

September 2020 Quarterly Activities Report

Misima Pre-Feasibility Study in final stages and on track for completion in the December 2020 Quarter as drilling resumes on Misima Island

Misima Gold Project, PNG

- Pre-Feasibility Study (PFS) passes 60% completion milestone – on track for completion this Quarter together with an Ore Reserve.
- Proactive COVID management implemented on Misima Island, working together with the Misima hospital including procuring and donating PPE to hospital.
- Positive community relations activities including information sessions with local Misimans.
- Preparations finalised for next phase of drilling, which is now underway.
- Construction of on-site sample preparation laboratory to improve assay turnaround.

Livingstone Gold Project, WA

- Successful 4,390m Resource definition RC drilling program completed at the Kingsley Prospect, with key highlights including:
 - 22m @ 3.65g/t Au from 20m, including 3m @ 20.60g/t Au
 - 20m @ 1.96 g/t Au from 1m
 - 10m @ 4.15g/t Au from surface, including 2m @ 8.40g/t Au
 - 16m @ 1.49g/t Au from 2m
- Second ~1,500m drilling campaign targeting the Stanley, Winja, and Homestead prospects concluded in October.
- Further results anticipated in the coming weeks.

Corporate

- Funds received from the over-subscribed \$2m Share Purchase Plan in July.
- \$300,000 Vox Royalty Corporation stock received as part consideration for the sale of the Higginsville Dry Creek royalty.
- Quarter-end cash balance of \$6.8m.



ASX: KSN
Shares on Issue: 231M
Market Cap: A\$56M
Cash: A\$6.8M (30 Sept 2020)



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



@KSNResources

Misima Gold Project, PNG

Misima Pre-Feasibility Study

During the Quarter, the Misima Pre-Feasibility Study (PFS) advanced to schedule, with 60% design completion achieved and the remaining work on track to be completed in the December 2020 Quarter.

Following the delivery of an updated Mineral Resource Estimate of **105Mt @ 0.93g/t for 3.21Moz Au** (Indicated and Inferred, see ASX Announcement 21 May 2020), Kingston immediately commenced work on the Misima PFS, with the appointment of key consultants completed by early July.

Major Milestone	Status
Issued Engineering Tender	Complete
Geotechnical review completed	Complete
Metallurgical review completed	Complete
Engineering contract award	Complete
Environmental review completed	Complete
30% engineering design and review	Complete
60% engineering design and review	Complete
PFS engineering and estimate final	Q4 2020
Project financial model complete	Q4 2020
PFS report issued	Q4 2020
Misima Reserve reported	Q4 2020

Table 1. PFS milestones and planned progress



Figure 1. Preliminary process plant plans showing existing topography and located on the historical Placer mill site

The availability of significant historical data, including processing plant design, metallurgical test work and geotechnical analysis, enabled Kingston to rapidly progress through the early stages of the PFS work program and move to design completion (see Figures 1 and 2 for process plant model designs). Engineering and cost estimation for the PFS is now in the final stages.



Figure 2. Preliminary milling circuit design

Preparations for Drilling Campaign Concluded, Drilling Now Underway

Drilling during the September Quarter was on hold due to COVID-related travel restrictions. Towards the end of September, the PNG Government eased mandatory quarantine restrictions, allowing Kingston and its drilling contractor to remobilise to site with drilling now underway. Work during the September Quarter focused on preparations for this diamond drilling campaign. Work plans consisted of establishing access to upcoming drilling areas, consulting with landowners, and organising worksites that are safe and environmentally sound.

COVID Management on Misima Island

The Company continued to implement its Coronavirus Management Plan on Misima Island. This includes sustained COVID safety and hygiene education for staff members and the local community. Information sessions were held with local community groups in an effort to increase understanding of the importance of good hygiene and self-isolation upon coming down with COVID symptoms. Kingston has worked closely with the local hospital to develop a shared plan of action. The Company has also organised and paid for a shipment of PPE supplies required by the hospital.

Construction of On-Site Sample Preparation Laboratory

Work commenced on the construction of a sample preparation laboratory during the September Quarter. Specialised crushing and drying equipment arrived on site to be housed in the fit-for-purpose facility. The sample laboratory will dry, crush and split drill core samples into a smaller representative sample that will then be sent offsite for pulverising and assaying. The sample preparation laboratory is expected to reduce

the total volume of samples sent off site by a factor of five. This will reduce shipping costs as well as provide operational and planning efficiencies, helping to expedite the turnaround of assay results moving forward.

