

QUARTERLY REPORT

30 April 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: 633.7M
Market Cap: A\$45M
Cash:(8 April 2024) A\$10.7m

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 31 March 2024

HIGHLIGHTS

Mineral Hill Gold & Copper Mine, NSW

- March Quarter production from the Tailings Project:
 - Gold sold 3,026oz
 - Average gold price A\$3,165/oz
 - AISC of A\$2,597/oz
 - A\$9.68M in sales and A\$1.67m in operating cash flow
 - February production was impacted by lower gold recoveries
- Exploration:
 - Confirmation of the newly discovered underground lode at the Southern Ore Zone (SOZ).
 - SOZ infill drilling has confirmed high-grade mineralisation over 400m strike.
- Process plant refurbishment:
 - Final work programs are nearing completion with initial oxide open pit ore from Pearse to be fed at the end of the June quarter.
 - Major work included structural refurbishment of the crushing circuit and fine ore bins, delivery of new electrical circuitry units and installation of new conveyor components.

Misima Gold Project, PNG

- Recent momentum in the gold price has spurred significant interest in Misima. Discussions are continuing with numerous interested parties in relation to potential partnerships and development pathways.
- Misima is highly leveraged to the gold price, with a US\$2,400/oz gold price and 0.65 AUD:USD FX scenario forecast to deliver a \$2.2bn NPV¹ pre-tax.

Corporate

- Placement and Entitlement Offer to raise \$13.5m. The \$4.5m retail component of the Entitlement Offer closes on the 8th May and is fully underwritten. Proceeds to be used towards transitioning to Pearse open pit mining, underground resource drilling and processing plant commissioning.
- Cash balance at 31 March 2024 \$4.09M.

¹ See ASX Announcement on 6

June 2022

Kingston Managing Director, Andrew Corbett, said:

"We are very pleased with the production success we've had so far from the tailings retreatment project. The financial returns have allowed us to invest significantly in foundational infrastructure such as tailings storage facilities and refurbishment of the process plant and underground development. We have set the company up for a long term operation.

Pearse North and South open pits are both high grade gold-silver projects. We are taking advantage of the recent strong rally in the gold price by shifting gears to accelerate gold production from these high margin open pits.

Our recent exploration success in the underground resource areas is highly encouraging. The near mine discovery at the Southern Ore Zone is showing that this mineral system has a lot of growth potential. Mineral Hill's life of mine is predominantly comprised of underground polymetallic Mineral Resources and we are working towards expanding the mineral inventory to sustain a long-term operation. We will be back in the underground development in the September quarter to do additional infill and extension drilling.

The recent placement and entitlement offer will unlock the next level of cash flow generation with the Pearse open pits. The crushing, grinding and flotation circuits are close to the commissioning phase and we'll be commencing the initial strip on Pearse North in the June quarter.

A polymetallic processing plant that can produce three concentrates and precious metal dore is a major strategic advantage for the company. The plant is one of two in the Cobar Basin that has this type of capability. We want to look further into the potential for expanding processing capacity in the medium term to increase scale and maximise cash flow. The whole region has historically been under explored and so we see an opportunity to prioritise our operating cash flow towards exploration, make additional discoveries and increase the likelihood of a plant expansion.

We have built strong local operating expertise from our Tailings Project and we are now leveraging that knowledge to our next phase of open pit mining. We're very pleased to play the role we do in increasing prosperity for our local region." - Managing Director, Kingston Resources

MINERAL HILL MINE

Exploration

Exploration work remained focused on the underground resources at the Southern Ore Zone (SOZ). In particular, drilling programs aimed at increasing the confidence in the current Mineral Resource estimates and exploring for extensions to the mineralisation. Infill and extensional drilling into the Southern Ore Zone returned high grade polymetallic assays and resulted in the confirmation of the near mine discovery made in the December quarter of 2023.

