Kingston Resources Limited

ACN 009 148 529

Group Report 452

EL31138, EL31212, EL31285

Spotted Wonder Project

Annual Technical Report

3/10/16 – 14/1/18

Author: N Chalmers
Tenement Holder: Slipstream WANT Pty Ltd, Universal Rare Earths Pty Ltd
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250 000 K mapsheet	Alcoota (SF5310)
100 000 K mapsheet	Delny (5852), Utopia (5853)
Contact details Postal	Suite 205/283 Alfred St North, North Sydney NSW 2069
Fax	
Phone	+61 2 8021 7492
Email for further technical details	geo@kingstonresources.com.au
Email for expenditure	geo@kingstonresources.com.au

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Suite 205/283 Alfred St North, North Sydney NSW 2069
+61 2 8021 7492 info@kingstonresources.com.au

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Summary

Slipstream WANT Pty Ltd pegged EL31138 targeting the areas potential to host hard rock lithium in pegmatite mineralisation. Universal Rare Earths Pty Ltd pegged EL31212 surrounding EL31138 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 Spotted Wonder 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).

The Spotted Wonder Project has been a priority project for Kingston Resources Ltd during this first year of tenure. Kingston identifies the Arunta Region, particularly the northern Aileron Province as a highly prospective, underexplored region for pegmatite hosted lithium mineralisation. IN this first year of granted tenure Kingston has undertaken reconnaissance field assessments, mapping, rock chip sampling, soil sampling and petrological investigations within the Spotted Wonder Project. This work has resulted in the identification of two drill ready targets, the Delmore Prospect and the Tank Hill Prospect.

Title	Next Reporting Period	Year
EL31138	03/10/2016 – 14/01/2018	1
EL31212	10/10/2016 – 14/01/2018	1
EL31285	07/12/2016 – 14/01/2018	1

Table 1: Group Reporting tenements time period for this first ATR

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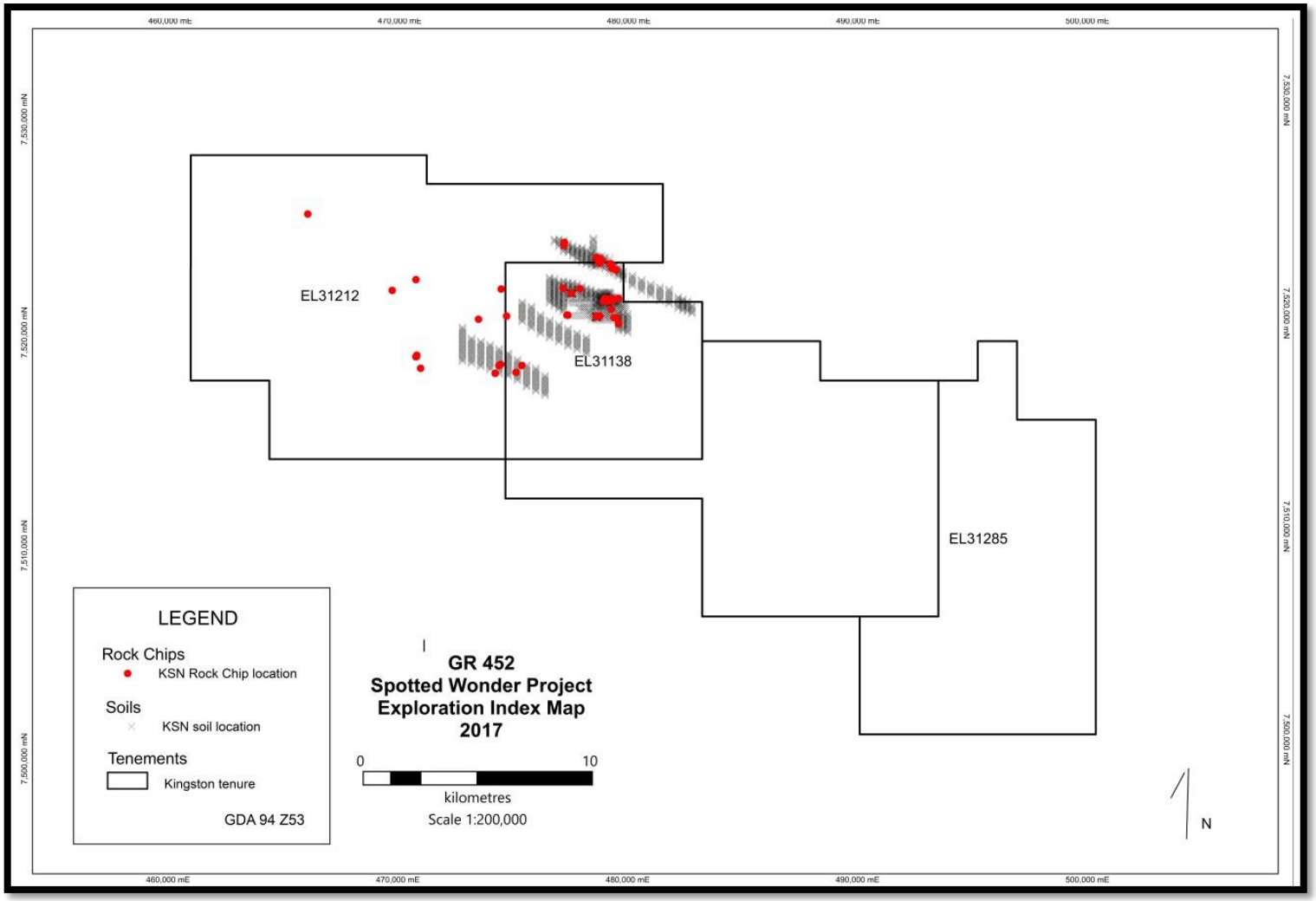

