



ASX Announcement

27 July 2016

ASX Code: KSN

Share Price: A\$0.02

Shares Outstanding: 660,269,985

Market Capitalisation: A\$13.2m

Cash: A\$5.8m

ACN 009 148 529

Board and Management

Anthony Wehby
Chairman

Andrew Corbett
Managing Director

Andrew Paterson
Chief Geological Officer

Stuart Rechner
Non-Executive Director

Yafeng Cai
Non-Executive Director

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).

Contact Details

25 - 27 Jewell Parade,
North Fremantle,
Western Australia 6159
+61 8 9336 6619

info@kingstonresources.com.au

www.kingstonresources.com.au

Quarterly Activities Report

For the quarter ending 30 June 2016

Highlights

- **Milestone quarter for Kingston with significant expansion of its lithium portfolio and commencement of accelerated exploration program.**
- **Mt Cattlin Project tenements granted with initial geochemistry work highlighting pegmatite targets completed.**
- **Subsequent to Q4 FY16, Kingston shareholders approved a \$6.85m capital raising, acquisition of lithium exploration assets and new senior management appointments.**

Kingston Resources ("Kingston" or "the Company") has had an exciting and successful June quarter. On May 13 2016, the Company announced it was to acquire four lithium exploration projects in Western Australia and the Northern Territory. Alongside this it would seek to appoint new senior management and raise \$6.85m to fund the acquisition and exploration program. At the EGM held on 4 July 2016, shareholders voted overwhelmingly in support of all elements of this transaction.

Key board and senior management appointments included Mr Anthony Wehby as Chairman and Mr Andrew Corbett as Managing Director. Both bring a combination of mining and financial market experience and join the Company at an important time as it expands within the Australian minerals exploration sector (refer ASX announcement 5 July 2016).

During the quarter, Kingston was granted the Mount Cattlin Project tenements E74/570 and E74/571. Initial geophysics work has highlighted numerous pegmatite targets which will be field-checked, mapped and sampled through Q1 FY17 with the aim to commence drilling as soon as possible (refer ASX announcement 29 June 2016). Initial rock chip sampling has delivered a number of high grade assays (refer ASX announcement 13 July 2016). Alongside work at Mt Cattlin, exploration work has also commenced at the Company's NT lithium prospects.

Andrew Corbett, Managing Director, said "With an attractive portfolio of lithium exploration assets, a refreshed board and management team, and a robust funding position, Kingston is well placed to advance its lithium project pipeline and enhance its position within the Australian mining sector."

Kingston expands lithium strategy

Kingston has acquired 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 (figure 1). 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. Additional information is available in Kingston's corporate presentation (refer ASX announcement 4 July 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.

