KSN KINGSTON RESOURCES LIMITED

ASX Announcement

21 March 2019

ASX Code: KSN

Share Price: A$0.019

Shares Outstanding: 1,223,198,383

Market Capitalisation: A$24m

Cash: A$3.3m (31 Dec 2018)

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Historic mine stockpile confirmed at Misima

- **LiDAR survey confirms location of large low-grade gold stockpile**
- **Material was mined by previous operator Placer but never processed**
- **Historic records suggest potential for further gold stockpiles to be found**

Kingston Resources Limited (**Kingston** or the **Company**) is pleased to report that a recent LiDAR (Light Detection and Ranging) survey has confirmed the location of a large stockpile of gold mineralised material at our Misima Gold Project in PNG. This near-surface stockpile is not accounted for in the current 2.8Moz gold resource at Misima.

The survey has provided a highly accurate and detailed model of the surface terrain which has assisted in identifying historical mining topography, current and historic artisanal mining, as well as identifying potential geological features and determining water drainage patterns. This information will assist and enhance the broader drilling and exploration program.

A stockpile of mineralised material left in place by Placer has been confirmed at the Cooktown Dump (Figures 1), a large area adjacent to the Tonowak Pit reported to contain 3.6Mt of low-grade material averaging 0.5 to 0.7g/t Au[1]. This dump, which was capped with topsoil and rehabilitated during the closure process, remains intact, with its current position matched against mine survey files created during mine closure.

When the mine was active, Placer's economic cut-off was 0.7g/t Au for mill feed. Lower-grade material in the range 0.5 to 0.7g/t Au, was stockpiled. While the grade of the Cooktown Dump is modest, it is important to note that it represents loose rock, at surface and close to the likely location of a future processing plant. All of these factors reduce mining and processing costs. By calculating the volume of the Cooktown Dump LiDAR model and cross-referencing this against Placer's Mine Closure Plan and survey files from 2000 to 2004, 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 Resource.

The Company's exploration strategy is now firmly focused on discovering and defining near-surface satellite mineralisation at prospects including Ginamwamwa, Quartz Mountain, and Ara Creek. Adding near-surface resources is likely to enhance the economic potential of any possible future mining operation. The close proximity and minimal mining costs of this stockpile make it an excellent early feed source to any future development plan.

[1] Misima Mines Pty Ltd mine closure report, 2000, Placer

Exploration Target Methodology

Tonnage

The tonnage figure of 3.6Mt is taken from information and tables within the Misima Mine Closure Plan published in 2000. To check this, a digital model of the Cooktown Dump was created from the LiDAR data using Surpac software, assuming the dump was constructed on a flat surface as described in the closure report. The volume within this model is 2.44 million cubic metres. Using a bulk density range of 1.8 to 2.0t/m^3 this equates to approximately 4.4 to 4.9Mt. After taking into account the fact that the dump is covered with a layer of topsoil capping the current dimensions agree closely with the reported tonnage.

The dump dimensions have also been checked against mine survey records from 2002 and 2004, both taken during the mine closure process, and the survey records match the 2018 LiDAR topography. As a result of these validation checks against the original report, the Company has chosen to express the exploration target tonnage as 3.6Mt rather than an indicative range.

Grade Range

The assumed grade range of 0.5 to 0.7g/t Au is also taken from Placer's report, as this was the standard material classification for sub-economic material stockpiled on the Cooktown Dump. The actual grade of the material is yet to be tested by drilling.

Validation

Kingston has not directly tested this material, hence the categorisation as an exploration target. The Company will test the distribution and tenor of grade within the Cooktown Dump as soon as a suitable rig is available.

Cautionary Statement

The potential quantity and grade of the exploration target is conceptual in nature and therefore is an approximation. There has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

Kingston Resources Limited Managing Director, Andrew Corbett said: "The recently completed LiDAR survey has provided accurate and reliable topographic data and will continue to provide excellent information as the team progresses our current exploration strategy. The access to a potential low cost feed source provides a real boost to the Company's ambitions to advance the Misima Gold project. The potential at Misima has certainly evolved over the last year, with the exploration upside becoming clearer as work advances. The Company continues to increase its equity ownership in the project since completing the 70% earn-in in August 2018, and we look forward to provide further exploration updates in the near term."

