



Kingsgate

Consolidated Limited

ABN 42 000 837 472

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Manager

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FOR PUBLIC RELEASE

Chatree Gold Mine set to Re-Open

Kingsgate Consolidated Limited (“Kingsgate” or the “Company”) is delighted to announce that **by December 2021**, the Company expects to be in a position to commence mobilization for the refurbishment of the Chatree Gold Mine with activation of the Metallurgical Processing Licence (“MPL”), and renewal of mining leases required for operations, including Mining Lease 25528/14714 (the “Quartz Lease”). The Quartz Lease is needed to fully optimize the A Pit and has been pending approval since 2011.

Kingsgate is currently working to optimize the re-start process by assessing a number of options, one of which includes an initial refurbishment of Chatree North (Plant #2) to access the current low grade stockpiled ore for processing which has around 6.6 million tonnes of ore, and contains in the order of 73,000 ounces of gold and 780,000 ounces of silver.

It is anticipated that this could generate sufficient cash flow to fund various other works including the development of the Quartz Lease, the cut back of the A Pit, refurbishment of Plant #1, and implementation of an expanded exploration program focusing on resource to reserve delineation as well as regional grassroots exploration programs.

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In addition to permitting, Kingsgate is pleased to update progress referenced in the ASX:KCN release dated 23 September 2021 pertaining to certain other steps taken as part of a negotiated settlement with the Thai Government which include but are not limited to:

- Exploration licence applications to enable access to highly prospective areas.
Update: Exploration which includes rock chipping, soil sampling and RAB drilling has commenced on 22 of the 44 exploration areas granted in the Phetchabun region in November 2020. Kingsgate is currently reviewing the more strategic exploration areas with the Thai Government for suitability with Kingsgate's timeframe and resource availability.
- Improved processes around approvals of mining leases and mine plans.
Update: All processes will be undertaken in accordance with Thai laws and regulations in cooperation with the Thai Government so applications are processed in a timely manner so as not to impede mining operations.
- Board of Investment incentives for the re-start and continuance of operations.
Update: Discussions are underway with the Board of Investment to work through various investment incentives to finalise ahead of the re-start of operations.
- Development funding (if required) for plant refurbishment.
Update: Discussions are underway with banks in Thailand to ascertain lending terms as a basis for a decision to select the optimal funding solution for re-opening Chatree Gold Mine (Again only if required).
- Developing a local Thai gold refinery with international accreditation.
Update: A local Thai refinery, subsequent to assessment and testing, has demonstrated that the required criteria including volume and purity are on par with previous refining partners for doré from the Chatree Gold Mine can be met. Kingsgate is considering negotiating a refining agreement with the local Thai refinery on commercial terms that may be slightly more favourable due to transportation cost savings.
- Listing Akara Resources on the Thai Stock Exchange.
Update: Relevant Thai authorities responsible for the Thai Stock Exchange have affirmed that there is no additional legal limitation beyond normal listing criteria imposed by the Thai Government for Akara Resources.

- The resolution of all outstanding local legal issues.
Update: Progress has been made in accordance with Thai judicial process towards resolving legal issues. Kingsgate reaffirms its continuing commitment to not only adhere to Thai laws and regulations but institute the highest standards of operations regarding safety, health, environment and respect for the Thai community and culture.
- The examination by Kingsgate of options for the construction of a renewable energy plant at Chatree.
Update: Kingsgate will progress this issue once the re-start configuration is finalised.
- A local COVID-19 vaccination hub to ensure the health of Chatree employees and local communities.
Update: All current Chatree Gold Mine employees as well as persons residing in the same households have been fully vaccinated for COVID-19 under a program supported by Kingsgate. Discussions are underway with local health authorities on cooperation to effectively implement a vaccination program for the wider community.
- Kingsgate's commitment to support local communities.
Update: Kingsgate stands by its commitment to Thailand to continue with the previous policies undertaken with regard to local employment and to improve local education, health and infrastructure programs.

In order to give effect to the steps listed above, both Kingsgate and the Thai Government have jointly requested the arbitral tribunal further hold the award until 31 January 2021, to allow the parties sufficient time to judiciously draft these items in and ratify formal settlement documentation.

This effectively means that the TAFTA framework remains in place until such time as settlement documentation is completed. While there can be no guarantee that the settlement described above will be fully implemented, both Kingsgate and the Thai Government continue to work cooperatively together to achieve a negotiated outcome that provides the highest benefits for all stakeholders.



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