

KINGSTON RESOURCES LIMITED

ABN 44 009 148 529

QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B for the period ended 30 June 2014

Highlights	<ul style="list-style-type: none">➤ Encouraging results from geophysical modelling completed on Six Mile Hill and Cootanoorina projects.➤ Preferred tender selected for upcoming infill gravity survey.➤ Preliminary negotiations completed with native title groups in preparation for signing of Native Title Mining Agreements.➤ Two new Exploration Licence Applications made in light of geophysical modelling results.
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Kingston's Exploration Assets

The Company holds interests in eight exploration licences in the Olympic Arc corridor, being the most prospective zone for Iron-oxide copper- gold IOCG deposits in the Gawler Craton. This region hosts several major mineral projects (including the world class Olympic Dam mine) and is known for its major deposits.



Map 1: The Company's projects and major IOCG mines and deposits of the Olympic Arc located in the Gawler Craton, South Australia.

Of the Tenements, six are wholly owned and two are in joint venture with the ASX-listed Strategic Energy Resources (SER) (Refer Table1). The principle aim of the Company's exploration programmes is the discovery and development of IOCG deposits.

Tenement	State	Project	Km ²	Grant Date	Ownership	Change since last Quarter
EL 5011	SA	Myall Creek	381	13/09/2012	50%	N/A
EL 5010	SA	Spencer	321	13/09/2012	25%	N/A
EL 5379	SA	Sunset Hill	160	24/11/2008	100%	N/A
EL 4524	SA	Yalymboo	280	20/06/2010	100%	N/A
EL 4462	SA	Cootanoorina	710	6/04/2010	100%	N/A
EL 4494	SA	Six Mile Hill	296	17/05/2010	100%	N/A
EL 4915	SA	Mt Eba	440	19/04/2012	100%	N/A
EL 5101	SA	Mt Morgan	909	16/11/2012	100%	N/A

Table 1: Schedule of tenements

SPENCER JOINT VENTURE (SER 75%/KSN 25%) EL 5010 SOUTH AUSTRALIA

Strategic Energy Resources Limited (ASX:SER) as Operator of the ‘Spencer Joint Venture’ (SER 75% and Kingston Resources Ltd (ASX:KSN 25%) completed a first round drilling campaign in late 2013.

The Spencer area comprises 321 km² and is located on the west coast of Spencer’s Gulf. It had remained one of the few undrilled areas along the Olympic Dam trend where modern exploration techniques including gravity, magnetics, HeliTEM, geological mapping and geochemistry had not been followed up. This same trend is the home to some exceptional discoveries including Olympic Dam, Carrapateena, Prominent Hill, Mount Gunson, Wallaroo, Moonta and Hillside.

A geophysical review by consultants of the Kijani Trend was completed during the quarter. This review in conjunction with geology and geochemistry has enhanced the understanding of the geological setting of the Kijani Trend. The review has shown the need to better understand the spatial relationship between the Hiltaba Granite and the outcropping Moonarbi Formation to the south and the drill intersected Backy Point Formation to the north. Some prospectively remains in the area interpreted to represent Hiltaba granite (where there is only airborne gravity coverage) and efforts are currently focused on addressing some of the challenges associated with accessing the prospective area.

MYALL CREEK (SER 50%/KSN 50%) EL 5011 SOUTH AUSTRALIA

The Myall Creek Copper Project (EL5011) covers an area of 381 km² and is located on the southern Stuart Shelf between Whyalla and Port Augusta, a highly prospective part of the eastern margin of the Gawler Craton. The Myall Creek Project includes a 15 kilometre zone with anomalous copper shown in historic drilling.

Previous work indicates that some mineralization is controlled by a lithological/ chemical (redox) contrast which exists between the base of the Tapley Hill formation and an underlying unconformable contact between the two sedimentary units. This unconformity continues to have a strong potential for high grade prospects.

The licence area is immediately west of the Torrens Hinge Zone.

Technical assessment of the prospectively of the Myall Creek project for both Zambian style copper mineralization and the potential of Olympic Dam style IOCG mineralization at depth is ongoing.

With the recent target development to the north of Myall Creek by the South Australian Department of State Development (SADSD) for the Deep Targets Task Force, the JV partners are awaiting the findings from this work and will be looking to gauge the impact the work has on regional exploration and targeting and specifically the Myall Creek project.

