



## Kingston Resources Limited

ACN 009 148 529

EL31137, EL31213

Utopia Project



Annual Technical Report

3/10/16 – 31/1/18

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## Summary

Slipstream WANT Pty Ltd pegged EL31137 targeting the areas potential to host hard rock lithium in pegmatite mineralisation. Universal Rare Earths Pty Ltd pegged EL31213 surrounding EL31137 at about the same time

The current price rises and interest in lithium is due to its increase in global demand as a result of lithium's use in battery technologies. This has resulted in a 'lithium rush' with numerous exploration licences pegged or re-evaluated based on its pegmatite hosted lithium prospectivity. The Utopia Project was pegged to explore for pegmatite hosted lithium mineralisation. Slipstream WANT Pty Ltd then entered into a corporate transaction with Kingston Resources Ltd (who owned Universal Rare Earths Pty Ltd) to acquire a number of other lithium projects including the Arunta Project as well as other projects at Mt Cattlin (WA) and Bynoe (NT).

Kingston has undertaken reconnaissance fieldtrips and soil sampling within the Utopia Project. Minor historical workings have been 'rediscovered', but no significant LCT geochemical indicators have been identified in either the rock chip sampling or the regional soil sampling undertaken thus far.

<b>Title</b>	<b>Next Reporting Period</b>	<b>Year</b>
EL31137	03/10/2016 – 31/01/2018	1
EL31213	10/10/2016 – 31/01/2018	1

