

ASX Announcement

29 November 2016

ASX Code: KSN

Share Price: A\$0.022

Shares Outstanding: 660,269,985

Market Capitalisation: A\$14.5m

Cash: A\$5.4m (30 September)

ACN 009 148 529

Board and Management

Anthony Wehby
Chairman

Andrew Corbett
Managing Director

Andrew Paterson
Chief Geological Director

Stuart Rechner
Non-Executive Director

Yafeng Cai
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Acquisition of Livingstone Gold Project

Highlights

- **Kingston has purchased a 12-month option to acquire a 75% interest in the Livingstone Gold Project in Western Australia**
- **Consideration for the option includes:**
 - **5.5m restricted KSN shares and 5m KSN options**
 - **Twelve-month exploration commitment of \$200,000**
 - **Upon exercising the option, \$300,000 in KSN shares**
- **Livingstone covers 204km² of the western Bryah Basin, including**
 - **A JORC2004 Inferred gold resource of 49,900oz**
 - **Numerous high-grade intersections:**
 - **18m @ 7.85g/t Au from 68m**
 - **5m @ 20.5g/t Au from 3m**
 - **14m @ 3.49g/t Au from 2m**
 - **Brownfields exploration potential over a broad strike length**
- **Initial work to focus on assessment of development strategies at the Homestead and Winja prospects and further exploration of the extensive Livingstone's Find soil anomaly.**

Kingston Resources Limited (ASX: KSN) (the Company or Kingston) is pleased to announce that it has signed an option agreement to acquire a 75% interest in the Livingstone Gold Project from Trillbar Resources Pty Ltd. Livingstone, located northwest of Meekatharra in Western Australia, is an advanced exploration project with an existing JORC2004 Inferred mineral resource of 49,900 ounces and a number of high-grade drilling intersections that indicate excellent potential for additional discoveries. The option provides Kingston with a 12-month period to explore the project and can be exercised at any time over this period.

"This is a very exciting development for Kingston" commented Kingston's Managing Director, Andrew Corbett. "The Livingstone agreement represents fantastic value for shareholders, and we intend to demonstrate that value in the short term by building on the work done at Livingstone by previous explorers. There are some very significant drill hits on a number of prospects along 31km of strike, and we will be testing these areas. The Homestead deposit also has high-grade mineralisation at surface which we intend to look at in the near future."

The Livingstone Gold Project provides a complementary opportunity for Kingston with potential for near term production and cash flow while the Company continues to advance its highly prospective Mt Cattlin lithium project, alongside exploration on the Company's extensive lithium projects in the Bynoe and Arunta regions in the Northern Territory.

Project Summary

Livingstone is located approximately 140km northwest of Meekatharra in the Peak Hill mineral field, on the western arm of the Bryah and Padbury Basins (figure1). Historical drilling, summarised in Table 1, has generated widespread gold intersections focused along the Livingstone Shear Zone, with a combined strike length of over 31km.

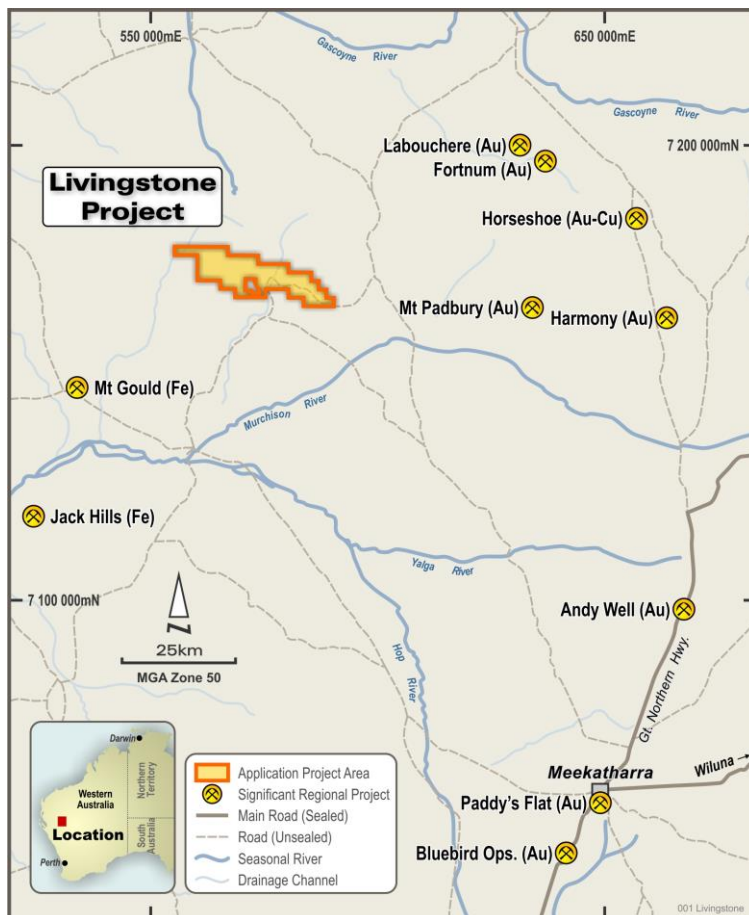


Figure 1: Livingstone is located 140km northwest of Meekatharra

Livingstone's Find represents the largest geochemical anomaly within the project area, and yet it has been largely overlooked since a series of shallow RAB holes were drilled there by Endeavour Resources in 1986. The geochemical response, positive results from RAB drilling and the presence of numerous old workings make Livingstone's Find a third priority area for Kingston's exploration.

The tenement application covers 68 graticular blocks, which will cover an area of approximately 204km² when granted. Mining leases M52/58 and M52/106, covering the Mount Seabrook talc mine, are not part of the Livingstone application and will be excised from E52/3403 upon grant.

The most advanced prospect is Homestead, originally discovered as a soil geochemical anomaly from work done by Western Mining in the late 1980's. Drilling at Homestead culminated in an Inferred mineral resource announced by Talisman Mining Ltd in 2007 under the JORC2004 guidelines, containing 989,000t @ 1.6g/t for 49,900 ounces Au¹.

The nearby Winja prospect also hosts high-grade mineralisation which will be a high priority for ongoing exploration.

¹ This mineral resource estimate was released under JORC2004 guidelines, and no material work has been completed on it since then. Refer to Table 1 for clarification of drilling and estimation parameters.

