



ASX Announcement

31 January 2019

ASX Code: KSN

Share Price: A\$0.018

Shares Outstanding: 1,223,198,383

Market Capitalisation: A\$22m

Cash: A\$3.3m (31 Dec 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

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Quarterly Activities Report

For the quarter ending 31 December 2018

Highlights

- **Misima drilling continues to advance with strong results from Central Umuna zone**
- **High grade surface geochemical results at Ginamwamwa define exciting new prospect**
- **Livingstone materially advanced following excellent drilling results at Kingsley**

Kingston Resources Limited (Kingston or the Company) is pleased to provide an update on its December quarter activities. Exploration work was ongoing at both of the Company's gold projects:

- Diamond drilling at Misima targeted the Central Umuna zone with results reported during the quarter. Highlights included 40m @ 3.17g/t Au¹
- Ongoing field work at the Ginamwamwa discovery delivered further excellent results. Highlights included channel samples of 14m @ 17.0g/t Au with fine visible gold, 2m @ 140.0g/t Au, 12m @ 9.68g/t Au, 34m @ 3.19 g/t Au, and 5m @ 9.57 g/t Au.²
- A high-resolution LiDAR survey was completed over the Misima project. This survey, an area of approximately 70km², will provide a detailed terrain model to assist in exploration interpretation and planning.
- Kingston completed its second round of approximately 7,000m of air-core drilling in the Livingstone's Find area early October. Highlights included 4m @ 76.25 g/t Au from 88m and 28m @ 2.26 g/t Au from surface³

Kingston MD Andrew Corbett said "The December quarter has seen the Kingston team deliver great results across both Misima and Livingstone. The team is particularly looking forward to drilling the Ginamwamwa prospect in 2019 following the excellent results we are getting at surface. 2019 is shaping up as an exciting year for Kingston with material steps forward expected at both projects. We anticipate studies commencing at Misima later in the year and we are working towards a maiden inferred resource at the Kingsley discovery at Livingstone."

¹ See ASX announcement 8 November 2018

² See ASX announcements 29 October 2018 and 19 December 2018

³ See ASX announcement 5 November 2018

Exploration Update

	Diamond Drilling		Air-core Drilling		Geochem Samples		QAQC
	Holes	Metres	Holes	Metres	Trench	Auger/Soil	Samples
Misima	6	1349.8			1182	210	223
Livingstone			21	944			

Table 1: Quarterly drilling & sampling summary

Misima Gold Project

During the quarter, drilling continued into the main Umuna Lode while field teams concentrated on defining and extending surface mineralisation at Ginamwamwa.

Drilling productivity improved throughout the quarter after a series of mechanical problems with the rig caused delays during September and into October. The rig averaged approximately 450m per month, although this was impacted by a 2-week break for the Christmas – New Year period.

Ongoing work at Ginamwamwa resulted in a number of significant high-grade gold assays in trenching and channel sampling, as announced during the quarter. Of particular interest was the extension of these high-grade results, some accompanied by visible gold, on the eastern side of the prospect in an area which was previously highlighted by the activities of local artisanal miners, with high grades now seen on the same strike either side of an incised creek.

