

QUARTERLY REPORT

28 July 2023

ABOUT KINGSTON

Kingston Resources is a gold producer, focused on building a mid-tier gold and base metals company, with current production from the Mineral Hill gold and copper mine in NSW, and advancing the 3.8Moz Misima Gold Project in PNG.

CAPITAL STRUCTURE

Shares on Issue: 473.15M
Market Cap: A\$39.2
Cash:(30 June 2023) A\$18.2m

DIRECTORS & MANAGEMENT

Mick Wilkes

Non-Executive Chairman

Andrew Corbett

Managing Director & CEO

Stuart Rechner

Non-Executive Director

Tony Webby

Non-Executive Director

Stuart Hayward

Chief Geologist

Geoff Merrell

GM, Mineral Hill

CORPORATE DETAILS

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QUARTERLY ACTIVITIES REPORT

For the period ending 30 June 2023

HIGHLIGHTS

Mineral Hill Gold & Copper Mine, NSW

- **Record Quarterly Production at Mineral Hill** – 4,778oz gold sold at average price of A\$2,968/oz with AISC A\$1,493/oz delivering \$14.4m in sales and \$7.1m in operating cash flow.
- **Outstanding Full Year Group Performance** – strong production performance for FY23, with sales of \$44.7m and operating cashflow of \$14.7m.
- **Capital Raising for Mineral Hill Production Expansion** – placement of \$5.5m to fund processing plant refurbishment and underground redevelopment works. Fully underwritten Share Purchase Plan (SPP) underway to raise an additional \$1m.
- **Life of mine plan (LOM)** – updated LOM plan includes open pit and underground mining scheduled out to end of FY27. Total LOM production of 123koz gold equivalent (AuEq) payable. Copper production to commence end of CY24.
- **Exploration** – Surface drilling underway focusing on Pearse North open pit, Southern Ore Zone (SOZ) and 15 exploration targets identified through IP geophysics.

Misima Gold Project, PNG

- Independent studies for the Environmental and Social Impact Assessment (ESIA) largely complete, with work advancing on finalising the full ESIA report for submission.
- Studies required for the Mining Licence (ML) application nearing completion.
- Considering various options to advance development.

Corporate

- Cash balance \$18.2m as at 30 June 2023.
- Second tranche of \$5m debt facility drawn for total of \$10m.

Kingston Managing Director, Andrew Corbett, said:

"I am thrilled to provide an update on Kingston Resources' exceptional performance during the past quarter, particularly highlighting the achievements and significant progress at the Mineral Hill Mine. This period has been marked by tremendous growth and development for our company, and I am immensely proud of the unwavering dedication and hard work exhibited by our team.

Our growth strategy received a significant boost through the successful completion of recent funding initiatives for production expansion at Mineral Hill. Tranche 1 of the Placement Offer raised \$4.5 million and an additional \$1 million will be raised under Tranche 2 upon receiving shareholder approval at the EGM on 14 August 2023. The Company also launched a \$1 million Share Purchase Plan (SPP) to allow shareholders to participate on the same terms as the institutional placement including a free attaching Option for every two shares subscribed for.

This injection of capital has allowed us to announce our initial Life of Mine (LOM) plan at Mineral Hill, which includes open pit and underground mining operations until the end of 2027. It is worth noting that our current life of mine forecast only utilises 22% of the existing Mineral Resources, underscoring the immense growth potential that lies ahead. Our well-established infrastructure on surface and underground provides a strong foundation for our long-term success.

Furthermore, I am excited to announce that we anticipate commencing copper production by the end of CY24. This significant milestone is set to substantially augment our annual payable production by 69% in FY25, firmly establishing our position as a prominent gold-copper producer in the region.

The Tailing Project's current gold production has yielded record sales throughout the quarter. The cash flow from this project has allowed us to focus on delivering quality technical work in preparation for open pit and underground mining.

Our commitment to expansion and diversification extends beyond Mineral Hill. We continue to seek strategic opportunities for our Misima Gold Project in PNG which boasts a JORC 2012 Mineral Resource of 3.8Moz Au.

In conclusion, I want to thank our dedicated team and valued shareholders for their unwavering support. Kingston Resources is primed for continued success, and we remain steadfast in our commitment to unlocking the full potential of our projects while consistently delivering value to our shareholders."

