

New shallow high-grade gold discovery at Misima

- New zone of shallow high-grade gold mineralisation discovered at Abi Prospect, in the Quartz Mountain area of the 2.8Moz Misima Gold Project.
- Significant new results from diamond hole GDD044 include:
 - 23.6m @ 2.91g/t Au from 7.4m, *including 13.5m @ 4.60g/t Au from 17.5m*
- Surface gold and silver assays across a wide area have identified multiple potentially mineralised structures.
- Significant rock chip samples include:
 - 7.99g/t Au, 21.4g/t Ag
 - 7.03g/t Au, 14.2g/t Ag
 - 9.97g/t Au, 5.2g/t Ag
 - 7.97g/t Au, 5.2g/t Ag
 - 5.05g/t Au, 11g/t Ag
 - 6.07g/t Au, 165g/t Ag
- Significant channel sample assays include:
 - 1.0m @ 30.4g/t Au, 6.2g/t Ag
 - 1.2m @ 19.7g/t Au, 4.6g/t Ag
 - 2.0m @ 33.5g/t Au, 11.8g/t Ag
 - 12.0 @ 8.08g/t Au, 3.87g/t Ag
 - 3.0m @ 6.97g/t Au, 6.6g/t Ag
 - 2.8m @ 6.17g/t Au, 3.1g/t Ag
- Second drill rig mobilising to Misima

Kingston Resources Limited (ASX: **KSN**) (**Kingston** or the **Company**) is pleased to report the discovery of a significant new zone of high-grade shallow gold mineralisation at the Abi Prospect, located immediately north-west of the historical Placer processing plant location at its flagship **Misima Gold Project** in PNG.

The discovery was made during the ongoing exploration program within the Quartz Mountain region, which is aimed at delineating high-grade surface mineralisation with the potential to contribute early ounces to the Company's mining studies.



ASX: KSN
Shares on Issue: 1,766M
Market Cap: A\$31.8M
Cash: A\$8.3M (30 June 2019, pro-forma post August placement)



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Diamond drill-hole GDD044 is located along strike to the south-east of the current 220,000oz Ewatinona Resource. Placer historically mined gold and silver from the Ewatinona, Kobel and Maika pits, producing a combined 147,000oz @ 1.77g/t Au¹.

Kingston Resources Limited Managing Director, Andrew Corbett said: “This is a significant development for our ongoing exploration program in the Quartz Mountain region, where we are specifically targeting additional zones of Ewatinona-style mineralisation that could increase the existing Resource and provide easily accessible, low-cost ounces in the early stages of a future mining operation at Misima.

“The pedigree of this area is highlighted by the successful open pits mined by Placer at Ewatinona, Kobel and Maika. A combination of diamond drilling and surface exploration has now confirmed the location and tenor of mineralisation at Abi, demonstrating strong upside potential to the existing Resource.

“With the initial round of drilling on targets within the Quartz Mountain area now complete, the diamond drill rig is currently drilling near-surface oxide targets at Umuna East Side before moving to Misima North. Following interpretation of these latest Abi results, we then expect to mobilise a rig back to Quartz Mountain to conduct additional in-fill and extension drilling to underpin an updated Mineral Resource estimate.

“With a second diamond rig expected to start operating next month, we may have the opportunity to accelerate this drilling program, providing shareholders with a strong flow of news from Misima in the months ahead,” he added.

