

March 2022 Quarterly Activities Report

Mineral Hill Mine, NSW

- Acquisition of the Mineral Hill Mine (Cobar, NSW) completed on 17 January 2022.
- Gold and silver production for the quarter totalled 1,757koz Au and 3,378koz Ag.
- Tonnes processed for the quarter totalled 159,205kt, with throughput at or above nameplate in March.
- Recoveries continued to ramp up through the quarter, reaching 87% of target levels in March.
- Exploration and development program is underway to establish mine production following completion of the tailings processing operation.
- Drilling through the quarter targeted the Pearse North and SOZ deposits, with first results from Pearse North being reported in April, delivering high-grade gold intercepts including:
 - 39m @ 4.19g/t Au and 37g/t Ag from 37m

Misima Gold Project, PNG

- Major DFS engineering packages, test work and mine design finalised during the quarter, with final project estimating, execution planning and financial modelling nearing completion.
- Updated Misima Ore Reserve estimate finalised and released in conjunction with the completion of the DFS.
- 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 are also nearing completion, with submission anticipated alongside the ESIA.

Corporate

- Quarter-end cash balance of \$10.8 million.
- During the quarter, Kingston replaced the Mineral Hill environmental bond (\$3.5 million) and paid the cash consideration for Mineral Hill (\$1.4 million).
- Exploration and development expenditure for the quarter totalled \$3.5m.

Kingston Managing Director, Andrew Corbett, said: *"The March quarter has seen Kingston take significant steps on its journey to becoming a leading mid-tier gold producer in the Asia-Pacific region. The acquisition of Mineral Hill has established a production base, provides strategic diversification for the Company, and adds an experienced team and cashflow, all enhancing Kingston's platform for growth. We are pleased with the progress made at Mineral Hill since acquiring the asset in January, and we are looking to make further progress in the June quarter towards our targeted production levels of over 1,200oz Au per month."*



ASX: KSN
Shares on Issue: 412M
Market Cap: A\$72M
Cash: A\$10.8M (31 March 2022)

201/110 Pacific Hwy,
North Sydney, NSW 2060
+61 2 8021 7492
info@kingstonresources.com.au
www.kingstonresources.com.au



@KSNResources

“We are also very excited about the results achieved from the initial stages of exploration at Mineral Hill. These results represent the first steps towards establishing mine production at Pearse and SOZ once the tailings processing operation has been completed. We will continue to advance this development strategy, with further exploration results and development updates to come through the June quarter, to be followed by Resource updates at Pearse North and Pearse South.

“The Misima Gold Project has continued to make significant progress towards completion of the Definitive Feasibility Study. The calibre of the team working on the study has ensured that this will be high-quality work, giving us confidence in the outcomes and leaving us well positioned to transition to securing funding and approvals in due course.”

Mineral Hill Mine

During the quarter, Kingston completed the acquisition of a 100% interest in the Mineral Hill Mine (Mineral Hill), located in the Cobar region of central NSW (see ASX releases of 18 November 2021, 18 January 2022). The transaction represented a unique, low-cost opportunity for Kingston that has accelerated its transition to an operating mining company.

TSF Project

Since completion of the acquisition, the ramp-up of the operation has successfully achieved nameplate throughput, with recoveries also lifting through the quarter to 87% of target through March. The Tailings Storage Facility (TSF) reserve grades are also reconciling well, with a 1% positive variance on tonnes and a 3% positive variance on grade for the areas mined to date.

Table 1: March quarter production summary (post-17 Jan 2022)

Tonnes mined & processed	135,733 t
Average Feed grade	0.85 g/t Au
Production Au	1,757 Oz
Production Ag	3,378 Oz

The site has managed exceptionally well through the ongoing Covid disruptions which have impacted available staff, resulting in extensive use of casual staff during February and March in particular. The TSF Project delivered a cash-flow positive month in March and is targeting a cash-flow positive June quarter. In the near term, improved recoveries and feed grade are expected to offset the industry-wide inflationary cost pressures. Based on current input costs and targeted production rates, LOM operating costs are expected to be in a A\$1800-2200/oz Au range.

