



**KINGSTON RESOURCES LIMITED**

**ABN 44 009 148 529**

**Half Yearly Financial Statements**

**31 December 2018**

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## **Corporate Directory**

### **DIRECTORS**

**Anthony Wehby, (FCA, MAICD)**  
Non-Executive Chairman

**Andrew Corbett, (B Eng (Mining, Hons), MBA)**  
Managing Director

**Mick Wilkes (B Eng (Hons), MBA, GAICD)**  
Non-Executive Director

**Stuart Rechner, (BSc, LLB, MAIG, GAICD)**  
Non-Executive Director

**Andrew Paterson, (MAIG, GAICD)**  
Executive Director

### **COMPANY SECRETARY**

**Rozanna Lee**

### **REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS**

205/283 Alfred St  
North Sydney NSW 2060  
AUSTRALIA

Telephone (02) 8021 7492  
Email [info@kingstonresources.com.au](mailto:info@kingstonresources.com.au)  
Website [www.kingstonresources.com.au](http://www.kingstonresources.com.au)

### **AUDITORS**

Hall Chadwick  
Chartered Accountants

### **SHARE REGISTRY**

Link Market Services

### **BANKERS**

Australia & New Zealand Banking Group Limited

### **SOLICITORS**

Cowell Clarke Commercial Lawyers  
Ashurst Australia

### **STOCK EXCHANGE**

Listed on the Australian Securities Exchange  
The home Exchange is in Perth, Western Australia

### **ASX CODE**

KSN

## Directors' Report

Your Directors submit their report for the half year ended 31 December 2018.

### DIRECTORS

The names of the Company's Directors in office during the half year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

- Anthony Wehby
- Stuart Rechner
- Andrew Corbett
- Andrew Paterson
- Mick Wilkes (appointed 6 July 2018)

### 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.

### REVIEW OF OPERATING RESULTS AND OPERATIONS

#### Operating Results

The net loss after income tax for the half year was \$1,518,977 (2017: net loss \$1,200,929).

#### Review of Operations

During the six months to 31 December 2018 Kingston Resources has taken steps to consolidate its focus on its attractive gold assets. The sale of its lithium tenements was concluded in August and in the same month the earn in at the Misima Gold Project was completed, with Kingston ownership of the project increasing from 49% to 70%. Drilling at the Livingstone Gold Project also delivered some impressive results. The Company is now primarily focused on advancing the exciting opportunity at Misima, with Livingstone a low-cost exploration opportunity which is also adding value for shareholders.

- **Misima Gold Project, PNG:** Misima was previously operated by Placer Dome Inc between 1988 and 2004, during which time it produced 3.7Moz of gold at an average grade of 1.46g/t Au, and 22.2Moz of silver at an average grade of 15.6g/t Ag. Kingston sees significant exploration upside in a number of under-explored areas. The current exploration focus is Ginamwamwa where a very successful geochemical program was finalised in 2018 ahead of drilling at the site getting underway by early 2019. The best results from this geochemical program included channel samples of:
  - 14m @ 12.24g/t Au and 35.5g/t Ag announced 27 March 2018.
  - 34m @ 3.19g/t Au, Incl. 8m @ 7.96g/t Au;
  - 50m @ 2.06g/t Au, Incl. 8m @ 5.38g/t Au; and
  - 5m @ 9.57g/t Au announced 29/10/2018.
  - 14m @ 17.0g/t Au, Incl. 6m @ 33.27g/t Au;
  - 2m @ 140.0g/t Au; and
  - 12m @ 9.68g/t Au, Incl. 8m @ 14.2g/t Au announced 19 December 2018.

While work was underway advancing the key exploration targets, drilling during the half continued to focus on extensions to the existing 2.8Moz Umuna resource. Best holes from this program included:

- 40m @ 3.17 g/t Au and 10.88 g/t Ag, from 234m in GDD013, including
  - 6m @ 14.06 g/t and 13.33 Ag, from 268m
- 27m @ 1.08g/t Au, 4.09g/t Ag from 129m in GDD008, including
  - 4m @ 2.11g/t Au and 2.60g/t Ag from 130m; and
  - 8m @ 2.04g/t Au and 6.50g/t Ag from 148m

In 2019 drilling will focus on the regional targets successfully identified through the 2018 geochemical program. In addition to Ginamwamwa, this includes Quartz Mountain and Ara Creek. Identifying near surface, potentially higher grade, mineralisation, at these targets would be expected to have a materially positive effect in the early years of any future development at Misima.

