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ASX/Media Announcement 09 October 2019

Drilling of high-priority Misima North gold target underway

First drilling at Misima North in over 20 years, targeting shallow mineralisation in an area where rock chip sampling returned grades of up to 44.6g/t Au

- **Misima North drilling underway targeting >4km untested strike, including structural targets with potential for repeats of the Umuna deposit.**
- **Second diamond drill rig now on site, with drilling also underway at Umuna East.**
- **Drilling program aimed at identifying shallow, high-grade gold mineralisation to contribute early ounces to future mining studies.**

Kingston Resources Limited (ASX: KSN) (Kingston or the Company) is pleased to report that drilling is underway at Misima North, within its flagship **2.8Moz Misima Gold Project** in PNG.

Misima North is a 4km prospective target corridor trending NNW from the former Umuna open pit. Recent field work and structural interpretation has elevated the potential at Misima North, suggesting that previous drilling has not properly tested the shear position and subsidiary structures. Known anomalism and mineralisation at Misima North is indicative of supergene enrichment within structures adjacent to and within the Umuna Fault Corridor.

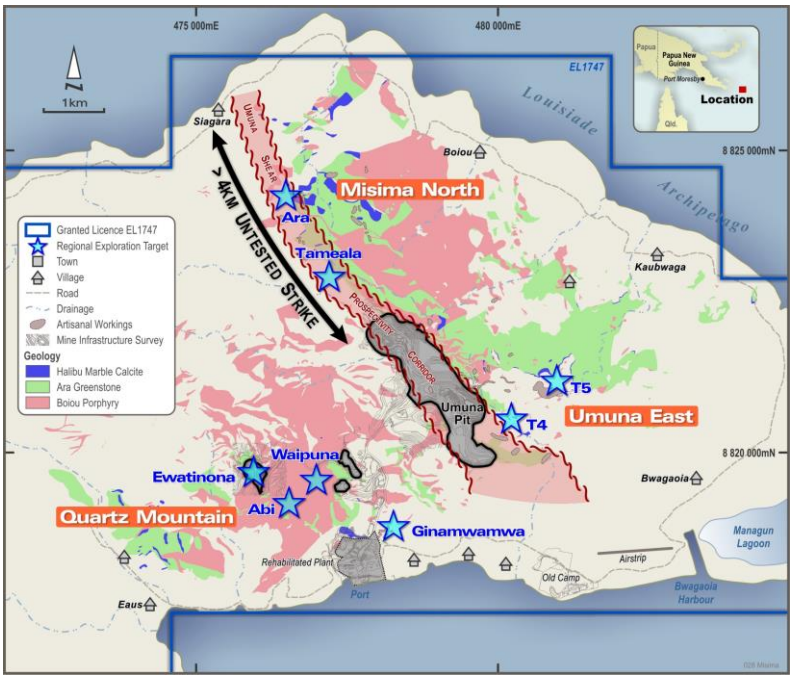

Figure 1: Misima prospect map showing the location of current prospects.

ASX: KSN
Shares on Issue: 1,766M
Market Cap: A$35.3M
Cash: A$8.3M (30 June 2019, pro-forma post August placement)

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Misima North – Ara Prospect

Previous field exploration undertaken by Kingston at Misima North included three short trenches dug within the prospective Ara area. Ara includes a number of historical underground workings that were active prior to World War 2. The trenches were designed to test lithological and structural contacts between prospective outcropping greenstone and limestone adjacent to the Umuna Fault Corridor.

The trenches successfully intersected significant gold grades in two contact areas:[1]

- 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)[1]. Historically, gold mineralisation at Misima has a close association with elevated lead values.

