Kingsgate
Consolidated Limited
ABN 42 000 837 472

27 September 2019

Via ASX Online **FOR PUBLIC RELEASE**
(16 pages)

Manager
Company Announcements Office
Australian Securities Exchange

Kingsgate Mineral Resources and Ore Reserves 2019

Kingsgate Consolidated Limited (ASX:KCN) ("Kingsgate" or the "Company") wishes to advise on the status of its Mineral Resources and Ore Reserves for the period ending 30 June 2019. Mineral Resources and Ore Reserves are quoted for gold, silver, and on a gold equivalent and silver equivalent basis (AuEq and AgEq respectively).

Explanatory Note:

In May 2016, the Thai Government made a national mining policy change calling a halt to all gold mining in the country by 31 December 2016. Subsequently, it was announced that the Chatree Gold Mine's ("Chatree") Metallurgical Licence would be revoked as of 31 December 2016. Based on this information, the Chatree Ore Reserves were re-estimated to 31 December 2016. In order to demonstrate the impact of the mine closure, a second table of potentially economic mineralisation has been provided separately to show the position if a Metallurgical Licence was to be granted in future.

For further information in relation to the premature closure of Chatree and the steps Kingsgate is taking via the Australia Thailand Free Trade Agreement to rectify the situation, please refer to the latest announcements section at www.kingsgate.com.au

Group Mineral Resources

Group Mineral Resources (inclusive of Ore Reserves) remain unchanged as there were no mining activities during the year, and are estimated at 3.91 million ounces of gold and 112.8 million ounces of silver (203Mt at 0.60g/t Au and 17.3g/t Ag).

(See page 3 of this release for the definition of Chatree and Nueva Esperanza equivalence factors).

On a gold equivalent basis, Group Mineral Resources also remain unchanged from 30 June 2017, and were estimated at 5.5 million ounces gold equivalent (203Mt at 0.85g/t AuEq).

Group Ore Reserves

Group Ore Reserves remain unchanged from 30 June 2017, and are estimated at 0.30 million ounces of gold and 47.8 million ounces of silver (17.1Mt at 0.5g/t Au and 87g/t Ag).

On a gold equivalent basis, Group Ore Reserves remain unchanged from 30 June 2017, are estimated at 1.10 million ounces gold equivalent (17.1Mt at 2.0g/t AuEq).

Chatree Gold Mine, Thailand

As the Chatree Gold Mine has been closed since 31 December 2016, the Chatree Mineral Resource estimates have not changed from those reported at 30 June 2017. Information relating to Chatree Mineral Resource estimation is available in an ASX:KCN announcement titled “Kingsgate Mineral Resources and Ore Reserves 2017” dated 5 October 2017.

Chatree Mineral Resources are estimated at 3.4 million ounces of gold (164Mt at 0.65g/t Au and 5.59g/t Ag).

Chatree Ore Reserves are essentially depleted to zero with respect to the 30 June 2016 position of 0.09 million ounces of gold (2.5Mt at 1.1g/t Au and 17.6g/t Ag). The reduction is due to the non-renewal of a Metallurgical Licence that precluded processing ore beyond 31 December 2016.

Nueva Esperanza Project, Chile

Mineral Resource and Ore Reserve estimates have not changed from the previously reported ASX announcements titled “Nueva Esperanza Resource Update” published 14 April 2016, and the “Nueva Esperanza Pre-Feasibility Study” published 14 April 2016. The Mineral Resource and Ore Reserve estimates have been reported according to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code, 2012). Supporting information including Table 1 for the Nueva Esperanza Resource and Reserves can be found in the ASX:KCN releases mentioned above.

Ore Reserves and Mineral Resources

As at 30 June 2019

Ore Reserves

Source	Category	Tonnes (Million)	Grade				Contained Metal			
			Gold (g/t)	Silver (g/t)	AuEq (g/t)	AgEq (g/t)	Gold (M oz)	Silver (M oz)	AuEq (M oz)	AgEq (M oz)
Chatree	Proved	-	-	-	-	-	-	-	-	-
	Probable	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-
Nueva Esperanza	Proved	-	-	-	-	-	-	-	-	-
	Probable	17.1	0.5	87	2.0	117	0.30	47.8	1.10	64.3
	Total	17.1	0.5	87	2.0	117	0.30	47.8	1.10	64.3
Total	Proved	-	-	-	-	-	-	-	-	-
	Probable	17.1	0.5	87	2.0	117	0.30	47.8	1.10	64.3
	Total	17.1	0.5	87	2.0	117	0.30	47.8	1.10	64.3

Mineral Resources (Inclusive of Ore Reserves)

Source	Category	Tonnes (Million)	Grade				Contained Metal			
			Gold (g/t)	Silver (g/t)	AuEq (g/t)	AgEq (g/t)	Gold (M oz)	Silver (M oz)	AuEq (M oz)	AuEq (M oz)
Chatree	Measured	73.2	0.69	6.20	0.74	100	1.63	14.6	1.74	237
	Indicated	49.8	0.64	5.58	0.68	93	1.02	8.9	1.09	148
	Inferred	40.6	0.59	4.50	0.62	85	0.77	5.9	0.81	111
	Total	163.6	0.65	5.59	0.69	94	3.42	29.4	3.64	496
Nueva Esperanza	Measured	1.6	0.01	93	1.56	94	0.0005	4.8	0.08	4.8
	Indicated	27.2	0.46	73	1.67	100	0.40	63.8	1.46	87.9
	Inferred	10.6	0.3	43	1.0	60	0.09	14.8	0.33	20.0
	Total	39.4	0.39	66	1.48	89	0.49	83.4	1.88	112.7
Total	Measured	74.8	0.68	8.06	0.76	100	1.63	19.4	1.82	241
	Indicated	77.0	0.58	29.4	1.03	95	1.42	72.7	2.55	236
	Inferred	51.2	0.53	12.5	0.70	80	0.86	20.7	1.14	131
	Total	203.0	0.60	17.3	0.85	93	3.91	112.8	5.51	608

