Kingsgate
Consolidated Limited

ABN 42 000 837 472

19 September 2024

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FOR PUBLIC RELEASE

Manager
Company Announcements Office
Australian Securities Exchange

Annual Financial Report – 30 June 2024

Kingsgate Consolidated Limited ASX:KCN ("Kingsgate" or the "Company") is pleased to release its Annual Financial Report for the year ended 30 June 2024.

A Safe & Transformational Year

2024 was another transformational year for the KCN, with the continued safe ramp up of the Chatree Gold Mine resulting in a material improvement in its operating performance and financial outcomes.

Safety - Outstanding Performance Through Ramp Up

- A very low total recordable injury frequency rate of 1.6, reflecting a focus on training and safety as site activity increased.

Operating Performance – Significant Ramp Up

- Production was 37,015 ounces of gold and 460,356 ounces of silver, a material ramp up in production in comparison to the previous year.
- Plant #2 operated throughout the year, processing 3.26Mt, 21% above nameplate capacity of 2.7Mtpa.
- The Plant #1 overhaul project was completed, with first gold being poured in June 2024.
- The arrival of the first tranche of Caterpillar equipment and the first blast in May 2024 reflected the successful commencement of the Chatree mining ramp up strategy.
- A total of 11 pieces of mining equipment were commissioned before 30 June 2024, with all operational mining equipment now on site.

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Financial Performance – Impairment Reversal Reflecting Long Term Confidence

- The net profit of $199.8 million included a gain of $228.7 million arising from a full impairment reversal of Chatree Gold Mine. The recoverable value has been calculated to be significantly greater than the net value of assets that can be reversed, reflecting the company's confidence in the future performance of the mine.
- Kingsgate is now well-funded having entered into a secured term facility for US$35,000,000 with Nebari Gold Fund 1 ("NGF 1"), LP and Nebari Natural Resources Credit Fund II, LP.

Guidance & Outlook – Continued Ramp Up & Long-Term Confidence

- KCN is pleased to provide guidance for the 2025 financial year and an outlook for the 2026 to 2028 financial years.
- For guidance and outlook information please refer to the ASX:KCN release titled "Production Guidance and Outlook" dated 19 September 2024, or via the Kingsgate website at www.kingsgate.com.au

Kingsgate's Managing Director and CEO, Jamie Gibson said, "It truly has been a transformational year for Chatree. On behalf of management and the Board, I'd like to thank everyone involved in the ramp up, who have delivered the outstanding, safe outcomes that I am pleased to share today. It is also very pleasing to be able to provide guidance for the 2025 financial year, and to have the confidence to provide an outlook out to 2028. It really is an exciting time for both Kingsgate and Chatree."

Jamie Gibson
Managing Director and Chief Executive Officer
KINGSGATE CONSOLIDATED LIMITED

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Annual Financial Report

For the year ended 30 June 2024

Kingsgate Consolidated Limited

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CORPORATE INFORMATION

Directors

Ross Smyth-Kirk OAM	Executive Chairman
Jamie Gibson	Managing Director & Chief Executive Officer
Nucharee Sailasuta	Non-Executive Director
Peter Warren	Non-Executive Director

General Counsel & Company Secretary

Stephanie Wen

Stock Exchange Listing

Kingsgate Consolidated Limited is a company limited by shares, listed on the Australian Securities Exchange (ASX) under the code KCN. The Company's shares also trade in the United States of America over-the-counter (OTC) as an American Depository Receipt (ADR) under the code OTC: KSKGY.

Registered Office and Principal Business Address

Kingsgate Consolidated Limited
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Thailand Mine

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DIRECTORS' REPORT

Your Directors' present their report on the Group consisting of Kingsgate Consolidated Limited and the entities it controlled at the end of, or during the year ended 30 June 2024.

DIRECTORS

The following persons were Directors of Kingsgate Consolidated Limited during the year ended 30 June 2024 and up to the date of this report.

Ross Smyth-Kirk OAM	Jamie Gibson	Nucharee Sailasuta	Peter Warren
Executive Chairman	Managing Director & Chief Executive Officer	Non-Executive Director	Non-Executive Director

PRINCIPAL ACTIVITIES

Kingsgate is a gold and silver mining, development and exploration company based in Sydney, Australia. Kingsgate owns and operates the Chatree Gold Mine (Chatree) in Thailand. In addition, the Company has an advanced development project, Nueva Esperanza, in the highly prospective Maricunga Gold/Silver Belt in Chile.

DIVIDENDS

- No final dividend was declared for the year ended 30 June 2023 (30 June 2022: nil).
- No interim dividend was declared for the year ended 30 June 2024 (30 June 2023: nil).

REVIEW OF OPERATIONS AND RESULTS

Operational performance

Chatree

The 2024 financial year was another transformative year for the Chatree Gold Mine. Following its reopening in March 2023, and approval by the Department of Primary Industries and Mines in Thailand, the refurbishment of Plant #2 was completed in March 2023 and Plant #1 overhaul project was completed in May 2024. Using Chatree's substantial ore stockpiles, processing commenced in March 2023, with mining operations restarting in May 2024.

Combined plants:

The Chatree operations include two separate processing plants, creating increased operational resilience. Production for the year ended 30 June 2024 was 37,015 ounces of gold and 460,356 ounces of silver, reflecting a material ramp up from production in the year ended 30 June 2023. The grade of the processed ore was 0.41 grams per tonne for gold and 7.87 grams per tonne for silver. Recoveries averaged 81.0% for gold and 54.4% for silver.

A total of 3.49 million dry tonnes were crushed for the year. Average crusher feed rate was 508 tonnes per hour with an availability of 94.0%. Total mill throughput from both plants for the year was 3.46 million tonnes. Average mill throughput rate was 427 tonnes per hour with an availability of 93.7%.

Plant #1

Whilst Plant #2 operated throughout the full financial year, the Plant #1 overhaul project was undertaken by Thai based and international engineering firms during the year ended 30 June 2024. Plant #1's original design throughput was 2.3 million tonnes of ore per annum (Mtpa) with Plant #1 in commissioning phase at 30 June 2024, following the first gold being poured 6 June 2024.

Commissioning for Plant #1 crushing circuit started on 10 May 2024. A total of 227,985 dry tonnes were crushed before 30 June 2024. Average crusher feed rate was 307 tonnes per hour with an availability of 97.1%. Commissioning for Plant #1 grinding circuit started on 18 May 2024. A total of 196,641 dry tonnes were milled before 30 June 2024. Average milling feed rate was 211 t/h with an availability of 89.5%.

Plant #2

Plant #2 continues to perform above expectation. The original design throughput was 2.7 Mtpa and it was operating at 3.26 Mtpa or 21% above design throughput for the year ended 30 June 2024.

A total of 3.26 million dry tonnes were crushed for the year. Average crusher feed rate was 472 tonnes per hour with an availability of 94.6%. In addition, a total of 3.26 million dry tonnes were milled for the year. Average milling feed rate was 401 tonnes per hour with an availability of 95.2%.

Mining

The first blast in the A West pit commenced in May 2024 with the first tranche of new Caterpillar equipment commissioned reflecting the successful commencement of the Chatree mining ramp up strategy. A total of 11 pieces of mining equipment was commissioned before 30 June 2024, with an additional 30 pieces of mining equipment scheduled to be delivered during the year ended 30 June 2025 to allow a full ramp up of mining operations.

Before 30 June 2024, a total of approximately 140,000 tonnes of ore was mined from A West pit. Rehandle of stockpiles continued throughout the year with approximately 3.1 million tonnes of ore taken from the marginal grade stockpiles to the primary crusher.

Construction of the sixth lift of TSF #2 (Tailings Storage Facility) commenced during the year ended 30 June 2024 and will provide an additional 3.6 million tonnes of storage capacity. Throughout the year, waste rock from A Pit was sent directly to TSF #2 for the construction of the downstream embankment. An additional 114,000 tonnes of laterite and clay material was excavated and used for the construction of TSF #2.

The TSF #1 rehabilitation plan continued with 368,160 tonnes of Non-Acid-Forming (NAF) placed by local contractor for the year ended 30 June 2024.

At year end, 3.7 million tonnes of ore remained in the stockpiles with an average contained gold grade of 0.44 grams per tonne representing 42,556 ounces of gold.

Two Lost Time Injuries were recorded during the year.

Chatree and the Thailand-Australia Free Trade Agreement (TAFTA)

Kingsgate, by joint agreement with the Kingdom of Thailand, deferred the arbitral award under the Thailand-Australia Free Trade Agreement (TAFTA) until 30 September 2024.

Nueva Esperanza

Nueva Esperanza is a feasibility-stage development project with a resource base (inclusive of ore reserves) of approximately 0.49 million ounces gold and 83.4 million ounces of silver (See ASX: KCN release titled “Kingsgate Mineral Resources and Ore Reserves 2016” dated 7 October 2016).

Throughout the year ended 30 June 2024, Kingsgate continued to work with a number of parties interested in acquiring the Nueva Esperanza Project. No exploration work was carried out during the period and management costs were kept to a minimum.

FINANCING

At the end of June 2024, Group cash totalled $3.89 million, which does not include the following:

- bullion receivable of $7.0 million as at 30 June 2024 received in July 2024;
- unrefined gold/silver of $7.6 million as at 30 June 2024: 1,835 ounces gold and 23,368 ounces silver were held as doré at the end of June. The doré is valued at $7.6 million based on a gold price of $3,561 per ounce and a silver price of $45 per ounce. $7.6 million cash was received before the date of this report.

Secured loan note

On 19 December 2023, Kingsgate entered a Loan Note Subscription Agreement with Nebari Gold Fund 1, LP to provide funding for the Processing Plant #1 overhaul project at Chatree Gold Mine and general working capital within the Kingsgate Group for the amount of US$11,500,000 ("Facility"). The Facility was provided subject to security over interests and shares held in Kingsgate's subsidiaries. In July 2024, this Facility was fully repaid out of the US$35,000,000 term facility drawdown.

Refer to the ASX: KCN release title "Debt Facility" dated 19 December 2023 for the terms and conditions of the Facility.

US$35,000,000 term facility

On 15 July 2024, Kingsgate entered into a senior secured term facility with a limit of US$35,000,000 ($52,475,000) consisting of a Tranche 1 for US$22,000,000 and Tranche 2 for US$13,000,000 with Nebari Gold Fund 1 ("NGF 1"), LP and Nebari Natural Resources Credit Fund II, LP ("NNRCF II" and, together, "Nebari") (the "Facility"). On 17 July 2024, an amount of US$35,000,000 was fully drawn and the existing loan balance as at 30 June 2024 was fully repaid from the proceeds. The Facility was provided subject to security over interests and shares held in Kingsgate's subsidiaries.

Refer to the ASX: KCN release title "Kingsgate Financing Update" dated 16 July 2024 for the terms and conditions of the Facility.

Advances from preference shareholder

On 25 November 2022, Akara Resources Public Company Limited (Akara) received an unsecured 200 million Thai baht advance from the preference shareholder. On 22 February 2023, Akara received an additional cash advance of 100 million Thai baht from the preference shareholder. Both advances are repayable in 12 months from drawdown with a 12% interest rate.

On 19 July 2024, an amount of THB150,000,000 ($6,125,000) was repaid and the remaining balance of THB150,000,000 ($6,125,000) is required to be repaid within 90 days of drawdown according to the terms of the US$35,000,000 Facility.

FINANCIAL RESULTS

	2024	2023	2022	2021	2020
Net profit/(loss) after tax ($'000)	**199,761**	4,738	(12,420)	(8,877)	(24,244)
EBITDA ($'000)	**213,789**	11,072	(10,406)	(7,415)	(22,782)
Dividends paid (cents/share)	**-**	-	-	-	-
Share price 30 June ($/share)	**1.62**	1.51	1.33	0.84	0.40
Basic earnings/(loss) per share (Cents)	**77.5**	2.06	(5.61)	(4.00)	(10.84)
Diluted earnings/(loss) per share (Cents)	**76.8**	2.04	(5.61)	(4.00)	(10.84)

Kingsgate has recorded a net profit after income tax of $199.8 million for the year ended 30 June 2024. This result includes a gain of $228.7 million arising from impairment reversal of Chatree Gold Mine, $1.0 million arising from a reversal of the inventory stockpiles write-down to the net realisable and gold sales of 36,546 ounces at an average gold price received of US$2,084 per ounce, offset by Plant #1 refurbishment expense of $10.4 million charged to profit and loss.

Direct costs of mining and processing was $126.4 million, a result of the production at Chatree of 37,015 ounces of gold and 460,356 ounces of silver.

PRODUCTION SUMMARY

	Units	FY2024	FY2023
Production summary			
Ore treated	tonnes	**3,455,727**	723,006
Head grade - gold	Au g/t	**0.41**	0.55
Head grade - silver	Ag g/t	**7.87**	9.71
Gold recovery	%	**81.0**	83.2
Silver recovery	%	**54.4**	56.8
Gold poured	ounces	**37,015**	9,705
Silver poured	ounces	**460,356**	112,097
Revenue summary			
Gold sold	ounces	**36,546**	8,437
Silver sold	ounces	**451,706**	97,693
Average gold price received	US$/oz	**2,084**	1,964
Average silver price received	US$/oz	**25**	23

IMPAIRMENT REVERSAL OF CHATREE GOLD MINE (see Note 3i for details)

In accordance with AASB136 – *Impairment of Assets,* an impairment reversal of $228,699,000 has been recorded against the carrying value of the Chatree Gold Mine for the year ended 30 June 2024.

In 2015, the Group recorded a partial impairment write-down of the Chatree Gold Mine assets because of a low gold price. In 2016, following a decision made by the Thai Government, the Chatree Gold Mine ceased operations and the remaining assets were fully impaired.

In the prior period, the recommencement of operations through the processing of the inventory stockpiles using Chatree Plant #2 was considered to be an indicator for reversal of the inventory write-down and impairment as it related to the inventory stockpiles and Chatree Plant #2. The mine and Chatree Plant #1 did not have a reversal indicator as the mining operations and Chatree Plant #1 operations had not yet resumed. A reversal of the inventory stockpiles write-down to the net realisable value amounting to $59,822,000 was recognised in the prior period. No reversal of impairment in respect of Chatree Plant #2 was recorded.

In the current financial year, a number of factors represented further indicators of impairment reversal. This included the completion of Plant #1 overhaul project followed by its commissioning, restarting of the mining operations, and an increase of gold and silver prices compared to the gold price that was considered in 2015. Consequently, the recoverable amount for Chatree Gold Mine assets was determined.

The recoverable amount of the Chatree Gold Mine CGU was determined using a fair value less costs of disposal basis. The costs of disposal have been estimated by management based on prevailing market conditions.

The recoverable amount has been estimated based on discounted cash flows using market-based commodity price and exchange rate assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, based on latest life of mine plan for a period of approximately 10 years.

Based on the financial model developed by the Group, the recoverable value is significantly greater than the net carrying value of the assets that can be reversed for impairment and as result, an impairment reversal amounting to $228,699,000 has been recorded in the statement of profit or loss (see table below for a list of each non-current asset reversed). Following this reversal of impairment, the full amount of the CGU that was previously impaired has been reversed.

	$'000
Property, plant and equipment (Note 11)	83,715
Exploration, evaluation and development (Note 13)	144,984
Impairment reversal – Chatree Gold Mine	**228,699**

Any reasonable change in the key assumptions used to determine the recoverable amount would not result in the estimated recoverable amount to be less than the amount reversed.

In addition to the above, a reversal of the inventory stockpiles write-down to the net realisable value amounting to $983,000 was also recognised during the year ended 30 June 2024.

The net realisable value of the inventory has been determined based on the accounting policy for inventory described in Note 2i. The determination of net realisable value involves significant judgements and estimates in relation to the selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

MATERIAL BUSINESS RISKS

As a mining company, we operate in a dynamic and complex environment where various factors and risks can impact our operations, financial performance, and sustainability. It is crucial for our stakeholders to be aware of the material business risks we face. While we strive to manage these risks effectively, there can be no assurance that they will not have a significant impact on our business in the future. The following are the material business risks that could affect our Group:

Capital and financing risk

Access to capital for exploration, development, and expansion projects is essential for our growth. Financial market conditions, interest rates, and credit availability can influence our ability to raise funds. The Group's ability to successfully develop projects is contingent on the ability to fund those projects from operating cash flows or through affordable debt and equity raisings.

Political, economic, social and security risks

The Group's activities are subject to the political, economic, social and other risks and uncertainties in the jurisdictions in which those activities are undertaken, including changes in government policies, local community relations, and potential disruptions due to protests or conflicts in the regions where we operate.

As evidenced by the decision by the Thai Government that the Chatree Gold Mine must cease operation by 31 December 2016, there can be no certainty as to what changes, if any, will be made to relevant laws in the jurisdictions where the Group has current interests, or other jurisdictions where the Group may have interest in the future, or the impact that relevant changes may have on the Group's ability to own and operate its mining and related interests and to otherwise conduct its business in those jurisdictions.

