ASX Announcement

20 February 2017

ASX Code: KSN

Share Price: A$0.031
Shares Outstanding: 665,769,985
Market Capitalisation: A$20.6m
Cash: A$5.1m (Dec 31, 2016)

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Deep Purple South drilling update

Highlights

- **Three pegmatite horizons intersected in drilling**
- **1,044m of RC drilling completed, follow up drilling and field work required**
- **Best result 5m @ 1.11% Li_2O from 7m, including 1m @ 1.57% Li_2O and 1m @ 2.26% Li_2O.**

Kingston Resources (ASX: KSN) is pleased to provide an update on the recent RC drilling program at Deep Purple South (Figure 1) near Ravensthorpe, WA.

Kingston has completed 19 holes (Figure 2) for 1,044m as part of an initial program intended to test approximately 500m of strike length on the Deep Purple South prospect. Field conditions including steep terrain and wet weather towards the end of January reduced this to 300m leaving the southern-most areas to be drilled at a later date. Recent flooding in the Phillips River catchment and surrounding areas has delayed plans to continue drilling.

Three pegmatites were intersected (Figure 3) dipping to the west at approximately 30 to 45°. The western-most pegmatite, which was the main focus of Stage 1 drilling, displays the best strike continuity and surface mineralisation. The underlying pegmatites to the east were drilled on two sections, which displayed an interpreted southerly plunge and a slightly steeper dip. Further structural work is required to define the 3-dimensional zonation of the pegmatite in order to better predict continuity of lithium-bearing zones beneath the surface.

“The initial Mt Cattlin stage 1 drilling represents the first step of the Company’s exciting exploration program for the first half of 2017” commented Andrew Corbett, KSN Managing Director. “The drilling defined three pegmatite horizons which contain lithium mineralisation. Although the initial results are slightly disappointing, this is only the first stage and there is further work to do. We are encouraged by relatively low levels of micaceous minerals within the pegmatite intersections, with spodumene being the dominant lithium mineral. The 1m intersect of 2.26% Li_2O shows these pegmatites have the ability to host high grade lithium mineralisation. The drilling on 50m sections demonstrated more of a pinch and swell component than expected, so closer-spaced, deeper drilling will be required in the next round. The Company will now progress with drilling at its Livingstone gold project and field work in the Northern Territory this quarter. Drilling is on track to commence in the Bynoe region after the current wet season”.

Andrew Corbett said “Mt Cattlin will require follow up field work and additional drilling. Road access is currently restricted due to significant flooding which has caused extensive damage to local infrastructure in the Ravernsthorpe/Esperance district. On behalf of the Kingston Resources team, I would like to extend our best wishes to all those impacted by recent weather events.”

