

ASX Announcement

30 April 2019

ASX Code: KSN

Share Price: A\$0.018

Shares Outstanding: 1,223,198,383

Market Capitalisation: A\$22m

Cash: A\$1.9m (31 March 2019)

Quarterly Activities Report

For the quarter ending 31 March 2019

Highlights

- **Drilling commenced at new regional targets at Misima**
- **Umuna drilling results returned 56m @ 1.01g/t Au, 7.1g/t Ag,**
- **Large stockpile of unprocessed gold confirmed via LiDAR data**
- **Interest in the Misima Gold Project to lift to approximately 75%**

Board and Management

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Chairman

Andrew Corbett

Managing Director

Mick Wilkes

Non-Executive Director

Andrew Paterson

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Kingston Resources Limited (**Kingston** or the **Company**) is pleased to provide an update on its activities for the quarter ending 31 March 2019. Exploration work continues at Misima:

- After commencing drilling at the Ginamwamwa prospect in December 2018 ten holes have been completed in a first-pass program to the end of March.
- Drilling is now underway at the Ewatinona area of Quartz Mountain. Ewatinona was historically mined by Placer and currently contains a 200,000oz Au resource.
- Consultant Dr Greg Cameron concluded a follow-up structural review of Kingston's diamond drilling, building on his earlier analysis from 2018. This has confirmed Kingston's Ara Creek target at Misima North as a high-priority structural setting with clear parallels to the central Umuna area which currently hosts a 2.6Moz resource.
- Consulting Geologist Glenn Whalan completed a review of historic geochemical data on Misima, looking at chemical pathfinders for gold. In addition to validating Kingston's current prospects, Glenn has identified a linear anomaly west of and parallel to Umuna over a 2km strike length. This area is referred to as the Waipuna Lineament, and it will be tested by additional field exploration in the June quarter.
- Mr Stuart Hayward was appointed as Exploration Manager and commenced at Misima during the second week of April.
- During the quarter, work on the results from the LiDAR (Light Detection and Ranging) survey confirmed the location of a large stockpile of mineralised material left in place at the Cooktown Dump, a large area adjacent to the Tonowak Pit.
- KSN estimates its expenditure through to 31 March 2019 will see its interest in the Misima Gold Project move to approximately 75%.

Kingston Resources Limited Managing Director, Andrew Corbett said: *"It is a very exciting time for Kingston on the ground at Misima. Through our structural and geochemical work alongside the development of an updated geological model we have identified a number of key targets outside the existing resource that have been historically under-explored. With the gold price significantly higher now than when Misima was in operation, these targets are exciting opportunities for Kingston. The potential for additional near surface ounces is outstanding."*

Exploration Update

	Diamond Drilling		Air-core Drilling		Geochem Samples	
	Holes	Metres	Holes	Metres	Trench	Auger/Soil
Misima	9	1,425.0			304	604
Livingstone	0	0	0	0	0	0

Misima Gold Project

Drilling was mainly focused on the Ginamwamwa prospect during the quarter, with the rig moving to Ewatinona in the final week of March. The diamond rig performed consistently well throughout the quarter.

Assay results from another five diamond holes drilled into the main Umuna Lode were announced during the quarter¹. These results are subsequent to the intersection of 40m @ 3.17g/t Au in hole GDD013 announced in November 2018². Highlights from the drilling include:

- **56m @ 1.01g/t Au, 7.1g/t Ag** from 110m in GDD014, including 4m @ 4.81g/t Au and 17.9g/t Ag from 158m;
- 10m @ 1.25g/t Au, 1.4g/t Ag from 92m in GDD015; and
- 10m @ 1.76g/t Au, 1.5g/t Ag from 151m in GDD016.

At Ginamwamwa the first-pass holes were designed to intersect specific mapped structures or anomalous zones in a number of areas across the Ginamwamwa prospect with the aim of identifying near-surface mineralisation, with one hole (GDD023) pushed deeper to test the full thickness of Halibu Marble and identify the upper contact of the Ara Greenstone. Highlights from the drilling include³:

- 10m @ 1.20g/t Au from surface in GDD026, including 1.4m @ 4.06g/t Au from 8.6m;
- 3m @ 1.13g/t Au from surface, and 1.7m @ 1.99g/t Au from 4.3m in GDD020, separated by 1.3m of void or core loss;
- 8m @ 1.35g/t Au from 2m in GDD023;
- 2.6m @ 2.43g/t Au from 14.1m in GDD024; and
- 1m @ 6.18g/t Au from 65m in GDD027.

