KINGSTON RESOURCES LIMITED

2014 Annual Financial Report

For the year ended 30 June 2014

ABN 44 009 148 529

Contents

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Corporate Directory

DIRECTORS	**Jonathan Davies** BJuris, LLB (UWA) Non-executive Chairman **Mathew Whyte** BCom CPA, FCSA Non-executive Director & Company Secretary **Michal Safrata** Non-executive Director **Yafeng Cai** CPA Non-executive Director
COMPANY SECRETARY	**Mathew Whyte** BCom CPA, FCSA
REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS	25-27 Jewell Parade North Fremantle WA 6159 AUSTRALIA Telephone (08) 9336 6619 Email info@kingstonresources.com.au Website www.kingstonresources.com.au
AUDITORS	Grant Thornton Audit Pty Ltd Chartered Accountants Level 1, 10 Kings Park Road West Perth WA 6005
SHARE REGISTRY	Computershare Investor Services Pty Ltd Level 2 Reserve Bank Building 45 St Georges Terrace Perth WA 6000
BANKERS	Australia & New Zealand Banking Group Limited Cnr Hay & Outram Streets West Perth WA 6005
SOLICITORS & CORPORATE ADVISERS	Jackson McDonald Level 25, AMP Building 140 St Georges Terrace Perth WA 6000
STOCK EXCHANGE	Listed on the Australian Securities Exchange The home Exchange is in Perth, Western Australia
ASX CODE	KSN – fully paid ordinary shares KSNO – listed options exercisable at $0.20 expiring 31 Dec 15

Directors' Report

The Directors present their report together with the financial report of the Consolidated Entity (or 'Group'), being Kingston Resources Limited ('the Company') and its subsidiaries, for the financial year ended 30 June 2014 and the independent auditor's report thereon.

PRINCIPAL ACTIVITIES

The Company is an Australian-based company listed on the ASX. The principal activity of the Group during the period was mineral exploration.

During the previous financial year, the Company changed its primary business activity to mineral exploration and consequently undertook a recapitalisation to fund exploration activities in its newly acquired exploration projects.

OPERATING RESULTS AND REVIEW OF OPERATIONS FOR THE YEAR

Operating Results

The consolidated operating loss after tax of the Group was $483,015 (2013: $1,933,590).

Review of Operations

The Group holds interests in eight exploration licences in the Olympic Arc corridor in South Australia, 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.(Figure 1).

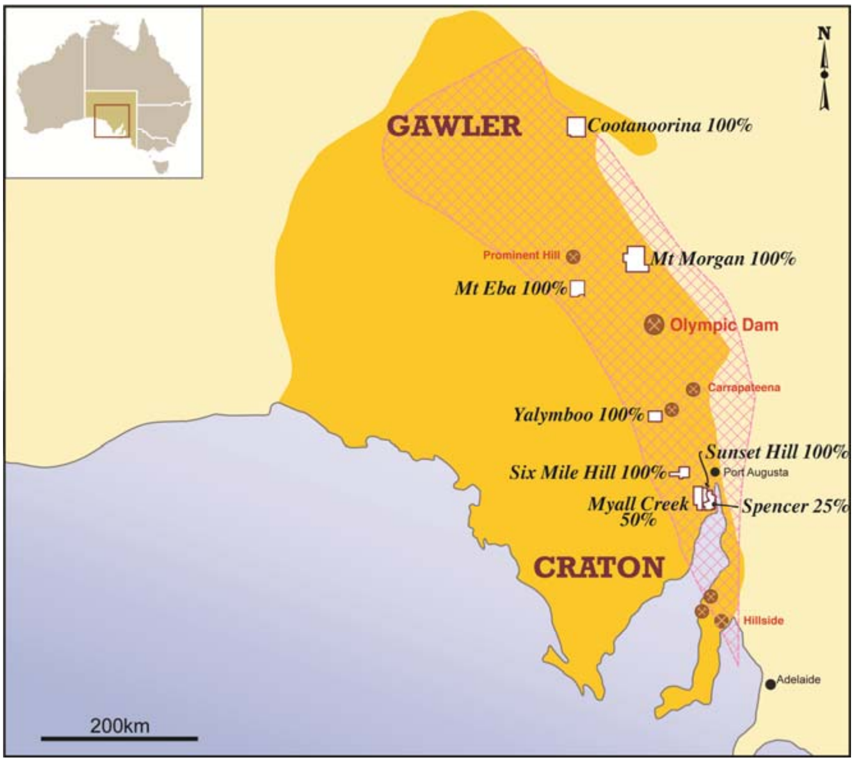

Figure 1: The Group's projects and major IOCG mines and deposits of the Olympic Arc located in the Gawler Craton, South Australia.

Of the Tenements, six are wholly owned and two are in joint venture with the ASX-listed Strategic Energy Resources (see Table 1). The principle aim of the Groups's exploration programmes is the discovery and development of IOCG deposits.

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

Table 1: details of the Tenements.

During the year the Group's immediate focus was on the following projects:

Spencer Joint Venture (25% Kingston) EL 5010

The Spencer area comprises 321 square kilometres and is located on the west coast of Spencer's Gulf.

During the year Strategic Energy Resources Limited (ASX:SER) as Operator of the 'Spencer Joint Venture" (SER 75% and Kingston Resources Ltd (25%) completed the first round drilling campaign. The exploration program commenced on the 18th of August 2013 with the rigs demobilized from site on the 30th of September. A total of 10 holes were drilled. Two drill holes, SPRC002 and SPRC005 showed intervals of low level copper anomalism in the Willouran aged Backy Point Formation, with SPRC002 showing over 300m of semi-continuous anomalism as detected by the FPXRF. Both of these holes are within 300m of the HeliTEM trend newly named the Kijani Trend.

A geophysical review by consultants of the Kijani Trend was completed during the June 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 Project (KSN 50%, SER 50%) EL 5011:

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. The Myall Creek Project includes a 15 kilometre zone with anomalous copper shown in historic drilling.

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 Chief Consulting Geophysicist- Terra Resources

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

Six Mile Hill (100% KSN) EL 4494

During the year the Six Mile Hill project underwent a geophysical evaluation of the initial South Australian Resource Information Geoserver (SARIG) data sets. Regional 2km by 2km gravity was modelled to help validate the potential for IOGC style mineralisation. Remodelling of the Six Mile Hill using updated data sets in filled to 1km x 1km station spacing has produced a significant change in the interpreted depth to the top of the previously reported (see ASX announcement on 26 May 2014 Exploration Update – May 2014) gravity features and confirmed the potential.

Interpretation of SARIG magnetic data sets shows that the Six Mile Hill prospect sits within a prime structural location for potential IOCG 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.

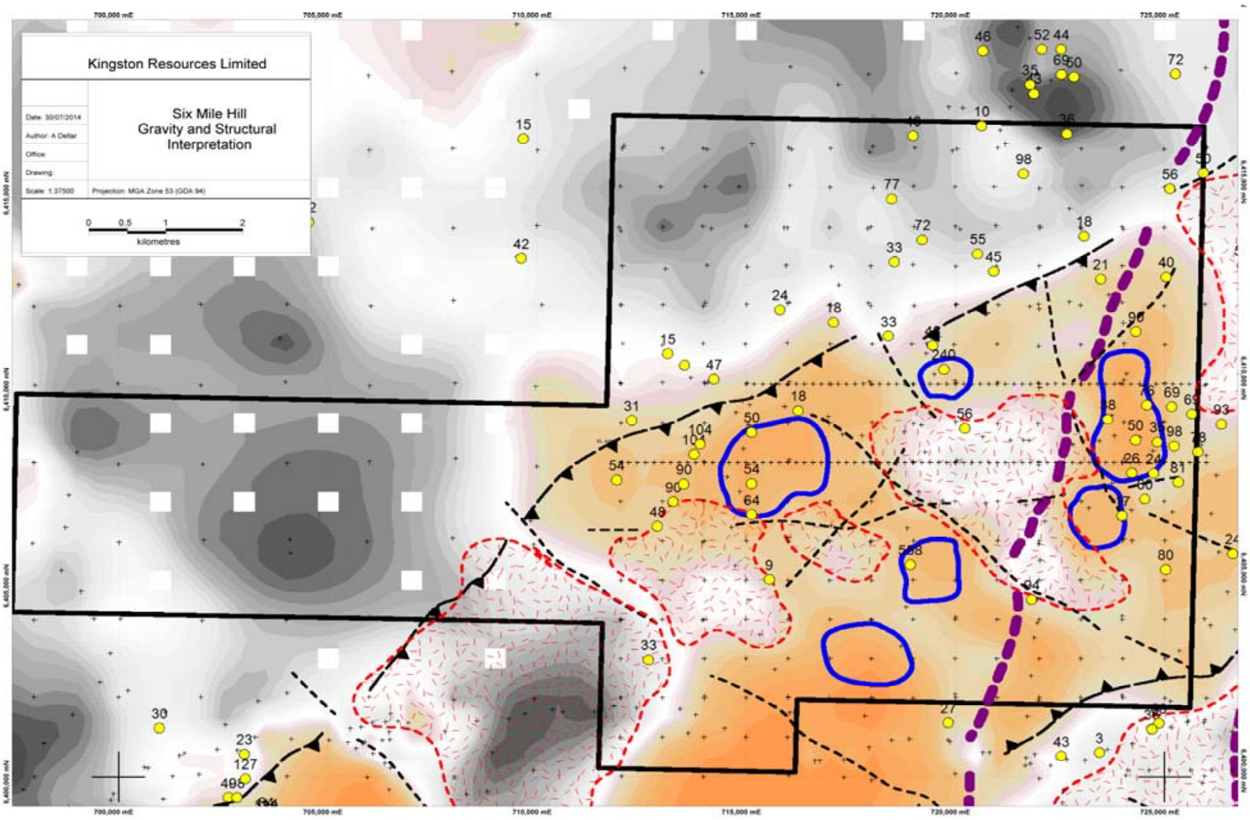

Figure 2: Showing gravity highs in blue polygons, interpreted granitic bodies in red dotted polygons, drill holes and depths in yellow and the north west trending interpreted position of the Kalinjala Shear Zone (KSZ) based on regional gravity data.

The structural location combined with the interpreted gravity and magnetic anomalism have encouraged the Group to execute an infill gravity survey, designed to further enhance understanding of the gravity signatures in the central portion of the Six Mile Hill lease. Daishsat Geodetic Surveyors has been awarded a contract for the infill gravity survey of the Six Mile Hill project which commenced in early September 2014.

Also as a consequence of the modelling undertaken, the Group has applied for an Exploration Licence initially called Six Mile Hill East, which covers much of the vacant land to the east and to the north of our existing Six Mile Hill property. A modelling exercise will take place in the September 2014 quarter.

Cootanoorina (100% KSN) EL 4462

Modelling of the SARIG data sets for the Cootanoorina project show a gravity inversion yielding a density of 0.40 g/cc in excess of the background values (Refer Figure 2). The anomaly indicates the presence of a denser body in the surrounding geology which is thought to be associated with IOCG style alteration.

