

ASX Announcement

20 December 2016

ASX Code: KSN

Share Price: A\$0.02

Shares Outstanding: 660,269,985

Market Capitalisation: A\$13.2m

Cash: A\$5.4m (September 30)

ACN 009 148 529

Board and Management

Anthony Wehby
Chairman

Andrew Corbett
Managing Director

Andrew Paterson
Chief Geological Officer

Stuart Rechner
Non-Executive Director

Contact Details

3 Spring Street,
Sydney,
NSW 2000
+61 2 8249 4968

info@kingstonresources.com.au

www.kingstonresources.com.au

Bynoe Project Exploration Update

Highlights

- **Follow up soil sampling advances highly prospective lithium anomalies and further defines drilling targets**
- **Drilling program planned for commencement of the next drilling season, Q2 2017, post receipt of approvals**

Kingston Resources Limited (ASX:KSN) (the Company or Kingston) is pleased to provide an update on exploration programs at its Bynoe Project (Figure 3). Kingston has eight granted tenements for a total of 188km² within the Bynoe lithium province where spodumene mineralisation has recently been identified by neighbouring companies.

KSN geochemical surveys

Soil sampling at three of KSN's Bynoe lithium targets has successfully mapped lithium anomalism. These results, interpreted to be sourced from buried pegmatites, have generated drilling targets to be tested by drilling in Q2 2017.

Cai Prospect

The Cai Prospect, located approximately 2km southwest of CXO's Grants lithium discovery, was identified through KSN's initial regional soil programs (Figure 1). The soil data has mapped two zones of lithium in soil anomalism that are interpreted to be sourced from underlying pegmatites. The first zone, approximately 1km long with a north-northeast strike, is open to the south. This anomaly converges with a second, thicker zone of anomalism approximately 500m long on a northeast strike that corresponds to the strike of pegmatites in the Grants prospect. This zone remains open to the southwest.

Both zones will be tested in the first phase of drilling, scheduled to commence at the end of the wet season. Additional soil sampling will also be carried out to extend coverage to the south and west of Cai.

Additional Prospects

Soil sampling at the Lei and Liana Prospects within EL31091 has identified new areas of lithium anomalism adjacent to historical Sn-Ta workings (Figure 2). The identification of new soil anomalies is an early success from KSN's conventional soil sampling program, and these targets will be further refined and expanded with additional soil sampling in the new year prior to drill testing.

Future work

The Company is intending to complete airborne geophysical survey across the Bynoe tenure. The survey, which is due to commence shortly comprising low-level (35-40m sensor height), 50m spaced and east-west lines, is expected to take approximately 20 days to complete.

KSN plans to drill test Cai, Lei and Liana once approvals are granted and the area is accessible, which is expected to be Q2 2017. The Company also plans to expand on its surface soil sampling programs at Cai and Liana in addition to various earlier stage lithium targets within the Company's broader Bynoe tenure.

