

December 2022 Quarterly Activities Report

Mineral Hill Gold & Copper Mine, NSW

- Record quarterly production at Mineral Hill, including 3,642 oz gold and 2,767 oz silver produced at AISC A\$1,770/oz and sold at average gold price of A\$2691.
- Despite challenging weather, monthly record production was achieved for October of 1,332 ounces and then 1,347 ounces in December. Additionally, the 10,000th ounce was delivered from the TSF Project.
- Southern Ore Zone (SOZ) Mineral Resource tonnage increased 114%, now estimated at 3.8Mt @ 1.29g/t Au, 19.2g/t Ag, 0.9% Cu, 1.6% Pb and 1.4% Zn.
- Resource and Reserve updates expected in Q1 CY2023, including Ore Reserves for Pearse and SOZ, as well as a Resource update for Jack's Hut.
- Review and ranking of exploration targets completed for exploration licences surrounding Mineral Hill. Field work expected to commence in Q1 CY2023.
- Work continues on developing a life of mine plan for open pit and underground mining at Mineral Hill Mine.

Misima Gold Project, PNG

- Ongoing strategic review of the Company's interest in the Misima Gold Project.
- 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.

Corporate

- Kingston awarded A\$500,000 in funding from the NSW Government's Critical Minerals and High-Tech Metals Activation Fund – Stream 1: Project Activation Studies to develop the polymetallic SOZ underground deposit at Mineral Hill.
- Managing Director and CEO, Andrew Corbett, presented at both IMARC and the Noosa Mining Conference in November.
- Ms Robyn Slaughter from Automic Group appointed as Company Secretary.
- Kingston received a \$1.5m milestone payment as part of the Livingstone Gold Project transaction with Metal Bank Limited.



ASX: KSN
Shares on Issue: 416M
Market Cap: A\$46M
Cash: A\$6.8M (31 Dec 2022)

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Kingston Managing Director, Andrew Corbett, said: *“Kingston ended 2022 strongly with an exceptional December Quarter that saw the Company deliver record gold production at Mineral Hill. In addition, the team announced significant increases in Mineral Resources at SOZ, and continued progress towards establishing a robust life of mine plan at Mineral Hill.*

“The funding from the NSW Government is recognition of our ongoing efforts at Mineral Hill to re-establish conventional open pit and underground mining operations.

“The Mineral Hill team continues to advance Resource and Reserve updates, mine designs, and plant engineering work at Mineral Hill. We have identified highly prospective and advanced exploration targets that have significant expansion potential for the project. We look forward to testing these targets this calendar year.

“Finally, the Board continues to advance the Company’s interest in Misima by identifying and evaluating potential strategic transactions relating to the long-term value opportunity at Misima.

“We look forward to another successful quarter ahead as we continue to rapidly advance both our Misima and Mineral Hill Projects.”

Mineral Hill

Kingston has made significant progress during the quarter on ramping up tailings re-processing and advancing studies on conventional mining re-establishment.

Operations

During the quarter, the Company continued work on re-establishing and expanding mine production at the Mineral Hill Gold & Copper Mine, NSW. The Board and management are confident that there is already a strong core of existing mineral inventory within the tenure that can elevate Kingston to become a significant polymetallic producer in NSW. Mineral Hill has enormous potential both locally and regionally to grow organically and through acquisition to support a long-life mining and processing operation.

Mineral Resources at SOZ increased significantly to **3.8Mt @ 1.29g/t Au, 19.2g/t Ag, 0.9% Cu, 1.6% Pb and 1.4% Zn**. 51% of the 3.8Mt resource is in the Inferred category with the remaining 49% in the Measured and Indicated categories. Total tonnage has increased 114%, while contained gold and copper have increased 54% and 64% respectively.¹

Key updates from the previous estimate include a considerably better understanding of the geological controls, refined geology interpretations and the use of a \$50/t net smelter return reporting cut-off. Importantly, the new Mineral Resource Estimate (MRE) will assist in identifying additional targets for potential resource expansion, as well as optimising the underground production schedule as part of Kingston’s overall life of mine plan, which is currently being developed. See ASX Announcement on 24 November for further details on the MRE.