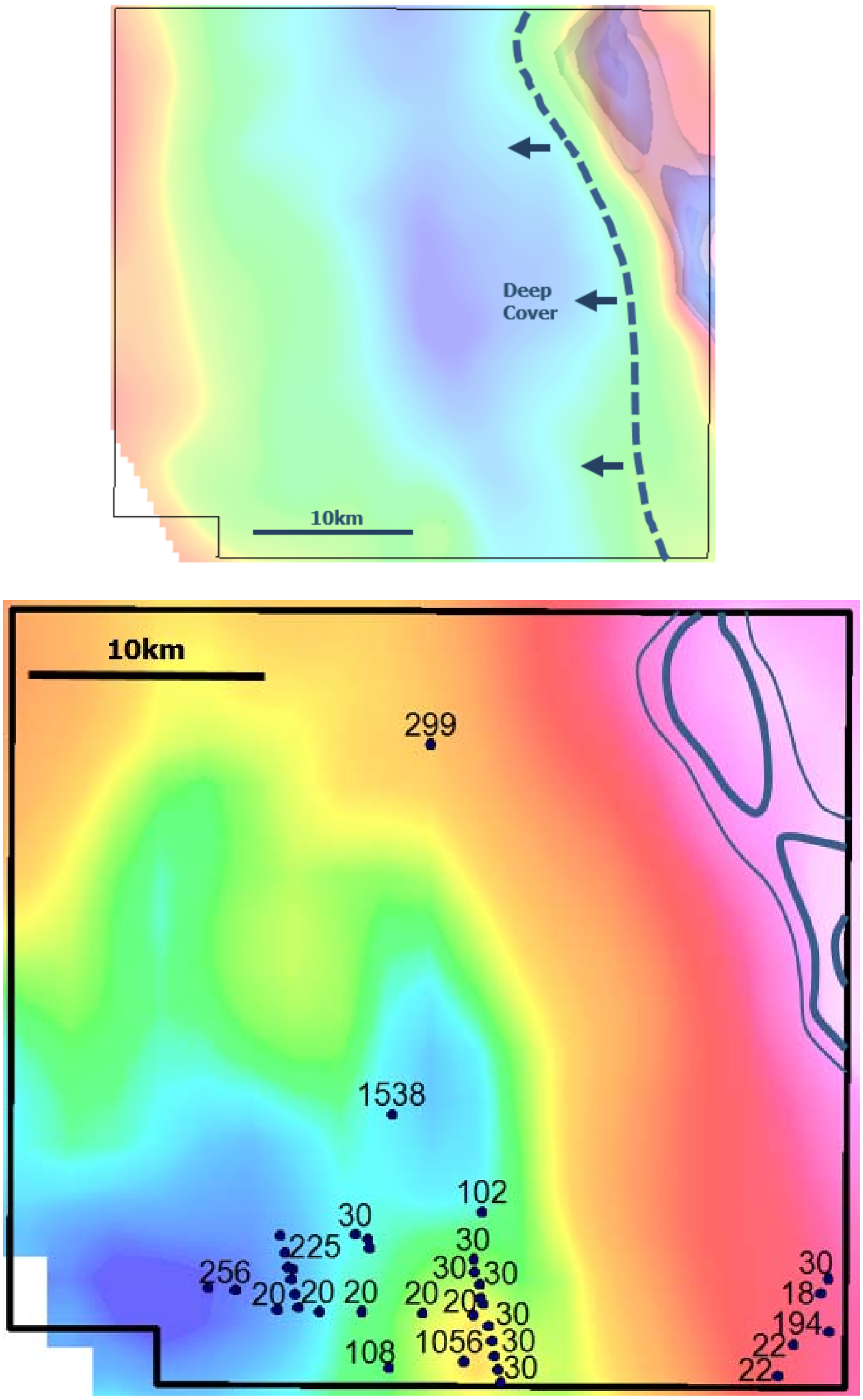

Figure 2 – The Residual Bouguer gravity (2.67g/cc) colour image with the 0.15 g/cc (outer thin) and +0.4 g/cc (inner heavy) density shells from the gravity inversion model on 1.5km x 1.5km spaced gravity data for Cootanoorina. Infill gravity is planned over the higher density features. Historical drill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

Given the north west – south east trend of the Cootanoorina anomaly, the Group has applied for an Exploration License for vacant ground immediately to the east of the current tenement. Given the encouragement both within the Cootanoorina tenement and immediately to the east Daishsat Geodetic Surveyors has been awarded a contract for the infill gravity survey of the Six Mile Hill project which commenced in early September 2014.

Since the end of the year the Group has completed formal Native Title Mining Agreements (NTMA) with the Arabana and Barngarla peoples in relation to Cootanoorina and Six Mile Hill projects respectively. These NTMA lay the groundwork for a working relationship with the traditional land owners for future exploration activities.

FINANCIAL POSITION

At the end of the financial year the consolidated entity had $724,088 in cash (2013: $1,550,481). The Directors believe that the consolidated entity currently has sufficient capital to effectively continue with its principal activities.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 4 November 2013 6,000,000 unlisted options exercisable at $0.07 each and expire 30 June 2016 were issued to the directors as approved by shareholders at the Annual General Meeting held 4 November 2013.

On 31 January 2014 4,191,321 ordinary shares were released from escrow.

On 2 May 2014 the Company announced the placement of 7,425,000 ordinary shares at $0.012 each to a sophisticated investor to raise $89,100.

AFTER REPORTING DATE EVENTS

There is at the date of this report no other matter or circumstance which has arisen since 30 June 2014 that has significantly affected or may significantly affect:

a) Kingston Resources Limited's operations in future financial years; or
b) the results of those operations in future financial years; or
c) Kingston Resources Limited's state of affairs in future financial years.

DIVIDENDS OR DISTRIBUTIONS

a) no dividends or distributions were paid to members during the year ended 30 June 2014; and
b) no dividends or distributions were recommended or declared for payment to members, but not paid, during the year ended 30 June 2014.

FUTURE DEVELOPMENTS AND EXPECTED RESULTS

The Group will continue its evaluation of its mineral projects and undertake generative work to identify and potentially acquire new resource projects. Due to the nature of the business, the result is not predictable.

INFORMATION ON THE DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

Mr Jonathan Davies	Non-executive Chairman
Mr Mathew Whyte	Non-executive Director and Company Secretary
Mr Michal Safrata	Non-executive Director
Mr Yafeng Cai	Non-executive Director
Dr Kevin Moriarty	Non-executive Director (resigned 23 September 2013)

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

Jonathan Davies, Chairman

term of office:	Non-executive Chairman of Kingston Resources Limited since 7 December 2012.
skills and experience:	Mr Davies is a Barrister who has been practising for 28 years. He has extensive legal experience in matters that include commercial, mining and corporate law. Mr Davies was awarded the law Society of Western Australia Community Service Award in 2006 and, together with Thomas Percy QC and Malcolm McCusker QC, was awarded the Australian Lawyers Alliance Civil Justice Award in 2007.

Mathew Whyte, Non-executive Director & Company Secretary

term of office:	Non-executive Director of Kingston Resources Limited since September 2011.
skills and experience:	Mathew is a CPA and a Fellow of the Institute of Company Secretaries. He has over 20 years commercial experience in the financial management, direction and corporate governance of ASX listed companies. He has held senior executive roles on a number of Australian listed entities with operations in Australia and overseas in the biotech, power infrastructure and mining services industries. He is also a Company Secretary of Oroya Mining Limited since November 2011.

Michal Safrata, Non-executive Director

term of office:	Non-executive Director of Kingston Resources Limited since September 2011.
skills and experience:	Michal is a businessman who has over 10 years experience in managing business of his own and others and was formerly a director of Oroya Mining Limited from December 2010 to July 2012 and Oz Brewing Ltd from 15 April 2011 to 19 June 2014.

Yafeng Cai, Non-executive Director

term of office:	Non-executive Director of Kingston Resources Limited since 7 December 2012.
skills and experience:	Mr Yafeng Cai is a Certified Practicing Accountant and has been the Chief Financial Officer of Yucai Australia Pty Ltd (Yucai) since 2010. Yucai is now a substantial investor in the Company and is ultimately controlled by Soaraway Development. Mr Cai has a broad range of corporate and commercial experience in the Australian business and capital sector within a diverse range of industries.

Dr Kevin Moriarty, Non-executive Director (resigned 23 September 2013)

term of office:	Non-executive Chairman of Kingston Resources Limited from 20 July 2012 until 7 December 2012. Following the appointment of Jonathan Davies as Chairman,. Dr Moriarty continued on the board as a Non-Executive Director until his resignation on 23 September 2013.
skills and experience:	Dr Moriarty is a geologist and company director whose career has included acquisition and management of projects in both the petroleum and mineral sectors. Dr Moriarty was previously a Non-executive Chairman of Oroya Mining Limited from July 2012 to until November 2013 and was Chairman Terramin Australia Limited for 12 years until May 2011.

COMPANY SECRETARY

Mathew Whyte is a CPA and a Fellow of the Governance Institute of Australia (formerly Chartered Secretaries Australia). Mathew was appointed Company Secretary on 05 September 2011 and is also a Director of the Company.

DIRECTORS' INTEREST

As at the date of this report the interests of the Directors, held either directly or through entities they control, in the securities of Kingston Resources Limited are as follows:

Director	Fully Paid Ordinary Shares (KSN)	Unlisted Options
Jonathan Davies	-	2,000,000
Mathew Whyte	-	2,000,000
Michal Safrata	-	1,000,000
Yafeng Cai	-	1,000,000
Kevin Moriarty	3,030,000*	-*

* Held to the date of resignation

MEETINGS OF DIRECTORS

The following table sets out the number of meetings of Kingston Resources Limited's Directors held during the year ended 30 June 2014 and the number of meetings attended by each Director. There were a total of 7 Directors' meetings for the financial year.

Director	Number Eligible to Attend	Number Attended
Jonathan Davies	7	7
Mathew Whyte	7	7
Michal Safrata	7	7
Yafeng Cai	7	6
Kevin Moriarty	2	1

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the year the Company entered into Deeds of Access, Indemnity and Insurance with each Director.

Under these deeds, the Company has undertaken, subject to the restrictions in the Corporations Act, to:

a) indemnify each Director from certain liabilities incurred from acting in that position under specified circumstances;

b) maintain directors' and officers' insurance cover (if available) in favour of each Director whilst that person maintains such office and for 7 years after the Director has ceased to be a director;

c) cease to maintain directors' and officers' insurance cover in favour of each Director if the Company reasonably determines that the type of coverage is no longer available. If the Company ceases to maintain directors' and officers' insurance cover in favour of a Director, then the Company must notify that Director of that event; and

d) provide access to any Company records which are relevant to the Director's holding of office with the Company, for a period of 7 years after the Director has ceased to be a Director.

REMUNERATION REPORT (AUDITED)

Remuneration Policies

This remuneration report outlines the director and executive remuneration arrangements of the Company and the Group for the year ended 30 June 2014 in accordance with the requirements of the Corporations Acts 2001 and its Regulations. For the purposes of this report, key management personnel (KMP) of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Group, directly or indirectly, including a director (whether executive or otherwise) of the Company.
The Company received a unanimous acclimation of votes in favour of its remuneration report for the financial year ended 30 June 2013. The Company received no specific feedback on its remuneration report at the Annual General Meeting.

Details of key management personnel

J Davies	Non-executive Chairman (appointed 7 December 2012)
M Whyte	Non-executive Director and Company Secretary (appointed 5 September 2011)
M Safrata	Non-executive Director (appointed 5 September 2011)
Y Cai	Non-executive Director (appointed 7 December 2012)

Remuneration Philosophy

Kingston does not have a remuneration committee. The whole Board takes on the function of the remuneration committee with independent advice sought as required. There was no advice sought during the year. The Board draws on comparative salary information determined by independent surveys conducted within the Australian mining industry, to gauge the appropriate terms of employment such that the Company is able to offer competitive remuneration to attract and retain the services of quality Directors and employees. The Board meets at least annually to review individual directors' and officers' remuneration and performance. The Board reviews remuneration packages and policies applicable to executive and non-executive directors and senior executives. Apart from access to Options, the Company does not apply any performance linked remuneration policies at this time and therefore key management personnel remuneration is not linked to company earnings, but may do so if it is considered to be in the Company's interest. The Company's objective is that the remuneration policy aligns with achievement of strategic objectives and the creation of long term value for shareholders.

Remuneration Structure

In accordance with best practice corporate governance, the structure of executive and non-executive director is separate and distinct. The Company does not use specific performance hurdles in determining remuneration or short term rewards.

Executive Remuneration

The Company did not have an executive Director in its employ during the year ended 30 June 2014. During the previous year Kevin Moriarty was Executive Chairman from 20 July 2012 up until 7 December 2012 and thereafter continued on the Board as Non-executive Director until his resignation on 23 September 2013.

Executive remuneration comprises of three components:

a) base pay and benefits;

b) other remuneration such as statutory superannuation; and

c) if appropriate, options and equity based compensation.

During the previous year the Company entered into a letter agreement with Dr Kevin Moriarty on 20 July 2012, appointing him as Executive Chairman. Whilst acting in this capacity Dr Moriarty was paid a fee of $72,000 per annum (plus GST) payable monthly in arrears. Dr Moriarty ceased to be Executive Chairman following the appointment of Mr Jonathan Davies as Non-executive Director on 7 December 2012.

On 1 September 2011, the Company entered into a corporate consultant agreement with a Director, Mathew Whyte trading as Whypro Corporate Services (ABN 53844 654 790) to act as Director and Company Secretary of the Company. The terms include the fee for the provision of the services (including company secretary) as being $720 per day worked (or part thereof) plus GST. The Consultancy Agreement was varied by deed of variation dated 24 September 2012. Subject to the rights of early termination, the agreement shall continue until either party gives one month's notice in writing. There are no termination benefits unless paid at the discretion of Directors.

Long –term incentives (LTI) may be provided to key management personnel in the form of Options over ordinary shares of the Company. LTIs are considered to promote continuity of employment and provide additional incentive to recipients to increase shareholder wealth. Options may only be issued to directors subject to approval by shareholders in general meeting.
During the 2014 year 6,000,000 Options (ASX:KSNAO) were issued as LTI (2013: Nil). The Options are unquoted and have an exercise price of $0.07 each and expire on 30 June 2016.

The Options terms had no direct performance requirements, but a premium exercise price at the time of issue and specified time restrictions on the exercise of Options, implies incentive for market share price performance. Management and Directors have until 30 June 2016 to exercise the Options before the Options lapse. Options that have vested are not forfeited on resignation or termination. The granting of Options is in substance a performance incentive that allows executives to share the rewards of the success of the Company.

Non-executive Directors' Fees

The total fees available to be paid to non-executive Directors is $90,000 per financial year, as approved by shareholders at the Company's 30 November 2010 Annual General Meeting. Fees may also be paid to Non-executive Directors for additional consulting services provided to the Company. Non-executive directors are currently paid $22,500 per annum (plus GST).

On 7 December 2012, the Company provided Messrs Jonathan Davies, Kevin Moriarty, Mathew Whyte, Yafeng Cai, and Michal Safrata with letters of engagement in respect of their appointment as Non-executive Directors of the Company.

