

# \$10m debt facility secured to accelerate Mineral Hill development

*Funding now in place for work programs to deliver +5-year mine life*

- \$10m facility to be provided by PURE Asset Management (Resources Fund)
- Strengthens balance sheet and provides funding to accelerate work programs associated with the Mineral Hill mining restart at the Pearse open pits and the SOZ underground
- Attractive terms, with strong alignment with shareholders, with warrants (options) to acquire ordinary shares issued at 20 cps, a 127% premium to the last traded share price
- Securing debt validates the development strategy at Mineral Hill and supports Kingston's vision to create an ASX listed mid-tier gold and copper producer

Kingston Resources Limited (ASX: **KSN**) (**Kingston** or **the Company**) is pleased to announce the signing of a binding term sheet for a \$10m debt facility with PURE Asset Management to fund the Company's key growth initiatives at Mineral Hill.

The funding will be provided in two tranches, including an immediate \$5m tranche, followed by a second \$5m tranche to be drawn by 30 November 2022, subject to meeting progress milestones. The funding will enable work plans to be carried out in the short term to support the delivery of a five year plus mine life at Mineral Hill. These include:

- Engineering studies for refurbishment of front end of Mineral Hill processing plant
- Near term Resource/Reserve updates at the Pearse and SOZ deposits
- Mining studies and all technical programs for Pearse open pits
- SOZ underground refurbishment works and mining studies
- Working capital

For further detail on the work being undertaken please see today's ASX Announcement.

**Kingston Resources Managing Director, Andrew Corbett, said:** *"We are delighted to be working with PURE Asset Management to deliver on our plans for Mineral Hill. The funding facility provided by PURE is an important achievement for the Company, providing the necessary finance to get the project development underway. The team at PURE have undertaken extensive technical due diligence, including multiple site visits prior to committing to this funding, with today's outcome reflecting their confidence in the underlying fundamentals of Mineral Hill. The facility also represents an important corporate step for Kingston, introducing our first debt funding package."*

**PURE Asset Management Portfolio Manager Dan Porter commented:** *"We are extremely excited about the recommencement of mining at Mineral Hill as it seeks to enter a robust production phase. We see a*



ASX: KSN  
Shares on Issue: 413M  
Market Cap: A\$37M  
Cash: A\$10.8M (31 Mar 2022)

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*tremendous opportunity unfolding, backed by fully permitted, quality assets in a Tier 1 location (NSW), the strategic positioning of the mill, increasing reserves and very strong upside within the existing Mining Lease”.*

PURE Asset Management (Resources Fund) is a specialist provider of hybrid capital to Australia’s most compelling emerging resources companies. For more information, please visit [www.puream.com.au](http://www.puream.com.au)

Key terms of the facility include:

Structure:	Two-tranche term loan with detached warrants
Interest Rate:	9.9%
Term:	48 months for each tranche
Fees:	3% establishment fee
Repayment:	Non amortising, bullet repayment. Early prepayment is possible after 1 year with a sliding scale of fees
Financial Covenants:	Minimum cash balance of \$2m
Warrants:	<p>Tranche 1: 25,000,000 4-year warrants with exercise price of \$0.20, (subject to adjustment should Kingston issue equity beyond its 15% LR7.1 placement capacity in any 12-month period).</p> <p>Tranche 2: 4-year warrants with an exercise price the lower of (i) 26 cps; or (ii) the 5-day volume weighted average price (VWAP) of shares for the five trading days immediately before the utilisation date of the Tranche 2 loan, multiplied by 1.65; or (iii) the lowest issue price per share of any issuance announced after the date of this announcement but before the utilisation date for the Tranche 2 loan, multiplied by 1.65. The amount of Tranche 2 warrants to be issued will be determined by the size of the Tranche 2 facility (\$5m) divided by the exercise price.</p>
Security:	First ranking general security over all present and subsequently acquired property of the Company excluding the Misima Gold Project and its related entities.

This release has been authorised by the Kingston Resources Limited Board. For all enquiries please contact Managing Director, Andrew Corbett, on +61 2 8021 7492.

### About Kingston Resources

Kingston Resources is a gold producer, focused on building a mid-tier gold and base metals company, with current production from the Mineral Hill gold and copper mine in NSW, and advancing its flagship development asset, the 3.8Moz Misima Gold Project in PNG.