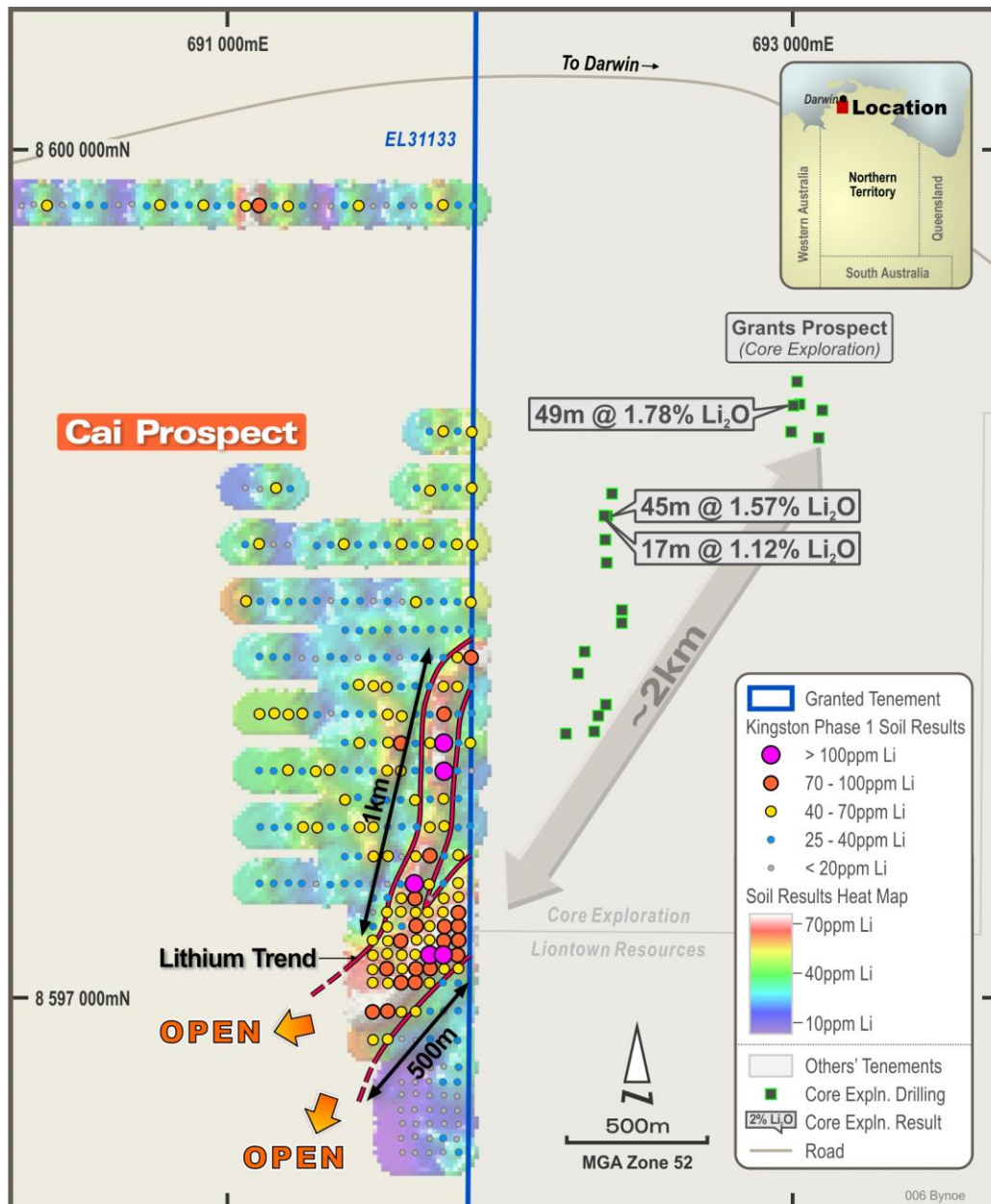


Figure 1: EL31133 Cai Prospect lithium in soil anomaly grid highlighting NNE and NE striking lithium in soil trend which potentially are mapping buried pegmatites *

