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Brief: KINGSGATE

Thai nod near for Kingsgate

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Resources

THAI-FOCUSED gold producer Kingsgate Consolidated is inching closer to getting the mining licences it needs to build an extension to its flagship Chatree project.

Shares in the mid-tier gold miner jumped more than 12 per cent after the company revealed that it had been granted Forestry Department approvals for the northern mining leases for the project on Tuesday.

It paves the way for final approval from the Department of Primary Industries and Mines to grant the mining leases.

Kingsgate has been in a holding pattern waiting for the formation of a new government in Thailand following elections earlier this year.

The Sydney-based company needs to begin mining the more lucrative northern part of its Chatree project as the gold runs out in the original small open-cut mine.

Kingsgate can point to the fact that the Thai Government this week granted a key mining permit to zinc and lead miner Padaeng for its Tak mine, which had been on care and maintenance since October.

The mining licence approval for Kingsgate rests with Deputy Prime Minister and DPIM minister Suwit Khunkitti.

Kingsgate managing director Gavin Thomas said Mr Khunkitti was determined to improve foreign investment in Thailand, and the country had made it a focus to develop the steel, potash and gold industries.

“What we do know is that once we have forestry approvals, then the DPIM will fast-track our requests,” Mr Thomas said.

“In horseracing terms, we’re coming down the home straight at Randwick. We do need these approvals — it is pretty urgent.

“We can go to the end of the financial year and beyond just mining the open pit at Chatree. There’s life in the old girl, but not much.”

Kingsgate yesterday surprised the market by producing 20,000 ounces in the March quarter.

The miner is on track to meet its forecast guidance of between 65,000 and 80,000 ounces for the current fiscal year.

Cash at bank also improved to \$45 million. Kingsgate shares gained 51c to close at \$4.65.