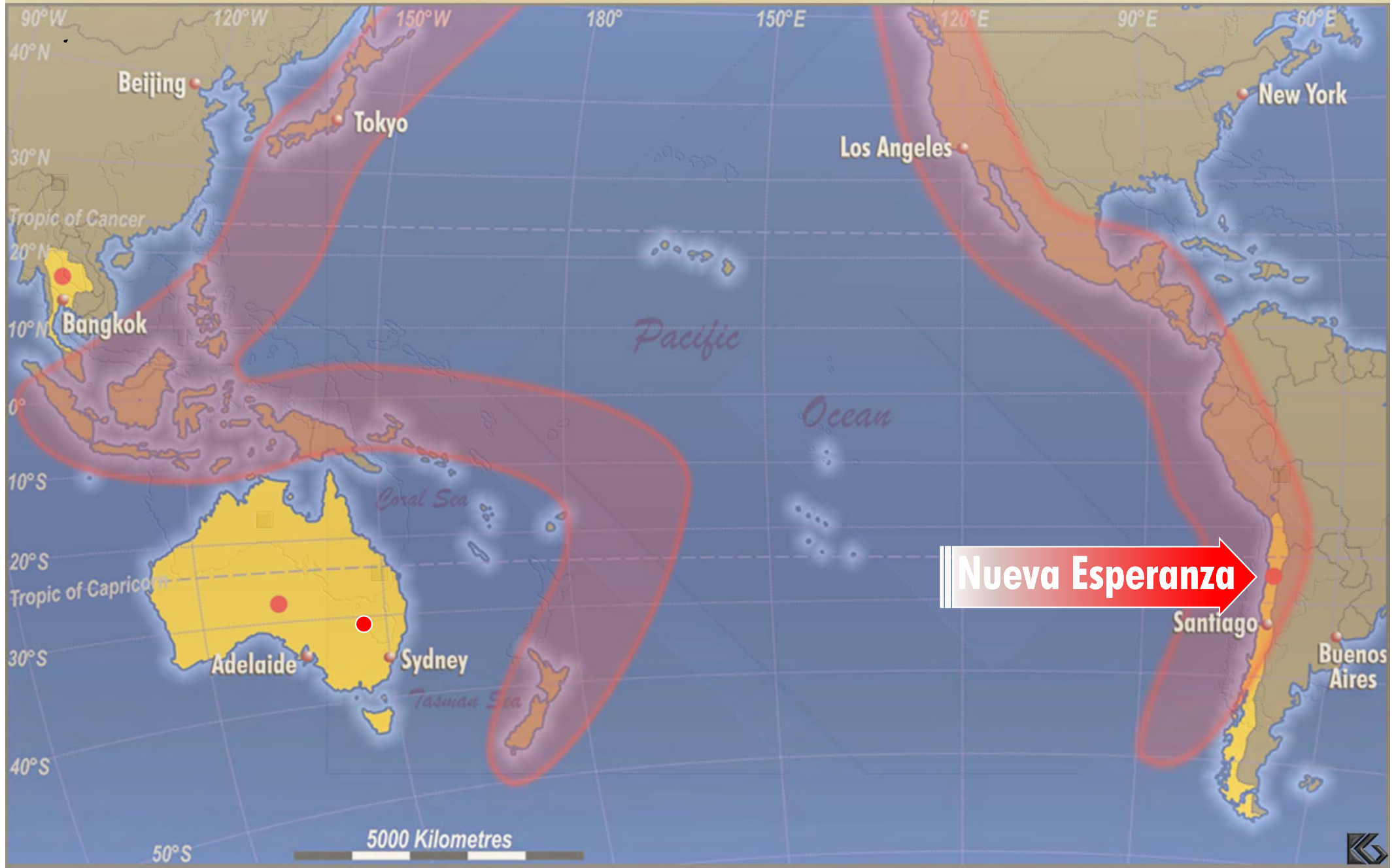
**New shoot, Aminus 2,  
 identified within Challenger  
 West corridor**

