

ASX Announcement

10 May 2018

ASX Code: KSN

Share Price: A\$0.021

Shares Outstanding: 1,214,961,029

Market Capitalisation: A\$25.5m

Cash: A\$5.6m (31 March, 2018)

Board and Management

Anthony Wehby
Chairman

Andrew Corbett
Managing Director

Andrew Paterson
Technical Director

Stuart Rechner
Non-Executive Director

Chris Drew
Business and Commercial Manager

Contact Details

205/283 Alfred Street North,
North Sydney,
NSW 2060
+61 2 8021 7492

info@kingstonresources.com.au

www.kingstonresources.com.au

Misima Drilling Commences

Highlights

- **Major diamond drilling campaign begins at the Misima Gold Project**
- **Phase 1 to focus on resource extensions and new exploration targets**
- **KSN on track to complete earn-in to 70% during Q3 2018**

Kingston Resources Limited (Kingston or the Company) is pleased to announce that drilling has commenced at the Misima Gold Project. The major diamond drilling campaign is targeting extensions to the existing 2.8Moz gold resource and drill-testing of newly discovered exploration targets at Umuna East Side. Kingston anticipates drilling 10,000m this year. This will be the first gold exploration drilling on Misima for more than 15 years. The arrival of freight barge MV Sea Swallow at Misima in late April was an historic event welcomed by the local community.

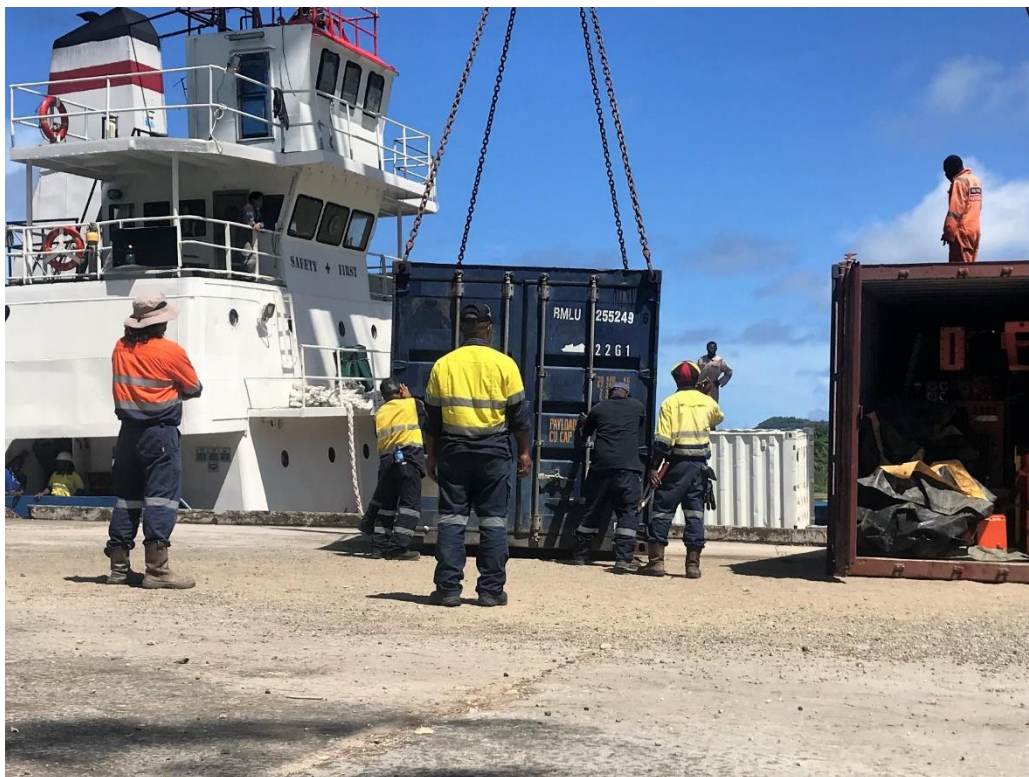
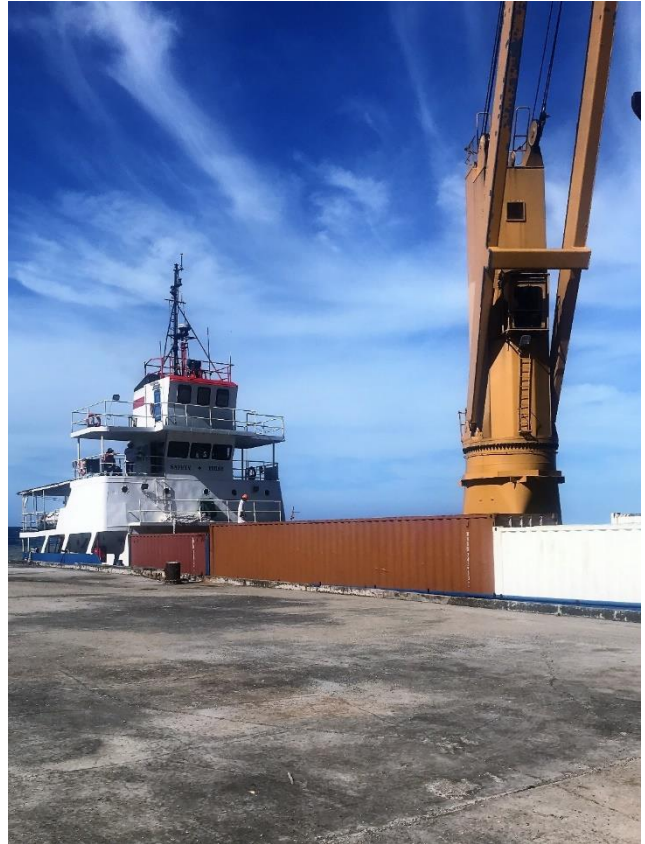


