



Kingsgate

Consolidated Limited

ABN 42 000 837 472

Notice of General Meeting

Explanatory Memorandum and Proxy Forms

Meeting to be held at the Museum of Sydney,
corner of Phillip and Bridge Streets, Sydney NSW
on Tuesday 9 January 2018 at 10.30am Sydney time.

Your Directors recommend that you vote
AGAINST All Resolutions

This is an important document that requires your immediate attention.

You should read this document in its entirety before deciding whether or not to vote for or against any resolution at the General Meeting. Two Proxy Forms have been enclosed with this Notice for your convenience. The green Proxy Form has been completed in line with the recommendation of your Board. If you sign this form you should ignore the white Proxy Form. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

If you have questions about the General Meeting or the resolutions, please call the Company's Help Line on 02 8256 4800 (within Australia) or +61 2 8256 4800 (outside Australia), Monday to Friday between 9:00am and 5:00pm Sydney Time.

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Vote AGAINST ALL resolutions

AGAINST



Your Directors unanimously recommend that you vote AGAINST ALL resolutions.

Metal Tiger is attempting to take control of your Company with:

- › No detailed plan;**
- › No offer of a control premium; and**
- › Limited experience in Thailand and none in Chile.**

Metal Tiger will devalue your Company.



Kingsgate

Consolidated Limited

1 December 2017

Dear Fellow Shareholders

On 15 November 2017, Kingsgate Consolidated Limited ("Kingsgate" or the "Company") received a Notice from Metal Tiger plc ("Metal Tiger") a London listed Alternative Investment Market Company, requisitioning a General Meeting of the Company for the purpose of removing Ross Smyth-Kirk, Sharon Skeggs and Peter Warren as directors of the Company (along with any additional director who might be appointed between then and the meeting), and electing Richard Warburton, David McNeilly, Terrence Grammer, Mark Potter and Neville Bergin.

As the only director who is not the subject of a spill resolution, I believe that I can credibly say that if the Metal Tiger resolutions are passed, your Company will be significantly damaged.

Although three of the four Kingsgate directors are subject to spill resolutions and have an interest in recommending against the resolutions that relate to each of them, all of your directors consider it appropriate to make recommendations to shareholders as to how to vote, because the resolutions, if passed, would deliver control of your Company to Metal Tiger.

Your directors unanimously recommend that you vote AGAINST ALL of the resolutions put forward by Metal Tiger.

I and your other directors unanimously recommend that shareholders vote AGAINST ALL resolutions proposed by Metal Tiger, or alternatively that shareholders nominate me as Chairman of the meeting to act as their proxy, and I will vote all open (undirected) proxies AGAINST ALL resolutions. All Kingsgate directors will vote all of their shares AGAINST ALL resolutions. The Board makes these recommendations because we believe that the resolutions proposed by Metal Tiger are not in the best interests of the Company and all shareholders.

I (Peter Alexander) will resign if the resolutions are passed and Metal Tiger gains control of Kingsgate's Board.

This Board spill would seriously jeopardise shareholder value.

This Board spill comes at a critical time for Kingsgate, when it is prosecuting very significant claims against its Political Risk Insurers and against the Kingdom of Thailand resulting from the unlawful expropriation of the Chatree Gold Mine in Thailand last year.

"Both these claims are at critical junctures, and any disruption now will have a detrimental effect on their prosecution." P. Alexander

The success of these claims depends on a deep knowledge and understanding of the history of the events giving rise to them and since. Evidence will be required in the proceedings from current Directors. The loss of your entire current Board would severely reduce the knowledge of the facts and the issues, and therefore the Company's ability to successfully recover value for Kingsgate's shareholders from the PRI action and under TAFTA.

Further, I know that Ross Smyth-Kirk has established a rapport with the senior Thai officials responsible for negotiations with Kingsgate. It would take time and effort for a new Chairman to re-establish a relationship with the Thai authorities.

Your Board has a clear plan

Your Board has made excellent progress in restoring value for shareholders following the unlawful expropriation of Chatree, and the Company's share price has begun to recover (up 128% since 30 June 2017). Specific actions taken by the Company, which remain ongoing, include:

- › Reduced debt to zero after repaying approximately A\$80 million, with A\$38 million cash retained on the balance sheet in just seven months (May – December 2016) providing the Company with sufficient cash resources for the foreseeable future, including for the funding of the PRI claim and the initial phase of the claim under TAFTA and further development at Nueva Esperanza;
- › Commenced proceedings in the Supreme Court of New South Wales against Zurich Australia Insurance Limited and other named insurers under our US\$200 million Political Risk Insurance ("PRI") Policy (which your Board had the foresight to increase cover from US\$30 million following the temporary shut-down of the Chatree Gold Mine in 2015);
- › Commenced international arbitration proceedings against the Kingdom of Thailand under the Australia Thailand Free Trade Agreement ("TAFTA") to recover substantial losses resulting from the unlawful expropriation of the Chatree Gold Mine in 2016, and other unlawful measures taken against the Company's covered investments in Thailand. This step was specifically designed to elevate the matter to the political level in Thailand, thereby improving the prospects of settling the matter. Your Board is currently working on further confidential measures designed to further improve the prospects of achieving a satisfactory settlement, but in the meantime is vigorously prosecuting the TAFTA claim;
- › Appointed leading international law firm, Clifford Chance together with Dr Andrew Bell S.C. to prosecute its interests in relation to the PRI claim and under TAFTA; and
- › At Nueva Esperanza we are expediting the Feasibility Study and permitting and have commenced an aggressive exploration program to expand the resource base. In addition to these initiatives we have begun a comprehensive review of all options for the prospective commercialisation of the Project, which is one of the most attractive new mining projects coming on stream in South America.

"In my view, and in the view of your other directors, the resolutions proposed by Metal Tiger, if passed, would severely disrupt these initiatives being undertaken by your Board to restore shareholder value."
P. Alexander

Metal Tiger wants control of Kingsgate without paying a premium to shareholders

Metal Tiger only controls 6.7% of the Company's register, but is seeking to completely replace and control your Board. Your Board is acting in the best interests of the Company and all shareholders, not just the selfish interests of one minority shareholder.

If Metal Tiger wishes to control your Company, they should make a takeover offer to all shareholders at a fair value and with an appropriate control premium.

Your Board has great experience

Your Board has extensive operational experience in Thailand, having built and operated the world class Chatree Gold Mine over a 15 year period, producing nearly two million ounces of gold at some of the lowest operating costs in the world. Chatree was a South-East Asian showcase mine and was highly decorated by the Thai Government in the areas of labour relations, environmental management, and Occupational Health and Safety given its exemplary safety record.

Your Board is also now highly experienced with negotiations and processes around both PRI and TAFTA. No board of a listed mining company has as much experience operating in Thailand as your Board.

Metal Tiger has no plan for Kingsgate

Metal Tiger has not articulated any detailed plan for Nueva Esperanza or Chatree other than to review the arbitration proceedings and engage in further negotiations with Thai Authorities “in a new light”. This is no plan at all, and can only benefit the Thai Government by delaying a resolution of the matter and seriously affect the Company’s bargaining position.

“It is fanciful to think that a totally new Board, with minimal Thai operating experience, could walk into this situation and have anything but a disruptive affect. Indeed, the mere undertaking of the spill at this time is prejudicial to both the short and long term interest of the Company.” P. Alexander

There is a real risk, that without a proper understanding of the operation at Chatree and its regulatory environment, Metal Tiger could agree a settlement with the Thai Government, only to find that the mine cannot be reopened or is uneconomic.

Further, you should know that I have so little confidence in the directors proposed by Metal Tiger and their so called “plan”, that if Metal Tiger is successful in gaining control of the Kingsgate Board, **I will resign as a director.**

Metal Tiger will add no real value to your Company

Metal Tiger is an AIM listed company with a share price of 2p and has limited operating experience in running a mining company. Of its seven member Board, five have corporate backgrounds and only two have technical or industry related backgrounds. Metal Tiger has very little cash and has typically focused on minority investments.

Metal Tiger’s experience in Thailand is limited. It has only been active in the country since October 2014, and little progress has been made on their projects. Metal Tiger’s recent attempt to spin off their Thai assets has also been delayed due to uncertainty over licencing and the potential impacts of the new Minerals Act.

Your directors strongly recommend that you to vote AGAINST ALL of the resolutions put forward by Metal Tiger.

“I ask all shareholders, regardless of the size of their shareholding, to reject this opportunistic action by completing the relevant Proxy Form enclosed with this notice.” P. Alexander

For further information, please refer to the accompanying Explanatory Memorandum in which I elaborate on the points I have made in this letter.

If you intend voting **AGAINST ALL** of the Resolutions, please complete and return the enclosed green Proxy Form, which has been prepared at the expense of Ross Smyth-Kirk, Sharon Skeggs and Peter Warren for your convenience.

The meeting must be held during the holiday period due to the timing of Metal Tiger’s Notice. Even though it may be inconvenient for you, I ask that you return your Proxy Form or you attend the meeting in person and have your say about the future of your Company.

