

QUARTERLY REPORT

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

CAPITAL STRUCTURE

Shares on Issue: 497.9M
Market Cap: A\$41M
Cash:(31 December 2023)
A\$10.5m

DIRECTORS & MANAGEMENT

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

CORPORATE DETAILS

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

QUARTERLY ACTIVITIES REPORT

For the period ending 31 December 2023

HIGHLIGHTS

Mineral Hill Gold & Copper Mine, NSW

- Mineral Hill has produced \$24m of operating cash flow from the date of acquisition in January 2022 to December 2023 .
- December Quarter production:
 - Gold sold 3,627oz
 - Average gold price A\$3,041/oz
 - AISC of A\$2,302/oz
 - A\$11.2m in sales and A\$2.64m in operating cash flow.
- Exploration:
 - Near mine discovery into a new lode underground, showing potential to expand the life of mine.
 - Two drilling programs completed at the Southern Ore Zone (SOZ);.
 - High grade gold was intersected at the Eastern Ore Zone, with an intersection of 3m @ 25.94g/t gold adjacent to existing underground development.
 - An updated Mineral Resource and Ore Reserve estimate is planned for SOZ in 2024.
- Mine development:
 - Process plant refurbishment is progressing well, within budget and with re-commissioning scheduled to occur by June 2024.
 - Access to the underground development has been fully re-established in preparation for underground resource drilling with the decline pumped out, ground support installed and primary ventilation operational.
 - Capital programs completed across the site are continuing to build substantial value for the company.

Misima Gold Project, PNG

- Kingston remains focused on bringing the project into production and creating prosperity for all stakeholders.
- Discussions are continuing with numerous interested parties in relation to potential partnerships and development pathways.

Corporate

- Cash balance \$10.5M as at 31 December 2023.

Kingston Managing Director, Andrew Corbett, said:

"I am pleased to provide you with a comprehensive update on our company's performance for the fourth quarter of 2023. The past three months have continued to be a period of significant achievement for Kingston Resources.

The Company has made significant progress during the quarter in our exploration and drilling activities at the Mineral Hill Mine in New South Wales. We have achieved multiple milestones, including the discovery of additional high-grade polymetallic lodes at the Southern Ore Zone (SOZ), intersection of zones of continuous high grade gold at the Eastern Ore Zone (EOZ) and the advancement of our capital programs across the site.

It is an exciting time to be a gold producer in NSW. The market is experiencing renewed strength in the gold price and the company is capitalising on spot gold prices for our gold and silver production. Junior mining companies are facing numerous challenges in the current market, but having a producing asset within the portfolio provides substantial stability and financial strength. Kingston's sales of \$11.2m over the quarter demonstrates this strength clearly.

The exploration work has the potential to significantly expand our underground Mineral Resources and extend the overall life of mine. We have focused our investment on re-establishing multiple cash producing orebodies across the site which will build substantial value for the company.

With the successful milestones achieved and ongoing efforts, Kingston Resources is optimistic about the future and the opportunities that lie ahead." - Managing Director, Kingston Resources



Figure 1: Board review on the progress of process plant refurbishment on July 23

MINERAL HILL MINE

Exploration

During the quarter, Kingston made a material step forward in its exploration and drilling activities at the Mineral Hill mine in New South Wales. The company achieved multiple milestones, including high-grade polymetallic assays at the SOZ, near mine discoveries, and exploration drilling at SOZ and the Eastern Ore Zone (EOZ). These developments have the potential to expand the underground Mineral Resources and extend the company's life of mine inventory.

Southern Ore Zone

In October, Kingston conducted surface diamond drilling at the SOZ, which resulted in wide, high-grade portions indicating a strong potential for favorable margins in underground production (See ASX announcement on 11 October 2023).

Key highlights include 5m @ 5.37% CuEq and 5.5m @ 3.83% CuEq. The mineralisation was observed exactly where the existing Mineral Resource is located, which has boosted the Company's confidence in the geological model for this area.

