



# Kingsgate

Consolidated Limited

ABN 42 000 837 472

22 June 2010

The Manager, Announcements  
Company Announcements Office  
Australian Securities Exchange

**FOR PUBLIC RELEASE  
Via ASX Online (5 pages)**

Dear Sir/Madam,

## **New High Grade Gold Zones – Chatree North Gold Mine**

New high grade gold mineralisation has been intersected to the east of the proposed Q Pits in the northern section of Kingsgate's Chatree North Mine in central Thailand as part of a drilling campaign to extend geological resources in the planned pit areas.

Best results from a new high grade gold zone, 400 metres east of the proposed Q Pits, include:

- **14 metres at 5.86 grams per tonne gold** from 169 metres down hole, **including 9 metres at 8.11 grams per tonne gold** from 171 metres depth (Hole 6517RC).

This Q East mineralisation, which has potential for underground mining, remains open along strike and at depth. The high grade zones appear to be associated with a geophysical resistivity anomaly that extends for approximately 1.5 kilometres North-South. Another previous deeper high grade intercept (11 metres at 3.5 g/t gold) 380 metres to the south appears to be correlated, indicating the potential for an extensive underground mineralised zone. At Chatree, the margins (edges) of geophysical resistivity anomalies have often been associated with higher grade gold intercepts and these margins have proved to be a successful targeting tool.

Around the proposed Q Pits, drilling continues to extend the known gold mineralisation with the potential to enlarge the size of the planned open pits, with best results including:

- **29 metres at 1.94 grams per tonne gold** from 60m depth, **including 7 metres at 4.67 grams per tonne gold**, from 79 metres down hole (Hole 6505RC);
- **15 metres at 2.56 grams per tonne gold** from 207 metres down hole, **including 5 metres at 5.18 grams per tonnes gold** from 212 metres depth (Hole 6519RC); and
- **10 metres at 2.94 grams per tonne gold** from 90 metres down hole (Hole 7285RC).

Drilling around the previously mined Chatree H and S Pits continues, with narrow high grade zones at H Pit being intersected, including:

- **15 metres at 1.63 grams per tonne gold** from 208 metres down hole, **including 3.8 metres at 3.91 grams per tonne gold** from 219.2 metres depth (Hole 7335RC); and
- **2 metres at 7.63 grams per tonne gold** from 175 metres down hole (Hole 7359RC).

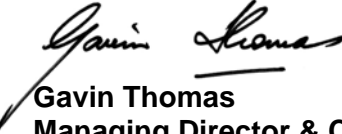
Results from drilling at S-Pit confirm the continuity of the high-grade structure at depth beneath the pit with **2 metres at 9.38 grams per tonne gold** from 175 metres depth (Hole RC7275).

The primary aim of the 2010 drilling programme at Chatree is to increase Resources to better understand the open pit potential of the mine. Drilling has also focused on the previously closed

open pits at the Chatree Mine, which were predominantly mined when gold prices were US\$350-600 per ounce, and to expand the potential around the proposed Q-Pits. Drilling will also concentrate on locating high grade gold zones that could have potential for a future high grade underground operation by adding higher grade ore feed to the current operation.

A summary of the latest drill results with gold mineralised intercepts over 10gram x metres, is included in Table 1.

Yours sincerely,

  
**Gavin Thomas**  
**Managing Director & CEO**  
**Kingsgate Consolidated Limited**

*Information in this report relates to Exploration Results based on information compiled by the following Competent Persons, Ron James, Genesio Circosta 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 mineralisation being reported herein as Exploration Results. 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.*

<b>Q PROSPECT DRILL RESULTS - (INTERCEPTS WITH Au ASSAYS GENERALLY &gt;10GRAM.METRES)</b>									
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)
6505RC	6498	4227	90	-55	123.00	60.00	89.00	29.00	1.94
					<b>incl.</b>	<b>79.00</b>	<b>86.00</b>	<b>7.00</b>	<b>4.67</b>
6506RC	6525	4230	90	-55	102.00	66.00	81.00	15.00	1.39
6507RC	6359	4180	90	-55	135.00	88.00	109.00	21.00	0.93
6511RC	6350	4280	90	-55	130.00	104.00	114.00	10.00	2.25
6517RC	7001	4351	270	-70	220.00	169.00	183.00	14.00	5.86
					<b>incl.</b>	<b>171.00</b>	<b>180.00</b>	<b>9.00</b>	<b>8.11</b>
6519RC	6232	4081	90	-60	237.00	92.00	114.00	22.00	0.66
						207.00	222.00	15.00	2.56
					<b>incl.</b>	<b>212.00</b>	<b>217.00</b>	<b>5.00</b>	<b>5.18</b>
7274RD	6245	3981	90	-60	280.00	168.00	208.90	40.90	0.79
					<b>incl.</b>	<b>180.00</b>	<b>199.43</b>	<b>19.43</b>	<b>1.05</b>
7285RC	6276	3980	90	-55	230.00	49.00	61.00	12.00	1.02
						90.00	100.00	10.00	2.94
					<b>incl.</b>	<b>97.00</b>	<b>99.00</b>	<b>2.00</b>	<b>7.20</b>
						108.00	117.00	9.00	1.37
						138.00	148.00	10.00	0.76
						164.00	173.00	9.00	0.78
7286RC	6240	3982	90	-70	276.00	62.00	65.00	3.00	3.22
						70.00	74.00	4.00	2.63

