

Outstanding trenching results deliver exciting new drill target at Umuna East

New area of trenching adjacent to recent drilling yields surface gold mineralisation assaying up to 12.3g/t Au as part of strategy to define early mill feed

- Encouraging initial results from 230m-long trench at Umuna East, with several intersections reporting high grades. Highlights include:
 - 26m @ 2.56g/t Au incl. 11m @ 4.69g/t, incl. 7m @ 6.70g/t and incl. 4m @ 2.54g/t
 - 12.5m @ 1.78g/t Au incl. 5.5m @ 2.44g/t and incl. 1.5m @ 3.11g/t
 - 5.5m @ 8.16g/t Au incl. 3.5m @ 12.31g/t Au
- These new high-grade surface gold results peripheral to Kingston's recent drilling, in an area not previously drilled, indicate that the area requires further testing.
- The emerging potential at Umuna East highlights the continued success of Kingston's ongoing campaign to identify areas of shallow mineralisation for potential early-stage, starter pit mill feed.

Kingston Resources Limited (ASX: **KSN**) (**Kingston** or the **Company**) is pleased to report significant intersections of gold mineralisation from recent trenching activities at Umuna East, part of its **2.8Moz Misima Gold Project** in PNG.

Highlights from the initial assays received from the 230m long Umuna East trench include:

- 26m @ 2.56g/t Au incl. 11m @ 4.69g/t Au, incl. 7m @ 6.70g/t Au and incl. 4m @ 2.54g/t Au
- 12.5m @ 1.78g/t Au incl. 5.5m @ 2.44g/t Au and incl. 1.5m @ 3.11g/t Au
- 5.5m @ 8.16g/t Au incl. 3.5m @ 12.31g/t Au
- 29m @ 0.75g/t Au incl. 6m @ 0.85g/t Au and incl. 8m @ 1.11g/t Au

Trenching conducted in the Umuna East area was undertaken as a follow up to the recently reported positive drill results from the Umuna East drilling campaign (see ASX release 29th of January 2020). Highlights from this drilling included:

- 12m @ 1.31g/t Au from 2m in GDD050
- 14.6m @ 0.96g/t Au from 11.4m including 3.6m @ 1.59g/t Au and 3m @ 1.11g/t Au in GDD052
- 4m @ 0.97g/t Au including 2m @ 1.49g/t Au from surface in GDD053
- 10m @ 0.96g/t Au including 4m @ 1.5g/t Au from 28m in GDD053



ASX: KSN
Shares on Issue: 177M
Market Cap: A\$25M
Cash: A\$4.1M (31 Dec 2019)



201/110 Pacific Hwy,
North Sydney, NSW 2060
+61 2 8021 7492
info@kingstonresources.com.au
www.kingstonresources.com.au



@KSNResources

- 6m @ 2.32g/t Au from 80m in GDD054
- 4m @ 1.11g/t Au from 37m in GDD056
- 7m @ 0.98g/t Au from 42m in GDD062
- 3.3m @ 1.04g/t Au from 59.6m in GDD052
- 2.3m @ 2.54g/t Au from 125.3m in GDD052

The recent drilling confirmed the presence of significant shallow gold mineralisation at Umuna East, which is located just 500m east of the historical Umuna pit and within the existing Inferred Resource. The new trench results are expected to assist with planning follow-up drill holes to delineate additional potential gold mineralisation in an untested pocket of Umuna East.

