

QUARTERLY REPORT

For the three months ended

31 March 2008

Production Highlights

Gold Produced	
31 Mar 2008	20,234 oz
31 Dec 2007	21,021 oz
31 Mar 2007	21,805 oz
Cash Operating Cost	
31 Mar 2008	US\$404/oz
31 Dec 2007	US\$386/oz
31 Mar 2007	US\$436/oz
Average Gold Price Received	
31 Mar 2008	US\$911/oz
31 Dec 2007	US\$789/oz
31 Mar 2007	US\$317/oz

Securities

As at 4 April 2008	
Ordinary shares	92,680,392
Unlisted options	9,391,000



Chatree plant continues to outperform

Key Points

- ◇ Quarterly Gold Production of 20,234 ounces.
- ◇ Cash Costs of US\$404 per ounce.
- ◇ Mining lease approvals are progressing well and key approvals received.
- ◇ Strong support declared for foreign investment by new Thai government.
- ◇ On target to meet FY2008 gold production forecast.

Overview

Chatree Gold Mine

- ◇ Quarterly gold production was 20,234 ounces, at cash costs of US\$404 per ounce, slightly below the US\$415 per ounce for the six months to December.
- ◇ Production is on target to meet the full year forecast of 65,000 to 80,000 ounces to end June 2008.
- ◇ Ore feed to the plant continues at 1.1 grams/tonne gold as remnant ore and lower grade stockpiles are treated.
- ◇ The processing plant continues to perform well, on track to again process around 2.4 million tonnes for the full fiscal year.

Development

- ◇ Detailed engineering for the processing plant expansion is nearing completion by Ausenco.
- ◇ Installation of a new mill process water system is being completed and initial site works to clear the site for the plant expansion have commenced.

Mining Leases

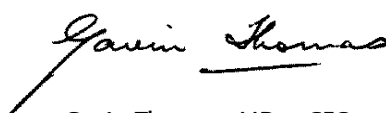
- ◇ The Chatree North Mining Leases approval process has progressed well. Importantly, all forestry permits required inside Chatree North have been approved at ministerial level for the use of their lands for mining purposes. The approval process is now with the lease issuing body, the DPIM, followed by final ministerial signoff.
- ◇ Thai elections led to a new coalition government which was fully empowered in late February 2008 and has publicly sought increased foreign investment.

Exploration

- ◇ Drilling to better define the orebody orientation in the central part of the future A Pit at Chatree North has demonstrated the robust nature of the ore zones, with results including 11m @ 10.1g/t gold, 43m @ 5.6g/t, 13m @ 6.1g/t, 35m @ 5.6g/t, 9m @ 6.9g/t, 11m @ 6.9g/t and 15m @ 3.5g/t gold.

Corporate

- ◇ Total cash on hand was A\$45 million (US\$41 million) at the end of March 2008, with no debt.



Gavin Thomas, MD & CEO
30 April 2008

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Chatree Gold Mine

OPERATIONAL PERFORMANCE

Gold production at Chatree for the quarter was 20,234 ounces, above forecast. Low grade ore feed of 1.1 grams per tonne gold (g/t), to maintain existing mill throughput, comprised a blend of marginal grade stockpile ore (0.6-1.0g/t) and ore mined from existing pits and a new discovery.

Cash costs for the Quarter were US\$404 per ounce gold, slightly below the US\$415 per ounce cash costs for the December half year, with total production costs of US\$506 per ounce. Costs per ounce vary quarter-to-quarter as a result of varying waste to ore ratios and the gold grade of mill feed, but cash costs per tonne remain consistently low, between US\$14-16/tonne milled, similar to the previous 3½ years. This cost per tonne rate was again achieved in spite of industry wide cost pressures. Royalties were higher than the previous quarter as the new royalty on gold is calculated on a sliding scale related to the gold price.

Ore sources have been limited to feed from H West and H Cutback and C Northeast, a new mineralised area identified last Quarter next to C Pit. H West has now been mined out, within the current mine plan. Most low grade stockpiles have been processed and will be completed during the June quarter. The H Cutback will supply most of the ore feed into the new fiscal year. New ore feed sources are currently being evaluated, to attempt to extend the mine life within the currently granted leases. Currently, ore feed from the granted mining leases will only be available for one or two months beyond the end of this financial year. Once new mining leases are granted at Chatree North, new pits will be quickly opened to provide major new long term sources of ore.