Photo: Diamond drill rig set up underway at Misima Gold Project

Kingston MD Andrew Corbett commented "We're very excited to be underway with our drilling program. To commence drilling within six months of acquiring Misima is a testament to the Kingston team and a strong demonstration of the support the operation is receiving from the local community. Kingston is thankful for the support from the Misimans who are keen to see the project advancing and have worked with the Company to get drilling started."



Photos: Site works at Misima Gold Project, preparation for phase 1 diamond drilling



Photos: MV Sea Swallow (384 MT) landing barge at Port Maika, Misima Island

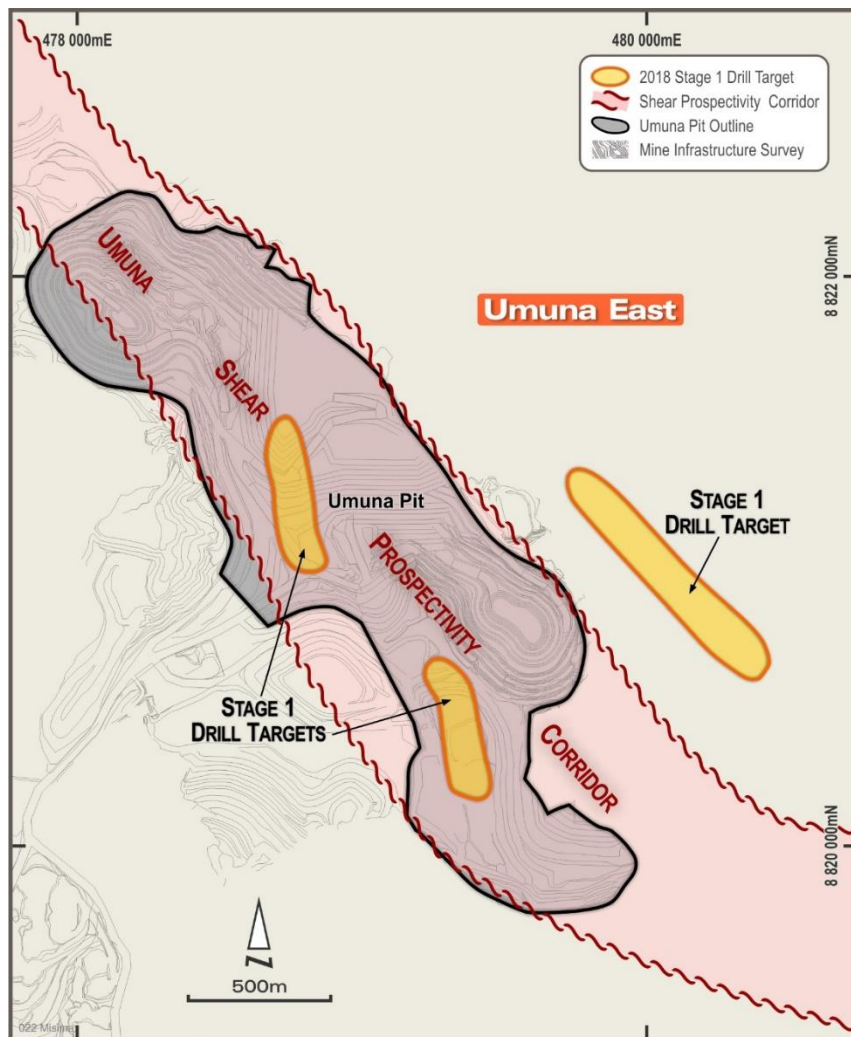


Figure 1: Stage 1 drilling targets, Umuna shear corridor and Umuna East Side prospects

