



# Kingsgate

Consolidated Limited

ABN 42 000 837 472

19 October 2011

**Via ASX Online  
(11 pages including cover)**

The Manager  
Company Announcements Office  
Australian Securities Exchange

Dear Sir/Madam,

**Notice of 2011 Annual General Meeting / Explanatory Memorandum / Proxy Form**

Please find attached the following information which has been forwarded to shareholders in respect of the year ended 30 June 2011:

- Notice of Annual General Meeting (3 pages)
- Explanatory Memorandum (5 pages)
- Proxy form (2 pages)

Yours sincerely,  
KINGSGATE CONSOLIDATED LIMITED



**ROSS COYLE**  
Company Secretary



**Kingsgate**  
Consolidated Limited

ABN 42 000 837 472

# Notice of Annual General Meeting and Explanatory Memorandum to Shareholders

MEETING TO BE HELD AT **THE MUSEUM OF SYDNEY,**  
**CORNER OF PHILLIP AND BRIDGE STREETS, SYDNEY NSW**  
ON **FRIDAY, 18th NOVEMBER 2011**  
AT **2.00PM SYDNEY TIME**

**A PROXY FORM IS ENCLOSED**

Please read the Notice and Explanatory Memorandum carefully.

If you are unable to attend the meeting please complete and return the enclosed Proxy Form in accordance with the specified instructions.

# Notice of Annual General Meeting

2

Notice is given that the Annual General Meeting of Shareholders of Kingsgate Consolidated Limited will be held at the Museum of Sydney, corner of Phillip and Bridge Streets, Sydney NSW, on Friday 18 November 2011, at 2.00pm Sydney time.

## Agenda

### Business

#### Item 1 Financial Report

To receive and consider the Company's Financial Report and the reports of the Directors and the Auditor for the financial year ended 30 June 2011.

#### Resolution 1 – Election of Peter Alexander as a Director

To consider and, if thought fit, to pass the following as an ordinary resolution:

*That Mr Peter Alexander, being a Director of the Company who was appointed since the last Annual General Meeting and who retires in accordance with the Company's Constitution and the ASX Listing Rules, and being eligible and having signified his candidature for the office, be elected as a Director of the Company.*

#### Resolution 2 – Re-election of Ross Smyth-Kirk as a Director

To consider and, if thought fit, to pass the following as an ordinary resolution:

*That Mr Ross Smyth-Kirk, a Director of the Company retiring by rotation in accordance with the Company's Constitution and the ASX Listing Rules, and being eligible and having signified his candidature for the office, be re-elected as a Director of the Company.*

#### Resolution 3 – Ratify and approve the previous share issue to Silver Standard Australia (BVI) Inc. issued as part consideration for the acquisition of the Bowdens Silver Project

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*That for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Company ratifies and approves the issue of 3,440,367 fully paid ordinary shares in the capital of the Company at an issue price of \$8.72 per share on 23 September 2011 to Silver Standard Australia (BVI) Inc. issued as part consideration for the acquisition of the Bowdens Silver Project.*

#### Resolution 4 – Approval of Remuneration Report

To consider and, if thought fit, to pass the following non-binding resolution as an ordinary resolution:

*To adopt the Remuneration Report for the year ended 30 June 2011.*

Note: This resolution is advisory only and does not bind the Directors or the Company.

### Explanatory Memorandum

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

Capitalised terms in this Notice of Meeting and the Explanatory Memorandum are defined in Annexure A to the Explanatory Memorandum.

### Resolutions not inter-dependent

None of the resolutions are inter-dependent. This means that one or more of the resolutions can be passed even though one or more of the other resolutions were not passed by Shareholders.

## Entitlement to vote

It has been determined that in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), for the purposes of the AGM, shares will be taken to be held by the persons who are the registered holders at 5.00 pm Sydney time on 16 November 2011. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

## Voting Exclusions for Resolution 3 – Ratify and Approval of previous Share Issue

In relation to **Resolution 3** to ratify and approve a previous Share issue the Company will disregard any votes cast on the resolution by Silver Standard Australia (BVI) Inc. the recipient of the share issue and an associate of Silver Standard Australia (BVI) Inc.