Figure 1: GR 452 Spotted Wonder Project Exploration Index Map 2018

Location and General Discussion

The Spotted Wonder 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, thence north via gravel roads to Spotted Wonder Project on Delmore Downs Station.

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

The Spotted Wonder 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).

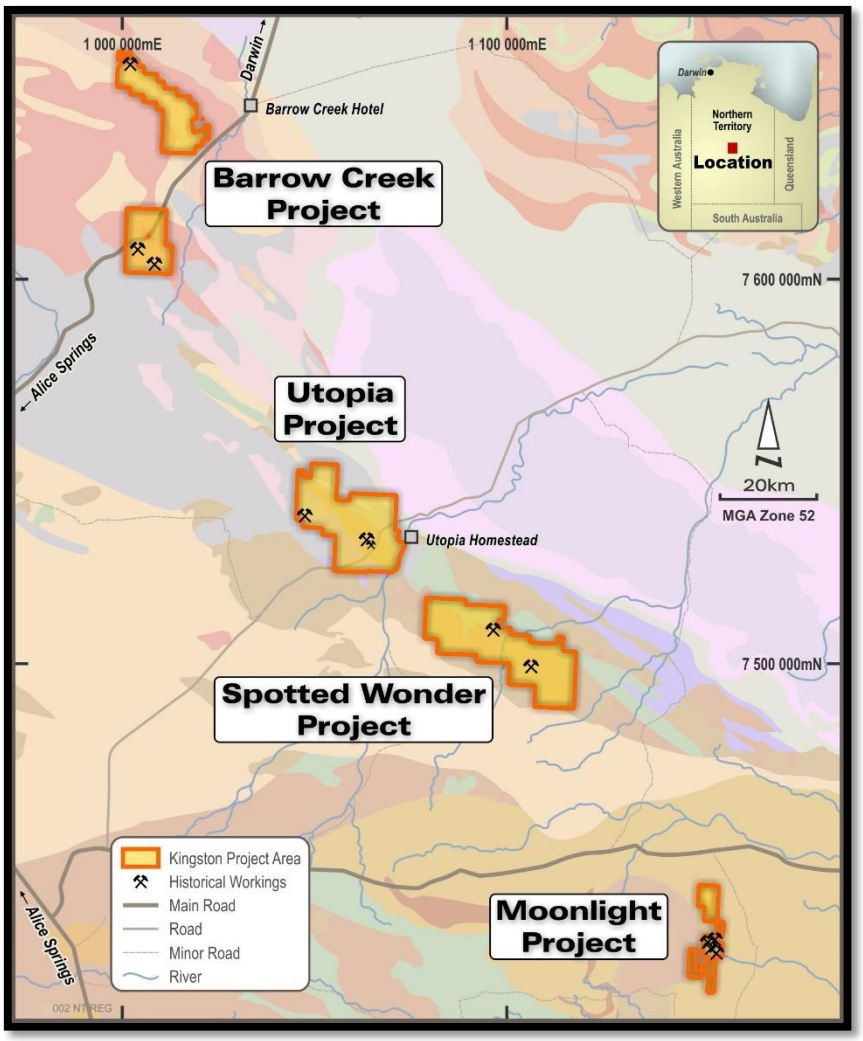

Figure 2: Kingston's broader Arunta Project

Tenure

The Spotted Wonder 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 and November 2016. This report represents the first annual technical report for the tenement.

The tenements cover 174 gratitular blocks covering 547km^2.

