



Kingsgate

Consolidated Limited

ABN 42 000 837 472

28 January 2005

**Via ASX Online
(15 pages including cover letter)**

FOR PUBLIC RELEASE

The Manager
Announcements
Company Announcements Office
Australian Stock Exchange Limited

Dear Sir or Madam

Quarterly Report Ended 31 December 2004

We enclose the Quarterly Report on activities for three (3) months to 31 December 2004.

KINGSGATE CONSOLIDATED LIMITED

JOHN FALCONER
Director/Company Secretary

Quarterly Report

For the three months ended 31 December 2004

SUMMARY OF ACTIVITIES

PRODUCTION

- Gold production at the **Chatree Gold Mine**, Thailand, was **29,649 ounces** for the December quarter.
- Total cash cost of production was **US\$214/oz** with the decrease over the September quarter resulting from slightly higher grades and a lower mining strip ratio.
- Ore mined improved as more production faces were available following the wet season.
- Plant throughput was affected by harder ore and replacement of a SAG mill gearbox shaft.
- Production for the year is now expected to be in the range of 125,000 to 135,000oz of gold, as a consequence of the production performance in the first half year. To potentially improve production in the second half a review is underway to optimise waste stripping to facilitate earlier access to some deeper ore.

DEVELOPMENT

- Permitting of the new Mining Lease at **North Chatree** advanced during the period. The Mining Lease covers a much larger area than the existing **Chatree Mine Lease** and incorporates the identified A and A East, K East, K West, Q and Q East Prospects, all of which have mineralization that remains open.
- The proposed mine plan at North Chatree incorporates the A and A East zones as one large single pit.
- Mining of the S Prospect will commence shortly with a stage 1 pit that is scheduled for completion in the March 2005 quarter.

EXPLORATION

- An interim Mineral Resource Statement for the southern end of **A East** has identified **Mineral Resources totalling 487,000 ozs of gold and 6.4 million ounces of silver**. This mineralisation is in addition to the previously announced adjacent resource at Prospect A totalling 622,000 ozs of gold. Additionally the Mineral Resources for **Prospect K** have been upgraded by approximately **44,000 ounces of gold to 174,000 ounces**. Mineral Resources so far identified in the Chatree Volcanic Complex now totals over 2.4 million ounces.
- Drilling to identify Mineral Resources at A East Prospect continues to encounter good grade mineralization that remains open, especially to the north. This identified mineralization correlates well with a geophysical anomaly that extends for over 500 metres north of the last drill hole currently drilled in A East Prospect.
- Significant intersections have been discovered at depth from deep drilling of the C, H and S ore bodies.
- Exploration and drilling on prospects in close proximity to the Chatree Mine have identified further strike extensions to known ore zones as well as several new mineralised trends. The strike extent of known gold mineralization trend, that includes the **Chatree Mine**, is 10km and open to the north and south. Drilling results along this trend during the quarter included:
 - Air-core bedrock drilling to the south of the Chatree Mine suggests that the R Prospect mineralization has a strike length of 2km and remains open to the south;
 - Air-core bedrock drilling has identified a new zone of gold mineralization, referred to as V Prospect, 2km south of the Chatree mill;
 - Drilling in the south part of Q Prospect has identified a number of gold mineralised zones up to 400m south of previously reported intersections.

CORPORATE

- The final dividend of 12 cents per share was paid to shareholders on the 15 October 2004.
- The group was in a net cash position of US\$32.9 million equivalent at 31 December 2004 with no debt.
- The first half profit, and subsequently the full year's, will be adversely impacted by the lower production, higher cash costs and the accounting treatment of the Company's hedge book restructuring.
- Gavin Thomas was appointed as CEO after Steve Reid resigned as CEO and Managing Director.

PRODUCTION

Chatree Mine	Units	December 2004 Quarter	September 2004 Quarter
Waste mined	BCM	1,152,580	1,159,528
Ore mined	BCM	141,461	128,104
Waste:ore ratio		8.1	9.1
Ore mined	Tonnes	264,906	239,144
Ore treated	Tonnes	442,393	479,364
Head grade	Au g/t	2.3	2.0
	Ag g/t	11.7	10.0
Gold recovery	%	90.5	91.1
Gold poured	Ounces	29,649	29,024
Silver poured	Ounces	83,665	60,511

Production at Chatree for the December quarter was 29,649 ounces of gold. The increase in gold production compared with the previous quarter arose from the treatment of higher grade ore which more than offset lower plant throughput that occurred as a result of the harder fresh ore.

Mining of ore improved as the temporary shortage of explosives in the previous quarter was overcome and more ore faces were available after the wet season.