Remuneration Details for the Year Ended 30 June 2014

The following table of benefits and payments details, in respect to the financial year, the components of remuneration for each member of the key management personnel of the Group.

Table of Benefits and Payments for the Year Ended 30 June 2014

	Short-term benefits	Post-employment benefits	Long-term benefits			
Director	**Salary, fees and leave**	**Superannuation**	**LSL**	**Termination benefits**	**Equity-settled share-based payments - options**	**Total**
Jonathan Davies (Non-executive Chairman)						
2014	21,000	-	-	-	52,800	73,800
2013	3,750	-	-	-	-	3,750
Mathew Whyte (Non-executive Director & Company Secretary) *						
2014	111,000	-	-	-	52,800	163,800
2013	116,140	-	-	-	-	116,140
Michal Safrata (Non-executive Director) *						
2014	21,000	-	-	-	26,400	47,400
2013	17,500	-	-	-	-	17,500
Yafeng Cai (Non-executive Director) *						
2014	21,000	-	-	-	26,400	47,400
2013	3,750	-	-	-	-	3,750
Kevin Moriarty (Non-executive Director) (resigned 23 September 2013) *						

2014	6,100	-	-	-	-	6,100
2013	42,450	-	-	-	-	42,450
TOTAL						
2014	180,100	-	-	-	158,400	338,500
2013	185,202	-	-	-	-	185,202

* These Directors were remunerated through their related entities. Refer to Note 23 for details on related party transactions.

No amounts above were performance related.

Options Granted to Directors

During the year the Company granted the following options over unissued ordinary shares to executives as remuneration (2013: Nil):

Class	*Expiry date*	*Exercise price*	*Date granted*	*Number of options*	*Grant date fair value*	*Vesting date*
Unlisted Options	30 June 2016	$0.07	4 November 2013	6,000,000	$0.0264	Immediate

	Class of options (as above)	*Options awarded*	*Number vested during year*	*Number lapsed during year*	*Value of options granted during year $*	*Remuneration consisting of share options*
J Davies	Unlisted Options	2,000,000	2,000,000	-	52,800	72%
M Whyte	Unlisted Options	2,000,000	2,000,000	-	52,800	32%
M Safrata	Unlisted Options	1,000,000	1,000,000	-	26,400	56%
Y Cai	Unlisted Options	1,000,000	1,000,000	-	26,400	56%

Refer to Note 22 for details on the valuation of options.

There were no alterations to the terms and conditions of options awarded as remuneration since their award date.

Interests of Key Management Personnel

(a) Options holdings of key management personnel

The number of unlisted options over ordinary shares held by each key management personnel of the Group during the 2014 reporting periods are as follows (2013: Nil):

	Balance 01 Jul 13	**Granted**	**Exercised**	**Other changes**	**Vested and exercisable at the end of the year**	**Vested and un-exercisable at the end of the year**
2014						
Jonathan Davies	-	2,000,000	-	-	2,000,000	-
Mathew Whyte	-	2,000,000	-	-	2,000,000	-
Michal Safrata	-	1,000,000	-	-	1,000,000	-
Yafeng Cai	-	1,000,000	-	-	1,000,000	-
Total	-	6,000,000	-	-	-	-

(b) Rights holdings of key management personnel

The number of listed options over ordinary shares held by each KMP of the Group during the 2014 and 2013 reporting periods are as follows.

2014
Nil

	Balance 01 Jul 12	Granted	Exercised	Other changes	Vested and exercisable at the end of the year	Vested and un-exercisable at the end of the year
2013						
Mathew Whyte	125,000*	-	-	(125,000)***	-	-
Michal Safrata	125,000*	-	-	(125,000)***	-	-
Michael A Robson	250,000*	-	-	(250,000)**	-	-
Total	500,000*	-	-	(500,000)	-	-

* Subsequent to a 1 for 200 consolidation.

** Holding until resignation on 20 July 2012 and subsequent to a 1 for 200 consolidation.

*** Options expired 29 March 2013.

(c) Share holdings of key management personnel

The number of ordinary shares in the Company held by each KMP of the Group during the 2014 and 2013 reporting periods are as follows.

	Balance 01 Jul 13	Granted	Received on exercise	Other changes	Held at end of reporting period 30 June 14
2014					
Kevin Moriarty	3,030,000	-	-	(3,030,000) *	-
Total	3,030,000	-	-	(3,030,000)	-

* Holding as at date of resignation on 23 September 2013.

	Balance 01 Jul 12	Granted	Received on exercise	Other changes	Held at end of reporting period 30 Jun 13
2013					
Kevin Moriarty	-	3,030,000*	-	-	3,030,000*
Michael A Robson	20,000**	-	-	(20,000)	-
Total	20,000	3,030,000	-	(20,000)	3,030,000

* Held at date of appointment and subsequent to a 1 for 200 consolidation.

** Holding as at date of resignation on 20 July 2012 and subsequent to a 1 for 200 consolidation.

(d) Other KMP transactions

There have been no other transactions involving equity instruments other than those described in the tables above. For details of other transactions with KMP, refer to Note 23 Related Party Transactions.

END OF AUDITED REMUNERATION REPORT

SHARE OPTIONS

At the date of this report the unissued ordinary shares of the Company under option are as follows:

Employee Option Incentive Scheme Options

Nil

Consultant Option Incentive Scheme Options

Nil

The issue of securities to employees pursuant to the Company's Employee Option Incentive Scheme was approved initially at the Company's 2003 AGM and subsequently re-approved by shareholders at the Company's 2006 AGM.

Other Options

Grant Date	Date of Expiry	Exercise Price	Held at 01 Jul 13	Issued	Lapsed / Cancelled	Held at 25 Sep 14
8 April 13	31 Dec 15	20 cents	10,302,500	-	-	10,302,500
8 April 13	31 Dec 15	20 cents	15,400,000	-	-	15,400,000

During the year ended 30 June 2013 and 30 June 2014 no ordinary shares in the Company were issued pursuant to the exercise of options. Apart from as described above, there have been no conversions to, calls of, or subscriptions for ordinary shares of issued or potential ordinary shares since the reporting date and before the completion of these financial statements.

No person entitled to exercise an option had or has any right by virtue of the option to participate in any share issue of any other body corporate.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings.

The Group was not a party to any such proceedings during the year.

CORPORATE GOVERNANCE

The Company's Corporate Governance Statement immediately follows the Additional Information section at page 59.

COMPETENT PERSON'S STATEMENT

The information in this report that relates to 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.

ENVIRONMENTAL LEGISLATION & PERFORMANCE

The Group is required to carry out the exploration and evaluation of its mining tenements in accordance with various State Government Acts and Regulations.

In regard to environmental considerations, the Group is required to obtain approval from various State regulatory authorities before any exploration requiring ground disturbance, such as line clearing, drilling programs and costeaning is carried out. It is normally a condition of such regulatory approval that any area of ground disturbed during the Group's activities is rehabilitated in accordance with various guidelines. There have been no significant breaches of these guidelines.

INDEMNITIES GIVEN AND INSURANCE PREMIUMS PAID TO AUDITORS AND OFFICERS

During the year, the Company paid a premium to insure officers of the Group. The officers of the Group covered by the insurance policy include all directors.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else to cause detriment to the Group.

Details of the amount of the premium paid in respect of the insurance policies is not disclosed as such disclosure is prohibited under the terms of the contract.

The Group has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify any current or former officer or auditor of the Group against a liability incurred as such by an officer or auditor.

AUDITORS' INDEPENDENCE DECLARATION

The lead auditor's independence declaration for the year ended 30 June 2014 has been received and can be found on the following page.

Pursuant to section 298(2) Corporations Act, this Directors' Report:

a) is made in accordance with a resolution of the Directors; and

b) is dated 25 September 2014; and

c) is signed by Mr Jonathan Davies .

JONATHAN DAVIES
Non-executive Chairman
Perth, Western Australia
25 September 2014

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Auditor's Independence Declaration
To the Directors of Kingston Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Kingston Resources Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P. Warr.

P W Warr
Partner - Audit & Assurance

Perth, 25 September 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	Consolidated Group	
		2014	2013
		$	$
Continuing Operations			
Other revenue	2	42,095	9,783
Consultant and legal fees		(165,340)	(211,009)
Services Fee - paid in shares	3	-	(959,000)
Acquisition related costs		-	(335,799)
Depreciation and amortisation expenses	3	(955)	(2,843)
Director fees		(90,100)	(80,862)
Director options expense		(158,400)	-
Employee benefit expense	3	(596)	(20,598)
Loss on revaluation of assets at FVTPL		(231)	(21,604)
Impairment of fixed and intangible assets	3	-	(15,133)
Other expenses		(109,488)	(282,660)
(Loss) before income tax expense		(483,015)	(1,919,725)
Income tax expense	4	-	-
(Loss) for the year		(483,015)	(1,919,725)
Profit/(Loss) on discontinued operations	5	-	(13,865)
Other comprehensive income/(loss)			
Other comprehensive income / (loss) – net of tax		-	-
Total comprehensive (loss) for the year		(483,015)	(1,933,590)
Basic loss per share (cents)			
- Discontinued operations		-	(0.028)
- Continuing operations		(0.578)	(3.832)
Total basic earnings per share (cents)	8	(0.578)	(3.860)
Diluted loss per share (cents)			
- Discontinued operations		-	(0.028)
- Continuing operations		(0.578)	(3.832)
Total diluted earnings per share (cents)	8	(0.578)	(3.860)

The accompanying notes form part of these financial statements.

Consolidated Statement of Financial Position

	Notes	Consolidated Group 2014 $	Consolidated Group 2013 $
Current assets			
Cash and cash equivalents	9	724,088	1,550,481
Trade and other receivables	10	15,117	16,235
Financial assets	11	22,364	22,595
Other current assets	15	-	1,837
Total current assets		761,569	1,591,148
Non-current assets			
Property, plant and equipment	13	1,432	2,387
Capitalised exploration expenditure	24	5,307,186	4,734,804
Total non-current assets		5,308,618	4,737,191
Total assets		6,070,187	6,328,339
Current liabilities			
Trade and other payables	16	34,128	55,033
Total current liabilities		34,128	55,033
Total liabilities		34,128	55,033
Net assets		6,036,059	6,273,306
Equity			
Issued capital	17	46,732,302	46,644,934
Accumulated losses		(42,010,370)	(41,552,420)
Reserves	18	1,314,127	1,180,792
Total equity		6,036,059	6,273,306

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

Consolidated Group

	Issued Capital				
	Ordinary Shares $	Listed Options $	Accumulated Losses $	Reserves $	Total Equity $
Balance at 1 July 2012	**40,020,690**	**829,595**	**(40,515,625)**	**92,266**	**426,926**
Loss for the year	-	-	(1,933,590)	-	(1,933,590)
Total comprehensive loss for the year	40,020,690	829,595	(42,449,215)	92,266	(1,506,664)
Transactions with shareholders					
Issue of share capital	8,327,641	-	-	-	8,327,641
Capital raising costs	(1,703,397)	-	-	-	(1,703,397)
Issue of share-based payments	-	-	-	1,155,726	1,155,726
Listed options issued	-	-	-	-	-
Listed options lapsed	-	(829,595)	829,595	-	-
Share-based payments lapsed	-	-	67,200	(67,200)	-
Balance at 30 June 2013	**46,644,934**	**-**	**(41,552,420)**	**1,180,792**	**6,273,306**
Balance at 1 July 2013	**46,644,934**	**-**	**(41,552,420)**	**1,180,792**	**6,273,306**
Loss for the year	-	-	(483,015)	-	(483,015)
Total comprehensive loss for the year	46,644,934	-	(42,035,435)	1,180,792	(5,790,291)
Transactions with shareholders					
Issue of share capital	89,100	-	-	-	89,100
Capital raising costs	(1,732)	-	-	-	(1,732)
Issue of share-based payments	-	-	-	158,400	158,400
Listed options issued	-	-	-	-	-
Listed options lapsed	-	-	-	-	-
Share-based payments lapsed	-	-	25,065	(25,065)	-
Balance at 30 June 2014	**46,732,302**	**-**	**(42,010,370)**	**1,314,127**	**6,036,059**

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

	Notes	Consolidated Group	
		2014	2013
		$	$
Cash flows from operating activities			
Continued operations			
Interest received		38,527	9,515
Payment for acquisition-related costs		-	(244,080)
Payments to suppliers and employees		(361,552)	(686,471)
Net cash used in continued operations		(323,025)	(921,036)
Net cash used in discontinued operations	5	-	(10,822)
Net cash used in operating activities	21	(323,025)	(931,858)
Cash flows from investing activities			
Cash acquired from asset acquisition		-	35,665
Payment for exploration and evaluation		(590,736)	(110,053)
Payment for option fee		-	-
Net cash used in investing activities		(590,736)	(74,388)
Cash flows from financing activities			
Proceeds from issue of shares and options		89,100	2,469,850
Capital raising costs		(1,732)	(276,667)
Net cash provided by financing activities		87,368	2,193,183
Net change in cash and cash equivalents held		(826,393)	1,186,937
Cash and cash equivalents at beginning of financial year		1,550,481	363,544
Cash and cash equivalents at end of financial year	9	**724,088**	**1,550,481**

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

This financial report includes the consolidated financial statements and notes of Kingston Resources Limited and controlled entities ('Consolidated Group' or 'Group').