Tenement	Status	Holder	Land Status	Grant Date	Expiry	Legal Area	Area SqKm
EL 31138	Live	Slipstream WANT Pty Ltd	Lease	3/10/2016	3/10/2022	23	73
EL31285	Live	Universal Rare Earths	Lease	23/11/2016	23/11/2022	41	130
EL31212	Live	Universal Rare Earths	Lease	10/10/2016	10/10/2022	110	344

Table 2: Tenement details summary

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Previous Exploration Activities

Title Type Code	Title Number	Date Granted	Date Ceased	Report ID	Holder(s)	Work undertaken within GR452
EL	32	21/03/1972	20/03/1973	CR1973-0208	Neptide Mineral Exploration Pty Ltd	surface sampling east of Delmore Downs
EL	1453	1/04/1977	31/03/1979	CR1979-0091, CR1979-0035, CR1978-0048	Otter Exploration NL	airborne radiometric survey, located W in Delny Gneiss
AP	1726	7/04/1967	6/04/1969	CR1969-0010	Central Pacific Minerals	base metal, uranium phosphate targeted, minor sampling Delny area
EL	2390	24/04/1980	23/04/1982	CR1981-0196	JAYS EXPLORATION	Auger drilling at Spotted Wonder/Saunders area, assayed for Ta, Sn, Nb, Fe + Ti
EL	2493	12/09/1981	11/09/1982	CR1982-0358	CRA Exploration	Drainage survey
AP	2587	27/01/1970	26/01/1972	CR1971-0040	Kratos Uranium	Radiometric survey
EL	5902	20/06/1988	2/06/1989	CR1989-0705	Track Minerals Pty Ltd	stream sediments, rock chip sampling, targeting Au or base metals
EL	9373	12/12/1996	20/09/1999	CR1999-0460, CR1999-0117, CR1999-0038, CR1998-0115	HELIX RESOURCES LIMITED	lag + stream sediment sampling
EL	9806	18/11/2002	17/10/2007	CR2007-0595, CR2006-0577, CR2006-0558, CR2005-0604, CR2005-0590, CR2005-0550, CR2004-0689, CR2004-0051	TANAMI EXPLORATION NL	minor sampling
EL	22924	23/12/2002	7/07/2010	CR2010-0601, CR2010-0233, CR2009-0353, CR2008-1018, CR2008-0236, CR2007-0756, CR2006-0558, CR2005-0590, CR2004-0759, CR2004-0689, CR2004-0131, CR2004-0051	TANAMI EXPLORATION NL	
EL	25626	18/07/2007	7/09/2010	CR2010-0672, CR2009-0717, CR2009-0655, CR2008-0355	DYNASTY RESOURCES LIMITED	uranium in calcrete
EL	26367	13/03/2008	29/05/2012	CR2012-0462, CR2011-0350, CR2011-0014, CR2010-0020, CR2009-0115	BLUEKEBBLE PTY LTD	desktop review
EL	26542	27/06/2008	3/06/2011	CR2011-0621, CR2010-0388, CR2009-0426	TORO ENERGY LIMITED	uranium review of radiometrics
EL	27645	14/04/2010	13/04/2017	CR2017-0187, CR2016-0339, CR2016-0317, CR2015-0444, CR2015-0328, CR2014-0351, CR2013-0618, CR2013-0437, CR2012-0346, CR2011-0205	FAR RESOURCES PTY LTD	Thorough review of past exploration, sampling, ground magnetics
EL	28366	8/09/2011	18/07/2013	CR2013-0645, CR2012-0855	WILKINSON RESOURCES PTY LTD	No groundwork undertaken
EL	28763	21/10/2011	18/07/2013	CR2013-0591	NATURAL RESOURCES EXPLORATION PTY LTD	minor sampling

Table 3: Summary of past explorers work within GR452 Spotted Wonder Project region

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- No previous lithium exploration in the Spotted Wonder region, very little throughout the Arunta
- Evidence of historic mining and costeaning
- Historic Ta and Sn exploration with shallow drilling
- A historic working within the Spotted Wonder area (termed Saunders Mine) visited by the NTGS who's rock chip sample of mullock 'pegmatite" AC07EEB176 contained 1900ppm Cs and 1800ppm Ta (Lithium not assayed)
- The only recorded mining activities in this area are a number of prospecting pits on a small gouging show named the Spotted Wonder on a pegmatite dyke within the southern drill polygon.
- Historical exploration activities have been exploration for tin/tungsten, base metals and uranium over the preceding 50 years.

The most relevant previous exploration programs in the Spotted Wonder project area was undertaken by Jays Exploration in the early 1980's. Jays Exploration were exploring for tantalum and undertook mapping and shallow auger drilling on Delmore Downs station coving the Saunder's Mine area approximately 1km west of KSN's Delmore Prospect. Excerpts from Jays Exploration report Powell P (1981) discusses what they identified at a number of target areas which KSN have either visited or intend to visit.

