



**Kingsgate Consolidated Limited**

# Building Shareholder Value



**Diggers and Dealers  
August 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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*Some statements in this presentation regarding estimates or future events are forward looking statements. They involve risk and uncertainties that could cause actual results to differ from estimated results. Forward looking statements include estimates of future production, cash and total costs per ounce of production, reserve and mineralized material estimates, capital costs, and other estimates or prediction of future activities. They include statements preceded by words such as “believe,” “estimate,” “expect,” “intend,” “will,” and similar expressions. Actual results could differ materially depending on such things as political events, labour relations, currency fluctuations and other general economic conditions, market prices for Dominion Mining Limited and/or Kingsgate Consolidated Limited products, timing of permits and other government approvals and requirements, changes in operating conditions, lower than expected ore grades, unexpected ground and mining conditions, availability and cost of materials and equipment, and risks generally inherent in the ownership and operation of mining properties and investment in foreign countries.*



# **Kingsgate's Vision**

**To be a preferred precious metals company**

**Delivering shareholder & stakeholder value through:**

- **Maximising efficient expansion from existing operations and developing high quality precious metal projects**
- **Increasing output, lowering production costs and improving cashflows, over the medium to long term**
- **Strategic engagement and relationship building with all stakeholders (Community, Corporate & Government) to foster and promote mutually beneficial outcomes.**



**Focus on Profit and Dividends  
&  
Benefits for all Stakeholders**



# Kingsgate Today

## Geographic and operational diversity

- **Two operating gold mines with growth potential**
  - **World class Chatree mine in Thailand**
  - **Challenger underground mine in South Australia**
- **Two exceptional, advanced-development silver projects**
  - **Nueva Esperanza silver/gold project in Chile**
  - **Bowdens silver project in NSW**



The map shows Kingsgate's operations across four regions: Thailand, South Australia, Chile, and NSW. The Chatree Gold Mine is marked with a red dot in Thailand. The Challenger Gold Mine is marked with a red dot in South Australia. The Bowdens Silver Project is marked with a blue dot in NSW. The Nueva Esperanza Silver/gold Project is marked with a blue dot in Chile. The map includes latitude and longitude lines, a 5000 Kilometres scale bar, and labels for major cities like Beijing, Tokyo, Bangkok, Adelaide, Sydney, Santiago, and Buenos Aires. The Pacific Ocean and Coral Sea are also labeled.

**Chatree**  
Gold Mine

**Challenger**  
Gold Mine

**Bowdens**  
Silver Project

**Nueva Esperanza**  
Silver/gold Project

50°S

5000 Kilometres



# Record June Quarter

- **Record Group quarterly gold production of 61,973oz at total cash cost of US\$824/oz.**
- **Full year Group gold production in-line with guidance of 200,000 ounces.**
- **Second highest quarterly gold production from Chatree at 46,053oz at total cash cost of US\$686/oz.**
- **Chatree Mineral Resource up by 9% to 4.03Moz and Ore Reserves up by 13% to 1.82Moz, after depletion.**
- **Challenger strategic review results in a restructure of the mine plan to focus on the higher grade Challenger West.**
- **Cost cutting initiatives being implemented across all areas of the company with savings of over A\$25 million.**



# Strong Commitment to Thailand

## Control of a major gold province

**World Class Gold Province  
Underexplored**

**First mover advantage  
But need patience &  
persistence**

**1,200 km<sup>2</sup> tenements  
Multiple targets  
Large, long term  
commitment**



# Chatree – World Class Deposit

## Asian showcase gold mine



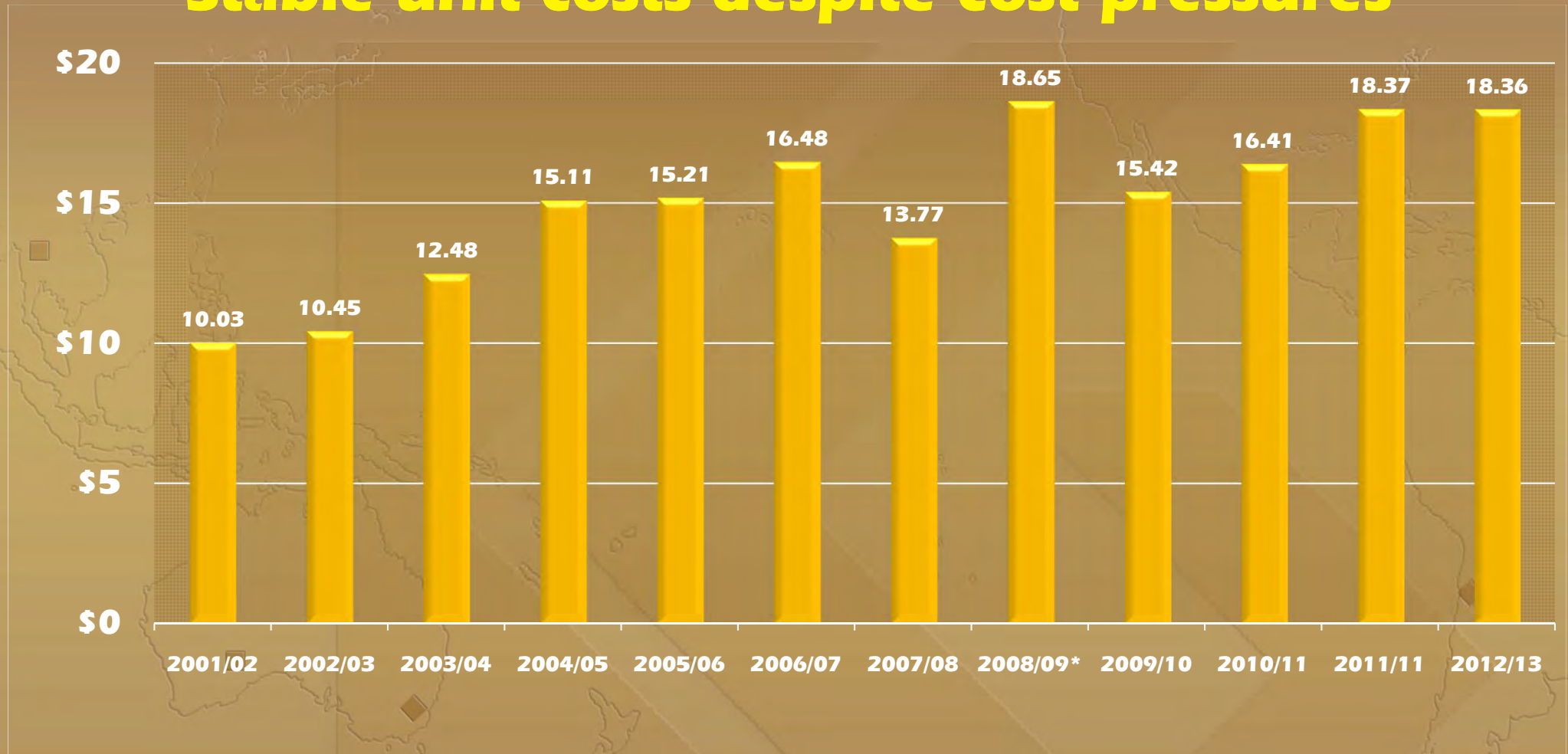
**Chatree**  
Gold Mine

- **Large open pit, low grade epithermal gold deposit**
  - Long life – Reserves 1.8Moz, Resources 4.0Moz
  - Currently operating at ~6.2Mtpa @ 0.8g/t Au
  - Producing 120,000oz to 130,000oz gold in FY14
  - Produced over 1.4 million oz of gold to date
- **Asian competitive advantage**
  - Employment focus on committed and educated Thai Workforce (only four expats)
  - Low cost; good infrastructure and low input costs
  - Continuing focus on operating efficiencies
  - Exemplary health, safety and environmental record
- **Exploration upside**
  - Extensive resource opportunities inside and outside existing mining leases
  - Opportunities throughout the gold province



# Chatree - Unit Operating Costs

Stable unit costs despite cost pressures



**Total direct cost per tonne milled (\$/t)**

**(Total cash cost before by-product credits & royalties)**

\*2008-09: High cost due to low throughput in Dec Half due to limited availability of ore





# Chatree Resources & Reserves

**Increases following successful drilling campaign  
and after mining depletion**

## **Mineral Resources increase by 9% to 4.03 Moz**

- **0.30g/t gold cut-off**
- **Increase driven by successful drilling campaign initiated during the year with greatest contribution from Q Prospect**
- **Recoverable Mineral Resources 188.3Mt @ 0.66g/t Au for 4.03Moz Au and 32.8Moz Ag (168.8Mt @ 0.7g/t 3.81Moz Au, 31.7Moz Ag)**