Notes to the Ore Reserves and Mineral Resources Tables:

(1) Rounding of figures causes some numbers to not add correctly.

(2) Nueva Esperanza Equivalent factors:
Silver Equivalent: AgEq (g/t) = Ag (g/t) + Au (g/t) x 60.
Gold Equivalent: AuEq (g/t) = Au (g/t) + Ag (g/t) / 60.
Calculated from prices of US$1200/oz Au and US$19.00/oz Ag, and metallurgical recoveries of 80% Au and 84% Ag estimated from test work by Kingsgate.

(3) Chatree Equivalent factors:
Gold Equivalent: AuEq/t = Au (g/t) + Ag (g/t) /136.
Silver Equivalent: AgEq g/t = Au (g/t) x 136 + Ag g/t.
Calculated from prices of US$1200/oz Au and US$19.00/oz Ag and metallurgical recoveries of 83.3% Au and 38.7% Ag based on metallurgical testwork and plant performance.

(4) Cut-off grades for Resources are:
Chatree 0.30 g/t Au, Nueva Esperanza 0.5g/t AuEq.

(5) Nueva Esperanza Reserves are based on a floating cut-off grade method. In this method each Resource block is subjected to a series of estimates to generate revenue and cost fields that are used to determine a breakeven cut-off grade.

(6 It is in the Company's opinion that all the elements included in the metal equivalent calculations have a reasonable potential to be recovered.

(7) Please refer to ASX:KCN release published 14 April 2016 titled, "Nueva Esperanza Pre-Feasibility Study Confirms Kingsgate Growth Strategy" for details on Mineral Resources, Ore Reserves and JORC 2012 Table 1.

Chatree – With a Metallurgical Licence granted

The table below shows what the Chatree Reserves would be if the Metallurgical Licence was granted in the future.

			Grade				Contained Metal			
Source	Category	Tonnes (Million)	Gold (g/t)	Silver (g/t)	AuEq (g/t)	AgEq (g/t)	Gold (M oz)	Silver (M oz)	Au Eq (M oz)	AgEq (M oz)
Chatree	Proved	26.1	0.77	6.70	0.82	102	0.65	6.2	0.70	95
	Probable	9.3	0.80	7.04	0.85	116	0.24	2.1	0.25	34.6
	Total	35.4	0.78	6.79	0.83	106	0.89	8.3	0.95	130

Notes:

1. For the material in the table above to become a JORC 2012 Ore Reserve, the Thai Department of Primary Industries and Mines need to grant the Chatree Gold Mine a Metallurgical Licence.
2. The information in the table above is not currently an Ore Reserve under JORC reporting requirements.

Competent Person Statement

The information relating to Nueva Esperanza Ore Reserves is extracted from an ASX announcement by Kingsgate titled “Nueva Esperanza Pre-Feasibility Study” published 14 April 2016. The information relating to Nueva Esperanza Mineral Resources is extracted from an ASX announcement by Kingsgate titled “Nueva Esperanza Mineral Resource Update” published 14 April 2016.

Previous announcements referred to in this report are available to view on Kingsgate’s public website (www.kingsgate.com.au). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement, and in the case of estimates of Mineral Resources or Ore Reserves that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially altered from the original announcements.

The information in this report that relates to Nueva Esperanza and Chatree Mineral Resources is based on information compiled by Ron James, who is a consultant geologist to the Kingsgate Group. Ron James is a member of The Australasian Institute of Mining and Metallurgy, and qualifies as a Competent Person. Mr James has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration, and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Mineral Resources and Ore Reserves.” Mr James has consented to the public reporting of these statements and the inclusion of the material in the form and context in which it appears.

