Kingsgate
Consolidated Limited

29 January 2009

Via ASX Online (6 pages) **FOR PUBLIC RELEASE**

The Manager
Announcements
Company Announcements Office
Australian Securities Exchange

Dear Sir/Madam,

New drill results at Chatree North confirm resource growth potential

Results from the resource development drilling program underway at Chatree North continues to confirm the resource growth potential.

Best drill results near the A Pit include **21.5 metres** (m) **at 3.5 grams/tonne** (g/t) gold in initial drilling on the western side of the hill beneath the current planned base of the new A Pit.

Extensions to known ore bodies are being drill tested west of the A Pit and around the proposed Q Pits. Wide ore-grade drill intersections will extend the current orebody within the Chatree North leases and it is anticipated that resources will increase this year.

Other significant intersections from drilling west of the A Pit include:

19m at 2.89g/t gold, 25m at 2.14g/t gold, 8m at 2.73g/t gold and 5m at 2.39g/t gold from the northern end of the A Pit on the western side of the hill;

59m at 1.27g/t gold from surface; **26m at 1.72g/t gold** from surface, 18m at 2.09g/t gold and **21m at 2.96 g/t gold** from the central part of the A Pit on the western side of the hill; and

19m at 2.46g/t gold and **6m at 3.29g/t gold** at the southern end of the A Pit on the western side of the hill.

Managing Director, Gavin Thomas, said that these results confirm the confidence that Kingsgate has had in the growth potential of the world class orebody at Chatree North.

“This is the first time we have drilled these areas and we are excited by the results as they are extensions of our planned new mining areas”, he said.

The southwestern part of the Q Pits area continued to produce significant intersections beyond the previously reported intersection of **30 metres of 5.1 grams/tonne gold**.

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Significant new intersections from drilling on the western side of the southern Q Pits area include:

3m at 5.85g/t gold, **11m at 2.18g/t gold, 18.4m at 2.05g/t gold** and **2m at 6.87g/t gold** from drillholes over a lateral distance of 175metres along the western side of the Q Pits.

A new zone of mineralisation was located north of the northern Q Pits in initial drilling returning **2m at 5.75g/t gold** and **2m at 4.99g/t gold.**

Significant drill hole intercepts from the A Pit and Q Pit areas are reported in the table and are located on the attached map.

Cross-sections (attached) at three locations show the potential to expand and deepen the current planned pit shell of the A Pit to the west as well as increase the potential orebody within the current planned pit shell.

Wide spaced drilling will continue on the western side of A Pit and around the planned Q pits with an expanded resource statement anticipated mid year.

Yours sincerely,

Gavin Thomas
Managing Director & CEO

Information in this report that relates to geology, drilling and mineralisation is based on information compiled by Ron James and Mike Garman, employees of the Kingsgate Group 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 mineralisation.

