Kingsgate
Consolidated Limited

ABN 42 000 837 472

17 July 2017

Via ASX Online **FOR PUBLIC RELEASE**
(10 pages)

Manager
Company Announcements Office
Australian Securities Exchange

New Silver Discovery at Nueva Esperanza, Chile

Kingsgate Consolidated (ASX:KCN) ("Kingsgate" or the "Company) has discovered a new zone of silver mineralisation ("Cerro Blanco West") as a result of exploration drilling at its 100% owned Nueva Esperanza precious metals project in Chile. Nueva Esperanza is a feasibility-stage development project with a resource base of approximately 1.9 million ounces gold equivalent[1].

Eight Reverse Circulation ("RC") holes (See Figure 2) totalling 1,226 metres were completed on the new Cerro Blanco West target prior to drilling being halted by the early onset of winter conditions.

Initial drilling returned the following intercepts:

- Hole KRC-046 intercepted **60 metres** grading at 67.57g/t Ag (**1.13g/t AuEq60[2]**) from 40 metres to 100 metres, including **32 metres** at 114.66g/t Ag (**1.91g/t AuEq60**) from 68 metres to 100 metres;
- Hole KRC-055 intercepted **50 metres** grading at 84.04g/t Ag (**1.40g/t AuEq60**) from 62 metres to 112 metres; and
- Hole KRC-056 intercepted **18 metres** grading at 82.32g/t Ag from (**1.38g/t AuEq60**) 46 metres to 64 metres.

Cerro Blanco West

Cerro Blanco West is a blind exploration target located approximately 800 metres southwest of Cerro Blanco, a large topographic high preserving shallow-level opaline and steam-heated alteration.

Drilling targeted the northern part of a 0.4 km by 1.4 km, north striking geophysical anomaly defined by the 2017 IP and Resistivity Survey. The anomaly comprises a corridor of shallow (< 200 metres depth) high resistivity response, lying within the favourable 4,000 to 4,200 metre elevation interval which hosts most of the significant mineralisation defined to date in the Nueva Esperanza and adjacent La Coipa districts. No historic drilling was previously completed within the immediate footprint of the target geophysical anomaly.

Follow-up drilling, designed to expand the mineralised footprint and ascertain the geometry of mineralisation was completed on three east-west fences spaced 50 metres apart.

All drill-holes intersected similar style silver mineralisation, with sectional interpretation indicating a broadly sub-horizontal, oxidised, "manto" like zone generally ranging from 20 metres to 60 metres in thickness (See Figure 3). Results of the drilling are summarised in Table 1 overleaf.

Drilling was completed on the following targets; Carachitas Central, Arqueros, Arqueros SW, Teterita, Huantajaya, Cerro Blanco, Potosí, Cerro Gaston, and Cerro Blanco West (See Figure 1). The most encouraging exploration results to-date have come from Cerro Blanco West.

HOLE ID	FROM (M)	TO (M)	INTERVAL (M)	AuEq60 (g/t)	Ag (g/t)	Au (g/t)	Dip (Degrees)	Azimuth (Degrees)
KRC-036	76	118	42	0.60	35.60	NSV	-70	090
KRC-046	**40**	**100**	**60**	**1.13**	**67.57**	**NSV**	**-70**	**270**
Including	**68**	**100**	**32**	**1.91**	**114.66**	**NSV**	**-70**	**270**
KRC-051	40	70	30	0.12	7.09	NSV	-70	090
KRC-052	40	100	60	0.36	21.18	NSV	-70	270
Including	72	92	20	0.56	33.42	NSV	-70	270
KRC-053	20	28	8	0.74	44.17	NSV	-70	270
KRC-053	58	80	22	0.24	13.76	NSV	-70	270
KRC-054	**18**	**26**	**8**	**1.08**	**64.85**	**NSV**	**-70**	**090**
KRC-054	68	82	14	0.42	24.91	NSV	-70	090
KRC-055	**62**	**112**	**50**	**1.40**	**84.04**	**NSV**	**-70**	**270**
KRC-056	**46**	**64**	**18**	**1.38**	**82.32**	**NSV**	**-70**	**270**
KRC-057	42	82	40	0.65	45.27	NSV	-70	270
SCB-011	*136*	*180*	*44*	*0.63*	*36.95*	*NSV*	*-60*	*270*

Table 1: Cerro Blanco West drill results
Note: Hole SCB-011 was not drilled by Kingsgate and the historical result noted above cannot be verified.
NSV – No significant values.