Appointment of Terra Resources

During the quarter Kingston engaged Consultant Geophysicist Mr Barry Bourne of Terra Resources Pty Ltd ("Terra"), who has completed a geophysical review over the Company's 100% owned Cootanoorina (EL 4462), Mount Morgan (EL 5101) and Six Mile Hill (EL 4494) projects. Barry comes to the Company highly credentialed, with previous work experience, including as Chief Geophysicist for Global Exploration at Barrick Gold Corporation.

Six Mile Hill

During the quarter the Six Mile Hill project underwent a geophysical evaluation of the initial South Australian Resource Information Geoserver (SARIG) data sets and the results released as an ASX announcement (KSN ASX release Exploration Update May 2014). Subsequent to that release the Company became aware of further open file data sets not in the SARIG data set but available through reports. This additional data was incorporated into the historic data and remodelled. Regional 2km by 2km gravity in filled to 1km x 1km station spacing was modelled to help validate the potential for IOGC style mineralisation. Remodelling of the Six Mile Hill updated data sets has produced a significant change in the interpreted depth to the top of the previously reported gravity features and confirmed the potential. Further infill gravity is now required to better constrain depth and density of targets.

Interpretation of SARIG magnetic data sets shows that the Six Mile Hill prospect sits within a prime structural location for potential IOGC style mineralization (See Figure 1). The Kalinjala Shear Zone is interpreted to pass through the Six Mile Hill project, and is known as bounding structure to the prospective Olympic Domain. Modelling of magnetic and gravity data indicates possible presence of granitic bodies, currently thought to be related to the Hiltaba Granite Suite (host to the Olympic Dam mineralization). Ongoing work to validate this concept is in progress.