Market risks - commodity price volatility, exchange rates, credit risk and liquidity risk

Commodity prices fluctuate according to changes in demand and supply. The Group is exposed to changes in commodity prices, which could affect the profitability of the Group's projects. Significant adverse movements in commodity prices could also affect the ability to raise debt and equity to fund exploration and development of projects. The Group is also exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar and Thai baht. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including, outstanding receivables and committed transactions. The Group has no significant concentrations of credit risk. The Group's liquidity requirements are based upon cash flow forecasts. Liquidity management, including debt/equity management, is carried out under policies approved by the Board and forecast material liquidity changes are discussed at Board meetings. Further detail on the group's market risk exposures is detailed in Note 27 to the Financial Statements.

Mineral resources and ore reserves

Ore reserves and mineral resources are estimates. These estimates are substantially based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or geological conditions may be different from those predicted and as a consequence there is a risk that any part, or all of the mineral resources, will not be converted into reserves.

The fluctuations of the market price for gold and silver as well as increased production and capital costs, may render ore reserves unprofitable to develop at a particular site for periods of time.

Mining risks and insurance risks

These risks and hazards could result in significant costs or delays that could have a material adverse impact on the Group's financial performance and position.

The Group maintains insurance to cover some of these risks and hazards at levels that are believed to be appropriate for the circumstances surrounding each identified risk. However, there remains the possibility that the level of insurance may not provide sufficient coverage for losses related to specific loss events.

Regulatory risk
The Group's activities are subject to obtaining and maintaining the necessary titles, authorisations, permits and licences, and associated land access arrangements with the local community, which authorise those activities under the relevant law ("Authorisations"). There can be no guarantee that the Group will be able to successfully obtain and maintain relevant Authorisations to support its activities, or that renewal of existing Authorisations will be granted in a timely manner or on terms acceptable to the Group.

Authorisations held by or granted to the Group may also be subject to challenge by third parties which, if successful, could impact on the Group's exploration, development and/or mining activities.

Reliance on contractors
Some aspects of the Group's activities are conducted by contractors. As a result, the Group's business performance is impacted upon by the availability and performance of contractors and the associated risks.

Legal and litigation risk
We may face legal disputes related to contractual agreements, environmental claims, or other matters that can result in financial losses and damage to our reputation.

Community relations and reputational risk
The Group has established community relations functions that have developed a community engagement framework, including a set of principles, policies, and procedures designed to provide a structured and consistent approach to community activities.

A failure to appropriately manage local community stakeholder expectations may lead to damage to the Group's reputation and disruptions in the Group's activities.

Health and safety of workers
Ensuring the health and safety of our employees is paramount. Health crises, such as pandemics, can disrupt operations and pose risks to our workforce.

Mining operations inherently involve risks related to equipment failures, accidents, and geological challenges. Ensuring the safety of our workforce and mitigating operational disruptions is a top priority.

Environmental, health and safety regulations
Stringent and extensive environmental regulations govern our industry. Failure to comply with these regulations can lead to fines, legal liabilities, and reputational damage. Adapting to evolving environmental standards is crucial. Delays in obtaining, or failure to obtain government permits and approvals may adversely affect the Group.

Climate change and sustainability
Climate change considerations, including carbon emissions and environmental sustainability, are increasingly important for our industry. Failure to address these issues can result in reputational harm and regulatory challenges.

Risk management
It is essential to note that these risks are interconnected, and their impact may vary based on market conditions, industry trends, and other factors. We are committed to proactive risk management, continuous improvement, and transparency in our reporting to mitigate these material business risks and ensure the long-term success of our mining operations.

Please note that this list of material business risks is not exhaustive, and there may be other risks specific to our industry or individual circumstances that could affect our business. Our Board and management team regularly review and update our risk assessment to adapt to changing conditions and implement strategies for risk mitigation.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no other significant changes in the state of affairs of the Group that occurred during the financial year not otherwise disclosed in this report or the consolidated financial statements.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

US$35,000,000 term facility

On 15 July 2024, Kingsgate entered into a senior secured term facility with a limit of US$35,000,000 ($52,475,000) consisting of a Tranche 1 for US$22,000,000 and Tranche 2 for US$13,000,000 with Nebari Gold Fund 1 ("NGF 1"), LP and Nebari Natural Resources Credit Fund II, LP ("NNRCF II" and, together, "Nebari") (the "Facility"). On 17 July 2024, an amount of US$35,000,000 was fully drawn. The Facility was provided subject to security over interests and shares held in Kingsgate's subsidiaries.

Interest is equal to the three month Secured Overnight Financing Rate ("SOFR") plus a margin of 7.75% p.a. applied to aggregate amounts outstanding. If the Term SOFR is less than 4.75% per annum, interest will be deemed to be 4.75%.

Straight-line amortisation is applicable to Tranche 1 principal amount of US$22,000,000 commencing in March 2025 equal to 3.0% of the Tranche 1 principal amount.

The maturity date for Tranche 1 is 36 months from drawdown and for Tranche 2 is 30 months from drawdown.

The Tranche 2 principal amount is US$13,000,000 and an initial 6,986,589 unlisted warrant with an exercise price of $2.07 was issued to Nebari on 17 July 2024. In addition, Kingsgate may be required to issue up to a further 2,328,863 warrants to Nebari. The expiry date for each warrant is 30 months from closing date i.e. 18 January 2027. Each warrant will entitle the holder to subscribe for one ordinary share of the Company at the exercise price of $2.07 per share.

Following the drawdown of this Facility, the existing loan balance with Nebari as at 30 June 2024 was fully repaid.

Repayment of advances from preference shareholder

On 19 July 2024, an amount of THB150,000,000 ($6,125,000) was repaid and the remaining balance of THB150,000,000 ($6,125,000) is required to be repaid within 90 days of drawdown according to the terms of the facility.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- the Group's operations in future financial periods;
- the results of those operations in future financial periods; or
- the Group's state of affairs in future financial periods.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Kingsgate is focused on ramping up operations at the Chatree Gold Mine, in Thailand, and resuming a steady state production of between 95,000 and 120,000 ounces of gold per annum, as well as completing an aggressive near mine and regional exploration program.

The Company also plans to monetise or joint venture its advanced gold-silver development project, Nueva Esperanza, in Chile. Kingsgate will also continue to assess, other viable gold project opportunities which may offer value enhancing opportunities for shareholders.

Material business risks that may impact the results of future operations include tenure risks, environmental risks, ore reserve and mineral resource estimates, production estimates and metallurgical recovery, sovereign risks, debt funding risks, future commodity prices, exchange rate risks, development risks, reliance on key personnel, operating risks, capital costs, operating costs, occupational health and safety, political and regulatory risks.

ENVIRONMENTAL LAWS

The Group is subject to various environmental laws in respect to its activities in Thailand and Chile. For the year ended 30 June 2024, the Group has operated within all applicable environmental laws and regulations.

Directors' meetings

Directors	Board Meetings		Meetings of Committees					
			Audit		Nomination		Remuneration	
	A	B	A	B	A	B	A	B
Ross Smyth-Kirk OAM	5	6	2	2	1	1	1	1
Jamie Gibson	6	6	2	2	1	1	1	1
Nucharee Sailasuta	6	6						
Peter Warren	6	6	2	2	1	1	1	1

A Number of meetings attended
B Number of meetings held during the time the Director held office or was a member of the committee during the year

Information on Directors/Company Secretary

Ross Smyth-Kirk OAM **B Com, CPA, F Fin** **Executive Chairman**	Mr Smyth-Kirk was a founding director of the former leading investment management company, Clayton Robard Management Limited and has had extensive experience in investment management across the minerals and mining sectors. Mr Smyth-Kirk has been a director of a number of companies over the past 44 years in both Australia and the United Kingdom and was previously Chairman of the Australian Jockey Club Limited. He is Chairman of Kingsgate's subsidiary, Akara Resources Public Company Limited. Mr Smyth-Kirk is a CPA, a Fellow of the Financial Services Institute of Australasia (FINSIA) and holds a Bachelor of Commerce degree from the University of New South Wales. Responsibilities: Chairman of the Board, member of the Audit Committee, Chairman of the Nomination and Remuneration Committees.
Jamie Gibson **MBA, GAICD, GradCertGlobalBusPrac, DipMgt** **Managing Director & Chief Executive Officer**	Mr Gibson is the Managing Director and Chief Executive Officer of Kingsgate Consolidated Limited. Since joining the company in 2013, he has been instrumental in shaping corporate strategy, managing investor relations, and successfully restarting the Chatree Gold Mine. An accomplished corporate professional, Mr Gibson has previously worked in government as a Chief Advisor in the mining portfolios (metals and coal) with extensive trade and investment expertise within the Asia-Pacific region. He is a Director of Akara Resources Public Company and has made significant contributions as a Board Member and Vice President of the Australia Thailand Business Council. Mr Gibson holds a Master of Business Administration and a Graduate Certificate in Global Business Practice from Macquarie University, as well as a Diploma of Management from the Sydney Institute of Technology. He is also a graduate of the Australian Institute of Company Directors. Responsibilities: Member of the Audit, Nomination and Remuneration Committees.

Nucharee Sailasuta **Non-Executive Director**	Mrs Sailasuta is the Chairman and co-founder of LotusHall Mining Heavy Engineering Construction Company Limited, Chairman of Lotus Green Energy Company Limited, and the owner of Pangluang Garden Resort & Restaurant in Thailand. LotusHall Mining has been the mining contractor at the Chatree Gold Mine since exploration in 1999 and operations commenced in 2001. Over her 40 year career, Mrs Sailsauta has worked across gold, copper, quarry, coal, kaolin and limestone mining operations, both in Thailand and within the neighbouring region, including the Sepon Gold/Copper Mine and Phubia Mining in Laos. Mrs Sailasuta owns the FGD No.2 Project in partnership with EGAT (Electricity Generating Authority of Thailand) is the President of the Businesswoman's Association of Lampang and works as a conciliator of Alternative Dispute Resolution for Lampang Court, Thailand.
Peter Warren **B Com, CPA** **Non-Executive Director**	Mr Warren is a highly experienced mining professional and was Kingsgate's Chief Financial Officer and Company Secretary for six years until his retirement in 2011. He was previously Chief Financial Officer and Company Secretary for Equatorial Mining Limited and of the Australian subsidiaries of the Swiss-based Alusuisse Group. Mr Warren has also held various financial and accounting positions for Peabody Resources and Hamersley Iron and is a former Director of Kingsgate's subsidiary, Akara Resources Public Company Limited. Mr Warren is a CPA and holds a Bachelor of Commerce degree. Responsibilities: Chairman of the Audit Committee and member of the Nomination and Remuneration Committees.
Stephanie Wen **GAICD, LLB, B Com, MIA** **General Counsel & Company Secretary**	Ms Wen is a seasoned legal professional with broad experience across corporate transactions, general commercial legal advisory, regulatory implementation and governance. She has practised corporate law at both top-tier and mid-tier law firms in Asia and Australia and held senior in-house legal counsel role in global financial institutions. Ms Wen previously served as a non-executive director for an ASX-listed healthcare company. Ms Wen holds a dual degree in Law and Commerce (LLB, B.Com in Accounting) from the University of New South Wales, and a Master of International Affairs (International Business and Finance) from Columbia University in New York. Additionally, she is a graduate of the Australian Institute of Company Directors and a Fellow of the Governance Institute of Australia.

REMUNERATION REPORT

Introduction

This Remuneration Report forms part of the Directors' Report. It outlines the Remuneration Policy and framework applied by the Company as well as details of the remuneration paid to Key Management Personnel ("KMP"). KMP are defined as those persons having the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including Directors and executive management.

The information provided in this report has been prepared in accordance with s300A and audited as required by section 308 (3c) of the *Corporations Act 2001.*

The objective of the Company's remuneration philosophy is to ensure that Directors and Executives are remunerated fairly and responsibly at a level that is competitive, reasonable and appropriate, in order to attract and retain suitably skilled and experienced people.

Remuneration Policy

This Remuneration Policy has been designed to align the interests of shareholders, Directors, employees and other Company stakeholders. This is achieved by setting a framework to:

- help ensure an applicable balance of fixed and at-risk remuneration, with the at-risk component linking incentive and performance measures to both Group and individual performance;
- provide an appropriate reward for Directors and executive management to manage and lead the business successfully and to drive strong, long-term growth in line with the Company's strategy and business objectives;
- encourage Directors and executive management to strive for superior performance;
- encourage Directors and executive management to perform their roles with honesty and integrity and with skill, care and diligence;
- facilitate transparency and fairness in Directors and Executive remuneration policy and practices;
- be competitive and cost effective in the current employment market; and
- contribute to appropriate attraction and retention strategies for Directors and Executives;
- avoid adverse community and investor perception and have regard to the Company's commercial interest in controlling expenses by avoiding excessive pay.

In consultation with external remuneration consultants, the Group has structured a Directors and executive management remuneration framework that is market competitive and aligned with the business strategy of the organisation.

The framework is intended to provide a mix of fixed and variable remuneration, with a blend of short and long-term incentives as appropriate.

Remuneration Committee

The Remuneration Committee is a committee of the Board and has responsibility for setting policy for determining the nature and number of emoluments of Board members and Executives. The Committee makes recommendations to the Board concerning:

- Non-Executive Director fees;
- remuneration level of Executive Directors and other KMP;
- the executive remuneration framework and operation of the incentive plan;
- key performance indicators and performance hurdles for the executive team; and
- the engagement of specialist external consultants to design or validate methodology used by the Company to remunerate Directors and employees.

In forming its recommendations, the Committee takes into consideration the Group's stage of development, remuneration in the industry and performance.

The Remuneration Committee Charter is in the Company's Corporate Governance materials and may be viewed on its website.

Remuneration Consultants
The Group engages the services of independent and specialist remuneration consultants from time to time. Under the *Corporations Act 2001*, remuneration consultants must be engaged by the Non-Executive Directors and reporting of any remuneration recommendations must be made directly to the Remuneration Committee.

Executive Director Remuneration
The Executive pay and reward framework is comprised of three components:

- fixed remuneration including superannuation;
- short-term performance incentives; and
- long-term incentives.

Fixed Remuneration
Total fixed remuneration ("TFR") is structured as a total employment cost package, including base pay and superannuation. Base pay may be delivered as a mix of cash, statutory and salary sacrificed superannuation, and prescribed non-financial benefits at the Executive's discretion.

Executives are offered a competitive base pay based on benchmarking of equivalent roles. Base pay for executives is reviewed annually to ensure their pay is competitive with the market. An Executive's pay is also reviewed on promotion.

The following summarises the performance of the Group over the last five years:

	2024	**2023**	**2022**	**2021**	**2020**
Revenue ($'000)	**133,091**	27,337	-	12,339	-
Net profit/(loss) after tax ($'000)	**199,761**	4,738	(12,420)	(8,877)	(24,244)
EBITDA ($'000)	**213,789**	11,072	(10,406)	(7,415)	(22,782)
Share price at year end ($/share)	**1.62**	1.51	1.33	0.84	0.40
Dividends paid (cent/share)	**-**	-	-	-	-
KMP short-term employee benefits ($'000s)	***1,601**	1,333	555	559	328

* see page 18 for table outlining the short-term employee benefits.

Short-Term Incentives
Linking current financial year earnings of executives to their performance and the performance of the Group is the key objective of our Short-Term Incentive ("STI") Plan. The Remuneration Committee sets key performance measures and indicators for the individual executives on an annual basis that reinforce the Group's business plan and targets for the year.

The Board has discretion to issue cash bonuses to employees for individual performance outside the STI Plan.

The structure of the STI Plan remains unchanged since 30 June 2016 and its key features are outlined in the table below. The STI Plan does not currently apply to any current executives. Following the restart of the operations at Chatree, the Group will review its remuneration structure with appropriately qualified consultants to align it with market norms and investor expectation.

What is the STI Plan and who participates?	The STI Plan is a potential annual reward for eligible Executive Key Management Personnel for achievement of predetermined individual Key Performance indicators ("KPI's") aligned to the achievement of business objectives for the assessment period (financial year commencing 1 July).
How much can the executives earn under the STI Plan?	**Threshold** – represents the minimum acceptable level of performance that needs to be achieved before any Individual Award would be payable in relation to that Performance Measure. Managing Director/CEO – up to 15% of TFR. COO and CFO – up to 12.5% of TFR. Other KMP – up to 10% of TFR. **Target** – represents a challenging but achievable level of performance relative to past and otherwise expected achievements. It will normally be the budget level for financial and other quantitative performance objectives. Managing Director/CEO – up to 30% of TFR. COO and CFO – up to 25% of TFR. Other KMP – up to 20% of TFR. **Stretch (Maximum)** – represents a clearly outstanding level of performance which is evident to all as a very high level of achievement. Managing Director/CEO – up to 60% of TFR. COO and CFO – up to 50% of TFR. Other KMP – up to 40% of TFR. (TFR – Total Fixed Remuneration)
Is there Board discretion in the payment of an STI benefit?	Yes, the plan provides for Board discretion in the approval of STI outcomes.
What are the performance conditions?	For KMP between 70-80% of potential STI weighting (dependent upon role) is assessed against specific predetermined KPI's by role with 20-30% being based on company performance indicators.
How are performance targets set and assessed?	Individual performance targets are set by the identification of key achievements required by role in order to meet business objectives determined for the upcoming assessment period in advance. The criteria for KMP are recommended by the Managing Director/CEO for sign off by the Remuneration Committee and in the case of the Managing Director/CEO, are recommended by the Chairman by sign off by the Remuneration Committee. The relative achievement at the end of the financial period is determined by the above authorities with final sign off by the Remuneration Committee after confirmation of financial results and individual/company performance against established criteria. The Remuneration Committee is responsible for assessing whether the KPIs are met. To assist in this assessment, the Committee receives detailed reports on performance from management which are verified by independent remuneration consultants if required. The Committee has the discretion to adjust STIs in light of unexpected or unintended circumstances.