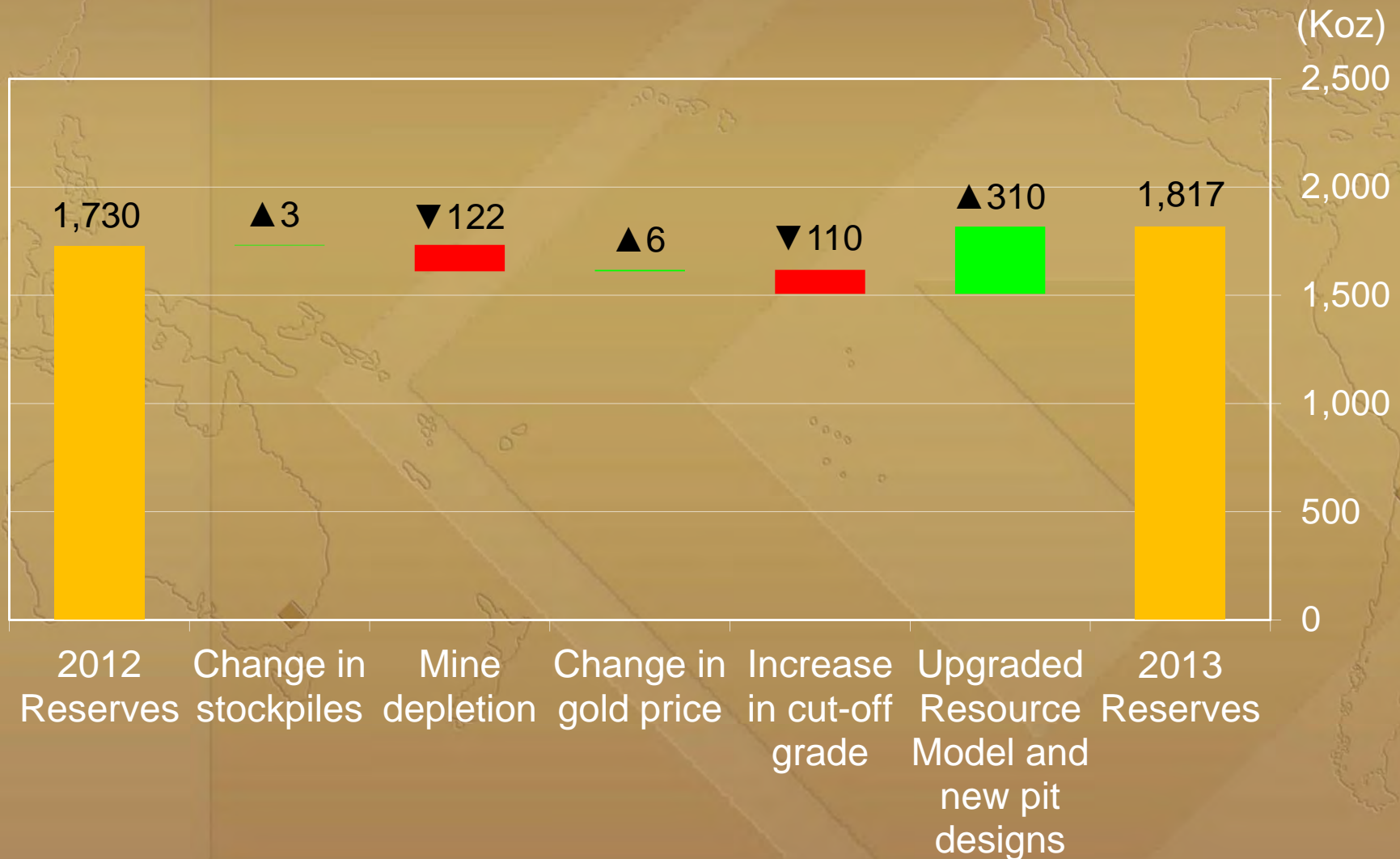
## **Ore Reserves increase by 13% to 1.82 Moz**

- **0.35g/t gold cut-off and US\$1,480 gold price**
- **Driven by upgraded resource model and new pit designs.**
- **69.5Mt @ 0.81g/t gold for 1.82Moz gold and 17.04Moz silver (71.3Mt @ 0.75g/t for 1.73Moz Au, 17.8Moz Ag at 0.30g/t cut-off)**



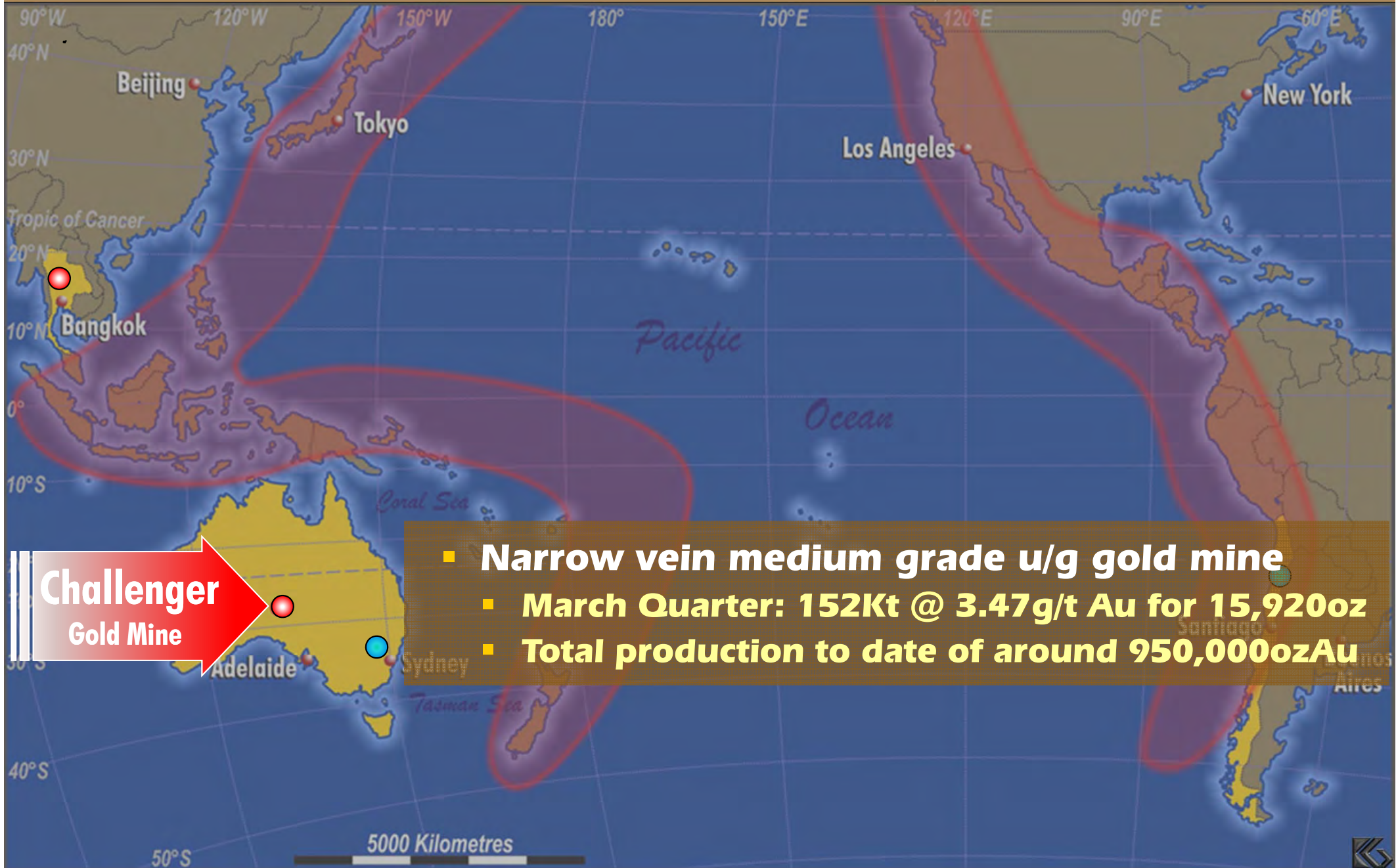
# Chatree Ore Reserves

## Reconciliation of April 2013 to June 2012



# Challenger Gold Mine

## Underground gold mine in South Australia



- **Narrow vein medium grade u/g gold mine**
- **March Quarter: 152Kt @ 3.47g/t Au for 15,920oz**
- **Total production to date of around 950,000ozAu**

