



ASX Announcement

31 January 2018

ASX Code: KSN

Share Price: A\$0.023

Shares Outstanding: 1,009,370,132

Market Capitalisation: A\$23.2m

Cash: A\$2.1m (31 Dec, 2017)

ACN 009 148 529

Board and Management

Anthony Wehby
Chairman

Andrew Corbett
Managing Director

Andrew Paterson
Technical Director

Stuart Rechner
Non-Executive Director

Chris Drew
Commercial Manager

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Quarterly Activities Report For the quarter ending 31 December 2017

Highlights

Kingston is pleased to provide an update on a very exciting quarter for the Company. Highlights include:

- **Concluded merger with WCB Resources**
- **Gold exploration fieldwork commenced on Misima**
- **Initial JORC Resource at Misima reported at 2.8Moz**
- **Misima drilling tender issued; drill rig mobilisation anticipated this quarter**
- **Executed option to acquire 75% of the Livingstone Gold Project**

Kingston Resources ("KSN", "Kingston", "the Company") successfully concluded its merger with WCB Resources during the December quarter. The Company is pleased to report that the transition of management for the Misima Gold Project has been very successful, with fieldwork recommencing within weeks of the conclusion of the merger.

Managing Director Andrew Corbett commented *"The Misima Gold Project represents an outstanding opportunity for KSN and its shareholders. We are excited to be working on the island, and look forward to drilling commencing in the coming months following our comprehensive preliminary exploration program. On behalf of Kingston I would like to reiterate our thanks to all those involved from WCB Resources for their help in enabling a rapid and successful transition to new management for the Misima Gold Project."*

Alongside recommencing work on the ground, Kingston has made rapid progress across a number of other aspects of the Project. A 2.8Moz initial JORC resource was reported in November, Mr Michael Woodbury BSc (hons) FAusIMM FSEG MAIG was appointed as Exploration Manager, engagement with local landowner groups recommenced, and exploration targets were identified and prioritised for 2018.

During the quarter KSN also executed its option to acquire 75% of the Livingstone Gold Project, with targets now ready for drilling in 2018.

Corporate

On 17 November 2017, Kingston completed its merger with WCB Resources (TSX:WCB), a Brisbane-based company that is earning up to a 70% interest in the Misima Gold Project in PNG.

Misima was previously operated by Placer Dome Inc between 1988 and 2004, during which time it produced 3.7Moz of gold at an average grade of 1.46g/t Au, and 22.2Moz of silver at an average grade of 15.6g/t Ag. Kingston sees significant exploration upside in a number of under-explored areas, each underpinned by historic drilling and channel sampling undertaken outside the existing resource footprint that has never been followed up on.

Exploration

Misima

JORC Update

During the quarter, Kingston released the results of a mineral resource estimate for the Misima Gold Project, reported in compliance with the 2012 edition of the JORC Code (see ASX Announcement, 27 November 2017). The Misima resource (Table 1), contains 82.3Mt @ 1.1 g/t Au and 5.3 g/t Ag for a total of 2.8Moz Au and 13.9Moz Ag. This represents a 22% increase in contained gold relative to the previously reported NI43-101 resource.

Table 1: Misima JORC Resources, updated November 2017

Deposit	Material	Resource	Cutoff	Tonnes	Gold	Silver	Au Moz	Ag Moz
		Category	(g/t Au)	(Mt)	(g/t Au)	(g/t Ag)		
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	0.5	37.2	1.1	4.9	1.3	5.8
		Inferred	0.5	38.4	1.0	6.1	1.3	7.5
	Total	Combined		75.7	1.1	5.5	2.6	13.3
Ewatinona	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

There is an additional 300-800koz Au (10-20Mt at 0.8-1.2g/t Au) of mineralisation within the block model which falls outside the resource, but which is inside the interpreted zones of mineralisation, and is essentially the down-dip extents of interpreted mineralisation beyond the current limits of drilling. This material is only conceptual in nature and there has been insufficient exploration to define a Mineral Resource, it is therefore classified as an Exploration Target under JORC2012. It is also uncertain if further exploration will result in the target being upgraded to a Mineral Resource.

