



Kingsgate

Consolidated Limited

ABN 42 000 837 472

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23 February 2012

The Manager, Announcements
Company Announcements Office
Australian Securities Exchange

**FOR PUBLIC RELEASE
Via ASX Online (2 pages)**

Dear Sir/Madam,

Kingsgate Successfully Completes \$70 Million Institutional Share Placement

Kingsgate Consolidated Limited ("**Kingsgate**") is pleased to announce that it has completed a \$70 million fully underwritten placement ("**Placement**") at a price of \$7.10 per share.

As announced on 22 February 2012, the proceeds will provide Kingsgate with the financial flexibility to fund its development and exploration expenditure plans for the Nueva Esperanza project in Chile and the Bowdens project in New South Wales during 2012, including accelerating the development timetable of those projects where possible.

Kingsgate's Managing Director and CEO, Gavin Thomas, said: "The Placement was strongly oversubscribed and supported by both existing shareholders and new institutional investors and we thank them for their support."

"The proceeds will enable the company to progress development of its exciting new projects in Chile and Australia and continue an aggressive growth path to more quickly realise the underlying value of its total asset portfolio."

A total of 9.85 million shares will be issued through the Placement to institutional and sophisticated investors. The new shares are expected to be allotted and issued on 29 February 2012. New shares issued under the Placement will rank equally with existing Kingsgate ordinary shares on issue, including being entitled to the FY2012 interim dividend.

Accordingly, Kingsgate requests that the trading halt in the company's shares be lifted at market open on Thursday 23 February 2012.

Yours sincerely

**Gavin Thomas
Managing Director & CEO
Kingsgate Consolidated Limited**

Kingsgate Consolidated Limited
(ABN 42 000 837 472)
Suite 801, Level 8, 14 Martin Place
Sydney NSW 2000 Australia

Telephone: 61 2 8256 4800
Facsimile: 61 2 8256 4810
Email: info@kingsgate.com.au
Website: www.kingsgate.com.au

IMPORTANT NOTICES

Investments involve risks

An investment in Kingsgate shares is subject to investment and other known and unknown risks, some of which are beyond the control of Kingsgate. Kingsgate, like other mining companies, is subject to the hazards and risks normally associated with the exploration, development and production of natural resources from open pit or underground mining, which can be difficult to predict and are often affected by factors outside of the control of Kingsgate. Potential investors should consider current publicly available information on Kingsgate (such as that available on the websites of Kingsgate and ASX), carefully consider their personal circumstances and consult their stockbroker, solicitor, accountant or other professional adviser before making any investment decision.

Caution regarding forward-looking statements

This release contains forward-looking statements, which can usually be identified by the use of words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "believe", "continue", "objectives", "outlook", "guidance" or words of similar effect. These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, and which may cause actual outcomes to differ materially from those expressed in the statements contained in this release. You should not place undue reliance on these forward-looking statements. These forward-looking statements are based on information available to us as of the date of this release. Except as required by law or regulation (including the ASX Listing Rules) we undertake no obligation to update these forward-looking statements.

Not financial advice

This announcement is not financial advice or a recommendation to acquire Kingsgate shares and has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision prospective investors should consider the appropriateness of the information having regard to their own objectives, financial situation and needs and seek such legal, financial and/or taxation advice as they deem necessary or appropriate to their jurisdiction.

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Past performance not indicative of future performance

Past performance information given in this announcement is given for illustrative purposes only and should not be relied upon as (and is not) an indication of future performance.

Underwriters

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