How is STI delivered?	STIs are paid in cash after the conclusion of the assessment period and confirmation of financial results/individual performance and subject to tax in accordance with prevailing Australian taxation laws. The STIs are then in effect paid and expensed in the financial year subsequent to the measurement year.
What happens in the event of cessation of employment?	Executives are required to be employed for the full 12 months of the assessment period before they are eligible to be considered to receive benefits from the STI Plan.

Long-Term Incentives
The objectives of the Long-Term Incentive ("LTI") Plan are to retain key executives and to align an at-risk component of certain executives' remuneration with shareholder returns.

It is the Company's policy to establish remuneration structures which can clawback or otherwise limit performance-based outcomes after award payment or vesting in circumstances where expected outcomes are not achieved or outcomes are deleterious to the Company.

Under the terms of the Kingsgate Employee Share Plan (ESOP) long-term incentives can be provided to certain employees through the issue of options to acquire Kingsgate shares. Options are issued to employees to provide incentives for employees to deliver long-term shareholder returns.

No executive was the recipient of options during the 2024 financial year.

Key features of the ESOP LTI Plan are outlined in the following table. The LTI Plan does not currently apply to any current executives. Following the restart of the operations at Chatree, the Group will review its remuneration structure with appropriately qualified consultants to align it with market norms and investor expectation.

What is the LTI Plan and who participates?	Kingsgate executives and other eligible employees can be granted options to acquire Kingsgate Consolidated Limited fully paid shares. In granting the options the Board takes into account such matters as the position of the eligible person, the role they play in the Company, their current level of fixed remuneration, the nature of the terms of employment and the contribution they make to the Group.
What are the performance and vesting conditions?	The period over which the options vest is at the discretion of the Board though in general it is 1-3 years. The executive and eligible employee must still be employed by the Company at vesting date.
Is there a cost to participate?	The options may at the discretion of the Board be issued for nil consideration and are granted in accordance with performance guidelines established by the Remuneration Committee and approved by the Board.
What happens in the event of bonus shares, rights issues, or other capital reconstructions?	If between the grant date and the date of conversion of options into shares there are bonus shares, rights issues or other capital reconstructions that affect the value of Kingsgate Consolidated shares, the Board may, subject to the ASX Listing Rules make adjustments to the number of rights and/or the vesting entitlements to ensure that holders of rights are neither advantaged or disadvantaged by those changes.

Directors and Key Management Personnel
The named Directors held their current position for the whole of the year and up to the date of this report.

Ross Smyth-Kirk OAM	Jamie Gibson	Nucharee Sailasuta	Peter Warren
Executive Chairman	Managing Director & Chief Executive Officer	Non-Executive Director	Non-Executive Director

Changes since the end of the Reporting Period
There were no changes to Directors and Key Management Personnel since the end of the reporting period.

Contract Terms of the Executive Directors and Key Management Personnel
Remuneration and other key terms of employment for the Senior Executives are summarised in the following table:

Name	Term of agreement	Fixed annual remuneration including superannuation		Notice period by executive	Notice period by the Company[2]
		FY 2024	FY 2023		
Ross Smyth-Kirk	Open	**$427,399[1]**	$319,292[1]	90 days	90 days
Jamie Gibson[3]	Note 3	**Note 3**	Note 3	90 days[3]	90 days[3]

1 Amount shown are annual salaries as at year end. This amount does not include the director fees received from subsidiary.

2 Notice period by the Company in respect of benefits payable in the event of an early termination.

3 Jamie Gibson became an Executive Director on 3 February 2023 and was remunerated pursuant to the terms and conditions of a Consultancy Agreement entered into between Mr Gibson and the Company. Pursuant to the Agreement and subsequent amendment, Mr Gibson is entitled to a payment of up to $2,500 per day (inclusive of all entitlements) or as otherwise approved by Kingsgate, in respect of work performed for the Company. The Agreement may be terminated by either party by giving of 90 days notice, or earlier in the event of default not remedied within 14 days.

Fixed annual remuneration, inclusive of the required superannuation contribution amount is reviewed annually by the Board following the end of the financial year.

Non-Executive Directors' Fees

Non-Executive Directors are paid fixed fees for their services to the Company plus statutory superannuation contributions the Company is required by law to make on their behalf. Those fees are inclusive of any salary-sacrificed contribution to superannuation that a Non-Executive Director wishes to make.

The level of Non-Executive Directors' fees is set so as to attract the best candidates for the Board while maintaining a level commensurate with boards of similar size and type. The Board may also seek the advice of independent remuneration consultants, including survey data, to ensure Non-Executive Directors' fees and payments are consistent with the current market.

The Company does not give performance-based remuneration or retirement benefits to Non-Executive Directors.

The maximum total remuneration for Non-Executive Directors is determined by resolution of shareholders and is currently set at $1,000,000 in aggregate.

Non-Executive Directors' base fees, inclusive of committee membership but not including statutory superannuation, are outlined as follows:

	Financial year ended 30 June 2024[1] $	Financial year ended 30 June 2023[1] $
Non-Executive Directors' remuneration excluding superannuation	**180,000**	270,000

1 On an annualised basis for all Non-Executive Directors. This amount does not include director fees received from subsidiary.

The aggregate remuneration of Non-Executive Directors is set by shareholders in general meeting in accordance with the Constitution of the Company, with individual Non-Executive Directors' remuneration determined by the Board within the aggregate total.

Non-Executive Directors do not receive any additional fees for serving on committees of the Company.

There are no retirement allowances for Non-Executive Directors.

Additional Statutory Disclosures

Details of remuneration

Details of the nature and amount of each major element of the remuneration of the Directors and the Group Key Management Personnel are set out in the following tables:

Year ended 30 June 2024	Short-term benefits			Long-term benefits	Post-employment benefits	
Name	**Cash salary and fees $**	**Non-monetary benefit[1] $**	**Other benefits $**	**Other benefits $**	**Superannuation $**	**Total $**
Non-Executive Directors						
Nucharee Sailasuta						
by Company	90,000	-	-	-	-	**90,000**
by subsidiary	40,949	-	-	-	-	**40,949**
Peter Warren	90,000		232,400[3]	-	27,500	**349,900**
Sub-total Non-Executive Directors Compensation	**220,949**	**-**	**232,400**	**-**	**27,500**	**480,849**
Executive Directors						
Ross Smyth-Kirk						
by Company	400,000	3,623	41,507[2]	2,308[2]	27,399	**474,837**
by subsidiary	81,897	-	-	-	-	**81,897**
Jamie Gibson						
by Company	580,000	-	-	-	-	**580,000**
by subsidiary	40,949	-	-	-	-	**40,949**
Sub-total Executive Directors Compensation	**1,102,846**	**3,623**	**41,507**	**2,308**	**27,399**	**1,177,683**
TOTAL	**1,323,795**	**3,623**	**273,907**	**2,308**	**54,899**	**1,658,532**

1 Non-monetary benefit relates to car parking.

2 Represents annual leave (short-term) and long service leave (long-term) entitlements measured on an accrual basis and reflects the leave expenses over the 12 month period.

3 Consulting fee related to assisting Kingsgate in managing its finances following the retirement of Kingsgate's previous Chief Financial Officer earlier in the year while the Company continues to ramp up operational capacity at the Chatree Gold Mine, assisting the Acting Chief Financial Officer in the day-to-day capital management of Kingsgate, assisting with the preparation of statutory financial documents, and in particular working with various debt providers (lenders) to secure an additional debt facility for Kingsgate to provide ongoing working capital and liquidity.

Year ended 30 June 2023	Short-term benefits				Long-term benefits	Post-employment benefits	
Name	**Cash salary and fees $**	**Cash bonus[8] $**	**Non-monetary benefit[1] $**	**Other benefits[2] $**	**Other benefits[2] $**	**Superannuation $**	**Total $**
Non-Executive Directors							
Nucharee Sailasuta[3]							
Payable by Company	36,964	-	-	-	-	-	36,964
Paid by subsidiary	16,424	-	-	-	-	-	16,424
Peter Warren	90,000	-	-	-	-	9,450	99,450
Peter Alexander[4]	52,500	-	-	-	-	5,513	58,013
Sub-total Non-Executive Directors Compensation	195,888	-	-	-	-	14,963	210,851
Executive Directors							
Ross Smyth-Kirk[5]							
Paid by Company	294,000	250,000	13,702	24,628[6]	547	25,292	608,169
Paid by subsidiary	81,009	-	-	-	-	-	81,009
Jamie Gibson[7]							
Paid by Company	207,143	250,000	-	-	-	-	457,143
Paid by subsidiary	16,424	-	-	-	-	-	16,424
Sub-total Executive Directors Compensation	598,576	500,000	13,702	24,628	547	25,292	1,162,745
TOTAL	794,464	500,000	13,702	24,628	547	40,255	1,373,596

1 Non-monetary benefit relates to car parking.
2 Represents annual leave (short-term) and long service leave (long-term) entitlements measured on an accrual basis and reflects the leave expenses over the 12 month period.
3 Appointed 3 February 2023. See Note 22 related party transactions and Note 16 for borrowings.
4 Resigned 1 February 2023.
5 Full time employment effective 1 July 2022.
6 Benefits paid on 6 September 2023.
7 Managing Director and Chief Executive Officer appointed 4 July 2023, previously Managing Director and Acting Chief Executive Officer appointed 3 February 2023.
8 Cash bonus paid at the discretion of the Board.

The relative proportions of remuneration that are linked to performance and those that are fixed are as follows:

Name	Fixed remuneration 2024	STI/cash bonus 2024	At risk – LTI 2024
Executive Director			
Ross Smyth-Kirk	100%	-	-
Jamie Gibson[1]	N/A	N/A	N/A

1 Jamie Gibson became an Executive Director on 3 February 2023 and was remunerated pursuant to the terms and conditions of a Consultancy Agreement entered into between Mr Gibson and the Company. Pursuant to the Agreement and subsequent amendment, Mr Gibson is entitled to a payment of up to $2,500 per day (inclusive of all entitlements) or as otherwise approved by Kingsgate, in respect of work performed for the Company.

Shareholdings for Directors

	Balance at start of year	Other changes during the year	Balance at year end
Executive Chairman			
Ross Smyth-Kirk	5,078,058	-	**5,078,058**
Executive Director			
Jamie Gibson[1]	25,000	27,000	**52,000**
Non-Executive Directors			
Nucharee Sailasuta	-	-	**-**
Peter Warren	220,000	-	**220,000**

1 Jamie Gibson purchased 27,000 shares on-market on 2 October 2023.

Loans to Directors

There were no loans made to Directors or other Key Management Personnel at any time during the year.

END OF THE REMUNERATION REPORT

Insurance of officers

During the financial year, the Group paid premiums to insure Directors and Officers of the Group. The contracts include a prohibition on disclosure of the premium paid and nature of the liabilities covered under the policy.

Directors' interest in contracts

a. Advances from preference shareholder (see Note 16b and Note 22d)

On 25 November 2022, Akara Resources Public Company Limited (Akara) received an unsecured THB200,000,000 advance from the preference shareholder Mrs Nucharee Sailasuta. Terms and conditions of the advance were as follows:

	Currency	Interest rate	Financial year of maturity	Face value $'000	Carrying amount $'000
Advance from preference shareholder	Thai baht	12%	2025	8,167	8,167

On 22 February 2023, Akara received an additional cash advance of THB100,000,000 from the preference shareholder Mrs Nucharee Sailasuta.

Terms and conditions of the advance were as follows:

	Currency	Interest rate	Financial year of maturity	Face value $'000	Carrying amount $'000
Advance from preference shareholder	Thai baht	12%	2025	4,083	4,083

A total of $1,951,000 interest was expensed during the year and $188,000 accrued at year end.

On 25 October 2023, the repayment of both cash advances was extended until at least 25 November 2024. On 19 July 2024, an amount of THB150,000,000 ($6,125,000) was repaid and the remaining balance of THB150,000,000 ($6,125,000) is required to be repaid within 90 days of drawdown according to the terms of the US$35,000,000 Facility.

b. Preference shares in controlled entity (see Note 16a and Note 22d)

Preference shareholder interest in the amount of $1,356,000 were expensed during the year and an amount of $108,000 accrued at year end.

c. Services provided to Chatree Gold Mine (see Note 22d)

LotusHall Mining Heavy Engineering Construction Co., Ltd (LotusHall), of which Mrs Nucharee Sailasuta is the Managing Director, provided mining related services to Chatree Gold Mine during the year ended 30 June 2024. A total of $9,337,000 was recorded for services received from LotusHall during the year. At year end, $2,021,000 was included in current payables.

Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year are detailed in Note 28: Auditors' Remuneration. The Directors are satisfied that the provision of non-audit services during the period by the auditor is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

The Directors are of the opinion that the services disclosed in Note 28: Auditors' Remuneration to the financial statements do not compromise the external auditors' independence, based on the Auditors' representations and advice received from the Audit Committee, for the following reasons:

- all non-audit services have been reviewed to ensure they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

A copy of the Auditor's Independence Declaration as required under section 307c of the *Corporations Act 2001* is set out in page 23.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial Directors' Reports) Instrument 2016/191 and in accordance with that instrument, amounts in the Directors' Report have been rounded to the nearest thousand dollars except where otherwise indicated.

Auditors

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001.*

This report is made in accordance with a resolution of Directors.

Ross Smyth-Kirk OAM
Director
Sydney
19 September 2024

Auditor's Independence Declaration

As lead auditor for the audit of Kingsgate Consolidated Limited for the year ended 30 June 2024, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Kingsgate Consolidated Limited and the entities it controlled during the period.

Craig Thomason
Partner
PricewaterhouseCoopers

Sydney
19 September 2024

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Financial Statements

For the year ended 30 June 2024

Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Sales revenue	5a	**133,091**	27,337
Cost of sales	5b	**(126,398)**	(23,500)
Gross profit		**6,693**	3,837
Exploration expenses		**(6,811)**	(7,408)
Plant refurbishment expenses		**(10,412)**	(14,788)
Corporate and administration expenses	5c	**(9,939)**	(11,386)
Other income and expenses	5d	**390**	212
Foreign exchange losses		**(100)**	(2,811)
Impairment reversal – Chatree Gold Mine	5j	**228,699**	-
Reversal of previously recorded inventory write-down to net realisable value	5e	**983**	59,822
Rehabilitation provision revision expenses	17	**338**	(11,444)
Care and maintenance expenses		**-**	(5,027)
Profit before finance costs and income tax		**209,841**	11,007
Finance income		**53**	57
Finance costs	5f	**(7,298)**	(6,326)
Net finance costs		**(7,245)**	(6,269)
Profit before income tax		**202,596**	4,738
Income tax expense	6	**(2,835)**	-
Profit after income tax		**199,761**	4,738
Other comprehensive income			
Items that may never be reclassified to profit and loss			
Exchange differences on translation of foreign operations (net of tax)	19a	**(2,124)**	1,382
Total other comprehensive (loss)/ income for the year		**(2,124)**	1,382
Total comprehensive income for the year		**197,637**	6,120
Profit attributable to:			
Owners of Kingsgate Consolidated Limited		**199,761**	4,738
Total comprehensive income attributable to:			
Owners of Kingsgate Consolidated Limited		**197,637**	6,120
Earnings per share			
Basic earnings per share	29	**77.5**	2.06
Diluted earnings per share	29	**76.8**	2.04

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 30 June 2024

	Note	2024 $'000	2023 $'000
ASSETS			
Current assets			
Cash and cash equivalents	7	**3,890**	8,921
Restricted cash	7	**3,087**	649
Receivables	8	**9,802**	9,331
Inventories	9	**29,783**	34,800
Other assets	10	**4,197**	4,636
Total current assets		**50,759**	58,337
Non-current assets			
Restricted cash	7	**1,773**	-
Inventory	9	**18,489**	29,681
Property, plant and equipment	11	**96,824**	120
Exploration, evaluation and development	13	**187,630**	26,436
Right-of-use assets	12	**21,135**	-
Intangibles	14	**642**	711
Other assets	10	**11,688**	11,439
Total non-current assets		**338,181**	68,387
TOTAL ASSETS		**388,940**	126,724
LIABILITIES			
Current liabilities			
Payables	15	**34,361**	16,889
Lease liabilities	12	**4,566**	-
Borrowings	16	**29,686**	12,756
Provisions	17	**2,392**	2,436
Total current liabilities		**71,005**	32,081
Non-current liabilities			
Payables	15	**5,879**	7,441
Lease liabilities	12	**14,317**	-
Borrowings	16	**10,836**	11,286
Provisions	17	**36,503**	25,867
Deferred tax liabilities	6	**2,714**	-
Total non-current liabilities		**70,249**	44,594
TOTAL LIABILITIES		**141,254**	76,675
NET ASSSETS		**247,686**	50,049
EQUITY			
Contributed equity	18	**727,307**	727,307
Reserves	19a	**58,307**	60,431
Accumulated losses	19b	**(537,928)**	(737,689)
TOTAL EQUITY		**247,686**	50,049

