

\$13.5m Equity Raising to Accelerate Hard Rock Mining in Cobar Basin

Kingston Resources Sets the Foundation for Long-Term Critical Minerals Operation

Highlights

- **Significantly increasing payable metal production:** Kingston expects to see a 133% FY25 YOY increase in payable metal to ~7kt CuEq following the transition to open pit mining at Pearse.
- **Open pit and underground mining:** Pearse open pit mining to commence in the current quarter with underground mining and copper production in FY26.
- **Tailings Project completion:** the successful and profitable Tailings Mining Project is scheduled for completion over the next two months to enable transition to hard rock mining at Mineral Hill.
- **Recommissioning of the processing plant:** the refurbishment of the existing processing plant for concentrate production is nearing completion.
- **Funding secured to unlock the value from the Pearse open pits:** the company has secured \$8.8 million in equity commitments (comprising of \$8.1 million in the placement and \$731k from the institutional component of the entitlement offer). Funds to be used for the transition to open pit mining at Pearse, underground resource development drilling, processing plant commissioning, and general working capital.
- **Entitlement offer to be fully underwritten:** The retail component of the entitlement offer will be fully underwritten by Delphi Unternehmensberatung Akteingesellschaft, an existing major shareholder and sophisticated investor.

Kingston Resources Limited (**Company** or **KSN**) is pleased to announce that it has successfully completed a fully subscribed placement of 124.5 million (M) shares at a price of \$0.065 per share (Placement) to institutional and sophisticated investors, raising proceeds of \$8.1M. Additionally, the company will offer existing shareholders the opportunity to participate in an Accelerated Non-Renounceable Entitlements Offer ("ANREO") on the basis of 1 New Share for every 6 Kingston shares (issuing up to 82,993,639 New Shares), raising proceeds of \$5.4M.

The Company has received strong support from two existing substantial shareholders with participation in both the Placement and the institutional component of the ANREO offer.

The retail component of the ANREO offer will be fully underwritten by Delphi Unternehmensberatung Akteingesellschaft, an existing major shareholder and sophisticated investor. Underwriting the Entitlement Offer is subject to finalising of the Underwriting Agreement and final approval by the Supervisory Board of Deutsche Balaton and the Board of Kingston Resources.

Proceeds raised through the Placement and ANREO will be used to transition the company to open pit mining at Pearse, underground resource development drilling, commissioning of the Mineral Hill processing plant for concentrate production, and to provide general working capital for Kingston.

Commencement of open-pit mining at Pearse is a game-changer for Kingston. We expect these high margin, very profitable operations to deliver a substantial 133% increase in payable metal in FY25. Work has already begun on re-optimising both pits using the latest spot metal pricing, ensuring we maximise the value we extract from this valuable resource. The projects are highly leveraged to the gold price and we expect them to make a significant impact on our financial position.



ASX: KSN
Shares on Issue: 498M
Market Cap: A\$44.8M
Cash: A\$3.3M (28 March 2024)

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Kingston Managing Director and CEO, Andrew Corbett, said:

“We are immensely grateful for the support we have received from both new and existing shareholders. Their confidence is a validation of our work as we move forward with our plans to significantly increase production with Pearse. There is currently a lot of activity in the Cobar region and Kingston is in an excellent strategic position with an operating processing plant and outstanding exploration upside potential.

The Tailings Project has been a highly successful operation for the company and the entire team should be very proud of what has been delivered. Shortly after Kingston acquired the project in January 2022, the site team made operational improvements such as increasing the throughput rate and managing feed densities to maximise monthly gold production. Operating cash flow from the project has reached \$24m as of 31 December 2023. The focus at Mineral Hill team will now shift to extracting the remaining high-grade tailings inventory and making the final preparations on the transition to open pit mining. Production during the March quarter is expected to be around 3000oz with strong performance during January and March, after lower grades and recoveries were experienced in February.

We remain focused on our company strategy to self-manage and self-perform all aspects of the operation at Mineral Hill. This includes transitioning our current mining team from the Tailings Project over Pearse open pits, ensuring we maximise the operating margin for Kingston shareholders. This approach has also been used with the process plant refurbishment. By managing this work program in-house and using our highly capable site team we have managed to refurbish the processing plant on budget and at a leading low capital intensity.”

