Kingsgate Consolidated Limited

QUARTERLY REPORT

for the three months ended

30 June 2014

PRODUCTION HIGHLIGHTS

Gold Produced	
30 Jun 2014	55,450 oz
31 Mar 2014	48,725 oz
30 Jun 2013	47,509 oz
Total Cash Costs (incl. Royalty)	
30 Jun 2014	US$857/oz
31 Mar 2014	US$957/oz
30 Jun 2013	US$1,040/oz
Average Gold Price Received	
30 Jun 2014	US$1,293/oz
31 Mar 2014	US$1,274/oz
30 Jun 2013	US$1,625/oz

LISTED SECURITIES

As at 30 June 2014	
Ordinary shares	223,584,937

Underground drilling, Challenger

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T. Benfield.

Tim Benfield, Acting CEO

25 July 2014

KEY POINTS

- Strong Group operating performance with quarterly gold production of 55,450 ounces at total cash cost of US$857/ounce.
- Record Group annual gold production of 209,500 ounces, at the top end of the guidance range of 190,000 to 210,000 ounces.
- Chatree produced 36,475 ounces of gold at US$631/ounce and Challenger produced 18,975 ounces of gold at US$1,291/ounce for the quarter.
- The retail component of the capital raising was completed in mid-April with gross funds received of A$30.9 million.
- Mine plan optimisation and additional metallurgical testwork is underway to support the positive Nueva Esperanza DFS.
- Encouraging gold exploration results at Sayabouly in Lao PDR with 5.0m @ 6.7g/t gold and 4.0m @ 6.7g/t in trenching.
- Geoff Day was appointed CEO and will join Kingsgate during the September quarter.
- Peter Warren appointed as a Non-Executive Director of Kingsgate.

GROUP OPERATING SUMMARY

Operation	June Quarter 2014		March Quarter 2014		Financial Year To Date FY2014	
	Production (ounces)	Total Cash Costs (US$/ounce)	Production (ounces)	Total Cash Costs (US$/ounce)	Production (ounces)	Total Cash Costs (US$/ounce)
Chatree	36,475	631	31,609	775	134,546	728
Challenger*	18,975	1,291	17,116	1,293	74,954	1,310
Total	**55,450**	**857**	**48,725**	**957**	**209,500**	**936**

* Includes mine development costs

March Quarter Overview

Kingsgate had a strong June quarter with gold production of 55,450 ounces at total cash cost of US$857/ounce.

Record annual production of 209,500 ounces is at the top end of the guidance range for the year.

Very good operational performance from Chatree and a solid quarter from Challenger have delivered the record annual gold production for Kingsgate.

Gold sales for the quarter were 60,062 ounces at an average gold price received of US$1,293/ounce. The Group All-in Sustaining Cash Cost was US$1,026/ounce for the quarter which was 9% lower than the previous quarter (US$1,126/ounce).

OPERATIONS

Chatree Gold Mine, Thailand

Chatree had a strong quarter with gold production of 36,475 ounces, a 15% increase over the March quarter (31,609 ounces). Plant head grade processed during the quarter was in line with expectations at 0.90 grams per tonne ("g/t"). The grade reflects access to higher grade ore on the eastern side of A Pit Stage 2.

Annual production of 134,546 ounces was 3.5% above the top end of guidance.

Re-optimisation of the Chatree mine plan continued with a strong focus on further cost reductions.

Total cash costs for the June quarter were US$631/ounce (including US$120/ounce royalty). This was an 18.6% improvement over March quarter (US$775/ounce, including US$101/ounce royalty). Total production costs after depreciation and amortisation were US$884/ounce.

Capital expenditure for the quarter at Chatree was A$1.4 million, with an additional A$3.8 million on Tailings Storage Facility (TSF) #2.

Challenger Gold Mine, South Australia

Challenger operations continued to focus on Challenger West during the quarter. Gold production of 18,975 ounces was in-line with expectations. The head grade of 4.80g/t was lower than the previous quarter (5.05g/t) as the operating schedule delivered more tonnes at a lower grade for the quarter. Operating costs were US$1,291/ounce (including US$50/ounce royalty) for the quarter. Note that operating costs at Challenger continue to include all mine development expenditure for the site (i.e. no mine development costs are being capitalised).

Capital expenditure at Challenger for the quarter was A$0.1 million.

DEVELOPMENT PROJECTS

Nueva Esperanza Silver/Gold Project

The Definitive Feasibility Study (DFS) was completed in the prior quarter confirming the technical viability and financial robustness of the project. In the June quarter, an application to modify the environmental approvals, granted in 2013, was submitted to the Chilean environmental authority. This process is expected to take around six months and during this time work on mine optimisation, additional drilling and further metallurgical testing is being undertaken. The drilling, including twinned hole, metallurgical and exploration on the most prospective satellite prospects, is planned to commence in the spring (Aug/Sep 2014).

Total feasibility and assessment expenditure for the quarter was A$0.9 million with an additional A$1.1 million incurred on scheduled royalty and related payments to previous owners.

DEVELOPMENT PROJECTS (CONTINUED)

BOWDENS PROJECT, NEW SOUTH WALES

During the quarter, work continued on the proposed route for the 132kv transmission line and the ground and surface water studies which are two of the more detailed studies required for the Environmental Impact Statement (EIS). Progress in these two key areas will underpin the work already undertaken in other EIS study areas such as, air, ecology, noise, soils and visual amenity. The EIS remains on track for lodgement by the end of calendar 2014.

Total project expenditure for the quarter at Bowdens was A$0.9 million reflecting a low level of ongoing expenditure. There was an additional A$1.1 million for land purchases.