In a subsequent drilling campaign, two new mineralised structures were intersected to the east of the SOZ Mineral Resource model (see ASX announcement on 1 November 2023). Structure #1

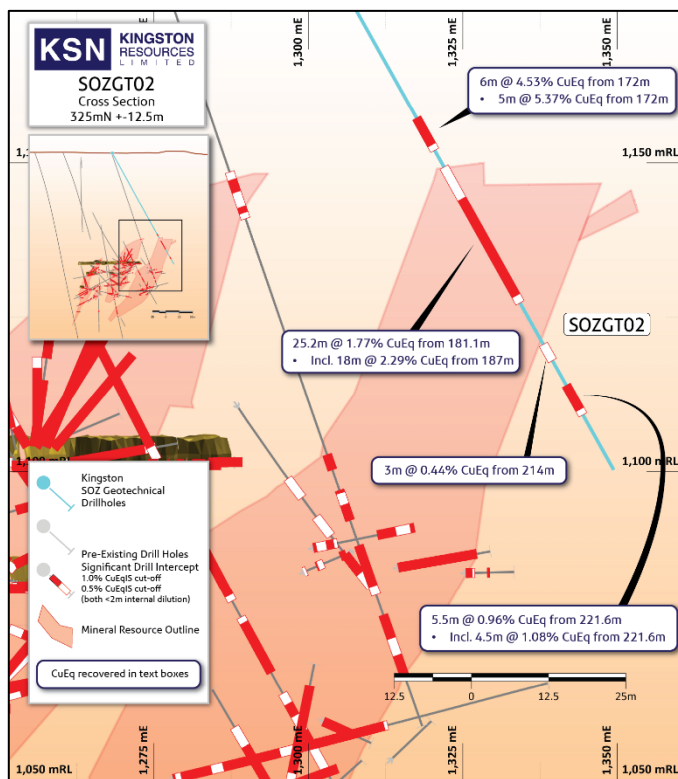


Figure 3: SOZGT02 significant intersections (325mN cross-section, +12.5m window).

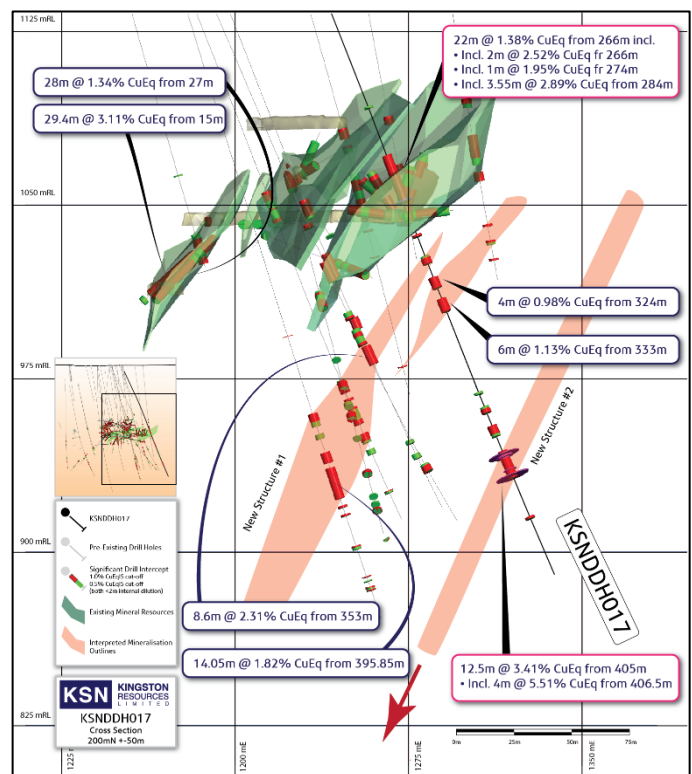


Figure 2: Near mine discovery in KSNDH017 (200mN cross-section, +50m window).

was identified in historical drill holes and further confirmed through the recent drilling (see Figure 2). Additionally, a second high-grade polymetallic mineralised structure was intersected, revealing the discovery of a new zone of mineralisation (Structure #2). Significant assays over this zone returned 12.5m @ 3.41% CuEq.

A further six holes for 1,572.5m were drilled late in the quarter and into January to test the upper extents. The drilling aimed to increase the confidence Mineral Resource Estimate, which is currently Inferred and Indicated in these areas. Assay results are expected to be returned in the March quarter. The Southern Ore Zone currently has a Mineral Resource estimate of 3.8Mt at 1.29g/t Au, 19.2g/t Ag, 0.9% Cu, 1.6% Pb, and 1.4% Zn (refer to ASX announcement on 24 November 2022).

