

KINGSTON RESOURCES LIMITED

ABN 44 009 148 529

QUARTERLY ACTIVITIES REPORT AND APPENDIX 5B for the period ended 31 December 2013

Highlights	➤ First round drilling program completed at the Spencer Project – drilling of the drill targets as defined was commenced on 18 August and completed on 30 September 2013. ➤ The next phase of exploration at Spencer Project will aim to evaluate the economic potential of the newly discovered Kijani trend.
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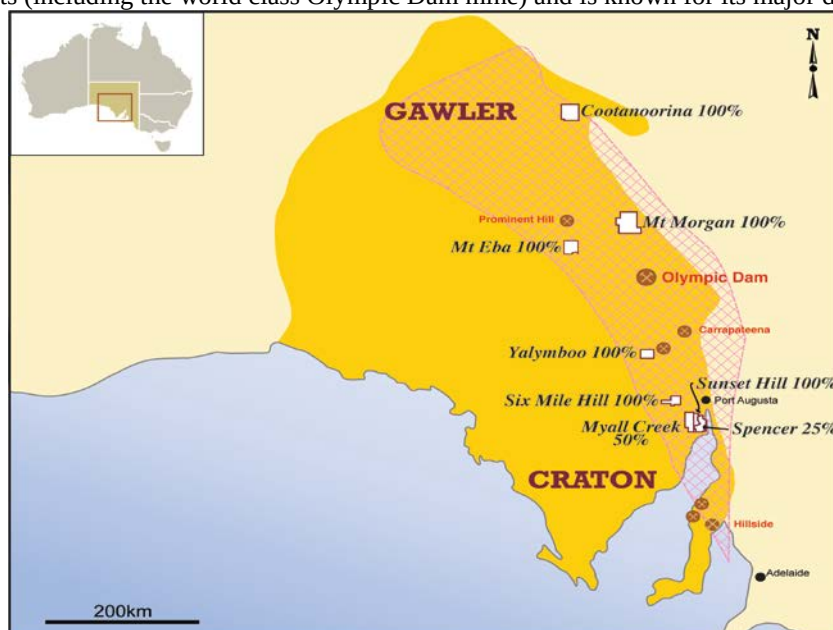
Corporate

The Company was re-admitted to trading on the ASX on 16 April 2013 and its current capital structure is now as follows:

Securities	Total Issued	Quoted	Unquoted –Restricted
Ordinary Shares	82,355,828	42,014,168	Total restricted as follows: -24 months from 16/4/13 40,341,660
Options exercisable at \$0.20 expiring 31/12/15	25,702,500	10,302,500	-24 months from 16/4/13 15,400,000

Kingston's Exploration Assets

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



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

Of the Tenements, six are wholly owned and two are in joint venture with the ASX-listed Strategic Energy Resources (SER) (see Figure 2). The principle aim of the Company's exploration programmes is the discovery and development of IOCG deposits.

Tenement	State	Project	Km ²	Grant Date	Ownership	Change since last Quarter
EL 5011	SA	Myall Creek	381	13/09/2012	50%	N/A
EL 5010	SA	Spencer (nee Cultana)	321	13/09/2012	25%	N/A
EL 4212	SA	Sunset Hill	160	24/11/2008	100%	N/A
EL 4524	SA	Yalymboo	280	20/06/2010	100%	N/A
EL 4462	SA	Cootanoorina	710	6/04/2010	100%	N/A
EL 4494	SA	Six Mile Hill	296	17/05/2010	100%	N/A
EL 4915	SA	Mt Eba	440	19/04/2012	100%	N/A
EL 5101	SA	Mt Morgan	909	16/11/2012	100%	N/A

Spencer Joint Venture (KSN 25%, SER 75%) EL 5010:

Strategic Energy Resources Limited (ASX:SER) as Operator of the 'Spencer Joint Venture' (SER 75% and Kingston Resources Ltd (ASX:KSN) 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.

