



Kingsgate

Consolidated Limited

ABN 42 000 837 472

30 November 2023

Dear Sir/Madam

**Chairman's Address
2023 Annual General Meeting**

Please find attached the Chairman's Address at our 2023 Annual General Meeting held at 2:00 p.m. today.

Yours faithfully,
KINGSGATE CONSOLIDATED LIMITED

Stephanie Wen
General Counsel & Company Secretary

CHAIRMAN'S ADDRESS AGM 2023

For the first time in 7 years I am able to stand in front of you today and report that your Company is once again running an operating gold mine, albeit so far on a quite limited basis. Since our first gold pour on 23rd March we have produced over 27,000 ounces of gold and approximately 300,000 ounces of silver, all from the low grade stockpile built up over the 15 years of previous successful production, and with a head grade of 0.44 g/tonne.

This is quite an extraordinary result with our operating team maintaining a consistent 80-86% recovery rate. Our people, earlier this week, were proud to announce that they had produced the 1,000th dore bar since recommencing production.

Within the next 3 months it is expected that the full plant should be operating and, in a ramp, up stage to a predicted annual operating rate of 100,000 to 120,000 ounces of gold per annum.

Net revenue received so far, after royalties and compulsory fund contributions amounting to 15-16%, has been over \$60 million. However, due to the fact that we are completing the refurbishment of plant #1 and have commenced expanding the formerly constrained A pit in order to access higher grade ore (with a strip ratio of 5:1), neither of which generate any revenue, it is no secret that our finances have been tight and remain so. On top of this, due to Thai bureaucratic and corporate inefficiencies, it is taking some 4-6 weeks from producing a bar of gold and silver to actually receiving the cash for it, yet we are paying the aforesaid royalties and compulsory fund contributions up front well before receiving any payment. This is causing obvious potential cash flow problems.

Whilst we already have, this is an area that we will be taking up with the new team in the DPIM in coming weeks, as it is certainly not conducive to the efficient running of the operation. Unfortunately, we have just been informed of potential further delays over coming weeks. In consideration of this we are well advanced in negotiating with a number of international financiers for the provision of stand-by facilities if we need them in the short term. We are also negotiating with financiers regarding longer term facilities to ensure the Company has ample liquidity in the future.

It would be remiss of me not to comment on the share price performance of your Company over recent months. After the share issue, forced on us by issues beyond our control, the share price dramatically slumped, for no apparent reason. We continued to report regularly, with positive news that clearly showed the Company was on track to fulfill all of its intentions that had clearly been enunciated to the market. Yet still nefarious rumours circulated and were clearly used to advantage by those market participants whose activities add nothing to the efficient running of a stock market. Incredibly the short position in your stock has increased at these lower levels and now that the stock has started to move up it is left to the rest of us to marvel at how astute these people really are.

Before I conclude I would like to congratulate Gina Reinhart on her recent comments and strong support for the mining industry and its importance to the Australian economy. It is a pity more prominent people don't stand up against the destructive elements in our country intent on destroying our economy and standard of living. The likes of Santos and Woodside should be supported for their importance to Australia rather than demonised.

Again, I would like to sincerely thank so many of our loyal shareholders that have stuck by us through thick and thin and have had faith that we would fulfill our promises. This is indeed a remarkable recovery story and with the current strong rise in the price of gold a strong vindication of the difficult decision made some years ago by your Board to push to reopen the mine rather than totally rely on the vagaries of the international legal system.

Thanks must go also to so many of our loyal employees both here and in Thailand who had the faith to keep with us even when times looked quite bleak. Welcome also to all the new employees who have joined us on our journey. We can promise it won't be boring.

I would like to express my special thanks to our new director, preference shareholder and mining contractor, Nucharee Sailasuta for her support, generosity, and complete faith in us that we would pull through. It is rare in business to see such a rapport that has been built over a long period to our mutual benefit and we look forward to a further long association in our journey together. Thanks also to the rest of the Board for their continued support and especially to Jamie, who has experienced a baptism of fire that I don't think even he could have envisaged, and he's still smiling!

As I've told many people in recent days, we are on the home stretch, and it won't be long before we are able to fulfill the promise that the Company has always had and especially to take advantage of the current strong rises in the prices of gold and silver.