



Kingsgate

Consolidated Limited

ABN 42 000 837 472

28 April 2006

**Via ASX Online
(10 pages including cover letter)**

FOR PUBLIC RELEASE

Manager, Company Announcements
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Dear Sir,

Quarterly Report Ended 31 March 2006

We enclose the Quarterly Report on activities for three (3) month period ended 31 March 2006.

KINGSGATE CONSOLIDATED LIMITED

JOHN FALCONER
Company Secretary



Kingsgate
Consolidated Limited

QUARTERLY REPORT

For the three months ended
31 March 2006

SUMMARY OF ACTIVITIES

Quarter Production

Gold Produced:

March 2006	30,435 oz
December 2005	40,094 oz
March 2005:	33,715 oz

Cash Operating Cost:

March 2006	US\$260/oz
December 2005	US\$174/oz
March 2005:	US\$203/oz

Average Gold Price Received:

March 2006:	US\$395 /oz
December 2005:	US\$343 /oz
March 2005:	US\$416 /oz

Average Spot Gold Price

March 2006	US\$557 /oz
December 2005:	US\$481 /oz
March 2005:	US\$428 /oz

Securities

As at 31 March 2006

Ordinary shares:	
85,802,516	
Unlisted options:	3,300,000

GAVIN THOMAS
CEO
28 April 2006

KEY POINTS

- On track for forecast annual production & costs
- Gold production 30,435oz
- Cash Operating Costs of US\$260/oz for quarter
- Cash Costs for the year-to-date US\$198/oz gold
- Plant expansion feasibility study refocused on improved silver recoveries
- Excellent exploration results continue
- Andean Resources takeover - Kingsgate 10.3%

OVERVIEW

Chatree Gold Mine

- Gold production was 30,435 ounces in the quarter, down 10% on March'05 reflecting a lower average gold grade of 2.0 g/t gold.
- Total cash operating costs increased to US\$260 /oz in the quarter, due to the lower grade and related lower production.
- Cash costs for the year-to-date are US\$198/oz, with production on track to meet forecast of 145,000-150,000oz gold @ US\$200-220/oz. A solid production result for the June quarter is anticipated.
- Excellent safety result with 5 million hours worked without an LTI, which is safety record 10 times better than the Australian average.

Development

- A renewed focus on improving silver recoveries to over 70%, from 43-45% currently, has meant some modifications to the plant configuration, at minor additional capital cost. This is due to the high silver grades in Chatree North and high silver prices at present. The modification to the process route has delayed the feasibility study to the end of May.
- The expansion case is aimed to double gold production to over 300,000 oz gold and raise silver production to over 2Moz silver per year.

Exploration

- Excellent exploration results returned from drillholes at the northern and southern ends of the proposed 'A' pit, including 10m @ 5.5 g/t gold and 19m @ 6.4g/t gold.
- High grades at C South confirmed with twinned diamond drillholes returning intersections up to 11m @ 16.8g/t gold

Corporate

- Peter Warren was appointed as CFO
- Total cash on hand A\$20.2 million (US\$14.4 million).
- Off-market takeover launched for Andean Resources (AND.ASX) of 1 Kingsgate share for every 15 Andean shares, with offer to close on 5 May 06. Kingsgate sees similarities in deposit style between Chatree and Andean's exploration project in Argentina. Acceptances had reached 10.3% at 28 April 06

