ASX Announcement

21 December 2016

ASX Code: KSN

Share Price: A$0.019
Shares Outstanding: 660,269,985
Market Capitalisation: A$12.5m
Cash: A$5.4m (September 30)

ACN 009 148 529

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Livingstone acquisition complete, initial rock chip results encouraging

Highlights

- **Highly encouraging initial grab samples up to 75g/t Au at the Livingstone Find prospect**
- **Initial drill program submitted for approval, with focus on**
  - **Homestead, JORC2004 inferred gold resource of 49,900 oz**
  - **Winja, high grade zone which returned 18m @ 7.85 g/t**
- **Tenement E52/3403 granted on 30 November**
- **Kingston now holds a 12-month option to acquire 75% of Livingstone Gold Project**

Kingston Resources Limited (ASX:KSN) (the Company or Kingston) is pleased to announce that the acquisition of an option over the Livingstone Gold Project (Figure 4) is complete. In addition, the tenement has now been granted, a first stage drill program has been submitted for approval and Kingston has received very encouraging results from initial grab samples taken from two lines of old workings at Livingstone's Find.

Livingston acquisition complete

The Company has now reached agreement with Trillbar Resources Pty Ltd on all terms relating to the exploration option and potential future development of the Livingstone Gold Project.

As consideration for the completion of the option agreement Kingston will issue the Vendors

- 5.5 million shares (4-month escrow) in KSN, and
- 5 million options in KSN, exercisable at $0.025 within three years of issue

"With the completion of the Livingstone agreement and extremely encouraging grab samples we are excited to be moving rapidly through the drilling approvals process. Historical work in the area has allowed our exploration team to develop a focused first round campaign. The high-grade nature of both the historical drilling and recent grab samples underpins the exploration potential we see at Livingstone" commented Managing Director, Andrew Corbett.

Initial rock chip results

A recent site visit by Kingston personnel included reconnaissance of the Homestead, Winja and Livingstone's Find areas. Grab samples were taken from two lines of old workings at Livingstone's Find known as Mt Seabrook 1 and Mt Seabrook 2 (Figure 1 + 2). These samples returned gold values as high as 75g/t Au, confirming the presence of high-grade gold mineralisation in the east-west structure previously exploited by the old workings.

Sample ID	Easting	Northing	Au g/t
KWR0062	567113	7170930	2.3
KWR0064	567124	7170923	1.49
KWR0067	567141	7170917	75.65
KWR0069	567156	7170913	1.99
KWR0073	567198	7170891	8.71
KWR0074	567198	7170891	9.47
KWR0076	567223	7170883	7.65
KWR0078	567248	7170875	8.17
KWR0080	567605	7170841	11.09
KWR0082	567647	7170846	39.24
KWR0083	567682	7170840	2.99
All coordinates are in GDA94 Zone 50			

Table 1: Mt Seabrook 1 + 2 selected grab samples

Figure 1: Old workings at Mt Seabrook 2 (LH) and Livingstone North (RH)

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Next steps

The Company has lodged a Program of Work (PoW) application with the Department of Mines and Petroleum (DMP) to commence drilling at Homestead and Winja in Q1 2017. Initial drilling is intended to test the high-grade chute structures at both prospects. Additional exploration at Livingstone's Find (Figure 3) is expected to commence later in H1 2017.

