

PRODUCTION HIGHLIGHTS

Gold Produced

31 March 2009	32,992 ozs
31 December 2008	12,771 ozs
31 March 2008	20,234 ozs

Cash Operating Costs

31 March 2009	US\$364/oz
31 December 2008	US\$718/oz
31 March 2008	US\$404/oz

Average Gold Price Received

31 March 2009	US\$918/oz
31 December 2008	US\$800/oz
31 March 2008	US\$911/oz

SECURITIES

As at 31 March 2009

Ordinary shares	92,960,392
Unlisted options	9,111,000



Mining at C North cutback, Chatree Mine

Gavin Thomas
Gavin Thomas, MD & CEO
20 April 2009

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KEY POINTS

- ◆ Chatree processing plant operated at 2.6 million tonnes p.a.
- ◆ Quarterly Gold Production: 32,992 ounces.
- ◆ Quarterly Cash costs: US\$364/ounce gold.
- ◆ High grade drill results show potential to expand reserve.

OVERVIEW

Chatree Gold Mine

- ◆ Gold production increased to 32,992 ounces gold for the March quarter as the gold grade of the mill ore feed improved to 1.7 grams/tonne from new mining areas at Chatree North. Gold grades will further improve as the A pit continues to expand as the hill is progressively lowered and the C North cutback deepens. The June quarter production is expected to be higher than the March quarter as the gold grades improve to 2 grams/tonne.
- ◆ Cash costs reduced to US\$364/ounce (US\$309/ounce before Thai royalties) for the quarter.
- ◆ Production is forecast to be 150,000 ounces for January-December 2009 at cash costs of US\$350 per ounce, in the lowest quartile of global gold producers (BMO data, Feb 2009).
- ◆ The processing plant is again operating at full capacity of 2.4 million tonnes per annum (mtpa) with the March quarter operating at a 2.6mtpa rate as oxide ore was available.

Plant Expansion

- ◆ The Company will be updating the capital cost estimate for the plant capacity expansion proposal during the June quarter. An encouraging cost trend has developed as concrete and steel prices have declined substantially. Strong cash flow can significantly contribute to the financing of the proposed expansion, which is anticipated to be reviewed in the September quarter.

Resource Development

- ◆ Wide, high grade drill intersections on the previously undrilled western side of the A Hill (A Pit) show the significant potential to increase the near-mine reserves and resources. Best results include 30 metres at 5.1 grams/tonne (g/t) gold and 35 metres at 4.2g/t gold, both from surface, and 25 metres at 4.1g/t gold. The results indicate potential for the planned A pit to be widened and deepened on the western side with improved grades.

Exploration

- ◆ Wide intercepts of significant gold mineralisation continue to be returned from the major new gold discovery at Chokdee Prospect, 20 kilometres north of Chatree. Best drill results were 41 metres at 1.2 grams/tonne (g/t) gold, 40 metres at 1.6g/t gold, 24 metres at 1.8g/t gold, and 2 metres at 21.9g/t gold.

Corporate

- ◆ Total cash in bank was A\$11.5 million (US\$8 million), plus gold in vault of approximately A\$7.6 million. The US\$30 million working capital debt facility was drawn down by A\$17 million (US\$12 million). The cash balance continues to improve due to the healthy cash margin. Options were exercised during April which has added a further A\$14.5 million.



CHATREE GOLD MINE

OPERATIONAL PERFORMANCE

The mine operation has been successfully ramped up to full capacity for Chatree and Chatree North. Mining operations have reached a new record level of 1.5 million tonnes ore mined for the quarter using the new larger excavator and truck fleet provided by Lotus Hall late in 2008.

The main open pit mining areas providing ore feed continue to be developed on the A Hill (within the A Pit) and at K East within Chatree North and a cut-back at C North extending the prior C pit over a high grade zone. The A Hill is being lowered progressively as mining continues during 2009. Production from C North was negatively affected by a small wall failure, which although it was not major, required effective stabilization which was time consuming. Mining of the high grade core (> 3 grams/tonne gold) in the C North cutback, below this stabilised area, is two months behind schedule, due to the remediation and tight working conditions. Mining is planned to commence within the high grade zone in late April and will continue for approximately 6 months.

The processing plant is back to full capacity of 2.4 million tonnes per annum (mtpa), operating during the quarter at a record annualised throughput rate of 2.6 mtpa due to softer surface oxide ore being currently available for blending with harder ore.

Gold production at Chatree for the quarter was 32,992 ounces at an average plant head grade of 1.7 grams/tonne gold, with 101,199 ounces silver poured. Silver grades were also higher.

