



Kingsgate

Consolidated Limited

26 November 2015

**Via ASX Online
(3 pages)**

The Manager
Company Announcements Office
Australian Securities Exchange

Dear Sir/Madam,

**Chairman's Address
2015 Annual General Meeting**

This is to advise Chairman's Address for the Company's 2015 Annual General Meeting held today is available on the Company's website at www.kingsgate.com.au

Yours faithfully,
KINGSGATE CONSOLIDATED LIMITED

Paul Mason
Company Secretary

Chairman's Address - 2015

A year ago at the 2014 Annual General Meeting after summarising the lamentable events of the previous year or so I expressed some confidence in the then coming year. Unfortunately, whilst the gold price has been decidedly negative for much of the time, in early January we were shocked to find that the Director-General of the Department of Primary Industry and Mining in Thailand (The Department that oversees mining in the Country) temporarily closed our mine down.

Now, whilst this was an overreaction and probably illegal, it was the culmination of an aggressive media campaign that became too much for the bureaucratic mindset, even though most departmental officers know there is no truth to any of the allegations made against the Company.

Aided by an unquestioning, sensationalist and gullible media it seems the more outrageous the claims the more traction they receive.

The main protagonist in this is a disgruntled, vindictive ex-employee who has for many years attempted to sell land to the Company at exorbitant prices. Her claims have been tested previously in court and with independent arbiters found to be without substance. She is represented in the press as a "spokesman" for the local people. This is completely self-appointed. A simple investigation would show that she is loathed and detested by most of the local population.

She has been joined in her campaign by militant anti-mining protesters who exist as small minorities in every country and if left to their own devices would take our societies back to the stone age.

What they have so far quite successfully exploited is the current military Government's quest for legitimacy and what better way to exhibit it than supporting poor downtrodden peasants being victimised by evil foreign mining companies. Who cares about the truth?

One of the main changes that we have been able to achieve as a result of these episodes is a significant strengthening of our PR capabilities in Thailand, which despite many attempts in the past, had been thwarted by a natural Thai tendency to avoid confrontation. We are now getting our message out there more effectively than ever before.

Despite the accusations let me be perfectly clear:

- There have been no environmental incidents
- There has been no contamination of local villages
- There have been no deaths associated with the mine
- There have been no people made sick by the mine
- There have not even been any people showing symptoms of sickness
- There has been no contamination of heavy metals caused by the mine
- There has been no incidents involving cyanide
- No villagers have been forced to leave the area
- All permits and licences have been properly issued after complying with every request made by officials
- There has been no hint of impropriety by the Company or officials.

All allegations to the contrary are completely false. They are lies!

The mine has operated according to world's best practice and will continue to do so.

The latest aberration of this malignant campaign is that we are being investigated for corruption. This is a Company that has been waiting 8 and 10 years for the granting of and renewal of exploration licenses. This is a Company that has waited 3 years for the extension of a mining lease where it is common in many jurisdictions for it to be granted for 20 years with a 5 year option on extension. In most jurisdictions this is automatic and despite fulfilling all requirements we are still waiting, and we are accused of corruption!

One of the most disappointing aspects of all this was that your Board, with its vast experience in Thailand, had identified the possibility of growing nationalism, greed and the unique position of gold in the Thai psyche as potential ingredients for future disquiet. It was one of the major impetuses for our push for an IPO of our Thai operations to Thai Investors. Whilst this has been denigrated by some now, through a lack of any real understanding, it was only prevented initially by a greedy extortionist who was supposed to be assisting us.

The mine was reopened after 6 ½ weeks with us agreeing to a number of conditions which amongst others included us providing treatment for 250 odd people who we have already proved have nothing wrong with them.

Significantly, whilst the closure affected production, we were still able to achieve our production forecasts for the year. The mine produced 125,000oz of gold and 850,000oz of silver at a cash cost of \$690.

The closure also set back our efforts to appoint a new CEO, but eventually, in early June, we were able to appoint Greg Foulis to the position, and whilst he has had a baptism of fire that may have chastened a less talented and dedicated individual, I must report that he has more than capably performed the tasks required and continues to astound us all with his enthusiasm and capacity to take on every new challenge.

We have recently announced an option to purchase the Challenger mine in South Australia being granted to WPG Limited and even that caused some controversy in some circles. We have made it very clear for some time that Challenger was unlikely to figure prominently in this Company's long term future, so this should not come as any great shock.

We are continually reviewing all our current assets, and I would expect that we will have more to say on this in coming months.

As conveyed to shareholders over the last year or so Nueva Esperanza in Chile is the real future for your Company. It is evolving into both an attractive project in its own right and perhaps a stepping stone to other developments both in the area and in other parts of South America.

Apart from the major extension to the project last year from the discovery of Chimberos Gold, where some 250,000ozs of gold and 11.9 million ounces of silver were discovered.

We are currently drilling a number of other areas on the lease that show interesting prospectivity and are eagerly awaiting results.

Again my thanks to Management and Staff at all our operations through what has again been a very difficult year.

My special thanks to your Board for their support, encouragement and perseverance through this period. With our new CEO we are committed to further reducing costs at all levels and to endeavoring to reinstate your Company to the status it had previously achieved.

Ross Smyth-Kirk
Executive Chairman