

QUARTERLY REPORT

30 October 2024

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 development asset, the 3.8Moz Misima Gold Project in PNG.

CAPITAL STRUCTURE

Shares on Issue: 707M
Market Cap: A\$71M
Cash:(30 Sept, 2024) A\$6.64m

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
ABN: 11 060 156 452
202/ 201 Miller Street,
North Sydney NSW 2060
info@kingstonresources.com.au
Web: kingstonresources.com.au
LinkedIn: Kingston Resources Ltd
Twitter: @KSNResources

QUARTERLY ACTIVITIES REPORT

For the period ending 30 September 2024

HIGHLIGHTS

Mineral Hill Gold & Copper Mine, NSW

- First quarter of open pit mine production at Pearse
 - Revenue from gold/silver sales of \$6.8m
 - 1,680oz of gold sold at an average price of \$3,777/oz
 - \$1.1m in positive cashflow generated in month of September with gross revenue of \$5.2m versus C1 operating costs of \$4.1m
 - Processing throughput of 43kt @ 1.51g/t gold
 - Metallurgical recovery of 89%
- Processing throughput fully ramped up:
 - Crushing and grinding commissioned early in the quarter
 - Nameplate throughput achieved within 4 weeks of commissioning
 - Demonstrated ability to exceed nameplate capacity of 400ktpa
- Potential extension of dore sales due to greater proportion of oxide ore
- Extension of the LOM plan:
 - Initial Underground Ore Reserve: 0.7Mt at 0.8% Cu, 1.4g/t Au, 20g/t Ag, 1.9% Pb and 1.6% Zn
 - Updated Open pit Ore Reserve: 0.37Mt at 3.6g/t Au and 52g/t Ag
 - LOM production target extended to six years
 - Payable metal of 207,000 gold equivalent ounces

Misima Gold Project, PNG

- Momentum in the gold price is building value in Misima
- Kingston to commence formal sale / partnership process given strong interest from potential acquirers / partners

Corporate

- Additional \$5m debt funding drawn from Pure Asset Management
- Cash balance \$6.64m as at 30 September 2024

Kingston Managing Director, Andrew Corbett, said:

“We’ve made tremendous strides in our operational capability at Mineral Hill. Since acquiring the project in 2022, we have not only exceeded the full consideration price through operating cash flow but have also laid the foundation for a sustainable, long-term operation with the commencement of open pit mining.

The declaration of a substantial underground Ore Reserve further solidifies Mineral Hill’s long and profitable future. This Reserve, coupled with a significant number of high-priority drill targets, offers substantial upside potential for future growth and value creation.

Achieving positive operational cashflow in September, the first full month of production is an outstanding result.

Our 3.8Moz Misima Gold Project in Papua New Guinea remains a strategic asset with significant potential. We are actively pursuing a joint venture or sale process to unlock the value of this project.

I would like to thank our dedicated team for their hard work and commitment to delivering exceptional results this quarter. We are well-positioned to capitalise on the growing demand for gold and copper and to create sustainable value for our shareholders.”

MINERAL HILL OPERATIONS

Open Pit Mining and Processing

The September quarter of 2024 marks the first quarter of open pit mining and processing. Initial stripping of Pearse North and building of stocks on the ROM pad commenced in June. Ore was subsequently fed into the crushing and grinding circuits in August and production of gold/silver dore from the carbon-in-leach (CIL) circuit commenced the same month.

The open pit mining operations (owner mining) have been rapidly ramped up, with 45kt of ore mined over the quarter and 413kt of waste mined. After commissioning the open pit in June and July, the site experienced challenges with blast fragmentation and digger availability, leading to slower than anticipated mining rates. Changes were quickly made to modify the blast patterns and this significantly improved fragmentation and dig rates in the pit, also the replacement of the main production digger. October’s rate of production is a demonstration of these improvements and an indication of the capability of the mining fleet.