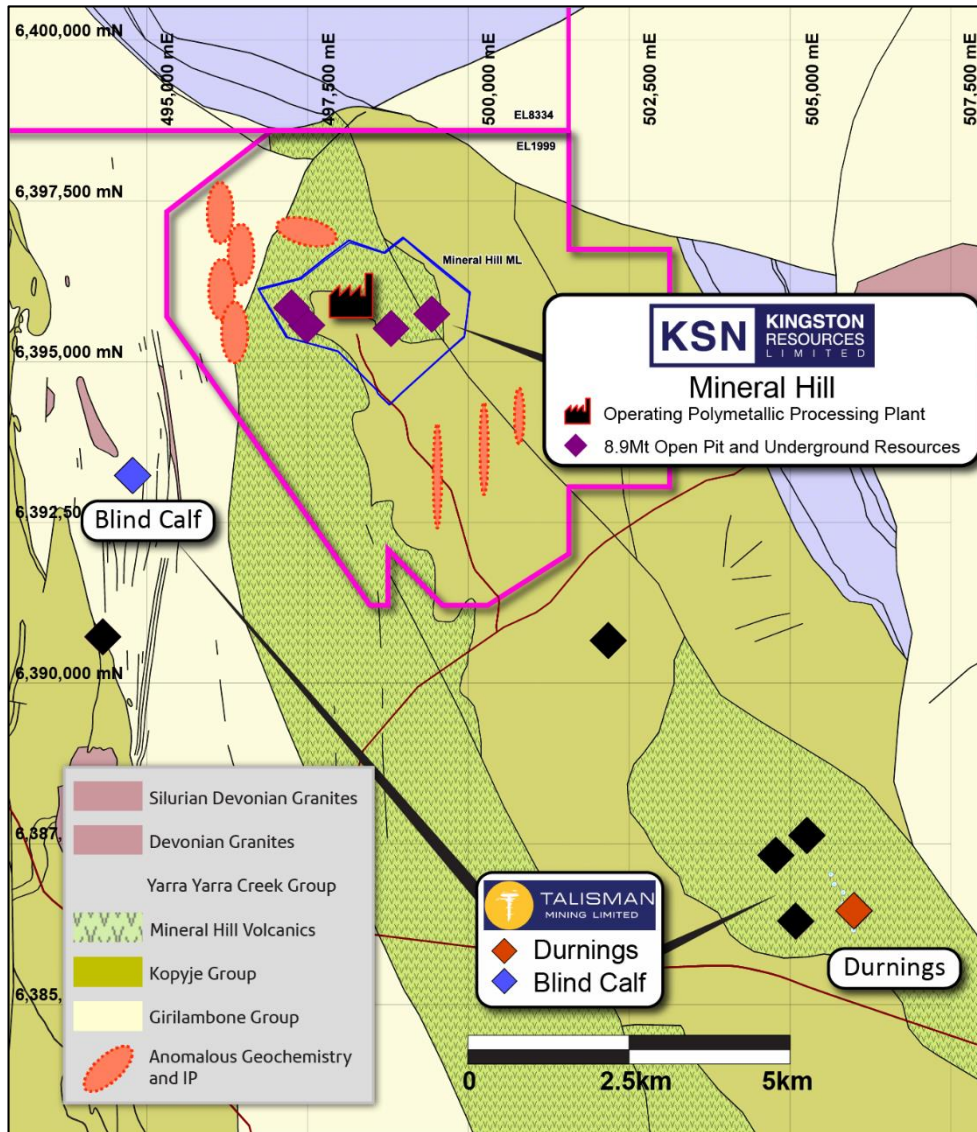


Figure 1: Mineral Hill regional geology, resources and infrastructure.

Near-Mine Underground Discovery

Kingston made a second intersection into the newly discovered underground lode during the quarter. Drill hole KSNDDH019 followed up the initial intersection made in KSNDDH017 in the footwall of the Southern Ore Zone (See ASX announcement on 15 February 2024). Significant assays over this zone include:

- 12.5m @ 3.41% CuEq from 405m (KSNDDH017)
- 2m @ 6.37% CuEq from 255m (KSNDDH019)

These two drill holes have also confirmed the historical significant intercepts from “New Structure #1” and highlighted the potential to extend the mineral resources at depth.

