



Kingsgate

Consolidated Limited

ABN 42 000 837 472

1 December 2022

Dear Sir/Madam,

**Chairman's Address
2022 Annual General Meeting**

Please find attached the Chairman's Address at our 2022 Annual General Meeting held at 2:00 p.m. yesterday.

Yours faithfully,
KINGSGATE CONSOLIDATED LIMITED

Paul Mason
Company Secretary

CHAIRMAN'S ADDRESS

It is now just on 6 years since the Chatree mine in Thailand was illegally closed by the Thai Government. Your company has assiduously persevered throughout that time to achieve a resolution, first through an international tribunal and, in the last 2 years through a long and difficult negotiation process.

Most of the conditions we put on the re-opening of the mine have been met, but there are still some that need to be addressed, mainly to do with outstanding legal matters, all of which, in our opinion, are of little or no legal merit and relate to previous attempts at harassment.

The refurbishment of the No.2 plant is on schedule and is due to be completed in December with the plant being commissioned in early January.

Initially ore will be sourced from our large low grade stockpiles, with ore from the pits coming in in the second half of the calendar year. This is because a large amount of earth moving will be needed to be done to re-configure the A pit and expand it with the addition of the Quartz Lease. At the same time we would expect to be embarking on the refurbishment of the No.1 plant.

It is important to note that there is no silver bullet in this exercise. We have already traversed the supply chain problems that have so affected the world since the covid epidemic and it is a credit to our management and our teams in Thailand that it has been as successful as it appears to have been. There appears to be some people, particularly on social media, who believe things will happen quicker than they realistically can. The refurbishment and re-opening of the Chatree mining complex is a difficult and complex task and much of the coming year will be engaged in bringing it up to its former capacity.

With regard to the Nueva Esperanza project in Chile we have informed the market that it continues to attract interest from potential purchasers and due diligence has continued to be undertaken by certain parties. We have been advised by one such party in recent days to expect a term sheet soon. Having had our hopes dashed previously, we will keep shareholders informed of any developments on this front.

The new Australian Government, egged on by extremist leftist NGO's and entitled but ignorant unions, has alarmingly decided to delete Investor-State Dispute Settlement (ISDS) clauses in future free trade deals and attempt to water them down in existing deals. These are the clauses that enabled your company to sue the Thai Government over the illegal closure of our mine based on lies by NGO's and certain media outlets.

One is surely entitled to expect the Australian Government to protect the interests of Australian companies operating in foreign countries from actions that would not be tolerated in Australia. It may have escaped the notice of those promoting this inequity that not all countries have the respect for the rule of law as is the case in Australia. Neither is it the case that it gives foreign companies operating in Australia an unfair advantage. It is no coincidence that most disputes awaiting resolutions by the international courts are in certain African countries, not known for their embrace of democracy or the absence of corruption.

Whilst we are always at pains to remain totally apolitical we have noticed the actions of the Thai Government in recent times exhibiting a pragmatism that the Australian Government could, if they were so inclined, successfully emulate. Thailand dutifully attended the recent climate change gabfest giving lip service to the prevailing ideology, but, while having an excess of energy capacity, have plans for the construction of 4 new coal fired plants in coming years.

You will no doubt be aware that the Kingsgate share price has been steadily rising over recent weeks. One of the features of the market in your shares over recent months has been a reasonably large and seemingly permanent short position. As the share price has edged up this position has been steadily liquidated, standing at about 800,000 at the moment.

Those of you who don't accept the academic explanation of shorting being an important element of an efficient market can be forgiven for gloating somewhat over the losses being experienced by these astute investors.

Again I would like to thank you, our loyal shareholders, for your patience and loyalty throughout this long and traumatic period and trust we can produce a result that will be more than satisfactory for all. Credit must go to our long suffering employees in Australia and Thailand who have stayed the way with us, through thick and thin, and my thanks to our senior management team of Jamie Gibson and Ross Coyle and my fellow directors for their stoicism and support.