Hole Id	Collar Coordinates GDA94 Zone 50					From	To	Width	Grade	G/t x m
	Easting	Northing	RL	Dip	Azimuth	(m)	(m)	(m)	(g/t Au)	
Homestead Prospect										
BRC37	578582.2	7170671	470.0	-60	180	3	8	5	20.80	104.0
MSEC223	578656.6	7170726	469.6	-60	180	2	16	14	3.49	48.9
					and	20	30	10	2.78	27.8
MSEC151	578555.7	7170722	470.1	-60	180	14	30	16	2.47	39.5
TRC015	578706.3	7170684	468.8	-60	180	27	33	6	5.30	31.8
BRC18	578582.2	7170710	470.0	-60	180	29	33	4	7.93	31.7
TRC012	578655.3	7170708	469.5	-60	180	31	35	4	7.85	31.4
					and	44	47	3	4.52	13.6
MSEC228	578455.2	7170720	469.7	-60	180	15	21	6	5.06	30.4
BRC01	578656.2	7170689	469.5	-60	2	48	56	8	3.55	28.4
TRR02	578506.6	7170720	469.9	-60	180	10	14	4	6.74	27.0
BRC04	578654.9	7170726	469.6	-60	182	1	11	10	2.39	23.9
					and	18	26	8	3.03	24.2
TRC008	578531.2	7170694	469.9	-60	180	0	5	5	4.42	22.1
BRC16	578631.8	7170711	469.8	-60	180	33	36	3	6.53	19.6
BRC31	578682.1	7170688	469.2	-60	180	27	29	2	9.62	19.2
TRC087	578785	7170746	468.0	-60	180	80	89	9	2.06	18.5
TRC083	578758.1	7170727	468.4	-60	180	42	45	3	6.15	18.4
					and	78	81	3	5.91	17.7
					and	89	93	4	2.68	10.7
TRC009	578555.5	7170704	470.1	-60	180	19	25	6	3.02	18.1
BRC21	578583.7	7170769	469.9	-60	180	66	67	1	15.50	15.5
TRC019	578829	7170646	467.6	-60	180	39	41	2	6.88	13.8
TRC063	578729.2	7170742	468.6	-60	180	56	62	6	2.14	12.8
BRC11	578830.8	7170669	467.5	-60	180	40	42	2	6.29	12.6
BRC38	578582.2	7170690	470.0	-60	180	17	20	3	3.99	12.0
BRC23	578531.7	7170711	470.0	-60	180	7	10	3	3.70	11.1
TRC037	578708.3	7170765	468.5	-60	180	110	119	9	3.90	35.1
TRC011	578631.7	7170690	469.7	-60	180	20	25	5	2.16	10.8
Winja Prospect										
TRC070	578759.6	7169262	464.9	-60	180	68	86	18	7.85	141.3
TRC094	578780.4	7169240	464.7	-60	180	52	65	13	3.71	48.2
TRC026	578767.3	7169211	463.7	-60	180	25	30	5	4.61	23.1
Livingstone's Find Prospect										
LR051	567906.3	7171644	549.3	-60	10	6	20	14	2.71	37.9
LR058	567767.5	7171530	546.1	-60	40	28	30	2	18.00	36.0
LRC01	567150	7170950	492.8	-60	180	1	6	5	2.86	14.3
LRC05	567150	7171110	491.6	-60	180	69	71	2	5.80	11.6
LR055	567863.8	7171648	550.4	-60	10	22	26	4	2.74	11.0

Table 1: Selected significant intersections, based on a lower selection criterion of >10g/t.m with a minimum width of 1m. Metadata for the holes listed above is contained within Table 2.

Project Geology & Mineralisation

The project is located within a west-northwest trending western arm of the Palaeoproterozoic Bryah and Padbury Basins, enclosed to the north, west and south by Archaean rocks of the Yilgarn Craton² (Figure 2). The sedimentary, volcanic and intrusive rocks of the basins lie in faulted contact with the Yarlaweelor Domain of the Yilgarn Craton to the north and the Narryer Terrane to the south.

At Livingstone, quartz-sericite schist and cherts of the Millidie Creek Formation within the Padbury Group host the historic Livingstone's Find gold workings. Livingstone's Find was the largest historic gold producer in the Robinson Range sheet area, with 1,260oz at an average of 21.85g/t³. Further north in the stratigraphic sequence, mafic/ultramafic schists of the Narracoota Formation host the Homestead resource and the Winja, Hilltop and VHF gold prospects.

Structure within the tenement block is dominated by a series of west to west-northwest trending strike parallel faults – the Livingstone Shear Zone – which display a spatial association with gold mineralisation similar to that seen at Fortnum gold mine. The majority of work by previous gold explorers has focused on the potential of the shear zone, which traverses the entire project with a combined strike length of more than 31km.