Mineral Hill is a gold and copper mine located in the Cobar Basin of NSW. Alongside current production, exploration is focusing on near mine production opportunities from both open pit and underground targets located on the existing MLs. The aim will be to expand and update the existing Resource base to underpin mine feasibility work and approvals to ensure an immediate transition to open pit and/or underground feed at the completion of the tailings reprocessing.

Misima hosts a JORC Resource of 3.8Moz Au and an Ore Reserve of 1.73Moz. Misima was operated as a profitable open pit mine by Placer Pacific between 1989 and 2001, producing over 3.7Moz before it was closed when the gold price was below US\$300/oz. The Misima Project also offers outstanding potential for additional resource growth through exploration success targeting extensions and additions to the current Resource base. Kingston's interest in Misima is held through its PNG subsidiary Gallipoli Exploration (PNG) Limited.

The Misima Mineral Resource and Ore Reserve estimate outlined below was released in ASX announcements on 24 November 2020 and 15 September 2021 and 6 June 2022. Further information is included within the original announcements.

### Misima JORC 2012 Mineral Resource & Ore Reserve summary table

Resource Category	Cut-off (g/t Au)	Tonnes (Mt)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Au (Moz)	Ag (Moz)
Indicated	0.3	97.7	0.79	4.3	2.5	13.4
Inferred	0.3	71.3	0.59	3.8	1.4	8.7
<b>Total</b>	<b>0.3</b>	<b>169</b>	<b>0.71</b>	<b>4.1</b>	<b>3.8</b>	<b>22.1</b>
Reserve	Cut-off (g/t Au)	Tonnes (Mt)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Au (Moz)	Ag (Moz)
<b>Probable</b>	<b>0.3</b>	<b>75.6</b>	<b>0.79</b>	<b>4.2</b>	<b>1.73</b>	<b>4.1</b>

### Mineral Hill JORC 2012 & JORC 2004 Mineral Resource & Ore Reserve summary table

Resource Category	Tonnes (kt)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Cu %	Pb %	Zn %	Au (koz)	Ag (koz)	Cu (kt)	Pb (kt)	Zn (kt)
Measured	698	2.63	40.3	0.85%	0.42%	0.28%	59	904	5.9	3.0	2.0
Indicated	4,542	0.92	21.4	0.66%	1.09%	0.55%	134	3126	30.1	49.7	25.1
Inferred	674	1.68	20.2	1.16%	1.30%	1.19%	36	438	7.8	8.8	8.0
<b>Total</b>	<b>5,913</b>	<b>1.20</b>	<b>23.5</b>	<b>0.74%</b>	<b>1.03%</b>	<b>0.60%</b>	<b>229</b>	<b>4461</b>	<b>43.5</b>	<b>61.1</b>	<b>35.3</b>
Reserve Category	Tonnes (kt)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Cu %	Pb %	Zn %	Au (koz)	Ag (koz)	Cu (kt)	Pb (kt)	Zn (kt)
Proved	55	2.30	17.0				4	31			
Probable	2,017	1.38	4.9				67	315			
<b>Total</b>	<b>2,072</b>	<b>1.41</b>	<b>5.2</b>				<b>71</b>	<b>346</b>			

### Competent Persons Statement and Disclaimer

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr. Stuart Hayward BAppSc (Geology) MAIG, a Competent Person who is a member of the Australian Institute of Geoscientists. Mr. Hayward is an employee of the Company. Mr. Hayward has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Hayward confirms that the information in the market announcement provided is an accurate representation of the available data and studies for the material mining project and consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears.

The Competent Person signing off on the overall Misima Ore Reserves Estimate is Mr John Wyche BE (Min Hon), of Australian Mine Design and Development Pty Ltd, who is a Fellow of the Australasian Institute of Mining and Metallurgy and who has sufficient relevant experience in operations and consulting for open pit metalliferous mines. Mr Wyche consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears.

Kingston confirms that it is not aware of any new information or data that materially affects the information included in all ASX announcements referenced in this release, and that all material assumptions and technical parameters underpinning the estimates in these announcements continue to apply and have not materially changed.