Canaccord Genuity

Capital Markets

Flash Update

Kingsgate Consolidated Limited

Precious Metals - Producer

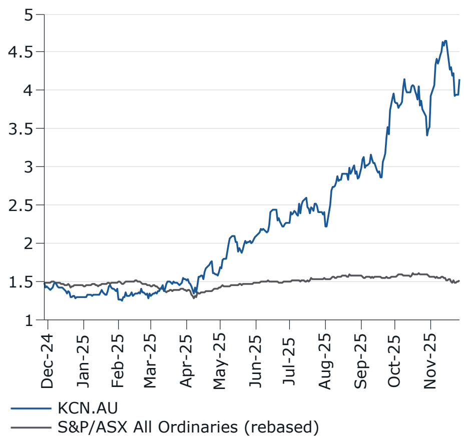
Australian Equity Research

27 November 2025

Rating	Price Target
BUY	**A$7.70**
KCN-ASX	Price **A$4.11**

Market Data

52-Week Range (A$) :	1.22 - 4.80
Avg Daily Vol (000s) :	1,732.33
Shares Out. (M) :	257.8
Market Cap (A$M) :	1,059.4
Dividend /Shr (A$) :	0.00
Dividend Yield (%) :	0.0



Source: FactSet

Priced as of close of business 26 November 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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TAFTA dispute resolved

Thai government and KCN mutually agree to terminate TAFTA arbitration

Arbitration proceedings under the Thailand Australian Free Trade Agreement (TAFTA) have been terminated by mutual agreement, including the issuance of any award to KCN.

As background, Chatree previously operated from 2001-2017, when the then Thai government unexpectedly cancelled operating licenses despite KCN holding valid mining permits to 2028. The dispute was taken to arbitration under the TAFTA where a tribunal found in favour of KCN, with a new Thai government in 2022 acknowledging that the closure was unlawful. Operations recommenced in 2023 following the reinstatement of licenses.

Resolution of the TAFTA issue is a positive, in our view

We see the outcome as a positive, despite the agreement also negating any award payable under the arbitration. We think the agreement demonstrates a now more positive working relationship between KCN and the Thai government. In turn, this opens up the potential for additional in-country/international finance facilities to be used for any growth initiatives. Additionally, this could also see the potential renegotiation of current government royalty rates.

Recent site visit highlighted optimisation opportunities and mine life extension potential

We recently visited Chatree (see research) with key takeaways including a better appreciation of processing plant performance (annualising 5.8Mtpa vs. nameplate of 5Mtpa) and upside risk to production guidance (85-95koz at AISC of US$1,550-1,750/oz ex royalties, CGe 96koz at A$2,128/oz assumes 5.6Mtpa milling rate), potential expansion to 6Mtpa, cost optimisation initiatives, and mine life extension possibilities via SE Complex and other satellite targets.

Valuation and recommendation

Our target price (risked NPV5%) is $7.70. We highlight that our production modelling excludes any potential for cost reductions, plant expansions (we assume 5.4Mtpa over our modelled LOM) or mine life extensions. A continuation of current plant performance provides upside against our estimates (i.e., 5.8Mtpa would deliver an 8% increase to our avgerage annual production forecasts vs. CGe LOM Avg 107kozpa). Additionally, we highlight that our NAV includes only a nominal value ascribed to the 107Moz AgEq Nueva Esperanza silver project in Chile, which we continue to see as a potential valuation catalyst should it be if divested.

We continue to view KCN as undervalued on a relative and absolute basis (P/NAV 0.6x, FY26E/27E FCF yield of 25-30%), and have a BUY rating.

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Investment Recommendation

Date and time of first dissemination: November 26, 2025, 19:47 ET

Date and time of production: November 26, 2025, 19:47 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 11/26/25)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	683	69.77%	24.89%
Hold	144	14.71%	7.64%
Sell	5	0.51%	0.00%
Speculative Buy	140	14.30%	62.86%
	979*	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.

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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.

Risk Qualifier

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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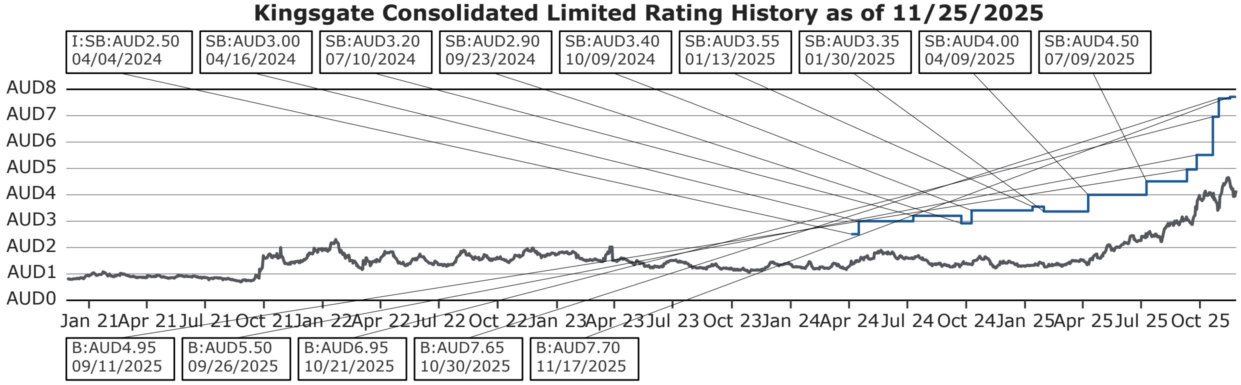
An analyst has visited the material operations of Kingsgate Consolidated Limited. Partial payment was received for the related travel costs.

Kingsgate Consolidated Limited Rating History as of 11/25/2025



Buy (B); Speculative Buy (SB); Sell (S); Hold (H); Suspended (SU); Under Review (UR); Restricted (RE); Not Rated (NR)

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