



## Kingston hits 40m at 3.17 g/t gold at Misima

### ASX Announcement

8 November 2018

ASX Code: KSN

Share Price: A\$0.02

Shares Outstanding: 1,223,198,383

Market Capitalisation: A\$24.5m

Cash: A\$5.0m (30 Sept 2018)

### Board and Management

**Anthony Wehby**

*Chairman*

**Andrew Corbett**

*Managing Director*

**Mick Wilkes**

*Non-Executive Director*

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*Technical Director*

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### Highlights

- **Misima drill hole GDD013 hits 40m @ 3.17 g/t Au and 10.88 g/t Ag**
- **GDD013 potentially extends the thick, high grade Central Umuna zone by ~250m**

**Kingston Resources Limited ('Kingston' 'the Company') (ASX: KSN)** is pleased to report an outstanding assay result from drilling at the 70%-owned Misima Gold Project, PNG.

Diamond drilling continues within the Central Umuna zone targeting resource extensions to the current 2.8Moz<sup>1</sup> gold resource.

Hole GDD013 (see Figure 1/Table 1), was drilled approximately 100m below the historic pit floor. Significantly, as the hole is located ~250m north of the thick, high grade Central Umuna zone, it has potentially extended this important section of the existing resource.

Assays results from GDD013 include:

- **40m @ 3.17 g/t Au and 10.88 g/t Ag, from 234m,**
  - **including 6m @ 14.06 g/t and 13.33 Ag, from 268m**
- **6m @ 1.44 g/t Au and 1.98 g/t Ag, from 55m**
- **5m @ 0.95 g/t Au and 2.22 g/t Ag, from 138m**

**Kingston Resources Limited Managing Director, Andrew Corbett said:** "Drilling is now demonstrating likely extensions to the Central Umuna ore zone which is very encouraging. This section of the resource has attractive grade and width at only moderate depth. In addition, intersecting potential ore zones in the hanging wall above the Umuna fault zone is beneficial as this material would likely be mined to access the main zone. We are also pleased to see an improvement in drilling performance from our contractor."