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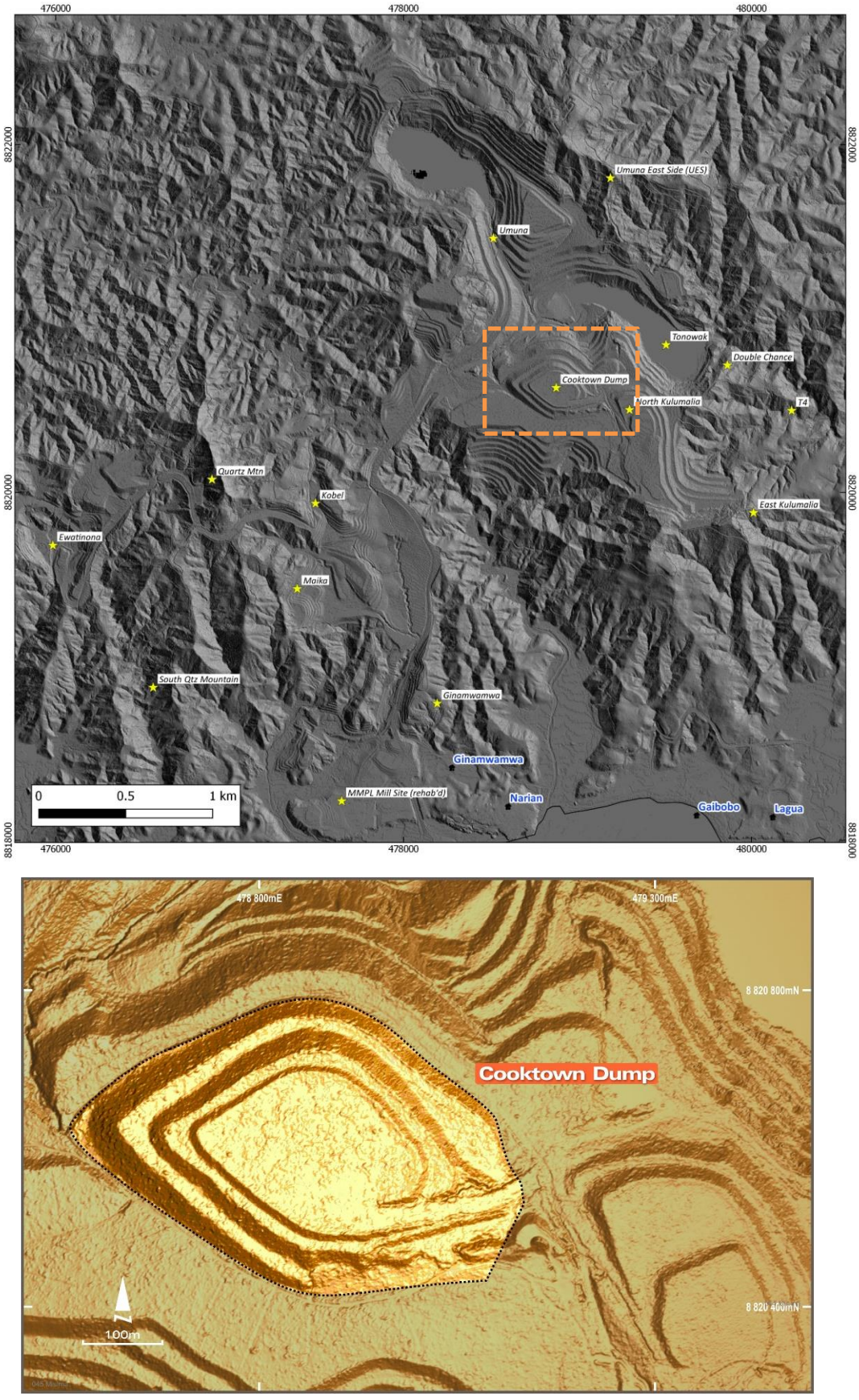