EXPLORATION

Resource drilling in the A Pit and Q Prospect areas at Chatree recommenced during the quarter.

At Sayabouly in Lao PDR, trenching during the quarter continued to identify high grade quartz veins further to the west, and along strike from existing trench results reported last quarter. New channel sample results include 5.0 metres at 6.7g/t gold, 4.0 metres at 7.5g/t gold. Additional trenching is ongoing and other quartz veins are noted with assay results pending. This activity is expected to be the precursor to a drill program planned for later in the year.

Total regional exploration expenditure for the Group over the quarter was A$0.2 million.

CORPORATE

The institutional component of the capital raising (A$28.5 million gross) was completed and funds were received in the March quarter. In mid-April, the retail component was completed with A$30.9 million (gross) received.

At the end of June, cash and bullion/doré totalled A$74.2 million, comprising cash of A$64.1 million and bullion/doré of A$10.1 million.

At quarter end, Kingsgate had A$35 million outstanding under its corporate debt facility and approximately US$105 million outstanding under the Akara loan facility.

Kingsgate has appointed Geoff Day as Chief Executive Officer. Geoff is a former Executive General Manager at Newcrest and is expected to commence duties during the September quarter following completion of his contractual obligations to his former employer.

Peter Warren was appointed as a director of Kingsgate effective from 1 July 2014. Peter is a CPA of over 40 years standing, with an extensive involvement in the resources industry. He retired from Kingsgate in 2011 after five years as Chief Financial Officer (CFO) and Company Secretary. Peter has over 15 years operating in a senior financial capacity as CFO and Company Secretary for a number of public and private companies.

OUTLOOK

Total gold production guidance for Kingsgate for the 2015 financial year is between 195,000 and 215,000 ounces including 130,000 to 140,000 ounces from Chatree and 65,000 to 75,000 ounces from Challenger.

Kingsgate will continue to pursue strategies to adapt to the volatile operating environment for gold producers in order to maximise shareholder returns. Operating efficiencies and cost saving initiatives continue to be pursued as does the consideration of partners for development projects and potential rationalisation of its asset base.

OPERATIONAL PERFORMANCE

		June Quarter 2014			March Quarter 2014			Financial Year to Date 2014		
		Chatree	Challenger	Consolidated	Chatree	Challenger	Consolidated	Chatree	Challenger	Consolidated
Production Summary										
Ore Mined	BCM's	535,366			637,100			2,377,718		
Waste Mined	BCM's	152,923			582,553			2,193,404		
Waste to Ore Ratio		0.3 : 1			0.9 : 1			0.9 : 1		
Ore Mined	tonnes	1,405,891	124,542	-	1,642,960	108,642	-	6,175,657	499,938	-
Ore Treated	tonnes	1,599,284	125,951	-	1,555,708	109,545	-	6,234,869	506,027	-
Head Grade - Gold	Au g/t	0.90	4.80	-	0.81	5.05	-	0.86	4.78	-
Head Grade - Silver	Ag g/t	15.2	-	-	11.7	-	-	12.9	-	-
Gold Recovery		79.5	96.8	-	77.7	96.1	-	79.4	96.1	-
Silver Recovery		34.2	-	-	39.2	-	-	40.5	-	-
Gold Poured	ounces	36,475	18,975	55,450	31,609	17,116	48,725	134,546	74,964	209,500
Silver Poured	ounces	249,721	400	250,121	216,297	597	216,894	992,255	2,677	994,932
Financial Summary										
Cost Summary										
Mining Cost	US$/oz	221	848	436	340	837	515	302	875	507
Milling Cost	US$/oz	351	257	319	418	266	364	395	260	347
Administration & Other	US$/oz	56	135	83	75	148	101	62	124	84
Stockpile Adjustments	US$/oz	15	2	10	(32)	(6)	(23)	-	3	-
By-Product Credit *	US$/oz	(132)	(1)	(87)	(127)	(1)	(83)	(142)	(1)	(91)
Cash Operating Cost	**US$/oz**	**511**	**1,241**	**761**	**674**	**1,244**	**874**	**617**	**1,261**	**847**
Gold Royalty	US$/oz	120	50	96	101	49	83	111	49	89
Total Cash Cost	**US$/oz**	**631**	**1,291^**	**857**	**775**	**1,293^**	**957**	**728**	**1,310^**	**936**
Depreciation & Amortisation - Operating	US$/oz	226	215	222	233	171	211	226	194	215
Depreciation & Amortisation - Deferred Stripping **	US$/oz	27	-*	18	22	-	14	25	-	16
Total Production Cost	**US$/oz**	**884**	**1,506**	**1,097**	**1,030**	**1,464**	**1,182**	**979**	**1,504**	**1,167**
Total Cash Cost per Tonne of Ore Treated	**US$/t**	**14.39**	**194.42**	**-**	**15.76**	**202.12**	**-**	**15.70**	**194.16**	**-**
Revenue Summary										
Gold Sold	ounces	40,686	19,375	60,062	30,813	17,403	48,216	140,865	76,022	216,887
Silver Sold	ounces	272,228	600	272,828	220,368	708	221,075	1,034,462	3,040	1,037,502
Average Gold Price Received	US$/oz	1,291	1,299	1,293	1,284	1,256	1,274	1,294	1,286	1,291
Average Silver Price Received	US$/oz	19.6	20.5	19.6	20.3	20.8	20.3	20.5	20.6	20.5
Revenue from Metal Production	US$m	57.8	25.2	83.0	44.0	21.9	65.9	203.4	97.8	301.2
Average Exchange Rate	A/US			0.93			0.90			0.92

** Net of silver royalties. ^ Includes mine development costs. ** Change in Accounting Standard (IFRIC 20) which accounts for deferred strip assets as being depreciable over the life of the respective pit on a ounces produced basis rather than expensed based on the future actual waste/ore ratio.*

CHATREE GOLD MINE, THAILAND

Mining continued in A Pit Stage 2 with some additional bulk metallurgical samples extracted from the Q Prospect area.

