

Mineral Hill Gold & Copper Mine – Strategic Update

Multiple work programs underway to expedite mine production

- Kingston strategy to develop and expand production at Mineral Hill is now fully underway
- Well advanced on growing the resource base to fill an initial five-year mine plan delivering gold and copper production
- Resource updates for Pearse North, Pearse South, and SOZ expected through Q3 2022
- Mine planning underway at Pearse open pits and SOZ underground
- Approvals in place for mining restart
- \$10m funding secured to undertake work programs towards plant refurbishment and mining restart, with \$5m available immediately and a further \$5m available upon reaching progress milestones (see separate ASX announcement today).

Kingston Resources Limited (ASX: **KSN**) (**Kingston** or **the Company**) is pleased to provide an update on re-establishing and expanding mine production at the Mineral Hill Gold & Copper Mine in Cobar, NSW.

Kingston Resources Managing Director, Andrew Corbett, said:

“With the conclusion of our highly successful initial drilling program at Mineral Hill, the team is now very excited to be turning towards future production growth with work now underway on Resource and Reserve updates, mine design, and plant refurbishment.

We are fortunate to be able to leverage the brownfield nature of our operations at Mineral Hill. The partially mined open pit at Pearse South, a developed underground at SOZ, an existing plant, and current approvals all contribute to what we anticipate will be a relatively low-cost, high return, re-start of hard rock mining at Mineral Hill.

We are delighted to be working with PURE Asset Management (Resources Fund), who has recognised the opportunity at Mineral Hill. Through enabling the acceleration of the work programs required to restart mining, this funding package is set to deliver benefits to all shareholders. We look forward to working closely with the PURE team over the coming months and years.”



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

202/201 Miller St,
North Sydney, NSW 2060
+61 2 8021 7492
info@kingstonresources.com.au
www.kingstonresources.com.au



@KSNResources

Mineral Hill expansion underway

Kingston acquired the Mineral Hill Gold-Copper project in NSW in January 2022. Since then, extensive progress has been made in our understanding of the asset, tailings processing and upside potential at the site. Board and Management are confident that this mine will underpin the development of Kingston and position the Company as a key gold and copper producer in NSW in the near future.

Mineral Hill an attractive and strategic asset

This asset holds key intrinsic value, underpinned by an existing processing facility and a major expansion of reserves and production planned over the next five years.

- Key strategic location at the southern end of the Cobar Basin, 65km from Condobolin and 175km from the large regional centre and airport at Dubbo.
- Gold mill and float circuits replacement value in excess of \$75m.
- Neighbours include several prospective listed and unlisted companies without processing facilities, or approvals to build processing plants.
- Reduced capital intensity and increased returns of mining restart, with existing open pit, underground development and plant in place
- Site is fully covered by an existing Mining Lease and operating approvals.
- Strong growth in reserves and development expected at key target sites including Jack's Hut and expansion of existing SOZ underground.

Reserve expansions and mill re-start works underway

A well formulated work program has commenced to restart the milling, and open pit and underground mining.