If shareholders would like to further discuss any of these matters or ask any questions, your Directors can be contacted via:

Tel: +61 2 8256 4800 or Email: info@kingsgate.com.au

Yours sincerely and with best wishes for the festive season.



Peter Alexander
Independent Non-Executive Director
Kingsgate Consolidated Limited

Notice of General Meeting

Notice is given that a General Meeting of shareholders of Kingsgate Consolidated Limited will be held at the Museum of Sydney, corner of Phillip and Bridge Streets, Sydney, NSW, on 9 January 2018, at 10:30am Sydney time.

Business

(a) Resolution 1 – Removal of Director – Ross Smyth-Kirk

"That, in accordance with section 203D of the Corporations Act, Ross Smyth-Kirk be removed as a director of Kingsgate Consolidated Limited effective immediately on the passing of this resolution."

(b) Resolution 2 – Removal of Director – Peter Warren

"That, in accordance with section 203D of the Corporations Act, Peter Warren be removed as a director of Kingsgate Consolidated Limited effective immediately on the passing of this resolution."

(c) Resolution 3 – Removal of Director – Sharon Skeggs

"That, in accordance with section 203D of the Corporations Act, Sharon Skeggs be removed as a director of Kingsgate Consolidated Limited effective immediately on the passing of this resolution."

(d) Resolution 4 – Appointment of Director – Richard F E Warburton AO LVO

"That, in accordance with clause 11.8 of the Company's Constitution, Richard F E Warburton AO LVO be appointed as a director of Kingsgate Consolidated Limited effective immediately on the passing of this resolution."

(e) Resolution 5 – Appointment of Director – David Michael McNeilly

"That, in accordance with clause 11.8 of the Company's Constitution, David Michael McNeilly be appointed as a director of Kingsgate Consolidated Limited effective immediately on the passing of this resolution."

(f) Resolution 6 – Appointment of Director – Terrence Ronald Grammer

"That, in accordance with clause 11.8 of the Company's Constitution, Terrence Ronald Grammer be appointed as a director of Kingsgate Consolidated Limited effective immediately on the passing of this resolution."

(g) Resolution 7 – Appointment of Director – Mark Roderick Potter

"That, in accordance with clause 11.8 of the Company's Constitution, Mark Roderick Potter be appointed as a director of Kingsgate Consolidated Limited effective immediately on the passing of this resolution."

(h) Resolution 8 – Appointment of Director – Neville Bergin

"That, in accordance with clause 11.8 of the Company's Constitution, Neville Bergin be appointed as a director of Kingsgate Consolidated Limited effective immediately on the passing of this resolution."

(i) Resolution 9 – Removal of Directors appointed in period between the date of this notice and 9 January 2018

"That, pursuant to section 203D of the Corporations Act, any person appointed as a director of Kingsgate Consolidated Limited on and from the date of the notice given by Argonaut Securities Pty Ltd <ASPL Client No 2 A/C> (as beneficial holder for Metal Tiger plc) pursuant to section 249D of the Corporations Act which includes this resolution to be proposed at a general meeting of Kingsgate Consolidated Limited until the commencement of the general meeting at which this resolution is passed be removed as a director of Kingsgate Consolidated Limited effective immediately on the passing of this resolution."

Explanatory Memorandum

Shareholders are referred to the Explanatory Memorandum accompanying and forming part of this Notice of Meeting.

The Explanatory Memorandum provides details as to why **YOU SHOULD VOTE AGAINST ALL RESOLUTIONS.**

Capitalised terms in this Notice of Meeting and the Explanatory Memorandum are defined in Annexure A to the Explanatory Memorandum.

Resolutions not inter-dependent

None of the resolutions are inter-dependent. This means that one or more of the resolutions can be passed even though one or more of the other resolutions were not passed by shareholders.

Entitlement to Vote

It has been determined that in accordance with regulation 7.11.37 of the Corporations Regulations 2001 (Cth), for the purposes of the General Meeting, shares will be taken to be held by the persons who are the registered holders at 7.00pm Sydney time on 7 January 2018. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to vote at the meeting.

Proxies

A shareholder entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the shareholder. A proxy need not be a shareholder and can be either an individual or a body corporate. If a shareholder appoints a body corporate as a proxy, that body corporate will need to ensure that it:

- › appoints an individual as its corporate representative to exercise its powers at the meeting, in accordance with section 250D of the Corporations Act; and
- › provides satisfactory evidence of the appointment of its corporate representative to the Company.

If such evidence is not received, then the body corporate (through its representative) will not be permitted to act as a proxy.

A shareholder that is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the shareholder's votes.

