Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the members of Kingsgate Consolidated Limited will be held on **Tuesday, 26 October 2004** commencing at **2:30pm** at the **Museum of Sydney (MoS), corner of Phillip and Bridge Streets, Sydney, NSW 2000**.

**Ordinary Business**

**Annual Reports and Accounts**


**Resolution 1 – Re-election of Mr. J Falconer**

To consider and, if thought fit, to pass the following ordinary resolution:

> That Mr. J Falconer, a Director of the Company retiring by rotation in accordance with the Company’s Constitution and the ASX Listing Rules, and being eligible and having signified his candidature for the office, be re-elected as a Director of the Company.

*Directors recommend that members vote in favour of the re-election of Mr. Falconer.*

**Resolution 2 – Election of Mr. C Komor**

To consider and, if thought fit, to pass the following ordinary resolution:

> That Mr. C Komor, having been nominated for election as a Director of the Company in accordance with the Company’s Constitution and the ASX Listing Rules, and being eligible and having consented to hold office, be elected as a Director of the Company.

*The Directors have given this nomination careful consideration and consider that there are currently sufficient Directors with the appropriate experience on the Board. Directors therefore recommend that members vote against the election of Mr. Komor.*

**Special Business**

**Resolution 3 – Non-Executive Directors’ Remuneration**

To consider and, if thought fit, to pass the following ordinary resolution:

> That the maximum aggregate annual remuneration payable by the Company to the Non-Executive Directors be increased by $250,000 to a maximum of $500,000.
Voting Exclusion Statement

The Company will disregard any votes cast on Resolution 3 by any Director and any associate of any Director.

However, the Company need not disregard a vote if:

(a) It is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form; or

(b) It is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with the direction on the proxy form to vote as the proxy decides.

Voting Entitlements

In accordance with regulation 7.11.37 of the Corporations Regulations, all quoted securities of the Company will be taken, for the purposes of the Annual General Meeting, to be held by the persons who hold them at 7.00pm Sydney time on 24 October 2004. Only those persons will be entitled to vote at the Annual General Meeting on 26 October 2004.

By order of the Board

J. Falconer
Company Secretary
21 September 2004

Notes:

1. A member entitled to attend and vote at the meeting has the right to appoint no more than two proxies.
2. A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise.
3. If the member appoints two proxies and the appointment does not specify the proportion or the number of the member’s votes each proxy may exercise, each proxy may exercise one half of the member’s votes. If the member appoints two proxies, neither proxy may vote on a show of hands.
4. A proxy need not to be a member of the Company.
5. A proxy form must be signed by the member or his or her attorney who has not received any notice of revocation of the power of attorney under which he or she was appointed. Proxies given by corporations must be signed by two directors, or a director and the company secretary, or for a proprietary company that has a sole director who is also the company secretary (if any), that director, or under the hand of a duly authorised officer or attorney.
6. If the form of proxy is signed but blank in all other material aspects, it will be taken to mean that it is in favour of the Chairman of the meeting for full voting rights. A proxy must be received by the Company at least 48 hours before the meeting.
7. You are encouraged to forward your form of proxy by facsimile to the Company’s Share Registry on 08 9315 2233 or by mail to Security Transfer Registrars Pty Ltd P O Box 535 Applecross WA 6953.
Explanatory Notes

Annual Report and Accounts

Under the Company’s Constitution and the Corporations Act 2001, the business of an Annual General Meeting must include the receipt and consideration of the Financial Report, Directors’ Report and Auditors’ Report for the past financial year. The Annual General Meeting provides a forum for shareholders to ask questions on the Company’s reports and accounts for the year ended 30 June 2004.

Re-election of Director (Resolution 1)

Rule 10.3 of the Company’s Constitution provides for the retirement by rotation at each Annual General Meeting of one third of the Directors. ASX Listing Rule 14.4 provides that a director must not hold office (without re-election) past the third annual general meeting following the director’s appointment or three years, whichever is the longer. Mr. J Falconer retires in accordance with these requirements and offers himself for re-election.

