ASX Announcement

17 July 2017

ASX Code: KSN

Share Price: A$0.019
Shares Outstanding: 665,769,985
Market Capitalisation: A$12.6m
Cash: A$4.5m (Mar 31, 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

Contact Details

205/283 Alfred St,
North Sydney,
NSW 2060
+61 2 8249 4968

info@kingstonresources.com.au

www.kingstonresources.com.au

Livingstone Auger Sampling Program identifies multiple large gold anomalies

Highlights

- **Auger soil assays in excess of 1g/t Au identified**
- **Mt Seabrook anomaly 2km long, up to 1.74g/t in auger sampling**
- **Stanley anomaly 2.4km long**
- **Several other smaller anomalies identified up to 1.4g/t Au**

Kingston Resources Ltd is pleased to announce the results of its recently completed auger sampling program at the Livingstone Gold Project in Western Australia. The drilling, conducted over an area of approximately 17km^2, revealed high-tenor gold anomalies extending more than 2km across each of the Stanley and Mt Seabrook prospects (Figure 1). The results 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 Au[1].

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.

Several smaller anomalies were defined in the vicinity of the Livingstone North historic workings, with assay values as high as 1.4g/t Au. Full auger coverage was not achieved around Livingstone North due to the steep terrain; Kingston will endeavour to infill the sampling coverage by alternative means. One high-grade sample of 993ppb Au also sits on the western edge of the grid, so further auger work will be required to extend coverage in that direction.

"These are extremely encouraging results, with high tenor gold anomalism and excellent continuity over long strike lengths" commented Andrew Paterson, Kingston Technical Director. "Previous conventional soil sampling had indicated anomalism over a broad area, but we were concerned about gold shedding down the hillsides creating false anomalies. The auger results have given us better definition, as well as increasing gold grade by a factor of five. We look forward to following this up with an aircore program as soon as possible".

[1] ASX announcement 21 December 2016.

Kingston will initially test the anomalies using reconnaissance air-core or RAB drilling techniques to determine the widths and extent of any underlying mineralisation prior to moving into an RC drill campaign. This will allow a relatively fast, cost-effective assessment of each area in order to prioritise ongoing work.

As a result of this program and the earlier RC drilling at Homestead and Winja, Kingston has fulfilled the expenditure required for its 75% earn-in on the project (Figure 3). Kingston is now in a position to take up that interest at any time before 21 December 2017.

The Livingstone's Find workings were historically the biggest producer of gold in the Robinson Range region prior to the advent of modern mining techniques, with reported production of 1,260oz of gold at an average grade of 21.85g/t [2]. Gold anomalies were first identified at Stanley after soil sampling by Western Mining Corporation in the 1980's, and additional soil sampling by Talisman Mining confirmed the presence of gold anomalism at surface. Limited RAB and RC drilling in the area during the late 1980's by Endeavour, WMC and Sons of Gwalia produced encouraging results. In spite of this, no drilling has been completed at Livingstone's Find or Stanley since then.