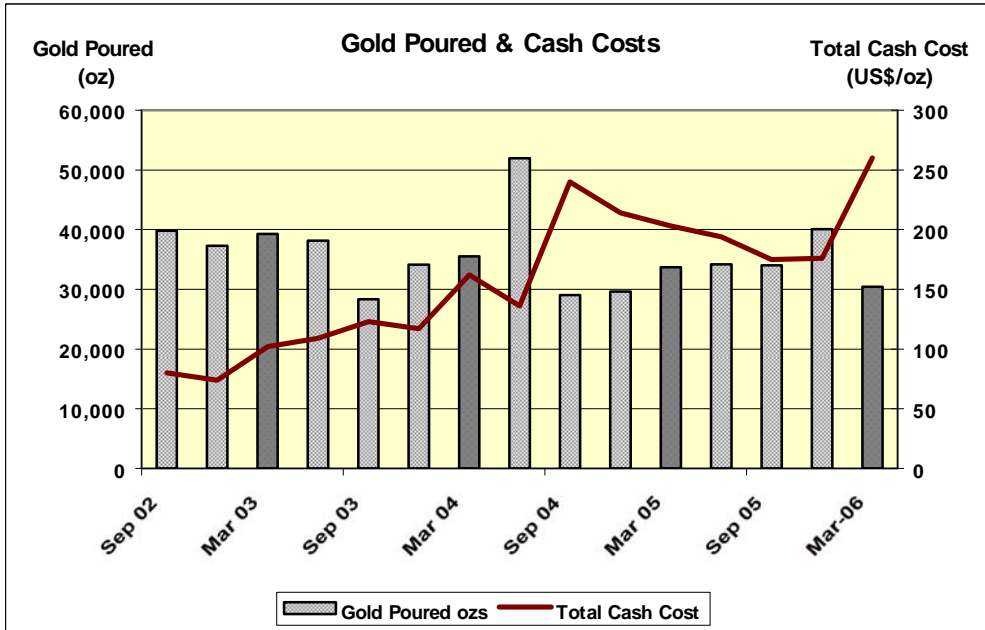


Figure 1: Quarterly gold production & cash operating costs - Chatree mine

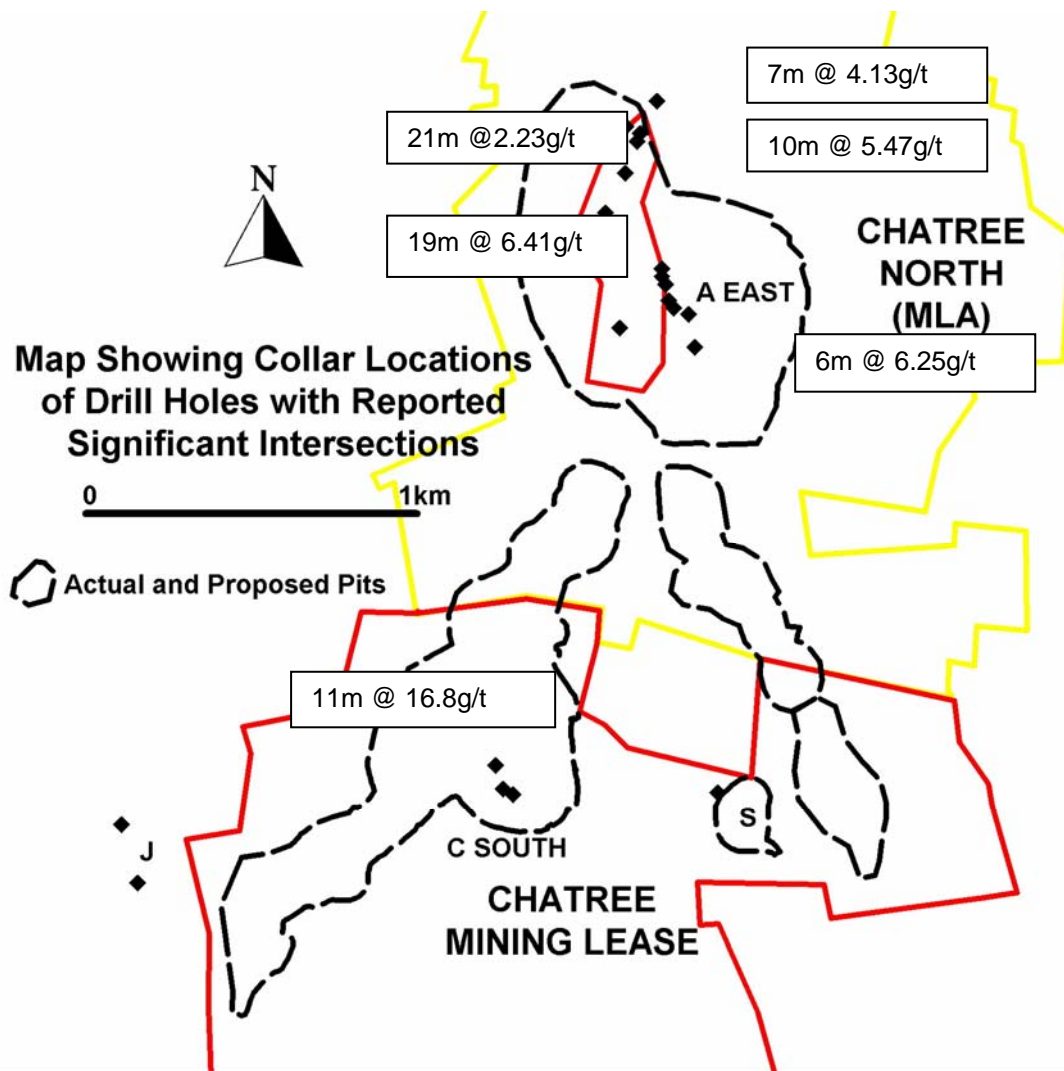


Figure 2: Location of recent drillholes with significant intersections Chatree mine & Chatree North (Red =granted mining leases; Yellow =applications)

CHATREE GOLD MINE

PRODUCTION COSTS

Total Cash Costs increased to US\$260 per ounce for the March quarter as a result of lower head grades. Total Production costs were US\$300 per ounce for the quarter.

Cash costs for the year-to-date are US\$198 per ounce gold with total production costs of US\$238 per ounce.

Total cash costs remained in the lowest quartile of global gold producers 2006 cash costs (*Source: Global Mining Research*). Costs are maintained by grid power, a low number of expatriates and a "Buy Thai" policy sourcing items locally.

Chatree Mine	Units	Mar 06 Quarter	Dec 05 Quarter	Mar 05 Quarter
Waste mined	bcm	1,256,428	1,510,538	1,285,655
Ore mined	bcm	192,483	168,600	140,577
Waste:ore ratio		6.5	9.0	9.1
Ore mined	tonnes	513,522	446,287	531,364
Ore treated	tonnes	505,445	498,480	450,294
Head grade	Au g/t	2.0	2.8	2.6
	Ag g/t	12.6	17.0	14.1
Gold recovery	%	90.7	90.9	90.2
Gold poured	ounces	30,435	40,094	33,715
Silver poured	ounces	115,622	131,517	107,507

Cost Category *	Mar 06 Quarter US\$/oz Gold Produced	Dec 05 Quarter US\$/oz Gold Produced	Mar 05 Quarter US\$/oz Gold Produced
Direct mining expense	280	183	211
Refining and transport	3	2	2
By product credit	(38)	(24)	(20)
Cash Operating Cost	245	161	193
Royalty	15	13	10
Total Cash Cost	260	174	203
Depreciation/Amortisation	40	27	55
Total Production Cost	300	201	258

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.

OPERATIONAL PERFORMANCE

Production at Chatree for the March quarter was 30,435 ounces of gold. This level of production is due to a reduced head grade of 2g/t. The production level is not dissimilar to the March 2005 and December 2004 quarters.

Lower production was planned for the March quarter with a strong June quarter ahead. Access to higher grade areas at C North has taken longer

than expected due to delays in geotechnical work, involving rock-bolting a slip on the ramp into C pit. Unexpected further delays to the rock-bolting and meshing may limit production. Other high grade areas to be mined are H South, the extension of H pit to P pit, C South and remnant pods in D pit and S pit. Storm activity associated with the oncoming wet season may limit access to C South.

Mining commenced at A Pit in February, at the top of the hill within the new mining lease granted last September. Tonnages have been low until recently as time was needed to prepare the first few benches adequately and complete the haul road. This has provided limited amounts of softer oxide ore to the mill feed that will improve as the development of this area continues.

Mill throughput rates continue to rise to over 2mtpa on an annualised rate. Harder ore had limited throughput rates from being higher. Recent improvements have increased these rates further during April. Larger grates are planned to be installed in the SAG mill in May to increase the volume of pebbles going to the pebble crusher, and therefore increase overall throughput rates.