It is also worth noting that the Exploration Target area is only one of a number of prospective locations at Misima. Other target areas include structurally-controlled mineralisation in splays to the southeast of Umuna (referred to in presentations as Umuna East); the potential northern strike extension of the Umuna Shear (Misima North); and an under-explored area to the west of Umuna where three small pits were mined by Placer Dome, collectively known as Quartz Mountain. In total, the Misima project covers over 7km of known gold mineralisation, of which the Umuna Pit area represents approximately 3km.

Exploration to drive resource growth

Kingston's primary focus for exploration, including planned drilling for 2018, remains the significantly underexplored Umuna East and Misima North areas, shown in Figure 1 below. These areas sit outside the current Resource but host extensive gold anomalism in both channel and soil sampling. Kingston believes these areas offer excellent potential for additional near-surface, mineralisation.

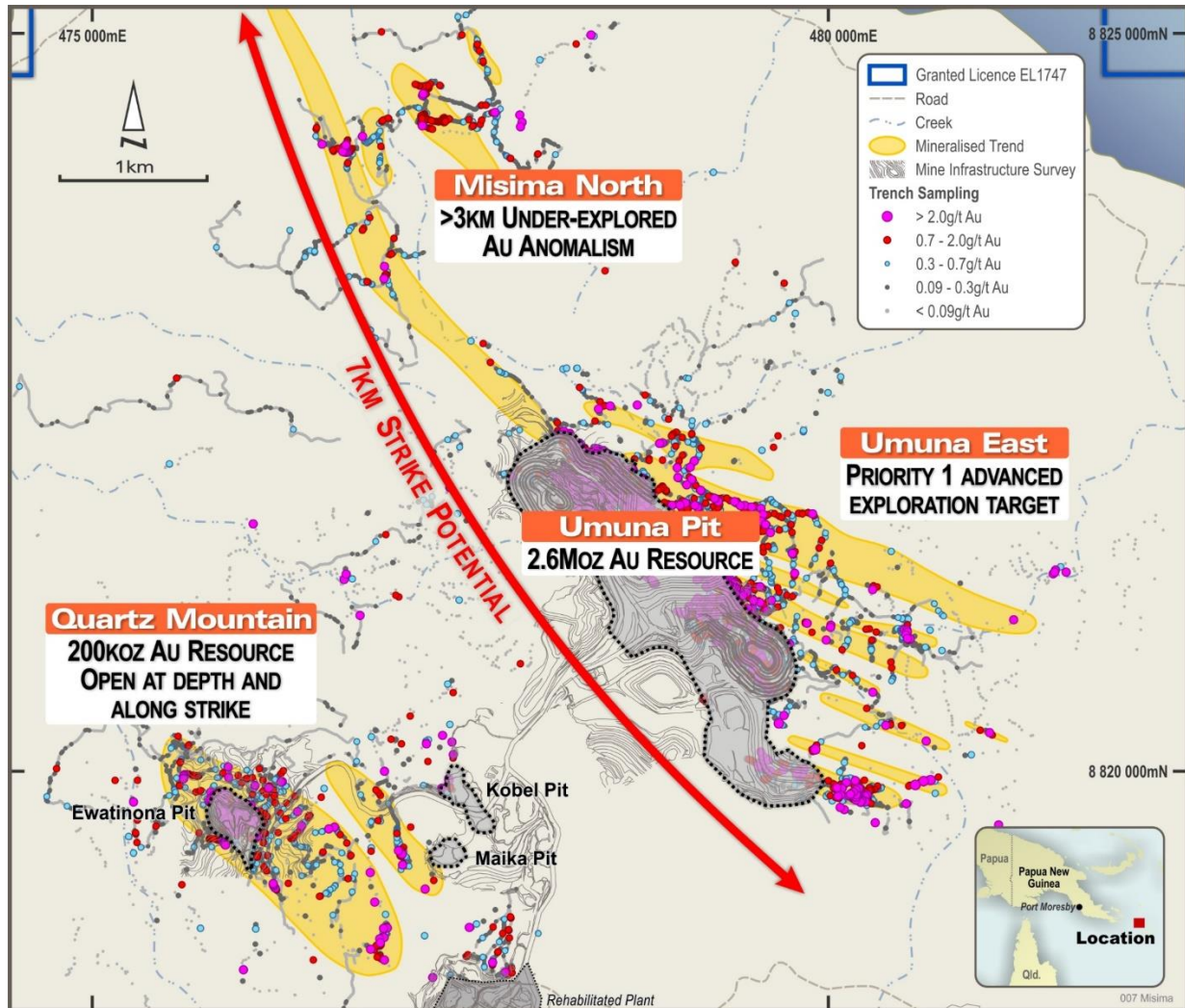


Figure 1: Priority target areas. Work to date has defined over 7km of prospective strike at Misima.