The Spencer area comprises 321 square kilometers and is located on the west coast of Spencer's Gulf. It had remained one of the few undrilled areas along the Olympic Dam trend that has now been the subject of significant modern exploration techniques including gravity, magnetics, HeliTEM, geological mapping and geochemistry. This same trend is the home to some exceptional discoveries including Olympic Dam, Carrapateena, Prominent Hill, Mount Gunson, Wallaroo, Moonta and Hill Side.

Intensive analysis combining all current data including HeliTEM, geological logging of RC chips and Field Portable XRF (FPXRF) data is now focused on the EM conductive lineament (See Figure 1) joining known outcropping expressions of copper mineralization. These areas of copper outcrop have been historically mapped as having been strongly altered with the Muzzo outcrop showing argillic alteration.

Two drill holes, SPRC002 and SPRC005 show significant intervals of low level copper anomalism in the Willouran aged Backy Point Formation, with SPRC002 showing over 300m of semi-continuous anomalism (see Appendix 3) as detected by the FPXRF. Both of these holes are within 300m of the HeliTEM trend newly named the Kijani Trend (See Figure 1). Copper anomalism has also been detected along the Kijani Trend through historic geochemical sampling.

Surface rock chip analysis by the FPXRF show copper results in excess of 20% Cu. This area is surrounded by extensive argillic alteration and adjacent to the Hiltaba Granite Suite. With the proximity to the Hiltaba Granite and the historic mapping of argillic alteration coupled with the soil trends and the outcropping copper mineralization at Muzzo, Water Tank and CO1 initial comparisons by SER are being made to Adelaide Resources Alford and Wombat prospect approximately 120km to the South East along the Olympic Dam trend.

The next phase of exploration will aim to evaluate the economic potential of the newly discovered Kijani trend. This will involve follow up mapping of alteration zones throughout the trend and initial plans for a geochemical program with the aim to validate historical geochemical sampling programs and to delineate further buried occurrences of mineralization of similar style to the outcropping mineralization throughout the Kijani Trend.