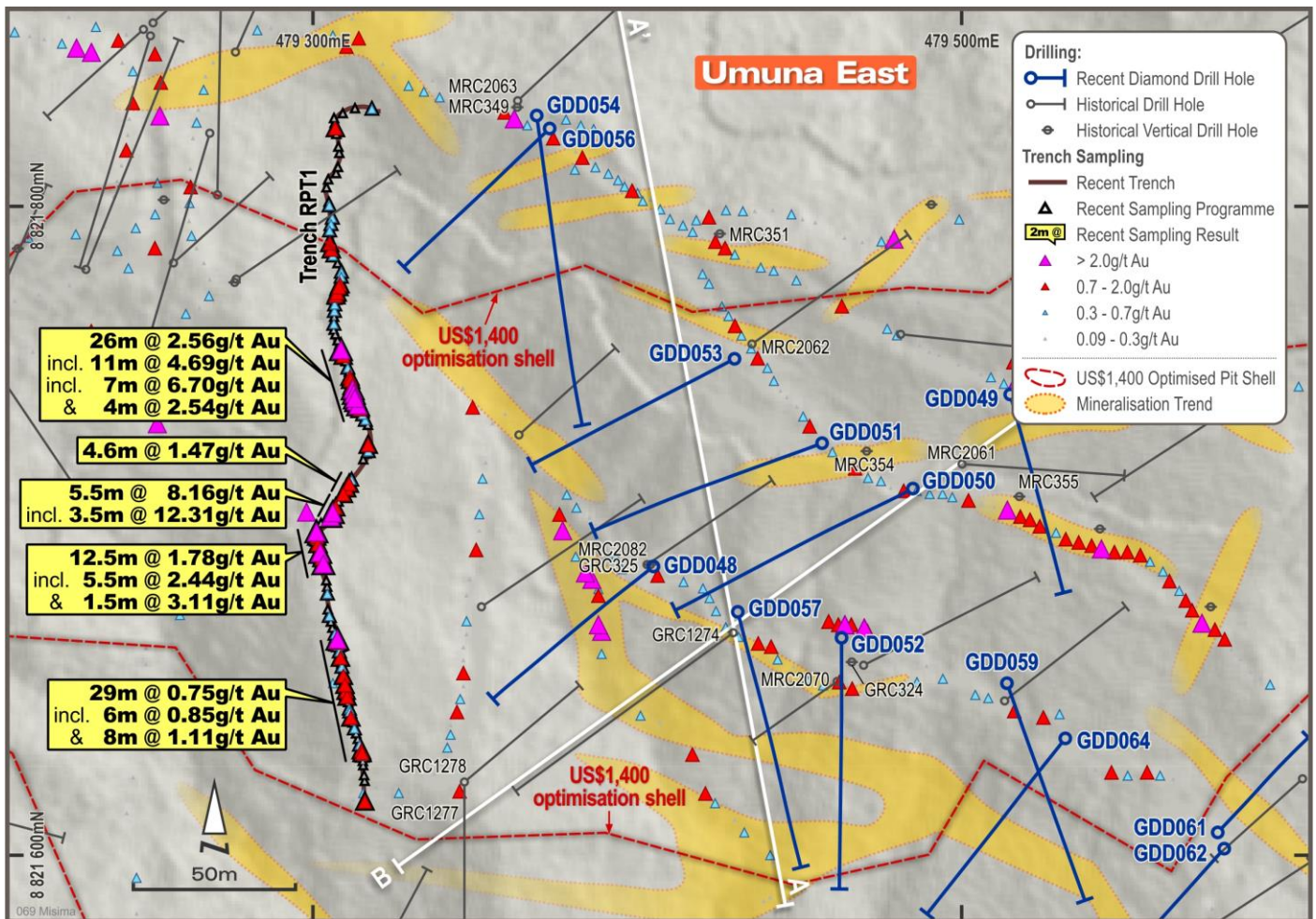


Figure 1: Location of new trench results peripheral to Kingston drilling

Kingston Resources Managing Director, Andrew Corbett, said: “Umuna East is continuing to emerge as a priority focus for us in terms of delineating areas of shallow mineralisation that can underpin potential starter pits at Misima. The latest geochemical results from trenching highlight an exciting new shallow target immediately adjacent to our recent drilling, and in an area with the potential to improve the existing Resource.

“One of the great things about Umuna East is that, like Quartz Mountain where we are currently drilling, it is situated in an area primed for the utilisation of existing infrastructure such as haul roads. Factors like these are expected to materially benefit the future economics of the project.”

