



ASX Announcement

31 October 2016

ASX Code: KSN

Share Price: A\$0.019

Shares Outstanding: 660,269,985

Market Capitalisation: A\$12.5 m

Cash (at Sept 30): A\$5.4m

ACN 009 148 529

Board and Management

Anthony Wehby
Chairman

Andrew Corbett
Managing Director

Andrew Paterson
Chief Geological Director

Stuart Rechner
Non-Executive Director

Yafeng Cai
Non-Executive Director

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Quarterly Activities Report

For the quarter ending 30 September 2016

Highlights

- **Completion of \$6.85m capital raising, acquisition of lithium exploration assets, and new senior board and management appointments.**
- **Grant of eight Bynoe exploration tenements and one additional application.**
- **Advancing key lithium exploration projects at Mt Cattlin and Bynoe, with successful initial field work**
- **The Company is actively considering opportunities to participate in further exploration activities for both lithium and other minerals.**

Following the completion of its capital raising and lithium acquisition on 4 July 2016, Kingston has rapidly commenced its exploration programme with fieldwork at both the Mt Cattlin and Bynoe projects. Successful initial fieldwork at Mt Cattlin has delivered a number of high grade rock chip results and identified two parallel soil anomalies. These will form the targets for the company's initial drill program for which the approvals process is underway. KSN's first two Bynoe tenements were granted late August, with an initial fieldwork program taking place in September.

In the current quarter, Kingston expects to conclude its approvals process for Mt Cattlin drilling and advance the Bynoe Lithium Project fieldwork. KSN expects to have its Bynoe project drill ready for the completion of the wet season.

The Company held \$5.4m in cash at the end of the quarter allowing it to progress work simultaneously on all of its primary exploration targets and to continue to assess opportunities to grow shareholder value.

Kingston MD Andrew Corbett says *"The recent quarter was a very encouraging start for Kingston as it embarks on its revitalised strategy following the successful capital raising and acquisition of lithium assets. We are excited by the potential of our lithium exploration portfolio and look forward to continuing to rapidly advance these projects over the coming months."*

Summary of September quarter activities

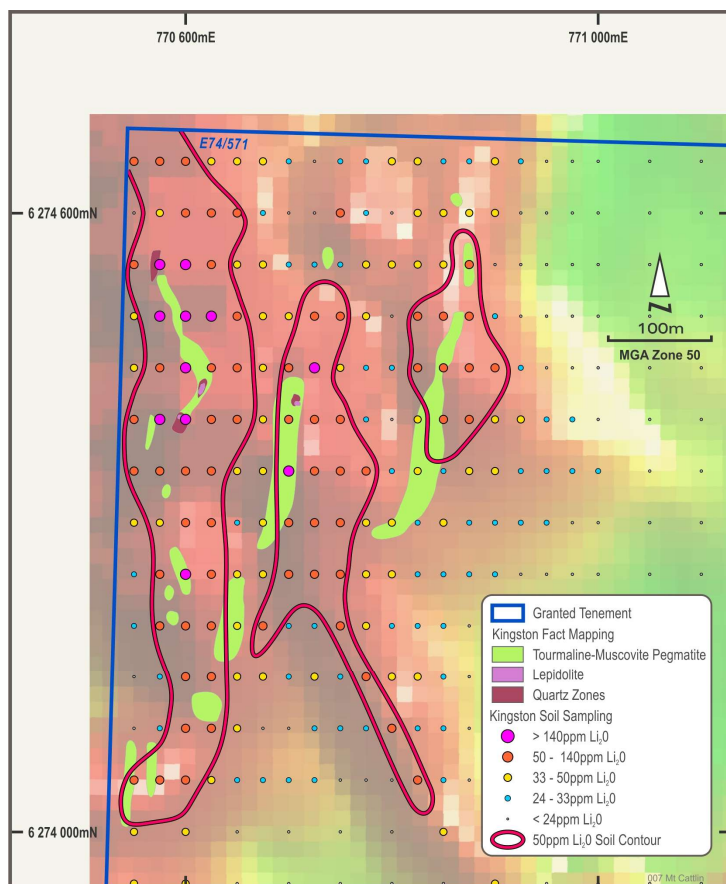
Capital raising, lithium acquisition and new senior management appointments (refer ASX Announcement 5 July 2016): Following the passing of all resolutions at the 4 July 2016 EGM Kingston completed the second tranche of its \$6.85m capital raising, and completed its lithium project acquisition. This introduced an exciting portfolio of lithium exploration assets covering four key project areas: Mt Cattlin, Greenbushes, Bynoe/Wingate, and Arunta. Management and board changes were also approved, including the appointment of Anthony Wehby as Chairman, Andrew Corbett as Managing Director, and Andrew Paterson as Chief Geological Officer.