Total ore mined for the quarter was 1,405,891 tonnes at a strip ratio of 0.3:1 (previous quarter 0.9:1). The lower strip ratio reflects the current mine plan and does not include 495,000 BCM's of waste that were used for on-going construction of TSF#2. Access to areas of higher grade ore became available during the quarter as the high grade ore body in A Pit Stage 2 became exposed as expected (2013 reserve grade 0.81g/t).

The process plant treated 1,599,283 tonnes of ore at an average plant head grade of 0.90g/t gold to produce 36,475 ounces of gold. Silver production was 249,721 ounces. The throughput level reflects the addition of stockpiled ore to the run-of-mine ore from mining pits. Gold recovery of 79.5% was an improvement on the March quarter of 77.7% and was mainly a result of the higher head grade and improved carbon management in the CIL circuits (Life of mine recovery 80.5%).

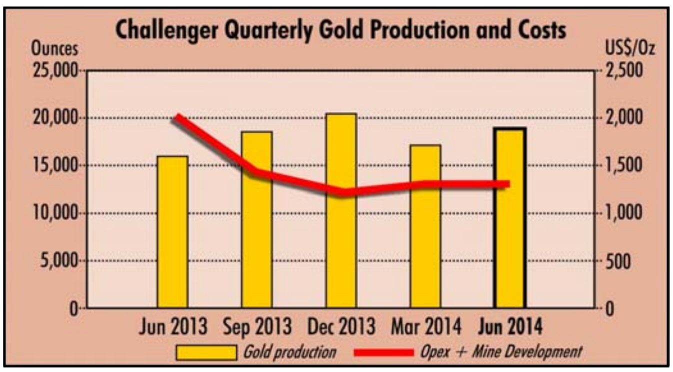
Stockpiled ore at close of the quarter was 9,656,709 at 0.54g/t containing 167,359 ounces of gold.

Resource Development Drilling

Resource drilling in the A Pit and Q Prospect areas recommenced during the quarter. The drilling targeted Inferred Resources that lie in close proximity to existing pit designs. Additional drilling will continue into the next quarter targeting additional resource expansion targets on the eastern side of the mining lease.

Safety, Environment and Community

There were no lost time injuries during the quarter. The current Lost Time Injury Frequency Rate (LTIFR) is 0.11.



CHALLENGER GOLD MINE

During the quarter, mining continued to focus on Challenger West. Gold production was 18,975 ounces. Ore mined and processed was higher than the previous quarter with the operating schedule delivering higher available stope and development ore. The head grade of 4.80g/t was lower than the previous quarter (5.05g/t) with development ore representing 20% of the ounces mined and stope ore representing 80% of ounces mined. The grade of the stope ore was below budget due to higher than expected dilution from geological structures.

The reserves and mine plan cover mining to the end of the current financial year. Further extensions to the mine life are dependent on the successful conversion to reserves from on-going drilling and development within the extensive resource envelope at Challenger West (750Koz at 30 June 2013). This has been the case over the past 18 months. Mining continues to focus on initiatives to minimise dilution from both stoping and development.

Total operating costs, inclusive of both operating, mine development and royalty, for the quarter were US$1,291/ounce (including US$50/ounce royalty).

The mining contractor, Byrnecut, continued their strong operating performance maintaining the low operating costs that were achieved in the early months of the new contract.

A total of 1,807 metres of development was achieved for the quarter. This is a significant improvement on the March quarter (1,493 metres). Ore mined for the quarter totalled 124,542 tonnes.

Processing

The process plant operated consistently over the quarter with 125,951 tonnes of ore treated at an average gold grade of 4.80g/t. Metallurgical recovery was above budget at 96.8%.

Resource Development Drilling

A total of 6,732 metres of underground development and exploration diamond drilling was completed during the quarter. The drilling targeted Challenger West and Aminus structures.

Exploration

During the quarter a total of 3,617 metres of RC Drilling was conducted from surface targeting potential extensions to the 'Challenger Matrix' lode model. Full assay results are yet to be received. Further targets are also being assessed.

Safety, Environment and Community

One Lost Time Injury (LTI) was recorded at Challenger during the quarter with the site 85 days LTI free as at 30 June 2014.

NUEVA ESPERANZA PROJECT

Project work during the quarter was focussed on preparation for the submission of the additional environmental assessment requirements. The project DFS results were released to ASX on 17 March 2014. The study confirmed the technical viability and financial robustness of the project as well as identifying further upside potential within the existing resource base and the already identified satellite targets. The key findings included:

- Proved and Probable ore reserves totaling 17.1 million tonnes at 97g/t silver and 0.27g/t gold (113g/t silver equivalent (AgEq60*) or 1.89g/t gold equivalent (AuEq60*);
- Throughput of 3,000,000 tpa;
- Average annual production of 7,500,000oz of AgEq60* (approximately 125,000oz AuEq60*);
- Initial +6 year mine life with significant potential for extensions;
- Capital costs of US$140 million including a US$10 million contingency;
- Average cash operating costs (including royalties) is US$11.44/oz AgEq60* or US$687/oz AuEq60*.

During the quarter, an application to modify the environmental approvals, granted in 2013, was submitted to the Chilean environmental authority. The modifications mostly relate to a change in process route to heap leach from agitated leach and on-site power. The approval process is expected to take around six months.

