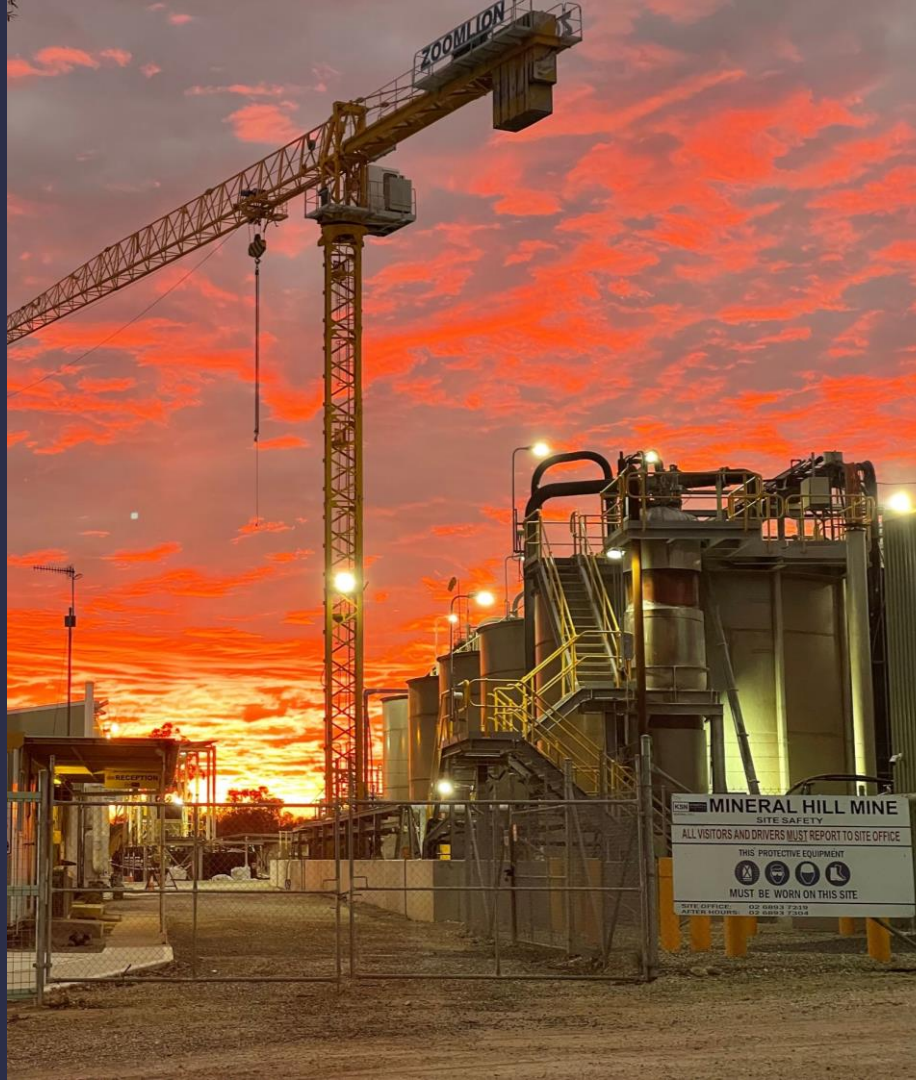




# Capital Raising Presentation

Accelerating to hard rock mining

March 2024



Step change in cash flow with open pit mining



Infill and expand the underground resources



Begin underground drilling and development

ASX: KSN

# Important notices and disclaimer

## Forward Looking Statements

Certain statements contained in this presentation, including information as to the future financial or operating performance of KSN and its projects, are forward looking statements. Such forward looking statements: include, among other things, statements regarding incomplete and uncertain proposals or targets, production and prices, operating costs and results, capital expenditures, and are or may be based on assumptions and estimates related to future technical, economic, market, political, social and other conditions; are necessarily based upon a number of estimates and assumptions that, while considered reasonable by KSN, are inherently subject to significant technical, business, economic, competitive, political and social uncertainties and contingencies; and involve known and unknown risks and uncertainties that could cause actual events or results to differ materially from estimated or anticipated events or results reflected in such forward looking statements.

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For further information on the Life of Mine at Mineral Hill referred to in this Presentation, refer to the Company's ASX Announcement dated 27 June 2023, \$6.5m Capital Raising or Mineral Hill Production Expansion.

Mineral Hill Gold Bar



# Important notices and disclaimer

## Exploration by Other Explorers

This presentation contains information sourced from the reports of Other Explorers. References to the original reports are provided as footnotes where the information is cited in this presentation. KSN does not vouch for the accuracy of these reports. KSN has taken the decision to include this information as it is in the public domain and as we assess it to be of relevance to shareholders and investors.

## Underground Production Target

The LOM plan includes Mineral Resource Estimates from the Southern Ore Zone (SOZ) and Jack's Hut to estimate the Production Target. All Ore Reserves and Mineral Resources underpinning this LOM plan have been prepared by Competent Persons in accordance with the 2012 JORC reporting guidelines. Probable Ore Reserve provides 46% of the total LOM processing plant feed tonnage. The Underground production target is based on Mineral Resource estimates and comprises Measured (7%), Indicated (31%), Inferred (56%) and unclassified (6%) material.

There is a low level of confidence associated with Inferred Mineral Resources and there is no certainty that further exploration work will result in the determination of Indicated Mineral Resources or that the production target itself will be realised.

The stated production target is based on the Company's current expectations of future results or events and should not be solely relied upon by investors when making investment decisions. Further evaluation work and appropriate studies are required to establish sufficient confidence that this target will be met. The Company notes that the Project forecasts a positive financial performance and is therefore satisfied that the use of Inferred resources in production target reporting and forecast financial information is not the determining factor in overall Project viability and that it is reasonable to report the LOM plan with Inferred Resources.

The Company has concluded that it has a reasonable basis for providing the forward-looking statements included in this announcement. The detailed reasons for that conclusion are outline throughout this presentation.





# Kingston Resources: key highlights

- 1 **Successful completion of the Mineral Hill Tailings Project in the Cobar Basin:** The Tailings Project has been a highly successful operation for the company. Operating cash of \$24m has set the stage for the re-commencement of open pit mining.
- 2 **Near term expansion of cash flow:** High grade gold and silver from the open pits is forecast to increase cash flow substantially. Payable<sup>1,2</sup> metal is expected to grow 133% YOY in FY25 to ~7kt CuEq.
- 3 **Plant refurbishment and expansion options:** Refurbishment of the processing plant for concentrate production is in the final stages. Crushing and grinding of oxide ore to commence in Q2 2024. Internal work on plant expansion options to 700ktpa.
- 4 **Growth in resources and reserves:** Initial underground Ore Reserve due in Q3 2024 and drilling for underground expansions in Q4 2024. Other underground deposits with existing development to be advanced and added to the mining inventory.
- 5 **Strategic value of existing processing capacity granted MLs:** As the owner of one of only two polymetallic plants in the Cobar Basin, Kingston is very well placed to participate in potential regional consolidation.
- 6 **Mineral Hill supporting the Energy Transition:** Transition to underground at Mineral Hill will result in increasing production of foundational base metals, essential for the Energy Transition.
- 7 **Misima's leverage to the gold price:** Large, low-cost 20-year gold project with A\$1.3Bn<sup>2</sup> NPV at a gold price US\$2,000/oz. Potential for significant value realisation and growth acceleration.

1. See ASX Announcement dated 27 June 2023, \$6.5m Capital Raising or Mineral Hill Production Expansion for key assumptions

2. See KSN ASX announcements on 6 June 2022 for further detail

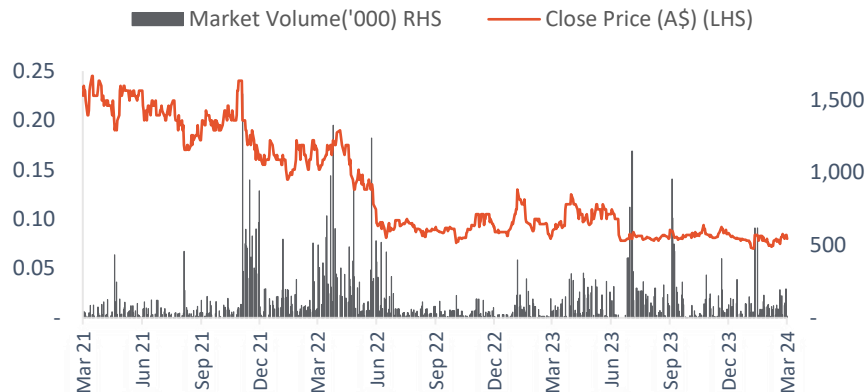
# Corporate snapshot

Shares on issue	497.9m
Warrants & options <sup>2 and 3</sup>	98.7m
Share price @ 26 March 2024	\$0.09
Market cap @ 26 March 2024	\$44.8m
Cash	\$3.3m
Restricted cash for environmental bond	\$7.3m
Debt (\$5m mature 7 July 2026, \$5m matures 29 June 2027)	\$10m

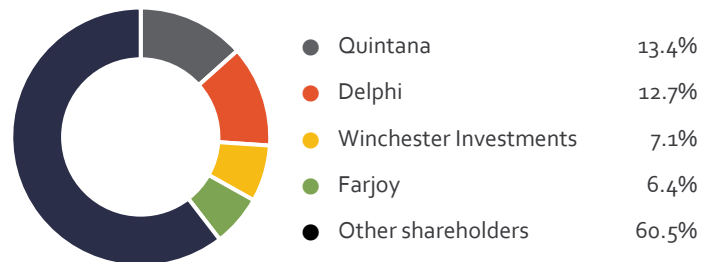


1. Estimated Cash balance, as at 28 Mar 2024, excludes \$7.27m cash backed environmental bond
2. 38m unlisted options @ \$0.14, exp 31 July 25, 25m unlisted warrants @ \$0.20, exp 07 July 2027, 35.7m unlisted warrants @ \$0.14 exp 29 June 2028
3. Exercise price of the warrants to be repriced post capital raise

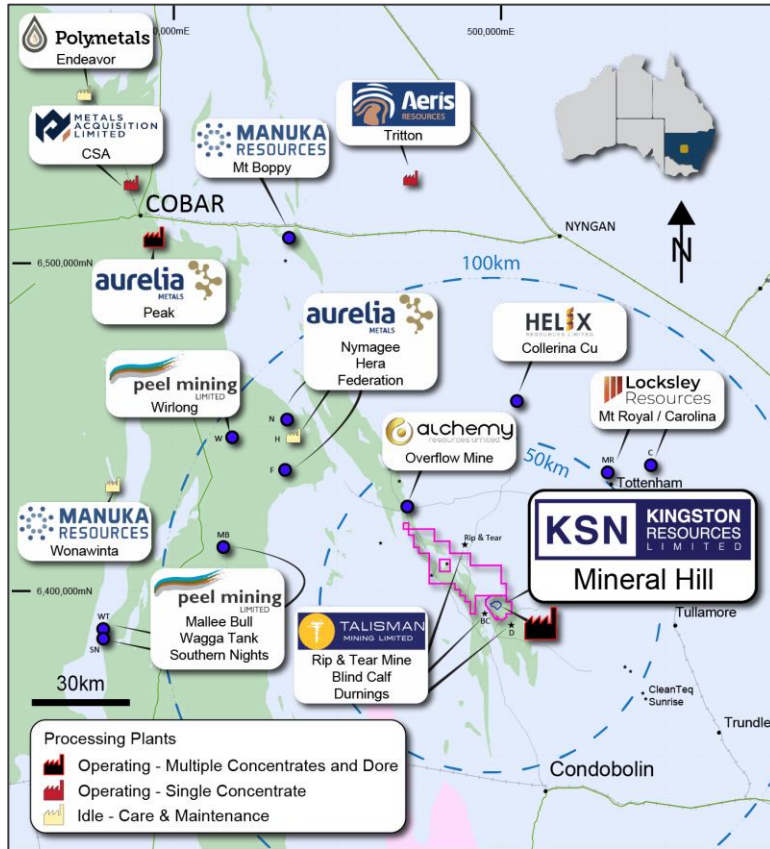
## 3-Year Share Price Performance



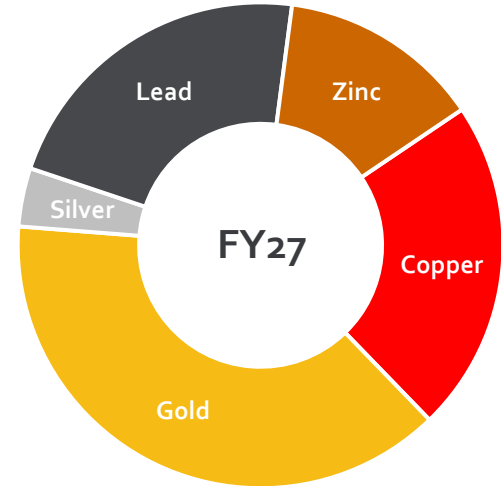
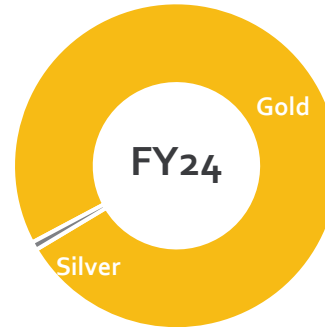
## Shareholder Structure



# Regional setting and increasing production of foundational base metals



- Strategic advantage from ownership of flexible processing capacity and 8.9Mt of polymetallic resources
- Clear path to underground mining sees increasing levels of copper and zinc production



# Highly experienced and well-regarded Executive Team

Significant experience across the development life cycle through to production



**Mick Wilkes**

**Non-Executive Chairman**

Mick is a seasoned mining professional with 35 years' experience in the industry, primarily in gold and base metals. He has specialised in sustainable project development, construction, and operations throughout his career.