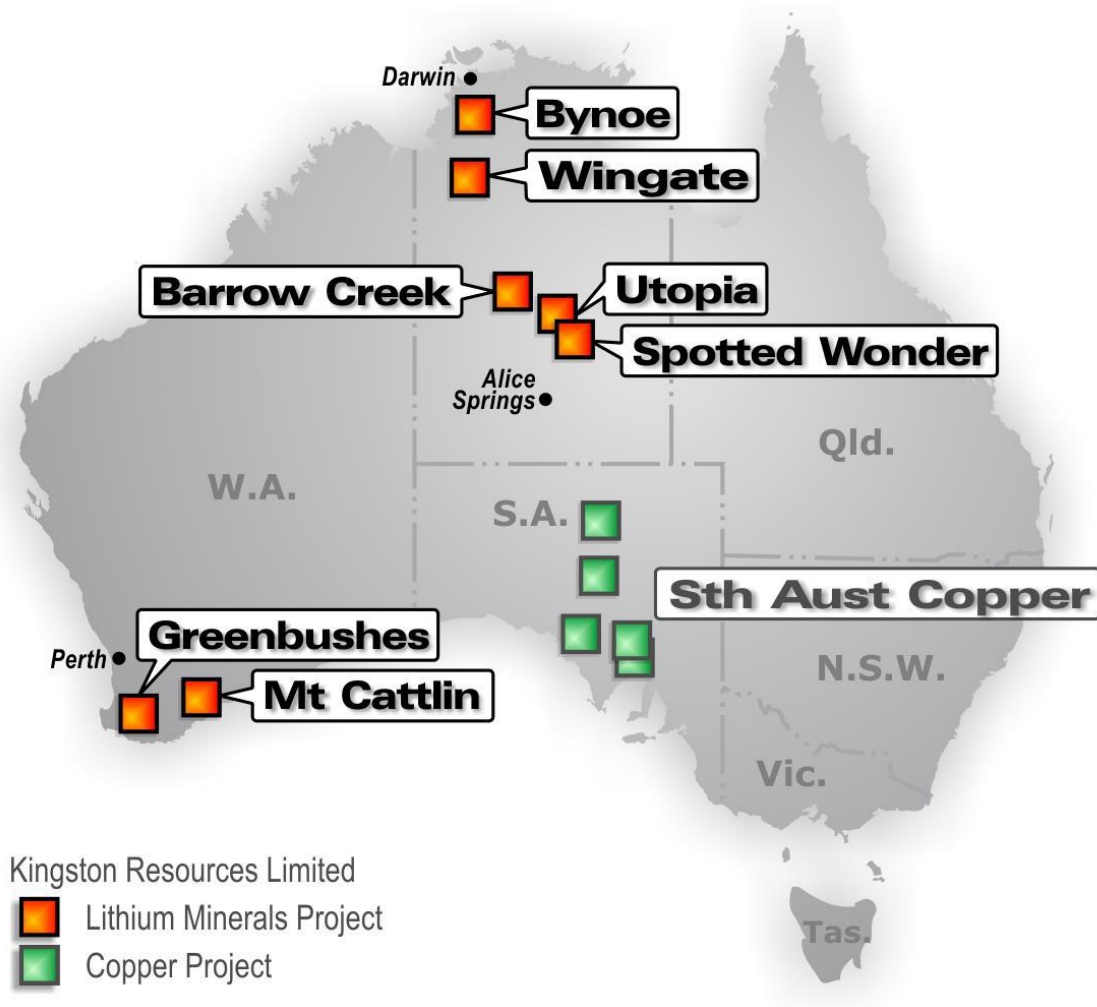


Figure 1: Kingston's Expanded Lithium Portfolio

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 and includes the high grade priority prospect Deep Purple South (figure 2)



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.

Successful Capital Raising

In order to fund the acquisition of the new tenements and ensure the Company is well positioned to advance its aggressive exploration strategy Kingston successfully raised A\$6.85m through Q4 FY16, with shareholder approval granted at the EGM held on 4 July 2016.

Board and Management Appointments

Concurrent with the lithium transaction and capital raising, new senior appointments were confirmed:

- **Mr Anthony Wehby** was appointed as Non-Executive Chairman.
- **Mr Andrew Corbett** was appointed as Managing Director and CEO.
- **Mr Andrew Paterson** was appointed as Chief Geological Officer.

In addition to these key appointments, Mr Stuart Rechner has resigned as Executive Director and now assumes a Non-Executive Director role, and Mr Yafeng Cai continues as Non-Executive Director of Kingston Resources.

Mt Cattlin tenements granted, initial geophysics work highlights prospectivity for pegmatites

During Q4 FY16, Kingston was granted the Mt Cattlin Project tenements, E74/570 and E74/751 (figure 3). These provide Kingston with access to 77 km² of a highly prospective lithium pegmatite field 15km from the Mt Cattlin Lithium Mine (GXY/GMM). In May 2016, Kingston commissioned Terra Resources Pty Ltd to interpret and target potential pegmatite responses observed in existing open file airborne geophysical data across its Mt Cattlin lithium project tenements. The detailed open file survey was conducted on 50m line spacing, and contains high quality magnetic and radiometric data.

The targeting produced a series of radiometric anomalies throughout the tenement package, which are often indicative of potassium feldspar-rich zones of outcropping pegmatites. The limitation of radiometrics in exploring for lithium-bearing pegmatites is such that it will only show pegmatites that are clearly outcropping, and not obscured by sedimentary cover. The signatures of the geophysical anomalies were cross-referenced with areas of known lithium mineralisation, such as the Mt Cattlin Mine pegmatite (GMM/GXY), to establish a benchmark for the targeting.

The Kingston exploration team intends to focus on testing the geophysical targets produced from this study. This can be done relatively cheaply and quickly by geological mapping and, if lithium mineralisation is noted, surface rock-chip sampling to determine grade. This will be followed by a detailed soil sampling program over the Deep Purple South Prospect as well as the other high priority targets discussed in this release. The Company believes

that the area has an in-situ soil profile which will provide a consistent sampling media which will be used to identify Lithium Caesium Tantalum (LCT) type pegmatite characteristics both from outcropping rocks and under shallow cover. Results of the proposed soil samples will form priority mapping targets which will be investigated, mapped and sampled in greater detail. Positive results at individual prospects will form the basis for an initial drilling program within the Mt Cattlin Project which is anticipated to commence in the coming months.