Mt Cattlin Project Kingston has successfully completed initial fieldwork at its Mt Cattlin Project. Key results included a number of high grade rock chips samples including (refer ASX announcement 13 July 2016)

- **Sample #5043 3.23% Li₂O**
- **Sample #5044 0.73% Li₂O**
- **Sample #5045 2.76% Li₂O**
- **Sample #5047 2.67% Li₂O**

These results conform with prior sampling by Galaxy which yielded samples containing up to 4.48%* Li₂O.

A follow up soil sampling program confirmed the scale of the Deep Purple South anomaly at over 600m long, with a second parallel anomaly 350m long (Figure 1). A previously unidentified 600m long soil anomaly was also identified 2km south of Deep Purple South. (refer ASX Announcement 23 August 2016).



Kingston expects to conduct infill soil sampling work in the near term to further refine targets following its initially successful programme. Approvals for drilling at Deep Purple South are anticipated in the coming months which will allow drilling to commence shortly thereafter.

Phase 1 drilling will be in the order of 1500-2000 drill metres. Concurrent with this first stage of drilling, Kingston expects to seek approvals for a second stage drilling program which, dependent on the ongoing fieldwork, may extend beyond the initial Deep Purple South targets.

Figure 1: Deep Purple South Initial Exploration target area.

Bynoe Project: Bynoe represents a strategically important project for the Company due its significant infrastructure advantage combined with the geological potential within the Bynoe Pegmatite field. The Company notes there are currently two peers, Liontown Resources (ASX.LTR) and Core Exploration (ASX.CXO) both drilling on neighbouring tenements delivering significant success. (figure 2)