Chatree Gold Mine, Thailand – 30 June 2019 Resource Statement

JORC Code 2012 Edition – Table 1

Section 1: Sampling Techniques and Data

Criteria	Commentary
Sampling techniques	• Resource estimates were based on diamond (DD) and face sampling reverse circulation (RC) drill holes. • The resource drill database totalled 704,819 metres of drilling comprising 585,350 (83%) metres of RC and 119,469 (17%) metres of diamond drilling. • All resource drilling and sampling was completed by industry standard techniques and was guided by the Kingsgate Group protocols including industry standard QAQC procedures. • For RC drilling, one metre samples were collected from the cyclone then riffle split to create two representative samples of 3 to 4kg, one for the laboratory for assaying and the other for retention as a reference sample. Wet samples were left to naturally dry prior to riffle splitting. Sieved chip samples were geologically logged. • Diamond core was logged for geology and geotechnical characteristics. With the exception of barren dykes diamond core was typically sampled over 1 metre intervals and generally halved using a diamond saw. Samples were sent to the laboratory for assaying and the remaining core was kept in core trays for future reference. • All samples were transported to the Chatree Mine laboratory for assaying by company personnel. • At the laboratory, all samples were dried, crushed and pulverised to 85% passing 75 microns, with a 50g charge analysed for gold by fire assay and silver by aqua regia. • Standard samples, duplicate samples and blank samples were inserted into the assay batches at a frequency of at least 1 in every 25 samples. Sample batches submitted for assay have generally 100 to 150 samples with a maximum of 250 samples per batch. • The QAQC results confirmed the reliability of sampling and assaying with sufficient confidence for the estimates. Close agreement between resource model estimates and mill reconciled production for mining completed provided additional confidence in the reliability of the resource sampling and assaying.
Drilling techniques	• All RC drilling used face sampling bits, with diameters of generally 5.25 inch to 5.5 inches (127 to 133mm) with sub-samples collected by riffle splitting. • Diamond holes were generally drilled with HQ or NQ sized bits (63 or 47.6mm core diameter) and included RC pre-collars that were drilled sampled and assayed consistently with other RC drilling. Competent core intervals were generally oriented by standard spear techniques.
Drill sample recovery	• Drilling contracts and geological supervision of the drillers required the operators to do their best to provide good quality, high recovery, and uncontaminated samples. • RC drilling used face-sampling bits and rigs of generally sufficient air capacity, including booster compressors where required to provide dry, high recovery samples. • RC sample recovery was calculated by comparing total recovered sample weights with expected weights derived from bit diameters and the densities used for resource modelling. Overall RC sample recovery averaged around 80% with some lower sample recoveries associated with soft and less competent rock such as soil, shear zones or broken rock. • Most RC samples were dry, with 73% of samples having moisture records logged completely dry and 20% as wet. • DD core recovery was recorded by drillers as recovered core lengths for each core run and checked by the field geologists, and average 85%. • Most DD holes were RC pre-collared to below the base of oxidation and the majority of core was from fresh, competent rock giving high core recoveries. Some lower core recoveries were associated with shear or breccia zones, although these are relatively uncommon and rarely associated with mineralisation. • Overall the RC and DD drilling showed good recoveries. There is no notable relationship between gold grades and recovery, and sample recovery has not introduced a bias in the resource sampling.

Criteria	Commentary
	• The potential for preferential loss/gain of fine/coarse material was considered to be low. Test sieving and analyses of RC samples showed no notable average difference in gold grades between coarse and fine fractions. • Comparison of gold grades from 544 closely spaced two metre composited samples from RC and diamond holes showed no notable difference in average grades providing additional confidence in the reliability of the RC sampling. Close agreement between resource model estimates and mill reconciled production for mining to date provided additional confidence in the reliability of the resource sampling and assaying.
Logging	• The resource drilling was logged with appropriate detail to support the current Mineral Resource estimates, metallurgical and mining studies. • All resource holes are geologically logged by industry standard techniques, including qualitative logging of geology, mineralisation, alteration, structure, sample recovery, and sample quality. DD core is also geotechnically logged. The logging uses a paper based system with standardised codes and is transferred into the database after validation in MicroMine, Access and a proprietary import tool constructed by H&S Consultants. • Logging is checked for consistency between adjacent holes providing a cross check of logging variations between geologists, and with time. Any logging revisions are recorded in field sheets and updated in the database. The majority of geologists responsible for recording geological data had been working at Chatree for more than five years providing consistency in logging. • All drill core were photographed, stored on site in a core reference library. RC chips were stored on site in a chip library.
Sub-sampling techniques and sample preparation	• All sample collection and bagging was supervised by company geologists. • For RC drilling the full sample from each metre was collected from the cyclone and riffle split to produce two representative samples of 3 to 4kg; one sample was sent to the laboratory for assaying and the other kept as a reference sample or used as a duplicate with duplicates collected every 20th sample. Wet samples were dried prior to riffle splitting. • After metre marking by the logging geologist core was generally halved with a diamond blade core saw. Quarter core samples represent an insignificant proportion of the dataset. After cutting the core was placed back in the core tray for checking by the geologist to ensure correct cutting and replacement. • Rare highly broken core was sampled by collecting random pieces of broken rock to represent the interval. • Core was sampled from a consistent side of the core. Sample numbers were written on the remaining core. • Standard samples, duplicated samples (RC) and blank samples were inserted to the assay samples batch at least 1 in every 25 samples. Each sample batch submitted for assay had generally 100 to 150 samples with a maximum of 250 samples per batch. All samples were transported to the Chatree Mine laboratory by company personnel. • The on-site laboratory was certified by ISO with a 17025 rating. • At the laboratory, samples were dried at 120^{o}C for a minimum of 8 hours then the entire sample was jaw crushed to a nominal 2-4mm. A 1-1.5kg split was taken and pulverised in a 2000cc Lab technics B2000 pulveriser. In addition to routine replicate assays of pulps, duplicate “re-split” samples of jaw-crushed material were taken at approximately every 10th sample. OREAS standards were used as internal laboratory standards. • The field duplicate samples and the laboratory duplicate samples show an acceptable level of repeatability. Additional confirmation of the reliability of the sub-sampling was provided by comparison of gold grades from paired RC and diamond intervals, and paired resource and grade control holes. Close agreement between resource model estimates and mill reconciled production for mining to date provided additional confidence in the reliability of the resource sampling and assaying. • The sub-sample sizes, sub-sample methods and sample preparation techniques were appropriate for the style of mineralisation.
Quality of assay data and laboratory tests	• Assaying for gold and silver was carried out by the Chatree Gold Mine on-site laboratory. Gold assaying was by fire-assay (25 and 50g samples) with AAS finish. All assays of greater than 6.0g/t gold were repeated using a gravimetric finish. Silver was assayed using an aqua regia digestion with AAS finish. • The on-site laboratory at the Chatree Mine site was certified by ISO with a 17025 rating. • The analytical technique was considered to be a total representation of the interval sampled. • No geophysical logging was included in resource estimates.

