



Kingsgate

Consolidated Limited

ABN 42 000 837 472

16 June 2016

Australian Securities Exchange
Listings Compliance
Level 40, Central Park
152-158 St Georges Terrace
Perth WA 6000

Kingsgate Consolidated Request for Continuation of Voluntary Suspension of Trading

Kingsgate Consolidated Limited (Kingsgate) requests a continuation of the voluntary suspension of trading in the securities of Kingsgate (ASX Code: KCN) from the commencement of trading on Friday, 17 June 2016.

For the purposes of Listing Rule 17.2, Kingsgate provides the following information:

- a) On 10 June 2016, Kingsgate was advised that the Thai Cabinet Secretariat had issued an urgent order to overturn the 10 May 2016 resolution to only renew the metallurgical licence at the Chatree Gold Mine until 31 December 2016. This resolution had been made by the Cabinet following a brief video report by the Minister of Industry ("MOI"). The matter had then been reconsidered at a Cabinet meeting on 7 June 2016, as the original decision had been taken with no accompanying documentation. As a result of this, Cabinet ordered that the original ruling be overturned and replaced with the following resolutions:
 1. That the video presented to Cabinet by the MOI on 10 May 2016 is acknowledged, and that the MOI has been asked to continue the work being undertaken by the Environment and Health Committees established in 2015 to review the operations at Chatree Gold Mine and update the general public on these matters accordingly; and
 2. The Ministry of Industry and other related government departments are to take further action in accordance with appropriate laws and regulations.

- b) A spokesperson for the Office of the Thai Prime Minister, General Sansern Kaewkamnerd advised that the MOI had been given carriage of the matter and he also stated: "The fact is that the new ruling does not mean that the order to shut down Akara Resources Public Company Limited's gold mine by the end of 2016 has been overturned despite widespread discussions otherwise in social media. Instead, it is simply a technical matter.

He further stated that the "Prime Minister and National Council of Peace and Order Chief General Prayut Chan-o-cha had previously appointed a committee to investigate the matter with representatives from the Ministries of Industry, Public Health, Natural Resources and Environment, and Science and Technology. This committee has full authority to shut down the mine, and the Cabinet does not have to issue any order. Only an acknowledgement of the committee's proposal is needed."

- c) The Thai Ministry of Industry has also advised that the Cabinet's original resolution was revoked so it can approach the issue in a more cautious manner to minimise the risk of any future legal action that may be taken against the government by Akara Resources and or Kingsgate Consolidated.
- d) Kingsgate has already in light of these developments, completed a revised mine plan for the period ending 31 December 2016, with a view to providing the optimum outcome for all stakeholders. However, this remains subject to uncertainty pending clarification of the basis on which the mine can continue to operate through to 31 December 2016. In addition, Kingsgate has not yet been able to meet with the Minister of Industry to seek further clarity.
- e) Accordingly, Kingsgate requests that the suspension remain in place until it is in a position to make an announcement to the market; and
- f) Kingsgate is not aware of any reason why the voluntary suspension should not be granted.

Yours sincerely,



Greg Foulis
Chief Executive Officer
Kingsgate Consolidated Limited