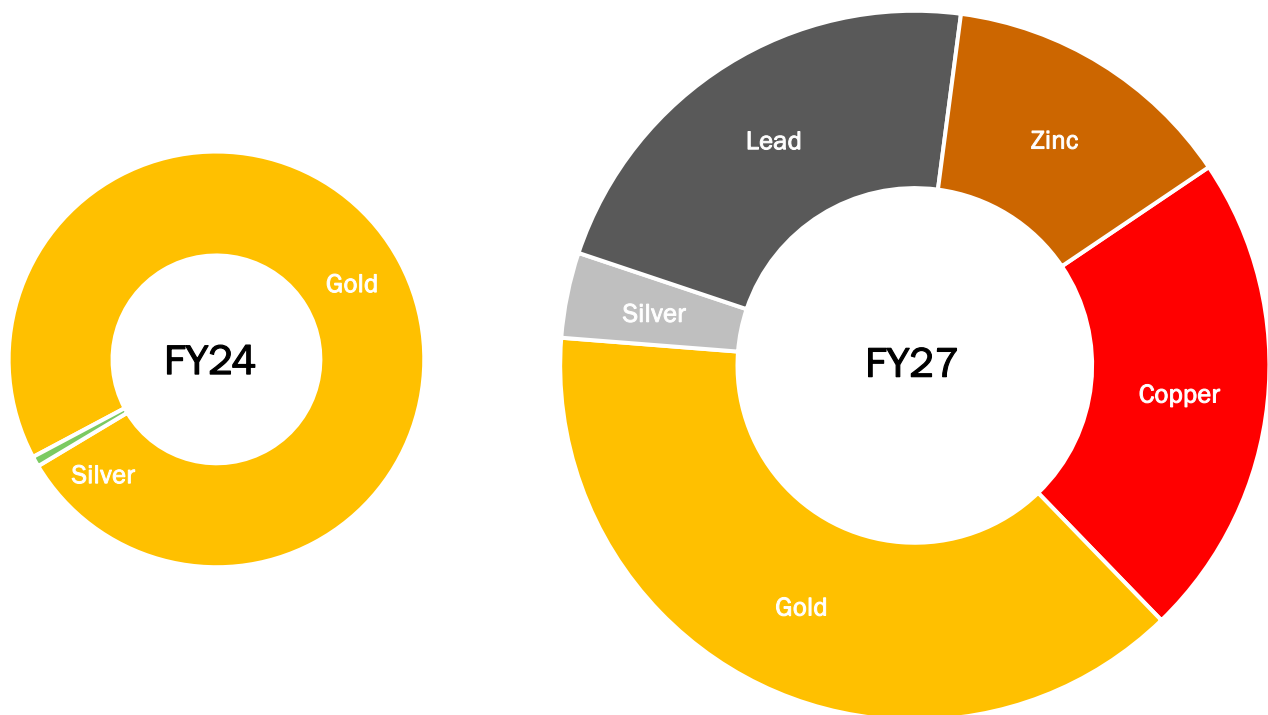


Figure 1: Proportion of forecast payable metal in FY24 and FY27.

Transition to high grade open pit mining

Mining at Pearse will consist of a new pit at Pearse North and a cutback and deepening of Pearse South. 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)¹. Mining is scheduled to commence in June 2024 and will be completed over an 11-month period. The in-house mining capability developed during the Tailings Project is to be retained and redeployed to open pit and underground mining. Kingston has prioritised the development of local talent in the Condobolin region. The challenges of preserving operating margin in the current environment will be addressed with an owner mining mentality and innovative best practices.

The combination of high gold grades and recent strength in spot gold prices (c. A\$3,200/oz) present the potential for significant upside in operating cash flow from Pearse. These high-grade gold pits have the potential to materially transform the balance sheet and set the company up for long term success with underground mining at Mineral Hill.



Figure 2: Open pit mine designs for Pearse North and South.

- ¹ See ASX Announcement dated 27 June 2023, \$6.5m Capital Raising or Mineral Hill Production Expansion for key assumptions.