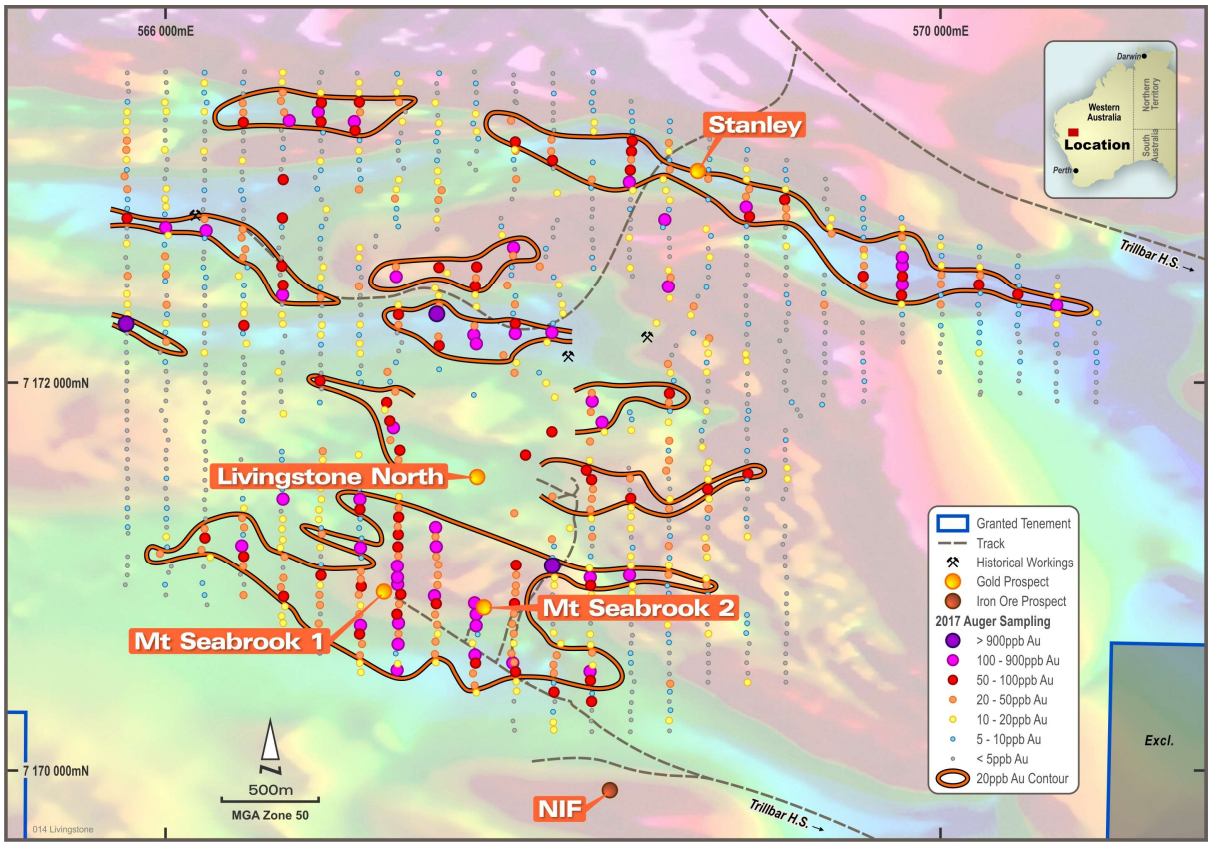


Figure 1: Livingstone gold anomalies over gradient-enhanced TMI background.

[2] WAMEX Report A19665: Endeavour Resources Ltd, 1986.

3 Spring Street, Sydney, NSW 2000
+61 2 8249 4968 info@kingstonresources.com.au

Livingstone: delayed assays from Winja drilling include an intersection of 18m @ 3.03g/t Au

Assays on a batch of delayed samples from the recent RC program at Livingstone returned a significant intersection of 10m @ 4.00g/t Au from 45m in hole KLRC014. This result sits above the previously-reported intersection of 8m @ 1.81g/t from 55m [3], meaning the overall intersection now amounts to 18m @ 3.03g/t including a higher-grade zone of 7m @ 5.14g/t (Figure 2). This intersection is up-dip and on the same section as Talisman's result of 18m @ 7.85g/t in hole TRC070. As such it confirms the chute-like structure of high grade mineralisation on that section.

Winja										
Hole ID	**East**	**North**	**RL**	**Azimuth**	**Dip**	**Depth (m)**	**From (m)**	**To (m)**	**Interval (m)**	**Au (g/t)**
KLRC014	578758	7169241	448	-60	180	102	55	63	18	3.03
including							49	56	7	5.14

Table 1: Significant intersection KLRC014, Winja prospect. Intersections are calculated at a 0.7g/t lower cut-off with a maximum of 1m internal dilution. Coordinates are GDA94 Zone 50.