**Challenger  
Gold Mine**

# Challenger Gold Mine

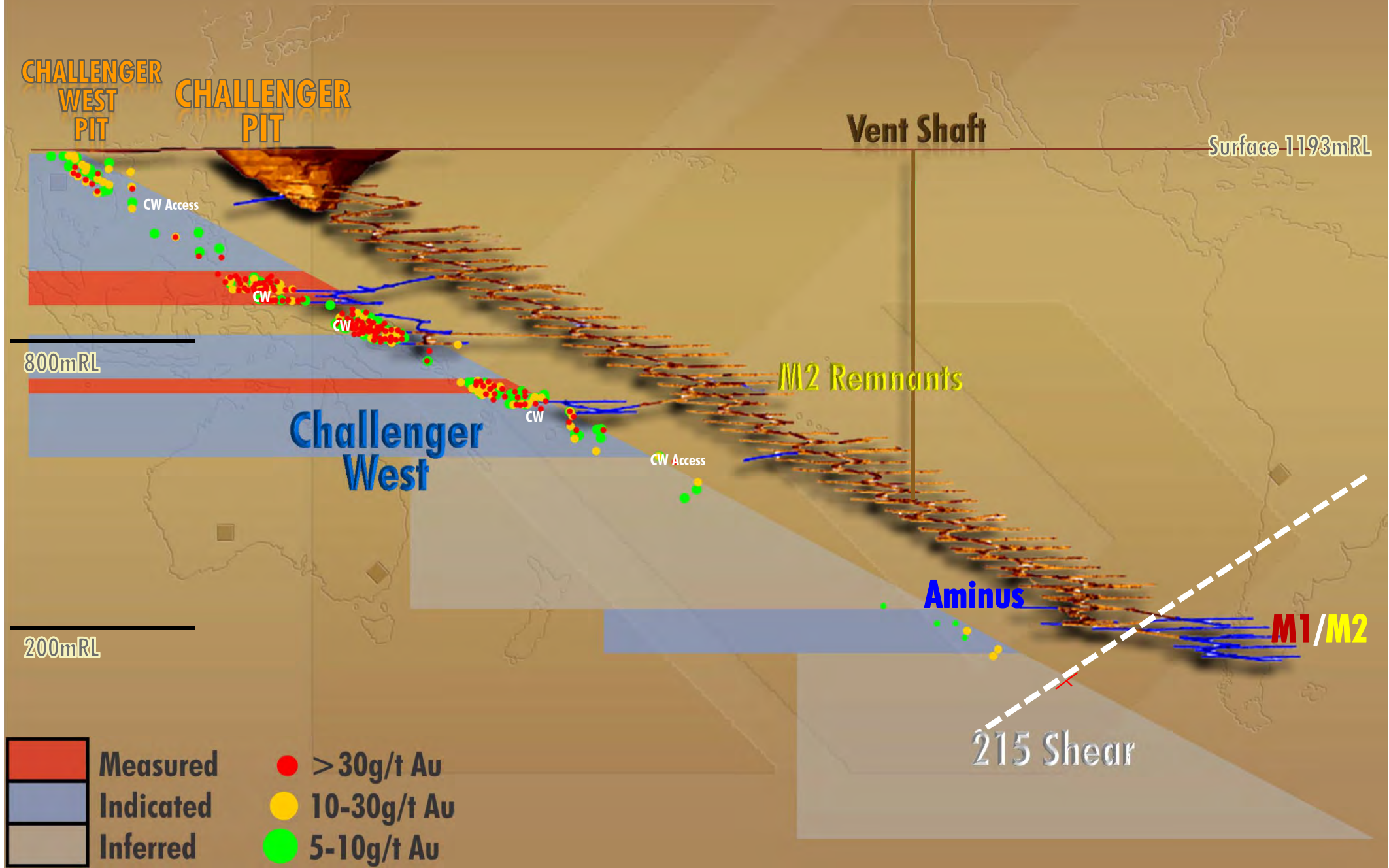
## Adapting to lower metal price conditions

- **Mine plan reviewed following gold price volatility**
- **Mining to shift focus principally to the higher grade Challenger West**
- **Lower costs through:**
  - **30% reduction in mine development costs**
  - **New mining contract and contractor, Byrncut, with materially lower costs from 1 August 2013**
  - **Reduced manning with less development and lower process plant throughput**
- **Implemented over a transition period of three months**
- **Expected annual gold production rate of 70,000 to 80,000 ounces**



