



Kingsgate

Consolidated Limited

ABN 42 000 837 472

ASX & MEDIA RELEASE

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KINGSGATE CONSOLIDATED LIMITED ABN 42 000 837 472 – RETAIL ENTITLEMENT OFFER

REMINDER – CLOSING 5PM SYDNEY TIME WEDNESDAY 9 APRIL 2014

2 April 2014

Dear Eligible Retail Shareholder,

I am writing to remind you of your ability to participate in the Retail Entitlement Offer by Kingsgate Consolidated Limited ABN 42 000 837 472 (**Kingsgate**) (**Retail Entitlement Offer**), which will **close at 5.00pm (Sydney time) on Wednesday, 9 April 2014**.

The Retail Entitlement Offer entitles Eligible Retail Shareholders to subscribe for 3 New Kingsgate shares (**New Shares**) for every 11 Kingsgate shares that are held as at **7.00pm (Sydney time) on Friday, 21 March 2014** at the issue price of A\$1.00 per New Share (**Issue Price**).

A Retail Entitlement Offer Booklet (**Offer Booklet**) providing terms and conditions of the Retail Entitlement Offer and a personalised entitlement and acceptance form has been sent to you.

If you have any questions or require a replacement Entitlement and Acceptance Form, please contact Security Transfer Registrars Pty Limited on **(08) 9315 2333** from within Australia or at **+61 (8) 9315 2333** from outside Australia at any time from **8.30am to 5.30pm (Perth time)** Monday to Friday during the Retail Entitlement Offer period.

Before making a decision on whether to apply for New Shares under the Retail Entitlement Offer, I encourage you to read the entire Offer Booklet carefully.

Please find attached answers to frequently asked questions in relation to the Retail Entitlement Offer.

I invite you to consider this investment opportunity and thank you for your ongoing support.

Should you wish to participate in the Retail Entitlement Offer, you will need to do so by 5.00pm (Sydney time) on Wednesday, 9 April 2014.

Yours faithfully

Ross Smyth-Kirk

Chairman

Kingsgate Consolidated Limited

Frequently Asked Questions

What is the Retail Entitlement Offer?

Kingsgate is offering Eligible Retail Shareholders the opportunity to subscribe for 3 New Shares for every 11 existing Kingsgate shares held on the Record Date being 7.00pm (Sydney time) on Friday, 21 March 2014.

The Retail Entitlement Offer closes at 5.00pm (Sydney time) on Wednesday, 9 April 2014.

The Issue Price is A\$1.00 per New Share, which is the same issue price paid by Eligible Institutional Shareholders under the Institutional the Entitlement Offer which was offered to Eligible Institutional Shareholders.

Why is Kingsgate undertaking the Offer?

There are four reasons why Kingsgate has made the decision to raise capital:

- Repayment of existing corporate debt;
- Pre-development expenditure at Nueva Esperanza;
- Completion of the Bowdens Definitive Feasibility Study (DFS) and Environmental Impact Statement (EIS); and
- Working capital and general corporate purposes.

For further information, please refer to the Investor Presentation dated 18 March 2014 and the Offer Booklet dated 26 March 2014.

How do I participate in the Retail Entitlement Offer?

The Offer Booklet has instructions on "How to apply" and sets out how to accept all or part of your Entitlement.

The Offer Booklet is available at www.kingsgate.com.au. A replacement Entitlement and Acceptance Form can be requested from Security Transfer Registrars Pty Limited on (08) 9315 2333 from within Australia or +61 (8) 9315 2333 from outside Australia at any time from 8.30am to 5.30pm (Perth time) Monday to Friday during the Retail Entitlement Offer period.

Do I have to participate in the Retail Entitlement Offer – what are my options?

No, you do not have to participate in the Retail Entitlement Offer.

There are three things you can do in respect of your Entitlement. You can:

- Take up your Entitlement in full;
- Take up part of your Entitlement and not take up the balance; or
- Not take up any of your Entitlement.

How many New Shares am I entitled to?

Eligible Retail Shareholders are entitled to apply for 3 New Shares for every 11 existing Kingsgate shares held at 7.00pm (Sydney time) on the Record Date, which is, Friday, 21 March 2014.

Your Entitlement is printed on your personalised Entitlement and Acceptance Form.

Are there any brokerage fees to be paid by me if I participate in the Retail Entitlement Offer?

No, you will not have to pay any brokerage fees or transaction costs if you participate in the Retail Entitlement Offer.

What happens if I don't participate in the Retail Entitlement Offer?

If you are an Eligible Retail Shareholder, and do not participate in the Retail Entitlement Offer, you will not receive any payment or value under the Entitlement Offer. You should note that your percentage shareholding in Kingsgate will be diluted following the issue of New Shares under the Entitlement Offer.

Note: Capitalised terms not defined in this letter have the meaning given to them in the Offer Booklet.

This announcement may not be distributed to, or relied upon by, persons in the United States. This notice does not constitute an offer to sell, or the 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 the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may only be offered or sold to persons that are not in the United States and are not acting for the account or benefit of a person in the United States, in each case, 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.