KSN concluded an initial 670m trenching program in the quarter targeting the southern end of the near surface mineralisation at Umuna East. The trenches expose the in-situ soil profile for channel sampling and structural mapping, with the aim of defining controls on mineralisation between the Kulumalia and Padakol fault structures for a drilling campaign commencing in 2018. The trenching program has now recommenced following the Christmas break.

Kingston has a drilling tender out for its 2018 program. This process is expected to be finalised shortly, with drillers mobilising later in the quarter.

Livingstone

During the quarter Kingston reported that the Livingstone project in Western Australia received Exploration Incentive Scheme funding under the State Government's co-funded drilling program. Under this scheme Kingston was awarded co-funding of \$75,500 towards its planned drilling in 2018.

Following the successful exploration program conducted during the 12-month option period, KSN also exercised its option to acquire 75% of the project during the quarter.

Livingstone is a highly prospective project which we plan to enhance with a drilling program on the priority targets in the coming months. The primary drill target is a high-tenor gold anomaly centred on Livingstone's Find (Figure 2), which was defined by Kingston's auger drilling in mid-2017 over an area of approximately 5km by 4km. Anomalies resulting from this program include the Stanley prospect, extending over more than 4.5km along a sheared stratigraphic contact, and a series of anomalies coincident with three lines of historic underground workings. Grab samples taken from the old workings by KSN in late 2016 returned assays as high as 75g/t Au¹.

Kingston has an approved program of work (PoW) in place for Livingstone's Find.

