



Kingsgate Consolidated Limited

11901

High Margin Gold Production
ASX 2nd largest gold company

1st Millionth Ounce Bar

September 2010





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Forward Looking Statements:

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Competent Persons Statement:

Information in this presentation that relates to 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.

Reporting on Exploration Targets:

Any statement or information relating to the potential quantity and grade of an exploration target, specifically the Chokdee Prospect, is based on recent public announcements and is conceptual in nature. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.





ASX: Rising Mid-Tier Miner



Low Cost Gold Production



Expanding Production



Increasing Reserves/Share



Increasing Earnings/Share



Proven Value Creator





Kingsgate – Asian Gold

- **2nd Largest ASX Gold Stock (by Mkt Cap)**
- **Key asset - Chatree Mine, Thailand**
- **Producing: ~9 years, >1Moz poured**
- **Mine life: 12+ years with expansion**
- **Mkt Cap: ~US\$917 Million**
- **Shares: 100.7 Million, 1.8M options**
- **3rd best performing ASX200 stock over last decade**
- **Highest dividend paying gold stock**
- **Stock widely held by:**
 - Insto's: 20% Aust, 20% USA, 15% Europe/UK, 5% Asia**
 - Retail: 25%**
 - Directors: 8%**





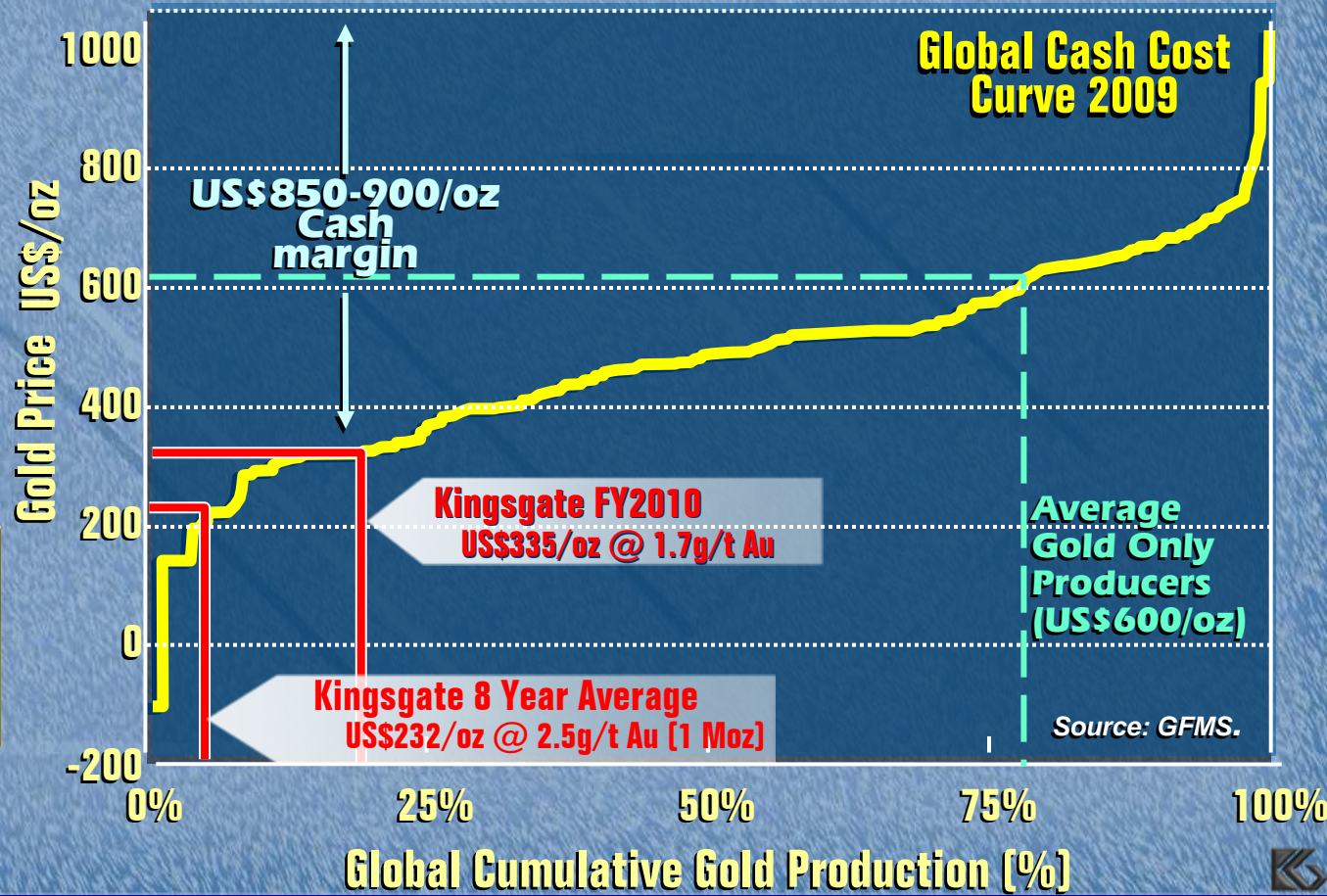
Low Cost Gold Producer

Low Cash Costs
US\$335/oz costs

Good Position
on Cost Curve

Lowest 20% of
Industry Costs

US\$850-900/oz
Cash Margin





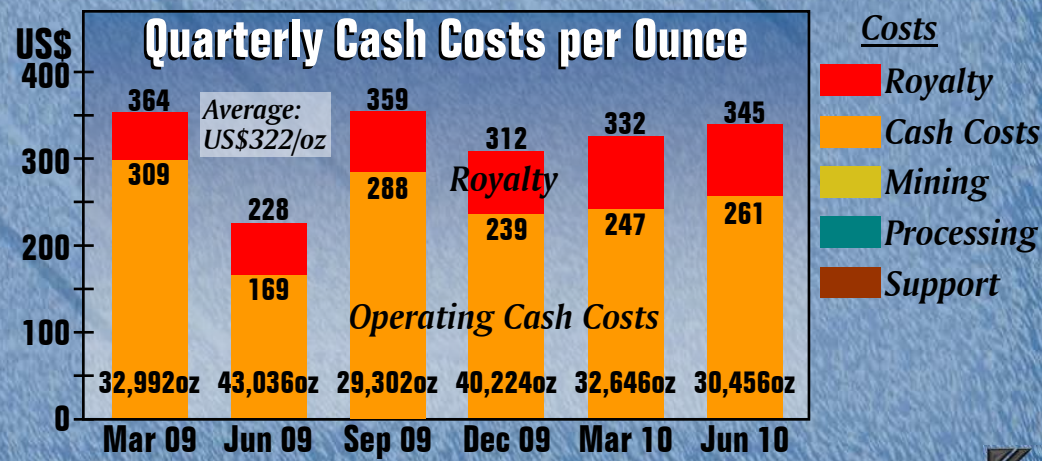
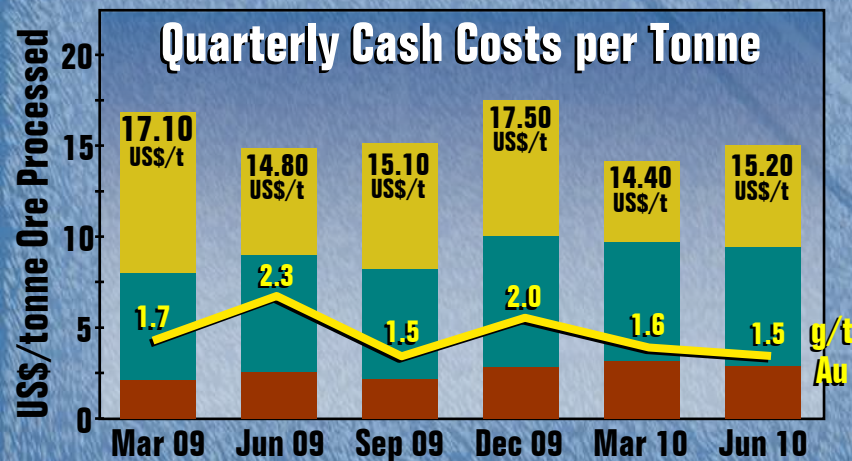
Low Cost Production

