



**Kingsgate**

Consolidated Limited

Annual General Meeting  
Presentation  
November 2015



# Disclaimer

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.

Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, the company undertakes any obligation to publicly update or revise any of the forward looking statements, changes in events, conditions or circumstances on which any such statement is based.

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 mineralised 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 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 Today

## ASX Listed:

- ▶ Market Cap ~A\$150 M
- ▶ Net debt ~ A\$83 M\*
- ▶ Enterprise Value A\$233 M\*

## Portfolio:

- ▶ Chatree Gold Mine (Thailand)
- ▶ Challenger Gold Mine (Australia)
- ▶ Nueva Esperanza Project (Chile)
- ▶ Bowdens Project (Aust)



ave 130,000 Koz per annum  
ave 80,000 Koz per annum till Feb 2016  
1.9 Moz AuEq<sup>^</sup> resource  
134 Moz silver resource

\* As at 30 September 2015. ^ Gold Equivalent Ounces: 60.

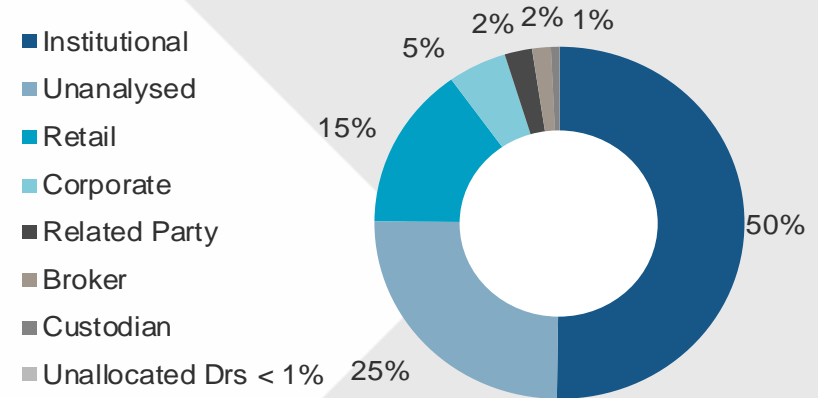
# Snapshot

## Corporate Information - as at 26 Nov 2015

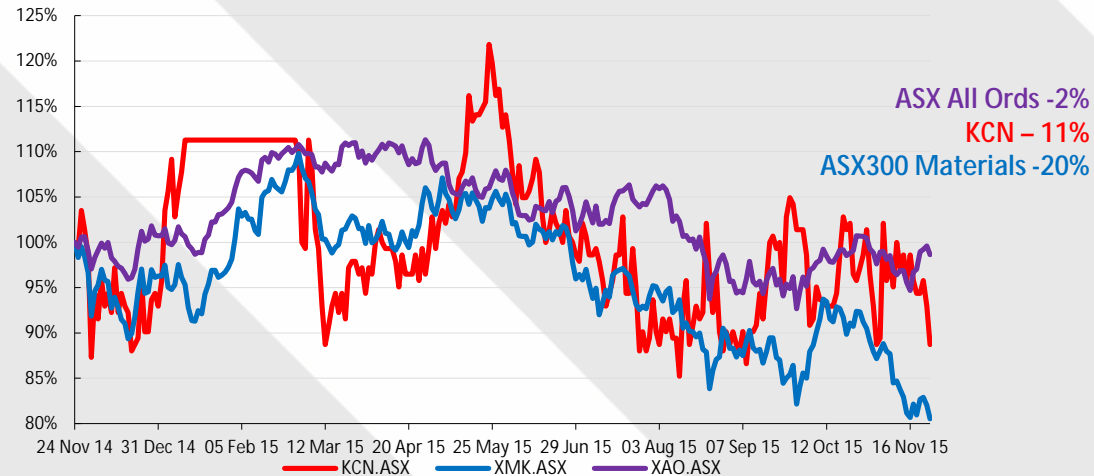
ASX Listed (ASX 300)	KCN
Share Price	A\$0.63
Issued Shares	223,585M
Market Cap	A\$150M
Cash Balance (available)	A\$35M*
Total Debt	A\$118M*

(\* as at 30 September 2015)

## Total Shareholder Composition



## 12 Month Share Price Performance to 24 Nov 2015



## Top Shareholders - October 2015

	Shares	%
Universal-Investment-Gesellschaft	15,500,000	7.38
Van Eck Associates Corporation	13,642,107	6.10
Resource Capital Funds	13,353,040	5.97
USAA Investment Mgmt Co	7,063,636	3.16
Ruffer LLP	6,484,919	2.90

# Board of Directors



**Ross Smyth-Kirk**  
Executive Chairman  
Investment Management

- 40+ years experience in investment management and mining
- Former director of numerous companies



**Peter Alexander**  
Non-Executive Director  
Exploration and Mining

- 41+ years experience in exploration and mining
- Managing Director of Dominion Mining for 10 years
- Non-Executive Director of Doray Minerals
- Director of Fortunis Resources Limited



**Peter McAleer**  
Non-Executive Director  
Legal and Commerce

- Former CEO of Equatorial Mining Limited
- Formerly senior independent director at Kenmare Resources PLC
- Former Chairman of Latin Gold, and Director at Minera El Tesoro (Chile)



**Sharon Skeggs**  
Non-Executive Director  
Marketing and Change Management

- 35+ years experience in marketing and change management in Australia the UK and Asia.
- Former director of Saatchi & Saatchi Australia.
- Change Management Consultant working with major companies including Telstra, Westpac, Woolworths and Visa.