**Andrew Corbett**

**Managing Director**

Andrew is a highly experienced mining engineer with over 25 years in mine management and financial markets. He has an in-depth understanding of mining, equity markets, business development and corporate strategy.



**Tony Wehby**

**Non-Executive Director**

Tony is a highly experienced board member and chairman, previously Non-Executive Chairman of Tellus Resources Limited and Aurelia Metals Limited, and a Director of Harmony Gold (Aust) Pty Ltd.



**Stuart Rechner**

**Non-Executive Director**

Stuart is an experienced company director and geologist with a background in project generation and acquisition in Australia and overseas. Mr Rechner holds degrees in both geology and law.

# Equity Raising Summary

Offer size and structure	<ul style="list-style-type: none"><li>• c.A\$8.1 million institutional placement ("<b>Placement</b>") and a c.A\$5.4 million Accelerated Non-Renounceable Entitlements Offer ("<b>ANREO</b>") raising up to c.A\$13.5 million (together, "<b>Offer</b>") at A\$0.065 per share ("<b>Offer Price</b>"). The Offer is not underwritten.</li><li>• The Offer will constitute the issue of a total of c.208 million shares ("<b>New Shares</b>").</li><li>• The Placement will consist of the issue of up to c.124.5 million New Shares at A\$0.065 per share to raise c.A\$8.1 million, utilising the Company's existing placement capacity under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A.</li><li>• The ANREO will be conducted on the basis of 1 New Share for every 6 Kingston shares (up to c.83 million New Shares).</li></ul>
Placement pricing	<ul style="list-style-type: none"><li>• New Shares will be issued at the Offer Price, which represents a discount of:<ul style="list-style-type: none"><li>• 27.8% to the last closing price of A\$0.09 per share on 26 Mar 2024.</li><li>• 25.2% discount to the 5-day volume weighted average price ("<b>VWAP</b>") of A\$0.087 as at 26 Mar 2024.</li><li>• 24.3% discount to the 10-day VWAP of A\$0.086 as at 26 Mar 2024.</li></ul></li></ul>
Committed support	<ul style="list-style-type: none"><li>• The Company has received commitments from two of the top shareholders, representing c.27% of the Placement offer and that they will participate so as to maintain their pro rata position.</li></ul>
Use of proceeds	<ul style="list-style-type: none"><li>• Proceeds will be used to transition to Pearse open pit mining, underground resource development drilling, processing plant commissioning and general working capital.</li></ul>
Update to Quintana payment	<ul style="list-style-type: none"><li>• Under the Mineral Hill Share Sale Agreement, a final milestone payment of c.US\$2.85 million is payable to Quintana on reaching 30,000oz of gold sales. Quintana and Kingston are in discussions to reduce this payment to US\$285,000 in consideration for an 1.25% LOM Net Smelter Royalty (NSR). Kingston has an option to buy back 50% of this agreed NSR before the 16th January 2027.</li></ul>
Ranking	<ul style="list-style-type: none"><li>• New Shares issued under the Placement and ANREO will rank equally in all respects with existing ordinary shares.</li></ul>
Syndicate	<ul style="list-style-type: none"><li>• Blue Ocean Equities Pty Ltd and Wilsons Corporate Finance Limited are acting as Joint Lead Managers and Bookrunners to the Placement and ANREO.</li></ul>



# Indicative Equity Raising Timeline

Event	Date
Trading halt	Wednesday, 27 March 2024
Announcement of the Placement and ANREO	Thursday, 28 March 2024
Trading halt lifted, trading resumes on an ex-entitlement basis	Tuesday, 2 April 2024
Record date for the Entitlement Offer	7:00pm (Sydney time) on Wednesday, 3 April 2024
Settlement of New Shares issued under the Placement and the accelerated component of the ANREO	Friday, 5 April 2024
Allotment of New Shares issued under the Placement and the accelerated component of the ANREO	Monday, 8 April 2024
Retail Entitlement Offer opens and dispatch of offer booklet	Monday, 8 April 2024
Retail Entitlement Offer closes	5:00pm (Sydney time) on Wednesday, 8 May 2024
Allotment and trading of securities issued under the Retail Entitlement Offer	Wednesday, 15 May 2024

*The above timetable is indicative only. The Company or Lead Managers may vary any of the above dates without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable law.*

# Sources and Uses of Funds (excl. Op. Cash Flow from Pearce)

**Setting the foundation for a long-term mining operation and increasing production of base metals, essential for the energy transition**

- Substantial value being built from a **fully approved and operating processing plant** one of two operating in the Cobar region that can produce multiple concentrates and precious metal dore
- **Low capital intensity** for forecast annual production of ~7ktpa CuEq. Total capital for plant refurbishment of \$12.5m (\$5m remaining)
- Forecast Pearce open pit production of **258kt @ 3.72g/t gold and 57g/t silver** (at A\$2571/oz gold price and AISC A\$1,339/oz)<sup>1</sup>
- At current spot prices of \$3,200/oz, Pearce open pit margin increases to \$1,861/oz, providing the **opportunity to materially transform the balance sheet**
- Updated Mineral Resource and Ore Reserve estimates are underway
- Further drilling from underground platforms to infill and expand the resource base

Sources of Funds (excl. Op. Cash Flow from Pearce)	A\$m
Equity raising proceeds	~\$13.5
Cash as at 28 Mar 2024	\$3.3
<b>Total Sources of Funds (excl. Op. Cash Flow from Pearce)</b>	<b>~\$16.8</b>

Uses of Funds	A\$m
Underground resource development drilling	\$2.0
Pearce open pit waste stripping	\$5.0
Processing plant commissioning	\$5.0
Working capital	\$4.8
<b>Total Uses of Funds</b>	<b>~\$16.8</b>



1. See ASX Announcement dated 27 June 2023, \$6.5m Capital Raising or Mineral Hill Production Expansion for key assumptions.

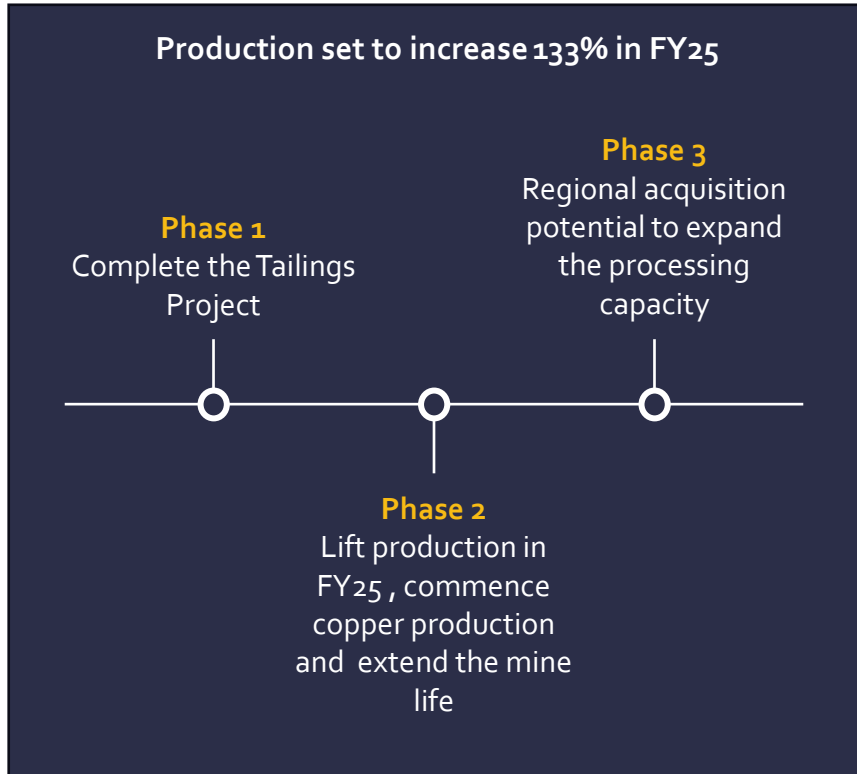


# Mineral Hill

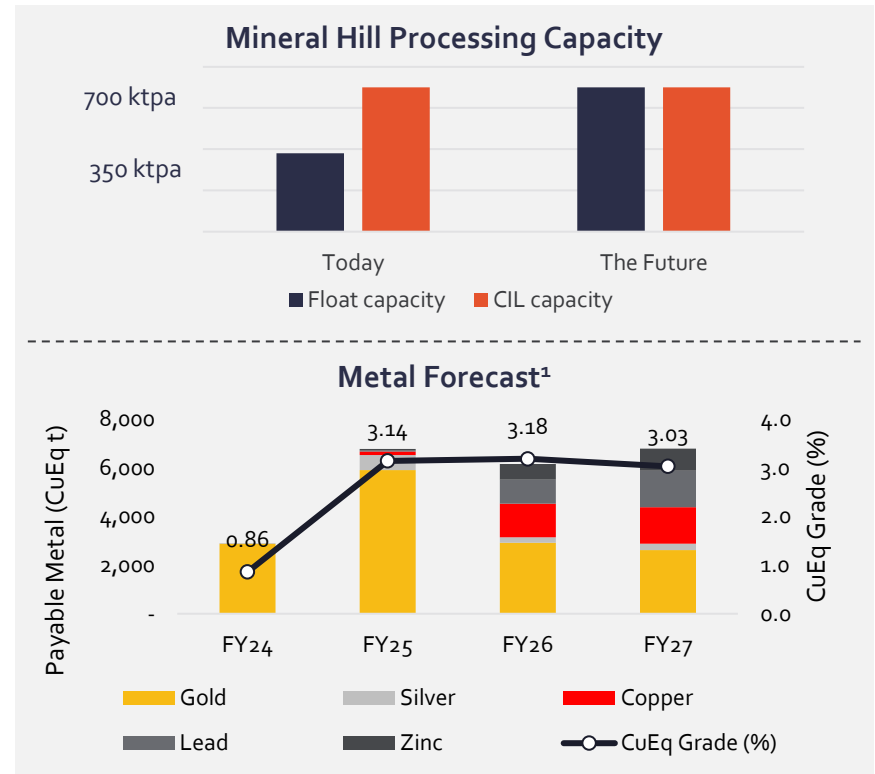
## Growth strategy for 2024 and beyond

# Extensive existing infrastructure

## Targeting a mine plan beyond 10 years



<sup>1</sup>. See ASX Announcement dated 27 June 2023, \$6.5m Capital Raising or Mineral Hill Production Expansion for key assumptions.



# Mineral Hill: a capital efficient growth platform

**Strong operational performance; well-positioned for continued growth**



- **Delivery on the plan** - Operating cash flow of \$24m since acquiring Mineral Hill January 2022 (\$23m total consideration<sup>1</sup>)
- **Resource growth** - Since acquisition resources have grown by 64% to 140kt CuEq<sup>2</sup>
- **Discovery potential** - Significant progress made on exploration and development initiatives, highly prospective tenure
- **Critical minerals** - NSW Government's critical minerals grant of \$500k facilitating copper production in 2025
- **Extending the Life of Mine (LOM)** - incorporating open pit and underground mining, targeting LOM > 5 years
- **Existing infrastructure, approvals and people** - the key to driving value and shareholder upside

1. ASX: Mineral Hill transaction completion 18/1/2022; Acquisition of Mineral Hill Gold and Copper Mine 18/11/2021

2. See KSN ASX announcements on 18 November 2021, 24 November 2022, 15 March 2023, 21 March 2023 for additional Mineral Hill Resource and Reserve information.