Image 1: Aerial drone shot of Mineral Hill



MINERAL HILL MINE

Operations

Kingston's Mineral Hill Gold and Copper Mine in NSW delivered a stellar result this quarter, with record gold production of 4,944 ounces (oz), a 92% increase on the 2,575oz of gold produced in the corresponding quarter of 2022. This remarkable performance was achieved at an all-in sustaining cost (AISC) of A\$1,493/oz and an average realised gold price of A\$2,968/oz. Mineral Hill's cashflow from operations was \$7.1m, marking a 31.4% increase compared to the previous quarter.

Table 1: June 2023 quarter production summary.

	March Quarter	June Quarter	Q on Q change
Tonnes processed (t)	150,847	149,885	-1%
Average feed grade (g/t)	1.45	1.63	12%
Gold Sales (oz)	4,431	4,777	8%
Silver Sales (oz)	6,928	5,494	-21%
Gold Production (oz)	4,575	4,944	8%
AISC (A\$/oz)	\$1,543	\$1,494	-3%
Sales (A\$m)	\$12.5	\$14.4	15%
Operating cashflow (A\$m)	\$5.4	\$7.1	31.4%

On a monthly basis, Mineral Hill maintained high gold output from the Tailings re-processing operation during April and May. April reached a record of 1,886oz produced and May delivered production of 1,827oz. High feed grades and processing recoveries were the key contributors to the elevated gold output during the June quarter. Gold feed grades averaged 1.86g/t, 1.57g/t and 1.46g/t for April, May and June respectively.

Results for the full financial year indicate an impressive performance for Mineral Hill. The Company's gold sales reached a total of 16,068oz at an average sales price of A\$2,750/oz. Moreover, we maintained a competitive AISC of A\$1,686/oz.

Table 2: FY23 production summary.

	FY22 actuals ¹	FY23 Actuals	Y on Y change
Tonnes processed (t)	310,906	627,994	102%
Average feed grade (g/t)	0.95	1.36	43%
Gold Sales (oz)	4,656	16,068	245%
Silver Sales (oz)	7,514	16,898	125%
Gold Production (oz)	4,639	16,520	256%
AISC (A\$/oz)	2,753	\$1,686	-39%
Sales (A\$m)	\$12.3	\$44.7	263%
Operating cashflow (A\$m)	-\$0.7	\$16.9	2,514%

¹ Kingston completed the Mineral Hill transaction on 16 January 2022, FY22 actuals are from 16th Jan to 30 June 2022.

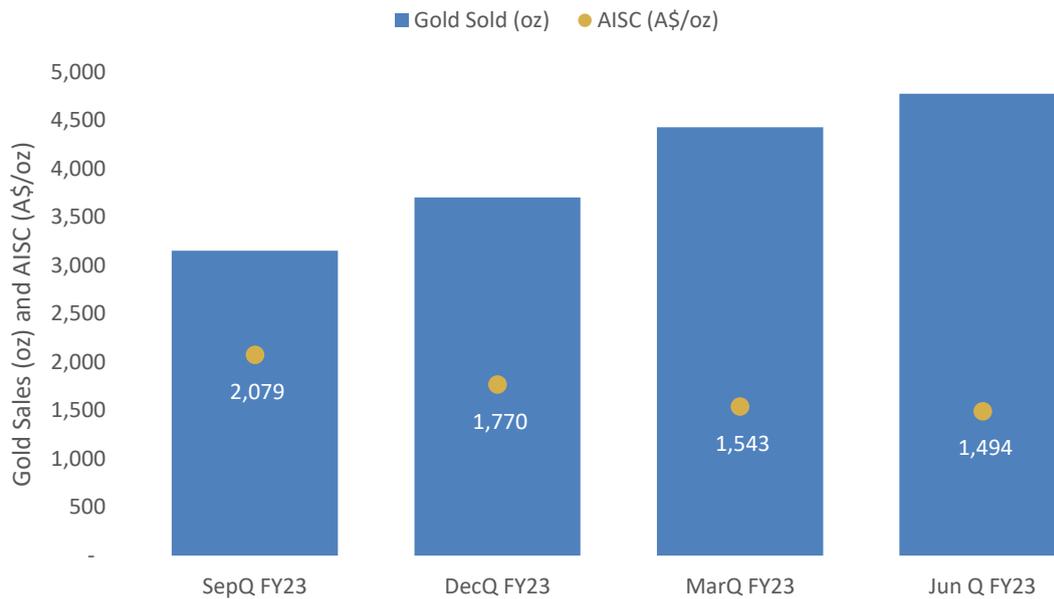


Figure 1: Quarterly gold and AISC.