For the purpose of preparing the consolidated financial statements, the company is a for-profit entity.

Note 1: Statement of Significant Accounting Policies

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The consolidated financial statements are presented in the currency of Australian dollars.

Statement of Compliance

Compliance with Australian Accounting Standards ensures that the financial statements and notes of Kingston Resources Limited and its controlled entities comply with International Financial Reporting Standards (IFRS).

The financial statements were authorised for issue by the directors on 25 September 2014.

Basis of Preparation

The financial statements have been prepared on an accrual basis and are based on historical costs modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Third Statement of Financial Position

Two comparative periods are presented for the statement of financial position when the Group:

i Applies an accounting policy retrospectively;

ii Makes a retrospectively restatement of items in its financial statements, or

iii Reclassifies items in the financial statements.

We have determined that only one comparative period for the statement of financial position was required for the current reporting period as the application of the new accounting standards have had no material impact on the previously presented primary financial statements that were presented in the prior year financial statements.

Significant Accounting Policies

a) **Principles of Consolidation**

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2014. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June. A list of controlled entities is contained in Note 12 to the financial statements.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

b) New Accounting Standards and Interpretations

(i) Changes in accounting policy

The following standards and interpretations have been applied for the first time for entities with years ending 30 June 2014 (unless early adopted):

Reference	Title	Application date of standard*	Application date for Group*
AASB 10	**Consolidated Financial Statements** AASB 10 establishes a new control model that applies to all entities. It replaces parts of AASB 127 *Consolidated and Separate Financial Statements* dealing with the accounting for consolidated financial statements and Interpretation 112 *Consolidation - Special Purpose Entities.* The new control model broadens the situations when an entity is considered to be controlled by another entity and includes new guidance for applying the model to specific situations, including when acting as a manager may give control, the impact of potential voting rights and when holding less than a majority voting rights may give control. Consequential amendments were also made to this and other standards via AASB 2011-7 and AASB 2012-10.	1 January 2013***	1 July 2013
AASB 11	**Joint Arrangements** AASB 11 replaces AASB 131 *Interests in Joint Ventures* and UIG-113 *Jointly-controlled Entities - Non-monetary Contributions by Ventures*. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition it removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves is accounted for by recognising the share of those assets and obligations. Joint ventures that give the venturers a right to the net assets is accounted for using the equity method. Consequential amendments were also made to this and other standards via AASB 2011-7, AASB 2010-10 and amendments to AASB 128. Amendments made by the IASB in May 2014 add guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business*****.	1 January 2013***	1 July 2013
AASB 12	**Disclosure of Interests in Other Entities** AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. New disclosures have been introduced about the judgments made by management to determine whether control exists, and to require summarised information about joint arrangements, associates, structured entities and subsidiaries with non-controlling interests.	1 January 2013***	1 July 2013
AASB 13	**Fair Value Measurement** AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted. Application of this definition may result in different fair values being determined for the relevant assets. AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined. Consequential amendments were also made to other standards via AASB 2011-8.	1 January 2013	1 July 2013

Reference	Title	Application date of standard*	Application date for Group*
AASB 119	**Employee Benefits** The main change introduced by this standard is to revise the accounting for defined benefit plans. The amendment removes the options for accounting for the liability, and requires that the liabilities arising from such plans is recognised in full with actuarial gains and losses being recognised in other comprehensive income. It also revised the method of calculating the return on plan assets. The revised standard changes the definition of short-term employee benefits. The distinction between short-term and other long-term employee benefits is now based on whether the benefits are expected to be settled wholly within 12 months after the reporting date. Consequential amendments were also made to other standards via AASB 2011-10.	1 January 2013	1 July 2013
Interpretation 20	**Stripping Costs in the Production Phase of a Surface Mine** This interpretation applies to stripping costs incurred during the production phase of a surface mine. Production stripping costs are to be capitalised as part of an asset. If an entity can demonstrate that it is probable future economic benefits will be realised, the costs can be reliably measured and the entity can identify the component of an ore body for which access has been improved. This asset is to be called the "stripping activity asset". The stripping activity asset shall be depreciated or amortised on a systematic basis, over the expected useful life of the identified component of the ore body that becomes more accessible as a result of the stripping activity. The units of production method shall be applied unless another method is more appropriate. Consequential amendments were also made to other standards via AASB 2011-12.	1 January 2013	1 July 2013
AASB 2012-2	**Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities** AASB 2012-2 principally amends AASB 7 *Financial Instruments: Disclosures* to require disclosure of the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position, when all the offsetting criteria of AASB 132 are not met.	1 January 2013	1 July 2013
AASB 2012-5	**Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle** AASB 2012-5 makes amendments resulting from the 2009-2011 Annual Improvements Cycle. The standard addresses a range of improvements, including the following: ► Repeat application of AASB 1 is permitted (AASB 1) ► Clarification of the comparative information requirements when an entity provides a third balance sheet (AASB 101 *Presentation of Financial Statements*)	1 January 2013	1 July 2013
AASB 2012-9	**Amendment to AASB 1048 arising from the withdrawal of Australian Interpretation 1039** AASB 2012-9 amends AASB 1048 *Interpretation of Standards* to evidence the withdrawal of Australian Interpretation 1039 *Substantive Enactment of Major Tax Bills in Australia.*	1 January 2013	1 July 2013
AASB 2011-4	**Amendments to Australian Accounting Standards to *Remove Individual Key Management Personnel Disclosure Requirements* [AASB 124]** This amendment deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies. It also removes the individual KMP disclosure requirements for all disclosing entities in relation to equity holdings, loans and other related party transactions.	1 July 2013	1 July 2013

The adoption of new and amended Standards and Interpretations did not impact the financial position or performance of the Group.

(ii) Accounting Standards issued but not yet effective

The following standards and interpretations have been issued by the AASB but are not yet effective for the period ending 30 June 2014.

Reference	Title	Summary	Application date of standard*	Application date for Group*
AASB 2012-3	Amendments to Australian Accounting Standards - *Offsetting Financial Assets and Financial Liabilities*	AASB 2012-3 adds application guidance to AASB 132 *Financial Instruments: Presentation* to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	1 January 2014	1 July 2014
Interpretation 21	*Levies*	This Interpretation confirms that a liability to pay a levy is only recognised when the activity that triggers the payment occurs. Applying the going concern assumption does not create a constructive obligation.	1 January 2014	1 July 2014
AASB 9/IFRS 9	*Financial Instruments*	On 24 July 2014 The IASB issued the final version of **IFRS 9 which replaces IAS 39 and includes a logical model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting.** IFRS 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early application. The own credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The final version of IFRS 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. The AASB is yet to issue the final version of AASB 9. A revised version of AASB 9 (AASB 2013-9) was issued in December 2013 which included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. AASB 9 includes requirements for a simplified approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are described below. a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. d. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:	1 January 2018	1 July 2018

Reference	**Title**	**Summary**	**Application date of standard***	**Application date for Group***
		► The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ► The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E.		
AASB 2013-3	*Amendments to AASB 136 – Recoverable Amount Disclosures for Non-Financial Assets*	AASB 2013-3 amends the disclosure requirements in AASB 136 *Impairment of Assets*. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	1 January 2014	1 July 2014
AASB 2014-1 Part A - Annual Improvements 2010–2012 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2010–2012 Cycle	AASB 2014-1 Part A: This standard sets out amendments to Australian Accounting Standards arising from the issuance by the International Accounting Standards Board (IASB) of International Financial Reporting Standards (IFRSs) *Annual Improvements to IFRSs 2010–2012 Cycle* and *Annual Improvements to IFRSs 2011–2013 Cycle.* Annual Improvements to IFRSs 2010–2012 Cycle addresses the following items: ► AASB 2 - Clarifies the definition of 'vesting conditions' and 'market condition' and introduces the definition of 'performance condition' and 'service condition'. ► AASB 3 - Clarifies the classification requirements for contingent consideration in a business combination by removing all references to AASB 137. ► AASB 8 - Requires entities to disclose factors used to identify the entity's reportable segments when operating segments have been aggregated. An entity is also required to provide a reconciliation of total reportable segments' asset to the entity's total assets. ► AASB 116 & AASB 138 - Clarifies that the determination of accumulated depreciation does not depend on the selection of the valuation technique and that it is calculated as the difference between the gross and net carrying amounts. ► AASB 124 - Defines a management entity providing KMP services as a related party of the reporting entity. The amendments added an exemption from the detailed disclosure requirements in paragraph 17 of AASB 124 for KMP services provided by a management entity. Payments made to a management entity in respect of KMP services should be separately disclosed.	1 July 2014	1 July 2014
AASB 2014-1 Part A - Annual Improvements 2011–2013 Cycle	Amendments to Australian Accounting Standards - Part A Annual Improvements to IFRSs 2011–2013 Cycle	Annual Improvements to IFRSs 2011–2013 Cycle addresses the following items: ► AASB13 - Clarifies that the portfolio exception in paragraph 52 of AASB 13 applies to all contracts within the scope of AASB 139 or AASB 9, regardless of whether they meet the definitions of financial assets or financial liabilities as defined in AASB 132. ► AASB40 - Clarifies that judgment is needed to determine whether an acquisition of investment property is solely the acquisition of an investment property or whether it is the	1 July 2014	1 July 2014

Reference	Title	Summary	Application date of standard*	Application date for Group*
		acquisition of a group of assets or a business combination in the scope of AASB 3 that includes an investment property. That judgment is based on guidance in AASB 3.		
AASB 1031	*Materiality*	The revised AASB 1031 is an interim standard that cross-references to other Standards and the F*ramework (*issued December 2013) that contain guidance on materiality. AASB 1031 will be withdrawn when references to AASB 1031 in all Standards and Interpretations have been removed. AASB 2014-1 Part C issued in June 2014 makes amendments to eight Australian Accounting Standards to delete their references to AASB 1031. The amendments are effective from 1 July 2014*.	1 January 2014	1 July 2014
AASB 2013-9	*Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments*	The Standard contains three main parts and makes amendments to a number Standards and Interpretations. Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1. Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards. Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 *Hedge Accounting* into AASB 9 *Financial Instruments*.	^^	^^
Amendments to IAS 16 and IAS 38*****	**Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)**	IAS 16 and IAS 38 both establish the principle for the basis of depreciation and amortisation as being the expected pattern of consumption of the future economic benefits of an asset. The IASB has clarified that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.	**1 January 2016**	**1 July 2016**

* Designates the beginning of the applicable annual reporting period unless otherwise stated.

*** The mandatory effective date for AASB 10, 11 and 12 for not-for-profit entities has been deferred to 1 January 2014, per AASB 2012-10. Subsequent amendments have been made to AASB 10 and 12 to incorporate more guidance for not-for-profit entities when applying these standards (refer AASB 2013-8). Amendments have also been made to AASB 1049 Whole of Government and General Government Sector Financial Reporting replacing references to AASB 127 with AASB 10 and 12.

***** These IFRS amendments have not yet been adopted by the AASB. In order to claim compliance with IFRS, these amendments should be noted in the financial statements.

^^ The application dates of AASB 2013-9 are as follows:

Part A –periods ending on or after 20 Dec 2013	Application date for the Group: period ending 30 June 2014
Part B - periods beginning on or after 1 January 2014	Application date for the Group: period beginning 1 July 2014
Part C - reporting periods beginning on or after 1 January 2015	Application date for the Group: period beginning 1 July 2015

The Group has not yet determined the impact of the initial application of the above Standards or Interpretations. These Standards and Interpretations will be first applied in the financial report of the Group that relates to the annual reporting period beginning on or after the effective date of each pronouncement.

c) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income). Current and deferred income tax expense (income) is charged or credited directly to other comprehensive income instead of the profit or loss when the tax relates to items that are credited or charged directly to other comprehensive income.

Current tax

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it s intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur.

Deferred tax

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

Tax consolidation

Kingston Resources Limited and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation legislation. Each entity in the Group recognises its own current and deferred tax liabilities. Such taxes are measured using the 'stand-alone taxpayer' approach to allocation. Current tax liability (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the head entity. The Group notified the Australian Taxation Office that it had formed an income tax consolidated group to apply from 1 July 2003.

d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss on the statement of profit or loss and other comprehensive income.

Depreciation

The depreciable amount of all fixed assets is depreciated using the diminishing value method commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable asset are:

Class of Fixed Assets	Depreciation Rate
Office, furniture and equipment	5-40%
Software	40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. The gains and losses are included in profit or loss in the statement of profit or loss and other comprehensive income. When revalued assets are sold, amounts included in the revaluation reserve relating to that asset are transferred to retained earnings.

e) **Financial Instruments**

Initial recognition and measurement

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit or loss. Transaction costs related to instrument classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset.