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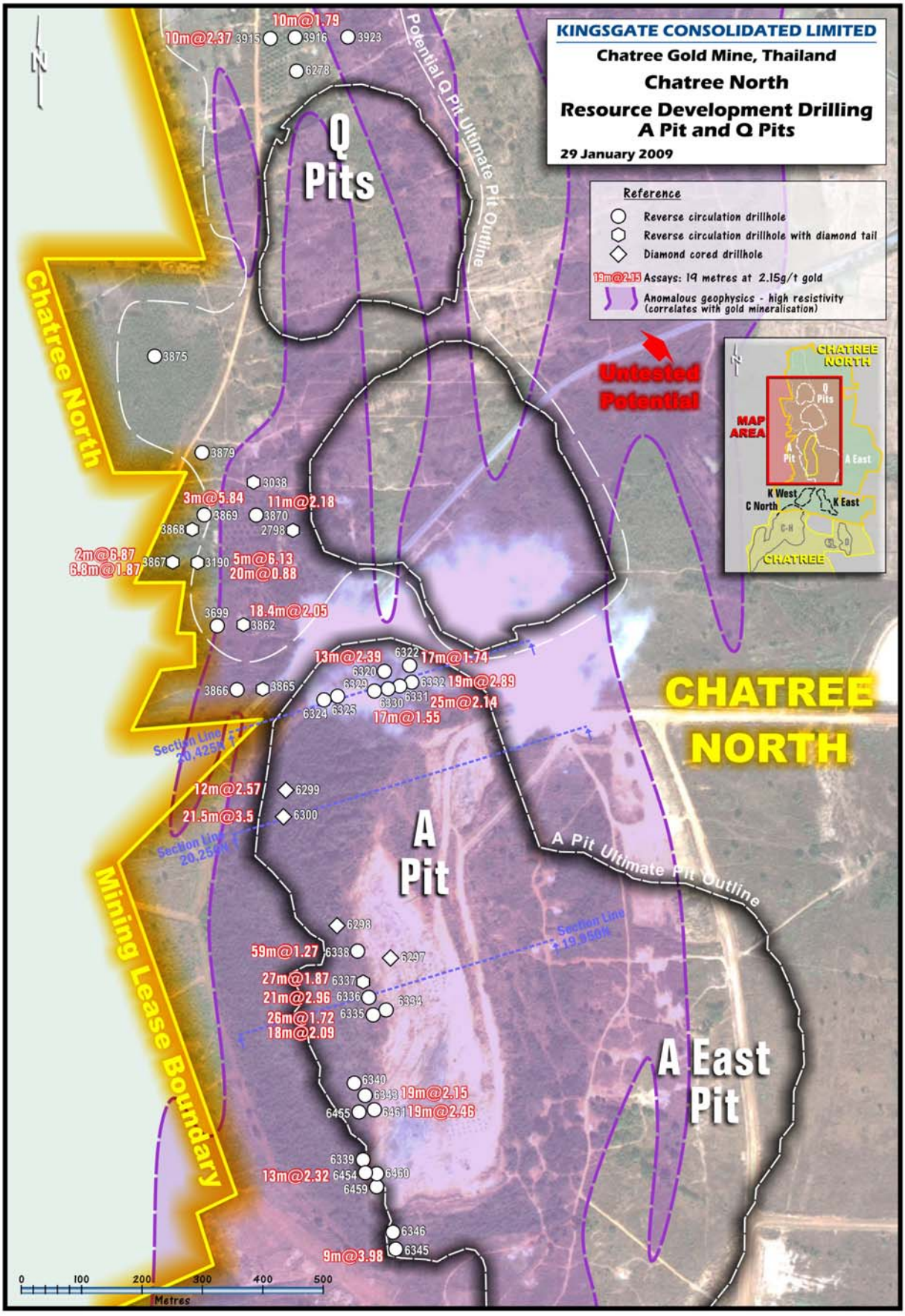