Substantial underground development already exists at SOZ, one of the advantages in bringing a brownfields operation back into production.

¹ See KSN Announcement of 24 November 2022 for full Mineral Resource Estimate: [Significant Increase in Mineral Resources at SOZ, Mineral Hill](#)

Resource and Reserve updates are being finalised for Pearse and are expected in Q1 CY2023. With the SOZ MRE complete, Reserve work will also be delivered in the coming quarter, allowing for detailed LOM planning for hard rock mining at Mineral Hill.

Jack's Hut (figure 1) represents another resource development opportunity within the mining lease and work will be undertaken in the third quarter to update the MRE. The deposit was mined underground between 1993 and 1999, producing 705,067 tonnes of ore at 0.74% Cu & 6.76g/t Au for 11,913t of copper and 80,256 oz of gold sold.

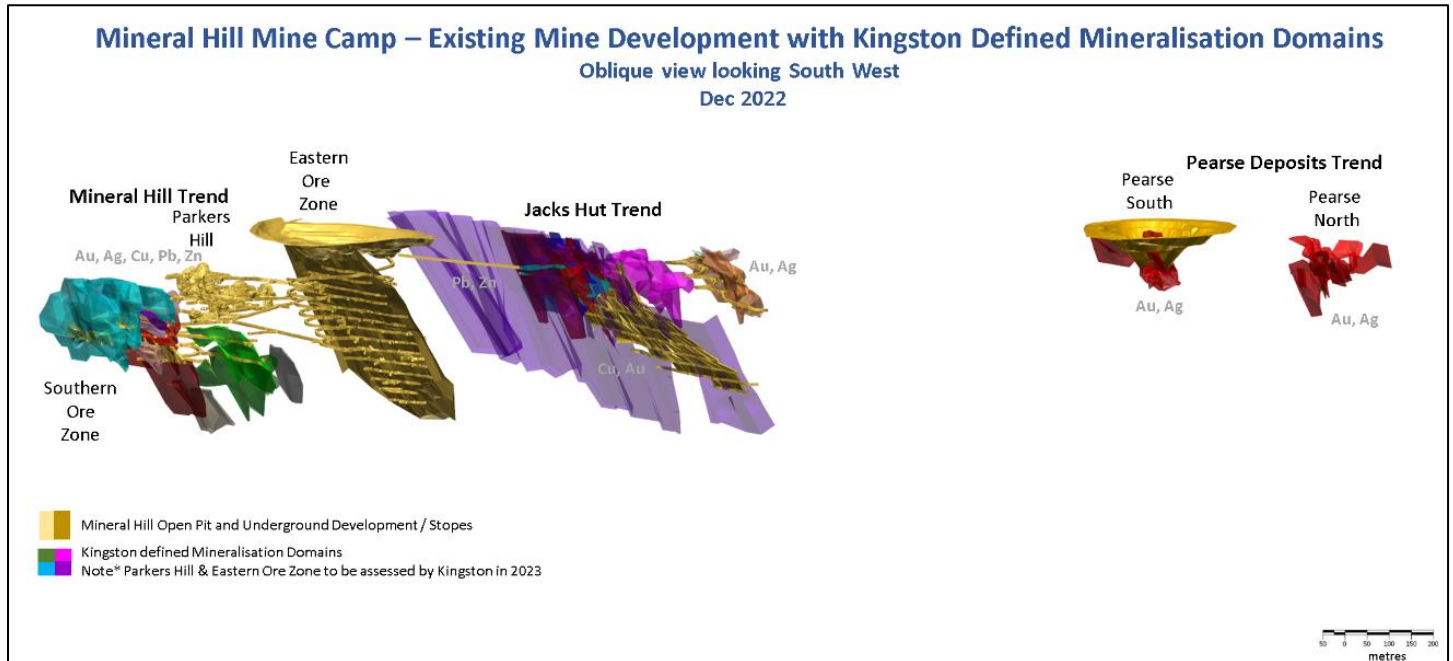


Figure 1 Isometric view to Southwest of existing open pit and underground access infrastructure and updated geology domain models.