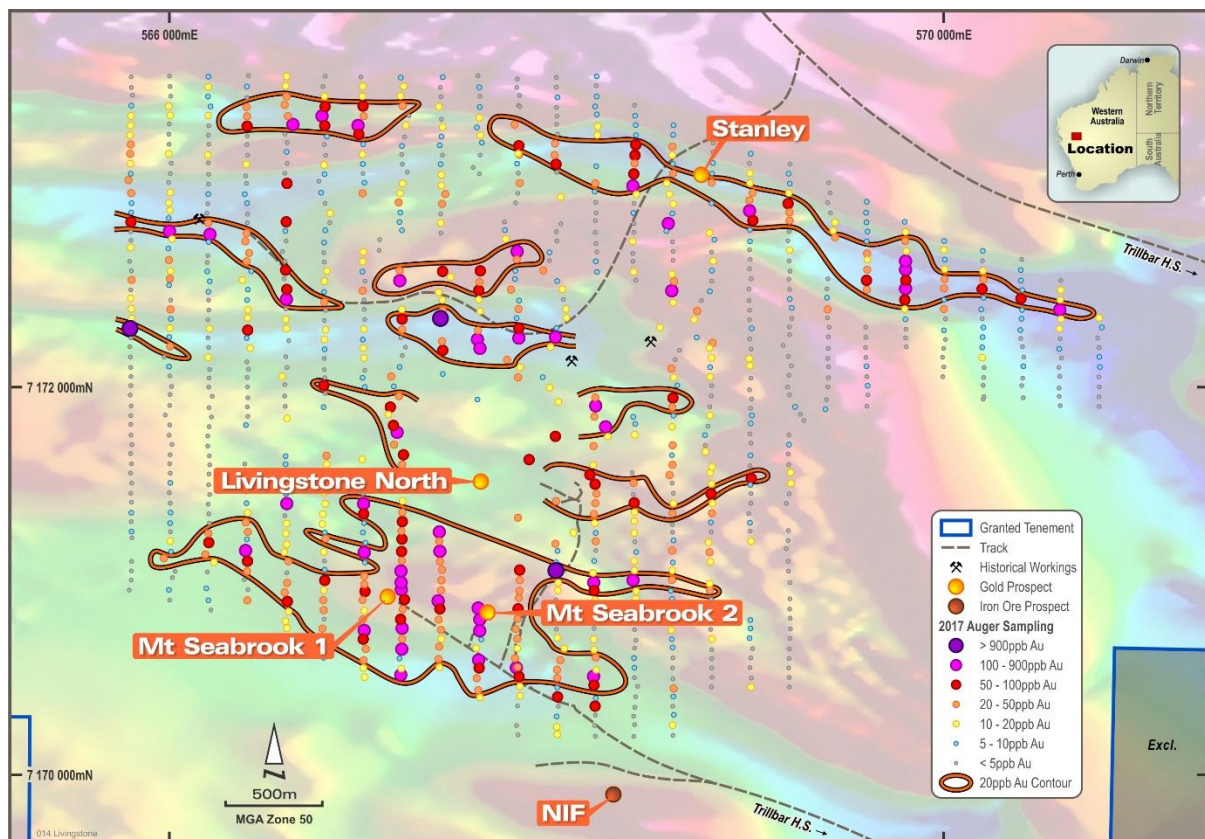


Figure 2: Livingstone Find gold anomalies over gradient-enhanced TMI background.

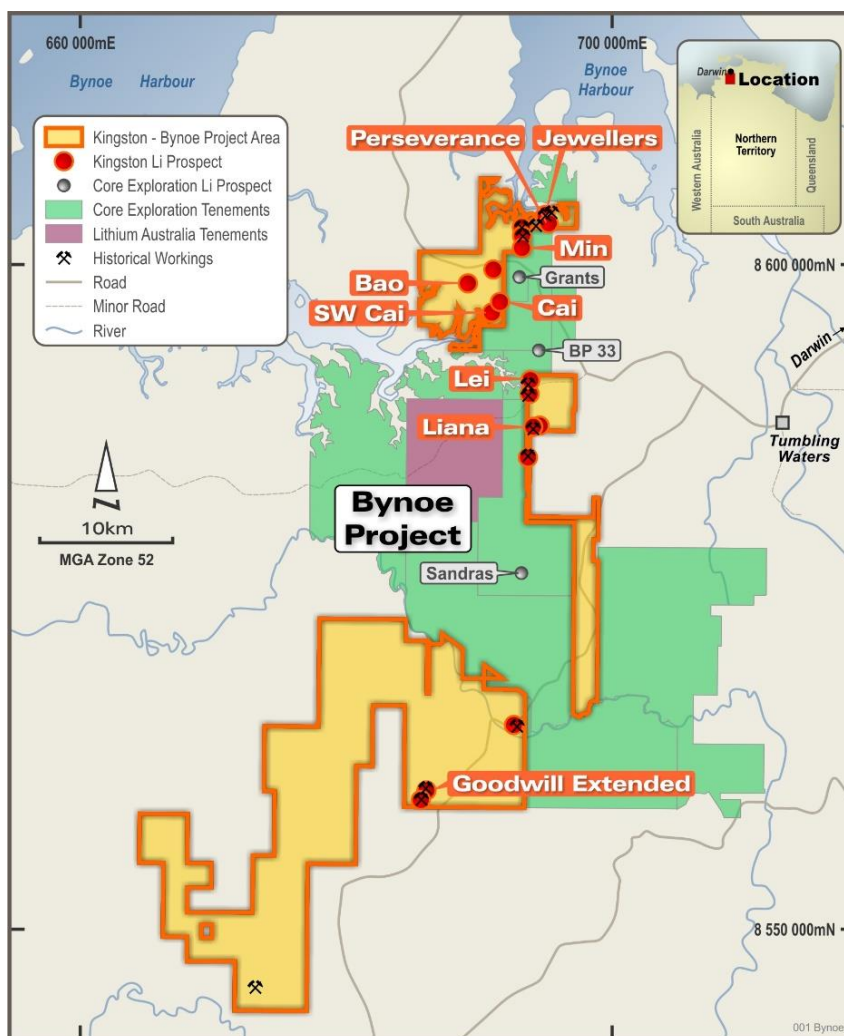
¹ ASX announcement 21 December 2016.

Lithium Projects

No field exploration was completed on the Company's lithium projects in the NT or in WA. Rehabilitation of drill sites was partially completed at Bynoe before the onset of the tropical wet season. Drilling approvals are in place for pegmatite targets at Bynoe and Arunta.

Bynoe

KSN holds a significant tenure package covering over 400 km² within the Litchfield Pegmatite Belt. ASX peer lithium exploration companies are delivering successful results from initial drilling campaigns in adjacent Bynoe tenements (Figure 3). KSN's early exploration success at the Lei prospect, including 12m @ 1.43% Li₂O (KBRC024) suggests there is significant potential within Bynoe. The tenements are 30km South-West of Darwin.



