



# Kingsgate

Consolidated Limited

ABN 42 000 837 472

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(5 pages)**

**FOR PUBLIC RELEASE**

Manager  
Company Announcements Office  
Australian Securities Exchange

## **Strong Gold and Silver Assay Results Continue at Nueva Esperanza, Chile**

Kingsgate Consolidated Ltd (ASX: KCN) is pleased to announce new assay results from the ongoing drilling program at its Nueva Esperanza project in Chile. The new drill results continue to intersect further significant gold and silver mineralisation to the west of the existing Chimberos Pit with ECHR-50 located approximately 350 metres to the west of the current resource boundary. The latest results include:

- 15 metres @ 7.13g/t gold & 103g/t silver (8.8g/t AuEq60) from 150 metres in ECHR-50;
- 20 metres @ 5.18g/t gold & 84g/t silver (6.6g/t AuEq60) from 118 metres in ECRH-42;
- 37 metres @ 3.27g/t gold & 52g/t silver (4.1g/t AuEq60) from 180 metres in ECHR-24;
- 22 metres @ 2.04g/t gold & 23g/t silver (2.4g/t AuEq60) from 183 metres in ECHR-41; and,
- 13 metres @ 1.92g/t gold & 71g/t silver (3.1g/t AuEq60) from 143 metres in ECHR-46.

Hole ECHR-25, that intersected the spectacular result of 170 metres at 4.2g/t AuEq60, announced to ASX on 27 October 2014, has now been extended from 232 metres to 430 metres with diamond drilling. Preliminary logging indicates significant zones of silicification and argillic alteration with abundant proportions of pyrite and copper mineralisation, including chalcopyrite and chalcocite, of hydrothermal origin (see Photo 1 below).

The mineralisation continues to remain open at depth and along strike and shows remarkable consistency. Further drilling to follow up these intersections is underway with two drill rigs working on double shifts.

Note that almost all the significant intersections reported to date comprise assay values consistently close to the average grade of the overall intercept with almost no extremely high grades to potentially bias the result. This characteristic will have a positive impact on the eventual resource estimation and corresponding assessment of contained metal for this deposit.

Approximately 6,000 metres have been drilled to date in the current program since late August. This program has been recently expanded by a further 10,000 metres to follow-up extensions within the Chimberos gold and silver mineralisation, including re-entering several holes that finished at depth in mineralisation.

A ground magnetics survey was recently completed over the current exploration zone and early interpretation indicates possible structures and signatures consistent with deep intrusive bodies.

The ground geophysics suggests that the system could be open further to the west and the survey is being extended in that direction and also the geophysical anomaly extends to the south.

Kingsgate's Executive Chairman, Mr. Ross Smyth-Kirk said, "The continuation of these strong results from this drilling program is extremely satisfying and is increasing our confidence in the potential for significant growth at Nueva Esperanza."

"The importance of the growing gold potential of Nueva Esperanza should not be underestimated as it is likely to have a significant impact on the ultimate development."

A handwritten signature in black ink, appearing to read 'ROSS SMYTH-KIRK', with a stylized flourish at the end.