- **Livingstone Gold Project, WA:** Livingstone is a highly prospective project which Kingston plans to continue to enhance with an RC drilling program on priority targets in the coming months. Kingston concluded a 7000m air-core drilling program during the half primarily focused on the Kingsley target. Highlights from the drilling included:
  - 20m @ 2.94g/t Au from 4m in KLAC159;
  - 8m @ 3.03g/t Au from 12m in KLAC174;
  - 4m @ 76.25 g/t Au from 88m in KLAC206;
  - 4m @ 3.49 g/t Au from 4m & 24m @ 1.06g/t Au from 24m in KLAC184;
  - 28m @ 2.26 g/t Au from surface, including 8m @ 5.57 g/t from surface in KLAC198;
  - 16m @ 1.95 g/t Au from 56m, including 4m @ 5.72 g/t from 56m in KLAC186;
  - 16m @ 1.59 g/t Au from 16m, including 4m @ 3.42 g/t Au from 16m in KLAC189; and
  - 16m @ 1.41 g/t Au from 24m, including 4m @ 3.03 g/t Au in KLAC199.

During the half Kingston also extended its land holding at the project with the application for E52/3667 adding a further 170km<sup>2</sup> to its tenement area.

- **Australian Lithium:** Having concluded the sale of its WA lithium assets in June 2018, Kingston announced the sale of its NT lithium assets in July 2018 for \$1,800,000. This sale process was concluded in August 2018.

## MINERAL RESOURCES TABLE

### Misima Gold Project (PNG)

Deposit	Material	Resource Category	Cut-off (g/t Au)	Tonnes (Mt)	Gold (g/t Au)	Silver (g/t Ag)	Au Moz	Ag Moz
Umuna	Oxide	Indicated	0.5	3.2	0.9	11.7	0.1	1.2
		Inferred	0.5	5.7	1.0	13.6	0.2	2.5
	Primary	Indicated	0.5	34.0	1.1	4.2	1.2	4.6
		Inferred	0.5	32.7	1.1	4.7	1.1	5.0
	Sub-total	Indicated		37.2	1.1	4.9	1.3	5.8
		Inferred		38.4	1.0	6.1	1.3	7.5
	Total	Combined		75.7	1.1	5.5	2.6	13.3
Ewatinona	Oxide	Inferred	0.5	1.0	0.9	3.4	0.03	0.1
	Primary	Inferred	0.5	5.6	1.0	3.1	0.2	0.6
	Sub-total	Inferred		6.6	1.0	3.2	0.22	0.7
Misima Total		Indicated		37.2	1.1	4.9	1.3	5.8
		Inferred		45.0	1.0	5.6	1.5	8.1
Total Misima Mineral Resource				82.3	1.1	5.3	2.8	13.9

Table 1: Misima Gold Project mineral resource summary, prepared by Mr S. McManus of Skandus Pty Ltd. Rounding errors may occur.

### Livingstone Gold Project (WA)

Deposit	Resource Category	Cut-off (g/t Au)	Tonnes	Gold (g/t Au)	Au (oz)
Homestead	Inferred	0.5	989,000	1.57	49,900

Table 2: Livingstone Gold Project mineral resource summary.

This resource estimate is from a JORC2004 resource report prepared by Mr H. Cornelius for Talisman Mining Ltd in February 2007. Kingston Resources has not completed sufficient validation work for this resource estimate to meet JORC2012 compliance and it is reported on the basis that the information has not materially changed. Rounding errors may occur.

#### **COMPETENT PERSON'S STATEMENT**

The information in this report that relates to Exploration Results, Minerals Resources or Reserves for the Livingston Gold Project is based on information compiled by Mr Andrew Paterson, who is a member of the Australian Institute of Geoscientists. Mr Paterson is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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" (JORC Code). Mr Paterson consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears.