Table 1: Key highlights from hole KSNDDH017, Southern Ore Zone, Mineral Hill.

Hole ID	Interval (m)	From (m DH)	To (m DH)	Au (g/t)	Ag (g/t)	Cu (%)	Pb (%)	Zn (%)	CuEqIS (%)	CuEq (%)	CuEqIS % COG
KSNDDH017	1.00	243	244	0.02	81	0.02	0.03	0.10	0.71	0.46	0.5
KSNDDH017	22.00	266	288	0.53	20	0.47	2.22	1.20	1.87	1.38	1.0
KSNDDH017 incl	2.00	266	268	1.29	30	0.40	3.12	4.27	3.60	2.52	2.5
KSNDDH017	1.00	274	275	2.66	24	0.26	1.14	0.62	2.60	1.95	2.5
KSNDDH017	3.55	284	287.55	0.44	37	1.24	6.12	1.93	3.84	2.89	2.5
KSNDDH017	2.60	314	316.6	0.13	33	0.19	2.02	2.83	1.95	1.32	0.5
KSNDDH017 incl	0.80	315	315.8	0.25	32	0.37	2.92	3.44	2.60	1.80	1.0
KSNDDH017	4.00	324	328	0.07	10	0.14	1.90	2.18	1.44	0.98	1.0
KSNDDH017	6.00	333	339	0.11	13	0.04	1.15	3.84	1.77	1.13	0.5
KSNDDH017 incl	1.00	337	338	0.01	2	0.00	0.17	0.60	0.27	0.17	1.0
KSNDDH017	1.00	377	378	0.1	5	0.03	0.38	0.94	0.54	0.36	0.5
KSNDDH017	3.00	384	387	0.46	18	0.25	0.47	1.00	1.12	0.80	0.5
KSNDDH017 incl	1.00	385	387	0.61	24	0.36	0.62	0.69	1.30	0.95	1.0
KSNDDH017	5.00	393	398	0.59	7	0.26	1.14	1.21	1.36	0.98	0.5
KSNDDH017 incl	4.00	393	397	0.72	8	0.28	1.31	1.22	1.51	1.10	1.0
KSNDDH017	12.50	405	417.5	0.11	17	2.10	3.67	4.50	4.66	3.41	0.5
KSNDDH017 incl	4.00	406.5	410.5	0.12	28	4.40	4.26	4.88	7.32	5.51	1.0
KSNDDH017 incl	4.00	413.5	417.5	0.06	22	1.85	6.77	8.30	6.41	4.54	2.5
KSNDDH017	1.00	436	437	0.03	10	0.35	2.70	0.21	1.12	0.87	1.0

* DD cut core samples (Half core HQ3, Quarter core PQ3). 0.3m min to 1m max sample intervals. FAS 50g + 4 Acid Digest-ICP. QAQC checked and verified (Au + BM CRM, Pulp Blanks, Duplicates, Sample weights, DGPS Collar Locations, Single Shot Downhole surveys, Data verification).

**Drill hole intervals are reported as continuous zones at CuEqIS cut off grade of greater than 0.5%,1.0% and 2.5%, with 2 metres maximum internal waste and minimum interval of 0.3mdh.

*** Mineralised intercepts for reporting are derived from In-Situ Copper Equivalent (CuEqIS) using the following formula. Proportions are based on KSN forward looking USD\$ commodity pricing and are not inclusive of metallurgical recovery.

$CuEqIS\% = (Au_ppm * 0.63) + (Ag_ppm * 0.0078) + (Cu\% * 1.0) + (Pb\% * 0.224) + (Zn\% * 0.342)$

**** Assays and mineralised intercepts for KSNDDH017 are considered as final.

Eastern Ore Zone

Strong potential exists for Kingston to re-enter the existing underground development at the Eastern Ore Zone, where high grade gold-copper was historically mined. Assay results from a two-hole drilling program confirmed the presence of a continuous lode that extends along strike and down-plunge. Among the key highlights was an interval of 3m @ 25.94g/t gold. This intersection is on the same structure as other insitu high grade gold hits.

