



ASX Announcement

31 October 2017

ASX Code: KSN

Share Price: A\$0.017

Shares Outstanding: 669,082,736

Market Capitalisation: A\$11.4m

Cash: A\$3.1m (Sept 30, 2017)

ACN 009 148 529

Board and Management

Anthony Wehby
Chairman

Andrew Corbett
Managing Director

Andrew Paterson
Technical Director

Stuart Rechner
Non-Executive Director

Chris Drew
Commercial Manager

Contact Details

Suite 205/283 Alfred St
North Sydney,
NSW 2060
+61 2 8021 7492

info@kingstonresources.com.au

www.kingstonresources.com.au

Quarterly Activities Report For the quarter ending 30 September 2017

Highlights

Kingston continued field work during the September quarter whilst progressing the WCB transaction:

- **Merger with WCB Resources announced 1 September 2017**
- **Bynoe prospectivity upgraded following geophysics and soil sampling**
- **Drilling approvals received for Spotted Wonder and Livingstone**
- **Livingstone auger sampling program identifies multiple large gold anomalies**

The WCB Resources shareholder vote to approve the merger is scheduled for 7 November, with completion expected 10 November.

Kingston Resources (ASX: KSN) is pleased to provide an update for the September quarter across the Company's exploration projects. During the quarter the Company undertook two field programs at Bynoe and one at Spotted Wonder while simultaneously progressing work on the proposed merger with WCB Resources.

The timeline to close the merger with WCB Resources is as below:

- WCB Shareholder meeting, 7 November 2017
- Final Court hearing to approve merger, 9 November 2017
- KSN equity issued to WCB Shareholders, 10 November 2017

The majority of WCB shareholders have already expressed support for the deal. The current WCB Board, who hold a combined interest of 17% in WCB, have agreed to vote in favour of the Arrangement in the absence of a superior proposal. Sandfire Resources NL, a major shareholder of WCB holding 38% of the outstanding shares, plus two other large shareholders holding a combined total of 11% of outstanding shares, have each signed voting agreements in support of the Arrangement in the absence of a superior proposal. Other large shareholders holding 12% of WCB have indicated their support for the Arrangement.

As discussed in ASX announcements during the quarter, field work at Bynoe has added further potential to existing prospects and added new target areas. DGPR surveys over soil anomalies at Lei and Cai identified pegmatite-like structures at depth, with a characteristic radar profile of a weathered clay cap above a sub-vertical structure at depth. Meanwhile, field mapping and ongoing soil sampling at the Jewellers-Perseverance area outlined an attractive pegmatite prospect which requires further work.

Kingston MD Andrew Corbett commented “We are continuing to make good progress on our lithium projects in the NT, with Bynoe remaining the main priority. At the same time Kingston has been busy finalising the WCB merger which is on track for completion 10 November. The WCB transaction is transformational for Kingston, adding an exciting advanced gold exploration play to the Kingston portfolio.”

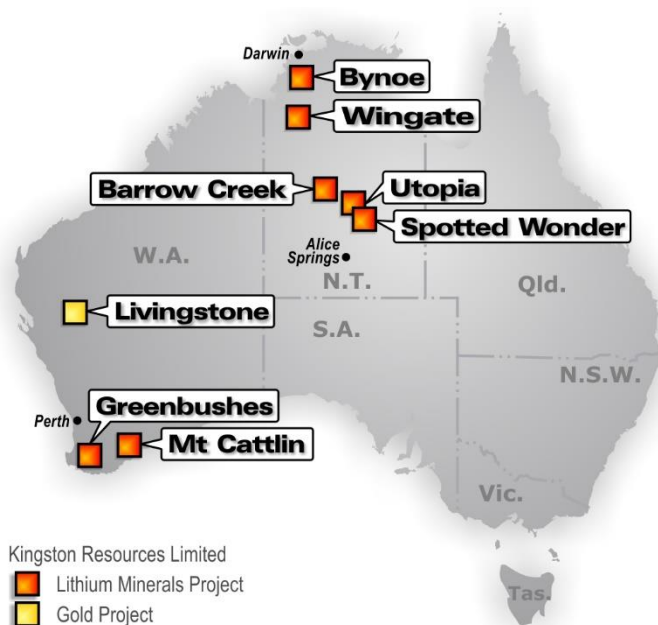


Figure 1: Kingston's exploration projects.

