



ASX Announcement
18 September 2018

ASX Code: KSN

Share Price: A\$0.021

Shares Outstanding: 1,223,198,383

Market Capitalisation: A\$25.7m

Cash: A\$4.4m (30 June 2018)

Board and Management

Anthony Wehby
Chairman

Andrew Corbett
Managing Director

Andrew Paterson
Technical Director

Stuart Rechner
Non-Executive Director

Mick Wilkes
Non-Executive Director

Chris Drew
Chief Financial Officer

Contact Details

205/283 Alfred Street North,
North Sydney,
NSW 2060
+61 2 8021 7492

info@kingstonresources.com.au

www.kingstonresources.com.au

High-grade auger results highlight potential at Misima North

Highlights

- **Auger sampling defines gold anomaly over 400m long, open along strike**
- **Auger values up to 4.18g/t Au**
- **Historic underground adits assaying up to 8.45g/t Au**

Kingston Resources Limited (**Kingston** or the **Company**) is pleased to report auger results from ongoing regional exploration at its flagship Misima Gold Project in PNG.

The auger program, undertaken over the Ara Creek prospect (Figure One), has defined a gold anomaly more than 400m long and open along strike, with individual auger samples assaying up to **4.18g/t Au**. Kingston's field team has also identified and surveyed five historic underground adits within the prospect area, rock chip samples from the entrances to these adits returned values as high as **8.45g/t Au**.

The Ara Creek prospect, was identified by a review of historic work completed during the early stages of Placer Mines' exploration in the area, reinforced by structural work Kingston completed earlier in 2018.

The prospect is located within the Misima North area on the interpreted northern continuation of the Umuna Fault Zone (UFZ). The southern end of the UFZ hosts the bulk of the current 2.8Moz Misima JORC Resource¹. The northern extension is relatively under-explored, despite having similar scale to the historic Umuna area, with well over 3km of prospective shear, historic underground workings, and strong geochemical indicators.

Kingston's Managing Director Andrew Corbett commented:

"These auger and rock chip values again highlight the vast and immediate exploration upside that exists across Misima.

We are only just scratching the surface in terms of exploration at Misima and it is becoming clear that there are still multiple zones and new areas across the island that remain undiscovered. The potential of our total project area is just starting to be realised.

With rock chip sampling, trenching, auger drilling and diamond drilling, we expect ongoing results across the coming months."

¹ ASX Announcement 27 November 2017, Misima 2.8Moz JORC Resource

The Ara Creek assay results are significant for a number of reasons:

- The area was a focus for historic underground mining pre-WW2;
- It sits roughly in the middle of the Misima North region, 2.5km north of the Umuna pit and 2.2km from the north coast at Siagara village, straddling the Umuna Fault Zone in an area interpreted to be a flexure in the strike of the shear; and
- Exploration by Placer identified significant surface mineralisation in soil and channel sampling between 1992 and 1994.

Ara Creek was prioritised by Kingston after a systematic review of all available data. Reports of mineralisation in the area from as far back as 1939 provide an indication of the area's potential, and this information is supported by conventional soil sampling completed by Misima Mines in 1992, channel sampling in 1993-94, and a number of historic drill holes. Drilling results included intersections such as 10m @ 3.20g/t Au from surface in MNR515 and 12m @ 2.05g/t from surface in MNR889. Mapping by Misima Mines also shows a subtle right-hand flexure in the shear, making it an ideal structural position for mineralising fluids.

The recent auger program has confirmed the presence of significant gold anomalism at surface on the east side of the Umuna Shear, however none of the historic drilling has properly tested the shear itself. Kingston intends to continue sampling and mapping the prospect to fully determine the extent of surface mineralisation, with a view to drill testing in 2019.