Table 1: GR453 Tenement reporting periods

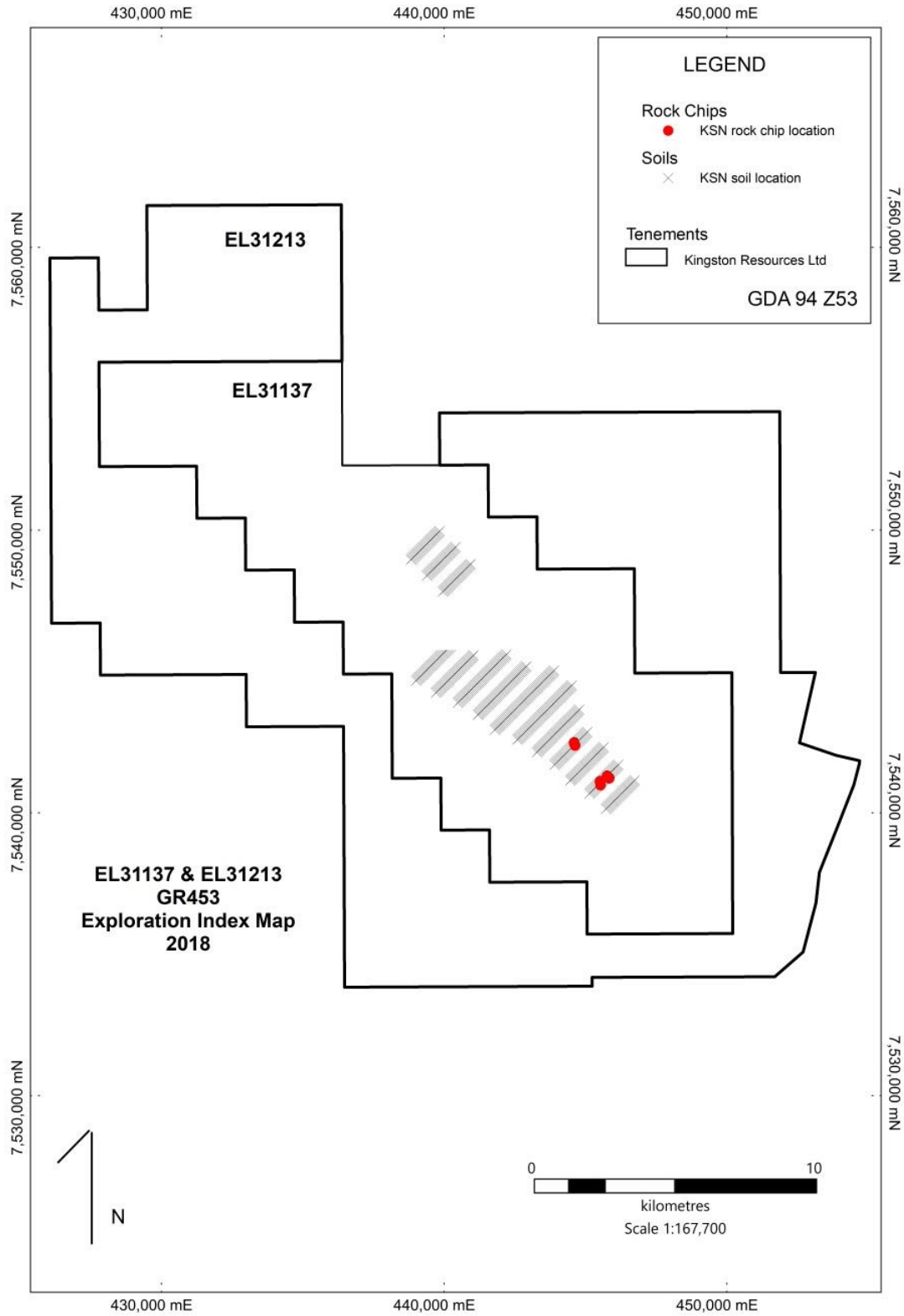


Figure 1: GR453 2018 Exploration Index Map

## Location and General Discussion

The Utopia Project is located on pastoral land approximately 150km north east of Alice Springs in central Australia.

Access within the project is Northwards via the Stuart Highway from Alice Springs, then eastwards via the Plenty Highway, and northeast along the Sandover Hwy.

The climate in the area arid, sub desert with flat sandy plains and low level hills formed as either granitic rises or sheared schist ridges.

The Utopia Project forms part of Kingston's broader Arunta Project. The Arunta Project totals eight granted tenements and one tenement application at the Barrow Creek, Utopia, Spotted Wonder and Moonlight areas (Figure 2).

