



Kingston Resources Limited

ACN 009 148 529

Notice of Annual General Meeting and Explanatory Statement

**Annual General Meeting to be held at
25-27 Jewell Parade, North Fremantle, WA
on 31 October 2014
commencing at 11:00am (WST)**

The Notice of Annual General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

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Notice of Annual General Meeting

Notice is given that the Annual General Meeting of Kingston Resources Limited ACN 009 148 529 (**Company**) will be held at 25-27 Jewell Parade, North Fremantle, WA on 31 October 2014 commencing at 11.00am (WST).

AGENDA

Financial statements and report

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2014 together with the directors' report and the auditor's report.

Resolution 1 – Adoption of Remuneration Report

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, the Remuneration Report contained in the Company's annual financial report for the financial year ended 30 June 2014 be adopted by the Company.

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Resolution 2 – Re-election of Director – Michal Safrata

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

That for the purposes of Listing Rule 14.4 and rule 7.3 of the Constitution and for all other purposes, Michal Safrata, being a Director of the Company who retires by rotation, and being eligible offers himself for re-election, is re-elected as a Director of the Company.

Resolution 3 – Approval to increase non-executive directors' fees

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

That for the purposes of Listing Rule 10.17 and rule 7.5 of the Constitution and for all other purposes, Shareholders approve an increase in the maximum total amount of directors' fees payable to all of the non-executive directors of the Company by \$60,000 to \$150,000 per annum.

Resolution 4 – Approval to prior issue of Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders approve and ratify the issue of 7,425,000 of Shares on the terms and conditions set out in the Explanatory Statement.

Resolution 5 – Approval to issue Shares to Consultants

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

That, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 5,500,000 Shares, on the terms and conditions set out in the Explanatory Statement.

Resolution 6 – Approval for Additional Placement Facility

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

That, for the purposes of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of equity securities up to 10% of the number of fully paid ordinary securities of the Company on issue (at the time of issue) calculated in accordance with the formula set out in Listing Rule 7.1A.2 for a period of 12 months from the date of this Meeting on the terms and conditions set out in the Explanatory Statement.

Voting Exclusions

For the purposes of the Corporations Act and Listing Rule 14.11, the following voting exclusion statements apply to the resolutions. The Company will disregard any votes on the following resolutions cast by or on behalf of the following persons:

Resolution	Excluded Parties
Resolution 1	Members of the Key Management Personnel whose remuneration is detailed in the Remuneration Report and their closely related parties (which includes spouse, child, dependent, other family members and any controlled company).
Resolution 2	n/a
Resolution 3	A Director and an associate of that person.
Resolution 4	A person who participated in the issue and an associate of that person.
Resolution 5	A person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder if the resolution is passed, and any of their associates.
Resolution 6	A person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder if the resolution is passed, and any of their associates.

However, the Company need not disregard a vote on Resolutions 1, 3, 4, 5, and 6 (inclusive) if it is cast by:

- the person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance a direction on the proxy form to vote as the proxy decides.

In relation to Resolutions 1 and 3, members of Key Management Personnel and their closely related parties (other than the Chairman of the Meeting) may not vote as proxy if the appointment does not specify how the proxy is to vote. The Chairman of the Meeting may vote as proxy in accordance with an express authorisation on the Proxy Form.

By order of the Board of Directors

Mathew Whyte

Director and Company Secretary

30 September 2014

Proxy appointment and voting instructions

Voting eligibility – snapshot date

The Directors have determined that the persons eligible to attend and vote at the Annual General Meeting are those persons who are registered Shareholders at 11.00am on Wednesday, 29 October 2014. Transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged no later than 11.00am on Wednesday, 29 October 2014. Proxy Forms may be lodged:

By hand: 25-27 Jewell Parade, North Fremantle, WA

By mail: 25-27 Jewell Parade, North Fremantle, 6159, WA

By fax: +61 8 9335 3565

Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Appointment of a proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

Please write the name of the person you wish to appoint as your proxy in the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman will be appointed as your proxy.

