



ASX Announcement

31 July 2017

ASX Code: KSN

Share Price: A\$0.015

Shares Outstanding: 665,769,985

Market Capitalisation: A\$10.0m

Cash: A\$3.9m (Jun 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

Quarterly Activities Report

For the quarter ending 30 June 2017

Highlights

Kingston significantly advanced a number of its projects during the June quarter:

- Bynoe first-pass RC drilling completed
- Large auger sampling program completed at Livingstone
- Soil sampling programs at Bynoe, Spotted Wonder and Utopia
- Drilling approvals progressing for Spotted Wonder

Kingston Resources (ASX: KSN) is pleased to provide an update for the June quarter across the Company's exploration projects. Kingston completed the first phase RC drill program at Bynoe, with significant intersections recorded at Lei. The large auger sampling program over the Livingstone Gold Project delivered very encouraging results, with assays received subsequent to the end of June highlighting a number of large, high-tenor gold anomalies around the Livingstone's Find and Stanley prospects. Ongoing soil sampling across the Bynoe, Spotted Wonder and Utopia projects continued to build Kingston's database as we progress towards drilling advanced targets.

Project	RC Drilling		Geochemistry	
	Holes	Metres	Soils	Rock Chips
Bynoe	45	4,507	1,597	
Livingstone	-	-	1,270	-
Spotted Wonder	-	-	1,064	21
Utopia	-	-	558	-

Table 1: Quarterly fieldwork statistics summary.

Through the September quarter Kingston is progressing approvals for follow-up RC drilling at Bynoe as soon as possible. Meanwhile the Company is also continuing to assess other areas as results are received from ongoing soil sampling programs. The use of DGPR (deep ground-penetrating radar) will continue following an initial positive test of the technology at the Lei prospect, as it enables KSN to pin-point pegmatite locations prior to drilling. In addition to this, an initial RC program is planned to test lithium-in-soil anomalies at Spotted Wonder, and follow-up air-core drilling is planned to test a number of gold anomalies at Livingstone. The timing of the Spotted Wonder and Livingstone drilling are pending regulatory drilling approvals.

Kingston MD Andrew Corbett commented "The June quarter saw Kingston make significant progress on a number of its key prospects. The maiden drill program was successfully completed at Bynoe, further targets have been identified through the ongoing soil program at Spotted Wonder, and the auger results at Livingstone have highlighted the attractiveness of that opportunity. We expect to continue this momentum

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through the September quarter, with the Company focused on getting Livingstone ready to drill as fast as possible, preparing Spotted Wonder for drilling and advancing plans for follow up drilling at Bynoe.”

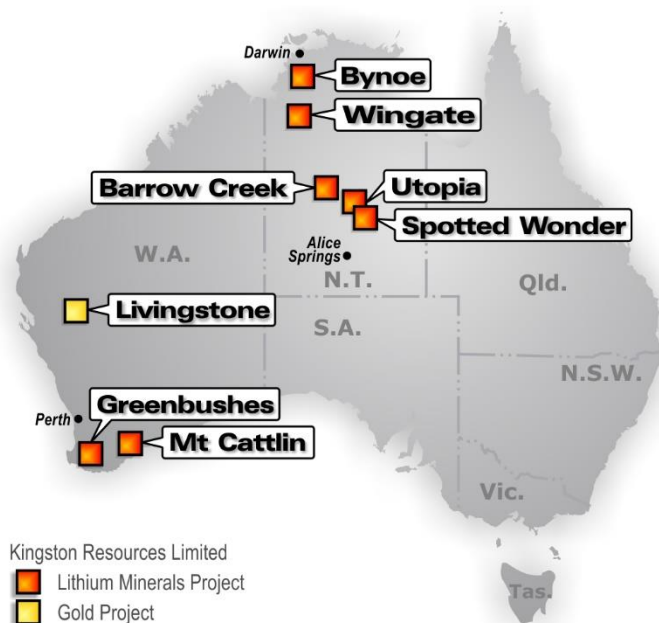


Figure 1: Kingston’s exploration projects.

