



**Gold production increasing**  
**Resource/Reserve increasing**  
**Cash costs decreasing to US\$350/oz**  
**Return to full production in March Qtr '09**  
**Transition period from June - December 2008**  
**Major New Gold Discovery**





## Growing gold production from Asia's showcase mine

With the amount of gold being produced increasing and costs declining from a gold deposit that is growing, the future glitters for the world's safest gold mine in Thailand.

A major new gold discovery nearby with rock samples with over 30 ounces of gold per tonne make the future look even brighter.

Kingsgate Consolidated Ltd (KCN:ASX), a Thailand-focused gold miner & explorer, is a success story of how the world's best practice in the mining industry can be brought to rural areas in Asia to locate and develop previously unknown gold deposits in harmony with local communities and the environment

Kingsgate has been in Thailand 15+ years and has found & developed the Chatree gold mine in central Thailand, and in the process found a whole new World Class gold belt. Production commenced in 2001 and has produced around 900,000 ounces of gold, with a growing 3.2 million ounce resource.

Patience and persistence by Kingsgate's Thai subsidiary, Akara Mining Limited, was rewarded recently as new mining leases were granted next to the mine. These leases at Chatree North extend the Chatree mine life for a further 10+ years. The mine went through a transition period while the new mining areas were being opened up which is now complete.

From February-March 2009, the Chatree North mine will be in full production and producing gold at rate of 125,000-150,000 ounces per year. This is due to higher grades of gold ore in the new leases and having three mining areas (open pits) operating to keep the processing plant at full capacity. The cash cost of producing gold, including royalties, will be approximately US\$350 per ounce

Goldman Sachs, in February 2009, increased their forecast for the gold price for 2009 to US\$1000 per ounce. This provides a healthy margin for Kingsgate as increased cashflow improves their solid balance sheet.

Managing Director, Gavin Thomas, said "The increasing cash margins at Chatree will soon put Kingsgate in an envious position of being a strong company during the current global economic slowdown. The deposit is robust and keeps on growing, and this just keeps extending our mine life."

Chatree is a world class gold deposit and an aggressive drilling program to extend the known orebodies is already showing good results. The Company was not able to drill out the resource while leases were under application. Results released in January show how current mining areas are being extended and proposed open pits should become larger as the results are put into the mine plan.





A proposal to expand and double the current processing plant capacity to 5 million tonnes per year is under review at present. Detailed engineering has been completed and new capital costs are being prepared now that steel prices have decreased dramatically. A growing gold resource will strengthen the economics. A decision on the expanded plant is anticipated later in the year.

One of the reasons that Kingsgate and Chatree has been so successful has been the approach of the Company to training. Almost all of the workforce is Thai (99%) with 80% of the workforce coming from local villages. The latest technology and a focus on skills transfer, combined with the Thai work ethic, has delivered a gold mining operation considered to be the safest in the world, with only one Lost Time Injury in 7 years of operation plus the 1 year construction period.

Awards, both nationally and internationally, continue to come to the Company for its workplace relations, health & safety standards, community relations and environmental excellence.

Beyond Chatree, Kingsgate controls a large exploration package within the central Thai gold belt, discovered by the company.

A major new gold discovery was made in November at Chokdee prospect, 20 kilometres north of Chatree. Wide drill intercepts of low grade gold mineralisation similar to Chatree surrounds high grade veins. Rockchip samples from one of these veins has returned over 30 ounces per tonne gold (>1000 grams/tonne).

The anomalous gold-in-soil samples results cover an area 7km x 7km, bigger than Chatree, which was 23 square kilometres in extent. Although initial drilling results immediately intersected ore grade gold, it will take most of 2009 to determine just how big the potential can be.

Kingsgate sees the area as totally under-explored and a "once-in-a-lifetime" opportunity because of the lack of the use of modern exploration techniques previously.

Gavin Thomas, stated "Thailand has great infrastructure, a skilled workforce and local support services at competitive prices. The gold deposits are excellent – and even though Thailand has been through some political transitions recently, not one day was lost at the mine. The future is golden." ... and Mr Thomas should know. He discovered the largest gold deposit in the world outside of South Africa at Lihir, in Papua New Guinea, over 20 years ago.

Kingsgate has a record of achieving its goals, and is Asia's showcase miner.

**Kingsgate Consolidated**  
**Level 8, 14 Martin Place, Sydney NSW 2000**  
**Tel: +61 (2) 8256 4800**  
**Fax: +61 (2) 8256 4810**  
**Email: [info@kingsgate.com.au](mailto:info@kingsgate.com.au)**  
**Website: [www.kingsgate.com.au](http://www.kingsgate.com.au)**  
**Ticker: KCN:ASX**

