

Ramp-up of Gold Production at Mineral Hill

Positive cash-flow anticipated for March

- Following the completion of the Mineral Hill Mine acquisition on 17 January 2022, the Mineral Hill team has delivered a successful ramp-up of production from the gold tailings operation.
- Mining and processing rates have increased to 700,000 tonnes per annum,
- The Resource in the Tailings Storage Facility (TSF) is reconciling well with positive variances on both tonnes and grade
- For the month of March to date, gold recoveries are at 87% of target, and are expected to continue to improve over the next quarter as production progresses deeper into the TSF.
- The TSF Project is on track to deliver positive cash-flow for March.
- Initial results from the ongoing Mineral Hill exploration program expected to be reported shortly.

Kingston Resources Limited (ASX: **KSN**) (**Kingston or the Company**) is pleased to advise that the ramp-up of production from the gold tailings operation at the Mineral Hill Mine (Mineral Hill), located approximately 60km from Condobolin in NSW, is progressing well following completion of the acquisition in January.

The ramp-up of gold production from the TSF (Tailings Storage Facility) processing operation at Mineral Hill is expected to deliver positive cash-flow in March, with the key drivers for this including:

- The successful ramp-up in the processing rate to 700,000 tonnes per annum in line with the feasibility design;
- The mined material is reconciling well against the resource block model with positive 1% variance on tonnes and a positive 3% variance on grade for the areas mined-to-date; and
- Gold recoveries reaching 87% of target design.

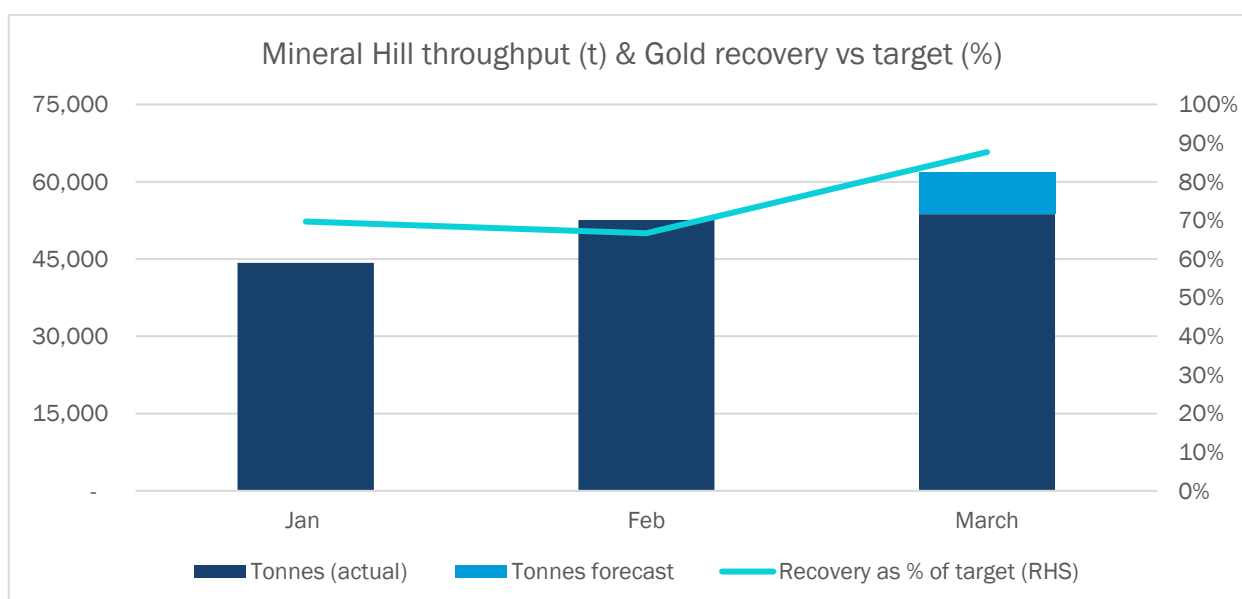


Figure 1: January to March throughput and recovery



ASX: KSN
Shares on Issue: 412M
Market Cap: A\$66M
Cash: A\$19.8M (31 Dec 2021)

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As shown in Figure 1, recoveries through January and February were impacted by processing the oxidised tailings on the surface of the TSF. As mining progresses deeper into the TSF, metallurgical testwork and results achieved to date indicate that recoveries are expected to improve further over the next quarter.



There have been 26 gold pours at Mineral Hill since Kingston acquired the operation. The gold-silver doré bars are sent to Sydney for refining into pure gold and silver which is sold producing cash for Kingston. Geoff Merrell, Mineral Hill General Manager, is pictured with Mineral Hill bar 55.

Commenting on the Mineral Hill production, Kingston Managing Director Andrew Corbett said:

"I would like to thank the entire Mineral Hill team for a successful transition to Kingston ownership. The focus on site to deliver safe and efficient production has been outstanding. While there have been several weather events and a number of COVID-related staff disruptions, the team has delivered a great result through to March. I would like to acknowledge our site General Manager, Geoff Merrell, for his focus on ensuring the Kingston values are being embraced as we ramp up production."

"During February we saw the results of several steps taken to ensure that throughput increased to targeted rates, and in March we are seeing an increase in recoveries associated with processing ore from deeper in the tailings facility. During the June quarter we expect to maintain current throughput rates, while recoveries are expected to continue to climb as we move away from the oxide layer on the surface of the TSF."

"We look forward to providing a full Mineral Hill update in our March Quarterly report. Ahead of that, we anticipate being able to update the market shortly with initial results from the ongoing Mineral Hill exploration program. The current exploration program is aimed at resource development to support the restart of both open pit and underground mining at Mineral Hill. To date we have completed five diamond holes at Pearse North and four diamond holes into the SOZ A Lode."

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.