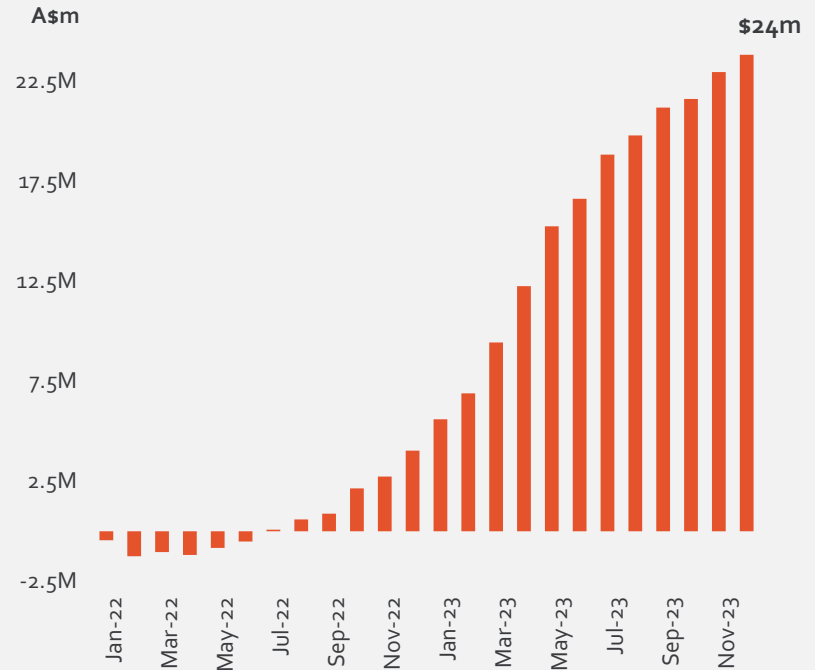
# Strong cash flow from the Tailings Project

Successful transition from the Tailings Project to open pit and underground mining underway

- Focus on extracting high-grade in the remaining months of the Tailings Project
- Production has significantly increased in March after lower grades and recoveries were experienced in February
- Demonstrated capability in mining, processing and cash flow management
- Skilled staff from the Tailings Project to be utilised in open pit mining

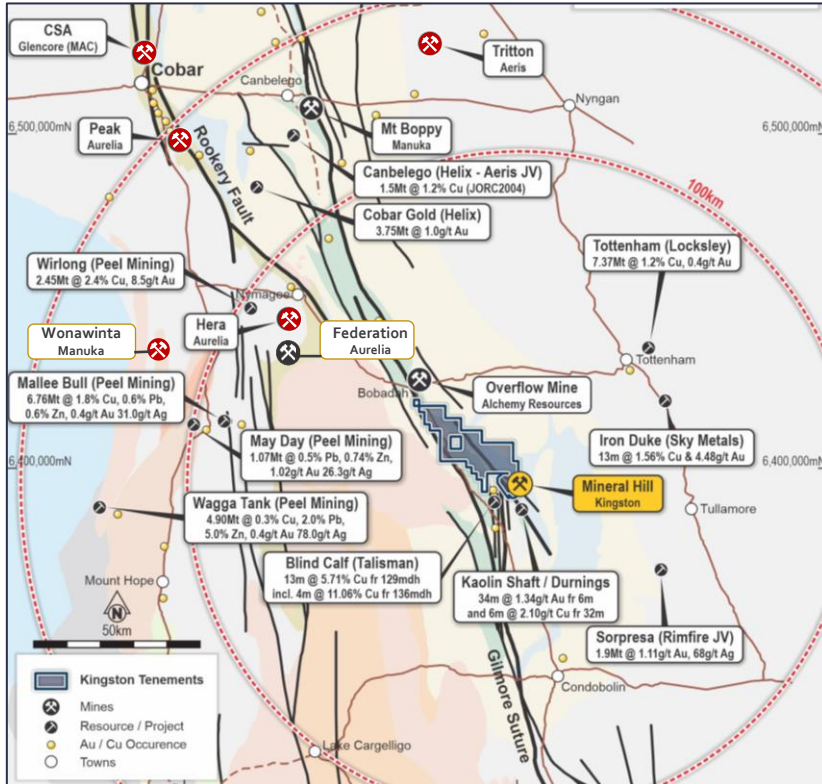


Cumulative Operating Cashflow to 31 December 2023



# Mineral Hill: strategic location in the Cobar Basin

## Significant organic and regional resource growth opportunities



## Abundance of gold-silver and polymetallic deposits within trucking distance of Mineral Hill processing plant

### Mineral Hill Overview

Location	516km W of Sydney NSW in Cobar Basin
Ownership	100%: 20 ML's (4.85km <sup>2</sup> ) and 2 EL's (335km <sup>2</sup> )
Reserves (recovered) <sup>1,2</sup>	53,000 Oz AuEq (Tailings Project and open pit only)
Resources (recovered) <sup>1,2</sup>	795koz AuEq (140kt CuEq 40% Cu, 30% Au)
Orebody	Structure controlled polymetallic vein and epithermal Au
Mining Methods	Open pit and underground long-hole stoping
Water	Supplied from underground and site storage
Power	Mains with grid upgrade
Historical Production	396koz Au, 33kt Cu (plus Pb, Zn concentrate)

1. Copper equivalent calculated based on consensus commodity prices with adjustments based on company expectations. See Appendix for equivalency calculations
2. See KSN ASX announcements on 18 November 2021, 24 November 2022, 15 March 2023, 21 March 2023 for additional Mineral Hill Resource and Reserve information.

# Refurbished plant scheduled for Q4 FY2024

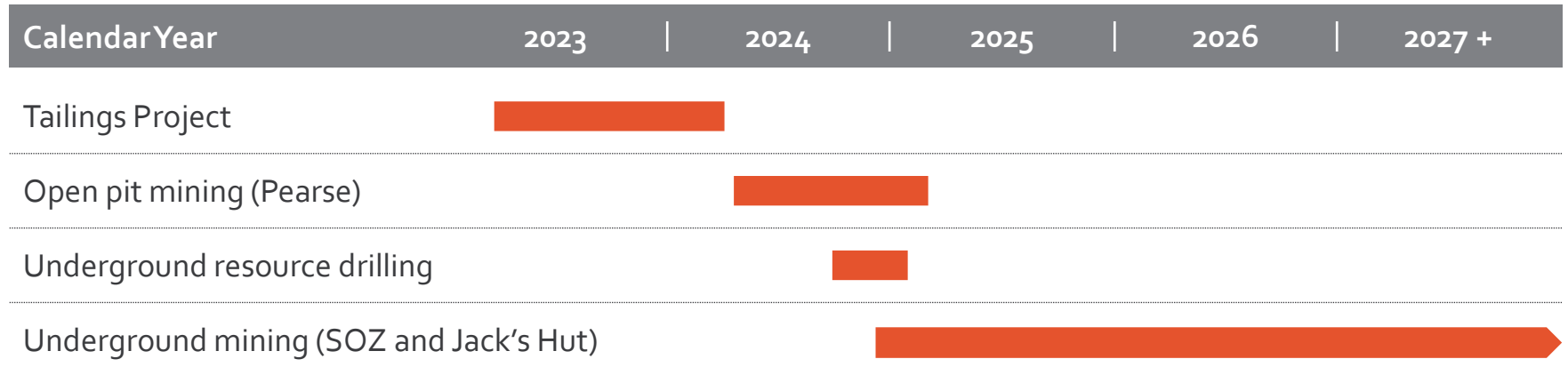
## Transforming Mineral Hill back to a hard rock mining operation



- All approvals in place
- Refurbishment on track and on budget
- All major equipment ordered and contractors in place
- Crushing, grinding and flotation to commence in Q2 2024
- Initial feed of oxide ore and dore production

# Underground and open pit mining

Focus on extending 5-year mine life, producing both precious and base metals



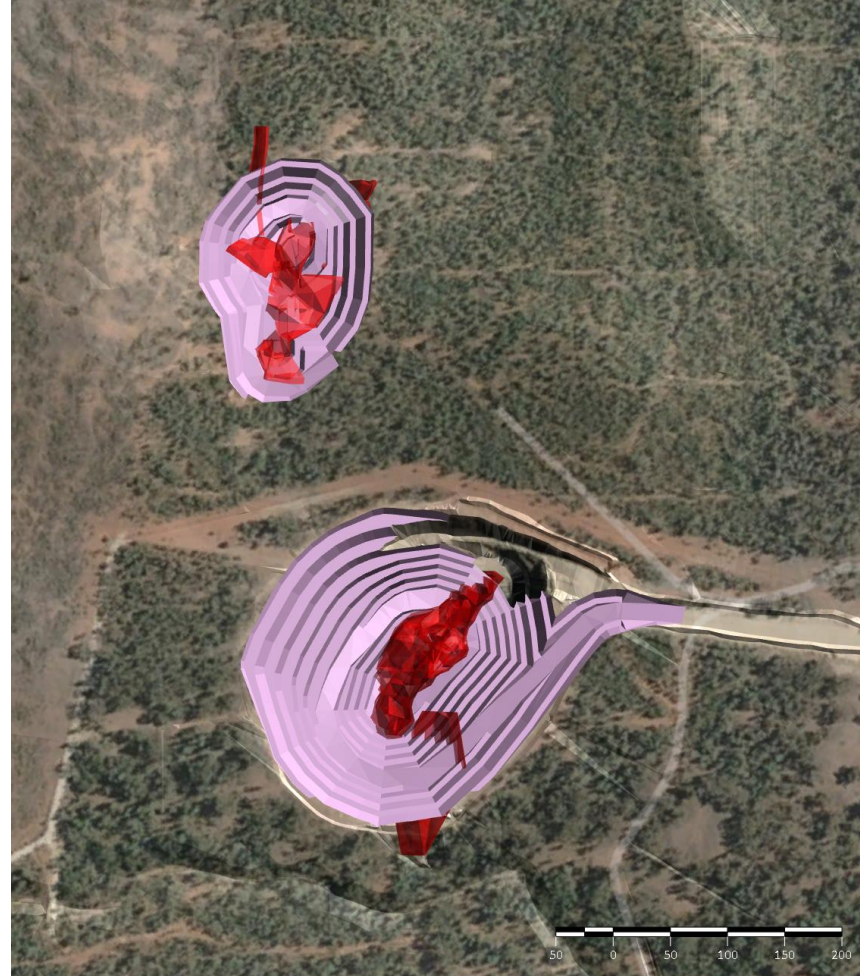


# Mineral Hill – Pearse open pit mining

## High-grade gold ore with silver credits

- New pit at Pearse North and a cutback at Pearse South
- Forecast of 258kt @ 3.72g/t gold and 57g/t silver (at A\$2571/oz price and AISC A\$1,339)<sup>1</sup>. Re-optimisation at current gold prices underway
- All permits and approvals in place
- First blast scheduled for June 2024, mining over 11 months
- Spot metal pricing – material cash flow opportunity with potential to transform the balance sheet
- Setting up the transition to underground mining

<sup>1</sup>. See ASX Announcement dated 27 June 2023, \$6.5m Capital Raising or Mineral Hill Production Expansion for key assumptions.



*Perse North and South pit designs*

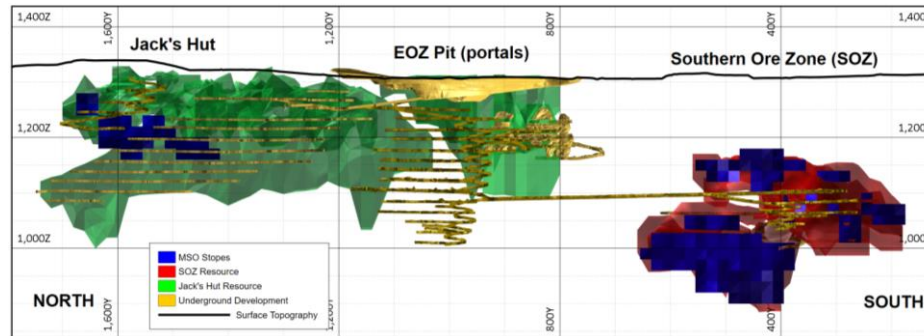


# Mineral Hill – underground mining

## Existing decline development minimises capital requirement to access high-grade ore

- Production target<sup>1</sup> using the Southern Ore Zone (SOZ) and Jack's Hut
- Existing decline development reduces capital expenditure
- **Access to SOZ underground is complete** – pumped out, bolted and meshed, communication and primary ventilation operating
- Resource update and initial Reserve work due for completion in Q4 2024
- Jack's Hut is highly prospective with potential to increase Mineral Resources along the entire Mineral Hill trend

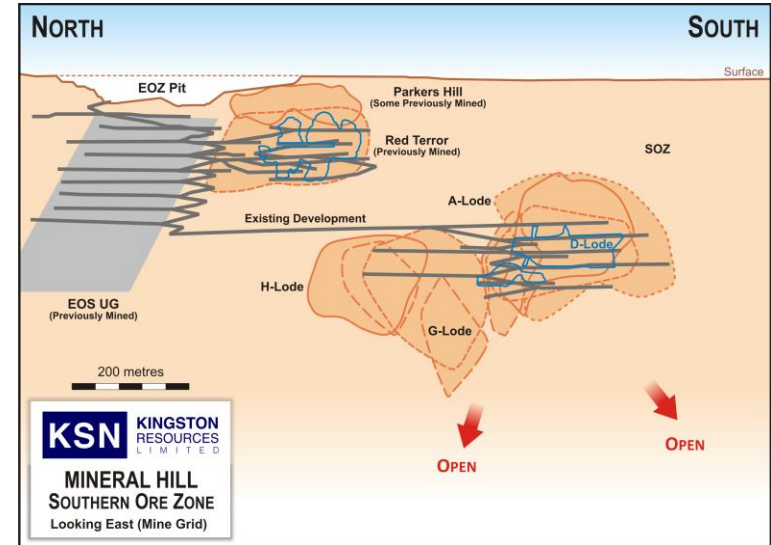
Underground longitudinal projection looking east – Jack's Hut and Southern Ore Zone



Mineral Hill Trend – 2.5km strike length

1. See ASX Announcement dated 27 June 2023, \$6.5m Capital Raising or Mineral Hill Production Expansion for key assumptions.
2. See ASX Announcement dated 24 November 2023 and 21 March 2023 for SOZ MRE announcements

Long section of Southern Ore Zone looking east



Mineral Resource Estimate for the Southern Ore Zone, November 2022<sup>2</sup>

Tonnes (Mt)	Au g/t	Ag g/t	Cu %	Pb %	Zn %
3.80	1.29 g/t	19 g/t	0.9%	1.6%	1.4%

Mineral Resource Estimate for the Jack's Hut, 21 March 2023<sup>2</sup>

Tonnes (Mt)	Au g/t	Ag g/t	Cu %	Pb %	Zn %
1.60	1.25 g/t	20 g/t	0.9%	0.8%	0.6%

## Multiple orebodies with significant potential for extensions and new discoveries

- 

The map displays the KSNDH019 area with various geological and structural features. Key elements include:

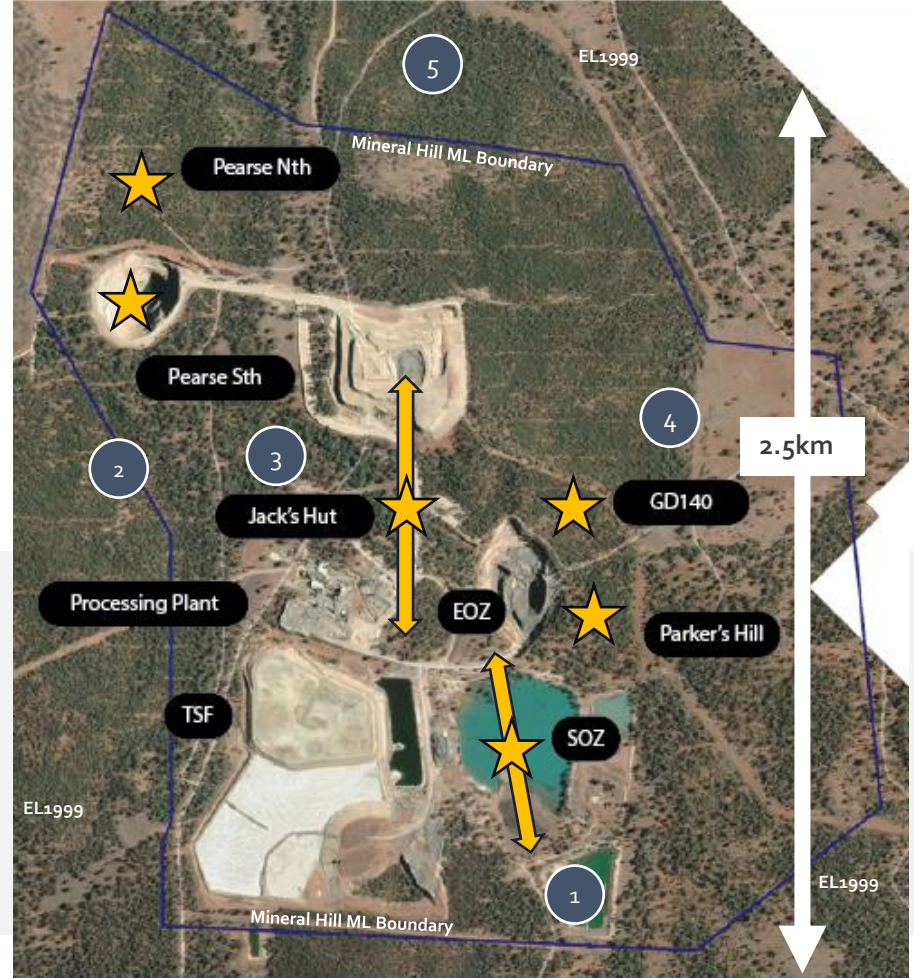
- Drill Holes:**
  - KSNDH019:**
    - 22m @ 1.38% CuEq from 266m
    - Incl. 2m @ 2.52% CuEq from 266m
    - Incl. 3.55m @ 2.89% CuEq from 284m
  - KSNDH017:**
    - 21m @ 1.49% CuEq from 254m incl.
    - Incl. 2m @ 6.37% CuEq fr 255m
    - Incl. 1m @ 2.51% CuEq fr 262m
    - Incl. 1m @ 2.52% CuEq from 270m
  - KSNDH019 (4m):**
    - 4m @ 1.13% CuEq from 383m
    - Incl. 2m @ 1.86% CuEq from 385m
    - Incl. 1m @ 2.56% CuEq from 386m
  - KSNDH017 (12.5m):**
    - 12.5m @ 3.41% CuEq from 405m
    - Incl. 4m @ 5.51% CuEq from 406.5m
- Structural Features:**
  - New Structure #1** and **New Structure #2** are indicated by dashed lines.
  - Existing Development** is shown in a yellow box.
  - Open** areas are marked with red arrows.
- Mineral Resources:**
  - Existing Mineral Resource Zone** is highlighted in yellow.
  - Potential Mineral Resource Expansion Zone** is highlighted in orange.
  - Interpreted Mineralisation Outlines** are shown in light blue.
- Legend:**
  - KSNDH019** (pink dot)
  - Pre-Existing Drill Holes** (black dot)
  - Significant Drill Intercept** (green dot with red outline)
  - Existing Mineral Resources** (yellow box)
  - Interpreted Mineralisation Outlines** (light blue area)
- Scale and Orientation:**
  - Vertical scale: 0mRL, 100mRL, 400mE, 500mE.
  - Horizontal scale: 0m, 20, 40, 60, 80.
  - North arrow pointing towards the top right.

# Advanced near mine development plan

## Resource expansion strategy and near mine exploration

- Five priority targets within the ML
- Focus on resource expansion and extending the mine life

- 1 Southern Ore Zone (SOZ) Extension
- 2 South Aurum (Pearse Corridor)
- 3 Ashes Graben
- 4 Parkers Hill East
- 5 Bogong Prospect

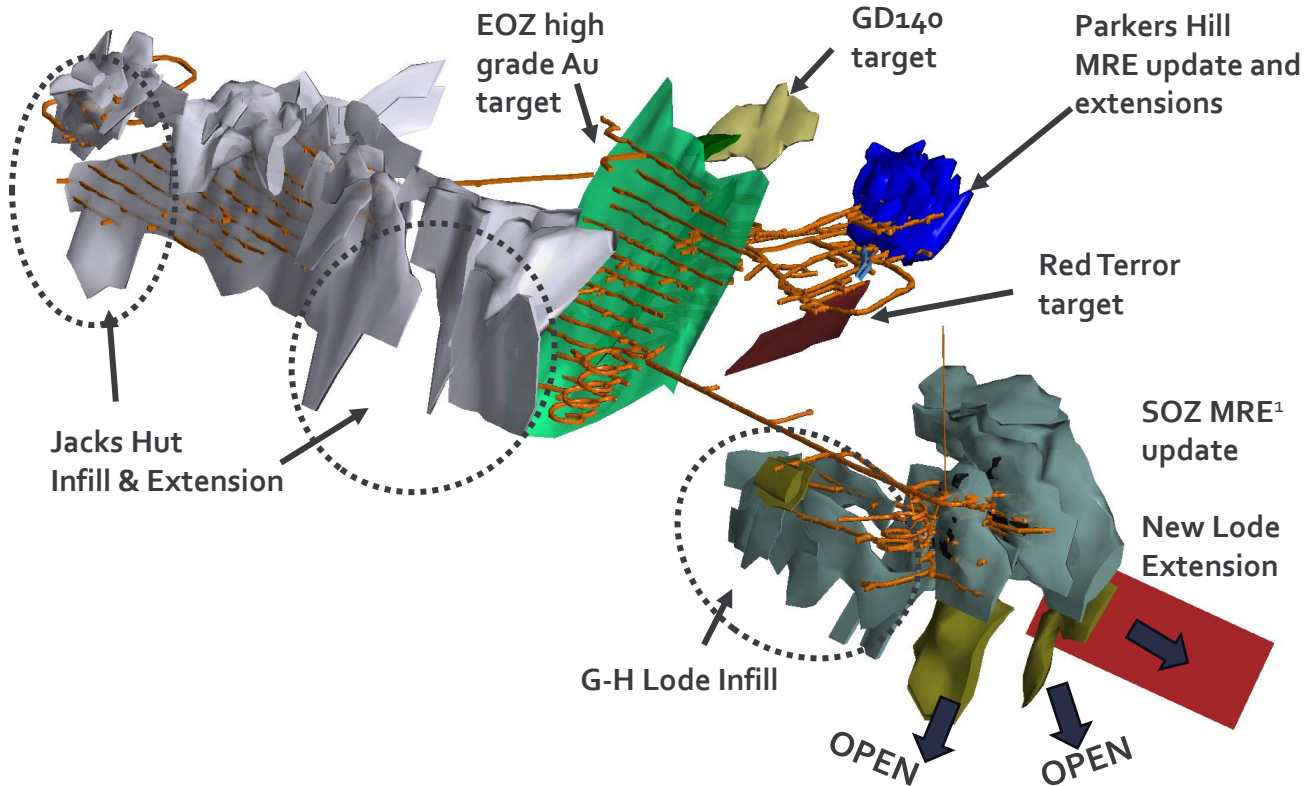




# Upside opportunities

## Resource expansion strategy and near mine exploration

- Mineralisation over 2.5km
- Multiple ore bodies
- Existing development in place

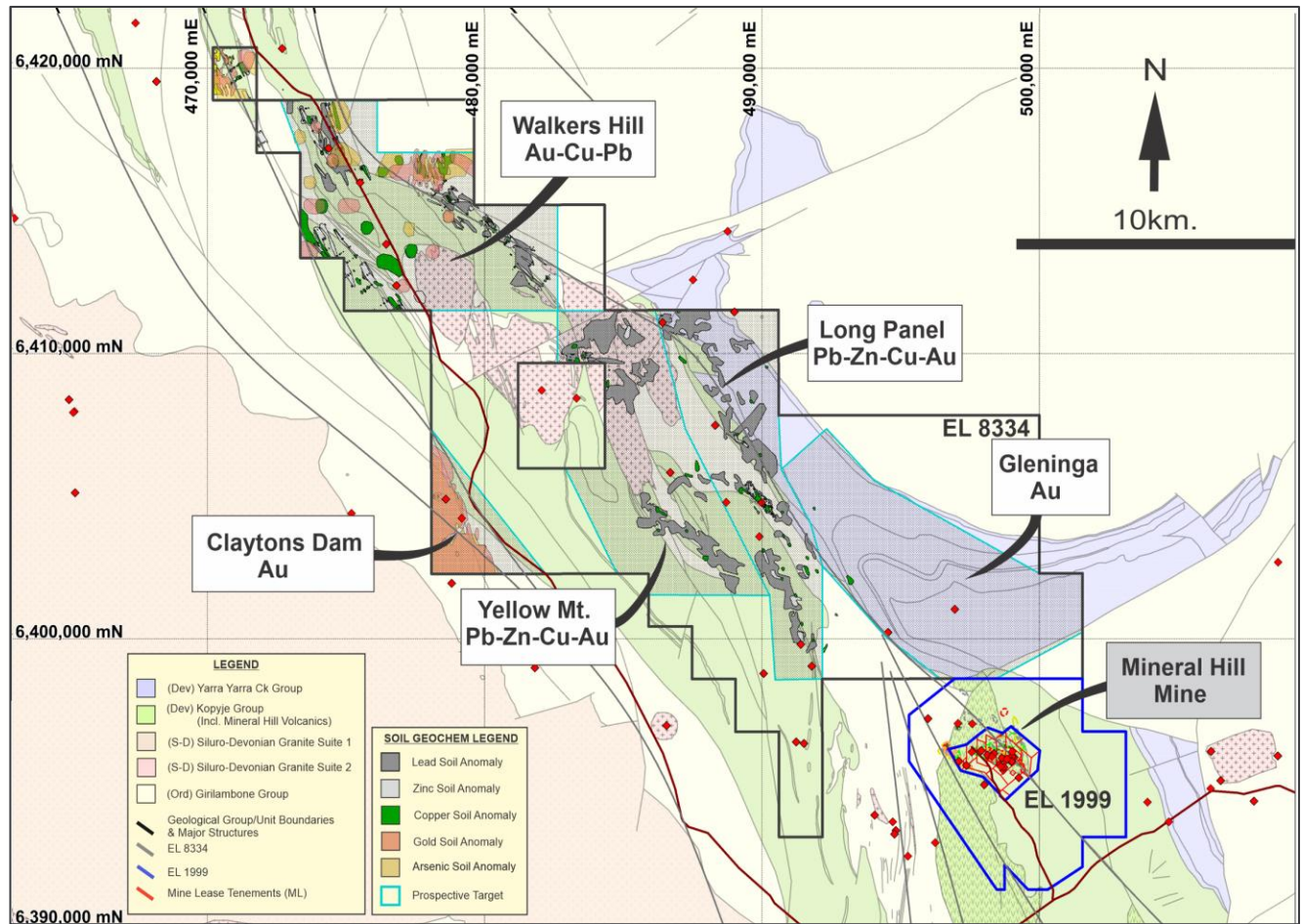


1. MRE – Mineral Resource Estimate

# Regional exploration

## Highly prospective exploration tenure within EL8334

- Coincident geophysical features (gravity and induced polarisation)
- Highly prospective geology and regional scale structures
- Lead-in-soil anomalies adjacent to prospects in neighbouring tenements
- The only operating polymetallic processing plant in southern Cobar Basin







## Misima Gold Project

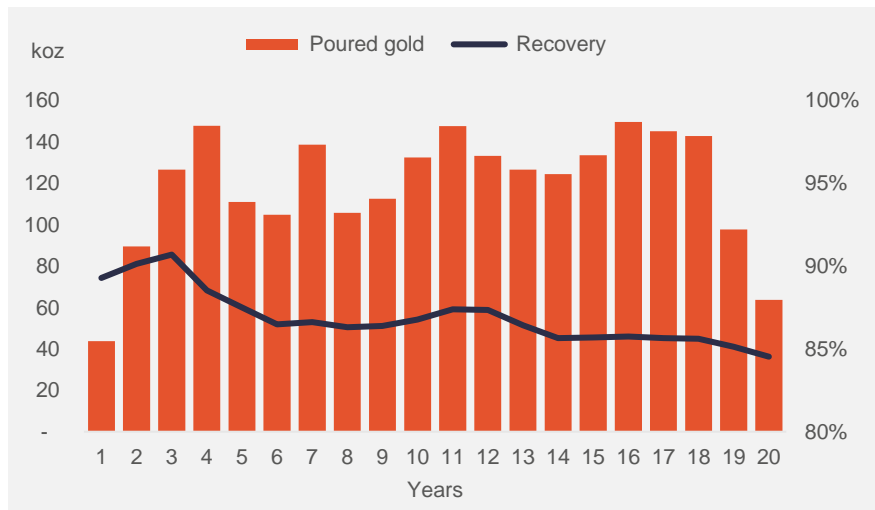
# Misima – definitive feasibility and ore reserve<sup>1</sup>