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company on +61 8 9336 6619 or you may photocopy the Proxy Form.

To appoint a second proxy you must state on each Proxy Form (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Directing your proxy to vote on Resolutions

You may direct your proxy how to vote by marking For, Against or Abstain for each resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the resolutions by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the resolutions, your proxy may vote as he or she chooses (except where a voting exclusion applies). If you mark more than one box on a resolution your vote on will be invalid on that resolution.

Voting restrictions that may affect your proxy appointment

Members of the Key Management Personnel (except for the Chairman) and their closely related parties are not able to vote your proxy on Resolutions 1 (Adoption of Remuneration Report) and 3 (Approval to increase non-executive Directors' fees) unless you have directed them how to vote. This exclusion does not apply to the Chairman if his appointment as proxy expressly authorises him to vote on matters of Key Management Personnel remuneration.

If you intend to appoint the Chairman, a Director or any other member of Key Management Personnel or any of their closely related parties as your proxy, you are encouraged to direct them how to vote on Resolutions 1 and 3.

How the Chairman will vote undirected proxies

At the date of this Notice, the Chairman intends to vote all undirected proxies FOR each of the Resolutions. In exceptional cases the Chairman's intentions may change subsequently and in this event, the Company will make an announcement to the market.

The Proxy Form expressly authorises the Chairman to exercise undirected proxies on all resolutions including Resolutions 1 (Adoption of Remuneration Report) and 3 (Approval to increase non-executive Directors' fees) even though these resolutions are connected directly or indirectly with the remuneration of a member of Key Management Personnel.

Corporate Shareholders

Corporate Shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- two directors of the company;
- a director and a company secretary of the company; or
- for a proprietary company that has a sole director who is also the sole company secretary – that director.

Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company, before the Meeting or at the registration desk on the day of the Meeting.

Defined terms

Capitalised terms used in the Notice and the Explanatory Statement are defined in the Glossary.

Questions from Shareholders

At the Meeting the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments on the management of the Company and the Remuneration Report.

The Company's auditor or a representative of the auditor will attend the Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor or the auditor's representative questions relevant to:

- the conduct of the audit;
- the preparation and content of the auditor's report;
- the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- the independence of the auditor in relation to the conduct of the audit.

In addition to asking questions at the Meeting, written questions to the Board about the management of the Company or the Remuneration Report, or to the Company's auditor about the content of the auditor's report or the conduct of the audit, may be submitted by no later than 11.00am on Friday, 24 October 2014:

By hand: 25-27 Jewell Parade, North Fremantle, 6159, WA

By mail: 25-27 Jewell Parade, North Fremantle, 6159, WA

By fax: +61 8 9335 3565

Copies of written questions will be available at the Meeting.

Explanatory Statement

This Explanatory Statement has been prepared to provide information to Shareholders about the business to be conducted at the Meeting.

1. Annual Financial Report

The Directors' report, auditor's report and the financial statements of the Company for the year ended 30 June 2014 will be tabled at the Meeting.

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the reports and the management of the Company.

2. Resolution 1 – Adoption of Remuneration Report

2.1 Remuneration Report available

The Remuneration Report of the Company for the financial year ended 30 June 2014 is set out in the Company's Annual Report which is available at www.kingstonresources.com.au. The Remuneration Report sets out the remuneration arrangements for Directors and Key Management Personnel of the Company. The Chairman will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on, the Remuneration Report.

2.2 Voting on Remuneration

Shareholders will be asked to vote for the adoption of the Remuneration Report at the Meeting. The vote on this resolution is advisory only and does not bind the Directors or the Company. The Board will consider the outcome of the vote and comments made by Shareholders on the Remuneration Report at the Meeting when reviewing the Company's remuneration policies.

If 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") to determine whether another meeting be held within 90 days at which all of the Directors (other than the managing director) must go up for re-election.