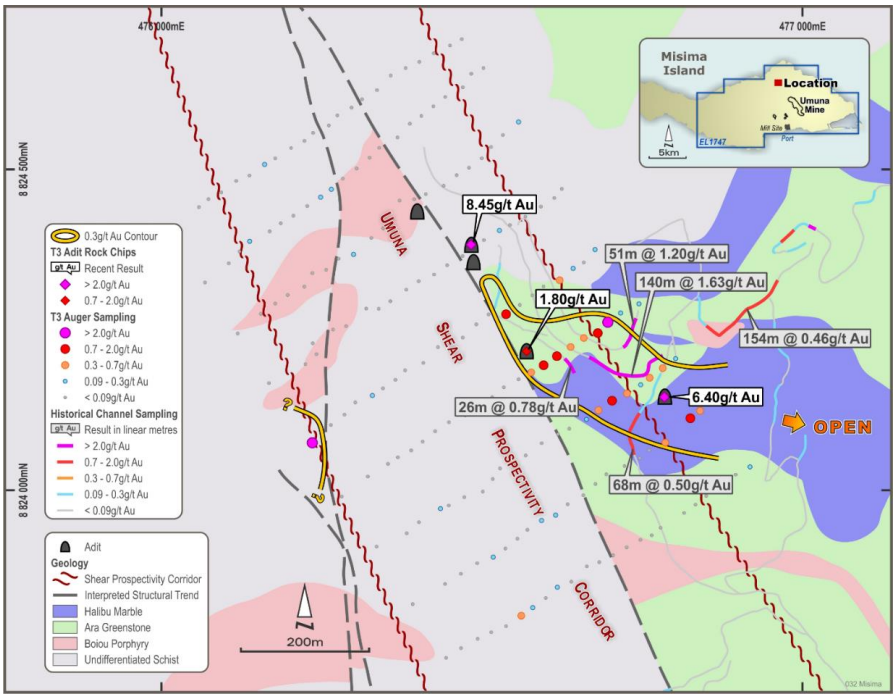

Figure 2: Ara sampling highlights Misima North opportunity

Misima North – Historical information

Exploration has been conducted by previous companies within the 4km-long Misima North corridor, with highlights including:

- Historical drilling at Misima North includes[1,2]:

  8m @ 4.68g/t Au from 8m, 1.4km north of Umuna (hole MNR2220)

  10m @ 2.36g/t Au from surface, 2.3km north of Umuna (hole MNR889)

  10m @ 3.2g/t Au from surface, 2.3km north of Umuna (hole MNR515).

- Historical channel samples at Misima North include[1,2]:

  119m @ 1.63g/t Au, 2.3km north of Umuna;

  176m @ 1.12g/t Au; and

  45m @ 0.88g/t Au 2.5km north of Umuna.

1 ASX Announcements KSN 30/4/2019, 18/04/2018

2 Placer Exploration reports 1990-2001

- Small-scale historical underground production, circa 1940, was recorded at the Misima North Gold Mine[3] with sampling within one underground adit recording 16m @ 21.3g/t Au.

- Kingston has not independently verified these historical records.

Kingston Resources Limited Managing Director, Andrew Corbett said: *"The Misima North area is a hugely exciting location, with a large prospective footprint along a 4km corridor and multiple high-quality targets. Historical underground production from the Misima North Gold Mine was shallow and occurred prior to World War 2, suggesting plenty of scope for new discoveries using modern exploration techniques. Our first target is this historical underground mining area.*

"Misima North represents the third new regional target outside of the existing 2.8Moz resource to be drilled by Kingston, and follows the discovery of the Abi prospect within the Quartz Mountain area last month. With a second diamond rig on site, we now have drilling underway at two key regional targets, with drilling also commenced on Umuna East.

"Commissioning of the second drill rig occurred during September with additional support fleet and equipment arriving on the island during the third week of September. It was a great effort by our drilling contractor and the Kingston team to bring this rig on line ahead of schedule. We are now well placed to deliver a material uplift in drill metres and an acceleration in drill testing these exciting regional targets."

Misima North Diamond Drilling

Kingston's initial program in Misima North is expected to comprise 10 diamond holes with planned depths of 80-130m, for total drilling of approximately 1100m.