From Powell P (1981): The mica workings known as Poloni's mine (KSN yet to locate) are on the most westerly of a series of large and persistent quartz outcrops. They consist of an open cut of small size and some shallow shafts. The mine has not been worked for many years and most of the workings have fallen in but it does not appear to have been as large as the general run of mines in the Harts Range areas.

About 800 metres east of Poloni's mine, several pegmatite outcrops on the flat have been opened by shallow pits, mainly for tantalite.

Very little work has been done, but it is understood that a little surface tantalite was collected.

The amorphous phosphate griphite has been found near one of these outcrops in black reniform masses. Saunder's Mine (now known as Tommy's Show, worked by Tommy Williams of Goofy Bore), is about 800 metres east of the above mentioned workings. It consists of two small open cuts about 2 metres deep. It is claimed that between 1200 and 2000 kg., of tantalite was won from these cuts, although the figure seems high.

Jays Exploration undertook shallow auger drilling in the Spotted Wonder/Saunders Mine area. Forty shallow auger holes were completed and assayed for Ta_2O_5, Sn, Nb_2O_5, Fe_2O_3 and TiO_2, with minimal anomalous Tantalum results identified. No further information is provided in the report regarding the sample depths or assayed commodity units.

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Geology

The Spotted Wonder Project is located within the Mesoproterozoic Aileron Province within the Arunta Region. The project area is located near the northern structural boundary of the Aileron Province with the Neoproterozoic Georgina Basin to the north. The Aileron Province is Proterozoic in age and has been poly deformed by a number of deformation events including the Alice Springs Orogeny.

The Tank Hill prospect is located in an area of Proterozoic Ledan Schist. This unit consists of micaceous schist, minor para-amphibolite and metamorphosed conglomerate.

The nearby Delmore Prospect is located over an area of Delmore Metamorphics. This prospect is located over a high grade metamorphic suite comprised of calc-silicate rock, pelitic gneiss, and epidote quartzite. Within this suite are a number of pegmatite dykes which host the tungsten mineralisation. It is within these dykes that there is thought to be the potential to host lithium mineralisation

Exploration Undertaken

During this first year of exploration within the Spotted Wonder Project Kingston has undertaken reconnaissance fieldwork, collected 102 rock chips samples (Appendix 1) and 1382 soil samples (Appendix 2). This work has resulted in the identification of two priority drill targets called Delmore and Tank Hill.

Rock Chip Geochemistry

Kingston began its rock chip sampling programs in the Spotted Wonder Project in March 2016 during due diligence on the project. The location of sample AC07EEB176 (**NTGS Wholerock database Sample ID 5109740)* containing 1900ppm Cs and 1800ppm Ta (Lithium not assayed) was initially visited and found to be the historic workings termed Saunders Mine (Figure 3). The initial rock chip sampling of mullock pegmatite from Saunders Mine (10 samples) found to contain (up to 0.28% Li_2O, up to 8240ppm Cs, up to 1.23% Be and up to 5540ppm Ta)(Figure 4: Appendix 1). At the Saunders Mine locality two, 5 by 5m pits are present with extensive pegmatite mullock material distributed locally around the site. KSN has identified through rock chip sampling very high Cs and Ta values from a coarse grained pegmatite comprising smokey quartz, sugary yellow mica with a white lath feldspars (?).

Rock chip results from the Delmore Prospect (revealed the pegmatite to be amblygonite + beryl bearing with possible lepidolite (mica clusters), in addition to quartz + mica + K-feldspar (Appendix 1). The amblygonite is very coarse up to 30cm with off 90 degree cleavage and a distinctive orange weathering profile. Fresh faces are very vitreous in lusture with a chalky white appearance (Figure 5). It can be very difficult to separate from K-feldspar in the 'feldspar portion' of pegmatites within the broader Spotted Wonder Project (i.e Tank Hill pegmatite).

KSN staff collect rock chip samples from sub or outcropping pegmatites during reconnaissance site visits, mapping or whilst soil sampling the areas.

When undertaking rock chip sampling KSN routinely collect (Appendix 1)

- Sample ID, (on bag + in GPS)

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- GPS position (GDA 94),
- Sample position (insitu, mullock or float)
- Photographs of the sample on the labelled sample bag + pre sampling in situ
- Lithological description
- sample date
- collector

Figure 3: Photo from Saunders Mine

Figure 4: Photo of sample 5070, which contains 0.28 Li20%, 8240 ppm Cs, 1.2% Be

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Figure 5: Photo of outcrop displaying +10's cm scale minerals including quartz, micas + amblygonite, Delmore Prospect

KSN's experience in the Spotted Wonder Project has resulted in some key observations from the outcropping pegmatites in the region Figure 6.