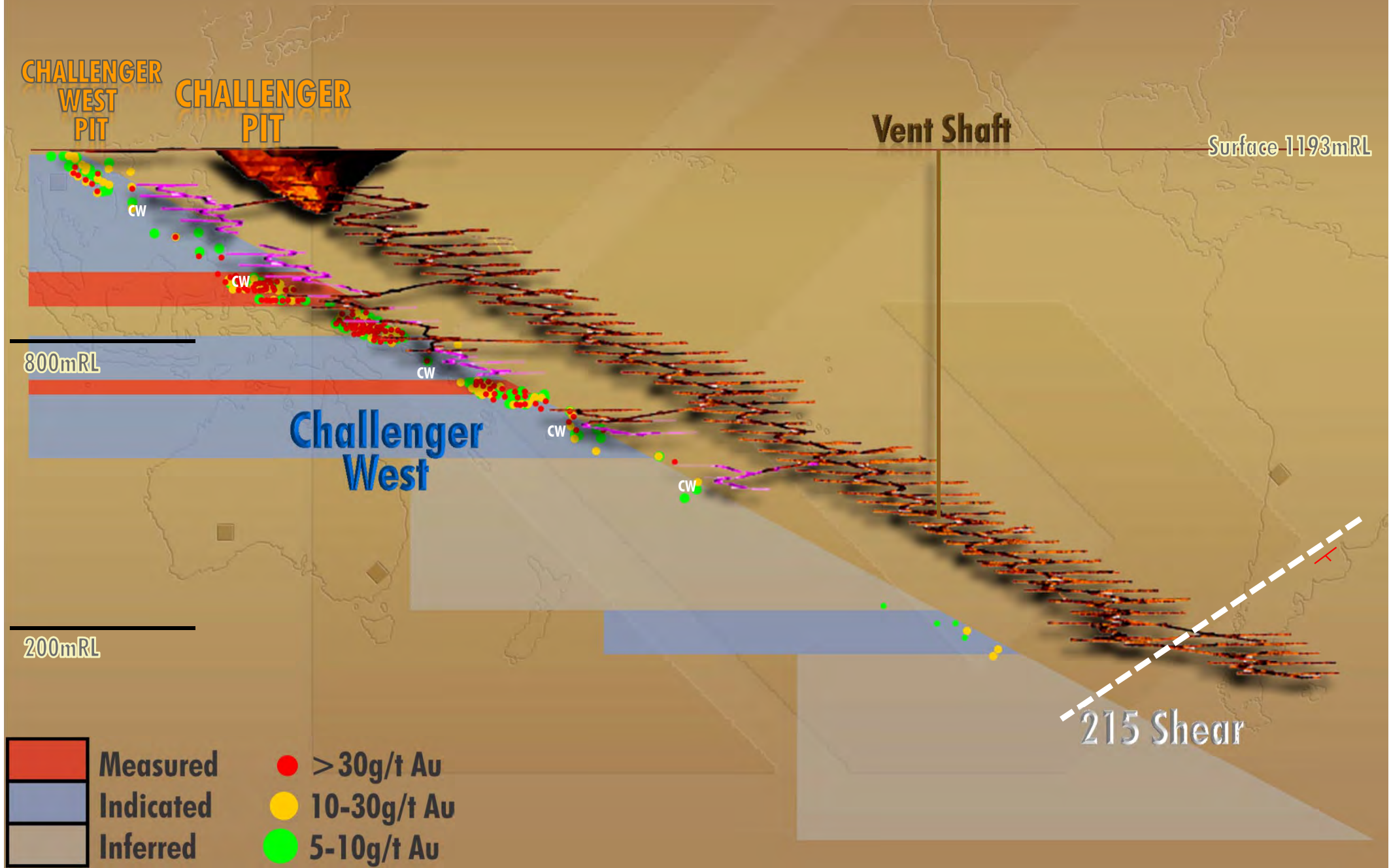
# Challenger Mine Development

## Development completed in FY2013



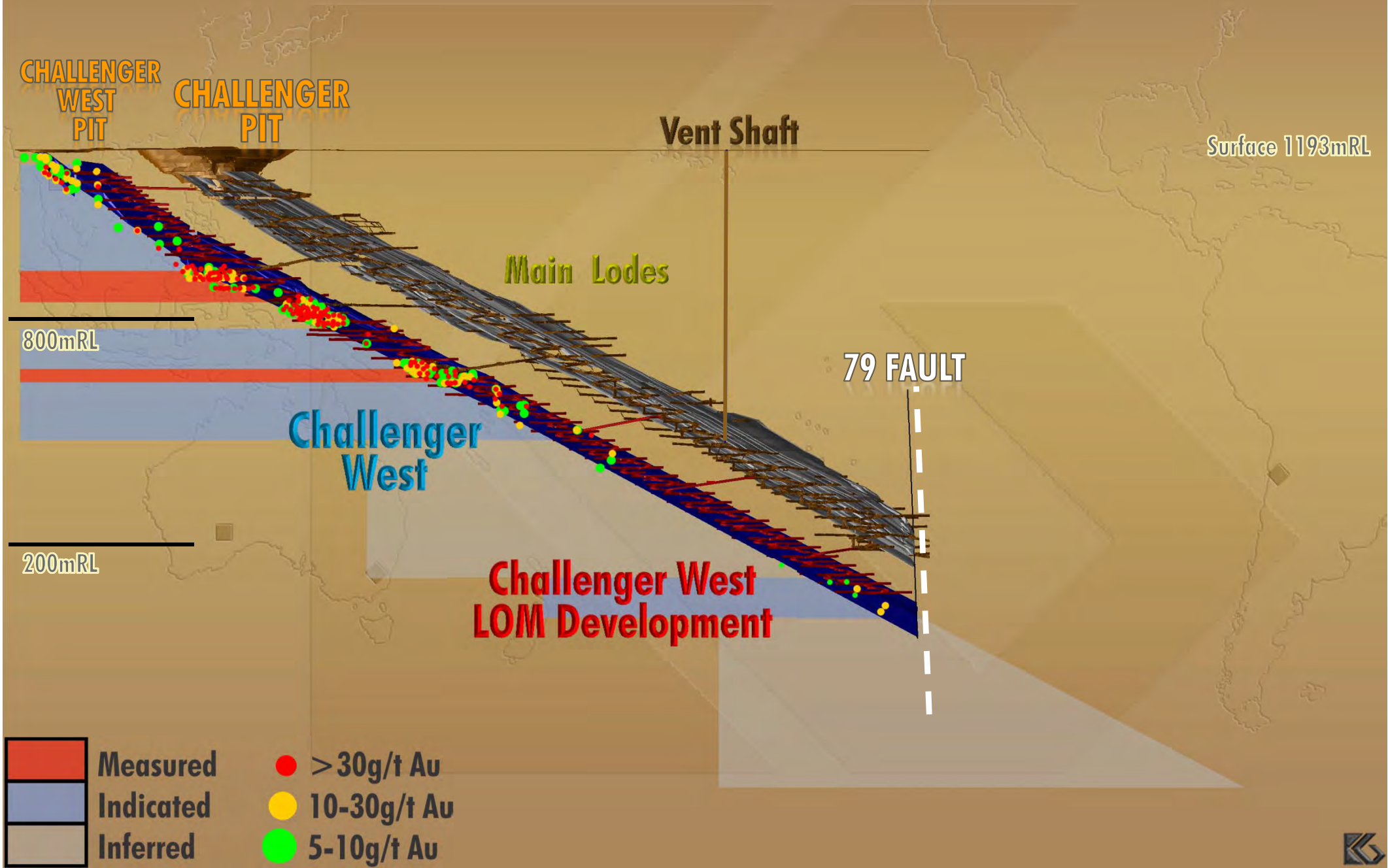
# Challenger West

## Planned development in FY2014



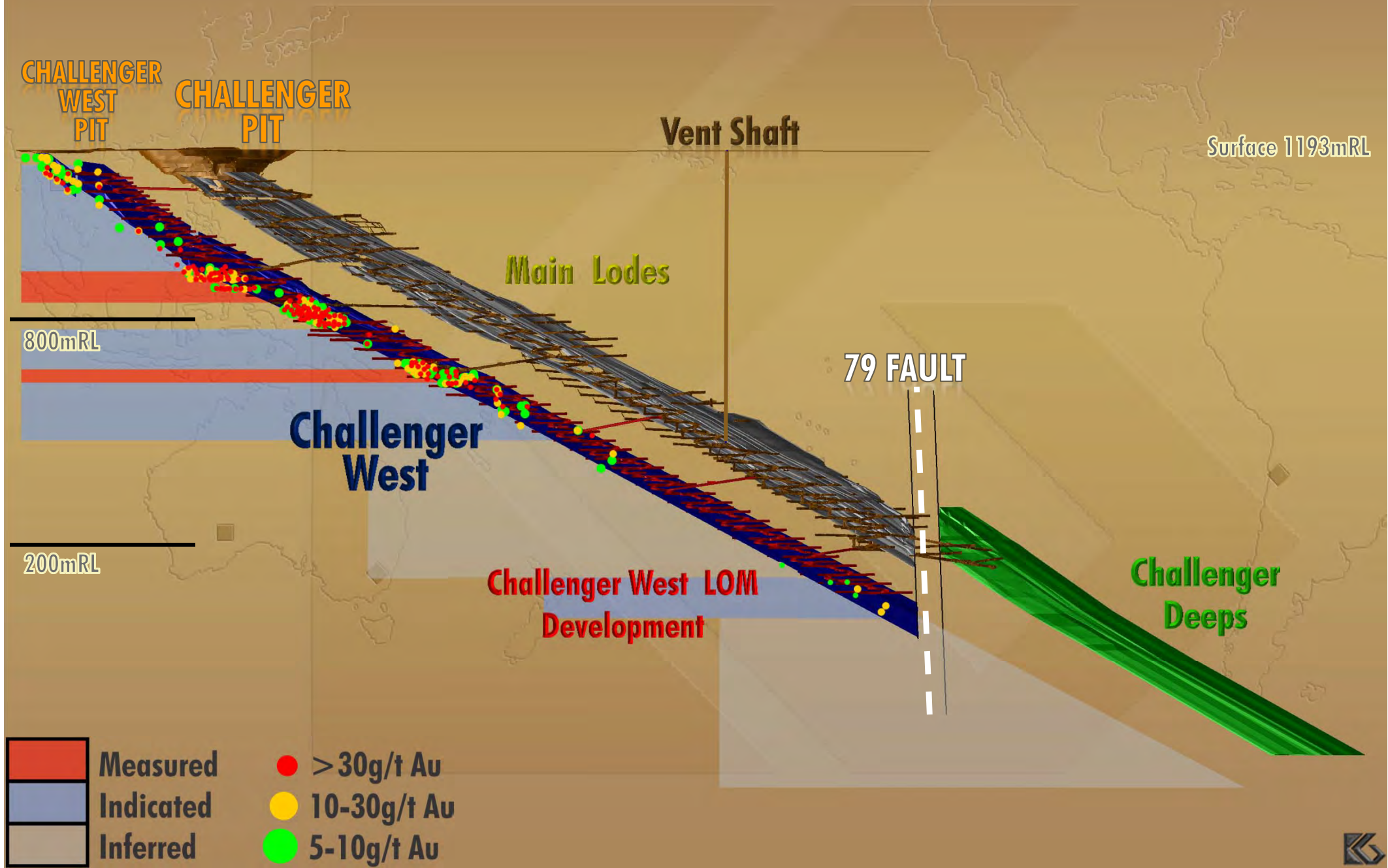
# Challenger West

## Life-of-mine development for current resources



# Challenger Deep

Access remains available for mining in the future



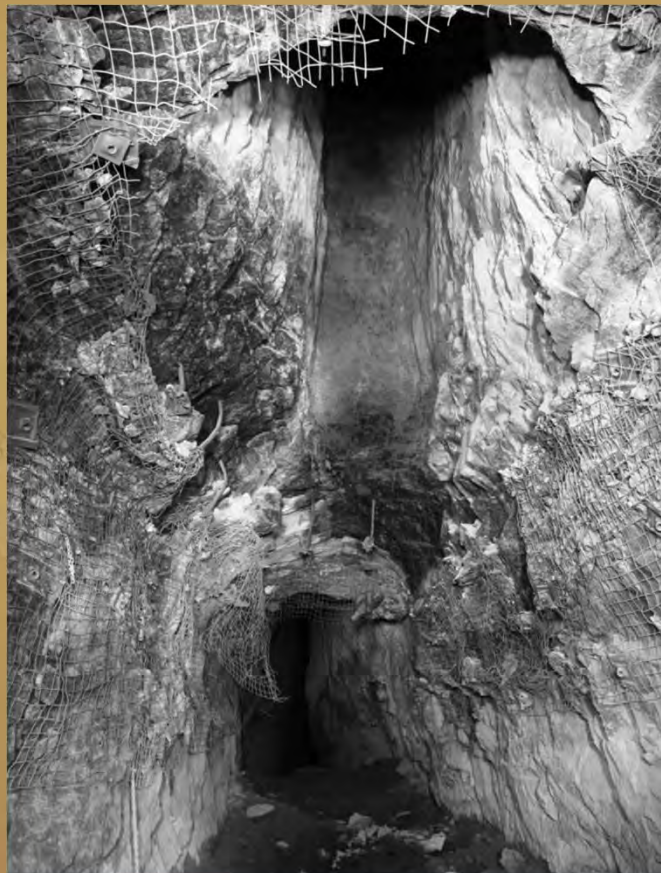


# Challenger Ground Conditions

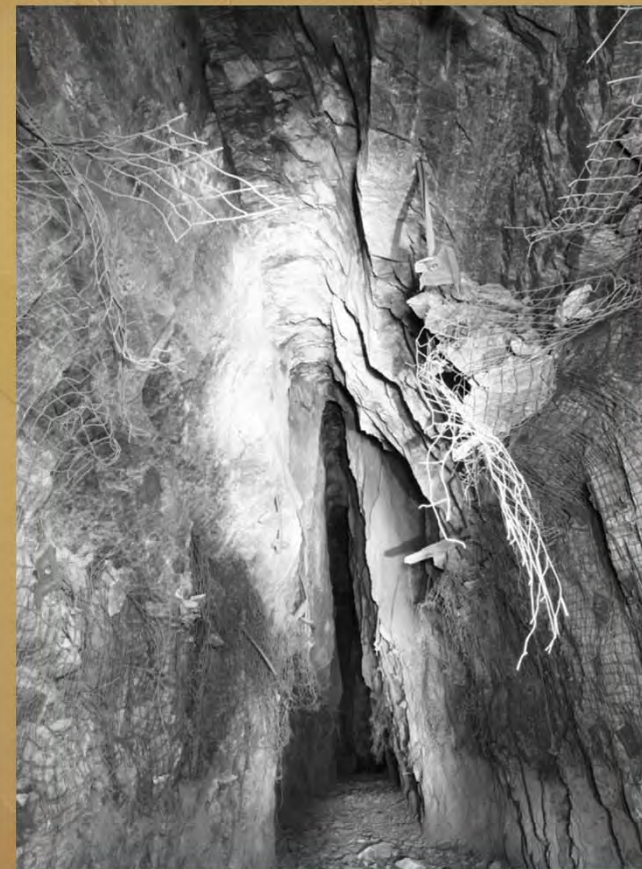
Narrow stopes but high grade gold



***Challenger West  
870 Stope - Panel #1***



***Challenger West  
870 Stope - Panel #2***



***Challenger Main  
below 79 Fault  
205 Aminus***

# Advanced Development Projects

## Strategic rationale

- **Identify cost effective projects that will add long-term shareholder value**
- **Projects must have significant upside, utilising Kingsgate's core skill base in epithermal mineralisation and project delivery**
- **Two exceptional value opportunities were acquired:**
  - Nueva Esperanza (Chile) Silver/ Gold Project - significant silver/gold upside**