In January 2005 mining is expected to be completed in the D pit. It is proposed to be used as a wet season run-off water storage facility.

Initial removal of overburden commenced in the S pit and mining of the initial stage is anticipated to commence shortly and be completed in the March quarter. Overall mining volumes were hampered by equipment availability and mining of harder fresh material. Ore feed to the plant was supplemented from low-grade stockpiles.

Plant throughput was lower than the September quarter, as a result of treating harder ore and replacing a SAG mill gearbox shaft. The newly installed gravity circuit (Knelson concentrator) was operational from December.

A review is currently underway to maximise waste stripping so as to facilitate earlier access to some deeper ore and thus potentially increase production for the next half. Additionally, drilling in the H West pit pushback area has identified a new mineralized structure. This structure will be further tested to determine its potential and if positive may add to potential production in the next half.

PRODUCTION COSTS

Cost Category * * Gold Institute Revised Standard for Reporting Production Costs.	Dec 2004 Quarter US\$/oz Gold Produced	Sept 2004 Quarter US\$/oz Gold Produced
Direct mining expense	219	241
Refining and transport	2	1
By product credit	(17)	(12)
Cash Operating Cost	204	230
Royalty	10	10
Total Cash Cost	214	240
Depreciation/Amortisation	51	53
Total Production Cost	265	293
<i>Kingsgate reports unit costs in accordance with the Gold Institute Standard. Silver is accounted for as a by-product at Chatree whereby revenues from silver are deducted from operating costs in the calculation of cash costs per ounce. The Total Cash Cost of future production at Chatree will fluctuate due to changing grade, throughput, strip ratio and recovery outcomes.</i>		

Total Cash Costs decreased as expected, as a lower mining strip ratio was experienced in the pits and higher grade ore was treated through the plant. Non-cash charges also reduced slightly compared with the September quarter.

Cash costs are expected to be lower than the September quarter for the remainder of the year as higher grade ore is treated, plant throughput is increased and the waste to ore strip ratio remains at approximately 8:1.

SAFETY AND ENVIRONMENT

The company's excellent safety and environmental record continued during the December quarter with no Lost Time Injuries (LTI) incurred at the Chatree operation. Over 2.5 million man-hours have been worked at Chatree since the last and only LTI. There were no LTI's incurred in the exploration division during the quarter.

During the quarter the group had no reportable environmental incidents and remains in compliance with its environmental requirements.

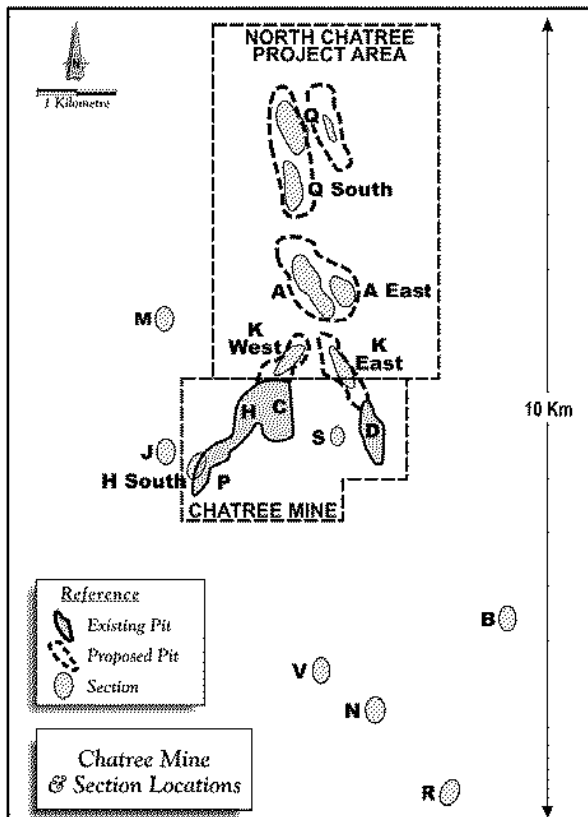
FORECAST

Production for the year to 30 June 2005 is now expected to be in the range of 125,000 to 135,000 ounces of gold. As a consequence of the current half year performance and the relatively high waste strip ratio, total cash costs for the year are expected to be in the order of US\$230 per ounce. Reviews are currently being implemented in order to potentially improve this forecast.

EXPLORATION

During the quarter, exploration activities continued aggressively concentrating on the assessment of on and near mine targets in Thailand, particularly the area immediately north of the mine at Chatree. In South America Kingsgate has established an operating subsidiary and exploration offices in Santiago and Peru. Applications have been submitted for ground in both Chile and Peru and work is ongoing identifying opportunities.