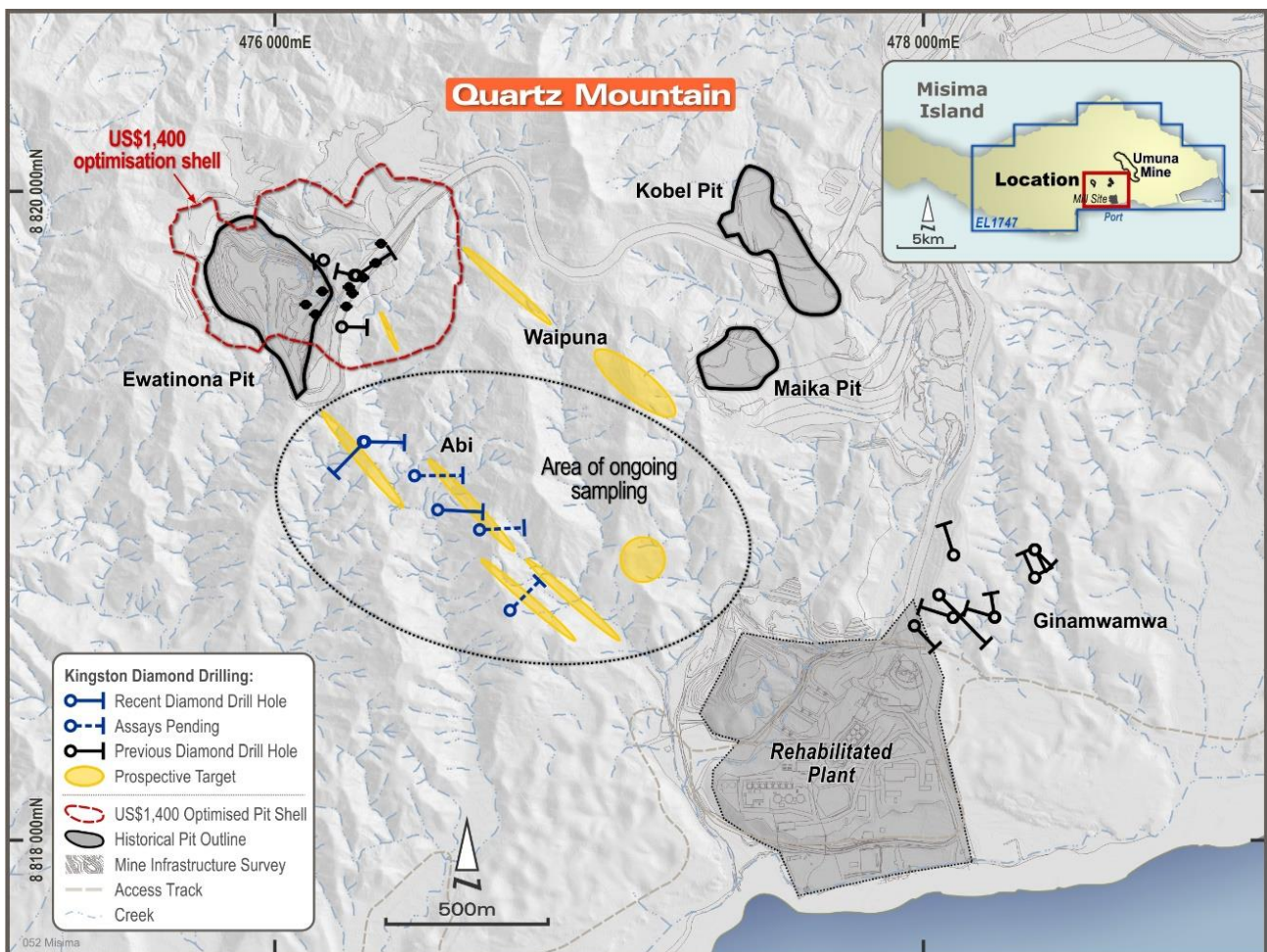


Figure 1. Quartz Mountain area contains the historical Ewatinona, Kobel and Maika pits. The area contains a 220,000oz Au Resource and multiple prospective targets.

¹ Placer mine production and exploration reports, 1990-2001

Diamond Drilling

Kingston completed an initial 12-hole drilling program at Ewatinona in July 2019, which delivered a series of highly encouraging assay results (see ASX Announcement 17 July 2019 and 26 August 2019).

Drilling has continued stepping out to the south-east along the interpreted mineralised trends, with six drill holes completed (Table 4, Figure 1) to date.

Drill holes were orientated to intersect structures and mineralised trends recorded during surface mapping and sampling, and anomalous gold intersections in Reverse Circulation holes by Placer.

Drill holes GDD041 and GDD043 were collared on the margin of the interpreted target corridor, testing below anomalous trench geochemistry from Placer and surface artisanal workings. Both holes intersected narrow zones of crackle breccia and narrow veins with yellow sphalerite + galena base metals and quartz-carbonate in-fill.

Drill hole GDD044 was collared below anomalous intercepts in Placer holes drilled from the tops of ridge lines. Mapping in valleys revealed a wider distribution of breccia bodies and fault structures known to host mineralisation. Highlights from GDD044 include:

- **23.6m @ 2.91g/t Au from 7.4m, including 13.5m @ 4.60g/t Au from 17.5m and including 4.3m @ 11.58g/t Au from 19.1m;**
- **1.8m @ 1.31g/t Au from 60.5m**

GDD044 also intersected disseminated base metal sulphide and vein mineralisation within a breccia zone that outcrops in the face of the drill pad and represents a new zone of mineralisation from surface.