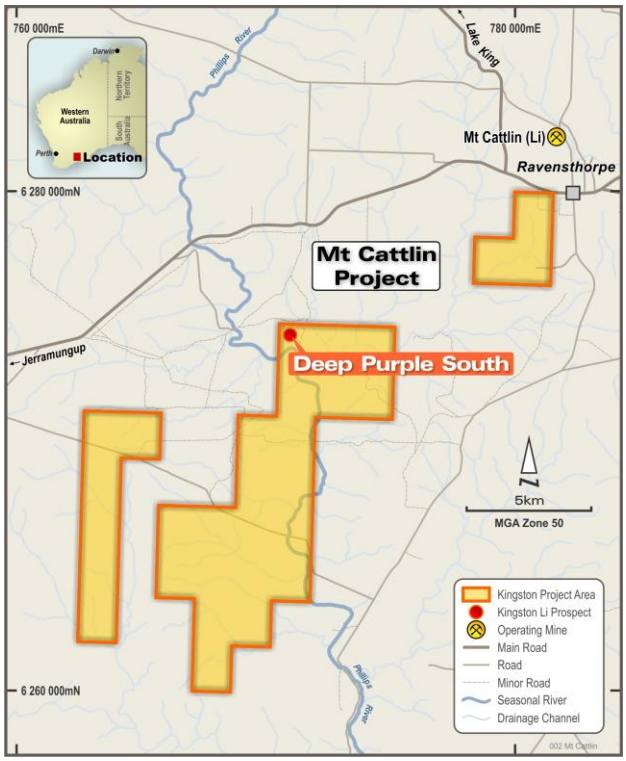


Figure 1: Deep Purple South location

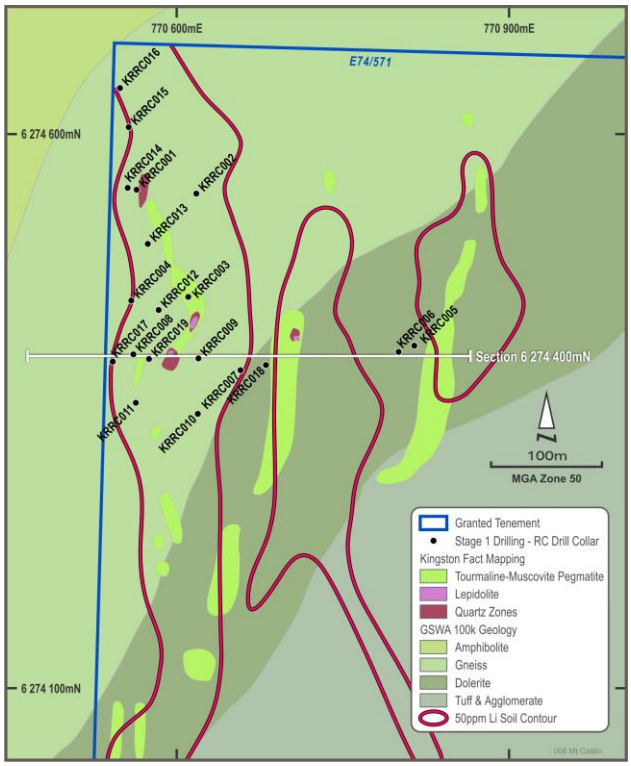


Figure 2:Deep Purple South collar location plan

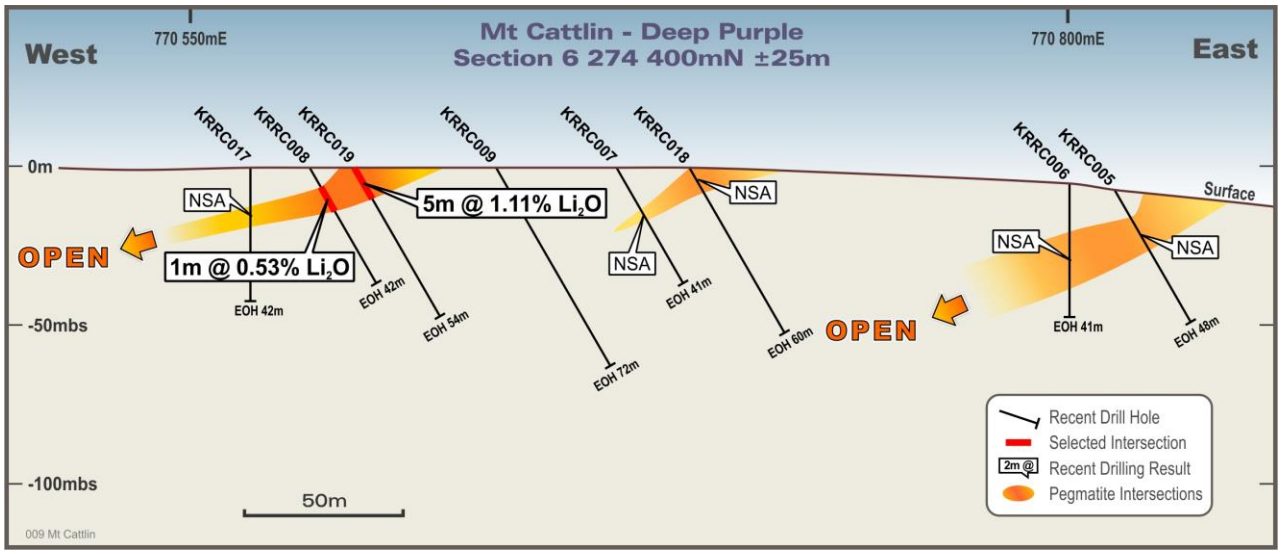


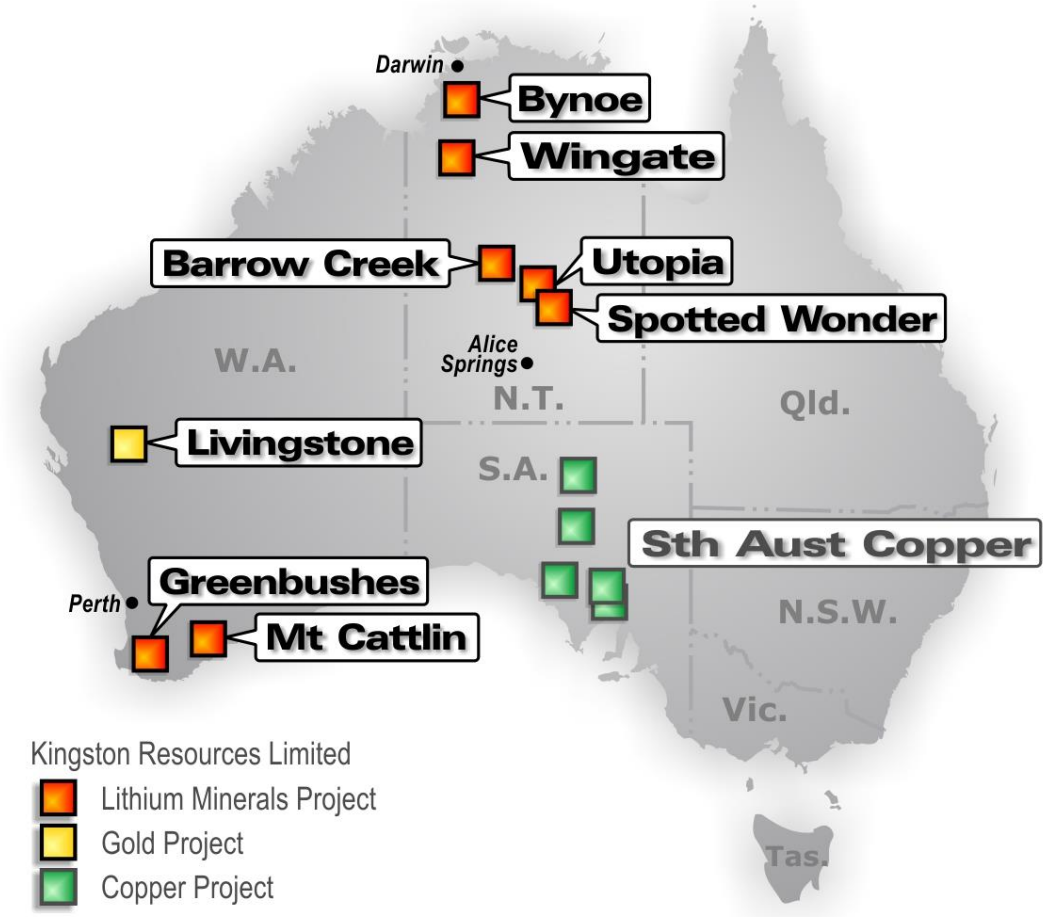
Figure 3: Interpreted cross section 6274400N (GDA94 Zone 50)

Hole ID	Northing	Easting	RL	Depth	Dip	Azimuth	From	To	Width	Li_2O%	Rb ppm
KRRC001	6274102	214015.9	189.3	96	-60	090	4	5	1	0.46	1,728
KRRC002	6274102	214070	185.6	60	-60	090	No significant intercept				
KRRC003	6274008	214068.1	187.1	60	-60	090	No significant intercept				
KRRC004	6274002	214017	184.8	90	-60	090	No significant intercept				
KRRC005	6273976	214274.5	173.3	48	-60	090	No significant intercept				
KRRC006	6273970	214260.7	173.6	42	-90	090	No significant intercept				
KRRC007	6273945	214119.1	183.7	42	-60	090	No significant intercept				
KRRC008	6273954	214021.7	184.5	42	-60	090	9	10	1	0.53	862
						And	11	13	2	0.66	794
KRRC009	6273953	214080.6	185.5	72	-60	090	No significant intercept				
KRRC010	6273903	214082.9	177.9	60	-60	090	No significant intercept				
KRRC011	6273910	214026.4	182.5	78	-60	090	No significant intercept				
KRRC012	6273995	214042.2	185.0	48	-60	090	No significant intercept				
KRRC013	6274054	214028.9	186.2	48	-60	090	No significant intercept				
KRRC014	6274103	214007.8	190.1	30	-90	090	No significant intercept				
KRRC015	6274158	214005.5	192.1	42	-60	090	No significant intercept				
KRRC016	6274193	213996.1	192.0	30	-90	090	No significant intercept				
KRRC017	6273946	214003.4	183.2	42	-90	090	No significant intercept				
KRRC018	6273951	214141.7	182.3	60	-60	090	No significant intercept				
KRRC019	6273950	214036	184.3	54	-60	090	7	12	5	1.11	980
						Including	8	9	1	1.57	413
						And	10	11	1	2.26	324

Table 1: Significant intersections. Values greater than 0.4% Li_2O are listed. Collar X,Y values determined by handheld GPS; Z values by reference to government topographic data.

