



Kingsgate
Consolidated Limited

Media Release

19 January 2010

KINGSGATE'S PRODUCTION BEATS MARKET PREDICTIONS

Kingsgate Consolidated (ASX: KCN) produced 40,224 ounces of gold in the December quarter from its Chatree mine in Central Thailand.

This figure was above market expectations and heralds forecast production of up to 140,000 ounces of gold for the year to June 2010. Nearly 70,000 ounces of gold was produced in the half year ending 31 December 2009.

Managing Director, Gavin Thomas said Kingsgate was now in a position to deliver growth plans of the back off this excellent result which maintains Kingsgate as a "lowest quartile global gold cost producer".

"This fact is supported by Blackrock - the world's largest institutional fund manager – which during the quarter became a 9.8 percent shareholder in Kingsgate", Mr Thomas said.

With the increase in the gold price the company has the potential to re-open old pits at Chatree.

"Our cash costs are very good – down to US\$312/ounce and this includes a US\$73/oz royalty to the Thai Government", he said. "The grade increased to 2.0g/t gold for the quarter enabling gold production costs of US\$239/oz on site".

In February after nearly eight years in production Kingsgate is expected to pour its first millionth ounce of gold and it still has proven 1.5 million ounces of gold ore reserves and this is expected to grow over the coming years.

Plans for an increase in reserves and resources is targeted together with a proposed plant expansion to double the processing capacity.

It was recently announced that within the mining leases new gold zones beneath the closed D pit at Chatree have been identified. Drill results include 14m @ 3.8 g/t gold, which shows the potential to re-open the D Pit.

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