Corporate

On 1 September 2017, Kingston announced a planned merger with WCB Resources [TSX:WCB], a Brisbane-based company that is currently earning up to a 70% interest in the Misima Gold Project in PNG. Misima, an island in the Milne Bay Province, hosts an NI43-101 mineral resource of 2.3Moz Au¹. The merger, which remains subject to the approval of WCB shareholders, is a potentially company-making transaction which will give Kingston's shareholders exposure to a world-class, advanced gold project in a highly prospective gold province. Misima was previously operated by Placer Dome Inc between 1988 and 2004, during which time it produced 3.7Moz of gold at an average grade of 1.46g/t Au, and 22.2Moz of silver at an average grade of 15.6g/t Ag. Kingston sees significant exploration upside in a number of areas, each underpinned by historic drilling and channel sampling undertaken outside the existing resource footprint that has never been followed up on.

The merger is on track for completion on 10 November 2017 following the WCB shareholders' meeting and final court approval in Toronto.

¹ WCB Resources announcement 10 August 2017

Exploration

Bynoe

Ongoing soil sampling and field mapping at Bynoe, together with a short program of Deep Ground Penetrating Radar (DGPR) surveys at Cai and Lei, added significantly to the potential of the project. As announced to the ASX on 26 September 2017, DGPR surveys at Cai and Lei have confirmed the presence of pegmatite-like structures coincident with lithium-in-soil anomalies generated from previous sampling.

At Lei, a combination of soils, RC drilling and DGPR data indicates potential for an untested pegmatite striking at least 350m beyond the June 2017 drilling program, where hole KBRC024 intersected 12m @ 1.43% Li_2O^2 . The DGPR also confirmed the presence of a second pegmatite-like structure approximately 200m to the east, which is yet to be tested by drilling.

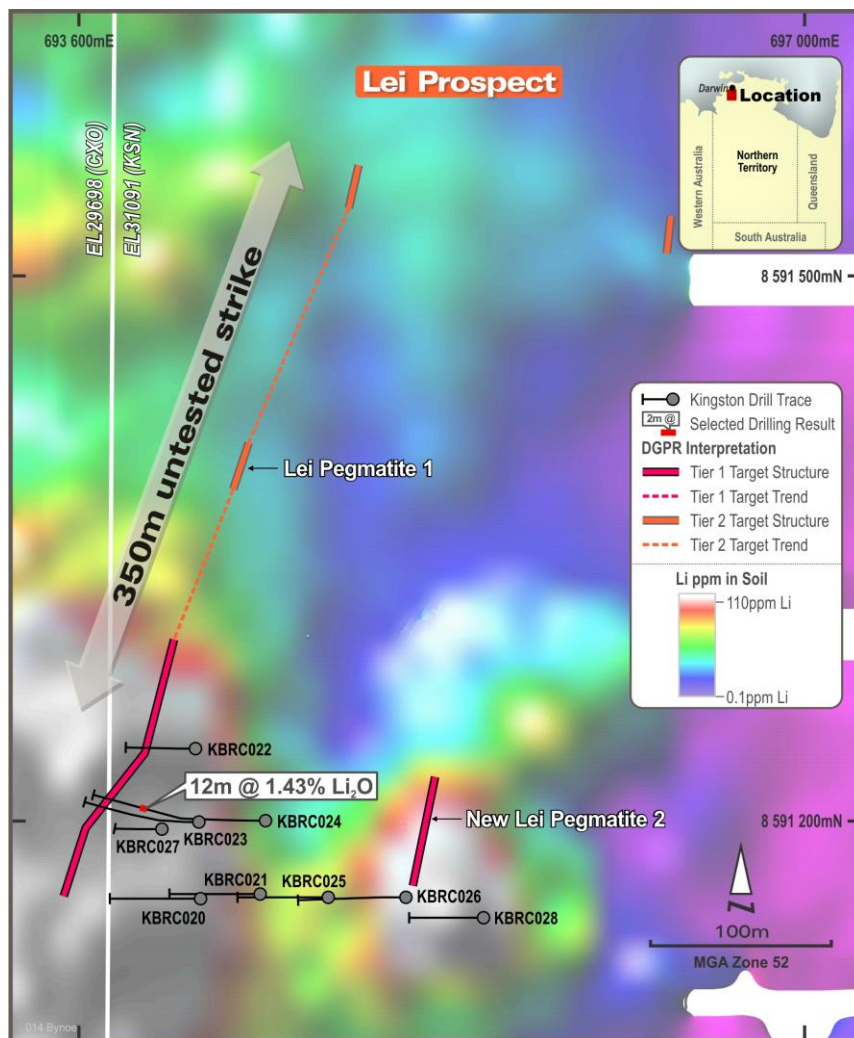


Figure 2: Lei Prospect showing the extent of Pegmatite 1 interpreted from RC drilling and DGPR data, and Lei Pegmatite 2 recently identified in the DGPR survey.

² ASX announcement 19 July 2017.

