

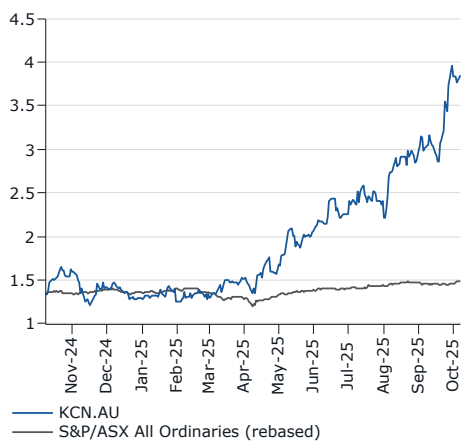
Kingsgate Consolidated Limited

Precious Metals - Producer

Rating BUY	Price Target A\$5.50
KCN-ASX	Price A\$4.03

Market Data

52-Week Range (A\$) :	1.21 - 4.05
Avg Daily Vol (000s) :	1,466.20
Shares Out. (M) :	257.8
Market Cap (A\$M) :	1,038.7
Dividend /Shr (A\$) :	0.00
Dividend Yield (%) :	0.0



Source: FactSet

Priced as of close of business 7 October 2025

Kingsgate Consolidated an emerging mid-tier gold producer which owns 100% of the Chatree Gold Mine in Thailand and the Nueva Esperanza Gold-Silver Project in Chile.

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SepQ'25 preliminary result

SepQ delivers record production and strong cash beat

KCN has pre-reported production of 23.9koz Au and 206koz Ag (+18% QoQ) in line with CGe. We believe QoQ improvements likely reflect high-grade ROM ore feed vs lower grade stockpile processing, and continued strong performance in the processing plant, which is running at an annualised 5.7Mtpa (+14% vs nameplate). Total cash, bullion and dore is A\$115m (+36% QoQ) and a 40% beat vs CGe of A\$81m. KCN did not report debt. Our numbers include A\$8m of development capex/sustaining capex and A\$3m in debt repayments, ceteris paribus, this implies FCF of A\$68m (+300% QoQ & +100% vs CGe; we await the result before updating our numbers).

We had expected SepQ AISCs to increase A\$2,061/oz (+50%) on account of increasing strip. While we had expected higher prices and volumes to support QoQ improvements in FCF of >25%, the quantum of the cash beat (see below) is likely driven by better-than-expected cost performance, providing upside against our estimates should operating performance be sustained.

FY26 guidance and outlook

KCN has made no changes to FY26 guidance of 85-95koz at US\$1,550-\$1,750/oz (pre-royalty). With KCN building a track record of operating performance, guidance appears an easy target, in our view (CGe FY26 95koz at US\$1,999koz).

We estimate FY26 FCF at \$120m (i.e. A\$154m should cash beat flow through), representing a yield of 16% (among the highest on the ASX). We think this will see a dramatic improvement in KCN's liquidity and balance sheet, and forecast cash+bullion to increase from A\$69m to \$178m by the end of FY26. We believe this should allow KCN to pay down the balance of its debt (\$52m as at JunQ).

Valuation & recommendation

We await the result before reviewing our numbers, with our target price (risked NPV5%) unchanged at A\$5.50/sh.

With operating performance improving, an increasingly strengthened balance sheet and FCF yields of >15% we think the shares will likely continue to re-rate over FY26. Additionally, any visibility on the potential divestment of Nueva Esperanza and/or ongoing exploration success at South-East Complex (potential for higher grade ore feed) represents potential upside to our valuation. BUY.

Appendix: Important Disclosures

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Investment Recommendation

Date and time of first dissemination: October 07, 2025, 21:34 ET

Date and time of production: October 07, 2025, 21:34 ET

Target Price / Valuation Methodology:

Kingsgate Consolidated Limited - KCN

Our price target for KCN is based on a risked NPV5% for Chatree. Our assumed production scenario is largely based on the company's existing LOMP and discussions with management, overlaid with our pricing and discount rates.

Risks to achieving Target Price / Valuation:

Kingsgate Consolidated Limited - KCN

Geopolitical risks

Chatree is located in Thailand which is considered an emerging market. As such, KCN, through the Chatree Gold Mine, carries a higher degree of economic, political, social, legal and legislative risk. We saw this risk play out in practice when the Thai government revoked KCN's licence to operate Chatree in 2016. There is a risk this happens again, albeit we think this is unlikely given the actions by the new Thai government and KCN to remedy the situation.