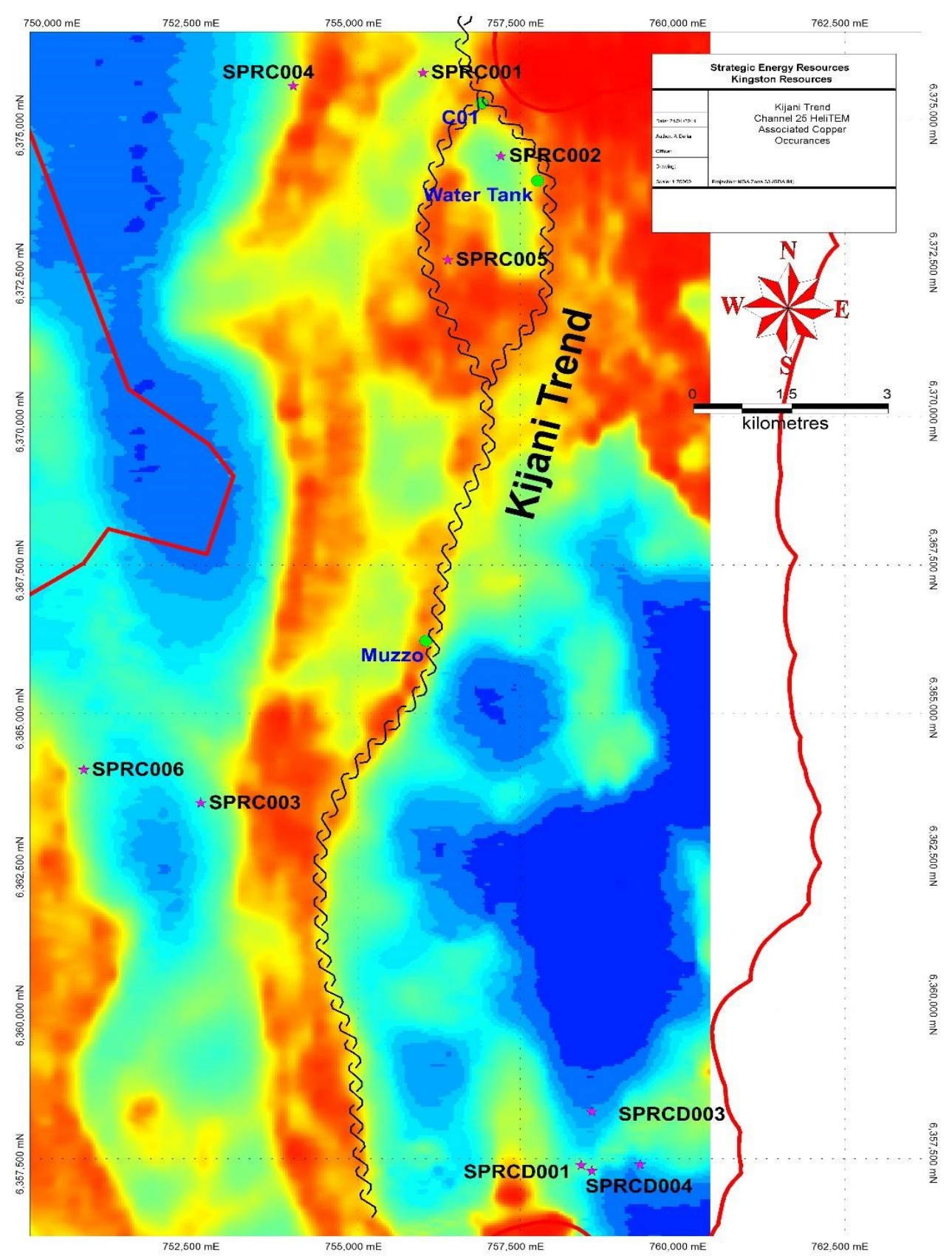


Figure 1 The Kijani Trend

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, a highly prospective part of the eastern margin of the Gawler Craton. The Myall Creek Project includes a 15 kilometre zone with anomalous copper shown in historic drilling.

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

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

Technical assessment of the prospectivity of the Myall Creek project for both Zambian style copper mineralization and the potential of Olympic Dam style IOCG mineralization at depth is ongoing. The drilling results from our Spencer project will be beneficial in determining the next exploration program in this licence area.

Expenditure

Please refer to the Appendix 5B quarterly commitments report for period ended 31 December 2013 as attached.

Dated this 31st day of January 2013.

Mr Jonathan Davies
Chairman
Kingston Resources Limited

DECLARATION OF COMPETENCY

The information in this report that relates to exploration is based on information compiled by Mr Adrian Dellar, who is a member of the Australasian Institute of Mining and Metallurgy. Mr Dellar is working in the role of Geologist for Kingston Resources Limited. Mr Dellar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Dellar consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

APPENDIX 1

CHECKLIST FOR REPORTING OF EXPLORATION RESULTS PURSUANT TO SECTIONS 1 AND 2 OF TABLE 1 OF THE 2012 EDITION OF THE JORC CODE