John Falconer, aged 56, is a Fellow of the Institute of Chartered Accountants in Australia and an Associate of the Securities Institute of Australia. He is principal of Carbone Falconer & Co, a firm of Chartered Accountants practising in Sydney, whose client base includes small publicly listed companies as well as a number of successful family businesses. He was appointed as a Director of the Company in 1994.

Mr Falconer is Company Secretary, Chairman of the Audit Committee and member of the Remuneration Committee and Nomination Committee. He is a Director of TZ Limited and Tarragon Property Fund. He has no directorships or other interests which might affect his independence. He has no relationships with Directors of Kingsgate, nor with any customers or suppliers of the company. Mr. Falconer holds 145,741 shares in Kingsgate.

Following consideration by the Nomination Committee (absent Mr. Falconer) and their recommendation in favour of the re-election, the Board (absent Mr. Falconer) recommends that members vote in favour of the re-election of Mr. Falconer as a Director.

Election of Director (Resolution 2)

The Company has received a nomination for election as a Director from Mr. Christopher Komor. Rule 10.7 of the Company’s Constitution provides for the election as a Director of a person or a Member at an Annual General Meeting of the Company. Mr. Komor has been a Member of Kingsgate for over ten years and has provided the required notice of at least 30 business days of his desire to be a candidate at this Annual General Meeting. Mr. Komor has provided the Company with the following details in support of his nomination.

Mr. Komor, aged 56, has almost 30 years of professional and investment experience. He holds a Bachelor of Arts from the University of California, Berkeley, USA and a Bachelor of Laws (Honours) from the Australian National University, Canberra. He has, until recently, been a councillor of Willoughby City Council and is a sole director and shareholder of Willow Bend Station Pty Ltd, a midsized mixed enterprise primary production property in Central NSW. He has been directly involved in various equity investments in Australia and Asia.
Mr. Komor was formerly the Head of Mergers and Acquisitions at Amro Bank N.V. (Sydney) and prior to that was Group Head of Mergers and Acquisitions at Tricontinental Limited. He was a solicitor with Allen, Allen and Hemsley for several years. He has no directorships or other interests which might affect his independence. He has no relationships with Directors of Kingsgate, nor with any customers or suppliers of the company. Mr. Komor has a beneficial interest in 1,952,815 shares in Kingsgate.

The Nomination Committee considered the nomination of Mr. Komor. This included consideration of his qualifications and experience, both in the context of experience with a gold mining company with international activities and the extent of his previous experience as a public company Director. The Nomination Committee also undertook an interview with Mr. Komor.

After careful consideration, the Nomination Committee formed the view that there are currently sufficient Directors with the appropriate experience on the Board. This view was confirmed by the Board who recommend that shareholders vote against the election of Mr Komor as a Director of Kingsgate.

**Directors’ Fees (Resolution 3)**

ASX Listing Rule 10.17 and the Company’s Constitution require shareholder approval for any increase in the total amount of fees payable by the Company to Non-Executive Directors. In accordance with these requirements, shareholders are asked to approve an increase of $250,000 in the maximum amount of fees that may be paid to Non-Executive Directors of the Company per year. If resolution 3 is passed, the maximum amount payable per annum by the Company to the Non-Executive Directors will increase from $250,000 to $500,000 per annum.

The previous increase in Non-Executive Directors’ fees was approved by shareholders in October 2003 at a time when there were 4 Non-Executive Directors on the Board. Directors’ overall responsibilities have increased in line with changes in corporate governance practices and fees were increased during the year to reflect the increasing time commitment and demands placed on Directors. Given that the current fees are at the limit approved by shareholders, the Directors consider that it is prudent to make provision for fees to be increased in future to ensure that the Company’s fee structure remains competitive with similar sized companies listed on the Australian Stock Exchange and to cater for the potential appointment of additional Directors to the Board.

**Voting Exclusion**

In accordance with the Voting Exclusion Statement in the Notice of Meeting, the Company will disregard any votes cast on resolution 3 by any Director of the Company, or an associate of any Director (except where the vote is cast by a person as proxy for a person who is entitled to vote on resolution 3).