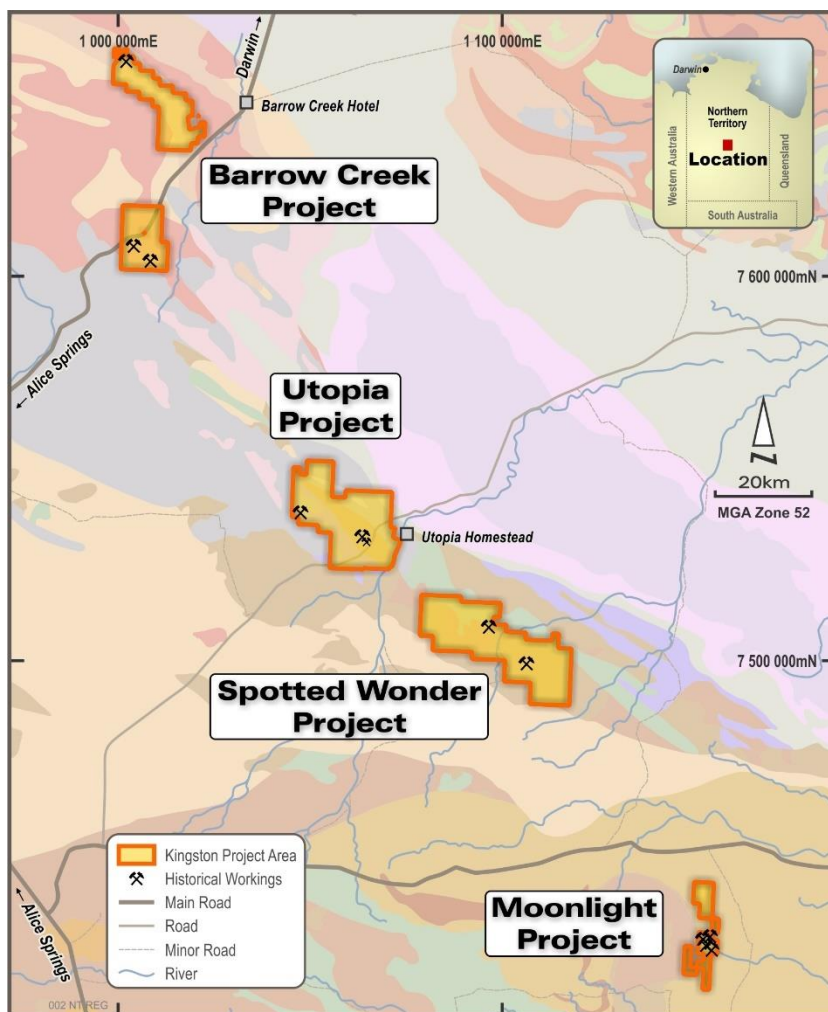


Figure 2: Kingston's Arunta Project

## Tenure

The Utopia Project tenements are held by Slipstream WANT Pty Ltd and Universal Rare Earths Pty Ltd both of which are 100% owned subsidiaries of Kingston Resources Ltd, who is the operator. The tenements were granted in October 2016. This report represents the first annual technical report for the tenement.

The tenements cover 158 granitular blocks covering 487km<sup>2</sup>.

Tenement	Status	Holder	Land Status	Grant Date	Expiry	Legal Area	Area SqKm
EL31137	Live	Slipstream WANT Pty Ltd	Lease	3/10/2016	3/10/2022	63	200
EL31213	Live	Universal Rare Earths Pty Ltd	Lease	10/10/2016	10/10/2022	95	287

Table 2: Tenement details

## Previous Exploration Activities

Title Type Code	Title Number	Date Granted	Date Ceased	Report ID	Holder(s)	Work undertaken within GR453
AP	1556			CR1966-0015	Kennecott Explorations (Australia) Pty Ltd	Targeting copper
AP	2430	25/11/1969	24/05/1972	CR1971-0067, CR1970-0076	Utah Development Company	Targeting uranium, Airborne radiometrics
EL	1454	1/04/1977	31/03/1979	CR1979-0092, CR1979-0035, CR1978-0049	Otter Exploration	Targeting uranium, collected airborne geophysics
EL	2248	14/05/1980	13/05/1981	CR1981-0132	Jays Exploration Pty Ltd	Targeting tantalite, checking radiometric anomalies including Auger Drilling
EL	5903	20/06/1988	2/06/1989	CR1989-0706	Track Minerals, Eon Minerals	Targeting gold, sampling
EL	8017	11/05/1993	10/05/1999	CR1995-0562, CR1994-0356	RIO TINTO EXPLORATION PTY LIMITED	Targeting copper (base metals), rock chip sampling, diamond drilling

EL	23187	15/07/2002	26/08/2003	CR2003-0444	GOLDSTAKE EXPLORATION S INC	No work
EL	9836	13/08/2003	12/08/2009	CR2009-0545, CR2008-0431, CR2007-0364, CR2006-0558, CR2006-0411, CR2005-0590, CR2005-0437, CR2004-0689, CR2004-0051	Tanami Exploration: DEEP YELLOW LIMITED	Tanami: Targeted gold in Ledan Schist. Deep Yellow: Targeting gold/uranium
EL	24355	25/03/2005	13/02/2009	CR2009-0568, CR2008-1057, CR2007-0764, CR2007-0573, CR2006-0088	IMPERIAL GRANITE & MINERALS PTY LTD	Targeted Ta, Sn, W and Mo, rock chip sampled
EL	27642	8/04/2010	19/06/2013	CR2013-0455, CR2012-0323, CR2011-0149	ONEVA EXPLORATION PTY LIMITED	Targeting gold, soil sampling identified three areas of interest, consultants recommended further work targeting gold in main Central Sandover target

Table 3: Summary of previous exploration covering GR453

#### Summary of previous exploration relevant to Kingston's Utopia Project

Kennecott completed trenches that yielded ample stratiform copper, but below ore grade value. Selected stream sampling, soil sampling and three drillholes produced low value copper; best results Cu 1.56% from sampling.

