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Brief: KINGSGATE

The Kingsgate and I: Thai golden go-ahead

IT HAS been a long time coming but Sydney-based Kingsgate Consolidated has finally been given clearance to mine the life-extending northern leases at its Chatree goldmine in Thailand.

Kingsgate shares soared \$1.35, or 28.7%, to \$6.04 on the news that, after a two-year wait, Thailand's Deputy Prime Minister and Minister for Industry, Khun Suwit Khunkitti, had approved the grant of the northern leases.

Kingsgate said access to the new leases would significantly increase the average grade of the ore mined at Chatree, increase cash flow and extend the mine life for "many years".

Gold production at Chatree in the March quarter was 20,234 ounces and the group forecast production for the full (June) year of 65,000-80,000 ounces. This is well down from earlier years because of the low grade of material being mined at Chatree.

The higher-grade ore to be available on the northern leases and plans to expand the treatment plant underpin planning to increase annual gold production to about 300,000 ounces.

Kingsgate intends to hit the northern leases running. Mining on the new leases will start within weeks, with new mining equipment to be mobilised from storage in Bangkok.

The Chatree mine, 280 kilometres north of Bangkok, started production in 2001 and is Thailand's only goldmine. **BARRY FITZGERALD**