Exploration

Bynoe

Kingston commenced its maiden Bynoe RC drilling program in late May. The program successfully intersected lithium mineralisation at the Lei prospect with a best result of 12m @1.43% Li₂O. Subsequent surveys using Deep Ground Penetrating Radar technology (DGPR) indicate that this pegmatite has a north-easterly strike, and a second large pegmatite may be located approximately 180m further east. Follow up drilling is now being planned to continue testing the Lei area.

Further north at the Cai prospect, drill testing beneath a north-south soil anomaly intersected pegmatites, returning assays of up to 0.3% Li₂O. These results, as well as high tantalum values of up to 915ppm Ta, support the Company’s view that Cai remains a prospective area, however further work remains to identify additional drill targets

This maiden program has tested prospects on only two of the Company’s nine granted tenements at Bynoe, with the majority of the work focussed on EL31133. As such, the drilling has only tested a small portion of the overall potential of Kingston’s Bynoe project.

During the drilling program, the Company also successfully tested the potential of DPGR to augment identification and interpretation of drill targets. The use of DGPR surveys at Bynoe is showing potential to deliver significant value as a targeting tool that will allow better precision in positioning drill holes. DGPR may be one of the only geophysical techniques that can accurately distinguish pegmatites from the surrounding country rock under cover, as their lack of contrasting density, magnetic susceptibility or conductivity makes them difficult to identify using

conventional geophysical techniques. This is of particular benefit at Bynoe where a veneer of shallow cover makes pegmatites difficult to detect. The DGPR data will allow holes to target specific pegmatites, reducing drill metres and accelerating the exploration process.

Bynoe soil sampling

In parallel with the RC program, Kingston also continued building soil sampling coverage across the Bynoe tenements in June. 1,597 samples were collected across four tenements, following up earlier anomalies and also testing areas highlighted by the recent airborne geophysical survey.

To date, assays have been received for approximately half the soil samples. These results have added to the Company's knowledge of tenement EL31133, with the Cai anomaly doubling in strike length to approximately 1.8km, and newly discovered anomalous areas starting to take shape north of Cai and north of the Cox Peninsula Road. These latter anomalies require further work to define their extents prior to drilling.

The Cai anomaly now forms a strong linear feature striking southwest across the southern portion of tenement EL31133, with the strongest lithium response in the middle and south-western portions of the anomaly (Figures 1 and 2 below). Previously, with less sample points available, Cai had been interpreted with more of a north-south orientation, and the recent drilling program was designed accordingly. The new data suggests that the strongest lithium-in-soil response lies southwest from the area tested by drilling. Interestingly, there were also two pegmatites noted in old workings on the southern side of the anomaly. The next step to test the anomaly will be DGPR surveys, followed by drilling.

To the north of Cai, other anomalous results have been defined south of the Cox Peninsula Road at Cai North (Figure 2). This area includes a broad but less coherent anomaly area approximately 600m long, to the east of which are three strongly anomalous samples on the edge of the sample grid. Further north, on the north side of Cox Peninsula Road a single regional sample line has picked up a series of anomalous samples that sit immediately adjacent to a radiometric anomaly. The coincident geochemical and geophysical features make this sample line a high priority for immediate follow-up.

Kingston will continue soil sampling these areas to infill and extend the areas highlighted to date. The Company is also progressing further approvals to continue drill testing these targets as soon as possible.