Criteria	Explanation
Sampling Technique	All results reported above are for RC samples only (see ASX Announcement 21 November 2103 for Assay results reported from Diamond Drill Program) Samples were taken directly from the drill rig via a rig mounted cone splitter. Regular checks were made as to sample weight and consistency of sample size. QAQC samples (Standards Blanks and Field Duplicates) were inserted at a ratio of 1 Std, Blank and FD per 50 samples. Rock Chips for the Muzzo area were selected by SER geologists and subjected to approximately 5 Field Portable XRF readings and averaged. These samples were taken during the drilling program and the results are fall in line with the QAQC policy implemented during the drilling program.
Drilling Technique	All holes were drilled utilizing a RC/RC pre collar (suffix SPRC/D) with a bit size of 5 ¼ ".
Drill Sample Recovery	Sample recoveries were recorded in relation to the sampling.
Logging	Preliminary logging of RC chips has identified primary lithological units and from this Stratigraphic units assigned.
Sub_sample Techniques and sample Preparation	All RC samples were returned to SER's working area where the process of XRF analysis took place. The samples were homogenised within the bag generally through vigorous shaking of the bag. The XRF was then placed directly in to the bag and onto the sample for a 30 second reading on the Test All mode. Note the XRF is the
Quality of Assay Data and Laboratory Testing	Sample preparation and assaying procedure was supplied by SER to the laboratory. Field Duplicate samples of quartered core were submitted every 50th sample. Field standards and blanks (CRM's) were inserted with Standards inserted every 50th sample as were blanks
Verification of sampling and assaying	All assays reported above are taken only from a Niton Field Portable XRF Niton XL3t GOLDD+ throughout the sampling all QAQC samples reported within acceptable QAQC parameters these being 90% of samples reporting less than 10% difference on a Ranked HARD plot). These results
Location of Data Points	Drill holes were located utilizing a Garmin GPS Map 62s accuracy was recorded at ± 3m
Data Spacing and distribution	This is first pass drilling as such no consistent spacing was used for the program. The closes holes were designed approximately 200m apart but not on a set grid
Orientation of Data in relation to geological structure	All drill holes targeted geophysical anomalies, Namely gravity / magnetic anomalies as designed with the assistance of consultant geophysicists. All diamond tails targeted gravity anomalies within the Hiltaba Granite Suite

Sample Security	All samples were collected at the drill rig and brought to SER's work site. Once there the samples were verified and then laid out in order for XRF analysis. Once completed and checked for accuracy the samples were then placed in plastic bags and in turn placed into bulka bags for storage south of Port Lincoln
Audit or Reviews	All drill results were subject to internal review utilizing industry standard QAQC practices and verification.
Mineral Tenement and land tenure statue	All drill holes occurred within the EL 51010 (Spencer) the tenement is currently owned by U Energy Pty Ltd (25%); Strategic Energy Resources Limited (75%). The project is operated by SER.
Exploration Done by other parties.	A total of 10 historic holes appear on the SARIG database of which the maximum depth is approximately 450m
Geology	The tenement is dominated by Adelaidian Aged Sedimentary cover including the Tregolana Shales and the Mesoproterozoic Pandurra formation. These sedimentary horizons overlay the Hiltaba Granite Suite basement
Drill hole Information	See Appendix 2
Data aggregation methods	See table 1 in Appendix 3. Sample intervals reported were subjected to a 50ppm cut off, maximum internal dilution of 3m and only intervals of greater than 5m have been reported.
Relationship between mineralisation widths and intercept lengths	Down hole widths of mineralization are currently not known. This is due to the large spacing of drill holes and the sparseness of mineralization encountered.
Diagrams	Please see Figure above
Balanced Reporting	Reporting of results in this announcement is considered to be balanced
Other substantive exploration data	EL 5010 Has a total of 321 square Km
Further Work	Amalgamation of all data sets predominantly based around the use of geochemistry in conjunction with industry based consultants to target potential mineralization within the exploration lease.

APPENDIX 2

Drill Hole locations, Depth Azimuth

Hole_ID	East	North	RL	Dip	Azi	RC	DDH_Tail	EOH Depth	Status and Geology
SPRC001	756000	6375800	18	-60	270	161	0	161	Completed In Marinoan / Sturtian Sediments Northern Hole
SPRC002	757200	6374400	18	-60	180	415	0	451	Completed In Willouran Sediments Northern Hole
SPRC003	752575	6363500	205	-60	90	636	0	636	Completed In Marinoan / Sturtian Sediments Northern Hole
SPRC004	753999	6375582	107	-90	0	289	0	289	Completed In Marinoan / Sturtian Sediments Northern Hole
SPRC005	756381	6372651	37	-60	0	357	0	357	Completed In Willouran Sediments Northern Hole
SPRC006	750775	6364061	100	-60	0	264	0	264	Completed In Marinoan / Sturtian Sediments Northern Hole
SPRCD001	758435	6357397	39	-80	90	498	330.5	828.5	Completed In Hiltaba Granite Southern Hole
SPRCD002	758600	6358300	71	-60	0	336	393.6	729.6	Completed In Hiltaba Granite Southern Hole
SPRCD003	759348	6357408	67	-90	0	306	0	306	Completed In Hiltaba Granite Southern Hole
SPRCD004	758601	6357299	41	-85	180	474	391.2	865.2	Completed In Hiltaba Granite Southern Hole