Work in Thailand has demonstrated the excellent potential of the Chatree Mine area and has identified a consistent mineralised trend that clearly correlates with the airborne geophysical data flown in 2004 and extends for more than 10km from well north of the Chatree mine to several kilometres south. This trend will be a significant focus of our exploration efforts in the next half year.



Chatree Mine Lease:

D, S, C, H, H South and P Pits

North Chatree Mine Lease Application:

Q, Q South, A, A East, K East and K West Prospects

Surrounding Prospects

M, J, B, R, N and V Prospects

An extensive air-core drill bedrock sampling program was undertaken in the area south of the mine to identify gold anomalous zones and provide geological information in areas of no outcrop but strong geophysical anomalism. In addition stream sediment sampling was also done to identify new prospect areas regionally. Recommencement of the ground IP/Resistivity geophysics program occurred after the wet season and during the quarter focused on the area to the south of the Chatree Mine.

RC drilling (excluding on mine drilling) during the quarter totalled 13,243m and diamond core drilling (excluding on mine drilling) during the quarter totalled 3,129m. Air-core bedrock drilling during the quarter totalled 26,962m.

Selected significant intersections for the quarter are tabled below and a complete listing is provided in 'Supplementary Information – A'

CHATREE MINE AREA – EXPLORATION DRILLING

Chatree Deeps Drilling

Drilling to systematically test for depth extensions to the known orebodies at Chatree commenced in November 2004. This drilling is part of a major programme likely to continue until the end of the March quarter. Results to date have been encouraging with indications that both the C and H orebodies extend to depth.

Significant intersections include:

Hole Number	From (m)	To (m)	Interval *	Gold (g/t)
RD1813	179	185	6.00	6.86
	190	196	6.00	2.43
	204	207.4	3.40	3.67

** Intersections may not be true thickness*

Drilling for extensions of the S orebody mineralization at depth to the north has also revealed that the mineralization appears to have the form of a northerly plunging shoot.

Significant intersections include:

Hole Number	From (m)	To (m)	Interval *	Gold (g/t)
RC1803	110	114	4.00	6.19
RC1806	81	88	7.00	8.08

** Intersections may not be true thickness*

H South Prospect

One drill hole was extended with core drilling to test down dip of the H South mineralization. RD2571 extended intersected 4.2m @ 5.54 g/t Au from 148.5m.

J Prospect

Some additional drilling was undertaken at J during the quarter. Further drilling is to be done to determine the extent of this mineralization.

Significant intersections include:

Hole Number	From (m)	To (m)	Interval *	Gold (g/t)
RC2678	12.00	15.00	3.00	4.69
RC2679	33.00	35.00	2.00	6.10

** Intersections may not be true thickness.*

NORTH CHATREE AREA – EXPLORATION DRILLING

A new Mining Lease, immediately to the north of the current Chatree Mine Lease, is being advanced. The area will be termed North Chatree and will include A, A East, K East, K, West, Q and Q East prospects (in future these will be called Sections within the Mine Lease areas).

A East Prospect

Drilling to undertake a first pass resource estimate was completed although additional drilling is required to determine the full extent of the A East Prospect as it remains open to the north. To date drilling at A East has focused on a zone that extends for approximately 400 metres strike length and mineralization encountered is closely aligned to a distinct geophysical anomaly that continues further north for over 500 metres. Significant higher grade intersections at depth indicate the potential for underground mineable resources in the A East Prospect. The mineralization is open at depth and along strike.

An interim Mineral Resource Statement for the southern section of Prospect A East was completed and approximately half a million ounces of gold was identified in all resource categories. These estimates are in addition to the previously announced Mineral Resources at A Prospect where 622,000 ounces of gold have been identified. Current mine planning proposals are for these two areas to be mined as one large open pit. Additionally the K Prospect was re-evaluated and the Mineral Resources upgraded by 44,000 ounces to 174,000 ounces as a result of earlier drilling in the September quarter. Mineral Resources so far identified in the Chatree Volcanic Complex now totals over 2.4 million ounces.

Further drilling is planned for the northerly extensions to the A East mineralisation in the near future and further Mineral Resource estimates will be upgraded when information is to hand.

The resource upgrade for the K East and K West areas, previously referred to as the K Prospect, is mainly in higher grade that has been a result of more closely spaced drilling that has confirmed and extended previously known high grade zones and identified new high grade structures.