DME completed four diamond drillholes totalling 662m. No economic mineralisation was found although Cu, Pb & Zn were reported at intersections. The drillholes were located westerly from Skinner Bore. These holes were further investigated by Utah Developments who were evaluating the potential of lithological units occurring in the middle stratigraphic horizon of the Central Mount Stuart Beds for stratiform base metal mineralisation with special reference to stratiform copper. Stream sampling, soil sampling and eleven auger holes designed to penetrate the C-horizon all provided low base metal values.

GH Griffiths for Utah completed a study of drillcore and data gained from Mines & Energy drillholes 1 and 2, drilled in 1968, confirming the presence of mineralised beds over a wide area. Chalcopyrite was noted to occur in thin horizons of grey sediments within the predominantly red sediments of the Central Mount Stuart Beds. These grades were low. Griffiths mentions after studying drillcore that conformable chalcopyrite exists at around 2% visible coarse sulphide content.

Griffiths also details horizons and sequences of lithological beds within the Mount Skinner basin, comprising cupriferous grey and red beds, constituting the Central Mount Stuart Beds that crop out around the sides of the Mount Skinner plateau.

Otter Exploration collected and followed up on airborne radiometric anomalies at Mollie Bluff and south to just below the Mount Skinner (Utopia) tantalite field where some crystals were sourced. Otter was exploring for uranium by attempting to determine the source of radiometric anomalies. No significant uranium results were returned in rock chips.



Jays Exploration were the first to use 'modern exploration' over the Utopia tantalum fields. Jays completed 12 lines of drillholes within close proximity of the Utopia tantalite diggings, covering within Kingston's Utopia Project. Jays were testing the area for its potential to host alluvial tantalite concentrations, but results were disappointing. They reported locating two pods of quartz hosting tantalite, however, they felt that insufficient mineralisation did not permit economic distribution. Minor cassiterite was located shedding from one of the pegmatites. Jays reported undertaking 112 shallow holes in 12 line traverses. Whilst average depth of holes per line is given, specific depths for each hole are not. The samples were assayed for Ta<sub>2</sub>O<sub>5</sub>, Sn, Nb<sub>2</sub>O<sub>5</sub> and Fe<sub>2</sub>O<sub>3</sub>, but units and analytical technique is not detailed.

From the late 1980's until early 2000's the exploration in the area was focused on the base metal potential of the area including assessment of previous work and surface sampling. This work was mainly undertaken by CRA.

Imperial Granite & Minerals Pty Ltd investigated the Utopia tin and tantalum field exploring for Tantalum, Wolfram, Molybdenum and Tin. Field investigations and rock chip sampling was undertaken with a total of seven samples collected with the highest tin assay recording 0.213% Sn.

Oneva Exploration Pty Ltd investigated the Utopia tin and tantalum field targeting the region for Tantalite, Bismuth, Niobium, Gold, Tin & Tungsten. Oneva collected 275 Ionic soil samples in two phases of sampling. They identified a number of anomalous areas. These areas were followed up with ground reconnaissance with their "Sandover Central area" identified as the most prospective for gold. This area encompasses the Utopia tin and tantalum historic workings. Whilst consultants recommended trial drill testing none was completed.

## Geology

The Utopia Pegmatite Group of which the entire known occurs are located within KSN's tenure is described as consisting of numerous pegmatites, varying from veins to dykes of considerable size. Within the historical workings at Utopia 1 prospect there is a quartz vein that contains large salmon coloured K-feldspar to 10 cm. A feldspar-quartz (-tourmaline) pegmatite is present adjacent to the vein quartz on the northern side and to the east, where the quartz vein splits and narrows into two limbs. There is no greisen developed and only a trace of white mica in the pegmatite. Historic workings at the Utopia 3 prospect produced minor tantalite from eluvium, but no tantalite was found in outcrop, although accessory biotite, tourmaline, magnetite, beryl and bismuth minerals were identified. The pegmatite was described as being zoned, with a massive quartz core rimmed by a zone of quartz-feldspar, surrounded by a zone of finely crystalline muscovite-quartz-feldspar, enclosed in a thin border of fine-to medium-grained tourmaline-muscovite-quartz-feldspar. A few pegmatite veins were said to lack tourmaline and others lacked, or contained very little, muscovite. Garnet was reported in very small amounts in the outer zone of the main workings. In addition, a banded, porphyritic biotite granite, containing minor tourmaline and biotite pegmatite segregations has been identified about 2 km to the northwest of Utopia 3.