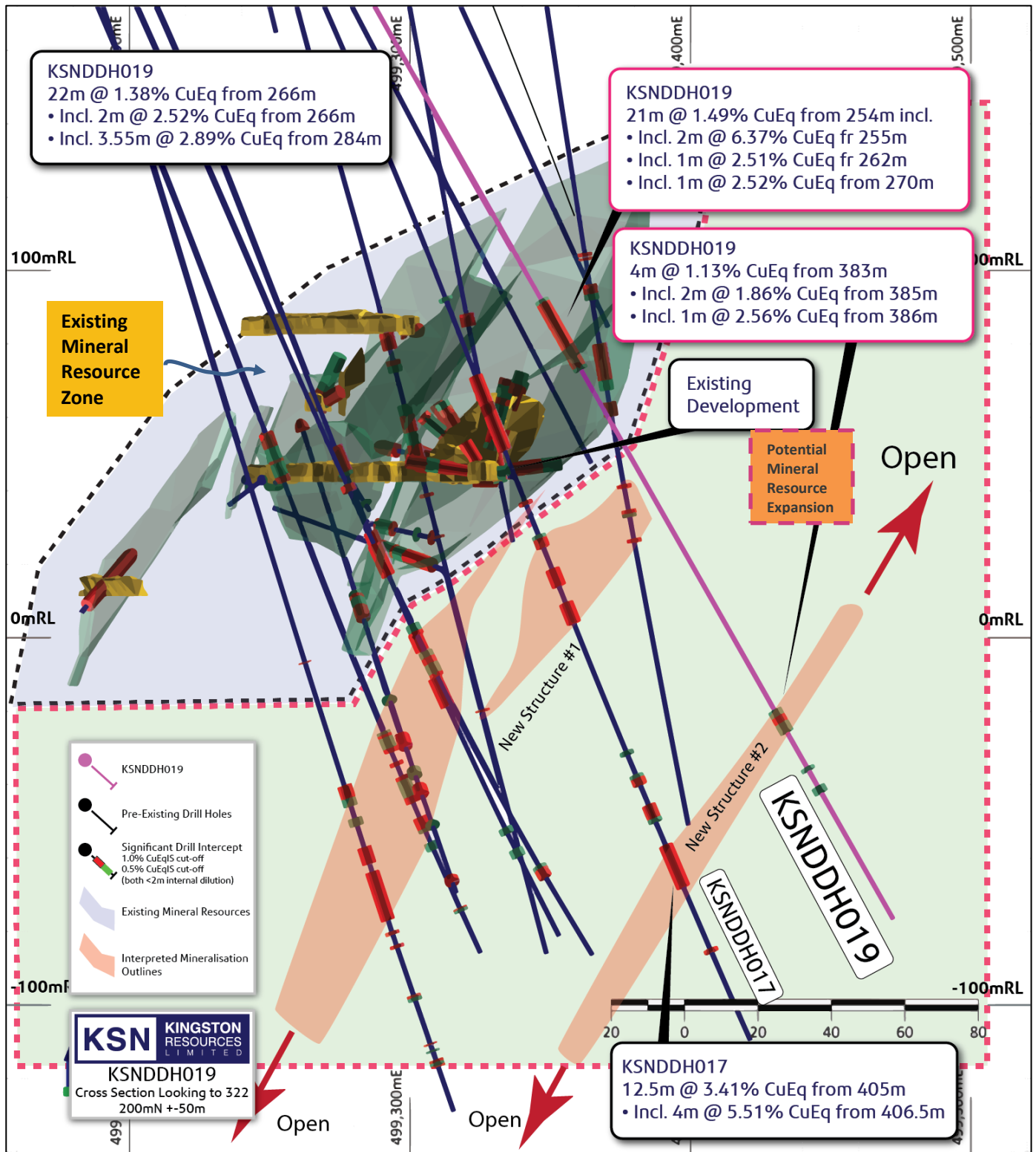


Figure 2: Cross Section showing new structures intersected outside existing Mineral Resource

The confirmation of the new lode marks a significant milestone for the company, as it paves the way for further discoveries within the mine. The Southern Ore Zone remains open along strike at both ends and at depth. The availability of suitable drilling platforms has been the only limiting factor for continuing to expand the footprint of underground mineralisation so far. This will be resolved in the near future as underground refurbishment continues.

Confirmation of the Main Underground Lode over 400m.

Additional infill and extensional drilling into the underground resources was undertaken during the March quarter. Outstanding assay results were reported after the end of the quarter, clearly illustrating the high-grade nature of the deposit and the region’s metal endowment (see ASX announcement on 9 April 2024). Drill holes KSNDDH020, 21, 22 and 23 were drilled to infill the upper areas of the underground resources and aimed at increasing the confidence and extent of the existing resources. The main lode in this part of the deposit (namely, the A-lode) has now been traced continuously over 400m strike and 200-250m down dip.

