

June 2022 Quarterly Activities Report

Mineral Hill Mine, NSW

- High-grade gold drilled at Pearse North including: 39m @ 4.19g/t Au and 37g/t Ag from 37m
- Exceptional polymetallic mineralisation drilled at Southern Ore Zone including:
 - 10m @ 2.12% Cu, 10.4% Zn, 10.3% Pb, 0.5g/t Au, and 81g/t Ag from 150m
- Ten new near-mine drill targets identified via geophysics
- Updated Mineral Resource Estimates in Q3 2022 to feed proposed 5+ year Cu-Au mine plan
- 1757oz gold and 3,378oz silver produced during quarter at AISC A\$2,424/oz

Misima Gold Project, PNG

- Misima Definitive Feasibility Study (DFS) and updated Ore Reserve released 6 June 2022
- DFS confirms potential for a large-scale, long-life, low-cost open pit operation at Misima.
 - Forecast gold production of ~2.4Moz over 20-year mine life plus 5.6Moz of silver.
 - Pre-tax Net Present Value (NPV) of A\$956 million.
 - Life-of-mine (LOM) revenue of A\$6.1 billion, LOM free cash flow of A\$2.7 billion (pre-tax)
 - LOM all-in sustaining cost (AISC) of A\$1,217/oz.
- 28% increase in the Misima Gold Project JORC Ore Reserve to 76Mt @ 0.8g/t for 1.73Moz.
- Independent studies for the Environmental and Social Impact Assessment (ESIA) largely complete, with work advancing on finalising the full ESIA report for submission.
- Studies required for the Mining Licence (ML) Application nearing completion.

Corporate

- Subsequent to the end of the quarter Kingston secured a \$10m debt facility with Pure Asset Management, the first \$5m tranche of which was drawn in early July.

Kingston Managing Director, Andrew Corbett, said: *“The June quarter has been another period of significant activity, with the headline being the announcement of Misima’s much anticipated DFS results confirming the Project’s potential for a large-scale, long-life, low-cost gold mine. The DFS delivered total production of 2.4Mozs at an extremely low all-in sustaining cost of A\$1,217/oz over a 20-year mine life, alongside a 28% increase in Reserve. I’m extremely proud of our Misima team for delivering such a high-quality, comprehensive study, in a challenging operational environment.*

“The DFS represents a tremendous milestone for Kingston, and these achievements reflect incredible work from our technical and operational teams who have exceeded project expectations. With all the necessary foundations now in place for a return to gold production at Misima, we look forward to advancing all the



ASX: KSN
Shares on Issue: 413M
Market Cap: A\$41M
Cash: A\$5.6M (30 June 2022)

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necessary approvals, strategic and funding options to bring the mine to production. I would like to thank our loyal shareholders for their ongoing support enabling us to deliver this milestone, and, very importantly, our Misima community who have strongly supported our progress.

“In addition, the Company has made considerable progress at the Mineral Hill Gold & Copper Mine during the quarter, delivering excellent initial diamond and RC drilling results at both the Pearse and SOZ deposits. With the conclusion of our highly successful initial drilling program, the team is now underway on a number of work programs to expedite mine production, these include Resource and Reserve updates, mine design work and plant refurbishment studies. This exciting progress forms part of the Company’s recently announced development pathway which comes as a result of the rapid advancements at the project. We look forward to another successful quarter ahead as we continue to rapidly advance both our Misima and Mineral Hill Projects.”

Mineral Hill

During the quarter, Kingston undertook drilling at Pearse North, Pearse South, SOZ, Jacks Hut and Missing Link, with initial diamond drilling results from Pearse North and SOZ delivering high-grade gold and polymetallic mineralisation respectively. Results from the remainder of the drilling are expected to be reported shortly. An extensive review of existing geophysical data also identified multiple new priority drill targets within and close to the Mineral Hill Mining Lease (ML) package all previously untested. Lastly, the Company continued to advance its development strategy, with work programs underway to establish a five-year plus mine plan.

Exploration

Pearse North

Initial results from the Pearse North drilling have confirmed the high-grade tenor of the Pearse North deposit and indicate that there is significant gold mineralisation outside of the existing Ore Reserve pit shell, which was determined using a US\$1300/oz gold price (see ASX Announcement 8 April 2022).

Significant gold intercepts from initial hole KSNDDH001 include:

- **39m @ 4.19g/t Au and 37g/t Ag from 37m** including:
 - **15m @ 7.25g/t Au and 44g/t Ag from 38m**, including:
 - **3m @ 26.67g/t Au, 27g/t Ag** from 38m
 - **2.35m @ 6.92g/t Au, 21g/t Ag** from 42.65m
 - **1.4m @ 8.43g/t Au, 194g/t Ag** from 48m
 - **4.2m @ 1.2g/t Au, 33g/t Ag from 55.8m**, including:
 - **0.7m @ 2.76g/t Au, 102g/t Ag** from 55.8m
 - **7.38m @ 5.05g/t Au and 35g/t Ag** from 64.62m, including:
 - **2.4m @ 11.18g/t Au, 22g/t Ag** from 65.5m
 - **1.57m @ 5.08g/t Au, 66g/t Ag** from 73.95m

Results from the other holes at Pearse North were also highly encouraging, including 10m @ 6g/t Au, 33g/t Ag from 72m in KSNDDH003 (see ASX Announcement 14 June 2022).

