



Kingsgate

Consolidated Limited

ABN 42 000 837 472

23rd June 2005

**Via ASX Online
(2 pages)**

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The Manager
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Dear Sir or Madam

CHATREE NORTH INTERIM MINERAL RESOURCE UPGRADE

Summary

Following infill and extension drilling at Chatree North immediately north of the Chatree Gold Mine in central Thailand and geological re-interpretation, total mineral resource estimates at Chatree and Chatree North now amount to some 3 million ounces of gold. This includes 1.92 million ounces of gold at a 0.7 g/t gold economic cut-off grade at Chatree North based on drilling up to 29th May 2005.

There is an on-going exploration drilling program planned for 2005/06 in the Chatree region with a proposed budget of approximately US\$9 million that incorporates all eight available drill rigs.

Chatree North Interim Mineral Resource

The Chatree North interim resource estimate includes upgrades from Sections A, A East and Q, all of which remain open along strike and at depth and are all being actively drilled with continuing excellent results. Estimates for Section K East and K West remain unchanged from previous disclosures as no drilling has been done in these areas since the previous upgrade announcement.

The increase in mineral resources at Chatree North amounts to some 640,000 ounces of gold over the previous estimate released in the December 2004 Quarterly Report.

A re-interpretation of the controls to mineralisation on Section A and further drilling in 2005 has increased both the previously reported tonnage and grade estimates. The geological

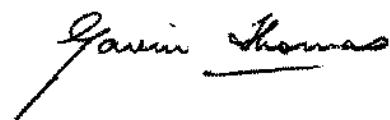
understanding of the Chatree North mineralisation has been refined significantly. Extensive work has been carried out to determine the controls to mineralisation which are now considered to be a series of steeply dipping epithermal quartz-carbonate veins that trend north, north-east and contain gold mineralisation that is preferentially hosted within a certain lithological unit in the volcanic sequence. Additionally the identified mineral resources closely correspond to a geophysical signature that has been identified from detailed ground geophysics. Drilling has only partially tested some 500 metres of this geophysical signature while some 600 metres is yet to be drilled at Section A East.

Section A East remains open to the east, north and at depth and drilling is ongoing to further test this additional potential. Section A is also open to the west and could merge with Section Q to the north and K West mineralisation to the south.

Preparations are well advanced to initiate a formal Ore Reserve statement for the Chatree North area that should be available shortly.

| CHATREE NORTH INTERIM MINERAL RESOURCE | | | | | | | | |
|---|--|---------------|---------------|----------------|--|-----------|---|-------------------|
| <i>(At a 0.7g/t gold cut-off grade)</i> | | | | | | | | |
| Section | Resource Category <i>(Tonnes '000's)</i> | | | | Overall Average Grade <i>(g/t)</i> | | Contained Metal <i>(ounces)</i> | |
| | Measured | Indicated | Inferred | Total | Gold | Silver | Gold | Silver |
| A | 2,795 | 6,157 | 3,508 | 12,460 | 1.9 | 19 | 765,000 | 7,559,000 |
| A East | 4,338 | 3,612 | 2,798 | 10,747 | 1.9 | 23 | 657,000 | 8,061,000 |
| Q | 830 | 1,236 | 3,230 | 5,296 | 1.9 | 8 | 327,000 | 1,415,000 |
| K East | 527 | 396 | 351 | 1,274 | 1.9 | 13 | 75,000 | 543,000 |
| K West | 384 | 383 | 614 | 1,381 | 2.2 | 11 | 98,000 | 490,000 |
| Total | 8,874 | 11,784 | 10,501 | 31,158* | 1.9 | 19 | 1,922,000 | 18,068,000 |

* Due to rounding some figures may not add correctly



Gavin Thomas
Chief Executive Officer

Information in this report that relates to geology, drilling, mineralization and Mineral Resource estimates is based on information compiled by Dr Marcus Tomkinson, Rob Spiers, Ron James and Mike Garman who are Competent Persons under the meaning of the JORC Code with respect to the mineralization being reported on. All the joint authors of the Mineral resource Statement are employees of Kingsgate Consolidated Limited and its wholly owned subsidiaries. All have given their consent to the Public Reporting of these statements