



Kingsgate

Consolidated Limited

ABN 42 000 837 472

30 June 2016

**Via ASX Online
(2 pages)**

FOR PUBLIC RELEASE

Manager
Company Announcements Office
Australian Securities Exchange

Successful Completion of Transaction for Bowdens Silver Project

Kingsgate Consolidated (ASX:KCN) (“Kingsgate” or the “Company”) is pleased to announce that Silver Mines Limited has paid the remaining monies totalling A\$18 million to complete the purchase of an 85% stake in the Bowdens Silver Project.

Kingsgate has received a total payment of A\$20 million cash for an 85% interest in the project.

The \$20 million was paid in three instalments:

- A\$200,000 was paid by way of a non-refundable deposit in February 2016;
- a further A\$1.8 million was paid in March 2016 at the successful completion of the due diligence period; and
- the remaining A\$18 million has now been received which successfully completes the deal.

Kingsgate is also pleased to advise that an agreement has been reached for Silver Mines Limited to purchase the remaining 15% interest in the Bowdens Silver Project.

The Company has entered into a Deed of Variation with Silver Mines Limited whereby:

- the acquisition price for the 100% purchase of the Bowdens Silver Project is varied to A\$25 million;
- Silver Mines Limited now owns 100% of the Bowdens Silver Project;
- Silver Mines Limited will pay the balance of A\$5 million by 30 September 2016, or such other date as may be agreed; and
- should Silver Mines Limited not pay the final balance of A\$5 million by 30 September 2016, the parties will form an unincorporated Joint Venture as originally contemplated under the Agreement.

Kingsgate Chief Executive Officer Mr Greg Foulis said “We are delighted to see this transaction through to completion, as it underpins our strategy to reposition Kingsgate by reinvesting these proceeds into the more advanced Nueva Esperanza Project in Chile to realise its future potential.”

A handwritten signature in black ink, appearing to read "Greg Foulis", with a stylized flourish at the end.

Greg Foulis
Chief Executive Officer
Kingsgate Consolidated Limited