Drill holes GDD045 to 047 have been completed and samples submitted for analysis.

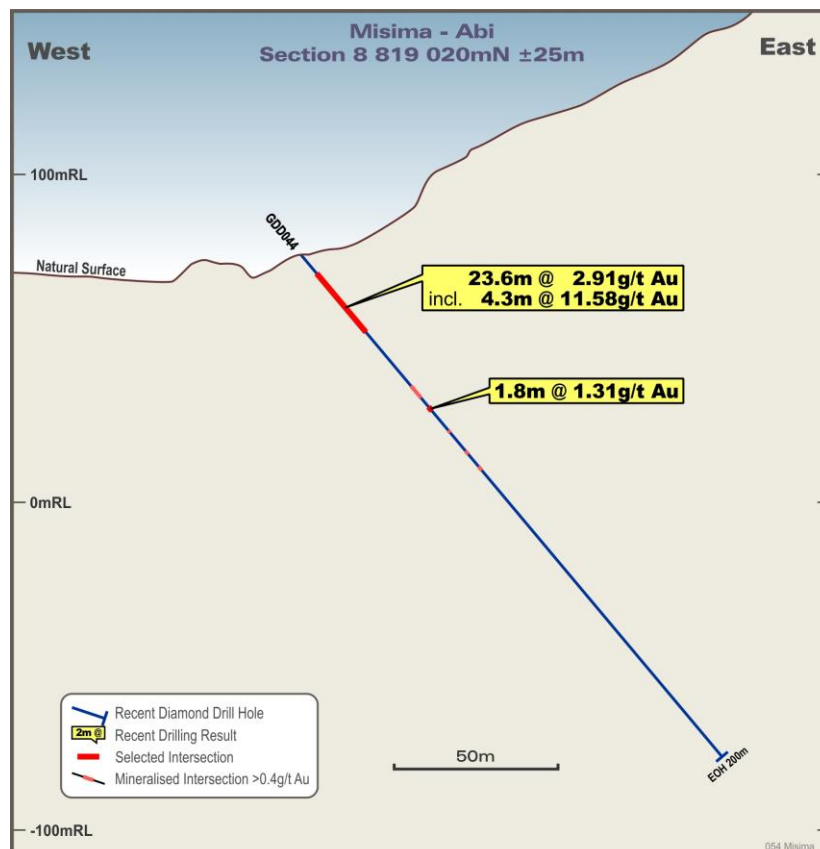


Figure 2. Cross-Section through GDD044

Surface Exploration

Kingston has expanded surface exploration for Umuna- and Ewatinona-style gold-silver mineralisation at Quartz Mountain to a broader region framed by the Ewatinona, Kobel and Maika pits, and the historical Placer processing plant location (see Figure 3).

Compilation of historical reconnaissance Reverse Circulation drilling completed by Placer and surface geochemistry by Placer and Kingston has highlighted seven target zones defining multiple potential parallel mineralised trends.