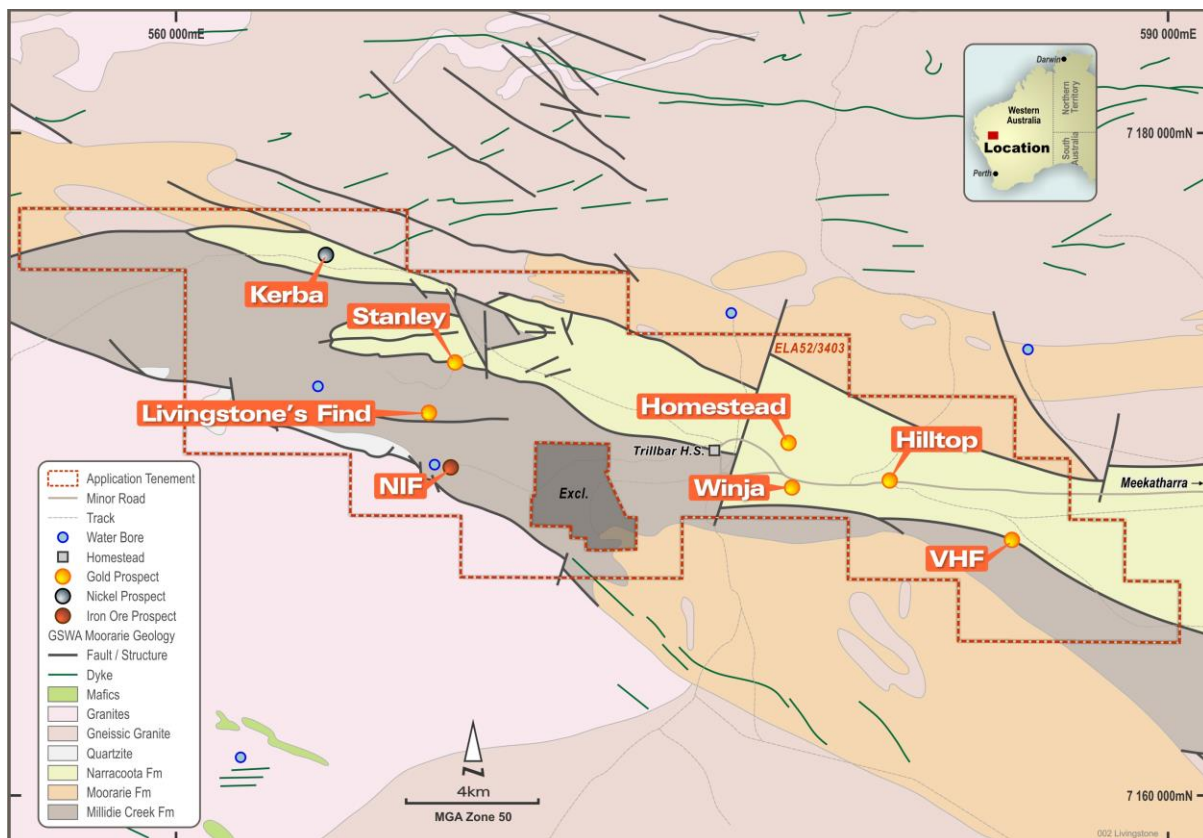


Figure 2: Livingstone project geology and prospect locations.

² M Garland (2014): *Livingstone C9/2012 Final Surrender Report*. Talisman Mining Ltd

³ P Ryall (1987): *Report – M52/45, P52/85, P52/92 – Livingstone's Find*. Endeavour Resources Ltd annual exploration report. WAMEX Ref A19665.

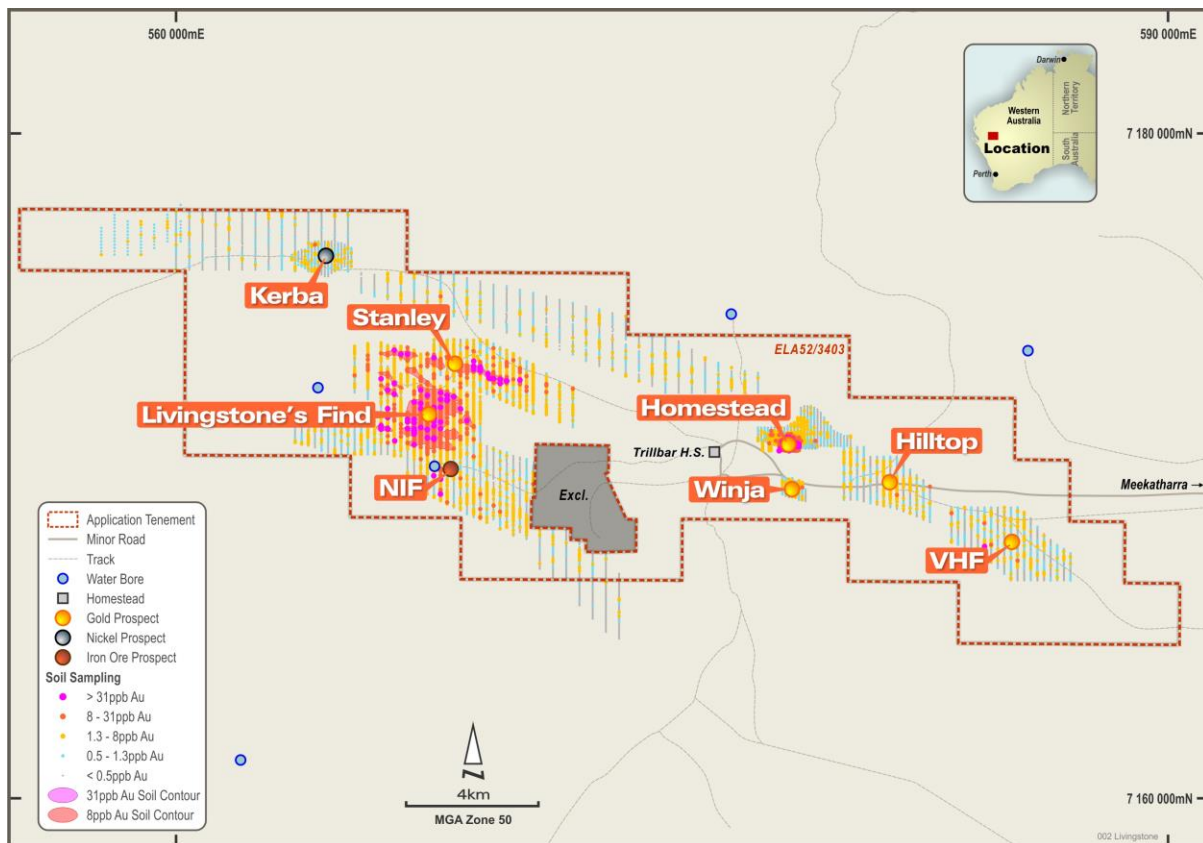


Figure 3: Soil geochemistry at Livingstone highlighting the scale of the Livingstone's Find anomaly.

Homestead Resource

Mineralisation at Homestead is associated with steep north-dipping quartz-carbonate-pyrite veining at the contact between mafics and ultramafics of the Narracoota Formation. Lodes thickness vary from one to five metres thick with local thickening to over 10m (Garland, 2014). In places the mineralisation is at surface, with a supergene gold blanket developed principally on the hanging-wall side of the lode position.

Drilling at Homestead to date has been relatively shallow, with the majority of holes testing zones less than 100m below surface. The interpretation suggests an easterly plunge, which leaves mineralisation open along strike at depth in several areas. A composite long section of drill results showing this plunge interpretation is in Figure 4.