**Low Cost Gold
Maintained
US\$335/oz costs**

**132,628oz Gold Production FY10
US\$335/oz Cash Costs FY10
US\$257/oz + US\$78/oz Thai Royalty**

**Asian Competitive
Advantage**

**Costs: US\$15.50/t, Up 15% in 9 years
Grid power & labour keep costs low**





Expansion: Double Capacity

**Plant processing capacity increase from 2.3 to >5 Mtpa
Mid-2011 Commissioning; Ausenco EPCM
Increase production up to 200,000 ounces per year**

**Plant Expansion
+ 2.7 Mtpa**



**Current Plant
2.3 Mtpa
Expanded Total
+5 Mtpa**



**Expansion Plant Area
beside current plant**





Construction Underway

CIL Tanks & Grinding Circuit under construction
Capex Remaining ~US\$100m; Spent Further US\$25m
Mandated Investec & Thai banks : Seek US\$100m debt
Tax incentives granted for production from new plant



Tailings Thickener

CIL Tanks

*Grinding Circuit
SAG & Ball Mill Area*





Construction Underway

Key items in place – concrete footings/slab and steelwork



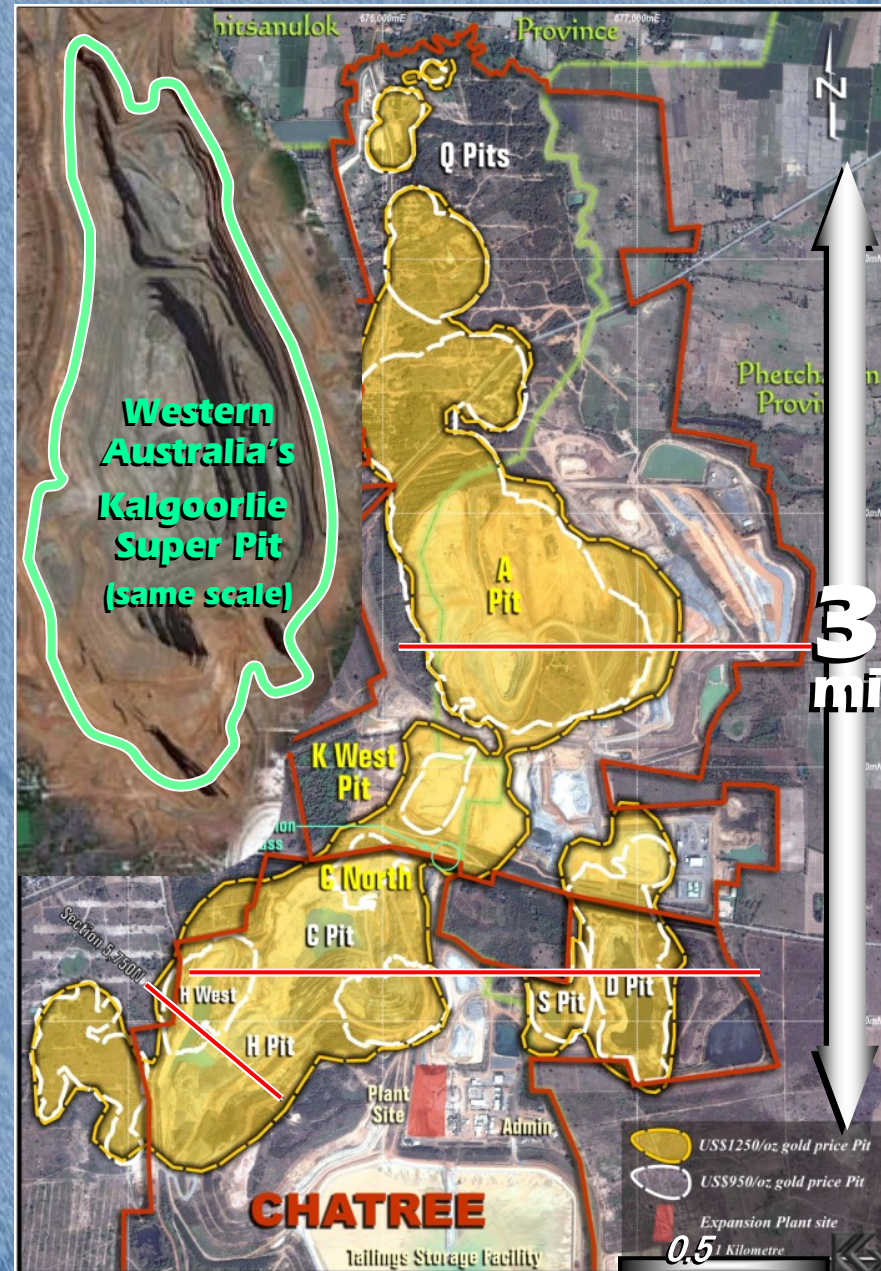


World Class Deposit

**World Class Deposits
are >5 Moz**

**Chatree ~6Moz
to date & growing
including mined to date**

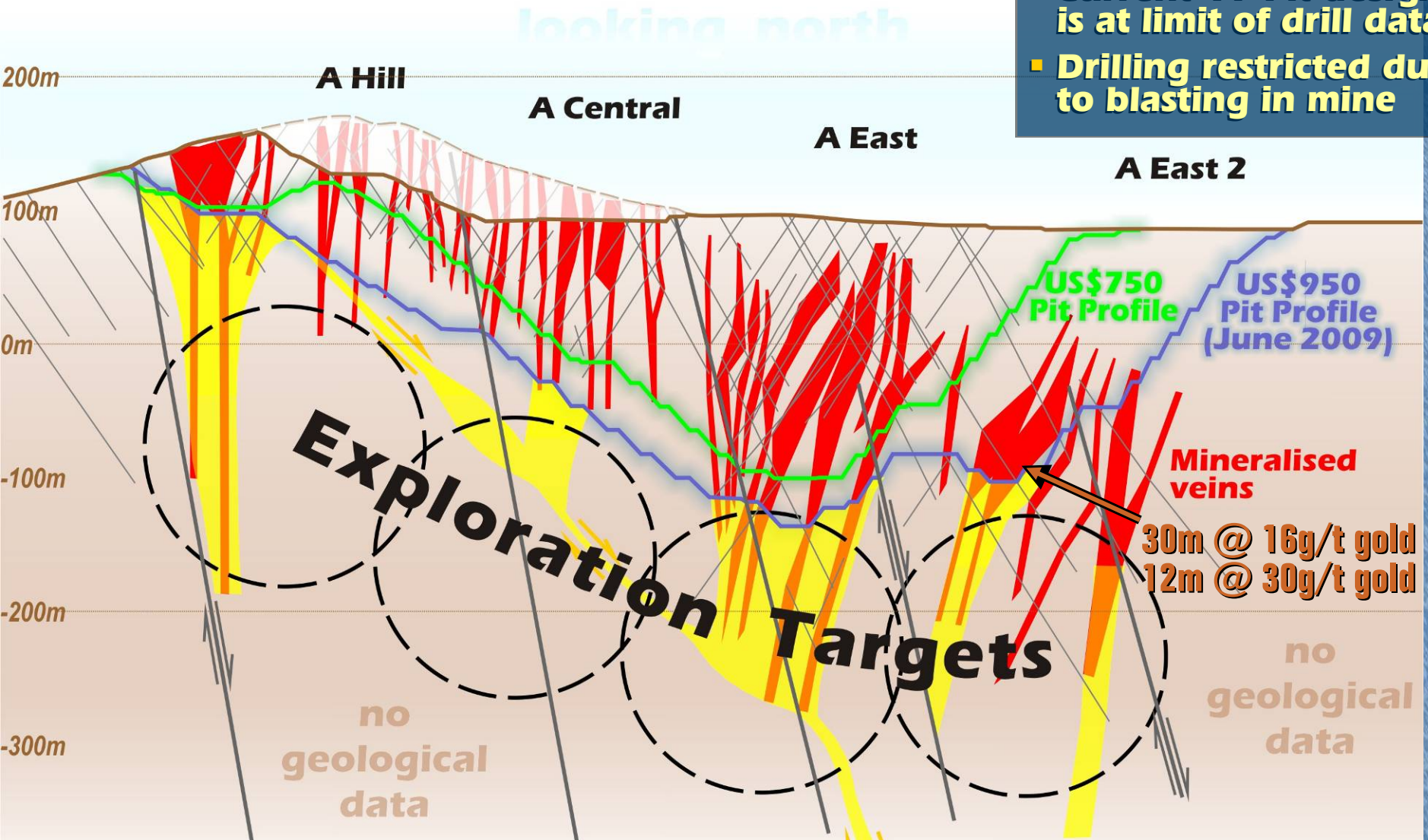
**1.9 Moz Reserve
4.3 Moz Resource**





Expanding Current Pits

- Current 'A' Pit design is at limit of drill data
- Drilling restricted due to blasting in mine



