



Kingsgate

Consolidated Limited

ABN 42 000 837 472

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Via ASX Online (5 pages)

FOR PUBLIC RELEASE

The Manager, Announcements
Company Announcements Office
Australian Securities Exchange

Dear Sir/Madam,

**Kingsgate Reserves Increase:
Chatree Interim Mineral Resources and Ore Reserves Statement 2009**

Kingsgate Consolidated Limited (ASX:KCN) has increased the Ore Reserve estimates at the Chatree Mine in central Thailand.

Interim Ore Reserves increased to 1.5 million ounces of gold in 37.1 million tonnes of ore at a grade of 1.2 grams/tonne gold as at 30 June 2009. This represents a 14% increase after mining depletion over the past year, replacing the ounces of gold mined at almost twice the mining rate of the past year. Interim Mineral Resources are 3.1 million ounces of gold in 81.7 million tonnes of ore at an average grade of 1.2 grams/tonne gold, after mining depletion, as at the end of June 2009.

Resource Definition drilling recommenced at the Chatree North mine late in 2008 after a hiatus of over two years. The estimates are still interim as the ongoing drilling program is projected to continue for another 2-3 years within the mining leases. Initial drilling was prioritised on near-term mining areas, which focused on locating the western limit of the A Pit mineralisation and more recently, the Q pits area.

This past year's drilling encompassed 48,663 metres of Reverse Circulation drilling and 4,672 metres of Diamond drilling. These data were incorporated into the extensive geological data base for the Chatree and Chatree North areas and included updated geological interpretations. Sample preparation and and assaying was undertaken using standard methods at the Chatree mine laboratory, which has been certified under ISO 17024 for Gold and Silver bullion and geochemical assaying.

Drilling during the year upgraded much of the mineralised zones and now less than 15% of the mineral resource model is in the Inferred category, especially in areas that are likely to be mined within the next five years.

Drilling is in progress to assess the open pit potential of the Q Pits and determining if additional ore can be added to the north-eastern area of A Pit.

In addition, a long term drilling program has commenced to determine the untested potential of the high-grade “feeder zones”, previously identified at deeper levels in A Pit, in order to extend the open pit and underground mining potential. Geological data is limited at depth, as shown on the A pit cross-section, and the year’s drilling will test the deeper extensions of known mineralisation within the A Pit. The final open pit limit is likely to be enlarged if mineralisation is demonstrated to extend further at depth.

Deposit Growth Potential

Modelling indicates that there is significant potential for the total Chatree gold deposit within the open pits to be substantially larger at current gold prices without affecting the gold grade.

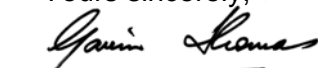
To better understand the potential of the Chatree North mine, various pit optimisation studies using the Whittle Four-X program and utilising different gold price scenarios have been completed. Whittle Four-X is extensively used in the mining industry in order to determine optimum “pit shells”. For a given block model, slope data, costs, and metallurgical recoveries, Whittle Four-X calculates a series of incremental pit shells in which each shell is an optimum for a slightly higher metal price factor. Final ore reserves may vary from optimised figures by approximately $\pm 15\%$.

Using only Proven & Probable categories from the latest resource block model, scenario analyses were used at Chatree to determine the impact of higher gold prices on pit optimizations. Results are summarised in the following table:

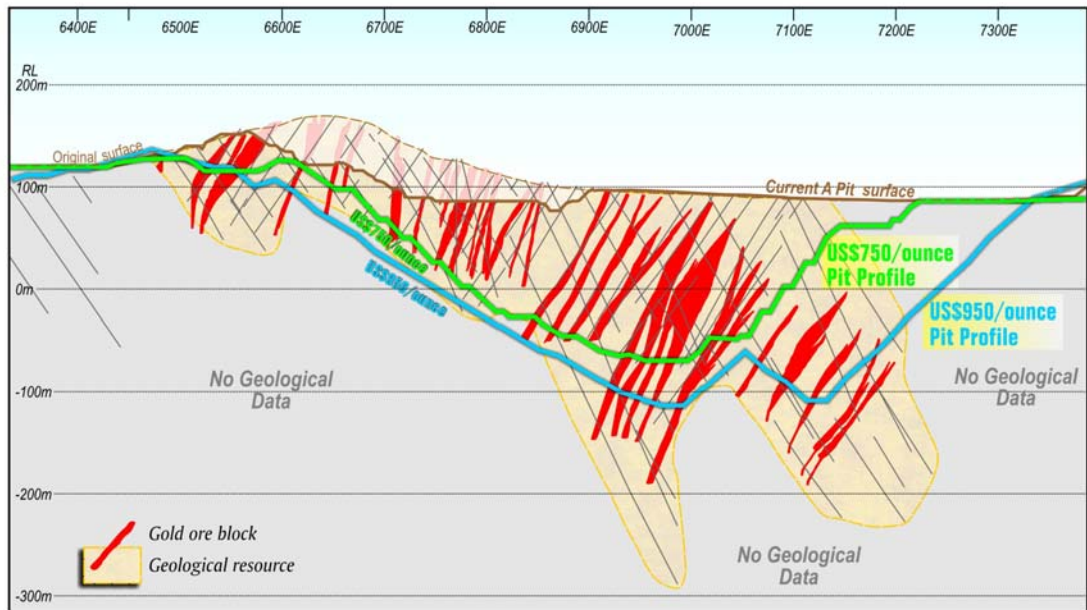
Grade/Tonnage Variance Versus Gold Price			
Gold Price (US\$)	Gold Grade (Grams/Tonne)	Tonnes (Millions)	Contained Gold (millions ounces)
750	1.28	40.4	1.66
850	1.27	46.7	1.91
950	1.26	50.5	2.05

This table demonstrates that pit optimisations at Chatree are sensitive to gold price with good potential to substantially increase ore reserves at higher gold prices than the currently reported scenario which used a gold price assumption of US\$750/ounce gold price, based on an approximation of the last three years gold price to end June 2009. Higher gold price assumptions may be considered reasonable given that the average gold price was approximately US\$880/ounce for the last two years. Work is in progress on pit designs at higher gold prices in order to establish possible cut-backs and alternative mining scenarios.