The processing plant throughput rate remains on track to process approximately 2.4 million tonnes for the year, similar to the previous year. The plant has processed 1.93 million tonnes for the nine months to the end of March 2008.

SAFETY AND ENVIRONMENT

Chatree continues its world's best safety record for a gold mine with nearly 9 million hours worked without a Lost Time Incident (LTI) at the end of April. In addition, there have been no reportable environmental incidents during the life of the mine and it remains in compliance with all environmental regulations. At current gold prices the royalty has increased cash costs by US\$23 per ounce.

Cost Category *	Mar 2008 Quarter US\$/oz Gold	Dec 2007 Quarter US\$/oz Gold	Mar 2007 Quarter US\$/oz Gold
Direct Mining Expense	412	373	463
Refining and Transport	3	2	2
By-product Credit	(64)	(30)	(46)
Cash Operating Cost	351	345	419
Royalty	53	41	17
Total Cash Cost	404	386	436
Depreciation/Amortisation	102	88	78
Total Production Cost	506	474	514

* 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 of future production at Chatree will fluctuate due to changing grade, throughput, strip ratio and recovery outcomes.

Chatree Mine	Units	Mar 2008 Quarter	Dec 2007 Quarter	Mar 2007 Quarter
Waste Mined	bcm	315,236	825,403	1,181,080
Ore Mined	bcm	94,708	60,791	151,595
Waste to Ore Ratio		3.3	13.6	7.8
Ore Mined	tonnes	249,867	150,355	387,959
Ore Treated	tonnes	643,831	649,475	592,821
Head Grade	Au g/t	1.1	1.2	1.2
	Ag g/t	8.7	7.2	9.6
Gold Recovery	%	88.9%	86.5%	91.0%
Gold Poured	ounces	20,234	21,021	21,805
Silver Poured	ounces	83,294	58,256	75,521

AWARDS

Health, Safety & Environment Award

Akara Mining Limited has won Thailand's Occupational Health & Safety & Environment Award for 2008 in the National Safety Competition for All Industries in Thailand this year. The Company also won this award in 2005.

ICMI Cyanide Code Accreditation

The Chatree mine was audited as being fully compliant with the transport and use of cyanide under the voluntary industry Cyanide Code, of which Kingsgate/Akara were founding members. This is the first mine producing less than 100,000 ounces gold to be accredited anywhere in the world.

2008 Working Woman of the Year Award

Khun Arporn Malayaporn, the Human Resources Superintendent of Kingsgate's Thai subsidiary, Akara Mining, has won the Thai Award for Working Woman of the Year from the Ministry of Labour for outstanding work in a small business. Key reasons stated for her winning the award include:

- championing the cause for Akara to become the first mining company in the world to be granted the SA8000 Social Accountability status;
- being Akara Mining's Human Resources representative while Akara won the Thai "Best Labour Relations and Welfare Award" for five consecutive years; and assisting local governments in training on best practices in labour relations.



Khun Arporn Malayaporn, Akara Mining Limited's Human Resources Superintendent won the Thai "Working Woman of the Year 2008" award.

FORECAST

The Company is on target to meet its forecast of 65,000 to 80,000 ounces for the fiscal year to end June 2008. This is based on the previous forecast quarterly gold production range of 16,000 – 20,000 ounces per quarter. Production beyond the first two months of the new fiscal year will depend on the timing of the granting of new mining leases at Chatree North and the location of any further ore sources within the currently granted mining leases.

Chatree North Development Project

NEW THAI GOVERNMENT

The Thai elections were held on 23 December 2007 and a new coalition government was announced in January 2008, which was fully empowered in late February 2008. An entirely new cabinet of ministers is now in place. The new government publicly promotes foreign investment and major new projects are underway in the infrastructure and oil and gas sector since their appointment.

Discussions with the Ministry of Industry, the relevant ministerial approval body for the Chatree North Mine Leases, have been productive and strong progress has been made on processing the mining lease applications.