Exploration Targets

US\$750 Pit Profile
US\$950 Pit Profile (June 2009)

Mineralised veins

30m @ 16g/t gold
12m @ 30g/t gold

no geological data

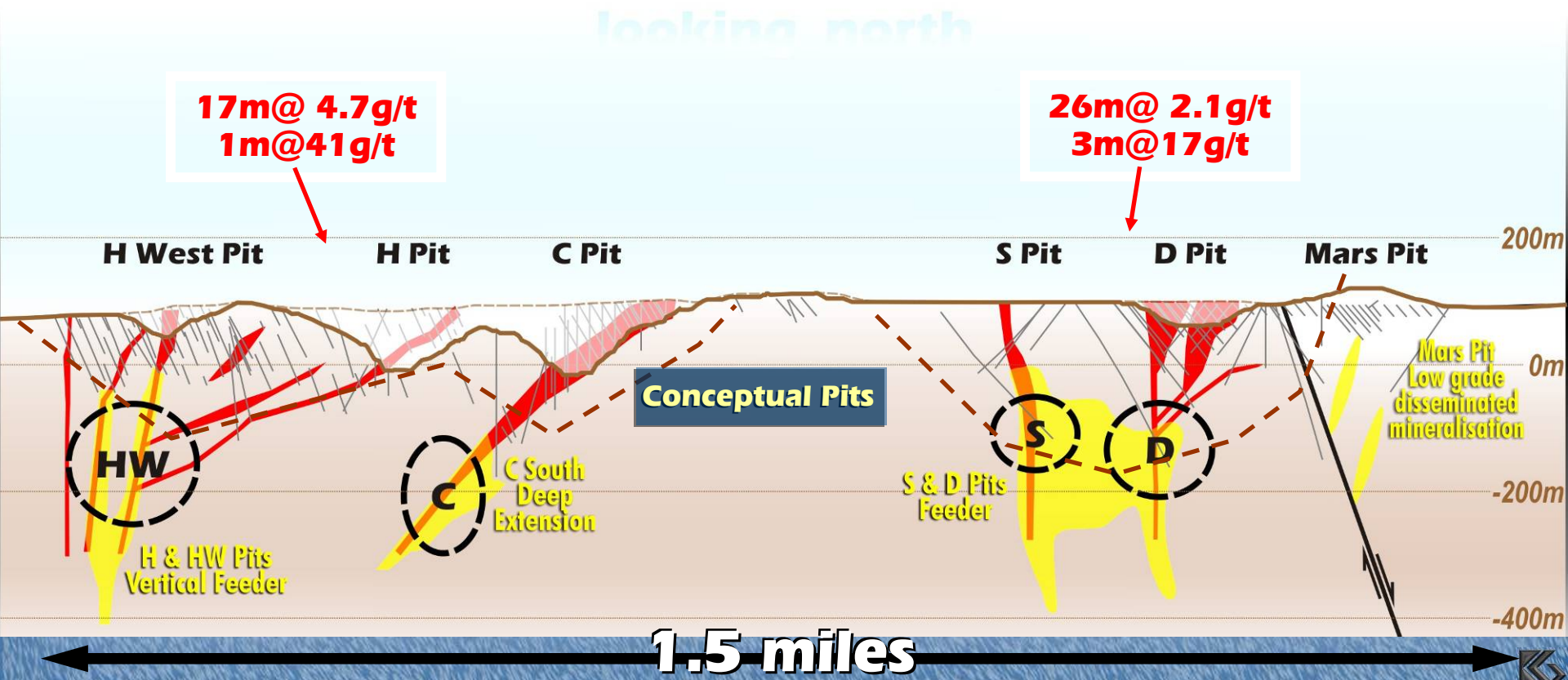
no geological data





Upside in Prior Pits

- Prior pits to re-open at current gold price
- Drilling to locate high-grade targets