Life of Mine Plan Update

Kingston released an updated life of mine (LOM) plan for Mineral Hill during the quarter, which extends the mining inventory with open pit and underground mining out to FY27. Extensive geological, mining and financial studies had been completed during the first half of the calendar year to deliver the updated plan. The plan comprises Ore Reserves for the Tailings Project and Open Pits, as well as a production target for the underground Mineral Resources at the Southern Ore Zone (SOZ) and Jack’s Hut (see Figure 2).

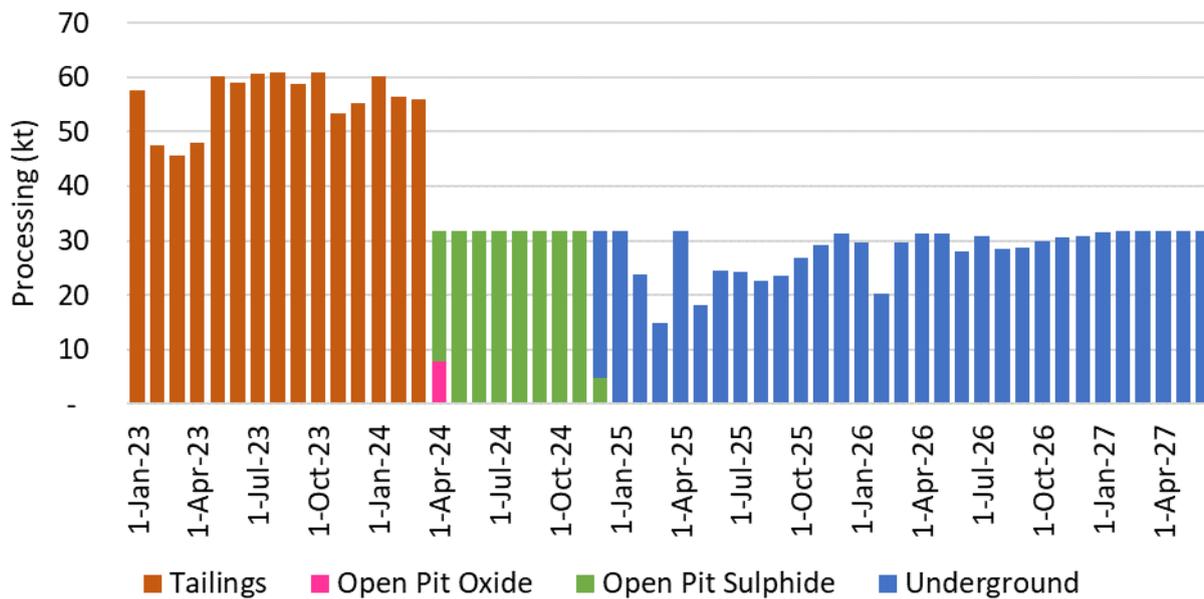


Figure 2: LOM processing throughput schedule.

Grades are forecast to increase materially from 0.8g/t to 3.3g/t gold equivalent (AuEq² recovered) between FY23 and FY25. The polymetallic processing feed from the underground production target is a key factor in the increase in grade and payable metal. The LOM plan forecasts 123,000oz AuEq payable, with the mine to produce separate gold, copper, lead and zinc concentrates.

² Gold equivalent grades are stated in recovered terms. See Metal Equivalent section.