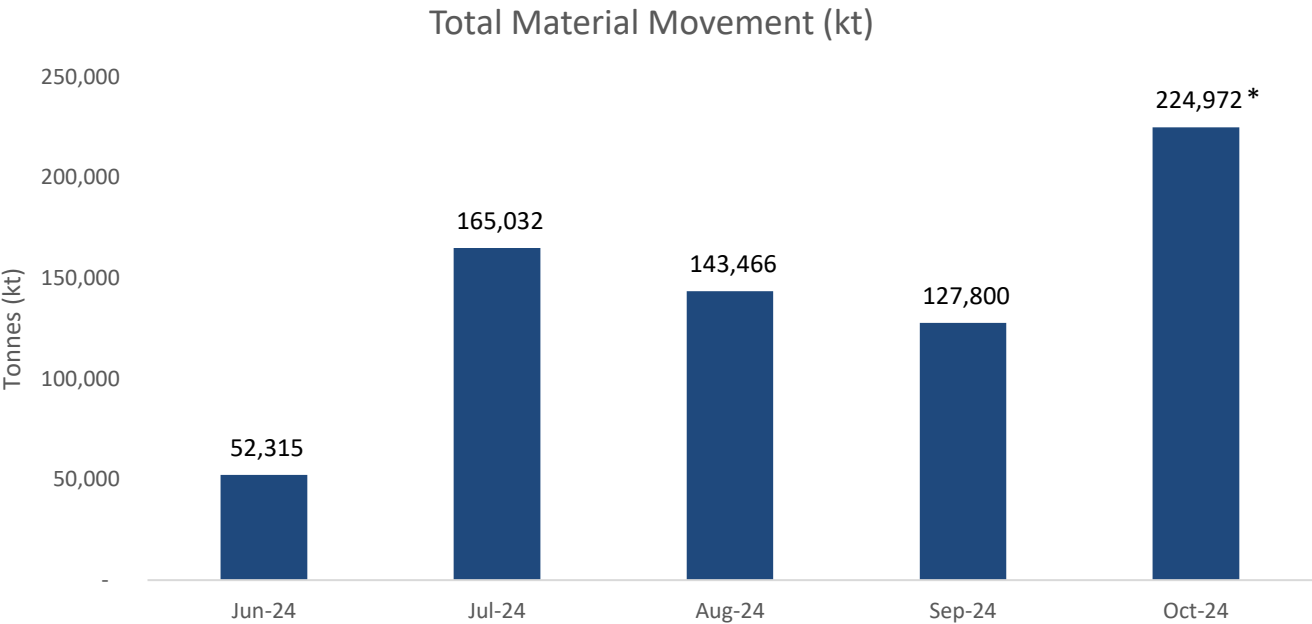
The favourable gold price over the last quarter has allowed Kingston to mine additional oxide ore a lower cut-off grade, thereby maximising profitable gold production. The mined gold grade is expected to increase as we progress deeper in the pit.

The processing plant was commissioned during the quarter and throughput has already exceeded the nameplate capacity on selected days in September. Tonnes of oxide processed through the plant was 43kt during the quarter, with 1,680oz of gold sold at an average realised price of \$3,777/oz.

Table 1: Summary of physicals for open pit mining at Mineral Hill.

Physical Summary	Unit	Q1 FY25
Waste Mined	t	413,600
Ore Processed	t	43,269
Head Grade	g/t	1.51
Processing Recovery	%	89%
Gold Produced	oz	1,868
Gold Sales	oz	1,680
Silver Sales	oz	11,551
Average Gold Price	\$/oz	3,777

Additional cyanide leach testing has been undertaken on material within the transitional zone by drilling a select number of deeper blast holes. Initial tests indicate the potential to extend dore production for longer than originally budgeted, meaning higher recoveries and payabilities for the project.



* Oct-24 tonnage is a forecast and is estimated based on truck counts

Figure 1: Estimated monthly open pit material movements between June and October 2024.

