



# Kingsgate

Consolidated Limited

ABN 42 000 837 472

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**FOR PUBLIC RELEASE**

Manager  
Company Announcements Office  
Australian Securities Exchange

## **Corporate Update**

Kingsgate Consolidated Limited (ASX:KCN) (“Kingsgate” or the “Company”) would like to give an update on its corporate activities.

### **Thailand:**

The Thai media has reported several stories recently, concerning the TAFTA Arbitration against Thailand seeking compensation for the expropriation of the Chatree Gold Mine.

Kingsgate has always stated that it is open to a negotiated settlement, and more recently there has been a positive dialogue with the Thai Government as to how this might be achieved. Kingsgate has advocated this approach for some time, however, there can be no guarantee that this will occur.

Kingsgate continues to await the decision of the Arbitral Tribunal, and continues to consider that its prospects for a positive outcome are excellent.

The Thai media has also reported that the Thai National Anti-Corruption Commission alleges that they have emails indicating improper conduct on behalf of Kingsgate to obtain mining concessions. Kingsgate categorically refutes those allegations, and advises that in 2011/12, Kingsgate was the subject of an Australian Securities and Investments Commission (ASIC) investigation into allegations of corrupt activity in Thailand. ASIC concluded its investigation in mid-2014, and subsequently advised Kingsgate in writing that it would not be taking the matter any further. As a result, Kingsgate considers the matter to be closed.

As stated previously, Kingsgate urges shareholders to check trusted information sources such as the Company website or ASX Announcements for any information when it comes to the veracity of Thai media speculation on these matters.

### **Sludge:**

Akara Resources, Kingsgate’s subsidiary which holds the Chatree Gold Mine, has been negotiating with the Thai Government in order to allow it to sell the high value gold and silver “sludge,” which is secured at the Chatree Gold Mine, to a refinery to be processed into doré.

The sludge refers to material cleaned from the tanks and processing plant following the closure of the Chatree Gold Mine on 31 December 2016, and has always been, and acknowledged to be, the property of Akara Resources.

The sludge contains approximately 4,750 ounces of gold and around 34,800 ounces of silver, and is currently valued at approximately A\$14 million at a gold price of A\$2,667 an ounce (as at 4 September 2020) before royalties, transportation and refining costs.

Kingsgate hopes to be able to update the market shortly on this process, but there is no guarantee that the monetisation of the sludge will occur.

### **Nueva Esperanza**

The recent rise in commodity prices has seen renewed interest in the Nueva Esperanza Gold/Silver Project in Chile. The Environmental Impact Assessment (“RCA-64/20”) for the Nueva Esperanza Gold/Silver Project has been approved, see ASX:KCN release titled “Nueva Esperanza Project – EIA Approved” dated 14 July 2020. The RCA-64/20 effectively allows the pre-development, construction and operation of the three project areas: Arqueros, Chimberos and Teterita.

In addition, Kingsgate has also agreed terms with Anglo American to defer payment by Kingsgate of approximately US\$3.4 million for both the water rights and project royalties until 2025.

These factors combined have afforded Kingsgate the opportunity to work its way through all the options available for Nueva Esperanza to maximise the outcome for shareholders.

**Ross Smyth-Kirk**  
**Executive Chairman**  
**Kingsgate Consolidated**