

March 2021 Quarterly Activities Report

Kingston completes 100% acquisition of 3.6Moz Misima Gold Project, commences DFS and Environmental Approvals and resumes drilling ahead of a Q3 Resource update

Misima Gold Project, PNG

- Positive gold and silver assay results returned from Resource in-fill drilling at Kulumalia, located at the southern end of the main Umuna orebody. Highlights included:
 - GDD093 10.7m @ 1.34 g/t Au & 8.1 g/t Ag from 44m
14.2m @ 1.61 g/t Au & 4 g/t Ag from 146.8m
 - GDD095 7m @ 1.14 g/t Au & 15.7 g/t Ag from 54.7m
3.8m @ 2.42 g/t Au & 1.5 g/t Ag from 183.8m
 - GDD096 9.1m @ 1.6 g/t Au & 10.5 g/t Ag from 194.9m
22.4m @ 0.99 g/t Au & 27.8 g/t Ag from 212m
- Additional high grade silver results returned from Kulumalia in-fill drilling. Highlights include:
 - GDD095 13m @ 59.3g/t Ag from 214.9m
 - GDD096 7.2m @ 149.8g/t Ag from 28m
6m @ 39.7 g/t Ag from 41m
 - GDD098 21.5m @ 62.2 g/t Ag from 169m
 - GDD099 2.9m @ 56.9 g/t Ag from 19.2m
3.6m @ 195 g/t Ag from 27.4m
4.9m @ 172 g/t Ag from 49.4m
4m @ 50.4 g/t Ag from 96m
- New shallow zones of mineralisation identified within existing pit shell designs.
- Highly experienced in-country executive Geoff Callister appointed to advance development permit approvals plus social and environmental programs.
- Environmental approval work programs commenced by key consultant Coffey.
- Cooktown stockpile drilling program commenced; data to contribute to Resource update.

Livingstone Gold Project, WA

- Tenement wide study progressed, expert engaged to consolidate and rank generated targets.

Corporate

- Misima Gold Project now 100% owned by Kingston Resources following completion of the acquisition of former JV partner's interest.
- Quarter-end cash balance of \$13.5 million.

COVID-19

- Site continuing to operate under COVID-19 management plan.



ASX: KSN
Shares on Issue: 284M
Market Cap: A\$62M
Cash: A\$13.5M (31 Mar 2021)

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Kingston Managing Director Andrew Corbett said: *“The March Quarter has seen the Kingston team continue to deliver, despite the challenges PNG faces with COVID-19. We’ve seen a significant ramp-up in activity across the business as we step up a gear with feasibility and approvals work designed to advance the Misima Project rapidly towards financing and development as one of the most significant new gold mines in the Asia-Pacific region.*

“To this end, we have made some important additions to the team at Misima during the quarter, and we are now well resourced to advance the necessary work programs through 2021. Multiple work streams for the Feasibility Study and the environmental approvals process have commenced with the first site visit by our Environmental Consultants, Coffey, occurring during the quarter.

“In parallel with the studies and approvals programs, drilling at Kulumalia delivered very encouraging results. The holes returned so far have provided valuable confirmatory gold intersections that will increase the geological confidence in the next updated Mineral Resource, due in Q3.

“It is particularly exciting to report new zones of shallow mineralisation that are expected to further enhance the economics of mining the Kulumalia area within the main Umuna pit. Similarly, high silver values have been reported from a number of the holes at Kulumalia, and this could also make an important contribution to enhancing the economics of the Project. Further assays are due in the coming weeks, together with DFS and study updates.”

Permitting, Environment, and Community Affairs Manager

During the quarter, Kingston announced the appointment of a highly experienced PNG-based executive, Mr Geoff Callister, to help lead the Company’s permit approvals and social responsibility programs at the Misima Gold Project. Mr Callister is a Social Performance Manager with 20 years of experience in the mining industry. His expertise spans project implementation, stakeholder and government engagement, community development and natural resource management. His role with Kingston will include managing the critically important engagement with local communities, landowners and Government, as well as working with local health authorities through the COVID-19 pandemic.