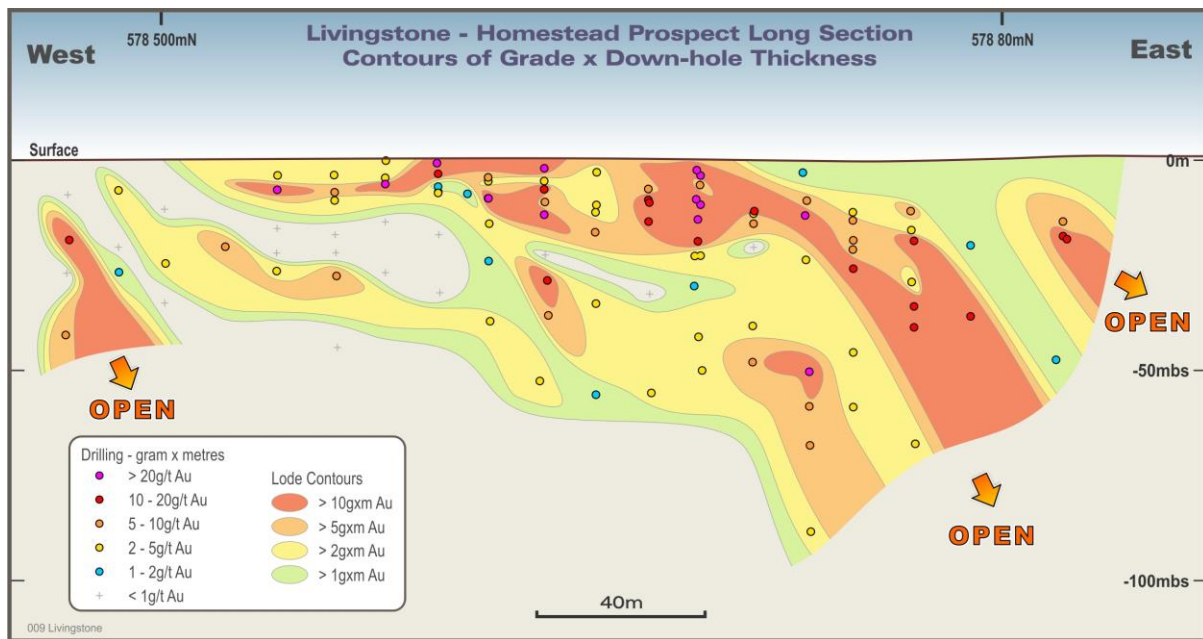


Figure 4: A long section of Homestead drilling intersections, contoured for grade-thickness.

The current Homestead mineral resource estimate was completed by Talisman in 2006 and reported in early 2007⁴. Grade interpolation was constrained within interpreted wire-frames generated using Surpac software, estimated using ordinary kriging. As there has been no material change to the resource since 2007 it remains an Inferred mineral resource under the JORC 2004 guidelines.

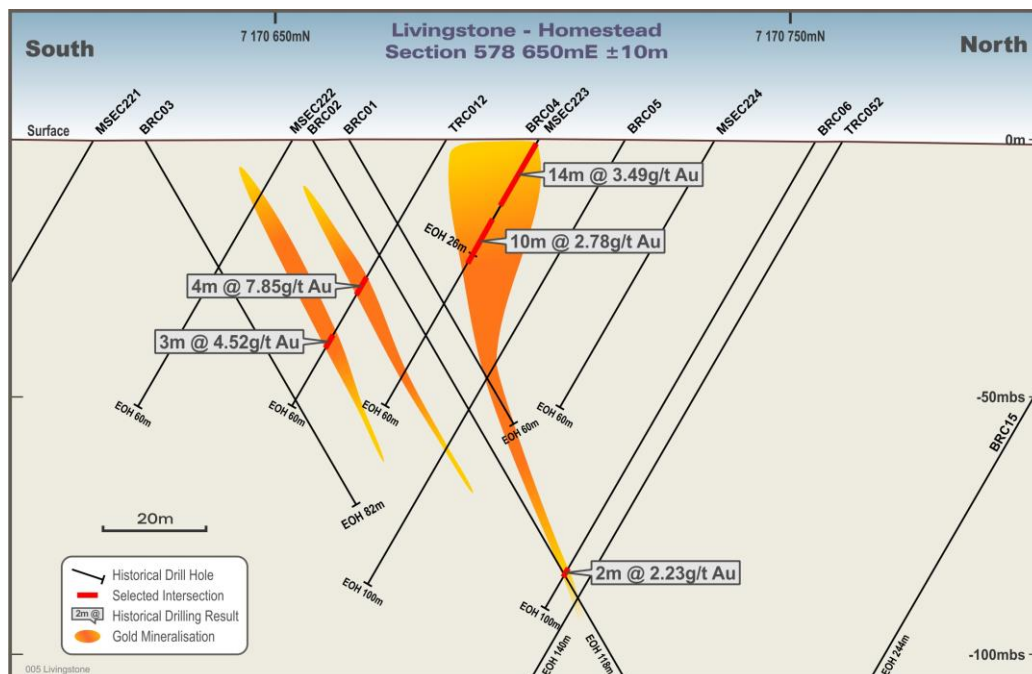


Figure 5: Homestead section 578650E – high-grade mineralisation at surface.

⁴ Harry Cornelius (2007): *Trillbar Project – Boundary Resource Estimate 2006*. Talisman Mining Ltd