At Cai, DGPR surveying over the southwestern extension of the soil anomaly identified three sub-parallel pegmatite-like structures coincident with the anomalous trend. The radar signal from these structures is characteristic of an upper weathered clay “cap” zone with an underlying structure in the fresh rock at depth, which can be an indicator of softer (feldspar +/- spodumene) pegmatites, as opposed to the more weathering-resistant quartz-dominant unmineralised pegmatites. The main pegmatite signature is approximately 400m long, with a second, less well-defined structure up to 800m long sitting in a sub-parallel position to the north.

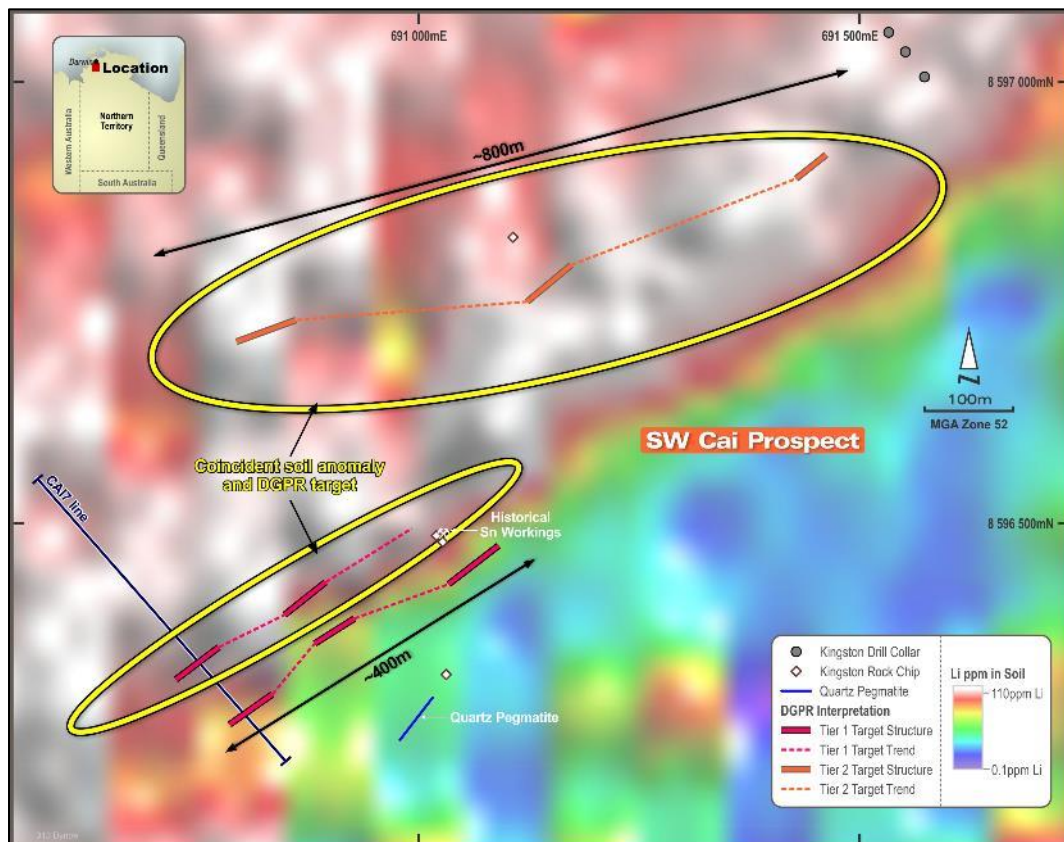


Figure 3: Southwest Cai Prospect showing the interpreted positions of DGPR structures coincident with lithium-in-soil anomalies.

Mapping and additional soil sampling around the Jewellers and Perseverance areas, in the northern part of the Bynoe project, identified a significant outcrop of kaolinized pegmatite material at surface in a semi-continuous zone up to 500m in strike length at Jewellers, and 100m at Perseverance. The outcrop displays weathered zonation in the form of micaceous edge zones and silica-rich central zones, ranging in width from less than 5m up to 30m.

The Company is currently updating its Bynoe drilling approval to reflect the new data prior to commencing further drill testing.

Arunta

In July a trip to the Delmore and Tank Hill prospects at Spotted Wonder had to be cut short due to unseasonal heavy rainfall. During this trip 57 soil samples were collected, infilling the Tank Hill area prior to drilling.

Livingstone

Early in the quarter Kingston received the results of the Livingstone auger drilling program completed last quarter. The drilling, conducted over an area of approximately 17km², revealed high-tenor gold anomalies extending more than 2km across each of the Stanley and Mt Seabrook prospects (Figure 1). The results include gold values in excess of 1,000ppb or 1g/t Au, considered extremely high for a soil sample.