**Ross Smyth-Kirk**  
Executive Chairman  
Kingsgate Consolidated Limited

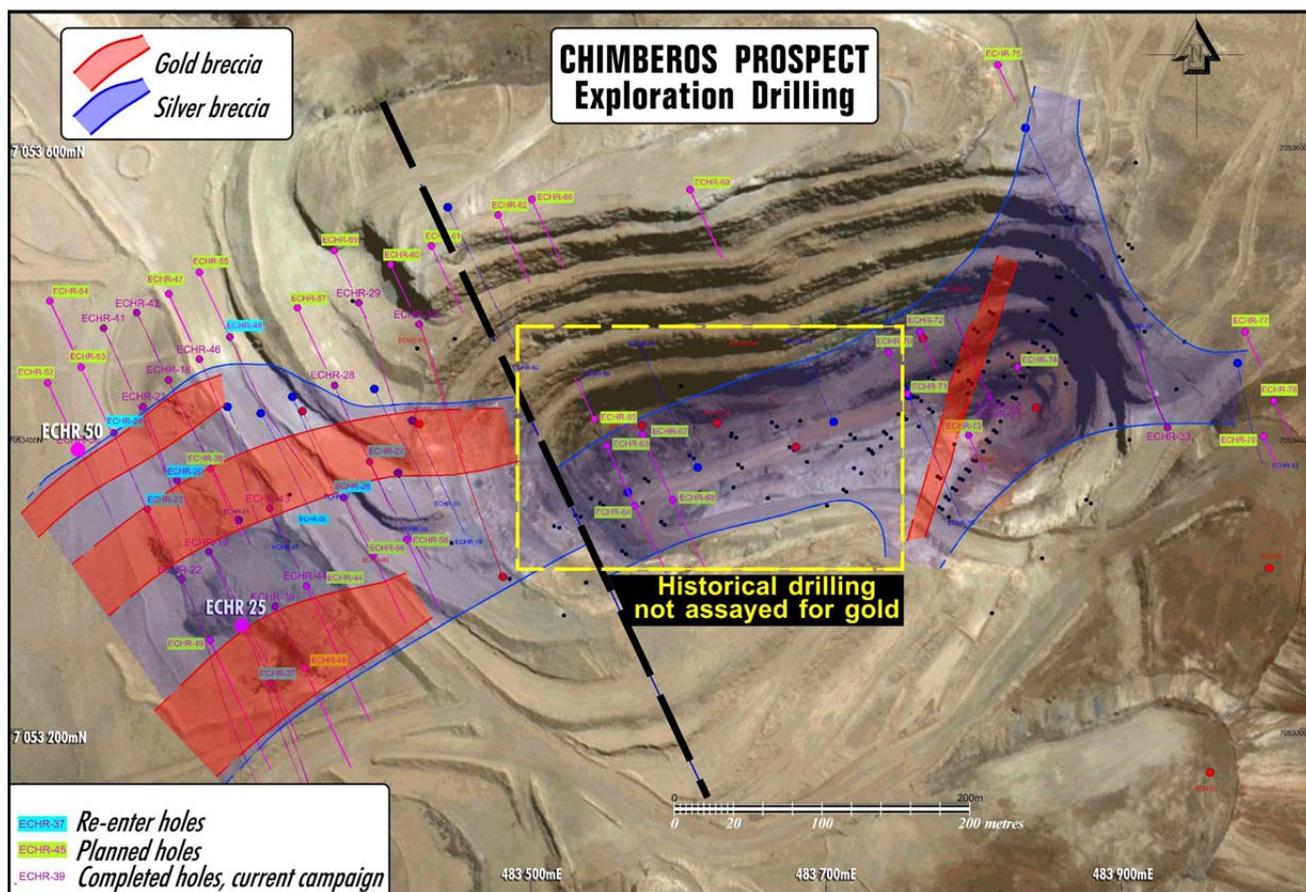


Figure 1: Plan of Chimberos recent drilling intersections and updated interpretation



Photo 1: Massive sulphide comprising pyrite and copper minerals, chalcopyrite and chalcocite, in ECHR-25 from 270m down hole.