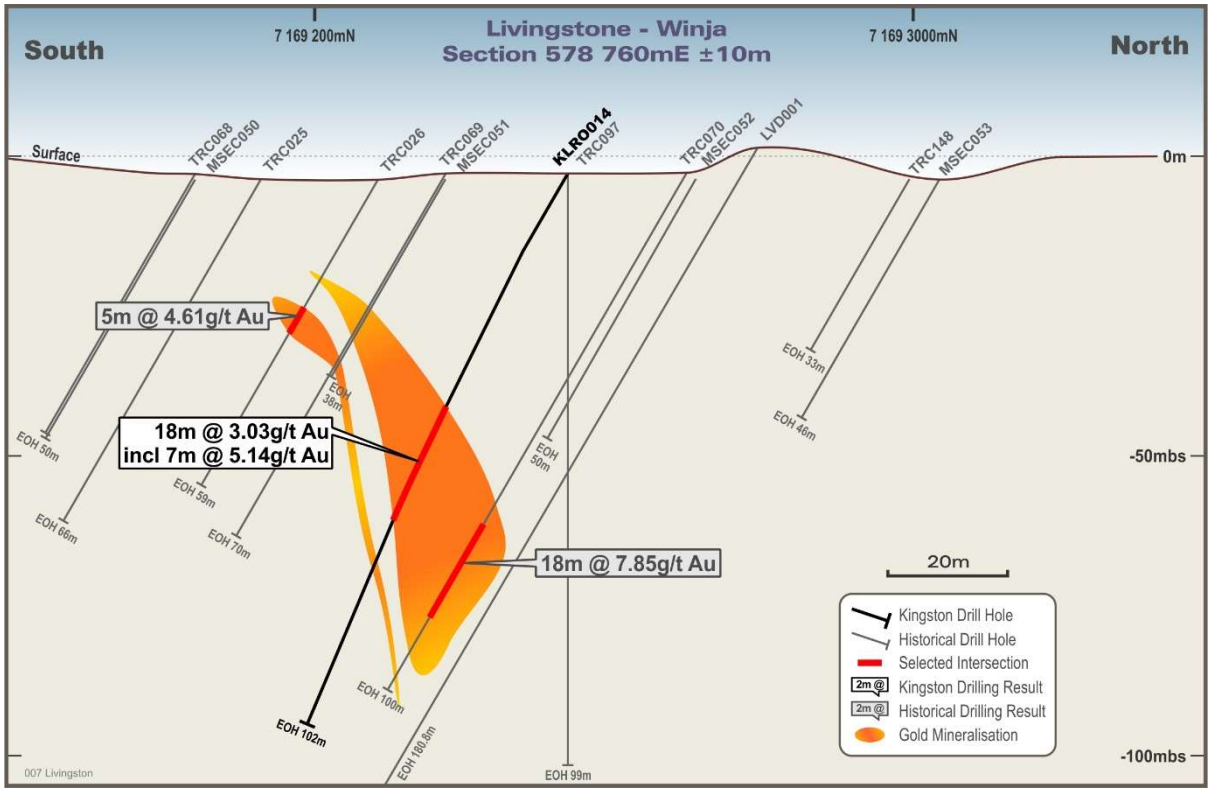


Figure 2: Winja prospect (Livingstone project) section 578760E (GDA94 Zone 50).

[3] ASX Announcement 12 April 2017.

