

Kingsgate Consolidated Limited

Quarterly Report

For the period ending 31 March 2021

KEY ISSUES

CORPORATE

- ▶ The arbitral hearings under the Thailand – Australia Free Trade Agreement (that relate to the Thai Government's premature closure of the Chatree Gold Mine in 2016) were heard in full in Singapore, from 3 to 12 February 2020.
- ▶ As previously stated, the TAFTA Tribunal has ordered that the proceedings are to be kept confidential, except where disclosure is required to fulfil a legal duty.
- ▶ Following the completion of the arbitral hearings, the Kingsgate Board maintains that the Company has excellent prospects for a successful outcome.
- ▶ The arbitral panel is not required to make a decision on the claim by a prescribed date in the future; rather they have now retired to consider the matter and will render a decision in their own time.
- ▶ Kingsgate remains open to seeking a negotiated settlement of the matter with the Thai Government, and the relationship with the Thai Government is positive as evidenced by the release of the gold and silver sludge and the issuance of 44 SPLs last year (See www.kingsgate.com.au for further information).

CHILE

- ▶ The sustained rise in commodity prices has seen renewed interest in Kingsgate's Nueva Esperanza Gold/Silver Project in Chile.
- ▶ While there is no deadline for a decision, Kingsgate is methodically working its way through all the options available for Nueva Esperanza to maximise the outcome for shareholders.

FINANCIAL

- ▶ **Kingsgate remains corporate debt free.**
- ▶ Cash at 31 March 2021 totalled A\$13.3 million.

March Quarter Review

CHATREE GOLD MINE, Thailand

Akara Resources Public Company Limited (“Akara”), a subsidiary of Kingsgate, ceased operating the Chatree Gold Mine on 31 December 2016 in accordance with the closure order by the Thai Government. Chatree was placed on Care and Maintenance effective 1 January 2017. Approximately 31 full time staff remain at the Chatree Gold Mine to manage the ongoing Care and Maintenance and rehabilitation works.

Update on TAFTA Progress

While Kingsgate notes that it has now been more than a year since the final TAFTA hearings concluded in Singapore, the work of the panel did not end when those hearings ended. Rather, as Kingsgate has previously explained these matters are complex and voluminous and there was a period subsequent to the hearings that allowed parties to make post hearing submissions, and it has been less than 12 months since that process concluded. All of this information must therefore be considered before the TAFTA panel can render a decision.

Kingsgate would also like to remind shareholders that they should be mindful of speculation about the status of the negotiations in the Thai media, and only trusted sources such as the Company or ASX websites should be consulted for updates. Again, Kingsgate does appreciate that the length of time it is taking to resolve the matter is frustrating for some shareholders, but any premature announcement or violation of the confidentiality agreement could seriously jeopardise the Company’s claims.

Kingsgate again reiterates that while there is still no indication as to when the TAFTA panel might finalise its decision, the focus remains firmly on pursuing options with respect to maximising the outcome for shareholders, which includes the possibility of a negotiated settlement. To this end, Kingsgate has provided the Thai Government with a full list of licences, permits and other items that would be required for a successful re-opening of the Chatree Gold Mine (See ASX:KCN released titled “TAFTA Update”, dated 18 February 2021).

NUEVA ESPERANZA PROJECT, Chile

Nueva Esperanza is a feasibility-stage development project with a resource base (inclusive of ore reserves) of approximately 0.49 million ounces gold and 83.4 million ounces of silver. (See ASX:KCN released titled “Kingsgate Mineral Resources and Ore Reserves 2016” dated 7 October 2016).

In July 2020, Kingsgate advised that its 100% owned Laguna Resources Chile entity (“LRC”) has been granted an Environmental Impact Assessment (“RCA-64/20”) approval for the Nueva Esperanza Gold/Silver Project (See ASX:KCN release titled “Nueva Esperanza Project – EIA Approved”).

This approval will enable the development of the project (subject to compliance with local mining laws/regulations) and follows a public consultation period that resulted in no objections being lodged against the project and is the successful culmination of 18 months of detailed work that saw Kingsgate working closely with environmental consultants, local indigenous communities and the Chilean Government.