Mr Callister has spent over 30 years living in Melanesia and resides in Milne Bay, the home province of Misima Island. He is fluent in both Melanesian pidgin (PNG) and the local Misiman language. Mr Callister has advised various levels of the PNG Government, aid and bilateral agencies, local civil society, small businesses, international NGOs, and has worked with mining companies including Placer Dome, Barrick, and Newcrest. Most recently, Mr Callister spent four years working on permitting the Freida River Project, where he was the in-country lead for the PanAust team which successfully delivered the Full Feasibility Study, EIS, and environmental permit and Special Mining Lease applications to the PNG Government.

Kulumalia Drilling

Diamond drilling continued at Misima throughout the quarter. Resource drilling at Kulumalia, located at the southern end of the main Umuna orebody returned multiple wide mineralised intercepts that have both increased the geological confidence in the existing Resource model as well as identified new zones of mineralisation.

The drilling results from Kulumalia are part of an ongoing 8,000m drilling campaign designed to test depth extensions and confirm historical drill intercepts in the area, as well as to in-fill and upgrade the existing Inferred Resource.

Encouragingly, the results delivered some particularly high silver grades, which are expected to enhance the economic contribution of mining the Kulumalia area within the Umuna Pit. A new zone of shallow mineralisation was also intersected in an area that was previously interpreted as un-mineralised within the existing production target pit. This area requires follow-up drill testing, and if successful, is expected to expand the existing Umuna Resource.

Resource in-fill drilling at Kulumalia returned positive gold assay results, with highlights including:

- GDD093 10.7m @ 1.34 g/t Au & 8.1 g/t Ag from 44m
14.2m @ 1.61 g/t Au & 3 g/t Ag from 146.8m
- GDD095 7m @ 1.14 g/t Au & 15.7 g/t Ag from 54.7m
9.8m @ 0.76 g/t Au & 0.4 g/t Ag from 170m
3.8m @ 2.42 g/t Au & 1.5 g/t Ag from 183.8m
- GDD096 9.1m @ 1.6 g/t Au & 10.5 g/t Ag from 194.9m
22.4m @ 0.99 g/t Au & 27.8 g/t Ag from 212m
- GDD099 6m @ 1.57 g/t Au & 42.3 g/t Ag from 119m

In addition, significant high-grade silver assays were reported within and immediately adjacent to the gold mineralisation, enhancing the potential economics of the Kulumalia area. High-grade silver intercepts were calculated independently of gold, with highlights including.

- GDD092 11m @ 32.8 g/t Ag from 15m
- GDD093 2m @ 163 g/t Ag from 3m
- GDD095 13m @ 59.3 g/t Ag from 214.9m
- GDD096 7.2m @ 150 g/t Ag from 28m
6m @ 39.7 g/t Ag from 41m
17.9m @ 33.01g/t Ag from 216.5m
- GDD098 21.5m @ 62.2 g/t Ag from 169m
- GDD099 2.9m @ 56.9 g/t Ag from 19.2m
3.6m @ 195 g/t Ag from 27.4m
4.9m @ 172 g/t Ag from 49.4m
4m @ 50.4 g/t Ag from 96m
8m @ 40.76g/t Ag from 119m

In-fill drilling has confirmed the continuity of gold mineralisation inside the production target pit shell and Resource model, which is expected to contribute positively to the planned 2021 Ore Reserve update.

