

## September 2022 Quarterly Activities Report

### Mineral Hill Gold & Copper Mine, NSW

- Record quarterly production at Mineral Hill of 3,359oz gold and 1,708oz silver
- Resource extension drilling delivers outstanding results across three locations:
  - 12m @ 3.68 g/t Au, 9g/t Ag from 14m (Pearse North)
  - 39m @ 1.1% Cu, 0.7% Pb, 0.8% Zn, 0.93g/t Au, 12g/t Ag from 161m (SOZ)
  - 77m @ 0.93% Cu, and 0.16g/t Au from 7m (Jack's Hut)
- Resource updates for Pearse open pits and SOZ underground expected this quarter
- Feasibility work programs are well progressed for processing plant refurbishment to produce copper concentrate and commencement of mining from Pearse pits and SOZ underground

### Misima Gold Project, PNG

- 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.
- Strategic review to maximise shareholder value of Kingston's 100% interest in Misima

### Corporate

- \$10m debt facility with Pure Asset Management, first \$5m tranche drawn in July

**Kingston Managing Director, Andrew Corbett, said:** *"The September quarter has seen the achievement of significant company objectives including the advancement of several work programs at Mineral Hill aimed at establishing a five-year mine life, and the initiation of a strategic review at Misima following the delivery of a successful Definitive Feasibility Study last quarter."*

*"Kingston's Chief Geologist Stuart Hayward and his team delivered positive drilling results at Pearse, SOZ and Jack's Hut. The results at Jack's Hut are particularly important as the prospect is outside of current Mineral Resource and Ore Reserve estimates and represents a new mining opportunity with great potential to add to our five year mine plan."*

*"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 advancing on Resource and Reserve updates, mine design, and plant refurbishment."*

*"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."*



ASX: KSN  
Shares on Issue: 413M  
Market Cap: A\$33M  
Cash: A\$5.8M (30 Sept 2022)

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*“Finally, the Board looks forward to investigating opportunities to advance the Company’s interest in Misima by identifying, evaluating and entering into potential strategic transactions relating to the long-term value opportunity at Misima. We are confident that there are strategic opportunities to advance the Misima Gold Project, but more importantly to achieve significant value creation for our shareholders.*

## **Mineral Hill**

During the quarter, extensive progress has been made at the Mineral Hill Gold-Copper Project, including record gold production and successful drilling at Pearse North, SOZ and Jack’s Hut. In addition, the Company continued to advance its development strategy, with work programs underway to establish a five-year mine plan.

These work programs, which are aimed at commencing mining and processing of open pit and underground ore at Mineral Hill, include metallurgical testing to confirm suitability of the historical flowsheet, a detailed review of mill and concentrator refurbishment, open pit and underground mine planning, re-establishing logistics networks, and preliminary discussions with potential concentrate offtake partners.

Resource updates for Pearse open pits and SOZ are due shortly, with mine planning due to commence following the support of Pearse and SOZ Reserve updates also expected in H2 2022.

## **Resource Development**

### ***Pearse North***

During the quarter, Pearse North open pit drilling highlighted the potential for Resource extensions, with assay results received from five diamond and 17 reverse circulation (RC) drill holes.

Best reported intercepts include:

- **12m @ 3.68 g/t Au, 9g/t Ag from 14m from DDH002 including**
  - 7m @ 5.69 g/t Au, 13 g/t Ag from 15m
- **17m @ 2.7g/t Au, 11g/t Ag from 15m from RC hole 013 including**
  - 11m @ 4.0 g/t Au, 15 g/t Ag from 20m
- **8m @ 5.6g/t Au, 66g/t Ag from 120m from RC hole 008 including:**
  - 3m @ 14.2 g/t Au, 177 g/t Ag from 125m
- **39m @ 4.2g/t Au and 37g/t Ag from 37m from DDH hole 001, including:**
  - 3m @ 26.7 g/t Au, 27 g/t Ag from 38m
- **10m @ 6.0g/t Au and 33g/t Ag from 72m from DDH hole 003**
- **3m @ 5.5g/t Au and 55g/t Ag from 55m from DDH hole 004**
- **4.3m @ 2.4g/t Au and 16g/t Ag from 142m from DDH hole 005**

Drilling results and a revised geological model at Pearse North will provide key data to update the Mineral Resource Estimate. This will be followed by an Ore Reserve update, mine design studies and mine planning. This work forms part of the strategic update and development plan at Mineral Hill to deliver a five year mine life.