**Good results continue below  
 '79 Fault'**



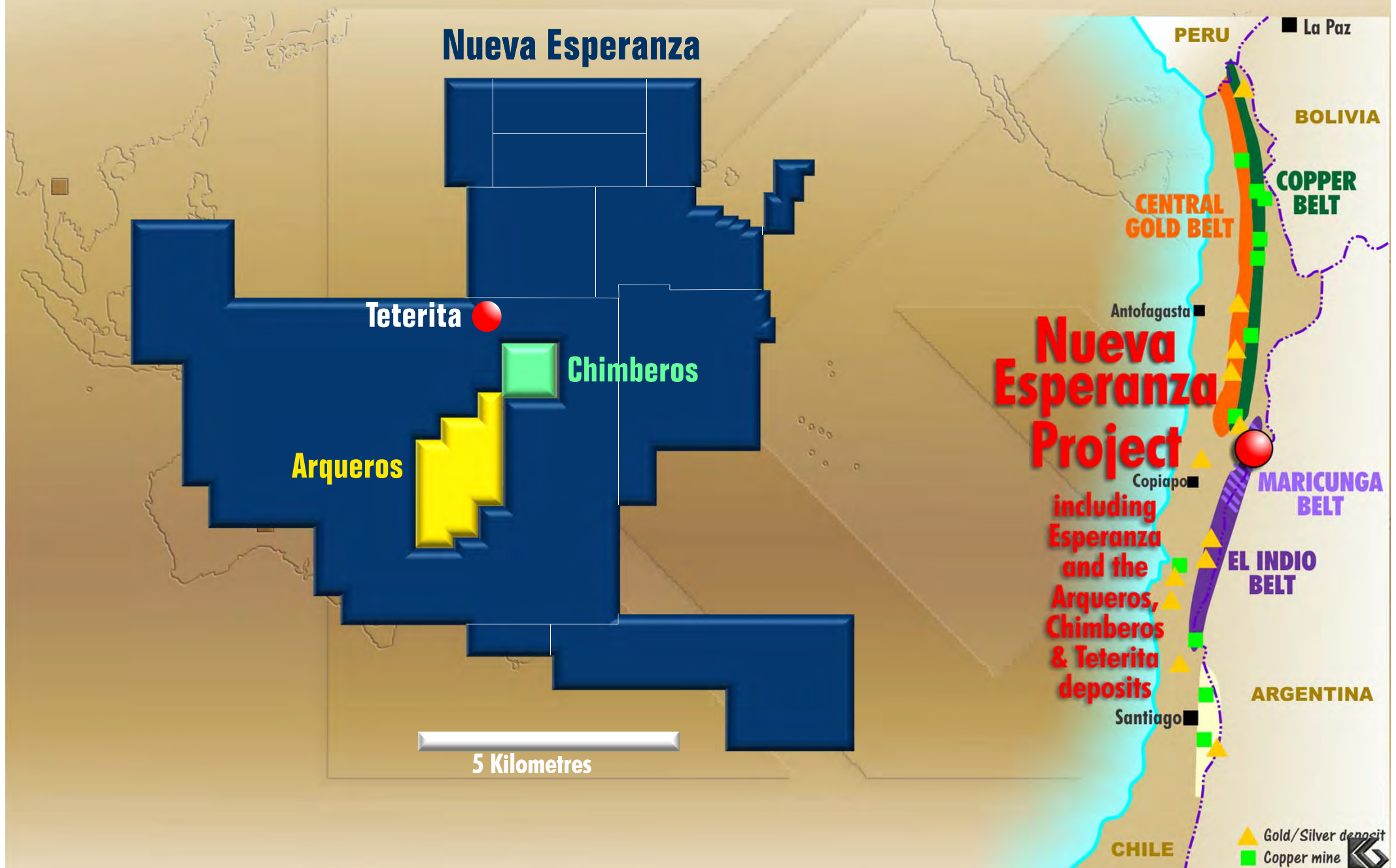
# Nueva Esperanza

## Advanced silver/gold project in Chile



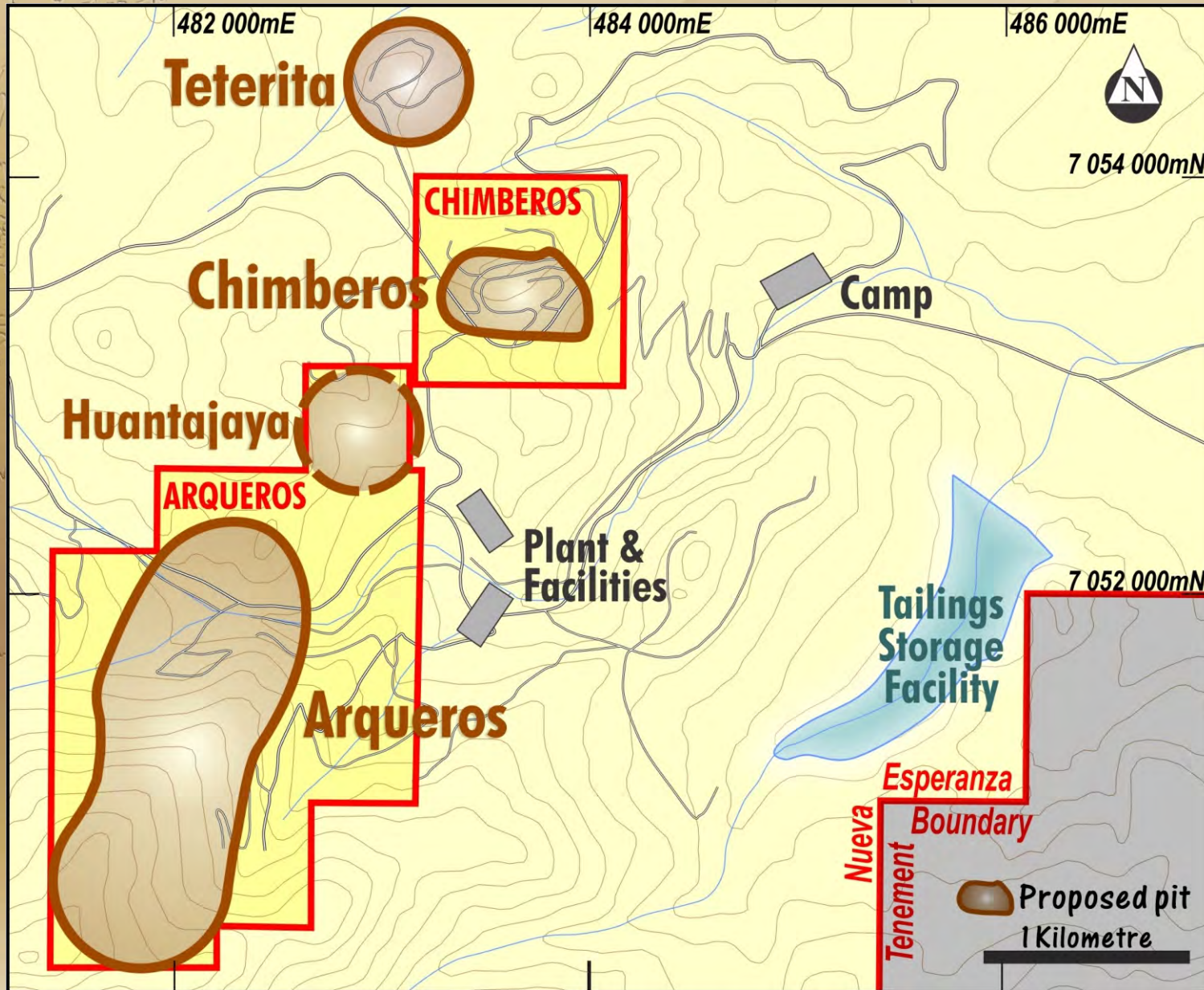
# Nueva Esperanza

Located in the highly prospective Maricunga Belt



# Nueva Esperanza

## Preliminary mine and plant layout





# Nueva Esperanza Panorama

Fast track to production



Looking north from Arqueros

- Total Mineral Resource: 1.9 million oz AuEq (85 million oz AgEq).
- Potential fast track to mining with low strip and high grade at Teterita.
- Evaluation of Chimberos to continue after winter.



# Nueva Esperanza

**Project advancing rapidly**

## **Resource Evaluation**

**Teterita metallurgical work underway.  
Two drill holes completed at Chimberos  
Camp and fieldwork reduced for winter**

## **Feasibility Study**

**Integrated mine plan for Arqueros and  
Teterita progressing.  
Ausenco appointed to take feasibility  
through to definitive stage.**

## **Environmental Impact Assessment**

**The EIA process is well advanced with  
water drilling and pumping tests  
completed in the quarter.  
Decision to mine expected by year end.**