APPENDIX 3

Significant Drill Intercepts with results taken from the Niton Field Portable XRF

Hole_ID	From	To	Interval width down hole in meters	Cu_ppm
SPRC001	147	157	10	105.22
SPRC002	9	46	37	133.34
SPRC002	49	63	14	132.82
SPRC002	73	79	6	426.95
SPRC002	82	97	15	99.11
SPRC002	103	137	34	128.82
SPRC002	141	153	12	79.07
SPRC002	176	190	14	112.26
SPRC002	199	204	5	86.37
SPRC002	293	302	9	228.66
SPRC002	316	329	13	226.75
SPRC002	337	344	7	97.48
SPRC003	366	376	10	154.29
SPRC003	599	606	7	233.09
SPRC003	621	630	9	319.25
SPRC004	232	238	6	184.21
SPRC004	252	258	6	72.99
SPRC005	35	47	12	144.03
SPRC005	72	77	5	342.46
SPRC005	235	249	14	126.52
SPRC005	254	273	19	59.09
SPRC006	41	51	10	87.64
SPRC006	136	141	5	56.34
SPRCD002	379	387	8	76.27

Table 1 Significant Intercepts – Note Reported intervals have a 50 ppm Cu cut off, Maximum internal dilution of 3m and only interval widths of over 5m have been reported.