## Large scale, long-life, low-cost open pit gold and silver mine

### Misima Project

- 600km from Port Moresby
- DFS Complete
- Historically produced 4Moz AuEq over 15 years

- High leverage opportunity on the gold price
- DFS uses \$1,800/oz gold price and 0.7 AUD:USD. **Gold price scenario of \$2,000/oz lifts LOM NPV to \$1.3bn**
- Kingston is running a process to bring about value realisation through a sale or JV



**3.8Moz Gold**  
Resource  
**1.73Moz Gold**  
Ore Reserve

**22.1Moz Silver**  
Resource  
**4.1Moz Silver**  
Ore Reserve

**2.4Moz**  
Production at AISC  
**A\$1,217/oz**  
20-year life of mine

**\$956M** pre-tax  
**NPV** with  
**22% IRR**

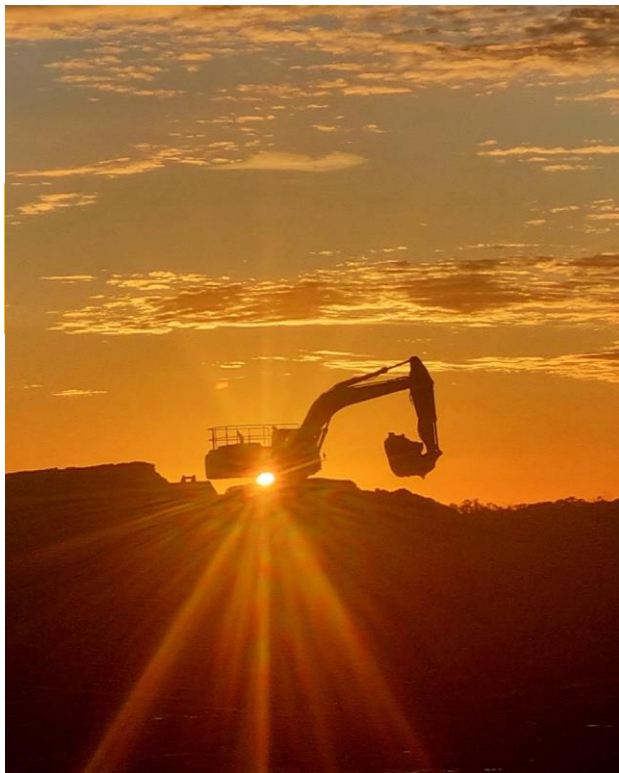
**LOM Revenue \$6.1bn**  
and  
**LOM pre-tax FCF**  
**\$2.7bn**

**Extensive**  
**mining history**  
de-risks development  
pathway

1. See KSN ASX announcements on 6 June 2022 for further detail

# Summary: focus on executing our clearly defined strategy

Leveraging the existing gold-copper asset base while advancing future growth opportunities



**Experienced management team** focused on maximising returns from Mineral Hill and Misima



**Material expansion in cash flow** with the commencement of hard rock mining



**Focused on growing resources and reserves**, with potential to expand processing plant production capacity and EBITDA



**Strategic location of the Mineral Hill** processing plant provides options for adding regional inventory



Focused on **growing revenue and cashflow** from **Mineral Hill** and pursuing value realisation alternatives from the **Misima Gold Project**





## Appendix





# Building a safety culture and establishing our ESG framework

## Investing in our people and our community



Kingston is one of the largest employers in Condobolin



Kingston's ESG framework helps us to operate in a safe, responsible and sustainable way

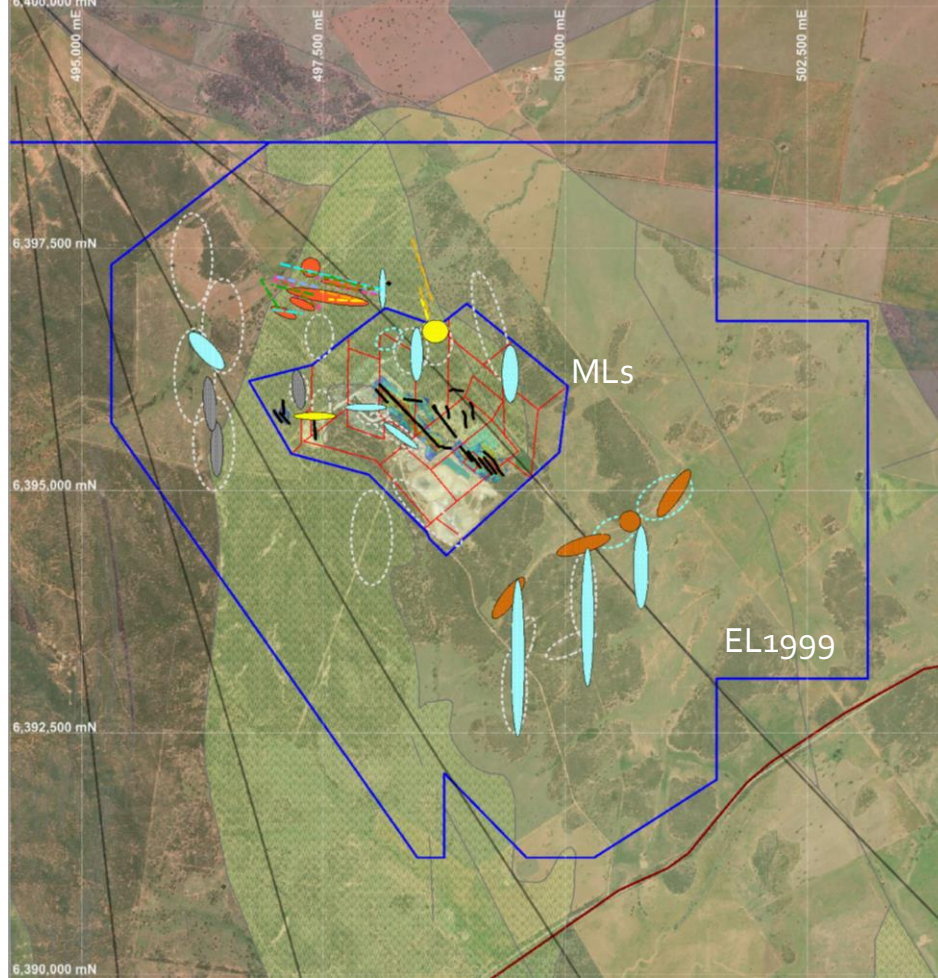
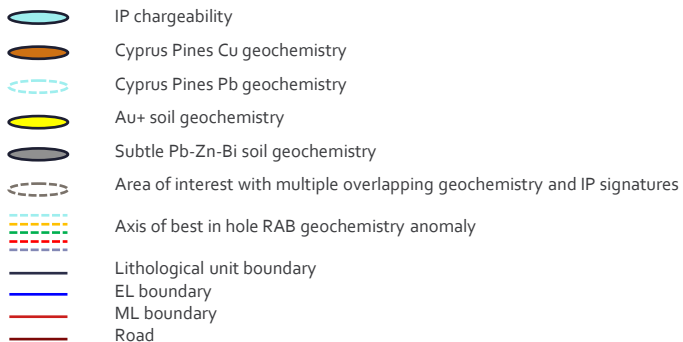


Investing in our local and residential workforce is good for our business and our local Lachlan Shire community

# Exploration within EL1999

## Multiple drill targets to be tested

- Several near mine targets with potential to **significantly expand contained copper and gold**
- Lead is the primary pathfinder element for polymetallic mineralisation
- Geochemical anomalies coincident with IP chargeability anomalies
- Broadly aligned with magnetic lineaments and domains
- **Multiple untested targets**



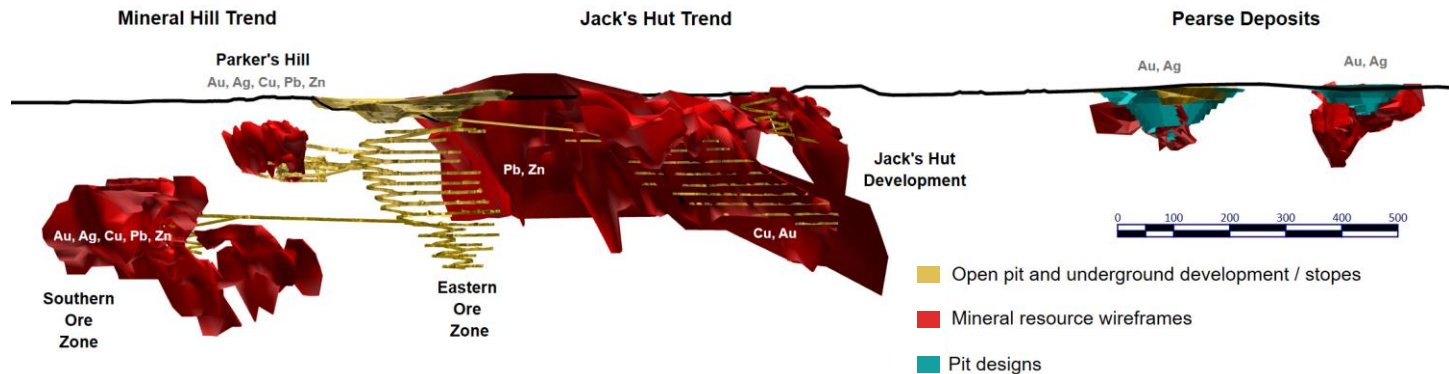
# Mineral Hill Mine – Resources and Reserves

## Attractive commodity base with significant growth potential

- High grade Pearse open pit Mineral Resources
- Polymetallic underground Mineral Resources
- Additional resource areas to be estimated in CY23 (Parker's Hill and Red Terror)

Total Probable Reserve Inventory					
Deposit	Kt	Au (g/t)	Ag (g/t)	Au (Koz)	Ag (Koz)
TSF	1,171	1.07		40	
Pearse South	140	4.00	84	18	375
Pearse North	120	3.40	25	13	95
<b>TOTAL</b>	<b>1,431</b>	<b>1.6</b>	<b>57</b>	<b>71</b>	<b>470</b>

Total Mineral Resources											
Deposit	Kt	Au (g/t)	Ag (g/t)	Cu %	Pb %	Zn %	Au (Koz)	Ag (Koz)	Cu (Kt)	Pb (Kt)	Zn (Kt)
TSF	1,171	1.07	0				40				
Pearse South	204	3.77	70				25	456			
Pearse North	239	2.97	25				23	190			
Southern Ore Zone	3804	1.29	19	0.9%	1.6%	1.4%	158	2349	34	60	54
Jack's Hut	1640	1.25	20	0.9%	0.8%	0.6%	66	1051	15	14	10
Parkers Hill	1843	0.19	43	1.3%	2.1%	0.9%	11	2520	23	39	17
<b>TOTAL</b>	<b>8,901</b>	<b>1.13</b>	<b>26</b>	<b>1.0%</b>	<b>1.6%</b>	<b>1.1%</b>	<b>323</b>	<b>6,566</b>	<b>72</b>	<b>113</b>	<b>81</b>





# Mineral Hill – Social Licence

## Environmental and Social Licence to operate

- Stakeholder engagement – excellent relationship with land-holders, community and Condobolin Chamber of Commerce
- Mining Licences (ML) granted
- Environment protection, cyanide and water permits in place
- Environmental Bonds in place with a staged payment schedule
- Development Applications (DA) approvals in place for tailings (TSF), Pearse pits, SOZ underground
- Mine Operation Plan (MOP) in place for the tailings retreatment and re-commencing hard rock mining
- Biodiversity offset in place, potential to increase offset
- 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 and 5 designed providing storage capacity for 2.5 years





# Competent Person Statement

## Competent Person's Statement - Mineral Resource Reported in Accordance with 2012 JORC Code – Mineral Hill

The information in this report that relates to the reporting of the Mineral Hill Mine Mineral Resource Estimate is based on and fairly represents, information and supporting documentation compiled by Mr. Stuart Hayward (BAppSc (Geology)) MAIG, who is a Member of the Australian Institute of Geoscientists. Mr. Stuart Hayward is a full-time employee of Kingston Resources Limited. Mr. Hayward has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original report.

## Competent Person's Statement - Mineral Resource Reported in Accordance with 2004 JORC Code – Mineral Hill

The information in this release that relates to Mineral Resources is based on information reviewed by Mr. Stuart Hayward (BAppSc (Geology)) MAIG, who is a Member of The Australian Institute of Geoscientists and a full-time employee of Kingston Resources Limited. Mr. Hayward has sufficient experience in the style of mineralisation and types of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 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 the report of the matters based on his information in the form and context in which it appears. All Mineral Resource estimates were prepared and first disclosed under the JORC Code 2004 and are an accurate representation of the available data and studies for the Mineral Hill Mine. This information has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Work will commence on close of acquisition by the Company to bring each of the Mineral Resources into line with the JORC Code 2012.

