



# Kingsgate

Consolidated Ltd

ABN 42 000 837 472

5 February 2003

Via ASX Online (9 pages including this page)

The Manager  
Announcements  
Company Announcements Office  
Australian Stock Exchange Limited

Dear Sir

## **EXERCISE AND ISSUE OF EMPLOYEES OPTIONS**

The Board of Directors of Kingsgate Consolidated Ltd announces that notices of exercise of employee options to subscribe for 178,000 fully paid ordinary shares at \$2.21 each have been received.

The fully paid ordinary shares will be issued today. The above shares rank equally with all other issued ordinary shares including the payment of dividend, if any.

50,000 employee options were issued today. The principal terms and conditions of the options are summarised in the enclosed Appendix 3B.

Pursuant to ASX Listing Rule 3.10.5 we enclose a duly completed "Appendix 3B – New issue announcement, application for quotation of additional securities and agreement".

Yours faithfully

**KINGSGATE CONSOLIDATED LTD**

John Falconer  
Company Secretary

Rule 2.7, 3.10.3, 3.10.4, 3.10.5

## 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 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002.

Name of entity

KINGSGATE CONSOLIDATED LTD

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   | a Ordinary shares<br>b Employee options  |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued  | a 178,000<br>b 50,000  |
| 3 | Principal terms of the +securities (eg, 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) | a Fully paid<br>b The options are issued for no consideration. Each option entitles the holder to subscribe for one fully paid ordinary share at a price of \$4.44.<br>The options will vest after qualifying periods and will then be exercisable until 5 February 2006. If the options are not exercised by 5 February 2006 they will lapse. |

+ See chapter 19 for defined terms.

**Appendix 3B**  
**New issue announcement**

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<p>4 Do the +securities rank equally in all respects from the date of allotment 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"> <li>• the date from which they do</li> <li>• the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>• the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>a Yes</p> <p>b Not applicable.</p>				
<p>5 Issue price or consideration</p>	<p>a \$2.21 pursuant to the exercise of options with expiry date of 07 May 2005.</p> <p>b No consideration.</p>				
<p>6 Purpose of the issue          (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>a Ordinary shares issued pursuant to exercise of options.</p> <p>b Issued under the Kingsgate Employees and Contractors Option plan. Approved by shareholders on 28 November 2001. 1,653,000 remaining options may be issued under this plan.</p>				
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p>a 5 February 2003</p> <p>b 5 February 2003</p>				
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1"> <thead> <tr> <th data-bbox="686 1523 989 1579">Number</th> <th data-bbox="989 1523 1276 1579">+Class</th> </tr> </thead> <tbody> <tr> <td data-bbox="686 1579 989 1794">72,648,854</td> <td data-bbox="989 1579 1276 1794">Ordinary shares</td> </tr> </tbody> </table>	Number	+Class	72,648,854	Ordinary shares
Number	+Class				
72,648,854	Ordinary shares				

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	Number	+Class
9 Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	45,000	Employees options - Exercise price \$2.21 Expiring 07 May 2005
	42,000	Employees options - Exercise price \$2.66 Expiring 11 July 2005
	50,000	Employees options - Exercise price \$4.44 Expiring 5 Feb 2006
	450,000	Directors options - exercise price \$1.48 expiring 28 Nov 2004
10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	a Same as existing Ordinary Shares	
	b Not applicable	

## Part 2 - Bonus issue or pro rata issue

11 Is security holder approval required?	Not applicable
12 Is the issue renounceable or non-renounceable?	Not applicable
13 Ratio in which the +securities will be offered	Not applicable
14 +Class of +securities to which the offer relates	Not applicable
15 +Record date to determine entitlements	Not applicable
16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	Not applicable
17 Policy for deciding entitlements in relation to fractions	Not applicable
18 Names of countries in which the entity has +security holders who will not be sent new issue documents  Note: Security holders must be told how their entitlements are to be dealt with.  Cross reference: rule 7.7.	Not applicable

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**Appendix 3B**  
**New issue announcement**

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19	Closing date for receipt of acceptances or renunciations	Not applicable
20	Names of any underwriters	Not applicable
21	Amount of any underwriting fee or commission	Not applicable
22	Names of any brokers to the issue	Not applicable
23	Fee or commission payable to the broker to the issue	Not applicable
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of *security holders	Not applicable
25	If the issue is contingent on *security holders' approval, the date of the meeting	Not applicable
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	Not applicable
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	Not applicable
28	Date rights trading will begin (if applicable)	Not applicable
29	Date rights trading will end (if applicable)	Not applicable
30	How do *security holders sell their entitlements <i>in full</i> through a broker?	Not applicable
31	How do *security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	Not applicable
32	How do *security holders dispose	Not applicable

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+ See chapter 19 for defined terms.

of their entitlements (except by sale through a broker)?

33 +Despatch date

Not applicable

### 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 \*\*

\*\* In relation to item a only

(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

### Entities that have ticked box 34(a)

#### Additional securities forming a new class of securities

*(If the additional securities do not form a new class, go to 43)*

*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

*(now go to 43)*

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+ See chapter 19 for defined terms.

**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 date of allotment  
 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

41 Reason for request for quotation  
 now

Example: In the case of restricted securities, end of  
 restriction period

(if issued upon conversion of  
 another security, clearly identify that  
 other security)

	Number	+Class
42 Number and +class of all +securities quoted on ASX (including the securities in clause 38)		

(now go to 43)

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+ See chapter 19 for defined terms.

## All entities

### Fees

43 Payment method (tick one)

Cheque attached

Electronic payment made

Note: Payment may be made electronically if Appendix 3B is given to ASX electronically at the same time.

Periodic payment as agreed with the home branch has been arranged

Note: Arrangements can be made for employee incentive schemes that involve frequent issues of securities.

### 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.
- We warrant that if confirmation is required under section 1017F of the Corporations Act in relation to the +securities to be quoted, it has been provided 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.

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**Appendix 3B**  
**New issue announcement**

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- 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 not available now, 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: ..... Date: 5 February 2003  
(~~Director~~/Company secretary)

Print name: JOHN FALCONER

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