Kingston has commenced updating the Mineral Resource estimates for the near term production areas (open pit and underground). The mineralisation at the EOZ is not included in the Company's current Mineral Resources, but there is potential to include the area in updated estimates given access to the underground development has been re-established.

With the positive results from the recent drilling activities, Kingston Resources is optimistic about the potential to expand its Mineral Resources and extend the life of mine at Mineral Hill. The company will continue its exploration efforts, conducting further drilling to assess the extensions and infill zones. Kingston Resources remains committed to maximising the value of its mining operations and delivering long-term sustainable growth.

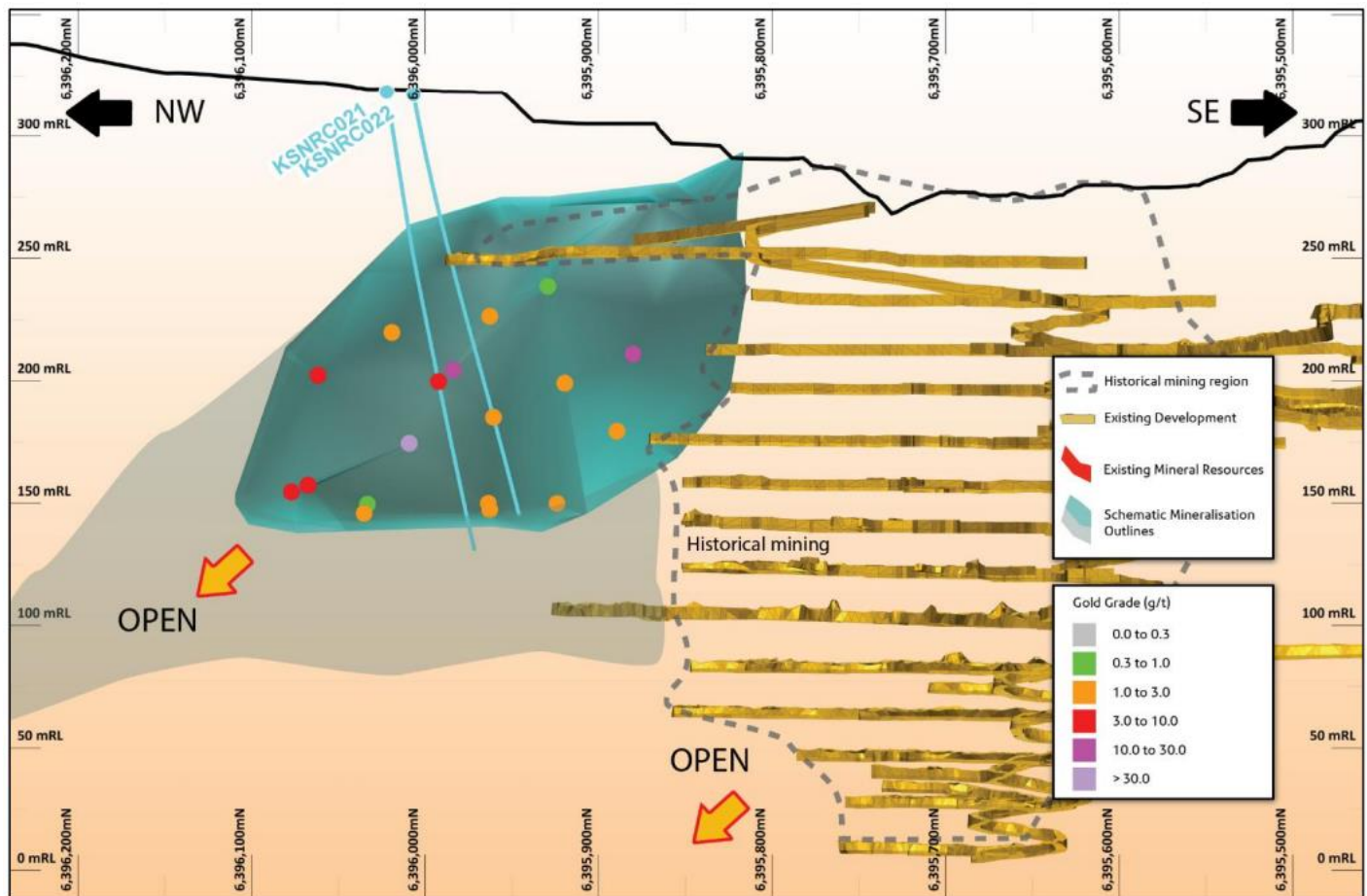


Figure 4: Long section view of Eastern Ore Zone (EOZ) showing extension potential.

