

QUARTERLY REPORT

31 October 2023

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.

CAPITAL STRUCTURE

Shares on Issue: 497.96M
Market Cap: A\$41.8
Cash:(30 September 2023)
A\$13.84m

DIRECTORS & MANAGEMENT

Mick Wilkes
Non-Executive Chairman
Andrew Corbett
Managing Director & CEO
Stuart Rechner
Non-Executive Director
Tony Wehby
Non-Executive Director
Stuart Hayward
Chief Geologist
Geoff Merrell
GM, Mineral Hill

CORPORATE DETAILS

ASX: KSN
www.kingstonresources.com.au
ABN: 11 060 156 452
[E:info@kingstonresources.com.au](mailto:info@kingstonresources.com.au)
A: 202/ 201 Miller Street,
North Sydney, NSW
2060
LinkedIn: Kingston Resources Limited
Twitter: @KSNResources

QUARTERLY ACTIVITIES REPORT

For the period ending 30 September 2023

HIGHLIGHTS

Mineral Hill Gold & Copper Mine, NSW

- **Quarterly production:**
 - Gold sold 4,167oz
 - Average price A\$2,933/oz
 - AISC of A\$1,830/oz
 - \$12.37m in sales and \$4.56m in operating cash flow.
- **Process plant refurbishment:**
 - All major plant components ordered
 - Installation of a new electrical system, replacement of structural steel and fine ore bin clean outs
 - Commissioning of the crushing, grinding and flotation circuits is due to occur in Q2 of CY24
- **Underground access works:**
 - Eastern Decline Portal rehabilitation
 - Bolting, meshing and pumping.
- **Exploration –**
 - High-grade gold assays returned within the pit design at Pearse North
 - New and highly prospective targets identified from Induced Polarisation (IP) and gravity geophysics.
 - Diamond and RC drilling completed to test these 15 new targets.

Misima Gold Project, PNG

- Work continued on finalising the full Environmental and Social Impact Assessment report for submission.
- Discussions are continuing with numerous interested parties in relation to potential partnerships and development pathways.

Corporate

- **Strongly supported SPP** - After raising \$5.5 million via placement at the end of June 2023, Kingston received strong support in its fully underwritten Share Purchase Plan (SPP), raising \$1 million (before costs).
- Second deferred consideration of USD\$2m paid to Quintana Holdings LLP upon production of 22,500 oz of gold.
- Cash balance of \$13.84M as at 30 September 2023.

Kingston Managing Director, Andrew Corbett, said:

"I am pleased to provide you with a comprehensive update on our company's performance for the third quarter of 2023. Substantial foundational work has been completed by the company over the past three months in order to set the company up for the next phase of production and expansion.

Gold and silver production from Mineral Hill continues to be a source of strong cash flow and this assists the company to re-invest the money into refurbishment and building a long-term sustainable business.

At the end of June 2023, we released an updated life-of-mine plan and secured an additional \$5.5 million via a placement. This allowed us to initiate the work program to the processing plant and commence re-entry work for the underground development. Our team is highly focused on limiting the potential for cost creep and we've already done great work in ensuring the project is delivered on time and on budget. In addition to the placement proceeds, our shareholders have been strong supporters of the company in participating in the fully underwritten Share Purchase Plan, raising \$1,000,000 (before costs).

Our exploration efforts have yielded promising results over the reporting period. The completion of a geotechnical drilling program at Pearse North revealed high-grade gold intercepts within the pit design shell. Furthermore, our updated Induced Polarisation (IP) and gravity geophysics interpretation have uncovered new, highly prospective targets to the south of the Mineral Hill Mine, enhancing our organic growth potential. We've also completed additional drilling over the tailings mining operation to refine the model on the base of mineralisation and we anticipate tailings reprocessing and gold production to continue to the end of June 2024.

The redevelopment works we're undertaking at Mineral Hill is helping the company build long-term value for the entire region. The strategic location and versatile design of the plant allows for a range of material types to be processed and builds the potential to grow cash flow returns for the company."



Figure 1: Aerial drone shot of Mineral Hill

MINERAL HILL MINE

Operations

Cash flow from operations at Mineral Hill continues to be an important contributor in the Company's transition to open pit mining. The September quarter saw a slight reduction in gold output due to a confluence of downward adjustments from the previous quarter, in particular from grade and recovery. However, grade remained above the budgeted forecasts of 1.37g/t but slightly under budgeted recovery of 60%. Gold production during the quarter was 4,229oz at an all-in sustaining cost (AISC) of A\$1,830/oz and an average realised gold price of A\$2,933/oz.