Regional Exploration Summary

The Company has now commenced exploration work in both Western Australia and Northern Territory.

- **Mt Cattlin (WA)**
 - Field work has commenced, initially focussing on the Deep Purple South prospect.
 - A geochemical soil sampling work program is underway.
 - Field mapping and sampling program is underway.
 - The Company has commenced planning for Aboriginal heritage work.
 - The Company has submitted a Program of Work with the DMP for Mt Cattlin.
- **Bynoe & Wingate Projects (NT)**
 - The Company has completed a preliminary reconnaissance trip to investigate access to tenements located within the Pine Creek pegmatite province.
 - Significant progress has been made in moving a number of these tenements towards granting.
- **Barrow Creek, Spotted Wonder, Utopia and Moonlight Projects (NT)**
 - Preliminary fieldwork has been completed in the northern Arunta region.
 - These projects are located within the Barrow Creek Pegmatite Province and the Alcoota Pegmatite District.
 - Northern Territory Geological Survey (NTGS) rock chip and whole-rock assays indicate elevated levels of Cs and Rb, with assays up to 1800ppm** Ta at Spotted Wonder. Very few lithium assays are available in the NTGS data set.
 - A fourth project has been pegged as EL31214 southeast of Spotted Wonder in an area of numerous historic mica workings. This application is known as the Moonlight Project.
- **South Australian Copper**
 - The Company has submitted an application for co-funding through the South Australian Government PACE Discovery Drilling (2016) for its proposed IOCG drilling program.
 - The Company continues to assess its South Australian tenure for potential IOCG focused drill targets, in addition, Kingston management has initiated a strategic review over these tenements/JV (12 leases, 3,373 km²) to determine both priorities and alignment with the current corporate strategy.