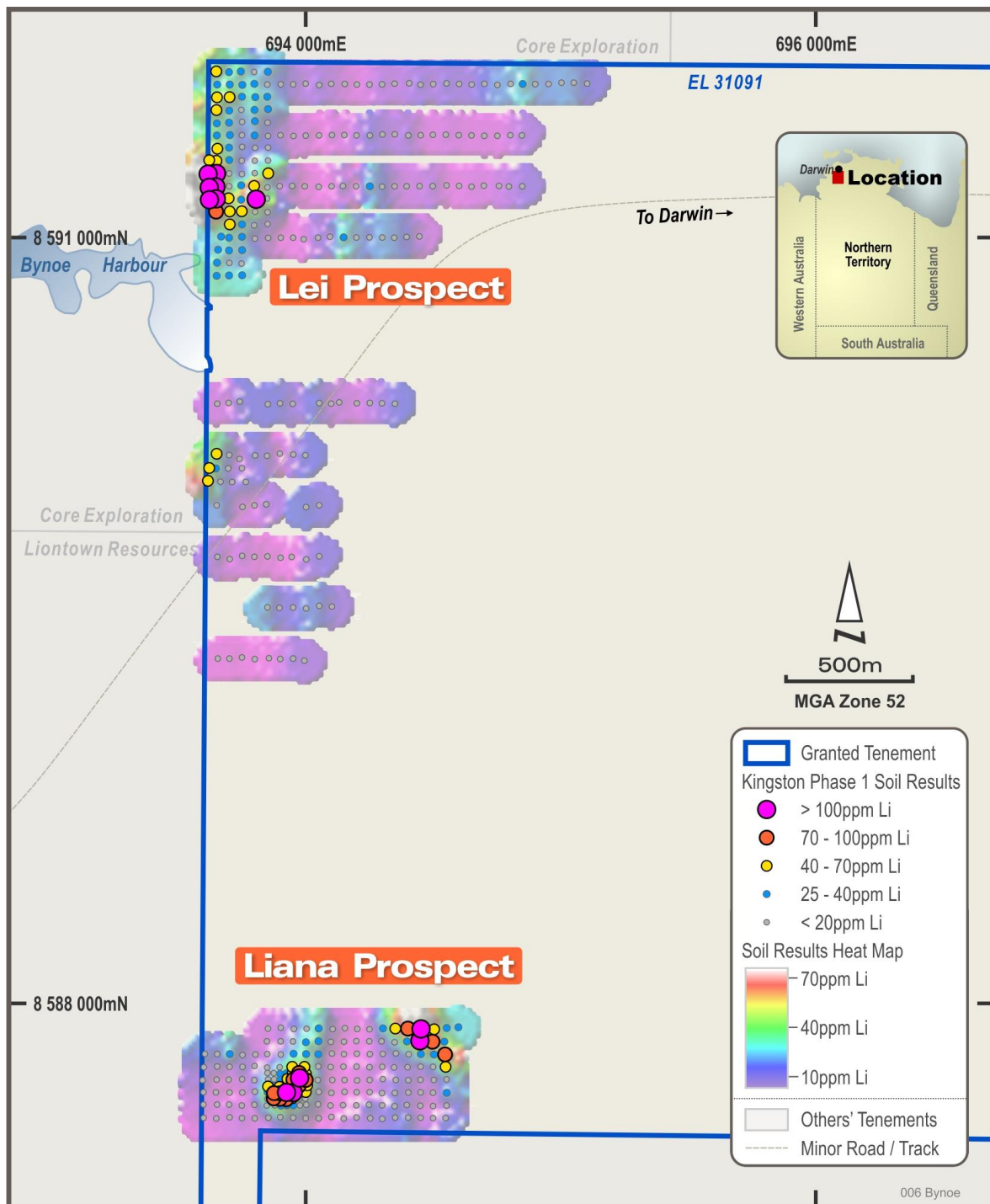


Figure 2: EL31091 Lithium in soil grid, with point samples, highlights Lei and Liana Prospects