“Umuna East is showing excellent potential to host the shallow, low strip mineralisation that our exploration strategy is focused on delivering. We will continue to focus on improving our geological understanding of the area with a view to increasing confidence in the resource model.”

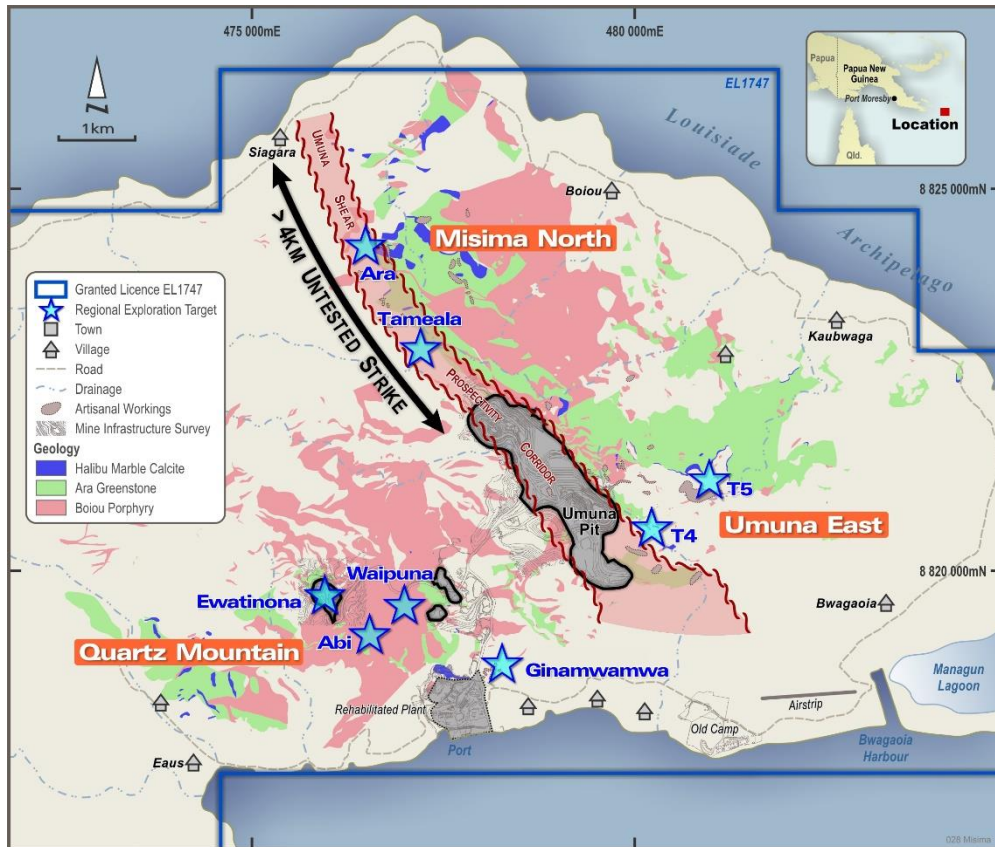


Figure 2. Misima Gold Project – Regional target map

Early reconnaissance mapping of the area showed potential for mineralisation, including hand specimens retrieved from float material that were brecciated with base metal mineralisation (galena, sphalerite & chalcopryrite). The follow up trench has confirmed the lateral continuation of mineralisation in the Umuna East area with multiple high-grade intersections of gold mineralisation.

The geology of the trench location is comprised of diorite and greenstone with diorite porphyry intrusions outcropping as sub-horizontal dykes concentrated along the upper contact of the greenstone or in overlying schist. Gold mineralisation is predominantly structurally controlled, as siliceous breccia, quartz manganese oxide veins as well as sheared lithology contacts, and as supergene enrichment in the weathering profile.

The dominant trend of structures is broadly parallel to the main Umuna fault corridor trend of 300°-320° magnetic with moderate to steep dips that vary from South-West to North-East.