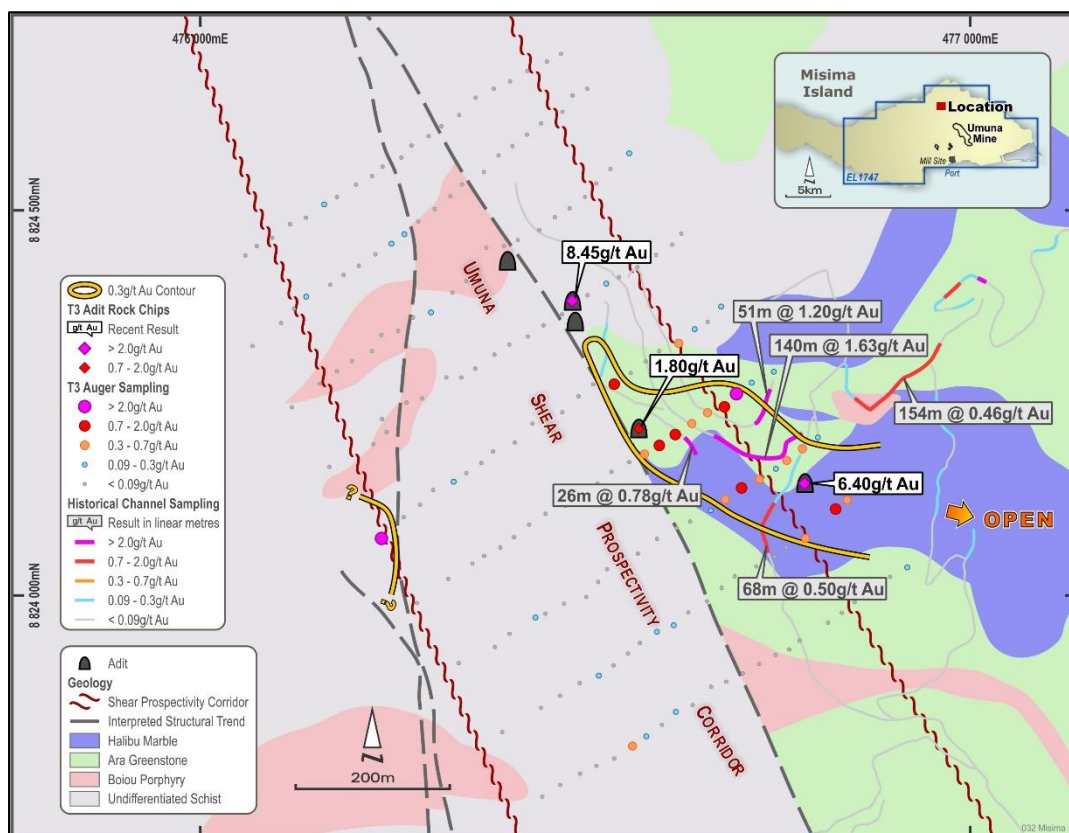


Figure 1: Ara Creek auger sampling results (coloured dots) with highlighted adit samples and highlighted intersections from historic Misima Mines channel sampling.

