



Kingsgate

Consolidated Limited

ABN 42 000 837 472

ASX & MEDIA RELEASE

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

26 March 2014

Company Announcements Office
ASX Limited
Level 8 Exchange Plaza
2 The Esplanade Perth WA 6000

KINGSGATE CONSOLIDATED LIMITED ABN 42 000 837 472 - ENTITLEMENT OFFER

LETTER TO SHAREHOLDERS

Please find attached a copy of letters that have been sent to eligible and ineligible shareholders in relation to the Retail Entitlement Offer announced by the Company on 26 March 2014

Yours faithfully

Ross Coyle
Company Secretary



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Dear Shareholder

KINGSGATE CONSOLIDATED LIMITED ABN 42 000 837 472 - ENTITLEMENT OFFER NOTIFICATION TO ELIGIBLE RETAIL SHAREHOLDERS

On Tuesday, 18 March 2014 Kingsgate Consolidated Limited ABN 42 000 837 472 (**Kingsgate**) announced an accelerated pro-rata entitlement offer (**Entitlement Offer**) to raise up to approximately A\$44.8 million and an institutional placement to raise approximately A\$14.7 million (**Institutional Placement**). The Entitlement Offer is non-renounceable and comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and a retail entitlement offer (**Retail Entitlement Offer**). Under the Entitlement Offer, eligible shareholders may apply for 3 new Kingsgate ordinary shares (**New Shares**) for every 11 existing Kingsgate shares (**Shares**) held, at an offer price of A\$1.00 per New Share. The Entitlement Offer and the Institutional Placement are together referred to in this letter as the **Offer**.

The Offer is fully underwritten by Morgan Stanley Australia Securities Limited (**Morgan Stanley**) and CIMB Securities (Australia) Limited (**CIMB**) (and together with Morgan Stanley, the **Joint Lead Managers**). Following completion of the Offer, Kingsgate will have issued approximately 59.4 million New Shares resulting in a total Kingsgate ordinary shares on issue of approximately 223.6 million.

The Entitlement Offer is being made by Kingsgate without a disclosure document in accordance with section 708AA of the Corporations Act 2001 (**Act**) as modified by the Australian Securities and Investments Commission Class Order [CO 08/35].

The Institutional Entitlement Offer was completed on Thursday, 20 March 2014.

Retail Entitlement Offer

The Retail Entitlement Offer which will raise approximately A\$31.5 million, is being made to Eligible Retail Shareholders (as defined below), on the basis of 3 New Shares for every 11 Shares held at 7.00pm (Sydney time) on Friday 21 March 2014 (**Record Date**).

A booklet in relation to the Retail Entitlement Offer was lodged with the ASX on Wednesday 26 March 2014 (**Offer Booklet**) and will be mailed to Eligible Retail Shareholders.

Eligibility criteria

There are restrictions on eligibility under the Retail Entitlement Offer because of legal limitations on making or extending an offer of securities to shareholders in certain countries, the relatively small number of shareholders in those countries, the number and value of shares for which those shareholders would otherwise be entitled to subscribe and the potential cost of complying with regulatory requirements in those countries.

Kingsgate has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Act, that it would be unreasonable to make or extend offers under the Retail Entitlement Offer to shareholders in countries outside of Australia and New Zealand and to certain other jurisdictions.

This determination does not apply to you. Kingsgate wishes to advise you that you are eligible to subscribe for New Shares under the Retail Entitlement Offer.

A shareholder who is eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**) is one who:

- a) is a registered holder of Shares as at the Record Date;
- b) has a registered address in Australia or New Zealand or is a person to whom the Company has determined it can extend the Retail Entitlement Offer;
- c) is not located in the United States and is not acting for the account or benefit of a person in the United States (to the extent that such a shareholder holds shares for the account or benefit of such person in the United States);
- d) is not an Eligible Institutional Shareholder or an Ineligible Institutional Shareholder;
- e) is eligible under all applicable laws to receive an offer under the Retail Entitlement Offer.

The Company may, in its absolute discretion, extend the Retail Entitlement Offer to any eligible shareholder in foreign jurisdictions who did not participate in the Institutional Entitlement Offer (subject to compliance with applicable laws).

Eligible Retail Shareholders who have any queries are encouraged to contact Security Transfer Registrars Pty Limited on (08) 9315 2333 from within Australia or +61 (8) 9315 2333 from outside Australia between 8.30am and 5.30pm (Perth time) Monday to Friday during the period the Retail Entitlement Offer is open.

Action required by Eligible Retail Shareholders

There are a number of actions Eligible Retail Shareholders may take:

- ***You may wish to accept all of your rights to subscribe for New Shares pursuant to the Entitlement Offer ("Entitlement"). To take up all of your Entitlements you will need to ensure your application money for the Entitlements you wish to take up is received by Security Transfer Registrar Pty Limited ("Share Registry") by no later than 5pm (Sydney time) on 9 April 2014, by completing and returning your Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.***
- ***You may wish to accept part of your Entitlement pursuant to the Offer Booklet. To take up part of your Entitlement you will need to ensure your application money for the Entitlements you wish to take up is received by the Share Registry by no later than 5pm (Sydney time) on 9 April 2014, by completing and returning your Entitlement and Acceptance Form by filling in the number of New Shares you wish to apply for in the space provided on the Entitlement and Acceptance Form together with your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies OR making a payment by BPAY in accordance with the instructions on your Entitlement and Acceptance Form.***

- **You may do nothing.** If you choose to do nothing with your Entitlements, while you will continue to hold the same number of Shares, your interest in Kingsgate will be diluted and you will receive no value for your Entitlement.