Significant intersections include:

- **9m @ 3.14% CuEq from 214m** (KSNDDH020):
 - Including **3m @ 8.13% CuEq**
- **4m @ 2.38% CuEq from 228m** (KSNDDH020)
 - Including **3m @ 4.67% CuEq from 191m** (KSNDDH021)
- **7.0m @ 3.76% CuEq from 164m** (KSNDDH022):
 - Including **3m @ 6.18% CuEq from 165m**
- **8.0m @ 2.06% CuEq from 173m** (KSNDDH023)
- **10.2m @ 2.73% CuEq from 187.8m** (KSNDDH023)



Figure 3: Drill core from KSNDDH021 (4m wide sulphide rich breccia lode (estimated true width of 2m) within a broader 31.6m wide brecciated and veined lode zone from 175.3mdh).

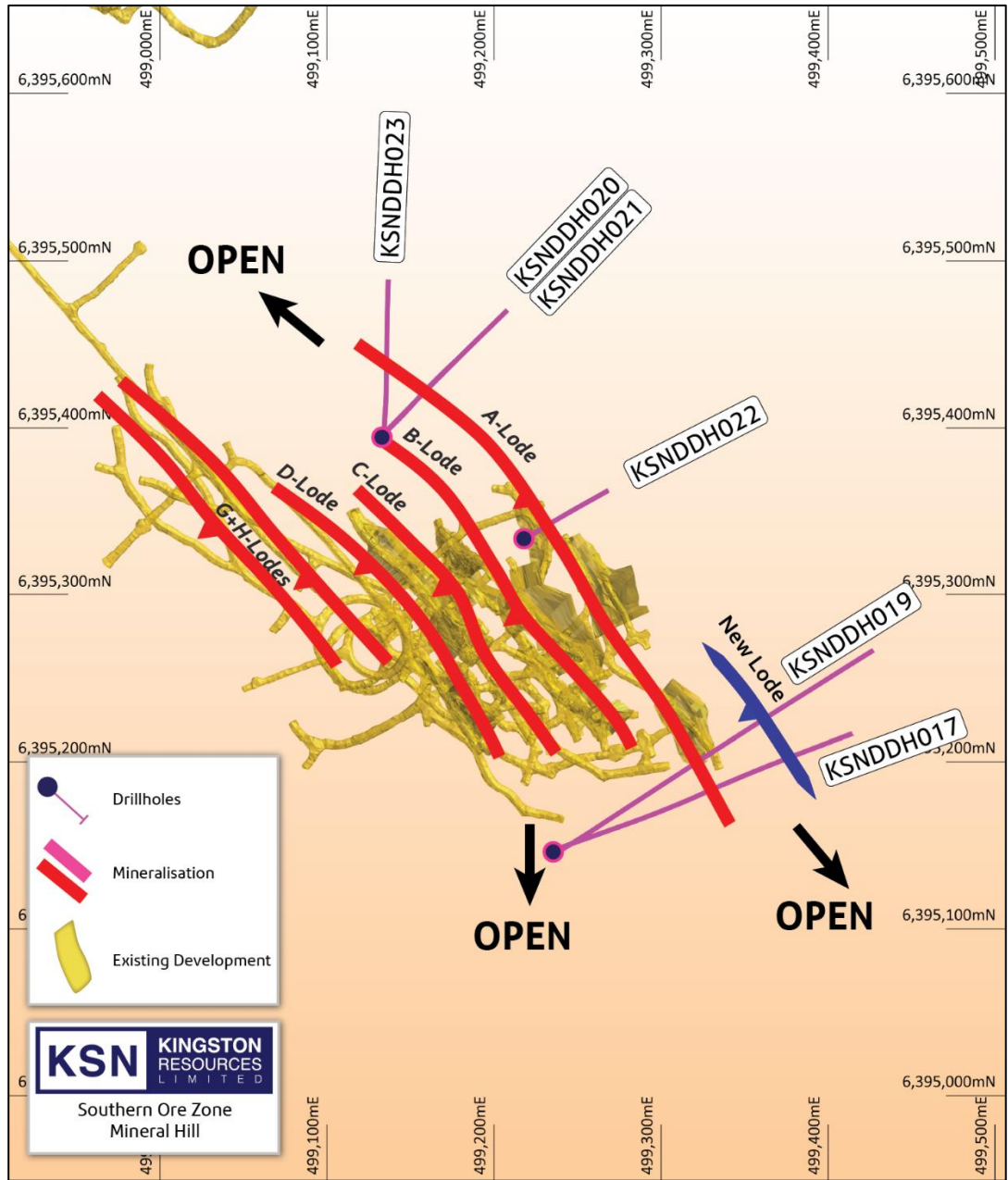


Figure 4: Plan view of recent drill holes and mineralisation at SOZ..

