



Kingsgate

Consolidated Limited

29 August 2011

Via ASX Online
(1 page including cover)

Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir/Madam,

Settlement with Thai Preference Shareholder

Kingsgate Consolidated Ltd (ASX : KCN) announces that a settlement has been reached with Siphum Co. Ltd (Siphum), a Thai company which held preference shares in Kingsgate's Thai operating subsidiary, Akara Mining Limited (Akara).

As a result both parties have agreed to cease all legal and arbitration actions and the preference shares in Akara have been transferred to a new Thai investor.

Kingsgate has agreed to meet outstanding financial obligations to Siphum under the original shareholder agreement, including outstanding preference share dividends, up to the settlement date.

As part of the settlement, the Company will grant 1.5 million Kingsgate 3 year options that vest in 12 months at a strike price of \$10.36 and 500,000 share performance rights that vest over the next 14 months to a company associated with the former preference shareholder, subject to the Chatree Mine meeting specified production targets.

This settlement will allow Kingsgate to recommence preparations for an IPO of its Thai mining operations on the Thai stock exchange.

Yours sincerely,



Gavin Thomas
Managing Director and CEO
Kingsgate Consolidated Limited