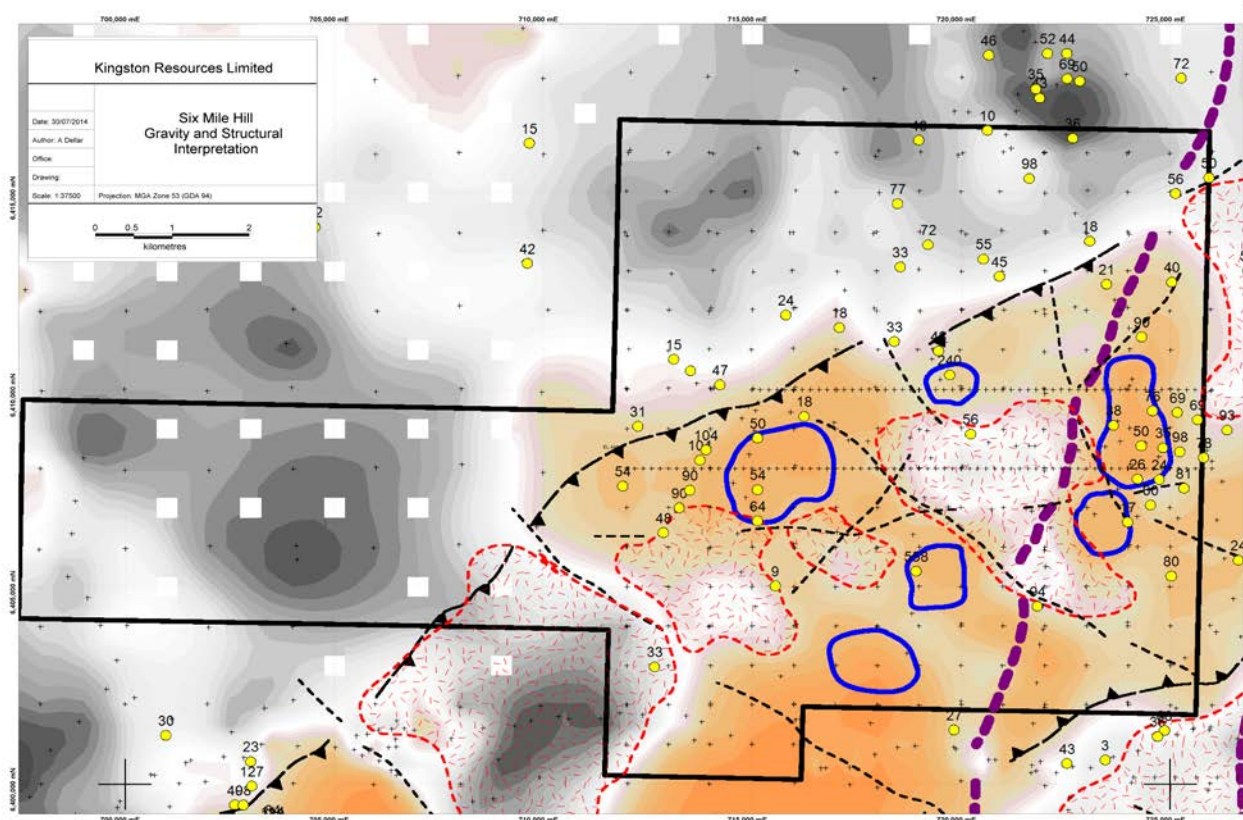


Figure 1: Showing gravity highs in blue polygons, interpreted granitic bodies in red dotted polygons, drill holes and depths in yellow and the north west trending interpreted position of the Kalinjala Shear Zone (KSZ) based on regional gravity data.

The structural location combined with the interpreted gravity and magnetic anomalism have encouraged the Company to now plan and execute an infill gravity survey, designed to further enhance understanding of the gravity signatures in the central portion of the Six Mile Hill lease.

Cootanoorina

Figure 1 is a contour map of the study area. The map shows depth contours with a color scale ranging from green (shallow) to purple (deep). A dashed line indicates the 'Deep Cover' area. A scale bar shows 10km. Arrows point to specific features on the dashed line.

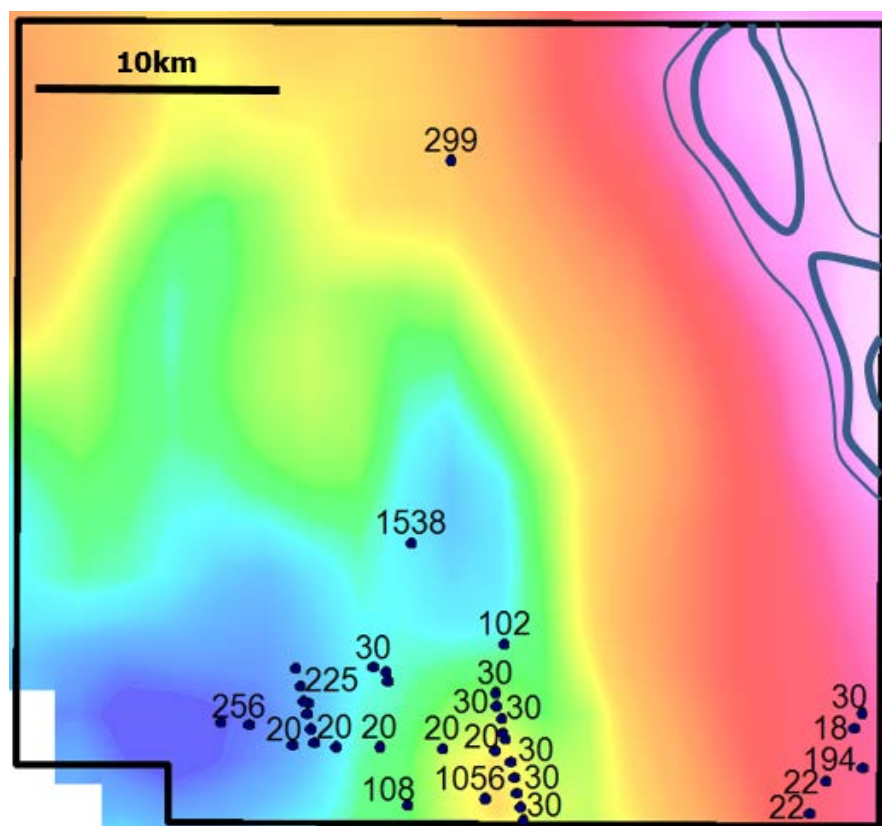


Figure 2 – The Residual Bouguer gravity (2.67g/cc) colour image with the 0.15 g/cc (outer thin) and +0.4 g/cc (inner heavy) density shells from the gravity inversion model on 1.5km x 1.5km spaced gravity data for Cootanoorina. Infill gravity is planned over the higher density features. Historical drill hole collars show with depth of drilling.

Given the north west – south east trend of the Cootanoorina anomaly, the Company has applied for an Exploration License for vacant ground immediately to the east of the current tenement. Award of this application is pending from SADS. Given the encouragement both within the Cootanoorina tenement and immediately to the east, the Company have designed a follow up gravity survey to further explore the nature of the gravity anomaly.

Preferred Tender for Gravity Survey finalised.