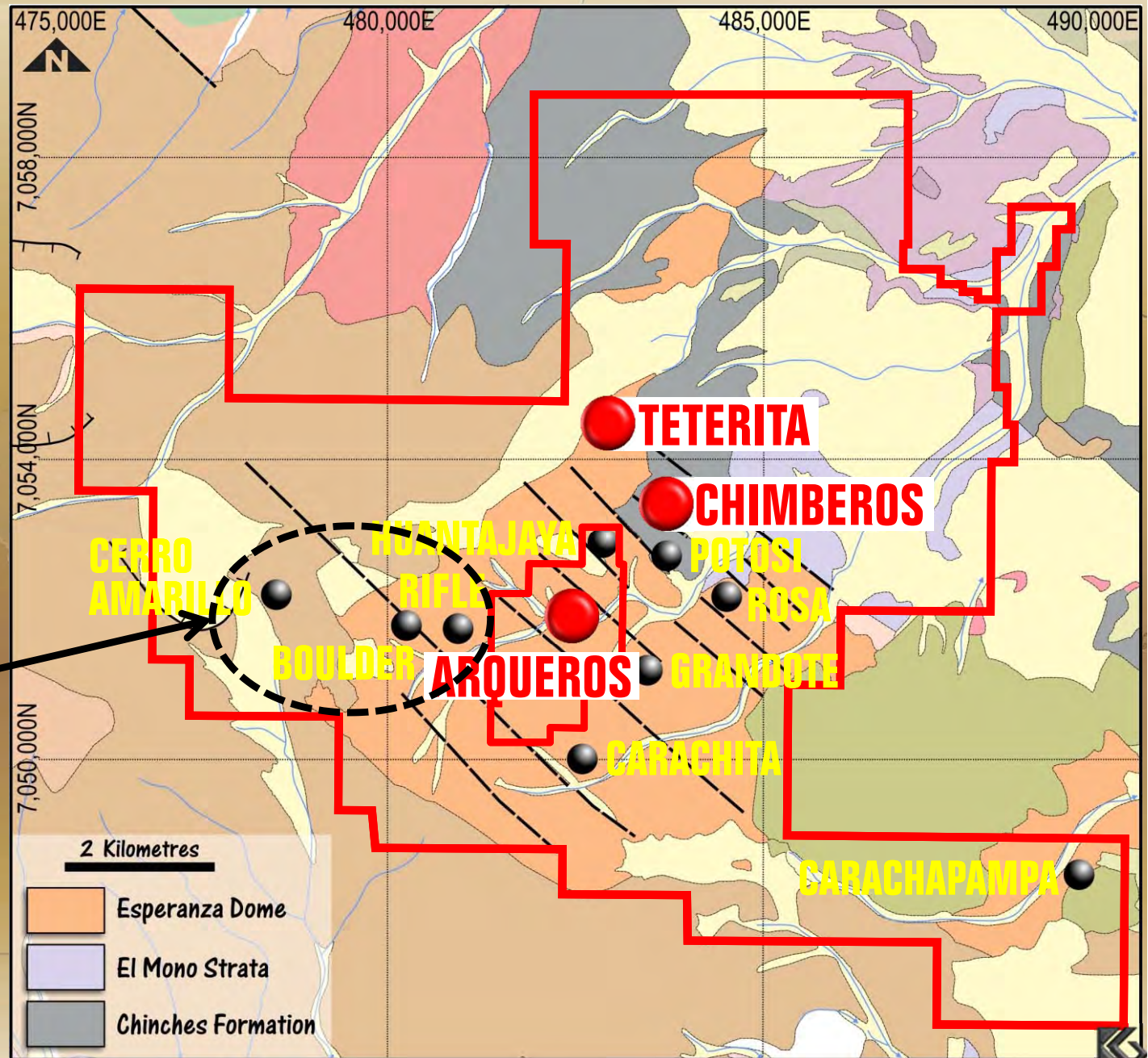
# Nueva Esperanza

## Highly prospective regional exploration

Three established resources

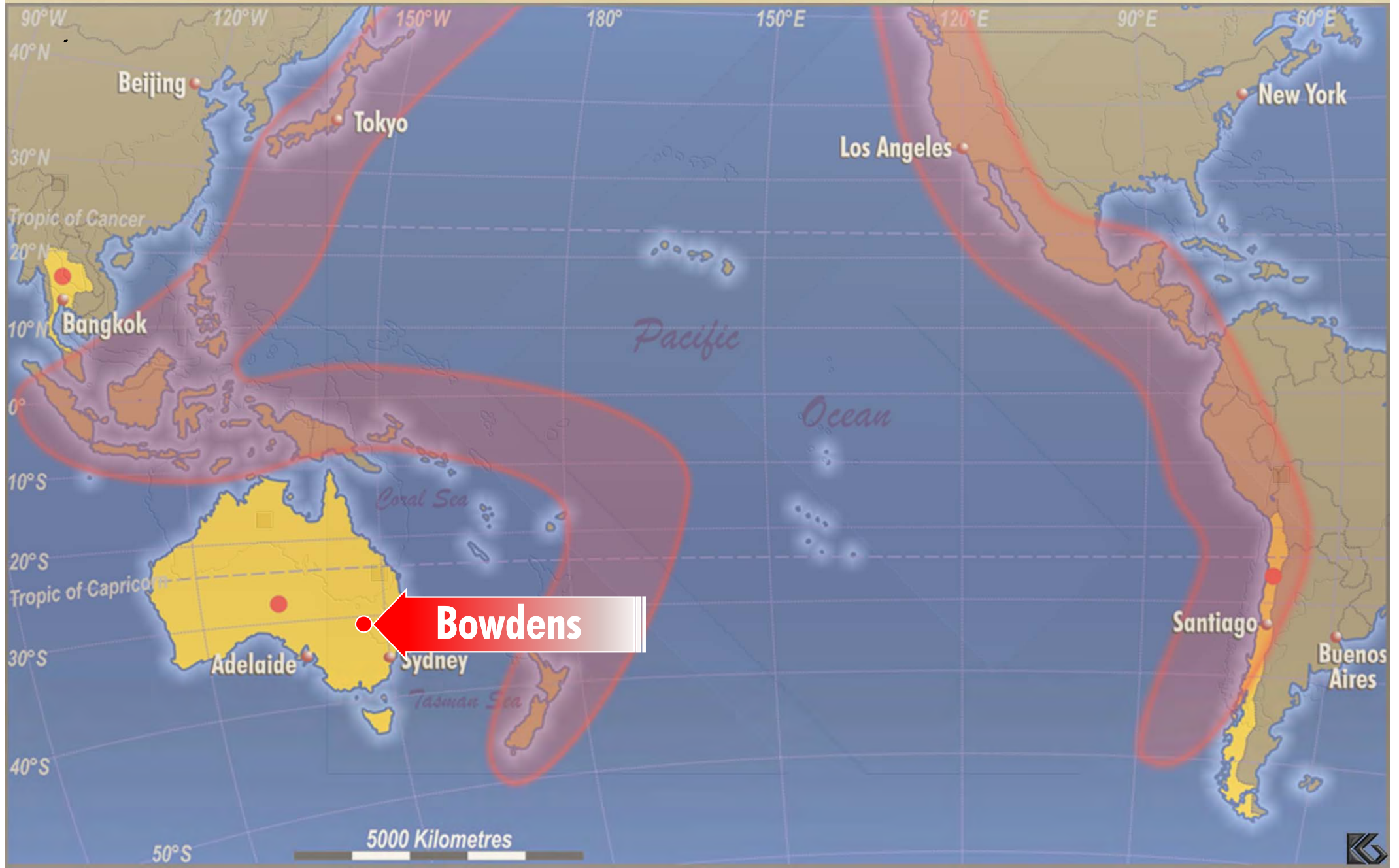
Multiple highly prospective targets

High grade intercepts from historical drilling



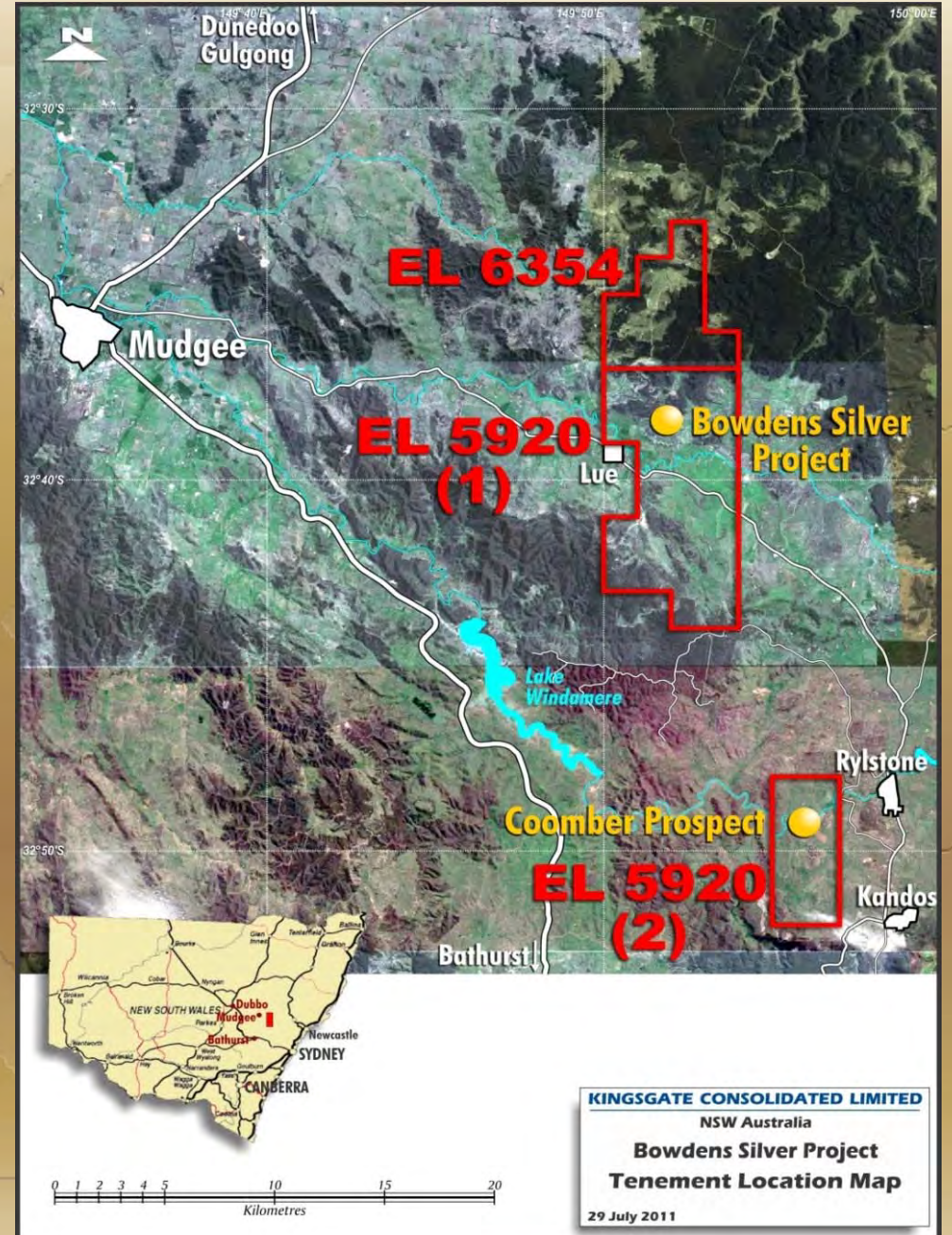
# Bowdens Silver Project

## Kingsgate growth project in NSW



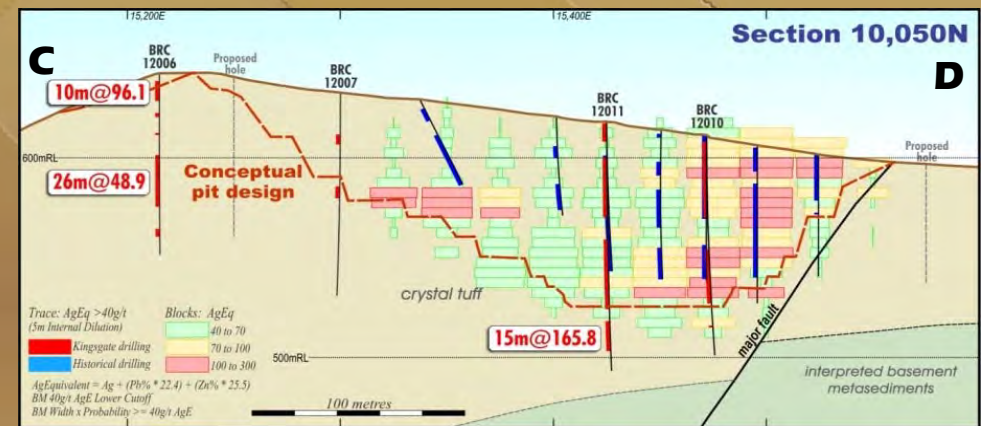