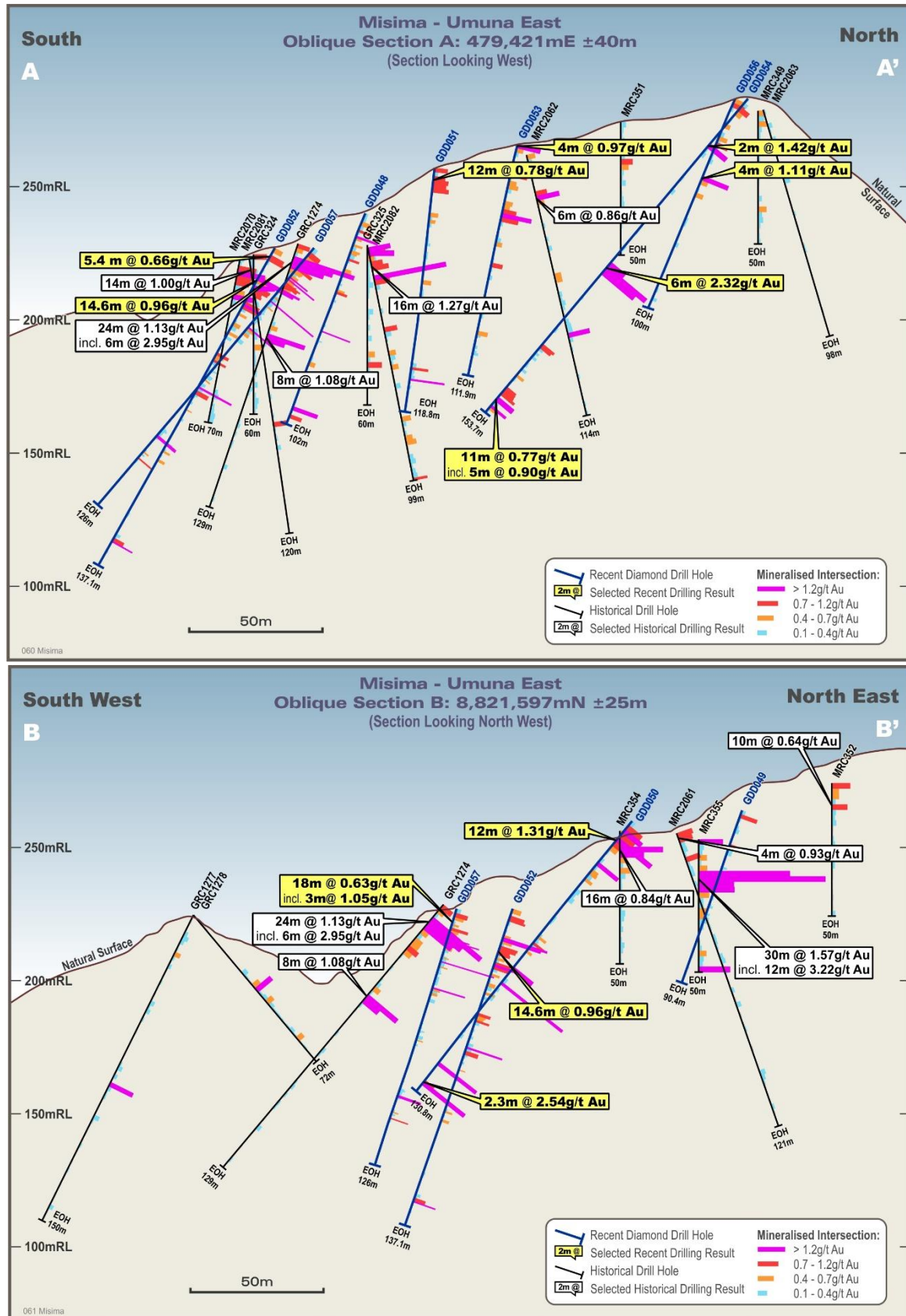


Figure 3. Umuna East cross sections incorporating recent and historic drilling results

Next Steps

Kingston is currently drilling the Ewatinona and Abi prospects within the Quartz Mountain area. Drilling in this area is expected to contribute to a potential upgrade and possible expansion of the existing 220koz Inferred Resource at Ewatinona.

