ASX Announcement

23 August 2016

ASX Code: KSN

Share Price: A$0.014
Shares Outstanding: 660,269,985
Market Capitalisation: A$9.2m
Cash: A$6m

ACN 009 148 529

Kingston Resources is a metals exploration company with a strong focus on lithium. The company holds an attractive portfolio of 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 North Arunta and Bynoe/Wingate projects lie within known pegmatite fields. The company is well funded to rapidly advance its exploration program, with the initial focus being the Mt Cattlin pegmatite targets identified in recent geophysical work (see ASX announcement 29 June 2016) and rock chip sampling (see ASX announcement of 13 July 2016).

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Exploration Update – Mt Cattlin Project

Highlights

- **Soil sampling confirms the scale of Deep Purple South: anomaly over 600m long identified; second parallel anomaly 350m long.**
- **Other lithium-bearing pegmatites identified within project area**
- **Previously unknown 600m lithium soil anomaly identified 2km south of Deep Purple South.**

Kingston Resources Limited (ASX: KSN) (The Company) is pleased to announce the results of ongoing exploration at the Company's Mt Cattlin project. Recent work, including a 900-point soil sampling program as well as ongoing mapping and rock chip sampling, has confirmed the outstanding potential of Deep Purple South.

Soil sampling has provided improved definition of the extent of lithium mineralisation at Deep Purple South, outlining two parallel anomalous zones with a strike distance of up to 650m (Figure 1). In addition to this, outcrop mapping and rock chip sampling (Table1) has identified additional lithium-bearing pegmatites within the project area beyond the Deep Purple South prospect, underlining the outstanding lithium potential at Mt Cattlin.

Andrew Corbett, Managing Director, said *"the recently completed fieldwork highlights the size and potential we see in the Mt Cattlin, Deep Purple South project. It is a credit to the Kingston exploration team that they have identified multiple target areas for follow up and drilling so rapidly after commencing work on the ground. The approvals process for drilling is well underway with base line environmental studies and heritage clearance to commence in September."*

Soils

A soil sampling program conducted in July consisted of 913 samples at variable grid spacings, with close-spaced 25 by 50m sampling over Deep Purple South and a broader 50 by 200m pattern further south. The results at Deep Purple South have highlighted a north-south-trending lithium anomaly approximately 650m long, with a parallel anomaly 350m long (Figure 1). These anomalies contain previously sampled outcropping mineralised pegmatites. The lithium-in-soil grade distribution is interpreted to reflect continuity of pegmatites below surface to the south, beyond those which have been mapped in outcrop.