APPEDDIX 4
Cross Sections

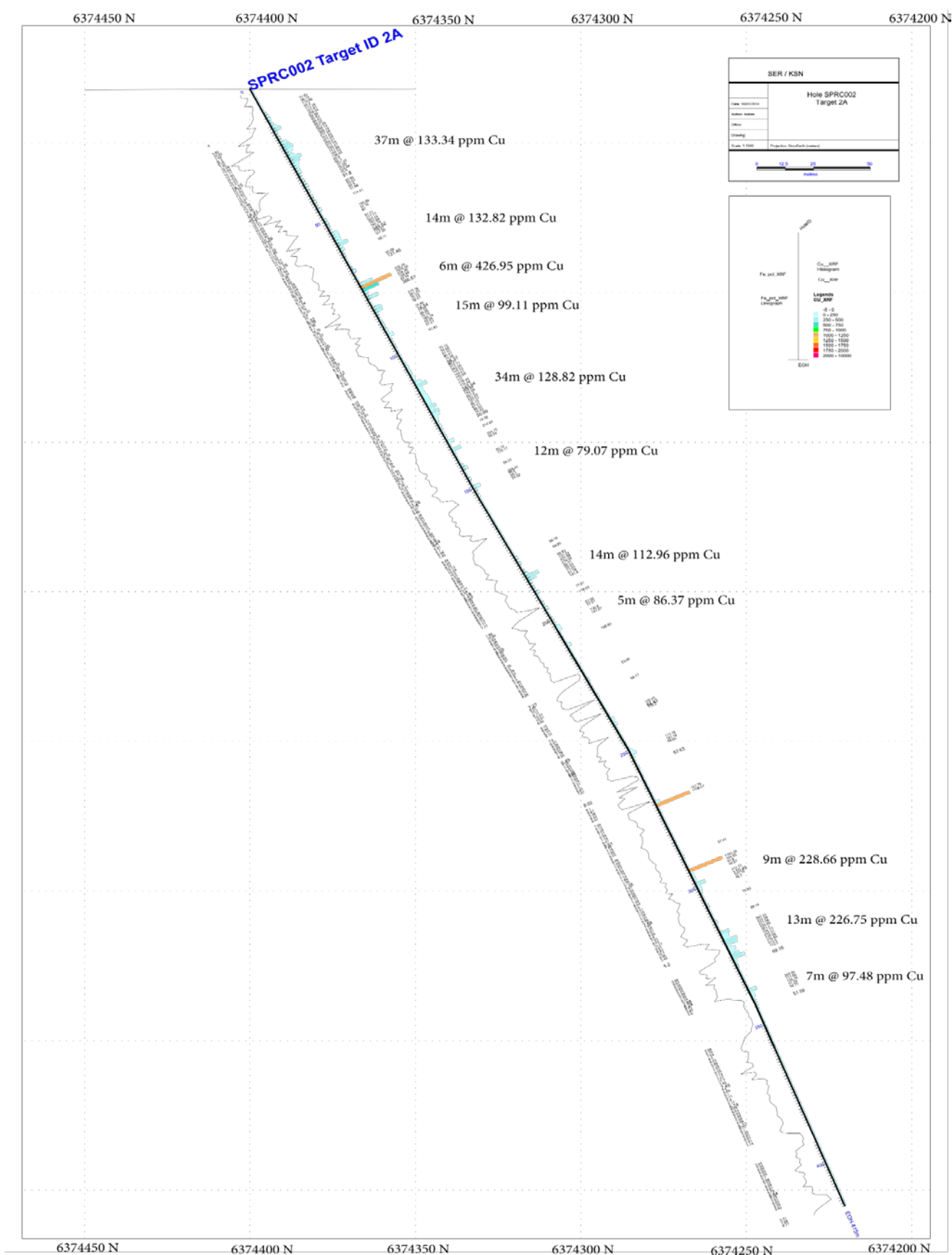