3 Spring Street, Sydney, NSW 2000
+61 2 8249 4968 info@kingstonresources.com.au

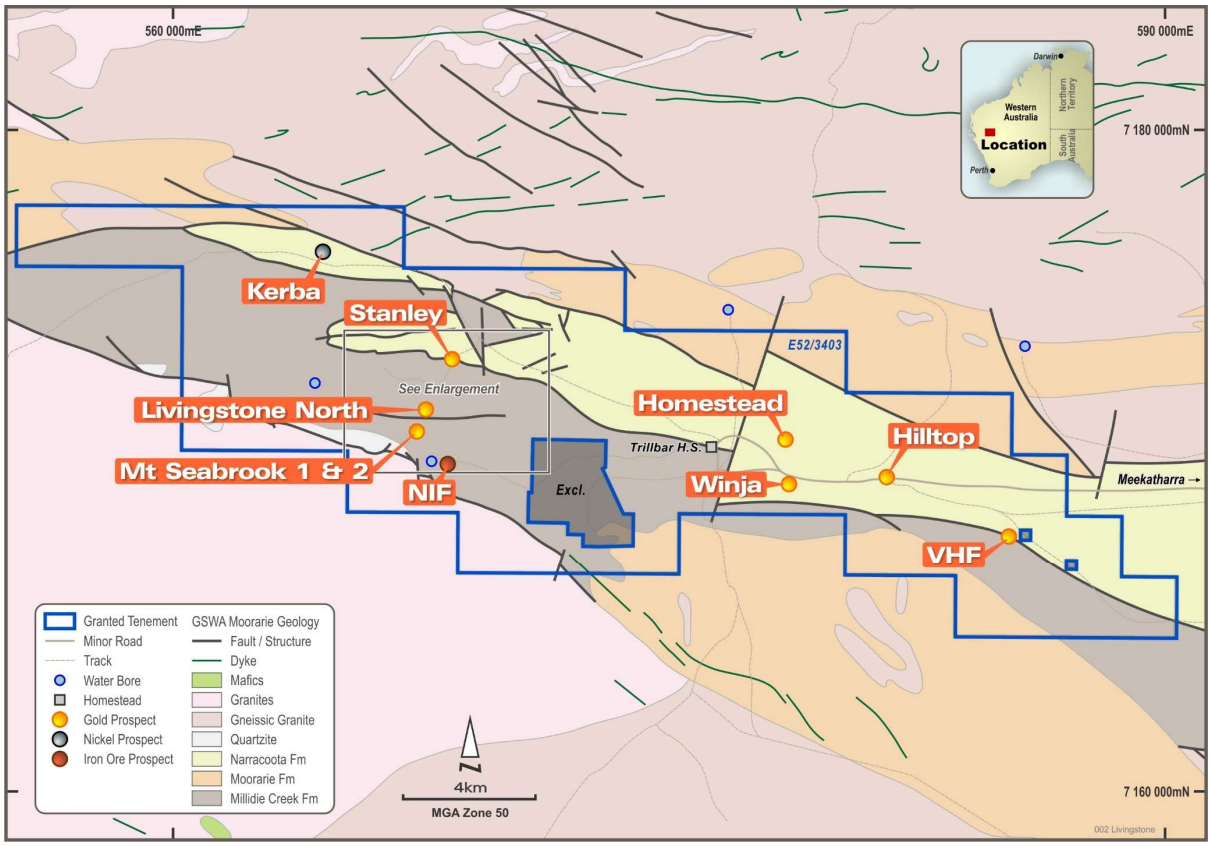


Figure 3 – Livingstone project overview with geology and current prospects.

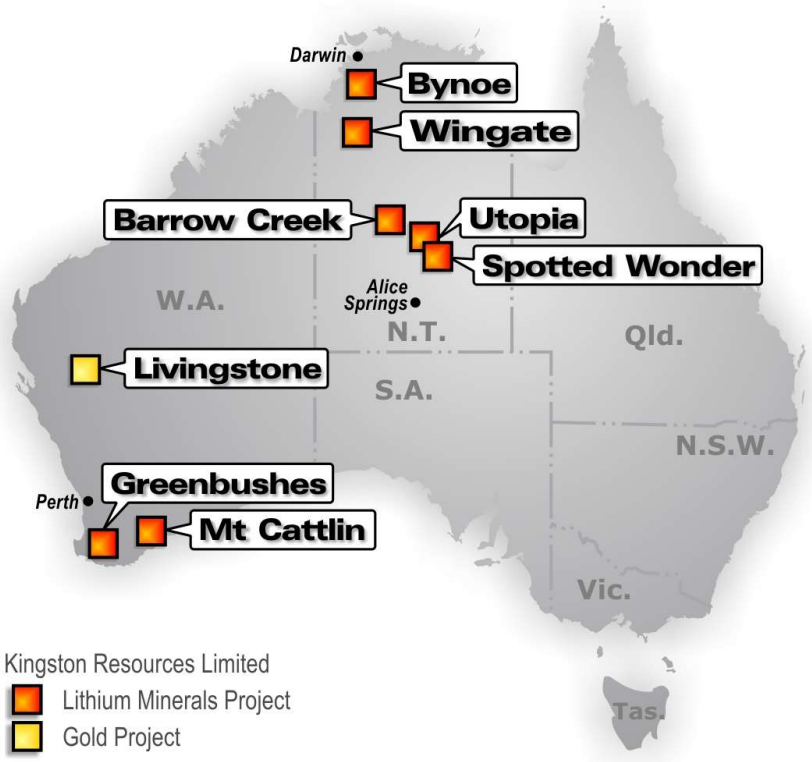
3 Spring Street, Sydney, NSW 2000
+61 2 8249 4968 info@kingstonresources.com.au

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 inferred resource and is the site of a number of high grade historic intersections. The company is well funded to rapidly advance its exploration projects, with the initial focus being the Mt Cattlin, Bynoe, and Arunta lithium projects, alongside commencement of work on the Livingstone Gold Project.

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.



Kingston Resources Project Locations

3 Spring Street, Sydney, NSW 2000
+61 2 8249 4968 info@kingstonresources.com.au

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

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.*	• Samples were collected from an open-hole auger drill at the carbonate layer, using acid to confirm the presence of carbonate. A single sample was collected from each auger hole.
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).*	• Vehicle-mounted auger. .
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.*	• Sample recovery was not recorded. .
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a*	• Samples were logged for colour, depth of sample, strength of acid response and the type of soil profile.