The Bynoe location advantage:
Scale: The Bynoe Pegmatite Field is 70km long, 15km wide.

Port Darwin: Australia's northern gateway with strategic advantages of being in close proximity to key Asian markets. Multi modal, multi user deep water port.

Main Roads: Access to all tenements within Bynoe

Mains Power: Supply to the local area of Bynoe

Gas Supply: The Northern Territory is a net exporter of gas with gas pipeline access within 30 km of Bynoe

Residential workforce: Darwin Population is estimated at over 150,000 people.

Figure 3. KSN Bynoe tenements – proximity to Darwin offers a material infrastructure advantage

Arunta

KSN holds 1,550km² in the Arunta region north of Alice Springs. Multiple pegmatite-hosted tin fields are located within the broader Arunta Province including at Barrow Creek (EL31148, EL31242), Utopia (EL31137, EL31213) and tin and tantalum historic workings at Spotted Wonder (EL31138, EL31212, ELA31553). KSN undertook systematic soil sampling at Spotted Wonder and Utopia in early 2017.

Fieldwork has identified two drill ready targets in this greenfields terrane;

- Delmore Prospect - high level (>100ppm) lithium-in-soil anomaly with exposed amblygonite mineralisation grading up to 10.2% Li₂O rock chip
- Tank Hill Prospect - high level (>100ppm) lithium-in-soil anomaly