Mineralisation, characterised by strong pervasive iron-oxide development, is hosted in silicic and advanced-argillic altered, variably shallow-dipping, stratified dacitic tuffs immediately above their contact with underlying strongly pyritized, coherent to coarsely brecciated dacite porphyry. The dacite porphyry is interpreted to be a flow-dome forming the stratigraphic footwall to the bedded tuff sequence.

Mineralisation remains open to the north, west and south although weaker silver intersections in some of the more eastern holes suggest possible local attenuation of mineralisation towards the east. Silver intersections from two RC drill holes collared approximately 200 metres further to the east on the lower western flanks of Cerro Blanco (Hole KRC-036 and historical Hole SCB-11) probably occur at the same stratigraphic horizon and suggest possible improvement of Ag grades further to the east.

Excellent potential is considered to remain over some 400 metres of untested strike of the resistive corridor immediately south of the current drilling, where the high resistivity feature projects towards an approximate north striking silicic ledge "feeder" system controlling Au-Ag mineralisation in the Rifle Ridge prospect area.

Historic drill-intercepts reported from the Rifle Ridge prospect include 25 metres grading at 1.47g/t Au, 17.4g/t Ag (1.93g/t AuEq60) in Hole ERFR-1, and 16 metres grading at 1.71g/t Au and 51.75g/t Ag (for 2.57g/t AuEq60) in Hole SRR-006.

The notable increase in gold values associated with mineralisation to the south at the Rifle Ridge prospect is thought to augur well for improved gold tenor in any potential southern extension to the mineralisation so far intersected at Cerro Blanco West.

Cerro Blanco West is a priority drill-target to be followed up in the spring with a view to expanding the foot-print of the currently defined mineralisation.

Kingsgate is systematically exploring a number of prospective targets within a 45km^2 zone of alteration in parallel with on-going feasibility and permitting activities.

During the 2016-17 field season which started in September 2016, the Company completed 57 RC exploration drill holes totalling 11,398 metres and 10 diamond holes totalling 1,830 metres.

Other targets on the Nueva Esperanza property drill-tested by Kingsgate in 2017 to be further evaluated in the springtime include the historically-exploited diatreme-breccia and closely associated silicic ledge-hosted Au-Ag mineralisation in the Huantajaya sector which returned the previously reported (See Kingsgate ASX Release titled "Chile – Drill Results from District Exploration" dated 27 February 2017) 24 metres grading at 1.81g/t Au and 86.24g/t Ag from Hole KDD-001 (3.25g/t AuEq60).

Another target to be further investigated is the structurally-controlled, locally high-grade silicic ledge swarm at Carachitas Central which returned 10 metres grading at 6.66g/t Au and 31.81g/t Ag or 7.13g/t AuEq60 from 12 metres (Hole KRC-023).

An additional scout-drill hole (KRC-50) at the Arqueros SW target returned 54 metres from 354 to 408 metres grading at 1.36g/t AuEq60 from possible stratabound mineralisation, perhaps occupying a similar stratigraphic setting to mineralisation at the nearby Arqueros deposit.

Maricunga Generative Program: Kingsgate has been building its regional exploration portfolio in the northern Maricunga belt. Kingsgate currently has a number of licences and areas under application north of Nueva Esperanza. The concessions and concession applications cover large areas of intense, high-level alteration considered prospective for epithermal precious-metal deposits.

Ross Smyth-Kirk
Executive Chairman
Kingsgate Consolidated Limited

Investor Relations Contact:
Jamie Gibson - +61 2 8256 4800

Notes for Mineral Equivalents: (1&2)

1. The resource base of 1.9 million ounces of gold equivalent is broken down as follows: Measured – 0.08 Moz, Indicated – 1.46 Moz and Inferred – 0.33 Moz. (See ASX:KCN released titled "Kingsgate Mineral Resources and Ore Reserves 2016" dated 7 October 2016).
2. Rounding of figures may cause numbers to not add correctly. Nueva Esperanza silver equivalent: AgEq(g/t) = Ag(g/t) + Au(g/t) x 60. Gold Equivalent Ounces (GEO): AuEq(g/t) = Au(g/t) + Ag(g/t) ÷ 60, calculated from long term historical prices for gold and silver and metallurgical recoveries of 70% Au and 75% Ag estimated from test work by Kingsgate. It is the Company's opinion that all elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold. Although gold is not the dominant metal, gold equivalent values are reported to allow comparison with other projects.