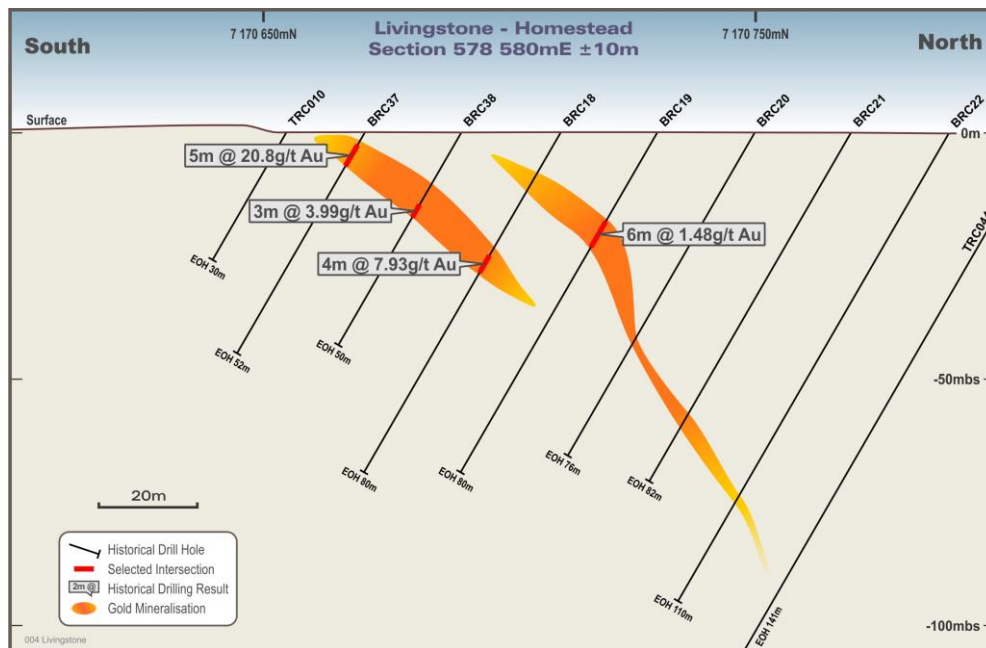


Figure 6: Homestead section 578580E showing en-echelon mineralised lenses.

Winja Prospect

Winja was also discovered by Western Mining, with additional RC drilling completed by Talisman and including some spectacular intersections such as 18m @ 7.85g/t Au from 68m. Early work by Talisman led to the conclusion that the high-grade zone is not a tabular lode structure but possibly a west north-westerly plunging chute or pipe, with potential for localised repetitions. This theory is mentioned in Talisman's 2014 final report, and is borne out when examining the three-dimensional distribution of grade in the Winja drilling. Kingston intends to investigate the suitability of electrical geophysics to test for repetitions to the high-grade Winja structure.

Livingstone's Find Prospect

Livingstone's Find includes several gold targets within schistose metasediments of the Millidie Creek Formation. Mineralisation appears to be controlled by a west north-westerly trending element of the Livingstone Shear Zone. This area also represents by far the largest geochemical gold anomaly (approximately 1.8km north-south and a similar distance east-west) within the project, and the only prospect with production records.

Mineralisation occurs within a larger alteration halo of hematite-chlorite altered quartz-muscovite-sericite schists, with gold occurring in a series of steeply north-dipping parallel quartz-rich veins with some cross-cutting veins, possibly forming a stockwork vein system. Early RAB exploration by Endeavour Resources resulted in a series of significant intercepts including 14m @ 2.71g/t Au in LR051, but contemporary reports suggest the rig struggled to reach target depth on a number of holes. In 1997 Livingstone Resources drilled five RC holes on a single fence along strike from the main historic workings, returning 4m @ 2.29g/t Au and 1m @ 4.1g/t Au. There has been no drilling at Livingstone's Find since that time.

This area will be a primary focus of Kingston's initial exploration program, with field mapping of old workings, figure 7, and vein exposures to be followed by Air-core or RAB drilling to build upon the work done by Endeavour and Livingstone Resources.



Figure 7: Livingstone Find historic gold workings

Summary of Previous Exploration

Livingstone has been subject to exploration by a number of companies over the past 30 years, this work has highlighted the potential of the area to host significant gold mineralisation, however, it has left many prospects poorly tested. This provides a base upon which Kingston intends to build its future work.

During the period in which Talisman Mining Ltd held the project the initial focus was on improving the definition of near-surface mineralisation at the Homestead prospect, culminating in the inferred resource estimate reported in January 2007. Talisman's focus subsequently shifted to nickel at Kerba, iron mineralisation at the Northern Iron Formation and then iron mineralisation at their Wonmunna project near Newman. With these market-driven reprioritisations within the Talisman portfolio, Livingstone became a non-core asset. Talisman's main focus later became the Springfield project adjacent to Doolgunna, an area where impressive exploration success resulted in this project becoming the company's primary asset. This history shows that due to circumstances unrelated to Livingstone, the project lost priority and consequently it has remained under-explored for gold since 2006.

As a result, and having considered all the available data, Kingston believes that Livingstone remains an under explored and highly prospective gold exploration project.

Summary of Option Agreement

Kingston Resources Limited, is entering into a 12-month option agreement with Trillbar Resources Pty Ltd to purchase a 75% interest in E52/3403

- The 12-month option period commences from the date of grant of E52/3403.
- To purchase the option Kingston will pay the Vendors 5.5 million shares in KSN and 5 million options in KSN, exercisable at \$0.025 within three years of issue.
- Kingston Resources Limited will commit to a minimum \$200,000 exploration expenditure on the tenement.
- Kingston Resources, if it chooses to exercise the option, will pay the Vendors \$300,000 in KSN shares, issued at a 10% discount to the 20 day VWAP prior to exercise.
- The Vendors will retain a 25% interest in E52/3403 which will be free carried until a decision to mine is made over a defined mining area. If The Vendors choose not to contribute to expenditure beyond the decision to mine they will be diluted according to standard dilution practices. If the Vendors dilute to a less than 5% interest, then a 1.25% gross royalty is to be paid.

The key conditions precedent for the transaction include:

- granting of application E52/3403,
- successful completion of due diligence,
- finalisation of legal documentation.

About Kingston Resources

Kingston Resources is a metals exploration company. The company holds an attractive portfolio of lithium exploration tenements covering four key project areas. In Western Australia, the Mt Cattlin and Greenbushes projects are adjacent or near existing lithium mines. In the Northern Territory, the Bynoe project area 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 JORC2004 resource and is the site of a number of high grade historic intersections. The company is well funded to rapidly advance its exploration projects, with the initial focus being the Mt Cattlin, Bynoe, and Arunta lithium projects, alongside commencement of work on the Livingstone Gold Project.

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.