**Peter Warren**  
Non-Executive Director  
Financial Management

- 40+ years experience in financial management
- Formerly held senior positions at Alusuisse of Australia, Equatorial Mining and Peabody Resources.

# Senior Management



**Greg Foulis**

**Chief Executive Officer**

Mining and Financial Markets

- 30+ years experience in mining and financial markets
- Previously SVP Business Development for AngloGold Ashanti



**Tim Benfield**

**Chief Operating Officer**

Open Pit and Underground Mining

- 22+ years experience in mining
- 10 years experience with Barrick Gold
- Formerly GM at Pajingo Gold Mine



**Ross Coyle**

**Chief Financial Officer**

Finance and Corporate

- 31+ years financial experience
- 25 years at Dominion Group before takeover



**Ronald James**

**GM - Exploration & Resource Development**

Gold Exploration

- 31+ years experience in gold exploration & mining
- Former Chief Mine Geologist at Gold Ridge and Group Exploration Manager at Ross Mining NL



**Paul Mason**

**Company Secretary**

Financial Management

- 15+ years experience in financial management
- Former Financial Controller & Comp Sec at Catalpa Resources



**Jamie Gibson**

**SM - Corporate Affairs**

Public and Regulatory Affairs

- 15+ years experience in regulatory and public affairs
- Former Media Adviser and Chief Adviser in Industry/Resources Portfolios

# Macro backdrop

- ▶ Kingsgate is an international precious metals explorer, developer and producer
- ▶ The macro environment with respect to commodities and financing has been difficult for the past 3 to 5 years. Gold and silver prices are at multi year lows and related equity indices are also at lows eg The GDJX - Global Junior Gold Miners Index which includes Kingsgate and peers, is down ~85% over the past 5 years.
- ▶ We believe the cycle will turn and we are positioning Kingsgate accordingly
  - ▶ Our financial focus is to maximise cashflow and reduce debt
  - ▶ Our strategic focus is to optimise our Chatree Mine and progress the Nueva Esperanza Project



GLD is Gold Price ETF, GDJX is a Global Junior Gold Co. Index

# Kingsgate FY15 - a performance re-cap

Kingsgate Scorecard			2013	2014	2015	Comments
Ops	Chatree	(Koz)	133.7	134.5	125.1	
	Challenger	(Koz)	66.2	75.0	80.2	
	KCN Production	(Koz)	199.9	209.5	205.2	<i>Steady production</i>
Margins	Gold Price - Ave Deliv	(US\$/oz)	1,588	1,291	1,208	<i>Declining gold price</i>
	Cash Costs	(US\$/oz)	874	936	833	<i>Cost reduction</i>
	Cash Costs Margin	(%)	45%	27%	31%	
	Revenue	(A\$M)	329.3	328.3	313.2	
	EBITDA	(A\$M)	96.6	64.3	70.0	
	EBITDA Margin	(%)	29%	20%	22%	<i>Margin improvement (YoY)</i>
Cashflow	Operating Cashflow	(A\$M)	88.8	37.2	76.6	
Bal Sheet	Cash (available)	(A\$M)	30.5	53.6	55.5	
	Total Borrowings	(A\$M)	199.8	153.6	142.6	<i>Debt Reduction</i>
	Net Debt	(A\$M)	169.3	100.0	87.2	



# Kingsgate FY16

## Renewal and re-focus

- ▶ New CEO - Greg Foulis
- ▶ Back to basics approach

## Success and capability is epithermal gold in the Pacific Rim

- ▶ Chatree and Nueva Esperanza are big epithermal systems
- ▶ The plan is to grow from these two beachheads
- ▶ Core capabilities are explore, develop and produce

## Strategy

- ▶ Focus on cashflow and balance sheet
- ▶ Operational improvement
- ▶ Create value at Nueva Esperanza through exploration and project de-risking
- ▶ Opportunistic M&A

# Australia – Challenger Gold Mine

1. Kingsgate made an informed decision to stop incurring costs on this capital intensive operation.
  - ▶ The decision to place the mine onto Care and Maintenance was an informed decision based on technical, economic and risk factors.
  - ▶ Kingsgate expects to make a cash surplus in FY16, net of all obligations, to the point of care and maintenance in the March Quarter 2016.
  
2. We then made a decision on divestment.
  - ▶ Kingsgate entered a Sale Option Agreement to sell to an entity who can deal with all stakeholders responsibly and potentially extract value from the asset under a different set of strategic and operating parameters.
  - ▶ Kingsgate, in the event of sale, will receive A\$1 million from any restart cashflow, a royalty over the Challenger SSW Zone and all liabilities will be extinguished.