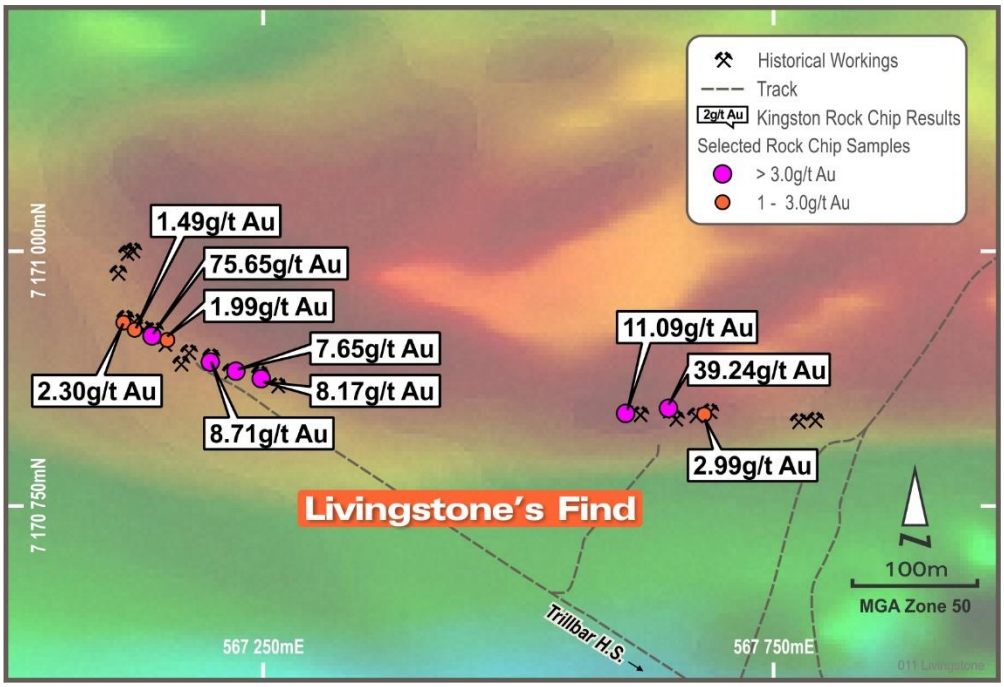

Figure 2: Grab sample results at Livingstone's Find

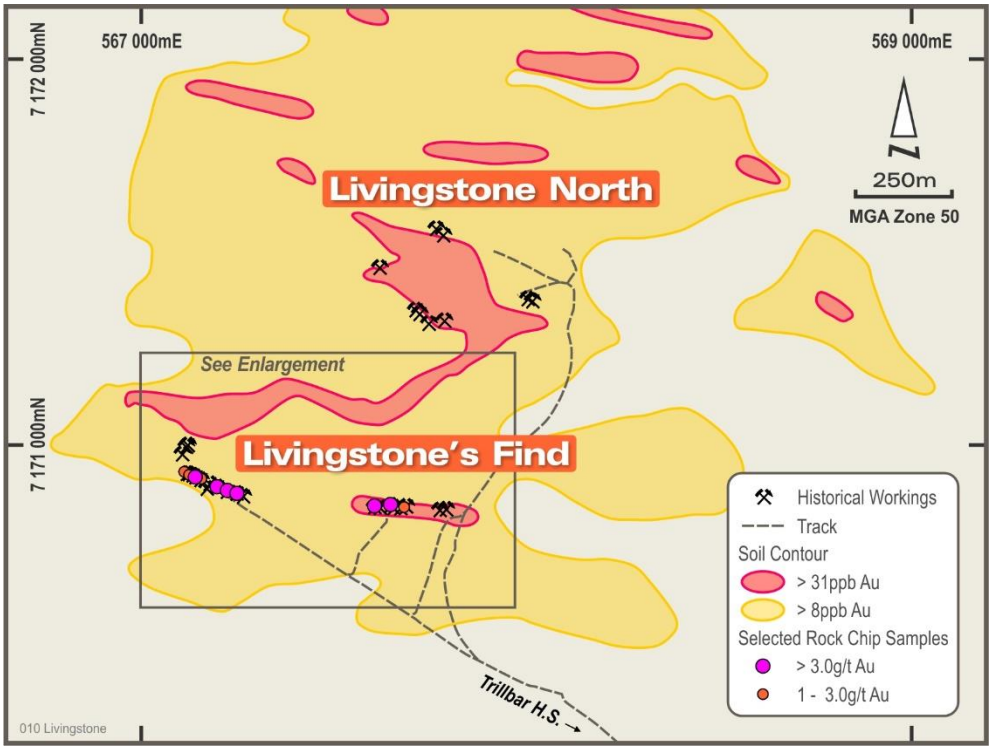

Figure 3: Sample locations and old workings mapped by KSN.