A Proxy Form accompanies this Notice of Meeting and to be effective must be received at the address stated.

The Proxy Form (and any Power of Attorney under which it is signed) must be received no later than 10:30am on Sunday 7 January 2018, being 48 hours before the time for holding the meeting.

Any Proxy Form received after that time will not be valid for the scheduled meeting. Please lodge the Proxy Form with the Company's Share Registry. You are encouraged to submit your proxy by:

Online:

Shareholders may vote online at www.linkmarketservices.com.au, by entering the shareholding details as shown on the Proxy Form, then selecting 'Voting', and then following the prompts to lodge the shareholders' vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (shareholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

By mail:

Kingsgate Consolidated Limited
c/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

By fax:

+61 2 9287 0309

By hand delivering it to:

Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

Between the hours of: 9:00am to 5:00pm

By Order of Peter Alexander acting as a Committee of the Board

1 December 2017



Ross Coyle
Company Secretary
Kingsgate Consolidated Limited

Explanatory Memorandum to Shareholders

1. Introduction

This Explanatory Memorandum has been prepared to assist shareholders to understand the business to be put to shareholders at the meeting.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting. Annexure A of this Explanatory Memorandum contains definitions of capitalised terms in the Notice of Meeting and this Explanatory Memorandum.

The Directors recommend that shareholders read this Explanatory Memorandum in full before making any decision in relation to the resolutions set out in the Notice of Meeting.

Although three of the four Kingsgate directors are subject to spill resolutions and have an interest in recommending against the resolutions that relate to each of them, all of your directors consider it appropriate to make recommendations to the shareholders as to how to vote, because the resolutions, if passed would deliver control of your Company to Metal Tiger.

If any shareholder is in doubt as to how they should vote, they should seek advice from their professional advisor prior to voting.

2. Why you should vote **AGAINST ALL** Metal Tiger's resolutions

The Kingsgate Board unanimously recommends that you vote **AGAINST ALL** of the Metal Tiger resolutions.

Peter Alexander, who is not subject to a spill motion, has no confidence in Metal Tiger or its nominees, and will resign from the Board of Kingsgate if Metal Tiger nominees are a majority of the Board.

This is a critical time for your Company, and it would be highly disruptive to hand over to a new, inexperienced Board which lacks a proper understanding of the critical issues now confronting Kingsgate. **The value for shareholders that could potentially be recovered under the PRI claim and TAFTA arbitration is very significant, and the success of these actions depends heavily on a deep knowledge and understanding of the history of events.**

Your current Board's extensive and detailed knowledge of the exciting Nueva Esperanza Project in Chile must be retained to effectively develop this operation.

	Kingsgate Board	Metal Tiger Nominees
Deep knowledge of Chatree Project	Yes	None
Deep knowledge of US\$200m PRI claim	Yes	None
Deep knowledge of claim under TAFTA	Yes	None
Experience of doing business in Thailand	Yes	Limited
Deep knowledge of Nueva Esperanza	Yes	None
Experience of doing business in Chile	Yes	None

By electing a totally new, inexperienced Board, you would be handing over control of your Company to Metal Tiger which only has a 6.7% interest in your Company. If Metal Tiger wishes to control your Company, they should make a takeover offer to all shareholders with an appropriate control premium.

Shareholders should question Metal Tiger's judgement in calling another shareholder meeting that must be held so soon after the Annual General Meeting at which Peter Alexander and Sharon Skeggs were re-elected with overwhelming majorities.

Furthermore, if Metal Tiger was interested in the viewpoint of the majority of Kingsgate shareholders they would not be calling for a board spill during the Christmas holiday period, when many shareholders will be absent. In doing so their activities have all the hallmarks of an opportunistic action.

3. Your current Kingsgate Board is experienced and committed

Ross Smyth-Kirk B Com, CPA, F Fin – Interim Executive Chairman

Ross Smyth-Kirk was a founding Director of the former leading investment management company, Clayton Robard Management Limited and has had extensive experience over a number of years in investment management including a close involvement with the minerals and mining sectors. He has been a Director of a number of companies over the past 37 years in Australia and the UK. Mr Smyth-Kirk was previously Chairman of the Australian Jockey Club Limited and a former Director of Argent Minerals Limited.

Peter Alexander Ass. Appl. Geol – Non-Executive Director

Peter Alexander has more than 44 years' experience in the Australian and off-shore mining and exploration industry. He was Managing Director of Dominion Mining Limited for 10 years prior to his retirement in January 2008. Mr Alexander was appointed a Non-Executive Director of Dominion Mining Limited in February 2008 and resigned on 21 February 2011. Mr Alexander is a Non-Executive Director of the ASX listed company Doray Minerals Limited, and Chairman of Caravel Minerals.

