



# Kingsgate

Consolidated Limited

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Manager  
Company Announcements Office  
Australian Securities Exchange

## **Kingsgate Mineral Resources and Ore Reserves 2017**

Kingsgate Consolidated Limited (ASX:KCN) (“Kingsgate” or the “Company”) wishes to advise that it has updated its Mineral Resources and Ore Reserves for the period ending 30 June 2017. The update takes into account mining depletion and current economic and operational assumptions. Reflecting the importance of silver, Mineral Resources and Ore Reserves are quoted for gold, silver, and on a gold equivalent and silver equivalent basis (AuEq and AgEq respectively).

### **Explanatory Note:**

In May 2016, the Thai Government made a national mining policy change calling a halt to all gold mining in the country by 31 December 2016. Subsequently, it was announced that the Chatree Gold Mine’s (“Chatree”) Metallurgical Licence would be revoked as of 31 December 2016. Based on this information, the Chatree Ore Reserves were re-estimated to the end of that period and all of this ore was mined as at 31 December 2016. In order to demonstrate the impact of the mine closure, a second table of potentially economically extractable mineralisation has been provided separately to show the position if a Metallurgical Licence were to be granted in future.

For further information in relation to the premature closure of Chatree, please refer to ASX:KCN announcements dated: 11 May 2016, 12 May 2016, 26 May 2016, and 16 June 2016 respectively, and more generally information in relation to Kingsgate’s claim for restitution and compensation under the Thailand-Australia Free Trade Agreement can be found at: [www.kingsgate.com.au](http://www.kingsgate.com.au)

## **Group Mineral Resources**

Group Mineral Resources (inclusive of Ore Reserves) were estimated at 3.91 million ounces of gold and 112.8 million ounces of silver (203Mt at 0.60g/t Au and 17.3g/t Ag). This equates to a reduction from mining of the remaining Ore Reserves of 0.10 million ounces of gold and a decrease of 1.9 million ounces of silver compared to the 30 June 2016 estimate.

On a gold equivalent basis, Group Mineral Resources were estimated at 5.5 million ounces gold equivalent (203Mt at 0.85g/t AuEq) representing a decrease of 0.11 million ounces gold equivalent compared to the 30 June 2016 estimate.

## **Group Ore Reserves**

Group Ore Reserves are estimated at 0.30 million ounces of gold and 47.8 million ounces of silver (17.1Mt at 0.5g/t Au and 87g/t Ag). This represents a decrease of 0.09 million ounces (30%) of gold, and a decrease of 1.4 million ounces of silver (3%) compared to the 30 June 2016 estimate. The decreases in gold and silver relate to the completion of mining at Chatree as at 31 December 2016, due to the non-renewal of the Metallurgical Licence. Remaining Ore Reserves essentially reflect the position at the Nueva Esperanza Project in Chile with no JORC reportable Ore Reserves at Chatree.

On a gold equivalent basis, Group Ore Reserves are estimated at 1.00 million ounces gold equivalent (17.1Mt at 2.0g/t AuEq). This represents a decrease of 0.2 million ounces (~20%) gold equivalent compared to the 30 June 2016 estimate.

## **Chatree Gold Mine, Thailand**

Chatree Mineral Resource estimates have not materially changed from the estimates reported for 30 June 2015. The Chatree Mineral Resources in this report are derived from the same block model used for the June 2016 estimates, with depletion by mining to the end of June 2017 (in practice to the end of December 2016), and comparatively minor stockpile changes. Information relating to Chatree Mineral Resource estimation is available in an ASX:KCN announcement titled "Kingsgate 2016 Mineral Resources and Ore Reserves" dated 23 October 2015.

Chatree Mineral Resources are estimated at 3.4 million ounces of gold (164Mt at 0.65g/t Au and 5.59g/t Ag) compared to 3.53 million ounces of gold for the 30 June 2016 estimate. This decrease is in line with mining depletion for the period comprising 2.6Mt at 1.20g/t gold and 22.7g/t silver, and represents approximately 10% more gold and 25% more silver than the Ore Reserves as a result of better than expected average grades from the mine.

Chatree Ore Reserves are essentially depleted to zero with respect to the 30 June 2016 position of 0.09 million ounces of gold (2.5Mt at 1.1g/t Au and 17.6g/t Ag). The reduction is due to mining depletion and the non-renewal of a Metallurgical Licence to continue processing ore beyond 31 December 2016.