<sup>1</sup> Misima 2.8Moz JORC Resource, 27 Nov 2017 ASX Announcement

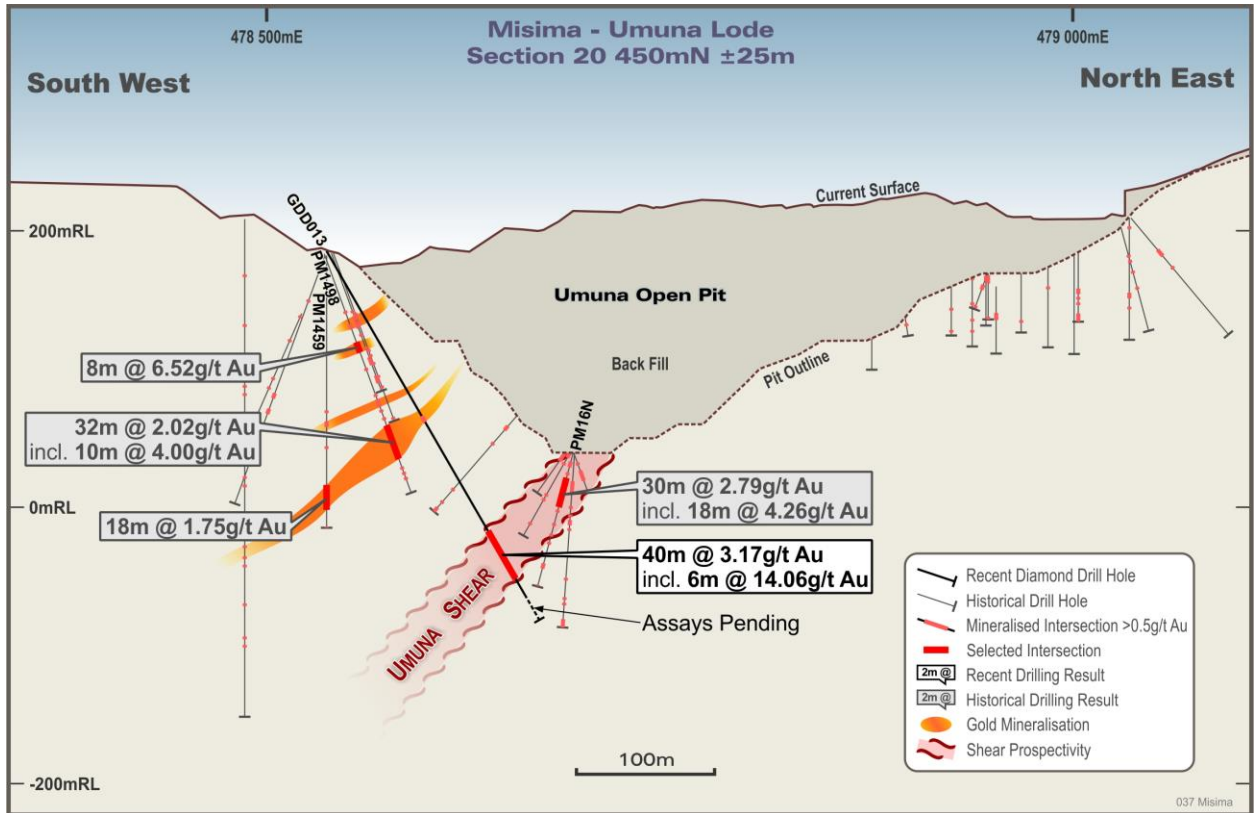


Figure 1. Cross Section view, Misima Gold Project, GDD013, Central Umuna zone

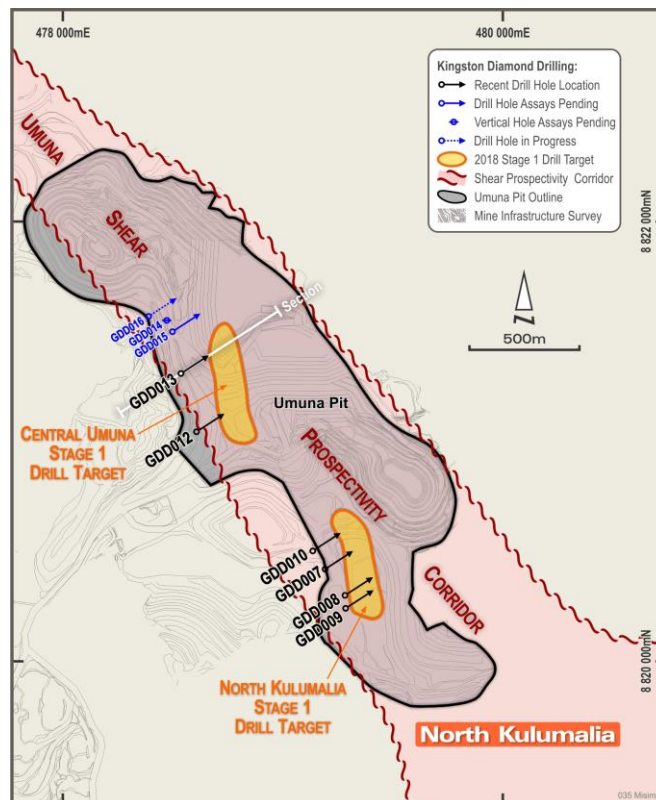


Figure 2. Plan view, Misima Gold Project, GDD013, Central Umuna zone

**Table 1. Significant intersection for GDD013 (>0.5g/t Au including a maximum of 4m internal dilution)**

Hole ID	Easting MGA94_56	Northing MGA94_56	RL	Total Depth	Dip	Azimuth
GDD013	478541	8821310	187	308.3	-60	50

Hole ID	From	To	Width	Au ppm	Ag ppm	Cu ppm	Pb ppm	Zn ppm
GDD013	53	59	6	1.44	1.98	221	1148	4876
	138	143	5	0.95	2.22	192	2278	2575
	234	274	40	3.17	10.88	481	2349	3044
<i>incl</i>	268	274	6	14.06	13.03	1551	4201	8255

### Competent Persons Statement and Disclaimer

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.