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity
For the year ended 30 June 2024

	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2022	675,484	59,049	(742,427)	(7,894)
Profit after income tax	-	-	4,738	4,738
Total other comprehensive income for the year	-	1,382	-	1,382
Total comprehensive income for the year	-	1,382	4,738	6,120
Transaction with owners in their capacity as owners:				
Issue of shares	54,647	-	-	54,647
Share issue costs	(2,824)	-	-	(2,824)
Total transaction with owners	51,823	-	-	51,823
Balance at 30 June 2023	727,307	60,431	(737,689)	50,049

	Contributed equity $'000	Reserves $'000	Accumulated losses $'000	Total equity $'000
Balance at 1 July 2023	727,307	60,431	(737,689)	**50,049**
Profit after income tax	-	-	199,761	**199,761**
Total other comprehensive income for the year	-	(2,124)	-	**(2,124)**
Total comprehensive income for the year	**-**	**(2,124)**	**199,761**	**197,637**
Balance at 30 June 2024	**727,307**	**58,307**	**(537,928)**	**247,686**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows
For the year ended 30 June 2024

	Note	2024 $'000	2023 $'000
Cash flows from operating activities			
Receipts from customers		**134,836**	20,272
Payments to suppliers and employees (inclusive of GST/VAT)		**(123,211)**	(60,731)
Interest received		**53**	57
Net cash inflow/(outflow) from operating activities	24	**11,678**	(40,402)
Cash flows from investing activities			
Payments for property, plant and equipment		**(11,494)**	(22)
Payments for exploration, evaluation and development		**(6,328)**	-
Payments for intangibles		**(60)**	(733)
Payments for right-of-use asset		**(1,449)**	-
Net payments of deposits		**(738)**	(4,282)
Increase in restricted cash		**(4,420)**	(649)
Net cash outflow from investing activities		**(24,489)**	(5,686)
Cash flows from financing activities			
Proceeds from secured loan note with Nebari, net of transactions costs		**13,868**	-
Proceeds from insurance premium funding		**2,118**	-
Repayments of insurance premium funding		**(1,415)**	-
Proceeds from issue of shares		**-**	54,647
Payments for share issue transaction costs		**-**	(2,815)
Proceeds from Secured Bridge Facility, net of transaction costs		**-**	10,808
Proceeds from advances from preference shareholder, net of transaction costs		**-**	12,658
Repayment of Secured Bridge Facility		**-**	(22,538)
Payments of lease liabilities		**(1,947)**	(20)
Finance costs paid		**(4,761)**	(5,059)
Net cash inflow from financing activities		**7,863**	47,681
Net (decrease)/increase in cash held		**(4,948)**	1,593
Cash at the beginning of the year		**8,921**	7,424
Effects of exchange rate on cash and cash equivalents		**(83)**	(96)
Cash at the end of the year		**3,890**	8,921
Non-cash financing activities			
Right-of-use asset		**21,384**	-
Total non-cash financing activities		**21,384**	-

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated Entity Disclosure Statement
For the year ended 30 June 2024

Name of entity	Type of entity	% of ordinary shares held directly or indirectly by the Company in the body corporate	Country of incorporation	Australian or foreign tax resident	Jurisdiction for foreign tax residual
Kingsgate Consolidated Limited (the Company)	Body corporate		Australia	Australian	N/A
Dominion Mining Limited	Body corporate	100%	Australia	Australian	N/A
Gawler Gold Mining Pty Ltd	Body corporate	100%	Australia	Australian	N/A
Dominion Copper Pty Ltd	Body corporate	100%	Australia	Australian	N/A
Yilgarn Metals Pty Ltd	Body corporate	100%	Australia	Australian	N/A
Kingsgate Treasury Pty Ltd	Body corporate	100%	Australia	Australian	N/A
Kingsgate Capital Pty Ltd	Body corporate	100%	Australia	Australian	N/A
Kingsgate Nominees Pty Limited	Body corporate *	100%	Australia	Australian	N/A
Kingsgate South America Pty Ltd	Body corporate	100%	Australia	Australian	N/A
Kingsgate Chile NL	Body corporate	100%	Australia	Australian	N/A
Laguna Exploration Pty Ltd	Body corporate	100%	Australia	Australian	N/A
Akara Resources Public Company Limited	Body corporate	100%**	Thailand	Foreign	Thailand
Issara Mining Limited	Body corporate	100%	Thailand	Foreign	Thailand
Suansak Patana Limited	Body corporate	100%	Thailand	Foreign	Thailand
Phar Mai Exploration Limited	Body corporate	100%	Thailand	Foreign	Thailand
Richaphum Mining Limited	Body corporate	100%	Thailand	Foreign	Thailand
Phar Lap Limited	Body corporate	100%	Thailand	Foreign	Thailand
Phar Rong Limited	Body corporate	100%	Thailand	Foreign	Thailand
Asia Gold Ltd	Body corporate	100%	Mauritius	Foreign	Mauritius
Laguna Resources Chile Limitada	Body corporate	100%	Chile	Foreign	Chile
Minera Kingsgate Chile Limitada	Body corporate	100%	Chile	Foreign	Chile

* *Trustee of the Company under Executive Share Plan.*
** *The ordinary share class constitutes 48% of issued capital of Akara Resources Public Company Limited.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The Financial Report of Kingsgate Consolidated Limited (Kingsgate or the "Company") for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of Directors on 19 September 2024.

Kingsgate is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange using the ASX code KCN. The consolidated financial statements of the Company as at and for the year ended 30 June 2024 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). A description of the nature of the Group's operations and its principal activities is included in the Directors' Report.

1. Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001.* The Company is a for-profit entity for the purpose of preparing the financial statements.

The financial statements have been prepared on a going concern basis, which indicates continuity of business activities and the realisation of assets and settlement of liabilities in the normal course of business.

At 30 June 2024, the Group's current liabilities exceeded its current assets by $20,246,000. The Group's current liabilities included a secured loan note of $16,733,000 owed to Nebari Gold Fund 1, LP and an advance from preference shareholder for $12,250,000 (see Note 16). On 17 July 2024, the loan balance of $16,733,000 was fully repaid. On 19 July 2024, an amount of $6,125,000 was repaid to the preference shareholder (see Note 25). As a result the current asset net deficiency as at 30 June 2024 has been remediated.

Based on cash flow forecast, the directors believe the Group has sufficient cash resources to settle its liabilities and commitments and to support its ongoing activities for at least 12 months from date of this report.

a. Compliance with IFRS
The financial statements comply with International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB").

b. Historical cost convention
The financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial instruments (including derivative instruments) at fair value through profit or loss. Comparative information is reclassified where appropriate to enhance comparability or in conformity with revised standards and interpretations.

c. Functional and presentation currency
The financial statements of the Group entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated statements are presented in Australian dollars, which is the Company's functional currency and presentation currency.

d. Rounding of amounts
The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 relating to the 'rounding off' of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

e. Critical accounting estimates
The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

1. Basis of preparation (Continued)

f. New and amended standards adopted by the group

The Group has applied all the new standards and amendments that have been published and which are applicable for the first time for its annual reporting period commencing 1 July 2023. These standards and amendments did not have a material impact on the financial statements.

g. New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2024 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the financial statements.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented.

a. Principles of consolidation

(i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred does not include amounts related to the settlement of a pre-existing relationship. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is recognised at fair value at the acquisition date.

Acquisitions of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result of such transactions. The non-controlling interest in the acquiree is based on the fair value of the acquiree's net identifiable assets. The adjustments to non-controlling interests are based on the proportionate amount of the net assets of the subsidiary. The acquisition of an asset or group of assets that is not a business is accounted for by allocating the cost of the transaction to the net identifiable assets and liabilities acquired based on their fair values.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Intra-group balances and transactions, and any unrealised gains arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

b. Foreign currency translation

(i) Transactions and balances

Foreign currency transactions are translated into the respective functional currencies of the Group entities at exchange rates on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss; except when they are deferred in equity as qualifying cash flow hedges and qualifying net investment hedges or, are attributable to part of the net investment in a foreign operation.

2. Significant accounting policies (Continued)

Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. Translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary assets are included in the fair value reserve in equity.

Exchange gains and losses which arise on balances between Group entities are taken to the foreign currency translation reserve where the intra-group balances are in substance part of the Group's net investment. Whereas a result of a change in circumstances, a previously designated intra-group balance is intended to be settled in the foreseeable future, the intra-group balance is no longer regarded as part of the net investment. The exchange differences for such balance previously taken directly to the foreign currency translation reserves are recognised in the profit or loss.

(ii) Foreign operations

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- the assets and liabilities of the foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated at the year-end exchange rate;
- the income and expenses of foreign operations are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rate prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve.

c. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Sales revenue represents the net proceeds receivable from the buyer.

Gold and silver sales

Revenue from contracts with customers is recognised when control of the goods is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

The Group recognises revenue from gold doré sales at the point where the doré is delivered to the buyer at the buyer's location.

d. Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is expected tax payable or receivable on the taxable income or loss for the year using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

2. Significant accounting policies (Continued)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries where the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and, they relate to income taxes levied by the same tax authority on the same taxable entity.

Additional income tax expenses that arise from the distribution of cash dividends are recognised at the same time that the liability to pay the related dividend is recognised.

Tax consolidation

The Company and its wholly owned Australian resident entities formed a tax-consolidation group with effect from 1 July 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidation group is Kingsgate Consolidated Limited.

Current tax expense or benefit, deferred tax assets and deferred tax liabilities arising from temporary differences of the members of the tax-consolidation group are recognised in the separate financial statements of the members of the tax-consolidation group using the "standalone taxpayer" approach by reference to the carrying amounts in the separate financial statements of each entity and the tax values applying under tax consolidation.

Current tax assets or liabilities and deferred tax assets arising from unused tax losses assumed by the head entity from the subsidiaries in the tax-consolidation group, are recognised as amounts receivable or payable to other entities in the tax-consolidation group in conjunction with any tax funding agreement amounts.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidation group to the extent that it is probable that future taxable profits of the tax-consolidation group will be available against which the asset can be utilised.

Tax funding and sharing agreements

The members of the tax-consolidation group have entered into a funding agreement that sets out the funding obligations of members of the tax-consolidation group in respect of tax amounts. The tax funding arrangements require payments to or from the head entity and any deferred tax asset assumed by the head entity, resulting in the head entity recognising an intra-group receivable or payable in the separate financial statements of the members of the tax-consolidation group equal in amount to the tax liability or asset assumed. The intra-group receivables or payables are at call.

The head entity recognises the assumed current tax amounts as current tax liabilities or assets adding to its own current tax amounts, since they are also due to or from the same taxation authority. The current tax liabilities or assets are equivalent to the tax balances generated by external transactions entered into by the tax-consolidated group.

2. Significant accounting policies (Continued)

The amounts receivable or payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

The members of the tax-consolidation group have also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the consolidated financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

Uncertain tax position

An uncertain tax treatment is any tax treatment applied by the Group where there is uncertainty over whether that treatment will be accepted by the tax authority. The Group is required to determine the uncertainty over income tax treatment by addressing the following:

- the Group determines whether uncertain tax treatments should be considered separately, or together as a group, depending on which approach better predicts the resolution of the uncertainty;
- the Group determines if it is probable that the tax authorities will accept the uncertain tax treatment; and if it is not probable that the uncertain tax treatment will be accepted, the Group reflects the effect of the uncertainty in its income tax accounting in the period in which that determination is made (for example, by recognising an additional tax liability or applying a higher tax rate);
- the Group measures the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty.

Based on the assessment completed by the Group, there is no material tax uncertainty that requires a tax liability to be recognised or that requires a different tax rate to be applied.

e. Leases

Where the Group has entered into a lease contract for the right to control the use of an asset over the lease term, the present value of future lease commitments is recognised as a liability on the balance sheet at commencement date, with the corresponding asset recognised as a right-of-use asset.

The lease liability represents the present value of the expected future lease payments, discounted at the rate implicit in the lease or if that rate cannot be determined at the consolidated entity's average incremental borrowing rate.

The right of use assets are classified as leases of property and are carried at cost less accumulated depreciation and impairment loss. The assets are amortised on a straight-line basis over the shorter of the asset's useful life and the lease term.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2. Significant accounting policies (Continued)

f. Impairment of assets

Assets other than goodwill and indefinite life intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

g. Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

h. Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Receivables are due for settlement no more than 90 days from the date of recognition.

Collectability of trade and other receivables is reviewed on an ongoing basis. The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade and other receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement.

i. Inventories

Raw materials and stores, work in progress and finished goods (including gold bullion), are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Stockpiles represent ore that has been extracted and is available for further processing. If there is significant uncertainty as to whether the stockpiled ore will be processed it is expensed as incurred. Where the future processing of this ore can be predicted with confidence, e.g. because it exceeds the mine's cut-off grade, it is valued at the lower of cost and net realisable value. If the ore will not be processed within the 12 months after the reporting date, it is included within non-current assets. Work in progress inventory includes ore stockpiles and other partly processed material. Quantities are assessed primarily through surveys and assays, and truck counts.

2. Significant accounting policies (Continued)

j. Non-derivative financial assets

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

Loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

k. Derivative financial instruments

Derivative financial instruments are used by the Group to protect against the Group's Australian dollar gold price risk exposures. The Group does not apply hedge accounting and accordingly all fair value movements on derivative financial instruments are recognised in the profit or loss.

Derivative financial instruments are stated at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the income statement immediately.

l. Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation

Depreciation and amortisation of mine buildings, plant, machinery and equipment is provided over the assessed life of the relevant mine or asset, whichever is the shorter.

Depreciation and amortisation is determined on a units-of-production basis over the estimated recoverable reserves from the related area. In some circumstances, where conversion of resources into reserves is expected, some elements of resources may be included. For mine plant, machinery and equipment, which have an expected economic life shorter than the life of the mine, a straight line basis is adopted.

The expected useful lives are as follows:

- mine buildings – the shorter of applicable mine life and 10 years;
- plant, machinery and equipment – the shorter of applicable mine life and 3-10 years depending on the nature of the asset.

The estimated recoverable reserves and life of each mine and the remaining useful life of each class of asset are reassessed at least annually. Where there is a change in the reserves during the period, depreciation and amortisation rates are adjusted prospectively from the beginning of the reporting period.

Major spares purchased specifically for a particular plant are capitalised and depreciated on the same basis as the plant to which they relate.

2. Significant accounting policies (Continued)

Impairment

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2f).

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the profit or loss in the period the item is derecognised.

m. Deferred stripping costs

As part of its mining operations, the Group incurs stripping (waste removal) costs both during the development phase and production phase of its operations.

Stripping costs incurred during the production phase are generally considered to create two benefits, being either the production of inventory in the period or improved access to the ore to be mined in the future. Where the benefits are realised in the form of inventory produced in the period, the production stripping costs are accounted for as part of the cost of producing those inventories. Where production stripping costs are incurred and the benefit is improved access to the ore to be mined in the future, the costs are recognised as a non-current asset, referred to as a "production stripping asset", if the following criteria are all met:

- future economic benefits (being improved access to the ore body) associated with the stripping activity are probable;
- the component of the ore body for which access has been improved can be accurately identified; and
- the costs associated with the stripping activity associated with that component can be reliably measured.

The amount of stripping costs deferred is based on the ratio obtained by dividing the volume of waste mined by the volume of ore mined for each component of the mine. Stripping costs incurred in the period are deferred to the extent that the actual current period waste to ore ratio exceeds the life of component expected waste to ore ("life of component") ratio.

A component is defined as a specific volume of the ore body that is made more accessible by the stripping activity. An identified component of the ore body is typically a subset of the total ore body of the mine. It is considered that each mine may have several components, which are identified based on the mine plan. The mine plans and therefore the identification of specific components will vary between mines as a result of both the geological characteristics and location of the ore body. The financial considerations of the mining operations may also impact the identification and designation of a component.

The identification of components is necessary for both the measurement of costs at the initial recognition of the production stripping asset, and the subsequent depreciation of the production stripping asset.

The life of component ratio is a function of an individual mine's design and therefore changes to that design will generally result in changes to the ratio. Changes in other technical or economic parameters that impact reserves will also have an impact on the life of component ratio even if they do not affect the mine's design. Changes to the life of component ratio are accounted for prospectively from the date of change.

2. Significant accounting policies (Continued)

The production stripping asset is initially measured at cost, which is the accumulation of costs directly incurred to perform the stripping activity that improves access to the identified component of ore. If incidental operations are occurring at the same time as the production stripping activity, but are not necessary for the production stripping activity to continue as planned, these costs are not included in the cost of the stripping activity asset.

The production stripping asset is amortised over the expected useful life of the identified component of the ore body that is made more accessible by the activity, on a units of production basis. Economically recoverable reserves are used to determine the expected useful life of the identified component of the ore body. The production stripping asset is then carried at cost less accumulated amortisation and any impairment losses.

