

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Kingsgate Consolidated Limited

ABN

42 000 837 472

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|--|
| 1 | +Class of +securities issued or to be issued | Ordinary shares (Shares) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <p>Kingsgate is seeking to raise up to \$44,769,368 via the issue of up to 44,769,368 Shares in the capital of Kingsgate Consolidated Limited (Kingsgate) pursuant to the terms of the partially underwritten accelerated non-renounceable entitlement offer (Entitlement Offer) announced to ASX on 18 March 2014 comprising a fully underwritten Institutional Entitlement Offer and a partially underwritten Retail Entitlement Offer. However, the exact number of new Shares to be issued and the breakdown of Shares to be issued under the Institutional Entitlement Offer and the Retail Entitlement Offer is subject to reconciliation of shareholder entitlements and rounding.</p> <p>Kingsgate is seeking to raise \$14,661,220 via the issue of 14,661,220 Shares in the capital of Kingsgate under the fully underwritten placement to institutional and sophisticated investors announced to ASX on 18 March 2014 (Placement).</p> |

+ See chapter 19 for defined terms.

<p>3 Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion)</p>	<p>Fully paid ordinary shares</p>
<p>4 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes, the new Shares will rank equally in all respects with existing fully paid ordinary shares in Kingsgate from issue.</p>
<p>5 Issue price or consideration</p>	<p>\$1.00 per share</p>
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Proceeds of the capital raising are to be used for the purpose of:</p> <ul style="list-style-type: none"> • repayment of existing corporate debt; • pre-development of Nueva Esperanza; • completion of the Bowdens Definitive Feasibility Study (DFS) and Environmental Impact Statement (EIS); and • working capital and general corporate purposes.
<p>6a Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	<p>No</p>

+ See chapter 19 for defined terms.

6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A
6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
6f	Number of +securities issued under an exception in rule 7.2	N/A
6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A
7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>28 March 2014 for Shares issued under the Institutional Entitlement Offer and Placement.</p> <p>16 April 2014 for Shares issued under the Retail Entitlement Offer.</p>

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	Number	+Class	
8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	After completion of the Entitlement Offer there will be 223,584,937 Shares on issue (based on the number of Shares on issue as at the date of this Appendix 3B and the number of Shares to be issued under the Placement and Entitlement Offer, subject to the effects of rounding).	Fully paid ordinary shares

	Number	+Class	
9	Number and +class of all +securities not quoted on ASX (including the +securities in section 2 if applicable)	1,500,000 \$10.36 expiring 25 August 2014	Options (not quoted on the ASX)
		3,333,334 \$10.50 expiring 22 September 2016	
		112,519 Deferred rights with conversion date 30 June 2014	Rights (not quoted on the ASX)
		82,320 Deferred rights with conversion date 30 June 2015	
	343,410 Performance rights with conversion date 30 June 2015		
	768,380 Performance rights with conversion date 30 June 2016		

10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	No change. Dividend policy same as for other Shares.
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Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Non-renounceable
13	Ratio in which the +securities will be offered	3 new Shares for each 11 Shares held as at the Record Date
14	+Class of +securities to which the offer relates	Fully paid ordinary shares
15	+Record date to determine entitlements	7.00pm (Sydney time) on 21 March 2014

+ See chapter 19 for defined terms.

16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of entitlements, they will be rounded up to the nearest whole number of new Shares
18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries other than Australia and New Zealand and any other jurisdiction into which it is decided to make offers (which may include certain institutional shareholders in Hong Kong, Singapore, Malaysia, the United Kingdom, the United States, Germany, Norway and Switzerland) under applicable exceptions from the requirement to issue a prospectus or other disclosure document in those jurisdictions.
19	Closing date for receipt of acceptances or renunciations	19 March 2014 (Institutional Entitlement Offer) 9 April 2014 (Retail Entitlement Offer)
20	Names of any underwriters	Morgan Stanley Australia Securities Limited and CIMB Capital Markets (Australia) Limited
21	Amount of any underwriting fee or commission	A combined underwriting and management fee of up to 4% of the proceeds of the Entitlement Offer and Placement.
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	No prospectus is being prepared. A Retail Entitlement Offer Booklet and Entitlement and Acceptance Form will be sent to Eligible Retail Shareholders on or about 26 March 2014

+ See chapter 19 for defined terms.

27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	18 March 2014
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	+Issue date	Refer to item 7 above

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of +securities
(tick one)

(a) +Securities described in Part 1

(b) All other +securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

+ See chapter 19 for defined terms.

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders
- 36 If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

- 38 Number of +securities for which +quotation is sought
- 39 +Class of +securities for which quotation is sought
- 40 Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?

If the additional +securities do not rank equally, please state:
• the date from which they do
• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment
• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
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<p>41 Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	<p>N/A</p>
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<p>42 Number and +class of all +securities quoted on ASX (including the +securities in clause 38)</p>	<p>Number</p>	<p>+Class</p>
	<p>N/A</p>	<p>N/A</p>

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Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:


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(Director/Company secretary)

Date: 18/03/2014

Print name: Ross Coyle

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+ See chapter 19 for defined terms.