    - Effectively paid around \$30 million for 85Moz AgEq (equiv ~1.9Moz AuEq)
    - Kingsgate management has significant development and operating history in the region
  - Bowdens (NSW) Silver Project - considerable upside**
    - Acquired in mid 2011 for \$75 million
    - Kingsgate has grown resources by 40% to 182Moz AgEq (equiv ~4Moz AuEq)
    - Recognised resource upside and the large bulk mining opportunity



# Nueva Esperanza

## Advanced silver/gold project in Chile



# Nueva Esperanza

## Highly prospective growth project



- Consolidated epithermal silver/gold deposits in Maricunga belt in Chile
- Feasibility focused on heap leach and on-site power options with lower capex and power requirements than conventional agitated leach.
- Expected average production 4Moz - 5Moz AgEq (equiv to 100 - 120Koz Au pa)
- The EIA approvals received. Variation required for heap leach and on-site power

# Nueva Esperanza

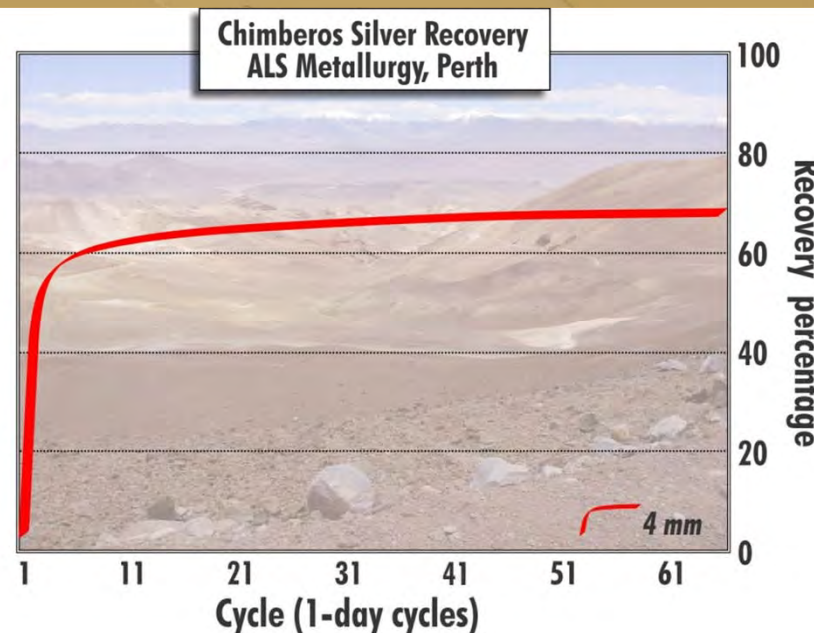
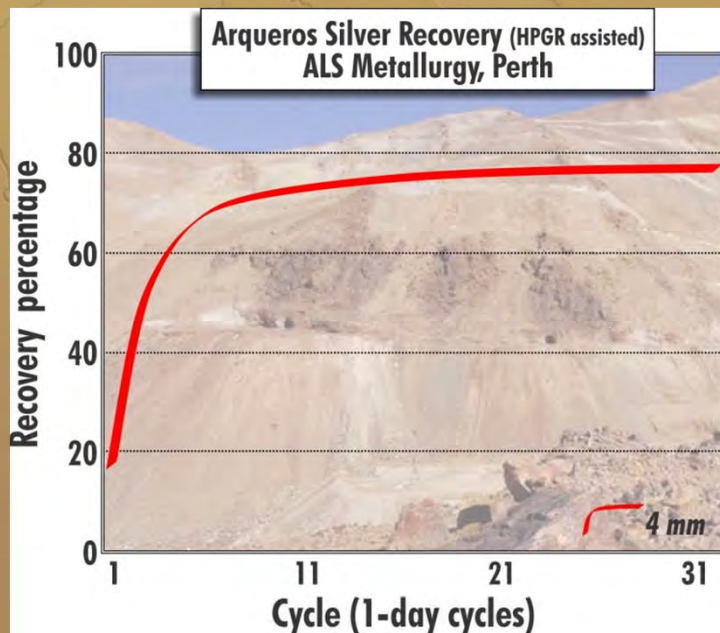
## Heap leach met. testwork delivering results