In addition, Kingsgate has finalised an agreement with Anglo American that will see a deferral of fees for both the water rights and project royalty payments until 2025. These factors combined, with the recent rise in commodity prices which has seen renewed interest in the project, has afforded Kingsgate the opportunity and time to carefully consider its options with respect to Nueva Esperanza.

Kingsgate has made all non-essential staff redundant to reduce ongoing holding costs of the project.

Exploration

There were no exploration activities undertaken at Nueva Esperanza during the quarter.

FINANCE

At the end of March 2021, Kingsgate’s Group Cash totalled A\$13.3 million.

Kingsgate continues to manage its cash prudently to see it through to a successful restoration of the value of the Chatree Gold Mine in Thailand. In this regard, Kingsgate would like to reassure shareholders that there are no plans for a capital raising to fund the Company going forward.

In Memoriam - Phil MacIntyre



It is with great sadness that we have been informed of the passing of Phil MacIntyre, the first Mine Manager of Chatree, our showpiece gold mine in Thailand, at his home in Victoria, British Columbia, Canada.

Working originally as a Metallurgist, Phil occupied a number of managerial positions in Canadian mining companies before being appointed Mill Superintendent at Porgera in New Guinea. This was followed by appointment in 1999 as Mine General Manager at Kidston in Queensland, where he was responsible for the orderly closure of the mine due to the orebody being exhausted.

In 2001, he became the first Mine General Manager for Akara and was responsible for the start-up and operation of the Chatree mine, and in 2006 was appointed Chief Operating Officer/General Manager of Akara, a post he held until his retirement in 2013.

It was Phil's enthusiastic implementation of Kingsgate's philosophies of operating in a developing country with little experience of modern mining that ensured the early success of the operation. He ensured a harmonious, productive work environment by implementing a management style to encourage teamwork, co-operative attitudes and a high level of employee morale in a cross-cultural setting.

This, coupled with an emphasis on maintaining a high level of safety awareness by all employees - Chatree achieved a 10.5 year period representing 23.6 million man-hours of operations and construction activity without a Lost Time Injury - confirmed the undisputed claim of it being the "World's Safest Gold Mine".

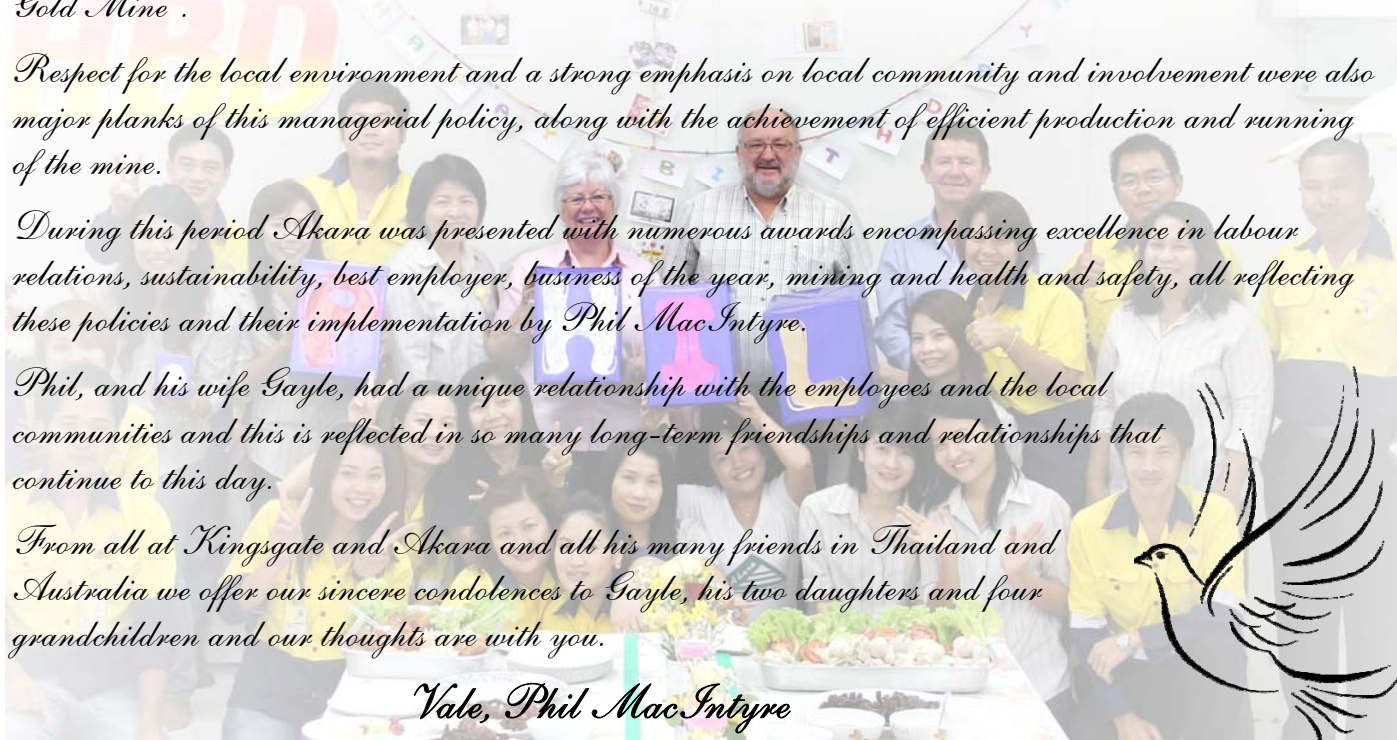
Respect for the local environment and a strong emphasis on local community and involvement were also major planks of this managerial policy, along with the achievement of efficient production and running of the mine.