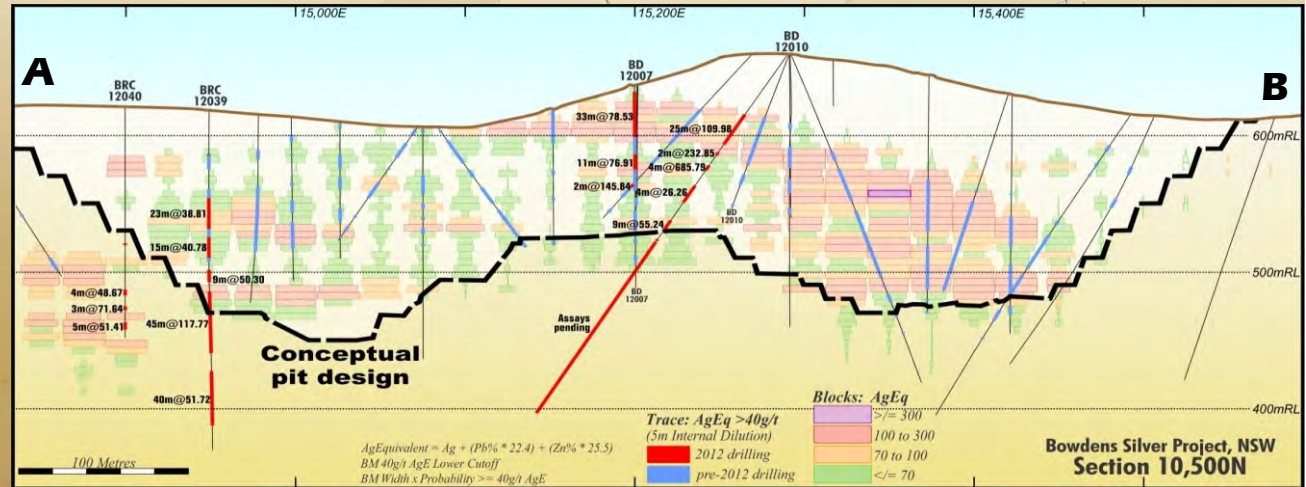
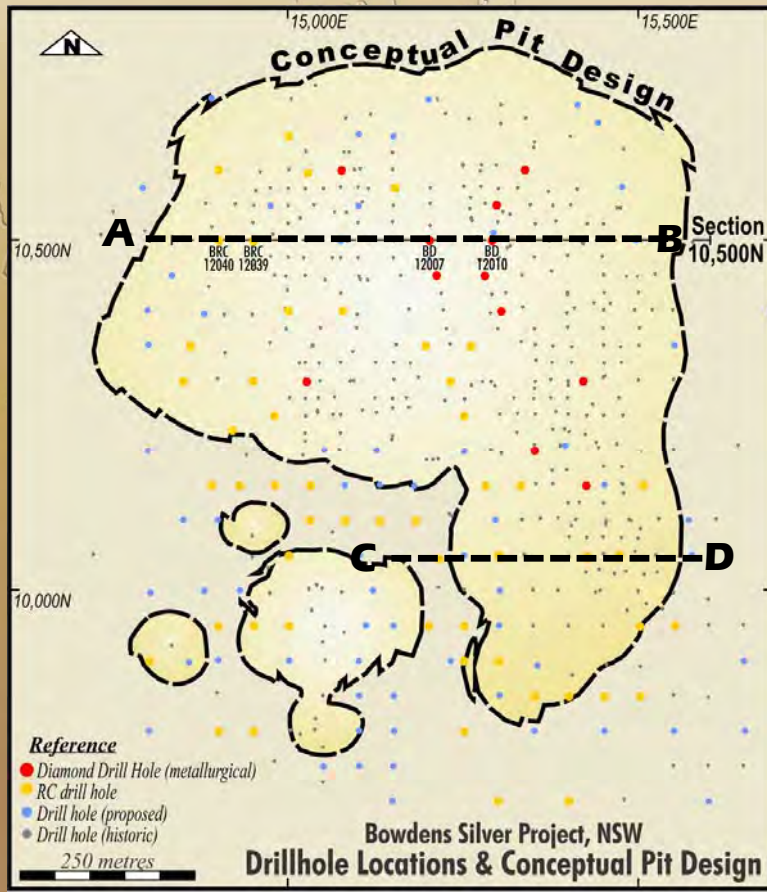
# Bowdens Overview

- Epithermal silver deposit with lead and zinc by-products
- Large, continuous, near surface deposit hosted in volcanics
- Resource estimate 99Moz Ag, 131Moz AgEq (JORC)
- Established infrastructure and mining workforce
- Resource definition drilling and environmental field monitoring continuing.