Criteria	Commentary
	• Substantial focus was given to ensure sampling procedures met industry best practice ensuring acceptable levels of accuracy and precision for the resource sampling and assaying. An appropriate sampling protocol was designed and implemented specifying sample collection and sample preparation and assaying at the laboratory. Laboratory sample preparation was routinely checked using grinding tests and sieve analysis. • All assay batches included blind reference standards, blank samples and field duplicates (RC), in addition to internal laboratory checks. These results were routinely evaluated to determine if results were within predefined tolerances. Inter-laboratory checks were done on a periodic basis and the results were analysed statistically. • For drilling to 2014, each set of 50 samples routinely contained three control samples (47 primary samples, 1 standard, 1 duplicate, 1 blank) with QAQC samples representing 6% of assaying. In 2014, the QAQC protocol was modified as part of Kingsgate's continuous improvement strategy. For the revised protocol each set of 22 samples contained the three control samples (19 primary samples, 1 standard, 1 duplicate, 1 blank) with QAQC samples representing 15% of assaying. • Submitted standards results were analysed on a batch by batch basis and monthly. The majority of standards show average accuracy of within 5% of expected value with no consistent positive or negative bias. In cases where initial standard assays fell outside the acceptable range, the entire batch was re-assayed. • Duplicate assays show acceptable correlation with primary samples with no apparent bias. • The quality control measures had established that the assaying was of appropriate precision and accuracy for the current estimates. Close agreement between resource model estimates and mill reconciled production for mining provided additional confidence in the reliability of the resource sampling and assaying.
Verification of sampling and assaying	• Significant intersections were verified by alternate company personnel and external consultants. • Significant intersections were re-assayed by different techniques (including Leachwell, Fire assay) to confirm their accuracy. • Twin holes are not routinely drilled. Comparison of gold grades from 544 closely spaced two metre composited samples from RC and diamond holes showed no notable difference in average gold grades providing additional confidence in the reliability of the RC sampling. • Comparison between nearby composited samples from resource and grade control ("GC") drilling within five metres east-west, five metres north-south and two metres vertical gave data pairs for 13% of the 314,972 resource composites. The paired resource and GC composites show comparable average gold grades providing an independent check of resource drilling. • Resource drilling information was stored in an appropriately protected relational Microsoft Access database. RC chips and drill core were on paper using standardised geological codes and transferred into the database after validation in MicroMine, Access and a proprietary import tool. Finalised assay results were merged directly into the database from laboratory source files. • The Kingsgate Group had formal data validation procedures with data being validated as close to the source as possible to ensure reliability and accuracy. Inconsistencies identified in the validation procedures were re-checked and changes were made to the database once the problem was identified. • Independent checking for internal consistency within and between tables in the resource database extract by MPR showed no significant discrepancies. • Close agreement between resource model estimates and mill reconciled production for mining provided additional confidence in the validity of the resource database. • Modifications to the assay dataset for resource modelling were limited to the following: - Below detection assay values were assigned half the detection limit. - Deliberately un-assayed intervals through barren dykes were assigned gold and silver grades of zero. All other un-sampled intervals were assigned null values. - A comparatively small number of samples from earlier resource drilling were analysed for gold, but not silver. These intervals were assigned silver grades from gold-silver regression formulae developed for each deposit area. The majority of these intervals were from mined-out areas, and have little impact on estimation of remnant resources.
Location of data points	• Resource modelling was undertaken in local mine grid coordinates with well documented transformations between local and UTM grids. • The site topographic survey was regularly updated by the on-site survey team. • All drill hole collars were surveyed using a DGPS by the site survey team.