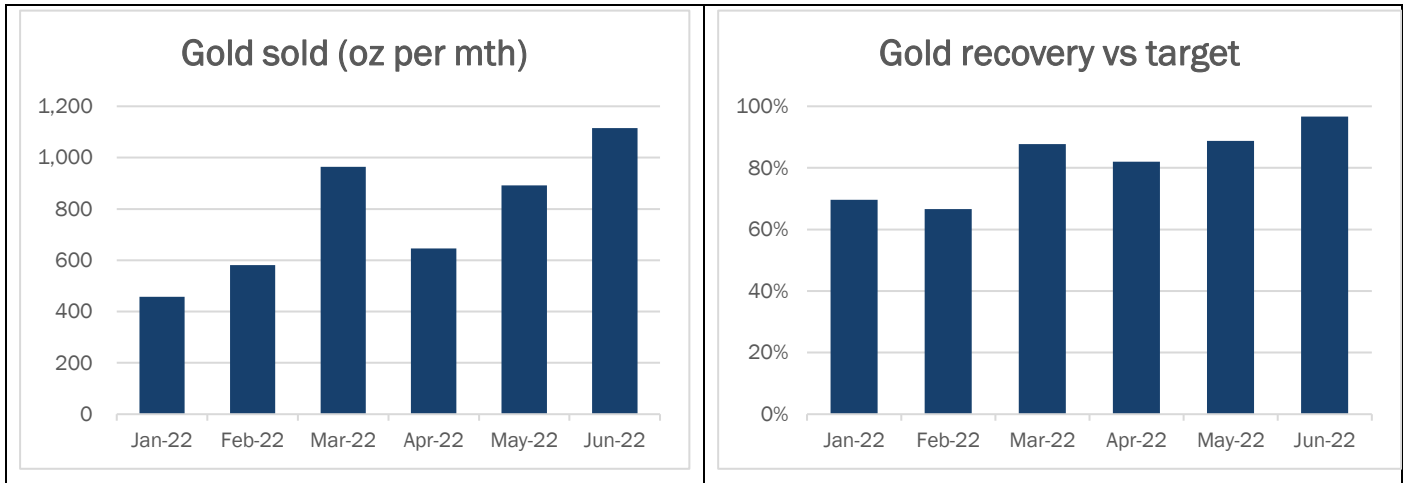
- Assessment underway on Mineral Hill plant requirements for hard rock ore processing, with primary focus on refurbishment of comminution and float circuits.
- Metallurgical testing to confirm suitability of historical flow sheet.
- Logistics network to be re-established, with concentrate likely to be trucked to Narromine, for rail loading to Port Botany.
- Preliminary discussions have been held with a number of concentrate offtake partners.
- Initial Resource infill and extension drilling now complete at Pearse open pits and SOZ underground
- First round exploration drilling at two open pit targets, Jack's Hut and Missing Link, also complete.
- Resource updates pending for Pearse North, Pearse South, and SOZ.
- Mine planning to commence supporting Pearse and SOZ Reserve updates in H2 2022.

Update on Tailings Project

Tailings processing has been underway since September 2021, with Kingston taking over the previous owner from late January 2022.

Kingston has made significant progress in a short period of time since acquisition. While April and May were impacted by severe thunderstorms and strong rain, tailings processing delivered positive cash flow in May and June with gold sales in the June quarter 32% above March quarter levels.

Higher recoveries are expected to continue as we move deeper into the TSF, while the CIL circuit continues to demonstrate increasing production rates.



Stage 1 Drilling program concluded

Kingston has concluded its first-round drilling program at Pearse North (Figure 1), Pearse South and SOZ. Initial results from this work have been previously reported by Kingston (see ASX announcements 8 April 2022, 18 May 2022, 14 June 2022). Remaining results are expected to be reported during July and August.