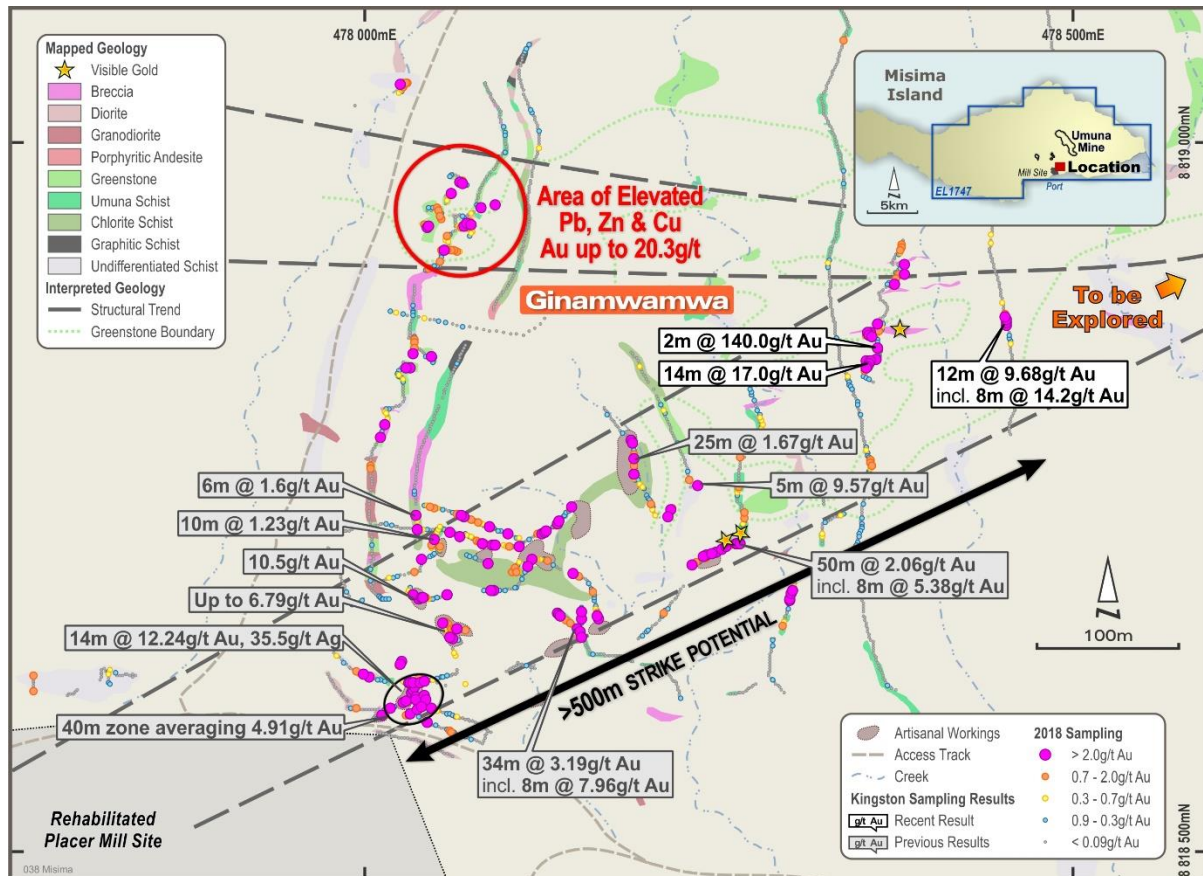


Figure 1: Ginamwamwa fact mapping of geology and structure showing the locations of visible gold occurrences.

Significant results from Ginamwamwa trenching announced during the quarter included:

- 34m @ 3.19g/t Au; and
- 50m @ 2.06g/t Au (announced 29 October 2018).
- 14m @ 17.0g/t Au;
- 2m @ 140g/t Au; and
- 12m @ 9.68g/t Au (announced 19 December 2018).

Drilling continued throughout the quarter, with holes targeting mineralisation in the main Umuna Lode. Six holes were completed during the quarter, with assays announced to date up to and including hole GDD013. Assay results for a further four holes are expected to be available shortly.

The highlight of drilling so far has been the intersection of 40m @ 3.17g/t Au from 234m in GDD013⁴, including 6m @ 14.06g/t Au. The significance of this result is the fact that it extends the known strike of the central, high-grade zone beneath central Umuna, an area where a dilational flexure in the Umuna shear has resulted in increased thickness and grade of mineralisation.