The production stripping asset is included in "Exploration, Evaluation and Development". These costs form part of the total investment in the relevant cash generating unit to which they relate, which is reviewed for impairment in accordance with the Group's impairment accounting policy (Note 2f).

n. Exploration, evaluation and feasibility expenditure

Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred by, or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises direct costs and depreciation and does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Exploration expenditure for each area of interest is carried forward as an asset provided the rights to tenure of the area of interest are current and one of the following conditions is met:

- the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively by its sale; or
- exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration expenditure is written off when it fails to meet at least one of the conditions outlined above or an area of interest is abandoned. The carrying value of exploration and evaluation assets is assessed in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources* and the Group's impairment policy (Note 2f).

Feasibility expenditure

Feasibility expenditure represents costs related to the preparation and completion of a feasibility study to enable a development decision to be made in relation to an area of interest and capitalised as incurred.

At the commencement of production, all past exploration, evaluation and feasibility expenditure in respect of an area of interest that has been capitalised is transferred to mine properties where it is amortised over the life of the area of interest to which it relates on a unit-of-production basis.

o. Mine properties

Mine properties represents the accumulated exploration, evaluation, land and development expenditure incurred by or on behalf of the Group in relation to areas of interest in which mining of a mineral resource has commenced.

When further development expenditure is incurred in respect of a mine property after commencement of production, such expenditure is carried forward as part of the mine property only when substantial future economic benefits are thereby established. Otherwise, such expenditure is classified as part of the cost of production.

2. Significant accounting policies (Continued)

Amortisation of costs is provided on the units-of-production method with separate calculations being made for each component. The units-of-production basis results in an amortisation charge proportional to the depletion of the estimated recoverable reserves. In some circumstances, where conversion of resources into reserves is expected, some elements of resources may be included. Development and land expenditure still to be incurred in relation to the current recoverable reserves are included in the amortisation calculation. Where the life of the assets is shorter than the mine life, their costs are amortised based on the useful life of the assets.

The estimated recoverable reserves and life of each mine and the remaining useful life of each class of asset are reassessed at least annually. Where there is a change in the reserves during a six-month period, depreciation and amortisation rates are adjusted prospectively from the beginning of that reporting period.

p. Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid in line with normal creditor terms.

q. Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised and amortised over the period of the facility to which it relates.

Preference shares which are mandatorily redeemable on a specific date are classified as liabilities. The dividends on these preference shares are recognised in the profit or loss as finance costs.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

r. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

Where the funds used to finance a qualifying asset form part of general borrowings, the amount capitalised is calculated using a weighted average of rates applicable to the relevant borrowings during the period. Where funds borrowed are directly attributable to a qualifying asset, the amount capitalised represents the borrowing costs specific to those borrowings.

All other borrowing costs are recognised as expenses in the period in which they are incurred.

2. Significant accounting policies (Continued)

s. Provisions

Provisions for legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as finance costs.

t. Restoration and rehabilitation provision

The estimated costs of decommissioning and removing an asset and restoring the site are included in the cost of the asset at the date the obligation first arises and to the extent that it is first recognised as a provision. This restoration asset is subsequently amortised on a units-of-production basis.

The corresponding provision of an amount equivalent to the restoration asset created is reviewed at the end of each reporting period. The provision is measured at the best estimate of present obligation at the end of the reporting period based on current legal and other requirements and technology, discounted where material using national government bond rates at the reporting date with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Where there is a change in the expected restoration, rehabilitation or decommissioning costs, an adjustment is recorded against the carrying value of the provision and any related restoration asset, and the effects are recognised in the income statement on a prospective basis over the remaining life of the operation.

The unwinding of the effect of discounting on the rehabilitation provision is included within finance costs in the income statement.

Costs incurred that relate to an existing condition caused by past operations, but do not have a future economic benefit are expensed as incurred.

u. Employee benefits

(i) Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries (including non-monetary benefits and annual leave) expected to be settled within 12 months of the reporting date are recognised in provisions for employee benefits in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

(ii) Long service leave and severance pay

The liability for long service leave and severance pay is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

2. Significant accounting policies (Continued)

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Cash bonuses

Cash bonuses are expensed in the income statement at reporting date.

A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the Directors or employees and the obligation can be estimated reliably.

(iv) Retirement benefit obligations

Defined contribution plan

Contributions to defined contribution superannuation plans are recognised as an expense in the income statement as they become payable.

Defined benefit plan

The Company's Thai subsidiary, Akara Resources Public Company Limited, have a defined benefit plan which is the amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

Retirement benefit

Under labour laws applicable in Thailand, employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement age of 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labour Law which is currently at a maximum rate of 400 days of final salary.

The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated annually using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

(v) Share-based payment transactions

The Group provides benefits to employees (including Directors) in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares ("equity settled transactions").

The fair value of these equity settled transactions is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled.

The fair value at grant date is determined using a pricing model that takes into account the exercise price, the term, the share price at the grant date, the expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate.

Upon the exercise of the equity settled reward, the related balance of the share-based payments reserve is transferred to share capital.

2. Significant accounting policies (Continued)

v. Dividends

Dividends are recognised as a liability in the period in which they are declared.

w. Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares; and
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

x. Contributed equity

Issued ordinary share capital is classified as equity and is recognised at the fair value of the consideration received by the Group. Incremental costs directly attributable to the issue of shares and share options are recognised as a deduction, net of tax from the proceeds.

y. Goods and services tax and similar value added taxes (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of the cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

2. Significant accounting policies (Continued)

z. Operating and segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors.

Segment results that are reported to the Board of Directors include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The operating segments are disclosed in Note 4.

aa. Parent entity financial information

The financial information for the parent entity Kingsgate Consolidated Limited, disclosed in Note 30 has been prepared on the same basis as the consolidated financial statements except as set out below:

Investments in subsidiaries

Investments in subsidiaries are accounted for at cost in the financial statements of Kingsgate.

Share-based payments

The issue by the Company of equity instruments to extinguish liabilities of a subsidiary undertaking in the Group is treated as a capital contribution to that subsidiary undertaking.

3. Critical accounting estimates, assumptions and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. Actual results may differ from these estimates under different assumptions and conditions. The estimates and assumptions that could materially affect the financial position and results are discussed below:

(i) Impairment reversal – Chatree Gold Mine

In 2015, the Group recorded a partial impairment write-down of the Chatree Gold Mine assets because of a low gold price. In 2016, following a decision made by the Thai Government, the Chatree Gold Mine ceased operations and the remaining assets were fully impaired.

At the end of each reporting period, the Group need to assess whether there is any indication that an impairment loss recognised in prior periods for an asset may no longer exist or may have decreased. If any such indication exists, the entity shall estimate the recoverable amount of that asset and reverse the impairment to the lower of the recoverable amount or what the carrying amount would have been had no impairment been recognised.

In the prior period, the recommencement of operations through the processing of the inventory stockpiles using Chatree Plant #2 was considered to be an indicator for reversal of the inventory write-down and impairment as it related to the inventory stockpiles and Chatree Plant #2. The mine and Chatree Plant #1 did not have a reversal indicator as the mining operations and Chatree Plant #1 operations had not yet resumed. A reversal of the inventory stockpiles write-down to the net realisable value amounting to $59,822,000 was recognised in the prior period. No reversal of impairment in respect of Chatree Plant #2 was recorded.

In the current financial year, a number of factors represented further indicators of impairment reversal. This included the completion of Plant #1 overhaul project followed by its commissioning, restarting of the mining operations, and an increase of gold and silver prices compared to the gold price that was considered in 2015. Consequently, the recoverable amount for Chatree Gold Mine assets was determined.

Methodology

The recoverable amount of the Chatree Gold Mine CGU was determined using a fair value less costs of disposal basis. The costs of disposal have been estimated by management based on prevailing market conditions.

The recoverable amount has been estimated based on discounted cash flows using market-based commodity price and exchange rate assumptions, estimated quantities of recoverable minerals, production levels, operating costs and capital requirements, based on latest life of mine plan for a period of approximately 10 years.

The recoverable amount estimate for the Chatree Gold Mine is considered to be level 3 fair value measurement (as defined by accounting standards) as it is derived from valuation techniques that include inputs that are not based on observable market data. The Group considers the inputs and the valuation approach to be consistent with the approach taken by market participants.

Significant judgements and assumptions are required in making estimates of the recoverable amount. This is particularly so in the assessment of long-life assets. It should be noted that the CGU recoverable amount is subject to variability in key assumptions including, but not limited to, gold and silver prices, currency exchange rates, discount rates, production profiles and operating and capital costs. A change in one or more of the assumptions used to estimate the recoverable amount would result in a change in the CGU's recoverable amount.

3. Critical accounting estimates, assumptions and judgements (Continued)

Key assumptions

In determining each key assumption, management has used external sources of information and utilised experts within the Group to validate entity specific assumptions such as reserves and resources. Production and capital costs are based on the Group's estimate of forecast geological conditions, capacity of both plants, mining equipment and future production levels. This information is obtained from external experts where applicable and internally maintained budgets and life of mine financial models.

The key assumptions to which the recoverable amount is most sensitive to include:

Average gold price (US$ per ounce)	US$2,100
Average silver price (US$ per ounce)	US$25
USD: THB exchange rate	36.5
Discount rate (real term)	9.5%

Reversal of Impairment results

Based on the financial model developed by the Group, the recoverable value is significantly greater than the net carrying value of the assets that can be reversed for impairment and as result, an impairment reversal amounting to $228,699,000 has been recorded in the statement of profit or loss (see table below for a list of each non-current asset reversed). Following this reversal of impairment, the full amount of the CGU that was previously impaired has been reversed.

	$'000
Property, plant and equipment (Note 11)	83,715
Exploration, evaluation and development (Note 13)	144,984
Impairment reversal – Chatree Gold Mine	**228,699**

Any reasonable change in the key assumptions used to determine the recoverable amount would not result in the estimated recoverable amount to be less than the amount reversed.

In addition to the above, a reversal of the inventory stockpiles write-down to the net realisable value amounting to $983,000 was also recognised during the year ended 30 June 2024.

The net realisable value of the inventory has been determined based on the accounting policy for inventory described in Note 2i. The determination of net realisable value involves significant judgements and estimates in relation to the selling price in the ordinary course of business less estimated costs of completion and estimated costs necessary to make the sale.

(ii) Restoration and rehabilitation provision

In respect of rehabilitation liabilities, following the commissioning of Plant #1 during the financial year ending 30 June 2024, the Group revised its previous estimates and increased its total rehabilitation liability to $35,871,000 with $10,902,000 recognised as an addition of rehabilitation asset included in mine properties.

Significant estimates and assumptions are required in determining the provision for mine rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine site. Factors that will affect this liability include changes in technology, changes in regulations, price increases, changes in timing of cash flows which are based on life of mine plans and changes in discount rates. When these factors change or become known in the future, such differences will impact the mine rehabilitation provision in the period in which they change or become known.

3. Critical accounting estimates, assumptions and judgements (Continued)

(iii) Impairment of non-current assets – exploration, evaluation and development assets Nueva Esperanza

At 30 June 2019, the recoverable amount of the Nueva Esperanza Gold/Silver Project CGU was determined to be $27,509,000 resulting in an impairment loss of $33,436,000. Significant judgements and assumptions were required in making estimates of the recoverable amounts.

The Group has assessed if impairment indicators existed as at 30 June 2024 and determined that it was not necessary to formally estimate the recoverable amount of the CGU as no indication of an impairment loss was identified as a result of that assessment, in accordance with the Group's accounting policy.

The Group also assessed whether changes in estimates used to determine the asset's recoverable amount since the last impairment loss was recognised, existed as at 30 June 2024 and whether such changes in estimates would require reversal of impairment. The Group determined that no such changes in estimates were identified.

In reaching these conclusions, the Group considered both external and internal factors relevant to the CGU which included impairment criteria noted in AASB 6 *Exploration for and Evaluation of Mineral Resources*, Kingsgate's market capitalisation, the sustained high gold and silver prices and recent expressions of interest for the acquisition of the Nueva Esperanza Gold/Silver Project.

4. Segment information

The Group's operating segments are based on the internal management reports that are reviewed and used by the Board of Directors (chief operating decision maker). The operating segments represent the Group's mine and project and include the following:

- Chatree Gold Mine, Thailand; and
- Nueva Esperanza Gold/Silver Project, Chile.

Information regarding the results of each reportable segment is included as follows:

2024	Chatree $'000	Nueva Esperanza $'000	Corporate $'000	Total $'000
External sales revenue	133,091	-	-	**133,091**
Other income/(expense)	390	-	-	**390**
Total segment income	**133,481**	**-**	**-**	**133,481**
Segment EBITDA – before impairment reversal	(1,404)	(5,762)	(7,744)[1]	**(14,910)**
Impairment reversal – Chatree Gold Mine	228,699	-	-	**228,699**
Depreciation and amortisation	(3,750)	(8)	(190)	**(3,948)**
Segment result	**223,545**	**(5,770)**	**(7,934)**	**209,841**
Finance income	-	-	53	**53**
Finance costs	-	-	(7,298)	**(7,298)**
Net finance costs	**-**	**-**	**(7,245)**	**(7,245)**
Profit before tax	**223,545**	**(5,770)**	**(15,179)**	**202,596**
Other segment information				
Segment assets	352,225	34,693	2,022	388,940
Segment liabilities	(105,412)	(14,771)	(21,071)	(141,254)
Net assets/(liabilities)	**246,813**	**19,922**	**(19,049)**	**247,686**

[1] includes foreign exchange losses of $100,000 for the Group.

4. Segment information (Continued)

2023	Chatree $'000	Nueva Esperanza $'000	Corporate $'000	Total $'000
External sales revenue	27,337	-	-	27,337
Other income/(expense)	216	(4)	-	212
Total segment income	27,553	(4)	-	27,549
Segment EBITDA	27,198	(6,839)	(9,287)[1]	11,072
Depreciation and amortisation	(28)	(31)	(6)	(65)
Segment result	27,170	(6,870)	(9,293)	11,007
Finance income			57	57
Finance costs			(6,326)	(6,326)
Net finance costs			(6,269)	(6,269)
Profit before tax	27,170	(6,870)	(15,562)	4,738
Other segment information				
Segment assets	85,572	34,972	6,180	126,724
Segment liabilities	(62,434)	(11,189)	(3,052)	(76,675)
Net asset/(liabilities)	23,138	23,783	3,128	50,049

1 includes foreign exchange loss of $2,811,000 for the Group.

5. Revenue and expenses

	2024 $'000	2023 $'000
a. Sales revenue		
Gold sales	**116,172**	24,048
Silver sales	**16,919**	3,289
Total sales revenue	**133,091**	27,337
b. Cost of sales		
Direct costs of mining and processing	**83,758**	20,090
Royalties and other expenses incurred upon the sales of doré	**16,930**	3,382
Inventory movements	**21,960**	-
Depreciation (operation)	**3,750**	28
Total cost of sales	**126,398**	23,500
c. Corporate and administration expenses		
Administration	**7,459**	6,506
Statutory and professional fees	**2,282**	4,843
Depreciation (corporate)	**198**	37
Total corporate and administration expenses	**9,939**	11,386
d. Other income and expenses		
Net loss on sale of fixed assets	**(60)**	(4)
Other income	**1,703**	216
Other expenses	**(1,253)**	-
Total other income and expenses	**390**	212
e. Reversal of previously recorded inventory write-down to net realisable value		
Chatree Gold Mine (see Note 3i and Note 9)	**983**	59,822
Total reversal of previously recorded inventory write-down to net realisable value	**983**	59,822
f. Finance costs		
Interest and finance charges	**6,313**	3,954
Amortisation of deferred borrowing costs	**985**	2,372
Total finance costs	**7,298**	6,326
g. Depreciation and amortisation		
Property, plant and equipment (Note 11)	**507**	17
Right-of-use assets (Note 12)	**1,772**	20
Intangibles (Note 14)	**77**	28
Mine properties (Note 13)	**1,592**	-
Total depreciation and amortisation expenses	**3,948**	65
Included in:		
Depreciation - operation	**3,750**	28
Depreciation - corporate	**198**	37

5. Revenue and expenses (Continued)

	2024 $'000	2023 $'000
h. Employee benefits expenses		
Included in:		
Cost of sales	**10,742**	2,904
Care and maintenance expenses	**-**	1,525
Corporate and administration expenses	**3,020**	1,605
Exploration expenses	**867**	321
Total employee benefits expenses	**14,629**	6,355
i. Other items		
Short-term and low value lease expenses	**49**	250
Total other items	**49**	250
j. Impairment reversal		
Chatree Gold Mine (Note 3i)	**228,699**	-
Total impairment reversal	**228,699**	-
k. Significant items		
Impairment reversal - Chatree Gold Mine	**228,699**	-
Reversal of previously recorded inventory write-down to net realisable value	**983**	59,822
Total significant items	**229,682**	59,822

6. Income tax

	2024 $'000	2023 $'000
a. Income tax expense		
Current tax	**-**	-
Deferred tax	**2,835**	-
Total income tax expense	**2,835**	-
Deferred tax expense included in income tax expense comprises:		
Decrease/(increase) in deferred tax assets	**3,982**	(2,349)
(Decrease)/increase in deferred tax liabilities	**(6,696)**	2,349
Deferred tax expense	**(2,714)**	-
b. Numerical reconciliation of income tax expense to prima facie tax payable		
Profit before income tax	**202,596**	4,738
Tax at Australian rate of 30%	**60,779**	1,421
Tax effect of amounts not deductible/assessable in calculating taxable income		
Non-deductible expenses	**1,728**	121
Non-deductible interest expense to preference shareholders	**407**	403
Non-deductible rehabilitation provision revision expenses	**(101)**	3,433
Non-assessable impairment reversal – Chatree Gold Mine	**(68,610)**	-
Non-assessable reversal of previously recorded inventory write-down to net realisable value	**(295)**	(17,947)
Initial recognition of temporary differences	**2,835**	-
Deductible temporary differences not recognised	**385**	498
Tax losses not brought to account	**5,707**	12,071
Income tax expense	**2,835**	-

6. Income tax (Continued)

Kingsgate's Thai controlled entity Akara Resources Public Company Limited (Akara) received on 8 June 2023 approval from the Royal Thai Board of Investment (BOI) for investment promotion application for the Chatree Gold Mine. This approval provides Akara an eight-year exemption including:

- the 20 per cent corporate income tax rate, up to a cap of 3.25 billion Thai baht;
- the 10 per cent withholding tax on dividends remitted overseas; and
- import duties on machinery, raw materials used in research and development, and raw materials used in production for export.