# Australia – Bowdens Silver Project

- ▶ Bowdens is a significant silver resource of 134 Moz , with economics and valuation leverage to silver prices.
- ▶ Kingsgate has phased work on the Environmental Impact Statement (EIS) and Feasibility Study to reduce costs and mitigate silver price volatility.
- ▶ EIS well advanced - work continues on long lead power and water options.
- ▶ Kingsgate expects material progress on elements of the EIS in 2016.

# Chatree Gold Mine, Thailand

## Proven track record

- ▶ Discovered, developed, expanded
- ▶ Highly efficient mining of low grade epithermal gold
- ▶ Produced over 1.8 Moz gold
- ▶ Outstanding safety and environmental record

## Operating Cashflow

- ▶ FY15 production: 125 Koz, EBITDA A\$71M
- ▶ FY16 budget: 125-135 Koz

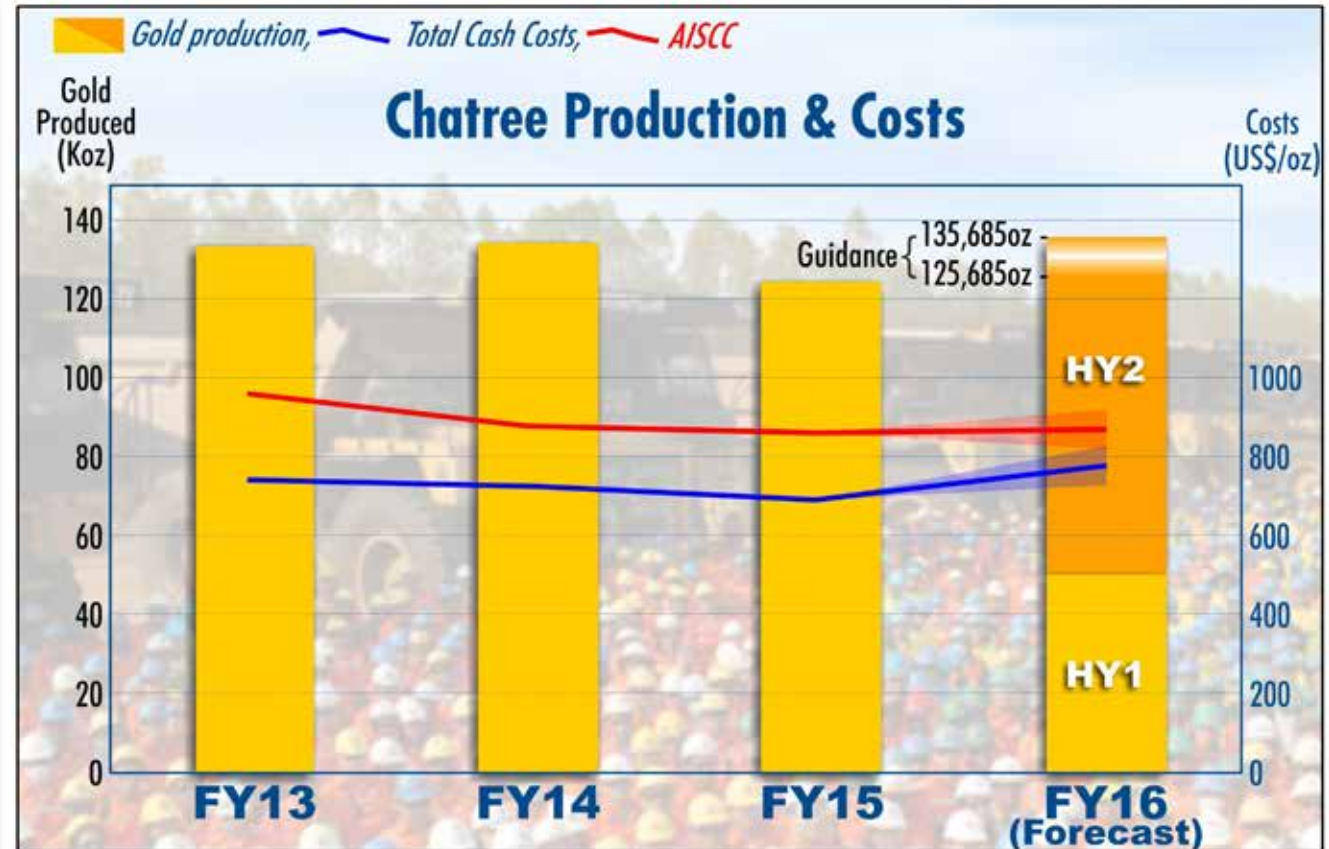
## Exploration Opportunities

- ▶ Underground potential within current mining leases
- ▶ Exploration lease extensions and satellites



# Chatree FY16

- ▶ Chatree production is skewed towards a strong second half given the cutback of Pit A.
- ▶ Key operating initiatives for FY16 include:
  - ▶ Mining fleet roster changes to be implemented in the December Quarter to achieve higher daily operating hours per machine.
  - ▶ Milling initiatives to achieve higher and more consistent throughput rates.



# Chatree Gold Mine - Pit A Cutback



A major cutback of Pit A is progressing with better grades being accessed in the second half FY16.