While the approvals are under consideration, further work is being done on optimising the project in the areas of mining, metallurgy and infrastructure that are considered outside the scope of the DFS.

Exploration drilling is planned at Chimberos targeting extensions to gold-rich mineralisation, currently open to the west. In addition, drilling will commence on satellite prospects that lie within the lease area and are within trucking distance of the proposed plant site. This program is designed to confirm and build on significant gold and silver mineralisation identified by previous owners. Drilling will commence following winter in the September quarter.

** The silver to gold equivalence ratio of 60:1 reflects prices of US$1,300/oz Au and US$20.00/oz Ag, and metallurgical recoveries of 70% gold and 75% silver estimated from test work by Kingsgate. These estimates are based on three - year average commodity prices and results of metallurgical test work. It is the company's opinion that all the elements included in the metal equivalents calculation have a reasonable potential to be recovered.*

BOWDENS SILVER PROJECT

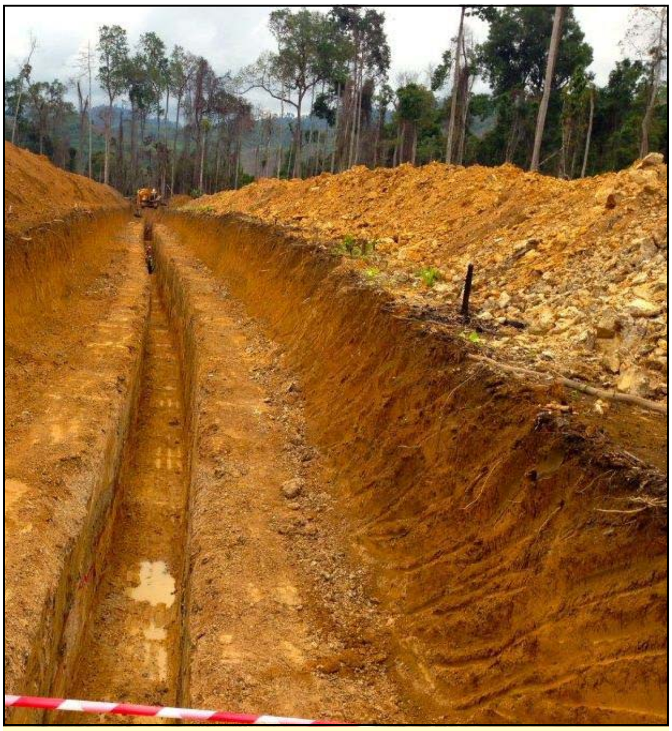
Work continued on two of the more detailed studies for the Environmental Impact Statement (EIS) during the quarter: the route for the proposed 132kv transmission line and the ground and surface water studies. Landholder consultation along the proposed 132kv line route also commenced. Progress in these two key areas will underpin the work already undertaken in other EIS study areas such as, air, ecology, noise, soils and visual amenity.

With the acquisition of an additional property in April 2014, Kingsgate now has approximately 900 hectares of land under management. Kingsgate plans to manage these properties appropriately including livestock and agistment.

Environmental monitoring of surface and ground water, air quality, noise and weather continued during the period.

Analysis of all the components required for EIS lodgement has confirmed that Kingsgate remains on track to lodge the document by the end of calendar 2014.

Bowden's Environmental Consultant, Chris Mills, monitoring water quality



Sayabouly sample trench

SAYABOULY PROJECT – LAO PDR

Exploration activities during the quarter continued to focus on the Nahkan Gold Prospect where, last quarter, a single reconnaissance trench (LTR-006) identified several high grade gold zones associated with quartz veins, including 4 metres @ 12.8g/t gold. The recommencement of trenching at Nakhan Gold Prospect has successfully identified new areas of gold bearing quartz veins east of trench LTR-06 with an additional trench 100 metres north of LTR-06 also successfully confirming the northerly extension of one of the original high grade intercepts.

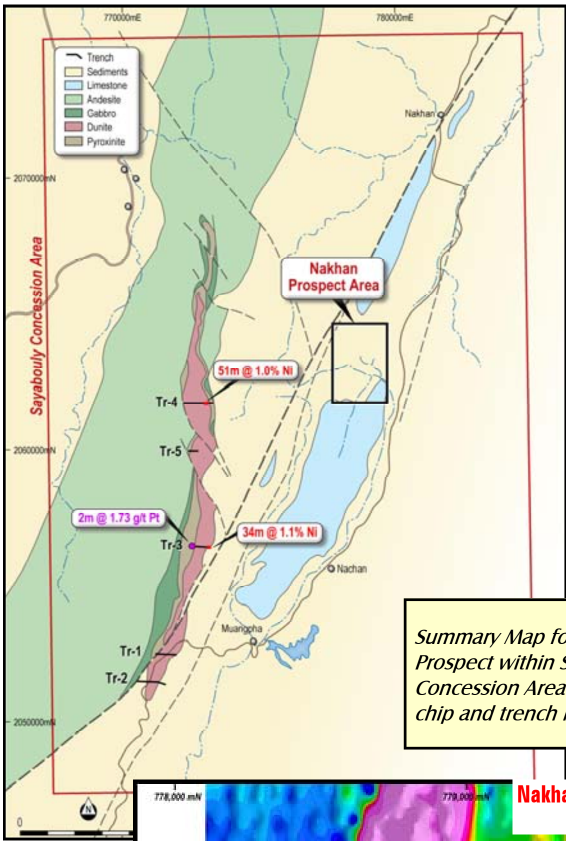
Significant new trench channel assays results include:

- 5.0 metres @ 6.7g/t gold (from 3 metres) in Trench LTR-09,
- 4.0 metres @ 7.5g/t gold (from 3 metres) in Trench LTR-10 (100 metres north of LTR-06).