Sharon Skeggs – Non-Executive Director

Sharon Skeggs has had a distinguished career in business management, in London and Australia, for over 37 years. She is an expert in business strategy and communications. For the past seven years Ms Skeggs has consulted to a number of major companies including Telstra, Westpac, News Limited and Visa (Australia & Asia) on a variety of corporate matters including business and marketing strategies, change management, communication programs and cost reduction initiatives. She was previously a Director of Saatchi & Saatchi (Australia) for 15 years, where she was responsible for highly successful communication campaigns, shifting stakeholder perceptions via PR and social media, for major Australian companies.

Peter Warren B Com, CPA - Non-Executive Director

Peter Warren was the Chief Financial Officer and Company Secretary of Kingsgate Consolidated Limited for six years up until his retirement in 2011. He is a CPA of over 40 years standing, with an extensive involvement in the resources industry. He was Company Secretary and Chief Financial Officer of Equatorial Mining Limited and of the Australian subsidiaries of the Swiss based Alusuisse Group and has held various financial and accounting positions for Peabody Resources and Hamersley Iron. Mr. Warren is a Director of Kingsgate's wholly owned subsidiary, Akara Resources Public Company Limited.

Your directors successfully managed to navigate the unlawful expropriation of the Chatree Gold Mine by implementing a plan that saw the production, under difficult operating circumstances, of approximately 90,000 ounces of gold at a total cash cost of US\$500 per ounce, thereby repaying nearly A\$80 million in debt while retaining a very healthy balance sheet of A\$38 million in cash from the last seven months of 2016.

Your directors have been unrelenting in their quest to put Kingsgate in a very strong position to recover the value of the Chatree Gold Mine through its claim under the Australia-Thailand Free Trade Agreement, and via its action against named insurers for our US\$200 million Political Risk Insurance Policy.

In addition, they have given their full attention to the ongoing development of the exciting Nueva Esperanza Gold-Silver Project in Chile, with the release of a robust Pre-Feasibility Statement in 2016, provisioning ongoing exploration work that has already led to new silver discoveries, and commissioning Ausenco to complete a Feasibility Study in early 2018. All of this has been done within existing cash resources, without the need for dilution or heavy debt gearing.

Your directors have been working tirelessly for the Company and its shareholders, meeting and conferring frequently, often at short notice and at all hours of the night and day and on week-ends to address the myriad of issues that arise from this most complex situation.

4. Your current Board is implementing a clear operating strategy to restore value

The Kingsgate Board has been progressively restoring value to your Company following the unlawful expropriation of the Chatree Gold Mine by the Government of Thailand in May 2016.

The Kingsgate Board has a clearly articulated plan to restore the Company's fortunes by:

- › Prosecuting its claim against the insurers under its Political Risk Insurance Policy;
- › Prosecuting its claim against the Government of Thailand under the Australia Thailand Free Trade Agreement while continuing to negotiate for a bilateral solution; and
- › Advancing the Feasibility Study and permitting for Nueva Esperanza while investigating all options for commercialisation of the project, including a sale or joint venture to minimise dilution to shareholders.

Your Board's approach to any rapidly changing circumstances, has been and will continue to be flexible, responsive and measured.

5. Who is Metal Tiger?

Metal Tiger is listed on the London AIM and is largely focused on minority investments in projects and other listed resource companies. Metal Tiger's primary asset is a 30% interest in a copper project in Botswana along with speculative minerals projects in Spain and Thailand. Metal Tiger's board has predominantly corporate finance backgrounds, the majority of which have only been appointed within the last 12 months.

Metal Tiger's operating experience in Thailand is limited, having only acquired the interests in its projects approximately three years ago. In that time Metal Tiger has accomplished relatively little, and has yet to secure licence approvals for its lead-zinc assets. This lack of progress has resulted in Metal Tiger's stated plan to spin off its Thai assets by October 2017 being postponed.

The ability of Metal Tiger to positively influence proceedings related to Chatree must therefore be seriously questioned.

Metal Tiger's financial performance is underwhelming.

For the year ended 31 December 2016, Metal Tiger experienced a loss of £720,300, 20% higher than the loss suffered the previous year. Its market capitalisation of approximately \$38 million is based on a share price of approximately 2p a share with 1,042,236,379 shares on issue. This compares with 250,372,466 on issue at 1 June 2015 – a 316% increase.

This near four-fold increase in the number of shares on issue has come about essentially through repeated highly dilutionary issues of shares to investors.