Southern Ore Zone (SOZ)

Drilling at the SOZ underground has delivered outstanding high-grade base metal results with significant precious metals credits. Drilling transitioned to SOZ following completion of the drill program at Pearse North.

The initial hole KSNDDH006 reported some exceptionally high-grade base metal results within a broader zone of mineralisation. Peak assay grades include 5.5% copper (Cu), 32% lead (Pb) and 25% zinc (Zn) with the best intercepts including:

- **19m @ 1.15% Cu, 5.5% Zn, 5.5% Pb, 0.4g/t Au and 44g/t Ag from 150m, including:**
 - **10m @ 2.12% Cu, 10.4% Zn, 10.3% Pb, 0.5g/t Au, and 81g/t Ag from 150m**

Analysis of the initial holes drilled confirm the spatial location and existing geology and mineralisation model at SOZ, with potential to extend known zones of mineralisation along strike and up dip. These results will contribute towards an updated SOZ Mineral Resource Estimate in the second half of 2022. The drilling program and Mineral Resource update forms part of the ongoing development plan to bring the Pearse open pits and SOZ underground back into production at the conclusion of the tailings processing.

Geophysics review identifies priority targets

During the quarter, a total of ten new, high-priority targets, which are located in and around the existing Mining Leases and surrounding EL 1999, were identified following a recent geophysical interpretation of updated Induced Polarisation (IP) modelling for the Mineral Hill Project. These reflect along strike or down-dip/plunge extensions, as well as potential offsets and replications of known mineralisation.

In addition, the majority of these targets have not previously been drill tested, and are only a short distance from the existing processing plant at Mineral Hill. This further highlights the strong growth outlook of the project, with exploration planning well advanced to test these near-mine targets.

Mine Development

With the initial drill programs complete at Pearse and SOZ a work program has commenced to restart open pit and underground mining and associated processing. Work on an updated Mineral Resource Estimate for the Pearse open pits commenced during the quarter with results expected in the September quarter. This will be followed by an updated Mineral Resource Estimate at SOZ, mine design work, metallurgical testing to confirm the suitability of the historic flow sheet, and an update of Reserves at these deposits.

Engineering studies commenced during the quarter to establish the refurbishment strategy and work program for the comminution and float circuits of the Mineral Hill plant which were placed on care and maintenance in 2016.

During the quarter preliminary discussions were also held with a number of potential concentrate offtake partners.

TSF Project

Tailings Storage Facility (TSF) processing operations continued to demonstrate improvements through the quarter resulting in the delivery of record sales in the month of June. Throughput in April and May was impacted by severe thunderstorms and strong rain, despite this, tonnes mined lifted 12% on the March quarter with processing rates regularly at nameplate levels or above.

The TSF reserve grade continues to reconcile well, with a less than 1% variance on tonnes and a positive 3% variance on grade for the areas mined-to-date. Work has now been undertaken to establish access to higher grade areas of the dam around its periphery, and lower grade, higher moisture material from the centre of the dam has also now been removed. This contributed to a 20% increase in grade mined during the quarter.

June quarter recoveries improved 13% vs March quarter levels. Recoveries are expected to continue to lift as mining moves deeper into the TSF.

Industry-wide cost pressures continue to be a challenge. As a tailings processing operation, Mineral Hill is reagent intensive and these costs have continued to escalate through the year. The processing team on site has done an outstanding job to identify a number of opportunities that have enabled a reduction in reagent consumption rates which has helped to reduce the impact of the cost inflation being experienced, however, it is unlikely these will fully offset the cost increases. June quarter All In Sustaining Costs (AISC) were A\$2,424/oz. Unit costs are expected to improve in the September quarter with a normalisation in rainfall, and ongoing benefits from improved grade and recoveries.

Table 1: June quarter production summary

	June quarter	March quarter (post 17 Jan)
Tonnes mined & processed	151,701 t	135,733 t
Average feed grade	1.02 g/t Au	0.85 g/t Au
Gold Production	2,574 Oz	1,757 Oz
Silver Production	2,975 Oz	3,378 Oz

Misima Gold Project

Definitive Feasibility Study Complete:

During the quarter, Kingston announced the completion of a positive Definitive Feasibility Study (DFS), an important step towards bringing the Misima Gold Project into production. The DFS confirms the potential for a large-scale, long-life, low-cost operation delivering gold production of 2.4Moz over 20 years at forecast life-of-mine (LOM) all-in sustaining costs (AISC) of A\$1,217/oz. Leading independent consultants have been engaged on all key aspects of the project and DFS technical outcomes were very consistent with the PFS confirming the technically robust, low risk nature of the Project.

Significant, long-life Asia-Pacific gold operation:

- Total production of 2.4Moz of gold and 5.6Moz of silver, with gold production of 120-130kozpa
- LOM All In Sustaining Cost (AISC) of A\$1,217/oz
- 6.1Mtpa mining and processing operation on a brownfields site with extensive mining history.
- Conventional CIL plant fed by the main Umuna pit and Ewatinona starter pit.

