



# Kingsgate

Consolidated Limited

ABN 42 000 837 472

9 December 2007

**Via ASX Online (2 pages)**

Manager, Company Announcements  
Australian Stock Exchange Limited  
Level 4, 20 Bridge Street  
SYDNEY NSW 2000

Dear Sir/Madam,

## **Kingsgate's Mining Lease Application Process Unaffected**

Kingsgate confirms that initial Thai media reports early last week were incorrect and misleading. This led to a misinformed market.

At a series of meetings with Thai government ministers and officials in Bangkok on Thursday and Friday, the Australian Ambassador to Thailand, Mr William Paterson, Chairman Ross Smyth-Kirk and Managing Director Mr Gavin Thomas of Kingsgate (ASX:KCN) were assured that the normal processing of the nine mine lease applications at Chatree North remain unaffected by a new review process.

The facts are:

- The normal processing of the nine mining lease applications at Chatree North remain unaffected by the new review process.
- Kingsgate's current mining operations and activity on 52 granted exploration leases are also unaffected.
- Only exploration lease applications will be subject to the new review process.
- The Thai cabinet, last Tuesday 4 Dec 2007, endorsed a proposal by the Minister for Industry to initiate a review of the social and economic benefits of gold exploration by the National Economic and Social Development Board, a Thai government policy advisory body.

The Chatree North mine lease applications are being processed as normal and are nearing completion of all procedures. During the meetings in Thailand, it was reconfirmed by the senior officials in the Thai Department of Primary Industry and Mines (DPIM) and the Ministry of Industry that once all procedural steps were completed, the DPIM would process Kingsgate's Mine Lease Applications quickly.

Last month, at Kingsgate's AGM, the Chairman had advised that it was unlikely that Mine Leases would be granted ahead of the national elections scheduled for 23 December 2007.

Strong support for the continuation of gold mining and exploration has been received from the local community, the provincial governors and local authorities, all of which were re-confirmed in writing last week.

The Company has demonstrated a long term commitment to Thailand during its 15 years exploring and operating in the country which has included assistance with the provision of fresh water, new schools and medical facilities to the local villages and the development of many new industries in the local provinces. Most of its 925 strong workforce come from local villages.

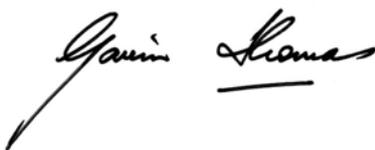
Kingsgate and Akara have fulfilled all regulatory and environmental requirements under Thai law for the current operation and have cleared all environmental requirements for the pending mining lease applications. The Company has set a new benchmark on environmental excellence and workplace safety, including ISO14001 (Environment), OHSAS18001 (Health & Safety), ISO9001 (Quality) and SA8000 (Social Accountability). The Company has operated for over 8 million hours worked without a lost time incident which is the world's best in the gold mining industry.

The company has won 17 awards over the last five years including:

- The Prime Minister's "Best Labour Relations and Welfare Award" in 2007 presented personally by His Excellency the Prime Minister, Mr. Surayud Chulanont. The Company has also won this award in 2003, 2004, 2005 & 2006.
- The National Occupational Health and Safety and Environment Award in 2003, 2004 and 2005, presented by the Deputy Prime Minister.
- The "Environmental Excellence" award - AustCham Thailand Business Awards 2006.
- A Special Award for Labour Relations - 7<sup>th</sup> Australian Annual Sustainability Awards, Nov 2007.
- The "Best Performance Standard for the Mining and Primary Industries Sector" in 2005, awarded by the Director General of the DPIM, Mr Anusorn Nuangpolmak, based on increased operational efficiency, health & safety, environmental management and cooperation with government agencies and community.

Based on this clarification, the company has advised the ASX to lift the voluntary suspension of trading at pre-open on Monday morning 10 December 2007.

Yours sincerely,



**GAVIN THOMAS**  
CEO & Managing Director  
KINGSGATE CONSOLIDATED LIMITED

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