

19 May 2016
Company Announcements Office
Australian Securities Exchange

Tranche 1 Share Placement Completed and Appendix 3B

Highlights

- Tranche 1 Placement completed today raising \$840,000
- Kingston to acquire four lithium exploration projects in Western Australia and the Northern Territory
- Funding commitments for a further Conditional Placement of \$6.01m received following a heavily oversubscribed capital raising managed by Bell Potter Securities
- Completion of Tranche 2 of the Placement conditional on shareholder approval grant of the two Mt Cattlin exploration licenses in WA and Completion.

Kingston Resources Limited (ASX: KSN) (the Company) is pleased to announce that, further to the Company's announcement on 13 May 2016, the Company has today issued 40,000,000 shares at \$0.021 per share raising \$840,000 (before costs) from institutional and sophisticated Investors (Tranche 1 Placement).

Bell Potter Securities Limited (Bell Potter) is acting as lead manager to raise a total of \$6.85 million via a two-tranche share placement. The Tranche 2 Placement of 286,190,476 ordinary Kingston shares at \$0.021 each to raise \$6,010,000 (before costs) is subject to Kingston shareholder approval, grant of the two Mt Cattlin exploration licenses in WA and Completion.

The proceeds of the Placements will be used to fund an aggressive lithium exploration campaign following an agreement to acquire a major portfolio of lithium-prospective tenements across four key lithium fields in Western Australia and the Northern Territory.

Completion of the transaction is subject to various conditions, including Kingston shareholder approval, completion of the capital raising and grant of the key Mt Cattlin tenements.

Kingston's Expanded Lithium Tenement Portfolio

Kingston is acquiring 20 lithium-prospective tenement applications in Western Australia and the Northern Territory covering four key project areas: Mt Cattlin, Greenbushes, Bynoe / Wingate and North Arunta. Upon grant, the new tenements will significantly expand and complement the Company's five existing lithium tenement applications in the Mt Cattlin and North Arunta regions. Addition information is available on the Company website <http://www.kingstonresources.com.au/home-news/corporate-presentation-may-2016/>

These exploration license applications are subject to standard processes and procedures of the West Australian Department of Mines and Petroleum and the Northern Territory Department of Mines and Energy. Although the Company has no reason to believe otherwise, the grant of the exploration licenses cannot be guaranteed.

The Mount Cattlin package lies to the south of the Mt Cattlin lithium mine owned by Galaxy Resources Limited (ASX: GXY). The tenements cover the Annabelle Volcanics, which host Lithium-Cesium-Tantalum (LCT) pegmatites and are considered prospective for lithium mineralisation.

The Greenbushes tenement lies immediately south of Talison Lithium's Greenbushes mine, the largest hard rock lithium mine in the world.

The Bynoe / Wingate tenements cover large areas of the key Bynoe and Wingate tin-tantalum-lithium pegmatite fields of the Pine Creek pegmatite province.

The North Arunta region is also known to host tin / tantalum rich pegmatites, a strong indicator that the extensive pegmatites in the area may be LCT type pegmatites which host Lithium mineralisation in other hard rock pegmatite fields.

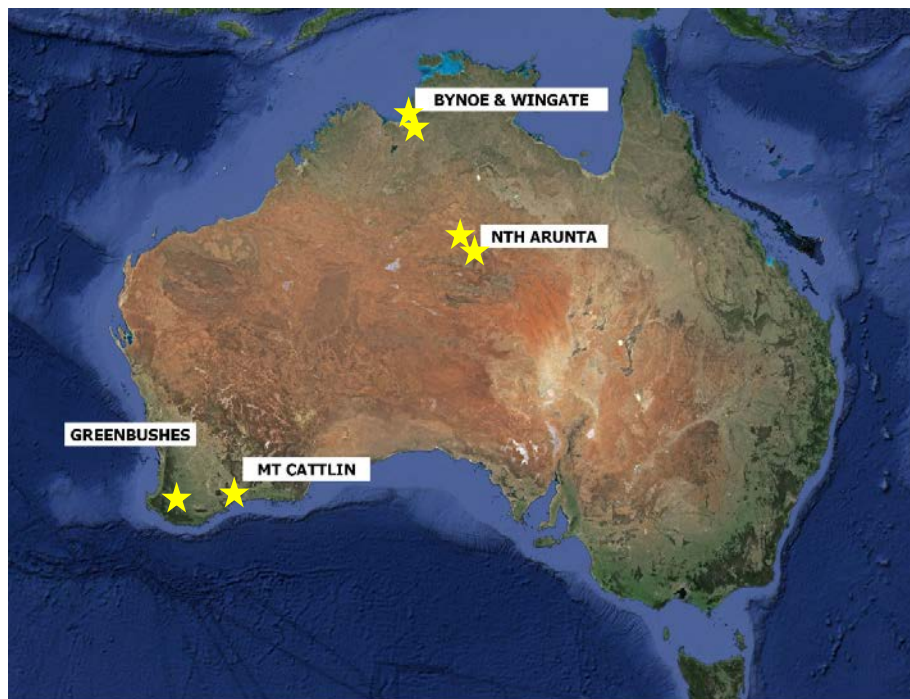


Figure 1: Kingston's Combined Lithium Portfolio

An Appendix 3B new issue announcement and Section 708A Cleansing Notice are attached.

