



# Kingsgate

Consolidated Limited

ABN 42 000 837 472

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**Via ASX Online**

(2 pages)

Manager

Company Announcements Office  
Australian Securities Exchange

**FOR PUBLIC RELEASE**

## **Binding Agreement signed for the sale of Nueva Esperanza**

Kingsgate Consolidated Limited (“Kingsgate” or the “Company”) is pleased to announce that a binding agreement for the sale of the Company’s Nueva Esperanza Project located in the Atacama Region of Northern Chile to TSX listed TDG Gold Corp (“TDG”) has been signed. This follows the signing of a Letter of Intent with TDG in June 2021.

The finalization of the binding agreement took longer than expected due to the need to resolve a number of legal and accounting issues across Australia, Canada and Chile, which was further compounded by delays due to COVID-19 travel restrictions.

The key details of the deal are as follows:

- C\$25 million cash payable to Kingsgate upon completion of the transaction;
- Kingsgate will be issued 14.0% of TDG’s outstanding common shares calculated on a post-closing basis;
- C\$6.25 million is payable to Kingsgate within 3 months of completion of a Definitive Feasibility Study;
- A payment of C\$5 million or 10 million TDG shares at their discretion to be issued at the point of a construction decision;
- A payment of \$C5 million or 10 million in TDG shares at their discretion at the 1 year production anniversary;
- A payment of C\$8.75 million at the 2 year production anniversary;
- Kingsgate will have a representative on the TDG board so long as Kingsgate owns 10% or more of the issued and outstanding shares; and

- For 24 months following closing of the Agreement, Kingsgate will have the right to participate in the issuance of securities offerings to maintain its percentage interest and/or to increase its percentage ownership interest up to 19.9% of the outstanding shares of TDG.

The transaction is subject to completion by TDG of raising finance of at least C\$35 million, and if completion extends beyond the 31st October 2021, TDG will pay Kingsgate a non-refundable deposit of C\$500,000. This deposit will be deducted from the initial C\$25 million cash payment on final completion. In accordance with TDG's financing schedule, Kingsgate would expect to receive the first payment under the agreement towards the end of November.

As mentioned above as part of the sale agreement, Kingsgate has the right to nominate a Director to the TDG board. It is the Company's intention to nominate Mr Peter Hayman, an Australian resident in North America to this position.

Mr Hayman, a graduate in business finance from the Swinburne University of Technology and the Australian Institute of Company Directors, has extensive experience in capital markets for over 40 years covering the mining and resources sectors both as an institutional stockbroker with leading international firms, and for the last 15 years as an independent consultant offering strategic advice and investor relations services to Australian resources companies accessing North America.



**Ross Smyth-Kirk OAM**  
**Executive Chairman**  
**KINGSGATE CONSOLIDATED LIMITED**