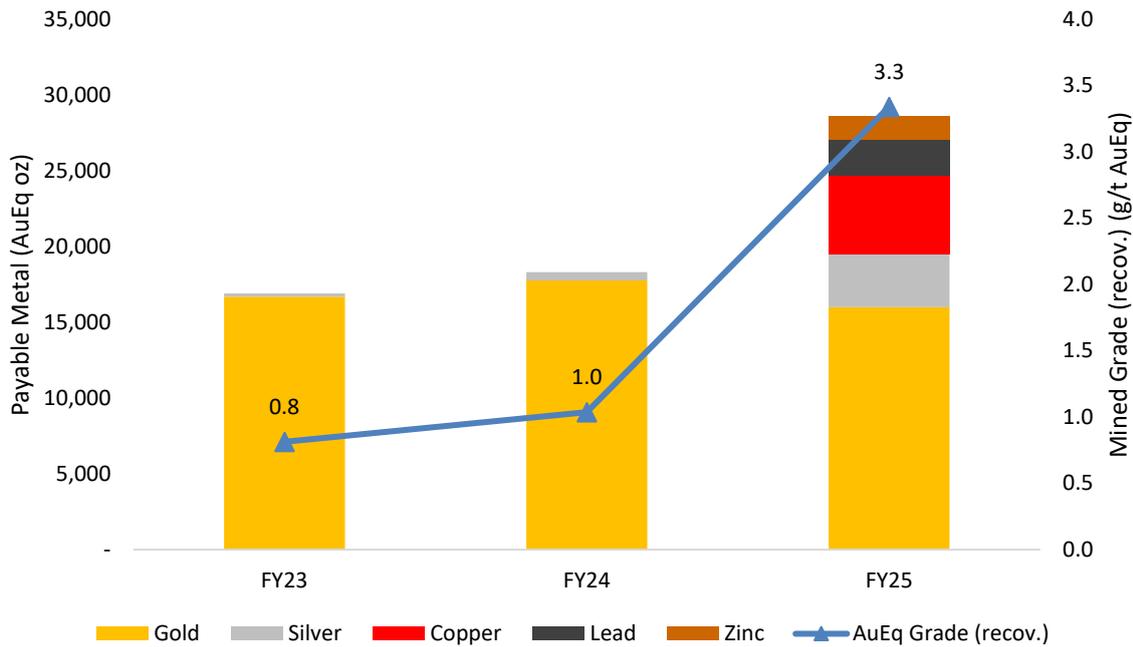


Figure 3: Ramp up of payable metal production³

Mineral Hill is now one of two processing plants in the Cobar Basin with CIL and base metal concentrate processing capability. It is worth noting that our current LOM only utilises 22% of the existing 8.9 million tonnes of Mineral Resources and efforts have already begun to expand the existing resource and explore within the mining lease for brownfields targets. There is strong potential for extending the underground Mineral Resources along strike and at depth.

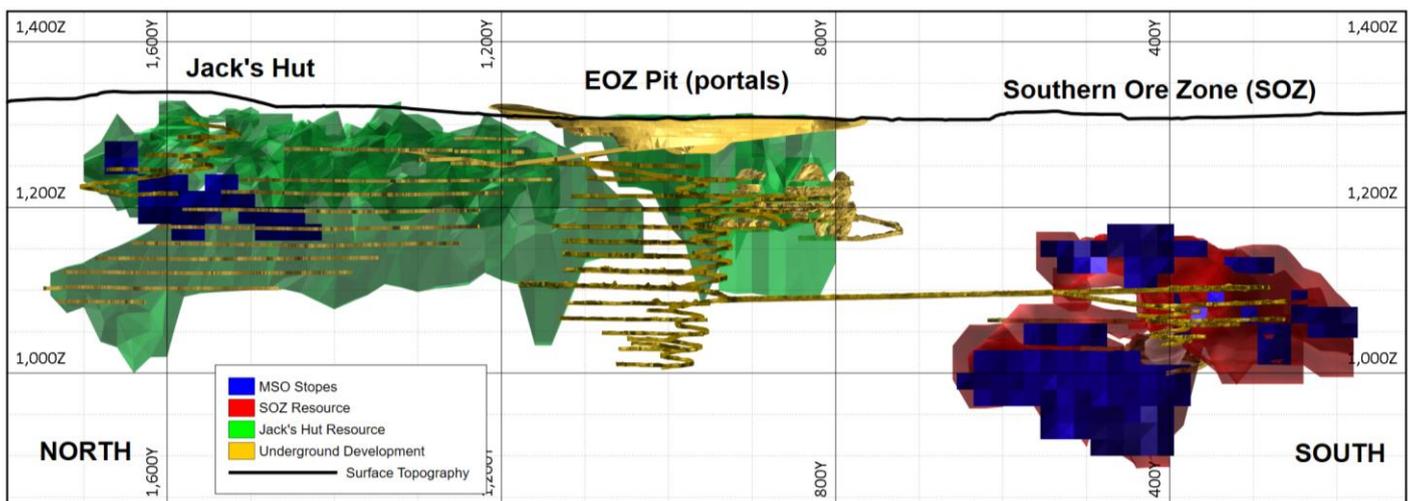


Figure 4: Long section of the underground Mineral Resources and planned stopes.