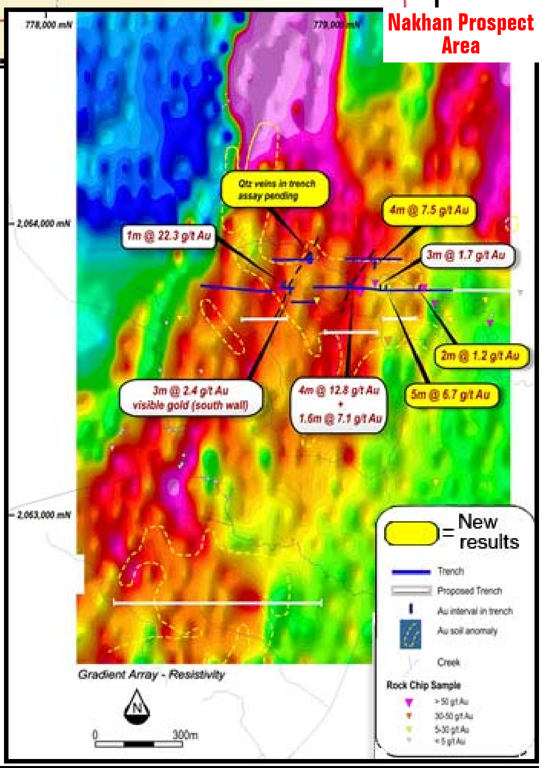
The 4.0 metres @ 7.5g/t gold from trench LTR-09 represents the northern continuation of the original quartz veins encountered in trench LTR-06. These results closely correlate with recent ground geophysics (gradient array IP) which appears to be mapping several north-east orientated resistive/chargeable features extending both north and south of these new intercepts.

A number of quartz and quartz-sulphide vein zones were identified in the trench which is hosted in a granodiorite overlain by several metres of colluvium. Individual quartz veins vary up to 50cm thick and cluster in vein zones up to 5 metres in width. Importantly, zones of quartz-sulphide veining are coincident with chargeability highs and moderate resistivity. Sulphide minerals are dominantly fine-grained pyrite with trace chalcopyrite.

Additional trenches are planned to test for continuation of the veins either side of the existing trenches in advance of drilling later in the year. Subject to the ongoing wet season and local subsistence farmers in the area, the current phase of trenching is expected to be completed by the end of the September quarter.



Summary Map for Nakhan Prospect within Sayabouly Concession Area with rock chip and trench results.



SAYABOULY TRENCH SAMPLING RESULTS								
Trench ID	Easting (mE)	Northing (mN)	Azimuth	Total Length (m)	From (m)	To (m)	Interval (m)	Au (g/t)
LTR-07	778,551	2,063,787	95°	251	nsa			
LTR-08	778,841	2,063,730	90°	85	43.6	44.6	1.0	0.9
LTR-09	779,157	2,063,772	90°	240	3.0	8.0	5.0	6.7
					108.0	111.0	3.0	0.6
					126.0	128.0	2.0	1.2
LTR-10	779,223	2,063,878	270°	193	3.0	7.0	4.0	7.5

At the end of the quarter, Kingsgate's drawn debt facilities consisted of:

Senior Corporate Facility

A$35 million under the Senior Corporate Loan Facility consisting of two tranches:

- Tranche one is an A$25 million Akara Resources PCL ("Akara") Pre-IPO Bond with a maturity date of 31 July 2015. The current intention is for this tranche to be repaid from proceeds raised through the Akara IPO although at Kingsgate's election repayment can be made by Kingsgate either in cash or Kingsgate shares.
- Tranche two is an amortising loan facility with a balance of A$10 million to be repaid during the 2015 financial year.

Multi-currency, Syndicated Loan Facility

Kingsgate's Thai operating subsidiary, Akara, has an amortising multi-currency loan facility with 4.5 years remaining. It is currently drawn to the equivalent of US$105 million, following the commencement of quarterly repayments in November 2013. Akara also has an additional undrawn Thai Baht denominated working capital facility equivalent to US$15 million.

Hedging

As at 30 June 2014, the Group had 12,000 ounces of gold sold forward at an average price of approximately A$1,406/ounce. This is scheduled to be delivered over the September quarter as part of the mitigation of Australian gold price risk and is associated with forecast production from the Challenger Mine. In addition, there is a residual forward sale from the Dominion merger with 2,500 ounces at A$1,163/ounce remaining. Since the end of the quarter, a further 12,000 ounces of gold have been sold forward for delivery over the December quarter at A$1,424/ounce.

All-in Sustaining Cash Costs - June Quarter 2014 (based on gold sales)

		Chatree	Challenger	Group
Adjusted Total Cash Cost[3] (incl royalties)	US$/oz	672	1,266[1]	864
Sustaining Capex	US$/oz	124	7	86
Exploration Expense	US$/oz	-	-	-
Corporate and Administration Costs[2]	US$/oz	-	-	76
All-in Sustaining Cash Cost	US$/oz	796	1,273	1,026

[1] Challenger Adjusted Cash Costs include underground development. [2] Corporate and Administration costs have been allocated 73:27 between operating assets and development projects. This allocation will vary each quarter depending on the relative activity between operations and development projects. [3] Adjusted operating costs are based on gold sales and include movements in gold inventory and stockpiles over the period.

