



# Kingsgate

Consolidated Limited

ABN 42 000 837 472

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**FOR PUBLIC RELEASE**

Manager  
Company Announcements Office  
Australian Securities Exchange

## **Update on Media Reports on the Chatree Gold Mine**

Kingsgate Consolidated (ASX:KCN) (“Kingsgate” or the “Company”) has been made aware of some reports in the Thai and Australian media that a new Mineral Bill that was approved by the Thai National Legislative Assembly on 8 December 2016, which may enable the Chatree Gold Mine (“Chatree”) to continue operating despite an earlier Cabinet decision in May that will see an end to all gold mining in Thailand by 31 December 2016.

The Company’s subsequent preliminary investigations indicate that the new Mineral Act must be approved by the King of Thailand within 90 days, and will then not become effective for a further 120 days.

Further, it appears that when the Act becomes effective, only miners that hold metallurgical licences at that time may continue to operate without the need for one.

In light of the above, and given that the Metallurgical Licence of Kingsgate’s Thai subsidiary, Akara Public Resources Company Limited (“Akara”), expires on 31 December 2016, it appears that the Act will not be effective to allow Akara’s operations to continue beyond 31 December.

Regardless, as a consequence of the Cabinet decision in May, Akara has had to terminate staff and contractors and has taken other measures which will result in Chatree being placed on Care and Maintenance from the end of this month.

To recommence operations at Chatree would require significant time and capital expenditure as well as the granting of additional licences and approvals.

Neither Kingsgate nor Akara have received any communication from the Thai Government in relation to these matters.

The Thai Industry Minister has indicated that she will not be available to meet with representatives of Akara before next year.

Although Kingsgate will seek urgent clarification from the Thai Government in relation to these matters, for the reasons outlined above, and because of the ongoing uncertainty, Kingsgate has no choice other than to place Chatree on to Care and Maintenance from 1 January 2017.

A handwritten signature in black ink, appearing to read 'Greg Foulis', with a stylized flourish at the end.

**Greg Foulis**  
**Chief Executive Officer**  
**Kingsgate Consolidated Limited**