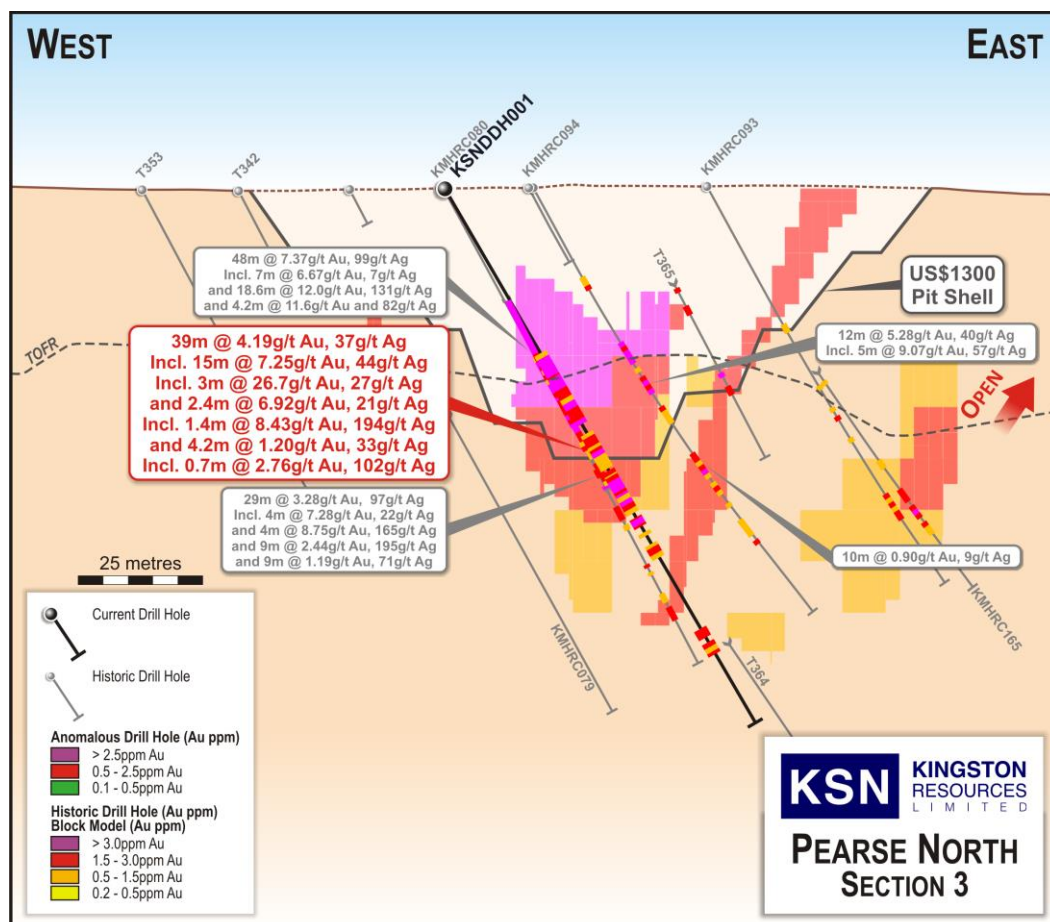


Figure 1: Recent and historical gold-silver intercepts at Pearse North relative to historic USD\$1300 Au Ore Reserve pit shell

Alongside infill and extensional drilling of the existing ore bodies, holes were drilled targeting the Jacks Hut and Missing Link deposits. These are earlier stage prospects that have been the subject of historical drilling indicating high grade and scalable deposits. Kingston intends to bring these deposits into the Mineral Hill Resource base and development pipeline with further drilling and studies.

A second round of drilling at Jacks Hut is also planned with a view to establishing a maiden Resource in H2 2022.

Multiple near mine exploration targets, interpreted from geophysics and geology data, occur within the Mine Lease and surrounding Exploration License (EL1999) (see ASX announcement 13 April 2022). Field reconnaissance will be followed by surface originating drill testing of the most prospective targets in H2 2022.

Underground drilling at SOZ is expected to commence late in 2022 after minor underground refurbishment works are complete. Drilling will target infill of known lodes to consolidate the deposit model and upgrade Resource classification, along with plunge and strike extensions indicated by existing wide spaced drilling (Figure 3).

Resource & Reserve updates pending

Mineral Hill's brownfield nature provides an advanced resource development pipeline (Table 1, Figure 2) with an existing Ore Reserve at the two Pearse pits and a significant Measured and Indicated Mineral Resource at the SOZ underground.

Table 1 – Summary of advanced geological targets and ore bodies within the ML

Target	Commodity	Oxide-Sulphide	Work Planned	Mining	Resource
Tailings Resource (TSF1)	Au-Ag	Sulphide	Producing	Tails Reclaim	Yes
Southern Ore Zone – SOZ	Cu-Pb-Zn-Ag-Au	Sulphide	Resources update, UG drilling and mining studies	Underground	Yes
Pearse Sth	Au-Ag	Sulphide	Resource update and mining studies	Open Pit	JORC 2004
Pearse Nth	Au-Ag	Oxide + Sulphide	Resource update and mining studies	Open Pit	Yes
Jacks Hut	Cu-Au	Oxide + Sulphide	Drilling and maiden resource	Open Pit and Underground	No
Parkers Hill	Cu-Pb-Zn-Ag-Au	Oxide + Sulphide	Drilling and resource update	Open Pit	JORC 2004
Missing Link	Au-Cu	Oxide + Sulphide	Drilling and maiden resource	Open Pit	No

Production is expected to commence from existing Reserves at the Pearse pits followed by a restart at SOZ from the existing underground development. This production program will be complemented by development of advanced open pit targets at Jacks Hut, Missing Link and Parkers Hill to secure longer term production growth beyond the initial five-year mine plan.