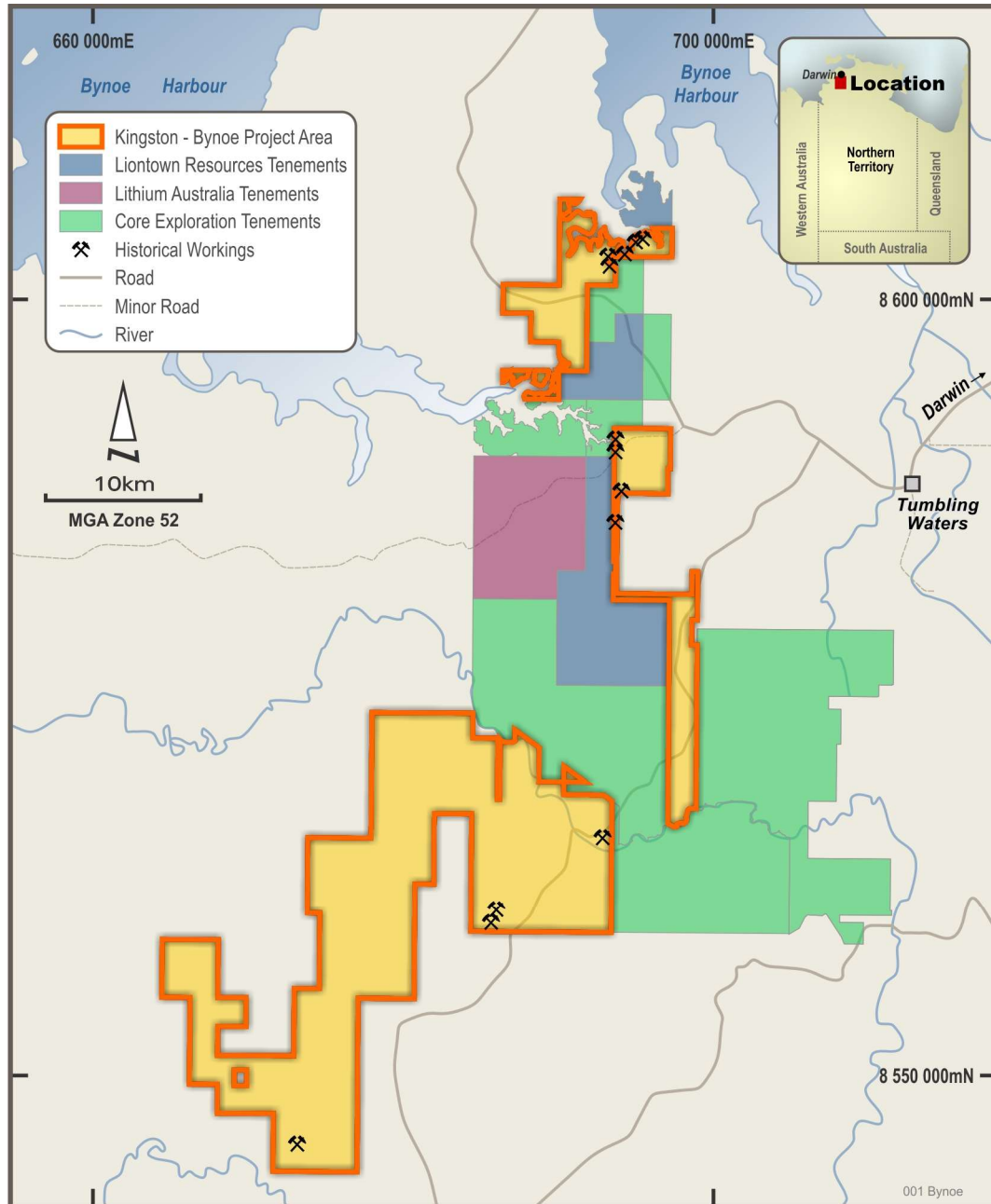


Figure 2 Kingston Bynoe project - location and major peer group*

* Note: Tenement outlines are sourced from the NT DME Strike web platform. Individual tenement ownership is attributed based upon ASX announcements by the respective listed entities.

Fieldwork commenced on EL31091 and EL31092 which were granted late August. During September, a further six tenements were granted and one new application made, ELA 31419. The priority of current work is to refine field targets for drilling approval applications during the current quarter. Drilling at the Bynoe Project is anticipated by Q2 2017 following the conclusion of the upcoming wet season.

With the granting of the Bynoe tenements Kingston commenced a geochemical field program with the early stage work providing encouraging results. Initial focus has been on EL31091, EL31092, EL31133 and EL31151 and at historical tin-tantalum prospects Jennys (EL31092), Liana, Ah Bung, Kellys East (EL31091) and Jans (EL31151). Kingston expects to continue identifying areas of interest with ongoing geochemical work and follow up with regional geophysical surveys. During the current quarter the Company will provide a detailed update on priority targets and drilling approvals.

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. The Company is well funded to rapidly advance its exploration projects, with the initial focus being the Mt Cattlin, Bynoe, and Arunta lithium projects.

*Galaxy Resources Ltd E74/287 (Mt Cattlin Project) Relinquishment Report 2012

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.

Table 1: Tenement Schedule (ASX LR 5.3.3)

Tenement	Project/Name	Status	Ownership	Change Since Last Quarter	Area km ²
E 74/570	Mt Cattlin	Live	100 %	No change	17
E 74/571	Mt Cattlin	Live	100 %	No change	60
E 74/589	Mt Cattlin	Pending	100 %	No change	9
E 74/577	Recruit Hill	Pending	100 %	No change	130
E 70/4822	Greenbushes	Pending	100 %	No change	6
Subtotals WA					222
Tenement	Project/Name	Status	Ownership	Change Since Last Quarter	Area km ²
EL 31091	Charlotte	Live	100 %	Granted	15
EL 31092	West Arm	Live	100 %	Granted	18
EL 31132	Wingate North	Pending	100 %	No change	193
EL 31133	Bynoe A	Live	100 %	Granted	23
EL 31134	Bynoe B	Pending	100 %	No change	13
EL 31136	Bynoe South C	Pending	100 %	No change	77
EL 31150	Bynoe South D	Live	100 %	Granted	3
EL 31151	Bynoe South A	Live	100 %	Granted	26
EL 31200	Bynoe SW A	Live	100 %	Granted	54
EL 31205	Bynoe SW BA	Pending	100 %	No change	27
EL 31206	Bynoe SW BB	Live	100 %	Granted	30
EL 31207	Bynoe SW BC	Live	100 %	Granted	19
EL 31137	Utopia	Pending	100 %	No change	200
EL 31138	Spotted Wonder	Pending	100 %	No change	73
EL 31141	Barrow Ck B	Pending	100 %	No change	12
EL 31148	Barrow Ck A	Pending	100 %	No change	173
EL 31242	Barrow Ck	Pending	100 %	No change	236
EL31212	Bundey	Pending	100 %	No change	344
EL31213	Milton	Pending	100 %	No change	287
EL31214	Powell	Pending	100 %	No change	107
EL31285	Echo Dam	Pending	100 %	No change	130
EL31419	Bynoe	Pending	100%	New application	94
Subtotals NT					2,154
Tenement	Project/Name	Status	Ownership	Change Since Last Quarter	Area km ²
EL 5625	Cootanoorina	Live	100 %	No change	508
EL 5487	Cootanoorina East	Live	100 %	No change	311
EL 5599	Cootanoorina North	Live	100 %	No change	24
EL 5626	Six Mile Hill	Live	100 %	No change	296
EL 5498	Six Mile Hill East	Live	100 %	No change	540
EL 5591	Six Mile Hill North	Live	100 %	No change	131
EL 4915	Mt Eba	Live	100 %	No change	237
EL 5379	Sunset Hill	Live	100 %	No change	161
EL 5010	Spencer JV	Live	25 %	No change	321
EL 5011	Myall Creek JV	Live	50 %	No change	381
EL 5671	Hiltaba	Live	100 %	No change	427
EL 5309	Barney Bore	Live	Earn in	No change	36
Subtotals SA					3,373
Total KSN tenure					5,656