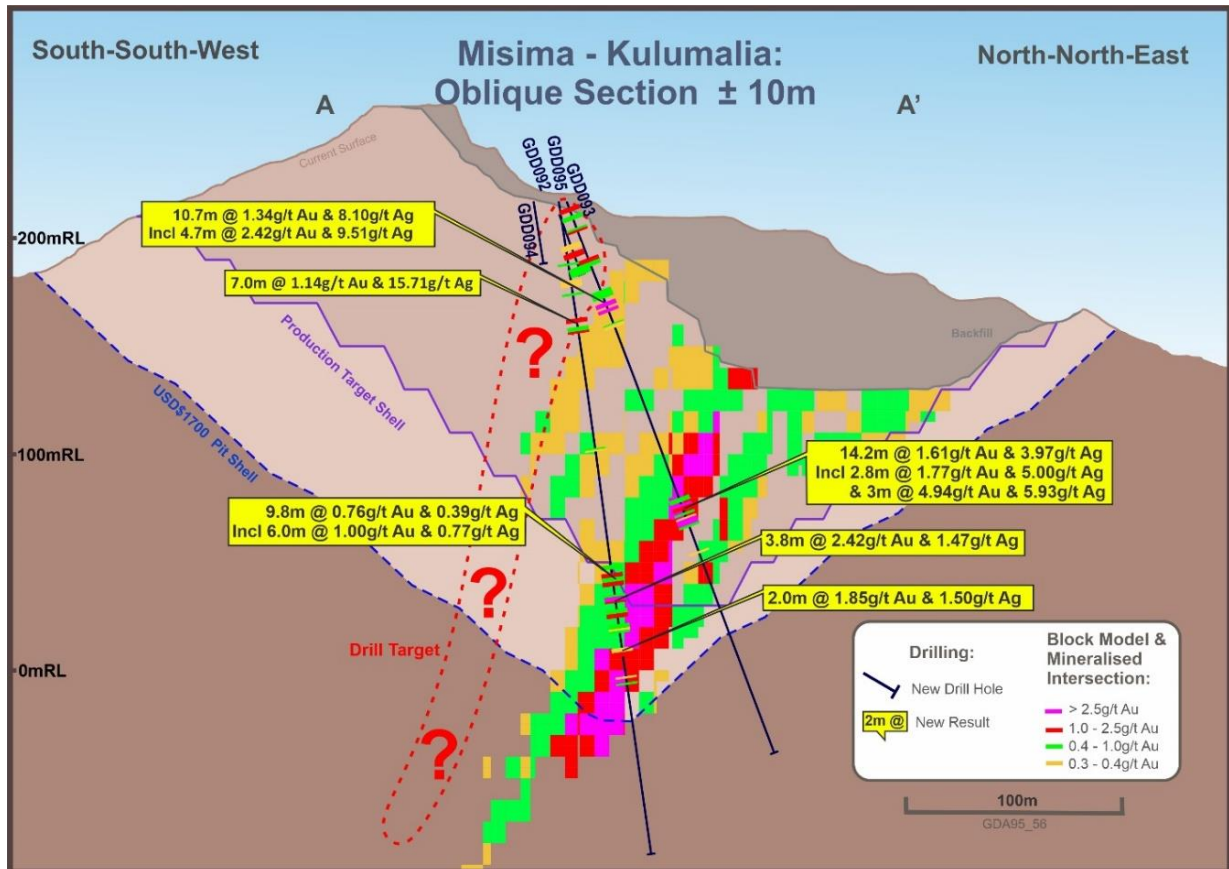


Figure 1: Kulumalia section showing new shallow mineralisation