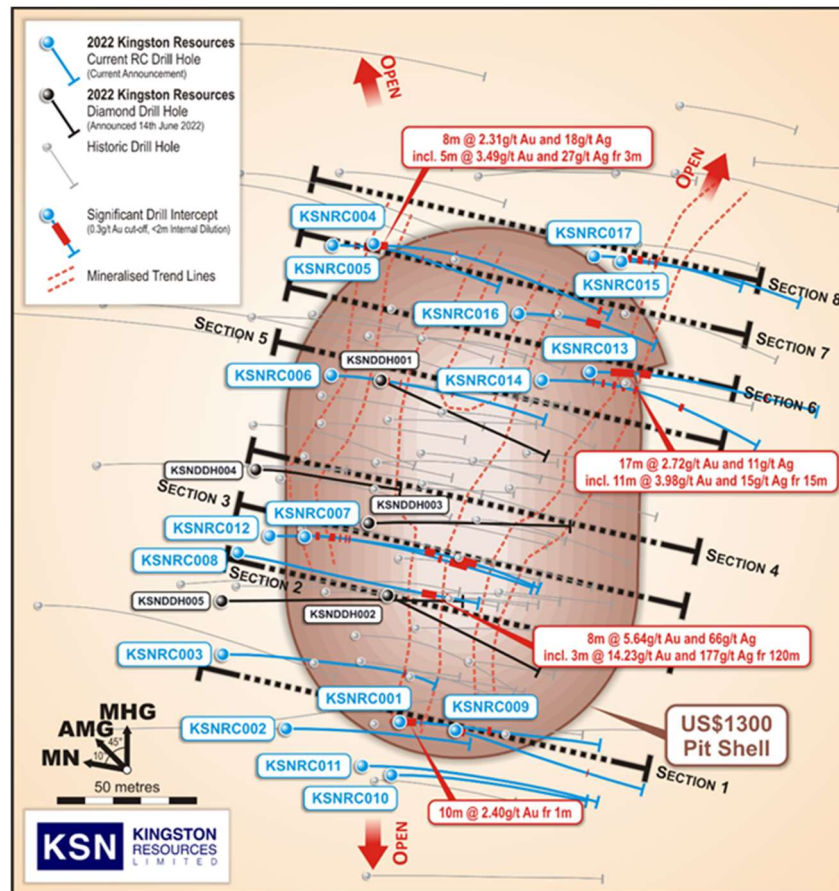


Figure: Drill hole traces plan of Pearse North diamond holes completed by Kingston

### Southern Ore Zone (SOZ)

During the quarter, Kingston announced the first round of diamond drilling results at SOZ which delivered outstanding high-grade base metals and gold results. The eight-hole program at SOZ was designed to test and extend the spatial location and tenor of mineralisation, and the geological interpretation within the upper portions of SOZ A-Node.

Specifically, drilling at SOZ intersected base metal and gold mineralisation up-dip and along strike from historic underground development.

Best intercepts reported during the quarter include:

- 39m @ 1.1% Cu, 0.7% Pb, 0.8% Zn, 0.93g/t Au, 12g/t Ag from 161m, in DDH011
- 9.8m @ 4.22g/t Au, 0.7% Cu, 3.2% Pb, 3.2% Zn, 30g/t Ag from 165.5m in DDH012
- 8.5m @ 0.4% Cu, 4.2% Pb, 4.2% Zn, 1.23 g/t Au, 28 g/t Ag from 232 min DDH009
- 7.0m @ 0.7% Cu, 2.9% Pb, 2.6% Zn, 1.31 g/t Au, 26 g/t Ag from 154 min DDH008
- 8.1m @ 0.9% Cu, 8.3% Pb, 3.3% Zn, 0.97g/t Au, 60g/t Ag from 157.9m in DDH007

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. 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.