The sampling highlighted the pegmatites within the project tenure as having elevated levels of the critical elements required to produce LCT pegmatites. There were elevated average levels of Cs (>77ppm), Rb (>899ppm), Li is low (>25ppm) however and low levels of Fe, Ca and Mg. The Utopia pegmatite group has very encouraging indications for LCT type pegmatites. The project requires modern, focused exploration to fully assess the area's potential.

## Exploration Undertaken

### Land Access

As part of Kingston's land access policy in the Northern Territory an AAPA search of recorded and registered sacred sites was requested. Results indicated no significant sites in the area of the Utopia historical tantalite workings.

Kingston staff had e-mail, phone and in person conversations with the pastoral owners at Mt Skinner (Mr Grant Barber). No objections were raised with us visiting and sampling as part of our exploration programs.

### Reconnaissance fieldtrips

Located within Mt Skinner Station which can be accessed via either the Sandover Hwy or up the Waite River rd. The gazette track which runs ~E/W from the Mt Skinner homestead through the Utopia Sn field has been closed and is not accessible.

Kingston visited the utopia area in March 2016, July 2016 and had a failed attempt (due to localized rain) in February 2017. During the reconnaissance field trip undertaken in July 2016 the four reported mineral occurrences within the Utopia Tin field were investigated (Table 4). The Utopia Tin 2 site was found to have minor workings at the reported location whilst no evidence of previous workings were identified at the other sites. The workings located thus far in the Utopia tin field are very small in scale with little to no evidence of economic minerals. Rock chip samples collected from the Utopia tantalum field are detailed in Appendix 1.

Location	Easting	Northing	Occurrence	Tenement	Comment
Loc 15	445728	7541270	Utopia 2 Tin	EL31137	Two minor sites were identified, a small 4 * 4m flat hole filled with mud, minor workings in pegmatite with two 1m holes in 'clean' pegmatite (samples 5079-5082)
Loc 16	445690	7541070	Utopia 1 Bismuth	EL31137	No workings located
Loc 17	445515	7541076	Polonis Mica	EL31137	Evidence of small costeaning, no obvious workings (5083)
Loc 18	444550	7542490	Utopia 3 Tantalum	EL31137	No workings located (5084-5085)

Table 4: Utopia mineral occurrences location and site visit summary

## Soil sampling

After the disappointing results from the selected rock chip sampling programs Kingston decided that a systematic soils program over the historic tantalum fields and its surrounds was justified to test for LCT type indicators and potential trends. KSN has had success identifying LCT pegmatites using a simple coarse sieved soil technique at its Spotted Wonder Project to the south east of the Utopia Project. Kingston engaged XM Logistics to collect a series of NE striking traverses across the Utopia tantalum field with results displayed in Figure 3.

Results of the soil sampling program were disappointing, with only low level lithium, caesium and tantalum identified (Appendix 2). When slightly elevated results were detected they were focused within the historic workings area. No distinctive regional trends could be determined from the soil data.