Classification and subsequent measurement

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management and within the requirements of AASB 139: Recognition and Measurement of Financial Instruments. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in profit or loss in the period in which they arise.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets that are either designated as such or that are not classified in any of the categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. They are held at fair value with changes in fair value taken through the financial assets reserve directly to other comprehensive income.

Financial liabilities

Non-derivative financial liabilities (excluding financial guarantee) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in profit or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets including uncollectible trade receivables is reduced by the impairment loss through the use of an allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in the financial assets reserve in other comprehensive income.

f) Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of profit or loss and other comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g) Intangibles

Patents and trademarks

Patents and trademarks are recognised at cost of acquisition. Patents and trademarks have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Patents and trademarks are amortised over their useful life being 10 years.

Rights and licences

Rights and licences are recognised at cost of acquisition. Rights and licences have a finite life and are carried at cost less any accumulated amortisation and any impairment losses. Rights and licences are amortised over their useful life being 10 years.

h) Foreign Currency Transactions and Balances

Functional and presentation currency

The functional currency of each of the group's entities is measured using the currency of the primary economic environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge in which case they would be recognised in other comprehensive income.

i) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled plus related on costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Equity-settled compensation

The Group operates a share-based compensation plan which includes a share option arrangement. The bonus element over the exercise price of the employee's services rendered in exchange for the grant of options is recognised as an expense in the statement of profit or loss and other comprehensive income, with a corresponding increase to an equity account. The total amount to be expensed over the vesting period is determined by reference to the fair value of the shares of the options granted. The fair value of options is ascertained using a Black-Scholes pricing model which incorporates all market vesting conditions.

j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

l) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

All revenue is stated net of the amount of goods and services tax (GST).

m) Exploration and Development Expenditure

Exploration, evaluation and development expenditures incurred are capitalised in respect of each identifiable area of interest. These costs are only capitalised to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to capitalise costs in relation to that area of interest.

Costs of site restoration are provided over the life of the project from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with local laws and regulations and clauses of the permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

n) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

o) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

p) Going Concern

The consolidated entity has incurred operating losses of $483,015 (2013: $1,933,590) and negative operating cash flows of $323,025 (2013: $931,858) for the year ended 30 June 2014. The consolidated entity’s net current asset position as at 30 June 2014 was $727,441 (2013: $1,536,115).

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. The Directors consider this to be appropriate for the following reasons:

- the ability to vary the consolidated entity's cost structure and in turn the levels of cash outflow dependent on timing of its exploration activities;
- the demonstrated ability to obtain funding through equity issues as required.

Taking into account the current cash reserves of the Company and the points noted above, the Directors are confident the Company has adequate resources to continue in its main business activity for the foreseeable future.

Should the Company and consolidated entity not achieve the matters set out above, there is significant uncertainty whether the Company and consolidated entity will continue as a going concern and therefore whether they will realise their assets and extinguish their liabilities in the normal course of business and at the amounts stated in the financial report.

The financial statements do not include any adjustment relating to the recoverability or classification of recorded asset amounts nor the amounts or classification of liabilities that might be necessary should the Company and consolidated entity not be able to continue as a going concern.

q) Joint Arrangements

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in associates and joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising the Group's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group.

Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

Critical Accounting Estimates and Judgements

The directors evaluate estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates – Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by management review using Black Scholes. The related assumptions are detailed in Note 22. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

Estimation of useful lives of assets

The estimation of the useful lives of assets has been based on historical experience and manufacturers' warranties (for plant and equipment). In addition, the condition of the assets is assessed at least once per year and considered against the remaining useful life. Adjustments to useful lives are made when considered necessary.

Exploration and evaluation of expenditure

Costs arising from exploration and evaluation activities are carried forward provided the rights to tenure of the area of the interest are current and such costs are expected to be recouped through successful development, or by sale, or where exploration and evaluation activities have not, at reporting date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. Costs carried forward in respect of an area of interest that is abandoned are written off in the year in which the decision to abandon is made. The carrying value of the capitalised exploration and evaluation expenditure is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

The Group has applied AASB 6 Exploration for and Evaluation of Mineral Resources.

Impairment

The carrying value of capitalised exploration and evaluation expenditure is assessed for impairment at the cash generating unit level whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount.

An impairment exists when the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount. The asset or cash generating unit is then written down to the recoverable amount. Any impairment losses are recognised in profit or loss on the statement of profit or loss and other comprehensive income.

		Consolidated Group	
		2014 $	2013 $
2.	**REVENUE**		
	Other revenue		
	Interest from:		
	Other unrelated persons	42,095	9,783
	Total interest	42,095	9,783
3.	**RESULT FOR THE YEAR**		
(a)	**Depreciation and amortisation of non-current assets**		
	Depreciation of:		
	- plant and equipment	955	2,843
	Total depreciation and amortisation	955	2,843
(b)	**Employee benefit expense**		
	Wages and salaries	-	14,985
	Defined contribution superannuation expense	-	1,349
	Other employee benefits expense	596	4,264
	Total employee benefit expenses	596	20,598
(c)	**Impairment of fixed and intangible assets**		
	Impairment of fixed assets	-	15,133

Total impairment	-	15,133

	Consolidated Group	
	2014	2013
	$	$
(d) Services Fee		
Service fee	-	959,000
Total service fee	-	959,000

On 19 November 2012, the Company and Soaraway Development entered into a Share Subscription and Underwriting Agreement (Soaraway Agreement) pursuant to which Soaraway Development was to provide specified services to the Company. The Soaraway Agreement was varied by letter of variation sent by the Company on 31 January 2013 and a letter of acceptance by Soaraway Development dated 4 February 2013.

The material terms of the Soaraway Agreement (as varied) are as follows:

(a) Soaraway Development's nominee Yucai Australia Pty Ltd subscribed for 5,805,000 Shares at an issue price of $0.07 per Share to raise up to $406,350 (Subscription).

(b) The Soaraway Agreement was conditional upon the Company providing copies of Fleurieu Acquisition Agreement signed by not less than 95% of the Fleurieu Vendors.

(c) Soaraway Development will provide to the Company:

(i) management and support services;
(ii) office services; and
(iii) corporate advisory services including project management,

in consideration of the Company issuing to Soaraway Development 7,000,000 Shares in lieu of fees.

The Company issued the 7,000,000 fully paid shares on 13 February 2013 and as the shares were fully vested has recorded an expense of $959,000 being the deemed fair value of the shares at the date of issue ($0.137 each).

In correspondence during the year, the Company has pressed Soaraway for provision of a specified range of services in part satisfaction of the consideration in the Agreement. However, as at the date of this report the directors regret that they have been unable to secure Soaraway's performance of the contract at all. In view of the fact that some 18 months of the 24 month period to provide the services has now elapsed without satisfactory compliance, the Company is considering its rights and position with respect to Soaraway's want of timely performance.

4. INCOME TAX

(a) Income tax recognised in profit and loss

The prima facie tax expense (benefit) on operating result is reconciled to the income tax provided in the statement of profit or loss and other comprehensive income as follows:

	Consolidated Group	
	2014	2013
	$	$
Accounting loss before income tax	(483,015)	(1,933,590)
Income tax expense (benefit) calculated at 30%	(144,904)	(580,077)
Non-deductible expenses	132	471,126
Movement in unrecognised temporary differences	(236,104)	6,916

Unused tax losses and temporary differences not recognised as deferred tax assets	380,876	102,035
Income tax expense (benefit)	-	-

The tax rate used in the above reconciliation is the corporate tax rate of 30% payable by Australian corporate entities on taxable profits under Australian tax law. There has been no change in the corporate tax rate when compared with the previous reporting period.

(b) Unrecognised deferred tax balances

The following deferred tax assets and liabilities have not been brought to account:

	Consolidated Group	
	2014 $	2013 $
Unrecognised deferred tax assets comprise:		
Prepayments	-	1,958
Losses available for offset against future taxable	478,249	102,035
Provision for expenses	5,100	-
Capital raising costs	8,776	24,434
Impairment	1,247,778	1,247,778
Legal fees	28,501	40,820
	1,768,404	1,417,025

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the company can utilise the benefits from.

The potential deferred tax assets will only be obtained if:

(i) the company derives future assessable income of a nature and an amount sufficient to enable the benefit to be realised in accordance with Division 170 of the Income Tax Assessment Act 1997;

(ii) the company continues to comply with the conditions for deductibility imposed by the law; and

(iii) no changes in tax legislation adversely affect the company in realising the benefits.

The carry-forward losses prior to the acquisition of Fleurieu Mines and the capital raising have been lost due to the group not meeting the continuity of ownership test and the same business test.

Tax Consolidation

Effective 1 July 2003, for the purposes of income taxation, the Company and its 100% wholly-owned subsidiaries formed a tax consolidated group; the head entity of the tax consolidated group is Kingston Resources Limited.

5. DISCONTINUED OPERATIONS

On 11 October 2012, the shareholders approved the acquisition of the assets of Fleurieu Mines and the associated change in nature and scale of the Company's activities. At the same EGM shareholders approved the Company's disposal of its existing information technology. As a result, the Company's information technology business ceased during the reporting period.

Financial information relating to the discontinued operations to the date of cessation of operations is set out below.

The financial performance of the discontinued operations to the date of cessation of operations, which is included in profit/(loss) from discontinued operations per the Consolidated Statement of Profit or Loss and Other Comprehensive Income, is as follows:

	2014 **$**	**2013** **$**
Revenue	-	21,368
Expenses	-	(35,233)

Profit/(Loss) before income tax	-	(13,865)
Income tax expense	-	-
Profit/(Loss) attributable to members of the parent entity	-	(13,865)

	2014 $	**2013 $**
The net cash flows of the discontinued division, which have been incorporated into the statement of cash flows, are as follows:		
Net cash inflow/(outflow) from operating activities	-	(10,822)
Net cash inflow from investing activities	-	-
Net cash (outflow)/inflow from financing activities	-	-
Net cash increase/(decrease) in cash generated by the discontinued division	-	(10,822)

6. INTERESTS OF KEY MANAGEMENT PERSONNEL

(a) Key management personnel compensation

Key management personnel (KMP) remuneration has been included in the Remuneration Report section of the Directors' Report.

The totals of remuneration paid to KMP of the Group during the 2014 and 2013 reporting periods are as follows.

	Consolidated Group	
	2014 $	2013 $
Short-term employee benefits	180,100	185,202
Equity-settled share-based payments - options	158,400	-
Total	338,500	185,202

7. AUDITOR REMUNERATION

Grant Thornton Audit Pty Ltd

Remuneration of the auditor of the Company for:

- auditing or reviewing the financial statements	31,180	46,890
- non-audit services	-	-
Total	31,180	46,890

8. LOSS PER SHARE

	Discontinued operations		
(a)	Basic loss per share (cents per share)	-	(0.028)
(b)	Diluted loss per share (cents per share)	-	(0.028)
(c)	Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	-	50,092,773
(d)	Profit/(Loss) used in calculation of basic loss per	-	($13,865)
	Continued operations		
(a)	Basic loss per share (cents per share)	(0.578)	(3.832)
(b)	Diluted loss per share (cents per share)	(0.578)	(3.832)
(c)	Weighted average number of ordinary shares on issue used in the calculation of basic loss per share	83,576,376	50,092,773

(d)	Profit/(Loss) used in calculation of basic loss per	($483,015)	($1,919,725)

There are no dilutive potential ordinary shares as the exercise of options to ordinary shares would have the effect of decreasing the loss per ordinary share and would therefore be non-dilutive.

	Consolidated Group	
	2014 $	2013 $
9. CASH & CASH EQUIVALENTS		
Cash at bank and in hand	25,864	6,728
Short-term deposits	698,224	1,543,753
Total	724,088	1,550,481

Cash at bank earns interest at floating rates based on daily deposit rates. The carrying amounts of cash and cash equivalents represent fair value. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rate at 4.36% per annum (2013: 4.5%).

	Consolidated Group	
	2014 $	2013 $
10. TRADE AND OTHER RECEIVABLES		
Current		
Other receivables	15,117	16,235
Total current trade and other receivables	15,117	16,235

Credit Risk – Trade and Other Receivables

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter parties other than those receivables specifically provided for as mentioned within this note. The class of assets described as Other Receivables is considered to be the main source of credit risk related to the Group.

The following table details the Group's trade and other receivables exposed to credit risk with ageing analysis and impairment provided thereon. Amounts are considered to be "past due" when the debt has not been settled within the terms and conditions agreed.

			Past due but not impaired (days overdue)				
	Gross amount	**Past due and impaired**	**<30**	**31 - 60**	**61 - 90**	**> 90**	**Within initial trade terms**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Consolidated Group 2014							
Other receivables	15,117	-	-	-	-	-	15,117
Total	15,117	-	-	-	-	-	15,117
2013							
Other receivables	16,235	-	-	-	-	-	16,235
Total	16,235	-	-	-	-	-	16,235

	Consolidated Group	
	2014	2013
	$	$
11. FINANCIAL ASSETS		
Financial assets at fair value through profit and loss:		
At fair value		
Shares in listed entities	22,364	22,595
	22,364	22,595

Financial assets at fair value through profit and loss consist of investments in ordinary shares, and therefore have no fixed maturity or coupon rate.