Field work during the quarter included completion of the trenching and auger work at Ginamwamwa in January followed by programs at Quartz Mountain and Misima North. At Quartz Mountain, field reconnaissance by Kingston geologists identified outcropping breccia zones southeast of Ewatinona which are occasionally being worked by artisanal miners, so a brief program of trenching was completed at several points along the strike of the breccia. Following that an auger program was completed over the Abi Creek area south of Ewatinona during March and into April. Assays from both programs are pending.

At Misima North, a fly camp was established in March in preparation for further work at the Kumauwe and Ginul prospects in the Ara Creek area. An auger program was completed to extend the auger anomaly to the southeast, following on from the successful auger program in that area in 2018. A small area of trenching was also completed on

¹ See ASX Announcement 18 February 2019, "Drilling confirms thick gold zones beneath old Misima pit"

² See ASX Announcement 8 November 2018, "Kingston hits 40m @3.17g/t gold at Misima"

³ See ASX Announcement 30 April 2019, "Further encouraging results at Misima"

the west side of the 2018 auger anomaly, designed to cross-cut the stratigraphic contacts in the vicinity of the Umuna Fault Zone. Assays for both programs are still pending.

The current priority at Misima North is to complete all auger work and field mapping in preparation for drilling, which will commence upon completion of the current Ewatinona program.

Two expert consultants visited Misima during the quarter to conduct technical reviews. Dr Greg Cameron was on site during February to review the drilling completed to date at Umuna and Ginamwamwa, which allowed him to fine-tune the Misima exploration targeting framework developed during his previous visit in 2017. This framework, which also builds upon earlier work completed by Placer geologists during the Umuna mining phase, confirms the importance of the contact between the Ara Greenstone and Halibu Marble with the overlying Umuna Schist, which is interpreted to have been the impermeable boundary necessary to allow sufficient pressure build-up during the epithermal event for accumulation of large volumes of mineralising fluids prior to rupture. According to this model, the Ara and Halibu units provide the chemistry and competency contrasts necessary for accumulation and deposition of mineralisation, with pre-existing antiformal structures focussing fluid pressure in specific areas prior to rupture. Wherever these conditions exist in association with steep structures acting as conduits for epithermal fluids, such as the Umuna Fault Zone, is a high-priority exploration target. This is the exact scenario at Misima North.