Operations

Mineral Hill remains a foundational asset for Kingston as the company continues to produce ongoing cashflow from the tailings retreatment project. Since acquiring the project in January 2022, Kingston has produced \$24m of operating cashflow from the site.

Key operational activities during the quarter included mining and processing from Tailings Storage Facility 1 (TSF1), building additional capacity in in TSF2 with a new wall lift and refurbishment of the processing plant. Additionally, water was pumped out of the underground declines to gain access to the access drive at the Southern Ore Zone. These capital programs are renewing the asset value across the site and setting the company up for future operating cash flows.

Over the life of the project so far, the average feed grade has been higher than the original Ore Reserve estimate. Mining and processing experienced a number of challenges during the quarter. Firstly, elevated copper and lead grades impacted the gold feed grade, recoveries and the ability to maintain tonnage throughput. Additionally, there were unplanned maintenance issues for the dozers, dragflow¹ and the agitator blades within the processing plant, which also affected throughput levels. Kingston has resolved these issues by adding an additional dozer to maintain equipment availability, upgrading the hydraulic motors on the dragflow and replacing the agitator blades. The company has also recruited a new manager for Assets and Special Projects to focus on dragflow performance and mill supply.

Electrical storms caused significant disruption during the quarter, with rapid rain events and regional power outages causing material downtime in the process plant. Additionally down time was caused by safety standdowns related to lightning proximity.

¹ Dragflow is a submersible pump which turns the tailings into a slurry so it can be piped to the processing plant.

The rise in AISC from the previous quarter can mainly be attributed to the reduction in gold sold, but also due to the additional sustaining capital costs in preparation for transitioning to open pit and underground mining. The Company continues to realise the benefit of selling gold at spot prices, with the average realised gold price increasing 3.7% to \$3,041/oz.

Table 2: December 2023 quarter production summary.

	September Quarter	December Quarter	Q on Q change
Tonnes Processed (t)	146,910	136,531	-7.1%
Average Feed Grade (g/t)	1.51	1.34	-11.0%
Processing Recovery (%)	59%	58%	-2.4%
Gold Production (oz)	4,229	3,409	-19.4%
Gold Sales (oz)	4,167	3,627	-13.0%
Silver Sales (oz)	5,154	5,685	10.3%
AISC (A\$/oz)	\$1,830	\$2,302	25.8%
Realised Gold Price (A\$/oz)	\$2,933	\$3,041	3.7%
Sales (A\$m)	\$12.37	\$11.20	-9.5%
Operating Cashflow (A\$m)	\$4.56	\$2.64	-42.0%