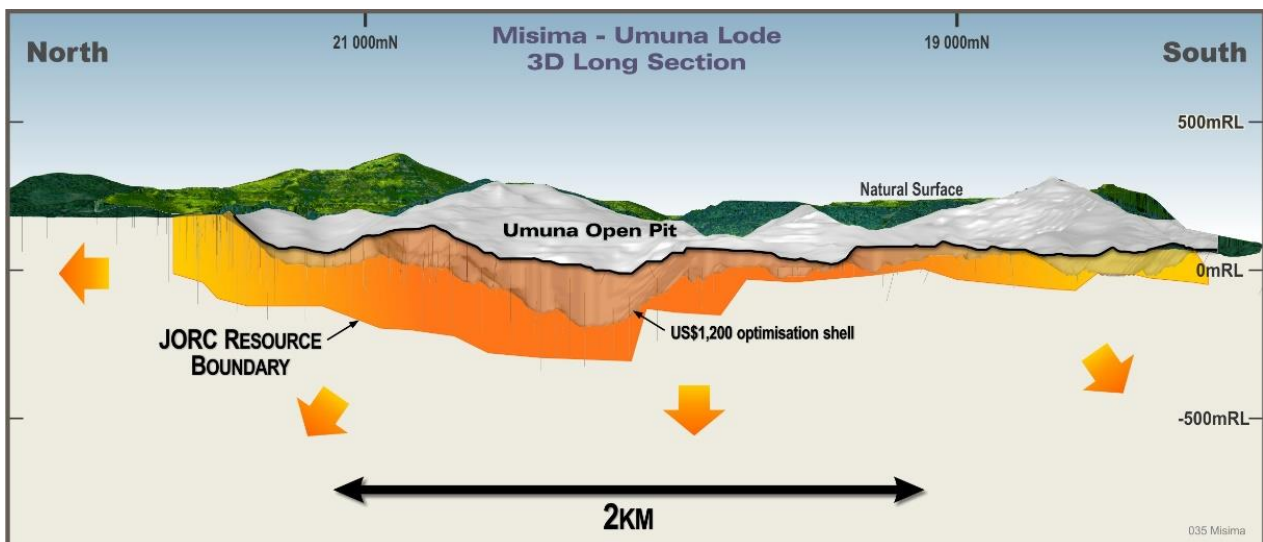


Figure 2: Umuna Long section demonstrating the resource is constrained by shallow drilling.

Competent Persons Statement

The information in this report that relates to 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.

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 49% of the Misima Gold Project and is earning in to 70%.

Kingston also holds an attractive portfolio of lithium exploration tenements covering four key project areas in the Northern Territory, where the Bynoe Project is home to some exciting new discoveries and the Arunta Project lies within a significant pegmatite field. In addition, the Livingstone Gold Project holds a 50koz resource and is the site of a number of high grade historic intersections.



KSN project locations.