5 metre test columns



Chimberos Open Pit



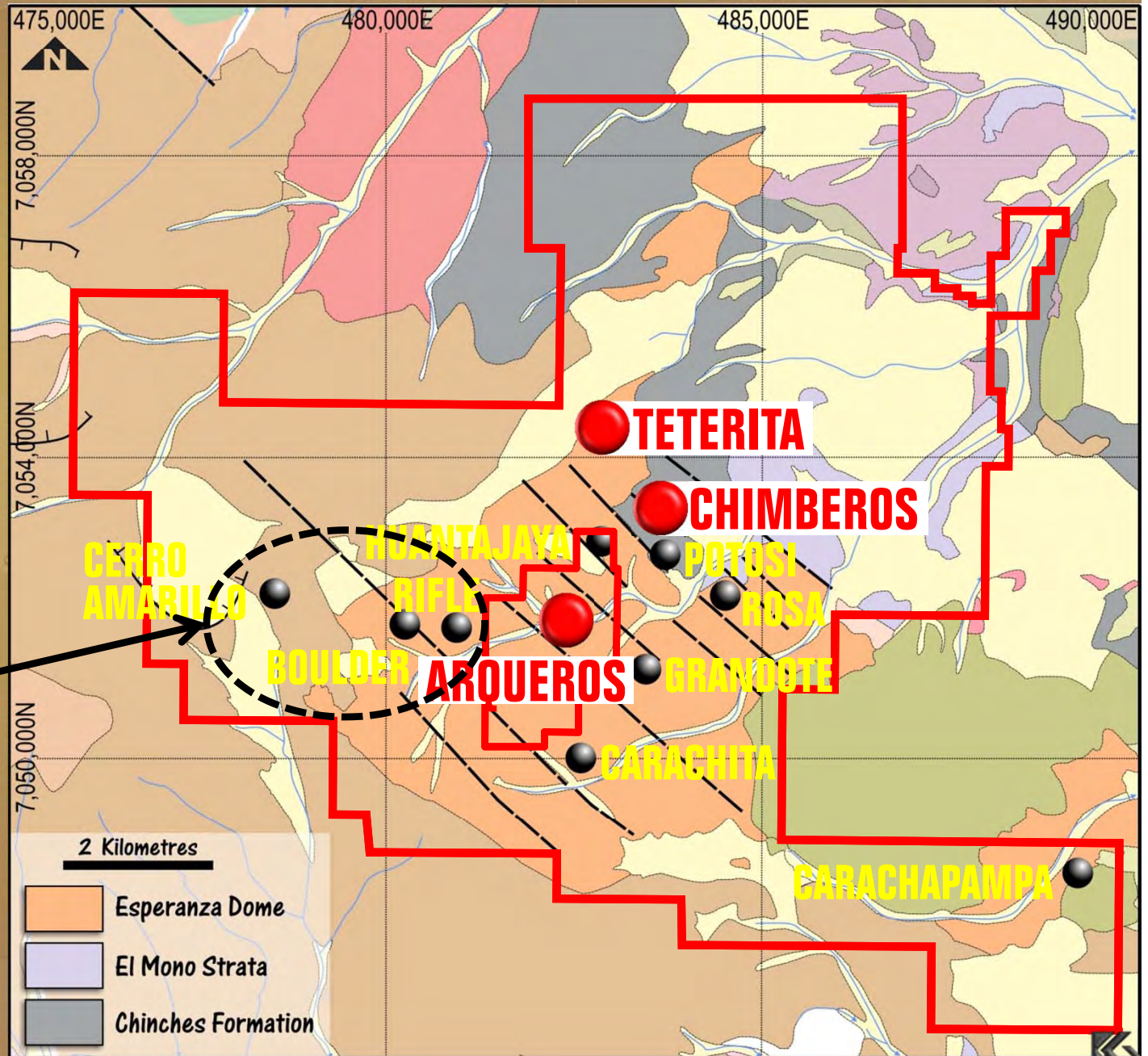
# Nueva Esperanza

## Regional exploration upside

Three established resources

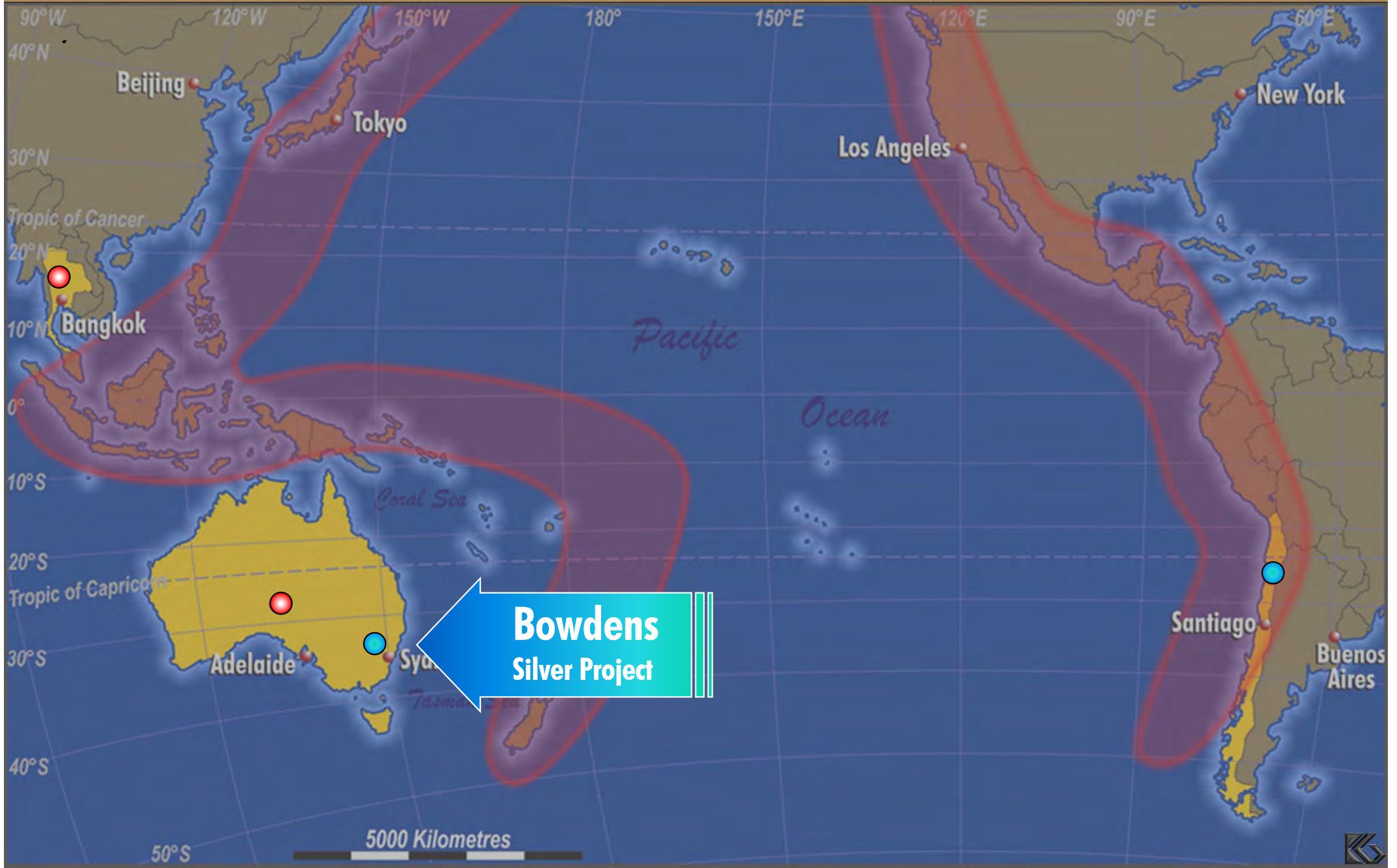
Multiple highly prospective targets

High grade intercepts from historical drilling:



# Bowdens Silver Project

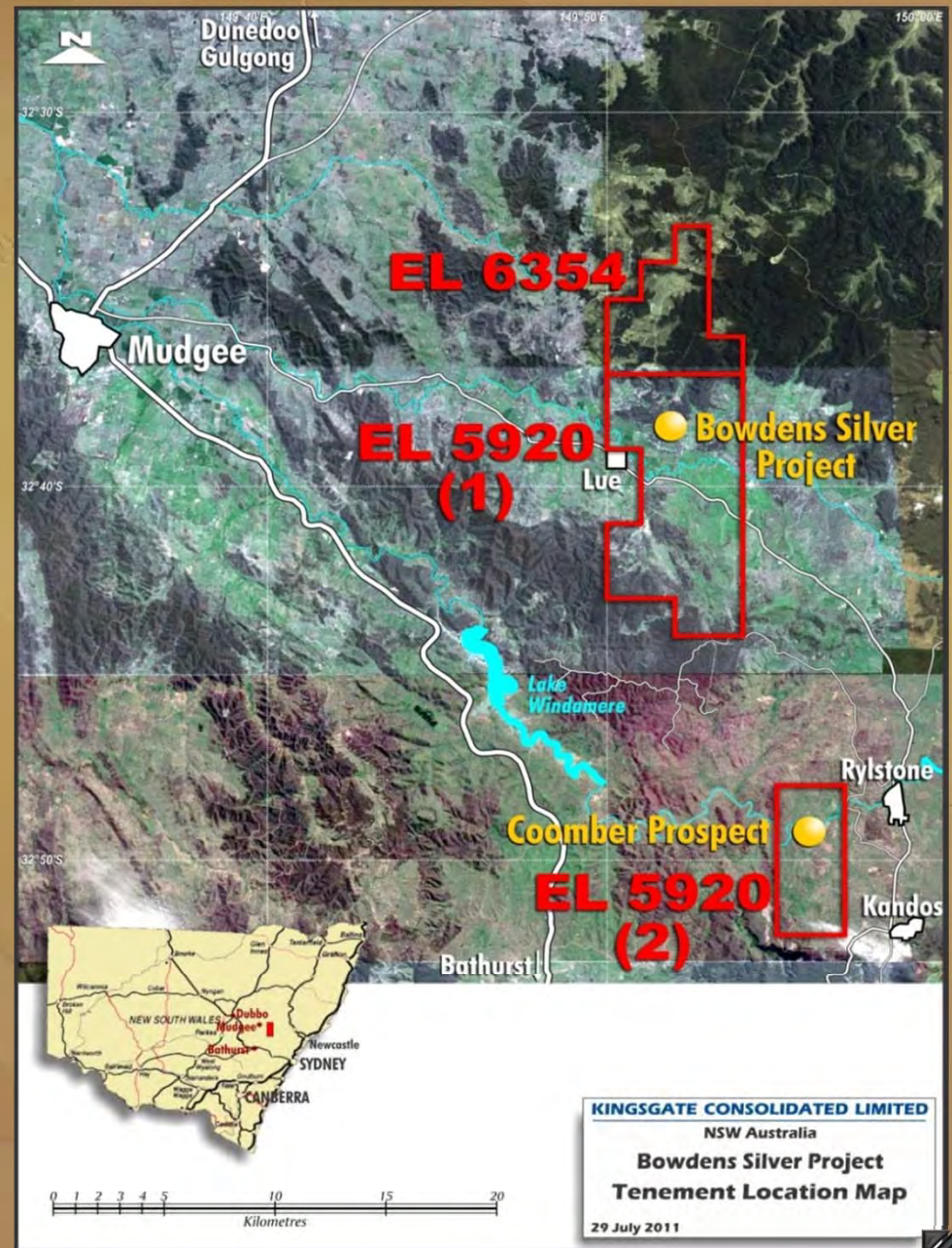
## Kingsgate growth project in NSW



# Bowdens Silver Project

## Significant growth project with upside

- Located 25km east of Mudgee, around 240km NW of Sydney
- Epithermal silver deposit with lead and zinc by-products
- Large, continuous, near surface deposit hosted in volcanics
- Initial resource and feasibility work completed in 2004
- Current resource 182 Moz silver equivalent, JORC (Comparable to ~4 Moz gold)
- Established infrastructure and mining workforce in the district





# Bowdens Silver Project

## Project timing to reflect market conditions

### Feasibility Study

- Completion of the technical feasibility study including mine planning, infrastructure and metallurgy aligned to the finalisation of the EIS in 2014.

### Mining

- Open pit mining with pit optimisation delivering a low strip ratio and a high grade starter pit. 10+ year mine life.

### Processing

- DFS based on 4Mtpa conventional flotation plant initially producing 8Moz – 9Moz AgEq\* (Equivalent to 175Koz to 200Koz AuEq\*)
- Design parameters finalised).

### Environmental Impact Statement

- EIS work to be completed in 2014
- Ongoing community consultation prior & post EIS submission.



# **Kingsgate – Great Value Proposition**

**Focussed on profit and shareholder return**



## **Solid Production Platform**

**Gold production: 200,000 ounce FY13**



## **Strong Resource Growth**

**Grown to over 10 million ounces AuEq over the past 3 years**



## **Project Pipeline – Sequential Developments**

**Feasibility studies for Nueva Esperanza and Bowdens advancing**



## **Adapting to Volatile Metal Markets**

**Mine plan flexibility at operations with cost control and cost cutting**



## **Positive Operational Outlook**

**Gold production of 190,000 to 210,000 ounces in FY2014**

# **Kingsgate** Consolidated Limited



**Listed: ASX**

**Shares: 152 Million**

**Code: KCN**

**Market Cap: ~A\$250M**

***[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.*

## 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 and Andrew Giles who are full-time employees of the Kingsgate Group. Paul Androvic and Tim Benfield 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 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.*



# Corporate Social Responsibility

## Asia's Showcase Gold Mine

- Safety focussed gold mine – 10 years no safety incidents
- Zero Environmental Incidents
- ISO Standards on all activities
- Only mining company granted Social Accountability SA8000

## High quality, skilled stable workforce

- Training focus
- 99% Thai staff (total ~1,200)
- 39% women in management

## Local Community Engagement

- 81% of workforce from local area
- “Buy Thai” 85% sourced supplies
- Created local support industry
- Local support: water, schools, health



Thailand National  
Occupational  
Safety & Health Award  
2010



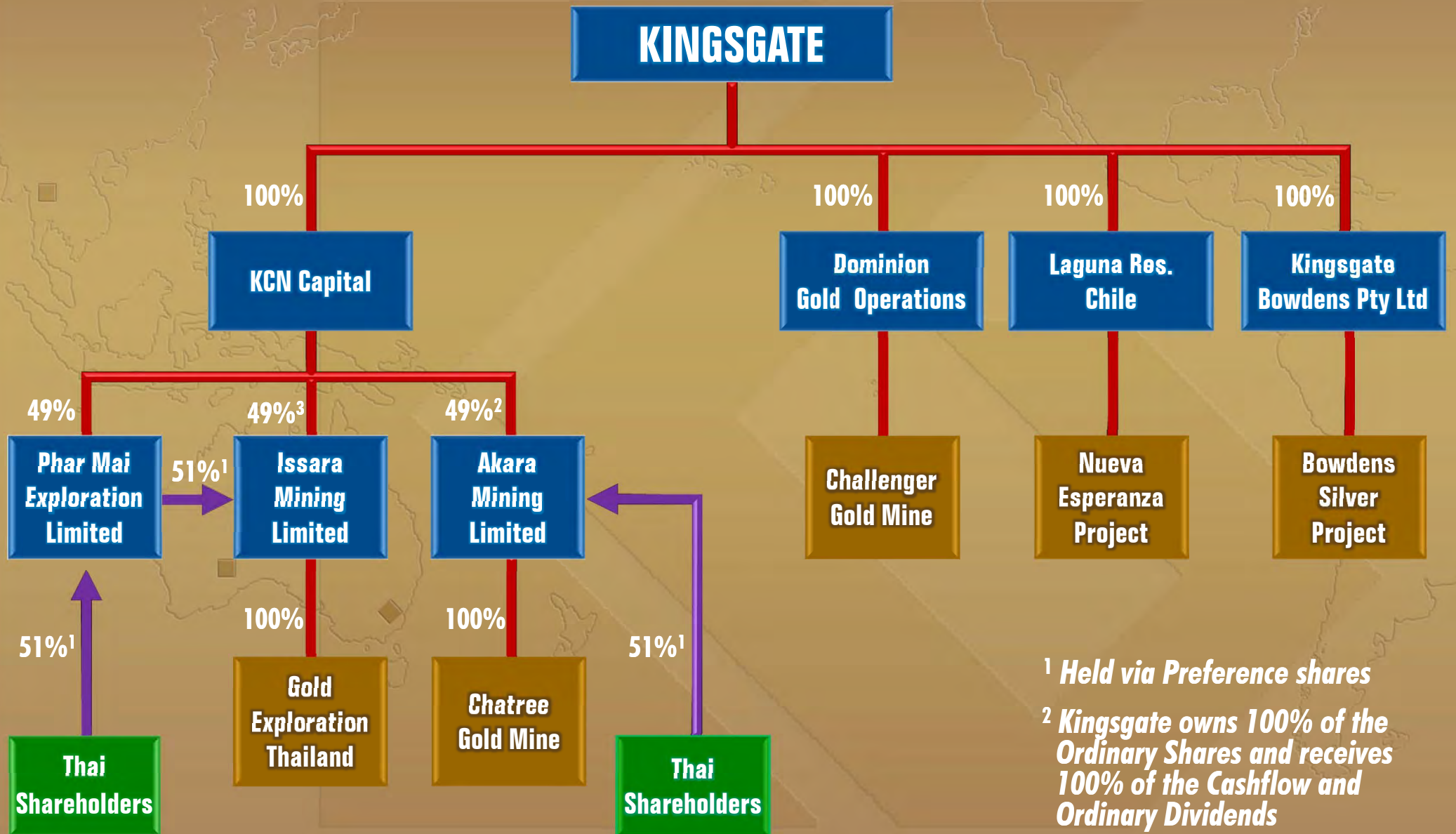
Zero Accident Award  
2010.jpg



Prime Minister's Award  
2010



# Corporate Structure



<sup>1</sup> Held via Preference shares

<sup>2</sup> Kingsgate owns 100% of the Ordinary Shares and receives 100% of the Cashflow and Ordinary Dividends