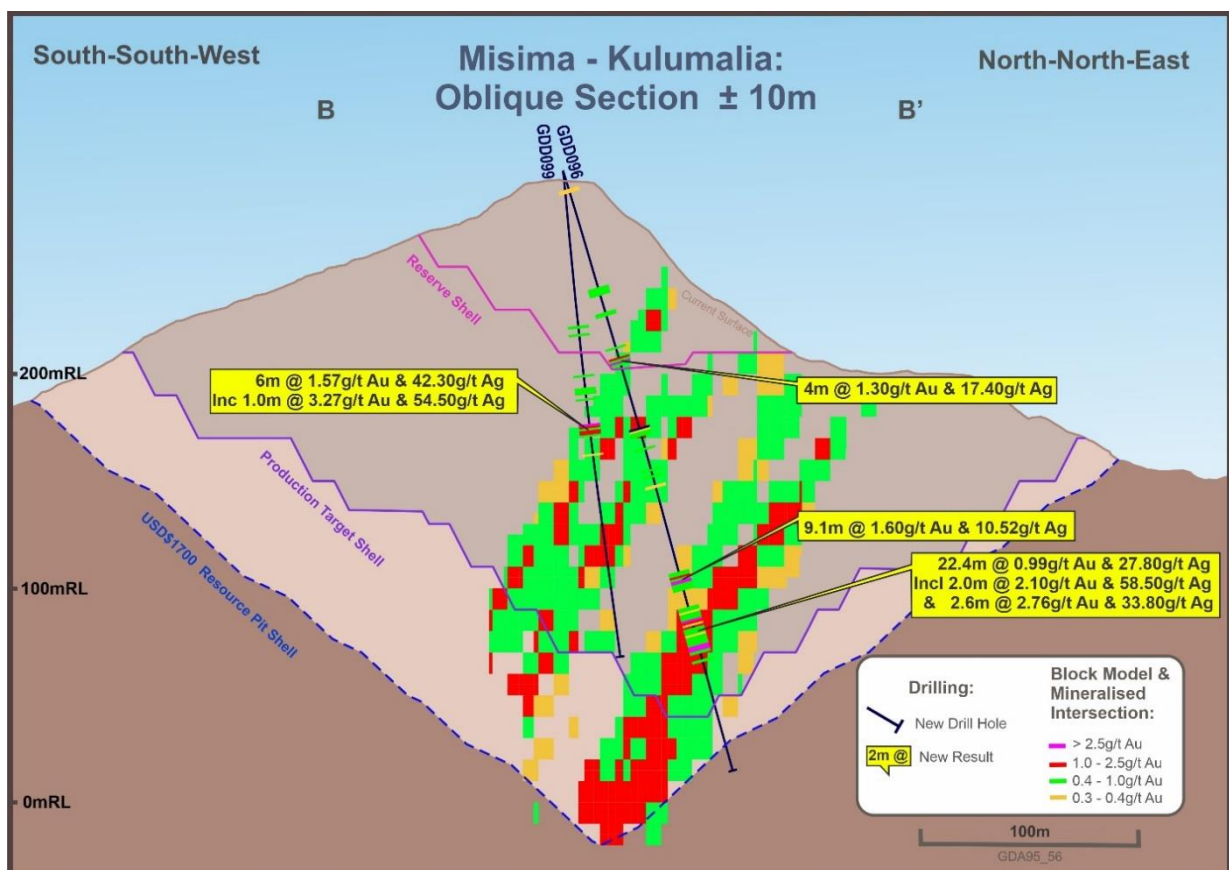


Figure 2: Kulumalia section showing mineralised intervals in Production Target and Resource pit shells