Forward Looking Statement:

These materials include forward looking statements. Forward looking statements inherently involve subjective judgment and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside of the control of, and may be unknown to, the Company. Actual results and developments may vary materially from that expressed in these materials. The types of uncertainties which are relevant to the Company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the Company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements. Forward looking statements in these materials speak only at the date of issue, subject to any continuing obligations under applicable law or any relevant stock exchange.

Competent Persons Statement:

In this report, information relating to Exploration Results at the Nueva Esperanza Gold Silver Project in Chile is based on information compiled by the following Competent Person(s): Alistair Waddell, who is an employee of the Kingsgate Group. Alistair Waddell qualifies as a Competent Person as defined in the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code, 2012 Edition) and is a Member of The Australasian Institute of Mining and Metallurgy. Alistair Waddell possesses relevant experience in relation to the mineralisation being reported herein as Exploration Results. Alistair Waddell has consented to the public reporting of these statements and the inclusion of the material in the form and context in which it appears.

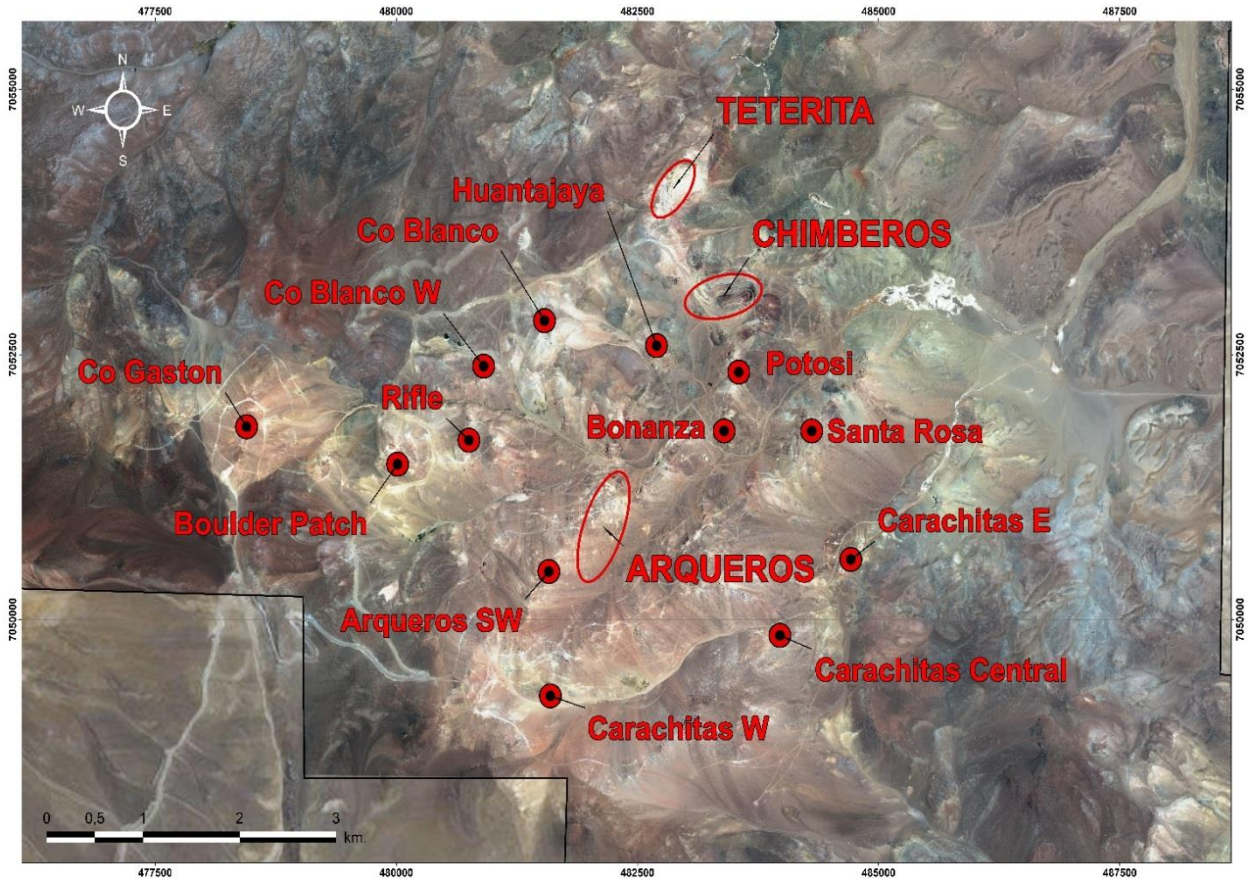

Figure 1: Nueva Esperanza target location map (Resource areas in capital letters).