Hole ID	Hole Type	Company	Date Drilled	Geologist	Drill Co	Sample Interval	Sampling Technique	Assay Lab	Assay Technique	WAMEX Ref
BRC01	RC	Livingstone Resources NL	21/04/1997	S Robson	East West Drilling Ltd	1m	Spear	Genalysis Perth	Aqua Regia AAS	A53557
BRC04	RC	Livingstone Resources NL	25/04/1997	S Robson	East West Drilling Ltd	1m	Spear	Genalysis Perth	Aqua Regia AAS	A53557
BRC11	RC	Livingstone Resources NL	29/04/1997	S Robson	East West Drilling Ltd	1m	Spear	Genalysis Perth	Aqua Regia AAS	A53557
BRC16	RC	Livingstone Resources NL	24/05/1997	S Robson	East West Drilling Ltd	1m	Spear	Genalysis Perth	Aqua Regia AAS	A53557
BRC18	RC	Livingstone Resources NL	25/05/1997	S Robson	East West Drilling Ltd	1m	Spear	Genalysis Perth	Aqua Regia AAS	A53557
BRC21	RC	Livingstone Resources NL	25/05/1997	S Robson	East West Drilling Ltd	1m	Spear	Genalysis Perth	Aqua Regia AAS	A53557
BRC23	RC	Livingstone Resources NL	26/05/1997	S Robson	East West Drilling Ltd	1m	Spear	Genalysis Perth	Aqua Regia AAS	A53557
BRC31	RC	Livingstone Resources NL	27/05/1997	S Robson	East West Drilling Ltd	1m	Spear	Genalysis Perth	Aqua Regia AAS	A53557
BRC37	RC	Livingstone Resources NL	29/05/1997	S Robson	East West Drilling Ltd	1m	Spear	Genalysis Perth	Aqua Regia AAS	A53557
BRC38	RC	Livingstone Resources NL	29/05/1997	S Robson	East West Drilling Ltd	1m	Spear	Genalysis Perth	Aqua Regia AAS	A53557
LR051	RAB	Endeavour Resources	25/09/1986	P Ryall	Brandrill	2m	N/R	Pilbara Laboratories	AAS	A19665
LR055	RAB	Endeavour Resources	25/09/1986	P Ryall	Brandrill	2m	N/R	Pilbara Laboratories	AAS	A19665
LR058	RAB	Endeavour Resources	26/09/1986	P Ryall	Brandrill	2m	N/R	Pilbara Laboratories	AAS	A19665
LRC01	RC	Livingstone Resources NL	12/04/1997	S Robson	East West Drilling Ltd	1m	Spear	Genalysis Perth	Aqua Regia AAS	A53556
LRC05	RC	Livingstone Resources NL	18/04/1997	S Robson	East West Drilling Ltd	1m	Spear	Genalysis Perth	Aqua Regia AAS	A53556
MSEC151	RC	WMC	9/11/1988	M S Norris	N/R	1m	N/R	N/R	N/R	A29671
MSEC223	RC	WMC	21/05/1990	P P Mazzoni	N/R	1m	N/R	N/R	N/R	A32165
MSEC228	RC	WMC	23/05/1990	P P Mazzoni	N/R	1m	N/R	N/R	N/R	A32165
TRC008	RC	Talisman Mining Ltd	1/12/2005	S Elliot	Orbit Drilling Pty Ltd	1m	Riffle Split	Genalysis Perth	Fire assay	A72464
TRC009	RC	Talisman Mining Ltd	1/12/2005	S Elliot	Orbit Drilling Pty Ltd	1m	Riffle Split	Genalysis Perth	Fire assay	A72464
TRC011	RC	Talisman Mining Ltd	1/12/2005	S Elliot	Orbit Drilling Pty Ltd	1m	Riffle Split	Genalysis Perth	Fire assay	A72464
TRC012	RC	Talisman Mining Ltd	1/12/2005	S Elliot	Orbit Drilling Pty Ltd	1m	Riffle Split	Genalysis Perth	Fire assay	A72464
TRC015	RC	Talisman Mining Ltd	1/12/2005	S Elliot	Orbit Drilling Pty Ltd	1m	Riffle Split	Genalysis Perth	Fire assay	A72464
TRC019	RC	Talisman Mining Ltd	1/12/2005	S Elliot	Orbit Drilling Pty Ltd	1m	Riffle Split	Genalysis Perth	Fire assay	A72464
TRC026	RC	Talisman Mining Ltd	1/12/2005	S Elliot	Orbit Drilling Pty Ltd	1m	Riffle Split	Genalysis Perth	Fire assay	A72464

TRC037	RC	Talisman Mining Ltd	1/02/2006	S Boda	Orbit Drilling Pty Ltd	1m	Riffle Split	Genalysis Perth	Fire assay	A72464
TRC063	RC	Talisman Mining Ltd	1/08/2006	J Burton	Orbit Drilling Pty Ltd	1m	Riffle Split	Genalysis Perth	Fire assay	A76006
TRC070	RC	Talisman Mining Ltd	1/08/2006	J Burton	Orbit Drilling Pty Ltd	1m	Riffle Split	Genalysis Perth	Fire assay	A76006
TRC083	RC	Talisman Mining Ltd	1/08/2006	J Burton	Orbit Drilling Pty Ltd	1m	Riffle Split	Genalysis Perth	Fire assay	A76006
TRC087	RC	Talisman Mining Ltd	1/08/2006	J Burton	Orbit Drilling Pty Ltd	1m	Riffle Split	Genalysis Perth	Fire assay	A76006
TRC094	RC	Talisman Mining Ltd	18/11/2006	J Burton	Orbit Drilling Pty Ltd	1m	Riffle Split	Genalysis Perth	Fire assay	A76006
TRR02	RC	Sons of Gwalia Ltd	27/09/1992	M Kellow	NR	1m	Spear	Genalysis Perth	Aqua Regia AAS & FA/AAS	A38890

Table 2: Metadata for holes included in the significant intersections in Table 1.

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg 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 (eg ‘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 (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> Data has been collated from various explorers in the area since 1986. This includes soil and lag sampling, RAB, aircore, RC and diamond drilling. Metadata from the drilling has been collected from historic WAMEX exploration reports including, where recorded, the sampling techniques. A summary of metadata for the significant intersections is included separately in the body of the announcement as Table 2. RC and limited diamond drilling was conducted by Western Mining Corporation (WMC), Livingstone Resources NL (LVR), Sons of Gwalia (SGW) and Talisman Mining Ltd (TLM). The 2006 Talisman resource report for Boundary states that WMC used a 5” RC face-sampling hammer and SGW, LVR and TLM all used a 5.5”RC face-sampling hammer. All RC drilling was sampled in 1m intervals, with compositing used initially and anomalous composites re-assayed in 1m samples. The technique for sampling varies from spear sampling (LVR and SGW) to riffle splitting (TLM).
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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). 	<ul style="list-style-type: none"> Drilling techniques of most relevance to the project, and the Homestead resource in particular, are RC and diamond drilling. Hole diameters for the earlier drilling are not recorded.
Drill sample recovery	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Quantitative sample recovery data is not recorded.