The information in this report that relates to Exploration Results for the Misima Gold Project, PNG, is based on information compiled by Mr Andrew Paterson, who is a member of the Australian Institute of Geoscientists. Mr Paterson is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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" (JORC Code). Mr Paterson consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears.

The information in this report that relates to Minerals Resources or Reserves for the Misima Gold Project is based on information compiled by Mr Scott McManus, who is a member of the Australian Institute of Geoscientists. Mr McManus is an independent consultant to the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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" (JORC Code). Mr McManus consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears.

#### **FINANCIAL POSITION**

At 31 December 2018 the consolidated entity had net assets of \$14,177,879 (30 June 2018: \$15,039,092) and \$3,266,635 in cash (30 June 2018: \$4,379,973).

#### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

Other than reported above in the Review of Results and Operations, there were no significant changes in the state of affairs of the Company during the reporting period.

#### **DIVIDENDS**

There were no dividends paid, recommended, or declared during the current or previous financial half-years.

#### **EVENTS AFTER THE BALANCE DATE**

Other than as advised above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

**Auditor's Independence Declaration under Section 307C of the Corporations Act 2001**

The Auditor's Independence Declaration is set out on page 7 and forms part of the Directors' Report for the half year ended 31 December 2018.

Pursuant to section 306 Corporations Act 2001 this Directors' Report:

- (a) is made in accordance with a resolution of the Directors;
- (b) is dated 13 March 2019; and
- (c) is signed by Anthony Wehby.

On behalf of the directors

A handwritten signature in black ink, appearing to read 'Anthony Wehby', with a stylized flourish at the end.

**Anthony Wehby**  
Chairman

13 March 2019

**KINGSTON RESOURCES LIMITED  
ABN 44 009 148 529  
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION  
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001  
TO THE DIRECTORS OF KINGSTON RESOURCES LIMITED**

**SYDNEY**

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia

Ph: (612) 9263 2600  
Fx: (612) 9263 2800

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2018 there have been no contraventions of:

- (i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



Hall Chadwick  
Level 40, 2 Park Street  
Sydney NSW 2000



**DREW TOWNSEND**  
**Partner**

Date: 13 March 2019

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## Consolidated Statement of Financial Position

		Consolidated Group	
		31 December 2018	30 June 2018
		\$	\$
Notes			
<b>Current assets</b>			
Cash and cash equivalents		3,266,635	4,379,799
Trade and other receivables		56,192	136,965
Financial assets		1,943	284,243
Other current assets		4,521	4,361
<b>Total current assets</b>		<b>3,329,291</b>	<b>4,805,368</b>
<b>Non-current assets</b>			
Non-current assets held for sale		-	1,800,000
Property, plant and equipment		160,416	188,172
Capitalised exploration expenditure	4	11,295,449	8,839,290
Other non-current assets		43,056	41,536
<b>Total non-current assets</b>		<b>11,498,921</b>	<b>10,868,998</b>
<b>Total assets</b>		<b>14,828,212</b>	<b>15,674,366</b>
<b>Current liabilities</b>			
Trade and other payables		440,919	386,007
Interest bearing liabilities		65,622	59,357
Provisions		48,934	64,921
<b>Total current liabilities</b>		<b>555,475</b>	<b>510,285</b>
<b>Non-current liabilities</b>			
Interest bearing liabilities		94,858	124,179
<b>Total non-current liabilities</b>		<b>94,858</b>	<b>124,179</b>
<b>Total liabilities</b>		<b>650,333</b>	<b>634,464</b>
<b>Net assets</b>		<b>14,177,879</b>	<b>15,039,902</b>
<b>Equity</b>			
Issued capital	7	69,439,886	69,244,553
Accumulated losses		(55,913,376)	(54,427,748)
Share Based Payment Reserves		781,028	267,218
Foreign Currency Translation Reserve		(129,259)	(44,121)
<b>Total equity</b>		<b>14,177,879</b>	<b>15,039,902</b>