In conjunction with the LOM plan update, the Company successfully raised \$4.5 million under Tranche 1 of the institutional placement and will raise an additional \$1 million under tranche 2 subject to receiving shareholder approval at the EGM on 14 August 2023. The Company also launched an SPP to raise an additional \$1 million. The funds will be used to refurbish the processing plant, undertake underground redevelopment works and fund the initial waste stripping of the open pits (see ASX announcements on 27 June, 3 July and 10 July 2023 for more details).

³ See ASX Announcement dated 27 June 2023, \$6.5m Capital Raising or Mineral Hill Production Expansion

Work commenced on re-establishing access to the underground development at SOZ during the quarter (see *ASX announcement on 7 June 2023*). The initial phase of work will prioritise safety checks, along with reinstating ventilation, power, and pumping systems. In line with these plans, underground drilling is scheduled for the early part of the December 2023 quarter, which aims to infill and extend the current underground Mineral Resources at SOZ. Capital expenditure requirements over the LOM are reduced significantly due to the existing decline development and surface infrastructure.

Exploration

Kingston resumed surface drilling at Mineral Hill during the June quarter (see *ASX announcement on 2 & 9 May 2023*). Initial drilling focused on the Pearse North open pit area and the upper parts of SOZ, aiming to collect geotechnical data and infill areas of the Inferred Mineral Resource. On the SOZ drilling specifically, the aim is to define key geological structures and gather additional geotechnical and orebody knowledge. Notably, this part of the exploration program is jointly funded by the NSW Government's Critical Minerals and High-Tech Metals Activation Fund, with Kingston being awarded \$500,000 in November 2022.

After the quarter was completed, Kingston announced the identification of 15 new and promising exploration targets within and near the Mineral Hill Mining Lease (ML) package (see *ASX announcement on 19 July 2023*). The completion of interpretation and 3D modeling of the 28km Induced Polarization (IP) geophysical program southeast of the Mineral Hill Mine has provided valuable insights. The analysis has shown that there are areas within the mining and exploration leases that share a geophysical signature with existing deposits, including a correlation between gravity and IP.