During this period Akara was presented with numerous awards encompassing excellence in labour relations, sustainability, best employer, business of the year, mining and health and safety, all reflecting these policies and their implementation by Phil MacIntyre.

Phil, and his wife Gayle, had a unique relationship with the employees and the local communities and this is reflected in so many long-term friendships and relationships that continue to this day.

From all at Kingsgate and Akara and all his many friends in Thailand and Australia we offer our sincere condolences to Gayle, his two daughters and four grandchildren and our thoughts are with you.

Vale, Phil MacIntyre



Corporate Directory

Board of Directors / Senior Staff

Ross Smyth-Kirk	Executive Chairman
Peter Alexander	Non-Executive Director
Peter Warren	Non-Executive Director
Ross Coyle	Company Secretary

Principal and Registered Office

Suite 2, Level 23, 20 Bond Street,
Sydney, NSW, 2000, Australia.

Tel: +61 2 8256 4800

Email: info@kingsgate.com.au

Web: www.kingsgate.com.au

Share Registry

Link Market Services Limited

Level 12, 680 George Street,
Sydney, NSW, 2000, Australia.

Postal address: Locked Bag A14,
Sydney South, NSW, 1235, Australia.

Tel: +61 1300 554 474

Fax: +61 2 9287 0303

Email: registrars@linkmarketservices.com.au

Web: www.linkmarketservices.com.au

Exchange Details

ASX Code: KCN

OTC Code: KSKGY

Share Details

As at 31 March 2021, there were 221,853,852 ordinary shares on issue.