Figure 1: LiDAR Images of Cooktown stockpile

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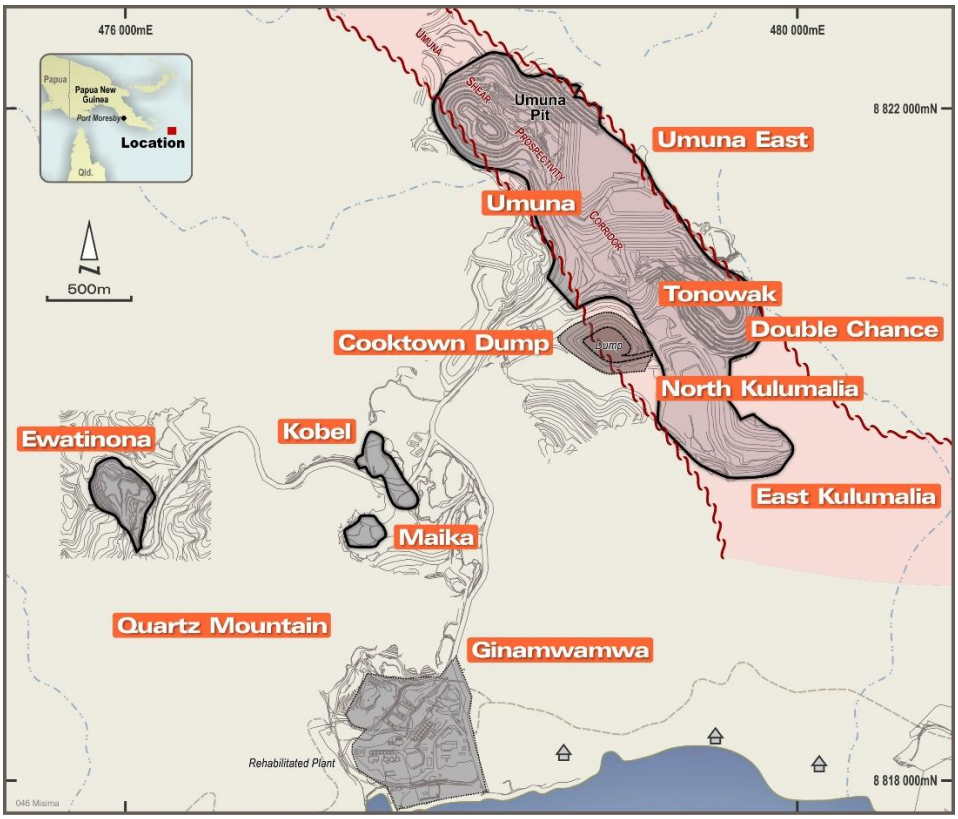

Figure 2: Plan view showing the proximity to the haul road of Cooktown and Kobel stockpiles

