



Kingsgate

Consolidated Limited

10 October 2012

The Manager, Announcements
Company Announcements Office
Australian Securities Exchange

**FOR PUBLIC RELEASE
Via ASX Online (1 page)**

Metallurgical Licence Granted for Chatree North Expansion Plant

The metallurgical licence has been granted for the new expanded process plant at Chatree in central Thailand following the finalisation of a detailed verification process by Thai authorities over the past month. The expansion plant will now be operated full time together with the new gold room that was the main focus of the Thai authorities for the granting of the metallurgical licence. The overall plant has been operating consistently at around 6.2million tonnes per annum during plant commissioning and optimisation and this rate is expected to be maintained.

While there was an impact on gold production from Chatree in the September quarter during the comprehensive verification process undertaken by the Thai authorities, the guidance released with the financial results in August included an allowance for this reduced output.

Kingsgate Managing Director and CEO Gavin Thomas said, "We are very pleased to have completed the process to allow for the full continuous operation of the expanded Chatree process plant."

"The verification and authorization process to complete the metallurgical licence included an Environmental and Health Impact Assessment (EHIA), the first to be granted to a mining company following the adoption of the revised constitutional amendments in 2007."

Group gold production for the September quarter was in-line with Company expectations at 44,265 ounces, including 26,627 ounces from Chatree and 17,638 ounces from Challenger. This takes into account the impact of the verification process at Chatree and the higher underground development focus at Challenger, as previously announced.

Guidance for Group gold production for the year is maintained at 200,000 to 220,000 ounces including 120,000 to 130,000 ounces from Chatree and 80,000 to 90,000 ounces from Challenger.

Full details of the September quarter production, including cost information, will be included in the quarterly production report, anticipated for release later this month.

Gavin Thomas
Managing Director & CEO
Kingsgate Consolidated Limited