CHATREE NORTH MINING LEASES

All of the necessary Provincial approvals have been forwarded to relevant departments in Bangkok for final approval. Importantly, Ministerial approval has been given for all necessary Forestry permits to allow mining in Forestry areas at Chatree North. With this approval, the Department of Primary Industries and Mines (DPIM) can complete the mining lease permitting process prior to the final granting by the Minister of Industry. The DPIM has commented that they will be supportive of fast tracking the final issuing of the mining lease applications with the Forestry approvals in place.

CHATREE NORTH EXPANSION PROJECT

Detailed engineering is nearing completion by Ausenco on the expanded processing plant at Chatree. However, the timing of the plant expansion will be dependent on the timing of the grant of the mining leases. The planned plant expansion is designed to deliver a production rate of 5 million tonnes per annum of ore treated.

Initial site works on the relocation of the process water facilities are underway to allow early access to the site for the new processing plant. Detailed planning is underway to construct an underpass under existing public roads from Chatree North to the processing plant. The relocation of the main highway to commence the underpass construction is well advanced and due for completion in May 2008. Once the highway diversion is completed the underpass can be commenced.

Due to the delay in granting the mining leases a revised mine plan is necessary for Chatree North, given that the prior mine plan initially involved ore supply from the currently granted mine leases and Chatree North. As part of this review consideration will be given to adjust the block model for the larger mining equipment. The mining contractor has ordered a new mining fleet and this equipment is currently arriving in Thailand and can be available for use on the new leases over the coming months.

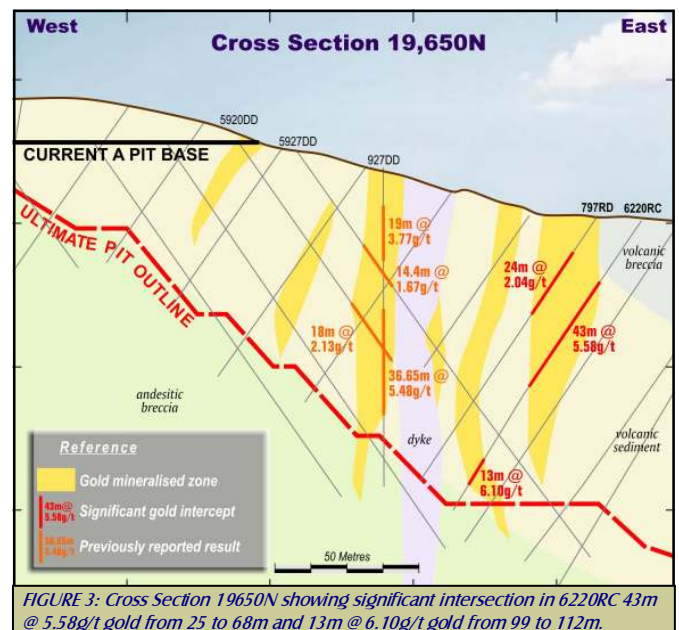
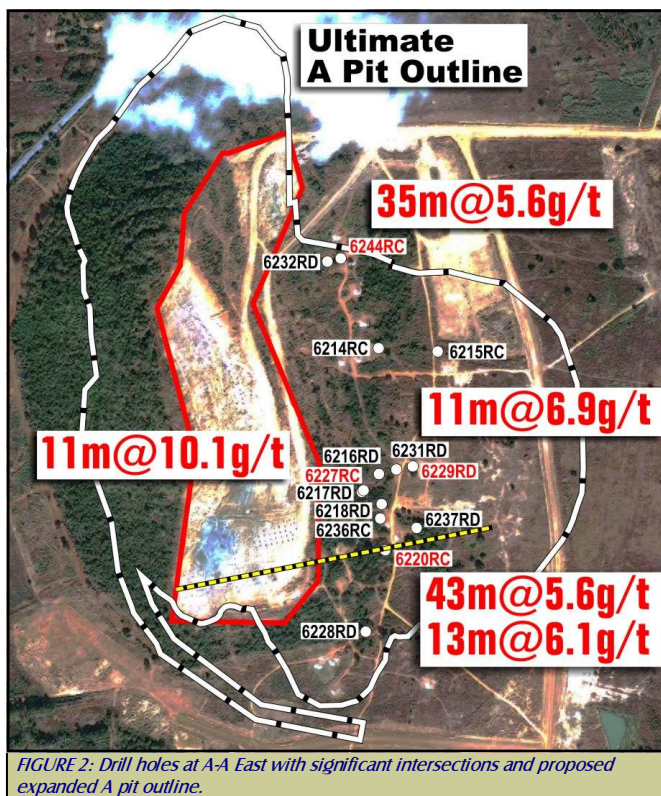