Initial Mineral Resources for the A East and revised estimates for K Prospect, now K East and K West, are:

A EAST, K EAST AND K WEST MINERAL RESOURCES						
	Resource Category	Tonnes ('000)	Grade		Contained Ounces	
			Gold (g/t)	Silver (g/t)	Gold	Silver ('000)
A East	Measured	2,356	1.95	25.57	148,000	1,937
	Indicated	3,130	1.89	24.81	190,000	2,497
	Inferred	2,530	1.83	24.03	149,000	1,954
	Sub-Total	8,016	1.89	24.78	487,000	6,388
K East	Measured	527	1.86	14.42	31,500	244
	Indicated	396	1.81	12.73	23,000	162
	Inferred	351	1.87	12.16	21,000	137
	Sub-Total	1,274	1.85	13.27	75,500	543
K West	Measured	384	2.37	11.27	29,000	139
	Indicated	383	2.31	11.83	28,500	146
	Inferred	614	2.08	10.87	41,000	215
	Sub-Total	1,381	2.22	11.25	98,500	490
Total All Categories		10,671	1.93	21.65	661,000	7,421

In deeper drilling at the A East Prospect mineralization has been encountered in a second layer of intercalated volcanics and sediments below the main mineralised 'lower volcanic unit'. This second mineralised zone has the potential to host a repeat of the main mineralization sequence which is hosted in the sediment package above and fed by the steep dipping veins.

Significant intersections include:

Hole Number	From (m)	To (m)	Interval *	Gold (g/t)
RD2562	233.00	267.00	34.00	3.56
RD2601	92.10	150.50	58.40	2.18
RD2625	241.60	251.95	10.35	5.93
RD2635	231.00	235.00	4.00	6.00
	243.00	279.50	36.50	4.60
RC2643	202.00	218.00	16.00	4.27
RD2707	115.00	139.40	24.40	2.37
RD2761	234.20	246.00	11.80	3.74
	257.00	281.50	24.50	3.21

* Intersections may not be true thickness.

Q South Prospect

Drilling to test the zone between the north of A Prospect and the previously drilled part of Q Prospect, a distance of 600m, was commenced during the quarter.

This drilling has confirmed the stratigraphically controlled nature of the mineralization in association with steep dipping mineralised veins. A number of mineralised zones have been identified. Detailed drilling is continuing to determine the extent of the individual zones.

Significant intersections include:

Hole Number	From (m)	To (m)	Interval *	Gold (g/t)
RC2684	17.00	30.00	13.00	1.46
RC2688	58.00	73.00	15.00	15.30
RC2691	1.00	13.00	12.00	1.56
RC2693	6.00	7.00	1.00	12.70
RC2704	2.00	12.00	10.00	4.00
RC2738	18.00	32.00	14.00	1.24
	40.00	43.00	3.00	16.20
RC2775	69.00	70.00	1.00	22.60
RC2777	92.00	100.00	8.00	2.72

* Intersections may not be true thickness.

SURROUNDING AREAS TO CHATREE MINE – EXPLORATION DRILLING

M Prospect

Drilling on M Prospect, 2km NW of the Chatree mill, provided encouraging results to undertake additional drilling.

Significant intersections include:

Hole Number	From (m)	To (m)	Interval *	Gold (g/t)
RC2438	17.00	18.00	1.00	20.1
RC2488	7.00	20.00	13.00	1.84

* Intersections may not be true thickness.

R Prospect

R Prospect is located 2km to 4km south of the Chatree mill, is covered with 7m to 10m of alluvium and contains no outcrop. Air-core drilling has shown the R Prospect bedrock gold anomalous zone to be at least 2km in strike and it is open to the south. Air-core bedrock samples have recorded gold values to in excess of 1 g/t Au. The gold anomalous trend parallels a resistivity anomaly identified from the gradient array IP/resistivity survey completed over the area.

RC drilling in the northern part of R Prospect has also identified several new mineralised zones, which are currently being followed up with additional RC and diamond drilling.

Significant intersections include:

Hole Number	From (m)	To (m)	Interval *	Gold (g/t)
RC2727	17.00	20.00	3.00	9.72
RC2732	12.00	13.00	1.00	11.90
RC2741	71.00	74.00	3.00	13.20
RC2693	6.00	7.00	1.00	12.70
RC2704	2.00	12.00	10.00	4.00

* Intersections may not be true thickness.

V Prospect

V Prospect is a new area identified by air-core bedrock drilling 2km south of the Chatree mill. It contains a number of gold anomalous bedrock samples along one line of drilling and one sample of saprolite assayed 23.5 g/t Au. Follow-up air-core drilling to define the anomaly is being undertaken prior to testing by RC drilling.