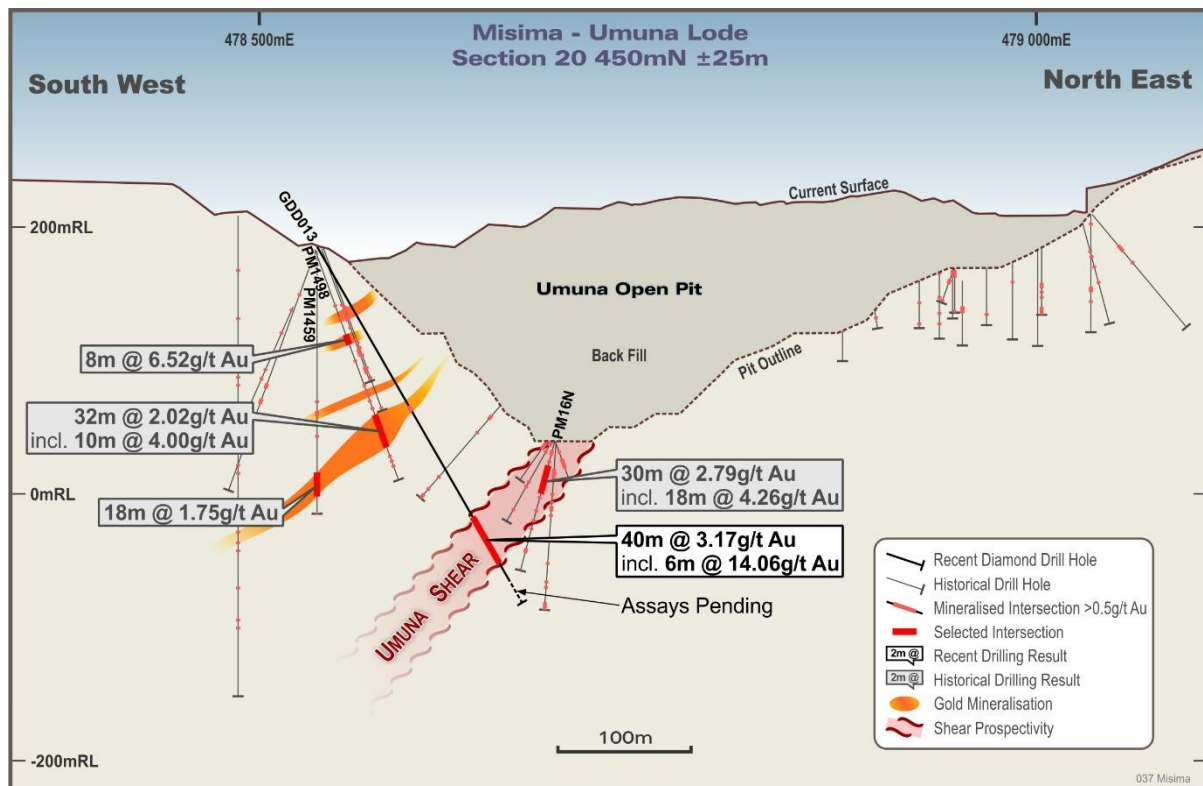


Figure 2: Hole GDD013 within the central Umuna zone.

⁴ ASX Announcement 8 November 2018

After completing hole GDD018 at Umuna in December, the diamond rig was moved to the west side of Ginamwamwa to commence drilling a series of holes testing mineralisation beneath geochemical anomalies at surface.

During October, a LiDAR survey was flown over the central project area, incorporating all prospects from Quartz Mountain in the west to Ara Creek in the north, and as far east as Bwagaia. The LiDAR data will provide a detailed topographical surface or terrain model, referenced to the PNG94_56 coordinate system. All vegetation will be digitally removed which will allow it to be used to plan drilling and exploration activities, identify historic mining and dump areas, and also to help confirm the presence of large-scale structures. Because Misima is largely covered by dense tropical rainforest, LiDAR was chosen as the best survey technique because of its ability to “see” through and remove foliage due to a combination of high-density laser points and post-processing software adjustment.