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 inferred 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.



Kingston Resources Project Locations

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Reserves is based on information compiled by Mr Andrew Paterson, who is a member of the Australian Institute of Geoscientists. Mr Paterson is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code). Mr Paterson consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears.

JORC Code, 2012 Edition – Table 1 report template

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.*	• RC chips were sampled in 1m intervals from a rig-mounted cone splitter. The splitter was levelled at the start of each hole using a bullseye-type spirit level. A sample of approximately 3kg was produced. • Pegmatite intersections were submitted for assay plus a buffer zone of 3m on either side of the pegmatite, based on the lithology log. • The splitter reject material was collected in green plastic bags and put aside.
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).*	• Reverse circulation (RC).
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.*	• Sample recovery was visually assessed by comparing bag size (sample plus reject split). Very little variation was observed. • The cone splitter was regularly cleaned with compressed air

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.*	• All samples were geologically logged. Logging is qualitative in nature.
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.*	• Samples were split using a static cone splitter. All samples were dry. The sample size is considered to be appropriate to the style of mineralisation. • A separate sample is sieved from the splitter reject material into chip trays and used for geological logging.
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 submitted to Nagrom mineral processors for analysis by XRF and peroxide fusion with ICP finish. Nagrom are considered a leading expert in the field of lithium metallurgy.

Criteria	JORC Code explanation	Commentary
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 verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No independent geologists were engaged to verified results. • Kingston's project geologists are supervised by Kingston's Chief Geological Officer. • Field data is entered into spreadsheets and copies sent to head office each day. • Li_2O has been calculated from Li ppm using a calculation of Li% * 2.152529 = Li_2O% to determine the proportion of lithium oxide
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 utilising GDA 94, Zone 50. • Collar RL's show large variations in GPS readings, indicating errors of +/-10m. The collar points were draped over topographic data to better approximate Z accuracy. These will be updated later using a more accurate survey technique. • RC holes were surveyed by down hole tool to measure any deviation
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.*	• RC holes were drilled at various intervals on a 50m line spacing. Current coverage is insufficient to estimate a mineral resource. • No sample compositing has been applied to the data.
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.*	• Angled holes were drilled approximately orthogonal to the dip of the target lithologies. There was no sampling bias due to hole orientation.

Criteria	JORC Code explanation	Commentary
Sample security	• *The measures taken to ensure sample security.*	• Standard QA/QC protocols (Geostats standards and field duplicates).
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.*	• Tenements E74/570 and E74/571 are KSN 100%, having been granted on the 29th June 2016. The tenements are held under Slipstream Resources WANT Pty Ltd which KSN acquired as part of a business transaction which was finalised at the KSN AGM on the 4th July 2016. • There are no known impediments to KSN undertaking its exploration activities within E74/570 or E74/571.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Portions of both tenements were previously explored by Galaxy Resources Ltd. Galaxy Resources Ltd's work included surface rock chip samples from within portions of KSN's E74/571 and detailed in Galaxy Resources Ltd E74/287 (Mt Cattlin Project) Relinquishment Report 2012.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• KSN is targeting any potential mineralisation within the outcropping pegmatites within E74/571. The mineralisation style is expected to be pegmatite hosted hard rock Lithium-Tantalum mineralisation associated with LCT type pegmatites. The tenure covers the southwestern extension of the Annabelle Volcanics unit which hosts lithium bearing pegmatites in the region.

Criteria	JORC Code explanation	Commentary

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.*
		• See Table 1 within this report body for the details of the sample locations.

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.*	• As all samples are 1m intervals there is no weighting applied. Intervals are reported as a simple arithmetic mean grade.
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').*	• For the holes drilled at -60° the true thickness is approximately equal to 90% of the interval thickness. • For holes drilled vertically the true thickness is approximately 70% of the interval thickness .
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.*	• Supporting figures have been included within the body of this release.

Criteria	JORC Code explanation	Commentary
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.*	• All results have been reported.
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.*	• Airborne aeromagnetic and radiometric data flown by UTS Geophysics in 2007 has been used in the interpreted pegmatite occurrences in Figures 1 and 2. Refer to ASX announcement 29 June 2016.
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.*	• Further RC drilling will be planned based on these results.