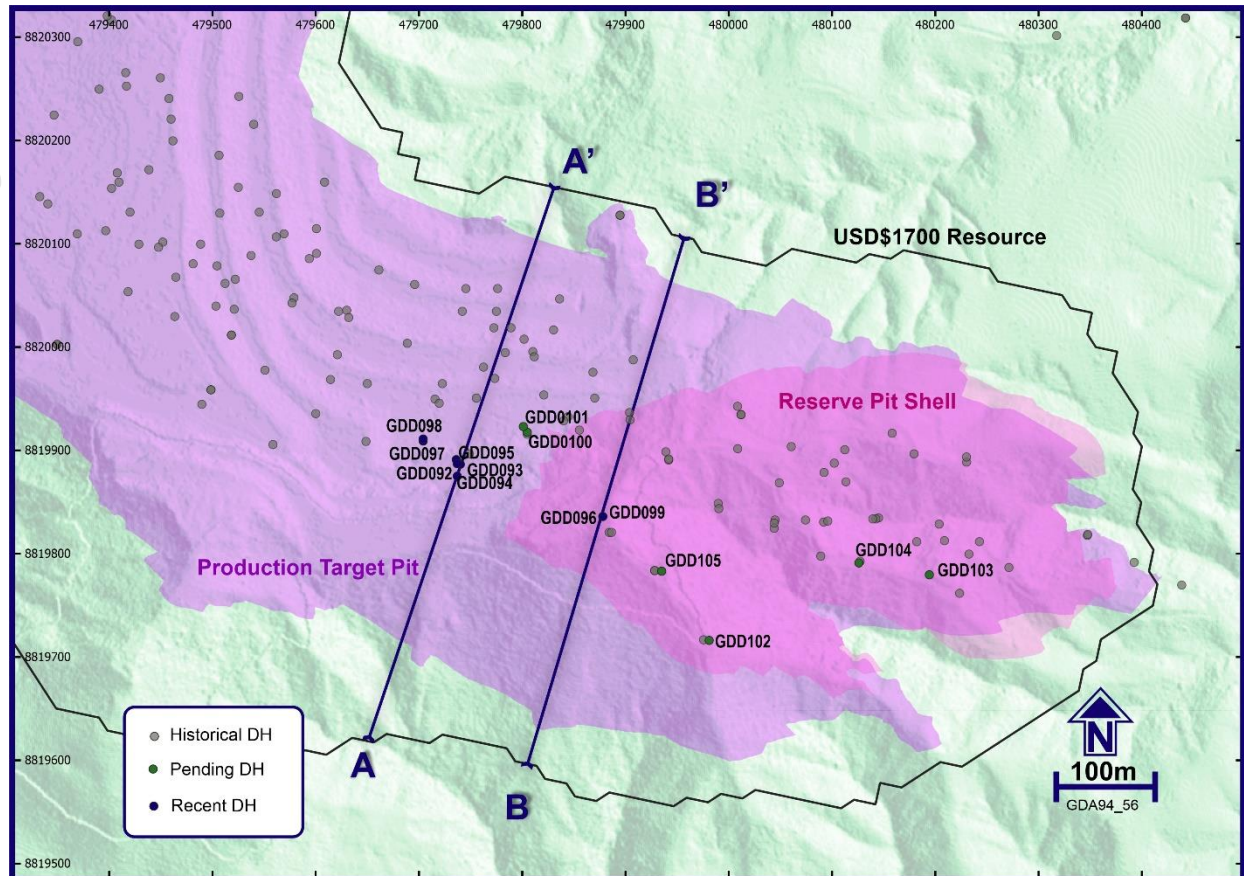


Figure 3: Kulumalia plan map showing drill-hole collars in Resource, Production Target and Reserve pit shells