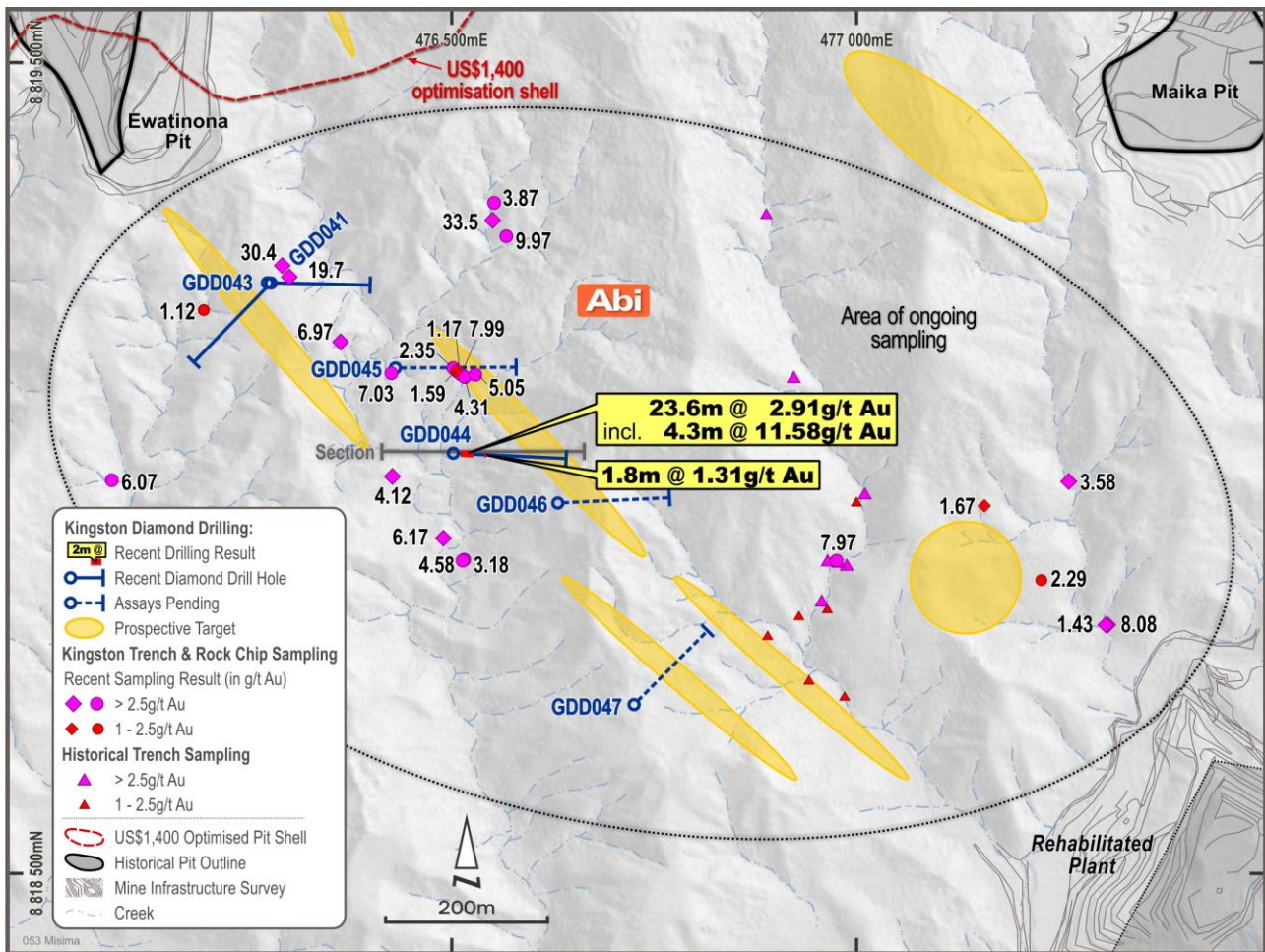


Figure 3. Collar plan GDD041 and 043 to GDD042, LiDAR topography

Rock chip and channel samples have returned significant gold and silver assays in structures in outcrop (Tables 1 & 2, Figure 3). Highlights from rock chip surface sampling include:

- Sample GG0000177 7.99g/t Au, 21.4g/t Ag
- Sample GG0000178 4.31g/t Au, 10.5g/t Ag
- Sample GG0000182 7.03g/t Au, 14.2g/t Ag
- Sample GG0000185 9.97g/t Au, 5.2g/t Ag
- Sample GG0000196 7.97g/t Au, 5.2g/t Ag
- Sample GG0000198 5.05g/t Au, 11g/t Ag
- Sample GG0000254 6.07g/t Au, 165g/t Ag

Hand trenches excavated across outcrops and outcrop trends highlighted by rock chip sampling confirm the tenor of gold mineralisation with multiple high-grade intersections (Table 2, Figure 3).

Highlights from channel sampling include:

- 1.0 metre @ 30.4g/t Au, 6.2g/t Ag
- 1.2 metre @ 19.7g/t Au, 4.6g/t Ag
- 2.0 metres @ 33.5g/t Au, 11.8g/t Ag
- 12 metres @ 8.08g/t Au, 3.87g/t Ag
- 3 metres @ 6.97g/t Au, 6.6g/t Ag
- 2.8 metres @ 6.17g/t Au, 3.1g/t Ag

The results combined with geological mapping indicate the presence of multiple mineralised structures that have not been fully tested by historical drilling and remain a focus of ongoing exploration.