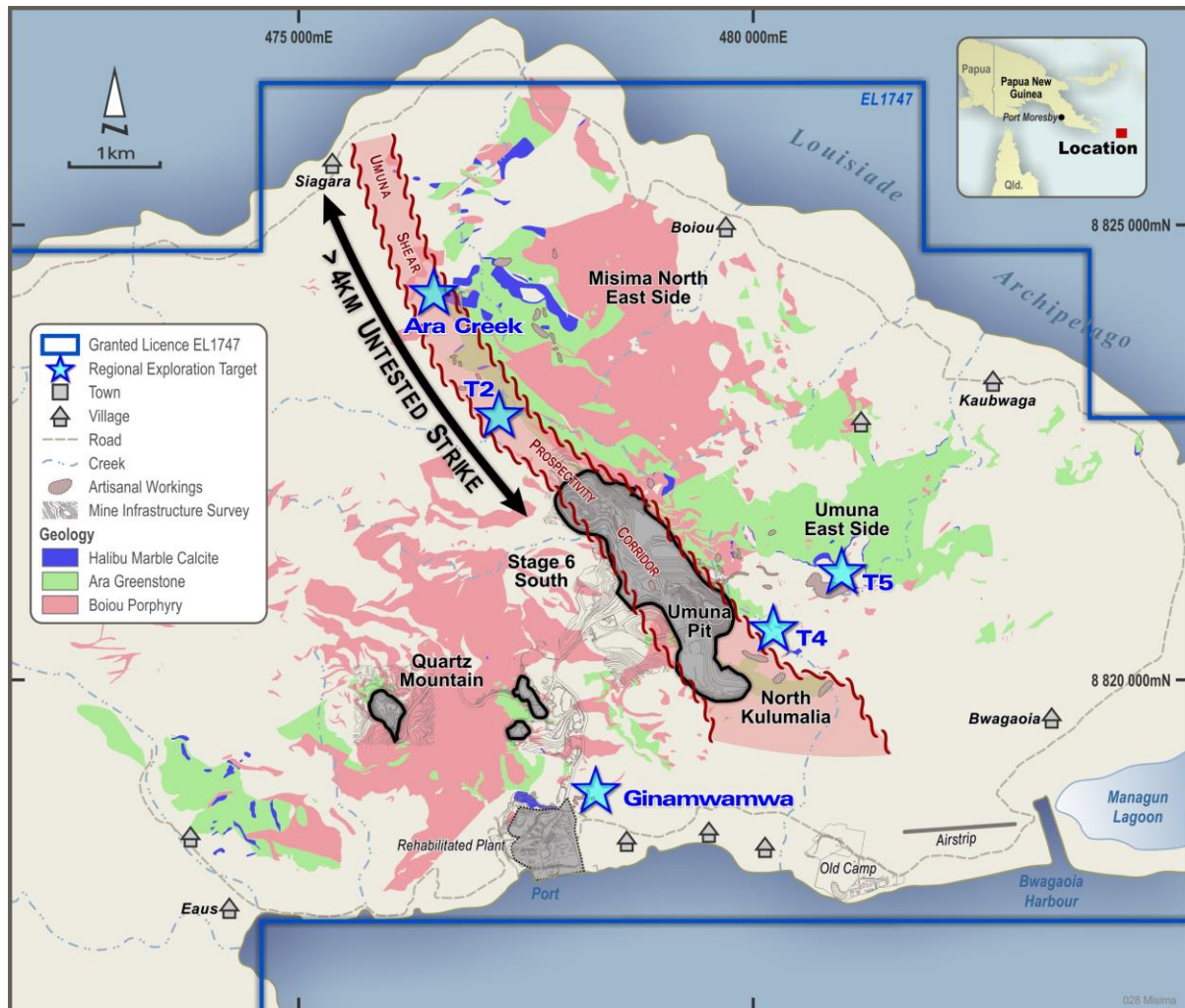


Figure 2: Ara Creek (formerly T3) is located along the northern extension of the Umuna Shear approximately 2.5km north of the Umuna pit.

About Kingston Resources

Kingston Resources is a metals exploration company. Currently 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 70% of the Misima Gold Project.

In addition, Kingston owns 75% of the Livingstone Gold Project which holds a 50koz resource and is the site of a number of high grade historic intersections.

Competent Persons Statement and Disclaimer

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.

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.

Sample ID	Easting	Northing	RL	Depth	Au g/t
793329	476300	8824367	145	0.5	0.30
793626	476786	8824074	234	0.4	0.43
793627	476825	8824112	255	0.4	0.72
793628	476840	8824124	244	0.3	0.55
793629	476863	8824137	227	0.4	0.49
793646	476682	8824125	184	0.7	0.41
793647	476703	8824140	189	0.6	0.78
793648	476726	8824151	199	0.6	0.62
793650	476762	8824175	215	0.5	0.34
793652	476782	8824190	217	0.7	0.60
793667	476577	8824184	167	0.5	0.34
793668	476596	8824195	173	0.5	1.30
793669	476617	8824209	177	0.5	1.41
793670	476638	8824223	188	0.5	0.45
793671	476659	8824237	197	0.5	0.55
793672	476681	8824245	189	0.6	1.99
793673	476696	8824262	178	0.5	4.18
793676	476235	8824074	155	0.7	2.95
793691	476538	8824274	176	0.6	0.72
793695	476621	8824327	172	0.4	0.45
793890	476561	8823804	192	1.6	0.34

Table 1: Significant assay results greater than 0.3g/t Au. The program consisted of 199 samples in total. Sample coordinates are recorded in GDA94_Zone 56. Assays have not yet been received for silver and base metals for these samples.

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	JORC Code explanation	Commentary
<i>Sampling techniques</i>	- Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling. - Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. - Aspects of the determination of mineralisation that are Material to the Public Report. - In cases where ‘industry standard’ work has been done this would be relatively simple (e.g. ‘reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay’). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	- The auger samples were taken by hand using a small auger and extension rods to drill beneath the soil profile and obtain a single saprolite in-situ sample per hole. - Rock chip samples were point samples taken from outcrop at the entrance to each adit, hammered off with a geological hammer. As such they should not be regarded as being statistically representative of the broader region but are representative of the style of mineralisation at that point. - Samples were air-dried before being sent to Intertek, where gold fire assays were performed using a 50g charge. The sample pulps were assayed for a 34-element suite using a 4-acid digest followed by OES and MS analysis.
<i>Drilling techniques</i>	Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).	Auger soil sampling
<i>Drill sample recovery</i>	- Method of recording and assessing core and chip sample recoveries and results assessed. - Measures taken to maximise sample recovery and ensure representative nature of the samples. - Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse	Not applicable