### Nueva Esperanza Project, Chile

The Mineral Resource and Ore Reserve estimates have not changed from the previously reported ASX announcements titled “Nueva Esperanza Resource Update” published 14 April 2016, and the “Nueva Esperanza Pre-Feasibility Study” published 14 April 2016.

The Mineral Resource and Ore Reserve estimates have been reported according to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012). Supporting information including Table 1 for the Nueva Esperanza Resource and Reserves can be found in the ASX:KCN releases mentioned above.

## Ore Reserves and Mineral Resources

As at 30 June 2017

### Ore Reserves

Source	Category	Tonnes (Million)	Grade				Contained Metal			
			Gold (g/t)	Silver (g/t)	AuEq (g/t)	AgEq (g/t)	Gold (M oz)	Silver (M oz)	AuEq (M oz)	AgEq (M oz)
Chatree	Proved	-	-	-	-	-	-	-	-	-
	Probable	-	-	-	-	-	-	-	-	-
	<b>Total</b>	-	-	-	-	-	-	-	-	-
Nueva Esperanza	Proved	-	-	-	-	-	-	-	-	-
	Probable	17.1	0.5	87	2.0	117	0.30	47.8	1.10	64.3
	<b>Total</b>	<b>17.1</b>	<b>0.5</b>	<b>87</b>	<b>2.0</b>	<b>117</b>	<b>0.30</b>	<b>47.8</b>	<b>1.10</b>	<b>64.3</b>
<b>Total</b>	Proved	-	-	-	-	-	-	-	-	-
	Probable	17.1	0.5	87	2.0	117	0.30	47.8	1.10	64.3
	<b>Total</b>	<b>17.1</b>	<b>0.5</b>	<b>87</b>	<b>2.0</b>	<b>117</b>	<b>0.30</b>	<b>47.8</b>	<b>1.00</b>	<b>64.3</b>

## Mineral Resources (Inclusive of Ore Reserves)

Source	Category	Tonnes (Million)	Grade				Contained Metal			
			Gold (g/t)	Silver (g/t)	AuEq (g/t)	AgEq (g/t)	Gold (M oz)	Silver (M oz)	AuEq (M oz)	AuEq (M oz)
Chatree	Measured	73.2	0.69	6.20	0.74	100	1.63	14.6	1.74	237
	Indicated	49.8	0.64	5.58	0.68	93	1.02	8.9	1.09	148
	Inferred	40.6	0.59	4.50	0.62	85	0.77	5.9	0.81	111
	<b>Total</b>	<b>163.6</b>	<b>0.65</b>	<b>5.59</b>	<b>0.69</b>	<b>94</b>	<b>3.42</b>	<b>29.4</b>	<b>3.64</b>	<b>496</b>
Nueva Esperanza	Measured	1.6	0.01	93	1.56	94	0.0005	4.8	0.08	4.8
	Indicated	27.2	0.46	73	1.67	100	0.40	63.8	1.46	87.9
	Inferred	10.6	0.3	43	1.0	60	0.09	14.8	0.33	20.0
	<b>Total</b>	<b>39.4</b>	<b>0.39</b>	<b>66</b>	<b>1.48</b>	<b>89</b>	<b>0.49</b>	<b>83.4</b>	<b>1.88</b>	<b>112.7</b>
<b>Total</b>	Measured	74.8	0.68	8.06	0.76	100	1.63	19.4	1.82	241
	Indicated	77.0	0.58	29.4	1.03	95	1.42	72.7	2.55	236
	Inferred	51.2	0.53	12.5	0.70	80	0.86	20.7	1.14	131
	<b>Total</b>	<b>203.0</b>	<b>0.60</b>	<b>17.3</b>	<b>0.85</b>	<b>93</b>	<b>3.91</b>	<b>112.8</b>	<b>5.51</b>	<b>608</b>

### Notes to the Ore Reserves and Mineral Resources Tables:

(1) Rounding of figures causes some numbers to not add correctly.

(2) Nueva Esperanza Equivalent factors:

Silver Equivalent:  $\text{AgEq (g/t)} = \text{Ag (g/t)} + \text{Au (g/t)} \times 60$ .