Additional extension and infill drilling into the underground resources is due to commence early in the December quarter of 2024. The principal aims of further drilling remain focused on extending the life of mine and improving confidence in the current estimates.

Operations

Kingston completed the quarter with 1,308oz produced in March. Significant operating challenges were experienced in February owing to elevated base metal grades, which negatively impacted gold recoveries in the CIL processing circuit. The company acted quickly at the start of March to move to a higher-grade section of the dam with less base metal contamination and increased tonnage throughput. The Tailings Project has been a highly successful operation for Kingston, delivering \$25.29M of operating cash flow since acquiring the project in January 2022 to 31 March 2024.

Table 1: March 2024 quarter production summary.

	December Quarter	March Quarter	Q on Q change
Tonnes Processed (t)	136,531	150,164	10.0%
Average Feed Grade (g/t)	1.34	1.13	-16.3%
Processing Recovery (%)	58%	55%	-4.9%
Gold Production (oz)	3,409	2,984	-12.5%
Gold Sales (oz)	3,627	3,026	-16.6%
Silver Sales (oz)	5,685	3,813	-32.9%
AISC (A\$/oz)	\$2,302	\$2,597	12.8%
Realised Gold Price (A\$/oz)	\$3,041	\$3,165	4.1%
Sales (A\$m)	\$11.20	\$9.68	-13.6%
Operating Cashflow (A\$m)	\$2.64	\$1.67	-36.8%

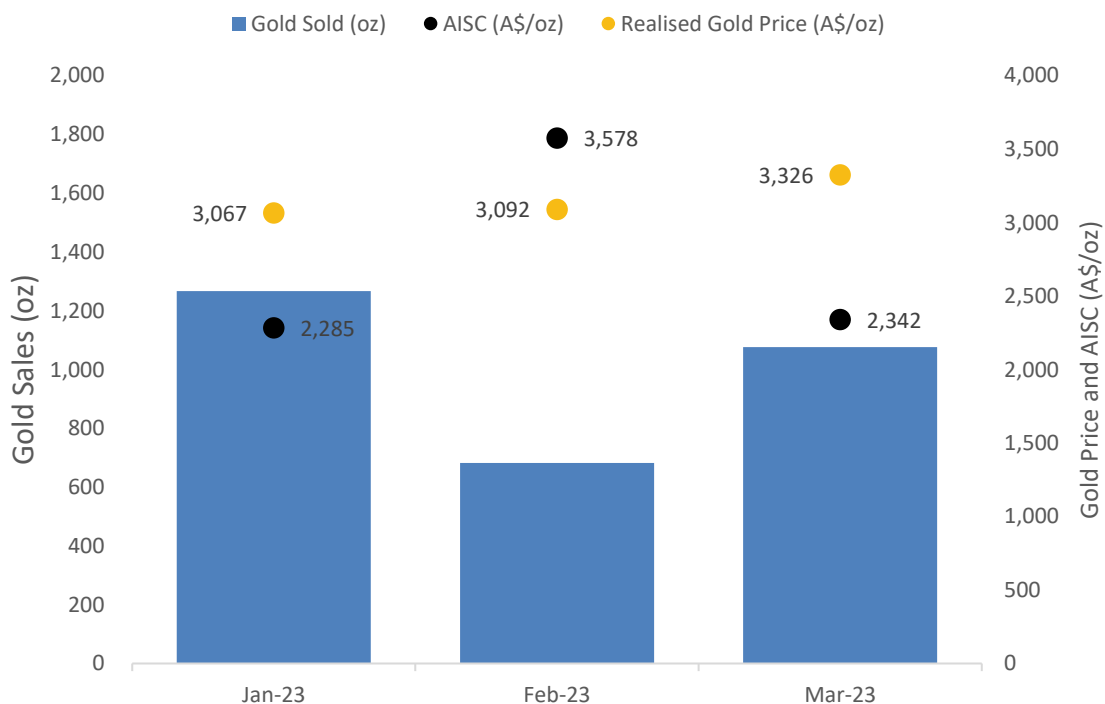


Figure 5: Monthly gold sold, AISC and realised gold price.