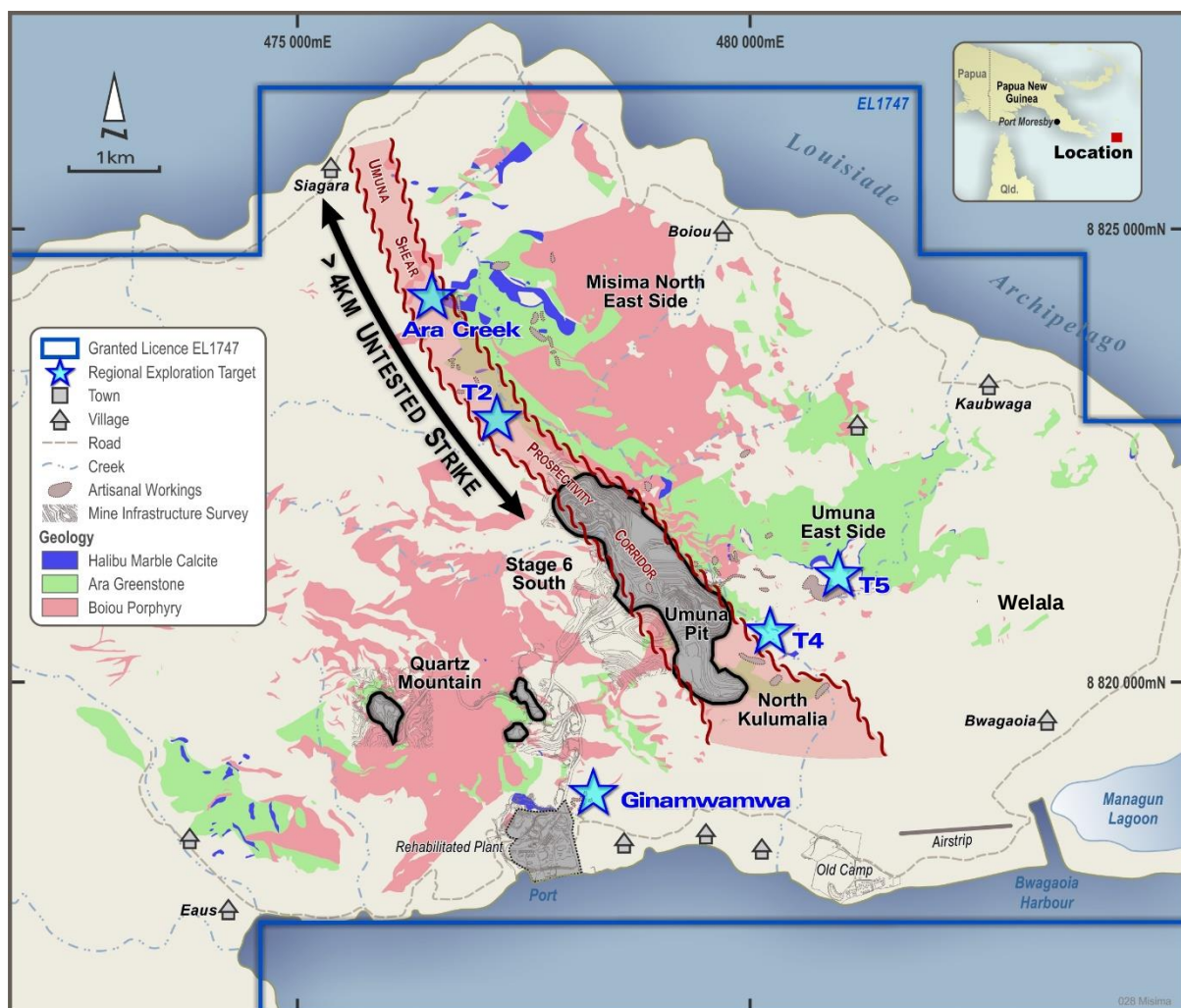


Figure 3: Misima regional exploration targets

Moving forward into the 2019 exploration year, Kingston intends to accelerate progress at Misima by bringing in a second rig to test satellite targets using RC drilling. A small RC-Diamond combination rig should provide the optimum combination of performance and manoeuvrability, allowing RC holes to be drilled to a depth of 80 to 100m, with the option to switch over to diamond drilling for deeper targets if required. This should allow RC drilling to

progress at a rate of 70 to 80m per day over shallower oxide targets, while the current rig continues testing deeper targets with diamond core. The Company expects to have the combination rig on site in Q2 2019.