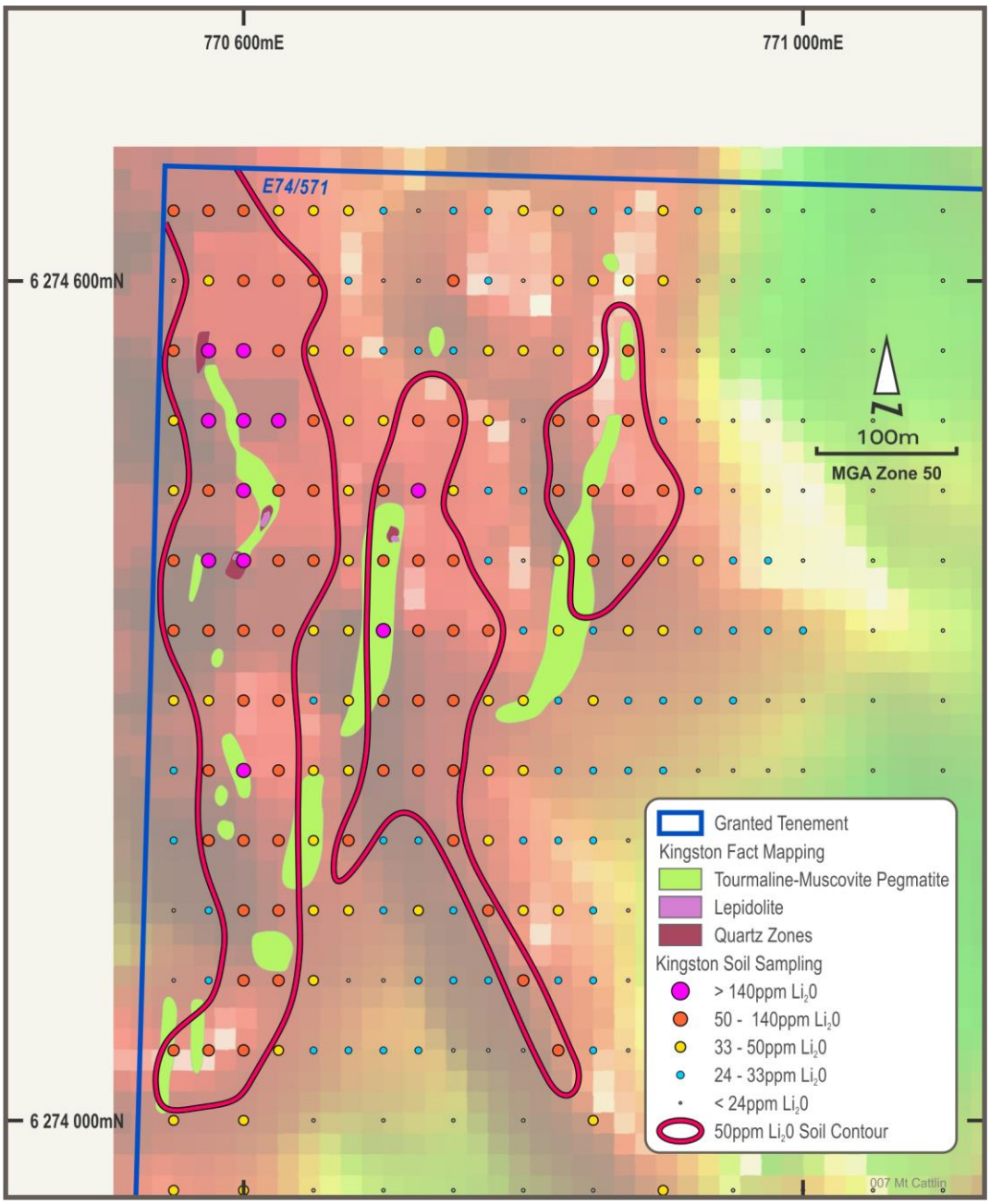

Figure 1: Deep Purple South Initial Exploration target area.

Approximately 2km south of Deep Purple South, a second, previously unknown lithium in soil anomaly has been identified with a strike length of approximately 600m (Figure 2). This zone will be further defined by additional infill soil sampling and surface mapping. The Company is also assessing the suitability of soil sampling over additional target areas highlighted by the recent geophysical radiometrics interpretation.

Mapping and rock chip sampling

Ongoing work by KSN geologists has identified an additional lithium-bearing pegmatite outcrop within the Deep Purple South prospect, as well as the discovery of a new mineralised pegmatite approximately 1km to the south, which outcrops over a strike length of approximately 200m. Rock chip sampling returned Li_2O assays of 2.07%, 2.82% and 0.81% (KWR0031-0033: Table 1). The majority of the outcropping pegmatite was located between the 200m-spaced gridded soil survey lines, explaining the lack of significant soil anomalism in the locality (Figure 2).

The mapping program has increased the Company's knowledge of the pegmatite distribution, and this data together with the soil sampling assays will be used to target an initial RC drilling campaign.

First phase drilling program

The Company is now advancing towards Aboriginal heritage and DMP approvals for its first drilling program at the Deep Purple South Prospect. A Level 1 flora and fauna survey is scheduled to be conducted in early September pursuant to obtaining a Native Vegetation Clearing Permit (NVCP), with DMP Program of Works approval expected to follow. In parallel to this the Company is commissioning an Aboriginal heritage survey which will also be completed prior to drilling. Both surveys have been scoped to encompass all three of the prospect areas mentioned above.

Because of the timing of the environmental survey and the legislated process for assessing NVCP applications, the Company now expects to have all approvals in place by late Q2 FY17 to allow commencement of maiden drilling on Deep Purple South.

Sample_ID	Easting	Northing	Li_2O %	Ta ppm	Cs ppm	Be ppm
5043*	770574	6274548	3.23	418	5160	19
5044*	770580	6274547	0.73	5	2190	45800
5045*	770613	6274430	2.76	106	1440	73
5047*	770702	6274416	2.67	128	2240	36
KWR0006	770614	6274434	2.93	137	1930	24
KWR0010	770694	6274387	0.40	23.5	140	8
KWR0026	770594	6274402	3.25	69.5	1190	23
KWR0027	770640	6274180	1.47	138	1270	15
KWR0031	770860	6273530	2.07	194	2410	17
KWR0032	770858	6273531	2.82	175	2570	26
KWR0033	770861	6273533	0.81	109	790	13
KWR0036	771202	6273140	0.01	1230	20	6

Table 1: Selected rock chip assay values. Coordinates are GDA94-50 (* previous ASX announcement on 13th July 2016).

Competent Persons Statement

The information in this report that relates to Exploration Results, Minerals 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.