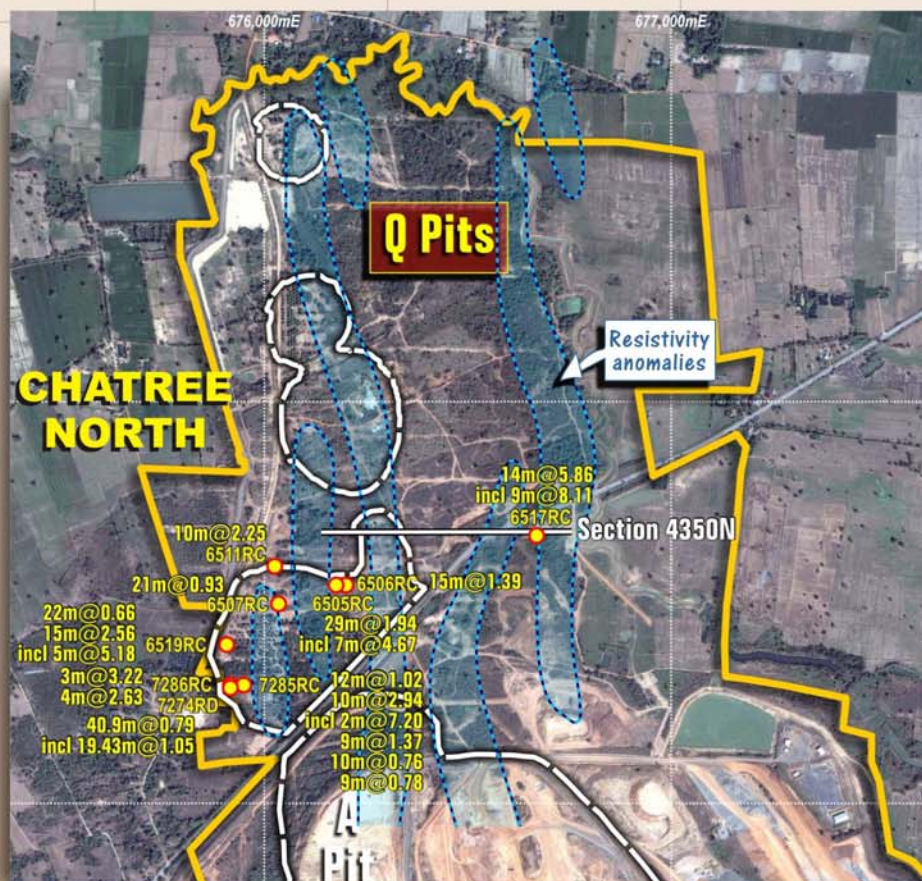
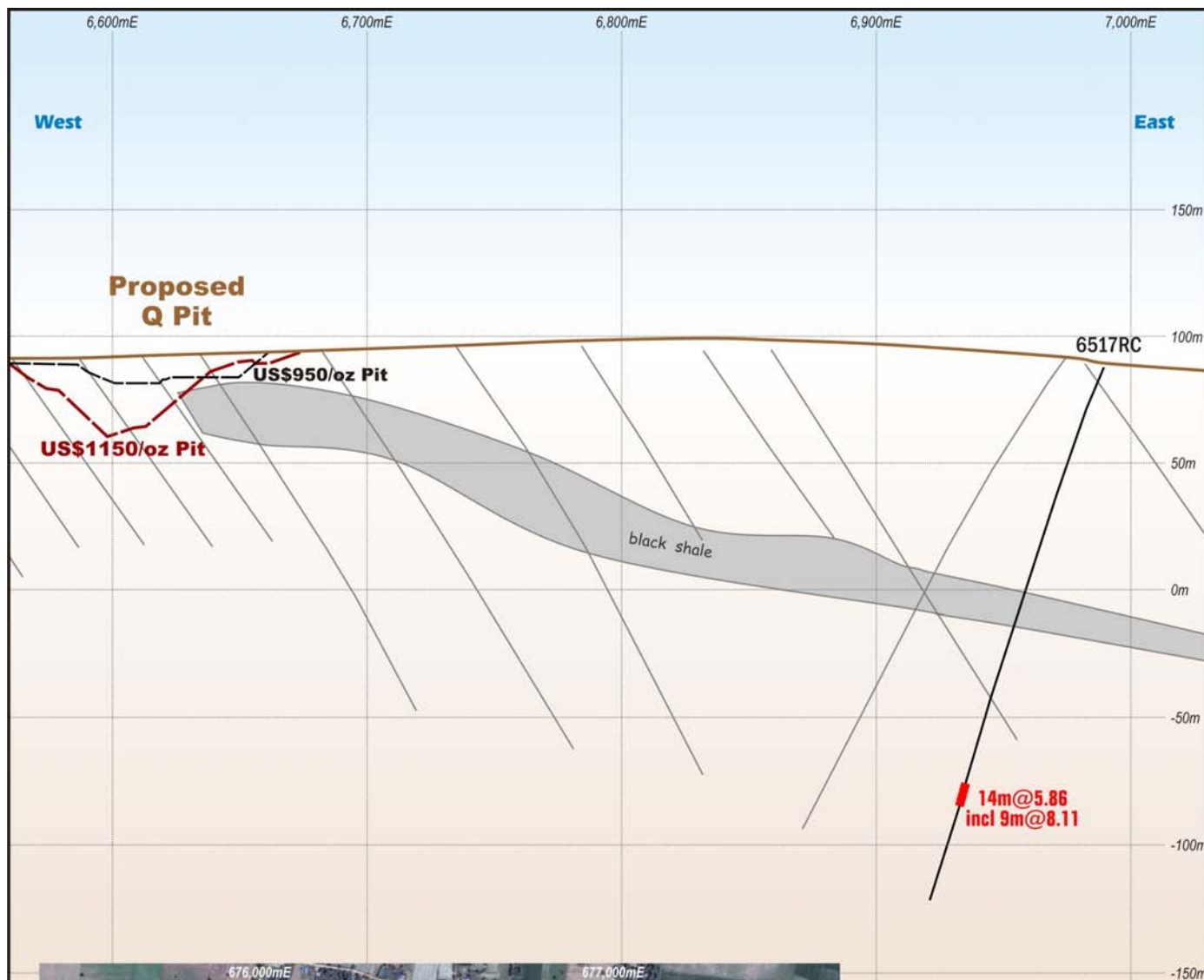
<b>D / K East PROSPECT DRILL RESULTS - (INTERCEPTS WITH Au ASSAYS GENERALLY &gt;10GRAM.METRES)</b>									
Hole No.	Easting Local grid	Northing Local grid	Azimuth Local grid	Dip (Degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
7330RC	7091	2364	90	-72	250.00	227.00	237.00	10.00	1.03
7045RDext	7141	2040	90	-55	362.06	229.55	232.15	2.60	2.67