FIGURE 1: Drill hole collar locations with significant intersections

Exploration - Thailand

CHATREE NORTH

A Pit – A Prospect

Drilling continued on the A – A East Prospect area (the proposed expanded A Pit) to confirm the orientation of selected zones prior to mining when the Chatree North mining leases are granted. This drilling confirmed mineralisation trends and returned significant intersections including:

11m @ 10.1g/t, 9m @ 6.9g/t, 11m @ 6.9g/t and 15m @ 3.5g/t gold on drill sections through the centre of the ore body;

43m @ 5.6g/t and 13m @ 6.1g/t gold at the south end of the deposit; and

35m @ 5.6g/t gold at the northern end of the central zone.

See Appendix A for intersection details and Figures 1 and 2 for drill hole locations.

The adjacent table shows highlighted results.

REGIONAL EXPLORATION – THAILAND

Surface sampling and top-of-bedrock drilling continues over regional prospects in granted exploration leases (SPL's). Minor drilling has occurred with encouraging gold intercepts, although the results are not significant at this stage. Ground IP and Resistivity geophysical surveys were completed in two regional prospects including gradient array and 3D IP surveys covering an area of 22 km². Outcrops of silicified siltstone are coincident with resistivity highs based on geological mapping along IP survey lines.

A PROSPECT HIGHLIGHT DRILL RESULTS

Hole No.	From (m)	To (m)	Interval (m)*	Au (g/t)
6224RC	44.00	51.00	7.00	2.32
and	137.00	172.00	35.00	5.57
6216RD	183.00	188.00	5.00	2.38
and	220.00	222.40	2.40	7.34
and	226.00	243.00	17.00	2.61
6229RD	91.00	116.00	25.00	1.85
and	126.00	142.10	16.10	2.02
and	171.20	178.00	6.80	1.91
and	183.00	192.00	9.00	6.91
6231RD	114.00	125.00	11.00	2.19
and	134.00	161.00	27.00	1.64
and	188.00	199.00	11.00	6.86
and	206.00	221.00	15.00	3.53
6217RD	235.00	246.00	11.00	10.07
6227RC	18.00	27.00	9.00	4.84
and	86.00	97.00	11.00	4.00
6220RC	25.00	68.00	43.00	5.58
and	99.00	112.00	13.00	6.10

* Intersections may not be true width

Corporate

FINANCE

At the end of March 2008, the Company had net cash on hand of A\$45 million (US\$41 million), with no debt.

During April, share options were granted to reward Company personnel that remained dedicated and loyal to the Company during the difficult and time-consuming process involved with progressing the Chatree North Mining Lease Applications. These options also provide an incentive to maintain their efforts to obtain the Mining Leases and to increase shareholder value once the Mining Leases are granted. The options were:

1,000,000 options to employees at strike prices of \$4.68 and \$6.00;

1,000,000 options to directors at strike prices of \$6.00 and \$7.00 (subject to approval of shareholders at the next general meeting); and

2,665,000 options to consultants at strike prices of \$4.68 and \$6.00.

Full details of the terms of the options were contained in the ASX announcement on 4 April 2008.

2,250,000 share options expired on 13 March 2008.

The total number of share options on issue as at 4 April 2008 was 9,391,000.

GOLD SALES

Kingsgate has been an unhedged gold producer since June 2007. The average cash price received by Kingsgate for gold sales in the quarter was US\$911/oz, up significantly on the previous quarter.