Criteria	JORC Code explanation	Commentary
	<i>and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</i>	
Logging	<ul style="list-style-type: none"> • <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.</i> • <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> • <i>The total length and percentage of the relevant intersections logged.</i> 	<ul style="list-style-type: none"> • Holes have been geologically logged. Collation and translation of lithology codes is ongoing.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> • <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> • <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> • <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> • <i>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.</i> • <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> • Diamond drilling was sampled to geological intervals as half core HQ. • RC samples were speared or riffle split, depending on the company. Details in the separate table above at Table 2. • Sample sizes, where recorded, were approximately 3kg which is regarded as appropriate to this style of mineralization. • The spear sampling technique is no longer regarded as best practice for obtaining representative samples from an RC rig.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> • <i>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.</i> • <i>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels</i> 	<ul style="list-style-type: none"> • WMC did not record the assay technique used. • LVR and SGW used Genalysis Laboratories in Perth using an Aqua Regia technique with AAS finish. SGW re-assayed values >0.5g/t Au by fire assay. • Endeavour Resources used Pilbara Laboratories in Perth using AAS analysis for their RAB drilling at Livingstone's Find. • TLM used Genalysis Laboratories fire assay technique. • The performance and nature of previous explorers' QA/QC regimes has not yet been fully reviewed. Commentary on QA performance for

Criteria	JORC Code explanation	Commentary
	<i>of accuracy (ie lack of bias) and precision have been established.</i>	the TLM drilling is included in their 2006 Boundary resource estimation report.
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> • <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> • To date KSN has not conducted any verification drilling at the Livingstone project. This will be conducted in future to bring the project into JORC 2012 compliance.
Location of data points	<ul style="list-style-type: none"> • <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.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<ul style="list-style-type: none"> • WMC surveyed collar locations using tape & compass surveys. Down-hole attitude was measured at collar using an inclinometer. • SGW and LVR surveyed collars by GPS, and dip/azimuth using an inclinometer at the collar. SGW also re-surveyed the holes drilled by WMC using a tape and theodolite survey, as reported by LVR in 1998. • TLM surveyed collars by DGPS and dip/azimuth of the RC holes by inclinometer only. Diamond holes were surveyed at 30m intervals using an Easyshot camera. • TLM recorded collar information in MGA94 Zone 50 coordinates. Previous explorers used the AMG84 Zone 50 system, now converted into MGA94.
Data spacing and distribution	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>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.</i> • <i>Whether sample compositing has been applied.</i> 	<ul style="list-style-type: none"> • The Homestead deposit is drilled on approximately 20m hole spacing on 25m sections. • Winja is drilled on an approximate 20 by 20m pattern. These are the main prospects defined by RC and DD drilling. • Data density and orientation is sufficient to establish continuity appropriate for the JORC 2004 mineral resource at Boundary (Homestead).
Orientation of data in relation	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i> 	<ul style="list-style-type: none"> • Mineralisation is generally on west-northwest-trending structures dipping to the north, and as such, the primary drill direction of 180° is appropriate to achieve practical intersection angles.

Criteria	JORC Code explanation	Commentary
<i>to geological structure</i>	<ul style="list-style-type: none"> <i>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.</i> 	
<i>Sample security</i>	<ul style="list-style-type: none"> <i>The measures taken to ensure sample security.</i> 	<ul style="list-style-type: none"> Sample security protocols for the historic drilling is not recorded.
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of sampling techniques and data.</i> 	<ul style="list-style-type: none"> No audits have been undertaken. The sampling techniques appear reasonable, particularly those used by TLM.

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 land tenure status</i>	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership 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.</i> <i>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.</i> 	<ul style="list-style-type: none"> Exploration licence 52/3403 is an application held by Trillbar Resources Pty Ltd. There are no competing applications over this area. Although the grant of E52/3403 cannot be guaranteed, there are no known impediments to the licence being granted in due course.
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<ul style="list-style-type: none"> As discussed above, the project has been subject to exploration by several companies over the past 30 years. This work has been built upon by successive explorers, culminating most recently in the work done by Talisman Mining Ltd pursuant to the resource estimation at the Boundary prospect.
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> The following geological description is taken from the TLM 2006 Homestead resource report by Cornelius (Homestead was previously referred to as the Boundary prospect): "The geology of the Boundary deposit consists of poorly-outcropping talc-chlorite-carbonate ultramafic rocks/schists and mafic rocks/schists (Narracoota