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.

### 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 which holds a 50koz resource and is the site of a number of high grade historic intersections.



KSN project locations.

**Misima Mineral Resource**

The Misima mineral resource estimate shown in Table 2 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.

**Table 2: Misima JORC2012 mineral resource estimate summary table.**

Deposit	Material	Resource Category	Cutoff (g/t Au)	Tonnes (Mt)	Gold (g/t Au)	Silver (g/t Ag)	Au Moz	Ag Moz	
<b>Umuna</b>	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
<b>Ewatinona</b>	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
<b>Misima Total</b>		<b>Indicated</b>		37.2	1.1	4.9	1.3	5.8	
		<b>Inferred</b>		45.0	1.0	5.6	1.5	8.1	
<b>Total Mineral Resource</b>				<b>82.3</b>	<b>1.1</b>	<b>5.3</b>	<b>2.8</b>	<b>13.9</b>	

# JORC Code, 2012 Edition – Table 1 Umuna Gold Deposit, Misima Island

## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<i>Sampling techniques</i>	<ul style="list-style-type: none"> <li>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</li> </ul>	<ul style="list-style-type: none"> <li>Samples are core from diamond drilling of PQ and HQ size.</li> <li>Core is sampled in 2m intervals away from the ore zone or to lithological contacts, whichever is shorter. In mineralised areas core is sampled in 1m lengths or to lithological contacts.</li> <li>Samples are flown to Intertek in Lae where they are dried and crushed to 95% passing 3mm. The crushed sample is then pulverised and a 50g charge is taken for gold analysis by fire assay.</li> <li>A 50g pulp from each sample is flown to Townsville where they are analysed using Intertek’s Four Acid 33 Element package. An OES finish is provided for Ag, Pb, Zn and Cu values that report over-range assays.</li> </ul>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> <li>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>	<ul style="list-style-type: none"> <li>PQ and HQ triple-tube diamond drilling. All core is oriented using a Reflex digital orientation tool.</li> </ul>
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> <li>Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<ul style="list-style-type: none"> <li>Core recovery is measured as the difference between core recovered in a drill run and the down-hole run shown on the driller’s core blocks.</li> <li>The driller modifies drilling pressure to optimise core recovery as much as possible, particularly in areas of softer lithologies.</li> <li>There is no observed relationship or bias between sample recovery and grade.</li> </ul>
<i>Logging</i>	<ul style="list-style-type: none"> <li>Whether core and chip samples have been</li> </ul>	

Criteria	JORC Code explanation	Commentary
	<p>geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</p> <ul style="list-style-type: none"> <li>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>The total length and percentage of the relevant intersections logged.</li> </ul>	<ul style="list-style-type: none"> <li>Samples are logged for lithology, structure, alteration, rock quality and magnetic susceptibility. Structure, RQD and mag sus are quantitative measurements.</li> <li>All core is photographed by tray.</li> </ul>
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> <li>If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</li> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<ul style="list-style-type: none"> <li>PQ core is cut and sampled as quarter core. HQ core is cut as half core. The orientation line is used as a cutting guide to ensure consistency in sampling.</li> <li>The sampling interval and technique is considered appropriate for the style of mineralisation, and it is consistent with the techniques used by Misima Mines Ltd (Placer) during the previous exploration and mining phase of the project.</li> <li>The sample size is appropriate to the observed mineralisation style and historical geostatistical distribution of gold values</li> </ul>
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<ul style="list-style-type: none"> <li>Standard reference materials are inserted at a frequency of one per 20 samples.</li> <li>Field duplicates were inserted at a frequency of one per 20 samples.</li> <li>Blanks are inserted at a frequency of one per 50 samples.</li> <li>QAQC performance is tracked using acQuire database software.</li> <li>Acceptable levels of accuracy have been achieved using these techniques.</li> </ul>
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<ul style="list-style-type: none"> <li>No independent data verification procedures were undertaken other than the QA/QC mentioned above.</li> <li>Primary data is recorded on site either digitally or on paper logs before being transferred to Perth for loading into an acQuire database. Assay data is provided digitally as CSV and PDF files</li> </ul>
<i>Location of data points</i>	<ul style="list-style-type: none"> <li>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other</li> </ul>	<ul style="list-style-type: none"> <li>Hole collar locations are recorded using a hand-held Garmin GPS, recording X,Y,Z positions in GDA94 datum (Zone 56).</li> </ul>

