Kingsgate
Consolidated Limited
ABN 42 000 837 472

2 June 2006

Dear Andean Shareholder,

Extension of Kingsgate's unconditional offer for Andean Resources to 16 June 2006

I am pleased to announce that Kingsgate's unconditional Offer has been extended and is ***now scheduled to close at 7pm (Sydney time) on Friday, 16 June 2006***.

Kingsgate's Offer represents an excellent opportunity for you to become a shareholder in a larger, well financed company capable of fast-tracking the potential development of the Cerro Negro project and maximising shareholder value in the shortest period of time.

In addition, by accepting the Offer and becoming a shareholder in Kingsgate, you will become a shareholder in a company which has:

- a market capitalisation of over $420 million and inclusion as a member of the S&P/ASX200 Index;
- strong management, with a successful track record in developing and operating a major gold mine outside of Australia;
- a strong balance sheet and access to development finance;
- an excellent growth platform provided by the cashflow generated by the Chatree gold mine and the company's portfolio of prospective mining development and exploration projects; and
- a track record of paying dividends – over the past three and a half years, Kingsgate has paid approximately $58 million in dividends to its shareholders.

The Andean Directors have attempted to downplay the benefits of becoming a Kingsgate shareholder and noted what they claim to be some of the risks associated with Kingsgate's Chatree gold mine in Thailand. Principally they have focussed on the requirement that Kingsgate divest 51% of the Chatree gold mine to Thai nationals by November 2006 and the granting of nine outstanding mining leases which, once granted, will allow for the doubling of Chatree's gold production to approximately 300,000 ounces per annum.

However, Kingsgate believes that the claims by Andean highlight the opportunity and upside available to you if you accept Kingsgate's Offer. Kingsgate has fully informed the market regarding its progress on these issues and believes that the market has significantly discounted the Kingsgate share price while it awaits these issues to be finalised. Kingsgate is making excellent progress with respect to both the divestment requirement and the granting of the mining leases and, as a result, believes that as a Kingsgate shareholder, you will have **exposure to significant upside in the Kingsgate share price** once these issues are finalised.

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On the other hand, if you remain an Andean shareholder following the close of Kingsgate's Offer, Kingsgate believes there is **a significant risk that the price of Andean shares will fall**.

If you have any questions about the Kingsgate Offer or you require a new acceptance form, please do not hesitate to call the Kingsgate Offer Information Line on 1300 760 949 (toll free within Australia) or +613 9415 4247 (from outside Australia).

I look forward to welcoming you as a Kingsgate shareholder and sharing with you the benefits that will emerge as Kingsgate continues to develop into one of Australia's preferred gold producers.

Yours sincerely,

Ross Smyth-Kirk
Chairman

* This letter forms part of the supplementary bidder's statement of Kingsgate South America Pty Ltd dated 2 June 2006.

Kingsgate South America Pty Ltd
Supplementary Bidder's Statement

1. Introduction

This document and the attached letter constitute a supplementary bidder's statement dated 2 June 2006 under s643 of the *Corporations Act 2001* (Cth) (the ***Corporations Act***), and a notice under s650D of the Corporations Act. It is issued by Kingsgate South America Pty Ltd (ACN 118 498 561) (***Kingsgate***) in relation to Kingsgate's takeover offer for Andean Resources Limited (ACN 064 494 319) (***Andean***) dated 14 March 2006.

This Sixth Supplementary Bidder's Statement (***Supplementary Statement***) supplements and is to be read together with the replacement Bidder's Statement dated 9 March 2006, a Supplementary Bidder's Statement dated 9 March 2006, a Second Supplementary Bidder's Statement dated 4 April 2006, a Third Supplementary Bidder's Statement dated 21 April 2006, a Fourth Supplementary Bidder's Statement dated 5 May 2006 and a Fifth Supplementary Bidder's Statement dated 19 May 2006 given by Kingsgate to Andean (***Bidder's Statement***).

2. Extension of Offer Period

Kingsgate gives notice that it varies each Offer for all of the ordinary shares in Andean contained in the Bidder's Statement by extending the Offer Period for a period of 14 days, extending the closing date for the Offer to **7.00pm, Sydney time, on 16 June 2006**.

Accordingly, the Bidder's Statement is amended as follows:

(a) Replacing of '2 June 2006' with '16 June 2006' at:

- (i) page 3 under "Important Dates;"
- (ii) page 6, third last paragraph of the Chairman's letter;
- (iii) page 32, under "When does the offer close?"
- (iv) page 91, section 9.4 under "Offer Period."
- (v) replacing '2 June 2006' with '16 June 2006' in the Acceptance Form.

3. Other

3.1 Consents

Kingsgate has relied on the modification to s636(3) of the Corporations Act set out in paragraph 11 of ASIC Class Order 01/1543 'Takeover Bids' to include references to statements which are made, or based on statements made, in documents lodged with ASIC or ASX (in compliance with the ASX Listing Rules) in this Supplementary Statement without obtaining the consent of persons to whom such statements are attributed.

As required by Class Order 01/1543, Kingsgate will make available a copy of the relevant documents (or relevant extracts of the relevant documents), free of charge, to Andean Shareholders who request them during the Bid Period. To obtain a copy of these documents (or the relevant extracts), Andean Shareholders may telephone the Offer Information Line on 1300 760 949 (toll-free within Australia) or +61 3 9415 4247 (from outside Australia).

3.2 Lodgment with ASIC

A copy of this Supplementary Statement was lodged with ASIC on 2 June 2006. This Supplementary Statement will prevail to the extent of any inconsistency with the Bidder's Statement. Neither ASIC nor any of its officers takes any responsibility for the contents of this Supplementary Statement.

3.3 Defined Terms

Words defined in the Bidder's Statement have the same meaning in this Supplementary Statement, unless the contrary intention appears.

3.4 Authorisation

This Supplementary Statement has been approved by a resolution passed by the directors of Kingsgate.

Dated: 2 June 2006

SIGNED for and on behalf of Kingsgate South America Pty Ltd
following a resolution of the directors of Kingsgate South America Pty Ltd.

Director