The Company maintained tight control on operating costs, with costs only rising 6% quarter on quarter to \$7.8m. The rise in AISC from the previous quarter can mainly be attributed to the reduction in gold sold.

Table 1: September 2023 quarter production summary.

	June Quarter	September Quarter	Q on Q change
Tonnes Processed (t)	149,885	146,910	-2.0%
Average Feed Grade (g/t)	1.63	1.51	-7.3%
Processing Recovery (%)	63%	59%	-6.0%
Gold Production (oz)	4,944	4,229	-14.5%
Gold Sales (oz)	4,777	4,167	-12.8%
Silver Sales (oz)	5,494	5,154	-6.2%
AISC (A\$/oz)	\$1,494	\$1,830	22.5%
Realised Gold Price (A\$/oz)	\$2,968	\$2,933	-1.0%
Sales (A\$m)	\$14.3	\$12.37	-13.5%
Operating cashflow (A\$m)	\$7.01	\$4.56	-34.9%

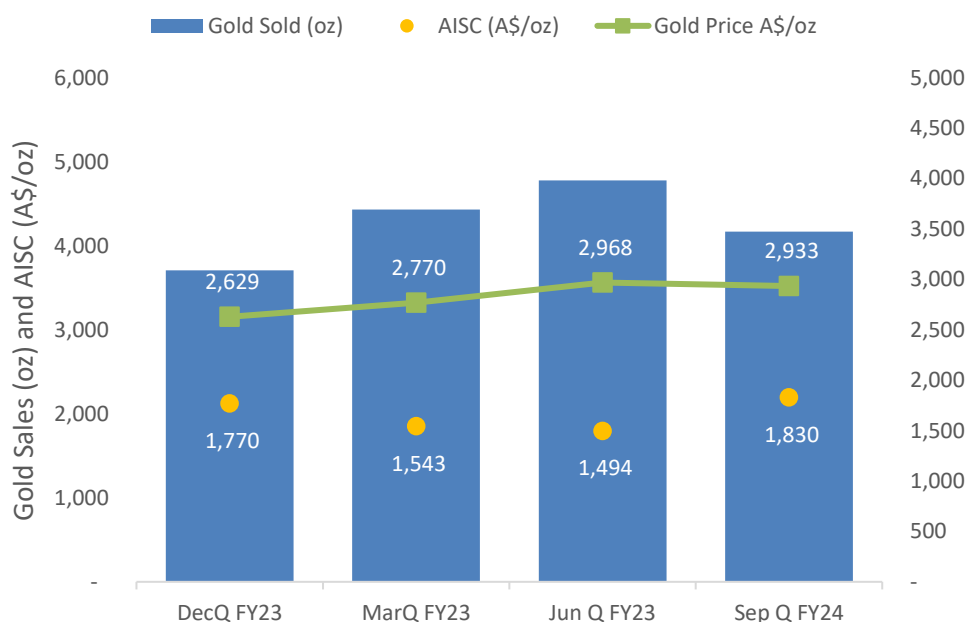


Figure 2: Quarterly gold sales and AISC.



Figure 3: Aerial photo of the tailings mining operation during the September quarter.

Site Capital Works

Kingston began executing the refurbishment to the processing plant and re-establishing access to the underground workings during the quarter (see announcement *\$6.5M Capital Raising for Mineral Hill Production Expansion*). The refurbishment work is to enable capability for concentrate production for the open pit and underground mining developments due to come online in CY24.

Ore commissioning of the crushing, grinding and flotation circuits is due to occur in Q2 of CY24. Major components have been ordered (a significant proportion of the budget), meaning the risk of cost overruns has been reduced substantially. Key work has included the installation of a new electrical system, replacement of structural steel around the footings and conveyors, plus the cleanout of fine ore bins.



Figure 4: Mineral Hill plant - structural steel replacements and refurbished fine ore bin tunnels.

Kingston has been continuing to reinstate the underground development to prepare for underground drilling

and planned production. Major work completed included the rehabilitation of the Eastern Decline portal, bolting and meshing underground and ongoing dewatering to gain access to the Southern Ore Zone drill locations.