# Bowdens Upside Potential

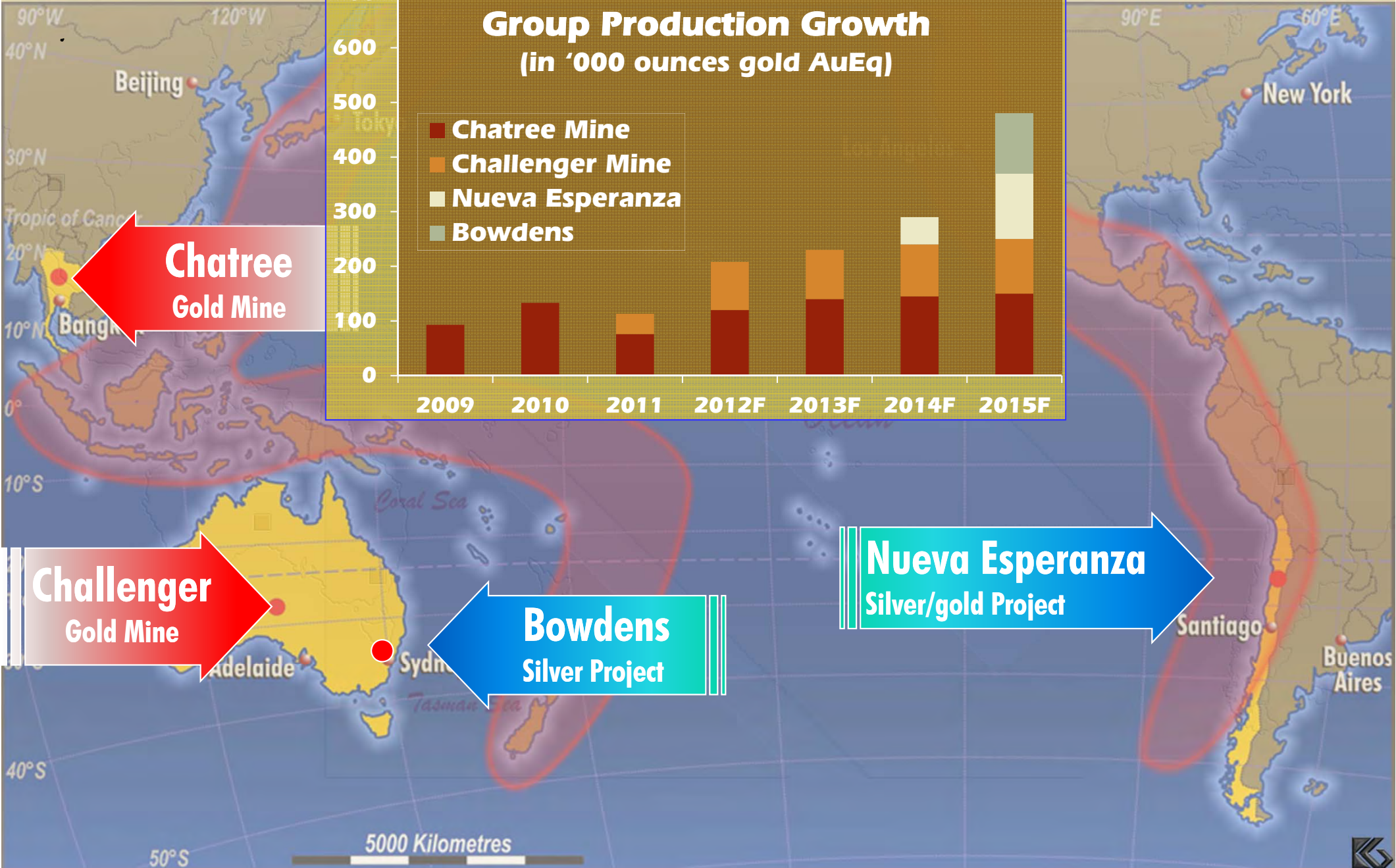
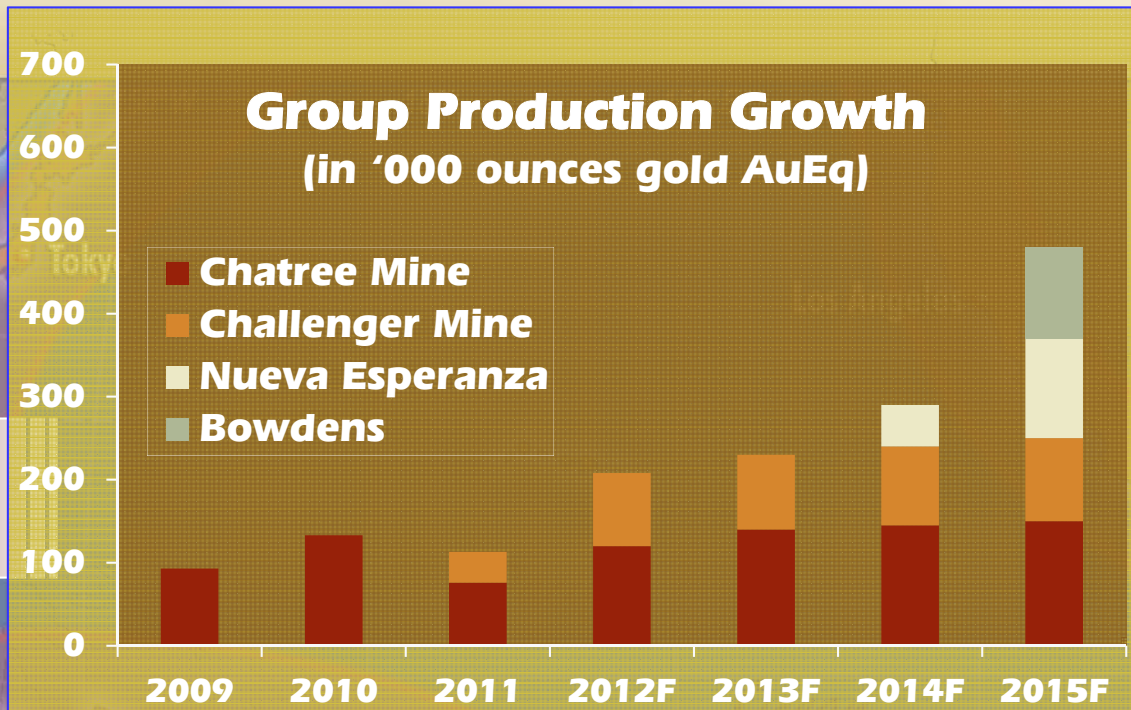
Mineralisation intersected outside current resource



- Resource drilling continues to intersect mineralisation outside current resource
- Assays include 45m @ 117.8 AgEq and 40m @ 96.1 AgEq
- Technical feasibility and preliminary EIS expected in the December quarter 2012