Following the completion of this program, it is anticipated that follow-up drilling will be undertaken at Umuna East.

Trench Id	Sample Type	Intercept	Au Cut-Off (g/t)
RPT1	trench	4 m @ 0.74 g/t au	0.4
RPT1	trench	29m @ 0.75g/t Au	0.4
RPT1	trench	incl. 6m @ 0.85g/t Au	1.0
RPT1	trench	& incl. 8m@1.11g/t Au	1.0
RPT1	trench	2m @ 0.49 g/t Au	0.4
RPT1	trench	12.5m @ 1.78g/t Au	1.0
RPT1	trench	incl. 5.5m @ 2.44g/t Au	2.5
RPT1	trench	& incl. 1.5m @ 3.11g/t Au	2.5
RPT1	trench	5.5m @ 8.16g/t Au	1.0
RPT1	trench	incl. 3.5m @ 12.31g/t Au	2.5
RPT1	trench	4.6m @ 1.47g/t Au	1.0
RPT1	trench	3m @ 1.32g/t Au	0.4
RPT1	trench	26m @ 2.56g/t Au	0.4
RPT1	trench	incl. 11m @ 4.69g/t Au	1.0
RPT1	trench	incl. 7m @ 6.70g/t Au	2.5
RPT1	trench	& incl. 4m @ 2.54g/t Au	1.0
RPT1	trench	incl. 2m @4.09g/t Au	2.5
RPT1	trench	15m @ 0.61g/t Au	0.4
RPT1	trench	incl. 3m @ 1.11g/t Au	1.0
RPT1	trench	17m @ 0.51g/t Au	0.4

Table 1: Significant mineralisation intervals for trench RPT1 with high grade zones defined by increasing cut-off grade

This release has been authorised by the Kingston Resources Limited Board. For all enquiries please contact Managing Director, Andrew Corbett, on +61 2 8021 7492.

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 77% 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.



Kingston project locations

The Misima Mineral Resource estimate outlined below was released in an ASX announcement on 27 November 2017. Further information relating to the resource is included within the original announcement.

Resource Category	Cutoff (g/t Au)	Tonnes (Mt)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Au (Moz)	Ag (Moz)
Indicated	0.5	37.2	1.1	4.9	1.3	5.8
Inferred	0.5	45.0	1.0	5.6	1.5	8.1
Total	0.5	82.3	1.1	5.3	2.8	13.9

Misima JORC 2012 Mineral Resource Estimate summary table

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 1 to 2m lengths or to lithological contacts. <p>Surface Sampling</p> <ul style="list-style-type: none"> The samples were channel samples and rock chips, sampled by hand using geo-picks to geological boundaries after soil, vegetation and debris had been cleared away with shovels.
<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>	<p>Drilling</p> <ul style="list-style-type: none"> Up to Sept. 2019, PQ3 core is cut and sampled as quarter core. From Oct. 2019, PQ3 core is cut and sampled as half core. HQ3 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 is consistent with the techniques used by Misima Mines Ltd (Placer) during previous exploration and mining of the project. The sample size is appropriate to the observed mineralisation style and historical geostatistical distribution of gold values. <p>All Samples</p> <ul style="list-style-type: none"> 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.
<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. Intertek conducts periodic laboratory QAQC including sizing tests and crushate / pulp duplicate tests. 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.

Criteria	Commentary
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> Holes are drilled approximately orthogonal to the interpreted trend of mineralisation This orientation is considered to avoid sample bias relative to the angle of mineralised structures. Channels are 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</i> 1992.
<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. 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.
<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</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

Criteria	Commentary
<i>mineralisation widths and intercept lengths</i>	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"> • 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 during 2020. • Further work will involve structural mapping and interpretation, channel sampling orthogonal to mineralised structures, and drilling.