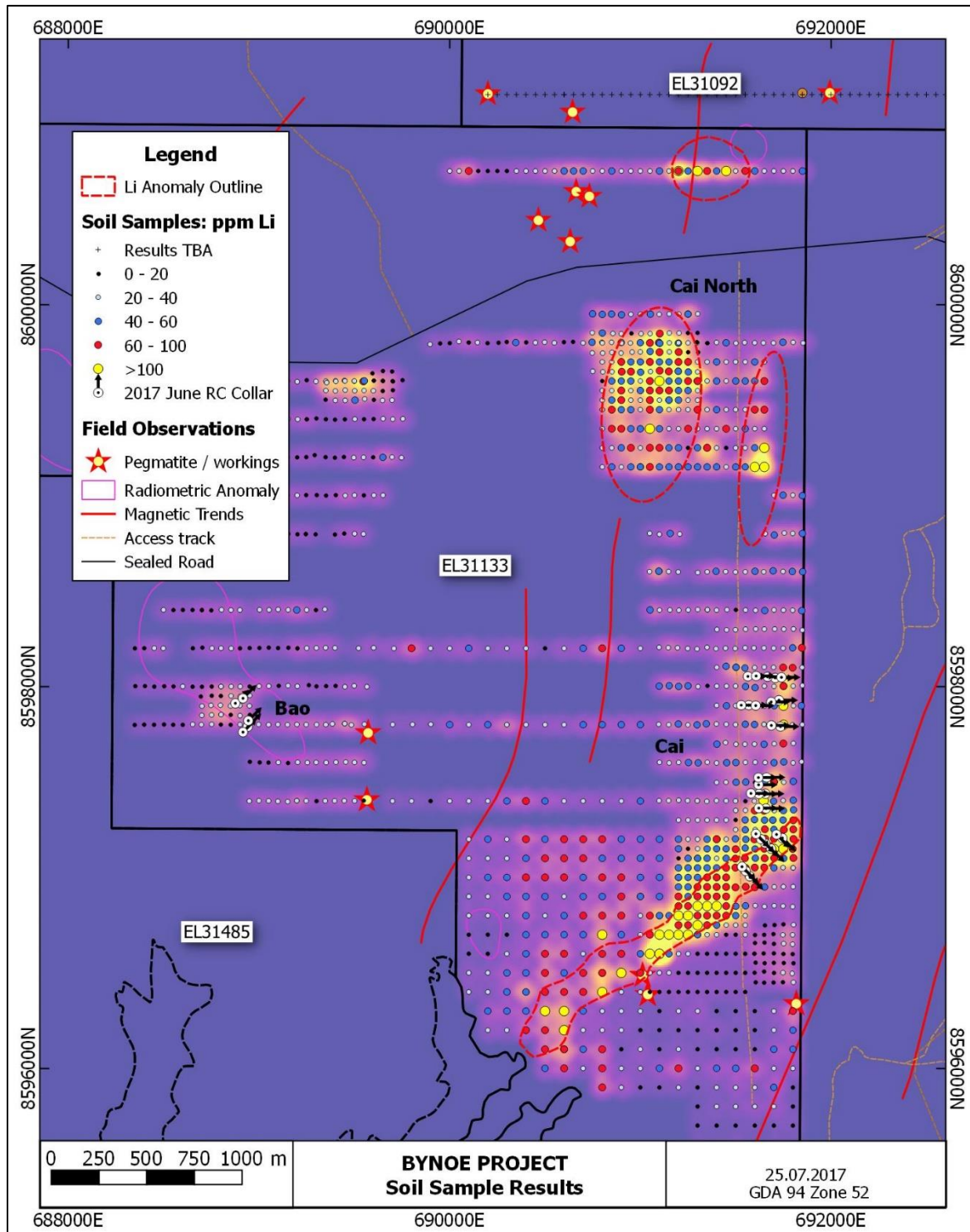


Figure 2: Heat map of lithium-in-soil values showing anomalous areas identified on EL31133.