# Strong Production Growth



# KCN – Strong Value Proposition



## Diversified Production Growth

Strong production growth: 209Koz FY12 from 113Koz FY11



## Strong Resource Growth

Nearly doubled to ~10Moz AuEq from 5.4Moz AuEq FY10



## Development Project Pipeline

Feasibility studies for Nueva Esperanza and Bowdens in 2H12



## Generating Strong Cashflow

Operating mines and long life and low cost development projects

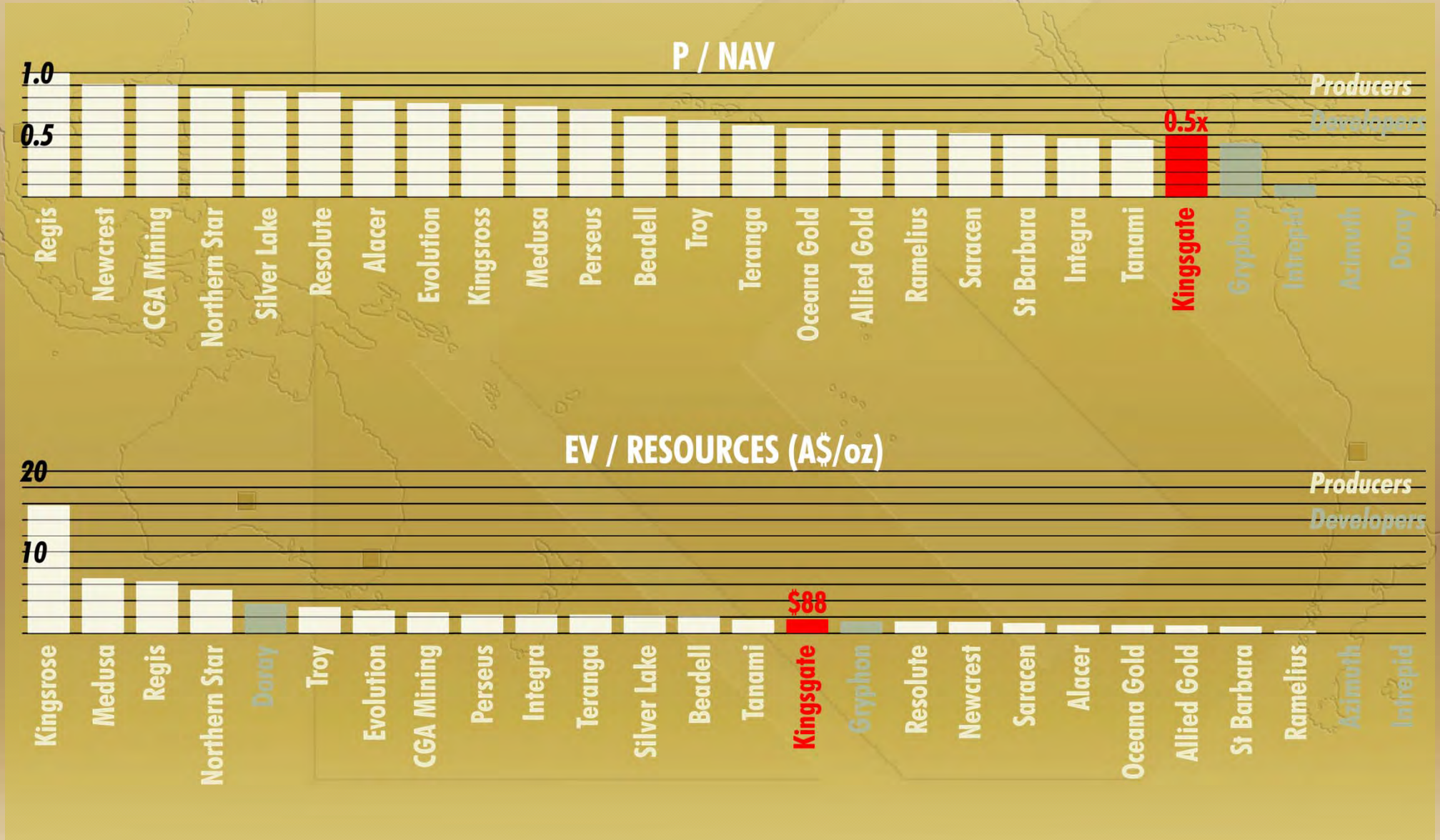


## Dividend Differential

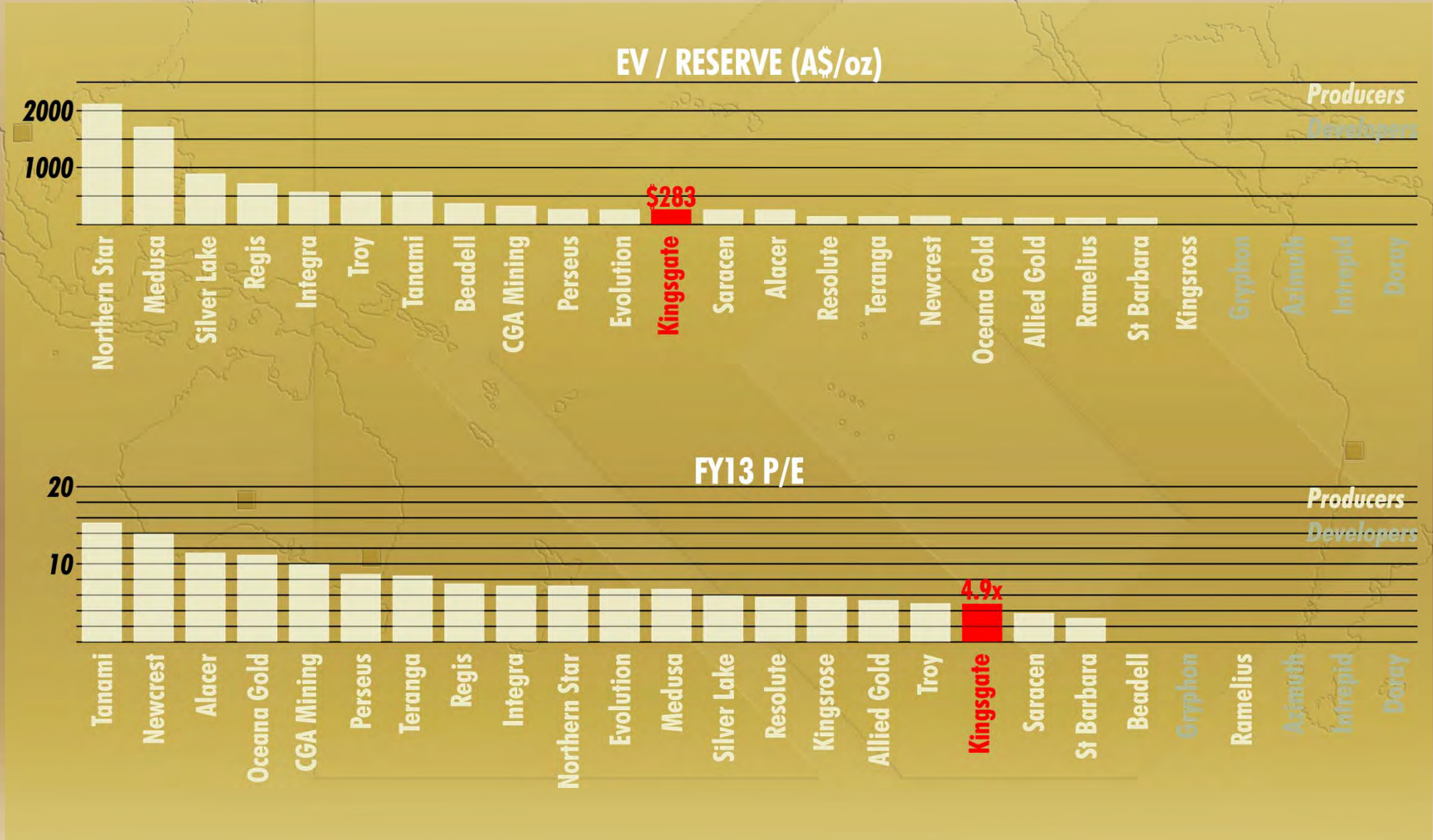
Long history of paying dividends



# Highly Attractive Value Metrics



# Highly Attractive Value Metrics



# **Kingsgate** Consolidated Limited



**Shares: 151 Million**

**Market Cap: ~A\$700 Million**

**ASX: KCN**

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



# Appendix

## General Disclaimer:

*The information contained in this presentation is for informational purposes only and does not constitute an offer to issue, or arrange to issue securities or other financial products. The information contained in this presentation is not investment or financial product advice and has been prepared without taking into account the investment objectives, financial situation or particular needs of any person. To the maximum extent permitted by law, none of Dominion Mining Limited, Kingsgate Consolidated Limited, their respective directors, employees or agents, nor any other person accepts any liability including without limitation any liability arising out of fault or negligence for any loss caused from the use of the information contained in this presentation. No representation or warranty, express or implied, is given as to the accuracy, completeness or correctness, likelihood of achievement or reasonableness of any forecasts or other forward looking statements.*

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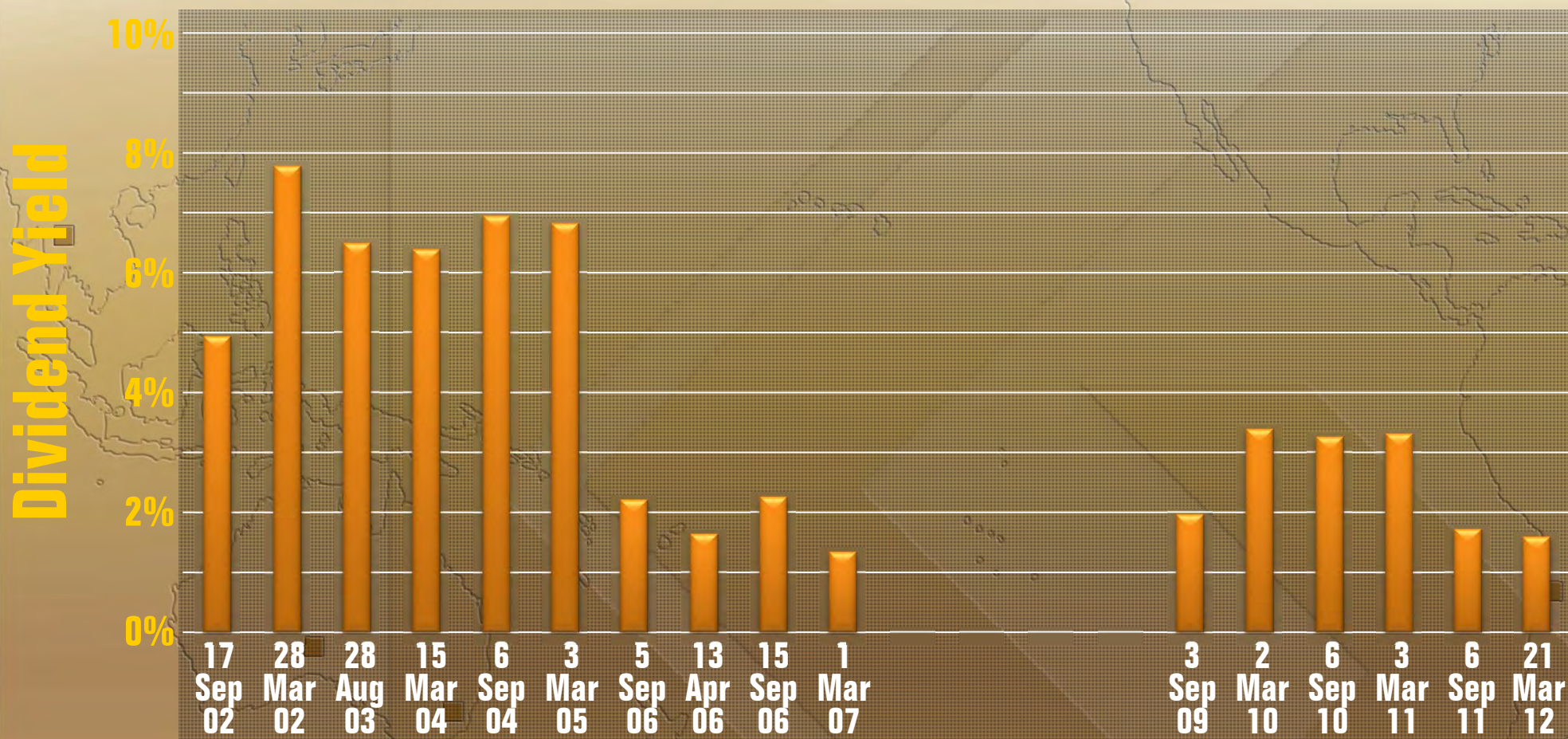
*Information in this presentation that relates to Kingsgate's Exploration Results, Mineral Resource and Ore Reserve estimates, geology, drilling and mineralisation, is based on information compiled by Ron James, who is an employee of the Kingsgate Group and is a member of The Australasian Institute of Mining and Metallurgy. Ron James is a Competent Person under the meaning of the JORC Code with respect to Exploration Results, Mineral Resource and Ore Reserve estimates, geology, drilling and mineralisation being presented. He has given his consent to the Public Reporting of these statements concerning Exploration Results, Mineral Resource and Ore Reserve estimates, geology, drilling and mineralisation, and is in agreement with the contents and format of this presentation.*