The start of the promotion period was 20 March 2023.

	2024 $'000	2023 $'000
c. Tax recognised in other comprehensive income		
Foreign exchange losses recognised directly in foreign currency translation reserves	**-**	-
Total tax recognised in other comprehensive income	**-**	-

d. Deferred tax liabilities offset

Deferred tax assets amounting to $14,946,000 (2023: $10,964,000) have been offset against deferred tax liabilities.

	2024 $'000	2023 $'000
e. Unrecognised deferred tax assets for tax losses		
Tax losses – Australian entities	**303,271**	302,895
Tax losses – other entities	**57,648**	68,045
Subtotal	**360,919**	370,940
Total unrecognised deferred tax assets for tax losses	**104,286**	111,282

f. Tax consolidation group

Kingsgate Consolidated Limited and its wholly owned Australian subsidiary have implemented the tax consolidation legislation as of 1 July 2003. The accounting policy in relation to this legislation is set out in Note 2d.

On adoption of the tax consolidation legislation, the entities in the tax-consolidation group entered into a tax sharing agreement which, in the opinion of the Directors, limits the joint and several liabilities of the wholly owned entities in the case of default by the head entity, Kingsgate Consolidated Limited.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate Kingsgate for any current tax payable assumed and are compensated for any current tax receivable and deferred tax assets relating to the unused tax losses or unused tax credits that are transferred to Kingsgate under the tax legislation. The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements.

The amount receivable/payable under the tax agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligation to pay tax instalments.

6. Income tax (Continued)

g. Recognised deferred tax assets and liabilities

	Assets		Liabilities		Net	
	2024 $'000	2023 $'000	**2024 $'000**	2023 $'000	**2024 $'000**	2023 $'000
Deferred tax assets/(liabilities)						
Employee benefits	**544**	91	**-**	-	**544**	91
Unrealised exchange losses/(gains)	**9,290**	10,534	**(10,153)**	(10,964)	**(863)**	(430)
Financial assets	**321**	321	**-**	-	**321**	321
Property, plant and equipment	**-**	-	**(189)**	-	**(189)**	-
Exploration, evaluation and development	**-**	-	**(6,916)**	-	**(6,916)**	-
Right-of-use assets	**-**	-	**(402)**	-	**(402)**	-
Lease liabilities	**270**	-	**-**	-	**270**	-
Restoration and rehabilitation provision	**4,192**	-	**-**	-	**4,192**	-
Other items	**329**	18	**-**	-	**329**	18
Total deferred tax assets/(liabilities)	**14,946**	10,964	**(17,660)**	(10,964)	**(2,714)**	-
Set off tax	**(14,946)**	(10,964)	**14,946**	10,964	**-**	-
Net deferred tax assets/(liabilities)	**-**	-	**(2,714)**	-	**(2,714)**	-
Deferred tax assets/(liabilities) expected to be recovered within 12 months	**-**	-	**-**	-	**-**	-
Deferred tax assets/(liabilities) expected to be recovered after more than 12 months	**14,946**	10,964	**(17,660)**	(10,964)	**(2,714)**	-
Total deferred tax assets/(liabilities)	**14,946**	10,964	**(17,660)**	(10,964)	**(2,714)**	-

6. Income tax (Continued)

h. Movement in deferred tax balances

2024	Balance at 1 July $'000	Initial recognition of temporary differences[1] $'000	Recognised in profit or loss $'000	Balance at 30 June $'000
Deferred tax assets/(liabilities):				
Employee benefits	**91**	**342**	**111**	**544**
Unrealised exchange losses	**(430)**	**-**	**(433)**	**(863)**
Financial assets	**321**	**-**	**-**	**321**
Property, plant and equipment	**-**	**(189)**	**-**	**(189)**
Exploration, evaluation and development	**-**	**(6,916)**	**-**	**(6,916)**
Right-of-use assets	**-**	**(448)**	**46**	**(402)**
Lease liabilities	**-**	**305**	**(35)**	**270**
Restoration and rehabilitation provision		**4,192**	**-**	**4,192**
Other items	**18**	**-**	**311**	**329**
Net deferred tax liabilities	**-**	**(2,714)**	**-**	**(2,714)**
2023				
Net deferred tax assets/(liabilities):				
Employee benefits	66	-	25	91
Unrealised exchange losses	(188)	-	(242)	(430)
Financial assets	321	-	-	321
Other items	(199)	-	217	18
Net deferred tax assets/(liabilities)	-	-	-	-

[1] Initial recognition of previously unrecognised temporary differences relates to the impact of the impairment reversal for Chatree Gold Mine assets. The amount recognised in the profit and loss for the current year is $2,835,000 and the amount recognised in other comprehensive income is ($121,000).

7. Cash and cash equivalents and restricted cash

	2024 $'000	2023 $'000
Cash and cash equivalents		
Cash on hand	**12**	12
Deposits at call	**3,878**	8,909
Total cash and cash equivalents	**3,890**	8,921
Restricted cash		
Current	**3,087**	649
Non-current	**1,773**	-
Total restricted cash	**4,860**	649

Cash on hand

These are petty cash balances primarily held by subsidiaries.

Deposits at call

These deposits are at call and may be accessed daily.

Restricted cash

Current restricted cash includes cash held on deposit with financial institutions that is restricted to use on community projects in Thailand and rehabilitation projects for Chatree Gold Mine.

Non-current restricted cash primarily relates to cash held under an escrow account as required under the hire purchase agreement between Akara and Metro Machinery Co., Ltd as at 30 June 2024.

Risk exposure

The Group's exposure to interest rate risk and a sensitivity analysis for financial assets and liabilities are disclosed in Note 27.

8. Receivables

	2024 $'000	2023 $'000
Current		
Trade receivables	**6,951**	7,280
Other debtors	**2,851**	2,051
Total receivables - current	**9,802**	9,331

Trade receivables

Trade receivables represent gold and silver sales at the end of the financial year, where payment was yet to be received. No trade receivables were past due or impaired as at 30 June 2024.

Other debtors

Other debtors relate to Goods and Services Tax/Value Added Tax receivables.

Risk exposure

The Group's exposure to credit and currency risks are disclosed in Note 27.

9. Inventories

	2024 $'000	2023 $'000
Current		
Consumables and stores at net realisable value	**10,282**	4,057
Stockpiles and work in progress	**15,491**	27,398
Gold bullion	**4,010**	3,345
Total inventories - current	**29,783**	34,800

Non-current		
Stockpiles	**18,489**	29,681
Total inventories - non-current	**18,489**	29,681

As noted in Note 3*(i)*, there was a reversal of the inventory stockpiles write-down to the net realisable of $983,000 for the year ended 30 June 2024 (30 June 2023: $59,822,000).

10. Other assets

	2024 $'000	2023 $'000
Current		
Prepayments	**1,089**	634
Other deposits	**2,974**	3,477
Other assets	**134**	525
Total other assets - current	**4,197**	4,636
Non-current		
Prepayments	**9,153**	9,195
Other deposits	**2,535**	2,244
Total other assets - non-current	**11,688**	11,439

Prepayments

Non-current prepayments include prepaid royalties and water rights in respect of the Nueva Esperanza Gold/Silver Project in Chile.

11. Property, plant and equipment

	2024 $'000	2023 $'000
At 1 July		
Cost	**269,710**	261,159
Accumulated depreciation and amortisation	**(85,330)**	(76,801)
Accumulated impairment	**(184,260)**	(184,260)
Net book amount	**120**	98
Year ended 30 June		
Opening net book amount	**120**	98
Additions	**14,287**	22
Disposals	**(18)**	(4)
Impairment reversal (Note 3i)	**83,715**	-
Depreciation and amortisation expense	**(507)**	(17)
Foreign currency differences	**(773)**	21
Closing net book amount	**96,824**	120
At 30 June		
Cost	**139,754**	269,710
Accumulated depreciation and amortisation	**(42,930)**	(85,330)
Accumulated impairment	**-**	(184,260)
Net book amount	**96,824**	120

12. Right-of-use assets and finance lease liabilities

This note provides information for leases where the Group is a lessee.

The consolidated statement of financial position shows the following amounts relating to leases:

Right-of-use assets

	2024 $'000	2023 $'000
Plant and equipment	19,907	-
Property	1,228	-
Total right-of-use assets	**21,135**	-

Finance lease liabilities

	2024 $'000	2023 $'000
Current	4,566	-
Non-current	14,317	-
Total finance lease liabilities	**18,883**	-

The consolidated statement of profit or loss and other comprehensive income shows the following amounts relating to leases:

Depreciation charge of right-of-use assets

	2024 $'000	2023 $'000
Plant and equipment	1,571	-
Property	201	20
Total depreciation charge of right-of-use assets	**1,772**	20

Other item

	2024 $'000	2023 $'000
Interest expense	830	-
Total other item	**830**	-

The total cash outflow related to finance leases in the current period was $1,947,000 (2023: $20,000).

The table below analyses the Group's finance lease liabilities into relevant maturity groupings based on their contractual maturities.

At 30 June 2024	Less than 1 year $'000	Between 1 - 2 years $'000	Between 2 - 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000	Carrying amount $'000
Finance lease liabilities	6,137	6,056	9,557	-	21,750	18,883

13. Exploration, evaluation and development

	Exploration and evaluation $'000	Feasibility expenditure $'000	Mine properties $'000	Total $'000
At 30 June 2022				
Cost	-	87,715	356,904	444,619
Accumulated depreciation and amortisation	-	-	(66,186)	(66,186)
Accumulated impairment	-	(63,091)	(289,871)	(352,962)
Net book amount	-	24,624	847	25,471
Year ended 30 June 2023				
Opening net book amount	-	24,624	847	25,471
Foreign currency exchange differences	-	936	29	965
Closing net book amount	-	25,560	876	26,436
At 30 June 2023				
Cost	-	88,651	368,945	457,596
Accumulated depreciation and amortisation	-	-	(78,198)	(78,198)
Accumulated impairment	-	(63,091)	(289,871)	(352,962)
Net book amount	-	25,560	876	26,436
Year ended 30 June 2024				
Opening net book amount	**-**	**25,560**	**876**	**26,436**
Additions	**877**	**-**	**18,220**	**19,097**
Disposals	**-**	**-**	**(17)**	**(17)**
Impairment reversal – Chatree Gold Mine (Note 3i)	**-**	**-**	**144,984**	**144,984**
Depreciation and amortisation expense	**-**	**-**	**(1,592)**	**(1,592)**
Foreign currency exchange differences	**(38)**	**(119)**	**(1,121)**	**(1,278)**
Closing net book amount	**839**	**25,441**	**161,350**	**187,630**
At 30 June 2024				
Cost	**839**	**88,532**	**265,690**	**355,061**
Accumulated depreciation and amortisation	**-**	**-**	**(104,340)**	**(104,340)**
Accumulated impairment	**-**	**(63,091)**	**-**	**(63,091)**
Net book amount	**839**	**25,441**	**161,350**	**187,630**

14. Intangibles

	2024 $'000	2023 $'000
Year ended 30 June		
Opening net book amount	**711**	-
Additions	**60**	733
Disposals	**(25)**	-
Depreciation and amortisation expense	**(77)**	(28)
Foreign currency differences	**(27)**	6
Closing net book amount	**642**	711
At 30 June		
Cost	**742**	739
Accumulated depreciation and amortisation	**(100)**	(28)
Net book amount	**642**	711

Intangibles primarily relate to mining software licenses with a useful life of 10 years.

15. Payables

	2024 $'000	2023 $'000
Current		
Trade payables	**17,141**	5,555
Other payables and accruals	**17,220**	11,334
Total payables – current	**34,361**	16,889
Non-current		
Other payables	**5,879**	7,441
Total payables – non-current	**5,879**	7,441

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in Note 27.

The Group is required to pay Anglo American US$2,000,000 per year in advance pre-production royalties related to the Nueva Esperanza Gold/Silver Project. The Group also has an obligation to pay US$64,800 per month to Anglo American for water rights. During the year ended 30 June 2021, the Group finalised an agreement with Anglo American relating to the deferral of 65% of the fees for both the water rights and project royalty payments which were due from June 2020 until December 2021. These balances are now repayable from January 2022 to September 2025. These deferred balances are also repayable immediately under certain conditions including the sale of Nueva Esperanza Gold/Silver Project. Included in non-current other payable is also a US$3,000,000 contingent consideration for the Nueva Esperanza Gold/Silver Project which is due 24 months after the start of commercial operation.

16. Borrowings

	2024 $’000	2023 $’000
Current		
Advances from preference shareholder[b]	**12,250**	12,756
Secured loan note[c]	**16,733**	-
Insurance premium funding[d]	**703**	-
Total borrowings – current	**29,686**	12,756
Non-current		
Preference shares in controlled entity[a]	**10,836**	11,286
Total borrowings – non-current	**10,836**	11,286
Total borrowings [1]	**40,522**	24,042

[1]The Group has nil unused facilities as of 30 June 2024.

a. Preference shares in controlled entity

Terms and conditions of outstanding preference shares in controlled entity were as follows:

	Currency	**Interest rate**	**Financial year of maturity**	**Face value $’000**	**Carrying amount $’000**
Preference shares in controlled entity	Thai baht	12%	n/a	10,836	10,836

During the year ended 30 June 2024 the terms of the Preference Shareholder Agreement, which is between the preference shareholder, Akara and Kingsgate Capital Pty Ltd relating to preference shares issued by Akara were amended. The amendment has extended the date whereby the preference shareholder may exercise a put option for the preference shares to be repaid at any time commencing from January 2026, by giving a six month written notice of such intention resulting in the preference shares being repayable at the earliest in July 2026.

b. Advances from preference shareholder

On 25 November 2022, Akara Resources Public Company (Akara) received an unsecured THB200,000,000 advance from the preference shareholder. Terms and conditions of the advance were as follows:

Terms and conditions of the advance were as follows:

	Currency	**Interest rate**	**Financial year of maturity**	**Face value $’000**	**Carrying amount $’000**
Advance from preference shareholder	Thai baht	12%	2025	8,167	8,167

On 22 February 2023, Akara received an additional cash advance of THB100,000,000 from the preference shareholder.

16. Borrowings (Continued)

Terms and conditions of the advance were as follows:

	Currency	Interest rate	Financial year of maturity	Face value $'000	Carrying amount $'000
Advance from preference shareholder	Thai baht	12%	2025	4,083	4,083

On 25 October 2023, the repayment of both cash advances was extended until at least 25 November 2024. On 19 July 2024, an amount of THB150,000,000 ($6,125,000) was repaid and the remaining balance of THB150,000,000 ($6,125,000) is required to be repaid within 90 days of drawdown according to the terms of the US$35,000,000 facility (see Note 25).

c. Secured loan note

	Currency	Interest rate	Financial year of maturity	Face value $'000	Carrying amount $'000
Secured loan note	USD	SOFR+2.5%	2025	16,733	16,733

On 19 December 2023, Kingsgate entered a Loan Note Subscription Agreement with Nebari Gold Fund 1, LP to provide funding for the Processing Plant #1 overhaul project at Chatree Gold Mine and general working capital within the Kingsgate Group for the amount of US$11,500,000 ("Facility"). The Facility was provided subject to security over interests and shares held in Kingsgate's subsidiaries.

Terms and conditions of the Facility were as follows:

1. Facility

The Facility is a secured loan note providing an initial drawing of US$10,526,000 with a US$526,000 Original Issue Discount ("OID") payable on drawdown. On 20 December 2023, Kingsgate received a net drawn amount of US$10,000,000 ($14,771,000).

2. Fees, royalties and interest costs

- Royalty payments: a monthly royalty payment of 0.75% on gold produced by the Chatree Gold Mine;
- Interest costs: interest costs equal to the 30-day Secured Overnight Financing Rate ("SOFR") with a minimum 5% per annum plus a margin of 2.5% per annum applied to aggregate amounts outstanding;
- Line fee: a monthly line fee of 2.50% per annum of the Facility limit;
- PIK: capitalisation of interest, fees and royalties during the term of the Facility;
- Termination fee: on the maturity date, any amounts outstanding up to the initial Facility limit and not less than US$11,500,000.

