



## ASX Announcement

17 April 2018

ASX Code: KSN

Share Price: A\$0.023

Shares Outstanding: 1,214,961,029

Market Capitalisation: A\$27.9m

Cash: A\$5.6m

## Board and Management

**Anthony Wehby**  
Chairman

**Andrew Corbett**  
Managing Director

**Andrew Paterson**  
Technical Director

**Stuart Rechner**  
Non-Executive Director

**Chris Drew**  
Business and Commercial Manager

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## Quarterly Activities Report

For the quarter ending 31 March 2018

### Highlights

**Kingston Resources is pleased to provide an update on its activities for the March quarter. Highlights include:**

- **Drill rig mobilising for major campaign at Misima**
- **Discovery of high-grade near-surface gold at Ginamwamwa**
- **RAB drilling underway at Livingstone**
- **\$4.5m capital raising successfully completed**

Kingston Resources Limited (Kingston or the Company) had a very active March quarter as it prepares for drilling at both the Misima Gold Project and the Livingstone Gold Project. Mobilisation for drilling at Misima is now well underway with all equipment and consumables scheduled to arrive on the island later this month with drilling commencing shortly thereafter.

Kingston has also continued its channel sampling program at Misima, with the discovery of a new target area at Ginamwamwa. Ginamwamwa hosts a best channel sample of 14m @ 12.2g/t Au (refer ASX announcement 27 March 2018). In addition, a highly experienced structural geologist spent four weeks on the island to conduct a structural review helping to refine drill hole locations and prioritise future exploration targets.

At Livingstone, further auger drilling was completed in March extending the 2017 coverage around Livingstone's Find to the south and northwest. Assays for this program remain pending. An 8000m air core drilling program is underway now.

Kingston finished the quarter with \$5.6m cash having successfully completed an oversubscribed private placement and a Share Purchase Plan during the quarter raising a total of \$4.5m (before costs) at 2.2c.

Managing Director Andrew Corbett said *"The March quarter was a key period for Kingston as the Company prepared for drilling at two locations. We are excited to now be moving to the next stage of exploration at both Misima and Livingstone with drilling at Livingstone underway and drilling at Misima set to commence shortly. The Kingston team has done a great job to get Misima drill ready within such a short time frame since taking over management of the project in late 2017."*

## Exploration

### Misima

Kingston provided a comprehensive update to the market on Misima exploration on 27 March 2018. Key highlights included:

- **Finalisation of drilling targets:** Initial drilling will focus on extensional targets outside the current 2.8Moz JORC Resource in the Umuna East Side (UES) area. (Figure 1 + 2). These targets are structurally-controlled mineralised splays originally identified in mapping, channel sampling and, in some instances, drilling by Placer Dome. The Tonowak area of the Umuna pit is an example of a high-grade UES structure, which prior to being mined by Placer hosted historic drilling intersections such as:
  - 40m @ 15.12 g/t Au from 168m in hole PM1962R;
  - 66m @ 3.49 g/t Au from 94m in hole PMR1979; and
  - 74m @ 3.23g/t Au from 98m, including 22m @ 6.94g/t Au In hole PMR2113.

Holes that remain in-situ at Tonowak include:

- 20m @ 2.37g/t from 118m in hole PMR2133; and
- 16m @ 4.59g/t from 172m to end of hole in PMR2020.

Other holes are planned to extend the resource in areas where it is currently constrained by the limited depth of previous drilling along the Umuna Shear. Targets to be tested in the near future include North Kulumalia, and Stage 6 South. Both of these target areas combine favourable structural settings with limited prior drilling (Figure 3).