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Sample 5121 (see Appendix 1 & Appendix 3) massive amblygonite sample assays 9.73% Li2O, chalky white, bright lustrous mineral, very coarse grained

Zoom of sample 5111 (see Appendix 1 & Appendix 3) assayed K = 6.78 %; Cs = 2267.5 ppm; Li = 516 ppm; Rb = 9751 ppm, Ta = 576.8 ppm, U = 113.1 ppm, petrology suggests Cs, Li, Ta likely to be sourced from muscovite which is up to 70% of the sample

Sample 5147, from Tank Hill, in very coarse pegmatite sample of bright white, platey mineral, (Appendix 1) indicated K-feldspar, difficult to distinguish from amblygonite in field

Siliceous hydrothermal texture identified in NW portion of Spotted Wonder region (i.e. sample 5096), assay results returned no anomalous gold

Figure 6: Examples of key rock and mineral relationships

Petrology

Kingston engaged Mason Geoscience Pty Ltd to undertake a petrological review of surface rock chip samples 5111 and 5121 (Appendix 1). Sample 5111 is a mullock sample from the historical 'Saunders Mine" area, comprising semi massive to massive mica with quartz with elevated Cs, Li, Rb and Ta, whilst sample 5121 is from the identified Delmore Prospect from a ~10cm chalky white, bright lustrous crystal which returned 9.73% Li_2O. In summary sample 5111 contains predominantly muscovite with the elevated LCT type elements likely to be trapped within the muscovite matrix, whilst sample 5121 was identified as amblygonite a lithium phosphate. The full petrology report is provided in Appendix 3.

Soil Geochemistry

Kingston determined during initial reconnaissance fiedltrips to the Spotted Wonder Project that surface geochemical sampling, i.e. soils was likely to be a key technique in identifying any LCT pegmatites within the project. Within the Spotted Wonder Project quartz blows, pegmatites and patches of quartz lag are common. By utilising systematic soil sampling it was hoped that LCT

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indicator element orientation trends may assist in identifying the patterns in the pegmatite distribution eventually leading to identifying the lithium prospective pegmatite bodies.

Soils were initially trialled around the Saunders Mine area where very high grade Cs, Be and Ta had been identified in rock chip sampling of mullock heaps. Although no large lithium anomalies were identified in the trial, the Cs and Ta anomalies identified were consistent with the understanding of the pegmatites in the area giving confidence that the soil technique was successful in mapping the subcropping and buried pegmatites chemical affinities.

KSN staff then stepped out the soil grid which identified the initial elevated lithium in soil samples at what became the Delmore Prospect, approximately 1km east of the trial soil grid. Follow up rock chip sampling and an infill soil grid identified amblygonite as well as an ~ 500m long, +100ppm lithium in soil anomaly at the Delmore Prospect. This success gave Kingston confidence to engage XM Logistics to undertake a more regional soil program over the wider Spotted Wonder Project focusing on NW trending pegmatite bearing ridges and trends equivalent to the Delmore Prospect. This regional work identified the Tank Hill Prospect, approximately 1km north of the Delmore Prospect on a parallel NW striking pegmatite body.

In total 1416 soil samples have been collected within the Spotted Wonder Project in the first year of tenure (Appendix 2). This sampling played a key role in identifying lithium prospective targets which Kingston believe are worthy of drill testing.