(i) Listed shares

The fair value of listed shares has been determined directly by reference to published price quotations in an active market.

There are no individually material investments.

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. A loss on revaluation of assets at FVTPL of $231 (2013: $21,604) was recognised during the year.

12. CONTROLLED ENTITIES

Name	Country of Incorporation	Principal Activity	Beneficial Percentage Interest Held By Economic Entity	
			2014 %	2013 %
Synergy Business Solutions Australia Pty Ltd*	Australia	Information technology (dormant & deregistered	-	100
Data-**inCrypt**® Pty Ltd*	Australia	Information technology (dormant & deregistered	-	100
Universal Rare Earths Pty Ltd	Australia	Mineral exploration	100	100
Fleurieu Mines Pty Ltd	Australia	Mineral exploration	100	100
Westernx Pty Ltd	Australia	Mineral exploration	100	100
U Energy Pty Ltd	Australia	Mineral exploration	100	100

*The Company deregistered two wholly owned subsidiaries SYNERGY Australia Pty Ltd and Data-inCrypt® Pty Ltd effective 10 July 2013 and 24 July 2013 respectively. These subsidiaries were dormant in the period and contained nil assets, liabilities or equity contributing to the Consolidated Group.

	Consolidated Group 2014 $	Consolidated Group 2013 $
13. PROPERTY, PLANT AND EQUIPMENT		
Computing plant and equipment – at cost	258,290	258,290
Closing balance	258,290	258,290
Accumulated depreciation		
Opening balance	255,903	246,501
Depreciation for the year	955	2,171
Impairment	-	7,231
Closing balance – accumulated depreciation	256,858	255,903
Net book value – computing plant and equipment	1,432	2,387
Office, furniture and equipment – at cost	20,211	20,211
Closing balance	20,211	20,211
Accumulated depreciation		
Opening balance	12,882	12,882
Depreciation for the year	419	419
Impairment	6,910	6,910
Closing balance – accumulated depreciation	20,211	20,211
Net book value – office, furniture and equipment	-	-
Software – at cost	377,863	377,863
Closing balance	377,863	377,863
Accumulated depreciation		
Opening balance	376,618	376,618
Depreciation for the year	253	253
Impairment	992	992
Closing balance – accumulated depreciation	377,863	377,863
Net book value – software	-	-
Total property, plant and equipment, net	**1,432**	**2,387**

	Computing, plant and equipment $	**Office, furniture and equipment $**	**Software $**	**Total $**
(a) Movements in carrying amounts				
Balance at 1 Jul 13	2,387	-	-	2,387
Depreciation expense	(955)	-	-	(955)
Balance at 30 Jun 14	1,432	-	-	1,432
Balance at 1 Jul 12	11,789	7,329	1,245	20,363
Impairment	(7,231)	(6,910)	(992)	(15,133)
Depreciation expense	(2,171)	(419)	(253)	(2,843)
Balance at 30 Jun 13	2,387	-	-	2,387

	Consolidated Group	
	2014	2013
	$	$
14. INTANGIBLE ASSETS		
Goodwill on acquisition		
Opening balance	999	999
Write off	(999)	(999)
Closing balance	-	-
Total intangible assets	-	-
15. OTHER CURRENT ASSETS		
Prepayments	-	1,837
Total	-	1,837
16. TRADE AND OTHER PAYABLES		
Trade payables – unsecured	11,797	42,449
Other payables and accruals	22,331	12,584
Total	34,128	55,033

Given the short term nature of these amounts, their carrying value approximates their fair value.

17. (a) ISSUED CAPITAL

	Consolidated Group			
	30 June 2014		30 June 2013	
	Number of Fully Paid Ordinary Shares	$	Number of Fully Paid Ordinary Shares	$
Movements in contributed equity for the year				
Balance at the beginning of the year	82,355,828	46,644,934	4,647,022,710*	40,020,690
Reduction due to a 1 for 200 consolidation on 26 October 2012	-	-	(4,623,787,373)	-
- Ordinary shares at 0.012 cents on 2 May 2014	7,425,000	89,100	-	-
Shares issued during the previous financial year:				
- Ordinary shares at 0.07 cents on 21 November 2012	-	-	5,805,000	406,350
- Ordinary shares at 13.7 cents on 17 December 2012	-	-	29,821,670	4,057,522
- Ordinary shares at 13.7 cents on 31 January 2013	-	-	4,191,321	570,269
- Ordinary shares at 13.7 cents on 13 February 2013	-	-	7,000,000	959,000
- Ordinary shares at 13.7 cents on 5 April 2013	-	-	2,000,000	274,000
- Ordinary shares at 20 cents on 5April 2013	-	-	10,302,500	2,060,500
Less capital raising costs	-	(1,732)	-	(1,703,397)
Total contributed equity	89,780,828	46,732,302	82,355,828	46,644,934

*Pre 200:1 Consolidation

The company has authorised share capital amounting to 89,780,828 fully paid ordinary shares of no par value. At shareholders' meetings each fully paid ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

	Consolidated Group			
	30 June 2014		30 June 2013	
	Number of Options	$	Number of Options	$
(b) Listed Options				
Listed options (ASX code: KSNO)	10,302,500	-	10,302,500	-
Total listed options	10,302,500	-	10,302,500	-
Movements in listed options for the year				
Listed options (ASX code: KSNOA)				
Balance at the beginning of the year	-	-	1,130,394,439	690,940
Reduction due to a 1 for 200 consolidation	-	-	(1,124,742,455)	-
Listed options expired during the previous financial year	-	-	(5,651,984)	(690,940)
Total listed options	-	-	-	-
Listed options (ASX code: KSNOC)				
Balance at the beginning of the year	-	-	2,496,250,000	138,655
Reduction due to a 1 for 200 consolidation	-	-	(2,483,768,750)	-
Listed options expired during the previous financial year:	-	-	(12,481,250)	(138,655)
Total listed options	-	-	-	-
Listed options (ASX code: KSNO)				
Balance at the beginning of the year	10,302,500	-	-	-
Listed options issued during the previous financial year*	-	-	10,302,500	-
Total listed options	10,302,500	-	10,302,500	-

*Listed options (KSNO) issued during the year were free-attaching to ordinary shares issued, therefore have no value.

Option holders do not have any right, by virtue of the option, to vote, to participate in dividends or to the proceeds on winding up of the Company.

During the financial year no fully paid ordinary share were issued as a result of the exercise of options. No ordinary shares have been issued since the end of the financial year as a result of the exercise of options.

(c) Options

(i) For information relating to the Company's employee and consultant option scheme, including details of options issued, exercised and lapsed during the financial year and the options outstanding at year end, refer to Note 22 Share-based Payments.

(ii) For information relating to share options issued to key management personnel during the financial year, refer to the Directors' Report.

(d) Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing its financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management debts levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

The gearing ratios for the year ended 30 June 2014 and 30 June 2013 are as follows:

	Consolidated Group	
	2014 $	2013 $
Total borrowings	34,128	55,033
Less cash and cash equivalents	(724,088)	(1,550,481)
Net debt	(689,960)	(1,495,480)
Total equity	6,036,059	6,273,306
Total capital	5,346,099	4,777,826
Gearing ratio (Net debt / Total equity)	(11.43%)	(23.84%)

18. RESERVES

(a) Share-based Payment Reserve

The share-based payment reserve records items recognised as expenses on valuation of unlisted employee and consultant option incentive scheme options. Refer to Note 22 Share-based Payments for further details.

19. COMMITMENTS AND CONTINGENCIES

The Group has certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group. These commitments have not been provided for in the financial report. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishing of tenure or by new joint venture arrangements. Expenditure may be increased when new tenements are granted or joint venture agreements amended. The minimum expenditure commitment on the tenements is:

	Consolidated Group	
	2014 $	2013 $
Not Later than one year	598,000	555,000
Later than one year and less than five years	95,000	598,000

The Company has a $5,000 credit card facility.

20. SEGMENT REPORTING

The group has identified that it has no operating segments disaggregated within the consolidated entity. This has been determined based on the fact that the board of directors (chief operating decision makers) assesses performance of the consolidated entity with no further review at a disaggregated level.

The group operates in one segment being Exploration and Evaluation of Minerals in Australia. Thus, segmented disclosures are not required.

21. CASH FLOW INFORMATION

(a) Reconciliation to Statement of Cash Flows

For the purposes of the Statement of Cash Flows, cash and cash equivalents are as reported above.

	Consolidated Group	
	2014 $	2013 $
Reconciliation of Loss from Ordinary Activities to Net Cash Flows from Operating Activities		
Loss for the year	(483,015)	(1,933,590)
Non-cash flows in loss		
Depreciation	955	2,843
Director option	158,400	-
Impairment – fixed assets	-	15,133
Impairment – intangible assets	-	999
Service fee – paid in shares	-	959,000
Revaluation of assets at FVTPL	231	21,604
Changes in assets and liabilities		
(Increase) / decrease in trade & other receivables	(3,569)	7,082
(Increase) / decrease in prepayments	1,837	1,575
Increase / (decrease) in trade payables	(12,299)	15,002
Increase / (decrease) in other payables & accruals	14,435	(21,506)
Net cash flows from operating activities	(323,025)	(931,858)

(b) Non-cash Investing Activities

There were no non-cash investing activities during the year.

22. SHARE-BASED PAYMENTS

(i) Share options are granted to employees and directors of the Company, or any Associated Body Corporate of the Company.

The following employee share-based payment arrangements existed at 30 June 2014.

The number and weighted average exercise prices of share options is as follows:

	2014		2013	
	Number of Options	**Weighted Average Exercise Price $**	**Number of Options**	**Weighted Average Exercise Price $**
Outstanding at the beginning of	25,000	$5.00	50,000*	$5.00*
Issued during the period	6,000,000	$0.07	-	
Expired during the period	(25,000)	$5.00	(25,000)	$5.00
Exercised during the period	-		-	
Outstanding at year-end	6,000,000	$0.07	25,000	$5.00
Exercisable at year-end	6,000,000	$0.07	25,000	$5.00

* Subsequent to a 1 for 200 consolidation.

During the period the following options were granted to directors:

Grant date	Expiry date	Grant date fair value $	Exercise price $	Number issued	Vesting date
4-Nov-13	30-Jun-16	0.0264	0.07	6,000,000	Immediate

The assessed fair value of the options was determined using a Black Scholes model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The following assumptions were used in the estimation:

- Risk free interest rate of 3.06%
- Company share price of $0.05
- Dividend Yield of 0%
- Expected volatility of 99.53%
- Option exercise price of $0.07
- Option duration of 2.65 years

There were no options exercised during the year ended 30 June 2014 (2013: nil).

(ii) Other share-based payments granted to third parties.

There were no share-based payments granted to third parties during 2014. During the previous year 15,400,000 options exercisable at 20 cents and expiring 31 December 2015 were issued to third parties as approved by shareholders on 29 January 2013. The issue was paid to brokers and advisors in consideration for services provided in relation to the prospectus issue. The value of the share-based payment issue is $1,152,726.

The number and weighted average exercise prices of the share-based options is as follows:

	2014		2013	
	Number of Options	**Weighted Average Exercise Price $**	**Number of Options**	**Weighted Average Exercise Price $**
Outstanding at the beginning of	15,400,000	$0.20	-	-
Issued during the period	-	-	15,400,000	$0.20
Outstanding at year-end	15,400,000	$0.20	15,400,000	$0.20
Exercisable at year-end	15,400,000	$0.20	15,400,000	$0.20

There were no options exercised during the year ended 30 June 2014 (2013: nil).

The assessed fair value of the options was determined using a Black Scholes model, taking into account the exercise price, term of option, the share price at grant date and expected price volatility of the underlying share, expected dividend yield and the risk-free interest rate for the term of the option. The following assumptions were used in the estimation:

- Risk free interest rate: 2.85%
- Company share price at time of grant: 13.7 cents
- Dividend Yield: 0%
- Expected volatility: 100%
- Option exercise price: 20 cents
- Option duration: 2.92 years

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of options granted were incorporated into the measurement of fair value.

23. RELATED PARTY TRANSACTIONS

(a) Key Management Personnel

Key management personnel compensation and transactions have been included in the Remuneration Report section of the Directors' Report and Note 6 Key Management Personnel.

(b) Directors' Interest

As at 30 June 2014, the interests of the Directors, held either directly or through the entities they control, in the securities of Kingston Resources Limited are as follows.

Director	Number of Ordinary Shares (KSN)	Number of Unlisted Options
Jonathan Davies	-	2,000,000
Mathew Whyte	-	2,000,000
Michal Safrata	-	1,000,000
Yafeng Cai	-	1,000,000
Kevin Moriarty	3,030,000*	-

* Held to the date of resignation

(c) Other transactions with related parties

1) During the period $Nil (2013: $1,612) was paid or payable to Satus Texo Pty Limited, a related party of M Robson, for director fees.

2) During the period $21,000 (2013: $3,750) was paid or payable to Jonathan Davies for directors fees.