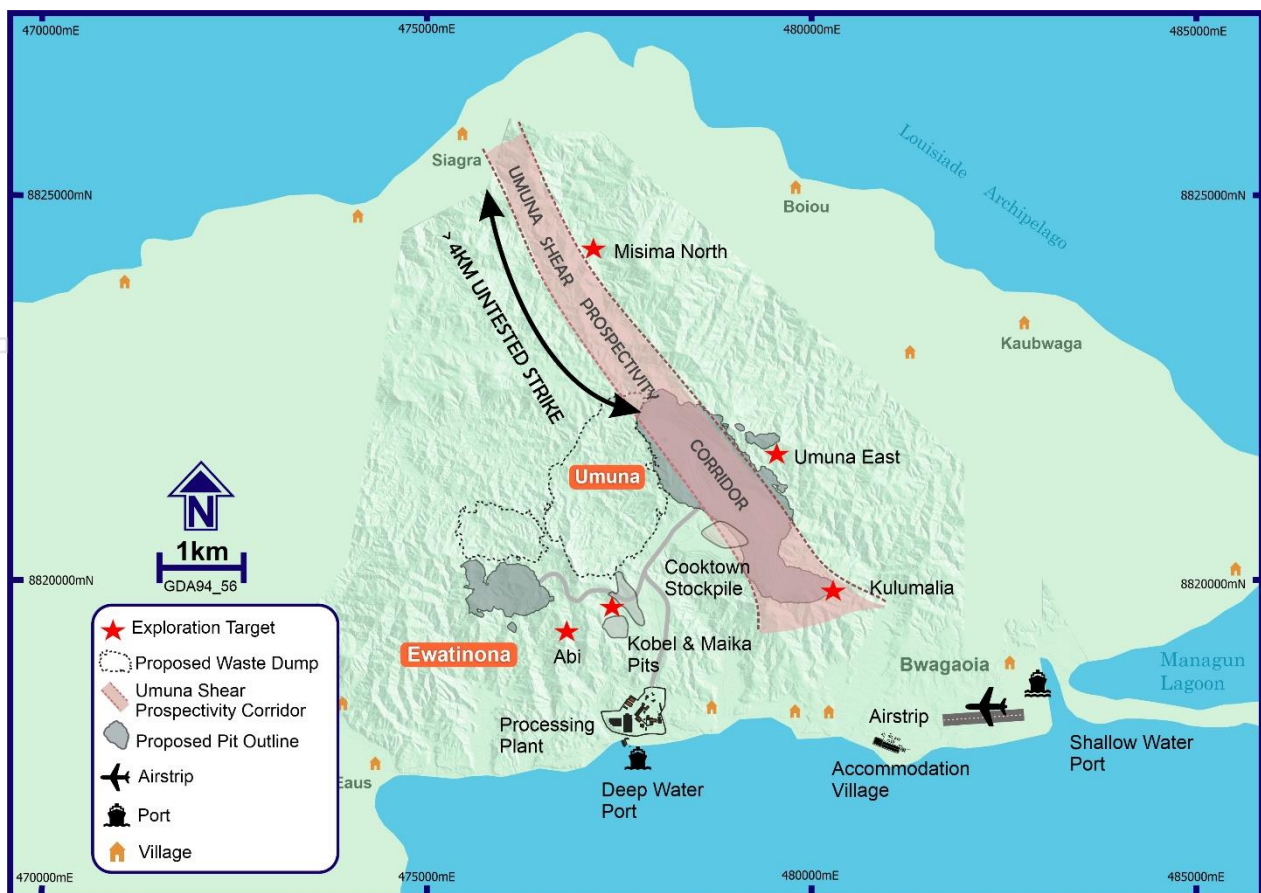


Figure 4: Regional Misima map showing location of Kulumalia

Cooktown Stockpile

Toward the end of the quarter, drilling commenced at the Cooktown Stockpile, which hosts an Inferred Mineral Resource of 3.8Mt @ 0.65g/t Au & 7.0g/t Ag for 0.1Moz Au and 0.9Moz Ag (see ASX announcement 24th November 2020). Drilling is designed to increase confidence in the Resource classification with the aim of updating the classification to Indicated.

Sampled drill core from the stockpile material will be assayed for gold to provide more data on the grade of gold mineralisation. Additionally, the drill holes will validate the depth to the base of the stockpile, increasing confidence in its volume. Finally, samples from the drilling will be used at the Company's site laboratory to calculate the specific gravity of sampled material enabling a greater degree of confidence of the tonnage of the Cooktown Stockpile Resource.

Environmental Approvals

Kingston's environmental consultant, Coffey, completed their first field assessment at Misima Island during the quarter which included identification of sites for pending baseline monitoring stations and more general site familiarisation work. Additional environmental studies and approvals activity included preparation for upcoming environmental surveys and studies, purchasing long-lead time equipment, organising supplies for upcoming site visits, preparing work plans, and commencing a number of contributing studies.

Mining Studies

Kingston has commenced work on its Definitive Feasibility Study (DFS) with the first phase of metallurgical testing now completed and a second phase underway. Preliminary engineering studies have also commenced for several key components of the Project. Tendering packages are in preparation for the primary DFS work packages with award anticipated in the June 2021 Quarter. It is anticipated the DFS work will accelerate subsequent to the Resource update, anticipated early in Q3 2021.

Livingstone Gold Project, WA

Exploration activity by Kingston between 2019 and 2020 has been focused on localised areas comprising the Kingsley Prospect, conceptual targets at Stanley Deeps, and confirmatory drilling at the Homestead and Winja Prospects. In late 2020, the Company commenced a tenement-wide geological study designed to place the numerous individual prospects in the Livingstone area into a wider geological context, enhance the understanding of the relationship between mineralisation at the various deposits, and incorporate them within a broader mineral systems model. The aim is to rank areas that are highly prospective at both a deposit and district scale.