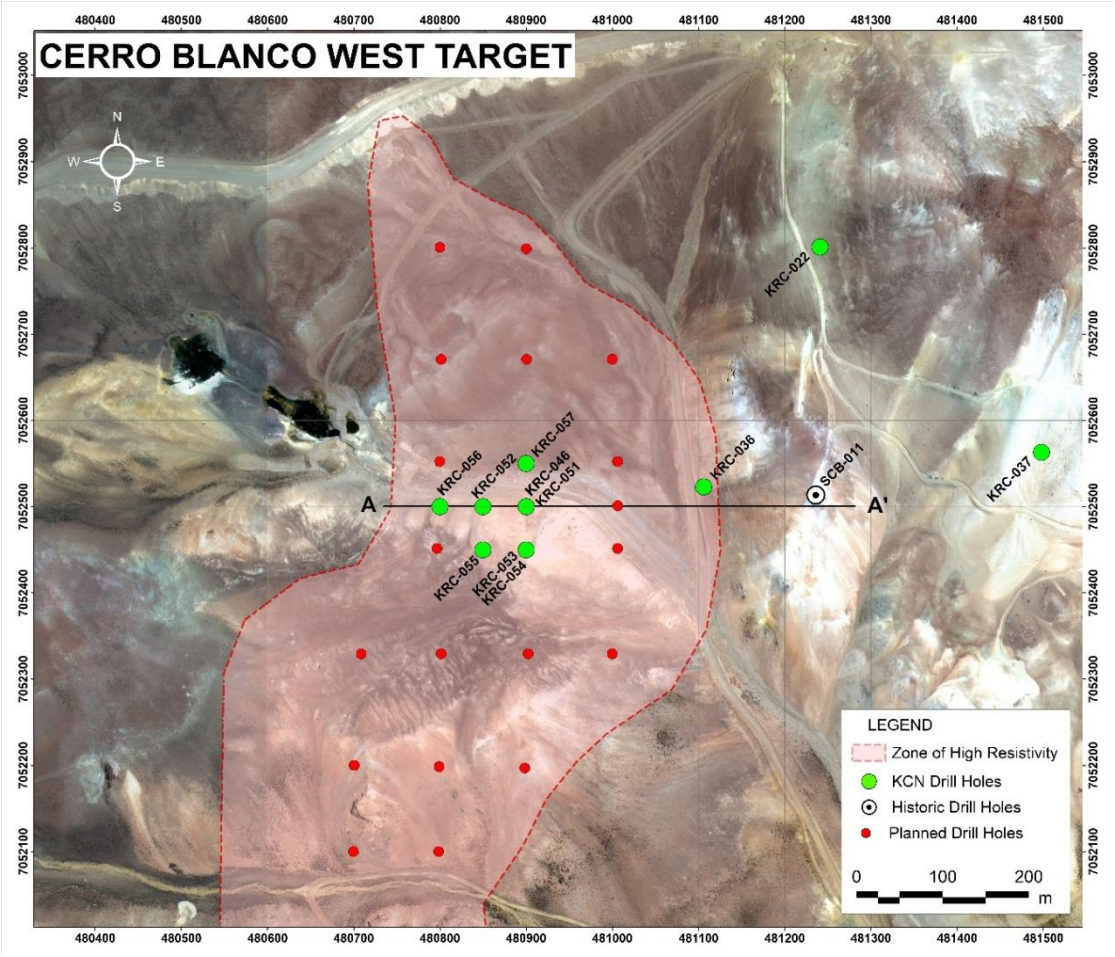

Figure 2: Cerro Blanco West drill hole location map.