# Thai Regulatory Environment

- ▶ The Thai Department of Industry and Mines is developing a new Gold Policy for Thailand.
- ▶ The new Gold Policy is designed to implement a more progressive regulatory framework for gold mining.
- ▶ The next stage of the Gold Policy requires public consultation.
- ▶ A new Minister of Industry was appointed in August, who has already taken an active interest in Chatree and progressing the Gold Policy through a site visit and meetings with key personnel.

# Chatree - Health and Environment

Akara is a highly compliant and accredited international operation.

Akara was one of the first signatories to the International Code for Cyanide Management.

Akara has the following international certifications:

- q OHSAS18001 (Health & Safety);
- q ISO14001 (Environment);
- q SA8000 (Social Accountability);
- q TLS8001 (Thai Labour Standards)
- q ISO9001 (Quality); and
- q ISO17025 (Lab & testing);



- ▶ Since 2004, Chatree has been awarded the Thai Prime Minister's "Best Labour Relations and Welfare Award" 9 times.
- ▶ Chatree has won the Thailand National Occupational Safety and Health Award as one of the winning companies in the division of all companies in Thailand with over 500 employees 9 times since 2006.
- ▶ Chatree won the Best Employer Award from Aon Hewitt and Sasin University in 2011.



# Chatree - Health and Environment

- ▶ Chatree operations were suspended for a total of 44 days in January/February this year due to the temporary suspension order issued by the Department of Primary Industries and Mines (DPIM).
- ▶ The order related to the issue of slightly elevated arsenic and manganese levels identified in some local inhabitants during regular screening.
- ▶ Chatree worked closely with Thai authorities and the local community to satisfy all their requests around this issue.
- ▶ These included health checks and lifestyle education programs with a commitment to continue to assist with ongoing management of the situation.
- ▶ A major environmental report by independent international and Thai scientific experts confirmed that the Chatree Operation was not the source or cause of the elevated arsenic and manganese levels.
- ▶ The report was delivered to the DPIM and presented to the local authorities and the communities.
- ▶ Ongoing consultation and review processes with all stakeholders are continuing to alleviate concerns.

# Chatree - Corporate Social Responsibility

- ▶ Since startup, the Chatree Operation has created a proud business that makes a meaningful economic contribution to Thailand and is supported by a highly skilled and competent workforce of around 1,000 people.



## Fund Contributions

- Six community funds have been established to support and protect community growth and health.



## Local Business startup initiatives

- Drinking water
- Farming



## Infrastructure Projects

- Schools,
- Water projects, and
- Temples.



## Education initiatives

- Targeting local schools and local and regional universities.
- Funded 53 local people for higher education scholarships.

# Chatree - Corporate Social Responsibility



## Health

- Chatree continues to monitor the health and well being of the local communities and similarly its employees.



## Thai Culture

- Donations to local groups



## Land Support

- With the support of local village heads, land not currently being utilised for operational purposes is leased to the community at significantly discount.



## Thai Religion

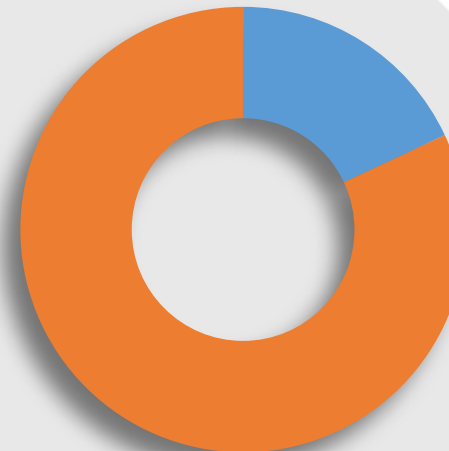
- Donations to local groups

# Chatree - Progressive Policies

- ▶ Gender Equality - The Chatree Operation employs more than 1000 people of which 340 people are directly employed by Akara Resources. We are a leader in gender equality and have a number of policies in place to promote and bolster female employment opportunities.
- ▶ Women comprise 18% of the direct workforce.
- ▶ 43% of Chatree Management are women.



Females (Total: 61)



■ Management Level (11)  
■ Other Roles (50)

# Nueva Esperanza - A Flagship Project

## History

- ▶ Historic bonanza silver production pre-Kingsgate
- ▶ Consolidation of tenements and resources by Kingsgate in 2011
- ▶ Extensive feasibility work completed 2012-14
- ▶ Several process routes considered

## Breakthroughs

- ▶ Gold discovery at Chimberos
- ▶ Resources increased to 1.9Moz Gold Equivalent
- ▶ Lower capex/opex environment