Executive Appointment

Geoff Day has been appointed Chief Executive Officer (CEO) and will commence duties, following completion of his contractual obligations at Newcrest, during the September quarter. Mr Day was previously EGM Sustainability and External Affairs for Newcrest Mining Ltd. His role covered operational governance and corporate functions including external communications, government finance relations, health, safety, environment, risk, security, Corporate Social Responsibility and executive accountability for Newcrest's joint venture businesses in Fiji and Papua New Guinea.

Mr Day has a Masters degree in Applied Science (Chemistry) from Monash University and has spent the past 29 years involved in the mining industry working with various mining companies including Ok Tedi Mining Limited, Lihir Management Company, Rio Tinto, Kagara and Newcrest in a number of technical, managerial, operational leadership and executive positions.

Akara Resources PCL

The Thai Securities Exchange Commission (SEC) and the Stock Exchange of Thailand (SET) are continuing to review the draft Prospectus in order to approve the listing of Akara Resources PCL. The decision to list Akara will depend on market conditions and other factors at the time of approval.

A complaint was made to the Phitsanulok Administrative Court in March 2012 by a number of local villagers against 12 Thai government authorities and officials and Akara. Their claim was that a new location for TSF#2 was incorrectly approved by the Department of Primary Industries and Mines (DPIM) and that Akara was operating the Chatree Expansion without proper licence.

The judgement was handed down on the 29 May 2014 with all claims dismissed against Akara and nine of the defendants.

However, the claims against the Director-General of DPIM, the Director of the Pichit Industrial Office, the Pichit Provincial Governor and the Director-General of DIW were upheld.

In essence the Court found that the DPIM had incorrectly approved the relocation of TSF#2 and should prevent its construction and use and should prevent the Chatree Expansion from being operated "*until the processes under the law and the constitution have been fully complied with*".

The DPIM are of the view that they have the appropriate authority to approve the relocation of the TSF#2 and operation of the Chatree Expansion and subsequently together with the three other defendants have appealed the judgement. Akara has joined the appeal.

Since the original complaint was made in March 2012, Akara has completed an Environmental and Health Impact Assessment (EHIA). This was approved by the relevant authorities with the DPIM issuing a metallurgical licence to allow the Chatree Expansion to commence operating in accordance with the process under the law and the constitution since October 2013. The EHIA included the relocated TSF#2.

Legal advice considers that as this matter is a dispute concerning the application of proper process by government authorities and as Akara has complied with DPIM direction in seeking the TSF#2 relocation and the metallurgical licence there are unlikely to be any grounds for the Supreme Administrative Court to revoke the licences that govern the Chatree operation.

The appeal process will take 2-3 years and will be a matter for the Supreme Administrative Court to consider and during such appeal process, according to Thai laws, the verdict of the Phitsanulok Administrative Court is suspended. In the meantime Chatree will continue to operate legally as normal within its licence conditions.

Gavin Thomas

29 December 1950 – 4 June 2014

In early June, Kingsgate's former long-serving Managing Director and Chief Executive Officer, Gavin Thomas, passed away after a long battle with cancer. Gavin was in the position for nearly ten years. He will be truly missed.

Gavin Thomas was not only big in stature, he was a man with a big brain and a big heart.

Gavin Thomas was born on December 29, 1950 to Ken Thomas, founder of the trucking empire TNT - Thomas Nationwide Transport - and his geologist wife, Anne. He had two sisters, Megan and Elizabeth, and brothers Rhody and Andrew.

A brilliant geologist, Gavin loved mining. He also loved life and shared this enthusiasm and warmth with his family and friends and colleagues.

Gavin had a very successful career developing mining companies from the exploration phase into mid-tier gold and/or copper production entities. He had international experience in exploring for, evaluating, developing, operating and reclaiming mines in North America, South America, Australia, the Southwest Pacific, Asia and Europe.

Gavin's contribution to the industry was extraordinary in both dedication and discovery. Following graduating in geology from Macquarie University in Sydney in 1970, his early career saw him working in Papua New Guinea (PNG) where, as part of a CRA Exploration team, he was the first white man many thousands of people in PNG had ever seen. During his career he lived or worked in PNG for 27 years – a country he loved.

His early recognition and the understanding of the potential of epithermal style mineralisation was founded in PNG and, as exploration manager at Kennecott Exploration, culminated with the discovery of Lihir Island, one of the worlds' largest gold deposits. Gavin became a world authority on this style of mineralisation. He took this knowledge to other countries around the Pacific Rim and to Europe where further discoveries were made working with Niugini Mining and later at Equatorial Mining in South America, with a particular focus on Chile. He was early to recognise the huge potential of the Cerro Negro gold deposit in Argentina, owned at the time by Andean Resources.

He joined Kingsgate in 2004 and took the company from a single gold mine operation at Chatree in Central Thailand to a company with assets on three continents. He expanded Chatree, which has produced 1.5 million ounces of gold under his direction and became recognised internationally as the safest gold mine in the world.