Exploration & Development

Exploration commenced at Mineral Hill immediately following the completion of the acquisition, with diamond drilling continuing at Pearse North and SOZ throughout the quarter.

Initial results from the Pearse North drilling have confirmed the high-grade tenor of the Pearse North deposit and indicate that there is significant gold mineralisation outside of the existing Ore Reserve pit shell, which was determined using a US\$1300/oz gold price (see ASX Announcement 8 April 2022).

Significant gold intercepts from the initial hole include:

- **39m @ 4.19g/t Au and 37g/t Ag** including:
 - **15m @ 7.25g/t Au and 44g/t Ag from 38m**, including:
 - **3m @ 26.67g/t Au, 27g/t Ag** from 38m
 - **2.35m @ 6.92g/t Au, 21g/t Ag** from 42.65m
 - **1.4m @ 8.43g/t Au, 194g/t Ag** from 48m
 - **4.2m @ 1.2g/t Au, 33g/t Ag from 55.8m**, including:
 - **0.7m @ 2.76g/t Au, 102g/t Ag** from 55.8m
 - **7.38m @ 5.05g/t Au and 35g/t Ag** from 64.62m, including:
 - **2.4m @ 11.18g/t Au, 22g/t Ag** from 65.5m
 - **1.57m @ 5.08g/t Au, 66g/t Ag** from 73.95m

The results are expected to provide key data for geological modelling and will be incorporated in updated Mineral Resource Estimates for both Pearse North and the SOZ Underground in 2022. The updated Mineral Resource Estimates will underpin mine feasibility work to be carried out alongside initial scoping work on plant refurbishment as well as approvals to support the re-establishment of mine production at the conclusion of the tailings reprocessing.

Misima Gold Project

Definitive Feasibility Study

Process Plant Design & Engineering

All engineering work including process plant design, civil works, site water management, HV electrical work, non-processing infrastructure, mine geotechnical assessments and mine planning has concluded with pricing and estimation now being finalised.

Mine Planning

Final pit optimisations have been run, with pit and waste rock dump designs complete. Estimation of detailed operating parameters has been concluded for input into financial modelling and Ore Reserve estimation.

Estimating and Financial Modelling

The project estimate is currently being compiled from market pricing and quantity estimates derived from the engineering studies. This will serve to provide the final inputs into the financial modelling.

Environmental and Mining Approvals

ESIA work programs continued to progress during the quarter. All field surveys and initial data reports are complete and impact assessments are being finalised. Independent Technical Reports and a number of ESIA chapters have been drafted and are currently under review.

Studies required for the Proposal for Development which underpins the Mining Licence Application are now also largely drafted and under review. These include the Artisanal and Small-Scale Mining Study, the Immigration Study, the Human Resources and Localisation Plan and the Business Development Plan.

Community Engagement

Kingston's community engagement team continued consultation activities with various stakeholders including community members, landowners, government, and other organisations as part of its commitment to keeping all stakeholders apprised of the work being carried out and the proposed project development strategy.

During the quarter, a specific engagement plan focussing on the views and expectations of women in the Misima community commenced. To date 16 meetings have been held with over 1,000 Misiman women attending. Issues discussed included addressing vulnerable groups such as widows and single mothers, future aspirations for the participation of women in business, employment of women, and social impact concerns.

Corporate

Kingston completed the acquisition of the Mineral Hill Mine on 17 January 2022. Kingston had previously concluded a \$14 million placement in November 2021 to fund the acquisition, associated environmental bonds and transaction costs, as well as the planned exploration and development program.

Alongside the placement, an SPP was offered to eligible shareholders resulting in the issue of 1,150,000 shares at \$0.20 per share raising a further \$230,000.

The Company ended the quarter with a cash balance of \$10.8 million. As part of the completion of the acquisition of Mineral Hill, the Company paid the vendors \$1.4 million in cash and replaced a \$3.477 million environmental bond during the quarter.

