Kingsgate

Consolidated Ltd

ABN 42 000 837 472

12 September 2003

Via ASX Online (9 pages including this page)

The Manager
Announcements
Company Announcements Office
Australian Stock Exchange Limited

Dear Sir

SHARE PURCHASE PLAN

Enclosed please find documents relating to a Share Purchase Plan that is being offered to eligible shareholders.

These documents are being mailed to shareholders today.

Yours faithfully
KINGSGATE CONSOLIDATED LTD

John Falconer
Company Secretary

Kingsgate
Consolidated Ltd

ABN 42 000 837 472

10 September 2003

Dear Shareholder,

Kingsgate Capital Raising – Share Purchase Plan

Kingsgate would like to invite you to participate in an opportunity to purchase additional Kingsgate shares at $3.55 each.

On 29 August 2003, Kingsgate announced to the Australian Stock Exchange (ASX) that it had completed a capital raising through the placement of 10.8 million new shares to raise $38 million for a new growth initiative. At the same time, Kingsgate stated that it proposed to implement a Share Purchase Plan (SPP) for Eligible Shareholders in tranches of up to $5,000 worth of shares at the same price as the placement.

This SPP will enable shareholders, irrespective of the number of shares they hold in Kingsgate, to subscribe for up to 1,408 additional shares in the Company. The issue price for the SPP is $3.55 per share which is the same price paid by institutions who participated in the share placement. This SPP provides Eligible Shareholders with the opportunity to:

- increase smaller holdings into more meaningful and financially viable parcels,
- enhance less than marketable parcel shareholdings (that is, less than $500 worth) to at least the marketable parcel level, and
- augment shareholdings without the cost of brokerage or commission.

The funds raised from the SPP and the placement will be used to accelerate exploration and land access near the Chatree mine and in the surrounding region. High priority drilling will be carried out in Prospects A, B, H and K, following recent exciting exploration results. Deeper drilling will be undertaken and regional activity will focus on the large tenement holding of approximately 1,200 square kilometres. Further funds will be expended on land access and infrastructure facilities on Prospects A and K. Opportunities to restructure the hedge book will also be considered.

Participation in the SPP is optional and is subject to the terms and conditions specified in the attached Appendix 1. An Application Form to participate in the offer is also enclosed.

The SPP is available to Eligible Shareholders registered as holders of fully paid ordinary shares in the Company at 09.00am on 3 September 2003 with a registered address in Australia or New Zealand. If trustees or nominees are expressly noted on the register of members as holding shares on account of a named beneficiary, such trustees of nominees are also entitled to participate in respect of all those beneficiaries separately noted on the register of members.

Level 17, 33 Bligh Street
Sydney NSW 2000
Australia

Tel (61 2) 9223 5273
Fax (61 2) 9223 9775

Email info@kingsgate.com.au
Website www.kingsgate.com.au

Offers under the SPP are non-renounceable and shareholders cannot transfer their right to subscribe for shares under the SPP to other parties. Shares issued pursuant to the SPP are not entitled to the final dividend declared in respect of 2002/03.

The issue price of shares under the SPP is \$3.55 per share and was determined at the time of the placement. The issue price represents a 7% discount to the volume weighted average price of Kingsgate's shares for the 5 business days prior to the placement date of 29 August. Shareholders should note that the market price of Kingsgate's shares may rise or fall between the date of this offer and the date when shares are issued to Eligible Shareholders under the SPP, so the issue price payable under the SPP may exceed the market price of Kingsgate's shares on the date of issue.

Eligible Shareholders may subscribe for shares worth approximately \$1,775 or \$3,550 or \$5,000 under the SPP. The precise number of shares that will be issued for these amounts at \$3.55 per share is set out in the enclosed Application Form. All shares issued under the offer will rank equally with the existing fully paid ordinary shares of the Company and will carry the same voting rights, dividend rights and other entitlements.

If you wish to apply for shares under the SPP, please complete the enclosed personalised Application Form in accordance with the instructions on the form and forward it in the enclosed return addressed envelope to Kingsgate's share registry at the address shown on the form, together with your payment by cheque. Completed Application Forms and full payment must be received by Kingsgate's share registry no later than 5.00pm Eastern Standard Time on Friday 3 October 2003.