Exploration

Kingston holds two exploration licences, which surround the mining tenements (EL8334 & EL1999). The 350km² of tenure is highly prospective for low to intermediate sulphidation epithermal (polymetallic) Cu-Au-Pb-Zn-Ag, Cobar Pb-Zn-Ag, Cobar Cu-Au and Orogenic Cu-Ag-Au style mineralisation. The exploration team has been firming up geological models and target ranking. An Induced Polarisation program has been designed and planned along strike from the Mineral Hill deposits, and field exploration is scheduled for Q1-2 CY23.

TSF Project – Record Gold Production

Kingston announced record gold production in October and December from the TSF re-processing operation. October reached a record of 1,332 ounces and then this was broken by a record in December of 1,347oz produced. Among this news, the Mineral Hill team delivered the 10,000th ounce from the project, representing a significant milestone for the Company.

High production throughput (690ktpa annualised), elevated processing recoveries and sustained grades contributed to the strong October and December production results. November's results were hindered by severe weather and regional flooding. Cost management has been another highlight during the quarter, with all-in-sustaining costs (AISC) kept at \$1,719/oz in October and \$1,607/oz in December.



Figure 2 – Gold bar containing 10,000th ounce of gold produced from the TSF Project

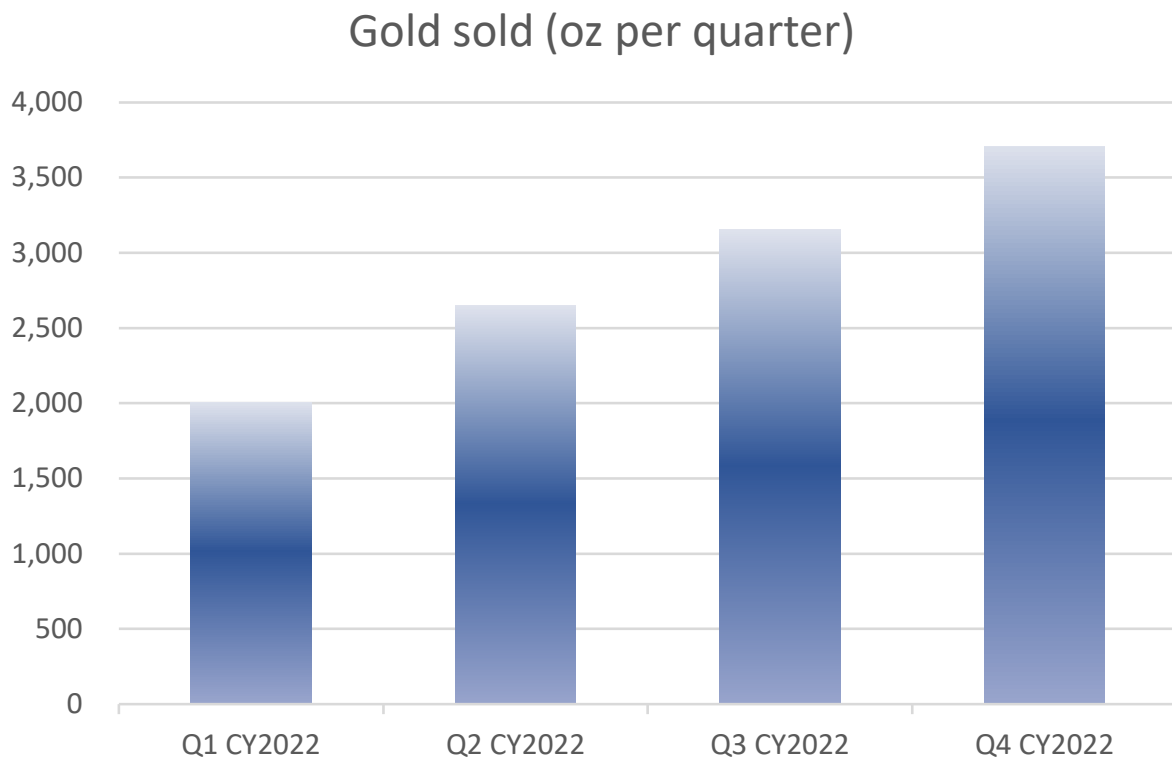


Figure 3 – Quarterly gold sales from the Mineral Hill TSF Project.

The reconciliation of processing feed to the TSF Mineral Resource Estimate has demonstrated extremely high accuracy to the geological modelling. To the end of November, tonnage, grade and gold ounces have reconciled to within 2%, 1% and 1% respectively. This provides significant assurance on the quality of the technical work that has formed the basis for the Company's production schedules at Mineral Hill.

Table 1: December quarter production summary.

	December quarter	September Quarter
Tonnes mined & processed	158,897 t	168,365 t
Average feed grade	1.24 g/t Au	1.14 g/t Au
Gold Sales	3,705 Oz	3,153 Oz
Silver Sales	2,767 Oz	1,708 Oz
Gold Production	3,642 Oz	3,359 Oz
AISC	A\$1,770 /oz	A\$2,079 /oz

Misima Gold Project

Upon the conclusion of the Misima Gold Project Definitive Feasibility Study (DFS), Kingston commenced a strategic review to assess a range of funding and strategic options for the Project. The review is ongoing, being conducted in parallel with finalisation of Mining Licence and Environmental and Social Impact Assessment work programs.