Total exploration and development expenditure for the quarter was \$3.5 million, comprised of \$2.85 million on the Misima Gold Project and \$0.6 million at Mineral Hill, which includes the capitalisation of operating activities prior to commercial production being achieved. During the quarter, the Company made payments totalling \$160,000 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	Change	Title Area
EL1747	Misima, PNG	Live	100%	EL	No change	180 km ²
ML5240	Mineral Hill, NSW	Live	100%	ML	Acquired	32.37 HA
EL1999	Mineral Hill, NSW	Live	100%	EL	Acquired	17 UNITS
ML5267	Mineral Hill, NSW	Live	100%	ML	Acquired	32.37 HA
ML5278	Mineral Hill, NSW	Live	100%	ML	Acquired	32.37 HA
EL8334	Mineral Hill, NSW	Live	100%	EL	Acquired	100 UNITS
ML332	Mineral Hill, NSW	Live	100%	ML	Acquired	22.36 HA
ML333	Mineral Hill, NSW	Live	100%	ML	Acquired	28.03 HA
ML334	Mineral Hill, NSW	Live	100%	ML	Acquired	21.04 HA
ML335	Mineral Hill, NSW	Live	100%	ML	Acquired	24.79 HA
ML336	Mineral Hill, NSW	Live	100%	ML	Acquired	23.07 HA
ML337	Mineral Hill, NSW	Live	100%	ML	Acquired	32.27 HA
ML338	Mineral Hill, NSW	Live	100%	ML	Acquired	26.3 HA
ML339	Mineral Hill, NSW	Live	100%	ML	Acquired	25.09 HA
ML340	Mineral Hill, NSW	Live	100%	ML	Acquired	25.79 HA
ML1695	Mineral Hill, NSW	Live	100%	ML	Acquired	8.779 HA
ML1712	Mineral Hill, NSW	Live	100%	ML	Acquired	23.92 HA
ML1778	Mineral Hill, NSW	Live	100%	ML	Acquired	29.05 HA
ML5499	Mineral Hill, NSW	Live	100%	ML	Acquired	32.37 HA
ML5621	Mineral Hill, NSW	Live	100%	ML	Acquired	32.37 HA
ML5632	Mineral Hill, NSW	Live	100%	ML	Acquired	27.32 HA
ML6329	Mineral Hill, NSW	Live	100%	ML	Acquired	8.094 HA
ML6365	Mineral Hill, NSW	Live	100%	ML	Acquired	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.

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.

Mineral Hill is a gold and copper mine located in the Cobar Basin of NSW. Alongside current production, exploration is focusing on near mine production opportunities from both open pit and underground targets located on the existing MLs. The aim will be to expand and update the existing Resource base to underpin mine feasibility work and approvals to ensure an immediate transition to open pit and/or underground feed at the completion of the tailings reprocessing.

Misima hosts a JORC Resource of 3.8Moz Au and an Ore Reserve of 1.35Moz, Kingston is completing a Definitive Feasibility Study (DFS) in H1 2022. Misima was operated as a profitable open pit mine by Placer Pacific 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 outstanding potential for additional resource growth through exploration success targeting extensions and additions to the current Resource base. Kingston's interest in Misima is held through its PNG subsidiary Gallipoli Exploration (PNG) Limited.

The Misima Mineral Resource and Ore Reserve estimate outlined below was released in ASX announcements on 24 November 2020 and 15 September 2021. Further information is included within the original announcements.

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	48.3	0.87	4.2	1.35	6.48

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

Resource Category	Tonnes (kt)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Cu %	Pb %	Zn %	Au (koz)	Ag (koz)	Cu (kt)	Pb (kt)	Zn (kt)
Measured	698	2.63	40.3	0.85%	0.42%	0.28%	59	904	5.9	3.0	2.0
Indicated	4,542	0.92	21.4	0.66%	1.09%	0.55%	134	3126	30.1	49.7	25.1
Inferred	674	1.68	20.2	1.16%	1.30%	1.19%	36	438	7.8	8.8	8.0
Total	5,913	1.20	23.5	0.74%	1.03%	0.60%	229	4461	43.5	61.1	35.3
Reserve Category	Tonnes (kt)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Cu %	Pb %	Zn %	Au (koz)	Ag (koz)	Cu (kt)	Pb (kt)	Zn (kt)
Proved	55	2.30	17.0				4	31			
Probable	2,017	1.38	4.9				67	315			
Total	2,072	1.41	5.2				71	346			

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 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.