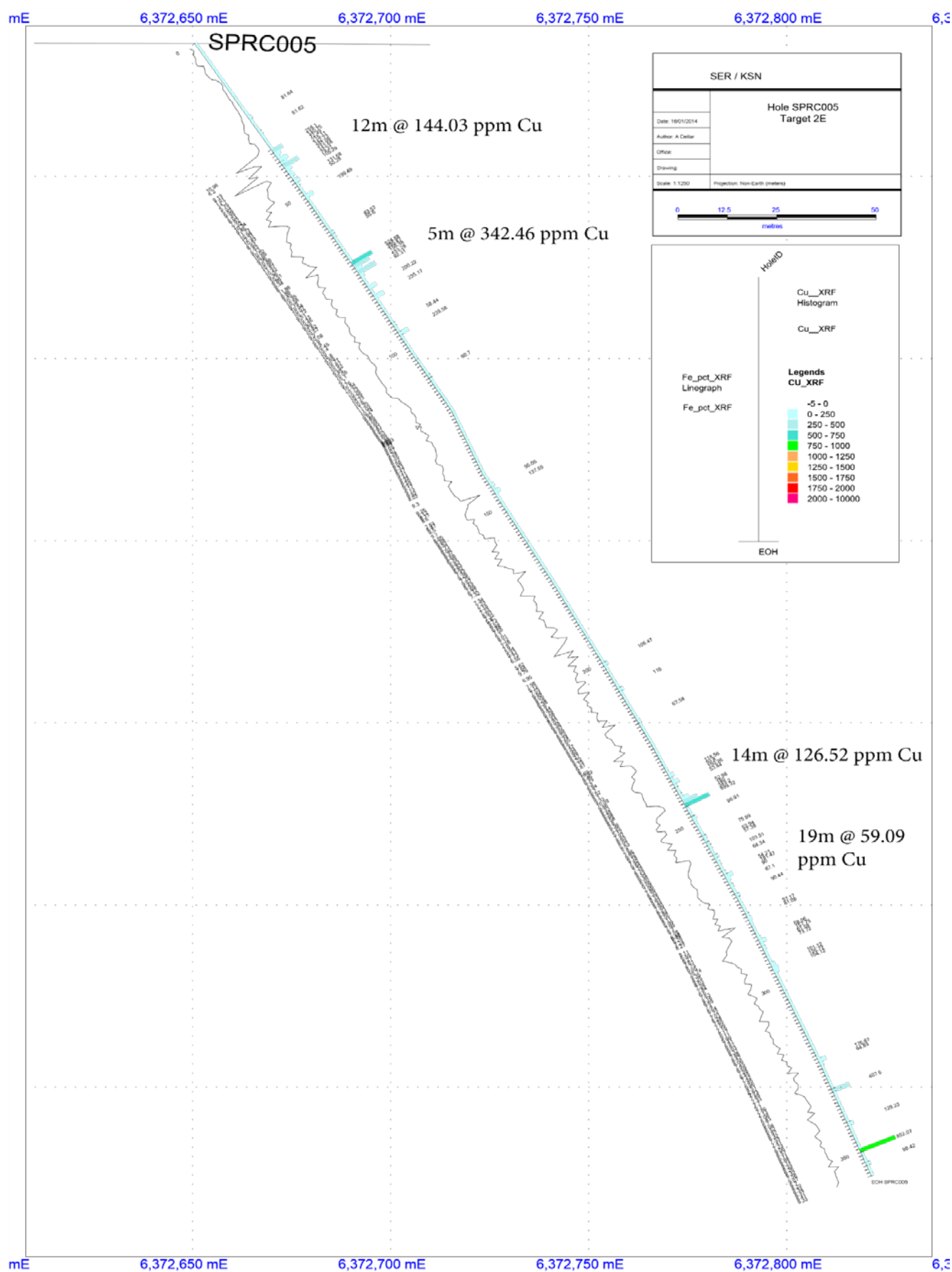