Low capital intensity plant refurbishment

The Mineral Hill processing plant is one of two operating plants in the Cobar region capable of producing multiple concentrates and precious metal dore. The refurbishment budget is at a very low capital intensity, with a budget of \$12.5m (\$7.5m spent) and forecast copper equivalent output of approximately 7kt in FY25. The company remains strategically well placed to participate in any regional consolidation opportunities. Crushing and grinding of open pit oxide ore from the Pearse pits is scheduled to commence in Q2 2024.



Figure 3: Fine ore bin refurbishment and improvement.

The Tailings Project has been utilising the CIL circuit at a feed rate of up to 700ktpa, producing high margin dore for sale. The refurbishment of the plant is in the final stages and has the purpose of reinstating crushing, grinding and flotation circuits ("comminution circuit") to process open pit and underground ore. High level internal work is looking at the potential of increasing the feed capacity of the comminution circuit from 350ktpa to 700ktpa, one way of expanding annual cash flow further.



Figure 4: Mineral deposit and processing plant regional map.

Mineral Hill resource growth strategy

Kingston has identified numerous targets for growing the Mineral Resources and Ore Reserves within the mining lease. Over a 2.5km trend, Mineral Hill is a prolific system of mineral deposits with extensive growth potential in gold, copper and polymetallic resources. The company recently announced a near mine discovery of a new footwall lode in the Southern Ore Zone, which has shed new light on the possibilities of additional ore bodies being discovered and a lengthy extension to the life of mine inventory. The existing underground development in place at Mineral Hill provides material advantage and allows new discoveries to be accelerated into the mine plan.

Deposit	Status	Resource Development Strategy
Southern Ore Zone (SOZ)	JORC Resource	<ul style="list-style-type: none"> Update the Mineral Resource Estimate (MRE) with recent infill and extension drill hole data. Underground drilling of G and H Lodes to be extended along strike and at depth. Extend the resource to the north. Multiple intersections already identified and mineralisation remains completely open. Underground drill out of the new footwall lode intersected in KSNDH017-019 Extensions along strike to the south and at depth.
Jack's Hut	JORC Resource	<ul style="list-style-type: none"> Extensions at depth to the north and south
Parker's Hill	JORC Resource	<ul style="list-style-type: none"> MRE update with potential for extensions Linked to new MRE for the adjacent Red Terror deposit.
Eastern Ore Zone (EOZ)	Potential Resource	<ul style="list-style-type: none"> High grade gold targets along strike from existing development (see announcement on 12 December 2023, Mineral Hill Results 3m @ 25.94g/t)
Red Terror	Potential Resource	<ul style="list-style-type: none"> Initial MRE with Parker's Hill MRE update
GD140	Potential Resource	<ul style="list-style-type: none"> Geology and MRE update. High grade copper-gold zone.