2019 will see an increased emphasis on satellite targets, such as Ginamwamwa, Quartz Mountain, Umuna East and Ara Creek, with the aim of defining additional near-surface resources. In any potential mining scenario, any additional sources of near-surface mill feed will greatly assist the operation by providing early ounces in the milling schedule. With drilling already underway at Ginamwamwa, the Kingston technical team are re-assessing historical drilling around the old Quartz Mountain mining areas of Ewatinona, Maika and Kobel with the intention of testing extensions to known mineralisation in all three locations. Meanwhile, the Misima field team will be advancing Ara Creek by excavating exploration trenches and conducting additional auger programs over possible strike extensions to the southeast.

Livingstone Gold Project

Kingston's 7000m, 106-hole, air-core drilling program at Livingstone was concluded in early October with very encouraging results reported through the quarter. Highlights from the drilling at Kingsley include

- 20m @ 2.94g/t Au from 4m in KLAC159;
- 8m @ 3.03g/t Au from 12m in KLAC174;
- 4m @ 76.25 g/t Au from 88m in KLAC206;
- 4m @ 3.49 g/t Au from 4m & 24m @ 1.06g/t Au from 24m in KLAC184;
- 28m @ 2.26 g/t Au from surface, including 8m @ 5.57 g/t from surface in KLAC198;
- 16m @ 1.95 g/t Au from 56m, including 4m @ 5.72 g/t from 56m in KLAC186;
- 16m @ 1.59 g/t Au from 16m, including 4m @ 3.42 g/t Au from 16m in KLAC189; and
- 16m @ 1.41 g/t Au from 24m, including 4m @ 3.03 g/t Au in KLAC199.

During the quarter Kingston also extended its land holding at the project with the application for E52/3667 adding a further 170km² to its tenement area.

Kingston intends to follow up the success at Livingstone with an RC program in the first half of 2019, testing the depth extent of mineralised lodes at Kingsley below the oxide zone. The RC will also be used to infill the current air-core drill spacing, building towards the estimation of a maiden inferred mineral resource. Further air-core drilling will also be used to test strike extensions of Kingsley to the east and west of the current drill coverage.