Figure 2 SPRC002 Showing semi continuous low level copper anomalism within the Backy Point Formation NOTE : All results from Field Portable XRF



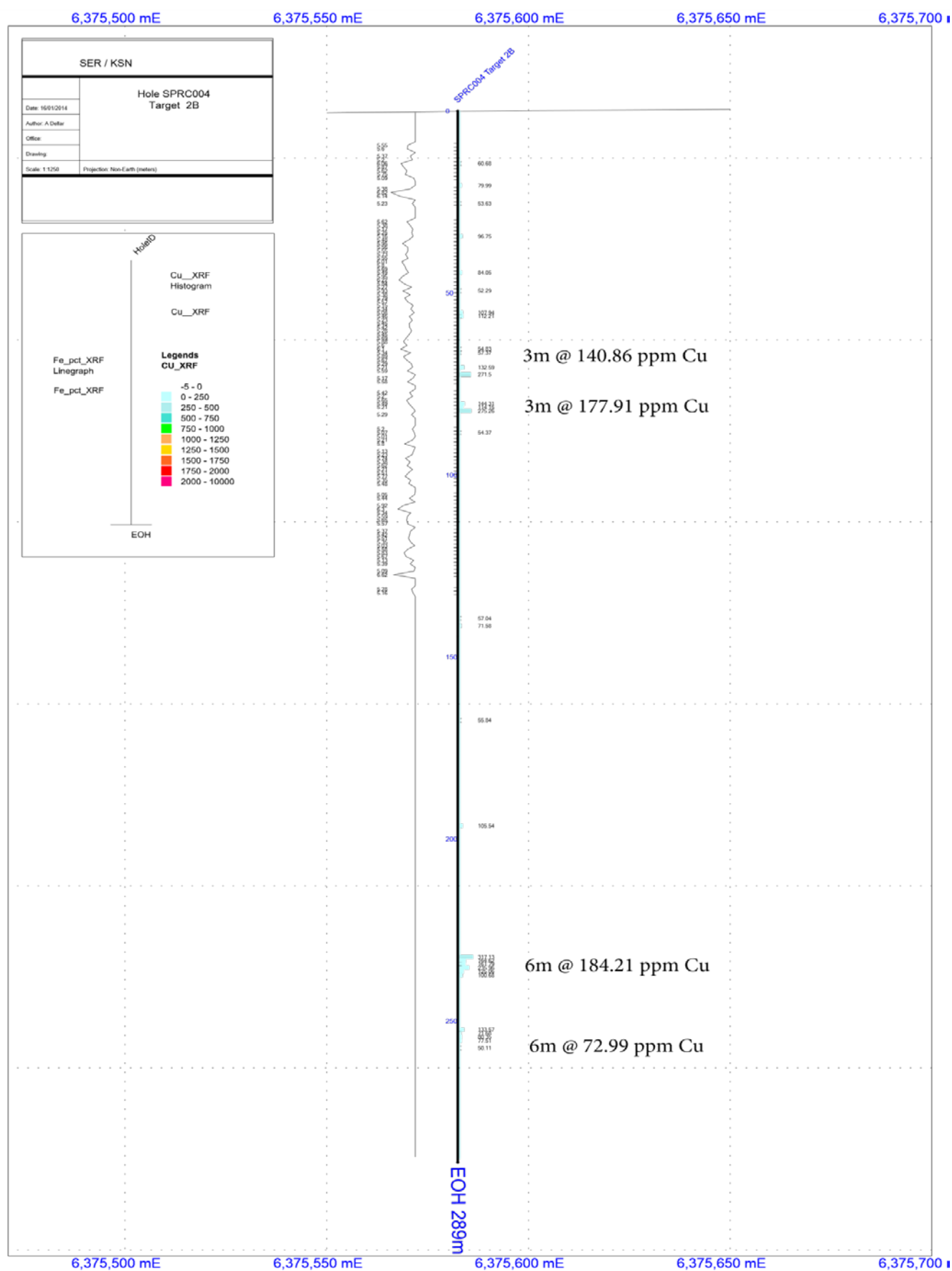


Figure 4 SPRC004 Showing Sparse low level copper in the Marinoan and Sturtian Sediments unlike SPRC002 NOTE: All results from Field Portable XR

Appendix 5B

Mining 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

Name of entity

KINGSTON RESOURCES LIMITED (ASX: KSN)

ABN

44 009 148 529

Quarter ended ("current quarter")

31 DECEMBER 2013

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(24)	(480)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(115)	(215)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	25
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net Operating Cash Flows		(139)	(670)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other	-	-
	- Cash acquired from investment in company	-	-
Net investing cash flows		-	-
1.13	Total operating and investing cash flows (carried forward)	(139)	(670)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(139)	(670)
	Cash flows related to financing activities		
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	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(139)	(670)
1.20	Cash at beginning of quarter/year to date	1,019	1,550
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	880	880

Payments to directors of the entity and associates of the directors

Payments to 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

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	100
4.2 Development	-
4.3 Production	-
4.4 Administration	75
Total	175

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	8	16
5.2 Deposits at call	872	1,003
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	880	1,019

Changes in interests in mining tenements

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

*Refer to Quarterly Report for LR 5.3.3 Tenement Information

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

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

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>	-	-	-	-
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions	-	-	-	-
7.3 *Ordinary securities	82,355,828	37,822,847		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil	Nil		
7.5 *Convertible debt securities <i>(description)</i>	Nil	Nil		
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted	Nil	Nil		
7.7 Options <i>(description and conversion factor)</i>	10,302,500 15,400,000 6,000,000	10,302,500 - -	<i>Exercise price</i> \$0.20 \$0.20 \$0.07	<i>Expiry date</i> 31 December 2015 31 December 2015 30 June 2016
7.8 Issued during quarter	6,000,000	-	\$0.07	30 June 2016
7.9 Exercised during quarter	Nil	Nil		
7.10 Expired during quarter	Nil	Nil		
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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 give a true and fair view of the matters disclosed.



Sign here: Date: 31 January 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.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining 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, 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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