



Kingsgate

Consolidated Limited

ABN 42 000 837 472

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FOR PUBLIC RELEASE

Manager
Company Announcements Office
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Chatree Gold Mine - Revised Mine Plan

Kingsgate Consolidated (ASX:KCN) ("Kingsgate", "the Company") has successfully operated its Chatree Gold Mine in Thailand through many changes of Thai Government since commissioning in 2001. The operation is now subject to bureaucratic delay and an investigative burden based on false accusations that are significantly constraining the operation, holding back investment, and creating significant operating inefficiencies.

Permitting delays have constrained access to various orebodies which has put undue pressure on an ageing mining fleet and impacted the mine plan. Therefore, FY16 gold production is now forecast in the range of 95,000 to 105,000 ounces (previously 125,000 to 135,000 ounces).

It is important to note that:

- It is anticipated that the deferred ounces from FY16 will be mined in FY17; and
- Kingsgate expects to generate positive cashflow from Chatree in FY16 and will continue to service its financial obligations.

Chatree is a large modern mining operation with a multitude of highly complex regulatory licences and compliance obligations. Kingsgate is working with Thai regulators to remove the impediments, and is seeking positive outcomes from the Thai Government.

Since operations commenced in 2001, Chatree has been a socially responsible, internationally accredited mining operation employing modern techniques. The mine complies with stringent health and environmental laws, and is one of the most heavily regulated mining operations in the world.

The operation has produced over 1.8 million ounces of gold and has made a significant social and economic contribution to local communities and the Kingdom of Thailand. The business has overcome hurdles in the past, and we are confident that we will continue to do so in the future.

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