The share price performance of Metal Tiger over the last year is set out as follows:



On any basis, the share price performance of Metal Tiger has been poor, which explains why it would attempt to obtain the quality assets of Kingsgate at a bargain price.

Metal Tiger holds approximately 15 million shares in Kingsgate which have a current market value of approximately \$7 million.

Based on disclosures in its Notice of Initial Substantial Holder and Notice of Change of Interests of Substantial Holder, Metal Tiger's average Kingsgate entry price was approximately \$0.30 per share. It is therefore presently enjoying an increase on its investment of approximately \$2.55 million or 57%. With its history of financial losses, acquiring shares in Kingsgate might well be the only productive investment decision Metal Tiger has made.

Metal Tiger's interests include applications for exploration licenses over former zinc mining assets in Thailand.

On 11 January 2017, Metal Tiger announced that it was considering an initial public offering ("IPO") of these Thai interests on AIM in a new holding company called KEMCO Mining PLC ("KEMCO").

6. Metal Tiger has no credible operating plan for Kingsgate

Metal Tiger has not articulated an operating plan for Kingsgate that is of substance or makes any sense. Their so called plan is replete with generalisations; there are no specifics.

What we know of Metal Tiger's plan is set out in its 249P Statement, the thrust of which seems to concern Chatree.

First, they say that it's the Board's fault that the Chatree Gold Mine was shut down and expropriated. This is factually incorrect. The reasons given by the Thai Authorities for the shut down have been proved, by independent studies, to be baseless.

Second, Metal Tiger claims it is in a better position to restore value than your current Board.

In its 249P Statement, Metal Tiger states it will:

"Review the status of litigation with the Thai government and insurance companies to determine the ongoing cost and likelihood of success versus a preferred alternative."

In other words, Metal Tiger does not yet even know what action it is going to take should it obtain control.

Third, Metal Tiger claims it is well-placed to bring Chatree into production. This is unrealistic.

Metal Tiger does not appear to understand that the new Minerals Act, and the accompanying "Gold Policy", are so draconian and unworkable that there will not be, in the foreseeable future, a viable mining industry in Thailand. Having seen how Kingsgate has been treated, no mining companies of substance will see Thailand as a worthwhile mining jurisdiction.

Metal Tiger, through its public pronouncements, has demonstrated a clear misunderstanding of the history of the Chatree Gold Mine. Before and following expropriation your current Board has spent endless time meeting with stakeholder groups in Thailand including Government representatives, always with the shareholders' interests at the forefront. **Your Directors will not consider an outcome that disadvantages our shareholders.**

Fourth, if Metal Tiger's holdings of miscellaneous exploration licences qualifies them as operational experts in Thailand, why hasn't their KEMCO IPO progressed?

Fifth, with respect to Kingsgate's Nueva Esperanza Project, the Metal Tiger plan states that it will:

"Complete strategic review of Chilean assets to decide whether to develop, monetize and/or JV;"

Curiously, in a CNBC interview on the same day that the 249P Statement was received (22 November), when asked about Metal Tiger's plan for these assets, Mr McNeilly stated:

"We have no interest in getting our hands on the gold/silver project in Chile."

So, which is it? These two statements are entirely inconsistent, which begs the question: does Metal Tiger have any defined strategy?

Finally there are two other points made by Metal Tiger in its “plan” that are questionable.

First, Metal Tiger states that it intends to “Cap Board fees for the proposed Board for 6 months at a total of AUD350,000”. This implies that Board fees will be further increased after six months. As disclosed in Kingsgate 2017 Annual Report, Board fees for the whole of the year ended 30 June 2017 were \$414,000 plus superannuation **In other words, under Metal Tiger control, shareholders can expect Board fees to increase by approximately 60% for the first six months, and presumably by even more after that.**

Second, Metal Tiger states that it intends to “Ensure an appropriate level of board independence.” Quite clearly, Metal Tiger is not familiar with the ASX’s “Corporate Governance Principles and Recommendations”. Recommendation 4 of these Principles is that a board should have a majority of independent directors.

The Principles set out examples of associations and relationships that might cause doubts about the independence of a director, one of which is “...if the director is a substantial security holder of the entity or the entity or an officer of, or otherwise associated with, a substantial security holder of the entity.”

Since Metal Tiger is a substantial shareholder of Kingsgate (being above the 5% threshold), the three Metal Tiger directors seeking election to the Kingsgate Board – Messrs McNeilly, Grammer and Potter – **will not be independent.**

And, since, if the Metal Tiger resolutions are passed, the Kingsgate Board will comprise six directors, or five following the resignation of Mr Alexander, clearly, **the Company will not have the “board independence” that Metal Tiger is stating.**

Conversely, as set out in Kingsgate’s 2017 Corporate Governance Statement, three of the Company’s four Directors – Ms Skeggs, and Messrs Warren and Alexander – are independent. That is to say, at the present time, the Kingsgate Board has a majority of independent directors.