## Competent Person's Statement – Ore Reserve Reported in Accordance with JORC Code – Mineral Hill

The Ore Reserve and Mineral Resources estimates were prepared by a Competent person in accordance with the JORC Code 2012 with exception of the Parkers Hill Mineral Resource Estimates that have been prepared by a Competent Person in accordance with the JORC Code 2004 and have not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Pearse, Parkers Hill, Jacks Hut and the Southern Ore Zone Mineral Resource estimates and Ore Reserves have been adjusted by mining depletion using the production wireframes created by the site survey department at the time of mining. These wireframes represent the mining activities at these deposits to the best of Kingston's knowledge although they are not to be viewed as complete or accurate in their entirety and therefore mining depletion may be revised when Kingston is able to produce revised determinations on more complete data and verification thereof. Information pertaining to Mineral Resource Estimates (MRE) and Ore Reserves (OR) in this presentation has been previously released to the public. The tables on this page indicate the authors of the historical Resources/Reserves and the dates they were initially published. Kingston is not reporting these estimates as its own with exception of the MRE and OR for the TSF which has not been reported previously by any other company. The other original reports are available through the ASX website.

The Competent Person (JORC 2012) for the TSF Ore Reserve is Mr Jeremy Peters (BSc, BEng) a Fellow of the Australasian Institute of Mining and Metallurgy and Chartered Professional Geologist and Mining Engineer of that organisation. Mr Peters is a full-time employee of Burnt Shirt Pty Ltd and has sufficient relevant experience to act as Competent Person. 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.

## Competent Person's Statement - Mineral Resource Reported in Accordance with 2012 JORC Code – Misima

The information in this report that relates to the reporting of the Misima Mineral Resource Estimate is based on and fairly represents, information and supporting documentation compiled by Mr. Stuart Hayward (BAppSc (Geology)) MAIG, who is a Member of the Australian Institute of Geoscientists. Mr. Stuart Hayward is a full-time employee of Kingston Resources Limited. Mr. Hayward has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original report.

## Competent Person's Statement – Ore Reserve Reported in Accordance with 2012 JORC Code – Misima

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.

## Ore Reserve

Deposit	JORC	ASX Announcement	Competent Person	Company
Misima	2012	KSN 06/06/2022	John Wyche	AMDAD
TSF	2012	KSN 18/11/2021	Jeremy Peters	Burnt Shirt
Pearse North	2012	KSN 15/03/2023	John Wyche	AMDAD
Pearse South	2012	KSN 15/03/2023	John Wyche	AMDAD

## Mineral Resource

Deposit	JORC	ASX Announcement	Competent Person	Company
Misima	2012	KSN 15/09/2021	Stuart Hayward	KSN
TSF	2012	KSN 18/11/2021	Troy Lowien	Groundwork Plus
Pearse South	2012	KSN 15/03/2023	Stuart Hayward	KSN
Pearse North	2012	KSN 15/03/2023	Stuart Hayward	KSN
Southern Ore Zone	2012	KSN 24/11/2022	Stuart Hayward	KSN
Jack's Hut	2012	KSN 21/03/2023	Stuart Hayward	KSN
Parkers Hill	2004	KBL 13/09/2011	Anthony Johnston	KBL

# Mineral Hill – Resources & Reserves

Attractive commodity base with significant growth potential

Total Probable Reserve Inventory											
Deposit	Kt	Au (g/t)	Ag (g/t)	Au (Koz)	Ag (Koz)						
TSF	1,171	1.07		40							
Pearse South	140	4.00	84	18	375						
Pearse North	120	3.40	25	13	95						
<b>TOTAL</b>	<b>1,431</b>	<b>1.6</b>	<b>57</b>	<b>71</b>	<b>470</b>						

Total Mineral Resources											
Deposit	Kt	Au (g/t)	Ag (g/t)	Cu %	Pb %	Zn %	Au (Koz)	Ag (Koz)	Cu (Kt)	Pb (Kt)	Zn (Kt)
TSF	1,171	1.07	0				40				
Pearse South	204	3.77	70				25	456			
Pearse North	239	2.97	25				23	190			
Southern Ore Zone	3804	1.29	19	0.9%	1.6%	1.4%	158	2349	34	60	54
Jack's Hut	1640	1.25	20	0.9%	0.8%	0.6%	66	1051	15	14	10
Parkers Hill	1843	0.19	43	1.3%	2.1%	0.9%	11	2520	23	39	17
<b>TOTAL</b>	<b>8,901</b>	<b>1.13</b>	<b>26</b>	<b>1.0%</b>	<b>1.6%</b>	<b>1.1%</b>	<b>323</b>	<b>6,566</b>	<b>72</b>	<b>113</b>	<b>81</b>

- The Ore Reserve and Mineral Resources estimates were prepared by a Competent person in accordance with the JORC Code 2012 with exception of the Parkers Hill Mineral Resource Estimate, which been prepared by a Competent Person in accordance with the JORC Code 2004, and have not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Pearse South, Parkers Hill and the Southern Ore Zone Mineral Resource estimates and Ore Reserves have been adjusted by mining depletion using the production wireframes created by the site survey department at the time of mining. These wireframes represent the mining activities at these deposits to the best of Kingston's knowledge although they are not to be viewed as complete or accurate in their entirety and therefore mining depletion may be revised when Kingston is able to produce revised determinations on more complete data and verification thereof.
- Mineral Resources are reported inclusive of Ore Reserves.
- See Competent Person details and year of original release on slide 33.
- For full information of Mineral Resource and Ore Reserves see KSN announcement titled "Mineral Hill Mineral Resource and Ore Reserve Statement" released 18 November 2021.
- Rounding to significant figures may cause minor computational discrepancies.

Measured Resource Inventory											
Deposit	Kt	Au (g/t)	Ag (g/t)	Cu %	Pb %	Zn %	Au (Koz)	Ag (Koz)	Cu (Kt)	Pb (Kt)	Zn (Kt)
Southern Ore Zone	228	2.11	11	1.3%	0.5%	0.3%	15	79.9	3	1	1
<b>TOTAL</b>	<b>228</b>	<b>2.11</b>	<b>11</b>	<b>1.3%</b>	<b>0.5%</b>	<b>0.3%</b>	<b>15</b>	<b>80</b>	<b>3</b>	<b>1</b>	<b>1</b>

Indicated Resource Inventory											
TSF	1,171	1.07					40				
Pearse South	164	4.10	85				22	450			
Pearse North	224	3.00	25				22	180			
Southern Ore Zone	1,622	1.28	20	1.0%	1.8%	1.5%	67	1,038	16	29	24
Jack's Hut	608	1.53	7	1.3%	0.5%	0.4%	30	134	8	3	2
Parkers Hill	1,793	0.191	42	1.3%	2.1%	0.9%	11	2,443	23	38	16
<b>TOTAL</b>	<b>5,582</b>	<b>1.06</b>	<b>30</b>	<b>1.2%</b>	<b>1.7%</b>	<b>1.1%</b>	<b>191</b>	<b>4,244</b>	<b>47</b>	<b>70</b>	<b>42</b>

Inferred Resource Inventory											
Pearse South	40	2	5				3	6			
Pearse North	15	2.50	21				1	10			
Southern Ore Zone	1,954	1.20	20	0.7%	1.6%	1.5%	75	1,231	14	30	29
Jack's Hut	1,032	1.09	28	0.7%	1.0%	0.8%	36	917	7	11	8
Parkers Hill	50	0.20	48	0.7%	1.8%	2.4%	0.3	77	0.4	1	1
<b>TOTAL</b>	<b>3,091</b>	<b>1.17</b>	<b>23</b>	<b>0.7%</b>	<b>1.4%</b>	<b>1.2%</b>	<b>116</b>	<b>2,242</b>	<b>22</b>	<b>42</b>	<b>38</b>

# Metal equivalents

This presentation quotes metal equivalent grades for the life of mine plan, Mineral Resources and Ore Reserves. Price assumptions used are based primarily on consensus forecasts with adjustments based on company expectations. Gold equivalent (AuEq) and copper equivalent (CuEq) conversion factors are used within the announcement and are calculated by dividing price/unit for each commodity (Cu/t, Au/oz, Ag/oz, Pb/t, Zn/t) and multiplying by the metallurgical recovery. Since the metallurgical recovery varies according to deposit type, the metal equivalent factors are unique for each deposit (namely, Tailings Project, open pit and underground).

Metallurgical recoveries are based on historical production (2010-2016) as well as recent metallurgical test work and are applied to the Resource and Reserve calculated grades for each commodity. The Company is of the opinion that all the elements included in the metal equivalent calculations have a demonstrated potential to be recovered and sold. Mineral Hill has a CIL circuit, Cu flotation circuit, Pb flotation circuit and Zn flotation circuit to produce three different concentrates as well as gold dore.

$$\text{AuEq g/t} = (128.46 * \text{Cu \%}) + (0.76 * \text{Au g/t}) + (0.01 * \text{Ag g/t}) + (35.06 * \text{Pb \%}) + (31.98 * \text{Zn \%})$$

$$\text{CuEq \%} = (0.810 * \text{Cu \%}) + (0.480 * \text{Au g/t}) + (0.005 * \text{Ag g/t}) + (0.178 * \text{Pb \%}) + (0.205 * \text{Zn \%})$$

Commodity	Unit	Price
Gold	US\$/oz	1,933
Silver	US\$/oz	24
Copper	US\$/lb	4.46
Lead	US\$/lb	1.00
Zinc	US\$/lb	1.52

Commodity	Recovery (%)	AuEq Factor ( )	CuEq Factor
Gold	76	0.76	0.480
Silver	64	0.01	0.005
Copper	81	128.46	0.810
Lead	79	35.06	0.178
Zinc	60	31.98	0.205

# Misima Gold Project – Resources & Reserves

## Misima resources & reserves

Indicated Resource Inventory						
Deposit	Mt	Au (g/t)	Ag (g/t)	C/O	Au (Moz)	Ag (Moz)
Umuna	93.5	0.78	4.3	0.3	2.4	13.1
Ewatinona	4.2	0.88	2.6	0.3	0.12	0.3
Cooktown Stockpile	-	-	-	-	-	-
<b>TOTAL</b>	<b>97.7</b>	<b>0.79</b>	<b>4.3</b>		<b>2.5</b>	<b>13.4</b>

Inferred Resource Inventory						
Deposit	Mt	Au (g/t)	Ag (g/t)	C/O	Au (Moz)	Ag (Moz)
Umuna	64.1	0.58	3.8	0.3	1.2	7.5
Ewatinona	3.4	0.74	3.2	0.3	0.08	0.3
Cooktown Stockpile	3.8	0.65	7	0.5	0.1	0.9
<b>TOTAL</b>	<b>71.3</b>	<b>0.59</b>	<b>3.8</b>		<b>1.4</b>	<b>8.7</b>

Misima Resources Total						
Deposit	Mt	Au (g/t)	Ag (g/t)	C/O	Au (Moz)	Ag (Moz)
Umuna	157.6	0.7	4.1	0.3	3.6	20.5
Ewatinona	7.6	0.81	2.8	0.3	0.2	0.7
Cooktown Stockpile	3.8	0.65	7	0.5	0.1	0.9
<b>TOTAL</b>	<b>169</b>	<b>0.71</b>	<b>4.1</b>	-	<b>3.8</b>	<b>22.1</b>

Misima Total Reserve Inventory (100 % probable)					
Deposit	Mt	Au (g/t)	Ag (g/t)	Au (koz)	Ag (koz)
Umuna	71.7	0.79	4.6	1,816	10,612
Ewatinona	3.9	0.81	2.4	101	303
<b>TOTAL</b>	<b>75.6</b>	<b>0.79</b>	<b>4.5</b>	<b>1,917</b>	<b>10,915</b>



- Mineral Resources are reported inclusive of Ore Reserves
- See Competent Person details and year of original release on slide 24
- For full information of Mineral Resource and Ore Reserves see KSN announcements released 18 November 2021 and 6 June 2022
- Rounding to significant figures may cause minor computational discrepancies
- Misima Resource is comprised of Indicated and Inferred material
- Reserves are shown on an unrecovered basis



# Key risks

Set out below are the principal risks and uncertainties associated with KSN and its subsidiaries, which are likely to have an effect on KSN's future financial prospects. It is not possible to determine the likelihood of these risks occurring with any certainty. If one or more of these risks materialise, KSN's reputation, strategy, business, operations, financial condition and future performance could be materially and adversely impacted.

## (1) Exploration Risk

KSN's existing mineral exploration tenements are in the early stages of exploration, and there can be no assurance that exploration of the tenements currently held by KSN, or any other tenements that may be acquired in the future, will result in the discovery of an economic mineral deposit. Until KSN is able to realise value from its existing mineral exploration tenements, it is likely to incur ongoing operating losses in connection with those tenements. If exploration is successful, there will be additional costs and processes involved in moving to the development phase. By its nature, exploration risk can never be fully mitigated, but KSN has the benefit of significant exploration expertise through its management team and of operational and business expertise at both board and management level.

## (2) Land Access (Including Native Title)

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia. Negotiations with both native title claimants/holders and the owners/occupiers of private land are generally required before KSN can access land for exploration or mining activities. Inability to access, or delays experienced in accessing, the land may impact on KSN's activities.