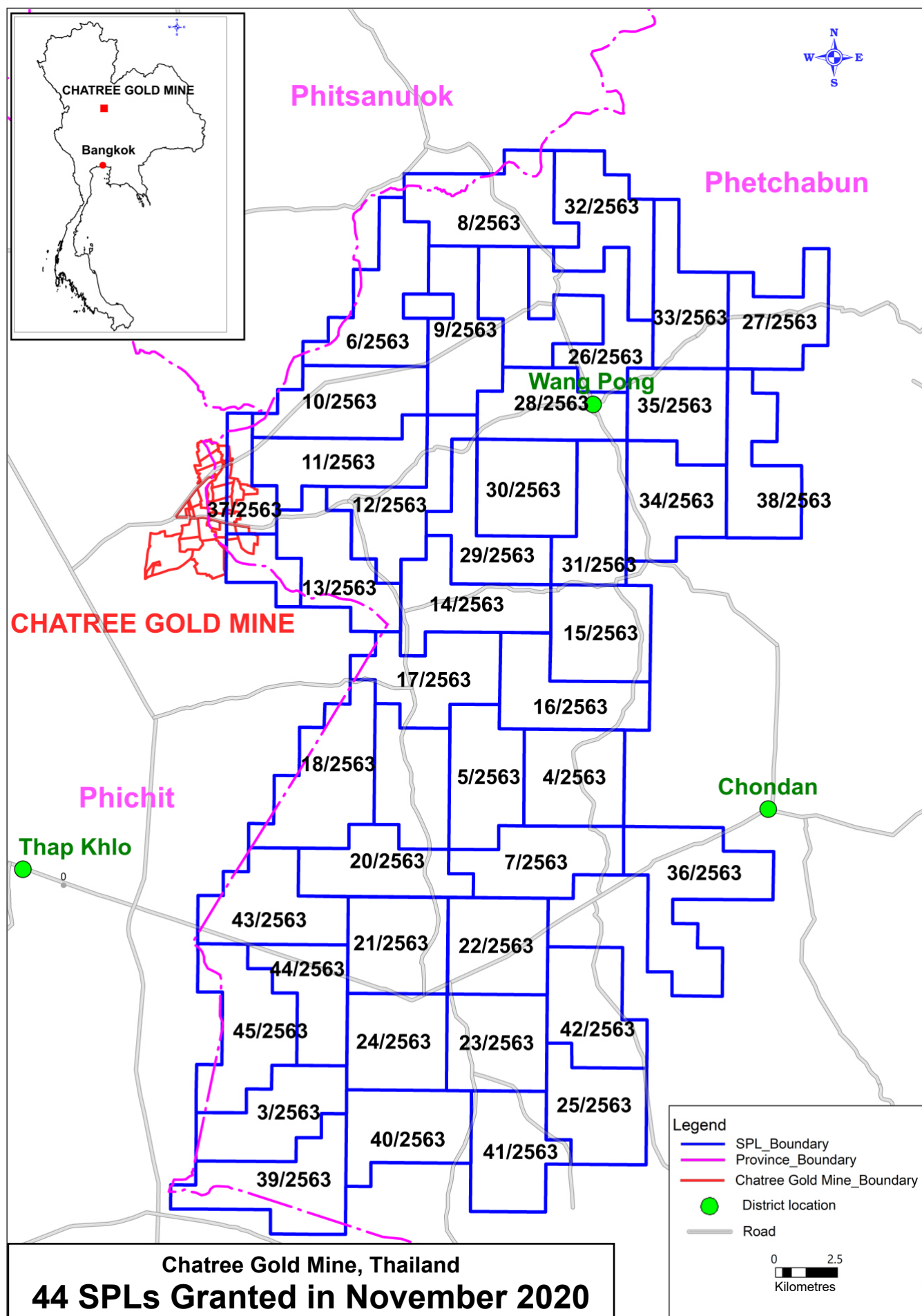
Forward Looking Statement:

These materials include forward looking statements. Forward looking statements inherently involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside of the control of, and may be unknown to, the Company. Actual results and developments may vary materially from that expressed in these materials. The types of uncertainties which are relevant to the Company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the Company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements. Forward looking statements in these materials speak only at the date of issue, subject to any continuing obligations under applicable law or any relevant stock exchange.

Competent Persons Statement:

The information in this report that relate to the resources of the Nueva Esperanza Project in Chile, is based on information compiled by Ron James, who was previously an employee of the Kingsgate Group. Ron James is now a consultant geologist to Kingsgate, a member of The Australasian Institute of Mining and Metallurgy and qualifies as a Competent Person. Mr James has sufficient experience that is relevant to the style of mineralisation being reported herein as a resource, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves." Mr James has consented to the public reporting of these statements and the inclusion of the material in the form and context in which it appears.