Figure 5: Rehabilitated Eastern Decline portal at Mineral Hill.

The design work for the refurbishment of the processing plant and costs relating to the development of the polymetallic Southern Ore Zone (SOZ) underground deposit in Mineral Hill is supported by the NSW government under the NSW Government CMAF1 funding of the Critical Minerals and High-Tech Metals Activation Fund – Project Activation Studies (see ASX Announcement on 22 November 2022).



Exploration

During the quarter, Kingston announced the identification of 15 new and promising exploration targets within and near the Mineral Hill Mining Lease (ML) package (see ASX announcement on 18 July 2023). The Induced Polarisation (IP) geophysical program southeast of the Mineral Hill Mine identified numerous anomalous areas, particularly within EL1999. These share a similar geophysical signature with existing deposits within the mining lease, including a correlation between gravity and IP.

The geology team designed a 10-hole program to target these areas within and immediately around the Mining Lease. Both diamond and reverse circulation holes were drilled between May and the end of July using a combination drill rig. Logging and sampling have been completed, with assay results pending.

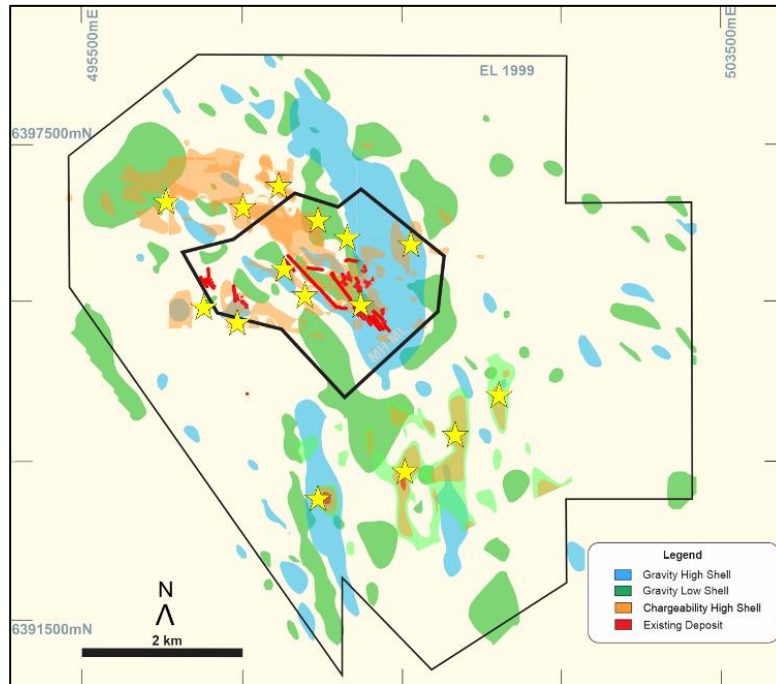


Figure 6: Recently generated geophysical targets in the vicinity of the mining licences.

Further drilling was completed at Pearse North, with the primary purpose of collecting additional geotechnical data in preparation for open pit mining (see ASX announcement on 5 September 2023). The results returned numerous high-grade gold intercepts, validating the existing geological model and enhancing the Company's confidence in the proposed mine plan. Additionally, there are other significant intersections outside the existing Mineral Resources, indicating the potential for additional mineralisation during mining operations. Pearse North open pit development is planned to commence the first quarter of 2024.

