

5 August 2015
Company Announcements Office
Australian Securities Exchange

MARKET UPDATE

Highlights

- **Rights Issue sub-underwriting positions have been filled**
- **Record date for Rights Issue extended to 13 August 2015**
- **Drilling underway at Six Mile Hill targeting IOCG mineralisation**
- **Research report by Strachan Corporate published**

Kingston Resources is pushing ahead with drilling at Six Mile Hill – targeting Iron Oxide Copper Gold (IOCG) mineralisation in one of Australia’s most endowed minerals provinces.

The highly experienced technical team at Kingston Resources (ASX: KSN) commenced drilling at its flagship Six Mile Hill (100% KSN) copper-gold exploration project at the start of August, targeting offset gravity-magnetic anomalism supported by shallow copper geochemistry.

Targets are anticipated at about 180-250 metres below surface in the top priority holes. Up to five diamond drill holes will be drilled in the campaign targeting IOCG mineralisation.

The Six Mile Hill project lies on the eastern margin of South Australia’s highly prospective and prolific Gawler Craton, which hosts the world-class Olympic Dam IOCG mining operation and the Carrapeteena and Prominent Hill deposits.

The diamond drilling campaign at Six Mile Hill is being partially funded by the South Australian Government through its innovative Minerals Systems Drilling Program (MSDP), which includes financial and technical collaboration with the Department of State Development and the Deep Exploration Technologies Cooperative Research Centre (DET CRC).

The South Australian Government has backed the MSDP’s unique approach to exploration with an investment of \$2 million from PACE Frontiers that has been leveraged into a \$7 million program through partner contributions and in-kind support.

The MSDP program is being rolled out first at Kingston’s Six Mile Hill project and then at Minotaur Exploration Limited’s (ASX: MEP) tenements in the western Gawler Ranges.

MSDP deploys cutting-edge minerals exploration technologies, including Lab-at-Rig® (near real-time XRF geochemistry and XRD mineralogy), AutoSonde™ (downhole geophysical sensing) and the Wireless Sub (rig performance monitoring).

Kingston is seeking to raise approximately \$2.35 million through a non-renounceable pro-rata rights issue offer of 4 for 5 at an issue price of 2.0 cents per share, with one (1) free attaching option, exercisable at 4.0 cents per share on or before 30 June 2019, for every two shares issued.

Kingston has extended the Record Date for its Rights Issue to Thursday 16 August 2015 following confirmation from the lead manager for the Rights Issue that the sub-underwriting positions have been filled. This was at the request of the underwriter to allow their clients and the market opportunity to participate in the entitlement given the increased funding certainty.

The funds will cover the next stage of exploration and evaluation at the company's flagship Six Mile Hill project, plus also fund drilling at the Cootanoorina project in the north of South Australia and further evaluation of the Hiltaba project located in the Northern Eyre Peninsula.

Kingston has been astute in securing additional government funds beyond the MSDP. The South Australian government will also co-fund the drilling of the best target at Kingston's Cootanoorina project on the north eastern margin of the Gawler Craton. This will be Kingston's next drilling campaign after Six Mile Hill.

Kingston recently strengthened its board through the appointment of Mr. Barry Bourne, the former Chief Geophysicist for Barrick Gold's Global Exploration Group. Barry was instrumental in securing Kingston's funding through the MSDP and developing the Six Mile Hill exploration program.

Barry adds substantial depth, experience and talent to an already impressive board and management team with a strong balance of geotechnical, commercial and corporate expertise.

As recently highlighted by a research report by Strachan Corporate (AFSL 259730), Kingston is "exposing shareholders to high leverage exploration where value can be added by early stage target selection and follow-up, detailed ground testing."

The diamond drilling campaign is expected to run for approximately 3 months and results will be released as soon as possible.

Yours faithfully

Kingston Resources Limited

