



Kingsgate

Consolidated Limited

ABN 42 000 837 472

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FOR PUBLIC RELEASE

Manager
Company Announcements Office
Australian Securities Exchange

Kingsgate Financing Update

Kingsgate Consolidated Limited (ASX:KCN) (“**Kingsgate**” or the “**Company**”) is pleased to advise that it has entered into definitive loan documentation for a **US\$35,000,000** term facility with Nebari Gold Fund 1 (“**NGF 1**”), LP and Nebari Natural Resources Credit Fund II, LP (“**NNRCF II**” and, together, “**Nebari**”) (the “**Facility**”).

The funds will be available for drawdown following satisfaction of conditions precedent standard for a facility of this nature.

Key terms of the Facility are set out in Schedule 1 of this announcement. Nebari (or its nominee) will be issued with an initial 6,986,589 nil premium unlisted warrants in Kingsgate the key terms of which are set out in Schedule 2 of this announcement.

In particular, this new facility will enable Kingsgate to:

- consolidate its existing debt by refinancing Kingsgate’s existing bridge facility with NGF 1;
- repay the Preference Shareholder loans;
- ensure timely delivery of the remainder of the new mining equipment;
- expand the aggressive near mine and regional exploration programs;
- work on upgrading the existing resource base at the Chatree Gold Mine (“Chatree”);
- provide the necessary headroom as mining operations continue to ramp up at Chatree; and
- undertake capital restructuring provided the facility is kept in good order.

Kingsgate's Managing Director and Chief Executive Officer, Mr. Jamie Gibson noted: "This new facility will give Kingsgate enhanced balance sheet flexibility as production continues to ramp up at Chatree, while supporting our continued focus on growth through exploration. Our preference for debt funding underpins our overarching commitment to building shareholder value through further validation of the quality of the Chatree Gold Mine".

Roderik van Losenoord, Managing Director of Nebari, commented: "Nebari is very pleased to continue its partnership with Kingsgate, and to support Chatree's ongoing ramp-up to full production. We look forward to continuing our role as a supportive partner and lender and are thankful to the entire Kingsgate team for the trust and great partnership".

For more information contact:

Investor Relations

Kingsgate Consolidated Limited

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About Nebari

Nebari is a United States-based investment manager, specialized in privately offered pooled investment vehicles including Nebari Natural Resources Credit Fund II, LP and Nebari Gold Fund 1, LP, which are funding this transaction. The growing Nebari team has deep experience with leading global mining companies and financial institutions. Nebari is known for partnering with motivated and capable management teams, focused on achieving clear goals, supported by technically strong assets.

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Schedule 1 – Key terms of the Facility

Term	Detail
Facility	The Facility is a senior secured amortising facility with a limit of US\$35,000,000, consisting of a Tranche 1 Commitment of US\$22,000,000 and Tranche 2 Commitment of US\$13,000,000.
Security	Nebari will have security over all current and future tangible and non-tangible assets of the Kingsgate's Australian subsidiaries under an Australian law-governed general security deed, together with pledges of 100% of all shares of each Guarantor.
Interest costs	Interest Costs: Interest costs, payable monthly in arrears, equal to the 3 month Secured Overnight Financing Rate ("SOFR") plus a margin of 7.75% p.a. applied to aggregate amounts outstanding. If the Term SOFR is less than 4.75% per annum, interest will be deemed to be 4.75%.
Amortisation	Amortisation: Fixed, straight-line amortisation of the Tranche 1 Principal Amount only, commencing on the 9th Interest Payment Date equal to 3.0% of the Tranche 1 Principal Amount.
Term and maturity	The maturity date will be 36 months for Tranche 1 and 30 months for Tranche 2, both from the Closing Date (as that term is defined in the loan documentation for the Facility).

Schedule 2 – Key terms of Subscription Warrants

Term	Detail
Subscription Warrants	Each Subscription Warrant confers on its holder, the right, but not the obligation, to subscribe for (and be issued with) one new Share at the Exercise Price at any time on or before 5pm (New York time) on the Expiry Date.
Share	A fully paid ordinary share in the equity capital of Kingsgate. Each Share issued on exercise of a Subscription Warrant will rank equally (including as to dividend and other entitlements) with all other (then existing) Shares.
Number to be issued	<p>Up to a maximum of 9,315,452 Subscription Warrants could be issued to Nebari in two separate tranches.</p> <p>Under the first tranche, Kingsgate will issue a total of 6,986,589 Subscription Warrants to Nebari.</p> <p>Under the second tranche, Kingsgate may be required to issue up to a further 2,328,863 Subscription Warrants to Nebari.</p> <p>The number of Subscription Warrants that may be issued under the second tranche will depend on the amount owing to Nebari under the Facility 18 months after the Facility has been funded and will be determined in accordance with the following formula:</p> $0.25 \times \frac{\text{Tranche 2 Principal Amount} - \text{any Prepayment Amount}}{\text{Exercise Price}}$ <p>Shareholders should note that the Tranche 2 Principal amount is US\$13 million.</p>
Exercise Price	A\$2.07
Expiry Date	The Expiry Date for each Subscription Warrant is 5pm (New York time) on the date that is 30 months from the Closing Date (as that term is defined in the loan documentation for the Facility).
Quotation	The Subscription Warrants will not be quoted on ASX (or on any other financial market) and are not transferrable to third-parties without Kingsgate's consent. Kingsgate will apply for quotation of any Shares issued on exercise of the Subscription Warrants in accordance with the Listing Rules.
Listing Rules	In the event of a reorganisation of Kingsgate's capital, all Subscription Warrants on issue at the time of the reorganisation will be reorganised in accordance with the requirements of and the relevant adjustment formulas set out in the Listing Rules (including Listing Rule 7.22.3).
Placement capacity	Kingsgate has sufficient Listing Rule 7.1 placement capacity to issue the Subscription Warrants the subject of the warrant subscription agreement between Kingsgate, NNRCF II and NGF 1 dated 15 July 2024 (" Warrant Subscription Agreement ").
Use of proceeds	Unless an event of default is subsisting under the Facility, Kingsgate is not required to apply any amount paid to it upon the exercise of any Subscription Warrants towards the repayment of any amount owing under the Facility and instead may utilise any such amount received at its discretion.
Representations and warranties	The Warrant Subscription Agreement contains representations and warranties given by Kingsgate, NNRCF II and NGF 1 which are considered by Kingsgate to be largely conventional for an agreement of this nature.