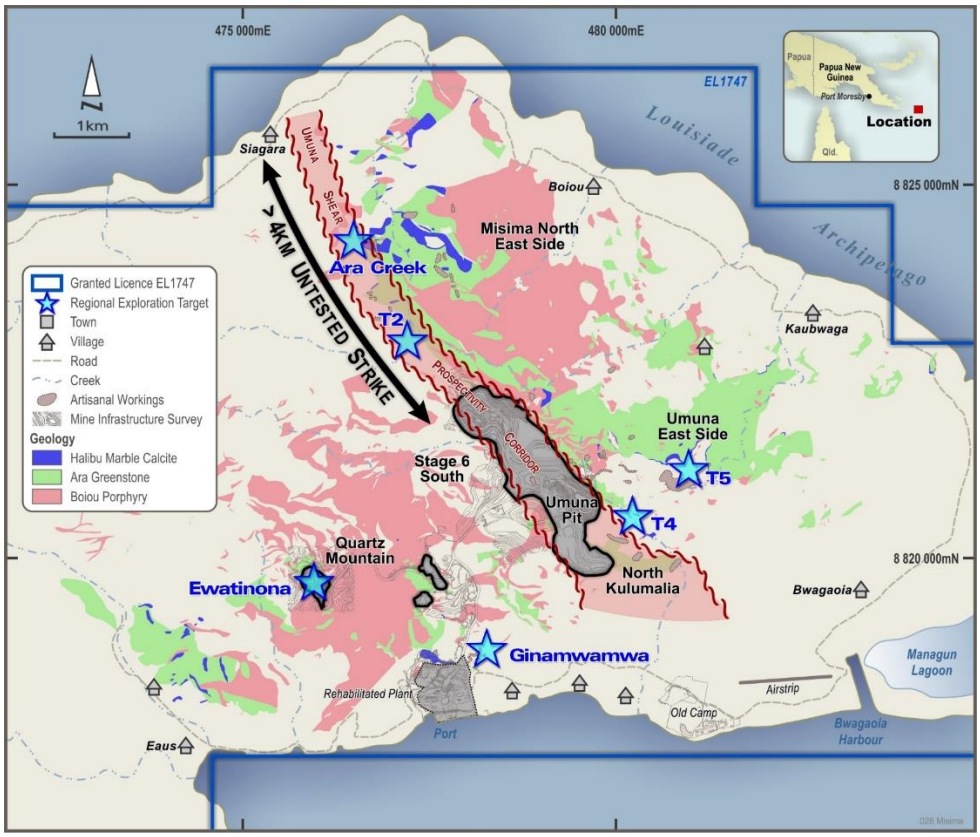

Figure 3: Misima Gold Project: simplified geology and exploration targets.

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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.

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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.

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

Section 1.01 Section 1 Sampling Techniques and Data

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

Criteria	Commentary
Sampling techniques	Drilling • Not applicable – there are no new drilling results in this announcement.
Drilling techniques	• Not applicable – there are no new drilling results in this announcement.
Drill sample recovery	• Not applicable – there are no new drilling results in this announcement.
Logging	• Not applicable – there are no new drilling results in this announcement.
Sub-sampling techniques and sample preparation	• Not applicable – there are no new drilling results in this announcement.
Quality of assay data and laboratory tests	• Not applicable – there are no new drilling results in this announcement.
Verification of sampling and assaying	• Not applicable – there are no new drilling results in this announcement.
Location of data points	• The grid system used is PNG94 datum (Zone 56) and all heights used are relative to sea level (equivalent to AHD).
Data spacing and distribution	• Data points were collected at an average of 7 points per square metre to maximise penetration through foliage. Post processing this was reduced to a standard 1 point per square metre.
Orientation of data in relation to geological structure	• Flight lines were east-west to suit topography.
Sample security	• Not applicable – there are no new drilling results in this announcement.

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Criteria	Commentary
Audits or reviews	• Not applicable

Section 1.02 Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• 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. • The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	• 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. • The Property consists of a single Exploration Licence, (EL) 1747, comprising 53 sub blocks, covering a total area of 180 km^2. 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 WCB Pacific Pty Ltd and operates a shareholding agreement between Kingston 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 *Mining Act* 1992.
Exploration done by other parties	• Acknowledgment and appraisal of exploration by other parties.	• The project area has been subject to mineral exploration by a number of previous parties, most notably Placer Pacific between 1987 to 2004. • 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).

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Criteria	JORC Code explanation	Commentary
Geology	• Deposit type, geological setting and style of mineralisation.	• 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. • 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. • 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 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. • 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

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Criteria	JORC Code explanation	Commentary
		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. • 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.
Drill hole Information	• 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: o easting and northing of the drill hole collar o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar o dip and azimuth of the hole o down hole length and interception depth o hole length. • 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.	• Not applicable – there are no new drilling results in this announcement.
Data aggregation methods	• 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. • Where aggregate intercepts incorporate	• Data aggregation is performed by the contractor's software to remove false topography due to trees and other foliage.

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Criteria	JORC Code explanation	Commentary
	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. • The assumptions used for any reporting of metal equivalent values should be clearly stated.	
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. • 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').	• Not applicable – there are no new drilling results in this announcement.
Diagrams	• 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.	• See figures in release
Balanced reporting	• 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.	• Not applicable – there are no new drilling results in this announcement.
Other substantive exploration data	• 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 characteristics; potential deleterious or contaminating substances.	• Mapping and structural data is not available at this stage • Other relevant exploration data is released to the market on an ongoing basis.
Further work	• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Exploration drilling is planned to continue for the remainder of 2019 and into 2020. • Further work may also involve structural mapping and interpretation, channel sampling orthogonal to mineralised structures, and possibly drilling.

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