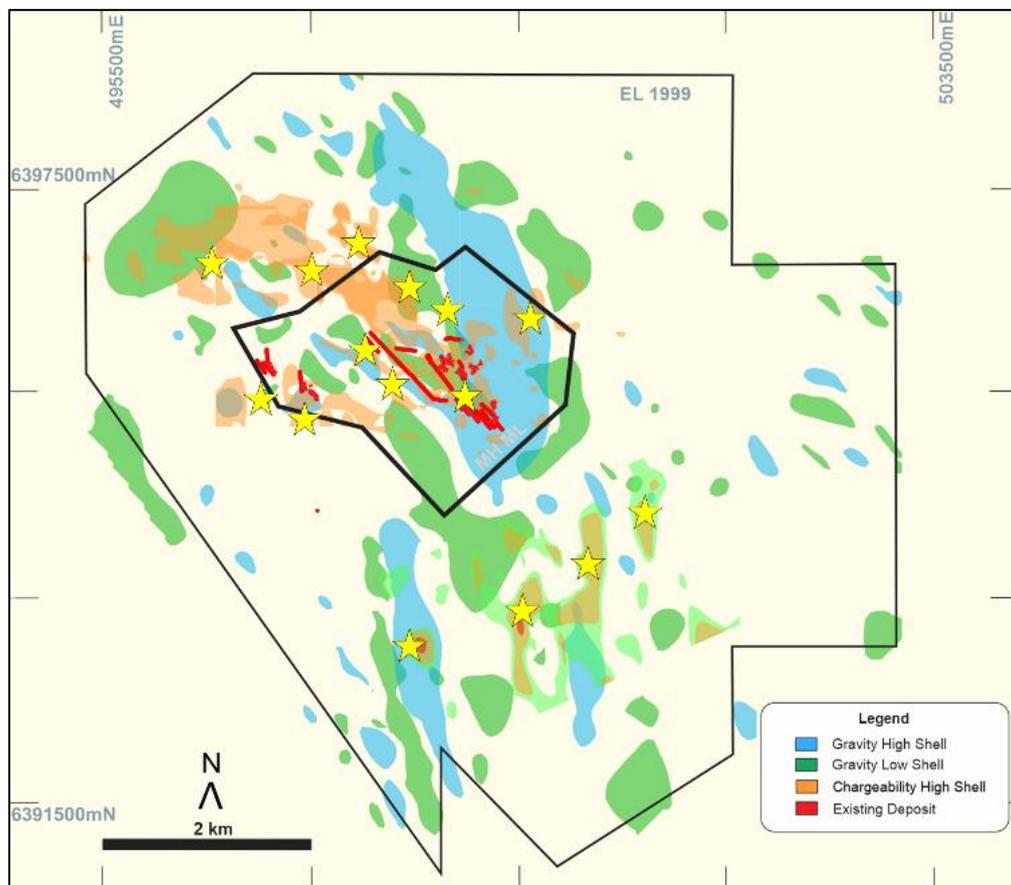


Figure 5: Recently generated geophysical targets in the vicinity of the mining licences.

The geology team at Mineral Hill have designed a 10-hole program within and immediately around the Mining Lease to target these anomalous zones. Several of the drill holes have been drilled with a combination drill rig since the rig arrived on site in early May. Logging and sampling has been completed for a portion of the

holes drilled so far and assay results are pending.

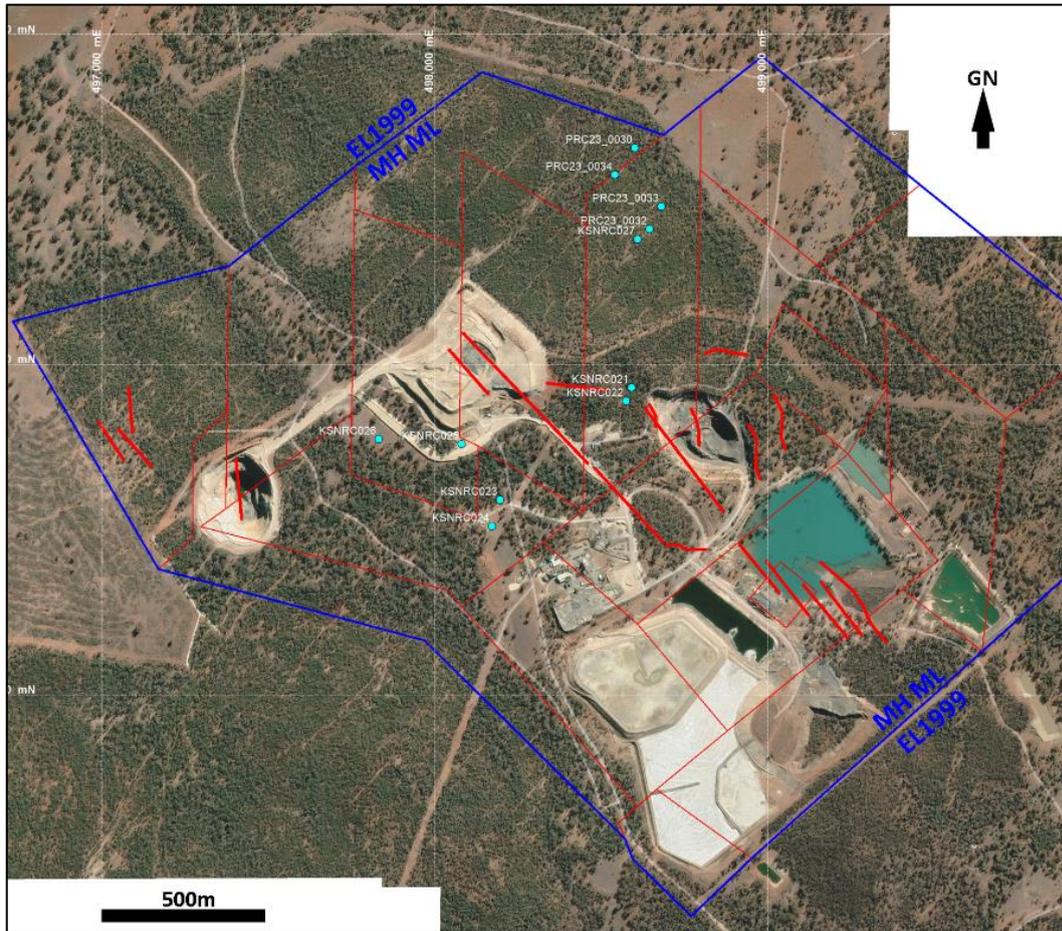


Figure 6: Location of proposed exploration holes within the Mining Lease.