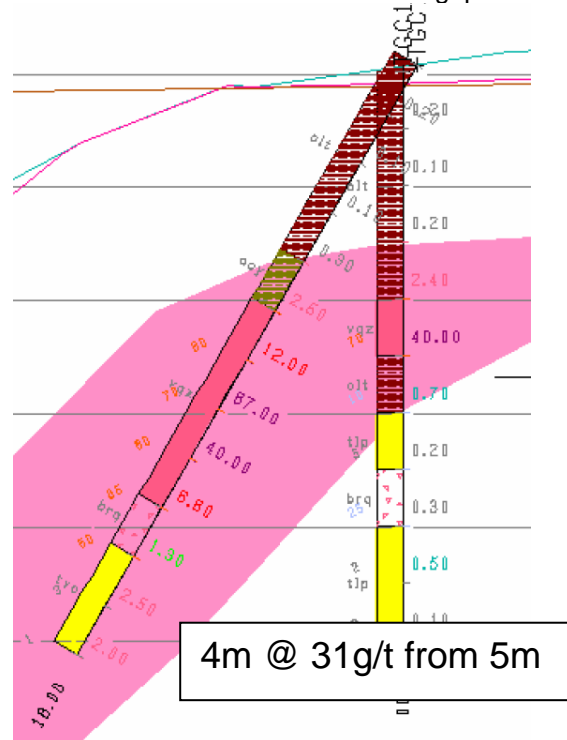


Figure 3: H South – example of high grades to be mined in the June quarter

SAFETY AND ENVIRONMENT

The company's excellent safety and environmental record continued with over 5 million hours worked at Chatree since the last and only Lost Time Incident (LTI). This LTI average is 10 times better than the Australian average for mining operations. The mine has now worked

over 7 million hours with only one LTI since the start of mine construction in 2000. Chatree has won an award in a National Safety Competition for All Industries in Thailand with over 500 employees.

This safety record is a testimony to the skill and quality of the Thai employees and contractors and demonstrates the commitment to industry best practice and continually improving productivity.

The group had no reportable environmental incidents and remains in compliance with its environmental requirements.

FORECAST

As previously advised, production for the year to 30 June 2006 is expected to be in the range of 145,000 to 150,000 ounces of gold, although at the lower end of the range.

Average cash costs for 2005/2006 are forecast to remain between US\$200-220/oz of gold.

Production for the following year to 30 June 2007 is expected to be in the range of 150,000 to 155,000 ounces of gold with average cash costs to remain between US\$200-220/oz of gold.

DEVELOPMENT - CHATREE NORTH

The feasibility study on the expansion case is being modified by Ausenco. Due to the high silver content in Chatree North (A Pit) and the current high silver prices, Ausenco has been asked to conduct further work aimed to increase silver recoveries above 70% with the expansion. Current silver recoveries vary between 43-45%.

Improved silver recovery is planned via a modified Merrill Crowe circuit, which would remove most of the silver prior to the standard carbon-in-leach cyanide circuit. This slight process design change would only add a minor cost to the plant but the additional work has delayed the completion of the feasibility study until the end of May.

Chatree North has almost 15 Million ounces of silver in reserves and silver prices have almost doubled since the feasibility study was initiated. The expansion case is aimed at producing more than 300,000 ounces of gold per year with over 2 Million ounces of silver annually.

EXPLORATION

CHATREE MINE

C South Pit:

Further testing of the high grade zone previously reported on the C South lode was undertaken. Two diamond core holes twinning two of the previously reported RC holes were completed to confirm the grade and gain a better understanding of the geology of the zone. The grades in both holes confirmed the tenor of the grade and thickness. RC5230 showed increased grade up dip on section 1775N. Further drilling is being undertaken to determine the extent of this zone. Significant intersections from C South drilling include:

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)
5230RC	54.00	63.00	9.00	6.24
5292DD	14.50	21.10	6.60	2.86
	38.00	46.00	8.00	2.37
5312DD	63.00	74.00	11.00	16.86