It is anticipated that shares will be allocated under the SPP on or about 10 October 2003 and that holding statements or confirmation advice will be despatched before 17 October 2003. The funds raised from the placement and the SPP will significantly strengthen the Company's financial position and will further enhance shareholder value.

If you have any queries concerning the SPP, contact either of the following:

- Security Transfer Registrars on (08) 9315 0933
- Niall Lenahan, Chief Financial Officer on (02) 9223 5273; or
- Steve Reid, Managing Director and CEO on (02) 9223 5273.

Yours sincerely

Steve Reid
Managing Director and CEO

Level 17, 33 Bligh Street
Sydney NSW 2000
Australia

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APPENDIX 1

KINGSGATE CONSOLIDATED LIMITED

SHARE PURCHASE PLAN OFFER

TERMS AND CONDITIONS

Defined words and expressions used in this document are capitalized. See the Glossary for their definition.

IMPORTANT NOTICE: If you apply to participate in the Share Purchase Plan (SPP) by completing and returning the Application Form, you are accepting the risk that the market price of shares may change between the Record Date, the date on which you sent in an Application Form and the Allocation Date. This means it is possible that, up to or after the Allotment Date, you may be able to buy Shares at a lower price than the Issue Price.

We encourage you to seek your own financial advice regarding your participation under the SPP.

1 Offer timetable

1.1 The record date is 09.00am on 3 September 2003 (**Record Date**).

1.2 The offer opens on 15 September 2003 (**Opening Date**).

1.3 The offer closes at 5.00pm (Sydney time) on 3 October 2003 (**Closing Date**), unless extended. Application Forms and cheques or money orders may not be processed or held to be valid if they have not been received by Kingsgate by this time.

1.4 The Shares are proposed to be allotted on or around 10 October 2003 (**Allotment Date** and quoted on the Australian Stock Exchange on or about 14 October 2003.).

1.5 Kingsgate expects that a transaction confirmation will be dispatched to you before 17 October 2003 (**Despatch Date**).

1.6 Kingsgate has a discretion to change, at any time, the Allotment Date and the Despatch Date to later times (notwithstanding that the offer has opened, or Application Forms have been received) by lodging a revised timetable with ASX.

2 Eligible Shareholders

2.1 You may participate in the SPP if you are an Eligible Shareholder.

2.2 Joint holders of Shares are taken to be a single registered holder of Shares for the purposes of determining whether they are an Eligible Shareholder and the certification on the Application Form is taken to have been given by all of them.

2.3 Where a trustee or nominee is a registered holder of Shares and is expressly noted on the register as holding Shares on account of a named beneficiary, the named beneficiary will be taken to be the registered holder of those Shares. An application for Shares, certification or issue of Shares to the trustee or nominee will be taken to be an application or certification by, or an issue to, the named beneficiary.

2.4 If you are an Eligible Shareholder, your rights under this offer are personal to you and non-renounceable, so you may not transfer them.

3 Application for Parcel of Shares

3.1 If you are an Eligible Shareholder, you may apply to purchase Shares to the value of the Parcel you select on the Application Form.

3.2 Eligible Shareholders who receive more than one offer under the SSP (for example, because they hold Shares in more than one capacity) may apply on different Application Forms for more than one Parcel, but may not apply for Shares with an aggregate value of more than $5,000.

Completing the Application Form and paying for Shares

3.3 If you wish to participate in the SPP, you must complete the Application Form and provide a cheque or money order in accordance with the instructions on the Application Form.

Kingsgate's discretions regarding applications

3.4 Kingsgate has a broad discretion to accept or reject your application to purchase shares under the SPP including (without limitation) if:

(a) your Application Form is incorrectly completed or incomplete or otherwise determined by Kingsgate to be invalid;

(b) your cheque is dishonoured or has not been completed correctly;

(c) the cheque or money order that is enclosed with your Application Form is not made out for the exact amount of the Parcel that you have selected on the Application Form;

(d) it appears that you are applying to buy more than $5,000 (in aggregate) of Shares at the Issue Price;

(e) your Application Form is received after the Closing Date. While Kingsgate has a discretion to accept late Application Forms and cheques or money orders, there is no assurance that it will do so. Late Application Forms and cheques or money orders, if not processed, will be returned to you at your registered address; or

(f) Kingsgate believes that you are not an Eligible Shareholder (subject to compliance with any applicable ASIC or ASX requirements).