Commonwealth law recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters according to their traditional laws and customs. Native title may impact KSN's operations and future plans. Native title is not generally extinguished by the grant of exploration and mining tenements, as they are not generally considered to be a grant of exclusive possession. However, a valid exploration or mining tenement prevails over native title to the extent of any inconsistency for the duration of the title. There may be areas in relation to tenements which KSN has an existing interest in, or will acquire an interest in the future, over which common law native title rights exist, or may be found to exist, which may preclude or delay exploration, development or production activities. Land access may also be affected by the existence of laws or regulations regarding the protection of heritage sites or archaeological artefacts in the relevant land.

## (3) Requirements for Capital

KSN's capital requirements will depend on numerous factors, including the degree of success of its planned exploration programs and production activities, its ability to generate income from its operations, prevailing commodity prices, market conditions and possible acquisitions or other corporate opportunities. Exploration costs will reduce KSN's cash reserves. Those cash reserves may not be replaced if future or existing operations or other acquisition opportunities prove unsuccessful or perform below expectations.

KSN would then be dependent on seeking additional capital elsewhere, through equity, debt or joint venture financing, to support long-term exploration, evaluation and development of its projects. No assurance can be given that KSN will be able to procure funding (if required) in a timely manner on terms acceptable to it. Any additional equity financing will dilute shareholdings and debt financing, if available, may involve restrictions on financing and operating activities. If KSN is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or scale back its exploration programs, as the case may be, which may adversely impact on KSN, or it may not be able to secure opportunities to acquire new projects or other corporate opportunities.

## (4) Tenement Titles

KSN could lose title to its mineral tenements if insufficient funds are available to meet the relevant annual expenditure commitments, as and when they arise. KSN closely monitors its compliance with licence conditions, including expenditure commitments and rents, and maintains a dialogue with the relevant government representatives who are responsible for enforcing licence conditions. Most tenements have a long history, with multiple previous title holders. While registration on the Mineral Titles Register is evidence of ownership, it is not definitive. The registration is subject to prior registered dealings and encumbrances which may be incomplete or have not been identified and may materially affect the value of the relevant tenements and/or KSN's intended operations on those tenements.

# Key risks

## (5) Reliance on Key Personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on KSN's Board and executive team. There can be no assurance given that there will be no detrimental impact on KSN if one or more of its directors, particularly the Managing Director, or key executives no longer works with KSN.

## (6) Risks Relating to KSN's Financial Instruments

KSN's principal financial instruments currently comprise cash and short-term deposits, the main purpose of which is to finance KSN's operations. KSN has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations. The main risks arising from KSN's financial instruments are credit risk, interest rate risk and liquidity risk:

- A. Credit Risk:** KSN trades only with recognised, creditworthy third parties. Receivable balances are monitored on an ongoing basis with the results being that KSN's exposure to bad debts is not significant. Credit risk arises from the financial assets of KSN, which comprise cash and cash equivalents and trade, other receivables and other financial assets. KSN's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. No collateral is held as security.
- B. Interest Rate Risk:** KSN's exposure to the risk of changes in market interest rates relates primarily to KSN's cash and cash equivalents with a floating interest rate.
- C. Liquidity Risk:** KSN's exposure to financial obligations relating to corporate administration and projects expenditure, are subject to budgeting and reporting controls, to ensure that such obligations do not exceed cash held and known cash inflows for a period of at least 1 year. KSN has limited financial resources and may need to raise additional capital from time to time and such fund raisings will be subject to factors beyond the control of KSN and its directors. When KSN requires further funding for its programs in the future, then it is KSN's intention that the additional funds will be raised by any one or a combination of the following: project finance, placement of shares, pro-rata issue to shareholders, the exercise of outstanding options, and/or a further issue of shares to the public and, where appropriate, debt. Should these methods not be considered to be viable, or in the best interests of shareholders, then it would be KSN's intention to meet its obligations by either partial sale of KSN's interests or farm-out, the latter course of action being part of KSN's overall strategy.

## (7) General Economic Climate

General economic conditions, movements in interest and inflation rates, currency exchange rates and commodity prices may have an adverse effect on KSN's exploration activities and the potential for future development and production activities, as well as the ability to fund those activities. If activities cannot be funded, there is a risk that tenements may have to be surrendered or not renewed. Furthermore, share market conditions may affect the value of KSN's quoted securities regardless of operating performance. Share market conditions are affected by many factors such as general economic outlook, interest rates and inflation rates, currency fluctuations, changes in investor sentiment toward particular market sectors, the demand for, and supply of, capital and terrorism or other hostilities. KSN's future revenues, the economic viability of its projects, the market price for its listed securities, and its ability to raise future capital may be affected by these factors, which are beyond KSN's control.

# Key risks

## **(8) Political Risk, Commodity Price Volatility and Exchange Rates Risks**

Both from its existing producing operations and, in the event that KSN achieves exploration success, the revenue that may be derived through the sale of commodities exposes potential income to commodity price and exchange rate risks and any profits will be exposed to changes in the taxation or royalty regime in Australia. Commodity prices fluctuate and are affected by many factors beyond the control of KSN. Such factors include supply and demand fluctuations for base metals, technological advancements, forward selling activities and other macroeconomic factors. KSN revenues are exposed to fluctuations in the commodity prices. Volatility in the copper price creates revenue uncertainty and requires careful management of business performance to ensure that operating cash margins are retained despite a fall in the spot copper price.

The risks associated with such fluctuations and volatility may be reduced by any copper price hedging that KSN may undertake. A declining copper price can also impact operations by requiring a reassessment of the feasibility of mine plans and certain projects and initiatives. The development of new ore bodies, commencement of development projects and the ongoing commitment to exploration projects can all potentially be impacted by a decline in commodity prices. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment could potentially cause substantial delays and/or may interrupt operations, which may have a material adverse effect on KSN's results of operations and financial condition. Furthermore, international prices of various commodities are denominated in United States dollars, whereas some of KSN's income and the majority of its expenditure will be in Australian dollars, exposing KSN to fluctuations in the exchange rate between the United States dollar and the Australian dollar, as determined by international markets.

## **(9) Permits and Approvals Risks**

Companies engaged in the development and operation of mines are subject to increased costs, production and other scheduling delays resulting from the requirement to comply with applicable environmental and planning laws, regulatory requirements and permitting. KSN can give no assurance that relevant approvals and permits required to commence construction, development or operation of future expansions will be obtained. Additionally, future business plans and budgets are underpinned by the assumption that relevant regulatory approvals are obtained in a timely manner.

## **(10) Environmental Risks**

The operations and proposed activities of KSN are subject to both Australian Federal and State laws and regulations concerning the environment. As with most exploration projects and mining operations, activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. KSN intends to conduct its activities in compliance with relevant environmental laws and approvals in order to minimise damage to the environment and risk of liability. However, as with all exploration and mining activities, KSN's operations are expected to have an impact on the environment. There are also risks inherent in KSN's activities including accidental leakages, spills, or other unforeseen circumstances that could subject KSN to extensive liability.

Further, KSN may require approval from relevant regulatory authorities before undertaking activities that are likely to impact the environment. If KSN fails to obtain such approvals, it will be prevented from undertaking those activities. KSN also cannot predict what changes in legislation and regulations may govern mining and may impose significant environmental obligations on KSN including bonding. No assurances can be given that new environmental laws, regulations or stricter enforcement policies (including increased fines and penalties for non-compliance), once implemented, will not oblige KSN to incur significant expenses and undertake significant investments which could materially and adversely affect KSN's operations, financial condition and performance.

## **(11) Change of Production Risks**

There can be no assurance given that KSN will achieve production from any of its currently undeveloped projects. The capacity of KSN to achieve production will depend on a wide range of factors including capital costs and operating costs that may be applicable to the individual projects and the capacity of the Group to fund those costs. If production is achieved, unanticipated problems may increase extraction costs and reduce anticipated recovery rates.

# Key risks

## (12) Contract Risks

KSN operates through a series of contractual relationships with consultants, operators and sub-contractors and may, sell production through various marketing contracts. All contracts carry risks associated with the performance by the parties of their obligations and the time and quality of works performed.

## (13) COVID-19 Impact

The outbreak of COVID-19 pandemic has a material impact on global economic markets. Australia experienced an economic downturn and has been recovering in 2021 and 2022. Uncertainty continues as to the ongoing and future response of government authorities and regulators as well as a likelihood of a global or more localised economic recession of unknown duration or severity. Therefore, the full impact of COVID-19 to KSN is not fully known. Given this, COVID-19 could potentially be materially adverse to KSN's financial and operational performance, or to the price of KSN shares. The potential effects of these possible outcomes on KSN include, but are not limited to:

- A. Closure of and/or reduced capacity at KSN mines, plant and facilities;
- B. Delays or interruption in supply chains leading to an inability to secure or obtain raw materials, finished products, components, or required plant and equipment;
- C. Health outcomes for KSN employees or its customers' employees, which could result in the closure of a mine, plant or facility for a period and could adversely affect the availability of technically equipped and qualified personnel
- D. Need to conduct certain operations;
- E. Counterparty non-performance or claims under existing contractual arrangements; and
- F. Delays of projects with large associated capital spend, deferral of discretionary capital spend and impact on valuation of assets.

## (14) Mineral Resources and Ore Reserves

KSN's Mineral Resources estimates for its existing projects are expressions of judgement based on industry practice, experience and knowledge and are estimates only, which are necessarily imprecise and depend to some extent on interpretations which may prove inaccurate. No assurance can be given that the estimated Mineral Resources and/or Ore Reserves are accurate or that the estimated level of copper or any other mineral will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling techniques. Actual mineralisation or geological conditions may be different from those predicted. No assurance can be given that any or all of KSN's Mineral Resources constitute or will be converted into Ore Reserves. Actual Mineral Resources and/or Ore Reserves may differ from those estimated, which could have a positive or negative effect on KSN's operational or financial performance.

Commodity price fluctuations as well as increased production and costs may render KSN's Mineral Resources and/or Mineral Resources or Ore Reserves unprofitable to develop at a particular site or sites for periods of time or may render Ore Reserves containing relatively lower grade mineralisation uneconomic. Estimated Mineral Resources and/or Ore Reserves may have to be recalculated based on actual production experience. Any of these factors may require KSN to reduce its Mineral Resources and/or Ore Reserves, which could have a negative impact on KSN's financial results and the expected operating life of their Operations.



# Key risks

## **(15) Production and Cost Estimates**

The ability of KSN to achieve its production expectations or meet operating and capital expenditure estimates on a timely basis cannot be assured. The operations and assets of KSN, as with any other mining operations, are subject to a number of uncertainties, including in relation to ore tonnes, grade, metallurgical recovery, actual realised values and grades of stockpiles (which are to date estimated), ground conditions, operational environment, funding for development, regulatory changes, weather, accidents, difficulties in operating plan and equipment and other unforeseen circumstances such as unplanned mechanical failure of plant or equipment.

No assurance can be given that such estimates will be achieved. As a result, there is a risk that KSN may not achieve its production or cost estimates or expectations. Failure of KSN to achieve production or cost estimates could have an adverse impact on KSN's future cashflows, profitability, results of operations and financial condition. Costs of production for KSN may be affected by a variety of factors, including changing waste to ore ratios, geotechnical issues, unforeseen difficulties associated with power supply, water supply and infrastructure, ore grade, metallurgy, labour costs, changes to applicable laws and regulations, general inflationary pressures and currency exchange rates. Unforeseen production cost increases could result in KSN not realising its operational or development plans or in such plans costing more than expected or taking longer to realise than expected. Any of these outcomes could have an adverse effect on KSN's operational or financial performance.

## **(16) Geological and Geotechnical**

There is a risk that unforeseen geological and geotechnical difficulties may be encountered when developing and mining ore reserves, such as unusual or unexpected geological conditions, pit wall failures, rock bursts, seismicity and cave ins. Unforeseen geological and geotechnical difficulties could impact production and/or require additional operating or capital expenditure to rectify problems and in doing so have an adverse effect on KSN's operational or financial performance.

## **(17) Equipment and Supplies**

The price and availability of resources required for KSN's operations (such as diesel, gas and other fossil fuels) may change from time to time, and this may materially impact the operations, financial position and profitability of KSN. KSN requires certain consumables, spare parts, plant and equipment (e.g. drill rigs) and construction materials for its exploration, development and mining activities. Any delay, lack of supply or increase in price in relation to such equipment and material could have a material and adverse impact on KSN.

## **(18) Operational Risk**

Drilling, mining and processing activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of a number of factors outside KSN's control. These include geological conditions, technical difficulties, securing and maintaining tenements, weather, residue storage and tailings dam failures and construction of efficient processing facilities. The operation may be affected by force majeure, changes in geology, fires, labour disruptions, landslides, and the inability to obtain adequate machinery, engineering difficulties and other unforeseen events. As with most mines, reserves, resources and stockpiles are based on estimates of grade, volume and tonnage. The accuracy and precision of these estimates will depend upon drill spacing and other information such as continuity, geology, rock density, metallurgical characteristics, mining dilution, costs, etc. which evolve as the mine moves through different parts of the ore body. KSN will endeavour to take appropriate action to mitigate these operational risks (including by properly documenting arrangements with counterparties and adopting industry best practice policies and procedures) or to insure against them, but the occurrence of any one or a combination of these events may have a material adverse effect on KSN's performance and the value of its assets.

# Key risks

## **(19) Development, Rehabilitation and Mining Risks**

When KSN conducts exploration and feasibility studies on potential projects, the commercial viability of any such endeavours is based upon estimates of the size and grade of relevant resources or reserves, location of infrastructure and other required resources (such as energy and water), potential production rates, the feasibility of recovery of metals, capital and operating costs, and demand and prices of the products. Certain projects may be conditional on favourable environment assessments, further feasibility studies, the grant and maintenance of necessary permits and authorisations, and availability of adequate financing.