Cash costs reduced to US\$364/ounce (US\$309/ounce before Thai royalties) for the quarter. Total production costs after tax, depreciation and amortisation are US\$428/ounce. These costs place the mine in the lowest quartile of global gold producers (BMO data, Feb 2009).

Gold recoveries averaged 91.8% for the quarter, up slightly on the previous quarter due to higher grades in oxide ore.

During the quarter the Chatree Mine management was restructured with the Operations Manager position no longer required.

SAFETY AND ENVIRONMENT

Chatree continues to be the world's safest gold mine, based on publicly available data, having achieved over 10.7 million hours worked since the last and only Lost Time Injury (LTI) at the mine in over eight years of mining and construction. There have been no reportable environmental incidents during the life of the mine and it remains in compliance with all environmental regulations.

Chatree Mine	Units	Mar 2009 Quarter	Dec 2008 Quarter	Mar 2008 Quarter
Waste Mined	bcm	1,196,402	1,437,285	315,236
Ore Mined	bcm	648,886	238,054	94,708
Waste to Ore Ratio		1.8	6.0	3.3
Ore Mined	tonnes	1,507,947	571,369	249,867
Ore Treated	tonnes	648,970	421,533	643,831
Head Grade	Au g/t	1.7	1.1	1.1
	Ag g/t	16.7	6.4	8.7
Gold Recovery	%	91.8	91.3	88.9
Gold Poured	ounces	32,992	12,771	20,234
Silver Poured	ounces	101,199	34,146	83,294

Cost Category *	Mar 2009 Quarter US\$/oz Gold	Dec 2008 Quarter US\$/oz Gold	Mar 2008 Quarter US\$/oz Gold
Direct Mining Expense	337	694	412
Refining and Transport	2	2	3
By-product Credit	(30)	(18)	(64)
Cash Operating Cost	309	678	351
Royalty	55	39	53
Total Cash Cost	364	717	404
Depreciation/Amortisation	64	100	102
Total Production Cost	428	817	506

* Gold Institute Revised Standard for Reporting Production Costs.
Kingsgate reports unit costs in accordance with the Gold Institute Standard. Silver is accounted for as a by-product at Chatree whereby revenues from silver are deducted from operating costs in the calculation of cash costs per ounce. The Total Cash Cost of future production at Chatree will fluctuate due to changing grade, throughput, strip ratio and recovery outcomes.

FORECAST

The June quarter production is expected to be higher than the March quarter as the gold grades improve to 2 grams/tonne. However, delays in accessing the higher grade ore have made it difficult to reach the February revised forecast of 100,000 ounces for the full fiscal year to 30 June 2009. The production forecast for the year to the end of June 2009 is 95,000 to 100,000 ounces. Production is forecast to be 150,000 ounces for January-December 2009 at cash costs of US\$350 per ounce.



Initial mining at K East open pit, Chatree North

CHATREE NORTH DEVELOPMENT PROJECT

CHATREE NORTH EXPANSION PROPOSAL

The Company is reviewing the proposal to expand the Chatree processing plant capacity to 5 million tonnes per annum of ore treated (5MTPA). The capital cost estimate for the plant capacity expansion proposal will be updated late in the June quarter.

An encouraging cost trend has developed as concrete and steel prices have declined substantially. Strong cash flow can significantly contribute to the financing of the

proposed expansion, which is anticipated to be reviewed in the September quarter.

Meanwhile, the resource development drilling program has demonstrated the continuity of the current orebodies and is expected to increase mineral resources.

The Company is de-risking the expansion proposal to the fullest extent possible prior to making a decision to proceed.



Looking north east, ramp construction on A Hill during January, Chatree North.

EXPLORATION - THAILAND

CHATREE NORTH

A Pit – Drilling on western side of A Hill

The resource development drilling program continues to identify significant extensions to the current ore bodies at Chatree North. Wide high grade drill intersections on the previously undrilled western side of the A Hill (A Pit) show the significant potential to increase the near-mine reserves and resources and probably expand the current pit design, widened and deepened on the western side.

Best results from drilling west of the A Pit include:

- 15m@2.3g/t gold from surface - 3945RC, section 21,000N;
- 30m@5.1g/t gold from surface, including 9m@11.6g/t gold, in drillhole 6363RC, section 20,317N;
- 21m@2.0g/t gold from surface - 6364RC, section 20,255N;
- 25m@4.1g/t gold from 23m - 6388RC, section 19,900N;
- 22m@2.1g/t gold from surface - 3942RC, section 19,850N;
- 35m@4.2g/t gold from surface, including 13m@7.2g/t gold, in drillhole 6385DD, section 19,750N; &
- 3.5m at 12.1g/t from 21m in drillhole 6383DD.