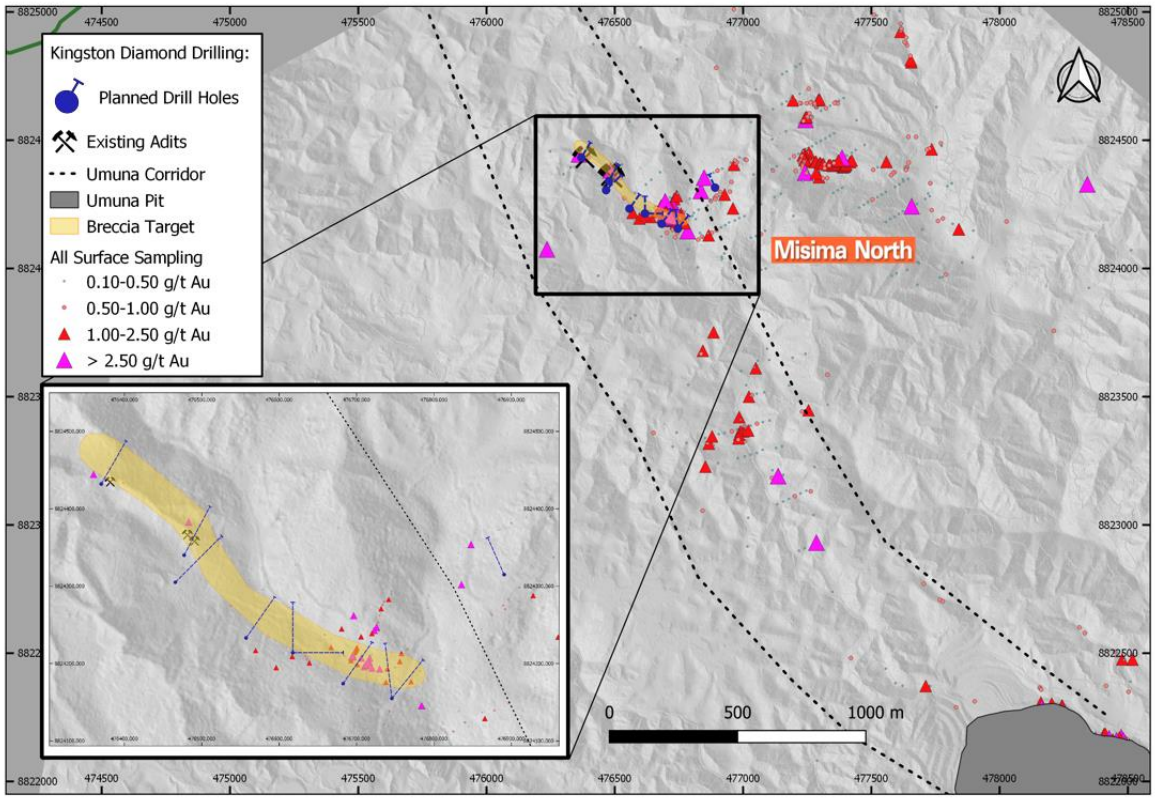

Figure 3: Misima North, Ara prospect initial breccia drill target, approx. 600m long trending NW, and initial diamond holes

[3] Cuthberts's Misima Goldmine Limited, 1949 King, Moodie & Thomas

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The designed holes will be targeting a NW-trending breccia (supergene enriched) with anomalous surface geochemistry. It will also add data to the Company's structural interpretation of the area to enhance the geological model and assist in planning of future holes.

Currently the controls on mineralisation are understood to be a combination of moderate to steep-dipping NE and NW trending structures, as well as brecciated limestone contacts and drusy quartz manganese oxide fracture fills and stock-worked veinlets.

The drill holes are planned along the footwall of a NW-trending structure within the interpreted extension of the Umuna Fault Corridor.

Photo 1: Misima North, aerial view over the Ara prospect with drill rig locations

Photo 2: Misima North, diamond drilling underway

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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.

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