*Intersections may not be true width

J Prospect:

Limited additional drilling was undertaken on J Prospect. Results continue to be encouraging with good grade mineralisation being intersected from near surface. Further drilling will be undertaken on this prospect. The timing of the drilling will be based on drill target priority. Significant intersections from J Prospect drilling include:

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)
5355RC	2.00	7.00	5.00	5.63
	10.00	12.00	2.00	7.15
5283RC	55.00	64.00	9.00	3.65

*Intersections may not be true width

S Pit:

Limited drilling in the S Pit area continued to produce encouraging results. Further drilling is required to determine the extent of the mineralisation. Timing of the drilling will be based on drill target priority. Significant intersections from S Prospect drilling include:

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)
5229RC	96.00	100.00	4.00	8.40

*Intersections may not be true width

CHATREE NORTH**A – A East Pit:**

Infill and extension drilling was continued on the A and A East areas of Chatree North during the quarter. The aim of the drilling was to increase understanding of the distribution of the mineralisation and to test for extensions to known mineralisation near the boundary of the planned pit. The results below are not included in the most recent resource estimate and have not been previously reported. Significant intersections from A and A East drilling include:

Hole No.	From (m)	To (m)	Interval (m)	Au (g/t)
3293RC	88.00	90.00	2.00	5.53
	196.00	200.00	4.00	7.50
3290RC	68.00	75.00	7.00	4.13
5059RC	142.00	152.00	10.00	5.47
3296RC	49.00	60.00	11.00	1.57
	113.00	121.00	8.00	1.58
	173.00	194.00	21.00	2.23
<i>incl</i>	173.00	177.00	4.00	7.30
5359RC	16.00	24.00	8.00	3.56
	84.00	89.00	5.00	4.31
3300RC	9.00	15.00	6.00	6.25
	98.00	105.00	7.00	2.16
	141.00	150.00	9.00	4.17
2974RD	135.00	143.00	8.00	4.34
	320.00	322.00	2.00	8.60
5308RC	5.00	16.00	11.00	2.14
	32.00	36.00	4.00	3.11
	39.00	43.00	4.00	5.93
5295RC	23.00	42.00	19.00	6.41

*Intersections may not be true width

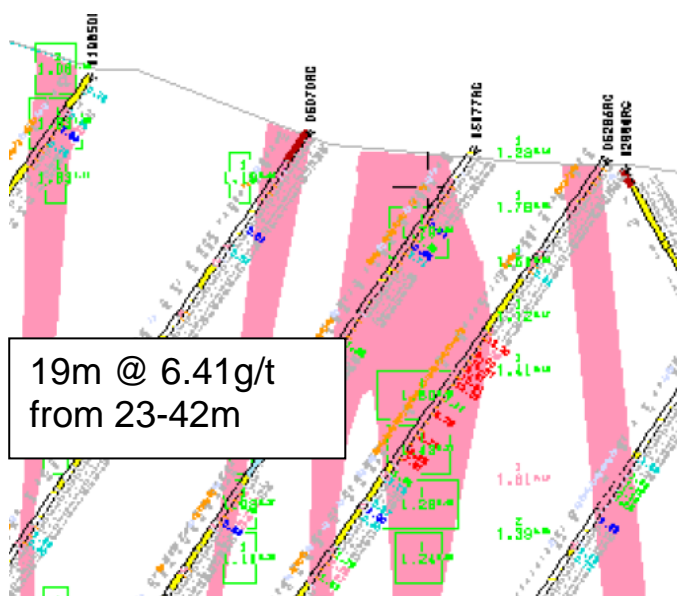


Figure 3: Cross-section of A pit with drillholes with significant intersections.

REGIONAL EXPLORATION – THAILAND

Significant progress has been made with the processing of the 101 SPLA's (Special Prospecting Licence Applications) which cover a large area near Chatree. Explorers are allowed to conduct non-disturbance surface exploration during the period between lodgement and granting, similar to some states in Australia a decade ago. A number of significant large surface anomalies have been identified, often with geophysical targets as well. Ten high priority targets have been identified.