March Quarter Review



MINING LICENCES						
No.	ML/MLA	Province	Issue Date	Expiry Date	Rai	Application Date
1	26917/15804	Phichit	21/7/2008	20/7/2028	252-3-06	-
2	26922/15805	Phichit	21/7/2008	20/7/2028	283-1-65	-
3	26921/15806	Phichit	21/7/2008	20/7/2028	275-2-54	-
4	26920/15807	Phichit	21/7/2008	20/7/2028	293-2-02	-
5	26923/15808	Phichit	21/7/2008	20/7/2028	204-1-26	-
6	32529/15809	Phetchabun	21/7/2008	20/7/2028	283-1-49	-
7	32530/15810	Phetchabun	21/7/2008	20/7/2028	299-1-60	-
8	32531/15811	Phetchabun	21/7/2008	20/7/2028	279-1-79	-
9	32532/15812	Phetchabun	21/7/2008	20/7/2028	294-1-28	-
10	MLA 2/2554 (25528/14714)	Phetchabun	-	-	93-1-77	20/01/2011
11	MLA 1/2562 (26910/15365)	Phichit	19/6/2000	18/6/2020	297-0-84	13/12/2019
12	MLA 2/2562 (26911/15366)	Phichit	19/6/2000	18/6/2020	275-1-81	13/12/2019
13	MLA 3/2562 (26912/15367)	Phichit	19/6/2000	18/6/2020	294-0-37	13/12/2019
14	MLA 4/2562 (25618/15368)	Phetchabun	19/6/2000	18/6/2020	299-1-92	11/12/2019
15	MLA 6/2556	Phetchabun	-	-	58-0-0	16/07/2013
16	MLA 1/2559	Phichit	-	-	194-2-36	25/03/2016
17	MLA 2/2559	Phichit	-	-	51-0-28	25/03/2016

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Chatree, Thailand

SPECIAL PROSPECTING LICENCES					
No.	ML/MLA	Province	Issue Date	Expiry Date	Rai
1	3/2563	Phetchabun	26/10/2563	25/10/2568	9,375
2	4/2563	Phetchabun	26/10/2563	25/10/2568	9,672
3	5/2563	Phetchabun	26/10/2563	25/10/2568	9,107
4	6/2563	Phetchabun	26/10/2563	25/10/2568	7,382
5	7/2563	Phetchabun	26/10/2563	25/10/2568	9,798
6	8/2563	Phetchabun	26/10/2563	25/10/2568	9,501
7	9/2563	Phetchabun	26/10/2563	25/10/2568	10,000
8	10/2563	Phetchabun	26/10/2563	25/10/2568	10,000
9	11/2563	Phetchabun	26/10/2563	25/10/2568	10,000
10	12/2563	Phetchabun	26/10/2563	25/10/2568	10,000
11	13/2563	Phetchabun	26/10/2563	25/10/2568	9,009
12	14/2563	Phetchabun	26/10/2563	25/10/2568	9,997
13	15/2563	Phetchabun	26/10/2563	25/10/2568	9,716
14	16/2563	Phetchabun	26/10/2563	25/10/2568	9,858
15	17/2563	Phetchabun	26/10/2563	25/10/2568	9,599
16	18/2563	Phetchabun	26/10/2563	25/10/2568	8,916
17	19/2563	Phetchabun	26/10/2563	25/10/2568	9,069
18	20/2563	Phetchabun	26/10/2563	25/10/2568	9,375
19	21/2563	Phetchabun	26/10/2563	25/10/2568	10,000
20	22/2563	Phetchabun	26/10/2563	25/10/2568	10,000
21	23/2563	Phetchabun	26/10/2563	25/10/2568	10,000
22	24/2563	Phetchabun	26/10/2563	25/10/2568	9,976
23	25/2563	Phetchabun	26/10/2563	25/10/2568	10,000
24	26/2563	Phetchabun	26/10/2563	25/10/2568	10,000
25	27/2563	Phetchabun	26/10/2563	25/10/2568	6,238
26	28/2563	Phetchabun	26/10/2563	25/10/2568	9,375
27	29/2563	Phetchabun	26/10/2563	25/10/2568	8,125
28	30/2563	Phetchabun	26/10/2563	25/10/2568	10,000
29	31/2563	Phetchabun	26/10/2563	25/10/2568	8,750
30	32/2563	Phetchabun	26/10/2563	25/10/2568	9,588
31	33/2563	Phetchabun	26/10/2563	25/10/2568	8,709
32	34/2563	Phetchabun	26/10/2563	25/10/2568	10,000
33	35/2563	Phetchabun	26/10/2563	25/10/2568	8,750
34	36/2563	Phetchabun	26/10/2563	25/10/2568	9,005
35	37/2563	Phetchabun	26/10/2563	25/10/2568	2,112
36	38/2563	Phetchabun	26/10/2563	25/10/2568	9,352
37	39/2563	Phetchabun	26/10/2563	25/10/2568	9,604
38	40/2563	Phetchabun	26/10/2563	25/10/2568	10,000
39	41/2563	Phetchabun	26/10/2563	25/10/2568	10,000
40	42/2563	Phetchabun	26/10/2563	25/10/2568	10,000
41	43/2563	Phetchabun	26/10/2563	25/10/2568	8,900
42	44/2563	Phetchabun	26/10/2563	25/10/2568	7,985
43	45/2563	Phetchabun	26/10/2563	25/10/2568	9,350
44	46/2563	Phetchabun	26/10/2563	25/10/2568	1,034
Total (Rai) :					397,227
Total (Km ²) :					635.5632