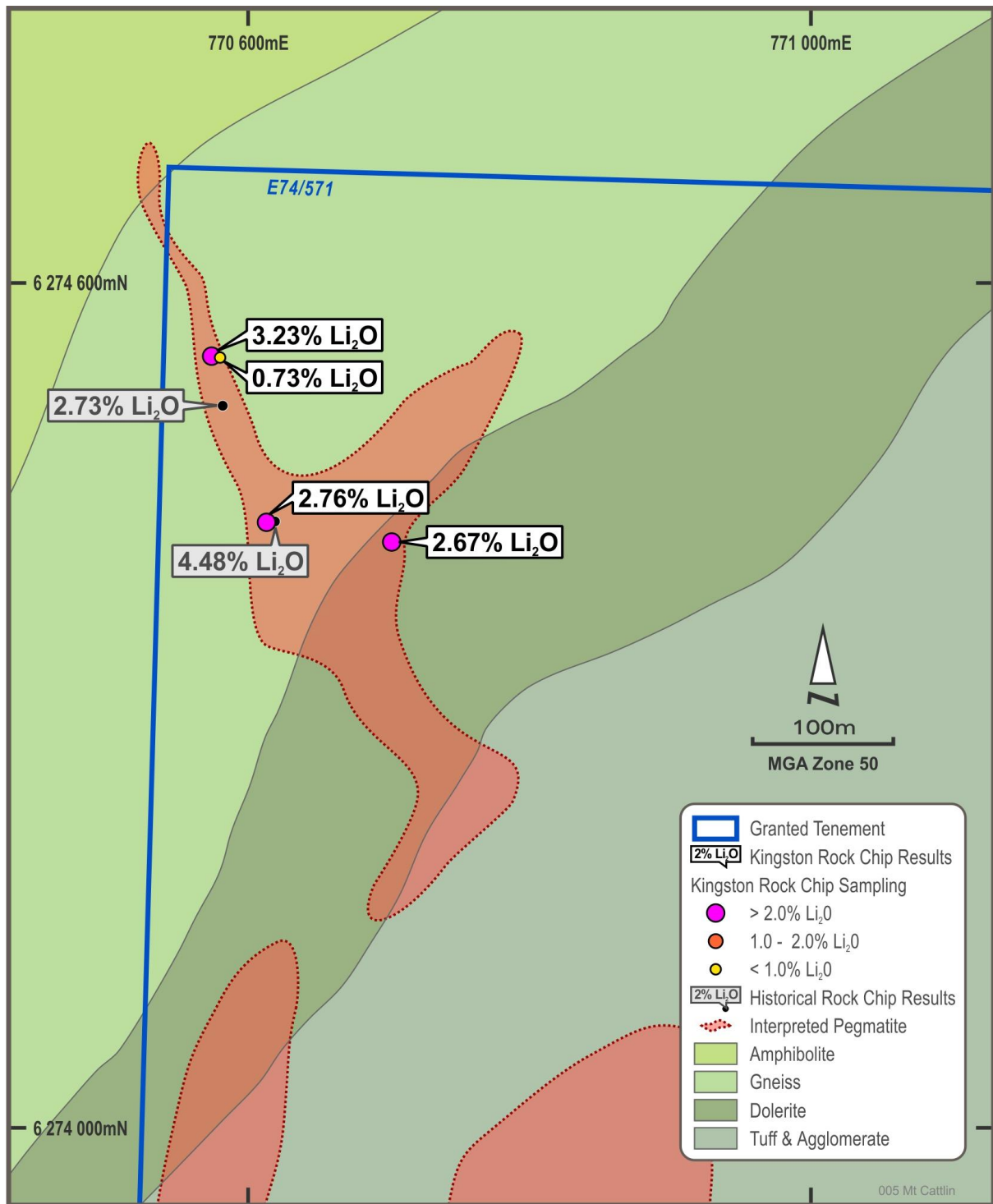


Figure 2: Selected KSN and GXY* rock chips at Deep Purple South

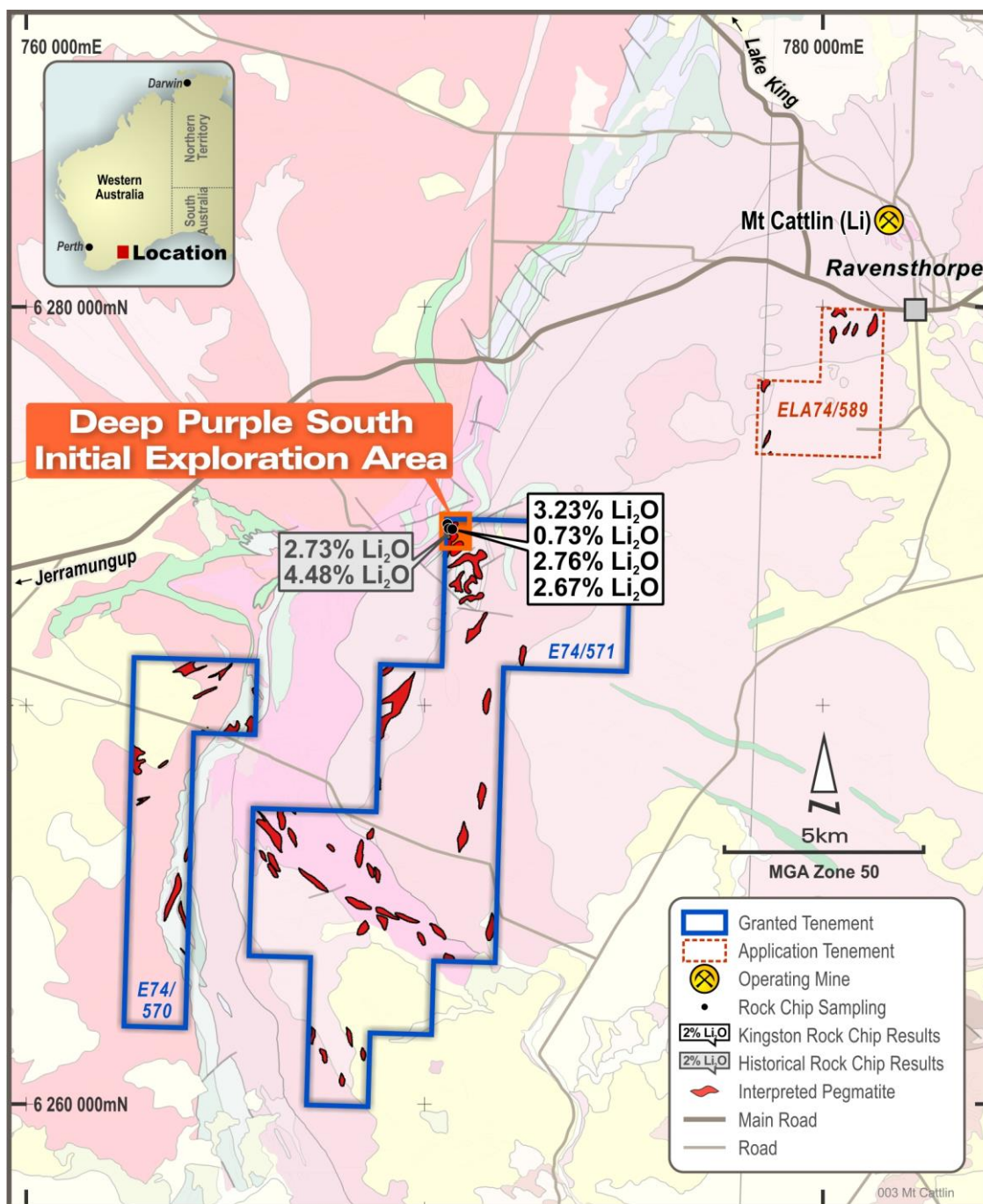


Figure 3: Deep Purple South Initial Exploration Area

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

**NT Department of Mines and Energy Geological Survey STRIKE open file data: strike.nt.gov.au

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 %	New application	17
E 74/571	Mt Cattlin	Live	100 %	New application	60
E 74/589	Mt Cattlin	Pending	100 %	New application	9
E 74/577	Recruit Hill	Pending	100 %	New application	130
E 70/4822	Greenbushes	Pending	100 %	New application	6
Subtotals WA					222
Tenement	Project/Name	Status	Ownership	Change Since Last Quarter	Area km ²
EL 31091	Charlotte	Pending	100 %	New application	15
EL 31092	West Arm	Pending	100 %	New application	18
EL 31132	Wingate North	Pending	100 %	New application	193
EL 31133	Bynoe A	Pending	100 %	New application	23
EL 31134	Bynoe B	Pending	100 %	New application	13
EL 31136	Bynoe South C	Pending	100 %	New application	77
EL 31150	Bynoe South D	Pending	100 %	New application	3
EL 31151	Bynoe South A	Pending	100 %	New application	26
EL 31200	Bynoe SW A	Pending	100 %	New application	54
EL 31205	Bynoe SW BA	Pending	100 %	New application	27
EL 31206	Bynoe SW BB	Pending	100 %	New application	30
EL 31207	Bynoe SW BC	Pending	100 %	New application	19
EL 31137	Utopia	Pending	100 %	New application	200
EL 31138	Spotted Wonder	Pending	100 %	New application	73
EL 31141	Barrow Ck B	Pending	100 %	New application	12
EL 31148	Barrow Ck A	Pending	100 %	New application	173
EL 31242	Barrow Ck	Pending	100 %	New application	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 %	New application	130
Subtotals NT					2,060
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

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/2013

Name of entity

KINGSTON RESOURCES LIMITED (ASX: KSN)

ABN

44 009 148 529

Quarter ended ("current quarter")

30 June 2016

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(147)	(456)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(52)	(355)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	3	9
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (R&D Refund & GAAP funding)	13	237
Net Operating Cash Flows		(183)	(564)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	(209)	(209)
	(c) other fixed assets	(2)	(2)
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	35	35
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	(5)	(5)