The focus during 2009 is on the north and western side of the A Pit and several areas of the Q Pits, where access had been restricted previously. Some of the drill rigs have been used during the March and June quarters for grade control drilling which has restricted the rig availability for resource development drilling. A significant commitment of US\$6 million per year has been allocated to drill approximately 140,000 metres each year for the next 2-3 years within the Chatree North mining leases. This program is expected to increase significantly the mineral resources and ore reserves.

REGIONAL EXPLORATION - THAILAND

Chokdee Prospect

A major new gold discovery was made in November 2008 called the Chokdee Prospect, approximately 20km north of the Chatree gold mine.

Drilling continues to support the initial drill results which displayed wide zones of low grade gold mineralisation with some narrow high grade gold bearing veins intersected from near surface. Only one diamond drillrig has been working on Chokdee due to the short-term requirements of grade control drilling at Chatree.

Best drill results during the quarter were:

- 41 metres (m) at 1.2 grams/tonne (g/t) gold,
- 40m at 1.6 g/t gold,
- 24m at 1.8 g/t gold, and
- 2m at 21.9 g/t gold.

The initial drilling has identified a mineralized zone over 750m long within an area of approximately 2.5km x 0.5km of silicification, phyllic and clay alteration zones. Geophysical resistivity and chargeability anomalies are closely associated with these silicified and mineralised zones, similar to Chatree, within volcanogenic sediments and andesitic volcanics.

New potential extensions have been identified by Induced Polarisation (IP) and resistivity geophysical surveys conducted during the quarter. An area 1.5km northwest of the current area of drilling will be drill tested next quarter due to rock chip results of 1-20g/t over mineralised veins in outcrop.

A large gold-in-soil geochemical anomaly, covering approximately 30km², surrounds the area of the discovery, which is larger than the 23km² anomaly that covers the existing Chatree mine.

A PROSPECT HIGHLIGHT DRILL RESULTS

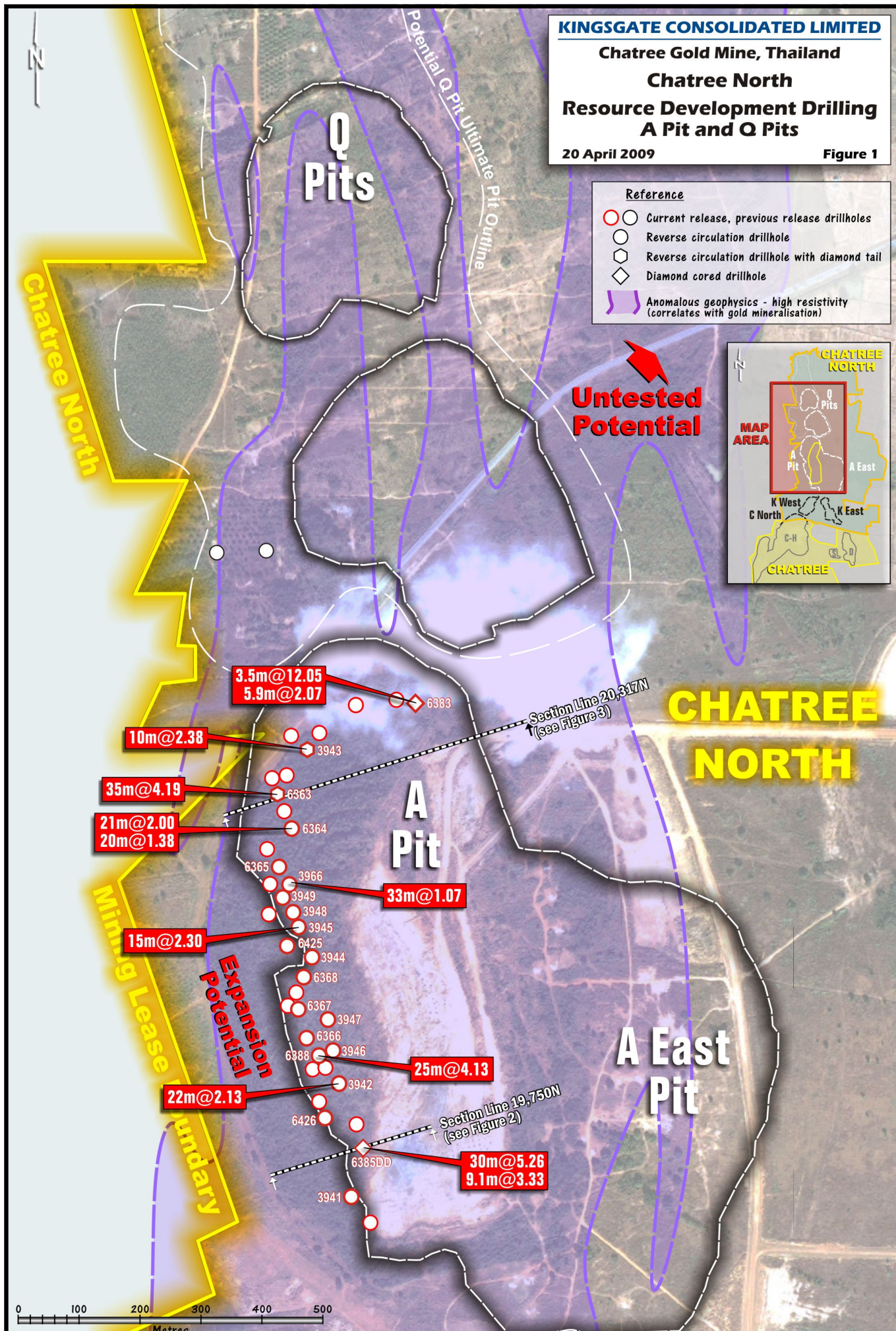
Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
6383DD	21.00	24.50	3.50	12.05
	42.15	49.15	7.00	1.26
	101.30	107.20	5.90	2.07
3943RD	28.00	38.00	10.00	2.38
	131.00	148.70	17.70	0.94
6363RD	0.00	35.00	35.00	4.19
6364RC	0.00	21.00	21.00	2.00
	30.00	44.00	14.00	0.74
	70.00	90.00	20.00	1.38
3966RC	0.00	33.00	33.00	1.07
3945RC	0.00	15.00	15.00	2.30
6388RC	23.00	48.00	25.00	4.13
	0.00	22.00	22.00	2.13
6385DD	0.00	30.00	30.00	5.06
	37.00	46.10	9.10	3.33

