



Kingsgate

Consolidated Limited

ABN 42 000 837 472

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FOR PUBLIC RELEASE

ATT: Manager
Company Announcements Office
Australian Securities Exchange

Matters Arising from the KCN General Meeting 9 January 2018

Kingsgate Consolidated Limited (ASX:KCN) ("Kingsgate or Company") advises that following Metal Tiger's unsuccessful attempt to replace the Board and take control of the Company, it is necessary to address a matter of concern that arose in the lead up to the General Meeting that was held in Sydney on 9 January 2018.

Metal Tiger referred to an alleged "Press Release" from the Thai Department of Primary Industries ("DPIM") dated 22 December 2017, that made a number of claims about Kingsgate and its engagement with the Thai Government that are untrue.

Kingsgate has made enquiries into the so called "Press Release" and has determined that:

- It was never released to the media (enquires have revealed that the media were generally unaware of it);
- It was written in English only, not in Thai, noting that official documents issued by the Thai Government are invariably prepared first in Thai, and then translated into English;
- It was only posted on the DPIM website and does not appear anywhere else; and
- It is unsigned, and enquiries are continuing into which DPIM officer authorised its content and subsequent publication.

The so called "Press Release" was referred to only by Metal Tiger and would have assisted Metal Tiger to take control of Kingsgate.

Metal Tiger's plans for Chatree only became clear in the lead up to the General Meeting. They were to negotiate a deal with the Thai government to re-open Chatree without necessarily obtaining any compensation for the significant losses suffered by Kingsgate as a result of the mine's unlawful closure.

This deal was available to Kingsgate last August (see Kingsgate's ASX Release titled 'Update on Claim Against the Kingdom of Thailand' dated 18 August 2017) and was rejected.

Such a deal could only benefit the Thai Government, and would result in the abandonment of Kingsgate's claim for compensation from the Government, as well as recovery under the Company's Political Risk Insurance Policy.

Further, the alleged "Press Release" wrongly asserts that Kingsgate is not willing to continue to negotiate on the re-opening of the Chatree Gold Mine, and has adopted a hard line stance by going to arbitration.

Kingsgate advises that it first notified the Thai Government about taking action under the Australia - Thailand Free Trade Agreement ("TAFTA") on 3 April 2017, after many months of requests for meetings to resolve the situation amicably were either ignored or did not eventuate.

After Kingsgate gave notice of its intentions under TAFTA, it followed up with two face to face meetings between Kingsgate officers and Government officials in Thailand in June and August 2017 respectively, and as a sign of good faith the Company granted an extension of the initial consultations period to try and reach a mutually beneficial outcome.

As no meaningful offer of either re-opening the mine or obtaining compensation for its closure was forthcoming from the Thai Government, Kingsgate was left with no other option but to proceed to arbitration under TAFTA (see Kingsgate ASX Release titled 'Commencement of Arbitration Against Thailand' dated 2 November 2017), while at the same time indicating that it remained committed to seeking a negotiated outcome.

The Kingsgate Board remains committed to reaching a negotiated outcome with the Thai Government, but not at the expense of giving up the Company's right to compensation, and its rights under the Political Risk Insurance Policy.

As recently as 17 January 2018, the Prachachart Turakij newspaper in Thailand indicated that the Thai Government will proceed with arbitration while trying to engage in a dialogue to settle the matter in parallel, and that if both parties are able to agree on mutual terms, the arbitral proceedings will be terminated.

Now that the Company has seen off Metal Tiger's spill motion, the Kingsgate Board will be re-engaging with the Thai Government to once again look for a mutually beneficial outcome.



Ross Smyth-Kirk
Executive Chairman
Kingsgate Consolidated Limited