



Kingsgate

Consolidated Limited

ABN 42 000 837 472

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Kingsgate Commences Claim Against Thailand

Kingsgate Consolidated Limited (ASX:KCN) (**Kingsgate or the Company**) advises that it will be seeking a range of remedies, including compensation, from the Thai Government for the measures taken against the Chatree Gold Mine in violation of the Australia - Thailand Free Trade Agreement ("TAFTA").

As a first step, Kingsgate has today notified the Prime Minister of the Kingdom of Thailand that it wishes to engage in consultations as required under TAFTA.

Over the past 11 months, Kingsgate has made sustained, good faith efforts to engage with the Thai Government in relation to the measures against the Chatree Gold Mine that ultimately resulted in its premature closure on 31 December 2016.

These efforts included numerous unanswered requests for meetings with Thailand's Prime Minister and members of his Cabinet. Regrettably, Kingsgate has now reached a position where it believes that the only option to resolve the situation is to exercise its rights as a protected Australian investor under TAFTA.

TAFTA was signed in 2004 between Thailand and Australia to promote and improve the environment for bilateral services, trade and investment. TAFTA entered into force in 2005.

TAFTA contains a range of provisions specifically relating to investment protection. Amongst other things, these provisions guarantee certain rights to Australian investors in Thailand, including the right to seek impartial resolution of disputes with the Thai Government relating to covered investments by way of arbitration before an international tribunal.

The TAFTA consultations can take up to three months, and failing a mutual outcome, any international arbitration proceedings that may follow under TAFTA can take an undetermined amount of time to resolve, and could involve significant expenditure by Kingsgate. Kingsgate is currently investigating a range of funding options for the potential TAFTA arbitration process if it should proceed. Furthermore, it should be noted that the outcome of such consultations and any arbitral proceedings is uncertain.

Greg Foulis
Chief Executive Officer
Kingsgate Consolidated Limited