Livingstone Gold Project, WA

Kingsley Prospect Drilling Program

During the Quarter, a Reverse Circulation (RC) resource definition drilling campaign was completed over the Kingsley prospect at Livingstone. The drilling program, which was completed in July, comprised a total of 50 holes for 4,390m of drilling in 17 lines spaced at ~20m, with results released progressively during the Quarter (see ASX announcements 20 August 2020 and 14 September 2020).

The drilling was designed to define shallow oxide mineralisation and test the current geological model developed from the structural review conducted over the wider Livingstone Project, including Kingsley, in late 2019.

Best intercepts returned from the resource definition campaign included:

- KLRC079 22m @ 3.65g/t Au from 20m, including 3m @ 20.60g/t Au from 20m, including:
1m @ 31.24g/t Au from 20m, and 1m @ 8.25g/t Au from 31m
- KLRC048 20m @ 1.96 g/t Au from 1m, including 3m @ 4.99 g/t Au from 17m; and
8m @ 4.06 g/t Au from 49, including 1m @ 28.02 g/t from 55m
- KLRC078 10m @ 4.15g/t Au from surface, including 2m @ 8.40g/t Au from 4m
- KLRC082 16m @ 1.49g/t Au from 2m
- KLRC083 16m @ 1.37g/t Au from 26m, including 2m @ 5.50g/t Au from 34m
- KLRC046 12m @ 2.63 g/t Au from 84m, including 3m @ 8.44 g/t Au from 90m
- KLRC080 12m @ 1.67 g/t Au from 29m, including 1m @ 10.52 g/t Au from 29m
- KLRC086 9m @ 1.06g/t Au from 32m
- KLRC089 6m @ 1.72g/t Au from 11m
- KLRC068 3m @ 4.02g/t Au from 58m; and
8m @ 3.32g/t Au from 92m, including 2m @ 11.22g/t Au from 92m

Confidence in the interpreted continuity and tenor of the mineralised zones is high, with all but two drill-holes from the program returning intercepts of >0.5g/t Au.

The results from the drilling campaign support the current geological model, with gold mineralisation related to a set of late quartz-carbonate-sericite-pyrite veinlets that have developed in reactivated older steeply dipping deformed quartz veins that strike at ~110°, within a mafic to ultramafic schist or “talcose” schist.

Subsequent to the July program, a second RC rig was deployed in August to complete drilling at the Stanley target. This drilling was co-funded by the WA Government Exploration Incentive Scheme (EIS). These holes were followed by an RC drilling program at the Homestead deposit and the high-grade Winja prospect. Results from this program are expected in November.