SAMPLEID	Easting	Northing	Au g/t	Ag g/t	Cu ppm	Pb ppm	Zn ppm
GG0000175	476506	8819119	2.35	5.7	236	2410	1580
GG0000176	476508	8819118	1.17	9.7	154	765	543
GG0000177	476509	8819119	7.99	21.4	366	4450	2005
GG0000178	476511	8819116	4.31	10.5	155	1758	618
GG0000182	476426	8819116	7.03	14.2	2037	28630	11096
GG0000185	476568	8819285	9.97	5.2	515	4622	1074
GG0000187	476553	8819326	3.87	1.5	96	276	1240
GG0000194	477228	8818861	2.29	5	310	1119	809
GG0000196	476976	8818885	7.97	5.7	372	6621	2488
GG0000198	476530	8819114	5.05	11	651	17161	71710
GG0000246	476514	8818885	4.58	2.8	604	8562	5063
GG0000247	476516	8818886	3.18	1.2	50	336	396
GG0000250	476194	8819194	1.12	8.4	1186	937	872
GG0000254	476081	8818984	6.07	165	314	1276	182

Table 1: Kingston Surface Rock Chip Geochemistry from Quartz Mountain

Easting	Northing	Sample type	Width (m)	Au g/t	Ag g/t	Cu ppm	Pb ppm	Zn ppm
476291	8819248	Channel	1	30.4	6.2	98	1355	388
476300	8819234	Channel	1.2	19.7	4.6	251	3441	602
476363	8819154	Channel	3	6.97	6.6	527	6731	2129
476427	8818988	Channel	3	4.12	1.2	126	1318	199
476490	8818912	Channel	2.8	6.17	3.1	180	4970	263
476506	8819118	Channel	3	1.59	7.2	157	822	856
476551	8819304	Channel	2	33.5	11.8	895	5943	754
477158	8818952	Channel	12	1.67	0.37	104	964	517
477262	8818982	Channel	2	3.58	4.9	466	1168	429
477308	8818805	Channel	2	1.43	1	91	304	616
477310	8818805	Channel	12	8.08	3.87	214	1368	1117

Table 2: Kingston Surface Channel Sample Geochemistry from Quartz Mountain

Hole ID	From	To	Interval	Au (ppm)	Ag (ppm)	Cu (ppm)	Pb (ppm)	Zn (ppm)
GDD041	30	33.4	3.4	0.45	2	113	979	258
	107	108.5	1.5	0.45	1	185	2316	3981
	113.6	114.7	1.1	1.20	1	22	4104	19872
GDD043	48	49	1	0.51	<0.5	18	441	164
	93	95	2	1.05	<0.5	<1	12	71
GDD044 including and	7.4	31	23.6	2.91	1	43	2274	195
	17.5	31	13.5	4.60	2	63	3292	289
	19.1	23.4	4.3	11.58	6	132	5065	577
	52.1	57.4	5.3	0.75	1	159	1374	1878
	60.5	62.3	1.8	1.31	1.4	268	72	49
	70	71	1	0.514	0.8	28	1368	59
	78.2	79.8	1.6	0.557	-0.5	-1	18	157
84.2	86	1.8	0.493	1.3	442	1014	192	

Table 3: Kingston Significant intersections. Intersections are calculated at a minimum cut-off of 0.4g/t Au with a maximum 2.2m of internal dilution

Hole ID	Easting	Northing	RL	Depth	Dip	Azimuth
GDD041	476276	8819232	148	208.1	-50	50
GDD043	476273	8819230	152	202	-50	82
GDD044	476498	8819019	91	212.6	-50	82
GDD045	476431	8819124	101	206.4	-45	82
GDD046	476631	8818957	156	208.4	-50	82
GDD047	476725	8818708	147	216.6	-50	37

Table 4: Collar details, holes GDD041, GDD043 to GD047

Easting	Northing	Sample type	Width (m)	Au g/t	Ag g/t	Cu ppm	Pb ppm	Zn ppm
476986	8818718	Channel	4	2.49	3.7	462	160	755
476969	8818729	Channel	8	0.52	0.8	95	74	328
476941	8818739	Channel	18	1.41	5.7	302	1015	389
476955	8818816	Channel	12	0.4	0.9	37	124	206
476962	8818827	Channel	4	1.36	2.4	58	1553	2840
476957	8818837	Channel	4	3.98	4.5	257	5290	7470
476965	8818884	Channel	5	25.5	18.3	1580	13900	14050
477008	8818940	Channel	2	2.07	0.25	36	30	94
477001	8818960	Channel	2	1.39	1.3	179	250	1740
476986	8818882	Channel	1.5	19.55	13.9	530	15400	4520
476978	8818883	Channel	1	3.6	4	11	63	281
476923	8819114	Channel	1.5	7.31	13.2	1105	14050	10250
476888	8819314	Channel	1	3.2	1.3	72	480	129
476890	8818794	Grab		2.09	2.5	47	637	875
476929	8818819	Grab		1.06	1.1	24	565	968
477010	8818969	Rock Float		20.4	7.8	451	2570	728