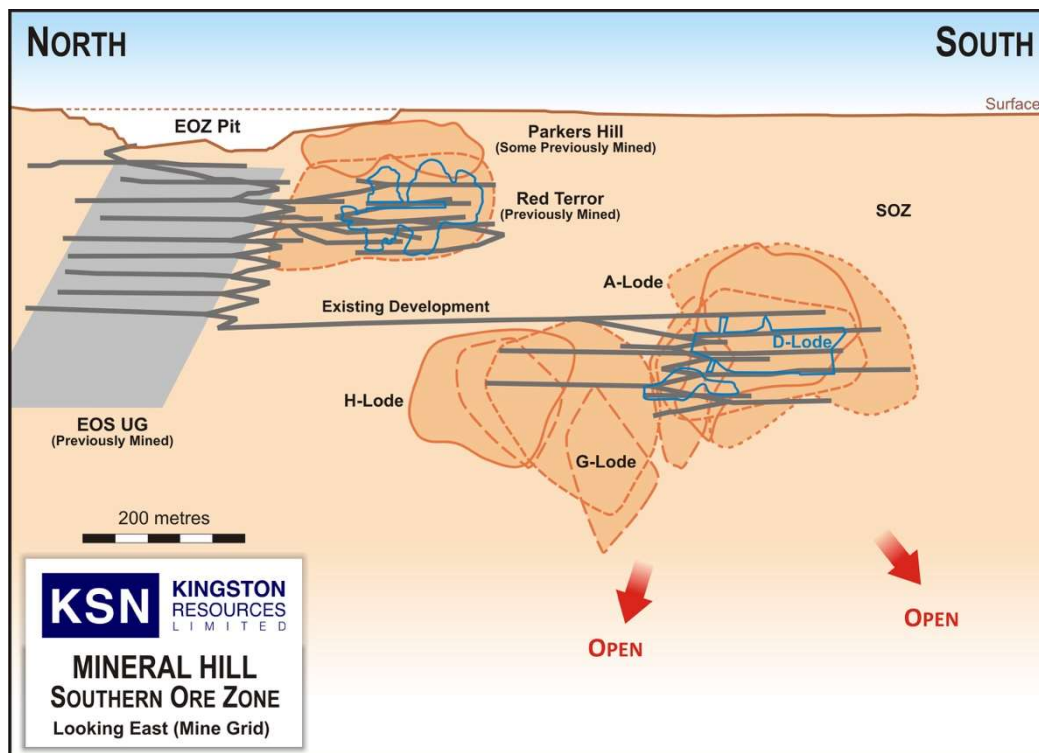


Figure: SOZ long section demonstrating the infrastructure advantage of existing decline and level development

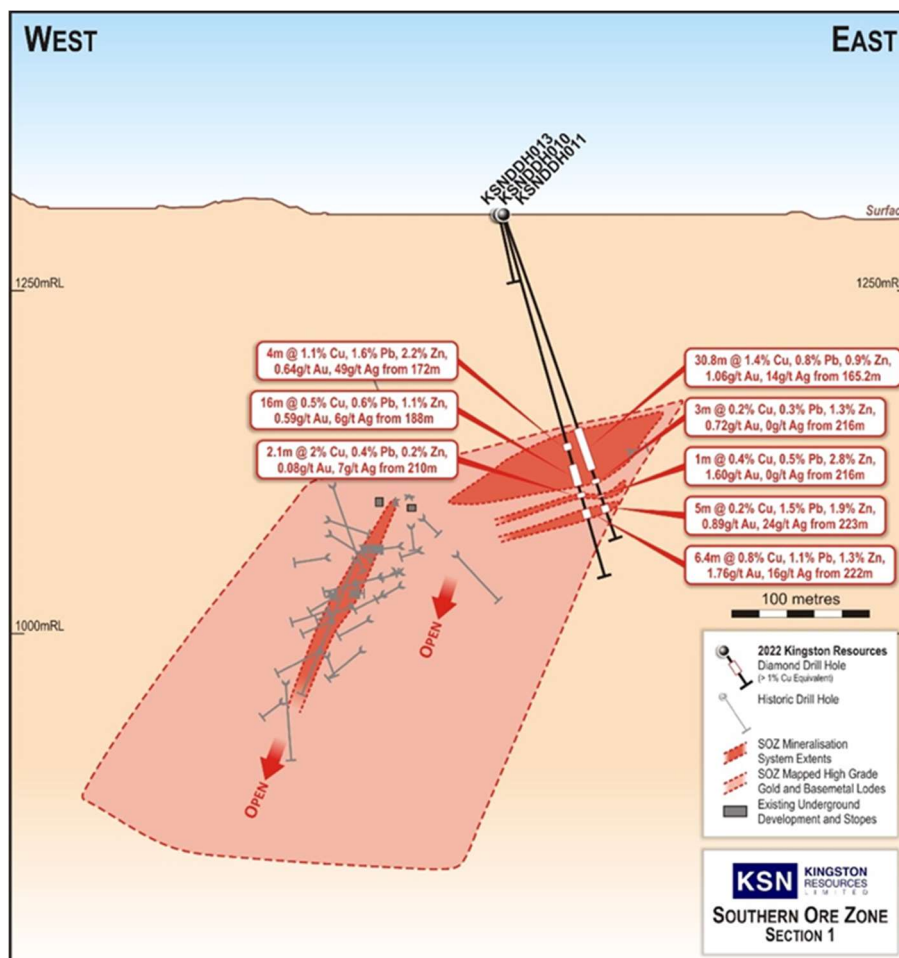


Figure: Section view of Southern Ore zone



### Jack's Hut

During the quarter, Kingston announced high grade copper- gold assay results from the Jack's Hut drilling program at Mineral Hill. Five drill holes, comprising of two diamond and three RC hole, were designed to test the exploration potential within a dilation zone along the Jack's Hut trend.