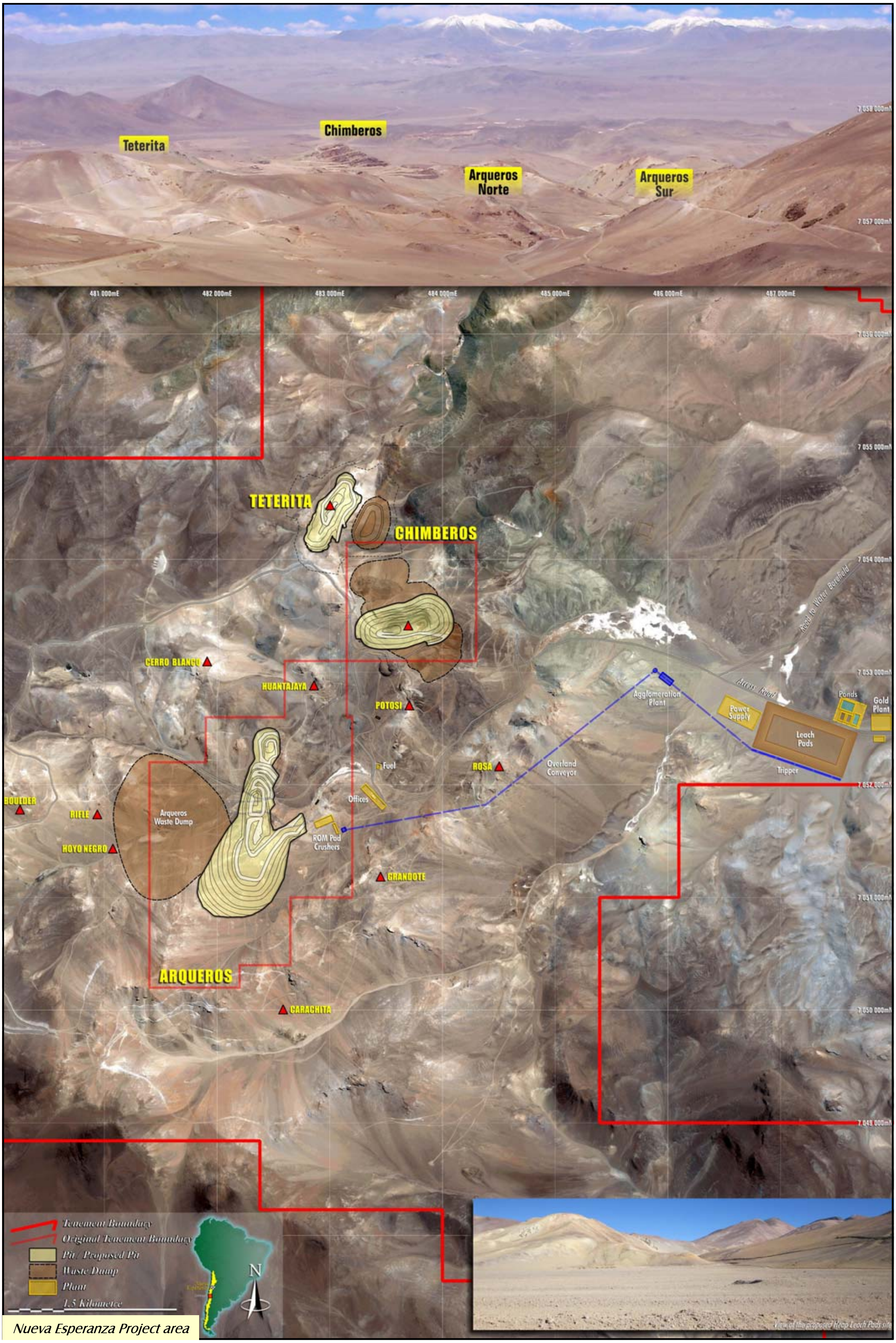
Gavin commanded respect and admiration in the boardrooms of Australia, London, Switzerland and the US and he would walk into a room or meeting and immediately fill it with his presence. He had an innate sense of adventure, an enormous capacity for hard work and all entwined with his love of travel.

Gavin was a well-read man not just in Science but also in English Literature. One of his favourite writers was the Welsh poet Dylan Thomas.

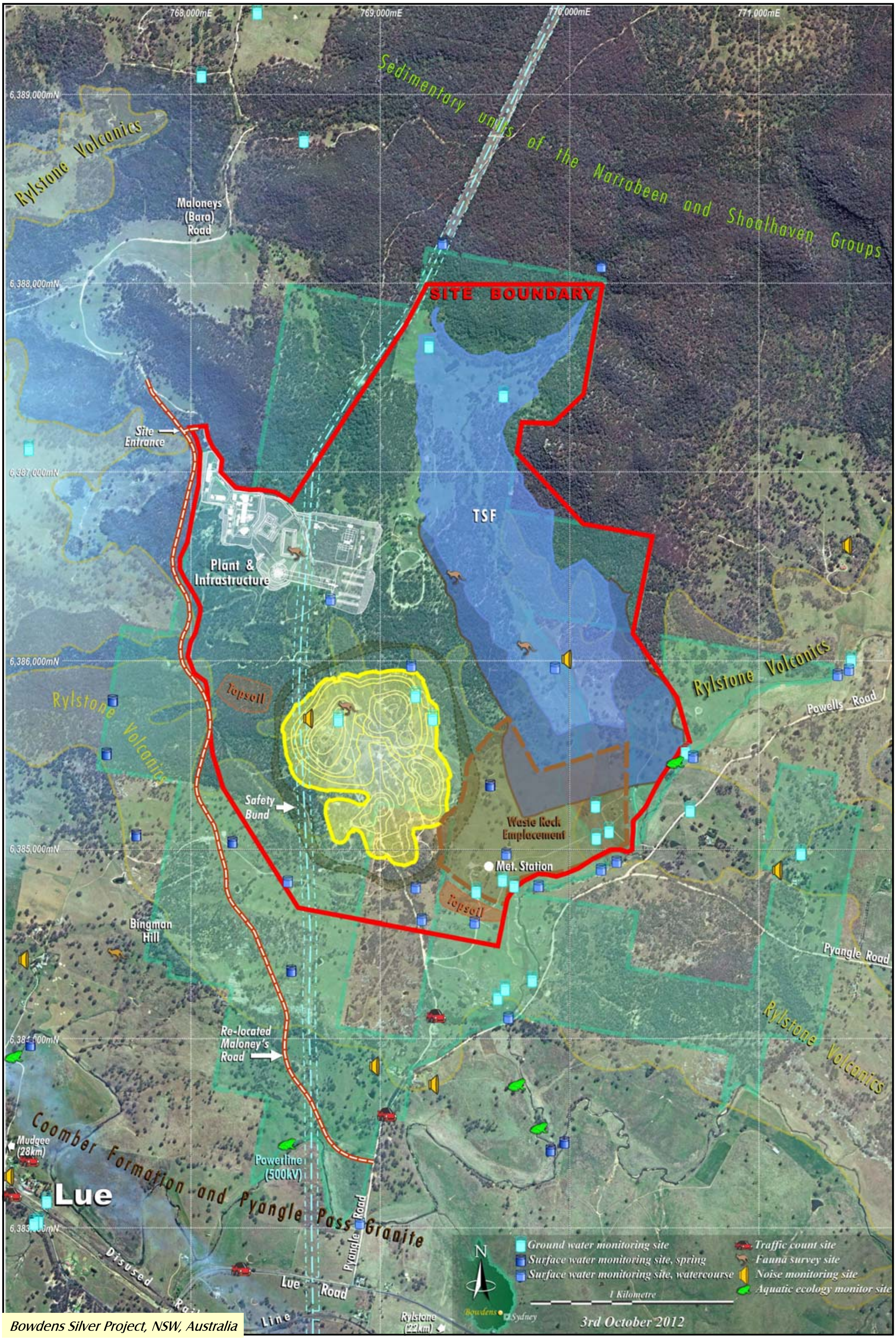
Gavin's leaves an enormous legacy not just to the mining industry but in his own special way he touched the lives of many. It truly can be said that Gavin was larger than life and the world a lesser place following his departure.