Interest

3.5 No interest will be paid on any application money returned to you.

Significance of sending in an application

3.6 If you apply to participate in the SPP by completing and returning the Application Form:

(a) your application, on these Terms and Conditions, will be irrevocable and unconditional (it cannot be withdrawn);

(b) you acknowledge that you are an Eligible Shareholder;

(c) you certify that you have not applied for Shares with an aggregate application price in excess of $5,000 under the SPP or any similar arrangement offered by Kingsgate in the 12 months prior to your application, even though you may have received more than one offer under the SPP or received offers in more than one capacity under the SPP;

(d) you authorize Kingsgate (and its officers or agents) to correct any error in, or omission from, your Application Form and to complete the Application Form by the insertion of any missing details;

(e) you acknowledge that Kingsgate may at any time irrevocably determine that your Application Form is valid, in accordance with the Terms and Conditions, even if the Application Form is incomplete, contains errors or is otherwise defective;

(f) you accept the risk associated with any refund that may be dispatched to you by cheque to your address shown on Kingsgate's register;

(g) you agree to indemnify Kingsgate for, and to pay to Kingsgate within 5 business days of demand, any dishonour fees or other costs Kingsgate may incur in presenting a cheque or payment which is dishonoured;

(h) you acknowledge that neither Kingsgate nor Security Transfer Registrars Pty Limited has provided you with any investment advice or financial product advice, and that neither has any obligation to provide this advice, concerning your decision to apply for and purchase Shares;

(i) you acknowledge that Kingsgate is not liable for any exercise of its discretions referred to in these Terms and Conditions; and

(j) you irrevocably and unconditionally agree to the Terms and Conditions and agree not to do any act or thing which would be contrary to the spirit, intention or purpose of the SPP.

4 Issue Price

4.1 You agree to pay the Issue Price per Share up to a maximum of the value you have selected on the Application Form.

5 The Shares

5.1 Shares issued under the SPP will rank equally with, and have the same voting rights, dividend rights and other entitlements as existing Shares quoted on ASX.

5.2 Kingsgate will apply for Shares issued under the SPP to be quoted on ASX on or shortly after the Allotment Date.

5.3 The Offer is being made pursuant to Australian Securities and Investments Commission Class Order 02/831 "Share purchase plans" and will comply with the requirements for relief under that Class Order. Class Order 02/831 allows companies listed on ASX to make small offers of shares to existing shareholders without a disclosure document.

6 Amendments to the offer and waiver of compliance

6.1 Kingsgate will not change these Terms and Conditions (subject to its discretion to revise the Timetable in part 1). However, Kingsgate reserves the right to waive compliance with any provision of these Terms and Conditions. Kingsgate is relying upon waivers received from ASX on Listing Rules 7.1 and 10.11 to enable it to make the offer.

6.2 Kingsgate reserves the right to withdraw the offer, with the approval of ASX.

7 Governing Law

7.1 These Terms and Conditions are governed by the laws in force in New South Wales and are to be interpreted in accordance with their spirit, intention and purpose.

GLOSSARY

Allotment Date	On or around 10 October 2003, unless extended.
Application Amount	The amount you have paid to Kingsgate corresponding with the Parcel you have selected on the Application Form.
Application Form	The application form relating to the SPP that you received with this offer.
ASIC	Australian Securities and Investment Commission.
ASX	Australian Stock Exchange Limited.
Closing Date	3 October 2003, unless extended.
Despatch Date	Before 17 October 2003, unless extended.
Eligible Shareholder	A person who, at 5.00pm (Sydney time) on the Record Date was recorded in Kingsgate's share register as being a registered holder of Shares and having an address in Australia or New Zealand, unless that person holds Shares on behalf of another person who resides outside Australia or New Zealand. No "U.S. person" (as defined in Regulation S under the US Securities Act of 1933) will be an Eligible Shareholder.
Kingsgate	Kingsgate Consolidated Limited ABN 42 000 837 472.
Issue Price	$3.55 per share.
Opening Date	15 September 2003.
Parcel	The value of the parcel of Shares that you apply for, which may be $1,775.00, $3,550.00 or $4,998.40.
Placement	The placement of Shares to institutional investors undertaken on 29 August 2003.
Record Date	09.00am on 3 September 2003.
Shares	Fully paid ordinary shares of Kingsgate.
SPP	Share Purchase Plan.
Terms and Conditions	The terms and conditions of the SPP set out in the attached Appendix 1, (including this Glossary and the Application Form).

