



Kingsgate

Consolidated Limited

42 000 837 472

10th June 2010

The Manager
Company Announcements Office
Australian Securities Exchange

Via ASX online (1page)

Dear Sir/Madam,

KINGSGATE GAINS BOI APPROVAL – PLANT EXPANSION APPROVED

The Thai Board of Investment ("BOI") has announced that Kingsgate's Thai subsidiary, Akara Mining Limited, has been approved for a Zone 3 investment promotion package for the new Chatree North Processing Plant in central Thailand. A Zone 3 (rural) fiscal incentive includes an eight year tax free period from first production, followed by a further five years at half the 30% corporate tax rate.

Tax will continue to be paid on production from the existing plant at half the 30% corporate tax rate until November 2014.

The Company has invested in central Thailand for nearly 20 years and we look forward to continuing our collaboration and contribution to the region.

Based on the investment approval provided, the Board has approved the plant expansion, which will commence immediately by finalising the engineering and construction contracts.

The new Chatree North Processing Plant will be a separate 2.7 million tonne per annum ore processing plant, to be built alongside the current 2.3 million tonnes per annum Chatree processing plant. This will lift combined total ore processing capacity to in excess of 5 million tonnes per year. When fully operational gold production levels has the potential to increase to a rate of 200,000 to 250,000 ounces per year.

The Company and Akara will initiate funding arrangements which are envisaged to be predominantly debt facilities for the approximately US\$100 million necessary to complete the Chatree North Plant Expansion. Already US\$25 million has been spent on long lead capital items and engineering design. Currently the Company has approximately US\$36 million in cash and an undrawn US\$30 million working capital facility with Investec.

Yours sincerely,



Gavin Thomas
Managing Director and CEO
KINGSGATE CONSOLIDATED LIMITED

Kingsgate Consolidated Limited
(ABN 42 000 837 472)
Suite 801, Level 8, 14 Martin Place
Sydney NSW 2000 Australia

Telephone: 61 2 8256 4800
Facsimile: 61 2 8256 4810
Email: info@kingsgate.com.au
Website: www.kingsgate.com.au