During the year ended 30 June 2024, a total of US$1,474,000 ($2,217,000) was capitalised into liabilities including OID, interest, line fee and royalties.

3. Term and Maturity

The maturity date was six months from the drawdown. On 5 June 2024, Kingsgate elected to extend the maturity date till 31 July 2024.

Subsequent to year-end, the loan balance of $16,733,000 as at 30 June 2024 was fully repaid out the drawdown of US$35,000,000 term facility (see Note 25).

16. Borrowings (Continued)

d. Insurance premium funding

	Currency	Interest rate	Financial year of maturity	Face value $'000	Carrying amount $'000
Insurance premium funding	AUD	3.35%	2025	703	703

On 10 January 2024, Kingsgate entered into an unsecured insurance premium funding agreement with Clearmatch Originate Pty Limited (Clearmatch) for a total of $1,680,000. The fixed interest rate is 3.35% per annum and the maturity date is 12 months from 1 December 2023. An amount of $977,000 was repaid before 30 June 2024.

On 14 July 2023, Kingsgate entered into an unsecured insurance premium funding agreement with Clearmatch for a total of $438,000. The fixed interest rate was 4.5% per annum and the maturity date was 31 December 2023. The total amount of $438,000 was fully repaid before 30 June 2024.

For more information about the Group's exposure to interest rate and liquidity risk, see Note 27.

17. Provisions

	Note	2024 $'000	2023 $'000
Current			
Employee benefits	2u, 23	**1,307**	874
Restoration and rehabilitation	2t	**1,085**	1,562
Total provisions - current		**2,392**	2,436
Non-current			
Employee benefits	2u, 23	**1,717**	906
Restoration and rehabilitation	2t	**34,786**	24,961
Total provisions - non-current		**36,503**	25,867
Movements in the restoration and rehabilitation provision:			
Restoration and rehabilitation			
At the beginning of the financial year		**26,523**	14,779
Additional provision charge to mine property		**10,902**	-
Charge/(credit) to profit and loss			
- unwinding of discount		**621**	-
- additional provision recognised/(reversed)		**(338)**	11,444
Amounts used during the year		**(836)**	-
Foreign currency exchange differences		**(1,001)**	300
At the end of the financial year		**35,871**	26,523

18. Contributed equity

	2024 Shares	2023 Shares	2024 $'000	2023 $'000
Opening balance	**257,751,692**	221,320,453	**727,307**	675,484
Shares issued via placement	**-**	30,698,067	**-**	46,047
Shares issued via Share Purchase Plan	**-**	5,733,172	**-**	8,600
Share issue costs	**-**	-	**-**	(2,824)
Closing balance	**257,751,692**	257,751,692	**727,307**	727,307

Placement and Share Purchase Plan (SPP)

On 28 March 2023, the Company announced the successful completion of a Placement to institutional investors at an issue price of $1.50 per share, raising $46,047,000.

The Company also announced a Share Purchase Plan to existing shareholders in April 2023. The SPP provided the opportunity to acquire up to $30,000 of fully paid ordinary shares in Kingsgate without incurring any brokerage fees. The SPP was issued at $1.50 per share, raising $8,600,000.

The Placement and SPP raised $54,647,000, issuing 36,431,239 shares. The total cost of $2,824,000 was deducted from shareholder equity.

19. Reserves

	2024 $'000	2023 $'000
a. Reserves		
Foreign currency translation reserve	**50,837**	52,961
Share-based payment reserve	**10,811**	10,811
General reserve	**(3,341)**	(3,341)
Total reserves	**58,307**	60,431
Movements:		
Foreign currency translation reserve		
At the beginning of the financial year	**52,961**	51,579
Exchange differences on translation of foreign controlled entities (net of tax)	**(2,124)**	1,382
At the end of the financial year	**50,837**	52,961
Share-based payment reserve		
At the beginning of the financial year	**10,811**	10,811
Share-based payment expense	**-**	-
At the end of the financial year	**10,811**	10,811
General reserve		
At the beginning of the financial year	**(3,341)**	(3,341)
Net change	**-**	-
At the end of the financial year	**(3,341)**	(3,341)

Foreign currency translation reserve
Exchange differences arising on translation of the foreign controlled entities are taken to the foreign currency translation reserve, as described in Note 2b.

Share-based payment reserve
The share-based payment reserve is used to recognise the fair value of deferred rights, performance rights and options issued but not exercised. The share-based payment reserve also records the value of the equity instrument issued to the previous lender of the Group.

Under the terms of the loan facility entered into with the previous lender, 2,500,000 options were issued during the year ended 2022 and have the following conditions attached to them:

- each option will entitle the holder to subscribe for one ordinary share of the Company;
- options are granted for no consideration; and
- options granted under the plan carry no dividend or voting rights.

Set out below are summaries of options granted:

Grant date	13 May 2022
Expiry date	12 May 2027
Exercise price ($)	$2.00
Balance at the start of the year (Number)	-
Granted during the year (Number)	2,500,000
Exercised during the year (Number)	-
Balance at the end of year (Number)	2,500,000
Vested and exercisable at end of year (Number)	2,500,000

19. Reserves (Continued)

The options will expire at the end of its vesting periods.

Fair value of options granted

The fair value at grant date of the options is determined using the Black-Scholes option pricing model which incorporates the following inputs.

Term	5 years
Exercise price ($)	$2.00
Underlying share price at the date of grant	$1.385
Exercised share price volatility over the terms of the options	65%
Risk free rate for the term of the options (based on government bond rate)	3%

The assessed fair value of the share options issued was $0.6678 resulting in a value of $1,669,000.

General reserve
The general reserve represents changes in equity as a result of changes in non-controlling interests and revaluation of employee benefit obligations recognised in other comprehensive income in prior periods.

	2024 $'000	2023 $'000
b. Accumulated losses		
At the beginning of the financial year	**(737,689)**	(742,427)
Profit after income tax	**199,761**	4,738
Total accumulated losses	**(537,928)**	(737,689)

20. Commitments for expenditure

	2024 **$'000**	2023 $'000
Short-term and low value leases		
Within one year	**-**	84

In addition to the table above, the Group is also to pay Anglo American US$2,000,000 per year in advance pre-production royalties related to the Nueva Esperanza Gold/Silver Project. Akara has a minimum contribution commitment for various community and rehabilitation funds for 65 million Thai baht on a calendar year basis. The Group also has an obligation to pay US$64,800 per month to Anglo American for water rights.

The Group entered into a purchase order with Metro Machinery Co. Ltd regarding 41 pieces of mining equipment with a total value of $59,410,000 (excluding Value Added Tax). A total of 11 pieces of mining equipment was commissioned before 30 June 2024, with an additional 30 pieces of mining equipment for a total of $45,599,000 scheduled to be delivered during the year ended 30 June 2025 to allow a full ramp up of mining operations. A deposit of $553,000 was paid before end of June 2024 and the remaining balance of $45,046,000 is due on or before each delivery for the additional 30 pieces of equipment.

21. Dividends

No final dividend was declared for the year ended 30 June 2023 (30 June 2022: nil).

No interim dividend was declared for the year ended 30 June 2024 (30 June 2023: nil).

22. Related parties

a. Controlling entity

The ultimate parent entity of the Group is Kingsgate Consolidated Limited.

b. Subsidiaries

Interests in subsidiaries are set out in the Consolidated Entity Disclosure Statement.

c. Key Management Personnel

The aggregate compensation provided to Key Management Personnel is set out below:

	2024	2023
	$	$
Short-term employee benefits	**1,601,325**	1,332,794
Long-term employee benefits	**2,308**	547
Post-employment benefits	**54,899**	40,255
Total Key Management Personnel compensation	**1,658,532**	1,373,596

Detailed information on remuneration of Directors and Key Management Personnel is disclosed in the Remuneration Report.

d. Related party transactions

Mrs Nucharee Sailasuta is a Non-Executive Director of Kingsgate and also a director and preference shareholder of the Company's Thai subsidiary, Akara Resources Public Company Limited.

Details of the related party transactions during the year were as follows:

- LotusHall Mining Heavy Engineering Construction Co., Ltd (LotusHall), of which Mrs Nucharee Sailasuta is the Managing Director, provided mining related services to Chatree Gold Mine during the year ended 30 June 2024. A total of $9,337,000 was recorded for services received from LotusHall during the year. At year end, $2,021,000 was included in current payables;
- preference shareholder interest in the amount of $1,356,000 were expensed during the year and an amount of $108,000 accrued at year end (see Note 16b for details);
- Mrs Nucharee Sailasuta advanced a total of 300,000,000 Thai baht as working capital support to Akara during the year ended 30 June 2023. A total of $1,951,000 interest was expensed and $188,000 accrued at year end (see Note 16a for details); and
- a total of $126,964 accrued directors fee to Mrs Nucharee Sailasuta as at 30 June 2024 is included in current payables.

23. Employee benefits

	2024 $'000	2023 $'000
Employee benefits and related on-costs liabilities		
Provision for employee benefits - current	**1,307**	874
Provision for employee benefits - non-current	**1,717**	906
Total employee provisions	**3,024**	1,780

Superannuation

The Group makes contributions on behalf of employees to externally managed defined contribution superannuation funds. Contributions are based on percentages of employee wages and salaries and include any salary-sacrifice amounts. Contributions to defined contribution plans for 2024 were $414,000 (2023: $215,000).

24. Reconciliation of profit after income tax to net cash flow from operating activities

	2024 $'000	2023 $'000
Profit for the year	**199,761**	4,738
Depreciation and amortisation	**3,948**	65
Net loss on sale of fixed assets	**60**	4
Amortisation of deferred borrowing costs	**985**	2,373
Net exchange differences	**1,120**	2,245
Rehabilitation provision	**(338)**	11,444
Interest and finance charges	**6,313**	3,954
Impairment reversal – Chatree Gold Mine	**(228,699)**	-
Change in operating assets and liabilities:		
(Increase)/decrease in receivables	**(862)**	(9,037)
(Increase)/decrease in prepayments	**(489)**	(536)
(Increase)/decrease in other assets	**386**	(328)
(Increase)/decrease in inventories	**14,262**	(63,984)
Increase/(decrease) in creditors	**12,661**	7,814
Increase/(decrease) in provisions	**(144)**	846
Increase/(decrease) in deferred tax balances	**2,714**	-
Net cash inflow/(outflow) from operating activities	**11,678**	(40,402)
Net (debt)/cash and cash equivalents reconciliation		
Cash and cash equivalents	**3,890**	8,921
Borrowings – repayable within one year	**(29,686)**	(12,756)
Borrowings – repayable after one year	**(10,836)**	(11,286)
Finance liabilities – repayable within one year	**(4,566)**	-
Finance liabilities – repayable after one year	**(14,317)**	-
Net (debt)/cash and cash equivalents	**(55,515)**	(15,121)
Cash and cash equivalents	**3,890**	8,921
Gross debt – fixed interest rates	**(42,672)**	(24,042)
Gross debt – variable interest rates	**(16,733)**	-
Gross debt – nil interest rates	**-**	-
Net (debt)/cash and cash equivalents	**(55,515)**	(15,121)

24. Reconciliation of profit after income tax to net cash flow from operating activities (Continued)

	Cash $'000	Secured loan note $'000	Insurance premium funding due within 1 year $'000	Borrowing from Taurus due within 1 year $'000	Preference shares in controlled entity due after 1 year $'000	Advances from preference shareholder due within 1 year $'000	Lease liabilities due within 1 year $'000	Lease liabilities due after 1 year $'000	Total $'000
Net cash and cash equivalents/(debt) as at 30 June 2022	7,424	-	-	(8,960)	(10,915)	-	(20)	-	(12,471)
Cash flows	1,593	-	-	11,730	-	(12,658)	20	-	685
Foreign exchange adjustments	(96)	-	-	(847)	(371)	(98)	-	-	(1,412)
Other non-cash movements	-	-	-	(1,923)	-	-	-	-	(1,923)
Net cash and cash equivalents/(debt) as at 30 June 2023	8,921	-	-	-	(11,286)	(12,756)	-	-	**(15,121)**
Cash flows	(4,947)	(13,868)	(703)	-	-	-	1,947	-	**(17,571)**
Foreign exchange adjustments	(84)	(215)	-	-	450	506	-	-	**657**
Other non-cash movements	-	(2,650)	-	-	-	-	(6,513)	(14,317)	**(23,480)**
Net cash and cash equivalents/(debt) as at 30 June 2024	**3,890**	**(16,733)**	**(703)**	**-**	**(10,836)**	**(12,250)**	**(4,566)**	**(14,317)**	**(55,515)**

25. Events occurring after reporting date

US$35,000,000 term facility

On 15 July 2024, Kingsgate entered into a senior secured term facility with a limit of US$35,000,000 ($52,475,000) consisting of a Tranche 1 for US$22,000,000 and Tranche 2 for US$13,000,000 with Nebari Gold Fund 1 ("NGF 1"), LP and Nebari Natural Resources Credit Fund II, LP ("NNRCF II" and, together, "Nebari") (the "Facility"). On 17 July 2024, an amount of US$35,000,000 was fully drawn. The Facility was provided subject to security over interests and shares held in Kingsgate's subsidiaries.

Interest is equal to the three month Secured Overnight Financing Rate ("SOFR") plus a margin of 7.75% p.a. applied to aggregate amounts outstanding. If the Term SOFR is less than 4.75% per annum, interest will be deemed to be 4.75%.

Straight-line amortisation is applicable to Tranche 1 principal amount of US$22,000,000 commencing in March 2025 equal to 3.0% of the Tranche 1 principal amount.

The maturity date for Tranche 1 is 36 months from drawdown and for Tranche 2 is 30 months from drawdown.

The Tranche 2 principal amount is US$13,000,000 and an initial 6,986,589 unlisted warrant with an exercise price of $2.07 was issued to Nebari on 17 July 2024. In addition Kingsgate may be required to issue up to a further 2,328,863 warrants to Nebari. The expiry date for each warrant is 30 months from closing date i.e. 18 January 2027. Each warrant will entitle the holder to subscribe for one ordinary share of the Company at the exercise price of $2.07 per share.

Following the drawdown of this Facility, the existing loan balance with Nebari as at 30 June 2024 was fully repaid.

Repayment of advances from preference shareholder

On 19 July 2024, an amount of THB150,000,000 ($6,125,000) was repaid and the remaining balance of THB150,000,000 ($6,125,000) is required to be repaid within 90 days of drawdown according to the terms of the Facility.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect:

- the Group's operations in future financial periods;
- the results of those operations in future financial periods; or
- the Group's state of affairs in future financial periods.

26. Contingent assets and liabilities

In March 2019, Kingsgate settled a Political Risk Insurance claim against Zurich Insurance Australia Ltd, and other named insurers. The settlement consisted of:

- a cash payment of US$55,000,000 received in April 2019;
- a contribution totalling US$3,500,000 and $750,000 for future costs incurred towards the Thailand-Australia Free Trade Agreement (TAFTA) Arbitration.

To the extent that any amount is recovered by Kingsgate (being Kingsgate Consolidated Limited and/or Kingsgate Capital Pty Ltd) in connection with the TAFTA Arbitration, the Award Proceeds (meaning "any monetary amount finally received under, or from enforcement of, an Arbitral Award") or any amount received by Kingsgate following a negotiated settlement or compromise of the TAFTA Arbitration, the settlement allows for a sharing arrangement between Kingsgate and the Insurers. The Insurers are only entitled to the amount of their original financial contribution including interest.

The Group had no other contingent assets or liabilities at 30 June 2024 that is required to be reported. At the time of preparing this financial report some companies included in the Group are parties to pending legal proceedings. The Directors have determined that the possibility of any outflow in settlement resulting from these proceedings is remote.

27. Financial risk management and instruments

The Group's activities expose it to a variety of financial risks: market risk (including foreign current risk, price risk, fair value risk and interest rate risk), credit risk and liquidity risk.

At this point, the Directors believe that it is in the interest of shareholders to expose the Group to foreign currency risk, price risk and interest rate risk. Therefore, the Group does not employ any derivative hedging of foreign currency or interest rate risks. The Directors and management monitor these risks, in particular market forecasts of future movements in foreign currency and price movements and, if it is to be believed to be in the best interests of shareholders, will implement risk management strategies to minimise potential adverse effects on the financial performance of the Group.

The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. Risk management is carried out by the senior executive team.

	2024 $'000	2023 $'000
Financial assets		
Cash and cash equivalents	**3,890**	8,921
Restricted cash	**4,860**	649
Receivables	**9,802**	9,331
Other deposits	**5,509**	5,721
Total financial assets	**24,061**	24,622
Financial liabilities		
Payables	**(40,240)**	(24,330)
Borrowings	**(40,522)**	(24,042)
Lease liabilities	**(18,883)**	-
Total financial liabilities	**(99,645)**	(48,372)

Market risk

Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures, primarily with respect to the US dollar and Thai baht and, as discussed earlier, no financial instruments are employed to mitigate the exposed risks. This is the Group's current policy and it is reviewed regularly including forecast movements in these currencies by management and the Board. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. Currently foreign exchange risks arise primarily from:

- cash balances in US dollars;
- receivables denominated in US dollars for Australian entities; and
- payables denominated in Australian dollars for Thailand entities.