However, the Company need not disregard a vote on Resolution 3 if it is cast by Silver Standard Australia (BVI) Inc. as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form or it is cast by an associate of Silver Standard Australia (BVI) Inc. who is the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

## Voting Exclusions for Resolution 4 – Remuneration Report

In relation to **Resolution 4** regarding the Remuneration Report:

- (1) key management personnel and their closely related parties are not allowed to vote on the Remuneration Report, unless they are voting as proxy and voting a directed proxy; and
- (2) key management personnel and their closely related parties, if acting as a proxy, cannot vote undirected proxies (that is, open proxies) on resolutions connected with the remuneration of the Company's key management personnel.

The above information is a general summary only. Further information about these voting restrictions is set out in the Explanatory Memorandum accompanying this Notice of Meeting.

## Proxies

A Shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- ) appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act; and
- ) provides satisfactory evidence of the appointment of its corporate representative to the Company.

If such evidence is not received, then the body corporate (through its representative) will not be permitted to act as a proxy.

A Shareholder that is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes.

A Proxy Form accompanies this Notice of Meeting and to be effective must be received at the address stated below.

The Proxy Form (and any power of attorney under which it is signed) must be received no later than 2:00pm on 16 November 2011, being 48 hours before the time for holding the meeting.

Any Proxy Form received after that time will not be valid for the scheduled meeting. Please lodge the Proxy Form with the Company's Share Registry. You are encouraged to submit your proxy by mail, scan Proxy Form and forward by email, or fax Proxy Form to +61 8 9315 2233.

The address of Security Transfer Registrars Pty Limited is as follows:

PO Box 535, Applecross WA 6953; or  
770 Canning Highway, Applecross WA 6153.

By Order of the Board

Dated: 14 October 2011



## Ross Coyle

Company Secretary

Kingsgate Consolidated Limited

# Explanatory Memorandum to Shareholders

## 4

### 1 Introduction

This Explanatory Memorandum has been prepared to assist Shareholders to understand the business to be put to Shareholders at the meeting.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting. Annexure A of this Explanatory Memorandum contains the definitions of the capitalised terms in the Notice of Meeting and this Explanatory Memorandum.

The Directors recommend that Shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions set out in the Notice of Meeting.

If any Shareholder is in doubt as to how they should vote, they should seek advice from their professional adviser prior to voting.

### 2 Financial Report

The Corporations Act requires that the report of the Directors, the Auditor's Report and the Financial Report be tabled before the AGM. In addition, the Company's Constitution provides for these reports to be received and considered at the meeting.

Apart from the matters involving remuneration which are required to be voted on, neither the Corporations Act nor the Company's Constitution requires a vote of Shareholders at the AGM on the financial statements and reports. However, Shareholders will be given reasonable opportunity at the meeting to raise questions with respect to these reports.

Shareholders may also submit written questions to the Company's auditor if the question is relevant to the content of the Audit Report, or the conduct of its audit of the Annual Report for the year ended 30 June 2011. Any written questions to the auditor must be submitted to the Company no later than the fifth business day before the Annual General Meeting.

### 3 Resolution 1 – Election of Mr Peter Alexander as a Director

#### 3.1 General

Mr Peter Alexander was appointed a Director of the Company with effect from 22 February 2011.

The Company's Constitution requires that a Director appointed by the Board during the year must retire at the next AGM. In accordance with this requirement Mr Peter Alexander retires as a Director and offers himself for election as a Director.

#### 3.2 Qualifications and experience

Peter Alexander has had 38 years experience in the Australian and off-shore mining and exploration industry. He was Managing Director of Dominion Mining for 10 years prior to his retirement in January 2008. Mr Alexander was a Non-Executive Director of Dominion Mining Limited from February 2008 to February 2011.