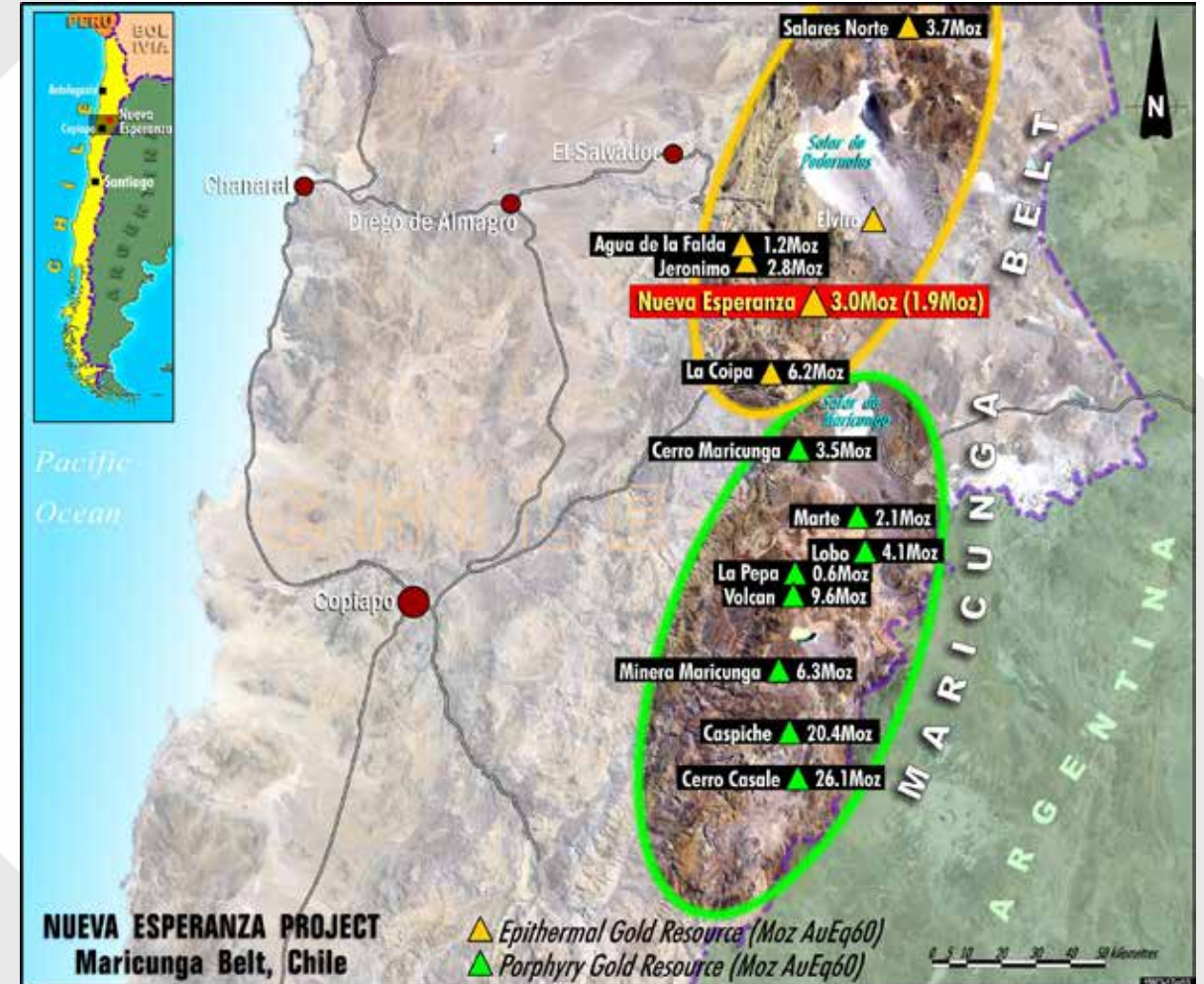
# Chile & The Maricunga Belt

## Chile

- ▶ Favoured mining investment destination
- ▶ Ranked 13 in Fraser Institute survey
- ▶ World's largest copper producer
- ▶ Ranked 14 in global gold production

## Maricunga Belt

- ▶ Defined total gold resources of ~100 Moz
- ▶ Low grade porphyry styles in the south
- ▶ Higher grade epithermal styles in the north