Drill holes KSNDDH014 and KSNDDH015 targeted copper-gold mineralisation in the hanging wall of the historic underground Jack's Hut Mine. Both drill holes intercepted high grade copper-gold mineralisation inside a broader lower grade mineralised zone, this is reflected in the drilling highlights below.

Best intercepts reported include:

- **77m @ 0.93% Cu, and 0.16g/t Au from 7m, including:**
- **7.4m @ 5.7% Cu, 0.40g/t Au from 16.4m**
- **9.3m @ 1.3% Cu, 0.39g/t Au, from 43.7m**
- **27m @ 1.02% Cu, 0.18 g/t Au from 14m, including:**
  - **4.2m @ 4.5% Cu, 0.41g/t Au from 21.8m**

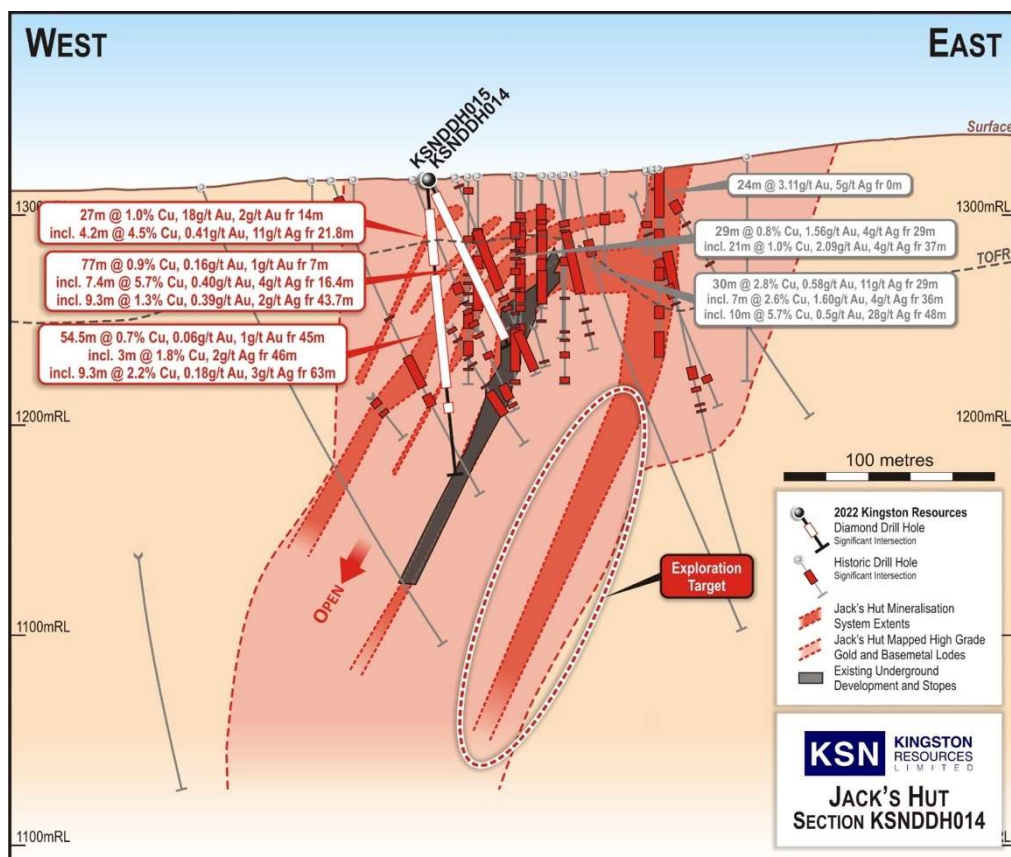


Figure: Cross Section at Jacks Hut

Drilling validates the exploration potential of the 2.2km long base metal and gold mineralised trend at Jack's Hut. Further, Jack's Hut represents a prospective low cost, near-term copper-gold production opportunity outside the existing Mineral Hill Resource base, with potential to be incorporated into or extend the five year mine plan being developed for Mineral Hill.

Work is now underway to advance exploration targets with a view to potentially establishing a JORC Resource at Jack's Hut.