REGIONAL EXPLORATION - THAILAND

Work on Singto Prospect, located 16km east of the Chatree mine, has identified a gold and copper anomalous zone 250m wide by 1600m long. Air-core bedrock sampling contains gold assays including 12.7 g/t Au and 4.90 g/t Au. Assays of rock chip samples from the area contain values of up to 14.7 g/t Au. Assay results from channel sampling in old pits include 13m @ 2.15 g/t Au, 15m @ 1.8 g/t Au, 2m @ 9.68 g/t Au and 2m @ 4.17 g/t Au.

Kwang Prospect, 48km to the south of the Chatree mine, has a north south trending gold in soil anomalous (>100 ppb Au) zone measuring 150m by 600m.

Regional BLEG stream sediment sampling has identified additional areas of anomalous gold that are still to be followed up.

SOUTH AMERICA

Kingsgate has established a main exploration office in Santiago and a smaller subsidiary office in Lima. Field teams are now active in both countries focussing on both exploration opportunities and more advanced projects.

In Chile applications have been submitted for ground with potential for Low Sulphidation Epithermal Gold systems similar to Chatree.

In Peru fieldwork has identified highly prospective ground in the south of the country displaying many of the characteristics to that hosting the highly productive El Penon gold deposit in Chile. Applications for this ground are in submission process.

CORPORATE

FINANCE

At 31 December 2004, the group had net cash on hand of US\$32.9 million, of which US\$27.9 million is denominated in Australian dollars. The Company also has in place a revolving credit facility for US\$24 million, with four participating banks. The entire facility was available at 31 December 2004.

The final dividend for 2003/04 of 12 cents per share was paid to shareholders on the 15 October 2004. The dividend amounted to \$10.3 million of which \$2.1 million was paid by means of 703,157 shares issued in accordance with the Dividend Reinvestment Plan.

Due to lower gold production, higher unit costs of production and the accounting treatment of our hedge restructuring the profit for the six (6) months, and subsequently for the year, will be adversely impacted.

Category	Units	Dec 2004 Quarter	Sept 2004 Quarter
Average prevailing spot gold price	US\$/oz	435	403
Average cash price received	US\$/oz	396	391
Gold sold	Ounces	29,649	29,024
Silver sold	Ounces	83,665	60,511
Revenue from metal sales	US\$M	12.3	11.7
Revenue from metal sales (after hedge adjustments)	US\$M	11.0	10.8

GOLD HEDGE POSITION

The average gold price received by Kingsgate for the December quarter was US\$396/oz, compared with an average spot price of US\$435/oz. The lower realized price was caused by delivery of gold sales into out-of-the-money hedge positions. In addition, the additional price achieved on hedge book restructures had to be deferred to future periods in accordance with accounting pronouncements. This had the effect of reducing revenue by US\$1.3 million, equivalent to a reduction in unit price of US\$42.6 per ounce sold.

Hedge commitments outstanding at 31 December 2004 were 333,600 ounces of gold, representing approximately 31% of the Ore Reserves at 30 June 2004. The entire hedge program is illustrated in 'Supplementary Information – B' attached. The Kingsgate Group had no foreign exchange currency hedging in place at the date of this report.

There was a negative mark to market valuation of US\$27.6 million for the hedge book based on a spot price of US\$437.50/oz and an exchange rate of US\$0.7789 on 31 December 2004.

The Group is not exposed to any margin calls from hedge counterparties. In the event that the spot gold price is below US\$300/oz or A\$570/oz, a proportion of production can be delivered to US\$ and A\$ puts. The windows on knock-out barrier calls will all be open by 15 March 2005 and could result in commitments being reduced. Since the end of the quarter 42,000 ounces of \$A denominated calls have been knocked out thereby reducing committed ounces by that amount.

The Company is constantly reviewing the hedge book with a view to reducing commitments, while preserving a degree of price protection.

For further information contact the undersigned or visit our website at www.kingsgate.com.au.

GAVIN THOMAS

CEO

28 January 2005

KINGSGATE CONSOLIDATED LIMITED

Board of Directors

Ross Smyth-Kirk Chairman
 John Falconer Non-Executive Director
 Peter McAleer Non-Executive Director
 John Shaw Non-Executive Director

Company Secretary

John Falconer

Senior Management Team

Gavin Thomas CEO
 Niall Lenahan Chief Financial Officer
 Phil MacIntyre GM Chatree Gold Mine
 Marcus Tomkinson GM Exploration &
 Resource Development
 Surapol Udornpornwirat
 VP Akara Mining Limited

Information in this report that relates to geology, drilling, mineralization and Mineral Resource estimates is based on information compiled by Marcus Tomkinson, Rob Spiers, Ron James and Mike Garman, employees of the Kingsgate Group, and N Johnson of Hellman & Schofield who are Competent Persons under the meaning of the JORC Code with respect to the mineralization being reported on. All have given their consent to the Public Reporting of these statements concerning geology, drilling and mineralization.