During the quarter the Company undertook a tender review of Australian based geophysical surveying companies. We are pleased to advise that Daishsat Geodetic Surveyors is the preferred contractor for the proposed infill gravity survey of the Six Mile Hill and Cootanoorina projects. Work to define gravity station locations is underway with a view to starting the survey in early September 2014.

Negotiations for Native Title Mining Agreements near completion.

In the first week of July Company representatives travelled to Port Augusta and then Whyalla in SA to meet and present a scope of proposed exploration work to both the Arabana and Barngarla peoples. The trip was successful not only in providing the opportunity to meet the traditional owners of the land surrounding Cootanoorina and Six Mile Hill projects, but also laying ground work for a working relationship in future exploration activities. Formal Native Title Mining Agreements have now been negotiated and are pending final signatures before registration.

Expenditure

Please refer to the Appendix 5B quarterly commitments report for period ended 30 June 2014 as attached.

Dated this 31st day of July 2014.

Mr Jonathan Davies
Chairman
Kingston Resources Limited

DECLARATION OF COMPETENCY

The information in this report that relates to results of geophysical exploration is based upon information compiled by Mr Barry Bourne, who is employed as a Consultant to the Company through geophysical consultancy Terra Resources Pty Ltd. Mr Bourne is a fellow of the Australian Institute of Geoscientists and a member of the Australian Society of Exploration Geophysicists. He has proper and relevant experience with the styles of mineralisation as well as the kinds of mineral deposits under consideration and activities undertaken. This is sufficient to qualify him as a “Competent Person” as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bourne consents to the inclusion in the report of matters based on information in the form and context in which it appears.

The information in this report that relates to exploration is based on information compiled by Mr Adrian Dellar, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Dellar is working as a consultant to the Company in the role of Geologist. He has proper and relevant experience with the styles of mineralisation as well as the kinds of mineral deposits under consideration and activities undertaken. This is sufficient to qualify him as a “Competent Person” as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Bourne consents to the inclusion in the report of matters based on information in the form and context in which it appears.

1. JORC Code, 2012 Edition – Table 1

1.1 Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> <i>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.</i> <i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i> <i>Aspects of the determination of mineralisation that are Material to the Public Report.</i> <i>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.</i> 	<ul style="list-style-type: none"> Not applicable, no drilling conducted.
Drilling techniques	<ul style="list-style-type: none"> <i>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).</i> 	<ul style="list-style-type: none"> Not applicable, no drilling conducted.
Drill sample recovery	<ul style="list-style-type: none"> <i>Method of recording and assessing core and chip sample recoveries and results assessed.</i> <i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i> <i>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.</i> 	<ul style="list-style-type: none"> Not applicable, no drilling conducted.
Logging	<ul style="list-style-type: none"> <i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral</i> 	<ul style="list-style-type: none"> Not applicable, no drilling conducted.

Criteria	JORC Code explanation	Commentary
	<p><i>Resource estimation, mining studies and metallurgical studies.</i></p> <ul style="list-style-type: none"> <i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</i> <i>The total length and percentage of the relevant intersections logged.</i> 	
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> <i>If core, whether cut or sawn and whether quarter, half or all core taken.</i> <i>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</i> <i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i> <i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i> <i>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.</i> <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i> 	<ul style="list-style-type: none"> Not applicable, no drilling conducted.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i> <i>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.</i> <i>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.</i> 	<ul style="list-style-type: none"> Not applicable, no drilling conducted.
Verification of sampling and assaying	<ul style="list-style-type: none"> <i>The verification of significant intersections by either independent or alternative company personnel.</i> <i>The use of twinned holes.</i> <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i> <i>Discuss any adjustment to assay data.</i> 	<ul style="list-style-type: none"> Not applicable, no drilling conducted.

Criteria	JORC Code explanation	Commentary
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> All recent gravity surveys (>1995) in South Australia are controlled by fast static/ RTK GPS methods with a horizontal and vertical accuracy of +/- 5cm. Data that is <1995 was removed when a reasonable spread of recent data exists due to elevation data largely acquired barometrically. The coordinates and gravity readings were supplied in GDA Datum, coordinates MGA94 Zone 53, height in Australian Height Datum and Observed gravity Isogal 84 (IGSN-71).
Data spacing and distribution	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Gravity stations were acquired at ~1500m Cootanoornia, ~2000m (Six Mile Hill) on regular spaced grids with some irregular spaced infill stations. Gravity stations were read to ~0.01mGals and reduced to Bouguer Anomalies at 2.67 g/cc density.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Regular spaced gravity data has been deemed to suitable to identify and model IOCG type targets.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> Not applicable, no sampling conducted.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> Geophysical data were downloaded via the GADDs and SARAG data delivery services and reviewed by Kingston's Consultant Geophysicist.