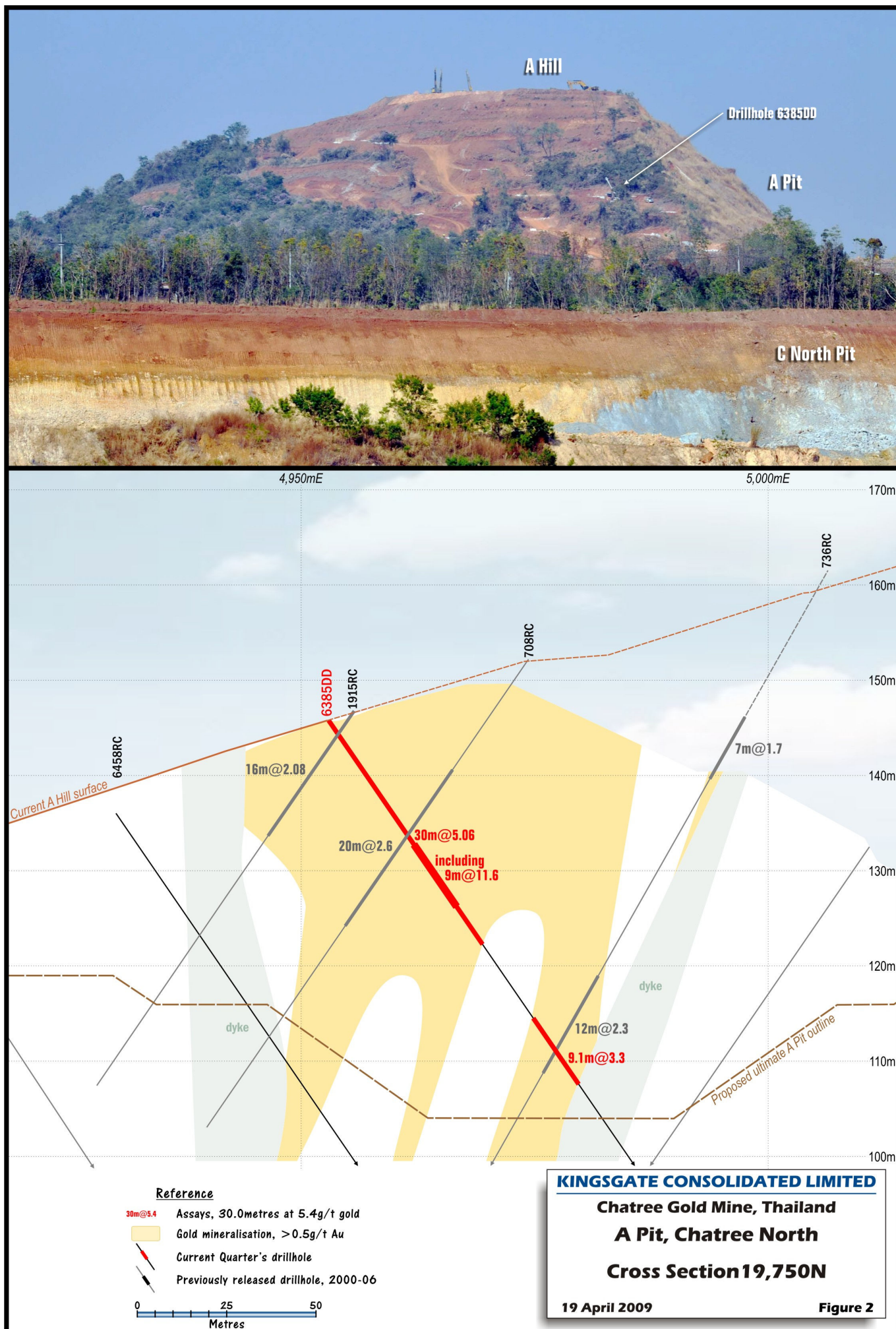
* Intersections may not be true width. Italics indicate previously reported results.