Table 5: Historical Geochemistry from Quartz Mountain

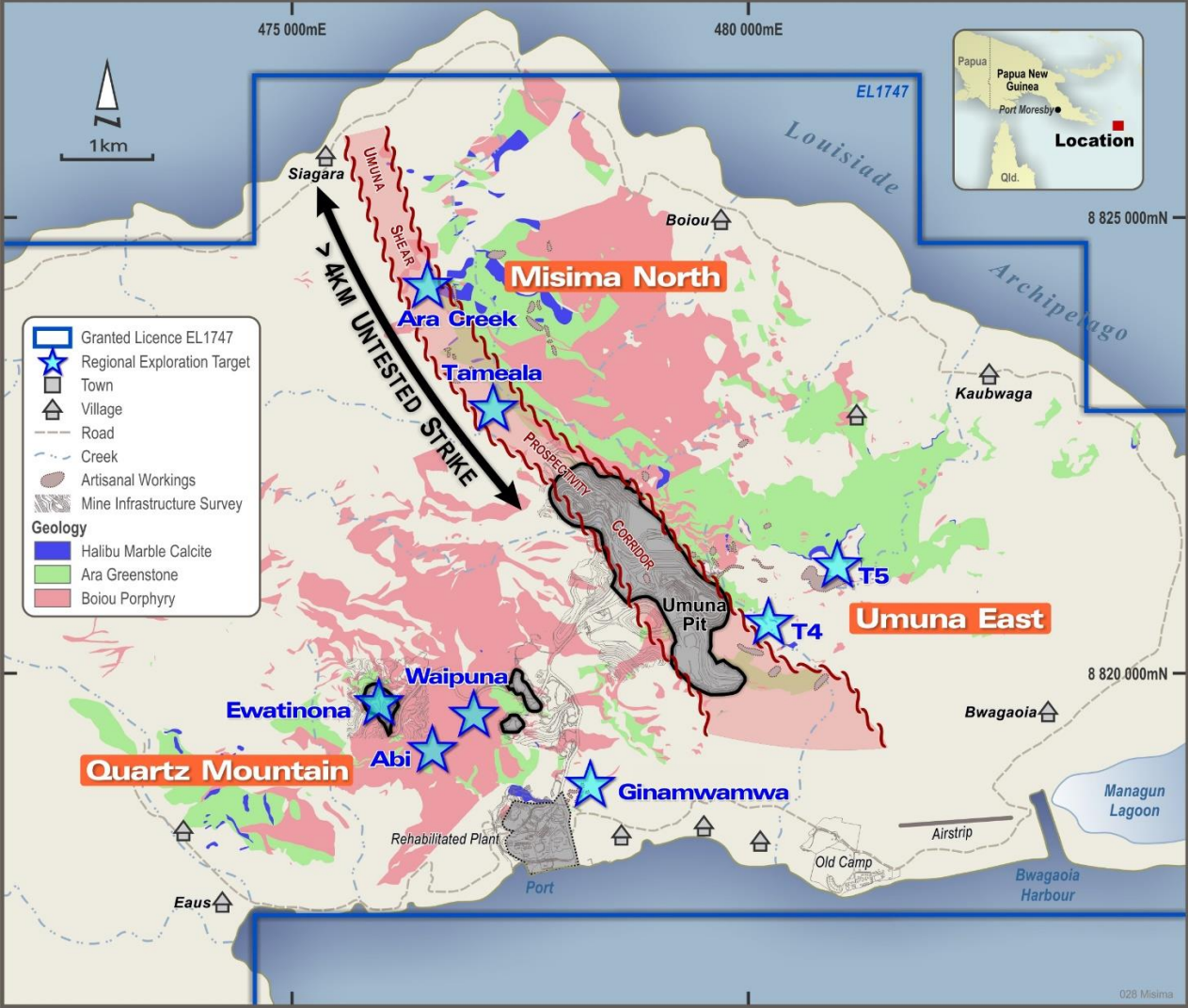


Figure 4. Misima prospect map showing the location of current prospects.