SUMMARY SALES - GOLD & SILVER

Category	Units	Mar 2008 Quarter	Dec 2007 Quarter	Mar 2007 Quarter
Average Prevailing Spot Gold Price	US\$/oz	911	789	643
Average Cash Price Received (on gold production)	US\$/oz	911	789	317
Gold sold	ounces	21,847	18,139	23,664
Silver sold	ounces	81,617	49,466	87,924
Revenue from Metal Production	US\$M	21.3	15.0	8.7

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

Phil MacIntyre

Chief Operating Officer & General Manager, Akara Mining Limited

Stephen Promnitz

Corporate Development Manager

Peter Warren

Chief Financial Officer

Ron James

General Manager, Exploration & Resources Development

John McDougall

Operations Manager, Chatree Gold Mine

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PO Box 535,

Applecross WA 6953.

Phone: (61 8) 9315 2333.

Facsimile: (61 8) 9315 2233.

Email: registrar@securitytransfer.com.au

Direct all shareholding enquiries to the share registry, please.

Competent Persons Statement

Information in this report that relates to Exploration Results, Mineral Resource and Ore Reserve 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, and Rob Spiers, an employee of Hellman & Schofield and member of the Australian Institute of Geoscientists. These people are Competent Persons under the meaning of the JORC Code with respect to Exploration Results, Mineral Resources 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 92,680,392 ordinary shares on issue and 4,726,000 unlisted options at 31 March 2008. These unlisted options were increased to 9,391,000 unlisted options at 4 April 2008.

Quarterly Share Price Activity

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

Accreditation Awards



International Cyanide Management Institute (ICMI) Cyanide Code Accreditation for the Chatree mine.

ISO 14001

BUREAU VERITAS
Certification



*ISO 14001
Environment*

OHSAS 18001

BUREAU VERITAS
Certification



*OHSAS 18001
Occupational Health & Safety*

ISO 9001

BUREAU VERITAS
Certification



*ISO 9001
Quality*

SA 8000

BUREAU VERITAS
Certification



*SA8000
Social Accountability
(First miner in the world to hold)*

ISO 17025

BUREAU VERITAS
Certification



*ISO 17025
Laboratory Analysis
(Gold and Silver Assays)*

Appendix A

A PROSPECT DRILLING RESULTS - (Intercepts with Au assays > 10gram.meters)

Hole No.	Easting Local Grid	Northing Local Grid	Azimuth Local Grid	Dip	Hole Depth (m)	From	To	Interval	Au
				(degrees)		(m)	(m)	(m)*	(g/t)
06214RC	6872.00	3432.00	79	-55	141.00	120	139	19	1.04
06215RC	6969.01	3425.82	79	-55	189.00	138	141	3	3.70
06216RD	6872.71	3228.29	79	-55	250.30	183	188	5	2.38
					and	220	222.4	2.4	7.34
					and	226	243	17	2.61
06217RD	6845.47	3199.35	79	-60	304.80	235	246	11	10.07
06218RD	6876.72	3178.35	79	-60	263.10	206	211.6	5.6	3.02
					and	223	242	19	1.70
06220RC	6883.08	3104.55	259	-55	120.00	25	68	43	5.58
					and	99	112	13	6.10
06224RC	6811.99	3576.40	79	-60	180.00	44	51	7	2.32
					and	137	172	35	5.57
06227RC	6848.24	3200.47	259	-55	123.00	18	27	9	4.84
					and	86	97	11	4.00
06228RD	6851.29	2972.43	79	-60	220.80	48	53	5	2.34
06229RD	6927.19	3240.13	79	-60	229.90	91	101	10	2.08
					and	104	116	12	2.07
					and	126	142.1	16.1	2.02
					and	181	192	11	5.76
06231RD	6902.01	3235.14	79	-60	240.00	114	126	12	2.06
					and	134	152	18	1.81
					and	155	161	6	1.77
					and	188	199	11	6.86
					and	202	210	8	5.14
					and	213	221	8	1.64
06232RD	6789.79	3571.61	79	-60	215.15	196	200	4	2.64
06234RD	5186	19898	90	-55	256.90	175.5	188.5	13	1.93
					and	206.5	209.5	3	3.95
					and	217.4	222.0	4	2.50
06236RC	6874.30	3155.24	259	-55	140.00	57	65	8	4.03
					and	78	90	12	1.82
					and	112	116	4	6.06
06237RC	6934.10	3140.02	79	-55	192.00	107	135	28	1.14
					and	166	177	11	1.53