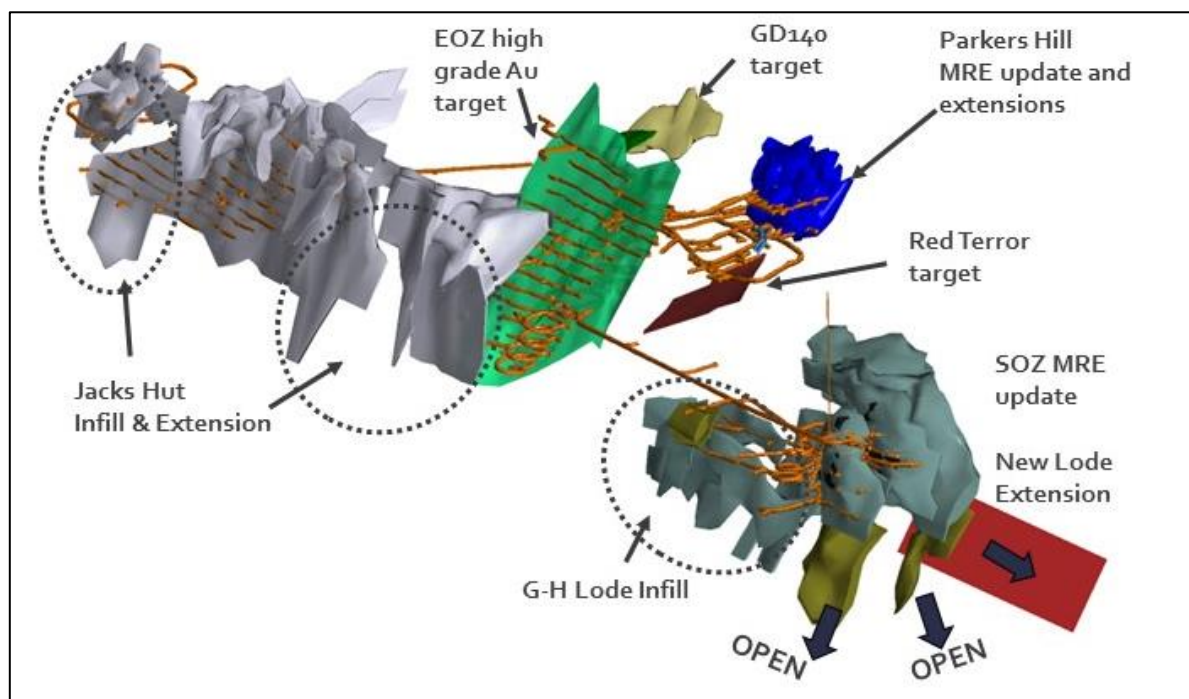


Figure 5: Mineral Hill near mine resource growth opportunities.

Restructuring of Deferred Payments for Mineral Hill

Alongside the equity capital raising, under the Mineral Hill Share Sale Agreement, a final milestone payment of c.US\$2.85 million is payable to Quintana on reaching 30,000oz of gold sales. Kingston and Quintana are in the process of negotiating a modification to the final deferred payment for the acquisition of Mineral Hill to replace this payment to US\$285,000 in consideration for a 1.25% LOM Net Smelter Royalty (NSR), with Kingston has an option to buy back 50% of this agreed NSR within three years.

Placement and Entitlement Offer

Kingston is pleased to advise that it has completed a bookbuild for an A\$8.1 million institutional placement ("Placement"). Additionally, the Company intends to offer existing shareholders the opportunity to participate in a A\$5.4 million ANREO.

Placement

The Placement will consist of:

- The issue of up to 124,490,458 shares at A\$0.065 per share ("**Offer Price**") to raise A\$8.1 million, utilising the Company's existing placement capacity under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A;
- New Shares will be issued at \$0.065 per share, which represents a discount of:
 - 27.8% to the last closing price of A\$0.09 per share on 26 March 2024.
 - 25.2% discount to the 5-day volume weighted average price ("VWAP") of A\$0.087 as at 26 March 2024.
 - 24.3% discount to the 10-day VWAP of A\$0.086 as at 26 March 2024.

Blue Ocean Equities Pty Ltd and Wilsons Corporate Finance Limited are acting as Joint Lead Managers and Bookrunners to the Placement and ANREO.

Entitlement Offer

Kingston is also pleased to offer existing eligible shareholders the opportunity to acquire New Shares through an Accelerated Non-Renounceable Entitlements Offer ("ANREO") of 1 Share for every 6 Shares held by eligible shareholders on the **Record Date** (Wednesday, 3 April 2024) at the same issue price of \$0.065 per New Share to raise up to approximately \$5.4 million (before costs) (**ANREO Offer**). A total of 82.99 million New Shares will be issued under the ANREO offer. The Company has received commitments for 11.2 million New Shares from two of the top shareholders under the institutional component of the ANREO offer.

The placement offer and the institutional component of the ANREO offer is expected to be issued on Monday 8 April 2024.

Oversubscription Facility: Eligible shareholders that take up their entitlements in full may also apply for additional New Shares in excess of their pro-rata entitlement, subject to any scale back as determined by Kingston.

Underwriting: The retail component to the Entitlement offer totalling to 71.7M is expected to be fully underwritten by Delphi Unternehmensberatung Akteingesellschaft, an existing major shareholder and sophisticated investor.

Key Terms

Eligible shareholders are offered the opportunity to subscribe for 1 New Share for every 6 Shares held at the record date (see the indicative timetable) at the Issue Price of \$0.065 per New Share. The Entitlement Offer is non-renounceable which means that the Rights do not trade on ASX, nor can they be sold, transferred or otherwise disposed of.