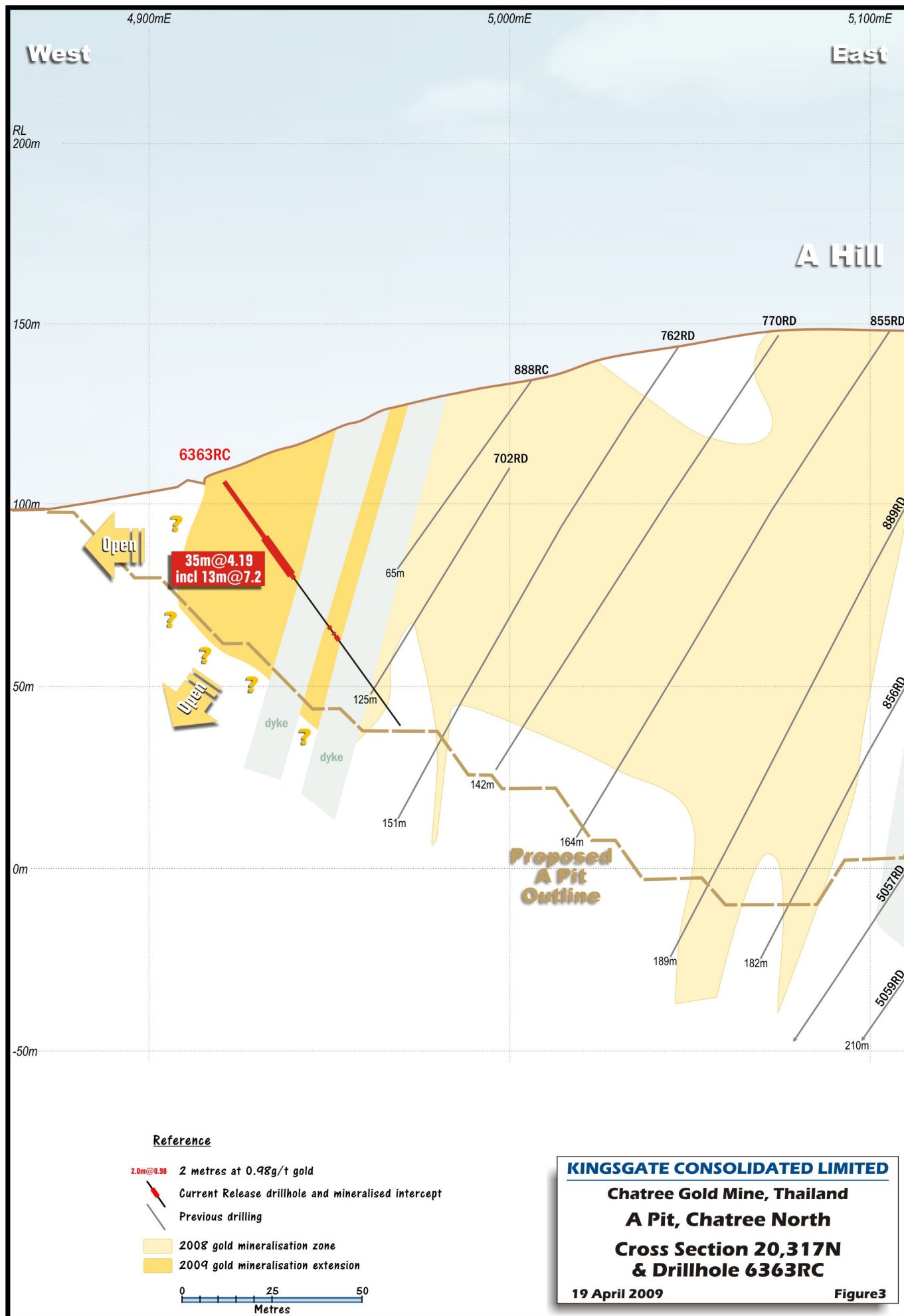
CHOKDEE PROSPECT HIGHLIGHT DRILL RESULTS