**Following the consideration of the Nomination Committee and their recommendation in favour of the election, the Board (other than Mr Alexander) recommends members vote in favour of the election of Mr Alexander as a Director.**

## 4 Resolution 2 – Re-election of Mr Ross Smyth-Kirk as a Director

### 4.1 General

The Company's Constitution requires that at each AGM one third of the Company's Directors (other than the Managing Director) or, if their number is not a multiple of three, then the number nearest to but not less than one third, must retire from office.

The Company's Constitution also states that a Director (other than a Director who is a Managing Director) must retire from office at the conclusion of the third AGM after which the Director was elected or re-elected. In accordance with the Company's Constitution, Mr Ross Smyth-Kirk retires as a Director and offers himself for re-election as a Director.

### 4.2 Qualifications and experience

Mr Smyth-Kirk is the Chairman of the Company.

Ross Smyth-Kirk was a founding Director of the former leading investment management company, Clayton Robard Management Limited and has had extensive experience over a number of years in investment management including a close involvement with the minerals and mining sectors. He has been a Director of a number of companies over the past 31 years in Australia and the UK.

**Following the consideration of the Nomination Committee and their recommendation in favour of the re-election, the Board (other than Mr Smyth-Kirk) recommends members vote in favour of the re-election of Mr Smyth-Kirk as a Director.**

## 5 Resolution 3 – Ratify and approve the previous share issue to Silver Standard Australia (BVI) Inc. issued as part consideration for the acquisition of the Bowdens Silver Project

The Company seeks approval for, and ratification of, the issue of 3,440,367 ordinary fully paid shares to Silver Standard Australia (BVI) Inc. at an issue price of \$8.72 on 23 September 2011.

On 1 August 2011, the Company announced that it had entered into an agreement to acquire the Bowdens Silver Project located near Mudgee in New South Wales. The total aggregate consideration for the acquisition was A\$75 million and comprised:

- ) A\$45.0 million cash; and
- ) the issue, on the closing date of the acquisition, of Kingsgate fully paid ordinary shares equivalent to A\$30.0 million.

The number of shares issued was calculated by the daily volume weighted average sale price of Kingsgate shares sold on the ASX during the 20 trading days ending on the second business day preceding the closing date.

Closing of the acquisition occurred on the 22 September 2011 and the shares were allotted on 23 September 2011.

If the resolution is passed then the 3,440,367 shares issued will not be included in the calculation of the Company's 15% placement capacity.

If the resolution is not passed then the 3,440,367 shares issued will be included in the Company's 15% placement capacity.

**The Directors recommend that Shareholders vote in favour of the Resolution.**

## 6 Resolution 4 – Approval of Remuneration Report

Section 250R(2) of the Corporations Act 2001 requires that the section of the Directors' Report dealing with the remuneration of Directors, the secretary and senior executives be put to Shareholders at the AGM for adoption by resolution.

The vote is advisory only, and does not bind the Directors or the Company.

The Remuneration Report is set out in the 2011 Annual Report.

The report:

- (a) explains the Board's policies in relation to the nature and level of remuneration paid to Directors, secretaries and senior executives within the Company group;
- (b) discusses the link between the Board's policies and the Company's performance;
- (c) sets out the remuneration details for each Director and for each member of the Company's senior executive management team; and
- (d) makes clear that the basis for remunerating Non-Executive Directors is distinct from the basis for remunerating executives, including Executive Directors.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the meeting.

### Voting Restrictions for Resolution 4

The Corporations Act was recently changed to introduce voting restrictions in relation to the vote by Shareholders on the Remuneration Report. The following voting restrictions apply in relation to **Resolution 4** under Section 250(4) of the Corporations Act:

- (1) A vote on the resolution must not be cast (in any capacity) by or on behalf of either of the following persons:
  - (a) a member of the "key management personnel" details of whose remuneration are included in the Remuneration Report;
  - (b) a "closely related party" of such a member.
- (2) However, a person described above in paragraph (1) may cast a vote on the resolution if:
  - (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed resolution; and
  - (b) the vote is not cast on behalf of a person described above.