Financing risks

As KCN continues to ramp up operations at Chatree, there is a risk that additional external funding may be required (via equity or debt markets) to assist with its working capital requirements.

Exploration risks

Exploration is subject to several risks and can require a high rate of capital expenditure. Risks can also be associated with conversion of inferred resources and lack of accuracy in the interpretation of geochemical, geophysical, drilling and other data. No assurances can be given that exploration will delineate further mineral Resources nor that the company will be able to convert the current mineral resource into minable Reserves, noting our base case mineable inventory is underpinned by Reserves only.

Operating risks

Companies in production will be subject to risks such as plant/equipment breakdowns, metallurgical (meeting design recoveries within a complex flowsheet), materials handling and other technical issues. An increase in operating costs could reduce the profitability and free cash generation from its operating asset considerably and negatively impact valuation. Further, the actual characteristics of an ore deposit may differ significantly from initial interpretations which can also materially impact forecast production from original expectations.

Commodity price and currency fluctuations

The company as a gold producer is exposed to commodity price and currency fluctuations, often driven by macro-economic forces including inflationary pressure, interest rates and supply and demand of commodities. These factors are external and could reduce the profitability, costing and prospective outlook for the business.

Distribution of Ratings:

Global Stock Ratings (as of 10/07/25)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	669	69.69%	25.71%
Hold	143	14.90%	7.69%
Sell	8	0.83%	0.00%
Speculative Buy	134	13.96%	62.69%
	960*	100.0%	

*Total includes stocks that are Under Review

Canaccord Genuity Ratings System

BUY: The stock is expected to generate returns greater than 10% during the next 12 months.

HOLD: The stock is expected to generate returns from -10% to 10% during the next 12 months.

SELL: The stock is expected to generate returns less than -10% during the next 12 months.

NOT RATED: Canaccord Genuity does not provide research coverage of the relevant issuer.

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*As of January 1, 2024, the Ratings History Chart will reflect the new Canaccord Genuity Ratings System as defined above.

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SPECULATIVE: The stock bears significantly above-average risk and volatility. Investments in the stock may result in material loss.

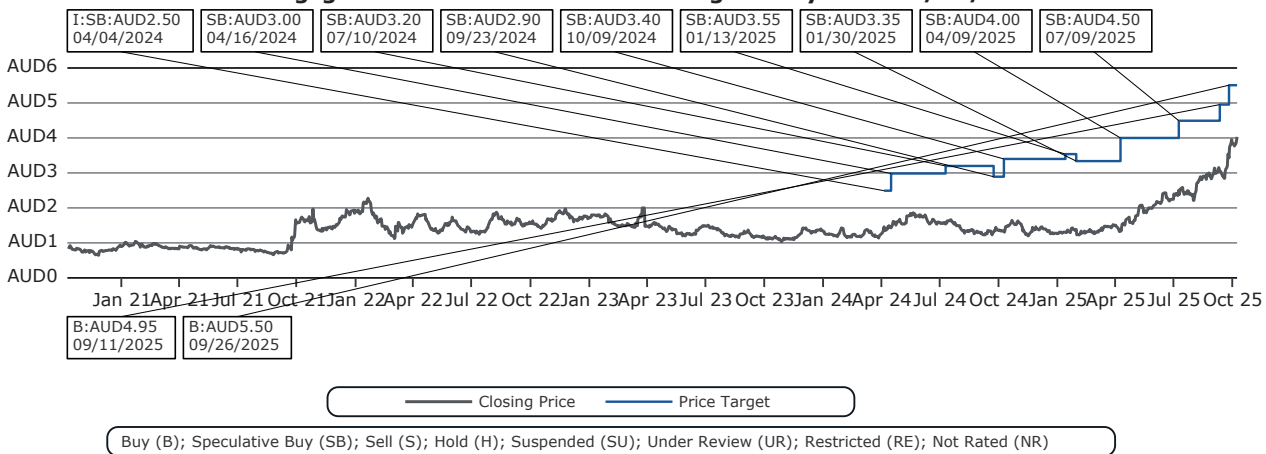
12-Month Recommendation History (as of date same as the Global Stock Ratings table)

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Kingsgate Consolidated Limited Rating History as of 10/07/2025



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