- **Misima North prospectivity upgraded:** Initial analysis of the Misima North area indicates that the Umuna Shear remains largely untested north of the Umuna Pit. Gold mineralisation in soils, channel sampling and shallow drilling in this area appears to be supergene in nature, and more importantly **there are very few holes testing the interpreted position of the Umuna Shear itself, which stretches approximately 4km from Umuna Pit to the north coast of the island**. Kingston intends to aggressively map the area to better define the shear location before targeting it with channel sampling followed by drilling. (Figure 4)
- **Future field work:** Other targets including the Quartz Mountain pits and new high-grade structures recently sampled at Ginamwamwa (see below) will also be worked up during 2018 and added to the exploration program going forward.
- **High grade, near-surface discovery at Ginamwamwa:** As part of the ongoing channel sampling and mapping program on Misima, site-based geologists recently investigated an area immediately northeast of the old Placer mill site, between Quartz Mountain and Umuna. The prospectivity of this location was highlighted by artisanal miners recovering gold from close-spaced, steeply-dipping north-east trending structures on the hillside, between 100m and 400m away from the edge of the previous mill site. Subsequent channel sampling of the mineralised structures has resulted in a number of high-grade assays as high as 39.5g/t Au and a best channel sample of 14m at 12.24g/t Au and 35.5g/t Ag.

Subsequent to the end of the quarter, the drill rig, field consumables and other heavy equipment for Misima are now ready for mobilisation from Lae via barge in late April.

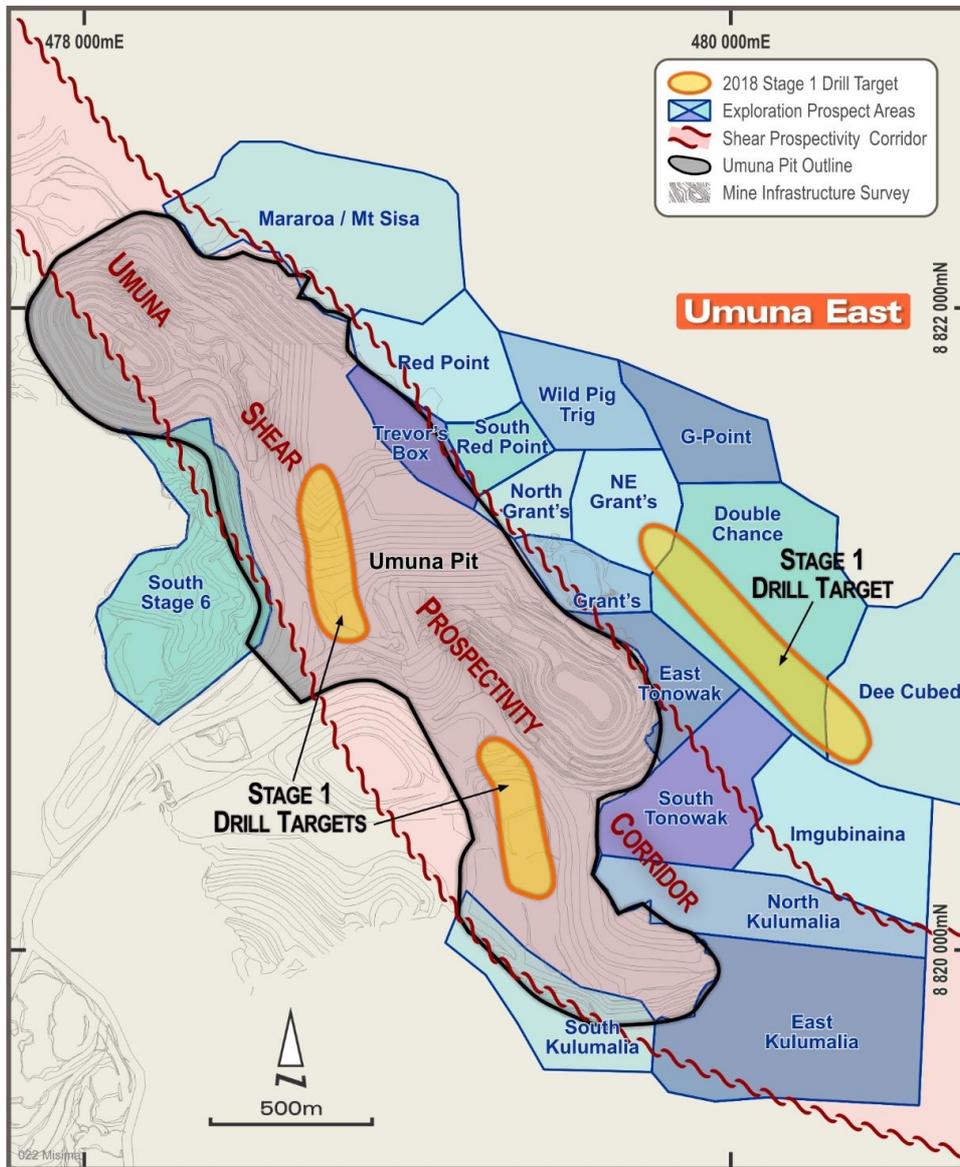


Figure 1: Background of the historical Umuna Mine, Umuna shear corridor and Umuna East prospects

