



# Kingsgate Consolidated NL

ACN 000 837 472

Level 17, 33 Bligh Street  
Sydney NSW  
Australia 2000  
Tel (61 2) 9223 5273 Fax (61 2) 9223 9775  
Email: info@kingsgate.com.au

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The Manager  
Announcements  
Company Announcement Office  
Australian Stock Exchange Ltd

Dear Sir

RE: CHAIRMAN'S ADDRESS AT ANNUAL GENERAL MEETING OF SHAREHOLDERS

Attached please find a copy of the Chairman's address delivered to shareholders at the Annual General Meeting of Kingsgate Consolidated NL held today.

Yours faithfully  
KINGSGATE CONSOLIDATED NL

JOHN FALCONER  
Company Secretary

## **KINGSGATE CONSOLIDATED NL**

### **CHAIRMAN'S ADDRESS - 2001**

I stand before you today pleased to announce that your company is now the proud operator of the newest gold mine in the world and what I believe should prove to be one of the most profitable gold mines in the world.

The plant was completed ahead of time and slightly below budget and has been in commission phase since late October.

The first gold pour was made on 15<sup>th</sup> November followed quickly by others as ore progressed through the plant leading up to it becoming fully operational. As is usual at this phase of a plant's life there have been numerous small problems, but to date there has been no major impediment to operations.

The first official commercial gold pour was made on 24<sup>th</sup> November. Plant performance trials are being planned for 5<sup>th</sup> - 19<sup>th</sup> December.

The Prime Minister of Thailand, Mr Thaksin, has graciously agreed to preside over the official opening of the mine on 12<sup>th</sup> December. Being the first commercial gold mine (certainly in modern times) in Thailand, the mine has generated a great deal of interest and publicity. Strong support has been given in the media to the Chatree project by the Department of Mineral Resources and the Ministry of Industry and it is pleasing to note that the reaction to the media attention has been positive in the local Chatree area with an increase in cooperation from local bureaucracies.

As has previously been announced in the recent Quarterly Report sent to shareholders a 9kg. gold bar and a 9kg. silver bar are being produced from the initial pourings to present to the Prime Minister at the opening to be presented as a gift to the King of Thailand in celebration of his 74<sup>th</sup> birthday.

The plant is a standard carbon in leach plant that has been constructed to the highest of standards. But what is most pleasing is the calibre of senior management responsible for the efficient running of the mine that the company has been able to attract. Led by the General Manager, Phil MacIntyre, former Kidston General Manager, the team boasts extensive operational mining experience that will be invaluable in the training of the Thai workforce and subsequent operations of the mine.

Your Board has been of the opinion for some time that the market did not properly reflect the real value nor potential of your company. But equally we have always felt that the market would be forced to substantially re-rate the company once the mine actually came into production. The company's recent rights issue, because of the way it was pitched, has helped to generate market interest in the project, and this re-rating has already started to occur in recent weeks. There is, of course, much work to be done but there is already tangible evidence to suggest that we are now on a few more radar screens than was previously the case.

Over the next few months an increased effort will be made to inform the market of the company's attributes and potential now that we have something real to show. Presentations on a regular basis will be made to stockbrokers and potential investors and further media interest is expected to be generated.

There is little doubt that the loyalty of shareholders, many of whom have been involved in the company for many years, will be substantially rewarded over coming years.

At this stage, it is the directors' intention to pay a dividend sooner rather than later.

I would like to think that at this meeting next year, all things going well, I will be asking shareholders to ratify the declaration and payment of an initial dividend.

Finally, I would like to thank all of those who have been associated with the company in achieving this significant milestone, either as staff, shareholders, contractors, bankers and all other aspects of the operation. It is indeed an incredible achievement to get a major operation up and running and to transform an exploration company into a significant producer, and I am, indeed, proud to have been associated with it.

To my fellow Directors, I say a special thank you. To Mike Diemar, who has been able to achieve what few people are privileged to do in a lifetime – to see a dream turn in to a reality; to John Falconer, who has been associated with the company even longer than myself and second only to Mike, and always a believer in the project; to John Shaw and Peter McAleer, who, with their extensive mining experience, have been towers of strength to us all, particularly over the last year with their wise counsel and advice – thank you all.

We are all aware of what has to be achieved over the next year to convince the market of our bona fides. Production is expected to significantly exceed rated plant capacity, substantial exploration needs to be conducted to prove up additional reserves, particularly at 'A' prospect, 'B' prospect, and between the mine and 'A' prospect, and our story needs to be told.

We look forward to the coming year with anticipation and excitement with hopefully an even bigger story to tell next year.

R.D. SMYTH-KIRK  
28<sup>th</sup> November, 2001