Finally, if Ms Skeggs were to be removed from the Board, Metal Tiger will also be going against ASX Corporate Governance Principles and Recommendations with respect to improving diversity on boards of listed entities, and it would go directly against Kingsgate’s stated Diversity Policy.

7. Metal Tiger is seeking to take control of Kingsgate by stealth

Your Board queries on what basis Metal Tiger considers a 6.7% shareholding gives it the right to take control of the Kingsgate Board and therefore control of Kingsgate.

Your Directors consider that, if Metal Tiger does wish to enjoy effective control of the Company, it should go about the task in the usual way that control of public companies generally passes, by way of a takeover bid. This would enable all other Kingsgate shareholders to receive an appropriate offer for their shares, including an appropriate control premium.

The ability of Metal Tiger to positively influence proceedings related to Chatree, the PRI claim and Nueva Esperanza must be seriously questioned, as must their judgement by calling another shareholders’ meeting so soon after the Annual General Meeting, which is not only a waste of your Company’s money, but also of your time.

**Vote AGAINST ALL
Metal Tiger Resolutions**

Section 249P Statement by Metal Tiger

Reasons for the Requisition Notice:

Metal Tiger is concerned with KCN's governance and approach under the current board that has overseen:

- › the closure of KCN's flagship Chatree Gold Mine in Thailand (Chatree);
- › a long running dispute with the Kingdom of Thailand in relation to Chatree's closure and the inability to reach a satisfactory resolution;
- › the apparent breakdown in relations with the Kingdom of Thailand, the Thai Government and other key Thai stakeholders; and
- › KCN's descent to become a finance-hungry litigation and exploration and development company.

It is clear to Metal Tiger that under current management Kingsgate and its representatives have irrevocably damaged relations with the three key stakeholders, the Thai Government, locals (the people of Thailand) and the NGO community.

What will the proposed Board's primary plan of action be should its proposed resolutions be passed?

1. Ensure an appropriate level of board independence;
2. Cap Board fees for proposed Board for 6 months at a total of AUD350k and look to reduce management fees as appropriate and where possible;
3. Engage with parties that have expressed an interest in providing financing should management change occur;
4. Publicly apologise for the actions of the previous Board and highlight the experience and commitment of the new team to bring about change and benefit for key stakeholders;
5. Immediately review methods to reduce the rate of cash burn at Kingsgate;
6. Review the status of litigation with the Thai government and insurance companies to determine the ongoing cost and likelihood of success versus a preferred alternative;
7. Work collaboratively and actively to agree terms with the Kingdom of Thailand and other key stakeholders to restart the Chatree mine;
8. Propose a restructure of the Thai subsidiaries to promote correct strategic Thai ownership of Chatree and Kingsgate's exploration assets to realign interests between the three key stakeholders and Kingsgate;
9. Assist the restructured entity to raise the necessary project financing from strategic Thai and international investors to restart Chatree;
10. Provide technical expertise to any restart of Chatree and ensure the highest standards of health, safety and the environment are followed;
11. Explore the economics of a micro-refinery to ensure compliance with new Thai Gold Policy and work with Thai partners to seek appropriate Board of Investment tax incentives.
12. Complete strategic review of Chilean asset to decide whether to develop, monetise and/or JV;
13. Consider fresh strategic opportunities identified by the Board.

In Metal Tiger's view, current management is unable to undertake this course of action given their tarnished reputation in Thailand. Change is essential so that value can be restored and the company can return to its primary focus.

Background on Metal Tiger's nominees are set out below:

Richard ("Dick") F E Warburton AO LVO

Dick is one of Australia's most experienced board members. He is currently Chairman of MFF Capital Investments Ltd, a Director of O'Connell Street Associates and Chairman of the Sydney Adventist Hospital Foundation board. Dick is a former Chairman and CEO of Dupont Australia and New Zealand. He was a Board Member of the Reserve Bank of Australia, Chairman of the Australian Board of Taxation, Caltex Australia Ltd, David Jones Ltd, Westfield Retail Trust, Goldfields Ltd, and Wool International and a Director of Scentre Group, Southcorp Ltd, Tabcorp Holdings Ltd, Nufarm Ltd and other companies. He was appointed an Officer in the Order of Australia in 2005 and a Lieutenant in the Royal Victorian Order in 2011.