Criteria	JORC Code explanation	Commentary
	locations used in Mineral Resource estimation. <ul style="list-style-type: none"> <li>• Specification of the grid system used.</li> <li>• Quality and adequacy of topographic control.</li> </ul>	<ul style="list-style-type: none"> <li>• Down-hole orientation is recorded using a Reflex survey camera taking a shot every 30m.</li> </ul>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>• Whether sample compositing has been applied.</li> </ul>	<ul style="list-style-type: none"> <li>• Sample intervals are shown in the table of significant intersections in the body of this announcement.</li> <li>• No compositing has been applied.</li> </ul>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	<ul style="list-style-type: none"> <li>• Holes are drilled approximately orthogonal to interpreted trend of mineralisation</li> <li>• This orientation is considered to avoid sample bias relative to the angle of mineralised structures.</li> </ul>
<i>Sample security</i>	<ul style="list-style-type: none"> <li>• The measures taken to ensure sample security.</li> </ul>	<ul style="list-style-type: none"> <li>• Samples were submitted to Air PNG by Gallipoli Exploration (PNG) personnel for freight from Misima to Lae, and collected from Lae airport by Intertek staff. There were no other specific sample security protocols in place.</li> </ul>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <li>• The results of any audits or reviews of sampling techniques and data.</li> </ul>	<ul style="list-style-type: none"> <li>• Not applicable</li> </ul>

## Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <li>• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>• The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to</li> </ul>	<ul style="list-style-type: none"> <li>• Misima Island is part of the Louisiade Archipelago within Milne Bay Province of PNG. It is situated in the Solomon Sea about 625 km east of Port Moresby, the capital of PNG. The site is located at an approximate latitude of 10° 40' South and longitude of 152° 47' E.</li> <li>• The Property consists of a single Exploration Licence, (EL) 1747, comprising 53 sub blocks, covering a total area of 180</li> </ul>

Criteria	JORC Code explanation	Commentary
	operate in the area.	km <sup>2</sup> . This EL is valid and is current to 20 March 2019. All conditions pertaining to compliance of the title have been met. The Property is located on the eastern portion of the island and includes the historic mining areas of Umuna and Quartz Mountain. There are no known impediments. KSN holds title via a farm in agreement between WCB Resources Ltd and WCB Pacific Pty Ltd, Pan Pacific Copper Ltd and Gallipoli Exploration Ltd. Gallipoli is the legal entity and tenement holder and is responsible for performing its obligations under the <i>Mining Act 1992</i> .
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <li>Acknowledgment and appraisal of exploration by other parties.</li> </ul>	<ul style="list-style-type: none"> <li>The project area has been subject to mineral exploration by a number of previous parties, most notably Placer Pacific between 1987 to 2004.</li> <li>For a detailed summary of previous explorers' work readers are recommended to read the JORC Table 1 released with the November 2017 Misima resource update (ASX:KSN announcement 27 November 2017).</li> </ul>
<i>Geology</i>	<ul style="list-style-type: none"> <li>Deposit type, geological setting and style of mineralisation.</li> </ul>	<ul style="list-style-type: none"> <li>Misima Island forms part of the Louisiade Archipelago which is a continuation of the Papuan Fold Belt of the Papuan Peninsula offshore eastwards through the Papuan Plateau. The oldest rocks on Misima are Cretaceous to Paleogene metamorphic rocks, which can be subdivided into the western Awaibi Association and the younger overthrust eastern Sisa Association that is host to the gold and copper mineralization. The two associations are separated by an original thrust fault with later extensional activation.</li> <li>Mineralisation deposit style on Misima Island is best described as Intermediate Sulphidation Epithermal due to the strong association with porphyry Cu Au style alteration, veining and characteristics, the dominance of Ag Zn Pb Au Cu Mn geochemistry as well as complex alteration styles and geometry.</li> <li>Styles of mineralisation observed include multiphase hydrothermal breccia, stockworks both sheeted and three-dimensional, skarn, jasperoidal replacement, and poorly banded vein infill of quartz and carbonate with associated pyrite, galena, sphalerite, barite and minor tetrahedrite. This mineralisation can be</li> </ul>