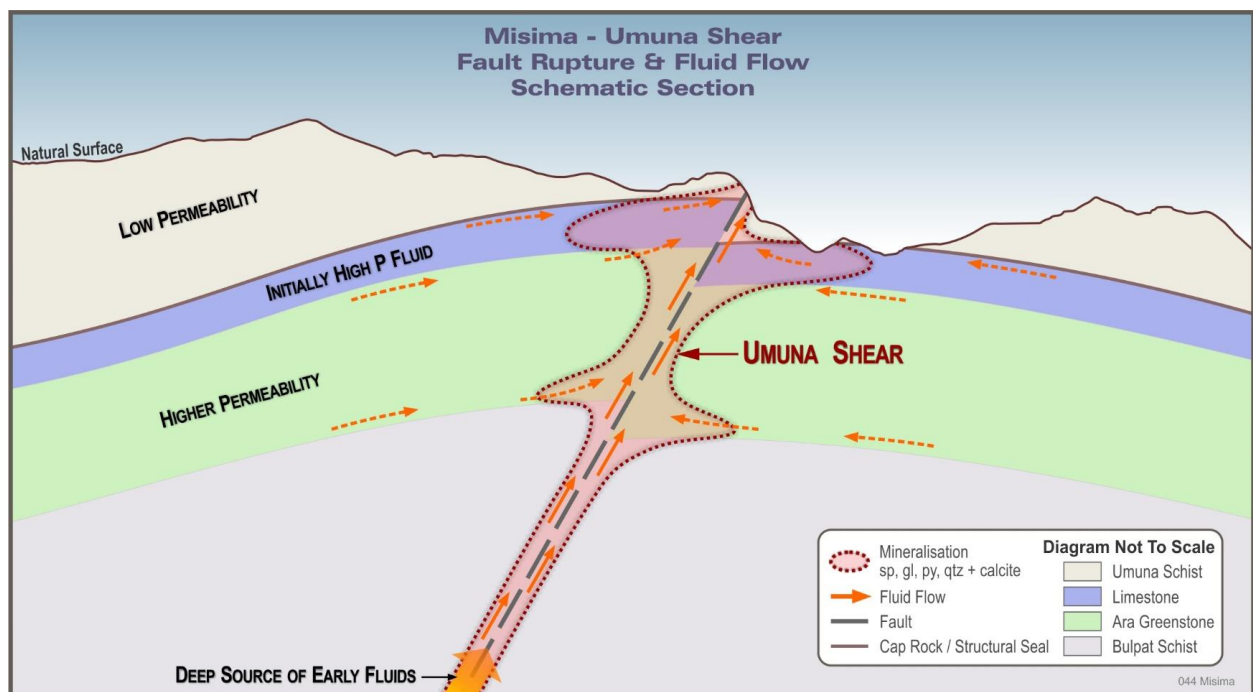


Figure 1: Misima epithermal mineralisation model

Consulting Geochemist Glenn Whalan visited Misima in January and February to review recent and historical multi-element geochemical data. During his review, Glenn completed Principal Component Analysis on available data to determine the most appropriate multi-element pathfinder associations for identifying gold anomalies, and then used these associations to validate previous and current anomalies on Misima. In doing so, he validated the current exploration priorities on which work is currently being undertaken, and also identified a number of new areas which require further work. Among these is the Waipuna Lineament, a narrow alignment of anomalous soil and trench sampling which runs for over 2km from the west side of Ginamwamwa, in a north-westerly direction sub-parallel to the

main Umuna trend. This lineament, which coincides with features apparent in the magnetic geophysics, will be tested by mapping and additional field sampling later in the year.

During the quarter, work on the results from the LiDAR survey confirmed the location of a large stockpile of material left in place at the Cooktown Dump, a large area adjacent to the Tonowak Pit, which was noted in Placer's mine closure reports as containing 3.6Mt of mineralised material at grades between 0.5 and 0.7g/t Au. After comparing the LiDAR topography to mine closure reports and site survey pick-ups taken during closure the Company has set an exploration target for the dump of 3.6Mt @ 0.5g/t to 0.7g/t Au for 58,000 to 81,000oz. Investors should be aware that the potential quantity and grade of the exploration target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource⁴.

As announced on 13 March 2019, Mr Stuart Hayward was employed by Kingston during the quarter as the Misima Exploration Manager. Stuart has extensive experience in PNG during a career spanning more than 30 years, with a particular focus on epithermal Au-Ag and porphyry Cu-Au deposits that makes him ideally suited to the role. Stuart commenced his new role in early April, where he will be working closely with Project Manager Charles Yobone to progress the Company's exploration timetable.

⁴ For further information on the Exploration Target see ASX Announcement 21 March 2019, "Historic mine stockpile confirmed at Misima"