Participation in Entitlement Offer is entirely optional and will be open to all shareholders who have registered addresses in Australia, New Zealand, USA, Hong Kong and Germany (**Eligible Shareholders**). The complete terms and conditions of the Entitlement Offer will be distributed to eligible shareholders in the Offer Booklet according to the indicative timetable and full details are also available on the company's website and via ASX announcements.

Indicative Entitlement Offer Timetable

Event	Indicative Date 2024
Trading halt	Wednesday 27 March 2024
<ul style="list-style-type: none"> Announcement of Equity Raising Institutional Entitlement Offer Opens 	Thursday 28 March 2024
Institutional Entitlement Offer closes	Thursday 28 March 2024
<ul style="list-style-type: none"> Announcement of results of Institutional Entitlement Offer. Trading halt lifted 	Tuesday 2 April 2024
Record date for Retail Entitlement Offer	7:00 pm (Sydney time) Wednesday 3 April 2024
<ul style="list-style-type: none"> Retail entitlement offer booklet despatched Retail entitlement offer opens 	Monday 8 April 2024
Issue of New Shares under Institutional Entitlement Offer	Monday 8 April 2024
Retail offer closes at 5pm	5:00 pm (Sydney time) Wednesday 8 May 2024
<ul style="list-style-type: none"> Issue of New Shares under Retail Entitlement Offer Despatch of holding statements under Retail Entitlement Offer 	Wednesday, 15 May 2024

**The timetable above is indicative only and may be subject to change. The commencement of trading of new shares is subject to confirmation from the ASX. The last day for extension of the closing date is Friday, 3 May 2024. An extension of the closing Date will delay the anticipated date for issue of the New Shares. The Company also reserves the right not to proceed with the whole or part of the entitlement Offer any time prior to the issue of the New Shares. In that event, the relevant application Monies (without interest) will be returned in full to the Applicants*

Copies of the Offer Booklet and entitlement forms will be mailed to all eligible shareholders in accordance with the above timetable. For enquiries in regard to individual shareholdings please contact Automic.

Sources and Uses of Funds

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

Sources of Funds (excl. Op. Cash Flow from Pearse)	A\$m
Equity raising proceeds	~\$13.5
Cash as at 28 Mar 2024	\$3.3
Total Sources of Funds (excl. Op. Cash Flow from Pearse)	~\$16.8
Uses of Funds	A\$m
Underground resource development drilling	\$2.0
Pearse open pit waste stripping	\$5.0
Processing plant commissioning	\$5.0
Working capital	\$4.8
Total Uses of Funds	~\$16.8m

METAL EQUIVALENTS

This announcement quotes metal equivalent grades for significant mineralised intercepts. The process of selecting significant intercepts involves a first pass of calculating In-Situ Copper Equivalent (CuEqIS) by applying factors based on relative metal pricing. The first pass does not include metallurgical recovery. Drill hole intervals are reported as continuous zones at CuEqIS cut off grade of greater than 0.5% and 1.0%, with 2 metres maximum internal waste and minimum interval of 0.3mdh.

Price assumptions used are based primarily on consensus forecasts with adjustments based on company expectations. Upon deriving the significant intercepts with CuEqIS, metallurgical recovery is applied to derive copper equivalent (CuEq) factors for reporting. These 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.

$$\text{CuEq (\%)} = (\text{Cu} \times 0.810) + (\text{Au} \times 0.480) + (\text{Ag} \times 0.005) + (\text{Pb} \times 0.178) + (\text{Zn} \times 0.205)$$

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 and is currently reinstating the flotation circuit to produce gold, copper, lead and zinc concentrates as well as gold/silver dore.

Commodity	Unit	Price
Gold	US\$/oz	1,933
Silver	US\$/oz	24
Copper	US\$/lb	4.46
Lead	US\$/lb	1.00
Zinc	US\$/lb	1.52
USD:AUD		0.63

Commodity	Recovery (%)	CuEq Factor
Gold	76	0.480
Silver	64	0.005
Copper	81	0.810
Lead	79	0.178
Zinc	60	0.205

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.