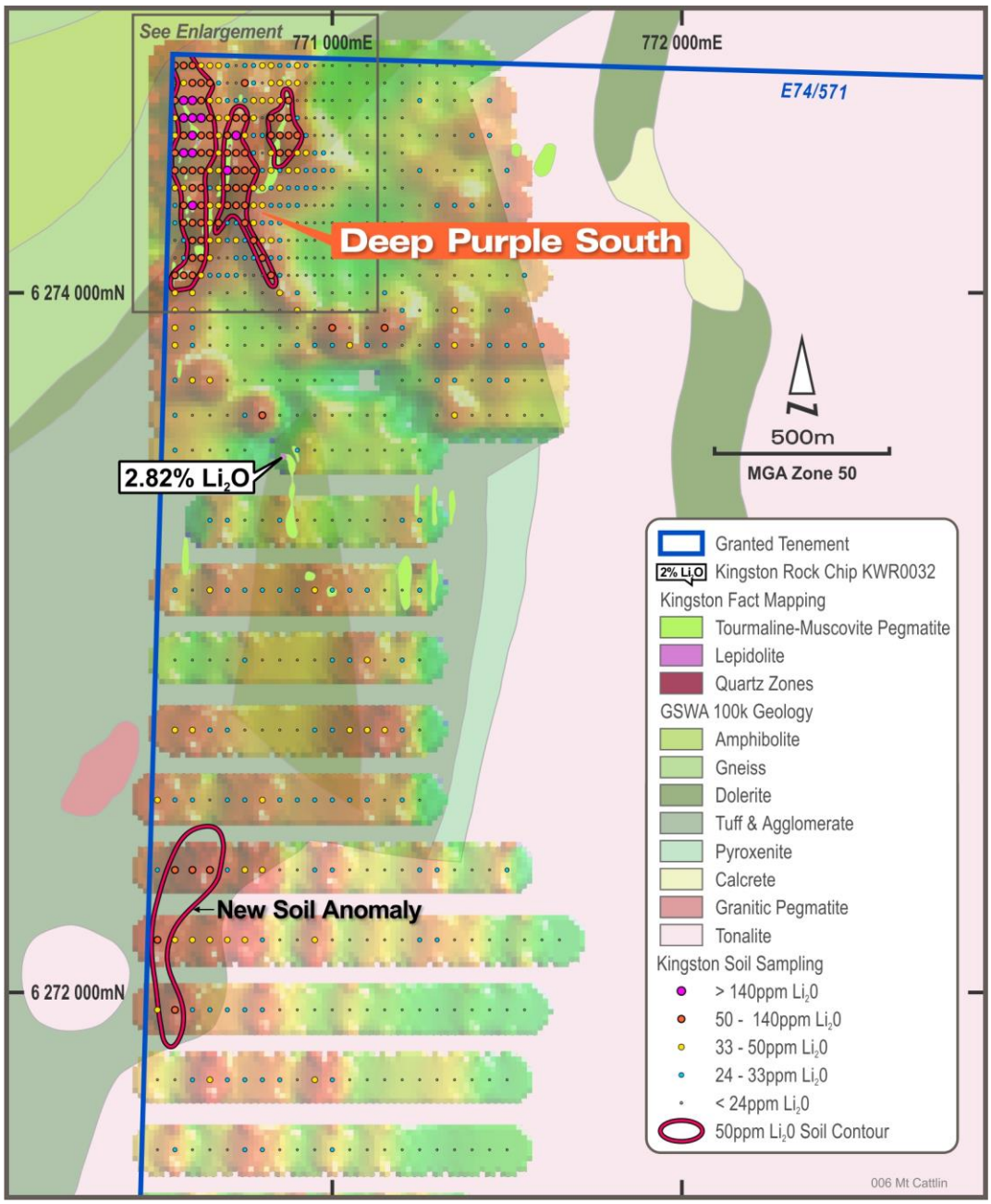

Figure 2: Lithium in soil results and new lithium bearing pegmatite highlighted over the Deep Purple South Prospect

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.*	• Kingston Resources Ltd (KSN) has collected surface rock chip samples from sub to outcropping pegmatites within E74-571. • Soil samples were collected by hand from approximately 20cm below surface, noting the soil profile for each sample. Where possible, samples were sieved to -2mm but in wet clays they were left unsieved. Sample size averaged approximately 300g.
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 results are discussed.
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 results are discussed.

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.*	• Not applicable as no drilling results are discussed.
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 results are discussed.
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.*	• Rock samples were sent to Bureau Veritas for PF100 (where an aliquot of sample is fused Sodium Peroxide Fusion in an alumina crucible then measured by an ICP-AES or ICP-MS. • Soil samples were submitted to Intertek for analysis by four-acid digest and measured by ICP-MS. • Field duplicates were submitted with the soil samples at a rate of 1 in 40.
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 verified results. • Li_2O has been calculated from Li ppm using a calculation of Li% * 2.152529 = Li_2O% to determine the proportion of lithium oxide

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 utilising 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.*	• Rock chip sample locations are listed in table 1 and displayed in figures within the document • Soil sample locations are indicated as dots on the map in Figure 1 and Figure 2. 913 samples collected at variable grid spacings, with close-spaced 25 by 50m sampling over Deep Purple South prospect and a broader 50 by 200m pattern further south.
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.*	• Samples were driven to Perth and submitted directly to the laboratory.
Sample security	• *The measures taken to ensure sample security.*	• Not applicable as no drilling results are discussed.
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	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint*	• Tenements E74/570 and E74/571 are KSN 100%, having been granted on the 29th June 2016. The tenements are held under

Criteria	JORC Code explanation	Commentary
land tenure status	*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.*	Slipstream Resources WANT Ltd which is a fully-owned subsidiary of KSN. • 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.
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 rock chip 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*	• The samples are all point data, and no aggregation has been used.

Criteria	JORC Code explanation	Commentary
	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.*	
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.*	• Supporting figures have been included within the body of this 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.*	• 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.*	• RC drill testing of priority targets