One of these targets is the Chang Puek prospect (24km from Chatree Gold Mine) where follow-up rock chip sampling identified strongly anomalous silver up to 510 ppm Ag with 2.33 g/t Au.

Quartz-pyrite veins hosted in skarn assayed up to 4.77 g/t Au in Kwang prospect (located 50km from Chatree Gold Mine).

Thirteen new SPL's (Special Prospecting Licences) were applied in provinces of Rayong and Chantaburi, eastern Thailand covering an area of 205km². The new application area is located approximately 170km southeast of Bangkok or 350km south of Chatree Gold Mine. This increased the total number of exploration leases in Thailand to 114 SPLA's which cover an area of 1,712km².

EXPLORATION – SOUTH AMERICA

Surface exploration continued in Chile, Peru and Argentina. The focus was on a 3300m RC drill program on the San Luis epithermal gold vein prospect, near Copiapo in Chile.

CORPORATE**FINANCE**

At 31 March 2006, the group had net cash on hand of US\$14.4 million (A\$20.2 million), of which US\$10.3 million is denominated in Australian dollars. The Company also has in place a revolving credit facility for US\$16 million, with four participating banks. The entire facility was available at 31 March 2006.

The Company announced a share buyback for up to 10% of the issued shares on the 8th April 2005. This is considered by the Board to be an appropriate capital management initiative at the present time. During the March quarter no shares were bought back.

DIVIDEND

An interim dividend of 5 cents per share was declared by directors on 15 February 2006. The record date of the dividend was 21 April 2006 and was payable to shareholders on 28 April 2006. The Dividend Reinvestment Plan was set at \$6.14 per share.

GOLD HEDGE POSITION

The average cash price received by Kingsgate for gold sales in the March quarter was US\$395/oz, compared with an average spot price of US\$557/oz. The lower realized price was caused by delivery of gold sales into out-of-the-money hedge positions.

Hedge commitments outstanding at 31 March 2006 were 93,433 ounces of gold. The entire hedge program is illustrated in 'Appendix – A' attached.

The Kingsgate Group had no foreign exchange currency hedging in place at the date of this report.

There was a negative mark to market valuation of US\$25.4 million for the hedge book based on a spot price of US\$586/oz and an exchange rate of US\$0.71 on 31 March 2006.

The Group is not exposed to any margin calls from hedge counterparties. In the event that the spot gold price is below US\$330/oz and A\$570/oz, a proportion of production can be delivered to US\$ and A\$ puts respectively.

The Company continues to aggressively deliver into its hedge book with a view to reducing commitments. The aim is to only hold 58,500 oz of commitments at US\$317/oz by the end of the June quarter, for delivery during the 2006/07 year. All other remaining positions are scheduled to be delivered into during the June quarter. This will allow the company to be well positioned to participate in the buoyant gold price if it continues beyond June.

A summary of the company's gold and silver sales is tabulated below:

Category	Units	Mar 2006 QTR	Dec 2005 QTR	Mar 2005 QTR
Avg prevailing spot gold price	US\$/oz	557	481	428
Avg cash price received (on gold Production)	US\$/oz	395	343	416
Gold sold	Ounces	36,187	40,921	33,715
Silver sold	Ounces	131,976	136,391	107,507
Revenue from metal production	US\$M	15.6	15.1	14.8

ELECTIONS IN THAILAND

A general election was held in Thailand in early April. The ruling party, Thai Rak Thai, was returned to office. The caretaker government has full power to conduct all activities until the new parliament is sworn in. All indications are that the Mining Licence applications are progressing but it is difficult to provide a timeframe.

TAKEOVER BID FOR ANDEAN RESOURCES

An off-market takeover offer was launched for all the shares in ASX-listed Andean Resources Limited (AND.ASX). One Kingsgate share has been offered for every 15 Andean shares. The offer closes on 5 May 06. Andean shareholders who accepted the offer by 21 April also received the Kingsgate 5c/share interim dividend.

Andean owns an advanced exploration project called Cerro Negro in southern Argentina. The project bears many geological similarities to Chatree and Kingsgate believes that it has the management and financial capability to accelerate the drilling, pre-feasibility studies and potential development to benefit all shareholders.

