

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

### Highlights

- Detailed ground gravity surveys completed at Six Mile Hill and Cootanoorina projects.
- Native Title Mining Agreements for exploration executed for Six Mile Hill and Cootanoorina projects.
- New Exploration Licences granted for ground adjacent to Six Mile Hill, Cootanoorina and Mt Morgan projects.

### Kingston's Exploration Assets

The Company holds interests in 11 exploration licences on the eastern margin of the Gawler Craton. This region hosts several major mineral projects (including the world class Olympic Dam mine).

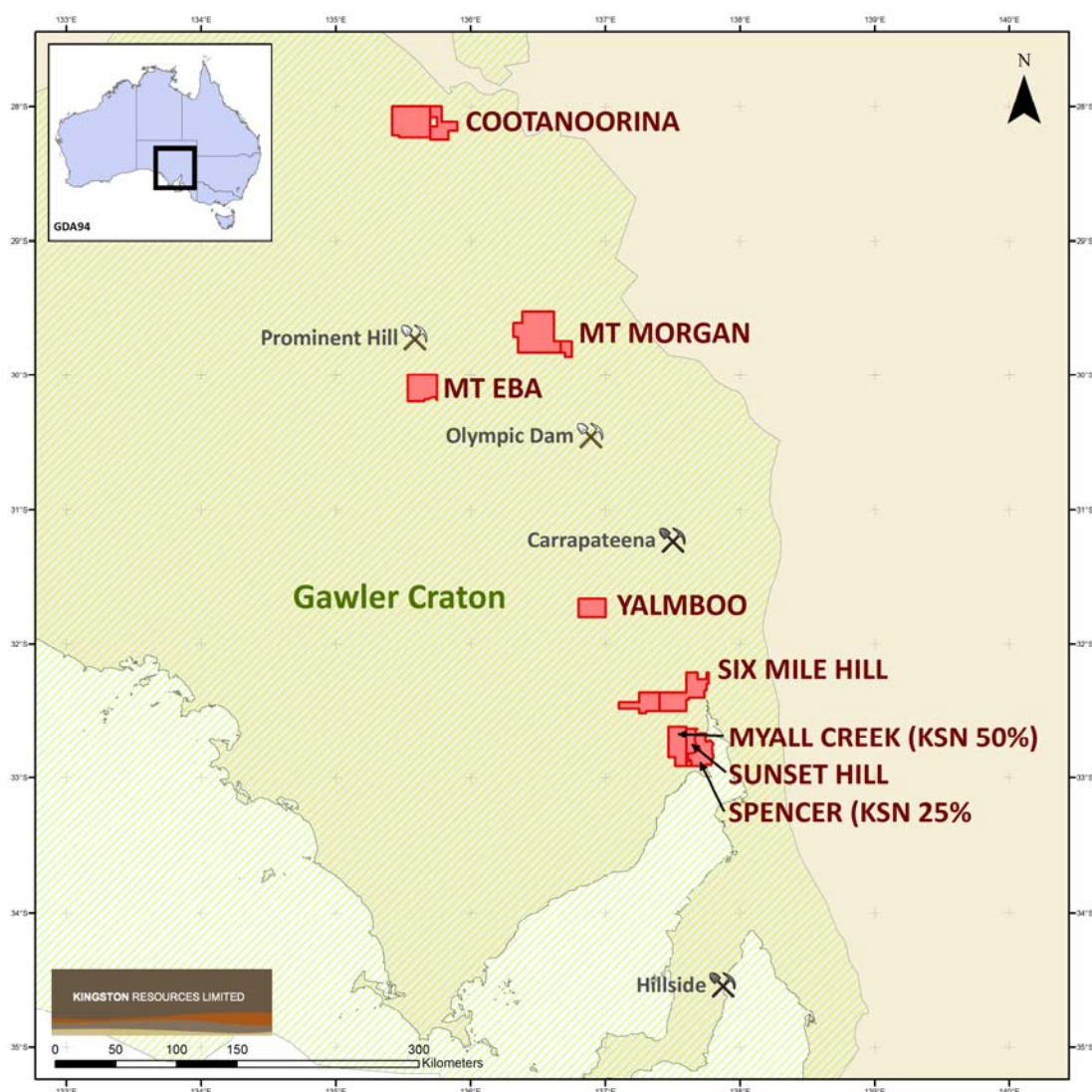


Figure 1: The Company's projects and major IOCG mines and deposits of the Gawler Craton, South Australia

Of the Company's Tenements, nine are wholly owned and two are in joint venture with ASX-listed Strategic Energy Resources Ltd (SER). The principle aim of the Company's exploration programs is the discovery and development of Iron Oxide Copper-Gold (Uranium) – IOCG(U) – deposits.