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY. IF YOU ARE IN DOUBT AS TO WHETHER THIS IS AN APPROPRIATE INVESTMENT FOR YOU, YOU SHOULD CONSULT WITH YOUR STOCKBROKER, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER WITHOUT DELAY.

SHARE REGISTRY: Security Transfer Registrars Pty Ltd, 770 Canning Highway, Applecross WA 6153 (PO BOX 535, Applecross WA 6953) Ph: (08) 9 315 0933 Fax: (08) 9315 2233

KINGSGATE CONSOLIDATED LIMITED
SHARE PURCHASE PLAN APPLICATION FORM

15 SEPTEMBER 2003

«Holder_Name__________________»
«Address_Line_1________________»
«Address_Line_2________________»
«Address_Line_3________________»
«Address_Line_4________________»
«Address_Line_5________________»

HIN/SRN No: **«hinsrn»**

CLOSING DATE 5.00 PM EASTERN STANDARD TIME ON 3 OCTOBER 2003

To the Directors of KINGSGATE CONSOLIDATED LIMITED

(1) I/We wish to apply for the number of shares set out below in accordance with the terms and conditions of the Company's Share Purchase Plan (SPP):

PLEASE COMPLETE

	PLEASE TICK ONLY ONE	NO. SHARES	AMOUNT ENCLOSED (AT $3.55 PER SHARE)
		1,408	$4,998.40
OR		1,000	$3,550.00
OR		500	$1,775.00

CHEQUE DETAILS

DRAWER	BANK	BSB	AMOUNT

(2) I/We enclose my/our cheque, payable to KINGSGATE CONSOLIDATED LIMITED, for the amount shown above being payment at the issue price of $3.55 per Share multiplied by the number of shares I/we have applied for.

(3) I/We hereby authorise you to place my/our name(s) on the register of KINGSGATE CONSOLIDATED LIMITED shareholders in respect of the number of Shares issued to me/us and I/we agree to be bound by the Constitution of the Company.

(4) By completing this form and forwarding a cheque in payment of the application monies, I/we acknowledge that I/we have read and understood the terms and conditions of the SPP and certify that the aggregate of the application price for the shares the subject of this application and any other ordinary shares applied for by me/us under the SPP, or any other share purchase plan or similar arrangement offered by the Company, in the 12 months before this application does not exceed $5,000.

How to Apply

If you wish to apply for Shares under the SPP, please complete this form, attach your cheque made payable to "**KINGSGATE CONSOLIDATED LIMITED**" for the appropriate amount ie. $4,998.40 or $3,550.00 or $1,775.00 in Australian currency as stated above, and forward it by mail to Kingsgate's share registry in the enclosed return addressed envelope to:

Security Transfer Registrars Pty Ltd, PO Box 535, Applecross WA 6953
or in person to: 770 Canning Highway Applecross WA 6153,
so that it is received no later than 5.00 pm Eastern Standard Time on **3 OCTOBER 2003.**

Payment must be made in Australian currency and **cheques should be made payable to "KINGSGATE CONSOLIDATED LIMITED"** and crossed "Not Negotiable". Receipts for payments will not be issued. Cash payments will not be accepted.
THE ACCEPTANCE FORM WITH PAYMENT IN FULL MUST BE RECEIVED BY THE KINGSGATE CONSOLIDATED LIMITED SHARE REGISTRY NO LATER THAN 5.00 PM EST TIME ON 3 OCTOBER 2003. THIS FORM WILL NOT BE VALID IF ANOTHER NAME IS SUBSTITUTED FOR THE NAME PRINTED ON THE FORM. THIS OFFER IS SUBJECT TO THE ATTACHED SHARE PURCHASE PLAN TERMS AND CONDITIONS.