3) During the period $111,000 (2013: $116,140) was paid or payable to Whypro Corporate Services, a related party of M Whyte, as follows:
   (a) $21,000 (2013: $17,500) for director fees.
   (b) $90,000 (2013: $98,640) for company secretarial and corporate administration fees.

4) During the period $21,000 (2013: $17,500) was paid or payable to Pulpart Pty Ltd, a related party of M Safrata, for director fees.

5) During the period $6,100 (2013: 42,450) was paid or payable to Towarnie Geosciences, a related party of K Moriarty, as follows:
   (a) $6,100 (2013: $36,750) for director fees.
   (b) $Nil (2013: $5,700) for geological consulting services.

6) During the period $21,000 (2013: $3,750) was paid or payable to Cai Shi Pty Ltd , a related party of Y Cai, for director fees.

7) During the period the group had two joint ventures with Strategic Energy Resources Limited through its wholly owned subsidiary, U Energy Pty Ltd. Mark Muzzin is a Director of both U Energy Pty Ltd and Strategic Energy Resources Limited. U Energy Pty Ltd pays management fees to Strategic Energy Resources Limited for operating the joint venture, amounting to 5% of administration costs. Mark Muzzin resigned as a Director of U Energy Pty Ltd effective 19 August 2014.

24. CAPITALISED EXPLORATION EXPENDITURE

	Notes	Consolidated Group	
		2014	2013
		$	$
Opening Balance		-	-
Acquisition of Fleurieu Mines		4,734,804	4,600,000
Additions		572,382	134,804
Reimbursement for past expenditure		-	-
Impairment of exploration expenditure		-	-
Total exploration expenditure capitalised		5,307,186	4,734,804

Interests in Joint Ventures

The parent entity has entered into the following unincorporated joint operations:

Joint Operations Project	Percentage Interest	Principal Exploration Activities
Spencer	25%	IOCG
Myall Creek	50%	IOCG

The joint operations are not separate legal entities but are contractual arrangements between the participants for sharing costs and output and do not in themselves generate revenue and profit. Exploration expenditure is the only asset of the joint operations.

25. FINANCIAL INSTRUMENTS

The Group’s principal financial instruments comprise receivables, payables, FVTPL financial assets, cash and short-term deposits.

The main risks arising from the Group’s financial instruments are interest rate risk, credit risk and liquidity risk. The Company uses different methods to measure and manage different types of risks to which it is exposed. These included monitoring levels of exposure to interest rate and market forecasts for interest rate. Ageing analyses and monitoring of specific credit allowances are undertaken to manage credit risk, liquidity risk is monitored through the development of future rolling cash flow forecasts.

The Board reviews and agrees policies for managing each of these risks are summarised below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group.

Credit risk arises from cash and cash equivalents, trade and other receivables and FVTPL financial assets. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount net of any provisions for these assets as disclosed in the statement of financial position and notes to the financial statements.

The Group has adopted a policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial loss from defaults. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit evaluations including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the Board. These risk limits are regulatory monitored. The Group does not require collateral in respect of financial assets.

In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. At the reporting date there were no significant concentrations of credit risk. Refer to Note 10 for further information on impairment of financial assets that are past due.

(b) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management. The Group manages the liquidity risk by maintaining adequate cash reserves, and by continuously monitoring forecast and actual cash flows while matching the maturity profiles of financial assets and liabilities.

The table below lists the financial liability and financial asset maturity analysis.

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	$	$	$	$	$	$	$	$
Consolidated Group								
Financial liabilities due for payment								
Trade & other payables	34,128	55,033	-	-	-	-	34,128	55,033
Total expected outflows	34,128	55,033	-	-	-	-	34,128	55,033
Financial assets — cash flows realisable								
Cash and cash equivalents	724,088	1,550,481	-	-	-	-	724,088	1,550,481
Trade and other receivables	15,117	16,235	-	-	-	-	15,117	16,235
Financial assets at fair value through profit and loss	22,364	22,595	-	-	-	-	22,364	22,595
Total anticipated inflows	761,569	1,589,311	-	-	-	-	761,569	1,589,311
Net (outflow)/inflow on financial instruments	727,441	1,534,278	-	-	-	-	727,441	1,534,278

(c) Interest rate risk

The Group's current exposure to the risk of changes in market interest rates relate primarily to cash assets rates. The Group does not account for fixed rate financial assets and liabilities at fair value through profit or loss.

The following table illustrates sensitivities to the Group's exposures to changes in interest rates. The table indicates the impact on how profit / (loss) and equity values reported at reporting date would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. The Group's main interest rate risk arises from cash and cash equivalents with variable interest rates.

	Consolidated Group	
	2014 $	2013 $
Financial assets		
Cash and cash equivalents	724,088	1,550,481
Financial liabilities		
Interest bearing liabilities	-	-
	724,088	1,550,481
Impact on post tax profit / (loss) and equity		
+ 2% in interest rate	14,482	31,010
- 2% in interest rate	(14,482)	(31,010)

(d) Foreign currency risk

The Group is not exposed to significant financial risks from movements in foreign exchange rates.

There are no financial assets and no liabilities denominated in foreign currencies. The Group does not participate in any type of hedging transactions or derivatives. Therefore, no sensitivity analysis is required.

(e) Price risk

The Group's exposure to commodity and equity securities price risk is minimal. Equity securities price risk arises from investments in equity securities. In order to limit this risk the Group diversifies its portfolio in accordance with limits set by the Board. The majority of the equity investments are of a high quality and are publicly traded on the ASX.

The price risk for both listed an unlisted securities is immaterial in terms of a possible impact on profit and loss or total equity and as such a sensitivity analysis has not been completed.

(f) Fair value

For the financial assets and liabilities disclosed in this note, the fair value approximates their carrying value.

The aggregate fair values and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

		2014		2013	
	Footnote	**Net Carrying Value $**	**Fair Value $**	**Net Carrying Value $**	**Fair Value $**
Consolidated Group					
Financial assets					
Cash and cash equivalents	(i)	724,088	724,088	1,550,481	1,550,481
Trade and other receivables	(i)	15,117	15,117	16,235	16,235
Financial assets at fair value	(ii)	22,364	22,364	22,595	22,595

	Footnote	2014 Net Carrying Value $	2014 Fair Value $	2013 Net Carrying Value $	2013 Fair Value $
Total financial assets		761,569	761,569	1,589,311	1,589,311
Financial liabilities					
Trade and other payables	(i)	34,128	34,128	55,033	55,033
Total financial liabilities		34,128	34,128	55,033	55,033

The fair values disclosed in the above table have been determined based on the following methodologies:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is not considered a financial instrument.

(ii) For financial assets at fair value through profit and loss, closing quoted bid prices at the end of the reporting period used. These listed investments are included within level 1 of the hierarchy of financial assets.

26. PARENT COMPANY INFORMATION

	Parent Entity 2014 $	Parent Entity 2013 $
Assets		
Current assets	733,818	1,566,013
Non-current assets	5,317,924	4,733,508
Total assets	6,051,742	6,299,521
Liabilities		
Current liabilities	34,128	55,033
Non-current liabilities	-	-
Total liabilities	34,128	55,033
Equity		
Issued capital	46,732,305	46,647,937
Accumulated losses	(42,028,818)	(41,581,241)
Reserves		
Share-based payments	1,314,127	1,177,792
Total equity	6,017,614	6,244,488
Financial performance		
Loss for the year	(447,577)	(1,914,392)
Other comprehensive income / (loss)	-	-
Total comprehensive (loss)	(447,577)	(1,914,392)

Contingent liabilities

The parent company has a $5,000 contingent liability being a credit card limit.

Contractual commitments

There is no contractual commitments for the parent entity during the financial year. Refer to note 19 for exploration commitments.

27. SUBSEQUENT EVENTS

There is, at the date of this report, no matter or circumstance which has arisen since 30 June 2014 that has significantly affected or may significantly affect:

a) Kingston Resources Limited’s operations in future financial years; or

b) the results of those operations in future financial years; or

c) Kingston Resources Limited’s state of affairs in future financial years.

Directors' Declaration

The Directors of the Company declare that:

1. In the opinion of the Directors of the Company:
   (a) the financial statements and notes set out on page 17 to 50, and the Remuneration disclosures that are contained in page 9 to 13 of the Remuneration Report in the Directors' Report, are in accordance with the Corporations Act 2001, including:
      (i) giving true and fair view of the Group's financial position as at 30 June 2014 and of its performance, for the financial year ended on that date;
      (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
      (iii) complying with International Financial Reporting Standards as disclosed in Note 1.
   (b) the remuneration disclosures that are contained in page 10 to 13 of the Remuneration Report in the Directors' Report comply with Australian Accounting Standard AASB 124 Related Party Disclosures.
   (c) the directors have been given the declaration required by s295A of the Corporations Act 2001 by the persons undertaking the roles of Chief Executive Officer and Chief Financial Officer.

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Board of Directors.

JONATHAN DAVIES
Non-Executive Chairman
Perth, Western Australia
25 September 2014

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Independent Auditor's Report
To the Members of Kingston Resources Limited

Report on the financial report

We have audited the accompanying financial report of Kingston Resources Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

a the financial report of Kingston Resources Limited is in accordance with the Corporations Act 2001, including:

  i giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

  ii complying with Australian Accounting Standards and the Corporations Regulations 2001;

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Material uncertainty regarding continuation as a going concern

Without qualifying our opinion, we draw attention to the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows in the financial report which indicates that the consolidated entity incurred a net loss of $483,015 during the year ended 30 June 2014 and operating cash outflows of $323,025. These conditions along with other matters as set forth in Note 1(p), indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report.

Report on the remuneration report

We have audited the Remuneration Report included in pages 10 to 13 of the Directors' Report for the year ended 30 June 2014. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Kingston Resources Limited for the year ended 30 June 2014, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

P. Warr.

P W Warr
Partner - Audit & Assurance

Perth, 25 September 2014

The following additional information is provided in compliance with the requirements of ASX Limited.

1. SHAREHOLDER INFORMATION

1.1 Distribution of Ordinary Shares and Listed Options at 31 August 2014

Distribution	No. of Shareholders (ASX code – KSN)	No. of Listed Option Holders (ASX code - KSNO)
1-1,000	3,136	0
1,001-5,000	737	0
5,001-10,000	184	6
10,001-100,000	298	40
100,001 – and over	64	16
Total	**4,419**	**62**

1.2 Holders Holding Less Than a Marketable Parcel of the Quoted Equity Securities at 31 August 2014

As at 31 August 2014, 4,236 shareholders held less than a marketable parcel of the Company's fully paid ordinary shares at a price of $0.017.

As at 31 August 2014, 24 option holders held less than a marketable parcel of the Company's listed options (ASX code - KSNO)

1.3 The Names of the 20 Largest Holders of the Quoted Equity Securities at 10 September 2014

Contributed Equity (ASX code – KSN)

	Name	Holding	%
1.	Omen Pty Ltd	16,098,681	17.93
2.	Yucai Australia Pty Ltd	10,773,250	12.00
3.	Manhattan Capital Pty Ltd	10,721,049	11.94
4.	Mr Mark Anthony Muzzin	8,423,680	9.38
5.	Soaraway Development Pty Ltd	3,517,979	3.92
6.	Netwealth Investments Limited <Super Services A/C>	3,030,497	3.38
7.	Focem Pty Ltd <Towarnie Superfund A/C>	3,030,000	3.37
8.	Intercorp Pty Ltd	2,548,080	2.84
9.	Melbourne Capital Limited	2,000,000	2.23
10.	EERC Australasia Pty Ltd <Super Fund A/c>	1,102,736	1.23
11.	Frontlaw Pty Ltd	1,065,979	1.19
12.	Mr Edward Courtney McNally	1,010,843	1.13
13.	Interprac Financial Planning Pty Ltd	1,000,000	1.11
14.	Mr Robert Raymond Roget & Mrs Marina Roget <Lilybrook S/F A/c>	984,179	1.10
15.	Renyolds (Nominees) Pty Ltd	918,947	1.02
16.	Oroya Mining Limited	833,333	0.93
17.	Mr Garry Peter Crole	500,000	0.56
18.	Kram Nominees Pty Ltd	420,000	0.47
19.	Sixth Erra Pty Ltd <Staff super Fund A/C>	400,000	0.45
20.	Kabila Investments Pty Limited	350,000	0.39
	Total	**68,729,051**	**76.55**

1.4 The Names of the 20 Largest Listed Options Holders at 10 September 2014

Contributed Equity (ASX code – KSNO)

	Name	Holding	%
1.	Yucai Australia Pty Ltd	4,000,000	38.83
2.	Intercorp Pty Ltd	1,000,000	9.71
3.	Sixth Erra Pty Ltd <Staff Super Fund A/c>	400,000	3.88
4.	Kram Nominees Pty Ltd	375,000	3.64
5.	Kabila Investments Pty Limited	350,000	3.40
6.	Ayman Muhor Investments Pty Ltd <Ayman Muhor Investment A/c>	250,000	2.43
7.	EERC Australasia Pty Ltd <Super Fund A/c>	250,000	2.43
8.	Mr Michael E Hayden & Mrs Lorraine H Hayden <Hayden Super Fund A/c>	250,000	2.43
9.	Omen Pty Ltd	250,000	2.43
10.	Mr Anthony Rechner	250,000	2.43
11.	Sixth Erra Pty ltd <The I Collie Family A/c>	250,000	2.43
12.	Tangram Pty Ltd	250,000	2.43
13.	Mr John Hermann & Mrs Pamela Herrmann <J & P Herrman Super Fund A/c>	225,000	2.18
14.	DMH Enterprises Pty Ltd <DMH Superannuation Fund A/c>	150,000	1.46
15.	Geelong Orthotics Pty Ltd <G O Trading A/c>	125,000	1.21
16.	McMurtrie Super Pty Ltd <BM Super Fund A/c>	125,000	1.21
17.	Accent Super Co Pty Ltd <C P Badcock Super Fund A/c>	100,000	0.97
18.	Mr Edward Klopsch & Mrs Eleonor Klopsch <Oracle Super Fund A/c>	100,000	0.97
19.	Ms Karlie Michelle Parker	100,000	0.97
20.	Jarts Pty Ltd	75,000	0.73
	Total	**8,875,000**	**86.14**

1.5 Substantial Shareholders at 10 September 2014

The names of the substantial shareholders who have notified the Company in accordance with section 671B of the Corporations Act 2001 are:

Yucai Australia Pty Ltd – 10,773,250 fully paid ordinary shares

Omen Pty Ltd – 17,951,417 fully paid ordinary shares

Mark Anthony Muzzin – 8,423,680 fully paid ordinary shares

Manhattan Pty Ltd – 10,721,049 fully paid ordinary shares

1.6 Number of Holders of Each Class of Securities at 10 September 2014

As at 10 September 2014, the Company had 89,780,828 fully paid ordinary shares held by 4,414 individual shareholders holders and 10,302,500 listed options (ASX code – KSNO) held by 62 individual option holders.

