



Kingsgate

Consolidated Limited

ASX & MEDIA RELEASE

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11 April 2014

Successful Completion of Retail Entitlement Offer

Kingsgate Consolidated Limited ABN 42 000 837 472 ("**Kingsgate**" or the "**Company**") is pleased to announce the successful completion of its Retail Entitlement Offer raising gross proceeds of approximately A\$31.5 million ("**Retail Entitlement Offer**") at an offer price of A\$1.00 per New Share.

Under the Retail Entitlement Offer, Kingsgate received valid applications from Eligible Retail Shareholders for approximately \$8.3 million of New Shares. Any remaining New Shares available under the Retail Entitlement Offer were fully underwritten such that Kingsgate will receive total proceeds under the Retail Entitlement Offer of approximately A\$31.5 million before costs and these New Shares will be allocated in accordance with the Underwriting Agreement with the Joint Lead Managers dated 18 March 2014.

Resource Capital Fund VI L.P (RCF) has subscribed for its entire \$11.1 million sub-underwriting commitment as part of the Retail Entitlement Offer and as such the Top-Up Placement referred to in our ASX Announcement of 18 March 2014 to RCF is not required and shareholder approval of the Top-Up Placement will not be sought.

Completion of the Retail Entitlement Offer represents the final stage of Kingsgate's A\$59.4 million equity raising announced on Tuesday, 18 March 2014 and follows the completion of the Institutional Entitlement Offer on Thursday 20 March 2014 which raised approximately A\$27.9 million. Settlement of the Retail Entitlement Offer will occur on Tuesday, 15 April 2014. The New Shares offered under the Retail Entitlement Offer are expected to be issued, and to commence trading on the Australian Securities Exchange ("**ASX**"), on Thursday, 17 April 2014 and from that date will rank equally with existing Kingsgate ordinary shares.

The proceeds of the Entitlement Offer will be used to:

- repay existing corporate debt in accordance with its current repayment schedule;
- pre-develop expenditure at Nueva Esperanza;
- complete the Bowdens Definitive Feasibility Study (DFS) and Environmental Impact Statement (EIS); and
- for working capital and general corporate purposes.

Further information

If you have any questions in relation to the matters disclosed, you should contact your stockbroker, accountant, taxation adviser, financial adviser or other professional adviser.

Yours sincerely

Ross Coyle
Company Secretary

This notice does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. The New Shares to be offered and sold in the Institutional Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the U.S. Securities Act) in reliance on Regulation S under the U.S. Securities Act. The New Shares to be offered and sold in the U.S. Private Placement may only be offered and sold in the United States pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Morgan Stanley is acting solely in the capacity of an administration agent in connection with the U.S. Private Placement.

The provision of this notice is not, and should not be considered as, a securities recommendation or financial product advice. The information in this notice is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. Kingsgate Consolidated Limited is not licensed to provide financial product advice. If you are unsure of your position, please contact your stockbroker, accountant, taxation adviser, financial adviser or other professional adviser.