### Voting Exclusions in Relation to Proxy Voting by Key Management Personnel or Closely Related Parties Where they hold an Undirected Proxy

The Corporations Act was also recently changed to introduce voting restrictions in relation to the vote by proxies in relation to a resolution connected with the remuneration of a member of Key Management Personnel. Under Section 250BD(1) of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on a resolution connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company, being **Resolution 4** if:

- (a) the person is either a member of the Key Management Personnel for the Company, or a Closely Related Party of the member of the Key Management Personnel for the Company; and
- (b) the appointment does not specify the way the proxy is to vote on the resolution.

Under Section 250BD(2) of the Corporations Act the Company need not disregard a vote because of Section 250BD(1) of the Corporations Act if:

- (a) the person is the Chairman of the meeting; and
- (b) the appointment expressly authorises the Chairman to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

## 7 Chairman for Meeting and Chairman's Voting Intention for Undirected Proxies

It is proposed that the Chairman of the Meeting be the Chairman of the Board of Directors, Mr Ross Smyth-Kirk, for Resolution 1, Resolution 3 and Resolution 4. It is the Chairman's intention to vote undirected proxies which he holds as proxy in favour of Resolution 1, Resolution 3 and Resolution 4.

It is proposed that the Chairman of the Meeting for Resolution 2 (re-election of Mr Ross Smyth-Kirk) be Mr Craig Carracher. It is Mr Carracher's intention to vote undirected proxies which he holds as proxy in favour of Resolution 2.

## 8 Changes in relation to proxy voting

The Corporations Act was recently changed in relation to proxy voting where a poll is called.

If a person at the meeting (who is not the Chair of the meeting) is a proxy and they hold a directed proxy and a poll is called but they fail to vote that proxy for some reason, the proxy must be voted by the Chair of meeting on a poll.

## Annexure A – Definitions

The meanings of capitalised terms used in the Notice of Meeting and Explanatory Memorandum are set out below:

**AGM** means an Annual General Meeting.

**ASX** means the ASX Limited or the exchange operated by it, as the context requires.

**Board** means the Company's Board of Directors.

**Business Day** means a day other than a Saturday, Sunday or public holiday in New South Wales.

**Closely Related Party** of a member of the key management personnel for an entity means:

- (a) a spouse or child of the member; or
- (b) a child of the member's spouse; or
- (c) a dependant of the member or of the member's spouse; or
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the entity; or
- (e) a company the member controls.

**Company** means Kingsgate Consolidated Limited ABN 42 000 837 472.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Key Management Personnel** has the same meaning as in the accounting standards, being namely 'key management personnel' are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly and includes any Director (whether executive or otherwise) of the Company.

**Listing Rules** means the ASX Listing Rules published by the ASX from time to time.

**Share** means a fully paid, ordinary share issued in the share capital of the Company.

**Share Registry** means Security Transfer Registrars Pty Ltd, 770 Canning Highway, Applecross, Western Australia, 6153.

**Shareholder** means the registered holder of a Share.





**Kingsgate**

Consolidated Limited

ABN 42 000 837 472

**Registered Office**

Suite 801, Level 8,  
14 Martin Place  
Sydney NSW 2000  
Australia

Tel: +61 2 8256 4800

Fax: +61 2 8256 4810

Email: [info@kingsgate.com.au](mailto:info@kingsgate.com.au)

[www.kingsgate.com.au](http://www.kingsgate.com.au)

PROXY FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

KINGSGATE CONSOLIDATED LIMITED

ABN: 42 000 837 472

REGISTERED OFFICE:

SUITE 801, LEVEL 8
14 MARTIN PLACE
SYDNEY NSW 2000

SHARE REGISTRY:

Security Transfer Registrars Pty Ltd
All Correspondence to:
PO BOX 535,
APPLECROSS WA 6953 AUSTRALIA
770 Canning Highway,
APPLECROSS WA 6153 AUSTRALIA
T: +61 8 9315 2333 F: +61 8 9315 2233
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code: KCN

Holder Number:

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

Empty box for Chairperson appointment

OR

Grid of boxes for appointing another person

The meeting Chairperson
(mark with an "X")

The name of the person you are appointing
(if this person is someone other than the Chairperson of the meeting).

or failing the person named, or if no person is named, the Chairperson of the Meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions and instructions at the Annual General Meeting of the Company to be held at 2.00pm Sydney time on Friday 18 November 2011 at Museum of Sydney corner of Phillip and Bridge Streets Sydney NSW and at any adjournment of that meeting.