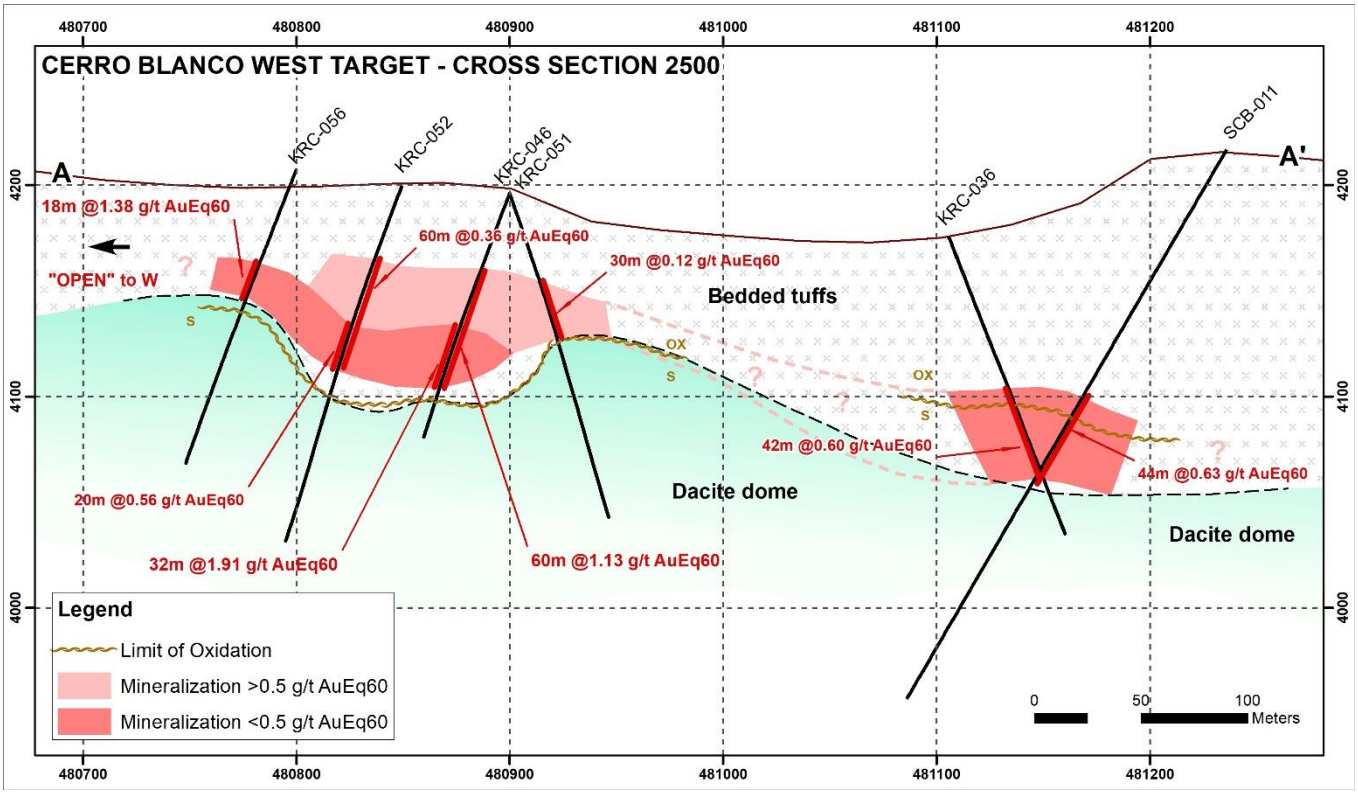

Figure 3: Cerro Blanco geological cross section.