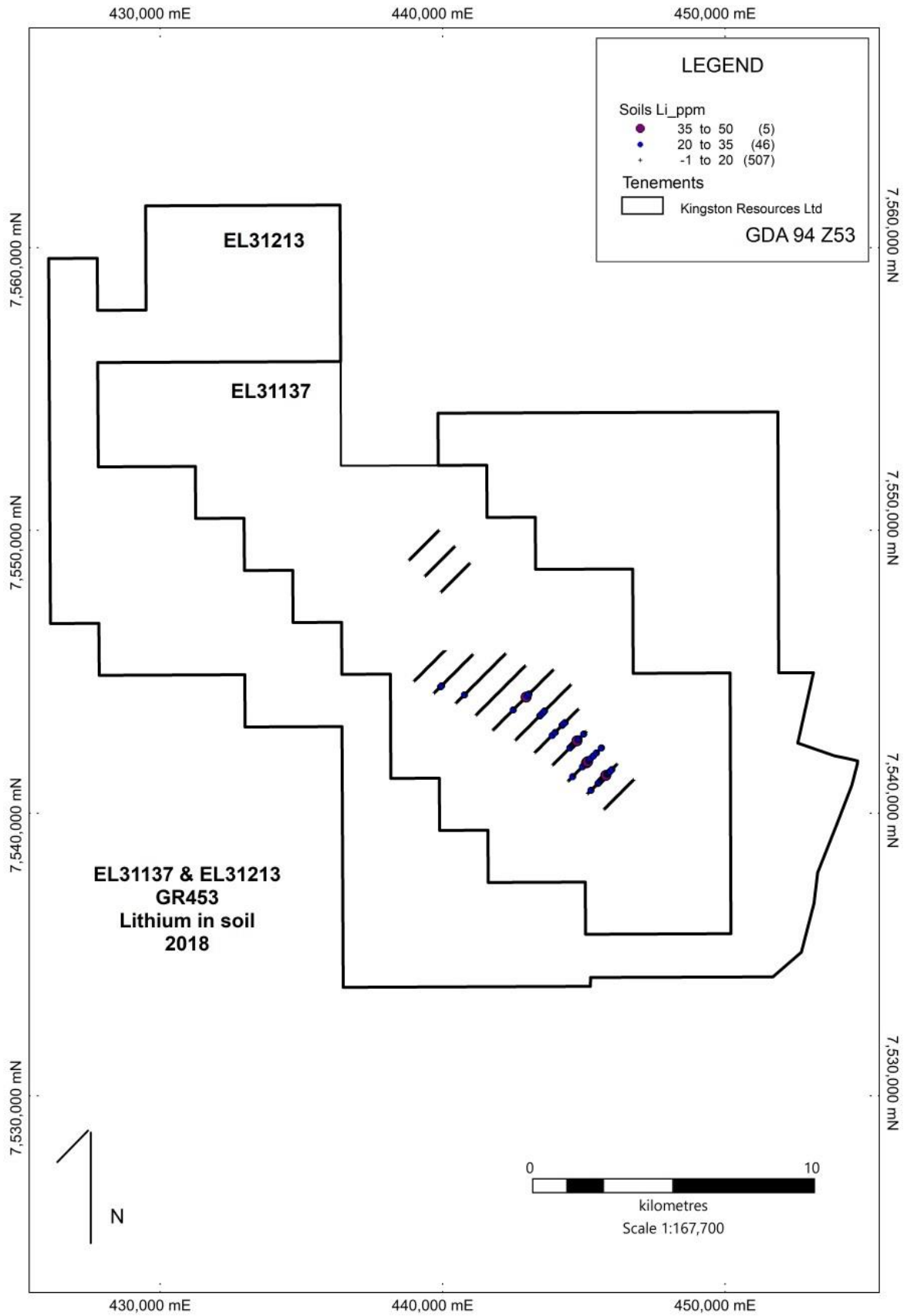


Figure 3: Lithium in soil from Utopia soil program

## Conclusions and Recommendations

Kingston's initial rock chip sampling and soil grid has reduced the potential of the area to host LCT type pegmatites. Kingston's next step is to look outside of the immediate Utopia tin and tantalum workings for surface geochemical trends indicating LCT pegmatites.

## Expenditure

The total claimed expenditure for the Utopia Group Reporting tenements for the 2018 (1<sup>st</sup> year) reporting period is **\$58,450** (EL31137 & EL31213).

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