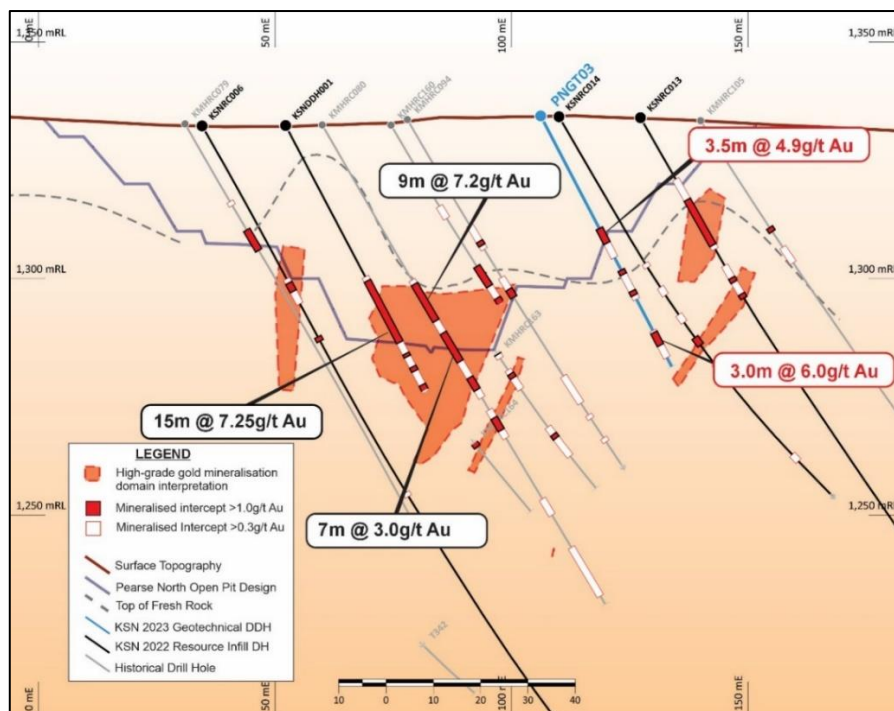


Figure 7: PGNT03 significant intersections (Section 3¹).

¹ High grade domain shapes are sliced on section and drill holes are projected +/-12.5m. This may create apparent discrepancies between mineralised intercepts and domain shapes.

In parallel with the tailings mining operations, Kingston completed a sonic drill hole program to refine the base of mineralisation within the tailings facility. Initial indications are that the tailings mining operations can be extended to the end of June 2024, providing additional cash flow for the group.

Safety, Environment and Sustainability

There were no reportable environmental or major safety incidents during the quarter.

MISIMA GOLD PROJECT

Kingston has continued to collect and monitor environmental data as part of the ESIA work programs. The company has been in discussions with numerous interested parties in relation to potential partnerships and development pathways.

CORPORATE

The Company's closing cash balance at 30 September 2023 was \$13.84m in unrestricted cash and a further \$7.2m in restricted cash (environmental bonds). The consolidated group cash flow for the quarter is summarised below:

	Net cash from/(used in)
Gross revenue (\$m)	12.43
Production cost (\$m)	(5.95)
Staff cost (\$m)	(2.23)
Administration and corporate cost (\$'000)	(294)
Net interest payment (\$'000)	(67)
Net cash flow from operating activities(\$m)	3.88
Exploration and development expenditure (\$m)	(1.24)
Net cash flow from investing activities (\$m)	(9.1)
Net cash flow from financing activity (\$'000)	867

Investing activities also includes payments to Quintana Holdings LLP totaling to \$3.39m comprising of June 23 quarter royalty payment (\$287,000) and second deferred consideration of \$3.1m (USD\$2.0m) payable upon recovering 22,500 oz of gold since the acquisition of Mineral Hill Mine on 17 January 2022.

Kingston also successfully completed the fully underwritten SPP raising \$1.0m (before costs). As of 30 September 2023, Kingston had 497.96m shares on issue.

During the quarter, the Company made payments totaling \$425,000 to associates or related parties reflecting fees, wages, and superannuation paid to Directors. The above payment include one off payments relating to FY23 totaling to \$256,000.

Efforts to raise the awareness of the company's value and strategy took the form of attendance at industry conferences and participation in technical presentations. Managing Director, Andrew Corbett, attended the Noosa Mining Conference, Ord Minnett's East Coast Mining Conference, The Australian Gold Conference, and the MiningNews Select conference in Perth. Stuart Hayward, Kingston's Chief Geologist, gave a presentation on Mineral Hill geology at a technical evening in Sydney, hosted by SMEDG.

Table 2: 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
EL1999	Mineral Hill, NSW	Live	100%	EL	17 UNITS
EL8334	Mineral Hill, NSW	Live	100%	EL	100 UNITS
ML5240	Mineral Hill, NSW	Live	100%	ML	32.37 HA
ML5267	Mineral Hill, NSW	Live	100%	ML	32.37 HA
ML5278	Mineral Hill, NSW	Live	100%	ML	32.37 HA
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

About Kingston Resources

Kingston Resources is currently producing gold from its Mineral Hill gold and copper mine in NSW and is developing the 3.8Moz Misima Gold Project in PNG. The Company's objective is to establish itself as a mid-tier gold and base metals company with multiple producing assets.