Kingsgate held 10.3% of Andean's shares on 28 April 2006.

KINGSGATE CONSOLIDATED LIMITED

Board of Directors

Ross Smyth-Kirk	Chairman
John Falconer	Non-Executive Director
Peter McAleer	Non-Executive Director

Company Secretary

John Falconer

Senior Management Team

Gavin Thomas	CEO
Ron James	GM Exploration & Resources Development
Peter Warren	Chief Financial Officer
Phil MacIntyre	GM Chatree Gold Mine
Stephen Promnitz	Corporate Development Manager
Surapol Udornpornwirat	VP Akara Mining Limited

Information in this report that relates to geology, drilling, mineralization and Mineral Resource estimates is based on information compiled by Rob Spiers, Ron James and Mike Garman, employees of the Kingsgate Group who are Competent Persons under the meaning of the JORC Code with respect to the mineralization being reported on. All have given their consent to the Public Reporting of these statements concerning geology, drilling and mineralization

Issued Share Capital

Kingsgate has 85,802,516 ordinary shares on issue at the end of March 2006. There are 3,300,000 unlisted options issued to employees.

Quarterly Share Price Activity

	High	Low	Last
Sep 2003	\$4.00	\$2.70	\$3.88
Dec 2003	\$4.25	\$3.38	\$3.84
Mar 2004	\$3.98	\$3.25	\$3.76
Jun 2004	\$3.90	\$3.32	\$3.51
Sep 2004	\$3.59	\$2.92	\$3.00
Dec 2004	\$3.40	\$2.35	\$2.45
Mar 2005	\$2.75	\$2.05	\$2.26
Jun 2005	\$2.98	\$2.02	\$2.84
Sep 2005	\$3.75	\$3.08	\$3.72
Dec 2005	\$4.67	\$3.55	\$4.60
Mar 2006	\$6.45	\$4.55	\$6.44

Kingsgate Consolidated (ASX:KCN) is part of the S&P/ASX 200 Index.

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Fax (61 8) 9315 2233
Email registrar@securitytransfer.com.au

Please direct shareholding enquiries to the share registry



APPENDIX - A

Gold Hedging Positions as at 31 March 2006

Kingsgate has hedge positions in place that provide price protection for 166,500 ounces of gold over the next three fiscal years and provide price caps for 93,433 ounces of gold. These represent 9% and 5% respectively of Ore Reserves as at 30 September 2005. The Company has significant exposure to spot gold prices in the medium term.

Hedge commitments represent 30-35% of planned production over the next two years.

Average annual amounts remaining will be:

2005/06	16,250 ozs	US\$317/oz
2006/07	58,500 ozs	US\$317/oz
2007/08*	18,683 ozs*	US\$360/oz*

* Planned for pre-delivery in 2005/06

Detailed Positions

		2005/06	2006/07	2007/08	Total
Put Options Purchased					
US\$ denominated	'000oz	16.3	73.4	22.5	112.2
ENRP (average)	US\$/oz	300	306	330	310
A\$ denominated	'000oz	8.8	31.5	14.0	54.3
ENRP (average)	A\$/oz	570	570	570	570
Call Options Sold (no barriers)					
US\$ denominated	'000oz	-	-	18.7	18.7
Strike price (average)	US\$/oz	-	-	360	360
Call Options Sold (with barriers)					
US\$ denominated	'000oz	16.3	58.5	-	74.8
Strike price (average)	US\$/oz	317	317	-	317
Barriers (average)	US\$/oz	301	302	-	302
Total Gold Hedged	'000oz	166.5			
Total Commitment (no barriers)	'000oz	18.7			
Total Committed (with barriers) ⁽²⁾	'000oz	74.8			
Total Committed (all hedges) ⁽³⁾	'000oz	93.5			

(1) ENRP (Estimated Net Realisable Price) is after making allowance for gold lease fees. All puts have no lease rate exposure.