Issued Share Capital

Kingsgate has 86,131,930 ordinary shares currently on issue.

In addition, there are 462,000 options issued to employees. Expiry dates are between 11 July 2005 and 29 January 2007 and the options are exercisable at prices ranging from \$2.66 to \$4.44 per share. Options granted to employees are issued under the terms of the Kingsgate Employees and Contractors Option Plan 2001.

Quarterly Share Price Activity

	High	Low	Last
Sep 2003	\$4.00	\$2.70	\$3.88
Dec 2003	\$4.25	\$3.38	\$3.84
Mar 2004	\$3.98	\$3.25	\$3.76
Jun 2004	\$3.90	\$3.32	\$3.51
Sep 2004	\$3.59	\$2.92	\$3.00
Dec 2004	\$3.40	\$2.35	\$2.45

Kingsgate Consolidated (ASX:KCN) is part of the S&P/ASX 200 Index.

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Please direct shareholding enquiries to the share registry



SUPPLEMENTARY INFORMATION - A

Significant drill intersections greater than 10 gram metres for the December 2004 Quarter:

A East Section - Chatree Project									
Hole No.	Easting (mE) Local A	Northing (mN) Local A	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)
RC2710	5270	20025	90	-55	126.00	73.00	78.00	5.00	1.96
RD2712	5191	20007	90	-55	280.05	67.00	72.00	5.00	4.09
						212.00	217.30	5.30	3.02
RC2711	5274	20000	90	-55	114.00	46.00	52.00	6.00	2.25
RC2770	5210	19950	90	-55	159.00	117.00	121.00	4.00	2.57
						140.00	150.00	10.00	2.51
RD2628	5242	19900	90	-55	320.00	60.00	64.00	4.00	* 6.4
						141.00	144.00	3.00	4.83
						308.00	311.00	3.00	6.69
RD2707	5321	19899	90	-55	240.80	115	139.4	24.40	2.37
					incl.	138.00	139.40	1.40	13.80
RD2766	5265	19899	90	-55	283.80	14.00	18.00	4.00	2.95
						248.10	261.00	12.90	5.01
RC2768	5349	19900	90	-55	222.00	95.00	121.00	26.00	1.31
						137.00	141.00	4.00	2.39
RC2629	5250	19850	90	-55	200.00	37.00	42.00	5.00	* 6.62
						246.00	249.40	3.40	4.32
						254.80	275.70	20.90	2.08
					incl.	273.00	275.70	2.70	6.58
RD2708	5330	19850	90	-55	246.70	159.00	162.20	3.20	5.39
						201.00	204.80	3.80	4.00
						209.00	210.40	1.40	12.50
RD2761	5278	19850	90	-55	311.50	154.00	158.30	2.30	6.11
						217.00	221.00	4.00	5.33
						234.20	248.00	11.80	3.74
					incl.	257.00	261.50	24.50	3.21
						273.00	277.00	4.00	6.81
RC2765	5357	19850	90	-55	210.00	115.00	118.00	1.00	10.40
						120.00	138.00	18.00	3.04
RC2767	5382	19850	90	-55	180.00	87.00	95.00	8.00	1.21
						153.00	160.00	7.00	1.59
RC2634	5314	19825	90	-55	246.00	108.00	153.00	45.00	1.11
					incl.	127.00	130.00	3.00	3.79
RD2635	5255	19826	90	-55	320.30	113.00	114.00	1.00	11.00
						231.00	235.00	4.00	6.00
						243.00	279.50	36.50	4.60
					incl.	243.00	249.00	6.00	5.50
					and	261.00	269.60	8.60	11.30
RC2762	5344	19825	90	-55	216.00	130.00	140.00	10.00	4.45
						162.00	164.00	2.00	9.13
RC2763	5369	19825	90	-55	180.00	89.00	108.00	19.00	1.55
					incl.	127.00	142.00	15.00	3.81
						128.00	130.00	2.00	17.90
			To be extended			161.00	180.00	19.00	1.87
RC2764	5395	19825	90	-55	162.00	124.00	157.00	33.00	1.50
RD2802	5379	19800	90	-55	139.60	87.80	97.40	9.60	* 1.49
Note: Intercept 108.4 to 139.6m increased to 154.3m in extension						108.40	154.30	45.90	** 1.26
RD2622	5299	19800	90	-55	222.00	131.00	165.00	34.00	* 2.82
					incl.	143.00	155.00	12.00	* 5.11