# Nueva Esperanza Fly-through video presentation

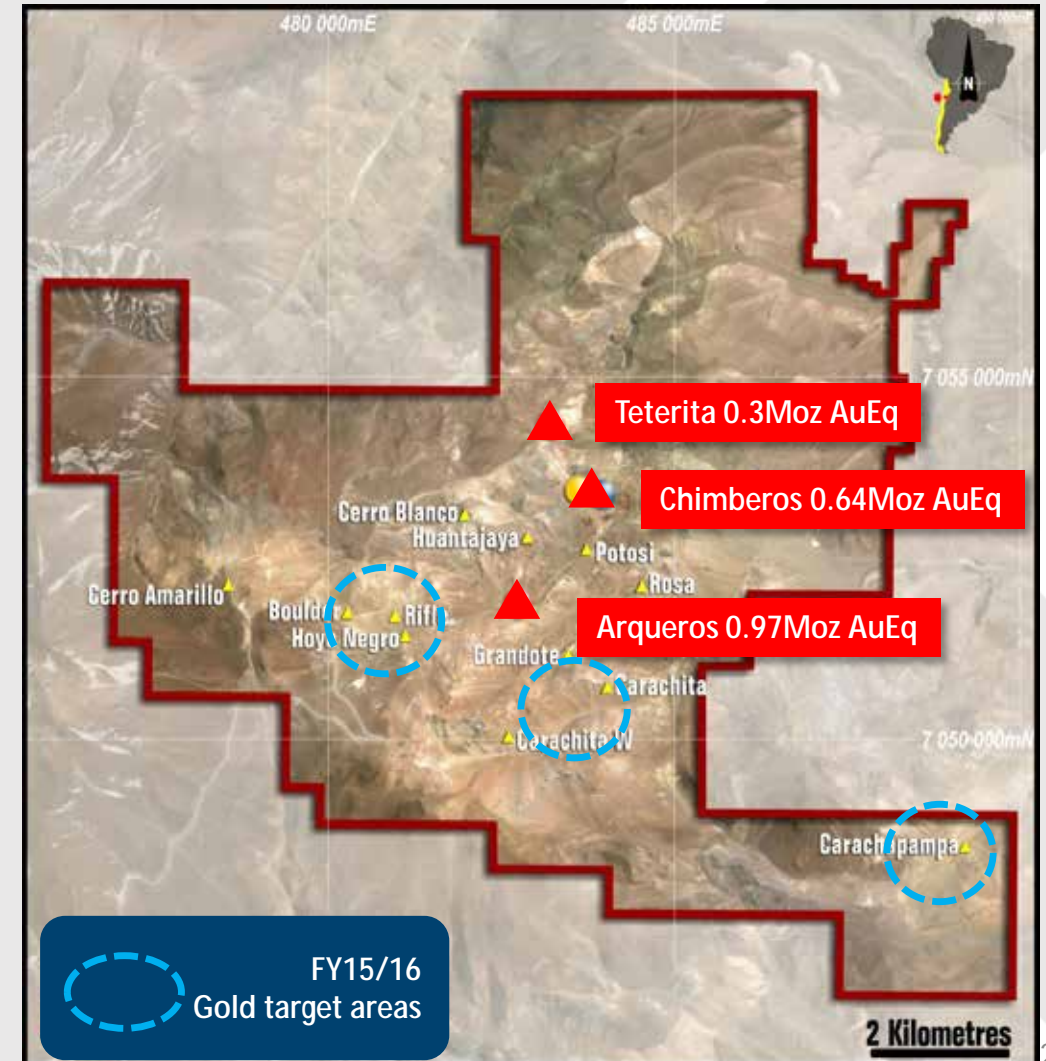


# Nueva Esperanza - FY15 Achievements

- ▶ Discovery of Chimberos Gold
- ▶ Nueva Esperanza Mineral Resources increased 21% to 34.6 Mt at 1.7 g/t AuEq60 for 1.9 Moz gold equivalent\*
- ▶ Identified high-potential gold targets for follow-up

## Total Resources

- ▶ 0.53 Moz gold
- ▶ 83 Moz silver
- ▶ Total Resources - 1.9 Moz AuEq\*





# Nueva Esperanza - What we have

- ü 100% ownership
- ü Favourable mining investment jurisdiction
- ü Skills to explore, build, operate
- ü Inventory of 1.9 Moz AuEq\*
- ü Significant feasibility level work completed
- ü Initial permitting in place
- ü Water rights secured
- ü Power options available
- ü A 45 km<sup>2</sup> alteration/exploration footprint
- ü Identified gold potential



Grid Power  
Options



# Nueva Esperanza - Optimisation Study

- ▶ The aim of the study is to confirm that lower capital and operating costs are achievable so that the project can deliver:

**2 Mtpa**  
processing  
capacity

**~100,000oz**  
per annum  
AuEq<sup>1</sup>

**US\$175-200M**  
Capital  
Cost

**US\$15.50 –  
US\$19.50/t**  
processing costs

**<US\$700/oz**  
cash costs  
for 5 years

Average 120koz in first 5 years

- ▶ Mine plan optimisations are continuing with a view to providing a reserve update in early calendar 2016.
- ▶ Study outcomes have framed the next steps for progressing technical studies and permitting.
- ▶ This profiling is based for measured and indicated mineral resources.

# Nueva Esperanza - Currency Upside



Chile is not a USD economy. Chilean Peso devaluation has been similar to AUD. We anticipate devaluation cost benefits similar to Australia.

# Nueva Esperanza - FY16 Forward Plan

## Optimisation Study -> *Significant Improvement*

- ▶ Complete economic optimisations
- ▶ Update Ore Reserves
- ▶ Complete technical, environmental & CSR studies to modify existing permits

## Permitting -> *derisking*

- ▶ Submit permit amendments

## Exploration -> *value add*

- ▶ Complete systematic property-scale baseline geology
- ▶ Phase 1 Drill Campaign complete (2000 metres)
- ▶ Phase 2 Campaign for high potential gold targets

# Kingsgate - Investment Opportunity

## Flagship project in Nueva Esperanza - 1.9 Moz AuEq+

- ▶ De-risk, add value and advance towards development

## World class mine at Chatree

- ▶ +6.0 Moz gold mineralised system (produced and in-situ)

## Core capabilities in-house

- ▶ Explore, develop, build and operate

## Manage assets and opportunities in current volatile market

- ▶ Continue to focus on improving shareholder returns



# Kingsgate

Consolidated Limited

Thank you



# Appendix

## Competent Persons Statement – Nueva Esperanza

The information in this report that relates to exploration results and data quality is based on and fairly represents information compiled by Mr Ron James who is a member of the Australasian Institute of Mining and Metallurgy and a full time employee of Kingsgate Consolidated Limited. Mr James has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr James consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report that relates to mineral resource estimation for Arqueros and Teterita is based on and fairly represents work compiled by Mr Jonathon Abbott who is a full-time employee of MPR Geological Consultants Pty Ltd and a member of the Australian Institute of Geoscientists. Mr Abbott is an independent consultant to Kingsgate Consolidated Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 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.