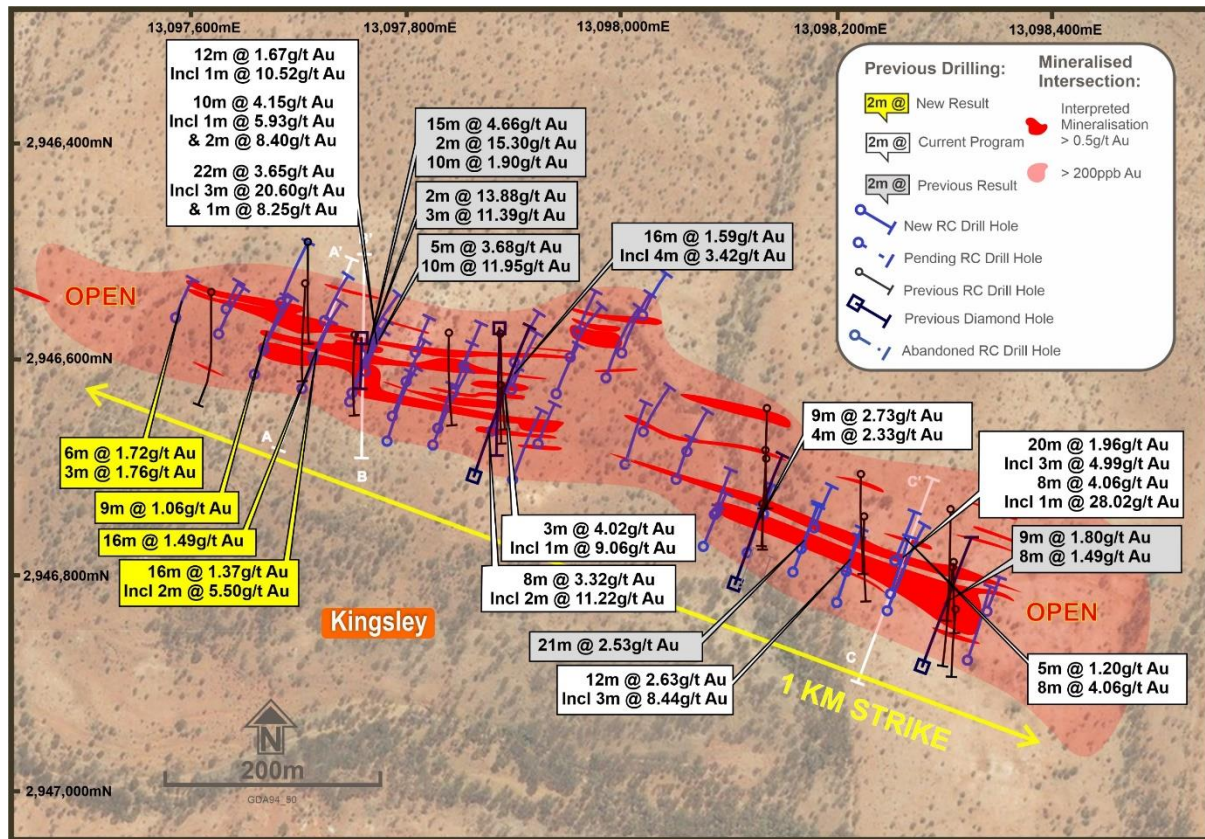


Figure 3: Kingsley Prospect showing strike extent of interpreted mineralised trends and drilling with significant intercepts