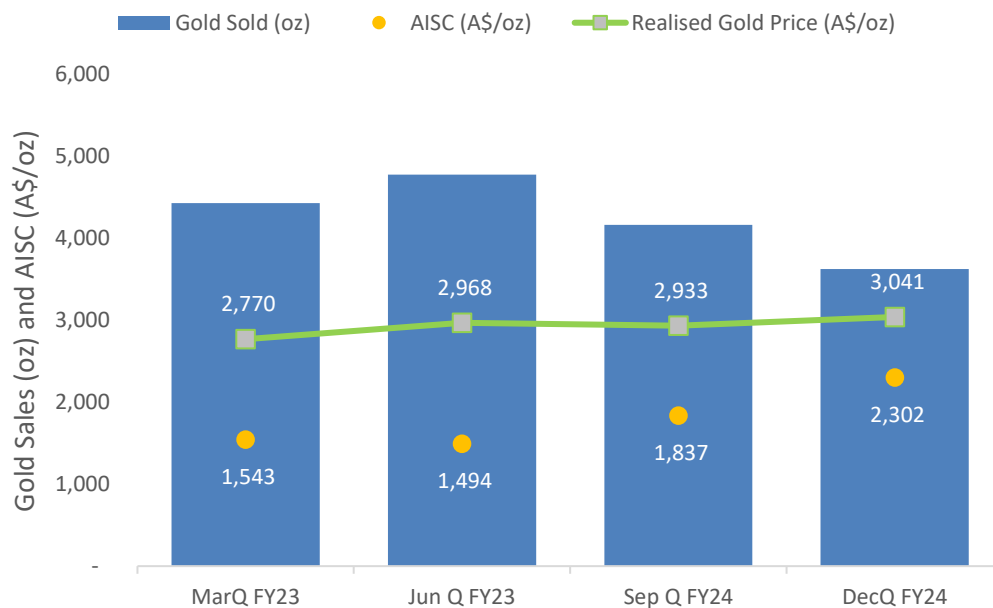


Figure 5: Quarterly gold sold, AISC and realised gold price.

Capital Programs

Re-entry works at the underground mining areas included pumping water down to the Southern Ore Zone access drives, completing all necessary ground support and installing power and other services to the work areas. The drives are now ready for underground resource drilling to commence over the next few months.

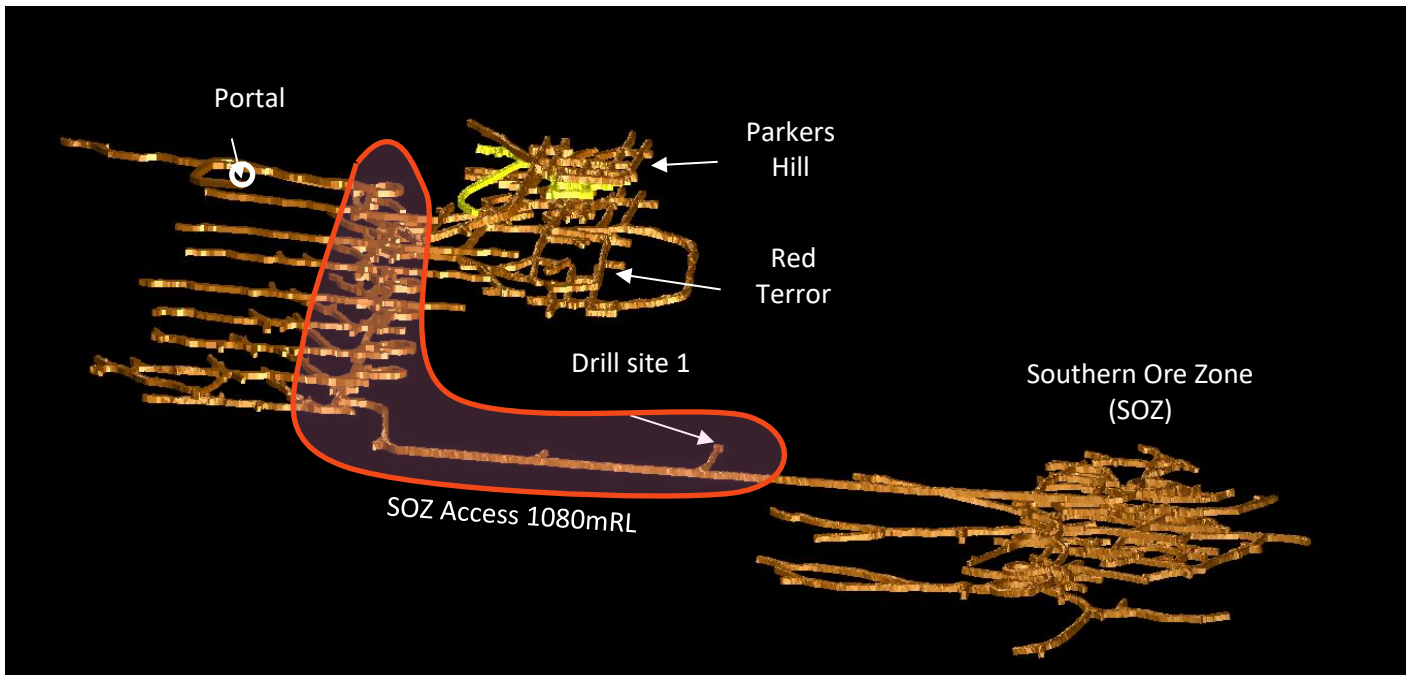


Figure 6: Oblique long-section of the rehabilitated EOZ Decline and SOZ Access drives.