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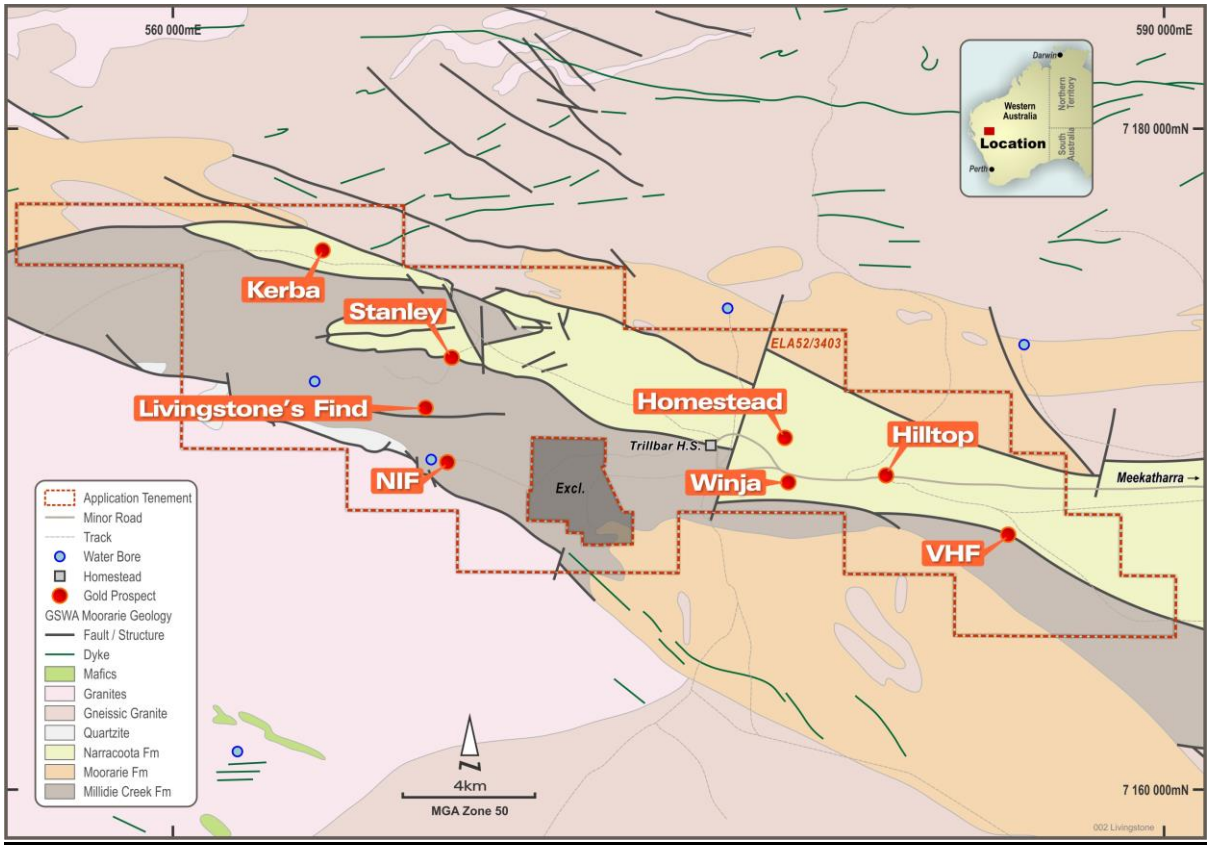

Figure 4: Livingstone Gold Project over plan, 150 km NW of Meekatharra.

Summary of Livingstone Option Agreement

Kingston has entered 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 (restricted) in KSN and 5 million options in KSN, exercisable at $0.025 within three years of issue.
- Kingston will commit to a minimum $200,000 exploration expenditure on the tenement.
- If it chooses to exercise the option, Kingston 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.

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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.

