

**ASX Announcement**

30 July 2019

**ASX Code: KSN**

Share Price: A\$0.016

Shares Outstanding: 1,573,126,719

Market Capitalisation: A\$25.2m

Cash: A\$5.2m (30 June 2019)

**Board and Management**

**Anthony Wehby**

*Chairman*

**Andrew Corbett**

*Managing Director*

**Mick Wilkes**

*Non-Executive Director*

**Stuart Rechner**

*Non-Executive Director*

**Chris Drew**

*Chief Financial Officer*

**Stuart Hayward**

*Exploration Manager*

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ABN 44 009 148 529

## Quarterly Activities Report

For the quarter ending 30 June 2019

### Highlights

#### Misima Gold Project, PNG

- **13-hole Stage 1 drilling program completed at the Ewatinona prospect, Quartz Mountain, results include:**
  - **8m @ 2.60g/t Au in GDD029**
  - **20m @ 1.81g/t Au, including 3m @ 7.48g/t Au, in GDD035**
- **Current 220,000oz Ewatinona Mineral Resource remains open in all directions, with a full data review now underway ahead of the next round of drilling.**
- **Drilling underway at the Waipuna prospect at Quartz Mountain, located approximately 600m SE of the Ewatinona Resource.**
- **Fieldwork at Misima North continues to deliver encouraging results, with maiden diamond drill program planned for the September Quarter.**
- **New high-priority targets identified at Umuna East, detailed field mapping underway and drilling expected to commence in December Quarter.**
- **KSN estimates that exploration expenditure through to 30 June 2019 will see its interest in the Misima Gold Project increase to approximately 77%.**

#### Livingstone Gold Project, Western Australia

- **Drilling approvals secured, with 2,500m RC resource drilling program on the new Kingsley discovery to commence in August.**

#### Corporate

- **Successfully raised \$5.2m via placement and entitlements offer to underpin ongoing exploration activities at both Misima and Livingstone.**

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Kingston Resources Limited (ASX: KSN) ('Kingston' or 'the Company') Managing Director, Andrew Corbett said the June Quarter had been a positive period, with exploration at the Misima Gold Project in PNG showing strong potential to expand the current 2.8 million ounce Au Resource base, and approvals in place to drill test the emerging Kingsley discovery in WA.

*“We are continuing to see very positive results from Misima, where our exploration programs are focused on identifying shallow, high-grade gold mineralisation to contribute early ounces to future mining studies.*

*We already have a solid backbone for the proposed project development in place, in the form of the existing 2.8 million ounce Resource, however these shallow open pit targets represent a pivotal component of our development strategy. The team at Misima is very excited about the targets we have lined up to drill over the balance of the year, with success at any one of these providing a major boost for the project’s future development potential.*

*We are also excited to be getting back to Livingstone in the current quarter, where we have outstanding potential to materially add to the existing resource.*

*The active exploration program we have planned for the September Quarter will be supported by the \$5.2 million capital raising we completed during the Quarter, and I would like to sincerely thank all shareholders who participated.”*

### **Exploration Update**

	Diamond Drilling		Geochem Samples	
	Holes	Metres	Trench	Auger/Soil
<b>Misima</b>	18	1986	183	536

### **Misima Gold Project**

Drilling was focused on the Quartz Mountain area, with the rig moving to Ewatinona in the final week of March. The diamond rig performed consistently well throughout the quarter.

### **Drilling Quartz Mountain**

Kingston’s initial 12-hole diamond drill program at the Ewatinona area of Quartz Mountain was designed to confirm the historic Placer drilling, provide structural data and update the geological model. <sup>1</sup>

Highlights from the drilling include:

- 20m @ 1.81g/t Au, from 78m, **including 3m @ 7.48g/t Au, GDD035**
- 6.6m @ 1.94g/t Au, from 7.5m, and 2.0m @ 1.65g/t Au, from 31m, GDD037
- 2.5m @ 1.99g/t Au, from 85m, and 8m @ 2.6 g/t Au, from 133.7m, GDD029
- 3.2m @ 2.41g/t Au, from 90m, GDD030
- 5.4m @ 1.51g/t Au, from 67.7m, GDD031
- 1.5m @ 2.89g/t Au, from 41.3m, 7.7m @ 1.02g/t Au, from 81.3m, and 7m @ 2.24g/t Au, from 102m, and 2m @ 4.18g/t Au, from 132.2m, GDD032
- 4m @ 2.17g/t, from 82m, GDD033
- 2m @ 2.15g/t Au, from 92m, and 11m @ 1.40g/t Au including 3m @ 2.08g/t Au, from 122m, GDD040

The highly encouraging assay results confirm the potential to expand and upgrade the existing 220,000oz Ewatinona Resource, which remains open in all directions. As a result of its increased understanding of the geology, the Company

<sup>1</sup> See ASX Announcement 17 July 2019, “Ewatinona Drilling success”

decided recently to complete an additional hole for which assays are now pending. All newly acquired and historical data concerning Ewatinona will now be compiled and interpreted, including 3D geological modelling with Leapfrog software, before the next round of drilling.