During the quarter, Kingston sold 1,680oz of gold at an average realised gold price of \$3,777/oz contributing to a total revenue of \$6.8m (including silver revenue). September marked the first full month of open pit processing and the first month of positive cash flow (net cash flow of \$1.08m). Processing commenced in August, so delivery of positive cash flow in September is a significant achievement for the company. All mining and processing costs were capitalised during the quarter.



Figure 2: Pearse North open pit mining.

Processing Plant

Kingston successfully ramped up processing throughput during the quarter. Significant stocks of oxide ore were built up on the ROM pad in order to maximise mill feed and accelerate the ramp up to nameplate capacity.

The mill is consistently operating at a 50tph, already exceeding the nameplate design of 400ktpa (46tph). Additionally, gold recovery rates from oxide ore have consistently surpassed the initial forecast of 85%. Weekly sales of gold/silver dore have also been established, ensuring a steady and reliable source of revenue for Kingston.



Figure 3: Sale of gold/silver dore from Mineral Hill (56kg sale, estimated at 20% gold and 78% silver).

Underground Ore Reserve and LOM Update

Kingston released an initial underground Ore Reserve for the Southern Ore Zone at the end of the quarter and an extended life-of-mine (LOM) plan (see ASX released dated 30 September 2024). Key highlights include:

- LOM extended to 6 years.
- Open pit mining to the end of CY2025.
- Revised Ore Reserve estimates for the Pearse open pits based on an updated Pearse North Mineral Resource.
- Initial Underground Ore Reserve: 0.7Mt for 0.8% Cu, 1.4g/t Au, 20g/t Ag, 1.9% Pb and 1.6% Zn.
- Ore Reserves in the mine plan of 1.1Mt.
- Total production target of 2.2Mt.
- LOM production of 207koz gold equivalent (AuEq) payable.
- Gold and copper comprise 85% of the payable metal in AuEq terms.

Mine plans were prepared based on the open pit and underground Ore Reserves and as a separate Life of Mine production target which includes a portion of Inferred resources within the open pit designs and underground stopes. The first 12 and 36 months of the production target are underpinned by 89% and 80% of Measured and Indicated Resources respectively.

The statement of the underground Ore Reserve is a significant development for Kingston, as it materially increases the technical and financial certainty for Mineral Hill. The company has much greater confidence on the geological model, geotechnical parameters and metallurgical assumptions. The type of concentrate to be produced in the forecast is now tailored according to the metallurgical characteristics of each lode within the deposit.

Planning work is being undertaken on the underground drilling due to commence in Q3 FY25. Additionally, underground material movements and ground support checks have been completed in preparation for the installation of the underground diamond drill rig.

Table 2: Life of mine Production Target physicals.

Open Pit Ore Reserve	Mt	0.35
Open Pit Mineral Resource	Mt	0.19
Underground Ore Reserve	Mt	0.7
Underground Mineral Resource	Mt	1.0
Total Life of Mine	Mt	2.2
Annual Processing Rate	ktpa	380
Payable Gold	koz	117
Payable Copper	kt	12
Payable Silver	koz	858
Payable Lead	kt	11
Payable Zinc	kt	6
AuEq Payable Ounces	koz	207
Gold Price	US\$/oz	1,944
Silver Price	US\$/oz	24
Copper Price	US\$/lb	4.30
Lead Price	US\$/lb	0.95
Zinc Price	US\$/lb	1.19
AUD:USD		0.68

The non-Reserve component of the reported Production Target comprising Mineral Resources includes adjustment of tonnes and grade by application of Modifying Factors.