Criteria	JORC Code explanation	Commentary
	material.	
<i>Logging</i>	- Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. - Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. - The total length and percentage of the relevant intersections logged.	Samples were logged for lithology as far as possible given the weathered conditions of most samples.
<i>Sub-sampling techniques and sample preparation</i>	- If core, whether cut or sawn and whether quarter, half or all core taken. - If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. - For all sample types, the nature, quality and appropriateness of the sample preparation technique. - Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. - Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. - Whether sample sizes are appropriate to the grain size of the material being sampled.	Not applicable
<i>Quality of assay data and laboratory tests</i>	- The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. - For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. - Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	- Standard reference materials were inserted at a frequency of one per 20 samples - Field duplicates were inserted at a frequency of one per 20 samples - No blank materials were used.
<i>Verification of sampling and assaying</i>	- The verification of significant intersections by either independent or alternative company personnel. - The use of twinned holes. - Documentation of primary data, data entry procedures, data verification, data	No independent data verification procedures were undertaken other than the QA/QC mentioned above.

Criteria	JORC Code explanation	Commentary
	- storage (physical and electronic) protocols. - Discuss any adjustment to assay data.	
<i>Location of data points</i>	- Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. - Specification of the grid system used. - Quality and adequacy of topographic control.	Sample locations were recorded using a hand-held Garmin GPS, recording X,Y,Z positions in GDA94 datum (Zone 56).
<i>Data spacing and distribution</i>	- Data spacing for reporting of Exploration Results. - Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. - Whether sample compositing has been applied.	- Auger samples were taken over a grid pattern oriented perpendicular to the strike of the Umuna shear, with lines spaced at 100m and sample spacing at approximately 20m. - Auger sampling is not used to determine continuity for resource estimation. - No compositing has been applied.
<i>Orientation of data in relation to geological structure</i>	- Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. - If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	- The sample grid is approximately perpendicular to the strike of the Umuna Shear. - As these are point samples there is no apparent bias.
<i>Sample security</i>	The measures taken to ensure sample security.	Samples were submitted to Air PNG by Gallipoli Exploration (PNG) personnel for freight from Misima to Lae, and collected from Lae airport by Intertek staff. There were no other specific sample security protocols in place.
<i>Audits or reviews</i>	The results of any audits or reviews of sampling techniques and data.	Not applicable

Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and</i>	Type, reference name/number, location and ownership	Misima Island is part of the Louisiade Archipelago within Milne Bay Province of PNG. It is situated in

Criteria	JORC Code explanation	Commentary
<i>land tenure status</i>	including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	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 and is currently in the renewal process to extend the licence to 20 March 2019. 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 a farm in agreement between WCB Resources Ltd and WCB Pacific Pty Ltd, Pan Pacific Copper Ltd and 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>	Acknowledgment and appraisal of exploration by other parties.	- 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>	Deposit type, geological setting and style of mineralisation.	- 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

Criteria	JORC Code explanation	Commentary
		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>	- A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: - easting and northing of the drill hole collar - elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar - dip and azimuth of the hole - down hole length and interception depth - hole length. - If the exclusion of this information is justified on the	Drill results not being reported

Criteria	JORC Code explanation	Commentary
	basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
<i>Data aggregation methods</i>	- In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated. - Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. - The assumptions used for any reporting of metal equivalent values should be clearly stated.	No data aggregation used
<i>Relationship between mineralisation widths and intercept lengths</i>	- These relationships are particularly important in the reporting of Exploration Results. - If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. - If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').	There is insufficient data to estimate true widths of mineralisation in this area.
<i>Diagrams</i>	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	See figures in release
<i>Balanced reporting</i>	Where comprehensive reporting of all Exploration Results is not practicable,	All results are shown graphically on the map above. Auger samples >0.3g/t Au are also listed in

Criteria	JORC Code explanation	Commentary
	representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	the table in the body of the announcement
<i>Other substantive exploration data</i>	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Mapping and structural data is not available at this stage
<i>Further work</i>	- The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). - Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Further work may involve structural mapping and interpretation, channel sampling orthogonal to mineralised structures, and possibly drilling.