Criteria	JORC Code explanation	Commentary
		<p>classified as Intermediate Sulphidation Epithermal Style and appears to be laterally zoned from a well-developed complex base metal skarn style affiliation outwards to a base metal fracture stockwork vein breccia style of mineralisation.</p> <ul style="list-style-type: none"> <li>Surrounding the Umuna lode, and most widely developed on the eastern (footwall) side, is a broad peripheral zone of lower grade mineralisation in quartz veins, often occupying shears, and of linear and irregularly shaped volumes of strongly jointed to brecciated rocks. The schists tend to carry shear or breccia mineralisation with a higher frequency of strong jointing and brecciation in the more compact intrusives and Ara Greenschist. Intrusive contacts are commonly brecciated and mineralised which, with their frequent shallow dips, has the effect of spreading mineralisation laterally in contrast to the steep attitude of Umuna lode mineralisation.</li> <li>Structurally the Umuna geometry is typical of a complex fault array with a large major fault hosting the majority of the precious metal mineralisation with numerous ancillary splays developed in the footwall to the main structure. The intersection of the splays and the dominant Umuna Fault are loci for zones of well-developed mineralisation. Mineralisation has a dominant structural control however strong secondary stratigraphic controls are also observed in particular where skarn style mineralisation is developed in Halibu Limestone – Ara Schist contacts. A series of north west trending splays intersect and control the loci of the higher-grade material within the Umuna fault zone.</li> </ul>
<p><i>Drill hole Information</i></p>	<ul style="list-style-type: none"> <li>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>easting and northing of the drill hole collar</li> <li>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>dip and azimuth of the hole</li> <li>down hole length and interception depth</li> <li>hole length.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Hole locations and orientations are displayed in the table within the body of the announcement.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <li>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> <li>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<ul style="list-style-type: none"> <li>Where significant intersection results are used, the average grades are weighted by the sample width of each assay within the intersection.</li> <li>No metal equivalence calculations are used in reporting.</li> </ul>
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> <li>These relationships are particularly important in the reporting of Exploration Results.</li> <li>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<ul style="list-style-type: none"> <li>Drill orientation is as close to perpendicular as possible given the limitations of the rig used. True widths vary from approximately 85% to approximately 100% of the down-hole width based on the current interpretation.</li> </ul>
<i>Diagrams</i>	<ul style="list-style-type: none"> <li>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<ul style="list-style-type: none"> <li>See figures in release</li> </ul>
<i>Balanced reporting</i>	<ul style="list-style-type: none"> <li>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<ul style="list-style-type: none"> <li>The cut-off grade used in determining significant intersections is shown in the table within the body of this announcement. Lower grade or unmineralised sections of the hole are not reported.</li> </ul>
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <li>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock</li> </ul>	<ul style="list-style-type: none"> <li>Mapping and structural data is not available at this stage</li> <li>Other relevant exploration data is released to the market on an ongoing basis.</li> </ul>

Criteria	JORC Code explanation	Commentary
	<p>characteristics; potential deleterious or contaminating substances.</p>	
<i>Further work</i>	<ul style="list-style-type: none"> <li>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> <li>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</li> </ul>	<ul style="list-style-type: none"> <li>Exploration drilling is planned to continue for the remainder of 2018 and into 2019.</li> <li>Further work may also involve structural mapping and interpretation, channel sampling orthogonal to mineralised structures, and possibly drilling.</li> </ul>