The Production Target is being reported from 1 October 2024

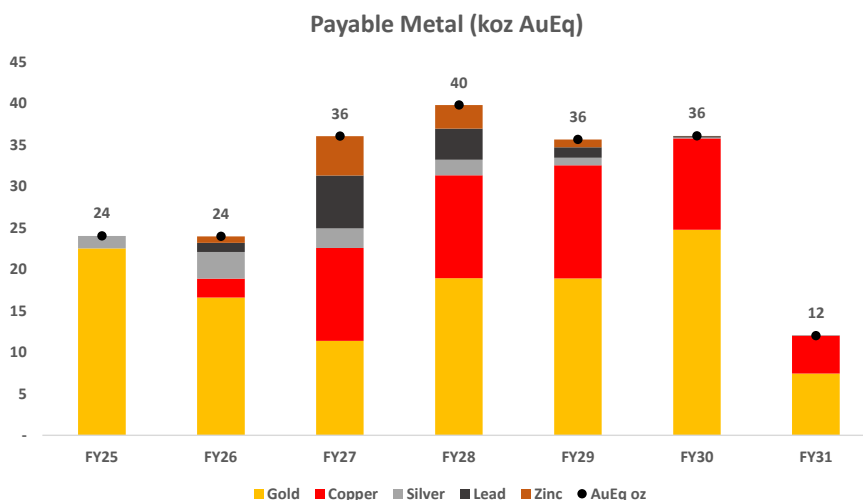


Figure 4: LOM forecast of payable metal.

Table 3: Pearse open pit Ore Reserves Summary.

Pit	kt	Gold g/t	Silver g/t	Gold koz	Silver koz
Pearse South	140	4.3	85	19	370
Pearse North	240	3.2	33	24	250
Total	370	3.6	52	43	620

Notes:

1. The tonnes and grades shown in the totals rows are stated to a number of significant figures reflecting the confidence of the estimate. The table may nevertheless show apparent inconsistencies between the sum of components and the corresponding rounded totals.
2. There are no Proved Ore Reserves.
3. Probable Ore Reserves are derived from Indicated Mineral Resources.
4. The Ore Reserves do not include, or depend upon, Inferred Mineral Resources.
5. The Ore Reserves form part of the Mineral Resources.
6. The reference point is the mill feed at the primary crusher and includes consideration for operational modifying factors.

Table 4: Mineral Hill Mine Southern Ore Zone 30 June 2024 Probable Ore Reserves.

Mt	Estimated Grade					Estimated Contained Metal				
	Copper %	Lead %	Zinc %	Gold g/t	Silver g/t	Copper kt	Lead kt	Zinc kt	Gold koz	Silver Moz
0.7	0.8	1.9	1.6	1.4	20	5.5	13	11	30	0.45

Notes:

1. The tonnes and grades shown are stated to a number of significant figures reflecting the confidence of the estimate.
2. For the estimated contained metal:
3. The contained copper estimate is shown to the nearest 0.5kt.
4. The contained gold estimate is shown to the nearest 5koz.
5. The contained silver estimate is shown to the nearest 0.05Moz.
6. There is no Proved Ore Reserve. The Probable Ore Reserve is derived from Measured and Indicated Mineral Resources.
7. The Ore Reserve only includes Inferred Mineral Resources as unavoidable dilution within stope shapes, or within development required for stope access. This material represents 20% of the overall Reserve tonnes but only 6% of the net value. The economic viability of the Ore Reserve does not depend upon Inferred Mineral Resources.
8. The Ore Reserve forms part of the Mineral Resources.
9. The reference point is the mill feed at the primary crusher and includes consideration for operational modifying factors.

Safety, Environment and Sustainability

There were no reportable injuries across the group during the September quarter. Mineral Hill's TRFIR reduced from 3.5 down to 3.0 over the quarter. The company is now at 122 days lost time injury free.

MISIMA GOLD PROJECT

Kingston progressed landholder identification studies over the project as part of the submissions for the Environmental and Social Impact Assessment (ESIA). Environmental monitoring was also continued for the ESIA.