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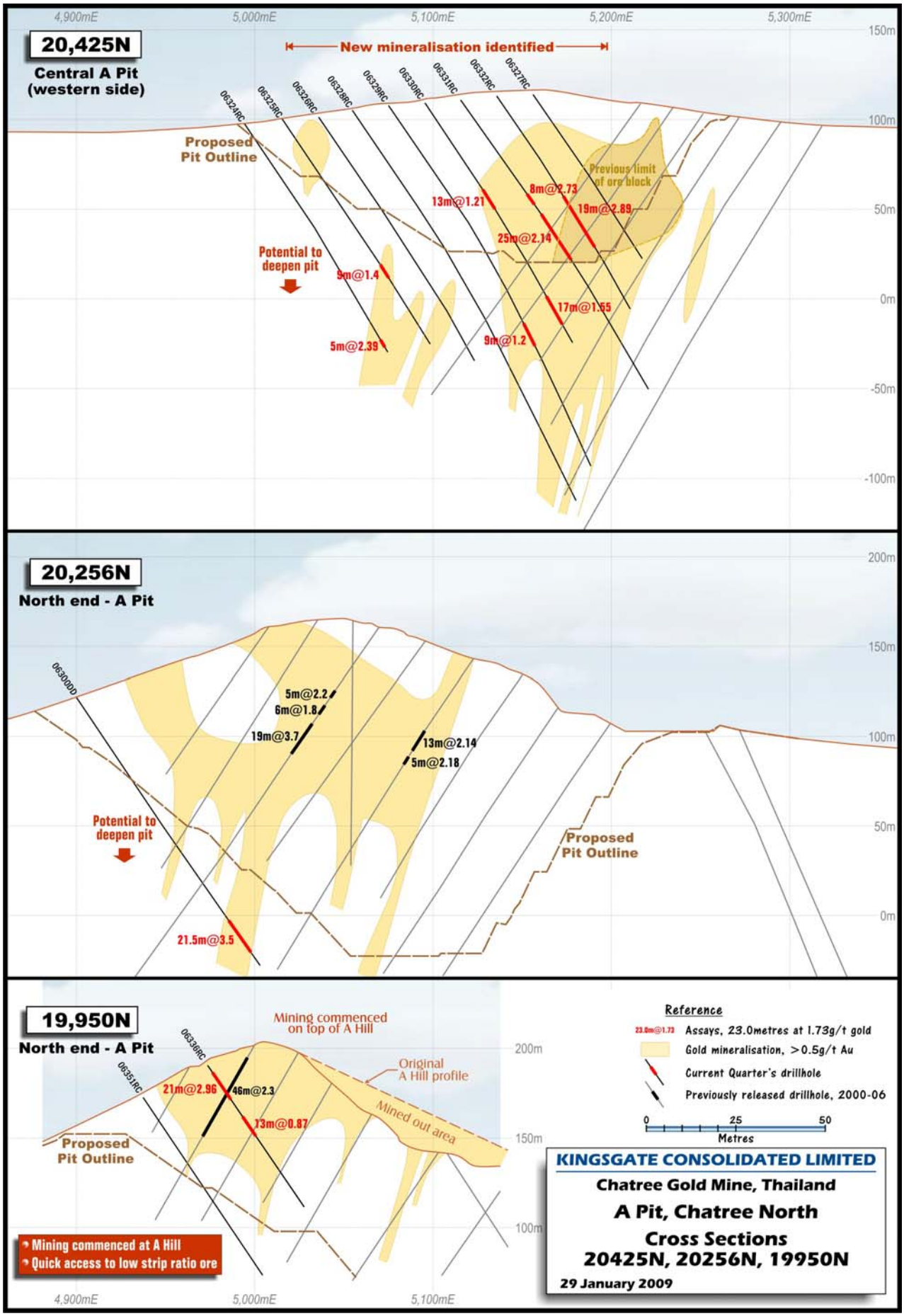

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A PIT AREA DRILL RESULTS - (intercepts with Au assays generally > 10gram.metres)									
Hole	Easting	Northing	Azimuth	Dip	Hole	From	To	Interval	Au
No.	Local_A	Local_A	Local_A	(degrees)	Depth (m)	(m)	(m)	(m)*	(g/t)
6320RC	5101	20450	90	-55	120.00	104.00	117.00	13.00	2.39
6322RC	5140	20450	90	-55	120.00	57.00	74.00	17.00	1.74
						78.00	97.00	19.00	1.46
6324RC	4999	20425	90	-55	150.00	142.00	147.00	5.00	2.39
6325RC	5020	20425	90	-55	150.00	97.00	106.00	9.00	1.40
6329RC	5080	20423	90	-55	230.00	142.00	151.00	9.00	1.20
6330RC	5100	20423	90	-55	156.00	57.00	70.00	13.00	1.21
					and	127.00	144.00	17.00	1.55
6331RC	5120	20424	90	-55	192.00	64.00	72.00	8.00	2.73
					and	77.00	102.00	25.00	2.14
6332RC	5141	20425	90	-55	140.00	81.00	100.00	19.00	2.89
6299DD	4913	20296	90	-55	182.60	0.00	11.50	11.50	1.07
						68.00	80.00	12.00	2.57
6300DD	4900	20255	90	-55	182.20	152.00	173.55	21.55	3.50
6298DD	4951	20072	90	-55	157.00	6.00	10.00	4.00	2.63
						14.00	28.00	14.00	0.92
6338RD	4975	20025	90	-55	180.00	1.00	60.00	59.00	1.27
					and	79.00	98.00	19.00	0.88
6297DD	5024	20006	90	-55	96.10	10.00	27.00	17.00	0.87
						30.00	54.00	24.00	0.76
6337RD	4973	19974	90	-55	90.00	1.00	28.00	27.00	1.87
6336RC	4978	19950	90	-55	96.00	5.00	26.00	21.00	2.96
					and	35.00	48.00	13.00	0.87
6334RC	5001	19925	90	-55	90.00	0.00	10.00	10.00	1.41
					and	16.00	36.00	20.00	1.05
6335RC	4980	19926	90	-55	162.00	1.00	27.00	26.00	1.72
					and	37.00	55.00	18.00	2.09
6340RC	4929	19823	90	-55	84.00	0.00	22.00	22.00	1.14
6343RC	4942	19800	90	-55	111.00	0.00	19.00	19.00	2.15
6455RC	4928	19776	90	-55	105.00	18.00	24.00	6.00	3.29
6461RC	4951	19777	90	-55	70.00	0.00	19.00	19.00	2.46
					incl.	0.00	8.00	8.00	4.75
6339RC	4920	19702	90	-55	100.00	4.00	10.00	6.00	2.87
6454RC	4919	19680	90	-55	129.00	3.00	16.00	13.00	2.32
6460RC	4939	19680	90	-55	93.00	16.00	32.00	16.00	1.50
6459RC	4931	19656	90	-55	96.00	25.00	32.00	7.00	1.34
6346RC	4944	19581	90	-55	84.00	32.00	37.00	5.00	1.85
6345RC	4945	19555	90	-55	60.00	10.00	19.00	9.00	3.98