Mineral Hill Mine, NSW (100%)

- **Mine plan out to the end of 2027:** Open pit and underground mining.
- **Significant upside:** Current life of mine only utilises 22% of the current 8.9Mt of Mineral Resources.
- **Infrastructure excellence:** Extensive existing infrastructure with all permits and approvals in place.
- **Exploration potential:** Exceptional upside within current Mining Leases (ML) and Exploration Licenses (EL).
- **Current Focus:** Maximising returns from Tailings Project gold production, proactive exploration drilling, and underground re-entry.



Misima Gold Project, PNG (100%)

- **DFS Validation:** potential for a robust, scalable, and low-cost open pit operation.
- **Production Potential:** Anticipated gold production of ~2.4Moz over a 20-Year Mine Life (Avg. 128kozpa).
- **Strong Financial Viability:** Pre-Tax Net Present Value (NPV) of A\$956 Million (based on a US\$1,800/oz Gold Price).
- **Gold Price Upside:** Highly leveraged to the upside of the gold price, amplifying potential returns.
- **Current Focus:** Prioritising ESIA reports, strategic funding & development strategies.

Mineral Hill is a gold and copper mine located in the Cobar Basin of NSW. In June 2023, the company updated its life of mine plan, including both open pit and underground mining until 2027. The processing plant currently operates a CIL, and work is underway to recommission the existing crushing, grinding and flotation circuits for copper, lead and zinc concentrate production. In addition to current production, the company is focused on meeting near mine production targets located on the existing MLs. The aim is to extend the mine's life through organic growth and consider regional deposits that could be processed at Mineral Hill's processing plant.

Misima hosts a JORC Resource of 3.8Moz Au and an Ore Reserve of 1.73Moz. Placer Pacific operated Misima as a profitable open pit mine 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 great potential for additional resource growth through exploration success targeting extensions and additions to the current Resource base.

For further information regarding the Misima Mineral Resource and Ore Reserve estimate, see ASX announcements on 24 November 2020 and 15 September 2021 and 6 June 2022. Further information is included within the original announcements.

The Mineral Hill Mineral Resource estimate outlined below was released in ASX announcements on 18 November 2021 (TSF), 15 March 2023 (Pearse South and Pearse North), 24 November 2022 (Southern Ore Zone), 21 March 2023 (Jack's Hut) and 13 September 2011 (Parkers Hill by KBL). The Ore Reserve estimate outlined below was released in ASX announcements on 18 November 2021 (TSF), 15 March 2023 (Pearse South and Pearse North). Further information is included within the original announcements.

Kingston is not aware of any new information or data that materially affects the information included in this announcement. All material assumptions and technical parameters underpinning the Mineral Resources and Ore Reserve estimates continue to apply and have not materially changed.

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.

Mineral Resources and Ore Reserves

Misima JORC 2012 Mineral Resource & Ore Reserve summary table

Resource Category	Cut-off (g/t Au)	Tonnes (Mt)	Au (g/t)	Ag (g/t)	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)	Au (g/t)	Ag (g/t)	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)	Au (g/t)	Ag (g/t)	Cu %	Pb %	Zn %	Au (koz)	Ag (koz)	Cu (kt)	Pb (kt)	Zn (kt)
Measured	228	2.11	11	1.3%	0.5%	0.3%	15	80	3	1.2	0.7
Indicated	5,582	1.06	28	1.2%	1.7%	1.1%	191	4,244	47	70	42
Inferred	3,091	1.17	23	0.7%	1.4%	1.2%	116	2,242	22	42	38
Total	8,901	1.13	26	1.0%	1.6%	1.1%	323	6,566	72	113	81
Reserve Category	Tonnes (kt)	Au (g/t)	Ag (g/t)	Cu %	Pb %	Zn %	Au (koz)	Ag (koz)	Cu (kt)	Pb (kt)	Zn (kt)
Proved	-	0.00	0				-	0			
Probable	1,431	1.55	57				71	470			
Total	1,431	1.55	57				71	470			

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 information pertaining to the Misima Ore Reserve in the form and context in which it appears.

The Competent Person signing off on the overall Pearse Opencut 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 information pertaining to the Pearse Opencut Ore Reserve in the form and context in which it appears.