A East Section - Chatree Project - continued										
Hole No.	Easting (mE) Local_A	Northing (mN) Local_A	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)	
RD2625	5255	19800	90	-55	326.20	215.95	220.00	4.05	2.79	
RC2759	5321	19800	90	-55	219.00	241.80	251.95	10.35	5.93	
					incl.	103.00	129.00	26.00	1.32	
					incl.	126.00	129.00	3.00	4.13	
					incl.	166.00	189.00	23.00	3.01	
					incl.	179.00	186.00	7.00	5.32	
						206.00	214.00	8.00	2.00	
RC2772	5411	19801	90	-55	120.00	108.00	120.00	12.00	1.58	
			To be extended							
RD2569	5490	19775	270	-55	180.00	99.00	120.00	21.00	* 4.49	
						169.30	171.00	1.70	28.90	
RD2562	5521	19747	270	-55	180.00	92.00	97.00	5.00	* 3.67	
						123.00	139.00	16.00	* 1.44	
						188.20	194.00	5.80	4.43	
						233.00	267.00	34.00	3.56	
					incl.	243.30	247.00	3.70	19.00	
RD2560	5493	19725	270	-55	132.00	68.00	73.00	5.00	* 2.89	
						108.00	120.00	12.00	* 1.65	
						135.00	142.00	7.00	2.14	
						154.45	158.00	3.55	4.11	
						224.20	225.80	1.60	10.10	
RD2561	5513	19725	270	-55	280.10	103.00	107.00	4.00	* 2.46	
						200.00	234.25	34.25	3.57	
					incl.	200.00	203.00	3.00	7.22	
					and	213.00	215.80	2.80	9.02	
						222.00	229.00	7.00	5.67	
RC2641	5400	19700	270	-55	168.00	91.00	96.00	5.00	3.65	
RD2564	5445	19675	270	-55	193.40	55.90	61.00	5.10	4.58	
						78.90	84.00	5.10	3.58	
						119.30	124.00	4.70	2.31	
RD2626	5525	19675	270	-55	300.20	260.00	268.15	8.15	2.30	
RD2565	5481	19650	270	-55	250.50	103.40	104.45	1.05	* 10.5	
						231.30	233.00	1.70	6.36	
RD2566	5515	19650	270	-55	250.40	235.00	237.00	2.00	5.22	
RC2643	5385	19500	90	-55	222.00	202.00	218.00	16.00	4.27	
RC2646	5275	19500	90	-55	222.00	96.00	109.00	13.00	1.50	
RC2751	5258	19500	270	-55	120.00	89.00	95.00	6.00	1.65	
RC2752	5262	19500	270	-55	150.00	113.00	120.00	7.00	1.88	
RC2754	5300	19500	90	-55	138.00	97.00	101.00	4.00	3.58	
						105.00	114.00	9.00	4.22	
RC2644	5370	19450	90	-55	243.00	199.00	203.00	4.00	3.76	
RC2645	5349	19400	90	-55	264.00	218.00	224.00	6.00	2.08	

Note 1: * Intercept previously reported

Note 2: ** Part of intercept previously reported but extension of hole increased interval to intercept shown

H South Section - Chatree Project										
Hole No.	Easting (mE) Local_H	Northing (mN) Local_H	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)	
RD2571	725	5500	90	-55	202.00	148.50	152.70	4.20	5.54	
J Section - Chatree Project										
Hole No.	Easting (mE) Local_C	Northing (mN) Local_C	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)	
RC2669	5132	1633	90	-55	90.00	0.00	2.00	2.00	5.68	
RC2679	5256	1558	90	-55	60.00	33.00	35.00	2.00	6.10	
RC2675	5205	1533	0	-90	91.00	80.00	88.00	8.00	14.50	
					incl.	83.00	88.00	5.00	22.60	
RC2678	5281	1531	90	-55	72.00	12.00	15.00	3.00	4.69	