<sup>3</sup> Kingsgate effective ownership 60%

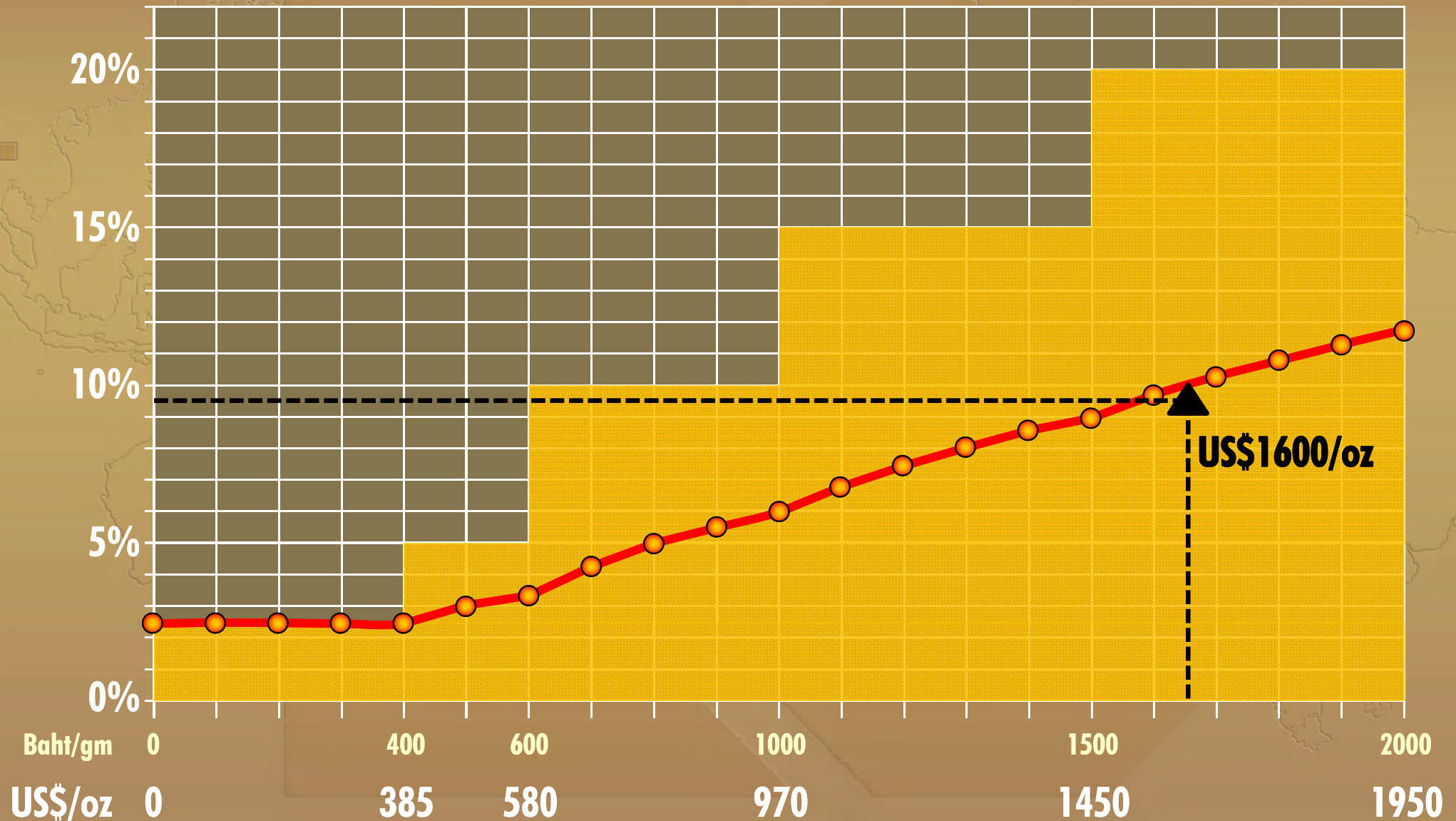


# Thai IPO

- **IPO of Akara Mining on Thai stock exchange**
  - **Current ownership structure of Akara Mining: KCN 49% (100% ordinary shares and 100% economic interest) Thai interests 51% via preference shares**
  - **Process to commence following Board approval**
  - **IPO potentially completed by the end of 2013**
  - **High quality Asian gold listing expected to be very well supported**
- **Process:**
  - **Redeem the preference shares and issue ordinary shares with subsequent distribution and listing on Thai stock exchange.**
  - **KCN to retain its 49%**
  - **IPO structure is expected to include non-voting depository receipts (NVDR's) for non-Thai ownership (HK and Singapore)**
  - **Operate fully as a Thai company with a broad Thai ownership and an independent Board**
- **Capital raised from IPO**
  - **Funds to be used to finance capital projects, re-investment in Thailand and returns to shareholders**

# Thai Progressive Royalty Rate

## High royalty regime at current gold prices



US\$1.00 = Baht 30, Jan 2011.





# Chatree

## Chatree Ore Reserves as at 30 April 2013 (>0.35g/t gold cut-off grade)

Source	Category	Tonnes	Gold Grade	Silver Grade	Gold Contained	Silver Contained	AuEq
		(million)	(g/t)	(g/t)	(Moz)	(Moz)	(Moz)
From Pits	Proven	45.4	0.87	7.8	1.27	11.39	
	Probable	14.8	0.78	6.0	0.37	2.86	
Stockpiles		9.3	0.58	9.3	0.17	2.78	
<b>Chatree Total</b>	<b>Total</b>	<b>69.5</b>	<b>0.81</b>	<b>7.6</b>	<b>1.82</b>	<b>17.04</b>	

## Chatree Mineral Resources as at 30 April 2013 (>0.3g/t gold cut-off grade)

Source	Category	Tonnes	Gold Grade	Silver Grade	Gold Contained	Silver Contained	AuEq
		(million)	(g/t)	(g/t)	(Moz)	(Moz)	(Moz)
From Pits	Measured	92.8	0.72	6.60	2.15	19.7	
	Indicated	49.8	0.64	4.69	1.02	7.51	
	Inferred	45.7	0.58	3.81	0.85	5.60	
<b>Chatree Total</b>	<b>Total</b>	<b>188.3</b>	<b>0.66</b>	<b>5.42</b>	<b>4.03</b>	<b>32.8</b>	

Notes: 1. Reserves are based on a gold price of US\$1,480/oz and a silver price of US\$26/oz. 2. All reserves are based on detailed pit designs. 3. Rounding of figures may cause numbers not to add correctly.

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# 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
<b>Challenger Total</b>	<b>Total</b>	<b>3.25</b>	<b>6.16</b>	<b>640</b>

## 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
<b>Challenger Total</b>	<b>Total</b>	<b>5.01</b>	<b>6.74</b>	<b>1,090</b>

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# 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
	(million)	(g/t)	(g/t)	(Moz)	(Moz)	(Moz)	(Moz)
<b>Measured</b>	<b>1.8</b>	<b>0.01</b>	<b>90</b>	<b>0.00</b>	<b>5.1</b>	<b>5.2</b>	<b>0.12</b>
<b>Indicated</b>	<b>20.2</b>	<b>0.26</b>	<b>81</b>	<b>0.17</b>	<b>52.6</b>	<b>60.2</b>	<b>1.34</b>
<b>Inferred</b>	<b>8.7</b>	<b>0.2</b>	<b>66</b>	<b>0.06</b>	<b>18.5</b>	<b>21.0</b>	<b>0.47</b>
<b>Total</b>	<b>30.7</b>	<b>0.23</b>	<b>77</b>	<b>0.23</b>	<b>76.3</b>	<b>86.4</b>	<b>1.92</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

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

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

### 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:  $AuEq (g/t) = Au (g/t) + Ag (g/t)/EQa$ ;  $EQa = (\text{price gold} * \text{recovery gold}) / (\text{price silver} * \text{recovery silver})$ . 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.