A Mineral Resource update for the Pearse open pits is nearing completion. Pit optimisations will then be carried out to update to the Pearse North and Pearse South Ore Reserve in Q3 2022. The current combined Pearse pit reserves stand at 262kt @ 3.3g/t Au & 41g/t Ag for 29koz Au and 346koz Ag. This reserve was estimated using a US\$1300/oz gold price assumption. It is anticipated a more current gold price assumption and recent exploration results will see an improvement in the Ore Reserve in the Pearse pits.

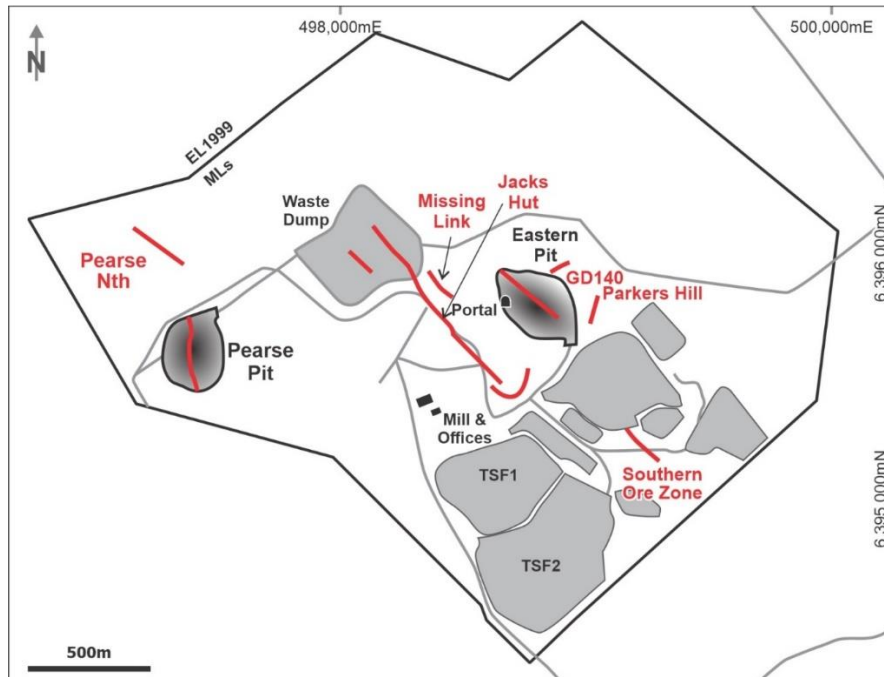


Figure 2 – Mineral Hill site layout, all currently targets are within 1 km radius of the processing plant.

Underground redevelopment provides further upside potential

At the SOZ underground (Figure 3), mine design work will contribute to a SOZ Ore Reserve update in Q4 2022. At SOZ, existing underground development provides direct access to ore, this is expected to ensure a low capital cost mining restart which will enhance the economics of the deposit and ensure a rapid transition to production once mining commences.

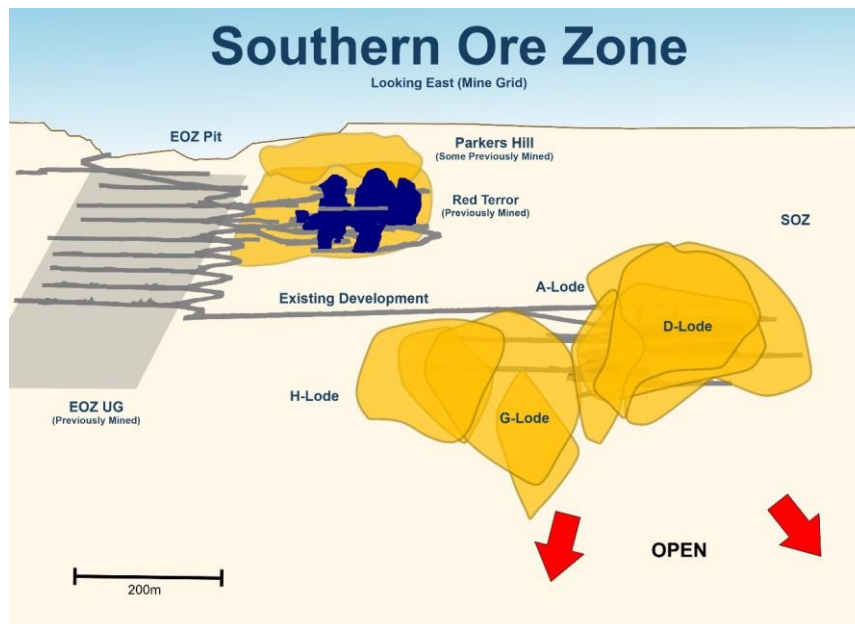


Figure 3 - SOZ long section demonstrates the infrastructure advantage of the SOZ with existing decline and level development