(2) When active, the barrier on the call option is triggered by a single trade at or below the respective barrier level, with all associated ounce commitments knocked out. If gold trades below relevant US\$ barriers after 15 March 2005, the remaining call options with barriers will be cancelled and the committed ounces with barriers will reduce to zero.

(3) Put options are not committed ounces and do not form part of the Total Committed ounces.

(4) There was a negative mark to market valuation of US\$25.4 million for the hedge book based on a spot price of US\$586/oz and an exchange rate of US\$0.71 on 31 March 2006.

APPENDIX - B

A - A EAST PROSPECTS DRILLING RESULTS - (Intercepts with Au assays > 10g.metres)

Hole No.	Easting Local_A	Northing Local_A	Azimuth Local_A	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
3293RC	5296	20426	270	-55	240.00	88.00	90.00	2.00	5.53
					and	196.00	200.00	4.00	7.50
3290RC	5189	20368	270	-55	245.00	68.00	75.00	7.00	4.13
1997RD	5227	20340	270	-55	202.30	128.00	132.00	4.00	2.69
					and	151.00	154.60	3.60	5.03
5059RC	5213	20317	270	-55	210.00	142.00	152.00	10.00	5.47
3296RC	5160	20230	270	-55	255.00	49.00	60.00	11.00	1.57
					and	113.00	121.00	8.00	1.58
					and	173.00	194.00	21.00	2.23
					incl.	173.00	177.00	4.00	7.30
5359RC	5078	20124	259	-55	140.00	16.00	24.00	8.00	3.56
					and	84.00	89.00	5.00	4.31
5358RC	5067	20074	259	-55	132.00	21.00	26.00	5.00	5.41
3299RC	5213	19926	90	-55	231.00	96.00	107.00	11.00	2.34
					and	148.00	153.00	5.00	2.09
3300RC	5209	19902	90	-55	153.00	9.00	15.00	6.00	6.25
					and	98.00	105.00	7.00	2.16
					and	141.00	150.00	9.00	4.17
2974RDext	5215	19875	90	-55	370.10	135.00	143.00	8.00	4.34
					and	320.00	322.00	2.00	8.60
5298RC	5216	19825	259	-55	102.00	61.00	66.00	5.00	4.60
3302RD	5226	19800	90	-57	371.20	27.00	33.00	6.00	3.06
					and	135.00	138.00	3.00	3.08
					and	274.00	283.80	9.80	1.96
5297RC	5267	19773	259	-55	135.00	33.00	38.00	5.00	3.80
5308RC	5054	19774	259	-55	65.00	5.00	16.00	11.00	2.14
					and	32.00	36.00	4.00	3.11
					and	39.00	43.00	4.00	5.93
5295RC	5266	19674	259	-55	126.00	23.00	42.00	19.00	6.41

*Intersections may not be true width

C PROSPECT DRILLING RESULTS - (Intercepts with Au assays > 10g.metres)

Hole No.	Easting Local_C	Northing Local_C	Azimuth Local_C	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
5230RC	6316	1776	0	-90	102.00	54.00	63.00	9.00	6.24
5292DD	6265	1865	0	-90	58.30	14.50	21.10	6.60	2.86
					and	38.00	46.00	8.00	2.37
5312DD	6287	1792	0	-90	87.80	63.00	74.00	11.00	16.86

*Intersections may not be true width

J PROSPECT DRILLING RESULTS - (Intercepts with Au assays > 10g.metres)

Hole No.	Easting Local_C	Northing Local_C	Azimuth Local_C	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
5355RC	5133	1685	90	-55	80.00	2.00	7.00	5.00	5.63
					and	10.00	12.00	2.00	7.15
5283RC	5182	1510	90	-55	150.00	55.00	64.00	9.00	3.65

*Intersections may not be true width

S PROSPECT DRILLING RESULTS - (Intercepts with Au assays > 10g.metres)

Hole No.	Easting Local_C	Northing Local_C	Azimuth Local_C	Dip (degrees)	Hole Depth (m)	From (m)	To (m)	Interval (m)*	Au (g/t)
5229RC	6935	1781	90	-55	258.00	96.00	100.00	4.00	8.40

*Intersections may not be true width