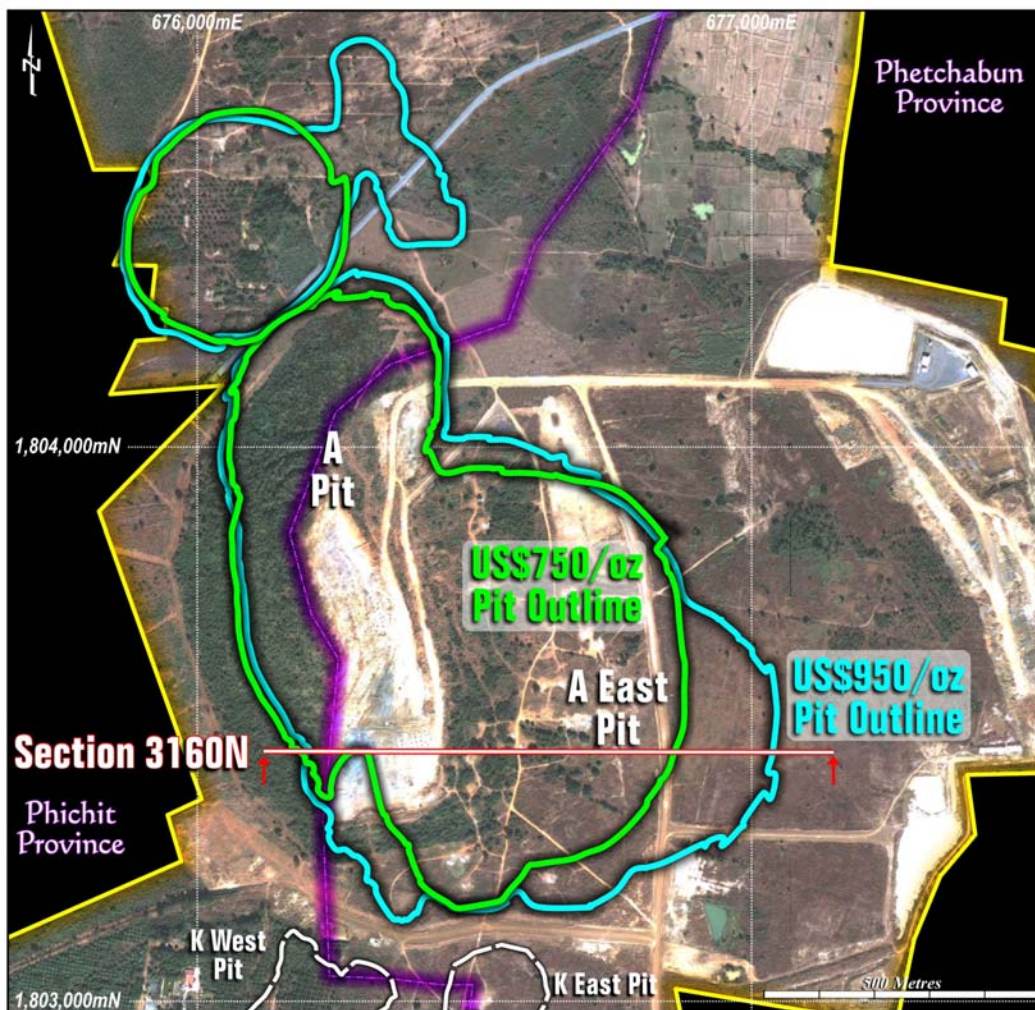
Yours sincerely,



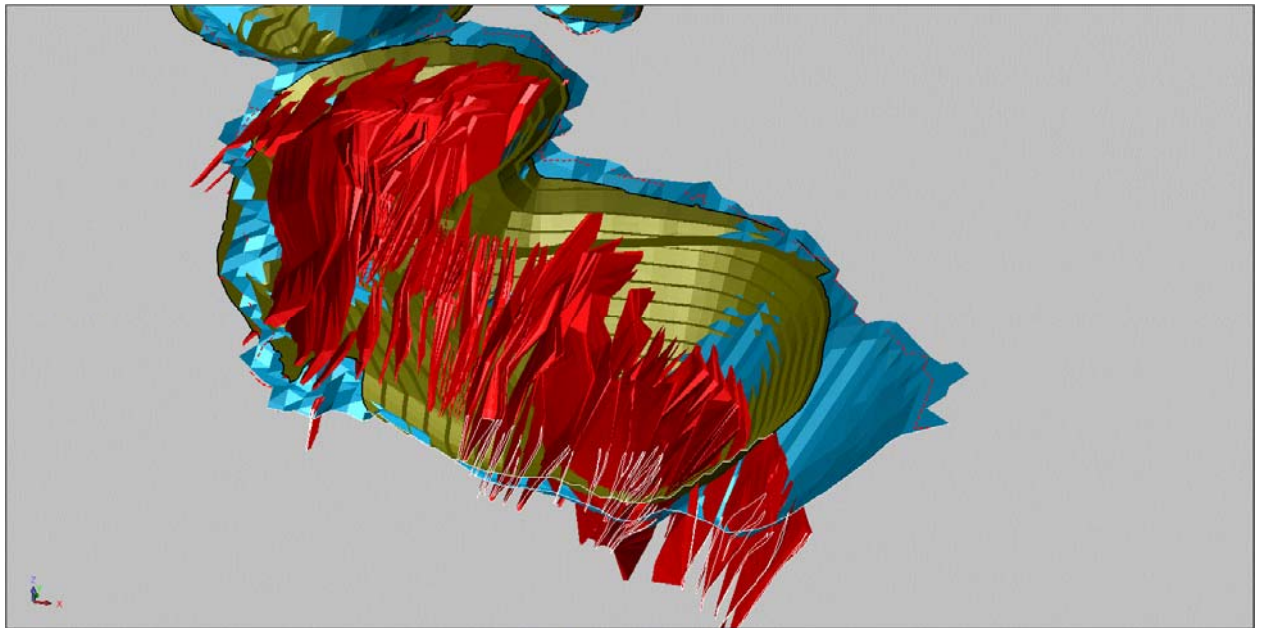
Gavin Thomas
Managing Director & CEO



Cross Section of the A Pit at 3160N showing the modelled pit shells using a US\$750/oz (green) and US\$950/oz (blue) gold price assumptions



Plan view of A Pit showing the modelled pit shells using a US\$750/oz (green) and US\$950/oz (blue) gold price assumptions at the 60mRL level.