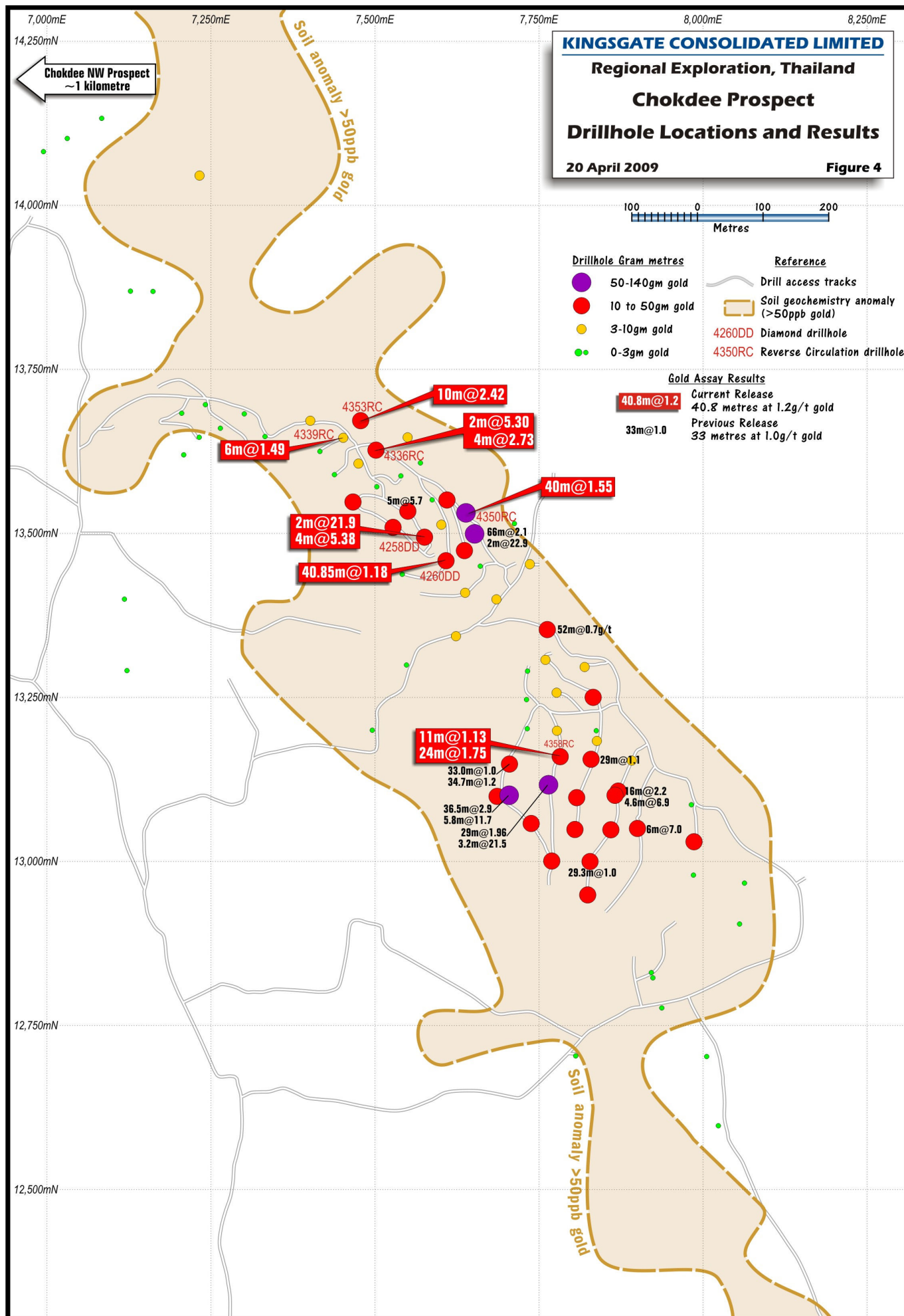
Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
4258DD	13.00	15.00	2.00	21.90
	85.00	89.00	4.00	5.38
4260DD	6.25	47.10	40.85	1.18
	incl 6.25	incl 13.00	incl 6.75	incl 2.44
incl	23.00	30.00	7.00	2.47
4350RC	14.00	54.00	40.00	1.55
	incl 24.00	incl 37.00	incl 13.00	incl 2.91
4353RC	72.00	82.00	10.00	2.42
4358RC	49.00	60.00	11.00	1.13
	84.00	108.00	24.00	1.75
	incl 106.00	incl 108.00	incl 2.00	incl 10.10