**KSNDH015 - 71.9m: Chalcopyrite vein. Sample interval 71.6m to 72.3m: 5.5% Cu, 0.5g/t Au, 13g/t Ag.**

Historically, the Jack's Hut underground mine produced 705,067 tonnes of ore at 0.74% Cu & 6.76g/t Au resulting in 11,913 tonnes of copper and 80,256 oz of gold sold from 1993 to 1999. Historical exploration data indicated that the primary Jack's Hut lode is surrounded by a broad envelope of copper and gold mineralisation. This style of mineralisation has been confirmed with the latest drilling results and could potentially support a restart of underground mining and/or a broader open pit operation.

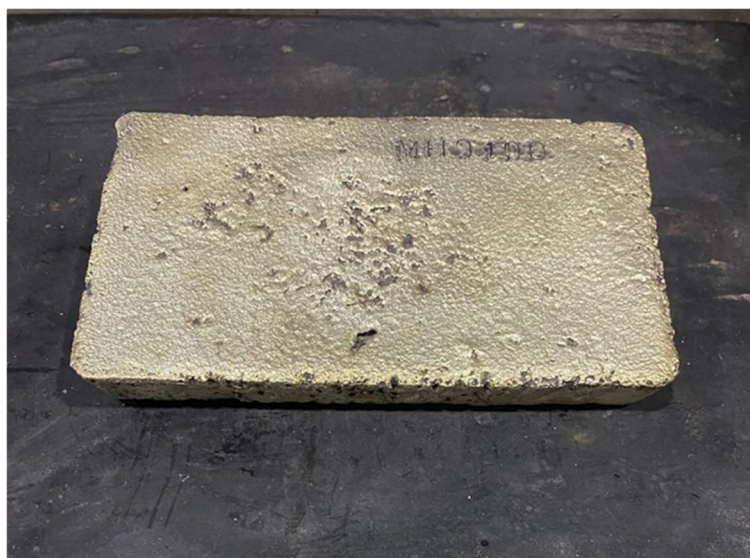
3D geological modelling will be undertaken throughout the Jack's Hut trend. The updated geology model, together with the validated drilling database, will be used to design drilling to test the potential of mineralised base metal and gold zones, with a focus on defining a JORC compliant Resource.

### **TSF Project – Record Gold Production**

During the quarter, Mineral Hill delivered record monthly gold production in July, which was subsequently exceeded in August. Both grade and recovery have increased as mining moved into deeper sections within the TSF. While July and August throughput rates benefited from reduced rainfall relative to the June quarter months, September did see a significant increase in rainfall, impacting production in the final month of the quarter.

For the TSF project to date, both tonnes and grade processed are reconciling positively with the JORC Resource.

In August, the Mineral Hill team produced its 100th gold bar (see picture below) from the TSF Project which represented a significant milestone for the Company as it continues to lift production from its gold tailings operation.



**Table 1: September quarter production summary**

	September Quarter	June quarter
Tonnes mined & processed	168,365 t	151,701 t
Average feed grade	1.14 g/t Au	1.02 g/t Au
Gold Sales	3,153 Oz	2,653 Oz
Gold Production	3,359 Oz	2,574 Oz
Silver Production	3,153 Oz	2,975 Oz
AISC	A\$2,147 /oz	A\$2,433 /oz

## **Misima Gold Project**

Upon the conclusion of the Misima Gold Project Definitive Feasibility Study (DFS), Kingston announced the commencement of a strategic review to assess a range of funding and strategic options for the Project. The review is ongoing, being run in parallel with finalisation of Mining License and Environmental and Social Impact Assessment work programs.

ESIA work programs and Community engagement continued to progress during the quarter.

## **Corporate**

The Company ended the quarter with a total cash balance of \$11.4 million, comprised of \$5.8 million in unrestricted cash, and a further \$5.6 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 may 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.

The Company received gross revenue of \$8.08 million from metals sales during the quarter. The total operating cost for the quarter was \$6.87 million comprised of \$4.88 million in production cost, \$1.57 million

in staff cost, \$414,000 in administration and corporate cost and net interest payment of \$1,000 resulting in a net positive operating cash outflow of \$1.21 million.

Total exploration and development expenditure for the quarter was \$3.36 million comprised of \$2.36 million on the Misima Gold Project and \$1 million at Mineral Hill.

During the quarter, the Company increased its existing cash backed Rehabilitation Security Bond by \$2 million, to a total of \$5,477,000.

During the quarter, the Company made payments totalling \$165,201 to associates or related parties reflecting fees, wages, and superannuation paid to Directors.



**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 <sup>2</sup>
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 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 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.