1.7 Voting Rights

The company's share capital is of one class with the following voting rights:

Ordinary shares

a) each shareholder entitled to vote, may vote in person or by proxy, attorney or representative;

b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and

c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held, or in respect of which he / she is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have a fraction of a vote equivalent to the proportion which the amount paid up bears to the total issue price for the share.

2. COMPANY SECRETARY

Mathew Whyte BCom CPA

3. REGISTERED OFFICE

The address of Kingston Resources Limited's registered office and principal administrative office is 25-27 Jewell Parade, North Fremantle WA 6159, Australia. The Company's telephone number is (+61 8) 9336 6619.

4. SHARE REGISTRY

The address of Kingston Resources Limited's share registry, Computershare Investor Services Pty Ltd is Level 2, Reserve Bank Building, 45 St. Georges Terrace, Perth WA 6000, Australia. Computershare Investor Services Pty Ltd's telephone number is (+61 8) 9323 2000.

5. STOCK EXCHANGE LISTING

The Company's shares and options are listed on the Australian Securities Exchange Limited. The home exchange is the Australian Securities Exchange (Perth).

6. UNQUOTED AND RESTRICTED SECURITIES

The Company has on issue the following unquoted and restricted securities as at 10 September 2014.

Description	Code	Restriction Expiry Date	Number on Issue
ORDINARY SHARES	KSNAM	24 months from 16/4/13	40,341,660
OPTIONS Exercisable at $0.20 Exp 31/12/15	KSNAQ	24 months from 16/4/13	15,400,000

7. A REVIEW OF OPERATIONS AND ACTIVITIES

A review of operations and activities for the reporting period is located in the Directors' Report.

8. ON MARKET BUY BACK

The Company does not currently have an on market buy back in operation.

9. TENEMENT SCHEDULE

Tenement	State	Project	Km^2	Grant Date	Ownership
EL 5011	South Australia	Myall Creek	381	13/09/2012	50%
EL 5010	South Australia	Spencer (Nee Cultana)	321	13/09/2012	25%
EL 5379	South Australia	Sunset Hill	160	24/11/2008	100%
EL 4524	South Australia	Yalymboo	280	20/06/2010	100%
EL 4462	South Australia	Cootanoorina	710	6/04/2010	100%
EL 4494	South Australia	Six Mile Hill	296	17/05/2010	100%
EL 4915	South Australia	Mount Eba	440	19/04/2012	100%
EL 5101	South Australia	Mount Morgan	909	16/11/2012	100%

10. USE OF FUNDS SINCE RE-INSTATEMENT TO OFFICIAL QUOTATION

The Company was reinstated to Official Quotation on ASX on 16 April 2013 following its compliance with ASX Listing Rule 11.1.3. In accordance with ASX Listing Rule 4.10.19 the Company now confirms it has used the cash and assets in a form readily convertible to cash that it had at the time of reinstatement in a way consistent with its business objectives.

CORPORATE GOVERNANCE STATEMENT

Introduction

Kingston Resources Limited (Kingston) values good corporate governance as a foundation for best serving the interests of its shareholders and for consideration of other people affected by the Company's activities. The Directors will adhere to ASX guidelines on corporate governance as appropriate to a Company of Kingston's size and level of development.

The Board of Directors

The Company's constitution provides that the number of directors shall not be less than three and not more than ten. There is no requirement for any shareholding qualification.

As and if the Company's activities increase in size, nature and scope the size of the board will be reviewed periodically, and as circumstances demand.

The membership of the board, its activities and composition, is subject to periodic review. The criteria for determining the identification and appointment of a suitable candidate for the board shall include quality of the individual, background of experience and achievement, compatibility with other board members, credibility within the Company's scope of activities, intellectual ability to contribute to board's duties and physical ability to undertake board's duties and responsibilities.

Directors are initially appointed by the full board subject to election by shareholders at the next general meeting. Under the Company's constitution the tenure of a director (other than managing director, and only one managing director where the position is jointly held) is subject to reappointment by shareholders not later than the third anniversary following his or her last appointment. Subject to the requirements of the Corporation Act 2001, the board does not subscribe to the principle of retirement age and there is no maximum period of service as a director. A managing director may be appointed for any period and on any terms the directors think fit and, subject to the terms of any agreement entered into, may revoke the appointment.

The Board considers that the Company is not currently of a size, nor are its affairs of such complexity to justify the formation of separate or special committees at this time. The board as a whole is able to address the governance aspects of the full scope of the Company's activities and to ensure that it adheres to appropriate ethical standards.

Role of the Board

The Board's primary role is the protection and enhancement of long-term shareholder value.

To fulfil this role, the board is responsible for oversight of management and the overall corporate governance statement of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

Appointments to Other Boards

Directors are required to take into consideration any potential conflicts of interest when accepting appointments to other boards.

Independent Professional Advice

The Board has determined that individual directors have the right in connection with their duties and responsibilities as directors, to seek independent professional advice at the Company's expense. With the exception of expenses for legal advice in relation to director's rights and duties, the engagement of an outside adviser is subject to prior approval of the Chairman and this will not be withheld unreasonably.

Continuous Review of Corporate Governance

Directors consider, on an ongoing basis, how management information is presented to them and whether such information is sufficient to enable them to discharge their duties as directors of the Company. Such information must be sufficient to enable the directors to determine appropriate operating and financial strategies from time to time in light of changing circumstances and economic conditions.

ASX Principles of Good Corporate Governance

The Company has adopted a Corporate Governance Policy which is available on the Company's website for review www.kingstonresources.com.au

The Board has reviewed its current practices in light of the ASX Principles of Good Corporate Governance and Best Practice Guidelines with a view to making amendments where applicable after considering the Company's size and the resources it has available.

As the Company's activities develop in size, nature and scope, the size of the board and the implementation of any additional formal corporate governance committees will be given further consideration.

The following table sets out the Company's present position with regard to adoption of these Principles.

	ASX Principle	**Reference/comment**
	Principle 1: Lay solid foundations for management and oversight	
1.1	Companies should establish the functions reserved to the board and those delegated to senior executives and disclose those functions.	The functions of the Board are set out in the Company's Corporate Governance Policy. Due to its size the roles and functions within the Company must remain flexible in order for it to best function within its level of available resources.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	As contained in the Company's Corporate Governance Statement the Chairperson is responsible for reviewing the performance of the Board, each director and each executive at least once every calendar year.
1.3	Companies should provide the information indicated in the Guide to Reporting on Principle 1.	See above.
	Principle 2: Structure the board to add value	
2.1	A majority of board should be independent directors.	Due to the Company's size, nature and extent of operations, the company has departed from this principle.
2.2	The chair should be an independent director.	The Chair Mr Jonathan Davies is considered to be an independent Director.
2.3	The roles of Chair and Chief Executive Officer should not be exercised by the same individual.	The Company does not have a Chief Executive Officer. The Board believes that the composition of the Board and management is both appropriate and acceptable at this stage of the Company's development and includes an appropriate mix of skills and expertise, relevant to the Company's current business. The Board will seek to recruit additional executive resources commensurate with its increased level of activity.
2.4	The board should establish a nomination committee.	The Company has not established a separate Nomination Committee. Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new directors. In view of the size and resources available to the Company, it is not considered that a separate nomination committee is warranted.

2.5	Companies should disclose the process for evaluating the performance of the board, its committees and individual directors.	Acting in its ordinary capacity, the board from time to time carries out the process of considering and determining performance issues. The Board and individual Directors are evaluated annually by way of informal meetings.
2.6	Companies should provide the information indicated in Guide to Reporting on Principle 2	The skills and experience of directors are set out in the Company's Annual Report and on its website.

Principle 3: Promote ethical and responsible decision-making

3.1	Companies should establish a code of conduct and disclose the code or summary of the code as to: • the practices necessary to maintain confidence in the Company's integrity • the practices necessary to take into account their legal obligations and the responsible expectations of their stakeholders • the responsibility and accountability of individuals reporting or investigating reports of unethical practices.	The Company has established a Code of Conduct in its Corporate Governance Policy which can be viewed on the Company's website.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the board to establish measurable objectives for achieving gender diversity and for the board to assess annually both the objectives and progress in achieving them.	The Company has established a Diversity Policy in its Corporate Governance Policy which can be viewed on the Company's website.
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the board in accordance with the diversity policy and progress towards achieving them.	Due to the Company's size, nature and extent of operations, the company has departed from this principle.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the board.	The Company has one women employee in the organisation, but no women in senior executive positions or women on the board.
3.5	Companies should provide the information indicated in Guide to Reporting on Principle 3	The Code of Conduct and Diversity policy can be viewed on the Company's website.

Principle 4: Safeguard integrity in financial reporting

4.1	The board should establish an audit committee.	The Company is at variance with Recommendation 4.1 and 4.2 and 4.3 in that it does not presently have an audit committee. The Board as a whole currently serves as the audit committee. The Board is of the view that the experience and professionalism of the persons on the Board is sufficient to ensure that all significant matters are appropriately addressed and actioned. Further, the Board does not consider that the Company is of sufficient size to justify the appointment of additional directors for the sole purpose of satisfying this recommendation.
4.2	The audit committee should be structured so that it: • consists only non-executive directors • consists of a majority of independent directors • is chaired by an independent chair, who is not the chair of the board • At least three members	See 4.1
4.3	The audit committee should have a formal charter.	See 4.1
4.4	Companies should provide the information indicated in Guide to Reporting on Principle 4.	See above

Principle 5: Make timely and balanced disclosure

5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance and disclose those policies or a summary of those policies.	The Company has established a Disclosure Policy in its Corporate Governance Policy which can be viewed on the Company’s website.
5.2	Companies should provide the information indicated in Guide to Reporting on Principle 5.	See above.

Principle 6: Respect the rights of shareholders

6.1	Companies should design and disclose a communications policy for promoting effective communication with shareholders and encourage their participation at general meetings and disclose their policy or a summary of that policy.	The Company has established a Communications Policy in its Corporate Governance Policy which can be viewed on the Company’s website.
6.2	Companies should provide the information indicated in Guide to Reporting on Principle 6.	See above

Principle 7: Recognise and manage risk

7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	Due to the size and nature of the Company, the Company does not have formalised policies on risk management. The Board recognises its responsibility for identifying areas of material business risk and for ensuring that arrangements are in place to adequately identify, analyse, assess, prioritise, monitor and manage these risks. This issue is regularly reviewed at board meetings and risk management culture is encouraged amongst employees and contractors.
7.2	The board should require management to design and implement the risk management and internal control system to manage the company's material business risks and report to it on whether those risks are being managed effectively. The board should disclose that management has reported to it as to the effectiveness of the company's management of its material business risks.	See above
7.3	The board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	The Chairman and the Company Secretary make this assurance to the board.
7.4	Provide information indicated in Guide to Reporting on Principle 7.	See above.

Principle 8: Remunerate fairly and responsibly

8.1	The board should establish a remuneration committee.	Due to the size and nature of the Company, the Company does not have a remuneration committee.
8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors • is chaired by an independent chair has at least three members.	See 8.1
8.3	Companies should clearly distinguish the structure of non-executive directors remuneration from that of executives.	See 8.1
8.4	Companies should provide information indicated in ASX Guide to Reporting on Principle 8.	See above.