* Intersections may not be true width. Italics indicate previously reported results.









CORPORATE

FINANCE

On 31 March 2009, the Company had cash in bank of A\$11.5 million (US\$8 million) plus gold in vault of approximately A\$7.6 million.

A working capital debt facility of US\$30 million with Investec Bank (Australia) Ltd was drawn down by A\$17 million (US\$12 million).

The cash balance continues to improve due to the healthy cash margin.

During April, 3,126,000 options were exercised in stages, at an average strike price of \$4.63, which has added a further A\$14.5 million to cash reserves.

GOLD SALES

Kingsgate is an unhedged gold producer. The average cash price received by Kingsgate for gold sales in the quarter was US\$918/oz, up 15% on the previous quarter.

SUMMARY SALES - GOLD & SILVER				
Category	Units	Mar 2009 Quarter	Dec 2008 Quarter	Mar 2008 Quarter
Average Cash Price Received (on gold production)	US\$/oz	918	800	911
Gold sold	ounces	28,449	10,670	21,847
Silver sold	ounces	84,819	27,816	81,617
Revenue from Metal Production	US\$M	27.2	8.8	21.3



Construction of K East and A pits, Chatree North, January 2009.

APPENDIX A

A PROSPECT DRILL RESULTS - (INTERCEPTS WITH AU ASSAYS GENERALLY >10GRAM.METRES)

Hole No.	Easting Local Grid	Northing Local Grid	Azimuth Local Grid	Dip (°)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
6414RD	5077	20400	90	-55	177.20	154.70	176.10	21.40	0.94
6383DD	5142	20395	90	-55	107.20	21.00	24.50	3.50	12.05
						42.15	49.15	7.00	1.26
						101.30	107.20	5.90	2.07
3943RD	4966	20370	90	-55	209.40	28.00	38.00	10.00	2.38
						131.00	148.70	17.70	0.94
3970RD	5010	20368	90	-55	230.30	73.00	80.00	7.00	1.82
						119.50	132.00	12.50	1.01
<i>6363RD</i>	<i>4923</i>	<i>20312</i>	<i>90</i>	<i>-55</i>	<i>251.10</i>	<i>0.00</i>	<i>35.00</i>	<i>35.00</i>	<i>4.19</i>
6378RC	4947	20311	90	-55	150.00	61.00	72.00	11.00	1.09
						80.00	92.00	12.00	1.58
6364RC	4933	20255	90	-55	170.00	0.00	21.00	21.00	2.00
						30.00	44.00	14.00	0.74
						70.00	90.00	20.00	1.38
6365RD	4897	20203	90	-55	349.70	0.00	7.00	7.00	1.36
						24.00	28.00	4.00	2.25
3966RC	4908	20174	90	-55	159.00	0.00	33.00	33.00	1.07
3949RC	4889	20149	90	-55	151.00	17.00	23.00	6.00	2.00
3945RC	4903	20099	90	-55	125.00	0.00	15.00	15.00	2.30
3964RC	4876	20102	90	-55	149.00	1.00	16.00	15.00	0.70
6367RC	4897	19974	90	-55	120.00	0.00	10.00	10.00	1.07
3971RC	4881	19950	90	-55	111.00	71.00	77.00	6.00	1.78
3976RC	4898	19949	90	-55	97.00	1.00	11.00	10.00	1.56
						44.00	57.00	13.00	1.38
6388RC	4900	19900	90	-55	120.00	23.00	48.00	25.00	4.13
3942RC	4920	19850	90	-55	105.00	0.00	22.00	22.00	2.13
6386RC	4901	19849	90	-55	99.00	24.00	36.00	12.00	0.76
6426RC	4901	19799	90	-55	90.00	74.00	78.00	4.00	2.70
<i>6385DD</i>	<i>4953</i>	<i>19752</i>	<i>90</i>	<i>-55</i>	<i>92.40</i>	<i>0.00</i>	<i>30.00</i>	<i>30.00</i>	<i>5.06</i>
						<i>37.00</i>	<i>46.10</i>	<i>9.10</i>	<i>3.33</i>
6360RC	4946	19598	90	-55	75.00	40.00	44.00	4.00	2.41

* Intersections may not be true width.