Criteria	Commentary
	• All diamond holes and most RC holes were down-hole surveyed at generally 25 to 30m intervals. The surveying was usually undertaken by down-hole camera during withdrawal of the drill string from the hole with the use of a stainless steel rod to minimise magnetic interference. • Some rocks, mostly dykes, had a minor to moderate magnetic content. However, routine checking showed generally little variation between readings in any given hole and the impact of magnetic interference on down-hole surveys was considered insignificant. • The location of the sample points and topographic surface had been established with sufficient accuracy for the current estimates.
Data spacing and distribution	• For most of the main resource areas drill hole spacing ranged from around 20 by 25 metres to 40 by 50 metres (east, north) with holes spaced at up to approximately 100 metres in peripheral areas. • The data spacing and distribution established geological and grade continuity adequately for the current resource estimates. • The resource estimates were based on two metre down-hole composited assay grades. This composite interval represented a multiple of the one metre sample length which represented 92% of assayed resource drilling.
Orientation of data in relation to geological structure	• The majority of the resource drill holes were inclined at around 55 degrees and oriented approximately perpendicular to local dominant mineralisation controls interpreted from mapping and structural logging of orientated core. • In comparatively rare areas where the resource drill holes were sub-parallel to the dominant mineralisation structures, comparison with appropriately oriented grade control sampling showed no significant difference in mean gold grades. • The drilling orientations provided unbiased sampling of the mineralisation.
Sample security	• RC samples were delivered directly to the assay laboratory by company staff at the completion of each drill hole. If samples were left on site overnight they were considered secure, because there was a guard at drill sites at night time when there was no drilling operation. After collection and bagging diamond core samples were delivered directly to the assay laboratory by company staff. • Validity of assay results were established by use of field duplicates, standards and comparison of results from different sampling phases. Close agreement between resource model estimates and mill reconciled production for mining provided additional confidence in the validity of the resource database.
Audits or reviews	• Chatree Gold Mine had numerous visits by external competent persons who have reviewed all procedures from field sampling, geological interpretation to resource estimation. These audits and reviews were stored on the central server for reviewing. • External and internal reviews have deemed the data and the sampling techniques to be in line with industry standards and of sufficient quality for resource estimation. The competent persons responsible for the current estimates regard the sampling and assay techniques, and data validity as an appropriate basis for resource estimation. • The resource model was routinely compared with GC estimates and any variations were investigated. GC drilling and mill reconciled production provided independent checks of the resource data and model estimates in mined areas. These two independent checks supported the general reliability of the resource models.

SECTION 2: Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	• Chatree Gold Mine is located in central Thailand approximately 280km north of Bangkok and 35km south east of Phichit Province. • Akara Resources includes 16 mining leases and 8 waste dump leases covering a total of 11.85 km^2. • Around of 6.7% of current resources are located outside of Chatree Lease, the other 91% are located inside of mining, TSF and dump lease. The resource in the current location of Dump and TSF represent around of 6.4%.
Exploration done by other parties	• All resource drilling was undertaken by Kingsgate Group.
Geology	• The Chatree deposit is located between Phichit and Phetchabun Provinces, central Thailand, and is hosted by Late Permian to Early Triassic volcaniclastic and volcanogenic sedimentary rocks. • The regional geology is dominated by a volcano-sedimentary sequence that interfingers laterally with terrigenous sediments. The depositional environment is interpreted to have consisted of a series of andesitic and rhyolitic stratovolcanoes situated in a shallow marine environment adjacent to a continental margin. • The Chatree Gold Mine is an unusual low sulphidation epithermal gold–silver deposit located in the Loei – Phetchabun volcanic belt in central Thailand. The deposit spans 2.5 by 7.5km and consists of 8 vein zones, 5 of which were mined by open pit methods. • The Chatree low sulphidation epithermal gold–silver deposit occurred as veins, stockworks and minor breccias hosted by a volcanic and volcanogenic sedimentary facies. The main gold–silver mineralisation was characterised by colloform–crustiform banded quartz ± carbonate ± chlorite ± adularia–sulphide–electrum veins. Gold mainly occurs as electrum, both as free grains associated with quartz, carbonate minerals and chlorite, and as inclusions in sulphides, mostly pyrite (Salam et al., 2013). • Oxidisation and broad stratigraphic types control the gross distribution of gold and silver mineralisation with specific geological units providing preferred mineralisation hosts. These are most notable at the A Prospect where the sedimentary unit hosted the majority of mineralisation. At a local scale, mineralisation was controlled by structures that cross cut lithological trends. A combination of broad scale geological wire frames and knowledge of local mineralisation controls was utilised when estimating resources. Barren post mineralisation dykes with widths varying from less than one to around eight metres cross cut mineralisation.
Drill hole information	• No individual drill hole results are included in this announcement.
Data aggregation methods	• The RC and diamond resource holes were generally sampled over one metre down-hole intervals, with assay grades composited to two metre intervals for resource estimation.
Relationship between mineralisation widths and intercept lengths	• The majority of the resource drill holes were generally inclined at around 55 degrees, and oriented approximately perpendicular to local dominant mineralisation controls interpreted from mapping and structural logging of orientated core. Down hole lengths generally approximate true thicknesses.
Diagrams	• Relevant diagrams are included in the body of this announcement.

Criteria	Commentary
Balanced reporting	• No individual drill hole results are included in this announcement.
Other substantive exploration data	• Airborne geophysical surveys were conducted at Chatree in 2004 also ground geophysical surveys continued until 2015. • Surface mapping and sampling had been undertaken over the life of the property. • Bulk density, metallurgical results are detailed in Section 3 below.
Future work	• The Mineral Resource Development Strategy for 2015/2016 targeted conceptual high grade underground targets. Drilling focused on areas where high grade gold mineralisation had previously been identified, including the C South and A East Prospects.