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.

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.

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	Commentary
<i>Sampling techniques</i>	<p>Drilling</p> <ul style="list-style-type: none"> • Samples are core from diamond drilling of PQ and HQ size. • 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. • Samples are transported 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. • A 100g 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. <p>Surface Sampling</p> <ul style="list-style-type: none"> • The samples were channel samples and rock chips, sampled by hand using geo-picks along 2m intervals after soil, vegetation and debris had been cleared away with shovels. • Sample preparation and analysis is the same scheme as that used for core sampling
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • PQ and HQ triple-tube diamond drilling. All core is oriented using a Reflex digital orientation tool.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • 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. • The driller modifies drilling pressure to optimise core recovery as much as possible, particularly in areas of softer lithologies. • There is no observed relationship or bias between sample recovery and grade.
<i>Logging</i>	<ul style="list-style-type: none"> • Core samples are logged for lithology, structure, alteration, rock quality and magnetic susceptibility. Structure, Rock Quality Designation (RQD) and magnetic susceptibility are quantitative measurements. • All core is photographed by tray. • Channel samples and rock chips are logged for lithology and any visible mineralogy and alteration.
<i>Sub-sampling techniques and sample preparation</i>	<ul style="list-style-type: none"> • 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. • 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. • The sample size is appropriate to the observed mineralisation style and historical geostatistical distribution of gold values.
<i>Quality of assay data and laboratory tests</i>	<ul style="list-style-type: none"> • Standard reference materials are inserted at a frequency of one per 20 samples. • Field duplicates were inserted at a frequency of one per 20 samples. • Blanks are inserted at a frequency of one per 50 samples. • QAQC performance is tracked using acQuire database software. • Acceptable levels of accuracy have been achieved using these techniques. • Gold values are also verified by assaying batches of pulps at an independent assay lab in Perth.
<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • No independent data verification procedures were undertaken other than the QA/QC mentioned above. • 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.
<i>Location of data points</i>	<ul style="list-style-type: none"> • Hole collar locations are recorded using a hand-held Garmin GPS, recording X,Y,Z positions in GDA94 datum (Zone 56). Z positions are later adjusted to fit LiDAR values. • Down-hole orientation is recorded using a Reflex survey camera taking a shot every 30m. • Channel samples and rock chips are located using a handheld Garmin GPS to record the centre of each 2m channel interval in GDA94 datum Zone 56.
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • Sample intervals are shown in the table of significant intersections in the body of this announcement. • No compositing has been applied.
<i>Orientation of data in relation to</i>	<ul style="list-style-type: none"> • Holes are drilled approximately orthogonal to the interpreted trend of mineralisation; in this case ranging from vertical to -50°. • This orientation is considered to avoid sample bias relative to the angle of mineralised structures.

Criteria	Commentary
<i>geological structure</i>	<ul style="list-style-type: none"> The channels mentioned in the body of this announcement were dug approximately perpendicular to the strike of observed lithological contacts.
<i>Sample security</i>	<ul style="list-style-type: none"> Samples were submitted by air or sea freight by Gallipoli Exploration (PNG), a subsidiary of Kingston, personnel for freight from Misima to Lae, and collected from Lae by Intertek staff. There were no other specific sample security protocols in place.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> Not applicable

Section 2 Reporting of Exploration Results

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

Criteria	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> 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 km². This EL is valid until 20 March 2021. 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 its subsidiary 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"> 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).
<i>Geology</i>	<ul style="list-style-type: none"> 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 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.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> Hole locations and orientations are displayed in the table within the body of the announcement.

Criteria	Commentary
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> Where significant intersection results are used, the average grades are weighted by the sample width of each assay within the intersection. No metal equivalence calculations are used in reporting.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> 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.
<i>Diagrams</i>	<ul style="list-style-type: none"> See figures in release
<i>Balanced reporting</i>	<ul style="list-style-type: none"> 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.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> Mapping and structural data is not available at this stage Other relevant exploration data is released to the market on an ongoing basis.
<i>Further work</i>	<ul style="list-style-type: none"> Exploration drilling is planned to continue for the remainder of 2019 and into 2020. Further work will involve structural mapping and interpretation, channel sampling orthogonal to mineralised structures, and drilling.