Gold Equivalent:  $\text{AuEq (g/t)} = \text{Au (g/t)} + \text{Ag (g/t)} / 60$ .

Calculated from prices of US\$1200/oz Au and US\$19.00/oz Ag, and metallurgical recoveries of 80% Au and 84% Ag estimated from test work by Kingsgate.

(3) Chatree Equivalent factors:

Gold Equivalent:  $\text{AuEq/t} = \text{Au (g/t)} + \text{Ag (g/t)} / 136$ .

Silver Equivalent:  $\text{AgEq g/t} = \text{Au (g/t)} \times 136 + \text{Ag g/t}$ .

Calculated from prices of US\$1200/oz Au and US\$19.00/oz Ag and metallurgical recoveries of 83.3% Au and 38.7% Ag based on metallurgical testwork and plant performance.

(4) Cut-off grades for Resources are:

Chatree 0.30 g/t Au, Nueva Esperanza 0.5g/t AuEq.

(5) Nueva Esperanza Reserves are based on a floating cut-off grade method. In this method each Resource block is subjected to a series of estimates to generate revenue and cost fields that are used to determine a breakeven cut-off grade.

(6) Cut-off grade for Chatree Ore Reserves is 0.35 g/t Au.

(7) It is in the Company's opinion that all the elements included in the metal equivalent calculations have a reasonable potential to be recovered.

(8) Please refer to ASX:KCN release published 14 April 2016 titled, "Nueva Esperanza Pre-Feasibility Study Confirms Kingsgate Growth Strategy" for details on Mineral Resources, Ore Reserves and JORC 2012 Table 1.

## Chatree – With a Metallurgical Licence granted

The table below shows what the Chatree Reserves would be if the Metallurgical Licence was granted in the future.

Source	Category	Tonnes (Million)	Grade				Contained Metal			
			Gold (g/t)	Silver (g/t)	AuEq (g/t)	AgEq (g/t)	Gold (M oz)	Silver (M oz)	Au Eq (M oz)	AgEq (M oz)
Chatree	Proved	26.1	0.77	6.70	0.82	102	0.65	6.2	0.70	95
	Probable	9.3	0.80	7.04	0.85	116	0.24	2.1	0.25	34.6
	<b>Total</b>	<b>35.4</b>	<b>0.78</b>	<b>6.79</b>	<b>0.83</b>	<b>106</b>	<b>0.89</b>	<b>8.3</b>	<b>0.95</b>	<b>130</b>

Notes:

1. For the material in the table above to become a JORC 2012 Ore Reserve, the Thai Department of Primary Industries and Mines need to grant the Chatree Gold Mine a Metallurgical Licence.
2. The information in the table above is not currently an Ore Reserve under JORC reporting requirements.

## **Competent Person Statement**

The information relating to Nueva Esperanza Ore Reserves is extracted from an ASX announcement by Kingsgate titled “Nueva Esperanza Pre-Feasibility Study” published 14 April 2016. The information relating to Nueva Esperanza Mineral Resources is extracted from an ASX announcement by Kingsgate titled “Nueva Esperanza Mineral Resource Update” published 14 April 2016.

Previous announcements referred to in this report are available to view on Kingsgate’s public website ([www.kingsgate.com.au](http://www.kingsgate.com.au)). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement, and in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially altered from the original announcements.

The information in this report that relates to the Chatree Mineral Resource is based on information compiled by Ron James and Maria Muñoz, who were previously employees of the Kingsgate Group. Both Ron James and Maria Muñoz, who are now consultant geologists, are members of The Australasian Institute of Mining and Metallurgy and qualify as Competent Persons. Mr James and Ms Muñoz have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Mineral Resources and Ore Reserves.” Mr James and Ms Muñoz have consented to the public reporting of these statements and the inclusion of the material in the form and context in which it appears.

The information in this report that relates to the Chatree Ore Reserve estimates is based on information compiled by Saowalak Tantakoon, a mining engineer who is a full time employee of Akara Resources, and who is under the supervision of Ron James, who is a member of the Australasian Institute of Mining and Metallurgy. Mr James is a former employee and now a consultant to the Kingsgate Group, and has sufficient relevant experience in the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Mineral Resources and Ore Reserves.” Ms Tantakoon and Mr James have consented to the public reporting of these statements and the inclusion of the material in the form and context in which it appears.