



Kingsgate

Consolidated Limited

ABN 42 000 837 472

15 November 2007

**Via ASX Online
(3 pages)**

FOR PUBLIC RELEASE

The Manager
Announcements
Company Announcements Office
Australian Stock Exchange

Dear Sir or Madam,

CHAIRMAN'S ADDRESS AGM 2007

Please find attached the Chairman's Address for our 2007 Annual General Meeting.

Yours Sincerely,

Gavin Thomas
Chief Executive Officer
KINGSGATE CONSOLIDATED LIMITED

CHAIRMAN'S ADDRESS--- AGM 2007 (15 November, 2007)

As has already been reported, the year to 30th June, 2007 was a most disappointing one. The combination of low grade, difficult mining conditions and the delivery of a significant proportion of production to the hedge book culminated in an overall loss of \$12.6 million for the year – the first year of loss in 6 years of production.

The frustration of the previous year continues to the present time with the delay in approval of the Chatree North leases. These leases are the precursor to our major expansion and the next major phase of growth for this Company. . Whilst most regulatory hurdles have been passed, and despite the optimism of our local advisors, I would have to say that it is becoming increasingly doubtful that we can expect the granting of these leases before the coming elections on December 23rd. Your Directors are making all necessary plans in the event of this delay continuing becoming a reality.

The past year will not go down as a particularly memorable one for the Kingdom of Thailand. Following the military coup last year, the appointed interim government has been notable for its ineffectiveness and lack of decision making in the mineral sector, broken only by the inexplicable action of increasing Royalties on many mined commodities in the last couple of weeks. Whilst of fairly minor irritation to your company it gives the wrong message to the world and could have a deleterious effect on the emergence of a proper mining industry in Thailand. It is to be hoped that whoever wins the coming elections is more attuned to the international standing of Thailand and of the long term ramifications such short-sighted actions can have on reputations.

During the year the Company sold its investment in Goldstar Resources NL for a profit of some \$9 million and since the close of the year has sold its holding in Andean Resources Limited for a profit of \$40 million. The logic and tactics of the Andean takeover attempt were sound, but an increasingly antagonistic attitude from the Andean Board (having diluted your Company's holding through two placements) a fundamental disagreement on the direction of the Company and little faith in the current Board's ability to see it through to production, in the end left us with little alternative but to sell our holding. There is little doubt that the project will turn out to be a successful deposit and you no doubt have seen that the price of the shares has increased since our exit, however, at the present stage of development and knowledge, in the opinion of your Directors, this is now one of the most over priced stocks on the market.

The mine continues its record as the safest mine in the world and has just achieved 8 million man hours without a Lost Time Incident. During the year Akara became the first mining company in the world to attain the social accountability SA 800 standard, the global benchmark in corporate social responsibility in ensuring a fair and equitable workplace. The Company also won the "Environmental Excellence" award and "Business of the Year" award at the AustCham Business Awards in Thailand. For the fifth year in succession Akara also won the Thai Prime Minister's Award for Labour Relations and Welfare.

During the year Thai interests purchased preference shares in our Thai subsidiary, Akara, to comply with our Thai ownership obligations under the Thai Board of Investment incentives. This is intended as a temporary structure until a Thai IPO can be conducted within the next two years. Preliminary work has been undertaken on the IPO and recently a financial advisor was appointed to further the process. None of this, however, can happen until the Chatree North mining leases are granted.

We remain steadfastly of the belief that leases will be granted and can assure you that our management and our Thai Partners are doing everything physically possible to achieve this end.

I must sincerely commend Gavin Thomas and his senior management team, both in Australia and in Thailand, for their tireless efforts. Not one knows more than myself the level of frustration endured by management over the last few years. My thanks goes to all of them and for the understanding of their families.

We are nonetheless bolstered by the fact that in our regional areas we are sitting on one of the world's largest undeveloped gold provinces in an area of good infrastructure. The world mining industry clearly understands that such undeveloped systems are few and far between and are increasingly going to be found in remote places accompanied by higher political risk.

In the meantime, with the Company now completely hedge free and despite low grades, the current mine can continue producing profitably and covering all operating costs for the current year.

I am pleased to announce that your company is planning to appoint two new directors after today's meeting. They are Craig Carracher as an independent non-executive director and our CEO Gavin Thomas as the managing director. Craig brings a large amount of relevant Thai experience having been managing partner of an international law firm in Thailand for many years. His wide experience in Asian business circles will bring much value to your company and his knowledge of mining and resource work will be beneficial. Craig is currently an Alternate Director of the ASX listed Sunland Group and a director of Ellerston Capital Ltd, the manager of the ASX listed Ellerston GEMS Fund. Craig is based in Asia managing private equity investments across the region including in Thailand. Gavin Thomas is well known to you all and brings over 35 years of mining experience.

Again I would like to thank the management of your Company for their dedication and perseverance and sincerely acknowledge the support and contribution of my fellow Directors over what has been a very trying year.