The refurbishment of the processing plant at Mineral Hill is progressing well and within budget. Major work during the quarter included numerous steel replacements across the fine ore bins and some structural pillars. Clean-outs of the conveyors and flotation circuits was also completed. Kingston has maintained an “act like an owner” mentality in optimising these projects in terms of cost reduction and adherence to schedules.

Safety, Environment and Sustainability

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

MISIMA GOLD PROJECT

Kingston remains committed to realising the best value from the Misima Gold Project, which centres around bringing the project into production and creating prosperity for all stakeholders. The company has been in discussions with numerous interested parties in relation to potential partnerships and development arrangements.



Figure 7: Refurbished conveyor tunnel from the fine ore bins up to the ball mills.

CORPORATE

The Company's closing cash balance at 31 December 2023 was \$10.5 million in unrestricted cash and a further \$7.2 million in restricted cash (environmental bonds). The consolidated group cash flow for the quarter is summarised below:

	Net cash from/(used in)
Gross revenue (\$m)	11.260
Production cost (\$m)	(5.060)
Staff cost (\$m)	(1.780)
Administration and corporate cost (\$m)	(0.081)
Net interest payment (\$m)	(0.388)
Net cash flow from operating activities(\$m)	3.940
Exploration and development expenditure (\$m)	(0.975)
Net cash flow from investing activities (\$m)	(7.23)
Net cash flow from financing activity (\$m)	(0.090)

During the quarter, the Company made payments totaling \$172,000 to associates or related parties reflecting fees, wages, and superannuation paid to Directors.

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

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

About Kingston Resources

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



Mineral Hill Mine, NSW (100%)

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



Misima Gold Project, PNG (100%)

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

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

Misima hosts a JORC Resource of 3.8Moz Au and an Ore Reserve of 1.73Moz. Placer Pacific operated Misima as a profitable open pit mine between 1989 and 2001, producing over 3.7Moz before it was closed when the gold price was below US\$300/oz. The Misima Project also offers great potential for additional resource growth through exploration success targeting extensions and additions to the current Resource base.

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

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

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

This release has been authorised by the Kingston Resources Limited Board. For all enquiries, please contact Managing Director, Andrew Corbett, on +61 2 8021 7492.

Mineral Resources and Ore Reserves

Misima JORC 2012 Mineral Resource & Ore Reserve summary table

Resource Category	Cut-off (g/t Au)	Tonnes (Mt)	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	5,582	1.06	28	1.2%	1.7%	1.1%	191	4,244	47	70	42
Inferred	3,091	1.17	23	0.7%	1.4%	1.2%	116	2,242	22	42	38
Total	8,901	1.13	26	1.0%	1.6%	1.1%	323	6,566	72	113	81
Reserve Category	Tonnes (kt)	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	1,431	1.55	57				71	470			
Total	1,431	1.55	57				71	470			

Competent Persons Statement and Disclaimer

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr. Stuart Hayward BAppSc (Geology) MAIG, a Competent Person who is a member of the Australian Institute of Geoscientists. Mr. Hayward is an employee of the Company. Mr. Hayward has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Hayward confirms that the information in the market announcement provided is an accurate representation of the available data and studies for the material mining project and consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears.

The Competent Person signing off on the overall Misima Ore Reserves Estimate is Mr John Wyche BE (Min Hon), of Australian Mine Design and Development Pty Ltd, who is a Fellow of the Australasian Institute of Mining and Metallurgy and who has sufficient relevant experience in operations and consulting for open pit metalliferous mines. Mr Wyche consents to the inclusion in this report of the information pertaining to the Misima Ore Reserve in the form and context in which it appears.

The Competent Person signing off on the overall Pearse Opencut Ore Reserves Estimate is Mr John Wyche BE (Min Hon), of Australian Mine Design and Development Pty Ltd, who is a Fellow of the Australasian Institute of Mining and Metallurgy and who has sufficient relevant experience in operations and consulting for open pit metalliferous mines. Mr Wyche consents to the inclusion in this report of the information pertaining to the Pearse Opencut Ore Reserve in the form and context in which it appears.