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

## Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	Consolidated Group	
		31 December 2018	31 December 2017
		\$	\$
Other revenue	3	93,640	24,210
Administrative expenses		(206,499)	(217,366)
Consultant and legal fees		(129,648)	(311,172)
Depreciation and amortisation expenses	3	-	(265)
Director fees		(92,560)	(52,275)
Employee expenses		(229,938)	(273,867)
Share based payments expense		(744,456)	(268,672)
Exploration expenditure		(52,039)	(24,386)
Interest expense		(11,295)	-
Foreign Exchange Gain/Loss		(146,184)	(77,137)
Loss before income tax benefit		(1,518,977)	(1,200,929)
Income tax expense		-	-
Loss for the period		(1,518,977)	(1,200,929)
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive loss for the period</b>		<b>(1,518,977)</b>	<b>(1,200,929)</b>
Basic loss per share (cents)		(0.124)	(0.160)
Diluted loss per share (cents)		(0.124)	(0.160)

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

## Consolidated Statement of Cash Flows

	Consolidated Group	
	31 December 2018	31 December 2017
	\$	\$
Note		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Continued Operations</b>		
Interest received	43,429	24,210
Interest paid	(11,295)	-
Receipts from other income	31,779	-
Payments for exploration and evaluation	(52,039)	(24,386)
Payments to suppliers and employees	(838,380)	(795,739)
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>	<b>(826,505)</b>	<b>(795,915)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for acquisition of exploration assets	-	(393,690)
Payment for exploration and evaluation	(2,359,233)	(685,303)
Payment for other non-current assets	-	-
Proceeds from the disposal of property, plant and equipment	1,800,000	-
Proceeds from the sale of available for sale financial assets	303,597	-
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(255,636)</b>	<b>(1,078,993)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares and options	-	-
Transaction costs related to issue of shares, convertibles, or options	(2,365)	(18,925)
Repayment of borrowings	(29,240)	-
<b>NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES</b>	<b>(31,606)</b>	<b>(18,925)</b>
Net change in cash held	(1,113,747)	(1,893,833)
Cash and cash equivalents at beginning of period	4,379,973	3,877,551
Cash contribution from acquisitions	-	84,098
Effect of movement in exchange rates on cash held	409	(567)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>3,266,635</b>	<b>2,067,249</b>

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

## Consolidated Statement of Changes in Equity

**Consolidated**

**Attributable to the shareholders of Kingston Resources Limited**

	Ordinary Shares \$	Accumulated Losses \$	Foreign Exchange Reserves	Share based payment Reserve \$	Total Equity \$
<b>Balance at 1 July 2017</b>	<b>58,262,992</b>	<b>(48,790,572)</b>	-	<b>267,950</b>	<b>9,740,370</b>
Loss for the half year	-	(1,200,929)	-	-	(1,200,929)
Other comprehensive income	-	-	-	-	-
	<b>58,262,992</b>	<b>(49,991,501)</b>	-	<b>267,950</b>	<b>8,539,441</b>
Issue of Shares	6,761,578	-	-	-	6,761,578
Cost of share issue	(18,921)	-	-	-	(18,921)
Share based payments	-	-	-	112,394	112,394
Transfer from share based payment reserve on expiry/lapse	-	-	-	-	-
Additions to reserves	-	-	28,003	-	28,003
<b>Balance at 31 December 2017</b>	<b>65,005,649</b>	<b>(49,991,501)</b>	<b>28,003</b>	<b>380,344</b>	<b>15,422,495</b>
<b>Balance at 1 July 2018</b>	<b>69,244,553</b>	<b>(54,427,748)</b>	<b>(44,121)</b>	<b>267,218</b>	<b>15,039,902</b>
Loss for the half year	-	(1,518,977)	-	-	(1,518,977)
Other comprehensive income	-	-	-	-	-
	<b>69,244,553</b>	<b>(55,946,725)</b>	<b>(44,121)</b>	<b>267,218</b>	<b>13,520,925</b>
Issue of Shares	197,696	-	-	-	197,696
Cost of share issue	(2,363)	-	-	-	(2,363)
Share based payments	-	-	-	546,759	546,759
Transfer from share based payment reserve on expiry/lapse	-	32,949	-	(32,949)	-
Additions to reserves	-	-	(85,138)	-	(85,138)
<b>Balance at 31 December 2018</b>	<b>69,439,886</b>	<b>(55,913,776)</b>	<b>(129,259)</b>	<b>781,028</b>	<b>14,177,879</b>