Plant refurbishment studies underway

Engineering studies are now underway to establish the refurbishment strategy and work program for the comminution and float circuits of the Mineral Hill plant (Figure 4). These were placed on care and maintenance in 2016.

The existing plant has capacity of 350-400ktpa, with sequential flotation allowing concurrent production of separate copper, lead and zinc concentrates. Equipment includes:

- Two staged crushing circuit (jaw and cone crusher)
- 2x parallel milling circuits (1 x 485kW and 1 x 300kW)
- Cu/Zn/Pb flotation circuit (roughing, cleaning and scavenging banks)
- CIL circuit commissioned in 2016 with the ability to treat both sulphide and oxide ores. The CIL circuit is currently running at approximately 700ktpa on tailings ore feed as this bypasses the front end of the plant.

The study focus will be to re-establish front end throughput at the historic rates of production, however, a preliminary assessment of what will be required to lift the capacity of the front end of the circuit to utilise the current 700ktpa capacity of the CIL will also be carried out. This may enable potential expansion and acceleration of production growth as the Resource development pipeline is advanced

Metallurgical testing will be undertaken to confirm suitability of the historical flow sheet, with any identified upgrade opportunities to be considered.



Figure 4 – Mineral Hill process plant

Transport, Logistics & Infrastructure

Mineral Hill is 65km from Condobolin (Figure 5) and is easily accessible by a sealed bitumen road for 50km and formed gravel roads for 15km, and 179km from the Narromine railhead via sealed and formed gravel roads.

Historically, Mineral Hill concentrates were trucked to Narromine for rail shipment to port. It is anticipated that this logistics chain will be re-established upon re-start of concentrate production. With this network presently operational, no major capital works are anticipated for it to be re-established.

Grid power is currently connected to the site and further work will be undertaken to understand future requirements, with availability of onsite diesel generators when required.

Site water requirements are well catered for with 630ML groundwater extraction licence and is available from bore, underground working and historic pits. Elution and plant water needs have been addressed with a site RO plant, while potable and ablution water is delivered by tanker from Condobolin.