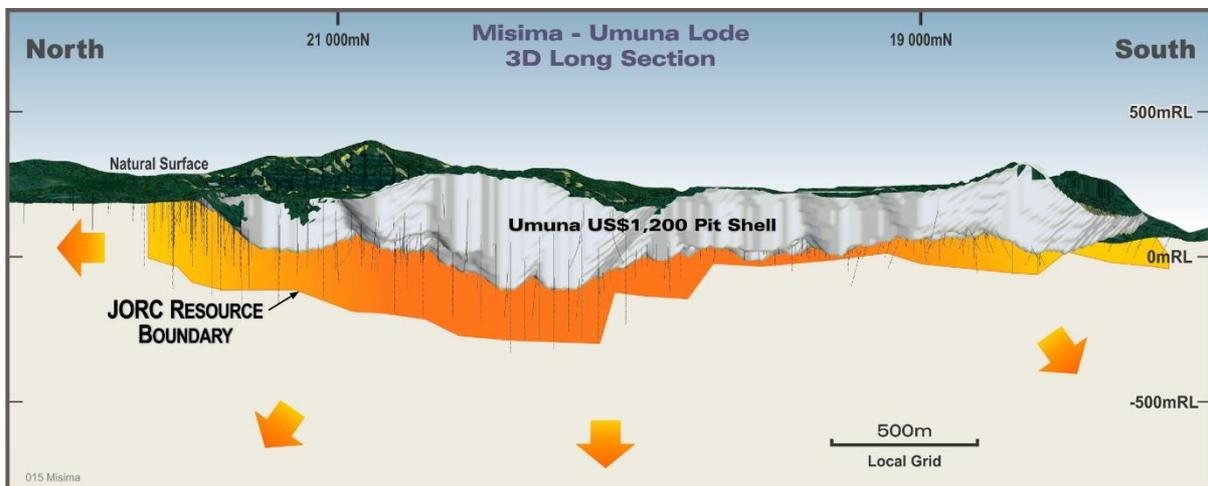


Figure 2: Long section view of target areas at Kulumalia North and Stage 6 South.