Nueva Esperanza

Table 1 Report

Check List of Assessment and Reporting Criteria

Section 1 - Sample Techniques and Data *(Criteria in this group apply to all succeeding groups)*	
Criteria	**Commentary**
Sampling techniques	• Sampling was guided by industry standard protocols and QAQC procedures. Standards, field duplicates and blank samples were inserted into assay batches with each set of 30 assayed samples routinely containing three control samples comprising of 27 primary samples, 1 standard, and 1 duplicate and 1 blank.
	• RC holes were sampled over 2m intervals with approximately 6.5 kg sub-samples collected by rifle splitting. • Diamond core was typically sampled over either 1m or 2m intervals with sample intervals honouring lithological and alteration contacts and a minimum weight of 1.5kg. The RC and diamond sub-samples were crushed, split and pulverised to produce 30g charges for gold and silver assaying by fire assay and 48 element multi-acid digestion respectively.
Drilling techniques	• Reverse Circulation (RC) drilling was performed exclusively with a Schramm rig with face sampling bits of 5½ inch diameter. • The Diamond (DDH) drilling was executed with a LF90 rig, using HQ3 diameter bits and occasionally NQ3 diameter when a reduction in size was necessary.
Drill sample recovery	• RC and DDH sample recoveries were monitored through all phases of drilling. RC sample recovery was calculated from recovered sample weights divided by theoretical calculated weights. Theoretical RC sample weights were calculated using the entire cylindrical volume of the sample interval at the specified bit size, multiplied by the average rock bulk density assigned to each deposit. Core recovery was calculated from recovered core lengths divided by the length drilled for each run.
	• Geological supervision of drilling and sampling required the operators to do their best to provide good quality, uncontaminated samples with high recovery. • Diamond core was reconstructed and depths checked and measured against those marked by the drilling contractors on core blocks. • In addition to weighing total recovered samples, RC samples were visually checked for recovery and contamination. The cyclone and rifle splitter were routinely cleaned at the end of each rod. • Most RC samples (approximately 90%) were logged as dry. • The available sample recovery data shows generally good average sample recoveries of approximately 95%.
Logging	• RC samples and diamond core were logged in detail for lithology, alteration, structure, and mineralisation with diamond core also geotechnically logged. The logging included qualitative and quantitative fields and employed conventional logging methods such as the use of a magnetic pencil, hardness scratcher, percentage estimation charts for mineral content and type, mineralisation style, colours, texture, etc. • RC and drill core were logged on paper and the logging transferred directly into the central database using standard logging codes following validation by cross-checking with interpretations. • Chip trays of sieved chips from every RC hole, and remnant core were stored for future reference. Whole core was routinely photographed and stored.

Sub-sampling techniques and sample preparation	• Diamond core was typically sampled over 1m or 2m intervals, with sample intervals determined by geologists honouring lithological and alteration contacts and a minimum weight of 1.5kg. Core was halved using an ALMONTE automatic core cutter to maximise recovery of fine materials given the high porosity and vuggy nature of the mineralisation. • RC samples were collected over 2 metre intervals and sub-sampled using a single tier riffle splitter to generate two representative sub-samples. One sample was routinely submitted for analysis (sample A) and the other (sample B) retained for use as a backup or duplicate.
	• Samples were submitted to the laboratory of ALS Global in Copiapo-Chile, where sample preparation takes place in accordance with agreed procedures and protocols. All samples received at ALS were digitally logged into their inventory using a bar-code system and weighed. • After oven drying, sample material was prepared by crushing in a jaw and/or roll crusher to 70% passing 2mm. The crushed material was split with a rifle splitter to obtain a 250g sub-sample that was pulverised to 85% passing 75 microns. • Prepared samples are then securely shipped by ALS Global from Copiapo to the main laboratory in Santiago where the analytical process is completed.
	• The sub-sample sizes, sub-sample methods and sample preparation techniques are appropriate for the style of mineralisation.
Quality of assay data and laboratory tests	• No geophysical methods or hand-held XRF devices were used for any sampling or analytical phases.
	• ALS laboratory routinely conducted quality assurance/quality control protocols (QA/QC) which include standard, duplicate and blank samples as well monitoring of crushing and pulverisation. • QA/QC protocols consist of the systematic insertion of reference standard samples, and barren blanks with the samples shipped to ALS. Each set of 30 samples routinely contain three control samples (27 primary samples, 1 standard, and 2 blanks or 1 standard, 1 blank and 1 duplicate. • Results for the analytical standards, blanks and duplicates did not highlight any analytical issues or bias. • The quality control measures adopted for the drilling have established that the sampling and assaying is of appropriate precision and accuracy for exploration drilling.
Verification of sampling and assaying	• Reported significant intersections were reviewed and checked by senior geological management including the VP Exploration.
	• The company has in place formal database validation procedures with data being validated as close to the source as possible to ensure reliability and accuracy. All geological and field data is transferred from paper logs into Excel and Access database tables. The database administrator validates the data during all stages of filling and storage. Data entry errors are identified by cross checks by project geologists.