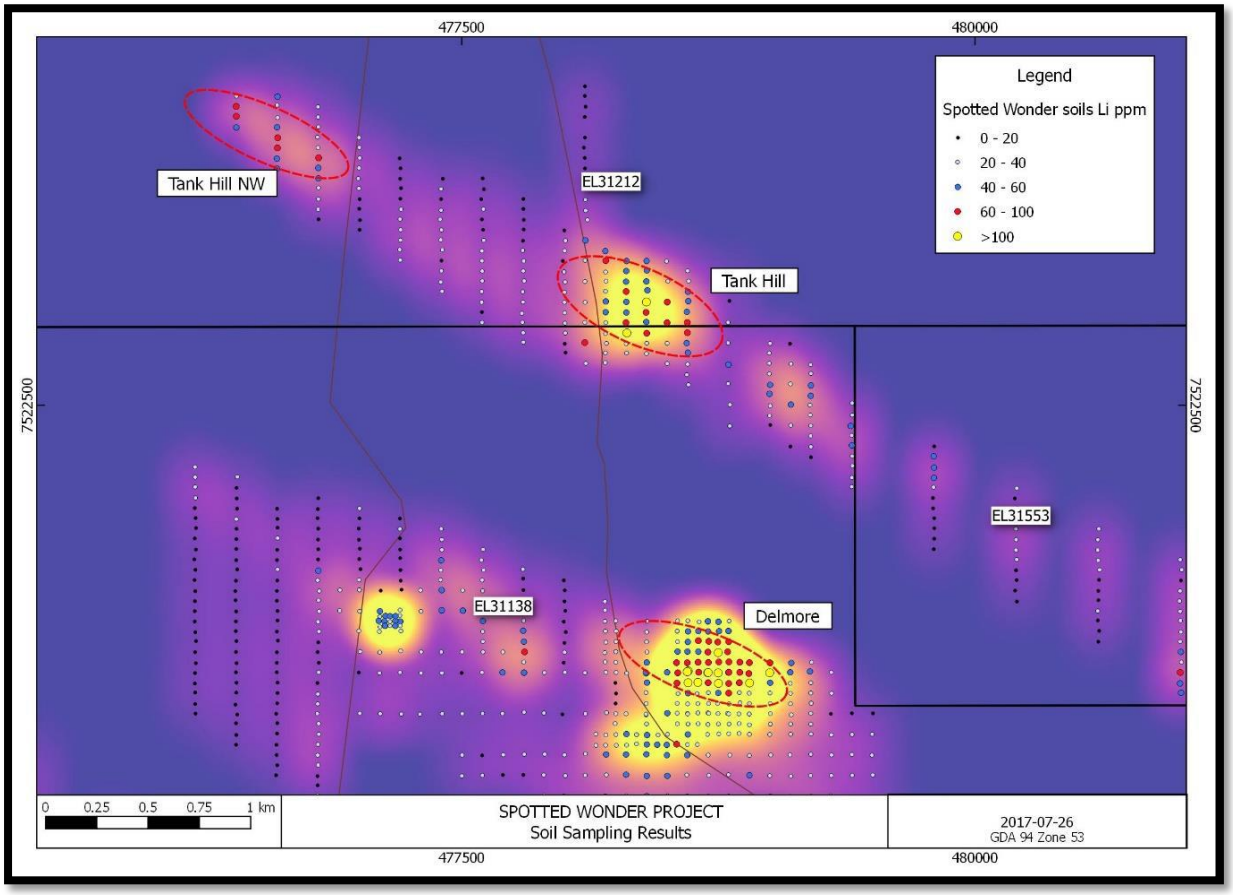

Figure 7: Lithium in soil (ppm) map of the main Delmore and Tank Hill targets, within the Spotted Wonder Project

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Soil samples were sieved to <2.5mm and collected using hand tools (shovels KSN staff & XM logistics) in 200m * 50m grids with 50m * 50m infilled areas.

When undertaking soil sampling programs KSN routinely record for each sample (Appendix 2):

- Sample ID, (on bag + in GPS)
- GPS position (GDA 94),
- sample depth (cm),
- regolith type (using a numerical ranking 1=insitu soil, 2=alluvial, 3=lag material, 4=subcrop, 5=outcrop),
- whether sieved or bulk
- sample date
- duplicate samples every 25 or 40 samples
- collector

GeoImage

During this first year of the tenement Kingston purchased satellite imagery from GeoImage covering parts of EL3138 and EL31212. The data provided gives 0.5m resolution for panchromatic data and 2m resolution on multispectral resolution. The data provided is mosaicked and colour corrected for optimum seamless viewing. Kingston collected this data to assist in aerial imagery interpretations of the tenement area. Kingston utilised the images to assist in field planning for future reconnaissance and sampling trips within the area. An example image can be seen in Figure 8. The GeoImage data is provided in Appendix 4.