Key Dates for Eligible Retail Shareholders

Event	Date
Record Date for the Entitlement Offer	Friday, 21 March 2014 at 7.00pm (Sydney time)
Retail Entitlement Offer opens	
Company completes despatch of the Offer Booklet	Wednesday, 26 March 2014
Retail Entitlement Offer closes (Closing Date)	Wednesday, 9 April 2014
Announcement of Retail Entitlement Offer results	Friday, 11 April 2014
Settlement of Retail Entitlement Offer	Tuesday, 15 April 2014
Company completes issue of New Shares under the Retail Entitlement Offer	Wednesday, 16 April 2014
New Shares issued under the Retail Entitlement Offer commence trading on ASX on a normal settlement basis	Thursday, 17 April 2014
Despatch of holding statement	Thursday, 17 April 2014

Note: The timetable is subject to change. Subject to the Listing Rules, the Directors, in consultation with the Joint Lead Managers, reserve the right to withdraw or vary the timetable for the Entitlement Offer without notice. In particular, the Directors reserve the right to extend the Closing Date for the Retail Entitlement Offer, to accept late applications either generally or in particular cases or to withdraw the Retail Entitlement Offer without prior notice. The Company will apply for quotation of New Shares following issue and commencement of quotation of New Shares is subject to confirmation from the ASX.

Further details of the Entitlement Offer, including investment considerations and risks associated with the Offer, are included in the investor presentation given to ASX on 18 March 2014.

Yours faithfully



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.



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Dear Shareholder,

KINGSGATE CONSOLIDATED LIMITED ABN 42 000 837 472 - ENTITLEMENT OFFER

NOTIFICATION TO INELIGIBLE RETAIL SHAREHOLDERS

On Tuesday, 18 March 2014 Kingsgate Consolidated Limited ABN 42 000 837 472 (**Kingsgate**) announced an accelerated pro-rata entitlement offer (**Entitlement Offer**) to raise up to approximately A\$44.8 million and an institutional placement to raise approximately A\$14.7 million (**Institutional Placement**). The Entitlement Offer is non-renounceable and comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and a retail entitlement offer (**Retail Entitlement Offer**). Under the Entitlement Offer, eligible shareholders may apply for 3 new Kingsgate ordinary shares (**New Shares**) for every 11 existing Kingsgate shares (**Shares**) held, at an offer price of A\$1.00 per New Share. The Entitlement Offer and the Institutional Placement are together referred to in this letter as the **Offer**.

The Offer is fully underwritten by Morgan Stanley Australia Securities Limited (**Morgan Stanley**) and CIMB Capital Markets (Australia) Limited (**CIMB**) (and together with Morgan Stanley, the **Joint Lead Managers**). Following completion of the Offer, Kingsgate will have issued approximately 59.4 million New Shares resulting in a total Kingsgate ordinary shares on issue of approximately 223.6 million.

The Entitlement Offer is being made by Kingsgate without a disclosure document in accordance with section 708AA of the Corporations Act 2001 (the **Act**) as modified by the Australian Securities and Investments Commission Class Order [CO 08/35].

The Institutional Entitlement Offer was completed on Thursday, 20 March 2014.

Retail Entitlement Offer

The Retail Entitlement Offer which will raise approximately A\$31.5 million, is being made to Eligible Retail Shareholders (as defined below), on the basis of 3 New Shares for every 11 Shares held at 7.00pm (Sydney time) on Friday 21 March 2014 (**Record Date**).

A booklet in relation to the Retail Entitlement Offer was lodged with the ASX on Wednesday 26 March 2014 (**Offer Booklet**) and will be mailed to Eligible Retail Shareholders.

Eligibility criteria

There are restrictions on eligibility under the Retail Entitlement Offer because of legal limitations on making or extending an offer of securities to shareholders in certain countries, the relatively small number of shareholders in those countries, the number and value of shares for which those shareholders would otherwise be entitled to subscribe and the potential cost of complying with regulatory requirements in those countries.

Kingsgate has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Act, that it would be unreasonable to make or extend offers to shareholders in countries outside of Australia and New Zealand under the Retail Entitlement Offer. Accordingly, in compliance with ASX Listing Rule 7.7.1(b) and section 9A(3)(b) of the Act, Kingsgate wishes to advise you that you are ineligible and it will not be extending the Retail Entitlement Offer to you and you will not be able to apply for New Shares under the Retail Entitlement Offer.

A shareholder who is eligible to participate in the Retail Entitlement Offer (**Eligible Retail Shareholders**) is one who:

- a) is a registered holder of Shares at the Record Date;
- b) has a registered address in Australia or New Zealand or is a person to whom the Company has determined it can extend the Retail Entitlement Offer;
- c) is not located in the United States and is not acting for the account or benefit of a person in the United States (to the extent that such a shareholder holds shares for the account or benefit of such person in the United States);
- d) is not an Eligible Institutional Shareholder or an ineligible Institutional Shareholder;
- e) is eligible under all applicable laws to receive an offer under the Retail Entitlement Offer.

Unfortunately, as you do not satisfy the eligibility criteria for an Eligible Retail Shareholder, you are an Ineligible Retail Shareholder and will not be able to apply for New Shares

You are not required to do anything in response to this letter. This notice is to inform you about the Retail Entitlement Offer. This notice is not an offer to issue New Shares to you, nor an invitation for you to apply for New Shares.

What will happen to my entitlement?

As you are not an Eligible Retail Shareholder you will not receive any payment or value for any entitlement in respect of any New Shares that would have been offered to you if you were an Eligible Retail Shareholder.

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.