* Intersections may not be true width

RC = Reverse Circulation Drillhole

RD = RC drillhole with diamond core “tail”

DD = Diamond Core Drillhole

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Q PITS AREA DRILL RESULTS - (intercepts with Au assays generally > 10gram.metres)									
Hole	Easting	Northing	Azimuth	Dip	Hole	From	To	Interval	Au
No.	Local_C	Local_C	Local_C	(degrees)	Depth (m)	(m)	(m)	(m)*	(g/t)
3881RC	6469	5383	90	-55	117.00	46.00	48.00	2.00	5.75
						83.00	85.00	2.00	4.99
3882RC	6550	5382	90	-55	90.00	15.00	19.00	4.00	2.80
3915RC	6377	4857	90	-55	120.00	57.00	67.00	10.00	2.37
3916RC	6417	4857	90	-55	150.00	24.00	34.00	10.00	1.79
3923RC	6499	4859	90	-55	81.00	24.00	32.00	8.00	1.47
6278RC	6420	4806	90	-55	150.00	73.00	80.00	7.00	1.82
3875RC	6195	4356	90	-55	168.00	150.00	155.00	5.00	1.93
3879RC	6270	4205	90	-55	183.00	123.00	125.00	2.00	4.42
3038RD	6351	4158	90	-55	134.70	95.00	102.00	7.00	1.36
3869RC	6274	4105	90	-55	180.00	111.00	114.00	3.00	5.84
3870RC	6354	4105	90	-55	145.00	106.00	117.00	11.00	2.18
2798RD	6413	4082	90	-55	79.90	65.00	75.15	10.15	1.25
3868RD	6254	4084	90	-55	209.30	186.00	194.00	8.00	1.88
3190RD	6268	4031	90	-55	202.80	57.00	62.00	5.00	6.13
						87.00	89.00	2.00	3.73
						96.00	104.00	8.00	1.68
						176.35	196.50	20.15	0.88
3867RD	6224	4032	90	-55	242.50	163.00	165.00	2.00	6.87
						218.00	222.20	4.20	2.47
						227.20	234.00	6.80	1.87
3699RC	6294	3932	90	-55	123.00	114.00	123.00	9.00	1.29
3862RD	6334	3932	90	-55	170.60	104.00	122.40	18.40	2.05
						128.00	132.20	4.20	1.54
3865RD	6364	3832	90	-55	146.00	89.00	92.00	3.00	3.50
3866RC	6324	3832	90	-55	160.00	108.00	110.00	2.00	4.48

* Intersections may not be true width

Previously Reported

RC = Reverse Circulation Drillhole

RD = RC drillhole with diamond core “tail”

DD = Diamond Core Drillhole

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