Neville Bergin

Neville is a mining engineer with extensive experience accumulated over four decades in the mining industry. He has had exposure to a range of commodities and both underground and open pit operational experience together with around five years' experience as a non-executive director of both ASX listed and unlisted companies. Neville has extensive experience in technical due diligence and has managed several feasibility studies. He has a BSc from the Camborne School of Mines in the UK and currently runs his own mining consultancy business.

Michael McNeilly

Michael is Metal Tiger's Chief Executive Officer and is an experienced corporate financier. He advised several private, Main Market listed, AIM quoted and ISDX listed companies on a variety of corporate transactions during his tenure at Arden Partners (AIM:ARDN) and Allenby Capital respectively. Michael McNeilly spends half his time in Thailand monitoring Metal Tiger's investment in its Thai Direct Project interests. Michael was also previously a director of Greatland Gold plc.

Terry Grammer

Terry is an award-winning geologist with over 40 years' experience in mining and mineral exploration with extensive experience in Australia, Africa, Southeast Asia and New Zealand and has been involved in numerous ASX-listed companies. Terry is responsible for sourcing Metal Tiger's Thai Direct Project interest and has spent an extensive period of time in Thailand looking at mining and exploration opportunities in the country. As a geologist, Terry discovered the Cosmos Nickel deposit for ASX-listed Jubilee Mines NL which went on to be an ASX Top 200 company. Terry has been a director of Western Areas NL (ASX:WSA), South Boulder Mines, Sirius Resources NL.

Mark Potter

Mark is the Founder and a Partner of Sita Capital Partners LLP, an investment management and advisory firm specialising in investments in the mining industry. He was formerly a Director and Chief Investment Officer of Anglo Pacific Group. Mark was a founding member and Investment Principal for Audley Capital Advisors LLP, a London based hedge fund, where he was responsible for managing all natural resources investments. Mark worked on several landmark deals in the mining sector including the successful distressed investment and turnaround of Western Coal Corp and its \$3.3bn sale to Walter Energy Inc.



Kingsgate

Consolidated Limited

ABN 42 000 837 472

NAME: _____

ADDRESS: _____

PHONE: _____

LODGE YOUR VOTE



ONLINE

www.linkmarketservices.com.au



BY MAIL

Kingsgate Consolidated Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: +61 1300 554 474

Securityholder Reference Number (SRN) or
Holder Identification Number (HIN)

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LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **10:30am (Sydney time) on Sunday, 7 January 2018**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).



BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link www.linkmarketservices.com.au into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.

QR Code



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

Please complete your name and address as it appears on the Company's share register. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted against all of the resolutions in the Notice of Meeting.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

(a) on each of the first Proxy Form and the second Proxy Form state the

percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and

(b) return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

PROXY FORM

I/We being a member(s) of Kingsgate Consolidated Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **10:30am (Sydney time) on Tuesday, 9 January 2018 at Museum of Sydney, corner of Phillip and Bridge Streets, Sydney NSW** (the **Meeting**) and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies **AGAINST** each item of business.

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒

Recommendation

The Kingsgate Board unanimously recommends that you vote **AGAINST** all resolutions

Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Removal of Director – Ross Smyth-Kirk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 Appointment of Director – David Michael McNeilly	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Removal of Director – Peter Warren	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6 Appointment of Director – Terrence Ronald Grammer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Removal of Director – Sharon Skeggs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7 Appointment of Director – Mark Roderick Potter	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Appointment of Director – Richard F E Warburton AO LVO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8 Appointment of Director – Neville Bergin	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
				9 Removal of Directors appointed in period between the the date of this notice and the general meeting of the Company on 9 January 2018.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Sole Director and Sole Company Secretary

Joint Shareholder 2 (Individual)

Director/Company Secretary (Delete one)

Joint Shareholder 3 (Individual)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

Annexure A Definitions

The meanings of capitalised terms used in the Notice of Meeting and Explanatory Memorandum are set out below:

Alternative Investment Market (AIM) means the sub-market of the London Stock Exchange.

The sub-market was launched on 19 June 1995 and allows smaller, less-viable companies to float shares with a more flexible regulatory system than is applicable to the main market.

Board means the board of Kingsgate.

Corporations Act means the Corporations Act 2001 (Cth).

Company or **Kingsgate** means Kingsgate Consolidated Limited.

Metal Tiger means Metal Tiger PLC.

PRI means Political Risk Insurance.

TAFTA means Australia Thailand Free Trade Agreement.

Your Directors means the current directors of Kingsgate.



Kingsgate
Consolidated Limited

ABN 42 000 837 472