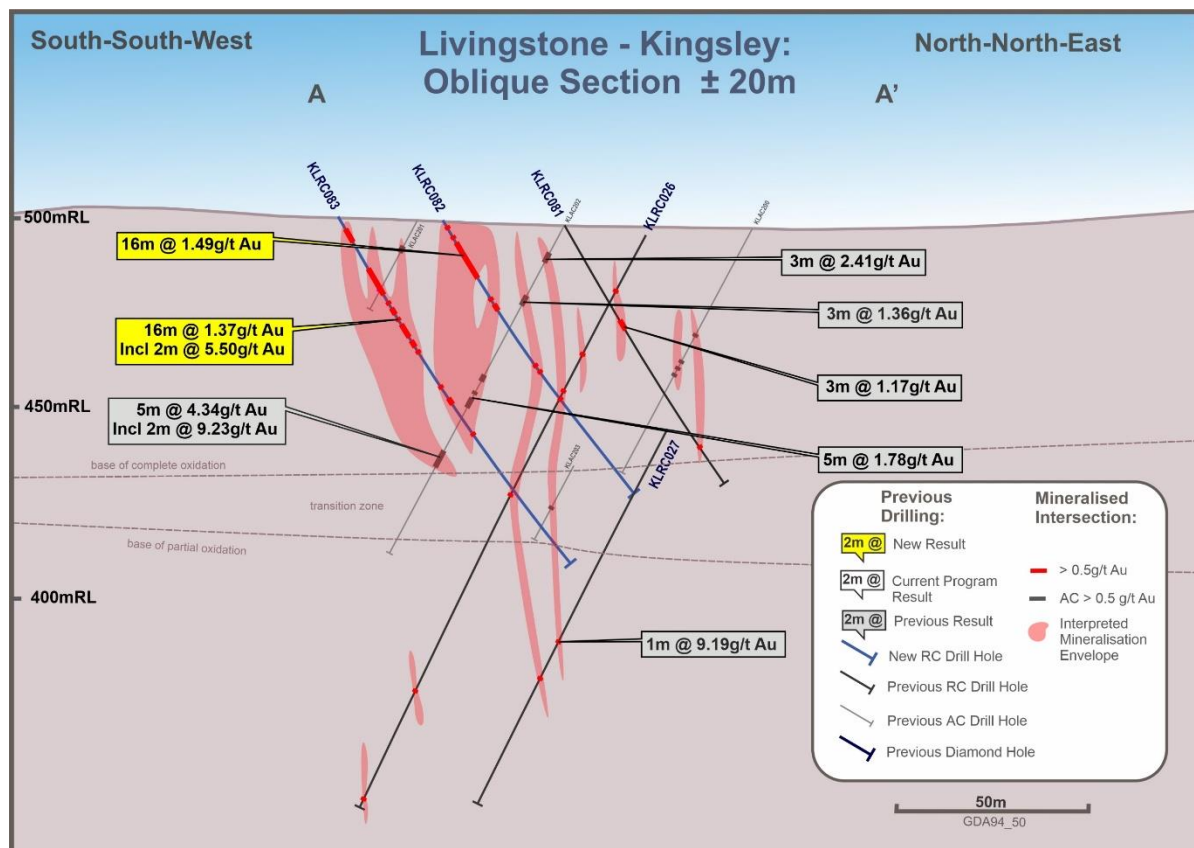


Figure 4: Section A displaying significant mineralised intercepts

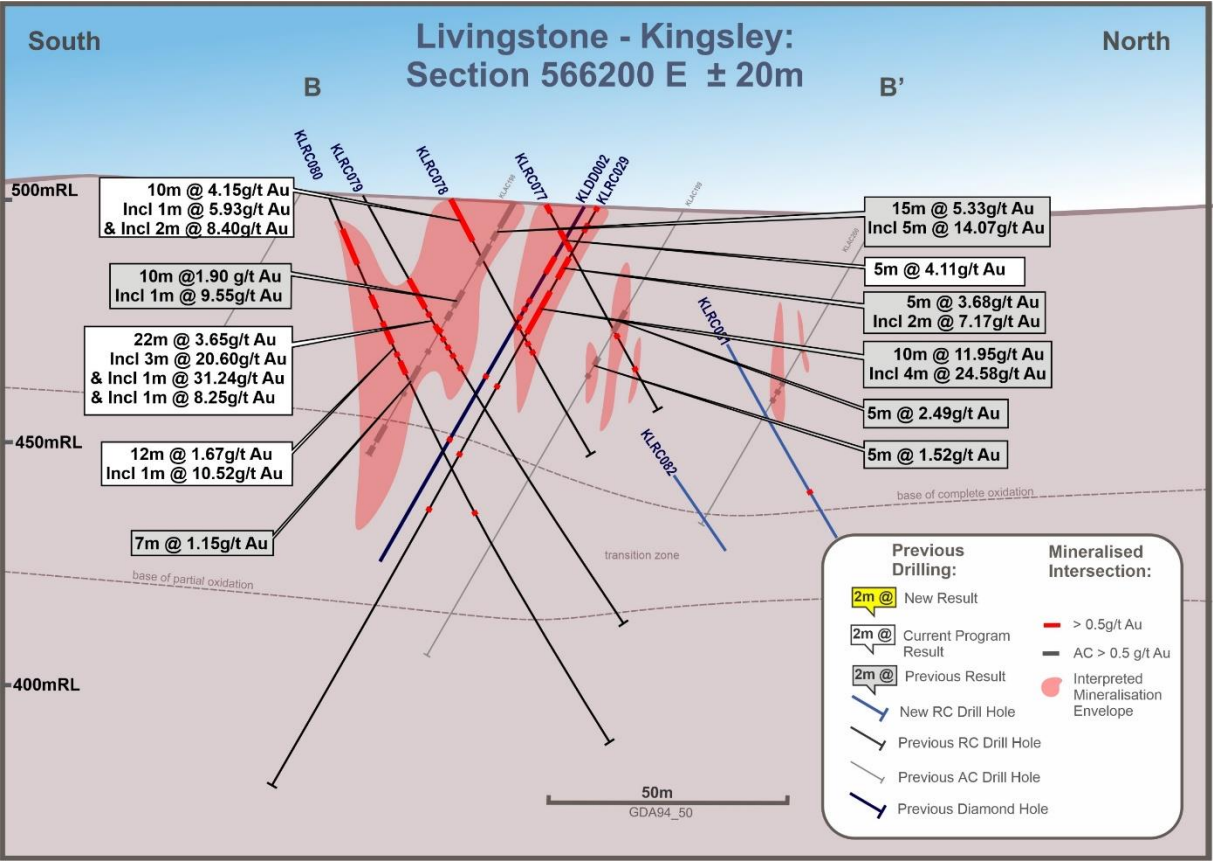


Figure 5: Section B displaying significant mineralised intercepts

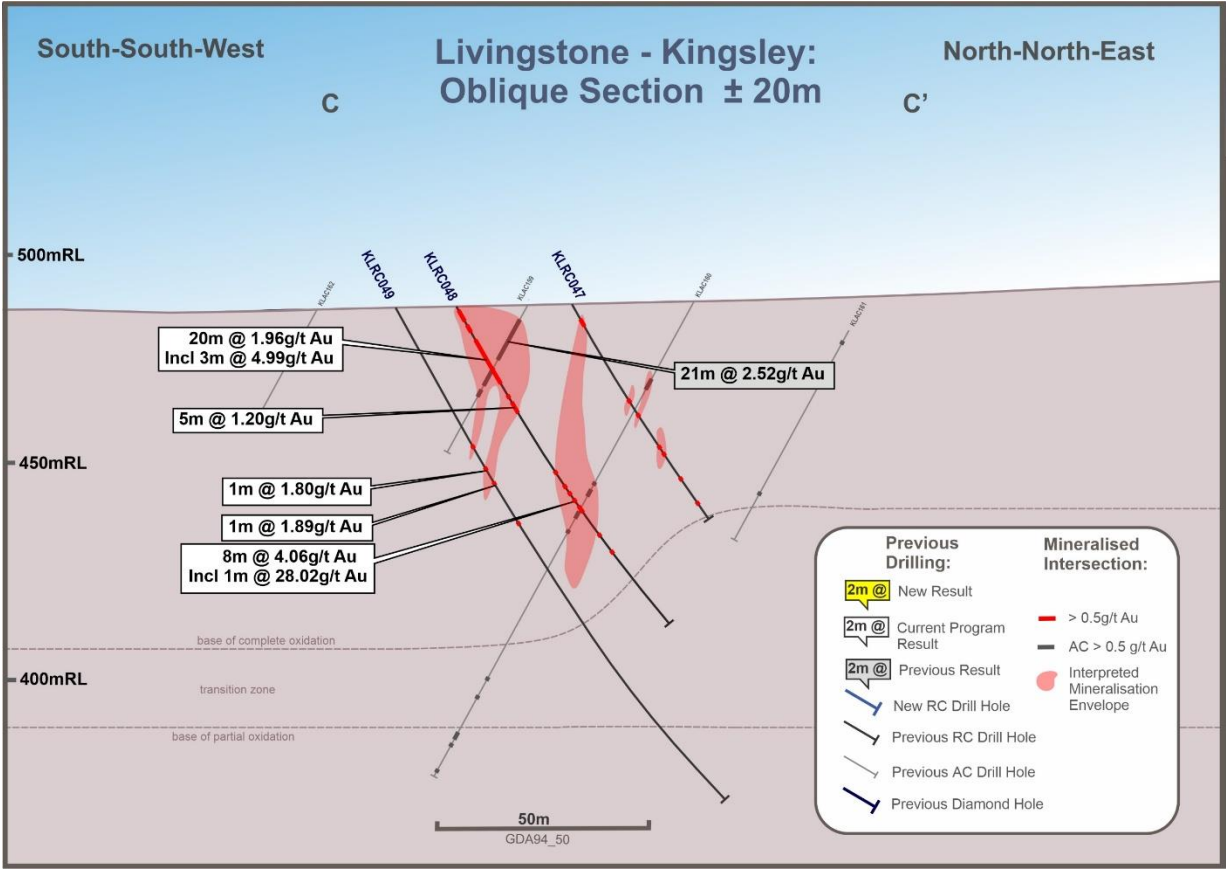


Figure 6: Section C displaying significant mineralised intercepts

Corporate

The Company ended the Quarter with a cash balance of \$6.8 million.

In July funds were received from the over-subscribed \$2.0 million Share Purchase Plan conducted in June.

The \$300,000 equity-based component of the total \$650,000 consideration for the sale of the Higginsville Dry Creek Royalty was received from Vox Royalty Corporation in July.

Total exploration expenditure for the Quarter was \$1.294 million. During the Quarter the Company made payments totalling \$131,000 to associates or related parties reflecting fees, wages, and superannuation paid to Directors.

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 3.2Moz 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 3.2Moz Resource base. Kingston's interest in Misima is held through its PNG subsidiary Gallipoli Exploration (PNG) Limited.

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 21 May 2020. Further information relating to the resource is included within the original announcement.

Resource Category	Cut-off (g/t Au)	Tonnes (Mt)	Gold Grade (g/t Au)	Silver Grade (g/t Ag)	Au (Moz)	Ag (Moz)
Indicated	0.4	49.9	0.95	5.7	1.52	8.9
Inferred	0.4 & 0.8	55.6	0.92	7.7	1.64	13
Total	0.4	105.5	0.93	6.5	3.21	21.9

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 Hayward BAppSc (Geology) MAIG, a Competent Person who is a member of the Australian Institute of Geoscientists. Mr. Hayward is an employee of the Company. Mr. Hayward 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. Hayward 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.