



**Kingsgate**

Consolidated Limited

ABN 42 000 837 472

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**FOR PUBLIC RELEASE**

The Manager, Announcements  
Company Announcements Office  
Australian Securities Exchange

Dear Sir/Madam,

### **Potential for Re-opening Previously Closed Chatree Pits**

New gold zones and deeper extensions to veins beneath the currently mined out pits at Chatree show the potential for re-opening these mining areas in the near future.

Recent drilling identified new gold mineralised veins around the previously closed D Pit and S Pits at Chatree. Drilling is proposed in other mined out pit areas at the original Chatree Mining Lease. Mineralisation first reported in January 2010, has been intersected over **330 metres of strike**, averaging **10 – 20 metres wide** and assaying up to **2.6 grams/tonne gold**.

Another new vein, closer to surface near D Pit, has been intersected over 150 metres laterally, averaging 10-16 metres wide and up to grams/tonne gold. Both of these new veins near D Pit are open to the north and at depth.

The original main vein extension at D Pit has been extended at depth beneath the previous pit floor with results including **13 metres at 2.3 grams/tonne gold**.

Nearby drilling beneath the previously closed S Pit also shows an extension of the vein beneath the pit floor, reporting up to **2.1 metres at 25 grams/tonne gold**.

Drilling recently commenced under the previously closed H Pit at Chatree. Initial drilling results include **8 metres at 3.4 grams/tonne gold**.

These drilling results in new and extended gold veins indicate the potential to re-open previously mined out pits at Chatree at currently higher gold prices. Most of these pits were mined when the gold price was between US\$300 – 600/ounce.

Drilling will be conducted over the coming months around all of the prior closed pits at Chatree, aided by a seismic line scheduled for April, which will assist targeting potentially high grade extensions beneath the pits by mapping favourable stratigraphic sequences.

Yours sincerely,

**Gavin Thomas**

**Managing Director & CEO**

Information in this report that relates to exploration results, geology, drilling and mineralization is based on information compiled by Ron James and Mike Garman who are employees of the Kingsgate Group and members of The Australasian Institute of Mining and Metallurgy. 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 mineralization being reported on. All of these Competent Persons have consented to the Public Reporting of these statements concerning exploration results, geology, drilling and mineralization and the inclusion of the material in the form and context in which it appears.

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| D PIT DRILL RESULTS - (INTERCEPTS WITH Au ASSAYS GENERALLY >10GRAM.METRES) |                    |                     |                    |               |                               |   |                                   |                              |                              |                       |
|--|--------------------|---------------------|--------------------|---------------|-------------------------------|---|-----------------------------------|------------------------------|------------------------------|-----------------------|
| Hole No.   | Easting Local grid | Northing Local grid | Azimuth Local grid | Dip (Degrees) | Hole Depth (m)                | From (m)                                | To (m)                            | Interval (m)*                | Au (g/t)                     | Ag (g/t)              |
| 1049RDext  | 7175               | 2039                | 90                 | -50           | 361.00                        | 175.70<br>249.40<br><b>incl. 271.00</b> | 179.05<br>275.55<br><b>275.55</b> | 3.35<br>26.15<br><b>4.55</b> | 16.70<br>2.06<br><b>3.71</b> | 119.2<br>25.9<br>78.1 |
| 1574RDext  | 7161               | 2065                | 90                 | -50           | 269.20                        | 244.55                                  | 255.45                            | 10.90                        | 2.58                         | 81.8                  |
| 7046RDext  | 7143               | 2065                | 90                 | -53           | 296.60                        | 269.25                                  | 279.40                            | 10.15                        | 0.98                         | 8.6                   |
| 7054RDext  | 7383               | 1562                | 270                | -53           | 251.20                        | 112.60                                  | 136.00                            | 23.40                        | 1.16                         | 2.9                   |
| 7063RDext  | 7150               | 2089                | 55                 | -53           | 245.45                        | 214.95                                  | 224.70                            | 9.75                         | 2.64                         | 56.5                  |
| 7065RDext  | 7150               | 2087                | 75                 | -53           | 264.10                        | 224.90                                  | 242.50                            | 17.60                        | 2.40                         | 36.3                  |
| 7073RC   | 7175               | 2090                | 25                 | -53           | 200.00                        | 0.00<br>52.00<br>114.00                 | 13.00<br>55.00<br>123.00          | 13.00<br>3.00<br>9.00        | 1.06<br>3.88<br>2.55         | 6.3<br>5.7<br>34.9    |
| 7075RC   | 7240               | 2041                | 90                 | -53           | 243.00                        | 205.00                                  | 226.00                            | 21.00                        | 1.02                         | 25.8                  |
| 7084RC   | 7439               | 1490                | 270                | -53           | 180.00                        | 134.00<br><b>incl. 134.00</b>           | 141.00<br><b>137.00</b>           | 7.00<br><b>3.00</b>          | 2.08<br><b>4.06</b>          | 6.1<br><b>7.7</b>     |
| 7090DD   | 7168               | 1814                | 90                 | -52           | 282.00                        | 91.00                                   | 97.00                             | 6.00                         | 2.67                         | 9.9                   |
| 7197RDext  | 7216               | 2015                | 90                 | -55           | 289.10                        | 151.90<br>254.95                        | 159.90<br>265.30                  | 8.00<br>10.35                | 1.67<br>1.27                 | 26.8<br>14.0          |
| 7200RDext  | 7199               | 1965                | 90                 | -50           | 275.70                        | 239.70                                  | 251.00                            | 11.30                        | 1.27                         | 32.0                  |
| 7202RDext  | 7179               | 1915                | 90                 | -52           | 311.80                        | 245.60                                  | 249.70                            | 4.10                         | 2.69                         | 25.4                  |
| 7243RC   | 7149               | 2190                | 90                 | -60           | 267.00                        | 3.00<br>100.00                          | 17.00<br>116.00                   | 14.00<br>16.00               | 1.66<br>2.17                 | 16.4<br>30.8          |
| 7244RC   | 7127               | 2195                | 75                 | -55           | 279.00                        | 26.00<br>106.00                         | 39.00<br>122.00                   | 13.00<br>16.00               | 2.03<br>2.64                 | 3.6<br>23.3           |
| 7247RC   | 7121               | 2194                | 92                 | -60           | 75.00                         | 27.00<br>52.00                          | 47.00<br>70.00                    | 20.00<br>18.00               | 1.71<br>0.78                 | 8.8<br>5.9            |
| Results awaited for core tail  |                    |                     |                    |               |                               |   |                                   |                              |                              |                       |
| 7250DD   | 7109               | 2201                | 65                 | -57           | 251.30<br><b>incl. 120.20</b> | 119.50<br><b>120.20</b>                 | 129.00<br><b>125.00</b>           | 9.50<br><b>4.80</b>          | 3.78<br><b>6.13</b>          | 74.3<br>132.0         |
| 7251RC   | 7153               | 2191                | 70                 | -55           | 140.00                        | 0.00                                    | 6.00                              | 6.00                         | 1.53                         | 18.8                  |
| 7253RC   | 7254               | 1965                | 90                 | -55           | 130.00                        | 65.00                                   | 74.00                             | 9.00                         | 2.15                         | 39.9                  |
| 7254RC   | 7261               | 1990                | 90                 | -55           | 45.00                         | 24.00                                   | 37.00                             | 13.00                        | 2.28                         | 9.5                   |