A good man, great friend, loving husband and doting father.

Gavin is survived by his wife Barbara and their three daughters Ellen, Laura and Jenni, son in law Dr Tim Matthews and baby granddaughter, Imogen Anne.



Nueva Esperanza Project area



Bowdens Silver Project, NSW, Australia

Kingsgate Consolidated Limited

Board of Directors

Ross Smyth-Kirk
Chairman

Peter Alexander
Non-Executive Director

Craig Carracher
Non-Executive Director

Peter McAleer
Non-Executive Director

Peter Warren
Non-Executive Director

Company Secretary

Ross Coyle

Senior Management Team

Tim Benfield
Acting Chief Executive Officer

Ross Coyle
General Manager Finance and Administration

Joel Forwood
General Manager Corporate & Markets

Ron James
General Manager, Exploration & Resources Development

Brett Dunstone
General Manager, Human Resources

Pakorn Sukhum
Chief Executive Officer, Akara Resources PCL

Registered Office

Kingsgate Consolidated Limited

Suite 801, Level 8, 14 Martin Place
Sydney NSW 2000, Australia
Phone: (61 2) 8256 4800
Facsimile: (61 2) 8256 4810
Email: info@kingsgate.com.au
Website: www.kingsgate.com.au

Exchange Listing

ASX:KCN

Issued Share Capital

Kingsgate has 223,584,937 ordinary shares on issue.

Quarterly Share Price Activity

Quarter	High	Low	Last
December 2007	$5.74	$3.87	$4.65
March 2008	$5.41	$3.34	$4.40
June 2008	$5.69	$3.69	$5.23
September 2008	$6.30	$3.78	$4.64
December 2008	$4.85	$2.20	$3.54
March 2009	$5.38	$3.20	$5.22
June 2009	$7.11	$4.93	$6.70
September 2009	$8.39	$6.26	$8.14
December 2009	$10.30	$7.30	$9.21
March 2010	$10.00	$8.30	$8.51
June 2010	$10.86	$8.14	$9.47
September 2010	$12.22	$9.18	$11.60
December 2010	$12.15	$10.00	$10.88
March 2011	$10.81	$7.45	$8.69
June 2011	$9.06	$7.08	$8.00
September 2011	$9.39	$6.73	$7.18
December 2011	$7.97	$5.69	$5.70
March 2012	$8.04	$5.99	$6.40
June 2012	$5.91	$4.85	$4.85
September 2012	$6.09	$3.95	$6.04
December 2012	$6.12	$4.36	$4.40
March 2013	$5.06	$3.32	$3.89
June 2013	$4.00	$1.265	$1.265
September 2013	$2.81	$1.28	$1.695
December 2013	$1.70	$0.875	$0.93
March 2014	$1.545	$0.975	$1.00
June 2014	$1.04	$0.715	$0.86

Share Registry

Link Marketing Services Limited

Locked Bag A14, Sydney South, NSW 1235 Australia.
Phone: +61 1300 554 474   Facsimile: +61 2 9287 0303
Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au
Please direct all shareholding enquiries to the share registry.

Competent Persons Statements

In this report, information concerning Thailand operations and Lao exploration relates to Exploration Results, Mineral Resources and Ore Reserve estimates based on and fairly represents information compiled by the following Competent Persons: Ron James, Brendan Bradley, Kevin Woodward 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, 2012 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 based on and fairly represents information compiled by Stuart Hampton and Luke Phelps who are full-time employees of the Kingsgate Group. Stuart Hampton and Luke Phelps are members of The Australasian Institute of Mining and Metallurgy. 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Stuart Hampton and Luke Phelps 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 and fairly represents work completed by Jonathon Abbott who is a full-time employee of MPR Geological Consultants 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 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 data quality, comments on the resource estimates and economic potential of the estimated resources for Bowdens and Laguna Nueva Esperanza is based on and fairly represent information compiled by Ron James, a member of the Australasian Institute of Mining and Metallurgy. Mr James 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.