The information in this report that relates to mineral resource estimation for Chimberos is based on and fairly represents work compiled by Ms Maria Muñoz who is a member of the Australasian Institute of Mining and Metallurgy and a full time employee of Kingsgate Consolidated Limited. Ms Muñoz has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ms Muñoz consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

The information in this report that relates to ore reserves for Arqueros, Chimberos and Teterita is based on and fairly represents work compiled by Mr Manuel A. Hernández who is a full-time employee of Coffey Chile and a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Hernández is an independent consultant to Kingsgate Consolidated Limited and has sufficient experience relevant to the type of mining under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Hernández consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

ORE RESERVES AND MINERAL RESOURCES (AS AT 30 JUNE 2015)

Challenger, Chatree, and Nueva Esperanza Ore Reserves												
Source	Category	Tonnes (Million)	Grade					Contained Metal				
			Gold (g/t)	Silver (g/t)	Lead (%)	Zinc (%)	AuEq (g/t)	AgEq (g/t)	Gold (Moz)	Silver (Moz)	AuEq (Moz)	AgEq (Moz)
Challenger	Proved	0.40	4.28	-	-	-	4.28	270	0.06	-	0.06	3.5
	Probable	0.19	3.58	-	-	-	3.58	226	0.02	-	0.02	1.4
	<b>Total</b>	<b>0.59</b>	<b>4.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.05</b>	<b>255</b>	<b>0.08</b>	<b>-</b>	<b>0.08</b>	<b>4.8</b>
Chatree	Proved	34.0	0.80	9.03	-	-	0.87	118	0.87	9.9	0.95	129
	Probable	9.5	0.79	7.04	-	-	0.84	114	0.24	2.2	0.26	35.0
	<b>Total</b>	<b>43.5</b>	<b>0.80</b>	<b>8.60</b>	<b>-</b>	<b>-</b>	<b>0.86</b>	<b>117</b>	<b>1.12</b>	<b>12.0</b>	<b>1.20</b>	<b>164</b>
Nueva Esperanza	Proved	-	-	-	-	-	-	-	-	-	-	-
	Probable	17.1	0.27	97	-	-	1.89	113	0.15	53.5	1.04	62.5
	<b>Total</b>	<b>17.1</b>	<b>0.27</b>	<b>97</b>	<b>-</b>	<b>-</b>	<b>1.89</b>	<b>113</b>	<b>0.15</b>	<b>53.5</b>	<b>1.04</b>	<b>62.5</b>
<b>Total</b>	Proved	34.4	0.84	8.93	-	-	0.91	120	0.93	9.9	1.00	132
	Probable	26.8	0.48	64	-	-	1.53	114	0.41	55.5	1.32	96.6
	<b>Total</b>	<b>61.2</b>	<b>0.68</b>	<b>33</b>	<b>-</b>	<b>-</b>	<b>1.18</b>	<b>117</b>	<b>1.34</b>	<b>65.3</b>	<b>2.32</b>	<b>231</b>

Challenger, Chatree, and Nueva Esperanza Mineral Resources (Inclusive of Ore Reserves)												
Source	Category	Tonnes (Million)	Grade					Contained Metal				
			Gold (g/t)	Silver (g/t)	Lead (%)	Zinc (%)	AuEq (g/t)	AgEq (g/t)	Gold (Moz)	Silver (Moz)	AuEq (Moz)	AgEq (Moz)
Challenger	Measured	0.38	5.15	-	-	-	5.15	324	0.06	-	0.06	4.0
	Indicated	0.37	9.70	-	-	-	9.70	611	0.12	-	0.12	7.3
	Inferred	0.06	8.41	-	-	-	8.41	530	0.02	-	0.02	1.0
	<b>Total</b>	<b>0.81</b>	<b>7.47</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7.47</b>	<b>471</b>	<b>0.19</b>	<b>-</b>	<b>0.19</b>	<b>12.3</b>
Chatree	Measured	81.8	0.70	7.00	-	-	0.75	102	1.84	18.4	1.98	269
	Indicated	50.1	0.64	5.59	-	-	0.68	93	1.03	9.0	1.10	149
	Inferred	40.6	0.59	4.49	-	-	0.62	85	0.77	5.9	0.81	111
	<b>Total</b>	<b>172.5</b>	<b>0.66</b>	<b>6.00</b>	<b>-</b>	<b>-</b>	<b>0.70</b>	<b>95</b>	<b>3.64</b>	<b>33.3</b>	<b>3.89</b>	<b>529</b>
Nueva Esperanza	Measured	1.5	0.01	101	-	-	1.69	102	0.0005	4.9	0.08	4.9
	Indicated	26.8	0.47	79	-	-	1.78	107	0.41	67.7	1.54	92.2
	Inferred	6.3	0.50	52	-	-	1.30	82	0.09	10.0	0.27	16.2
	<b>Total</b>	<b>34.6</b>	<b>0.45</b>	<b>75</b>	<b>-</b>	<b>-</b>	<b>1.70</b>	<b>102</b>	<b>0.50</b>	<b>83.2</b>	<b>1.89</b>	<b>113</b>
<b>Total</b>	Measured	83.7	0.71	8.65	-	-	0.79	103	1.90	23.3	2.12	278
	Indicated	77.3	0.62	31.0	-	-	1.11	100	1.55	77.1	2.75	249
	Inferred	47.0	0.59	10.9	-	-	0.72	84.9	0.89	16.4	1.09	128
	<b>Total</b>	<b>207.9</b>	<b>0.65</b>	<b>17.5</b>	<b>-</b>	<b>-</b>	<b>0.89</b>	<b>97.9</b>	<b>4.34</b>	<b>116.7</b>	<b>5.96</b>	<b>655</b>