19 May 2016

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CLEANSING NOTICE AND APPENDIX 3B – NEW ISSUE OF SECURITIES

Kingston Resources Limited (The Company) has today issued 40,000,000 ordinary fully paid shares (Shares) at an issue price of \$0.021 per Share to raise \$840,000 (before costs) pursuant to a placement to sophisticated investors (**Issue**):

The Company gives the following cleansing notice under section 708 A(5)(e) of the Corporations Act 2001(Cth) (the Corporations Act) that:

1. The Issue was made without disclosure to investors under Part 6D.2 of the Corporations Act;
2. As at the date of this notice, the Company has complied with;
 - 2.1 the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - 2.2 section 674 of the Corporations Act; and
3. As at the date of this notice, there is no information to be disclosed which is 'excluded information', as defined in sections 708A (7) or 708 A(8) of the Corporations Act.

An Appendix 3B new issue announcement in relation to the Issue is now attached.

Yours Sincerely
KINGSTON RESOURCES LIMITED

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

KINGSTON RESOURCES LIMITED

ABN

44 009 148 529

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|-------------------------------------|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares (Shares) |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 40,000,000 Shares |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Same as existing Shares |

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

4	<p>Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes
5	Issue price or consideration	\$0.021 per Share
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Tranche 1 Placement of Shares pursuant to Bell Potter Securities Limited mandate dated 9/05/2016 (Bell Potter Mandate), and the binding heads of agreement dated 10/05/2016 for the sale and purchase Slipstream WANT Pty Ltd which holds contractual rights to tenement applications prospective for Lithium (Acquisition Agreement). Refer ASX announcement dated 13 May 2016.</p>
6a	<p>Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	Yes.
6b	The date the security holder resolution under rule 7.1A was passed	20 November 2015
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	23,092,049 Shares

⁺ See chapter 19 for defined terms.

6d	Number of +securities issued without security holder approval under rule 7.1A	16,907,951						
6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A						
6f	Number of securities issued under an exception in rule 7.2	N/A						
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Yes <ul style="list-style-type: none">• LR7.1A.3 (a) date on which issue price was set 10/05/2016• Issue Date of Shares 19/05/2016• Issue Price is \$0.021 per Share• VWAP in 15 trading days before 10/05/2016 is \$0.0215 per Share• Issue price is a 2.42% discount to VWAP• VWAP entity calculated						
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A						
6i	Calculate the entity’s remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1 - 2,269,877 Rule 7.1A - Nil						
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	19 May 2016						
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	<table><tr><th>Number</th><th>+Class</th></tr><tr><td>Ordinary Shares 209,079,509</td><td>KSN</td></tr><tr><td>Options 28,624,769 (Expire 30/6/2016, EX 7c)</td><td>KSNOA</td></tr></table>	Number	+Class	Ordinary Shares 209,079,509	KSN	Options 28,624,769 (Expire 30/6/2016, EX 7c)	KSNOA
Number	+Class							
Ordinary Shares 209,079,509	KSN							
Options 28,624,769 (Expire 30/6/2016, EX 7c)	KSNOA							

+ See chapter 19 for defined terms.

Appendix 3B
New issue announcement

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (including the securities in section 2 if applicable)	Number	⁺ Class
		7,058,823 (Expire 30/6/2019, EX 3c)	KSNA
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A	
12	Is the issue renounceable or non-renounceable?	N/A	
13	Ratio in which the ⁺ securities will be offered	N/A	
14	⁺ Class of ⁺ securities to which the offer relates	N/A	
15	⁺ Record date to determine entitlements	N/A	
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A	
17	Policy for deciding entitlements in relation to fractions	N/A	
18	Names of countries in which the entity has ⁺ security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A	
19	Closing date for receipt of acceptances or renunciations	N/A	

+ See chapter 19 for defined terms.

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	N/A

+ See chapter 19 for defined terms.

33 ⁺Despatch date

N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

To be provided.

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over

To be provided.

37 ☐ A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38	Number of securities for which +quotation is sought	N/A				
39	Class of +securities for which quotation is sought	N/A				
40	<p>Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A				
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A				
42	Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; padding: 5px;">Number</th> <th style="width: 50%; padding: 5px;">+Class</th> </tr> </thead> <tbody> <tr> <td style="height: 80px;"></td> <td></td> </tr> </tbody> </table>	Number	+Class		
Number	+Class					

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 19/05/2016
(Company secretary)

Print name: Mathew Whyte

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+ See chapter 19 for defined terms.

Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for +eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	145,944,745
Add the following: <ul style="list-style-type: none"> Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 Number of fully paid ordinary securities issued in that 12 month period with shareholder approval Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> Include only ordinary securities here – other classes of equity securities cannot be added Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed It may be useful to set out issues of securities on different dates as separate line items 	23,134,764
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	N/A
“A”	169,079,509

+ See chapter 19 for defined terms.

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	25,361,926
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued: <ul style="list-style-type: none"> Under an exception in rule 7.2 Under rule 7.1A With security holder approval under rule 7.1 or rule 7.4 Note: <ul style="list-style-type: none"> <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	23,092,049
“C”	23,092,049
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
“A” x 0.15 <i>Note: number must be same as shown in Step 2</i>	25,361,926
Subtract “C” <i>Note: number must be same as shown in Step 3</i>	23,092,049
Total [“A” x 0.15] – “C”	2,269,877 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>

+ See chapter 19 for defined terms.

Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	169,079,509
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	16,907,951
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> • This applies to equity securities – not just ordinary securities • Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed • Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained • It may be useful to set out issues of securities on different dates as separate line items 	16,907,951
“E”	16,907,951

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	16,907,951
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	16,907,951
Total [“A” x 0.10] – “E”	Nil <i>Note: this is the remaining placement capacity under rule 7.1A</i>

+ See chapter 19 for defined terms.