At the Mt Seabrook area, which includes two lines of old workings known as Mt Seabrook No.1 and No.2, auger drilling defined a large area of gold anomalism greater than 50ppb Au. The Mt Seabrook anomaly covers an area of over 2km long and up to 800m wide with a peak assay of 1.74g/t Au. The Mt Seabrook workings were sampled in 2016 by Kingston, with grab samples returning assays as high as 75.65g/t Au³.

In the Stanley area, a second major anomaly has been defined, extending east-west for over 3km with a width of up to 350m. Along strike from this to the west, a third anomaly 800m long lies on the same trend. In total, the Stanley trend extends over a total strike length of approximately 4.6km.

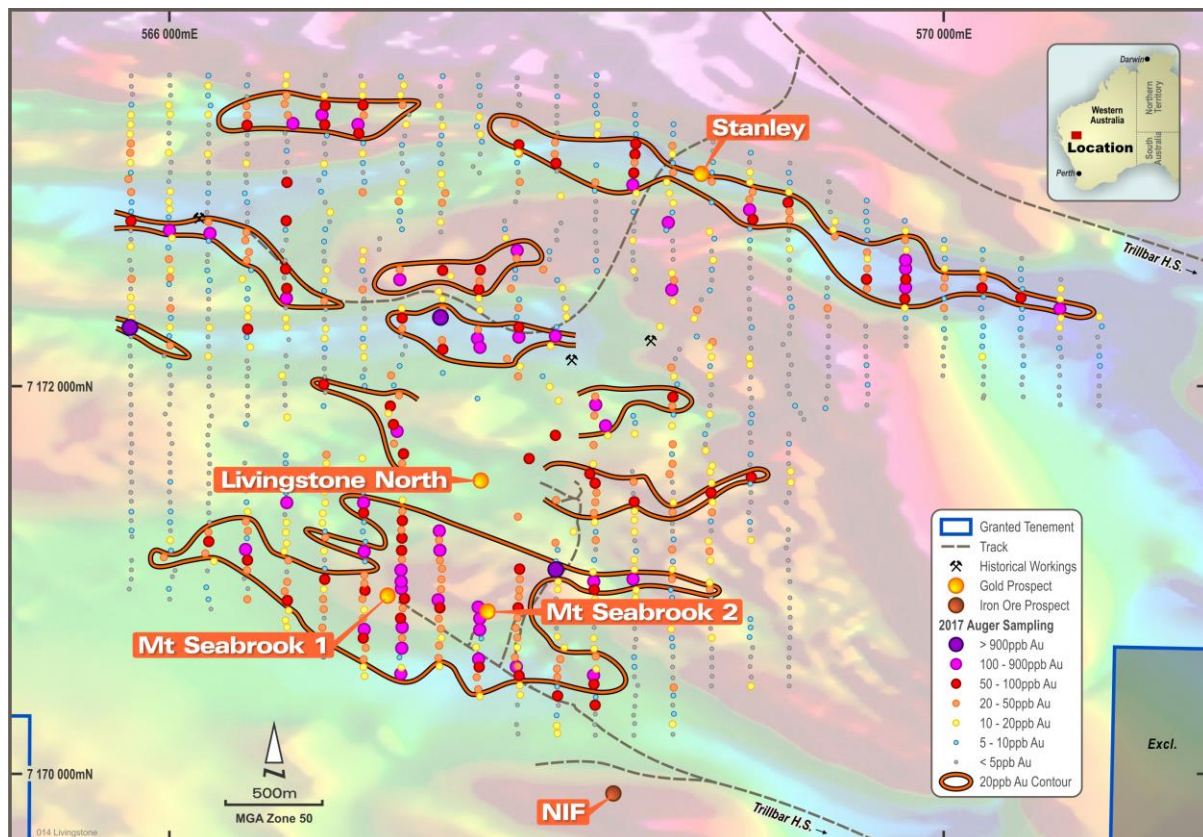


Figure 4: Livingstone gold anomalies over gradient-enhanced TMI background.

As a result of this program and the earlier RC drilling at Homestead and Winja, Kingston has fulfilled the expenditure required for its 75% earn-in on the project (Figure 3). Kingston is now in a position to take up that interest at any time before 30 November 2017.

³ ASX announcement 21 December 2016.

About Kingston Resources

KSN is a metals exploration company with current lithium and gold exploration projects.

The Company has an attractive, well placed portfolio of lithium exploration tenements in Northern Territory and Western Australia. Initial work was carried out and reported on across the lithium portfolio during FY17. The results from this activity, in addition to work carried out by others on nearby tenements, are encouraging and provide an exciting program for the current year.

In addition, KSN has an exercisable option to acquire 75% of the Livingstone Gold Project in Western Australia. This project has an inferred resource of 50koz and a number of high grade historic intersections. JV earn-in work completed and reported on in FY17 extended the prospectivity of Livingstone and justifies an expanded work program.

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.