\* Intersections may not be true width   Previously released

| S PIT DRILL RESULTS - (INTERCEPTS WITH Au ASSAYS GENERALLY >10GRAM.METRES) |                    |                     |                    |               |                |                  |                  |               |               |             |
|--|--------------------|---------------------|--------------------|---------------|----------------|------------------|------------------|---------------|---------------|-------------|
| Hole No.   | Easting Local grid | Northing Local grid | Azimuth Local grid | Dip (Degrees) | Hole Depth (m) | From (m)         | To (m)           | Interval (m)* | Au (g/t)      | Ag (g/t)    |
| 5224RDext  | 6866               | 1861                | 90                 | -55           | 285.30         | 216.50<br>244.00 | 232.50<br>246.10 | 16.00<br>2.10 | 0.99<br>25.50 | 4.0<br>10.4 |
| 7087RC   | 6890               | 1846                | 90                 | -55           | 200.00         | 35.00            | 38.00            | 3.00          | 3.12          | 9.7         |

\* Intersections may not be true width

| H PIT DRILL RESULTS - (INTERCEPTS WITH Au ASSAYS GENERALLY >10GRAM.METRES) |                    |                     |                    |               |                |                  |                  |               |              |             |
|--|--------------------|---------------------|--------------------|---------------|----------------|------------------|------------------|---------------|--------------|-------------|
| Hole No.   | Easting Local grid | Northing Local grid | Azimuth Local grid | Dip (Degrees) | Hole Depth (m) | From (m)         | To (m)           | Interval (m)* | Au (g/t)     | Ag (g/t)    |
| 7305RC   | 685                | 6153                | 90                 | -54           | 237.00         | 153.00           | 158.00           | 5.00          | 2.51         | 15.2        |
| 7245RC   | 714                | 6048                | 90                 | -60           | 200.00         | 168.00<br>176.00 | 171.00<br>179.00 | 3.00<br>3.00  | 3.00<br>2.40 | 4.7<br>8.3  |
| 7301RC   | 676                | 5999                | 90                 | -82           | 207.00         | 147.00           | 151.00           | 4.00          | 2.92         | 9.5         |
| 7302RC   | 677                | 5999                | 90                 | -72           | 213.00         | 189.00           | 199.00           | 10.00         | 1.34         | 3.4         |
| 7307RC   | 643                | 5550                | 90                 | -60           | 213.00         | 84.00            | 90.00            | 6.00          | 1.79         | 63.3        |
| 7246RC   | 718                | 5400                | 90                 | -55           | 165.00         | 4.00<br>146.00   | 12.00<br>149.00  | 8.00<br>3.00  | 3.39<br>5.50 | 11.1<br>6.3 |

Intersection may not be true width RD, RD ext=Reverse Circulation drillhole (RC) with Diamond core tail