Italics indicate previously released results.

CHOKDEE PROSPECT DRILL RESULTS - (INTERCEPTS WITH AU ASSAYS GENERALLY >10GRAM.METRES)

Hole No.	Easting Local Grid	Northing Local Grid	Azimuth Local Grid	Dip (°)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
4258DD	7576	13493	240	-55	152.60	13.00	15.00	2.00	21.90
						85.00	89.00	4.00	5.38
4336RC	7504	13626	240	-55	103.00	42.00	44.00	2.00	5.30
						80.00	84.00	4.00	2.73
4260DD	7610	13456	240	-55	191.00	6.25	47.10	40.85	1.18
						<i>6.25</i>	<i>13.00</i>	<i>6.75</i>	<i>2.44</i>
						<i>23.00</i>	<i>30.00</i>	<i>7.00</i>	<i>2.47</i>
4339RC	7452	13646	240	-55	90.00	29.00	35.00	6.00	1.49
4350RC	7639	13529	240	-55	120.00	14.00	54.00	40.00	1.55
						<i>24.00</i>	<i>37.00</i>	<i>13.00</i>	<i>2.91</i>
4353RC	7479	13672	240	-55	120.00	72.00	82.00	10.00	2.42
4358RC	7782	13161	240	-55	120.00	49.00	60.00	11.00	1.13
						84.00	108.00	24.00	1.75
						<i>106.00</i>	<i>108.00</i>	<i>2.00</i>	<i>10.10</i>

* Intersections may not be true width.

Italics indicate previously released results.

KINGSGATE CONSOLIDATED LIMITED

BOARD OF DIRECTORS

Ross Smyth-Kirk
Chairman

Gavin Thomas
Managing Director and Chief Executive Officer

Craig Carracher
Non-Executive Director

John Falconer
Non-Executive Director

Peter McAleer
Non-Executive Director

COMPANY SECRETARY

Peter Warren

SENIOR MANAGEMENT TEAM

Peter Warren
Chief Financial Officer

Phil MacIntyre
Chief Operating Officer & General Manager,
Akara Mining Limited

Stephen Promnitz
Corporate Development Manager

Ron James
General Manager, Exploration & Resources Development

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COMPETENT PERSONS STATEMENT

Information in this report that relates to Exploration Results, Mineral Resource and Ore Reserves estimates is based on information compiled by Ron James, Mike Garman, and Guy Davies, who are employees of the Kingsgate Group and members of the Australasian Institute of Mining and Metallurgy. These people are Competent Persons under the meaning of the JORC Code with respect to Exploration Results, Mineral Resource and Ore Reserves being reported on. All have given their consent to the Public Reporting of these statements and are in agreement with the contents and format of this report.

ISSUED SHARE CAPITAL

Kingsgate has 92,960,392 ordinary shares on issue and 9,111,000 unlisted options at 31 March 2009. 3,126 million options were exercised in stages during April 2009.

As at 17 April 2009, Kingsgate had 96,086,392 ordinary shares on issue and 5,985,000 unlisted options

QUARTER	HIGH	LOW	LAST
March 2005	\$2.75	\$2.05	\$2.26
June 2005	\$2.98	\$2.02	\$2.84
September 2005	\$3.75	\$3.08	\$3.72
December 2005	\$4.67	\$3.55	\$4.60
March 2006	\$6.45	\$4.55	\$6.44
June 2006	\$6.80	\$3.74	\$5.14
September 2006	\$5.39	\$4.15	\$4.59
December 2006	\$4.65	\$3.65	\$4.20
March 2007	\$4.94	\$3.47	\$4.75
June 2007	\$6.06	\$4.57	\$5.55
September 2007	\$5.70	\$4.06	\$5.37
December 2007	\$5.74	\$3.87	\$4.65
March 2008	\$5.41	\$3.34	\$4.40
June 2008	\$5.69	\$3.69	\$5.23
September 2008	\$6.30	\$3.78	\$4.64
December 2008	\$4.85	\$2.20	\$3.54
March 2009	\$5.38	\$3.20	\$5.22

SHARE REGISTRY

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Phone: (61 8) 9315 2333. Facsimile: (61 8) 9315 2233.
Email: registrar@securitytransfer.com.au



K East Pit construction activity and A Hill in background, Chatree North, January 2009.
Kingsgate Consolidated Limited - Quarterly Report for three months ended 31 March 2009