SECTION B: Voting Directions to your Proxy

Please mark "X" in the box to indicate your voting directions to your Proxy.

Resolution

Table with 4 rows of resolutions and 3 columns: For, Against, Abstain\*. Each row contains a resolution description and three empty boxes for voting.

\* If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Please Sign Below

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Three signature lines for Individual or Security Holder, Security Holder 2, and Security Holder 3 with their respective roles below.

4939521519 Reference Number:

1

KCN 1

My/Our contact details in case of enquiries are:

NAME

Grid for name input

TELEPHONE NUMBER

Grid for telephone number input

NOTES

1. Name and Address

This is the name and address on the Share Register of Kingsgate Consolidated Limited. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. Appointment of a Proxy

If you wish to appoint the Chairperson of the Meeting as your Proxy please mark "X" in the box in Section A. Please also refer to Section B of this proxy form and ensure you mark the box in that section if you wish to appoint the Chairperson as your Proxy.

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a Shareholder of Kingsgate Consolidated Limited.

3. Directing your Proxy how to vote

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

You acknowledge that where the Chairman is appointed as your proxy, the Chairman will exercise your proxy even though:

- (a) Resolution 4 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company; and
(b) the Chairman is a member of the Key Management Personnel, details of whose remuneration is included in the Remuneration Report, and you DIRECT the Chairman to vote your proxy for Resolution 4 in accordance with his stated voting intentions (below), EXCEPT WHERE you have indicated a different voting intention for Resolution 4 in Section B by placing a cross in the appropriate boxes in Section B for Resolution 4.

The Chairman intends to vote all undirected proxies in favour of each resolution.

Shareholders should be aware that they have the right to appoint the Chairman as proxy with a direction to cast the votes contrary to the Chairman's stated voting intention (above) or to abstain from voting on that resolution (by placing a cross in the appropriate boxes in Section B). Shareholders also have the right to appoint as their proxy a person other than the Chairman, including for the purposes of Resolution 4 (the remuneration report resolution).

In relation to Resolution 4 (the remuneration report resolution) you acknowledge that where you appoint a person as your proxy who is not the Chairman or otherwise a member of the Key Management Personnel for the Company or a Closely Related Party of a member of the Key Management Personnel for the Company, if you do not mark any of the boxes for Resolution 4, your proxy may vote on Resolution 4 as he or she chooses (subject to the provisions of the Corporations Act and the ASX Listing Rules)

For each of Resolutions 1, 2 and 3, if no direction is given to your Proxy as how to vote, your Proxy (including the Chairman if he is your proxy) may vote as the Proxy thinks fit for Resolutions 1, 2 and 3 (subject to the provisions of the Corporations Act and the ASX Listing Rules).

4. Appointment of a Second Proxy

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by telephoning the Company's share registry +61 8 9315 2333 or you may photocopy this form.

To appoint a second Proxy you must:

- (a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
(b) Return both forms in the same envelope.

5. Signing Instructions

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. Lodgement of Proxy

Proxy forms (and any Power of Attorney under which it is signed) must be received by Security Transfer Registrars Pty Ltd no later than 2.00pm Sydney time on Wednesday 16 November 2011, being 48 hours before the time for holding the meeting. Any Proxy form received after that time will not be valid for the scheduled meeting.

Security Transfer Registrars Pty Ltd
PO BOX 535
Applecross, Western Australia 6953

Street Address:
Alexandrea House, Suite 1
770 Canning Highway
Applecross, Western Australia 6153

Telephone +61 8 9315 2333
Facsimile +61 8 9315 2233
Email registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Registrars Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Registrars Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.