



Kingsgate

Consolidated Limited

ABN 42 000 837 472

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FOR PUBLIC RELEASE

Manager
Company Announcements Office
Australian Securities Exchange

Update on Chatree Gold Mine Metallurgical Licence

Kingsgate Consolidated's (ASX:KCN) ("Kingsgate" or the "Company") Thai controlled subsidiary, Akara Resources Public Company Limited ("Akara"), received a letter titled "Renewal of the Metallurgical Processing Licence No. 1/2551" on 1 December 2016, from the Thai Department of Primary Industries and Mines ("DPIM").

The letter is in response to Akara's application to renew the Metallurgical Licence which was submitted on 28 October 2016. (See ASX:KCN release dated 28 October 2016)

The letter raised the following points:

- A new Committee established last month called the National Mineral Management Policy Committee ("NMMPC") to be chaired by the Prime Minister or Deputy Prime Minister is in the process of developing a new Mineral Management Policy; and
- The NMMPC is now considering the Metallurgical Licence renewal for the Chatree Gold Mine in line with the new Mineral Management Policy.

It is not known when the new Mineral Management Policy will be finalised, or how it might affect Akara's Metallurgical Licence renewal.

Kingsgate is now urgently seeking clarity in relation to this letter, and with 29 days to go until the current Metallurgical Licence expires, appropriate arrangements have been made for the Chatree Gold Mine to transition to care and maintenance on 1 January 2017.

Regrettably, in light of the circumstances, stopping operations will result in the loss of over 1,000 direct and contractor jobs. Kingsgate continues to pursue remedies to the premature closure of the Chatree Gold Mine.

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