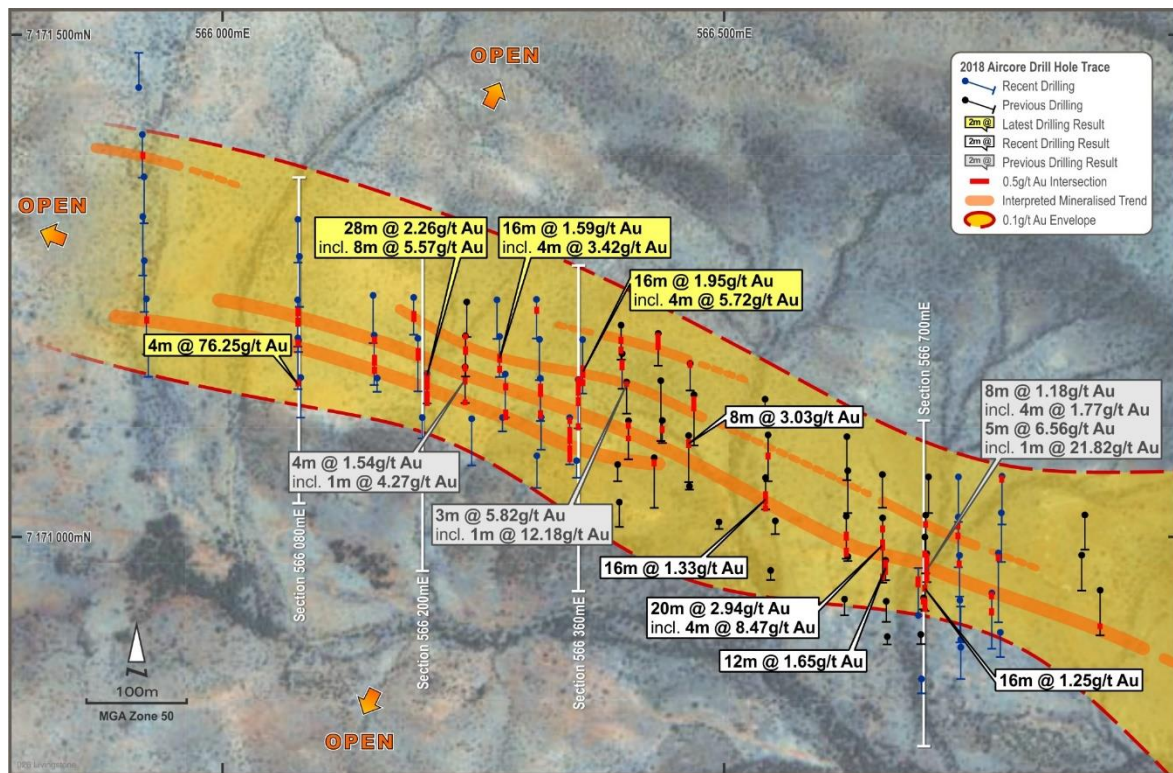


Figure 4: Highlights from first-pass air-core drilling at Kingsley.

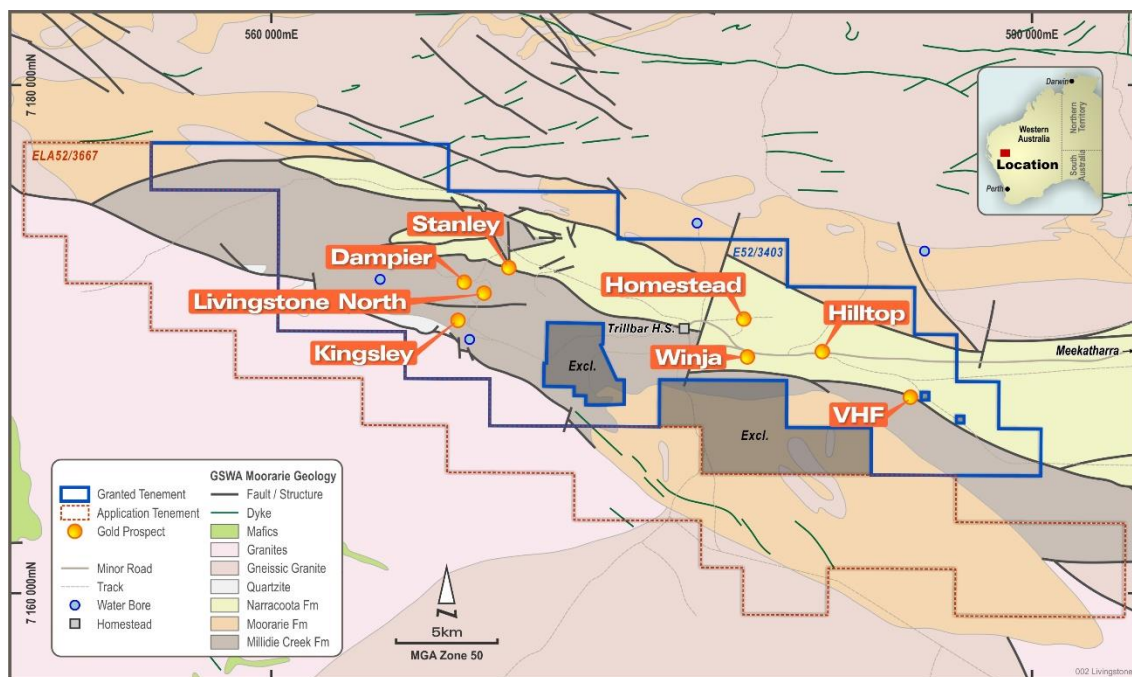


Figure 5: Livingstone prospects occur along a prospective strike length of over 30km.

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.

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.



KSN project locations.

Misima Mineral Resource

The Misima mineral resource estimate shown in Table A1 below was released in an ASX announcement on 27 November 2017. The resource estimate was compiled by Mr Scott McManus, who is an independent consultant to the Company. Further information relating to the resource is included within the original announcement.

Deposit	Material	Resource Category	Cutoff (g/t Au)	Tonnes (Mt)	Gold (g/t Au)	Silver (g/t Ag)	Au Moz	Ag Moz
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		37.2	1.1	4.9	1.3	5.8
		Inferred		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

Table A1. Misima JORC2012 mineral resource estimate summary table.