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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	• *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.*	• Kingston Resources Ltd (KSN) has collected surface grab samples from around old shafts and stopes at the Mt Seabrook #1 and #2 locations. Because of lack of safe access to the shafts, the samples were collected from surface spoil and as such no data on average thickness of mineralised zones can be assumed.
Drilling techniques	• *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).*	• Not applicable as no drilling has been undertaken
Drill sample recovery	• *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.*	• Not applicable as no drilling has been undertaken

Criteria	JORC Code explanation	Commentary
Logging	• *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.*	• The samples were not geologically logged beyond taking photographs and recording a basic description of each.
Sub-sampling techniques and sample preparation	• *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.*	• Not applicable as no drilling has been undertaken
Quality of assay data and laboratory tests	• *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.*	• Samples were sent to Intertek (Perth) for multi-element analysis by Aqua Regia. Gold values in excess of 500ppb Au were re-analysed using a Fire Assay 25g charge with OE.
Verification of sampling and assaying	• *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*	• No independent geologists were engaged to verify results.

Criteria	JORC Code explanation	Commentary
	verification, data storage (physical and electronic) protocols. • *Discuss any adjustment to assay data.*	
Location of data points	• *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.*	• All coordinate information was collected using hand held GPS utilizing GDA 94, Zone 50.
Data spacing and distribution	• *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.*	• Sample locations are displayed in figures within the document • Data spacing and sample type is not sufficient to establish the magnitude or continuity of mineralisation.
Orientation of data in relation to geological structure	• *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.*	• Not applicable as no drilling has been undertaken
Sample security	• *The measures taken to ensure sample security.*	• Samples were delivered by a Kingston representative to the laboratory.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• 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
Mineral tenement and land tenure status	• *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.* • *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.*	• The samples were taken from within E52/3403, which is owned 100% by Trillbar Resources Pty Ltd. Kingston has taken an option to earn a 75% interest in Trillbar Resources.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Details of previous exploration including geochemistry and drilling by several companies is tabulated in Kingston's announcement "Acquisition of Livingstone Project" dated 29 November 2016.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Insufficient detail is currently available to summarise the mineralisation style. Further details will be provided as exploration progresses.

Drill hole Information	• *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:*
	  ○ *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.*
		• Not applicable as no drilling has been undertaken

Criteria	JORC Code explanation	Commentary
Data aggregation methods	• *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.*	• Not applicable as no drilling has been undertaken
Relationship between mineralisation widths and intercept lengths	• *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').*	• Not applicable as no drilling has been undertaken
Diagrams	• *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.*	• See figures in release
Balanced reporting	• *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.*	

Sample ID	Easting	Northing	Au g/t
KWR0061	567113	7170930	0.27
KWR0062	567113	7170930	2.3
KWR0063	567124	7170923	0.24
KWR0064	567124	7170923	1.49
KWR0065	567131	7170923	0.12
KWR0066	567131	7170923	0.37
KWR0067	567141	7170917	75.65
KWR0068	567141	7170917	0.83
KWR0069	567156	7170913	1.99
KWR0070	567156	7170913	0.7

Criteria	JORC Code explanation	Commentary
		KWR0071 567178 7170900 0.08 KWR0072 567178 7170900 0.49 KWR0073 567198 7170891 8.71 KWR0074 567198 7170891 9.47 KWR0075 567223 7170883 0.32 KWR0076 567223 7170883 7.65 KWR0077 567248 7170875 0.8 KWR0078 567248 7170875 8.17 KWR0079 567605 7170841 0.09 KWR0080 567605 7170841 11.09 KWR0081 567647 7170846 0.06 KWR0082 567647 7170846 39.24 KWR0083 567682 7170840 2.99 KWR0084 567688 7170833 0.71 KWR0085 567685 7170842 0.28 KWR0086 567685 7170842 0.48 All coordinates are in GDA94 Zone 50
Other substantive exploration data	• *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.*	• See release details
Further work	• *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.*	• The prospect requires additional geochemical work to refine target areas followed by drilling.