Drilling continues on a second target in the Quartz Mountain area, the Waipuna prospect, which was recently identified by a modern reinterpretation of historic geochemical data, combined with geophysics and LiDAR information.

### **Drilling Ginamwamwa**

The Company drilled 10 diamond holes across Ginamwamwa for a total of 1,627m. The holes were designed to test a range of structural and geochemical targets across the prospect, primarily testing shallower or near-surface mineralisation beneath geochemical anomalies and on mineralised structures.

Highlights from the drilling include<sup>2</sup>:

- 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 recent field exploration at **Misima North**, three short trenches were dug within the prospective Ara Creek area. Misima North includes a number of historical underground workings that were active prior to World War 2. The trenches were designed to test lithological contacts adjacent to the Umuna Fault Zone, specifically contacts between prospective outcropping greenstone and breccia.

The trenches successfully intersected significant gold grades in two contact areas<sup>2</sup>:

- **12m @ 3.76g/t Au**, including grades up to 6.87g/t Au; and
- **15m @ 1.98g/t Au**, including grades up to 4.01g/t Au.

In addition, rock chip samples were taken from prospective outcrop in the area, yielding individual spot grades as high as **44.6g/t Au** from brecciated material displaying coarse euhedral galena (lead sulphide). Historically, gold mineralisation at Misima has a close association with elevated lead values.

The current priority at Misima North is to complete preparation for drilling, which will commence in the September Quarter upon completion of the current Quartz Mountain program.

At **Umuna East**, located less than 500m east of the historic Tonowak Pit, there is artisanal miner activity along the main Ingumanaina creek and its tributaries. During the quarter, a detailed mapping exercise was completed to define possible structural and lithological controls to mineralisation.

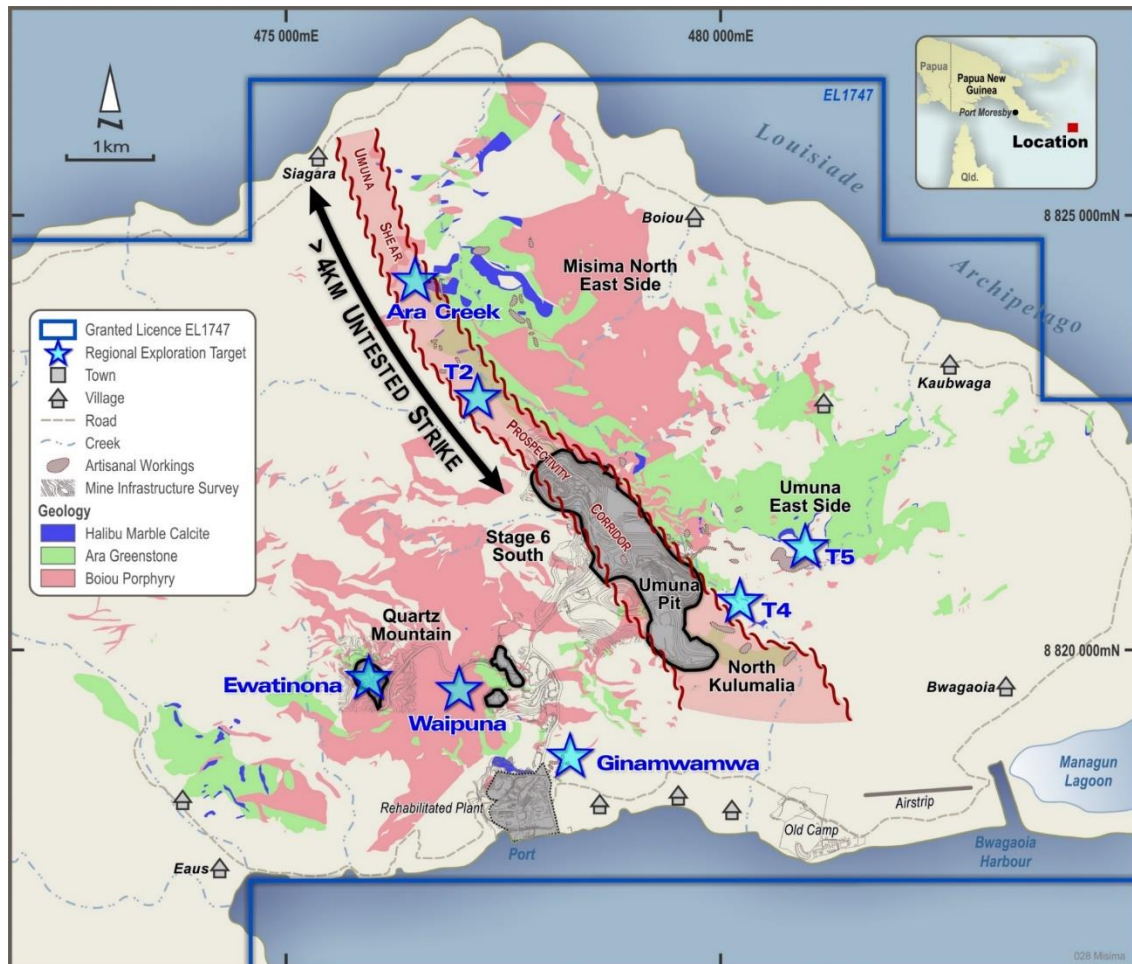
Results from the current work program will be combined with historic surface/drill geochemistry to define drilling targets, with drilling targeted to commence in the December Quarter.