Location of data points	• Qualified and experienced company personnel used a handheld Garmin GPS to position the recently completed drill hole collar locations. The company intends to verify these coordinates using total station and differential GPS survey equipment. • Diamond and RC holes were down-hole surveyed at 3m intervals unless the ground was considered likely to collapse and cause damage to or loss of the survey instrument. The RC holes were down-hole surveyed by used by Reflex Gyro tools and the DDH holes were surveyed by used Reflex Gyro tools.
	• The coordinate system used for the drilling, surface topography and sampling is WGS84.
	• The location of the sample points, topographic surfaces and historical work has been established with sufficient accuracy for the reporting of the drill results.
Data spacing and distribution	• The reported exploration drill spacing is irregularly distributed. • The data spacing and distribution is not sufficient to establish the necessary degree of geological and grade continuity appropriate for Mineral Resource estimates.
Orientation of data in relation to geological structure	• Exploration drilling was completed perpendicular to or close to relevant geological structures where possible although most exploration holes were drilled through post mineral cover masking the underlying geology.
	• The available information does not show any significant bias associated with the relationship between drilling orientation and the orientation of key mineralised structures.

Sample security	• Company geotechnical or geological staff supervised all field sampling of drilling. • All samples were securely sealed and stored onsite until transported directly to the ALS in Copiapó-Chile by company employees or subcontractors of ALS. At the ALS laboratory sample shipments were verified by reference to sample submission forms lodged by the company and confirmation emailed to the company database manager. • The remaining core or RC samples kept for reference are stored on the project. • Validity of assay results has been established by use of reference materials.
Audits or reviews	• The reported exploration results have not been audited or reviewed by a third party.

Section 2 – Reporting of Exploration Results *(Criteria listed in the first group, and where relevant in the second group, apply also to this group)*	
Tenement status and geological setting	• Nueva Esperanza project is 100% owned by Kingsgate Consolidated Limited and incorporates the Arqueros. Teterita and Chimberos prospects and mine previously owned by Minera Anglo American Chile (now Anglo American) and Minera Mantos de Oro. The property is approximately 17,526 hectares in area.

- The Nueva Esperanza property is a Mining Concession and consists of 41 sub licenses which are fully constituted under Laguna Resources a wholly owned subsidiary of Kingsgate Consolidated Limited. The tenement details are as follows:

ID Number	Concession	Size Ha's	Status
03102-2894-K	PASCUA II 1/30	300	Approved
03102-2895-8	PASCUA III 1/30	300	Approved
03102-2896-6	PASCUA IV 1/20	200	Approved
03102-1296-2	ROBINSON 1/14	94	Approved
03102-1193-1	PASCUA 1/328	1,131	Approved
03102-1169-9	PENA 1/181	905	Approved
03102-3646-2	NEGRA 1/1003	4,545	Approved
03102-1152-4	NEGRA 1/1003	370	Approved
03102-2998-9	REEMPLAZO A 1/10	10	Approved
03102-2999-7	REEMPLAZO B 1/5	5	Approved
03102-2318-2	NEGRA 1/1003	100	Approved
03102-1151-6	FLOR 1/20	100	Approved
03102-1192-3	CANARIAS 1/414	1,066	Approved
03102L490-5	CRISTAL 10	300	Approved
03102L491-3	CRISTAL 11	300	Approved
03102L499-9	CRISTAL 21	300	Approved
03102L500-6	CRISTAL 22	300	Approved
03102L501-4	CRISTAL 23	300	Approved
03102L502-2	CRISTAL 24	300	Approved
03102L514-6	CRISTAL 25	300	Approved
03102L515-4	CRISTAL 26	300	Approved
03102L516-2	CRISTAL 27	300	Approved
03102L540-5	CRISTAL 31	300	Approved
03102L519-7	CRISTAL 32	300	Approved
03102L520-0	CRISTAL 33	300	Approved

03102L521-9	CRISTAL 34	300	Approved	
03102L522-7	CRISTAL 35	300	Approved	
03102L523-5	CRISTAL 36	300	Approved	
03102L524-3	CRISTAL 37	300	Approved	
03102L525-1	CRISTAL 38	300	Approved	
03102L526-K	CRISTAL 39	300	Approved	
03102L527-8	CRISTAL 40	300	Approved	
03102L530-8	CRISTAL 43	300	Approved	
03102L531-6	CRISTAL 44	300	Approved	
03102L532-4	CRISTAL 45	300	Approved	
03102L533-2	CRISTAL 46	300	Approved	
03102L534-0	CRISTAL 50	300	Approved	
03102L535-9	CRISTAL 51	300	Approved	
03102L536-7	CRISTAL 52	300	Approved	
03102L537-5	CRISTAL 53	300	Approved	
03102L538-3	CRISTAL 54	300	Approved	