Bowdens Mineral Resources												
Source	Category	Tonnes (Million)	Grade					Contained Metal				
			Gold (g/t)	Silver (g/t)	Lead (%)	Zinc (%)	AuEq (g/t)	AgEq (g/t)	Gold (Moz)	Silver (Moz)	AuEq (Moz)	AgEq (Moz)
Bowdens	Measured	23.6	-	56.6	0.31	0.41	1.64	74.5	-	43.0	1.25	5.7
	Indicated	28.4	-	48.0	0.27	0.36	1.40	63.6	-	43.8	1.28	5.8
	Inferred	36.0	-	41.0	0.30	0.40	1.27	58.0	-	47.5	1.47	6.0
	<b>Total</b>	<b>88.0</b>	<b>-</b>	<b>47.4</b>	<b>0.29</b>	<b>0.39</b>	<b>1.41</b>	<b>64.4</b>	<b>-</b>	<b>134.1</b>	<b>4.00</b>	<b>18.2</b>

Group Total Mineral Resources												
Source	Tonnes (Million)	Grade					Contained Metal					
		Gold (g/t)	Silver (g/t)	Lead (%)	Zinc (%)	AuEq (g/t)	AgEq (g/t)	Gold (Moz)	Silver (Moz)	AuEq (Moz)	AgEq (Moz)	
<b>Group Total</b>	<b>295.9</b>	<b>0.46</b>	<b>26.4</b>	<b>0.09</b>	<b>0.12</b>	<b>1.05</b>	<b>87.9</b>	<b>4.34</b>	<b>251</b>	<b>9.95</b>	<b>836</b>	

# Mineral Resource and Ore Reserve Statement as at 30 June 2015



NOTES TO ORE RESERVES AND MINERAL RESOURCES TABLE:

Rounding of figures causes some numbers to not add correctly.

(1) Nueva Esperanza Equivalent factors:

Silver Equivalent:  $AgEq (g/t) = Ag (g/t) + Au (g/t) \times 60$ .

Gold Equivalent:  $AuEq (g/t) = Au (g/t) + Ag (g/t) / 60$ .

Calculated from prices of US\$1380/oz Au and US\$21.50/oz Ag, and heap leach metallurgical recoveries of 70% Au and 75% Ag estimated from test work by Kingsgate.

(2) Bowdens Equivalent factors:

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\$1250/oz Au, US\$2206/t Pb, US\$2111/t Zn and metallurgical recoveries of 72% Ag, 75% Pb, and 66% Zn estimated from test work by Kingsgate.

Gold Equivalent:  $AuEq (g/t) = AgEq (g/t) \times 46$  calculated from prices of US\$1200/oz Au, US\$26.33/oz Ag.

(3) Chatree Equivalent factors:

Chatree Gold Equivalent:  $AuEq (g/t) = Au (g/t) + Ag (g/t) / 136$ .

Silver Equivalent:  $AgEq (g/t) = Au (g/t) \times 136 + Ag (g/t)$ .

Calculated from prices of US\$1200/oz Au and US\$19.00/oz Ag and metallurgical recoveries of 83.3% Au and 38.7% Ag based on metallurgical test work and plant performance.

(4) Cut-off grades for Resources are:

Chatree 0.30g/t Au, Nueva Esperanza 0.5g/t AuEq, Bowdens 30g/t AgEq, Challenger underground 5.0g/t Au, Challenger open pit 1.5g/t Au and Challenger stockpile variable.

(5) Cut-off grades for Reserves are:

Chatree 0.35g/t Au, Nueva Esperanza 0.5g/t AuEq, Bowdens 30g/t AgEq, Challenger underground 5.0g/t Au, Challenger open pit 1.5g/t Au and Challenger stockpile variable.

(6) It is in the Company's opinion that all the elements included in the metal equivalent calculations have a reasonable potential to be recovered.