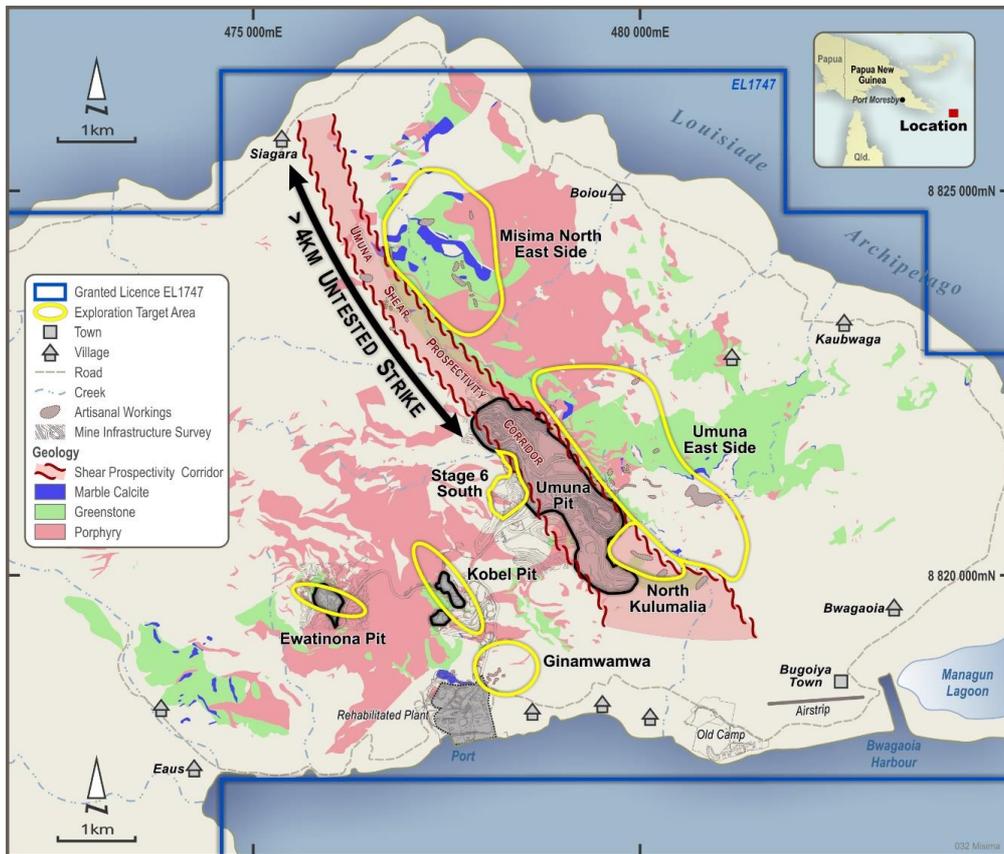


Figure 3: Simplified geology shows the relationships between porphyries, greenstone and Halibu marble. Umuna North is a 4 km untested extension to the historical 3 km Umuna mine.

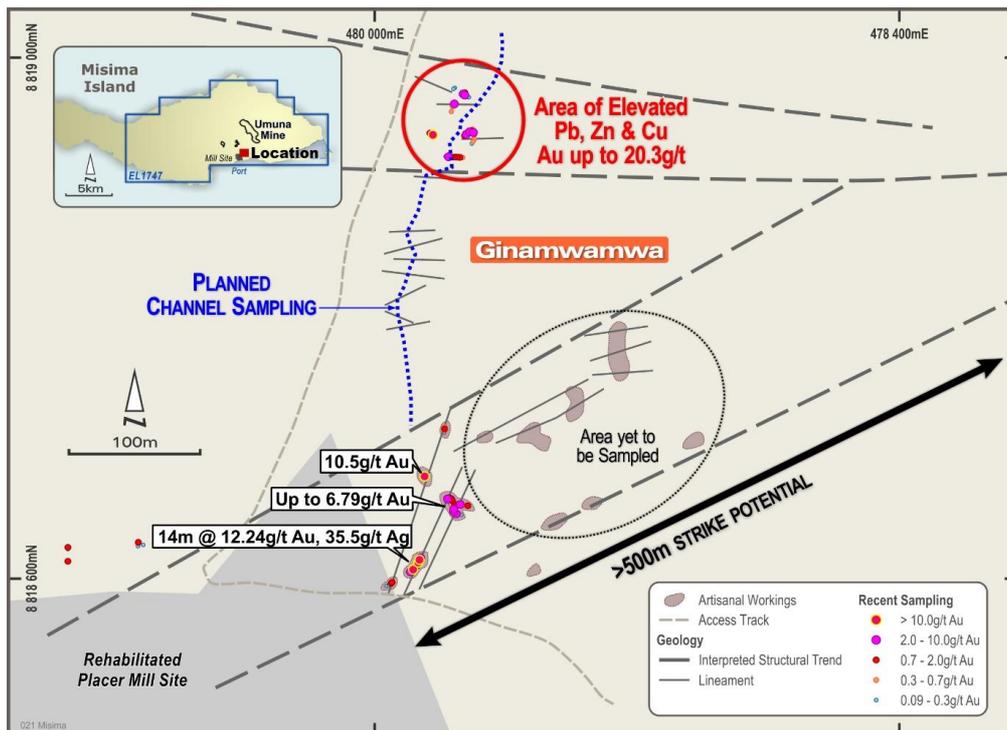


Figure 4: Plan of recent and planned channel sampling at Ginamwamwa. Structural trends are from previous work by Placer Pacific.

**Livingstone**

Kingston has recently commenced its 8000m air core drilling program at the Livingstone Gold Project located in the Bryah Basin northwest of Meekatharra in Western Australia. The Livingstone Gold Project hosts a 50koz gold resource as well as a number of gold anomalies, with over 30km of prospective geological strike on the southern edge of the Bryah Basin.