In order to progress this work, Kingston has engaged an external consultant with expertise in Western Australian Archean and Paleoproterozoic gold systems. Next steps from this work will be to identify the geological and geophysical techniques available that will help to consolidate the site geology and deposit-scale data into a project-wide mineral systems model. Once this is complete, generated targets can be systematically ranked.

COVID-19 Impact and Response

Travel restrictions are in place between PNG and Australia. Flights have been suspended between Port Moresby and Cairns, as well as a ban on Fly-In-Fly-Out (FIFO) workers flying between the two countries. Limited flights continue between Port Moresby and Brisbane.

Kingston has developed a COVID-19 management plan that is in use on Misima Island in order to manage the risk that COVID-19 brings to the community, and our employees and operations. To date, Misima Island has had limited impact from COVID-19.

While domestic PNG travel schedules have been impacted, Kingston's highly competent and experienced FIFO PNG national geology team continues to be able to travel to site. Kingston and its drilling contractor have also maintained sufficient supervision, including expatriate supervision, and support staff on site to ensure that drilling can continue safely. As a result, the site-based team has been able to continue working towards the pending Resource update, mining studies, and approvals programs.

There are ongoing delays associated with logistics and supply chains which the Company is managing. Travel between Australia and PNG continues to be impacted by quarantining requirements, and domestic travel schedules are experiencing more disruption than usual. While this creates challenges, national and international staff are still travelling to and from site, following strict COVID protocols.

Corporate

Following receipt of all PNG regulatory approvals in March, Kingston paid the \$1.65 million final tranche of the total consideration of \$2 million to acquire its Joint Venture partner's remaining share in the Misima Gold Project. This now formalises Kingston's 100% ownership of the Project. Details of the acquisition agreement were announced on 12 November 2019 and updated on 24 June 2020.

The Company ended the quarter with a cash balance of \$13.5 million. Total exploration expenditure for the quarter was \$1.5 million. During the quarter the Company made payments totalling \$138,000 to associates or related parties reflecting fees, wages, and superannuation paid to Directors.

Table 1: Tenement Schedule (ASX LR 5.3.3)

| Tenement | Project Name & Location | Status | Ownership | Area km ² |
|-----------|-------------------------|--------|-------------------|----------------------|
| EL1747 | Misima, PNG | Live | 100% ¹ | 180 |
| Tenement | Project/Name | Status | Ownership | Area km ² |
| E 52/3403 | Livingstone, WA | Live | 75% | 203 |
| E 52/3667 | Livingstone, WA | Live | 75% | 170 |

1. See KSN ASX announcement 24 June 2020, "Kingston Resources secures 100% of Misima Gold Project"

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 3.6Moz Au and an Ore Reserve of 1.35Moz. 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. Kingston has concluded a Pre-Feasibility Study for Misima and is continuing to advance development activities. The Misima Project also offers outstanding potential for additional resource growth through exploration success targeting extensions and additions to the current Resource base. Kingston's 100% 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.



The Misima Mineral Resource estimate outlined below was released in an ASX announcement on 24 November 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 | 0.3 | 68.3 | 0.80 | 4.5 | 1.8 | 9.8 |
| Inferred | 0.3 & 0.8 | 76.1 | 0.76 | 5.9 | 1.9 | 14.4 |
| Total | 0.3 | 144 | 0.78 | 5.2 | 3.6 | 24.2 |
| Reserve | Cut-off (g/t Au) | Tonnes (Mt) | Gold Grade (g/t Au) | Silver Grade (g/t Ag) | Au (Moz) | Ag (Moz) |
| Probable | 0.3 | 48.3 | 0.87 | 4.2 | 1.35 | 6.48 |

Misima JORC 2012 Mineral Resource & Ore Reserve 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.

The Competent Person signing off on the overall Ore Reserves Estimate is Mr John Wyche BE (Min Hon), of Australian Mine Design and Development Pty Ltd, who is a Fellow of the Australasian Institute of Mining and Metallurgy and who has sufficient relevant experience in operations and consulting for open pit metalliferous mines. Mr Wyche 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.