



Kingsgate

Consolidated Limited

ABN 42 000 837 472

18 November 2010

**Via ASX Online
(4 pages including cover)**

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir/Madam,

High grade gold intersections continue at Chatree Gold Mine

The current deeper drilling program continues to confirm the underground potential at the Chatree Gold Mine. Recent drilling at both the Chatree and Chatree North mine areas has intersected new high grade gold zones at the S and A East pits respectively.

At S Pit, in the Chatree mine area, the drill collars were located 200 metres(m) west of the pit and include the following intersections:

Drill hole 7436RC:

- **10m at 5.99g/t gold**, from 21m down hole including,
 - **2m at 19.2g/t gold**, from 21m down hole and,
 - **1m at 17.1g/t gold**, from 26m down hole. (These zones are split by a small dyke.)
- **1m at 8.0g/t gold** from 125m down hole.

Drill hole 7441RC:

- **2m at 4.69g/t gold** from 25m down hole.

Drill hole 7438RC:

- **1m at 10.9g/t gold** from 61m down hole.

Drill hole 7438RC is 430m south of 7436RC indicating a potential strike length of the higher grade structure of over 400m.

These intersections indicate the possibility of high grade structures within close proximity to the high grade S Pit structure and enhance the potential of underground development.

At Chatree North, drilling has intersected another significant zone in the A East Pit. The best gold assay results include:

Drill hole 7501RD:

- **10m at 2.85g/t gold**, from 250m down hole including,
 - **5.85m at 4.43g/t gold**, from 250m down hole.

This intersection lies at about 250m below the surface and is within a previously reported structure and highlights the potential to expand limits of this vein system.

Drilling is continuing at both pit areas to expand the known mineralisation which is still open to the north and south and to depth.

Kingsgate Managing Director, Mr Gavin Thomas, said, "We are very encouraged by these intercepts as the large structures are now over 2km in length and with higher gold grade we firmly believe this could be suitable for underground mining."

"The potential for supplementary higher grade underground ore would have a significant effect on the overall return from Chatree", he said.

S PROSPECT DRILL RESULTS (INTERCEPTS WITH Au ASSAYS GENERALLY >10 GRAM.METRES)									
Hole No.	Easting Local grid	Northing Local grid	Azimuth Local grid	Dip (Degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
7436RC	6816	1721	270	-55	201.00 incl. incl.	21.00	31.00	10.00	5.99
						21.00	23.00	2.00	19.20
						26.00	27.00	1.00	17.10
						125.00	126.00	1.00	8.00
7441RC	6814	1699	270	-55	200.00	25.00	27.00	2.00	4.69
7438RC	6809	1290	270	-55	210.00	61.00	62.00	1.00	10.90

A PROSPECT DRILL RESULTS - (INTERCEPTS WITH Au ASSAYS GENERALLY >10 GRAM.METRES)									
Hole No.	Easting Local grid	Northing Local grid	Azimuth Local grid	Dip (Degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
7501RD	5636	20000	270	-55	402.00 incl.	250.00	260.00	10.00	2.85
						250.00	255.85	5.85	4.43

Yours sincerely,
KINGSGATE CONSOLIDATED LIMITED


Gavin Thomas
Managing Director and CEO