ESIA work programs and Community Engagement continued to progress during the quarter.

Corporate

The Company ended the quarter with \$6.8 million in unrestricted cash and a further \$5.6 million in restricted cash (environmental bonds).

Gross revenue received totalled \$10.0 million from metal sales during the quarter. The total operating cost for the quarter was \$8.1 million comprised of \$5.5 million in production cost, \$1.8 million in staff cost, \$736,000 in administration and corporate cost, and net interest payment of \$130,000 resulting in a net positive operating cash outflow of \$1.8 million.

Exploration and development totalled \$1.5 million. During the quarter, the Company made payments totalling \$145,000 to associates or related parties reflecting fees, wages, and superannuation paid to Directors.

The Company received a cash inflow of \$1.5 million being the fixed milestone payment from the Livingstone Gold Project transaction. This marked 12 months post-completion of the transaction with Metal Bank Limited (ASX: MBK). Kingston was awarded \$500,000 in funding from the NSW Government, as previously mentioned and these funds will be received during the third quarter FY23 onwards.

Kingston's Managing Director, Andrew Corbett, participated in two investor conferences during the quarter, including the IMARC conference in Sydney and the Noosa Mining conference in Queensland.

Ms Robyn Slaughter from Automic Group was appointed as Company Secretary, effective in November 2022. Ms Slaughter is a qualified Governance Professional (CGI) and Affiliate of the Governance Institute of Australia (GIA), who holds a Masters degree in Corporate Governance and a Bachelors degree in Accounting and Finance.

Table 2: 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 the 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	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 Au)	Silver Grade (g/t Ag)	Cu %	Pb %	Zn %	Au (koz)	Ag (koz)	Cu (kt)	Pb (kt)	Zn (kt)
Measured	434	3.03	57	1.3%	0.5%	0.3%	42	795	3	1.2	0.7
Indicated	4,792	0.89	24	1.1%	2.0%	1.2%	137	3,679	39	67	40
Inferred	2,031	1.19	20	0.7%	1.6%	1.5%	77	1,322	15	31	30
Total	7,257	1.10	30	1.0%	1.8%	1.3%	257	5,797	57	100	71
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	1,378	1.51	7.1				67	315			
Total	1,433	1.54	7.5				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 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.