The operating strategy at Mineral Hill is to extract the highest grade material remaining in the Tailings Project and simultaneously accelerate the preparatory work for transitioning to open pit mining at Pearse. The forecast for the two pits is expected increase in gold and silver output substantially. Total open pit production is forecast to be 258kt @ 3.72g/t gold and 57g/t silver (at A\$2571/oz price and AISC A\$1,339)². Mining is scheduled to commence in June 2024 and will be completed over an 11-month period. With the recent movements in the gold price, the pits will be re-optimised using higher gold prices in order to ensure the greatest value is extracted from these assets. The company will be updating the market at the completion of this work.

² See ASX Announcement dated 27 June 2023, \$6.5m Capital Raising or Mineral Hill Production Expansion for key assumptions.

Processing Plant Refurbishment and Commissioning

The refurbishment of the processing plant at Mineral Hill is now in the final stages. All major equipment has been ordered, allowing the company to directly control adherence to budget. With a forecast annual production of ~7.0ktpa CuEq and a refurbishment budget of \$12.5m, the project has a very low capital intensity for recommencing hard rock mining.

The main work completed during the quarter includes major structural refurbishment of the crushing circuit and fine ore bins, delivery of two new motor control centre units for crushing and grinding electrical circuitry and installation of new conveyor components. All major long lead items have been ordered, with most of the deliveries already made and final components expected in the June quarter. Commissioning of the crushing circuit is due to commence in April.



Figure 6: Refurbished conveyor belts at the comminution circuit (left) and the refurbished fine ore bins (right).

MISIMA GOLD PROJECT

The Misima Gold Project is a long-life, high margin gold project that is highly leveraged to the gold price. Recent momentum in the spot gold price is highlighting the potential for a significant positive impact on the financial forecasts. From sensitivity analysis undertaken in the DFS³, a gold price of US\$2,400/oz and AUD:USD exchange rate of 0.65 is forecast to deliver an NPV of approximately A\$2.2bn pre-tax.



Figure 7: Misima Island location.

The company has received numerous inquiries from interested parties looking to partner on the project. Misima has a long and successful history of mining and Kingston is squarely focused on delivering the greatest value for the project. Discussion continues to prioritise bringing the project into production and building substantial cash flows into the future.

Table 2: DFS Production Target Summary and Economics and Net Present Value sensitivities

NPV Sensitivity		US\$/oz Gold Price									
		1,500	1,600	1,700	1,800	1,900	2,000	2,100	2,200	2,300	2,400
AUD:USD	0.55	1,154	1,355	1,557	1,759	1,960	2,162	2,364	2,566	2,767	2,969
	0.60	892	1,077	1,261	1,446	1,631	1,816	2,001	2,186	2,371	2,556
	0.65	670	841	1,011	1,182	1,353	1,523	1,694	1,865	2,036	2,206
	0.70	480	639	797	956	1,114	1,273	1,431	1,590	1,748	1,907
	0.75	315	463	611	759	907	1,055	1,203	1,351	1,499	1,647
	0.80	171	310	449	587	726	865	1,003	1,142	1,281	1,420
	0.85	44	175	305	436	566	697	827	958	1,088	1,219
	0.90	(69)	55	178	301	424	548	671	794	917	1,041
	0.95	(170)	(53)	64	181	297	414	531	648	764	881
	1.00	(261)	(150)	(39)	72	183	294	405	516	627	738

³ See ASX Announcement on 6 June 2022

CORPORATE

Kingston completed the institutional component of a \$13.5 million capital raising after the completion of the March quarter. The institutional component raised a total of approximately \$8.8 million through a \$8.1 million private placement ("Placement") and a \$730k accelerated institutional component of the entitlement offer. A further \$4.7 million is to be raised under the Retail component of the Entitlement Offer. The retail component of the Entitlement Offer is fully underwritten by Deutsche Balaton Aktiengesellschaft, an associate of Delphi Unternehmensberatung Akteingesellschaft, an existing shareholder and a sophisticated investor.

Proceeds raised through the Placement and Entitlement Offer will be used to transition to Pearse open pit mining, underground resource development drilling, processing plant commissioning and general working capital.

The Company's closing cash balance at 31 March 2024 was \$4.09 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)	9.587
Production cost (\$m)	(5.447)
Staff cost (\$m)	(2.055)
Administration and corporate cost (\$m)	(0.270)
Net interest payment (\$m)	(0.263)
Net cash flow from operating activities(\$m)	1.552
Exploration and development expenditure (\$m)	(0.829)
Net cash flow from investing activities (\$m)	(7.626)
Net cash flow from financing activity (\$m)	(0.259)

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.