Safety, Environment and Sustainability

There were no reportable environmental or safety incidents during the quarter. The company has new tools as part of Mineral Hill’s safety management system. These include the development of an intranet for site-wide employees to access Principal Hazard Management Plans, Principal Control Plans, Risk Assessments and other system document. Incorporated within this network is the ability to manage training, inductions and monitor ongoing safety related actions.

MISIMA GOLD PROJECT

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

CORPORATE

Efforts on raising the awareness of Kingston and the company’s strategy took the form of attendance at industry conferences and participation in student careers events. Additionally, personnel from the company are actively participating in inclusion and diversity initiatives related to the Women in Mining NSW Mentoring Program.

Kingston’s Managing Director and CEO, Andrew Corbett, had the opportunity to present at the Mines and Money conference in Melbourne during June. This platform allowed us to showcase our projects and engage

with industry leaders and investors, further strengthening our position in the market.

The Company's closing cash balance at 30 June 2023 was \$18.2m. The consolidated group cash flow for the quarter is summarised below:

	Net cash from/(used in)
Gross revenue (\$m)	14.4
Production cost (\$m)	(5.8)
Staff cost (\$m)	(1.4)
Administration and corporate cost (\$'000)	(264)
Net interest payment (\$'000)	(160)
Net cash flow from operating activities(\$m)	6.84
Exploration and development expenditure (\$m)	(1.6)
Net cash flow from investing activities (\$m)	(6.8)
Net cash flow from financing activity (\$m)	8.7

During the quarter, the Company made payments totaling \$153,000 to associates or related parties reflecting fees, wages, and superannuation paid to Directors. The final installment of its cash backed rehabilitation security bond of \$1.77m was also paid, increasing the total bond to \$7.27m. The Company paid the first deferred consideration of \$2.24m (USD\$1.5m) to Quintana Holdings LLP upon recovering 15,000 oz of gold since the acquisition of Mineral Hill Mine on 17 January 2022.

Kingston raised \$4.5m under Tranche 1 of the placement offer, the proceeds of which were settled on 3 July 2023. The Company will raise another \$1m under Tranche 2 of the placement offer subject to receiving shareholder approval at the EGM on 14 August 2023. The Company is also undertaking a fully underwritten Share Purchase Plan to raise \$1m. The offer opened on 17 July 2023 and is currently scheduled to close on 10 August 2023.

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

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

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.

All material assumptions and technical parameters underpinning the estimates as they were originally reported continue to apply and have not materially changed.

Misima JORC 2012 Mineral Resource & Ore Reserve summary table

Resource Category	Cut-off (g/t Au)	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Au (Moz)	Ag (Moz)
Indicated	0.3	97.7	0.79	4.3	2.5	13.4
Inferred	0.3	71.3	0.59	3.8	1.4	8.7
Total	0.3	169	0.71	4.1	3.8	22.1
Reserve	Cut-off (g/t Au)	Tonnes (Mt)	Au (g/t)	Ag (g/t)	Au (Moz)	Ag (Moz)
Probable	0.3	75.6	0.79	4.2	1.73	4.1

Mineral Hill JORC 2012 & JORC 2004 Mineral Resource & Ore Reserve summary table

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

Competent Persons Statement and Disclaimer

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

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

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

Metal Equivalents

This announcement 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) 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).

$$\text{AuEq g/t} = (\text{Cu } C^{\text{Au}} * \text{Cu } \%) + (\text{Au } C^{\text{Au}} * \text{Au g/t}) + (\text{Ag } C^{\text{Au}} * \text{Ag g/t}) + (\text{Pb } C^{\text{Au}} * \text{Pb } \%) + (\text{Zn } C^{\text{Au}} * \text{Zn } \%)$$

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.

Table 1: Commodity prices, metallurgical recoveries and metal equivalent factors for each deposit.

Commodity	Unit	Price	Deposit	Commodity	Recovery (%)	AuEq Factor (C ^{Au})
Gold	US\$/oz	1,780	Tailings	Gold	60	0.60
Silver	US\$/oz	22		Silver	60	0.01
Copper	US\$/lb	4.12	Open Pit	Gold	64	0.64
Lead	US\$/lb	1.15		Silver	69	0.01
Zinc	US\$/lb	1.38	Underground	Gold	76	0.76
				Silver	64	0.01
				Copper	81	128.46
				Lead	79	35.06
				Zinc	60	31.98