SECTION 3: Estimation and Reporting of Mineral Resources

Criteria	Commentary
Database integrity	• Resource drilling information was stored in an appropriately protected relational Microsoft Access database. RC chips and drill core were logged on paper using standardised codes and transferred into the database after validation in MicroMine, Access and a proprietary import tool. Finalised assay results were merged directly into the database from laboratory source files. • The Kingsgate Group has formal data validation procedures with data being validated as close to the source as possible to ensure reliability and accuracy. Inconsistencies identified in the validation procedures were checked by the project geologists and corrected once the problem was identified. • The database is centrally managed by a Database Manager who is responsible for data entry, validation, development, quality control and specialist queries. The database was configured for optimal validation through constraints, library tables, triggers and stored procedures. Data that fails these rules was quarantined until it was corrected. • Independent checking for internal consistency within and between tables in the resource database extract by MPR showed no significant discrepancies.
Site visits	• The Competent Persons worked on site or regularly visited the site and had a detailed knowledge of the resource data, mineralisation controls, and mining operations.
Geological interpretation	• After close to 20 years of evaluation and resource estimation and 15 years of mining the geological setting and mineralisation controls were well understood and confidence in the geological interpretation was high. The interpreted geological frame work was based on resource drilling data, and grade control and pit mapping. Alternative interpretations are considered unnecessary due to the detailed understanding of mineralisation controls. • Oxidisation and broad stratigraphic types control the gross distribution of gold and silver mineralisation with specific geological units providing preferred mineralisation hosts. These were most notable at the A Prospect where the sedimentary unit hosted the majority of mineralisation. At a local scale, mineralisation was controlled by structures that cross cut lithological trends. A combination of broad scale geological wire frames and knowledge of local mineralisation controls was utilised when estimating resources. • Barren post mineralisation dykes with widths varying from less than one to around eight metres cross cut mineralisation, with these intervals commonly not assayed in resource drilling.

<table>
<tr><th>Criteria</th><th>Commentary</th></tr>
<tr><td></td><td>The MIK modelling included mineralised domains interpreted with reference to broad scale geological wire frames and geological understanding of local mineralisation controls developed from geological interpretations based on resource drill data, grade control data and pit mapping. Un-sampled dykes intervals were assigned zero grades in the modelling dataset.</td></tr>
<tr><td>Dimensions</td><td>Resource estimates extend from the southern edge of the mining lease to the northern Q Prospect for 4.2 kilometres. Overall width of the resource was typically 40 to 80 metres depending on dip, but extended up to 160 metres in the A Prospect. Estimated resources extend from the surface to a maximum of 370 metres below the pre-mining surface.</td></tr>
<tr><td>Estimation and modelling techniques</td><td>
Resources were estimated by Multiple Indicator Kriging of gold and silver grades with block support adjustment to reflect open pit mining selectivity based on gold cut off grades.
The MIK modelling included mineralised domains interpreted with reference to broad scale geological wire frames and geological understanding of local mineralisation controls developed from geological interpretations based on resource drill data, grade control data and pit mapping. Un-sampled dykes intervals were assigned zero grades, and included in the MIK modelling. This approach was supported by the close reconciliation with production. Comparative modelling excluding dyke assays and post-processing the MIK estimates by dyke wireframes showed no significant differences.
Grade continuity of each domain was characterised by indicator variograms modelled at 14 indicator thresholds.
All bin grades used for MIK modelling were determined from class mean grades with the exception of upper bin grades which were determined on a case by case basis from review of the tenor and distribution of high grade composites.
MicroMine software was used for data compilation, domain wire-framing, and coding of composite values, and GS3M was used for resource estimation.
The block model had 10 by 25 by 6m panels (east, north, elevation) relative to the generally 20 by 25 to 40 by 50m spaced resource drilling.
The modelling included a four pass octant based search strategy as outlined below with search ellipsoids aligned with local mineralisation controls.

<table>
<tr><th rowspan="2">Search Pass</th><th colspan="3">Radii</th><th rowspan="2">Minimum Data</th><th rowspan="2">Minimum Octants</th><th rowspan="2">Maximum Data</th></tr>
<tr><th>X</th><th>Y</th><th>Z</th></tr>
<tr><td>1</td><td>25</td><td>25</td><td>12</td><td>16</td><td>4</td><td>48</td></tr>
<tr><td>2</td><td>37.5</td><td>37.5</td><td>18</td><td>16</td><td>4</td><td>48</td></tr>
<tr><td>3</td><td>37.5</td><td>37.5</td><td>18</td><td>8</td><td>2</td><td>48</td></tr>
<tr><td>4</td><td>70</td><td>70</td><td>30</td><td>8</td><td>2</td><td>48</td></tr>
</table>

The modelling technique was appropriate for the mineralisation style. The resource modelling approach and parameters were supported by the close reconciliation with production.
The estimates included gold and silver grades with no by-products. Silver grades were generally comparatively low and poorly correlated with gold grades. Sulphide content was globally low and its effect on acid mine drainage was reviewed at the mining stage.
Validation of the block model included reviewing each section (25m along strike) and plan (6m) to check that estimates were consistent with informing data and interpreted mineralisation trends.
The current estimates were consistent with the previous models with local differences reflecting infill drilling and minor revisions to estimation parameters which primarily impact peripheral Inferred resources.
The Chatree Operation was actively mining for 15 years. Comparisons between the resource model estimates and mill-reconciled production provided a check of model reliability. Such comparisons were routinely performed by month, quarter and year, including subdivision by deposit area.
Evaluating the resource model at appropriate cut off grades for the volume mined to the end of June 2016 closely matched mill-reconciled production of 2.77Mt @ 1.20g/t gold and 22.7g/t silver for 0.10 and 1.90 Moz of gold and silver respectively inclusive of un-processed stockpiles.
</td></tr>
</table>