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<sup>2</sup> See ASX Announcement 30 April 2019, "Encouraging drilling and trenching results at Misima"

**Quartz Mountain** field work focused on confirmation of targets, historical data review, fielding mapping and geochemical sampling (auger and trenching). The current area of focus is Waipuna, an active artisanal mining area with extensive surface oxide workings. An initial four-hole diamond program is now underway to test this target.

As announced on 13 March 2019, Mr Stuart Hayward commenced work with Kingston on 8 April 2019 as 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.



**Figure 2: Misima prospect map showing the location of current work areas.**

### Exploration Strategy

The existing 2.8Moz Resource at Misima may already be of sufficient scale to support a potential long-life mining operation. However, a number of nearby exploration targets have also been prioritised with the objective of delineating new near-surface mineralisation.

New shallow deposits with the potential to underpin one or more “starter pits” are likely to have the biggest impact on project economics as access to near-surface ounces can boost cash flow in the early years of the operation while access to the main Misima resource is established. *Please note, no feasibility or pre-feasibility studies have yet been completed to confirm this hypothesis, and investors should be aware that there is currently no certainty of future mine development.*

Over the balance of 2019, Kingston plans to drill Quartz Mountain, Misima North and Umuna East. Initial drilling has focused on the Quartz Mountain area as the combination of an existing Resource at Ewatinona, the presence of extensive surface mineralisation and proximity to the historical mill site make it an ideal target for the surface exploration program.

**Livingstone Gold Project**

Preparation and approvals are now complete to enable the first round of RC drilling to commence over the Kingsley discovery. This is scheduled to commence in August.

The program will comprise ~2,500m RC at Kingsley, which was discovered by Kingston in 2018 during a program of air-core drilling which defined a near-surface zone of mineralisation over a strike length of more than 800m.

The air-core drilling identified significant mineralisation within a number of sub-parallel lodes striking west-northwest and dipping steeply to the north. Drilling to date has been limited to the oxide zone, with mineralisation remaining open at depth, along strike and to the north.

Significant results from the 2018 drilling include: 4m @ 76.25g/t Au from 88m in KLAC206, 28m @ 2.26g/t including 8m @ 5.57g/t from surface in KLAC198, 5m @ 6.56g/t Au from 49m, including 1m @ 21.8g/t from 49m in KLAC008 and 4m @ 3.49g/t Au from 4m and 24m @ 1.06g/t Au from 24m in KLAC184 (see ASX Announcement 5 November 2018).

The upcoming RC program will be used to in-fill the Kingsley area and provide JORC-compliant data to undertake a maiden Mineral Resource estimate later this year.

The program will also test for primary mineralisation at depth below the shallower oxide zone.

Kingston has also been successful in securing co-funding for an 800m diamond drilling program at Kingsley through R19 of the WA Government Exploration Incentive Scheme (EIS).

The diamond drilling will be undertaken following completion of the RC program, and is expected to provide critical structural and geological information that will assist in completing the maiden Resource estimate and planning further exploration at Livingstone.



## 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 Rechner BSc (Geology) MAIG, a Competent Person who is a member of the Australian Institute of Geoscientists. Mr Rechner is a Director of the Company. Mr Rechner 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 Rechner 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 which is focused on exploring and developing the world-class Misima Gold Project in PNG. Misima hosts a JORC resource of 2.8Moz Au. Misima was operated as a profitable open pit mine by Placer Pacific between 1989 and 2001, producing over 3.7Moz before it was closed when the gold price was below US\$300/oz. The Misima Project offers outstanding potential for additional resource growth through exploration success targeting extensions and additions to the current 2.8Moz Resource base. Kingston currently owns 70% of the Misima Gold Project where active exploration programs are underway.

In addition, Kingston owns 75% of the high-grade Livingstone Gold Project in Western Australia where active exploration programs are also in progress.



KSN project locations

## Misima Mineral Resource

The Misima mineral resource estimate of 82.3Mt (45% Indicated, 55% Inferred) @ 1.1g/t Au, 5.3g/t Ag for 2.8Moz Au and 13.9Moz Ag was released in an ASX announcement on 27 November 2017. Full details of the resource are included within the original announcement.