Large Low Grade Potential

**Chatree Total
Reserves: 1.9 Moz
Resources: 4.3 Moz**

**'A' Pit - Chatree North
Larger Pit potential
at current gold prices**

**Q Pit
(sth)**

A Pit

Chatree Grade/Tonnage Variance Versus Gold Price*

Gold Price (US\$)	Gold Grade (g/t)	Tonnes (Millions)	Contained Gold (Moz)
1050	0.98	71	2.2
1150	0.96	78	2.4
1250	0.85	100	2.7

* Whittle Four-X modelling only
at different pit optimisation scenarios





Best Ever Profit; Up 125%

**FY10 Profit: US\$67M
Up 125%**

**EPS: 69 cents/share
Solid profit from full production
Maintain low cash costs: US\$335/oz**

**'Underlying Profit'
US\$70M**

**Add back unrealised FX loss (US\$3M)
1st year of Thai Tax (7mths at 15%)
Pre-Tax Profit US\$75.5M - up 150%**

**Revenue: US\$160M
EBITDA: US\$88M**

**Revenue up 54% from prior year
Increased production:
132,628ozs gold; 2.7 Mt processed**



Highest Gold Dividend Yield

FY10 Dividend: 32c/sh
Yield: 3.5%
No Withholding Tax

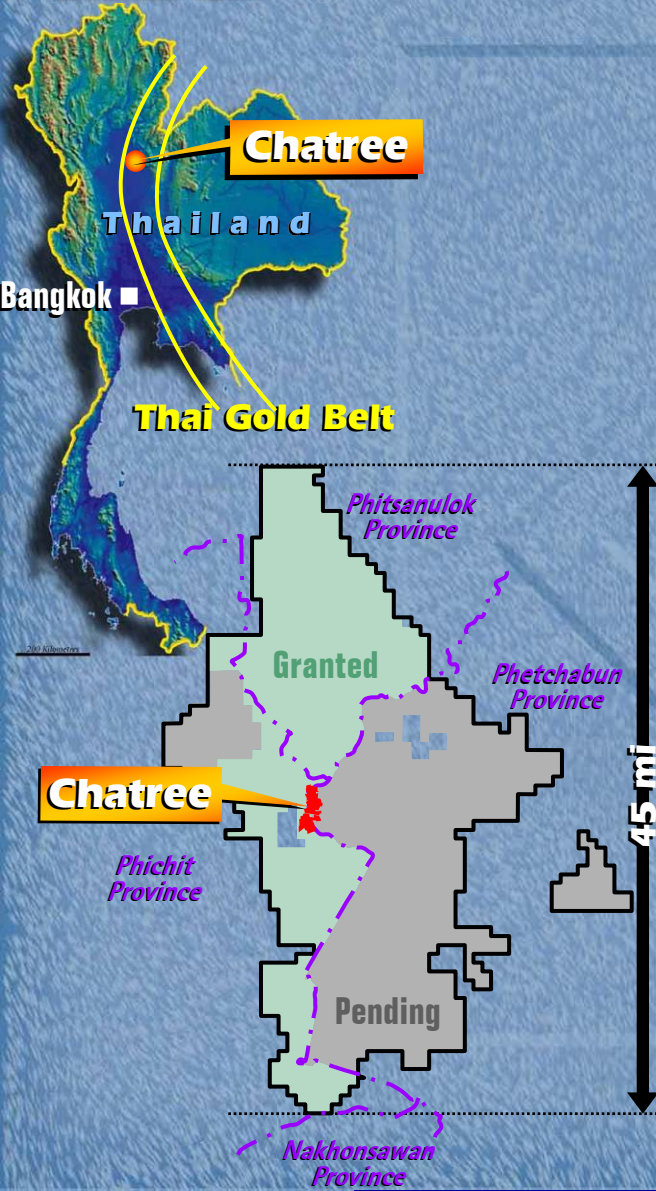
Differentiate KCN from ETF's
Total: US\$1.18/sh since 2002
Highest yield of any gold miner

Strong Cash Position
Strong Cashflow

Cash: US\$45M at end June
No debt; Unused US\$30M facility
Strong cashflow to support
exploration, development.
US\$100M debt being arranged
for expansion – Investec, Thai



Gold Province



- **Not a single mine - a Gold Province**
 - **Satellite Pit Potential**
 - **Suwan Area – trucking distance to Chatree plant**
 - **Potential for more mines**
 - **Chokdee discovery**
 - **500 miles² tenement**
- **First Mover advantage**
- **Patient, persistent growth**