Compelling project economics:

- LOM revenue of A\$6.1 billion.
- LOM undiscounted free cash-flows of A\$2.7 billion (pre-tax)
- Pre-tax Net Present Value (NPV_{7%}) of A\$956m

- Pre-tax IRR of 22.2%

Reserve Upgrade

Kingston also reported an increase in the Misima Gold Project JORC Probable Ore Reserve to **76Mt @ 0.79 g/t for 1.73Moz**, an increase of 28% above the prior Reserve.

Strategic Review

Upon the conclusion of the DFS, Kingston announced its intent to consider a range of funding and strategic options for the Misima Gold Project with the focus on delivering a development pathway that can maximise shareholder value. In early July ICA Advisors were formally appointed to partner with KSN on this process.

Environmental and Mining Approvals

ESIA work programs continued to progress during the quarter. All field surveys and initial data reports are complete and impact assessments are being finalised. Independent Technical Reports and a number of ESIA chapters have been drafted and are currently under review. Studies required for the Proposal for Development which underpins the Mining Licence Application are largely drafted and under review.

Community and Stakeholder Engagement

Kingston's community engagement team continued consultation activities with various stakeholders including community members, landowners, government, and other social and governmental impact organisations as part of its commitment to keeping all stakeholders apprised of the work being carried out and the proposed project development strategy. During the quarter a further round of Project update presentations were delivered to the local communities, and a second phase of Women's Group engagement was also complete.

During the quarter the Mineral Resources Authority (MRA) came to site for an update on development progress. Following the end of the quarter, the Conservation and Environment Protection Authority (CEPA) also undertook a site visit. Both visits were constructive with strong support shown for the Project.

Corporate

The Company ended the quarter with a total cash balance of \$9.2 million, comprised of \$5.6 million in unrestricted cash, and a further \$3.6 million in restricted cash (environmental bonds).

In early July, Kingston secured a \$10 million debt facility with Pure Asset Management to support the work programs required to re-establish mine production at Mineral Hill. The first \$5m tranche of this facility was drawn in early July, the second \$5 million tranche is to be drawn prior to 30 November 2022 subject to delivering certain milestones related to re-establishing mine production at Mineral Hill. Details of the facility were outlined in the ASX announcement of 7 July 2022.

Total exploration and development expenditure for the quarter was \$4.3 million, comprised of \$2.2 million on the Misima Gold Project and \$2.1 million at Mineral Hill, which includes the capitalisation of operating activities prior to commercial production alongside exploration and development expenditure.

During the quarter, the Company made payments totalling \$150,394 to associates or related parties reflecting fees, wages, and superannuation paid to Directors.

During the quarter, Kingston moved its registered head office address to 202 / 201 Miller Street, North Sydney, NSW 2060.

Table 3: Tenement Schedule (ASX LR 5.3.3) as at end of quarter

Tenement	Project Name & Location	Status	Ownership	Type	Title Area
EL1747	Misima, PNG	Live	100%	EL	180 km ²
ML5240	Mineral Hill, NSW	Live	100%	ML	32.37 HA
EL1999	Mineral Hill, NSW	Live	100%	EL	17 UNITS
ML5267	Mineral Hill, NSW	Live	100%	ML	32.37 HA
ML5278	Mineral Hill, NSW	Live	100%	ML	32.37 HA
EL8334	Mineral Hill, NSW	Live	100%	EL	100 UNITS
ML332	Mineral Hill, NSW	Live	100%	ML	22.36 HA
ML333	Mineral Hill, NSW	Live	100%	ML	28.03 HA
ML334	Mineral Hill, NSW	Live	100%	ML	21.04 HA
ML335	Mineral Hill, NSW	Live	100%	ML	24.79 HA
ML336	Mineral Hill, NSW	Live	100%	ML	23.07 HA
ML337	Mineral Hill, NSW	Live	100%	ML	32.27 HA
ML338	Mineral Hill, NSW	Live	100%	ML	26.3 HA
ML339	Mineral Hill, NSW	Live	100%	ML	25.09 HA
ML340	Mineral Hill, NSW	Live	100%	ML	25.79 HA
ML1695	Mineral Hill, NSW	Live	100%	ML	8.779 HA
ML1712	Mineral Hill, NSW	Live	100%	ML	23.92 HA
ML1778	Mineral Hill, NSW	Live	100%	ML	29.05 HA
ML5499	Mineral Hill, NSW	Live	100%	ML	32.37 HA
ML5621	Mineral Hill, NSW	Live	100%	ML	32.37 HA
ML5632	Mineral Hill, NSW	Live	100%	ML	27.32 HA
ML6329	Mineral Hill, NSW	Live	100%	ML	8.094 HA
ML6365	Mineral Hill, NSW	Live	100%	ML	2.02 HA

This release has been authorised by the Kingston Resources Limited Board. For all enquiries please contact the 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 1.35Moz, Kingston is completing a Definitive Feasibility Study (DFS) in H1 2022. 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. 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.