The Company has been highly involved in the local community with participation in numerous initiatives aimed at empowering locals in education, health and business development. Solar lights were delivered to the Kaubwaga Vocational Teaching Centre, allowing the students to move around site safely. The centre offers vocational programs for young people on Misima Island. Assistance in kind was also offered to The Hands of Rescue Foundation (also known as the Flying Doctor service). These types of critical services are instrumental in providing quality health outcomes in remote areas.

Kingston has facilitated a Women in Business community program aimed at supporting business entrepreneurship and branding for the women of Misima Island to establish their own businesses and promote their products to the market.

Reaching a total of 629 women since September 2023, the Company is focused on facilitating awareness programs to help inspire women to seek out opportunities to become self-reliant through establishing businesses and obtaining equal status in their communities.

Our training has provided an awareness of other programs currently operating throughout PNG that focus on the economic and social development of women. We have provided valuable information relating to business planning and preparing the women to undertake financial literacy training at the end of 2024.



Figure 5: Community engagement at Misima as part of the landholder identification studies.

During the quarter, the Company commenced work towards formalising the sale/JV process currently being pursued. The current environment is further demonstrating the huge latent value Misima holds for Kingston and its shareholders.

The Misima Gold Project DFS was completed in 2022 using a US\$1,800/oz long term gold price. Using spot gold price of US\$2,700/oz has a highly material impact on the economics of the deposit, elevating the pre-tax NPV to A\$2,696m and doubling the pre-tax IRR to 46%. Additionally, the payback reduces from 5.8 years down to 2.5 years.

Table 5: Misima Gold Project DFS financial results at base case and spot gold price and FX scenarios.

		Base	Spot
Gold Price	USD/oz	US\$1,800/oz	US\$2,700/oz
Exchange Rate	AUD:USD	US\$0.70	US\$0.66
2 LOM Revenue	A\$m	6,116	9,730
LOM Free Cash Flow (pre-tax)	A\$m	2,726	6,367
NPV (7% real) pre-tax	A\$m	956	2,696
NPV (7% real) post-tax	A\$m	624	1,859
IRR pre-tax	%	22%	46%
IRR post-tax	%	18%	37%
Payback	years	5.75	2.49

CORPORATE

Operations at Mineral Hill have been focused on the transition to open pit mining, which has mainly been concerned with initial waste stripping and commissioning of the crushing and grinding circuits. Commercial production is yet to be declared and as such, all revenue and operating costs from the open pit operations have been capitalised to mine development cost for the September quarter.

Kingston secured an additional \$5m of debt funding from Pure Asset Management Pty Ltd during the quarter, bringing the total drawn debt to \$15m.

During the quarter, Kingston paid the remaining fee of USD\$255k (AUD\$376k) to Quintana Holdings LLP to restructure the final outstanding milestone payment of USD\$2.85m for the acquisition of Mineral Hill Pty Ltd. Under the agreed terms, the outstanding milestone payment will be paid over six-monthly instalments of USD\$350k commencing from 1 November 2024 with a final payment of USD\$754,900 in May 2025. This restructure aligns with our planned operating activities.

During the quarter, the Company made payments totalling \$162k to associates or related parties reflecting fees, wages, and superannuation paid to Directors.

The Company's closing cash balance as at 30 September 2024 was \$6.64m in unrestricted cash and a further \$7.4m in restricted cash (environmental bonds).

	Cash Inflow/(outflow)
Gross revenue from metal sales (capitalised to mine development cost) (\$m)	6.79
Opening cash & cash equivalents (\$m)	8.35
Staff and corporate cost (\$m)	(0.57)
Net interest payment (\$m)	(0.24)
Net cash used in operating activities (\$m)	(0.818)
Property, plant and equipment (\$m)	(3.40)
Exploration and resource development (\$m)	(0.9)
Pearse mine development cost (\$m)	(0.889)
Net cash used in investing activities (\$m)	(5.227)
Net proceeds from borrowings (\$m)	4.33
Effect of movement in exchange rates on cash held (\$m)	(0.002)
Closing cash & cash equivalents (\$m)	6.64