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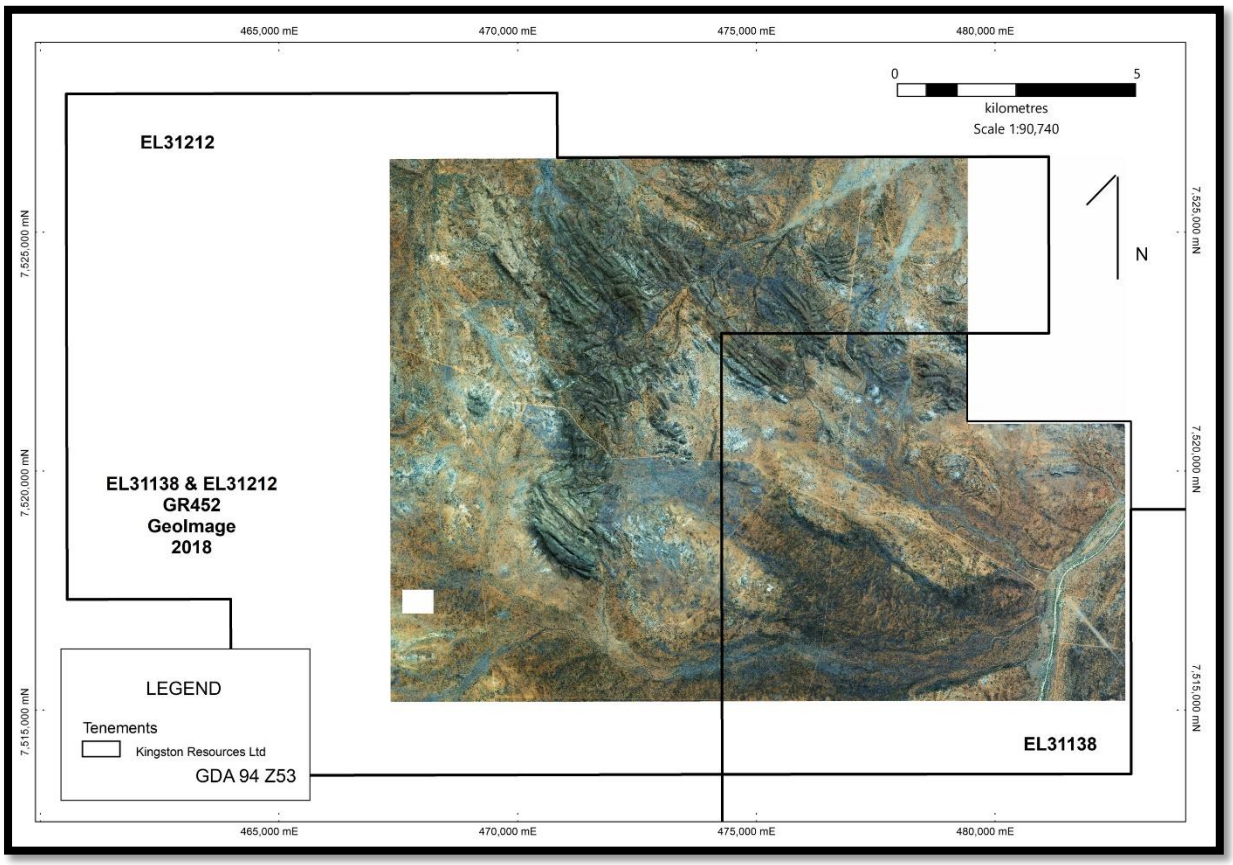

Figure 8: EL31138 & EL31212 GeoImage high resolution satellite image

Drill Targets

Delmore

KSN exploration activities in early 2017 has discovered an amblygonite-beryl + (quartz-mica-K-feldspar) pegmatite at the Delmore Prospect through soil sampling with preliminary rock chip sampling followed by further rock chip sampling (Figure 1). The initial field program discovered a coarse grained amblygonite bearing pegmatite with sample 5121 returning a 9.63% Li_2O result (Figure 9). Petrological investigations undertaken by Mason Geoscience has confirmed sample 5121 is amblygonite via XRD analysis (Appendix 3). This outcrop coincided with a two point (100m apart) +100ppm Lithium ppm in soil result. Further rock chip sampling returned further amblygonite samples in addition to beryl bearing samples (4.6% Be) and massive mica (possible lepidolite bearing) samples grading up to 0.7% Li_2O (Appendix 1). An infill soil grid returned further anomalous lithium in soil results, focused on the Delmore Prospect pegmatite and to the north up the host schist hill. The elevated lithium in soil results within the host schist subcrop areas is likely a result of sampling outcropping schist rather than a true anomaly.

The Delmore Prospect consists of ~500m exposed WNW striking very coarse grained pegmatite with identified amblygonite (Figure 10). The planned initial drilling program is designed to test the prospects unknown potential for the pegmatite to be spodumene bearing, in addition to testing for the extent of amblygonite within the pegmatite and for the presence of lepidolite.