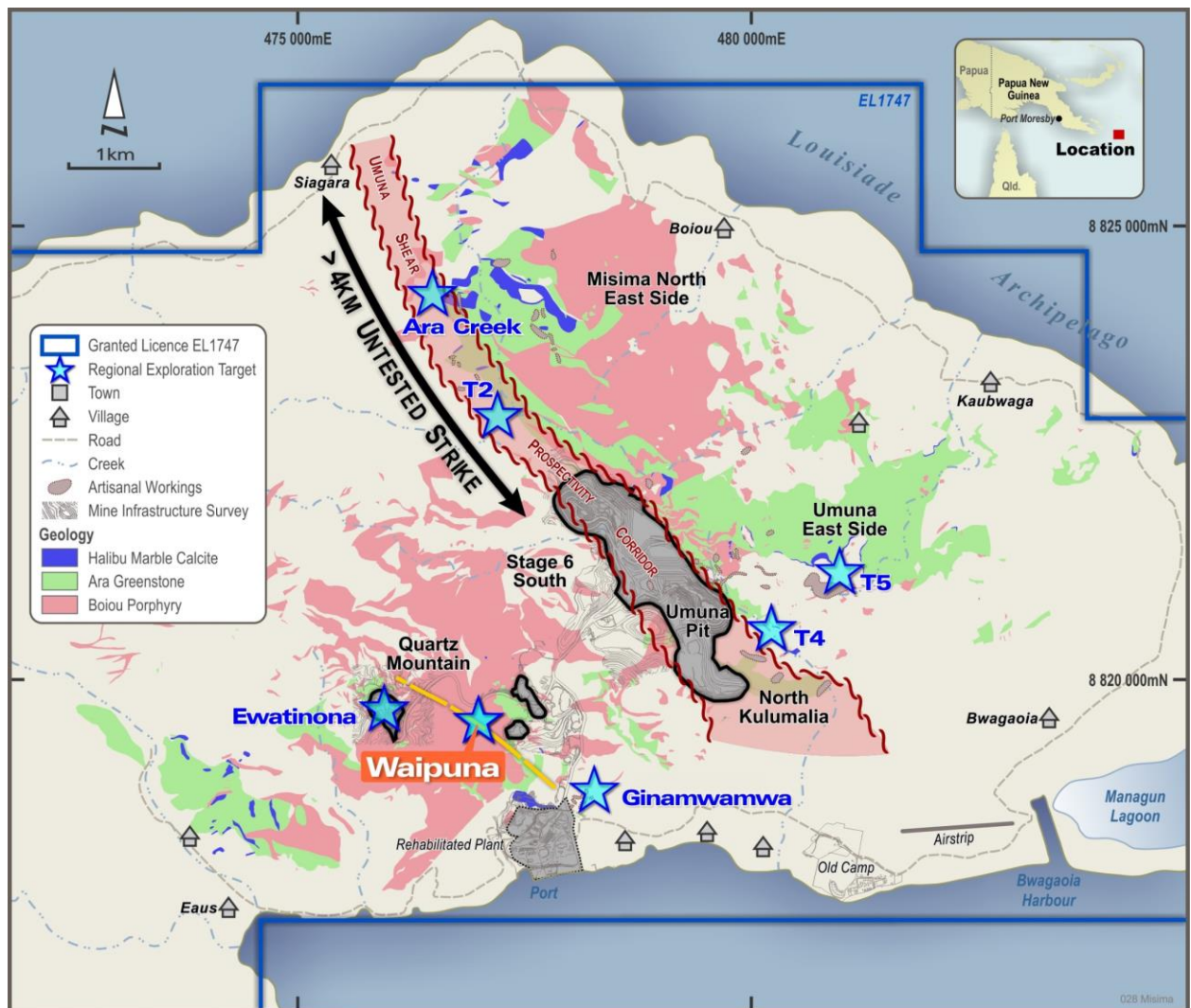


Figure 2: Misima prospect map showing the location of the Waipuna Lineament (depicted as a yellow line).

Livingstone Gold Project

There was no exploration activity at Livingstone during the quarter. Drill pads and tracks were rehabilitated over the Dampier and Drake prospects during February.

About Kingston Resources

Kingston Resources is a metals exploration company. Currently the Company's priority is the world-class Misima Gold Project in PNG, which contains a JORC resource of 2.8Moz Au, a production history of over 3.7Moz and outstanding potential for additional resource growth through exploration success. Kingston currently owns 70% of the Misima Gold Project.

In addition, Kingston owns 75% of the Livingstone Gold Project in Western Australia.



KSN project locations.

Misima Mineral Resource

The Misima mineral resource estimate shown in Table A1 below was released in an ASX announcement on 27 November 2017. The resource estimate was compiled by Mr Scott McManus, who is an independent consultant to the Company. Further information relating to the resource is included within the original announcement.

Deposit	Material	Resource Category	Cutoff (g/t Au)	Tonnes (Mt)	Gold (g/t Au)	Silver (g/t Ag)	Au Moz	Ag Moz
Umuna	Oxide	Indicated	0.5	3.2	0.9	11.7	0.1	1.2
		Inferred	0.5	5.7	1.0	13.6	0.2	2.5
	Primary	Indicated	0.5	34.0	1.1	4.2	1.2	4.6
		Inferred	0.5	32.7	1.1	4.7	1.1	5.0
	Sub-total	Indicated		37.2	1.1	4.9	1.3	5.8
		Inferred		38.4	1.0	6.1	1.3	7.5
	Total	Combined		75.7	1.1	5.5	2.6	13.3
Ewatinona (Qtz Mtn)	Oxide	Inferred	0.5	1.0	0.9	3.4	0.03	0.1
	Primary	Inferred	0.5	5.6	1.0	3.1	0.2	0.6
	Sub-total	Inferred		6.6	1.0	3.2	0.22	0.7
Misima Total		Indicated		37.2	1.1	4.9	1.3	5.8
		Inferred		45.0	1.0	5.6	1.5	8.1
Total Mineral Resource				82.3	1.1	5.3	2.8	13.9

Table A1. Misima JORC2012 mineral resource estimate summary table.

Competent Persons Statement and Disclaimer

The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Reserves is based on information compiled by Mr Andrew Paterson, who is a member of the Australian Institute of Geoscientists. Mr Paterson is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking 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" (JORC Code). Mr Paterson 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.