Tenement	State	Project	Km <sup>2</sup>	Grant Date	Ownership	Change since last Quarter
EL 4462	SA	Cootanoorina	710	6/04/2010	100%	N/A
EL 5487	SA	Cootanoorina East	311	1/10/2014	100%	New grant
EL 5101	SA	Mt Morgan	909	16/11/2012	100%	N/A
EL 5479	SA	Mt Morgan East	92	29/09/2014	100%	New grant
EL 4915	SA	Mt Eba	440	19/04/2012	100%	N/A
EL 4524	SA	Yalymboo	280	20/06/2010	100%	N/A
EL 4494	SA	Six Mile Hill	296	17/05/2010	100%	N/A
EL 5498	SA	Six Mile Hill East	540	13/10/2014	100%	New grant
EL 5011	SA	Myall Creek	381	13/09/2012	50%	N/A
EL 5379	SA	Sunset Hill	160	24/11/2008	100%	N/A
EL 5010	SA	Spencer	321	13/09/2012	25%	N/A

**Figure 2: Tenement Schedule (ASX LR 5.3.3)**

### **Gravity Surveys: Six Mile Hill (KSN 100%) and Cootanoorina (KSN 100%)**

Detailed ground gravity surveys have been completed at the Company's Six Mile Hill and Cootanoorina projects. Over 2700 gravity stations were acquired over the two project areas. This work in-filled the existing regional grid to 500m station spacing, with 250m station spacing over key target areas. The gravity survey contractor is undertaking post-survey processing and quality control. Kingston expects to receive final data in the coming weeks.

Interpretation of preliminary data has commenced using Geosoft's Voxi Earth Modeling Software with several quality drill targets emerging. Initial results suggest targets are denser and at shallower depths than originally modeled. The task of target definition is being undertaken by Mr Barry Bourne of Terra Resources, previously Chief Geophysicist (Global Exploration) at Barrick Gold.

Further details reading the geology and geophysics of both projects are available in our Exploration Update of 30 October 2014.

### **Native Title Mining Agreements for Exploration**

Kingston is pleased to announce signing Native Title Mining Agreements ("NTMA") with both the Barngarla and Arabana Aboriginal Corporations. These agreements cover Kingston's Six Mile Hill and Cootanoorina projects respectively. Both have been submitted for registration with the relevant authorities.

### **Grant of Additional Exploration Licences**

During the geophysical review conducted earlier this year, several prospective areas were identified just outside our existing tenements. These areas have been secured with two year Exploration Licences, granted to Kingston, EL 5498 (immediately east of Six Mile Hill); EL 5487 (immediately east of Cootanoorina); and EL 5479 (immediately east of Mount Morgan).

### **Application for Co-funded Drilling**

Kingston has submitted an application to the South Australian Department of State Development under the PACE Frontiers Mineral Systems Drilling Program 2015, for the Six Mile Hill project. If our application is successful, the Department would provide exploration assistance and expertise to compliment the Company's proposed exploration program. There is no assurance that the application will be successful.

### **Expenditure**

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

Dated this 31st day of October 2014.

Mr Jonathan Davies

Chairman

Kingston Resources Limited

# Appendix 5B

## Mining exploration entity and oil and gas exploration entity quarterly report

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

Name of entity

KINGSTON RESOURCES LIMITED (ASX: KSN)

ABN

44 009 148 529

Quarter ended ("current quarter")

30 SEPTEMBER 2014

### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(83)	(83)
(b) development	-	-
(c) production	-	-
(d) administration	(86)	(86)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(169)</b>	<b>(169)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>-</b>	<b>-</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(169)</b>	<b>(169)</b>

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(169)	(169)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other – expenses related to issue of shares	-	-
	<b>Net financing cash flows</b>	-	-
	<b>Net increase (decrease) in cash held</b>	(169)	(169)
1.20	Cash at beginning of quarter/year to date	724	724
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	<b>555</b>	<b>555</b>

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

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	44
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Nil

**Non-cash financing and investing activities**

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

Nil

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

Nil

### **Financing facilities available**

*Add notes as necessary for an understanding of the position.*

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

### **Estimated cash outflows for next quarter**

	\$A'000
4.1 Exploration and evaluation	200
4.2 Development	-
4.3 Production	-
4.4 Administration	75
<b>Total</b>	<b>275</b>

### **Reconciliation of cash**

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	15	24
5.2 Deposits at call	540	700
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter (item 1.22)</b>	<b>555</b>	<b>724</b>

## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

#### Changes in interests in mining tenements and petroleum tenements

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

\*Refer to attached Quarterly Report for LR 5.3.3 Tenement Information

#### Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference securities</b> (description)	-	-	-
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-
7.3	<b>*Ordinary securities</b>	89,780,828	49,439,168	
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil	Nil	
7.5	<b>*Convertible debt securities</b> (description)	Nil	Nil	

+ See chapter 19 for defined terms.

**Appendix 5B**

**Mining exploration entity and oil and gas exploration entity quarterly report**

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil	Nil		
7.7	<b>Options</b> (description and conversion factor)	10,302,500 15,400,000 6,000,000	10,302,500 - -	Exercise price \$0.20 \$0.20 \$0.07	Expiry date 31 December 2015 31 December 2015 30 June 2016
7.8	Issued during quarter	Nil	Nil		
7.9	Exercised during quarter	Nil	Nil		
7.10	Expired during quarter	Nil	Nil		
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (totals only)				

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~does not~~\* (delete one) give a true and fair view of the matters disclosed.



Sign here: ..... Date: 31 October 2014  
(Director/Company secretary)

Print name: Mathew Whyte

## Notes

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

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+ See chapter 19 for defined terms.



## Appendix 5B

### Mining exploration entity and oil and gas exploration entity quarterly report

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- 2      The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements and petroleum tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement or petroleum tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3      **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4      The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5      **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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