3-D view of A Pit with wireframe gold mineralised zones showing modelled pit shells using a US\$750/oz (green) and US\$950/oz (blue) gold price assumptions.

Chatree Mineral Resources Inclusive of Ore Reserves as at 30 June 2009 (>0.5 g/t Au cut-off grade) (3)						
Source	Category	Tonnes (Million Tonnes)	Grade		Contained Ounces	
			Gold (g/t)	Silver (g/t)	Gold (Million Oz)	Silver (Million Oz)
Chatree Mine Leases (1,4,5)	Measured	7.4	1.22	6	0.29	1.49
	Indicated	6.1	1.36	6	0.27	1.25
	Inferred	3.9	1.26	6	0.16	0.78
	Total	17.4	1.28	6	0.71	3.51
Chatree North Mine Leases (2)	Measured	33.4	1.20	11	1.29	12.04
	Indicated	22.1	1.13	9	0.80	6.29
	Inferred	7.0	1.05	7	0.24	1.50
	Total	62.5	1.16	10	2.33	19.84
Stockpiles	Subtotal	1.9	0.91	13	0.06	0.80
	Measured	40.8	1.21	10	1.58	13.53
	Indicated	28.2	1.18	8	1.07	7.54
	Inferred	10.9	1.13	6	0.39	2.28
Chatree Total	Total	81.7	1.18	9	3.10	24.14

Chatree Ore Reserves as at 30 June 2009 (>0.5 g/t Au cut-off) (3)						
Source	Category	Tonnes (Million Tonnes)	Grade		Contained Ounces	
			Gold (g/t)	Silver (g/t)	Gold (Million Oz)	Silver (Million Oz)
Chatree Mine Leases (1,4,5)	Proved	1.9	1.5	8	0.09	0.45
	Probable	1.4	2.0	8	0.09	0.36
	Total	3.2	1.7	8	0.18	0.81
Chatree North Mine Leases (2)	Proved	22.7	1.2	13	0.89	9.14
	Probable	9.3	1.2	11	0.35	3.29
	Total	32.0	1.2	12	1.24	12.43
Stockpiles	Subtotal	1.9	0.9	13	0.06	0.80
	Proved	24.6	1.2	12	0.98	9.59
	Probable	10.7	1.3	11	0.44	3.65
Chatree Total	Total	37.1	1.2	12	1.47	14.04

Notes for Mineral Resources and Ore Reserves Statement:

Some rounding of figures may cause numbers not to add correctly.

(1) Includes C, H, D, HS, HW, S, P and J cut to the end of June 2009 Chatree mine surface.

(2) Includes A, AE, Q, KW and KE at Chatree North mine, cut to the end of June 2009 mine surface.

(3) The ore reserves are based on a US\$750/oz gold price and US\$12.50/oz silver price, which is the approximate three-year average price, prior to 30 June 2009, prepared by Kingsgate from public data.

Chatree Mine Leases:

(4) Based on detailed mine designs, with the exception of D Pit where time constraints necessitated the use of optimised pit and 85% factor on gold ounces.

(5) C North is based on detailed mine designs and assumes approval to mine through a public road.

Competent Persons

Information in this report relates to Exploration Results, Mineral Resource and Ore Reserve estimates based on information compiled by the following Competent Persons: Ron James, Mike Garman, Guy Davies and Suphanit Suphananthi who are employees of the Kingsgate Group and members of The Australasian Institute of Mining and Metallurgy, and Rob Spiers who is an employee of Hellman & Schofield Pty Ltd and 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, 2004 edition) and possess relevant experience in relation to the mineralisation 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.