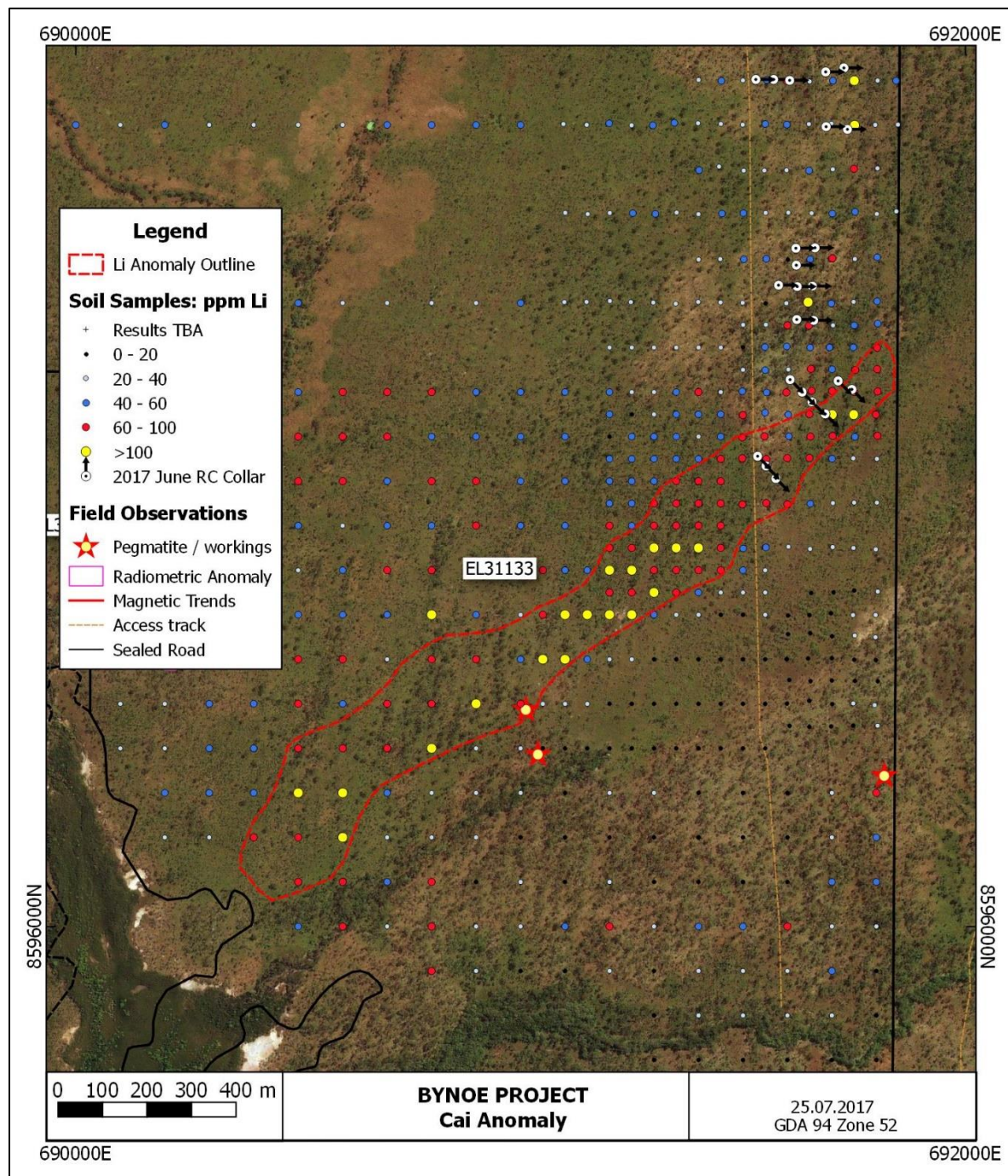


Figure 3: Close-up of the updated Cai anomaly. RC drilling to date has only tested the weaker northern end of the anomaly.

Arunta

Following the announcement of high-grade amblygonite identified in outcrop at the Spotted Wonder Project¹, follow-up soil sampling programs have now been completed. The programs included 1,064 samples at Spotted Wonder and an initial soil grid of 558 samples at Utopia. At Spotted Wonder, the follow-up samples were taken over a grid

¹ ASX announcement 24 March 2017.

spacing of 50m on 200m or 400m lines, with the broader spacing used on areas further away from known outcrop. At Utopia, an even broader coverage of 50 by 800m was used to maximise data coverage.

The combined soil sampling programs at Spotted Wonder have now defined two priority areas at Delmore and Tank Hill (Figure 4), and a third potential zone along strike from Tank Hill which requires additional sampling.