It is possible that certain projects may be delayed, cancelled or otherwise adjusted due to a lack of commercial viability associated with such factors, for example, unforeseen geological and geotechnical difficulties causing additional operating or capital expenditure and adversely impacting KSN's operational or financial performance. KSN may conduct or oversee the conduct of certain rehabilitation. There is no guarantee that such rehabilitation works will occur on time or at cost, and there is a risk that they may involve unanticipated or higher than expected costs or delays, including due to factors beyond KSN's control such as weather events, legal requirements, geological issues, technological change and market conditions.

It is possible that development projects do not realise their predicted value or revenue due to circumstances beyond KSN's control. Each ore body is unique. The nature of mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining and processing can never be wholly predicted. Estimations of the tonnes, grade and overall mineral content of a deposit are not precise calculations but are based on interpretation and samples from drilling, which, even at close drill hole spacing, represent a very small sample of the entire ore body.

## **(20) Infrastructure and Transportation**

As or when KSN is in production stage, the products will need to be transported to customers domestically and internationally. The transportation process involves risks, including the remoteness of KSN's projects. Fuel costs, unexpected delays (including through inclement weather and climate change and accidents) could materially affect KSN's financial position and profitability. Moreover, there are risks associated with the availability of adequate transportation facilities (e.g. road, railway, port) and obtaining approvals to access these facilities (including the timing and conditions on which access may be granted). If KSN cannot access the required infrastructure within a certain time period or at a reasonable cost, this could adversely affect KSN's operations and financial performance. The price of transportation is market driven and can vary throughout the life of each project. These may also impact on the overall profitability of KSN.

## **(21) Reliance on Information Systems**

KSN relies on computer, information and communications technology and related systems for the purpose of the proper operation of the administrative and compliance aspects of its business. From time to time KSN experiences occasional system interruptions and delays. KSN has implemented processes to respond to system interruptions and delays. However, if it is unable to regularly deploy software and hardware, effectively upgrade its systems and network and take other steps to maintain or improve the efficacy and efficiency of its systems, the operation of such systems could be interrupted or result in the loss or corruption of data.

Moreover, KSN's computer systems are subject to the risks of unauthorised access, computer hackers, computer viruses, malicious code, organised cyber-attacks and other security problems and system disruptions. KSN relies on accepted security measures and technology to maintain the security of its computer systems, however the risks of being attacked remain. An unauthorised user who circumvents KSN's security measures could misappropriate confidential or proprietary information or cause interruptions normal functions in KSN's operations which may require KSN to expend significant resources to alleviate these issues. Any of these events could damage KSN's reputation and generally have an adverse effect on its operating and financial performance.

# Key risks

## **(22) Laws and Authorisations**

KSN's operations will be subject to various laws and plans, including those in respect of mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety, occupational health and plants and animals (for example laws or permitting required in relation to preservation of endangered or threatened species). Approvals, licences and permits for the compliance with these rules may be subject to the discretion of the applicable government or authorities, the local community or other stakeholders. Moreover, new laws and regulations may be enacted, and existing laws and regulations may be amended or applied in a manner which could impact KSN's exploration, development or production activities. KSN may not be successful in obtaining any or all of the various approvals, licences and permits or maintaining such authorisations in full force and effect without modification or revocation or may not obtain the relevant authorisations in time. If so, KSN may be limited or curtailed from continuing or proceeding with exploration, production or development activities.

Mining development and operations can be subject to public and political opposition. Opposition may include legal challenges to exploration, development and production permits, political and public advocacy, electoral strategies, ballot initiatives, media and public outreach campaigns and protest activity, all which may delay or stop development or expansion, for example, native title claimants (or determined native title holders) may oppose the validity or grant of existing or future tenements held by KSN in Australia, which may potentially impact KSN's future operations and plans. For tenements in Australia (that may still be subject to registered native title claims or determinations) to be validly granted (or renewed), there are established statutory regimes that will need to be followed in connection with those grants (or renewals). Furthermore, change of laws, regulations or policies may take place as a result of political opposition in a way that adversely impacts KSN's abilities to deliver expected outcomes for certain reasons, e.g. increase of royalties or taxes or environmental bonds or change in regimes relating to permits and authorisations which are necessary for KSN's operations.

In the ordinary course of business, mining companies are required to seek governmental permits for exploration, expansion of existing operations or for the commencement of new operations. The duration and success of permitting efforts are contingent upon many variables not within the control of KSN. There can be no assurance that all necessary permits will be obtained, and, if obtained, that the costs involved will not exceed those estimated by KSN and that the permits will be obtained in a timely manner. Amendments to current laws, regulations and permits governing operations and activities of mining companies which apply to KSN's current or future operation, or a more stringent implementation thereof, could have a material adverse impact on KSN and cause increases in the cost of production, capital expenditure or exploration costs and reduction in levels of production for KSN's operations.

## **(23) Occupational Health and Safety**

Workplace incidents may take place for various reasons, including as a result of non-compliance with safety rules and regulations. KSN may be liable for personal injuries or fatalities that are suffered by KSN's employees, contractors or other persons under applicable occupational health and safety laws. If KSN is liable under applicable laws, in whole or part, it may be subject to significant penalties. KSN may be subject to liability to pay compensation, and this may materially and adversely affect KSN's financial position and profitability. The potentially hazardous nature of exploration and mining mean that health and safety regulations impact the activities of KSN. Any injuries, accidents or other relevant events that occur on KSN's operation site could result in legal claims, potential delays or halt that could adversely impact KSN.

## **(24) Labour Shortages and Industrial Disputes**

There is a risk that KSN may need to pay higher than expected costs to acquire or retain the necessary labour for its operations. This could result in a material and adverse increase in costs and/or development projects being delayed or becoming uneconomic and not proceeding as planned. KSN will also be exposed to the risk that industrial disputes may arise (for example, in relation to claims for higher wages or better conditions) which might disrupt some of its operations and lead to increases in project costs and delays including to scheduled start up dates of projects under construction.

# Key risks

## **(25) Insurance Arrangements**

KSN maintains insurance arrangements to protect against certain risks with such scope of coverage and amounts as determined by KSN's board and management, although its insurance policies may not be sufficient to cover all of the potential risks in respect of its operations. No assurance can be given that KSN will be able to obtain or maintain insurance coverage at reasonable rates, or that any coverage it obtains will be adequate and available to cover all risks or claims on acceptable terms. Losses, liabilities and delays arising from uninsured or underinsured events could adversely affect KSN's financial position and profitability.

## **(26) Changes to Accounting Standards**

Changes to AAS, other authoritative pronouncements of the Australian Accounting Standards Board, the Corporations Act 2001 (Cth) ("Corporations Act") and other relevant authorities or applicable laws could affect KSN's reported results of operations in any given period or KSN's financial condition from time to time.

## **(27) Changes in Tax Rules or Their Interpretation**

Changes in tax law (including value added or indirect taxes and stamp duties), or changes in the way tax laws are interpreted, may impact KSN's tax liabilities or the tax treatment of a KSN shareholder's investment. In particular, both the level and basis of taxation may change. In addition, an investment in KSN shares involves tax considerations which may differ for each KSN shareholder. Each KSN shareholder is encouraged to seek professional tax advice in connection with the Offer and how they may be impacted.

## **(28) Other External Factors**

Events may occur within or outside Australia that could impact upon the Australian economy, KSN's operations and the price of KSN shares. These events include but are not limited to flooding or adverse weather conditions, fires, explosions, rock falls, water ingress, seismic activity or the potential effects of climate change that affect the exploration, development or mining operations of the business, that can have an adverse effect on the demand for KSN's products and its ability to operate its assets or may result in delays to or loss of production. KSN has only a limited ability to insure against some of these risks.

## **(29) Litigation**

KSN may from time to time be involved in legal, regulatory and other proceedings and disputes arising from its businesses and operations. These disputes may lead to legal, regulatory and other proceedings, and may cause KSN to incur significant costs, delays and other disruptions to its businesses and operations. In addition, regulatory actions and disputes with governmental authorities may result in fines, penalties and other administrative sanctions.

## **(30) Water Sources**

The effects of changes in rainfall patterns, water shortages and changing storm patterns and intensities may adversely impact the costs, production levels and financial performance of KSN's operations. There is no guarantee that there will be sufficient future rainfall to support KSN's future water demands in relation to its sites and operations, and this could adversely affect production and KSN's ability to develop or expand projects and operations in the future. In addition, there can be no assurance that KSN will be able to obtain alternative water sources on commercially reasonable terms or at all in the event of prolonged drought conditions. Climate related changes to precipitation patterns could exacerbate water stress in some areas and therefore potentially have a negative impact on KSN's ability to access fresh water and process ore at some or all of its existing operations.

## **(31) Weather Conditions**

Some of KSN's sites and operations may be impacted from time to time by severe storms and high rainfall leading to flooding and associated damage which may result in delays to or loss of production or sales.



# Key risks – placement and issue of shares

## (1) General Risks Associated with an Investment in Shares

There are general risks associated with investments in equity securities. No assurances can be given that the New Shares will trade at or above the price at which they are issued. None of KSN, its directors or any other person guarantees the market performance of the New Shares, or of KSN. The trading price of shares in KSN may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the New Shares being less or more than the price at which they are issued.

There can be no guarantee of an active market in the shares in KSN or that the price of the shares in KSN will increase. There may be relatively few potential buyers or sellers of KSN shares on the ASX at any time. This may increase the volatility of the market price of KSN shares. It may also affect the prevailing market price at which shareholders are able to sell their shares in KSN.

Generally applicable factors which may affect the market price of KSN shares (and over which KSN and its directors have limited or no control) include:

- A. The impact of COVID-19 (or other pandemics or epidemics), and the measures taken to control their spread, including on the health of the workforce, customers and supply chains;
- B. General movements in Australian and international stock markets;
- C. Investor sentiment and the demand for ASX-listed securities generally, and the risk of contagion;
- D. Australian and international economic conditions and outlook, including aggregate investment and economic output, employment levels and labour costs;
- E. Commodity prices, inflation, interest rates, and exchange rates;
- F. Changes in interest rates and the rate of inflation;
- G. Changes in exchange rates, copper or other relevant commodity prices, employment levels and consumer demand;
- H. Changes in government legislation, regulation and policies, including fiscal, regulatory and monetary policies and tax laws;
- I. Announcement of new technologies and displacement of existing technologies;
- J. Natural disasters, extreme weather events and catastrophes;
- K. Geo-political instability, including international hostilities and acts of terrorism;
- L. Demand for and supply of KSN shares;
- M. Announcements and results of competitors; and
- N. The expectations of securities analysts and analysts' reports.

It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress or existing risks may manifest themselves in ways that are not currently foreseeable. There have been during the last year, and may be in the future, significant fluctuations and volatility in the prices of equity securities. In particular, the COVID-19 pandemic, and the continuing uncertainty as to its future impact on the Australian and global economies, and a changing geopolitical risk environment has contributed to significant market falls and volatility, which may materially adversely impact the market price of the New Shares.

## (2) The Arrangements in Relation to the Placement May Be Terminated or May Not Complete

KSN has entered into a Placement Agreement with the Lead Manager, subject to the terms and conditions of that agreement. The Placement Agreement contains certain representations, warranties, undertakings and indemnities in favour of the Lead Manager. The obligations of the Lead Manager are conditional on shareholder approval for the Placement, being obtained by KSN under ASX Listing Rule 7.1, amongst other things.

The Lead Manager may terminate the Placement Agreement and be released from their obligations under it on the occurrence of certain customary events including material adverse change events. The Lead Manager and their respective affiliates and related bodies corporate are financial institutions engaged in various activities, which may include trading, financial advisory, investment management, investment research, principal investment, hedging, market making, market lending, and brokerage amongst other financial and non-financial activities and services including for which they have received or may receive customary fees and expense. The Lead Manager is expected to receive fees and expenses for acting in that capacity.

# Key risks – placement and issue of shares

## **(3) Allocation of New Shares and Dilution Risk**

It is intended that certain eligible institutional shareholders may be able to participate in the Placement. For this purpose, an eligible institutional existing holding will be estimated by reference to KSN's beneficial register as at the date of the register which is not necessarily fully up to date. No verification or reconciliation of the holdings as shown on the historical beneficial register will be undertaken and accordingly, this may not truly reflect a participant's actual shareholding. Institutional shareholders who do not reside in Australia or other eligible jurisdictions will not be able to participate in the Placement. As a result, the New Shares actually allocated to a participant under the Placement may not reflect their actual pro rata share of KSN shares and accordingly, a shareholder's percentage shareholding may be diluted.

## **(4) Other Dilution Risk**

Existing shareholders who do not participate in the Placement will have their percentage shareholding in KSN diluted. Depending on the size of a shareholder's existing holding, a participating shareholder may still be diluted even though they participate in the Placement depending on the number of New Shares allocated to them under the Placement. Investors may also have their investment diluted by future capital raisings by KSN.

## **(5) Dividends**

The payment of any dividends in respect of KSN's shares is impacted by several factors, including KSN's profitability, retained earnings, availability to frank dividends, capital requirements and free cashflow. Any future dividends will be determined by KSN's board, whilst having regard to these factors, among others. There is no guarantee that any dividends will be paid by KSN, or if paid, paid at historical levels, or with any franking credits. If KSN is unable to pay dividends or pays reduced dividends, the price of its shares may fall.