1.2 Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Cootanoornia (EL 4462) is 100% owned by WesternX Pty Ltd (a wholly owned subsidiary of Kingston). The tenement is subject of a Native title claim by

Criteria	JORC Code explanation	Commentary
	<p><i>environmental settings.</i></p> <ul style="list-style-type: none"> <i>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.</i> 	<p>the Arabana People. There are no known impediments to obtaining a licence to operate in the area.</p> <ul style="list-style-type: none"> Six Mile Hill (EL 4494) is 100% owned by WesternX Pty Ltd (a wholly owned subsidiary of Kingston). The tenement is subject of a Native title claim by the Barngala People. There are no known impediments to obtaining a licence to operate in the area.
Exploration done by other parties	<ul style="list-style-type: none"> <i>Acknowledgment and appraisal of exploration by other parties.</i> 	<p>Previous work within the Cootanoorina Tenement is restricted to a series of seismic lines and historic drill holes centered around the mid 1980's.</p> <p>Previous work on the Six Mile Hill tenement indicated approximately 50 drill holes all of which predate 1983 the average depth is approximately 40m (excluding three holes to holes to 558m, and 240m).</p> <ul style="list-style-type: none"> Note that all previous holes on all the above projects have failed to drill to sufficient depths to test the current gravity targets discussed in this announcement.
Geology	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<ul style="list-style-type: none"> Targeted mineralization style centres around a IOCG style of mineralization
Drill hole Information	<ul style="list-style-type: none"> <i>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:</i> <ul style="list-style-type: none"> <i>easting and northing of the drill hole collar</i> <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> 	<ul style="list-style-type: none"> Not applicable, no drilling conducted.

Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> o <i>dip and azimuth of the hole</i> o <i>down hole length and interception depth</i> o <i>hole length.</i> • <i>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.</i> 	
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • <i>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.</i> • <i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	<ul style="list-style-type: none"> • Not applicable, no drilling conducted.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • <i>These relationships are particularly important in the reporting of Exploration Results.</i> • <i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i> • <i>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').</i> 	<ul style="list-style-type: none"> • Not applicable, no drilling conducted.
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Refer to Figure 1 in Announcement.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>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.</i> 	<ul style="list-style-type: none"> • Known Geophysical results for target areas in tenements mentioned in this Announcement are reported.

Criteria	JORC Code explanation	Commentary
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> <i>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.</i> 	<ul style="list-style-type: none"> Known Geophysical results for target areas in tenements mentioned in this Announcement are reported.
<i>Further work</i>	<ul style="list-style-type: none"> <i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i> 	<ul style="list-style-type: none"> Company is now progressing to the design phases for geophysical surveying for the Cootanoorina and Six Mile Hill projects.

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 2014

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	(85)	(591)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(58)	(361)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	14	39
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(129)	(913)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other (provide details if material)	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(129)	(913)

+ See chapter 19 for defined terms.

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(129)	(913)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	89	89
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	(2)	(2)
	Net financing cash flows	87	87
	Net increase (decrease) in cash held	(42)	(826)
1.20	Cash at beginning of quarter/year to date	766	1,550
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	724	724

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	43
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Nil

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

+ See chapter 19 for defined terms.

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	100
4.2 Development	-
4.3 Production	-
4.4 Administration	75
Total	175

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	24	5
5.2 Deposits at call	700	761
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	724	766

Appendix 5B**Mining exploration entity and oil and gas exploration entity quarterly report****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	N/A*		
6.2	Interests in mining tenements and petroleum tenements acquired or increased	N/A*		

*Refer to 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	89,780,828	49,439,168		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	7,425,000	7,425,000	1.2	1.2
7.5 +Convertible debt securities (description)	Nil	Nil		

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil	Nil		
7.7	Options (description and conversion factor)	10,302,500 15,400,000 6,000,000	10,302,500 - -	Exercise price \$0.20 \$0.20 \$0.07	Expiry date 31 December 2015 31 December 2015 30 June 2016
7.8	Issued during quarter	Nil	Nil		
7.9	Exercised during quarter	Nil	Nil		
7.10	Expired during quarter	Nil	Nil		
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 ~~not~~* (delete one) give a true and fair view of the matters disclosed.



Sign here: Date: 31 July 2014
(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.

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly 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.

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