Criteria	Commentary
	• Relative to model estimates (Ore Reserves), ore production totals 4% more tonnes, at 5% higher gold grades for 10% more contained gold ounces, and 22% higher silver grades. • The overall close agreement included relatively short periods of less consistent reconciliation reflecting the highly variable nature of the mineralisation. For mining to April 2012, ore definition was based on partial extraction Leachwell assaying (not calibrated for recovery) contributing some of the marginally lower tonnages, and higher mined grades relative to the resource estimates based on fire assays.
Moisture	• Tonnages were estimated on a dry basis with bulk densities assigned by oxidation type on the basis of immersion measurements of representative core samples including oven drying at 110°C.
Cut-off parameters	• The cut-off grade of 0.30 g/t gold used for reporting resources reflected the average gold price for the five years to 2016 of USD 1460/oz and anticipated costs and average metallurgical recoveries.
Mining factors or assumptions	• Mining at Chatree was by open cut methods utilising 200t and 100t class excavators with ore definition based on close spaced RC grade control drilling. • The resource estimates include block support adjustment to reflect ore selection based on gold cut-off grades with mining selectivity and RC grade control sampling consistent with current practise at Chatree.
Metallurgical factors or assumptions	• Plant recovery varied depending on mineralisation type and throughput rate, with an historic average gold recovery of over 85%. Test work aimed at improving knowledge of recovery variability by rock types was ongoing. • Detailed metallurgical testing has been completed for the major deposits and is supported by plant performance. These results have been applied to the mineralisation domains when estimating Ore Reserves and determining the cut-off grade for resource reporting.
Environmental factors or assumptions	• Estimated resources lie within a Mining Lease and consideration of waste dumps and infrastructure was made when determining cut off grades. The Chatree operation completed various environmental impact statements in compliance with regulations for approval of Mining Leases.
Bulk density	• Consistent with previous estimates, the current resource model included bulk densities of 2.16, 2.40 and 2.62 t/bcm (bank cubic metre) for oxide, transition and fresh material respectively. • These density values are based on immersion measurements of representative, oven-dried diamond core and are supported by reconciliation with production to date.
Classification	• Resource confidence levels were assigned on the basis of search pass and a triangulation defining the limits of closer spaced sampling. Panels within the classification triangulation informed by search passes 1 and 2 were classified as Measured and Indicated respectively. All search pass 3 and 4 panels and all panels in broadly drilled areas outside the classification triangulation were assigned to the Inferred category. These criteria classify estimates for mineralisation tested by nominally 20 by 25m and 40 by 50m spaced drilling as Measured and Indicated respectively with estimates for more broadly sampled mineralisation classified as Inferred. • The resource classifications account for all relevant factors including relative confidence in the estimates, reliability of the input data, confidence in continuity of geology and metal vales, quality, quantity and distribution of the data. The classifications are supported by the close agreement between model estimates and production. • The resource classifications appropriately reflect the Competent Persons views of the deposit.

Criteria	Commentary
Audits or reviews	• The current resource model was prepared by Issara geologists and audited by Jonathon Abbott of MPR Geological Consultants Pty Ltd. This Table 1 forms part of extensive internal documentation which was provided to independent consultants during their audits. • Chatree Gold Mine has had numerous visits by external consultants who have reviewed sampling techniques, geological interpretation estimation parameters and results. These audits have concluded that procedures and data used to estimate the Mineral Resource are appropriate for the style of mineralisation. • For ore production to date of 54 Mt the model estimates have closely matched ore production, with production realising 1% and 4% more ounces for gold and silver respectively than model estimates providing additional confidence in the general reliability of model estimates.
Discussion of relative accuracy/ confidence	• The relative accuracy of the Mineral Resource estimate was reflected in the reporting of Measured, Indicated and Inferred estimates with Measured and Indicated Resources of sufficient local confidence to form the basis of mine designs and production scheduling. The close agreement between resource model estimates and mill reconciled production for mining to date provided additional confidence in the reliability of estimates.

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SECTION 4: Estimation and Reporting of Chatree Ore Reserves (June 2017)

Criteria	Commentary
Mineral Resources Estimate for conversion to Ore Reserves	• The mineral resource estimate is based on the May 2015 MIK resource model developed by the Kingsgate Group. The methodology was reviewed by MPR Geological Consultants Pty Ltd (MPR). The Chatree Gold Mine Ore Reserve Estimate is derived from detailed pit designs based on the output of Whittle optimisations run on the May Resource Model compiled by Issara Mining a wholly owned subsidiary of Kingsgate Consolidated. • The Chatree Mineral Resource estimate is inclusive of the July 2016 Ore Reserves.
Site visits	• The competent person was based on site at Chatree Gold Mine.
Study status	• The Chatree Gold Mine was operating for over 15 years and is well established. • A feasibility study was conducted in 2005 for the Chatree North leases and that was the basis of the mine plan. • When the resource model is updated with additional drilling, the mining designs and plans are reviewed and financial evaluations applied.
Cut-off Grade	• The cut-off grade used to report reserves is derived from the incremental cost of processing ore, including the cost of re-handle from stockpiles. • A grade of 0.35g/t Au has been used for Ore Reserve Estimate.
Mining factors	• Detailed pit designs have been completed for all pits at Chatree, based on the May 2015 Resource Model from Issara Mining. • The open pits have been designed following pit slope recommendations of BFP Consultants Pty Ltd for the Chatree North Feasibility Study. • Mining equipment and bench height selection was appropriate for the ore body. Both ore and waste were blasted on 9m benches then mined in 3m flitches by 100t and 180t class excavators. Grade control was done by reverse circulation drilling on 18m benches ahead of drilling and blasting.