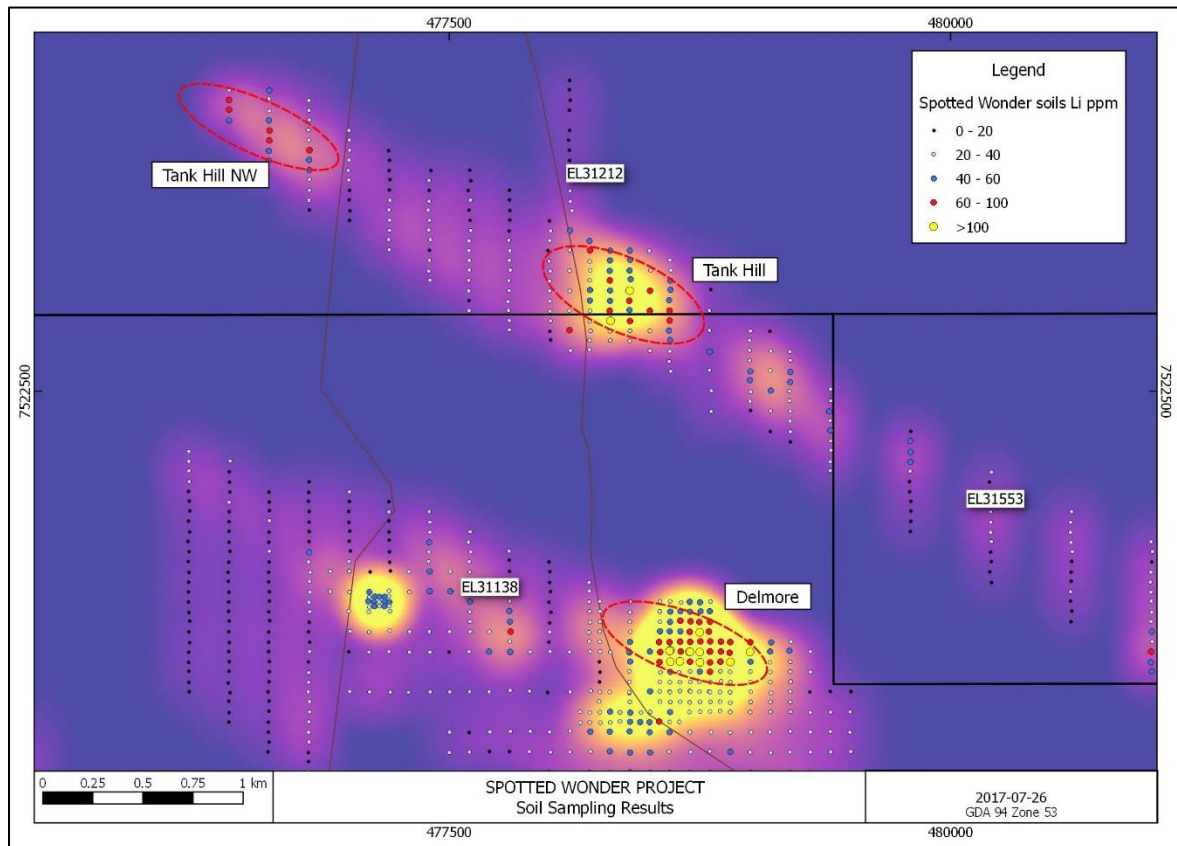


Figure 4: Heat map of Spotted Wonder soil results. Note that closer sample spacing exaggerates the heat effect south and west of Delmore.

Kingston is currently progressing approval for a small RC program to test the Delmore and Tank Hill anomalies. Additional soil sampling will prioritise the area labelled on Figure 4 as Tank Hill Northwest. The Spotted Wonder project contains a large number of widespread quartz outcrops and pegmatites, and more regional reconnaissance work is required to prioritise all potential targets in the area.

The Tank Hill pegmatite is a long outcrop of low elevation over a flat plain, visible for approximately 500m along strike and trending northwest to southeast. The anomalous samples 1.6km northwest of Tank Hill sit on the same strike orientation, but there is no visible evidence of a link between the two areas.

Livingstone

Kingston concluded an auger sampling program at the Livingstone Gold Project in the quarter. Drilling was conducted over an area of approximately 17km² and revealed high-tenor gold anomalies extending more than 2km across each of the Stanley and Mt Seabrook prospects (Figure 1). The results, which were received subsequent to the end of the June quarter, 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 Au². There are three main lines of old workings within this area, which roughly correspond to the position of the three anomalous trends: the biggest over the Mt Seabrook 1 and 2 lines of workings; another over the Livingstone North line of workings; and a third line further north of unknown name.