**CHIMBEROS PROSPECT - SIGNIFICANT DRILLING INTERCEPTS at 0.5g/t AuEqu60**

Hole No.	Easting Local grid	Northing Local grid	Azimuth Local grid	Dip (Degrees)	RL	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	AuEqu60 (g/t)	AuEqu60 gram.metres
ECHR-17	7053334	483302	155	-60	4113	130	60	76	16	1.08	45	1.8	29.2
ECHR-18	7053438	483254	155	-60	4124	240	64	66	2	0.00	145	2.4	4.8
							81	84	3	0.01	71	1.2	3.6
							94	105	11	0.41	55	1.3	14.5
							145	163	18	0.77	49	1.6	28.7
							195	214	<b>19</b>	<b>4.16</b>	<b>77</b>	<b>5.5</b>	<b>103.6</b>
ECHR-19	7053321	483282	155	-60	4110	265	109	120	11	0.55	92	2.1	23.0
							153	170	17	2.63	70	3.8	64.6
							179	181	2	0.67	48	1.5	2.9
							204	239	<b>35</b>	<b>3.40</b>	<b>33</b>	<b>4.0</b>	<b>138.4</b>
							241	249	8	1.18	69	2.3	18.7
							261	265	4	3.15	163	5.9	23.5
ECHR-20	7053370	483260	155	-60	4113	263	196	216	20	1.29	27	1.7	34.7
ECHR-21	7053420	483237	155	-60	4119	240	31	49	18	0.02	128	2.2	38.6
							71	94	<b>23</b>	<b>0.18</b>	<b>274</b>	<b>4.8</b>	<b>109.2</b>
							129	137	8	0.93	42	1.6	13.0
ECHR-25	7053271	483304	155	-60	4105	232	58	228	<b>170</b>	<b>2.79</b>	<b>82</b>	<b>4.2</b>	<b>707.2</b>
						<b>including</b>	168	204	<b>36</b>	<b>8.63</b>	<b>177</b>	<b>11.6</b>	<b>416.5</b>
ECHR-26	7053358	483373	155	-60	4121	110	70	82	12	0.35	75	1.6	19.1
ECHR-27	7053382	483391	155	-60	4130	155	85	97	12	0.26	100	1.9	23.0
							123	135	12	2.06	51	2.9	34.9
ECHR-28	7053435	483367	155	-60	4141	185	102	110	8	0.21	53	1.1	8.8
							119	157	38	0.73	53	1.6	61.2
							171	175	4	0.36	59	1.4	5.4
ECHR-29	7053425	483811	0	-65	4001	210	154	171	17	0.08	105	1.8	31.0
							173	205	<b>32</b>	<b>1.97</b>	<b>75</b>	<b>3.2</b>	<b>103.0</b>
ECHR-30	7053477	483424	155	-65	4148	200	125	130	5	0.08	171	2.9	14.6
							141	166	25	1.82	70	3.0	74.7
							178	184	6	0.64	63	1.7	10.2
ECHR-32	7053491	483383	155	-90	4148	210	0	3	3	0.02	62	1.1	3.2
ECHR-33	7053406	483931	335	-67	4067	150	33	37	4	0.03	88	1.5	6.0
							81	83	2	0.05	126	2.1	4.3
ECHR-31	7053427	483811	335°	-57°	4002	120	1	7	6	0.08	131	2.3	13.6
							33	43	10	0.78	7	0.9	9.0
							90	92	2	0.83	8	1.0	1.9
ECHR-24	7053402	483217	155	-60°	4117	180	123	160	<b>37</b>	<b>3.27</b>	<b>52</b>	<b>4.1</b>	<b>153.1</b>
ECHR-41	7053473	483211	155°	-60°	4127	240	183	205	22	2.04	23	2.4	53.3
							220	222	2	2.18	18	2.5	4.9
ECHR-46	7053452	483276	155°	-60°	4129	230	80	88	8	0.35	74	1.6	12.6
							143	156	13	1.92	71	3.1	40.3
							218	220	2	2.72	59	3.7	7.4

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Hole No.	Easting Local grid	Northing Local grid	Azimuth Local grid	Dip (Degrees)	RL	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au (g/t)	Ag (g/t)	AuEq60 (g/t)	AuEq60 gram.metres
ECHR-42	7053486	483233	155°	-60°	4129	235	107	108	1	3.05	2	3.1	3.1
							118	138	<b>20</b>	<b>5.18</b>	<b>84</b>	<b>6.6</b>	<b>131.4</b>
							144	153	9	2.27	78	3.6	32.1
ECHR-43	7053350	483323	155°	-61°	4118	250	66	77	11	0.63	52	1.5	16.5
ECHR-39	7053283	483327	155°	-65°	4111	360	78	84	6	1.68	35	2.3	13.5
ECHR-50	7053382	483194	155°	-60°	4117	200	134	141	7	1.18	26	1.6	11.4
							150	165	<b>15</b>	<b>7.13</b>	<b>103</b>	<b>8.8</b>	<b>132.6</b>

*Table 1: Significant intersections in previously announced (yellow highlight) and current (blue highlight) Chimberos drilling*

Note 1: Gold equivalent: AuEq (g/t) = Au (g/t) + Ag (g/t) / 60

Calculated from metal prices of US\$1,380/oz Au and US\$21.50/oz Ag and metallurgical recoveries of 70% Au and 75% Ag, estimated from test work by Kingsgate

**Competent Person Statement:**

The information in this report that relates to exploration results and data quality is based on and fairly represents information compiled by Mr. Ron James who is a member of the Australasian Institute of Mining and Metallurgy and a full time employee of Kingsgate Consolidated Limited. Mr. James has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr. James consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Additional information on the compilation of exploration results can be found in Table 1 that was appended to an ASX announcement by Kingsgate titled "Spectacular Gold and Silver Drilling Results in Chile" on 27 October 2014.