Target: Fill The Void

**Lihir & Andean
gone from ASX**

**No major ASX gold companies
except Newcrest
Mid tier Producers:
100-300,000 oz/year**

**Opportunity exists to
Fill the Void**

**KCN – 2nd largest gold producer on
ASX by market capitalisation**

**Market Demand:
Mid Tier Producer**

**Market seeking liquid mid-tier gold
producer with >300,000 ozs/year**





Growing a Mid Tier Miner

Increasing Production/Share

- **Forecast production**
 - ~130,000 ounces at low costs
- **Expansion: to 200,000 ounces per year**

Increasing Reserves/Share

- **Open pit upside; Underground potential**
- **New discoveries**
- **High grade structures to augment ore feed**

Increasing Earnings/Share

- **Solid cashflow: exploration & development**
- **Strong profits; prudent fiscal management**
- **Solid dividend yield**





Income Statement - Solid Base

US\$ Million : 2009-10

2008-09

Revenue Gold/Silver	160	104	54%
Interest / Other	1	4	
Mining Costs	(75)	(64)	} 6%
Inventory (Stockpiles)	26	18	
Employee Costs	(11)	(10)	-
Admin, Biz Devel, Consult	(8)	(8)	-
D & A	(13)	(11)	18%
Finance Costs	(2)	(2)	-
Exploration / Development	-	-	-
Unrealised FX Loss	(3)	-	-
Pre Tax Profit	75	31	142%
Tax (7mths Thai tax)	(8)	(1)	-
Profit	US\$67	US\$30	123%



Low Cost Drivers

▪ 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





Current Operations



A Hill

A East Pit

A Pit looking West



K West

K West Pit looking South





1st Millionth oz - Feb 2010

9 years operating

**Av Cash Costs:
US\$245/oz**

Chatree Mine History

- 1993-95** Discovery
- 2000-01** Construct 1Mtpa Plant
- 2001** First gold pour (Nov '01)
- 2006** Expansion 2Mtpa Plant
- 2008** New Mining Leases
- 2010** 1st millionth ounce





Sustainability Focus

- **World's Safest Gold Mine***
- **Zero Environmental Incidents**
- **ISO standards on all activities**
- **Only mining company granted Social Accountability SA8000**
 - **Amnesty's CSR 'Benchmark'**
- **Training focus - 99% Thai**
 - **80% workforce – local villagers**
 - **31% women in management**
 - **21 Masters grads - supported**
- **Created new local industries**



2007 Special Award for Labour Relations
Kingsgate Consolidated
Proudly Sponsored by Corporate Monitor



OHSAS 18001
BUREAU VERITAS
Certification



ISO 14001
BUREAU VERITAS
Certification



ISO 9001
BUREAU VERITAS
Certification



ISO 17025
TESTING No. 0221



SA 8000
BUREAU VERITAS
Certification





Proven Ability

- **Opportunity exists to stand-out amongst ASX mid-cap gold producers**
- **Focus on growth in Asia/Australia**
- **'Critical Mass' in S.E. Asia**
- **Favourable track record: social/local development & environmental record**
- **Track record of investing in major value creating assets/companies (>3x returns)**





Stock Supported & Liquid

Analyst Coverage & A\$ Targets – 31 August 2010

<u>Target Price A\$</u>		<u>Company</u>	<u>Analyst</u>
\$14	Buy	Goldman Sachs JBW	I. Preston
\$15.31	Buy	Austock	A. Kassianos
\$13.80	Buy	MorningStar	M. Taylor
\$12.50	Buy	Deutsche	B. Fitzpatrick
\$12.45	Hold	Wilson HTM	K. Williams
\$12.40	Buy	Macquarie	S. Spartalis
\$12.19	Buy	Patersons	J. Welch
\$12	Buy	Citi	C. Sainsbury
\$11.75	Buy	BBY	M. Harrowell
\$11.20	Buy	RBC	S. MacIntyre
\$11	Buy	Sthn Cross	P. Chapman
\$11	Hold	BMO (Canada)	D. Haughton
\$10.75	Hold	BofA Merrill Lynch	S. Gorenstein
\$9.73	Hold	RBS	S. Berridge