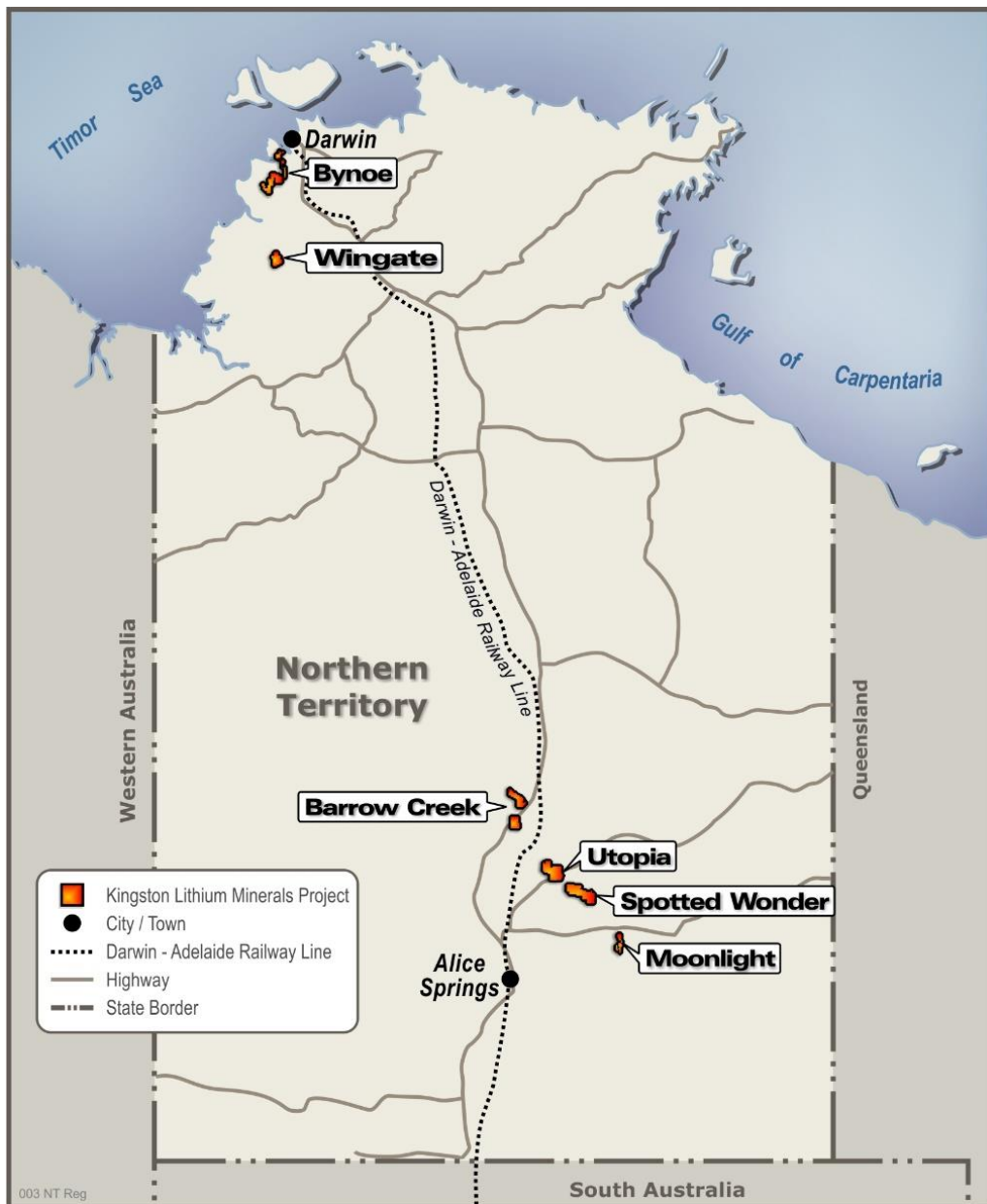


Figure 4. KSN Northern Territory Lithium projects.

About Kingston Resources

KSN is a metals exploration company. 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 49% of the Misima Gold Project and is earning in to 70%.

The Company also holds an attractive portfolio of lithium exploration tenements covering two key project areas in the Northern Territory, where the Bynoe Project is home to some exciting new discoveries and the Arunta Project lies within a significant pegmatite field. In addition, the Livingstone Gold Project (75%) holds a 50koz resource and is the site of a number of high grade historic intersections.

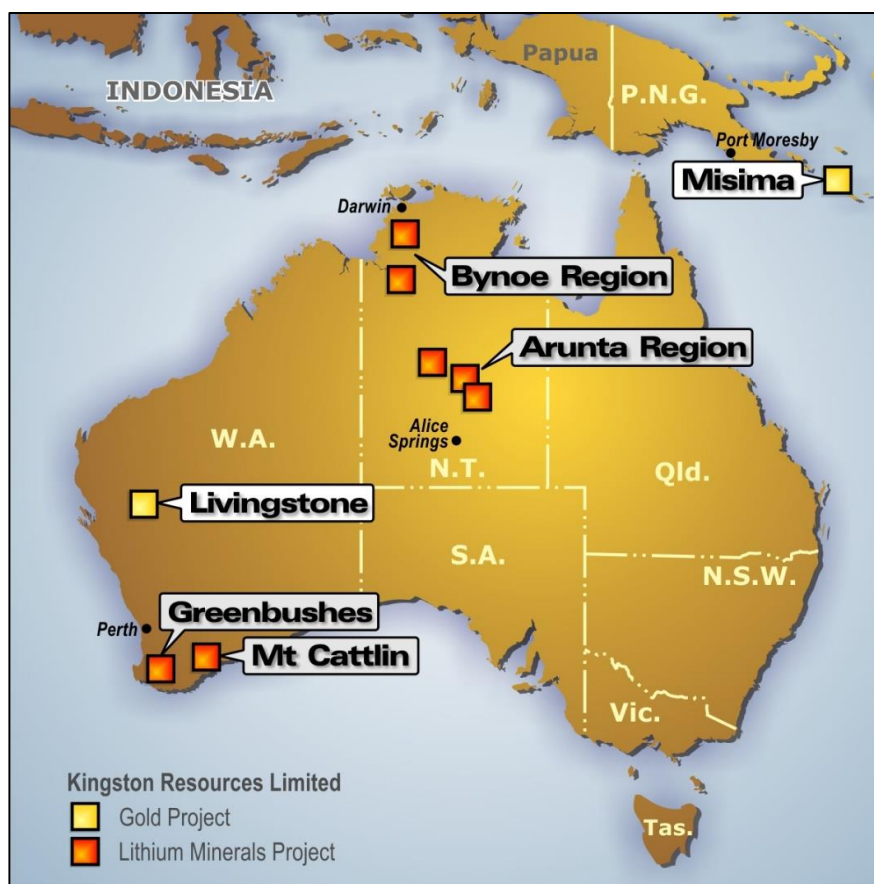


Figure 4: KSN project locations.

Competent Persons Statement

The information in this report that relates to 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.