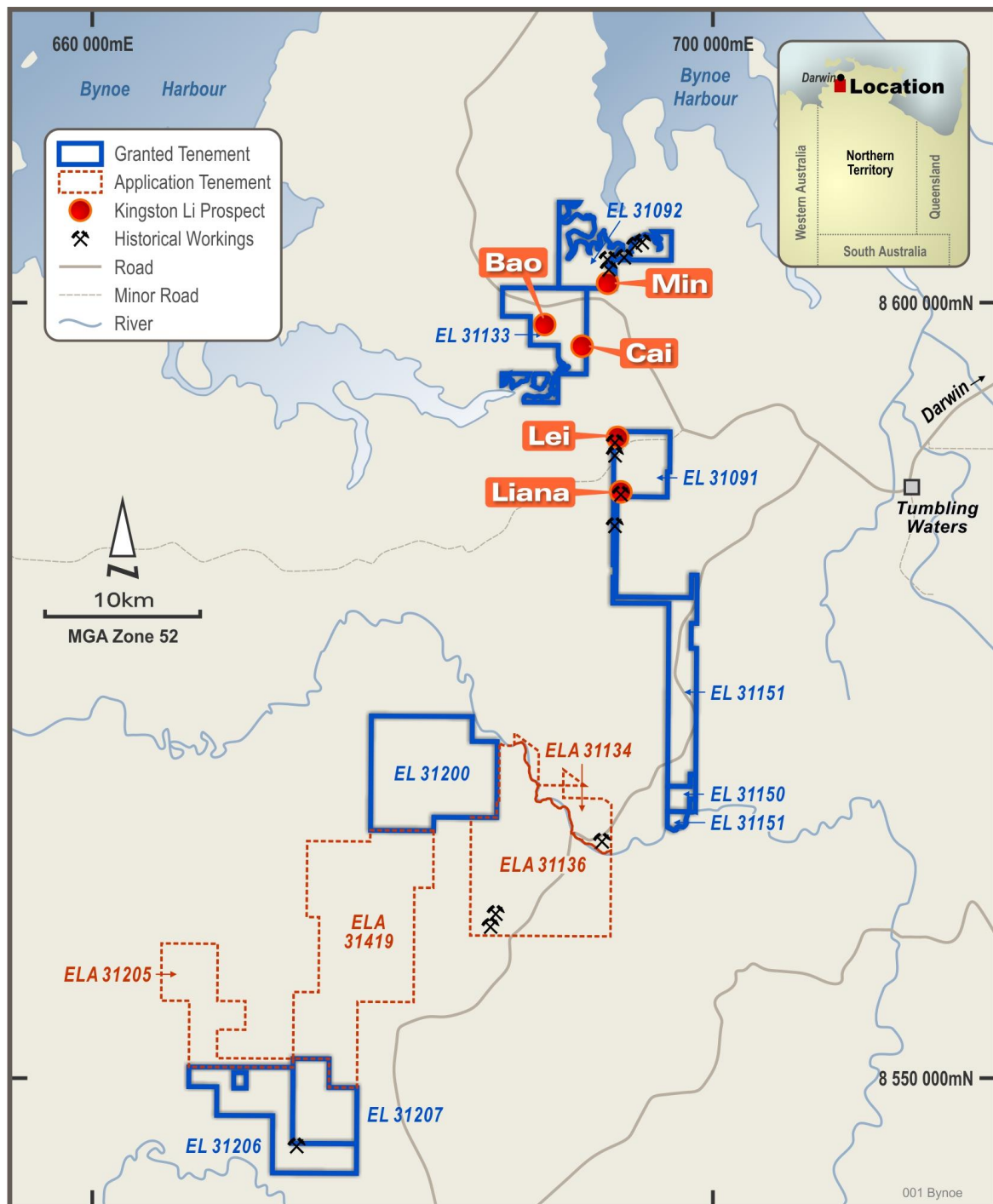


Figure 3: Kingston Resources Bynoe Project

* Note: tenement outlines are sourced from the NT DME Strike web platform. Individual tenement ownership is attributed based upon ASX announcements by the respective listed entities.

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.

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

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"> Kingston Resources Ltd (KSN) has collected surface soil samples from target areas from within EL31091, EL31133, EL31092 and EL31151. The samples were sieved to <2.5mm and collected using hand tools (shovels) in 200m * 50m grids with 50m * 50m infilled areas. 1023 samples have been collected and assayed during these sampling programs. A selected area of samples from the eastern side of EL31133 (Cai Prospect) is displayed in figure 2 and all samples from EL31091 (Liana + Lei Prospects) are displayed in Figure 3.
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"> Not applicable as no drilling has been undertaken
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 and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Not applicable as no drilling has been undertaken

Criteria	JORC Code explanation	Commentary
Logging	<ul style="list-style-type: none"> 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. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> Not applicable as no drilling has been undertaken
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 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. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> Not applicable as no drilling has been undertaken
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 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. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Soil samples were sent to Intertek (Perth) for 4A/OM (four acid digestion) with ICP-MS analysis for Cs, Li, Ta, Rb + Sn A duplicate soil sample was collected every 25th sample as an internal duplicate. Quality control samples were additionally run by the laboratory during analysis
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data 	<ul style="list-style-type: none"> No independent geologists were engaged to verified results.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	
Location of data points	<ul style="list-style-type: none"> 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. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> All coordinate information was collected using hand held GPS utilizing GDA 94, Zone 52.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. 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. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> Sample locations are displayed in figures within the document Samples collected at 200m * 50m grids are designed to identified any potentially mineralized pegmatite trends and follow up infill to 50m * 50m is designed to identify the extent of anomalism and any zoning in the soil response.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 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. 	<ul style="list-style-type: none"> Not applicable as no drilling has been undertaken
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Samples were delivered to the laboratory in Darwin who arranged transit to its Perth laboratory for analysis.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Not applicable as no audits or reviews of sampling techniques have been undertaken.

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"> These results are from within Kingston Resources Ltd's Bynoe Project which comprises 8 granted tenements and 4 tenement application 100% owned by Kingston through the subsidiary Slipstream WANT Pty Ltd (see figure 1).
<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"> Previous exploration of pegmatite hosted mineralization has occurred in the Bynoe region predominantly through historical small scale mine workings targeting Sn ± Ta and through regional recent RC drilling programs by Core Exploration and Liontown Resources. Within KSN's target areas only historical workings and sparsely selected rock chip samples (pegmatite + host rock) have previously been undertaken.
<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"> KSN is targeting any potential mineralization within the outcropping pegmatites within the Bynoe Project. The mineralization style is expected to be pegmatite hosted hard rock Sn + W + Ta + Li. The age and sources of the different pegmatite bodies in the area is thought to be Palaeoproterozoic.
<i>Drill hole Information</i>	<ul style="list-style-type: none"> <i>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:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> <i>dip and azimuth of the hole</i> 	<ul style="list-style-type: none"> Not applicable as no drilling has been undertaken

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> ○ 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. 	
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. • The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> • Not applicable as no drilling has been undertaken
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"> • Not applicable as no drilling has been undertaken
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"> • See figures in release
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"> • Selected KSN soil data is displayed in figure two for EL31133 and figure 3 from EL31091 • The soil sampling data from the other sampled tenements (EL31092 and EL31151) has been successful in identifying pegmatite trends, but further sampling is required before a representative coverage over potential areas of interest is achieved.
Other substantive	<ul style="list-style-type: none"> • Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical 	<ul style="list-style-type: none"> • See release details • During collection of the soil samples information was collected from

Criteria	JORC Code explanation	Commentary
<i>exploration data</i>	<i>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.</i>	each sample site relating to the nature of the soil profile (i.e. insitu soil, lag rich material, alluvial etc), type of soil (i.e. sandy, clay rich, etc) and depth of sample (max 50cm). The soil profile varies within the Bynoe Project and this metadata is utilized when assessing results.
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> KSN has undertaken further field based infilling and regional soil sampling within the project area. The company is planning on undertaking its initial drill program within the Bynoe Project in Q2 2017 (post wet season).