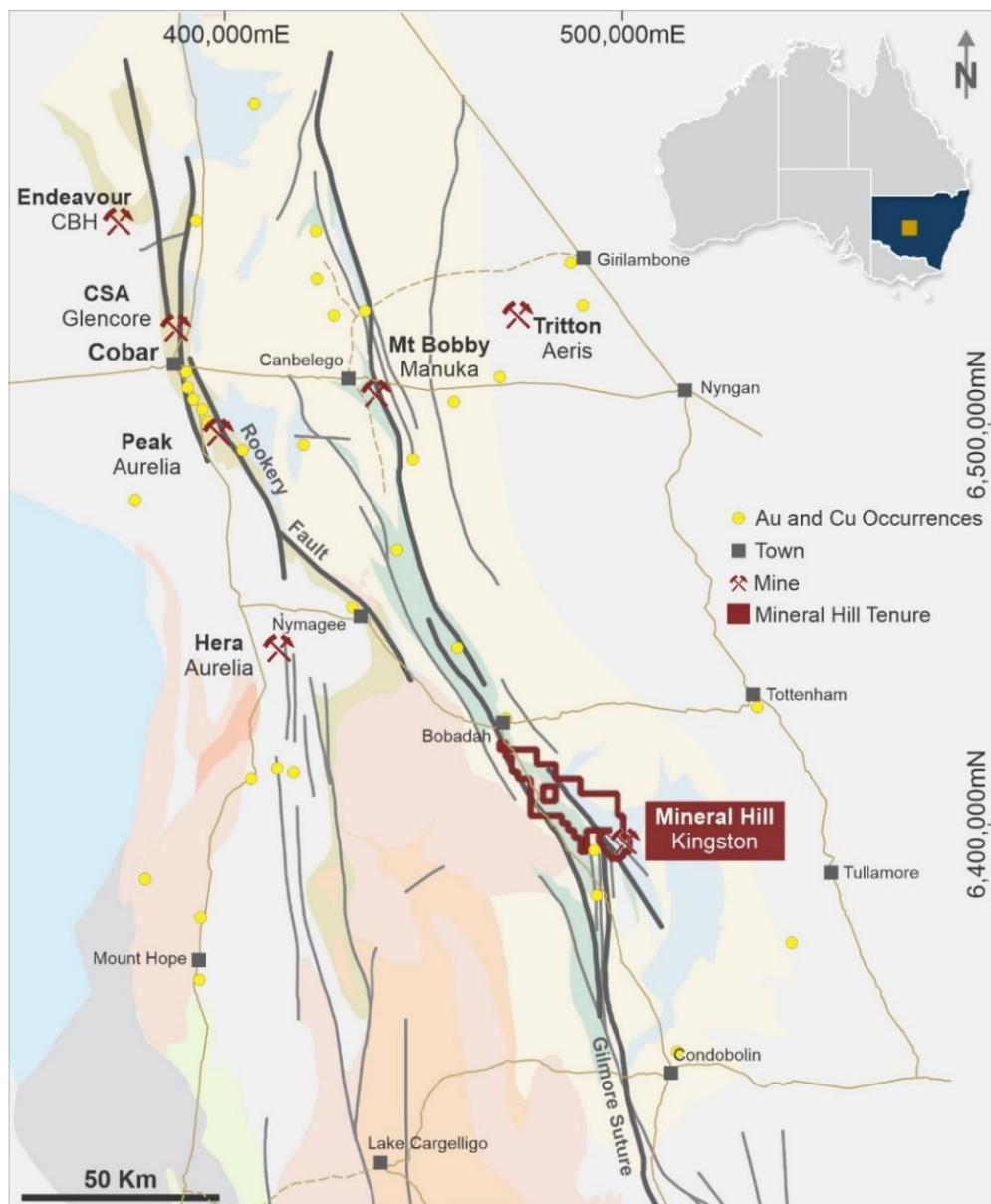


Figure 5 – Regional map of Mineral Hill and Southern Cobar

Approvals

Primary approvals are in place for the recommencement of mining at the Pearse open pits and the SOZ underground. Other key approval conditions include:

- Mining Licenses (ML) granted
- Environment protection, cyanide and water permits in place
- Environmental Bonds in place with staged payment schedule
- Development Applications (DA) approvals in place for tailings (TSF), Pearse pits, SOZ underground
- Mine Operation Plan (MOP) in place for the tailing's retreatment, update required before re-commencing hard rock mining
- Biodiversity offset in place, review underway to increase offset for future mining
- Dam Safety NSW site review complete
- Tailings Dam strategy
 - TSF1 currently being re-processed, approval will be sought for re-use as tailings storage on completion
 - TSF2 approved, lift 4 & 5 designed providing storage capacity for 2.5 years

Kingston maintains excellent relationships with various local stakeholders including landholders, community and Condobolin Chamber of Commerce. The vast majority of its workforce are local residents.

Concentrate sales

A number of parties have approached Kingston indicating interest in securing concentrate offtake. These include parties historically involved with Mineral Hill as well as a number of new parties. Kingston intends to advance these discussions alongside its mining restart studies.

Funding partnership secured

Kingston is very excited to be working with Pure Asset Management who have provided a funding package of up to \$10m to accelerate the works required for a mining restart at Mineral Hill. For full details of this facility please see the ASX Announcement 7 July 2022 released alongside this announcement.

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
Total	0.3	169	0.71	4.1	3.8	22.1
Reserve	Cut-off (g/t Au)	Tonnes (Mt)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Au (Moz)	Ag (Moz)
Probable	0.3	75.6	0.79	4.2	1.73	4.1

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
Total	5,913	1.20	23.5	0.74%	1.03%	0.60%	229	4461	43.5	61.1	35.3
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			
Total	2,072	1.41	5.2				71	346			

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.