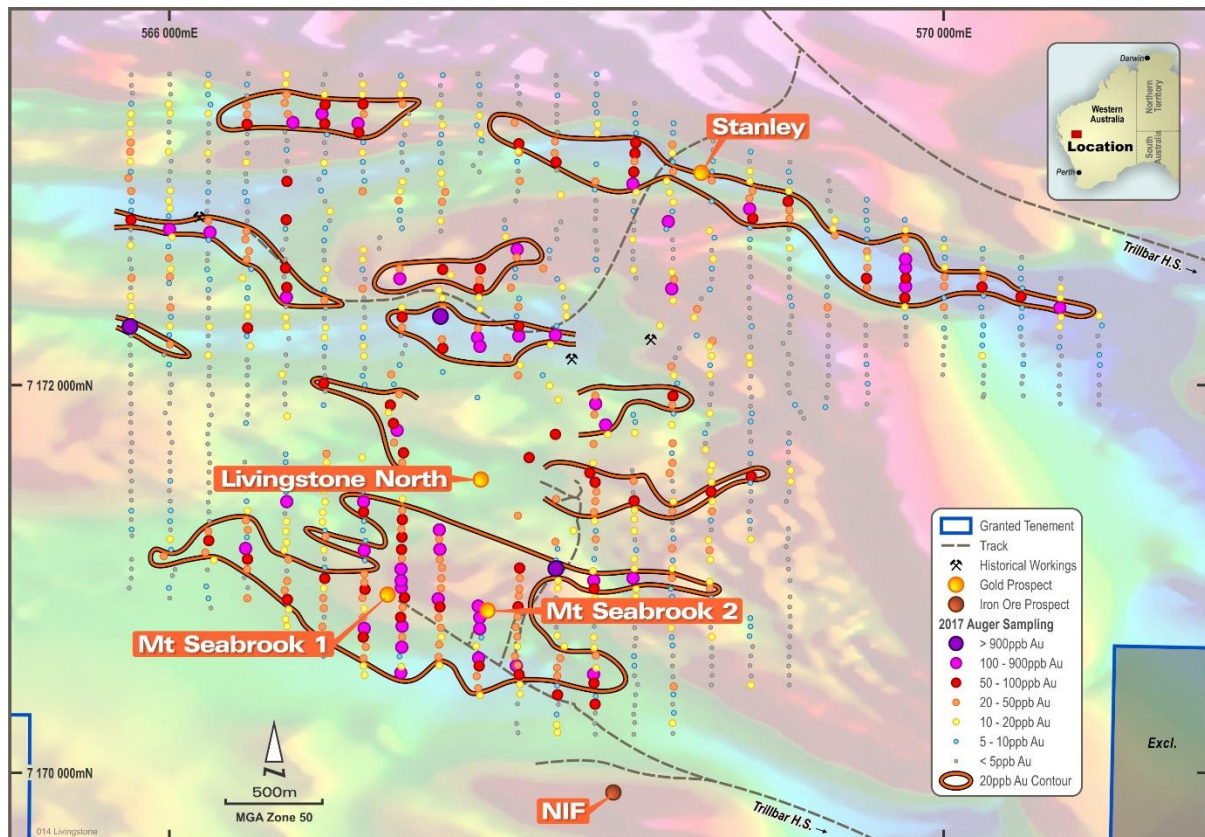


Figure 5: Livingstone gold anomalies over gradient-enhanced TMI background.

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. Stanley sits over the contact between rocks of the Bryah and Padbury Groups; specifically, mafics of the Trillbar Complex within the Narracoota Formation to the north, and cherts and iron formations of the Padbury Group to the south. This contact is clearly visible on the magnetic image, which also highlights a number of structures that may serve as mineralising conduits. KSN are optimistic that the chemical and geo-structural setting will provide enough suitable dilational zones for mineralisation at depth. The structural and geophysical setting is also very similar to the position of the Homestead mineralisation, 8km to the east.

² ASX announcement 21 December 2016.



Figure 6: Looking east along the line of shafts at Mt Seabrook No.1. There are ten shafts along this line, and eight at Mt Seabrook No.2.

Other

The Company lodged a tenement application over the Cummins Range REE deposit during the quarter, following the relinquishment of the project by its previous owner, Navigator Resources. The exploration licence application for Cummins Range was simultaneously lodged by four companies, and the winning application will be decided in a Warden's Court ballot later in the year. The date for this ballot has not yet been set.

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. In addition, the Livingstone Gold Project holds a 50koz resource and is the site of a number of high grade historic intersections. The Company is well funded to rapidly advance its exploration projects.

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.