



# Kingsgate

Consolidated Limited

ABN 42 000 837 472

26 November 2020

Dear Sir/Madam,

**Chairman's Address  
2020 Annual General Meeting**

Please find attached the Chairman's Address at our 2020 Annual General Meeting held at 2:00 p.m. today which is being communicated via the online platform.

Yours faithfully,  
KINGSGATE CONSOLIDATED LIMITED

Ross Coyle  
**Company Secretary**

## Chairman's Address 2020

After a year that nearly everybody would like to forget we have certainly had our ups and downs. From the aborted arbitration hearing about to be held in Hong Kong just after the last AGM, to the hearing in Singapore in early February, then the onslaught of the covid 19 virus hitting while we were in Singapore, to the cancellation of all world travel for the rest of the year, have all impacted on our activities.

The travel restrictions have certainly affected potential interested parties in the proposed sale of our assets, having been prevented from on-site visits. We have been working assiduously with the Government of Thailand over recent months in attempting to achieve a negotiated settlement of our dispute. We see this as the best solution for both parties and we have presented the government with a check list that needs to be achieved for the successful re-opening of the mine, whether by ourselves or other parties.

We have had a modicum of success so far and whilst we have had encouraging support from the Minister of Industry and the Department of Primary industry and Mines, there are always other parties willing to throw a spanner in the works.

There has been constant harassment from various government agencies with legal actions on trumpeted-up charges. We have notified the government if these do not stop it will seriously prejudice any hope of gaining a negotiated settlement before the tribunal brings down its verdict.

The release of the sludge after almost 4 years was a small step in the right direction, but even this simple procedure took nearly 3 months to fully consummate. Since then there are reports that some of the exploration licences we have waited some 10 years for are about to be granted.

Having said that, whilst we are prevented from giving details about the arbitration hearing under a confidentiality direction, virtually nothing new was presented in Singapore and our legal advisers remain confident of the strength and success of our case if the process proceeds to its eventual conclusion.

As we have previously reported the recent rises in prices of gold and silver have garnered renewed interest in the Nueva Esperanza project in Chile and we are constantly assessing our options. With the completion of all permitting and a deferral of upfront royalty payments, the project now only needs a completed feasibility study to proceed.

It is no secret that I have been a consistent critic of the alarmist climate change cult which seems to have taken root around the world. In recent times I have gone public about the iniquitous tendency of unelected investment managers to try to blackmail companies into acquiescing to their particular view of the world.

As a former investment manager myself I do not agree that unelected investment managers (whether international, local or union dominated super funds) have the right to dictate economic and energy policy of a country, or, indeed, the world. Investors have at their disposal the ultimate weapon if they don't like a company's policy or direction – to sell their shares.

Recently a couple of major companies have announced that they intend to power a couple of new mines by solar. Unless there has been a major new breakthrough in the last couple of weeks or Elon Musk has built a new battery that can make up for the intermittent power generated by a solar plant this is still not possible.

Unfortunately I think these virtue signallers would know this -- if not they should.

As you would recall we had an operating mine in the South Australian desert and still have an attractive project in the Atacama Desert of Chile. Both areas are well endowed with sunshine. We investigated using solar power in both, but nobody could make it work!

The last new mine widely publicised to be run on solar power, after a \$40 million investment of the Energy Finance Corporation, is currently sailing along perfectly with solar contributing some 18% of its energy needs. I seem to have missed this pertinent fact being articulated from the shrill chorus of renewable advocates.

This virtue signalling from weak corporates will not achieve anything, as the green left lobby does not like mining per se. The only thing that might get through is to convince the populace how much their standard of living is dependent on mining.

During the year we lost our former director Peter McAleer. A good friend too many of us he will be sorely missed by many in our industry.

Finally, I wish to thank my fellow directors and the greatly diminished band of loyal employees who have again traversed the difficult terrain we occupy with dignity, perseverance and strength. To you, our loyal shareholders, we thank you for sticking with us and we are sure when we succeed you will be appropriately rewarded. We have said for some considerable time, "You have to be patient. But you shouldn't have to be quite as patient as we've been!"