This drilling, which is supported by a \$75,000 grant under the Western Australian Government's 2018 Exploration Incentive Scheme, is designed to test a number of gold-in-soil anomalies identified in Kingston's auger sampling program last year around the Livingstone's Find and Stanley prospects. The 100ppb surface gold anomalies cover more than 4km of strike along the southern margin of the Narracoota Formation on the Stanley trend, as well as anomalies 2 to 3km in length, striking parallel to lines of old workings at Livingstone's Find. Stratigraphically, the setting is similar to that at the Labouchere and Fortnum gold deposits, which are less than 80km away.

During the March quarter, further auger drilling was completed extending the 2017 coverage around Livingstone's Find to the south and to the northwest along the prospective margin of the Narracoota Formation. A small auger grid has also tested for gold anomalism around the Winja prospect, which contains high-grade intersections in RC drilling such as 18m @ 7.85g/t but with little to no exploration along strike.



**Figure 5: Drilling at Livingstone underway**

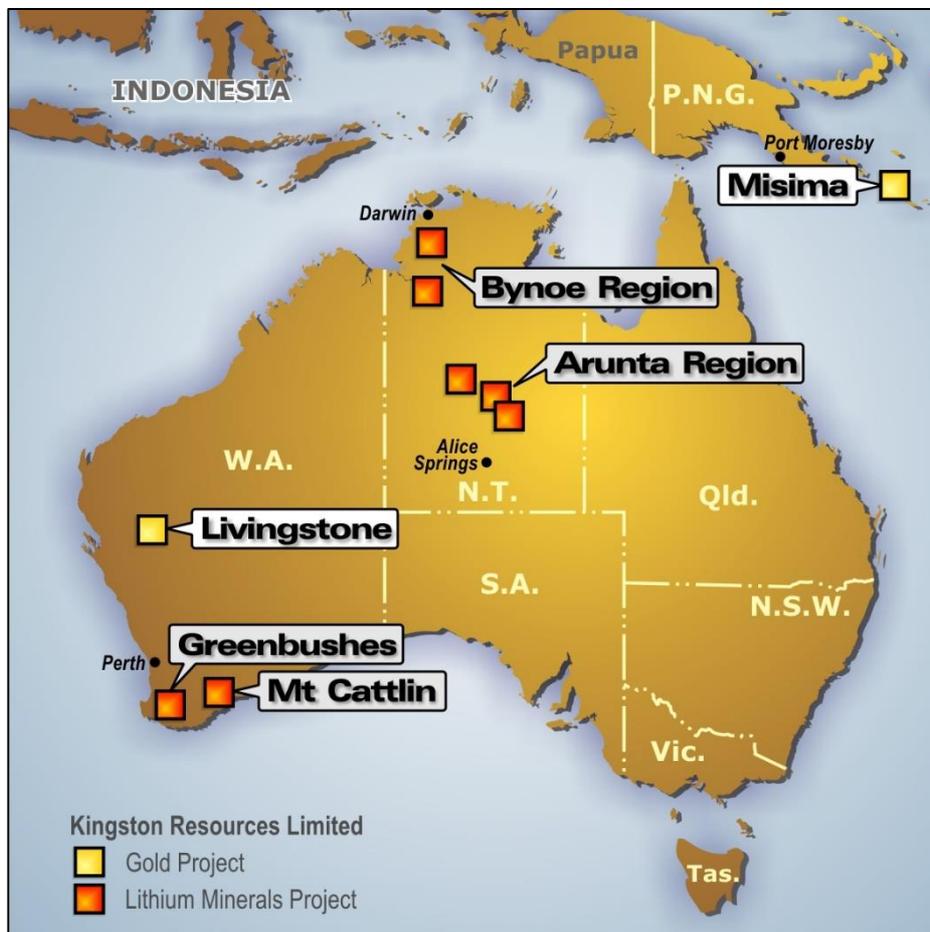
**Lithium**

No field exploration was completed on the Company's lithium projects in the NT or in WA during the quarter. Rehabilitation of drill sites was completed at Mt Catlin. Drilling approvals are in place for pegmatite targets at Bynoe and Arunta.

## 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 49% of the Misima Gold Project and is earning in to 70%.

Kingston also holds an attractive portfolio of lithium exploration tenements covering four 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 holds a 50koz resource and is the site of a number of high grade historic intersections.



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.