The functional currency of the Thai subsidiaries is Thai baht. The functional currency of the Chilean subsidiaries is the US dollar. The Company's functional currency is Australian dollar.

The Group's exposure to US dollar and Thai baht foreign currency risk arises mainly from balances receivable and payable between Group companies which are not considered to form part of the related investment balance in the entities. The unrealised foreign exchange gain/loss on these balances is therefore recorded in the statement of profit or loss of the Group. At the reporting date, expressed in Australian dollars these balances were as follows:

27. Financial risk management and instruments (Continued)

	USD 2024 $'000	THB 2024 $'000	Total 2024 $'000	USD 2023 $'000	THB 2023 $'000	Total 2023 $'000
Cash and cash equivalents	**59**	**-**	**59**	110	-	110
Receivables	**-**	**78,812**	**78,812**	1,960	76,172	78,132
Payables	**(5,811)**	**(78,812)**	**(84,623)**	(7,253)	(76,172)	(83,425)
Borrowings	**(16,733)**	**-**	**(16,733)**	-	-	-
Total exposure to foreign currency risk	**(22,485)**	**-**	**(22,485)**	(5,183)	-	(5,183)

	Impact on post tax profit and loss		Impact on other comprehensive income	
	2024 $'000	2023 $'000	**2024 $'000**	2023 $'000
One per cent weakened in Australian dollar against the US dollar	**285**	20	**285**	20
One per cent strengthened in Australian dollar against the US dollar	**(279)**	(19)	**(279)**	(19)
One per cent weakened in Australian dollar against the Thai baht	**1,343**	622	**1,535**	821
One per cent strengthened in Australian dollar against the Thai baht	**(1,332)**	(624)	**(1,520)**	(819)

Interest rate risk

The Group's exposure to interest rate risk for classes of financial assets and financial liabilities, at 30 June 2024 and 30 June 2023 are set out as follows:

27. Financial risk management and instruments (Continued)

2024	Floating interest rate $'000	Fixed interest rate maturing in: 1 year or less $'000	1 - 2 years $'000	2 – 5 years $'000	More than 5 years $'000	Non-interest bearing $'000	Total $'000
Financial assets							
Cash and cash equivalents	**40**	**-**	**-**	**-**	**-**	**3,850**	**3,890**
Restricted cash	**4,860**	**-**	**-**	**-**	**-**	**-**	**4,860**
Receivables	**-**	**-**	**-**	**-**	**-**	**9,802**	**9,802**
Other deposits	**2,528**	**-**	**-**	**-**	**-**	**2,981**	**5,509**
Total financial assets	**7,428**	**-**	**-**	**-**	**-**	**16,633**	**24,061**
Financial liabilities							
Payables	**-**	**(2,922)**	**(487)**	**-**	**-**	**(36,831)**	**(40,240)**
Borrowings	**-**	**(29,686)**	**(10,836)**	**-**	**-**	**-**	**(40,522)**
Lease liabilities	**-**	**(4,566)**	**(5,013)**	**(9,276)**	**(28)**	**-**	**(18,883)**
Total financial liabilities	**-**	**(37,174)**	**(16,336)**	**(9,276)**	**(28)**	**(36,831)**	**(99,645)**
Net financial assets/(liabilities)	**7,428**	**(37,174)**	**(16,336)**	**(9,276)**	**(28)**	**(20,198)**	**(75,584)**
2023							
Financial assets							
Cash and cash equivalents	5,207	-	-	-	-	3,714	8,921
Restricted cash	649	-	-	-	-	-	649
Receivables	-	-	-	-	-	9,331	9,331
Other deposits	2,625	-	-	-	-	3,096	5,721
Total financial assets	8,481	-	-	-	-	16,141	24,622
Financial liabilities							
Payables	-	(1,879)	(1,161)	(698)	-	(20,592)	(24,330)
Borrowings	-	(12,756)	(11,286)	-	-	-	(24,042)
Total financial liabilities	-	(14,635)	(12,447)	(698)	-	(20,592)	(48,372)
Net financial assets/(liabilities)	8,481	(14,635)	(12,447)	(698)	-	(4,451)	(23,750)

27. Financial risk management and instruments (Continued)

Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers including, outstanding receivables and committed transactions.

The Group has no significant concentrations of credit risk.

The maximum exposure to credit risk is represented by the carrying value of the Group's financial assets in the statement of financial position. The maximum exposure to credit risk at reporting date was:

	2024 $'000	2023 $'000
Cash and cash equivalents	**3,890**	8,921
Restricted cash	**4,860**	649
Receivables	**9,802**	9,331
Other deposits	**5,509**	5,721
Total exposure to credit risk at year end	**24,061**	24,622

Liquidity risk

The Group's liquidity requirements are based upon cash flow forecasts. Liquidity management, including debt/equity management, is carried out under policies approved by the Board and forecast material liquidity changes are discussed at Board meetings. The following table analyses the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period at the reporting date. The amounts disclosed are the contractual undiscounted cash flows. The borrowings of the Group are repayable on demand, however the contractual amounts for borrowings also include the interests that are expected to be repaid until the repayment of these debts based on the cash flow forecast prepared by the Group.

	Carrying amount $'000	**1 year or less $'000**	**1-2 years $'000**	**2-5 years $'000**	**More than 5 years $'000**	**Total $'000**
2024						
Payables	**40,240**	**34,361**	**653**	**4,889**[1]	**337**	**40,240**
Borrowings	**40,522**	**31,680**	**11,485**	**-**	**-**	**43,165**
Lease liabilities	**18,883**	**6,137**	**6,056**	**9,557**	**-**	**21,750**
Total financial liabilities	**99,645**	**72,178**	**18,194**	**14,446**	**337**	**105,155**
2023						
Payables	24,330	16,889	1,273	5,736[1]	452	24,350
Borrowings	24,042	14,328	11,286	-	-	25,614
Total financial liabilities	48,372	31,217	12,559	5,736	452	49,964

[1] *Primarily related to pre-production royalties and water rights payable in respect of the Nueva Esperanza Gold/Silver Project in Chile and the contingent consideration (refer Note 15).*

28. Auditors' remuneration

	2024 $	2023 $
Audit and other assurance services		
PricewaterhouseCoopers Australian Firm		
Audit and review of the financial reports	**495,750**	555,000
Related Practices of PricewaterhouseCoopers Australian Firm		
Audit and review of the financial statements	**252,879**	179,609
Total remuneration for audit services	**748,629**	734,609
Other services		
PricewaterhouseCoopers Australian Firm		
Service fee on Nueva Esperanza Project	**59,160**	-
Employee related tax service	**13,260**	-
Related Practices of PricewaterhouseCoopers Australian Firm		
BOI report	**-**	4,039
Total remuneration for non-audit related services	**72,420**	4,039
Taxation services		
PricewaterhouseCoopers Australian Firm		
Tax compliance services	**37,230**	50,000
Related Practices of PricewaterhouseCoopers Australian Firm		
Tax compliance services	**30,340**	10,630
Review tax ruling of doré sales	**-**	10,630
Total remuneration for tax related services	**67,570**	71,260

29. Earnings per share

	2024 Cents	2023 Cents
Basic earnings per share	**77.5**	2.06
Diluted earnings per share	**76.8**	2.04

	$'000	$'000
Net profit used to calculate basic and diluted earnings per share	**199,761**	4,738

	Number	**Number**
Weighted average number of ordinary shares used as the denominator: basic	**257,751,692**	229,916,383
Adjustment for dilutive effect	**2,500,000**	2,500,000
Weighted average number of ordinary shares used as the denominator: diluted	**260,251,692**	232,416,383

30. Parent entity financial information

As at, and throughout the financial year ending 30 June 2024, the parent entity of the Group was Kingsgate Consolidated Limited.

Summary of financial information	**2024 $'000**	2023 $'000
Results of parent entity		
Loss for the year	**(26,772)**	(49,188)
Other comprehensive loss	**-**	-
Total comprehensive losses	**(26,772)**	(49,188)
Financial position of parent entity at year end		
Current assets	**875**	6,081
Total assets	**23,983**	29,888
Current liabilities	**108,833**	87,966
Total liabilities	**108,833**	87,966
Total equity of the parent entity comprising:		
Issued capital	**727,307**	727,307
Reserve	**10,432**	10,432
Accumulated losses	**(822,589)**	(795,817)
Total equity	**(84,850)**	(58,078)

Contingent liabilities of the parent entity

There are cross guarantees given by Kingsgate Consolidated Limited, Dominion Mining Limited and Gawler Gold Mining Pty Ltd as described in Note 31. No liability was recognised by the parent entity or the Group in relation to this guarantee, as the fair value of the guarantees is immaterial.

As at 30 June 2024, the parent entity had no contractual commitments for the acquisition of property, plant or equipment.

31. Deed of cross guarantee

Pursuant to ASIC *Corporations* (*wholly-owned Companies*) *Instrument 2016/785*, the wholly owned subsidiaries listed below are relieved from the *Corporations Act 2001* requirements for preparation, audit and lodgement of financial reports, and Directors' Reports.

It is a condition of the Class of Order that the Company and each of the subsidiaries enter into a Deed of Cross Guarantee ("Deed"). The effect of the Deed is that the Company guarantees to each creditor payment in full of any debt in the event of the winding up of any of the subsidiaries under certain provisions of the *Corporations Act 2001*. If a winding up occurs under other provisions of the *Corporations Act 2001,* the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries subject to the Deed are:

- Dominion Mining Limited; and
- Gawler Gold Mining Pty Ltd.

The above companies represent a 'closed group' for the purpose of the Class Order, and as there are no other parties to the Deed of Cross Guarantee that are controlled by Kingsgate Consolidated Limited, they also represent the 'extended closed group'.

A consolidated statement of profit or loss and other comprehensive income, a summary of movements in consolidated accumulated losses, and consolidated statement of financial position, comprising the Company and controlled entities which are a party to the Deed, after eliminating all transactions between parties to the Deed of Cross Guarantee, is set out as follows:

31. Deed of cross guarantee (Continued)

Statement of profit or loss and other comprehensive income	2024 $'000	2023 $'000
Corporate and administration expenses	(8,742)	(7,333)
Royalties	(518)	-
Other income and expenses	14,040	10,867
Foreign exchange gain/(losses)	(3,539)	6,410
Impairment losses – Nueva Esperanza Project	(3,840)	(490)
Impairment reversal – Chatree Gold Mine	2,091	-
Intercompany loan write-off	(24,114)	(54,689)
Loss before financial costs and income tax	**(24,622)**	(45,235)
Finance income	22	53
Finance costs	(2,059)	(4,120)
Net finance costs	**(2,037)**	(4,067)
Loss before income tax	(26,659)	(49,302)
Income tax expense	-	-
Loss after income tax	**(26,659)**	(49,302)
Total comprehensive loss for the year	**(26,659)**	(49,302)
Loss attributable to:		
Owners of Kingsgate Consolidated Limited	(26,659)	(49,302)
Total comprehensive loss attributable to:		
Owners of Kingsgate Consolidated Limited	(26,659)	(49,302)
Summary of movements in consolidated retained earnings		
Accumulated losses		
At the beginning of the financial year	(795,930)	(746,628)
Loss for the year	(26,659)	(49,302)
At the end of the financial year	**(822,589)**	(795,930)

31. Deed of cross guarantee (Continued)

Statement of financial position	2024 $'000	2023 $'000
ASSETS		
Current assets		
Cash and cash equivalents	**372**	5,403
Receivables	**175**	141
Other assets	**330**	541
Total current assets	**877**	6,085
Non-current assets		
Restricted cash	**140**	-
Property, plant and equipment	**72**	24
Investment in subsidiaries	**22,032**	23,781
Exploration, evaluation and development	**864**	-
Total non-current assets	**23,108**	23,805
TOTAL ASSETS	**23,985**	29,890
LIABILITIES		
Current liabilities		
Payables	**89,825**	87,778
Provisions	**664**	302
Borrowings	**17,436**	-
Lease liabilities	**161**	-
Total current liabilities	**108,086**	88,080
Non-current liabilities		
Lease liabilities	**741**	-
Provisions	**8**	1
Total non-current liabilities	**749**	1
TOTAL LIABILITIES	**108,835**	88,081
NET LIABILITIES	**(84,850)**	(58,191)
EQUITY		
Contributed equity	**727,307**	727,307
Reserves	**10,432**	10,432
Accumulated losses	**(822,589)**	(795,930)
TOTAL EQUITY	**(84,850)**	(58,191)

DIRECTORS' DECLARATION

In the Directors' opinion:

a) the financial statements and notes that are set out on pages 25 to 81 and the Remuneration Report in the Directors' Report, are in accordance with the *Corporations Act 2001*, including:

   (i) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
   (ii) complying with Australian Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.

b) The Consolidated Entity Disclosure Statement as at 30 June 2024 set out on page 29 is true and correct;

c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

d) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in Note 31 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee described in Note 31.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer for the financial year ended 30 June 2024.

This declaration is made in accordance with a resolution of the Directors.

Ross Smyth-Kirk OAM
Director

Dated at Sydney on 19 September 2024
On behalf of the Board

Independent auditor's report

To the members of Kingsgate Consolidated Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Kingsgate Consolidated Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2024
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2024
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit scope	*Key audit matters*
• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • The Australian engagement team directed the involvement of the Thai component audit team, which audited the financial information of Akara Resources Public Company Limited. • The component auditor in Chile, operating under instructions, also performed specified audit procedures over the Group's Chilean operations' financial information. • The Australian engagement team determined the required level of involvement in the work performed by the Thai and Chilean component audit teams, in order to be satisfied that sufficient appropriate audit evidence had been obtained for our opinion on the Group financial statements as a whole	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: – Reversal of impairment in relation to Chatree Gold Mine – Asset retirement obligations in relation to Chatree Gold Mine • These are further described in the *Key audit matters* section of our report.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

Key audit matter	*How our audit addressed the key audit matter*
Reversal of impairment in relation to Chatree Gold Mine *(Refer to note 3(i) and note 5(j)) $228.7 million* During the year, the refurbishment of Chatree Plant #1	We performed the following procedures, amongst others: >performed a site visit to inspect the existence of the mining assets and production activities at Chatree Gold Mine;

Key audit matter	***How our audit addressed the key audit matter***
was completed, and the Group has acquired new mining equipment. The mining operation has resumed in May 2024. The gold price has increased significantly since the time of the previous impairment in 2015. Management considered this to be an indicator for reversal of previously impaired mining assets. Based on the impairment model prepared, a reversal of impairment of $228,699,000 was recognised in relation to Chatree Gold Mine. The reversal of the impairment at Chatree Gold Mine and associated disclosures is considered to be a key audit matter due to the significance of the reversal to the consolidated statement of profit or loss and other comprehensive income, and the significance of the Chatree mine assets to the consolidated statement of financial position, and the significant judgments involved in determining the recoverable amount of the mining assets.	>evaluated the Group's assessment of impairment reversal indicator by inspecting the material contracts, gold price and production results; >considered whether the cash flows used in the impairment model were reasonable by comparing: - the volume of the ore to be processed to the ore reserve statement; -the gold and silver grade and recovery to the historical data and ore reserve statement; -the royalty rates to Thai government's official document; -a sample of forecast operating costs and overheads to the most recent budget, relevant historical costs incurred and contract rates; -capital costs to the purchase agreement and historical costs incurred; and -gold and silver price to the commodity forward price curve >engaged internal valuation experts to assess whether the discount rate appropriately reflected the risks of the CGU; >assessed management's assessment of the existence and condition of the mining assets subject to impairment reversal; and >evaluated the reasonableness of the disclosures made in note 3(i) and 5(j), including those regarding the key assumptions and sensitivities to changes in such assumptions, in light of the requirements of Australian Accounting Standards.
Asset retirement obligations in relation to Chatree Gold Mine *(Refer to note 3(ii) and note 17) $35.9 million* During the year, the Group engaged a mining consultant to conduct a full review of the rehabilitation plan. The Group recognised provisions for restoration and rehabilitation obligations of $35,871,000 as at 30 June 2024. This was a key audit matter as the calculation of these provisions requires judgement by the Group in estimating the magnitude of possible works required for the removal of the infrastructure and rehabilitation works, the future cost of performing the work, when rehabilitation activities will take place and the economic assumptions such as inflation and discount rates	To assess the Group's restoration and rehabilitation obligations, we performed the following audit procedures, amongst others: >evaluated the Group's rehabilitation and restoration cost forecasts including the process by which they were developed; >checked the mathematical accuracy of the underlying calculations; >considered the competence and objectivity of the Group's experts who reviewed the closure plan and associated cost estimates; >assessed the reasonableness of the Group's significant judgemental assumptions and key data used

Key audit matter	How our audit addressed the key audit matter
relevant to such liabilities.	in the closure plan and associated cost estimates; >evaluated the expected timing of restoration and rehabilitation activities against the life of mine plan; >benchmarked key market related assumptions including inflation and discount rates against external market data; and >assessed the reasonableness of the note disclosure in note 3(ii) and note 17 in light of requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon. Prior to the date of this auditor's report, the other information we obtained included the the director's report. We expect the remaining other information to be made available to us after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express an opinion or any form of assurance conclusion thereon through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2024.

In our opinion, the remuneration report of Kingsgate Consolidated Limited for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

PricewaterhouseCoopers

Craig Thomason
Partner

Sydney
19 September 2024