*The information in this presentation that relates to Challenger's 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. These persons 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.*

*The information in this report that relates to Bowdens and Laguna Resources Mineral Resource estimation is based on work completed by Jonathon Abbott who is a full-time employee of Hellman & Schofield Pty Ltd and a member of the Australasian Institute of Geoscientists. Mr Abbott has 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 consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*



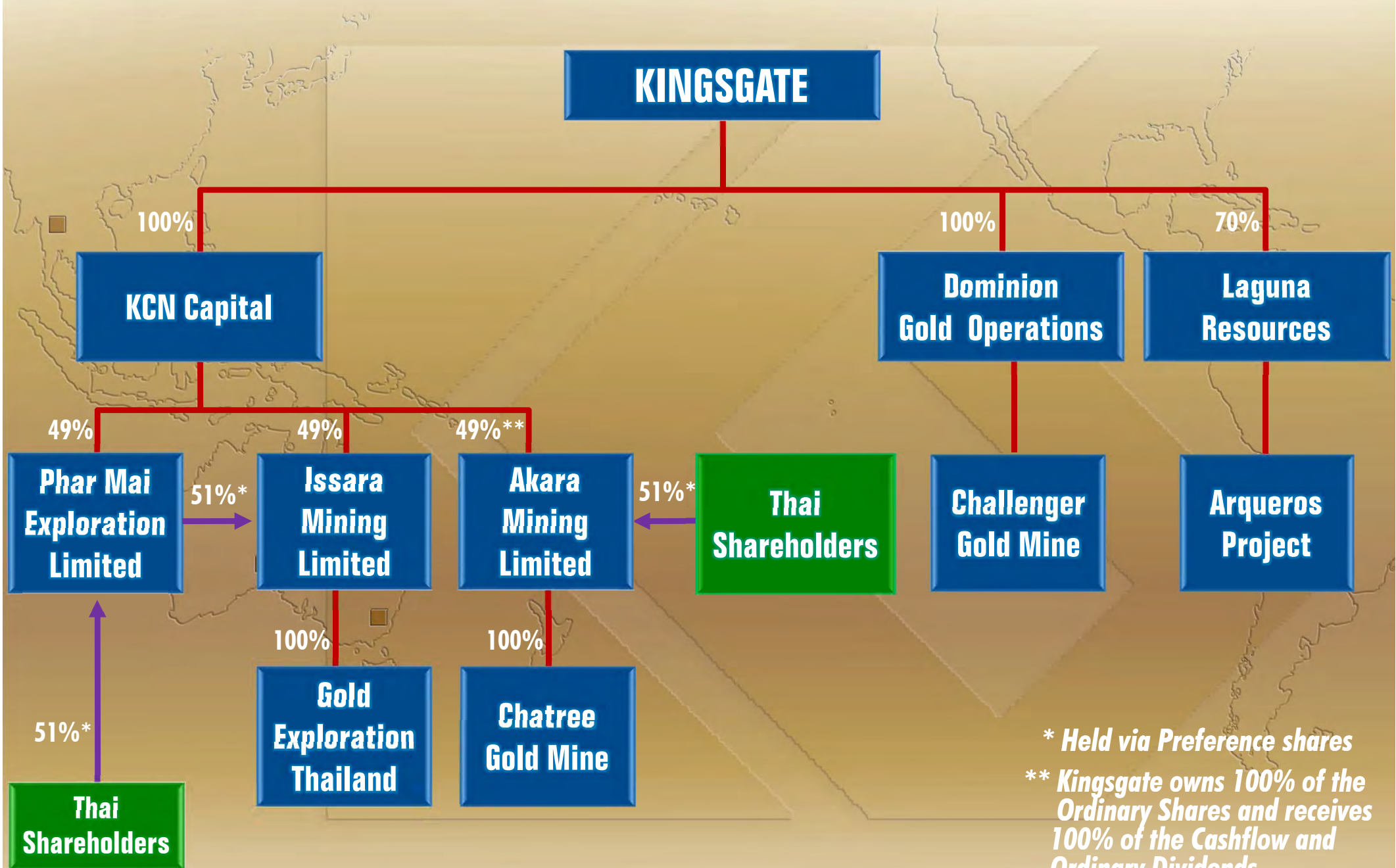
# Dividend Differential



- **Interim 2012 dividend A\$0.10/share (unfranked)**
- **Paid A\$1.54/share over past 10 years**
- **Highest yielding gold stock (Annual Yield ~3%)**