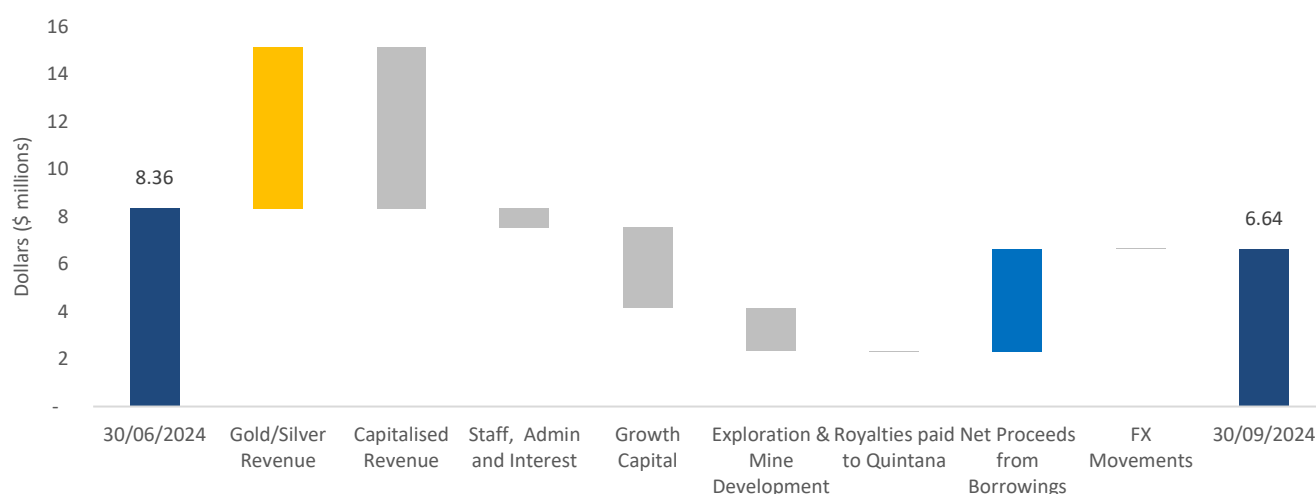


Figure 6: Cash flow waterfall chart for the September quarter.

Table 6: 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 27% of the current 8.2Mt 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:** Open pit mining at Pearse and finalisation of the Plant refurbishment for gold/silver dore and concentrate production.



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. On 30 September 2024, Kingston released an updated life-of-mine (LOM) production target, outlining a six-year LOM plan comprising a maiden underground Ore Reserve and a revised open pit Ore Reserve. 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.

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), 14 May 2024 (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 30 September 2024 (Pearse South, Pearse North and Southern Ore Zone). 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)	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)	Silver Grade (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	4,893	1.08	28	1.2%	1.7%	1.1%	169	4,361	47	70	42
Inferred	3,098	1.17	23	0.7%	1.4%	1.2%	117	2,253	22	42	38
Total	8,220	1.14	27	1.0%	1.6%	1.1%	302	6,693	72	113	81
Reserve Category	Tonnes (kt)	Gold Grade (g/t)	Silver Grade (g/t)	Cu %	Pb %	Zn %	Au (koz)	Ag (koz)	Cu (kt)	Pb (kt)	Zn (kt)
Proved	-	0.00	0				-	0			
Probable	697	1.95	57				44	470			
Total	697	1.95	57				44	470			

1. Due to rounding to appropriate significant figures, minor discrepancies may occur, tonnages are dry metric tonnes.
2. Probable Ore Reserves are derived from Indicated Mineral Resources.
3. The Ore Reserves do not include, or depend upon, Inferred Mineral Resources.
4. The Ore Reserves form part of the Mineral Resources.
5. Total Mineral Resources account for mining depletion of the Tailings Project as at 23 April 2024

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.