M Section - Chatree Project									
Hole No.	Easting (mE) Local C	Northing (mN) Local C	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)
RC2448	5223	3183	270	-55	48.00	7.00	20.00	13.00	1.84
					incl. 18.00		20.00	2.00	4.45
RC2438	5132	2906	270	-55	48.00	17.00	18.00	1.00	20.10
Q South Section - Chatree Project									
Hole No.	Easting (mE) Local C	Northing (mN) Local C	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)
RC2777	6476	4531	90	-55	120.00	92.00	100.00	8.00	2.72
					incl. 92.00		93.00	1.00	13.70
RC2774	6597	4306	90	-55	96.00	28.00	35.00	7.00	1.57
			More RC assays awaited						
RC2775	6687	4306	270	-55	120.00	69.00	70.00	1.00	22.60
			More RC assays awaited						
RC2738	6602	4256	90	-55	90.00	18.00	32.00	14.00	1.24
						40.00	43.00	3.00	16.20
			More RC assays awaited						
RC2684	6676	4156	90	-55	90.00	17.00	30.00	13.00	1.46
RC2685	6651	4156	90	-55	90.00	15.00	18.00	3.00	3.40
RD2688	6481	4156	90	-55	90.00	58.00	73.00	15.00	15.30
					incl. 60.00		61.00	1.00	45.10
					and 65.00		66.00	1.00	138.00
RC2691	6406	4156	90	-55	90.00	1.00	13.00	12.00	1.56
RC2693	6476	4131	90	-55	90.00	6.00	7.00	1.00	12.70
RC2694	6656	4131	90	-55	90.00	3.00	10.00	7.00	1.92
RC2704	6700	4080	90	-55	96.00	2.00	12.00	10.00	4.00
RC2705	6724	4079	90	-55	96.00	60.00	64.00	4.00	2.47
R Section - Chatree Project									
Hole No.	Easting (mE) Local R	Northing (mN) Local R	Azimuth Local	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)
RC2742	8450	9736	90	-55	90.00	8.00	11.00	3.00	4.10
						75.00	78.00	3.00	3.69
			More RC assays awaited						
RD2727	8396	9686	270	-55	90.00	17.00	20.00	3.00	9.72
			DDH Assays to come						
RC2741	8195	9686	90	-55	84.00	71.00	74.00	3.00	13.20
RC2732	8198	9608	90	-55	72.00	12.00	13.00	1.00	11.90

Gram metres = length of intersection in metres, multiplied by gold grade in grams/tonne.

Grades are uncut.

Intersections may not be true thickness.

Collar coordinates are local grid.

SUPPLEMENTARY INFORMATION - B

Gold Hedging Positions as at 31 December 2004

		2004/05	2005/06	2006/07	2007/08	Total
Put Options Purchased						
US\$ denominated	'000oz	39.0	82.8	73.5	22.5	217.8
ENRP (average)	US\$/oz	300	304	306	330	307
A\$ denominated	'000oz	21.0	38.5	31.5	14.0	105.0
ENRP (average)	A\$/oz	570	570	570	570	570
Spot Deferred						
US\$ denominated	'000oz	10.8				10.8
Price	US\$/oz	360				360
Call Options Sold (no barriers)						
US\$ denominated	'000oz	-	11.3	15.0	22.5	48.8
Strike price (average)	US\$/oz	-	352	360	360	358
Call Options Sold (with barriers)						
US\$ denominated	'000oz	39.0	71.5	58.5		169.0
Strike price (average)	US\$/oz	315	316	317		316
Barriers (average)	US\$/oz	300	301	302		301
A\$ denominated	'000oz	21.0	38.5	31.5	14.0	105.0
Strike price (average)	A\$/oz	610	611	614	615	612
Barriers (average)	A\$/oz	550	552	557	560	554
Total Gold Hedged						
	'000oz	333.6				
Total Commitment (no barriers)						
	'000oz	59.6				
Total Committed (with barriers) ⁽²⁾						
	'000oz	274.0				
Total Committed (all hedges) ⁽³⁾						
	'000oz	333.6				

(1) ENRP (Estimated Net Realisable Price) is after making allowance for gold lease fees. Following a restructure during the June quarter, all the A\$ puts and the majority of the US\$ puts have no lease rate exposure. Gold lease fees for 23,750 US\$ puts are fixed funded out to 28 June 2005. Thereafter floating gold lease fees are prepaid at 0.5% on the amortised face value of these put options.

(2) When active, the barrier on the call option is triggered by a single trade at or below the respective barrier level, with all associated ounce commitments knocked out. If gold trades below all relevant barriers after 15 March 2005, all of the remaining call options with barriers will be cancelled and the committed ounces with barriers will reduce to zero.

(3) Put options are not committed ounces and do not form part of the Total Committed ounces.

(4) The company is not exposed to any margin calls by counterparty banks in times of higher spot gold prices.

(5) There was a negative mark to market valuation of US\$27.6 million for the hedge book based on a spot price of US\$437.50/oz and an exchange rate of US\$0.7789 on 31 December 2004.

(6) Total commitments represent approximately 31% of total Ore Reserves as at 30 June 2004.