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

## Notes to the Financial Statements

### 1. CORPORATE INFORMATION

The financial statements of Kingston Resources Limited for the half year ended 31 December 2018 are authorised for issue in accordance with a resolution of the Directors on 11 March 2019. Kingston Resources Limited is a company incorporated in Australia and limited by shares listed on the ASX.

The nature of the operations and principal activities of the Group are described in the Review of Operating Results and Operations and in Note 5.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The half year financial statements do not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half year financial statements should be read in conjunction with the annual Financial Statements of the Group as at 30 June 2018.

It is also recommended that the half year financial statements be considered together with public announcements made by Kingston Resources and its controlled entities during the half year ended 31 December 2018 and up to the date of this report in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

#### a) Basis of Preparation

These general purpose financial statements for the interim half year reporting period ended 31 December 2018 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The interim financial statements are intended to provide users with an update on the latest annual financial statements of Kingston Resources Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes during the half year within the Group. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2018, together with any public announcements made during the half year and up to the date of this report.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

From 1 July 2018, the consolidated entity has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 July 2018. The adoption of new and amended standards and interpretations had no impact on the financial position or performance of the consolidated entity.

The consolidated entity has not elected to early adopt any new standards or amendments that are issued but not yet effective.

**b) Going Concern**

The consolidated entity has incurred operating losses of \$1,518,977 (2017: \$1,200,929) and negative operating cash flows of \$826,505, (2017: \$795,915) for the half year ended 31 December 2018. As at 31 December 2018 the consolidated entity held cash of \$3,266,635.

The nature of an exploration company is to be loss making, as such the Company considers it likely that it may need to raise equity from time to time as successfully demonstrated in February 2018. However, the Company's 31 December 2018 cash balance of \$3,266,635 leaves it with sufficient funding to continue to meet operational expenditure requirements, including minimum exploration commitments across its tenement portfolio.

Taking into account the current cash reserves of the Company, the Directors are confident the Company has adequate resources to continue in its main business activity for the foreseeable future. As a result, 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 and at the amounts stated in the financial report.

**3. LOSS FOR THE PERIOD**

	31 December 2018 \$	31 December 2017 \$
The following revenue and expense items are relevant in explaining the financial performance for the interim period:		
<b>Other revenue</b>		
Interest from bank	43,429	24,210
DMIRS EIS funding	14,921	-
Consulting fees charged to acquirer of disposed assets	13,992	
Profit on sale of available for sale financial assets	21,298	-
Total other revenue	93,640	24,210
<b>Expenses</b>		
<b>Depreciation and amortisation on non-current assets</b>		
Depreciation of:		
- plant and equipment	-	265
Total depreciation and amortisation	-	265

**4. EXPLORATION AND EVALUATION ACTIVITIES**

	Notes	Consolidated Group
	31 December 2018 \$	30 June 2018 \$
Opening Balance	8,839,290	6,230,407
Transfer from other non-current assets		
Acquisition of Livingstone Gold Project	-	328,261
Acquisition of WCB Resources	-	6,453,600
Exploration assets sold	-	(1,008,444)
Impairment of assets	-	(3,552,901)
Transfer to non-current assets held for sale	-	(1,800,000)
Capitalised exploration expenditure	2,701,181	2,112,878
Foreign exchange adjustment	(345,023)	75,489
Total exploration expenditure capitalised	11,295,449	8,839,290

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, where substantive expenditure on further exploration is neither budgeted nor planned, or the period for which the Company has the right to explore will expire in the near future and is not expected to be renewed. There were no impairments recorded for the period.

## 5. SEGMENT INFORMATION

The Group has identified its operating segments based on the internal reports that are reviewed and used by the board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources.

