



Kingsgate

Consolidated Limited

ABN 42 000 837 472

4 March 2022

Via ASX Online

(2 pages)

Manager

Company Announcements Office

Australian Securities Exchange

FOR PUBLIC RELEASE

Funding underway for the restart of the Chatree Gold Mine

Kingsgate Consolidated Limited (ASX:KCN) (“Kingsgate or the Company”) is pleased to advise that it has mandated Taurus Mining Finance Fund No.2 L.P. (the “Lender”), to provide funding, and has received a credit approved term sheet for a secured Bridge Facility of US\$15 million (A\$20 million¹) to support the refurbishment and restart of the Chatree Gold Mine.

The Bridge Facility will be available to finance:

- General working capital for the Kingsgate Group;
- Costs associated with the recommissioning of the Chatree Project including long lead items required for the mine, and costs associated with the recruitment of senior expatriate technical site personnel; and
- Chatree regional exploration programs.

Kingsgate anticipates that the first tranche of funds will be available for drawdown in April, subject to completion of certain conditions precedent including finalisation of the Lender’s due diligence and execution of legal documentation.

Whilst the full terms of the financing are confidential, the interest rate is 9% per annum with the Bridge Facility to be repaid the earlier of 12 months or refinancing.

To ensure that Kingsgate has adequate capital to fully fund the refurbishment and restart of Chatree, the Company is also concurrently negotiating a Project Facility of US\$30 million (A\$41 million²) with the Lender.

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The Project Facility will be available to finance Kingsgate's:

- Capital expenditures for the development and recommissioning of the Project, including capital costs, project and development expenses incurred in the design, engineering, procurement, construction, development and recommissioning of the Project;
- Fees, costs, expenses and capitalised interest due under the Bridge Facility or Project Facility;
- Working capital; and
- Repayment of the Bridge Facility.

Kingsgate can further advise that a Scoping Study has been prepared by an International engineering firm which focussed on the option of initially refurbishing and recommissioning Plant #2 as a priority.

Estimates from the study indicate that Plant #2 could be operating within 4-6 months from commencement of refurbishment. Subject to finalisation of the Project Facility, commissioning could be completed and the first gold pour achieved before the end of this calendar year.

This option initially processes ore from the Quartz Lease and low grade stockpiles to generate sufficient cash flow to fund the refurbishment of Plant #1, and to bring Chatree back up to its full operational capacity of 5 to 5.5 million tonnes per annum.

Kingsgate will be able to provide more details on the refurbishment and restart timeline as technical staff take up their duties in Thailand.

The Executive Chairman of Kingsgate, Ross Smyth-Kirk said "Attaining this finance will enable the Company to immediately start moving towards the restart of the Chatree Gold Mine as approved by the Thai Government, and it has been achieved without diluting shareholders."



Ross Smyth-Kirk OAM
Executive Chairman
KINGSGATE CONSOLIDATED LIMITED

1. Based on an USD-AUD exchange rate of 1 AUD = 0.73 USD as at 4 March 2022.
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