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Figure 9: Photo looking West at outcrop, where samples 5121 – 5123 taken. Delmore 'discovery' outcrop. Amblygonite + beryl bearing pegmatite at Delmore Prospect (Feb 17)

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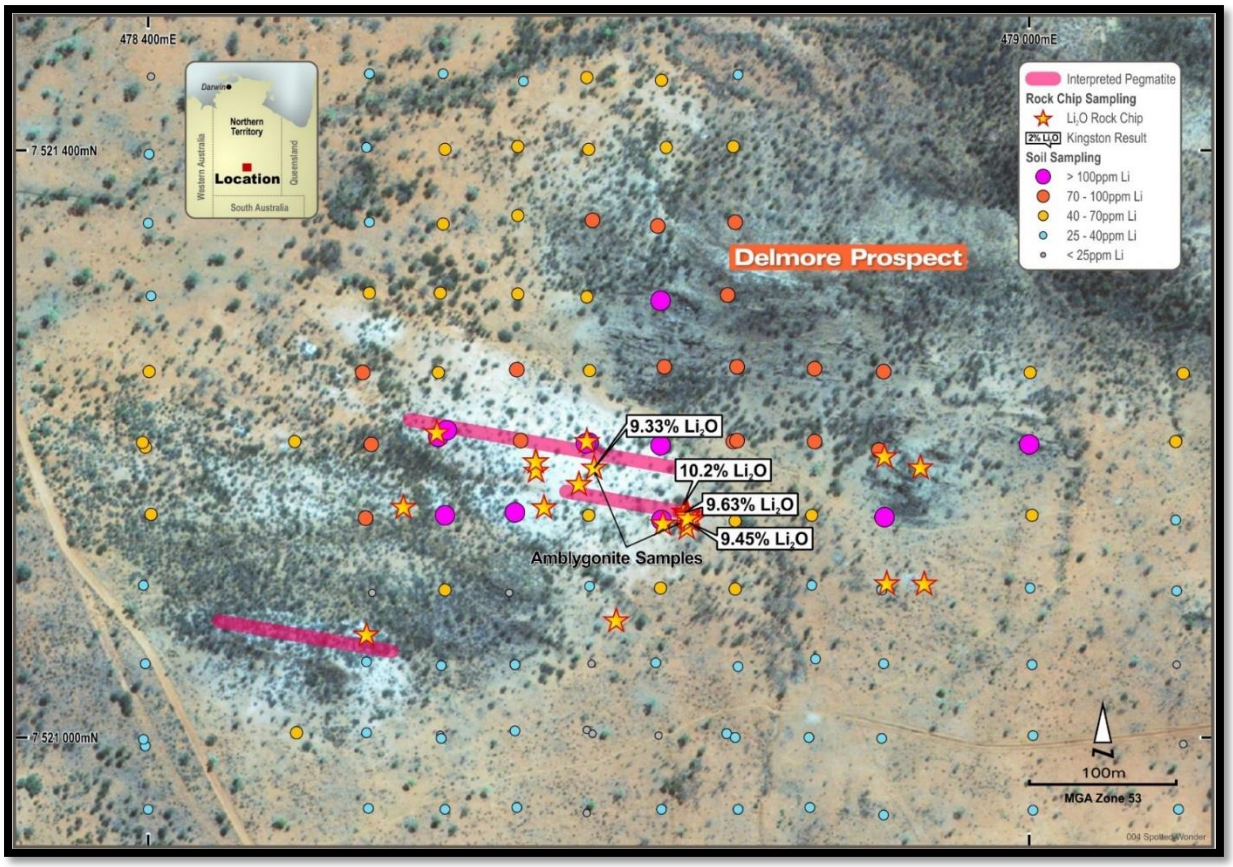

Figure 10: Delmore Prospect ~500m long outcropping pegmatite with +100ppm Li in soil anomaly and amblygonite identified

Tank Hill

The Tank Hill Prospect was identified as potentially lithium bearing through the elevated lithium in soil response in soil sampling. The prospect comprises a NW striking outcropping pegmatitic ridge, up to 20m wide in outcrop in places. Rock chip sampling failed to identify any lithium bearing minerals. The outcropping pegmatites is dominated by a massive clean quartz (central zone), very coarse grained (intermediate) mica + feldspar zone and mica dominated contacts which are generally <0.5m wide (edge zone).

This target is deemed lower priority than the Delmore Prospect mainly due to the lack of surface lithium minerals identified from sampling, but is still deemed worthy of testing through drilling for the presence of lithium.

Conclusions and Recommendations

- The company is of the view that a ~35 hole RC program for ~2200m would adequately test both targets to determine their potential to host lithium mineralization at depth.
- Mine Management Plan (MMP) submitted (12-7-17) for 30 RC holes at the Delmore Prospect and 15 at Tank Hill Prospect
- Pastoral station owners aware and agreed to planned drilling plan

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- Further regional exploration is planned to attempt to identify new lithium targets, including to search for Poloni's mine as described by Jays Exploration

Expenditure

The total claimed expenditure for the Spotted Wonder Group Reporting tenements for the 2018 (1st year) reporting period is **$129,200** (EL31138, EL31212 & EL31285).

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