17,526

- The mineralised deposits are hosted within Tertiary-aged volcanic units in the case of Arqueros and Teterita, and Palaeozoic sediments for Chimberos. However, the alteration and mineralisation for the three main deposits are considered contemporaneous, being Miocene in age.
- Mineralisation at Nueva Esperanza comprises two main components: a silver-rich horizontal unit called “Mantos” in Arqueros and Teterita and called “Silver breccia” in Chimberos, a series of cross-cutting gold-rich vertical units. The mantos silver mineralisation is hosted by vuggy silica within dacitic lapilli tuffs. It occurs at Arqueros and Teterita where the mineralising process has replaced horizontal porous tuffs. At Chimberos, silver mineralisation is hosted mainly but not restricted in hydrothermal breccia’s superimposed on folded Palaeozoic sediments comprising conglomerates, sandstone and shale.
- Vertical, gold-rich mineralisation, characterised by vuggy silica, is well developed at Arqueros. Drilling at Chimberos in the western part show similar characteristics as Arqueros by the gold-rich mineralisation which is hosted on hydrothermal, possible diatreme breccia units.

Exploration done by other parties	• None of the reported results were completed by other parties.

Kingsgate
Consolidated Limited

ABN 42 000 837 472

17 July 2017

Via ASX Online
(1 page)

FOR PUBLIC RELEASE

Manager
Company Announcements Office
Australian Securities Exchange

New Silver Discovery at Nueva Esperanza, Chile

Kingsgate Consolidated (ASX:KCN) ("Kingsgate" or the "Company) has discovered a new zone of silver mineralisation ("Cerro Blanco West") as a result of exploration drilling at its 100% owned Nueva Esperanza precious metals project in Chile. Nueva Esperanza is a feasibility-stage development project with a resource base of approximately 1.9 million ounces gold equivalent[1].

Eight Reverse Circulation ("RC") holes totalling 1,226 metres were completed on the new Cerro Blanco West target prior to drilling being halted by the early onset of winter conditions.

Initial drilling returned the following intercepts:

- Hole KRC-046 intercepted **60 metres** grading at 67.57g/t Ag (**1.13g/t AuEq60**[2]) from 40 metres to 100 metres, including **32 metres** at 114.66g/t Ag (**1.91g/t AuEq60**) from 68 metres to 100 metres;
- Hole KRC-055 intercepted **50 metres** grading at 84.04g/t Ag (**1.40g/t AuEq60**) from 62 metres to 112 metres; and
- Hole KRC-056 intercepted **18 metres** grading at 82.32g/t Ag from (**1.38g/t AuEq60**) 46 metres to 64 metres.

Cerro Blanco West

Cerro Blanco West is a blind exploration target located approximately 800 metres southwest of Cerro Blanco, a large topographic high preserving shallow-level opaline and steam-heated alteration.

Cerro Blanco West is a priority drill-target to be followed up in the spring with a view to expanding the foot-print of the currently defined mineralisation. Excellent potential is considered to remain over 400 metres of untested strike of the resistive corridor immediately south of the current drilling.

Ross Smyth-Kirk
Executive Chairman
Kingsgate Consolidated Limited

Media Enquiries
Suzanne Blake
+61 414 233 500

1. The resource base of 1.9 million ounces of gold equivalent is broken down as follows: Measured – 0.08 Moz, Indicated – 1.46 Moz and Inferred – 0.33 Moz. (See ASX:KCN released titled "Kingsgate Mineral Resources and Ore Reserves 2016" dated 7 October 2016).
2. Rounding of figures may cause numbers to not add correctly. Nueva Esperanza silver equivalent: AgEq(g/t) = Ag(g/t) + Au(g/t) x 60. Gold Equivalent Ounces (GEO): AuEq(g/t) = Au(g/t) + Ag(g/t) ÷ 60, calculated from long term historical prices for gold and silver and metallurgical recoveries of 70% Au and 75% Ag estimated from test work by Kingsgate. It is the Company's opinion that all elements included in the metal equivalents calculation have a reasonable potential to be recovered and sold. Although gold is not the dominant metal, gold equivalent values are reported to allow comparison with other projects.