The group operates in one segment being Exploration and Evaluation of Minerals.

## 6. 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:

	<b>Consolidated Group</b>	
	<b>31 December 2018</b>	<b>31 December 2017</b>
	<b>\$</b>	<b>\$</b>
Not Later than one year	102,000	520,400
Later than one year and less than five years	261,101	1,699,319

The Company has issued performance rights and options to management and employees as part of their total remuneration. Those issued in the current period are listed below in Note 8, the value of these share based payments upon issue was \$546,759.

## 7. ISSUED CAPITAL

	<b>31 December 2018</b>	<b>30 June 2018</b>
	<b>\$</b>	<b>\$</b>
<b>a) Ordinary shares</b>		
1,223,198,383 fully paid ordinary shares		
(30 June 2018: 1,214,961,029)	69,439,886	69,244,553
<b>Movements in contributed equity for the period</b>		
Balance at the beginning of the period	69,244,553	58,262,992
Shares issued during the current financial year:		
- Ordinary shares at 0.024 cents on 18 July 2018	197,696	-
Shares issued during the previous period:		-
- 31 July 2017		41,289
- 17 November 2017		6,052,039
- 17 November 2017		225,000
- 17 November 2017		114,989
- 8 December 2017		328,261

- 13 February 2018		4,267,996
- 8 March 2018		255,000
Less share issuance costs	(2,363)	(303,013)
Total contributed equity	<u>69,439,886</u>	<u>69,244,553</u>

## **8. SHARE BASED PAYMENTS**

- (i) Share options and performance rights granted to employees and directors of the Company, or any Associated Body Corporate of the Company:
- On 18 July 2017 Kingston issued senior management 8,237,354 shares on the vesting of FY18 STI Performance rights (8,237,537 lapsed).
  - On 28 August 2018 Kingston granted senior management 5,350,568 STI Performance rights and 5,350,568 LTI Performance Rights and 7,375,909 LTI options.
  - On 9 November 2018 Kingston granted directors 12,866,250 STI Performance rights and 17,345,795 LTI Performance Rights, and 23,000,000 LTI options.

## **9. EVENTS SUBSEQUENT TO REPORTING DATE**

Other than as advised above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.



## Directors' Declaration

In the opinion of the Directors:

- (a) the financial statements and the notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of the financial position as at 31 December 2018 and the performance for the half year ended on that date of the consolidated entity; and
  - (ii) complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the Corporations Regulations 2001; and
- (b) 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 directors of Kingston Resources Limited made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Board



**Anthony Wehby**  
Chairman

13 March 2019

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**KINGSTON RESOURCES LIMITED  
ABN 44 009 148 529  
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
KINGSTON RESOURCES LIMITED**

**SYDNEY**

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia

Ph: (612) 9263 2600  
Fx: (612) 9263 2800

**Report on the Interim Financial Report**

We have reviewed the accompanying half-year financial report of Kingston Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2018, 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 period ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

**Directors' Responsibility for the Interim Financial Report**

The directors of Kingston Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of Kingston Resources Limited's financial position as at 31 December 2018 and its performance for the period ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Kingston Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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**Independence**

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

**KINGSTON RESOURCES LIMITED  
ABN 44 009 148 529  
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
KINGSTON RESOURCES LIMITED**

**Conclusion**

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Kingston Resources Limited is not in accordance with the Corporations Act 2001 including:

- (i) giving a true and fair view of Kingston Resources Limited's financial position as at 31 December 2018 and of its performance for the period ended on that date; and
- (ii) complying with AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

**Material Uncertainty Related to Going Concern**

We draw attention to Note 2(b) in the financial report, which indicates that the Group incurred a net loss after tax of \$1,518,977 during the year ended 31 December 2018 and had net operating cash outflows of \$826,505 for the year then ended. As stated in Note 2(b), these events or conditions, along with other matters as set forth in Note 2 (b), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



HALL CHADWICK  
Level 40, 2 Park Street  
Sydney NSW 2000



**DREW TOWNSEND**  
**Partner**

Dated: 13 March 2019