3 Spring Street, Sydney, NSW 2000
+61 2 8249 4968 info@kingstonresources.com.au

Criteria	JORC Code explanation	Commentary
	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.*	
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.*	• Samples were not split, sub-sampled or sieved after collection.
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.*	• Samples were analysed at Intertek Genalysis in Perth. After drying in an oven, the sample is pulverised to a nominal 85% passing 75µm. The milled pulps were digested by Aqua Regia solution and analysed by MS for gold only, with a detection limit of 1ppb Au (method AR25 / MS) • Certified reference materials (low level gold standards) were inserted at every 20th sample. A sample of sand was used as a blank, also at an interval of one in 20. Field duplicates were not taken.
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 verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• No independent geologists were engaged to verifiy results. • Kingston's project geologists are supervised by Kingston's Chief Geological Officer. • All data was collated in a spreadsheet in the field.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and*	• Sample locations were recorded in duplicate by twin GPS units. • Locations are recorded in GDA 94 Zone 50.

3 Spring Street, Sydney, NSW 2000
+61 2 8249 4968 info@kingstonresources.com.au

Criteria	JORC Code explanation	Commentary
	other locations used in Mineral Resource estimation. • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	
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.*	• The sampling grid was designed on north-south lines 200m apart. Sample spacing was 50m. This spacing is sufficient to estimate continuity of anomalous areas prior to drilling. • No data compositing has been applied. • Auger sampling is considered indicative of underlying mineralisation, but drilling will be required to confirm the exact location, tenor and style of mineralisation.
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.*	• The sampling lines were designed to be at right angles to the general trend of stratigraphy in this area.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody was managed by the sampling contractor. No issues were reported.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits have been undertaken.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint 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.*	• Kingston Resources Limited has an option agreement to acquire a 75% interest in the Livingstone Gold Project from Trillbar Resources Pty Ltd. Livingstone (E52/3403) is located northwest of Meekatharra in Western Australia, is an advanced exploration project with an existing JORC2004 Inferred Au resource of 49,900 ounces and a number of high-grade drilling intersections that indicate excellent potential for additional discoveries.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• The project has been subject to exploration by several companies over the past 30 years. This work has been built upon by successive explorers, culminating most recently in the work done by Talisman Mining Ltd pursuant to the resource estimation at the Boundary

3 Spring Street, Sydney, NSW 2000
+61 2 8249 4968 info@kingstonresources.com.au

	JORC Code explanation	Commentary
		prospect.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The following geological description is taken from the TLM 2006 Homestead resource report by Cornelius (Homestead was previously referred to as the Boundary prospect): "The geology of the Boundary deposit consists of poorly-outcropping talc-chlorite-carbonate ultramafic rocks/schists and mafic rocks/schists (Narracoota Volcanics), as well as minor phyllites, dolomites and intermediate/felsic rocks covered by a thin veneer of colluvial pisolitic laterite and recent alluvial cover. "Mineralisation within the oxidized zone is associated with limonite replacement of mainly carbonate minerals and pyrite. The weathering profile is locally depressed over the mineralisation, coincident with the dip of the mineralised lodes. There has been a certain degree of lateritic enrichment/mobilisation of gold, with a small near-surface, near-lode supergene gold blanket developed principally on the hanging-wall of the mineralised lode position. Below the base of oxidation, limited intercepts of the fresh mineralisation show a composition of quartz-carbonate-chlorite-(pyrite)-(gold), with the suggestion of a moderate to strong quartz-pyrite-carbonate proximal alteration associated with the gold mineralisation, possibly within a (distal) chloritic envelope."
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 location figures within this announcement for details of the 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 results and longer lengths of low grade results, the procedure used for such aggregation should*	• Assays are not weighted but presented as raw data.

3 Spring Street, Sydney, NSW 2000
+61 2 8249 4968 info@kingstonresources.com.au

	JORC Code explanation	Commentary
	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').*	• No assumptions have been made as to the relationship between auger sample grades, anomaly size or orientation, and underlying mineralisation widths. • Further work will be required to identify and quantify any significant mineralisation in the areas highlighted by the auger results.
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.*	• Maps are contained within the body of this announcement.
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.*	• Appropriate plans are included in this release
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.*	• All exploration results are reported
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.*	• Ongoing work will include RAB/Aircore drilling to better define mineralised zones, followed by RC drilling to quantify any mineralised intersections identified in the initial drilling phase.

3 Spring Street, Sydney, NSW 2000
+61 2 8249 4968 info@kingstonresources.com.au