Net investing cash flows		(181)	(181)
1.13	Total operating and investing cash flows (carried forward)	(369)	(751)

1.13	Total operating and investing cash flows (brought forward)	(369)	(751)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	840	1,200
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – expenses related to issue of shares	(106)	(115)
	Net financing cash flows	734	1,085
	Net increase (decrease) in cash held	370	340
1.20	Cash at beginning of quarter/year to date	275	306
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	645*	645

Payments to directors of the entity, associates of the directors, related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	63
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Note: * Subsequent to the end of the quarter, on July 4 Kingston shareholders approved a \$6.85m capital raising, acquisition of lithium exploration assets, and new senior management appointments. Settlement of Tranche 2 occurred on 7th July 2016.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	375
4.2 Development	-
4.3 Production	-
4.4 Administration	250
Total	625

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	14	2
5.2 Deposits at call	631	273
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	645*	275

Changes in interests in mining tenements and petroleum tenements

	Tenement reference and location	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements and petroleum tenements relinquished, reduced or lapsed	*		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	*		

*Refer to attached Quarterly Report for LR 5.3.3 Tenement Information

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (description)	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 +Ordinary securities	209,079,509	209,079,509		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	40,000,000	40,000,000	\$0.021	\$0.021
7.5 +Convertible debt securities (description)	Nil	Nil		

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil	Nil		
7.7	Options (description and conversion factor)	7,058,823	-	Exercise price \$0.03	Expiry date 30 June 2019
7.8	Issued during quarter	Nil	Nil		
7.9	Exercised during quarter	Nil	Nil		
7.10	Expired during quarter	28,624,769	28,624,769	\$0.07	30 June 2016
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

2 This statement does ~~does not~~* (delete one) give a true and fair view of the matters disclosed.



Sign here:

Date: 27th July 2016

(Director/Company secretary)

Print name: Mathew Whyte

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.