Nueva Esperanza, Chile

Tenements for Laguna Resources Chile Limitada, (a wholly owned subsidiary of Kingsgate Consolidated Limited) as at March 2021.

NUEVA ESPERANZA PROJECT					
ID	ID File	Name	Owner	Area (Ha)	Observation
1	03102-1192-3	CANARIAS 1/414	LRC	1066	Constituted
2	03102-1151-6	FLOR 1/20	LRC	100	Constituted
3	03102-3646-2	NEGRA 1/1003	LRC	4545	Constituted
4	03102-1193-1	PASCUA 1/328	LRC	1131	Constituted
5	03102-2897-7	PASCUA I 1/20	LRC	200	Constituted
6	03102-2894-K	PASCUA II 1/30	LRC	300	Constituted
7	03102-2895-8	PASCUA III 1/30	LRC	300	Constituted
8	03102-2896-6	PASCUA IV 1/20	LRC	200	Constituted
9	03102-1169-5	PEÑA 1/181	LRC	905	Constituted
10	03102-1296-2	ROBINSON 1/14	LRC	94	Constituted
11	03102-2998-9	REEMPLAZO A 1/10	LRC	10	Constituted
12	03102-2999-7	REEMPLAZO B 1/5	LRC	5	Constituted
13	03102-2318-2	NEGRA 1/1003	LRC	100	Constituted
14	03102-1152-4	NEGRA 1/1003	LRC	370	Constituted
				9326	
TENEMENTS IN PROGRESS NO MEASURE					
ID	ID File	Name	Owner	Area (Ha)	Observation
15	V-2513-2019	GATON 1B	LRC	200	In Progress
16	V-2571-2019	CRISTAL 54B	LRC	200	In Progress
3	V-2512-2019	GASTON 1 1/40	LRC	200	In Progress
4	V-2570-2019	CRISTAL 54A 1/40	LRC	200	In Progress
NUEVA ESPERANZA PROJECT					
ID	ID File	Name	Owner	Area (Ha)	Observation
17	03201C776-3	PACITA 1A 1/40	LRC	200	Constituted
18	03201C777-1	PACITA 2A 1/40	LRC	200	Constituted
19	03201C778-K	PACITA 3A 1/40	LRC	200	Constituted
20	03201C779-8	PACITA 4A 1/40	LRC	200	Constituted
21	03201C780-1	PACITA 5A 1/40	LRC	200	Constituted
22		PACITA 6A 1/40	LRC	100	Constituted
23	03201C781-K	PACITA 7A 1/40	LRC	200	Constituted
24	03201C782-8	PACITA 8A 1/40	LRC	200	Constituted
25	03201C783-6	PACITA 9A 1/40	LRC	200	Constituted
26	03201C784-4	PACITA 10A 1/40	LRC	200	Constituted
27	03201C785-2	PACITA 11A 1/40	LRC	200	Constituted
28	03201C786-0	PACITA 12A 1/40	LRC	200	Constituted
29	03201C787-9	PACITA 13A 1/40	LRC	200	Constituted
30	03201C788-7	PACITA 14A 1/40	LRC	100	Constituted
31	03201C790-9	PACITA 16A 1/40	LRC	144	Constituted
32	03201C791-7	PACITA 17A 1/40	LRC	80	Constituted
33	S/R	PACITA 6C	LRC	200	Constituted
34	S/R	PACITA 19C	LRC	200	Constituted
35	S/R	PACITA 20C	LRC	300	Constituted
36	S/R	PACITA 21C	LRC	200	Constituted
37	S/R	PACITA 22C	LRC	200	Constituted
38	S/R	PACITA 23C	LRC	200	Constituted
39	S/R	PACITA 24C	LRC	200	Constituted