Criteria	JORC Code explanation	Commentary
		<p>Volcanics), as well as minor phyllites, dolomites and intermediate/felsic rocks covered by a thin veneer of colluvial pisolitic laterite and recent alluvial cover.</p> <p>“Mineralisation within the oxidized zone is associated with limonite replacement of mainly carbonate minerals and pyrite. The weathering profile is locally depressed over the mineralisation, coincident with the dip of the mineralised lodes. There has been a certain degree of lateritic enrichment/mobilisation of gold, with a small near-surface, near-lode supergene gold blanket developed principally on the hanging-wall of the mineralised lode position. Below the base of oxidation, limited intercepts of the fresh mineralisation show a composition of quartz-carbonate-chlorite-(pyrite)-(gold), with the suggestion of a moderate to strong quartz-pyrite-carbonate proximal alteration associated with the gold mineralisation, possibly within a (distal) chloritic envelope.”</p>
Drill hole Information	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> 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 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. 	<ul style="list-style-type: none"> There are 778 RAB holes, 517 aircore holes, 324 RC and 2 diamond holes in the historic Livingstone data identified to date. Hole details for significant intersections are included in the body of this announcement. Individual hole details can be obtained from WAMEX reports, specifically A19665, A29671, A32165, A38890, A53556, A53557, A72464, A76006, A87400 and A94174.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg 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. 	<ul style="list-style-type: none"> For the Homestead resource, data was composited into 1m samples, which is also the dominant primary sample interval. Grades were cut to 18g/t for the primary mineralisation and 6g/t for the supergene mineralisation.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> 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 (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> All intersections are reported as down hole intervals. The relationship between down hole interval and true thickness varies depending on the dip of the mineralisation. Where mineralisation has shallower dips at the south end of Homestead, downhole lengths are approximately equal to true thickness; where the mineralisation is steeper the true thickness is approximately 50% of the downhole length.
Diagrams	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Cross sections and a long section are contained within the body of this announcement.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> A selected set of significant intersections has been reported, using a lower cut-off criterion of 10ppm.m (grade multiplied by thickness). Given the number of holes at Livingstone it is impracticable to include all results. The context of the high-grade intersections is shown by the cross sections included in the body of the announcement.
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Other data has not been considered at this time. A full evaluation of other geological and geophysical information is ongoing.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg 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. 	<ul style="list-style-type: none"> KSN intend to commence data validation at Homestead and Winja by drilling a small number of parallel RC holes designed to test the higher-grade zones of mineralisation. Concurrently, the company will also test the Livingstone's Find area using RAB or aircore drilling. Additional work beyond that outlined above will stem from the ongoing assessment of the work of all previous explorers.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	<ul style="list-style-type: none"> The database used for the TLM 2006 Homestead resource estimate was validated by TLM geologists based upon their survey, assay and geology records. Selected holes have been validated by KSN by checking the database records against original details filed on WAMEX.
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<ul style="list-style-type: none"> Site visits will be undertaken by KSN in the near future. A KSN site visit is not of relevance to consideration of the 2006 Talisman resource estimate.
Geological interpretation	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	<ul style="list-style-type: none"> The geological interpretation applied by TLM appears to agree with geological observations and the continuity of mineralisation. No tests have been applied to examine the effects on the resource estimate of alternative interpretations. The 2006 TLM resource report by Cornelius does not discuss the interpretation in great detail, and KSN intends to re-interpret the mineralisation after additional drilling has been completed.
Dimensions	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	<ul style="list-style-type: none"> The Homestead mineral resource model was constructed to be 600m north-south, 100m east-west and 350m deep. The main area of Homestead is approximately 550m long (east west) and less than 90m depth from surface.
Estimation and modelling techniques	<ul style="list-style-type: none"> The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. 	<ul style="list-style-type: none"> Ordinary kriging was used to estimate gold grades. Top cuts of 18g/t were applied to the primary lode mineralisation, and 6g/t to the supergene domain. Gemcom (now Dassault Systems) Surpac software was used for the estimation. The interpolation technique and software are both commonly used for this style of deposit. The Homestead resource was previously estimated by WMC, Sons of

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> <i>The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.</i> <i>The assumptions made regarding recovery of by-products.</i> <i>Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).</i> <i>In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.</i> <i>Any assumptions behind modelling of selective mining units.</i> <i>Any assumptions about correlation between variables.</i> <i>Description of how the geological interpretation was used to control the resource estimates.</i> <i>Discussion of basis for using or not using grade cutting or capping.</i> <i>The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.</i> 	<p>Gwalia and Livingstone Resources, although as each company successively added to the drilling data at Homestead their various estimates are not directly comparable.</p> <ul style="list-style-type: none"> By-product recoveries and deleterious elements were not considered in the 2006 TLM estimation. Block sizes of 20m x 25m x 10m (Y,X,Z) were used for the block model. This is directly comparable to the average hole spacing of 20 by 25m (Y,X). Blocks were designed to straddle the drill fences. There were no assumptions made as to SMU size. Grade interpolation was constrained within Surpac wire-frames based upon the 3-dimensional grade interpretation made by TLM geologists. The TLM report does not detail the justification for the top-cutting parameters used. The block model was validated against assay composite values to check that the estimate reflected the original assay data.
Moisture	<ul style="list-style-type: none"> <i>Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.</i> 	<ul style="list-style-type: none"> The effect of moisture is not mentioned in the report. Tonnes are assumed to be on a dry-tonnage basis.
Cut-off parameters	<ul style="list-style-type: none"> <i>The basis of the adopted cut-off grade(s) or quality parameters applied.</i> 	<ul style="list-style-type: none"> The resource is reported at cut-off grades of 0.5g/t and 1g/t Au, which is standard practice for near-surface gold mineralisation.
Mining factors or assumptions	<ul style="list-style-type: none"> <i>Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.</i> 	<ul style="list-style-type: none"> No assumptions have been made regarding possible mining methods, dimensions or mining dilution in the 2006 TLM report.

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made. 	<ul style="list-style-type: none"> The 2006 TLM report refers to metallurgical test work by LVR in 1997, undertaken on selected intervals of RC chips from Boundary (now Homestead). Test parcel grades of 2 to 3g/t Au achieved recoveries of 90 – 92% with acceptable reagent consumption.
Environmental factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made. 	<ul style="list-style-type: none"> Environmental factors and assumptions regarding waste and residue disposal options are not considered within the 2006 TLM report. Waste classification studies will form part of future work by KSN to achieve JORC 2012 compliance.
Bulk density	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	<ul style="list-style-type: none"> TLM used bulk densities of 2.5 for oxide material and 2.8 for fresh material, with an assumed cut-off between the two zones being the 420mRL surface. Bulk densities reported by LVR in 1998 range from 2.19 to 2.99 for oxidised material, and 2.84 to 2.90 for fresh material (only 5 samples were reported). This suggests a material variability in bulk densities which requires further work, however the TLM density assumptions may be relatively conservative.
Classification	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input 	<ul style="list-style-type: none"> The 2006 resource is classified as Inferred, which is appropriate given the lack of detail on bulk densities.

Criteria	JORC Code explanation	Commentary
	<p><i>data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).</i></p> <ul style="list-style-type: none"> <i>Whether the result appropriately reflects the Competent Person's view of the deposit.</i> 	
<i>Audits or reviews</i>	<ul style="list-style-type: none"> <i>The results of any audits or reviews of Mineral Resource estimates.</i> 	<ul style="list-style-type: none"> The 2006 resource estimate has not been recently audited or reviewed in detail, other than by KSN's review of the underlying drilling data.
<i>Discussion of relative accuracy/confidence</i>	<ul style="list-style-type: none"> <i>Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.</i> <i>The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.</i> <i>These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.</i> 	<ul style="list-style-type: none"> The 2006 resource estimate appears appropriate to an inferred resource, given the data available at the time and the mineralisation interpretation. The resource confidence can be improved in future by improving the confidence in bulk densities, and by generating oxidation surfaces for oxidised, transitional and fresh material within which to estimate the various bulk densities. Because there has been no mining history at Homestead, no reconciliation data is available.