



# Kingsgate

Consolidated Limited

ABN 42 000 837 472

8 October 2010

The Manager, Announcements  
Company Announcements Office  
Australian Securities Exchange

**FOR PUBLIC RELEASE**  
**Via ASX Online (3 pages)**

Dear Sir/Madam,

## **Results enhance potential for underground mining at Chatree**

Recent drilling to extend mineral resources at the Chatree Mine has intersected new high grade gold zones in the A and S Pit areas.

Current results support the previous reports of high grade gold mineralisation in extensive, near-vertical structures under existing open pits. The strike and depth extent of deep mineralisation under eight of the existing pits remains open. These drill results further confirm the high grade underground potential at Chatree.

The best gold results in drill holes at A Pit are:

- **19 metres at 2.64 grams per tonne gold**, from 328m down hole including **3 metres at 9.88 grams per tonne gold**, from 343m down hole (Hole 7425RD).

The high grade intersection in 7425RD has confirmed mineralisation to a depth of 300m below surface. Previous high grade intersections have been reported on widely spaced sections indicating a mineralised strike length in excess of 900m and which remains open to the north and south. Drilling is underway to determine the extent of these high grade intersections.

Additional high grade intersections in S Pit confirm previously reported deep mineralisation. The best gold results from the recent drilling at S Pit are:

- **8.55 metres at 5.34 grams per tonne gold** from 278.7m down hole including **4.55m at 7.83 g/t Au**, from 280.45 metres down hole (Hole 7414RD);
- **5 metres at 4.80 grams per tonne gold** from 105 metres down hole including **2 metres at 10.3 grams per tonne gold** from 105 metres down hole (Hole 7418RC)
- **1 metre at 15.85 grams per tonne gold** from 175m and **2 metres at 10.65 grams per tonne gold** from 272m metres down hole (Hole 7420RD).
- **2 metres at 7.50 grams per tonne gold** from 205 metres down hole (Hole 7362RC)
- **12 metres at 4.17 grams per tonne gold** from 100m down hole including **4m at 6.24 grams per tonne gold** from 103m down hole and **2m at 11 grams per tonne gold** from 110m down hole (Hole 7397RC).

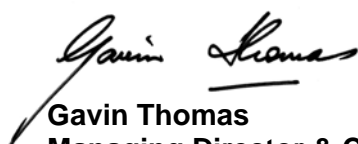
The high grade intersection in 7414RD confirms continuity along strike of the sub-vertical mineralised structure in S Pit, extending at least 220m below surface and remaining open at depth.

High grade intersections in holes 7362RC, 7397RC, 7418RC and 7420RD indicate that the structure is approximately 700 metres in strike length. Further testing to the north and south and at depth is planned to define the extent of the mineralised structure.

Definition of deep mineralisation is ongoing as drill-testing of the US\$1,250 open pit shell nears completion. A summary of the latest drill results, with gold mineralised intercepts over 10 gram metres, is as follows:

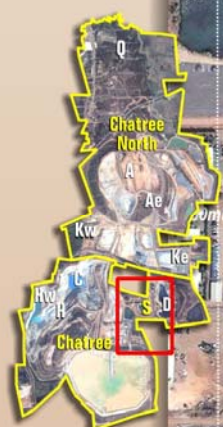
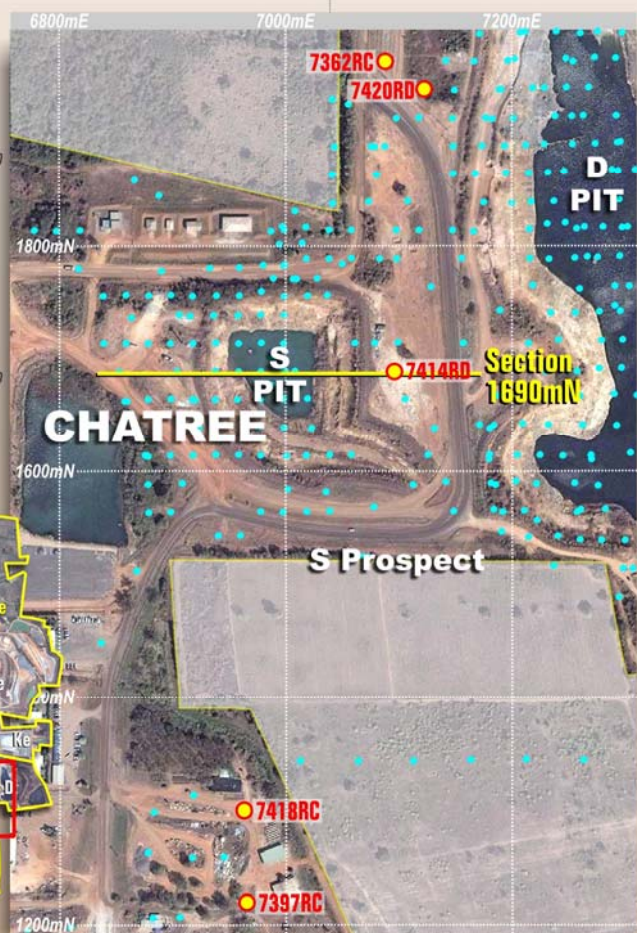
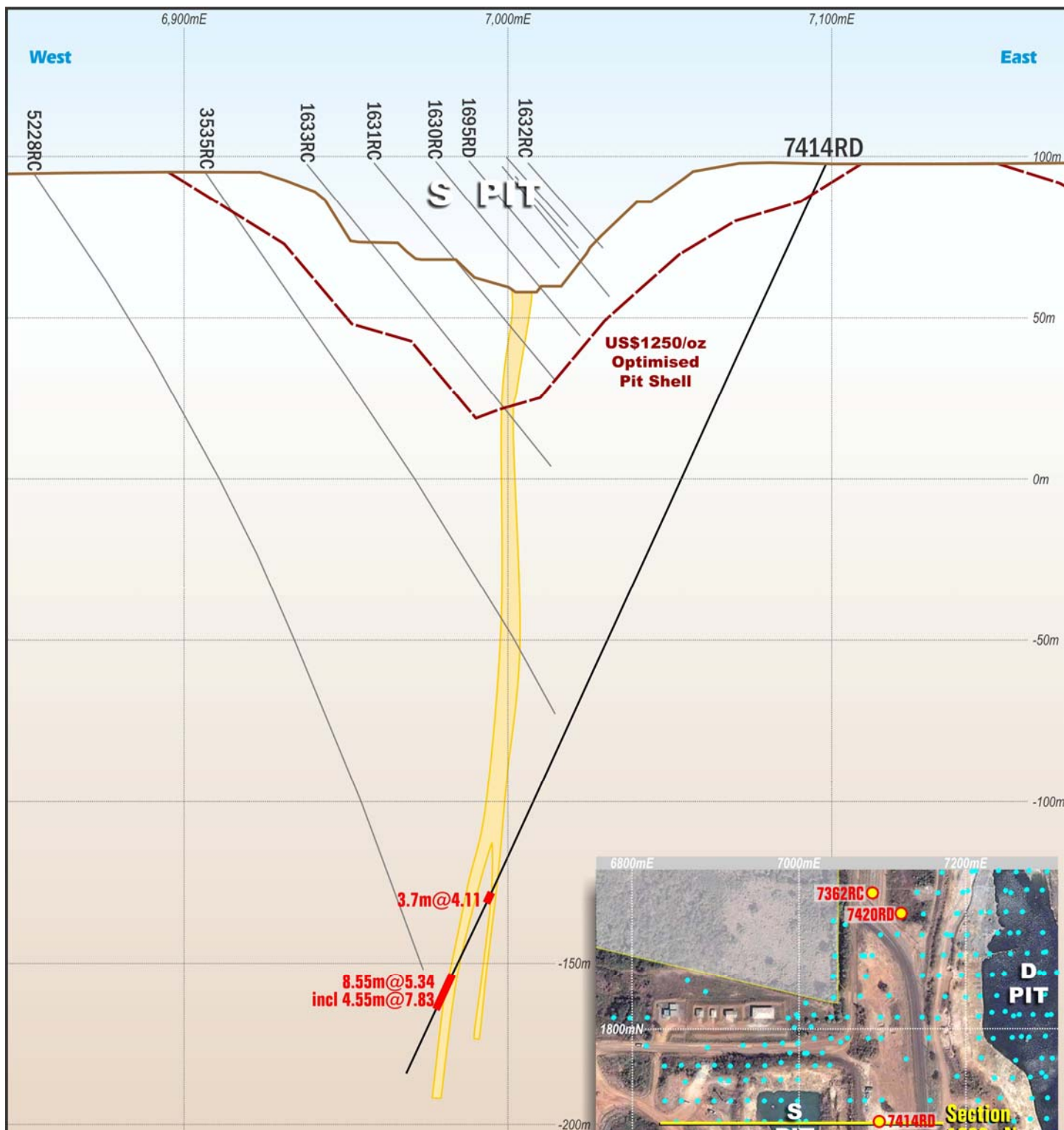
A PROSPECT DRILL RESULTS - 2010 (INTERCEPTS WITH Au ASSAYS GENERALLY >5 GRAM.METRES)									
Hole No.	Easting Local grid	Northing Local grid	Azimuth Local grid	Dip (Degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
7425RC	5650	19850	270	-55	350.00	227.00	228.00	1.00	7.30
						328.00	347.00	19.00	2.64
					incl.	343.00	346.00	3.00	9.88
S PROSPECT DRILL RESULTS - 2010 (INTERCEPTS WITH Au ASSAYS GENERALLY > 10 GRAM.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)
7362RC	7091	1965	270	-53	231.00	205.00	207.00	2.00	7.50
7420RD	7124	1944	270	-55	213.00	162.00	163.00	1.00	9.20
						175.00	176.00	1.00	15.85
						272.00	274.00	2.00	10.65
7414RD	7098	1690	270	-65	311.60	249.70	253.40	3.70	4.11
						278.70	287.25	8.55	5.34
					incl.	280.45	285.00	4.55	7.83
7418RC	6963	1300	90	-60	210.00	105.00	110.00	5.00	4.80
					incl.	105.00	107.00	2.00	10.30
7397RC	6965	1221	90	-60	200.00	100.00	112.00	12.00	4.17
					incl.	103.00	107.00	4.00	6.24
					incl.	110.00	112.00	2.00	11.00

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.*



**Reference**

- Current Release drillhole and mineralised intercept
- 8m@5.34 8 metres at 5.34g/t gold
- Previously released drillhole
- Gold mineralisation, >0.5g/t Au

0 50  
Metres

Cross Section  
1690mN