Criteria	Commentary
	• Open pits were designed with 2 way haul roads except for the final benches, which were designed with one way access to reduce stripping requirements. • As the model was an MIK model, mining dilution and recovery factors were not required. • Open pit cutbacks have been designed with a minimum bench width of 30m. • Inferred Mineral Resources were excluded from the pit optimisations and reserves and counted as zero grade. • All required infrastructure was already in place.
Metallurgical Factors/Recovery Model	• Chatree Gold Mine was running for about 15 years and successfully extracted gold and silver from ore by a CIL/CIP process. • The recovery models for Gold and Silver used in the estimation of the Chatree Gold Mine reserves are variable recovery models based on head grade. The algorithms used were derived from test work performed over the full range of head grades from different geographic areas as well as historical operational data. • The average recovery for gold metal for the remaining reserves was 80.7% and for silver metal 45.2%. • There were increased amounts of carbonaceous ore within the ore body and test work had been performed to determine the impact on recovery. The results of this test work were incorporated into the overall recovery model for the ore body with a Preg-Robbing Index (PRI) developed to aid the Mill for blending and reagent consumption to maximise recovery in higher PRI ore.
Environmental	• The Chatree Gold Mine operated under an approved Environmental and Health Impact Assessment, which was regularly audited by Thai Government officials. The EHIA covered the storage of tailings from the processing plant and waste rock. • Waste was characterised into potentially acid forming and non-acid forming and placed into dumps in accordance with the EHIA. • The site conditions are that no water is to be discharged from the mining lease.
Infrastructure	• Chatree Gold Mine was supplied with electricity from the Thai national grid and access to Bangkok is by sealed highways. • All land within the mining lease is owned by Akara Resources PCL. Land surrounding the project is generally freehold title, and as such negotiations were conducted with individual land holders to obtain access to land. • Labour was sourced from local communities surrounding the operation. Over 95% of the staff employed on site were Thai Nationals. Akara Resources did not provide any on-site accommodation, with all staff living within the local communities.
Costs	• The operating costs used in the Whittle optimisations, and to determine the cut of grade were based on the current contract mining unit rates. • An exchange rate of 34.1 Baht / USD was assumed for the Whittle optimisations and NPV calculations based on the last two years of historical data. • Transportation charges were based on current budget. • Treatment charges were based on an operating budget. • The royalty paid to the Thai Government for gold production was based on a sliding scale according to the prevailing gold price. (1) two point five per cent of the price of gold per gram for the price not exceeding Baht Four Hundred; (2) five per cent of the price of gold per gram for the part in excess of Baht Four Hundred but not exceeding Baht Six Hundred; (3) ten per cent of the gold per gram for the part in excess of Baht Six Hundred but not exceeding Baht One Thousand;

Criteria	Commentary
	(4) fifteen per cent of the price of gold per gram for the part in excess of Baht One Thousand but not exceeding Baht One Thousand Five Hundred; (5) twenty per cent of the price of gold per gram for the part in excess of Baht One Thousand Five Hundred. • The royalty paid to the Thai Government for silver production was 10%.
Revenue factors	• A gold price of USD1200/troy oz and a silver price of USD19.00/troy oz were used to calculate the remaining reserves.
Market assessment	• Production from the Chatree Gold Mine was sold at spot market prices, with no hedging agreements currently in place. • The current life of mine plan indicated that the mine could produce 90k Oz Au until the end of December 2016, and 1,401k Oz Ag until the end of calendar year, over the current remaining half year mine life. Actual production exceeded these estimates by about 10% in gold and 25% in silver through better than expected average grades and slightly more tonnes.
Economic	• The project was cashflow positive until the end of 2016 however the NPV was not calculated due to unexpected metallurgical licence expiring at the end of December 2016.
Social	• Chatree Gold Mine had very close working relationships with the communities surrounding the project, with a number of funds set up to provide services and support.
Other risks	• There were no significant naturally occurring risks to the project. A major flooding event in Thailand in 2011 did not impact the operation. • In May 2016, the Thai Government made a national mining policy change calling a halt to all gold mining in the country by 31 December 2016. Subsequently, it was announced that the Chatree Gold Mine's Metallurgical Licence would only be renewed until 31 December 2016. Based on this the Chatree Ore Reserve is stated as that material remaining until 31 December 2016. For clarity a second table of economically extractable mineralisation was provided. Material Legal and Marketing Agreements • Output from the Chatree Gold Mine was sold at spot market prices with no hedging agreements currently in place.
Classification	• Resources classified as "Measured" that fell within the designed pit were classified as "Proven" reserves. "Indicated" resources were classified as "Probable" reserves.
Audits or reviews	• There were no formal external audits of the Ore Reserve estimate. The Ore Reserve estimate was peer reviewed internally within Kingsgate.
Accuracy/confidence	• Long term historical reconciliation of the Chatree resource model to mill production showed a high level of confidence in the reported contained metal. • The reconciliation carried out was global in nature as ore from different pits and stockpiles were blended in the mill feed.