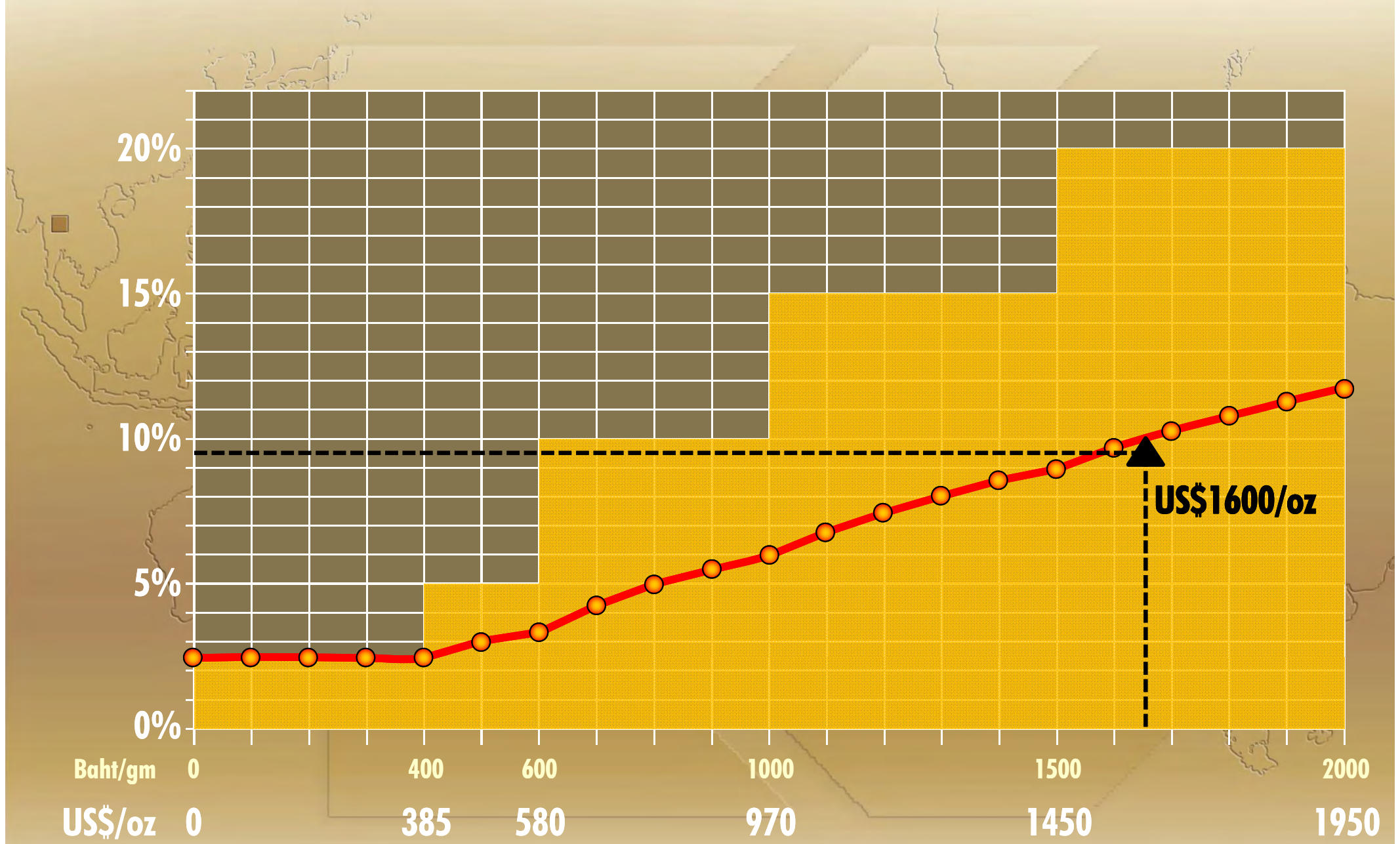
# Corporate Structure



\* Held via Preference shares  
 \*\* Kingsgate owns 100% of the Ordinary Shares and receives 100% of the Cashflow and Ordinary Dividends



# Thai Progressive Royalty Rate



US\$1.00 = Baht 30, Jan 2011.



# Working in Thailand

## ■ Asian Competitive Advantage

- Established Infrastructure
  - Grid Power
  - Sealed roads
- Lower cost support
  - Skilled manufacturing
  - “Buy Thai” sourced supplies
  - Labour – Skilled & available
- Robust Deposit
  - Simple mining & metallurgy
- Safe Mine = Efficient Mine
  - Safest gold mine globally

## ■ Cost Comparisons – Thailand vs Australia

### Open Pit Mining (US\$):

**Waste: \$1.70/t vs \$2.50/t**

**Ore: \$3.40/t vs \$4.00/t**

**Power: 8c/Kwh vs 20c/Kwh**

**Assays: \$3/sample vs \$20/smp**





# Corporate Social Responsibility

- **World Safest Gold Mine**
  - **Over 9 years – No incidents**
- **Zero Environmental Incidents**
- **ISO Standards on all activities**
- **Only mining company granted Social Accountability SA8000**
- **Training focus – 99% Thai**
  - **31% women in management**
- **High quality, stable workforce**
- **Created local support industry**



Thailand National Occupational Safety & Health Award 2010



Zero Accident Award 2010.jpg



Prime Minister's Award 2010



# Thai Political Change



- Landmark victory by Puea Thai Party with 265 seats out of 500 seats
- Formed coalition to strengthen majority
- Led by Yingluck Shinawatra sister of former prime minister Thaksin Shinawatra
- Decisive victory should lead to a more politically stable Thailand
- Thai politics confined to Bangkok
- Chatree has not lost one day of production during six changes of Government and a military coup

# Chatree

## Chatree Ore Reserves as at 30 June 2011 (>0.4g/t gold cut-off grade)

Source	Category	Tonnes	Gold Grade	Silver Grade	Gold Contained	Silver Contained
		(millions)	(g/t)	(g/t)	(Moz)	(Moz)
From Pits	Proven	36.0	0.99	8.5	1.14	9.9
	Probable	15.6	0.97	7.0	0.49	3.5
Stockpiles		8.4	0.69	11.7	0.19	3.3
<b>Chatree Total</b>	<b>Total</b>	<b>60.0</b>	<b>0.94</b>	<b>8.6</b>	<b>1.82</b>	<b>16.6</b>

## Chatree Mineral Resources as at 30 June 2011 (>0.4g/t gold cut-off grade)

Source	Category	Tonnes	Gold Grade	Silver Grade	Gold Contained	Silver Contained
		(millions)	(g/t)	(g/t)	(Moz)	(Moz)
From Pits	Measured	59.2	0.95	7.2	1.81	13.8
	Indicated	39.7	0.90	5.7	1.14	7.3
	Inferred	19.3	0.87	4.9	0.54	3.0
Stockpiles		8.4	0.69	11.7	0.19	3.2
<b>Chatree Total</b>	<b>Total</b>	<b>126.7</b>	<b>0.90</b>	<b>6.7</b>	<b>3.68</b>	<b>27.3</b>

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# Challenger

## Challenger Ore Reserves as at 30 June 2011

Source	Category	Tonnes	Gold Grade	Gold Contained
		(thousands)	(g/t)	('000 oz)
From Mine	Proven	600	4.46	90
	Probable	2,740	5.94	520
<b>Challenger Total</b>	<b>Total</b>	<b>3,340</b>	<b>5.67</b>	<b>610</b>

## Challenger Mineral Resources as at 30 June 2011

Source	Category	Tonnes	Gold Grade	Gold Contained
		(thousands)	(g/t)	('000 oz)
From Mine	Measured	810	3.97	100
	Indicated	2,620	7.00	590
	Inferred	1,630	7.59	400
<b>Challenger Total</b>	<b>Total</b>	<b>5,070</b>	<b>6.71</b>	<b>1,090</b>

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# Nueva Esperanza

Mineral Resources >0.5g/t AuEq	Indicated			Inferred			Total					
	Tonnes	Gold	Silver	Tonnes	Gold	Silver	Tonnes	Gold	Silver	Gold	Silver	Gold Eq
	M	g/t	g/t	M	g/t	g/t	M	g/t	g/t	MOz	MOz	MOz
<b>Arqueros</b>	<b>16.0</b>	<b>0.32</b>	<b>81</b>	<b>4.0</b>	<b>0.3</b>	<b>50</b>	<b>20.0</b>	<b>0.32</b>	<b>75</b>	<b>0.20</b>	<b>48.1</b>	<b>1.3</b>
<b>Chimberos</b>				<b>3.7</b>	<b>0.2</b>	<b>85</b>	<b>3.7</b>	<b>0.20</b>	<b>85</b>	<b>0.02</b>	<b>10.1</b>	<b>0.2</b>
<b>Teterita</b>	<b>5.4</b>		<b>89</b>	<b>0.6</b>	<b>0.0</b>	<b>81</b>	<b>6.0</b>	<b>0.0</b>	<b>89</b>	<b>0.00</b>	<b>17.1</b>	<b>0.4</b>
<b>Total</b>	<b>21.4</b>	<b>0.32</b>	<b>83.5</b>	<b>8.3</b>	<b>0.2</b>	<b>68</b>	<b>29.7</b>	<b>0.25</b>	<b>79</b>	<b>0.23</b>	<b>75.3</b>	<b>1.9</b>

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

Resource Class	Cut-off AgEq (g/t)	Tonnes (t)	Grade				Contained Silver	
			Silver g/t	Lead %	Zinc %	AgEq g/t	Silver (Moz)	AgEq (Moz)
<b>Indicated</b>	<b>30</b>	<b>31.2</b>	<b>60.6</b>	<b>0.30</b>	<b>0.40</b>	<b>77.5</b>	<b>60.8</b>	<b>78</b>
<b>Inferred</b>	<b>30</b>	<b>27.0</b>	<b>44.0</b>	<b>0.30</b>	<b>0.40</b>	<b>61.0</b>	<b>38.7</b>	<b>53</b>
<b>Indicated &amp; Inferred</b>	<b>30</b>	<b>58.2</b>	<b>52.9</b>	<b>0.30</b>	<b>0.40</b>	<b>69.8</b>	<b>99.4</b>	<b>131</b>

**Notes:**

1. Rounding of numbers may generate rounding errors. 2. Recovery factors Ag 81%, Pb 73% and Zn 83%. 3. Price basis Ag US\$28/oz, Pb US\$2,200/t and Zn US\$2,200/t 3. Bowdens silver equivalent equation (AgEq) g/t = Ag (g/t) + 22.4 x Pb (%) + 25.5 x Zn (%) 4. It is the company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered. 5. Cut-off grade for Bowdens is 30g/t AgEq.

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