



# Kingsgate

Consolidated Limited

ABN 42 000 837 472

MEDIA RELEASE

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## **KINGSGATE BIDS FOR LAGUNA - 1.1 MILLION OUNCE GOLD EQUIVALENT RESOURCE IN CHILE**

Kingsgate Consolidated Ltd (ASX: KCN) has made a conditional off market takeover bid for all the outstanding shares of Laguna Resources NL (ASX: LRC).

Laguna's key asset is the wholly owned Arqueros project in Chile. Arqueros is an exciting advanced epithermal gold and silver project which currently has a resource of 1.1 Million ounces gold equivalent.

The bid by Kingsgate is in line with its strategy of building a portfolio of high quality development projects to complement the company's long term cash flow, further consolidating its position as the premier ASX mid-tier gold producer.

Laguna is valued at approximately \$22 million by this bid which has been unanimously recommended by the Laguna board.

Kingsgate has entered into pre-bid acceptance agreements representing 11.33% of the Laguna shares on issue. In addition Kingsgate has agreed to acquire approximately 96.55m outstanding but unlisted options in Laguna. When those options are exercised, the resulting shares, in addition to those covered under the pre-bid agreements, will total 18.4% of Laguna's expanded issued capital.

Kingsgate has had an exploration team in South America for more than five years and this transaction with Laguna brings with it a complete management team capable of fast-tracking the project through to a final feasibility stage following completion of the bid. The project is well located in an established gold mining region with access to power and water.

"The Arqueros project is a very well developed resource and will organically grow Kingsgate's resource base", said Chairman Ross Smyth-Kirk.

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