<b>K West PROSPECT DRILL RESULTS - (INTERCEPTS WITH Au ASSAYS GENERALLY &gt;10GRAM.METRES)</b>									
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)
7264RC	6182	2513	90	-55	270.00	177.00	183.00	6.00	1.87

<b>H PROSPECT DRILL RESULTS - (INTERCEPTS WITH Au ASSAYS GENERALLY &gt;10GRAM.METRES)</b>									
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)
7335RD	364	6151	90	-60	338.40	133.00	138.00	5.00	3.05
						208.00	223.00	15.00	1.63
					<b>incl.</b>	<b>219.20</b>	<b>223.00</b>	<b>3.80</b>	<b>3.91</b>
7359RC	500	5750	90	-60	255.00	82.00	84.00	2.00	7.63
						115.00	117.00	2.00	3.92

<b>S PROSPECT DRILL RESULTS - (INTERCEPTS WITH Au ASSAYS GENERALLY &gt;10GRAM.METRES)</b>									
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)
7275RC	7078	1890	270	-53	200.00	175.00	177.00	2.00	9.38

\* Intersections may not be true width. RC = Reverse Circulation drillhole; RD= RC hole with diamond tail.



#### Note

The US\$950/oz Pit Shell is based on a June 2009 Pit Shell Optimisation study.

The US\$1150/oz Pit Shell is based on a conceptual "Whittle 4D" Pit completed in January 2010 based on June 2009 data.

#### Reference

- Current Release drillhole and mineralised intercept
- 14m@5.86 14metres at 5.86g/t gold
- Previously released drillhole

0 100  
Metres

**Cross Section  
4350N**