At the Company's previous annual general meeting the votes against the remuneration report was less than 25% of the votes cast on the resolution. As such, Shareholders do not need to consider a spill resolution at this Meeting.

The Company encourages all Shareholders to cast their votes on Resolution 1 (Adoption of Remuneration Report).

2.3 Voting exclusions

The Company will disregard any votes cast on this resolution by or on behalf of members of Key Management Personnel whose remuneration details are included in the Remuneration Report and any closely related parties of those persons.

Key Management Personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the financial year ended 30 June 2014. Their closely related parties are defined by the Corporations Act and include certain of their family members, dependants and companies they control.

If you appoint the Chairman as your proxy and have not directed him how to vote, you are expressly authorising the Chairman to cast your undirected proxy on this resolution in accordance with his stated intentions. The Chairman intends to vote all undirected proxies for this resolution.

If you appoint any other member of the Board, a member of senior management who is named in the Remuneration Report, or their closely related parties as your proxy, they will not be able to vote your proxy on this resolution unless you have directed them how to vote.

3. Resolution 2 – Re-election of Director – Michal Safrata

Under Listing Rule 14.4 and rule 7.3(d) of the Constitution there must be an election of directors at each annual general meeting. A director is required to retire from office and is then eligible for re-election. The director to retire is the one who has held office the longest since the last election to that office, and if two or more directors have held office for the same period of time, the director determined by agreement.

Mr Michal Safrata retires by rotation at this Meeting and, being eligible, offers himself for re-election.

Mr Safrata was appointed as a non-executive Director on 5 September 2011. Mr Safrata 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. Mr Safrata was also a director of Oz Brewing Ltd from 15 April 2011 until 18 June 2014.

The Directors (other than Mr Safrata) unanimously recommend the re-election of Michael Safrata.

4. Resolution 3 – Approval to increase non-executive directors' fees

4.1 Background

The Company seeks approval to increase the maximum total amount of fees payable to the non-executive directors from the existing limit of \$90,000 to \$150,000.

The current level of fees payable to non-executive directors was last approved by Shareholders at the 2010 annual general meeting. Rule 7.5 of the Constitution and Listing Rule 10.17 requires shareholders to approve the maximum total amount of directors' fees payable to non-executive directors. These fees include superannuation contributions made for the benefit of non-executive directors and any fees that a non-executive director chooses to sacrifice for other benefits. It does not include reimbursement of genuine out-of-pocket expenses, genuine special exertion fees paid in accordance with the Constitution or securities issued to a non-executive director under the Listing Rules.

4.2 Reasons for increases

The Board considers that it is reasonable and appropriate at this time to seek an increase in the remuneration pool for its non-executive Directors to ensure the Company maintains the ability to remunerate competitively and attract and retain non-executive directors with the skills and experience appropriate for the Company's business and to pay its directors in accordance with market rates for companies of similar size and complexity having regard to the duties and responsibilities of the position.

All members of the Board are non-executive Directors and the total amount of fees paid to the Directors for the financial year ended 30 June 2014 was \$90,000. The remuneration paid to each non-executive Director is set out in the Remuneration Report.

4.3 Information required under the Listing Rules

The amount of the increase is \$60,000.

If this resolution is passed, the maximum total amount of fees that may be paid to all of the Company's non-executive Directors each year will be \$150,000, to be divided between them as determined by the Board.

The following securities have been issued to the non-executive Directors under listing rule 10.11 with shareholder approval during the preceding three years:

Non-executive Director	Securities issued		When
Jonathan Davies	2,000,000 options ¹	unquoted	4 November 2013 (approved at the 2013 AGM)
Mathew Whyte	2,000,000 options ¹	unquoted	4 November 2013 (approved at the 2013 AGM)
Michal Safrata	1,000,000 options ¹	unquoted	4 November 2013 (approved at the 2013 AGM)
Yafeng Cai	1,000,000 options ¹	unquoted	4 November 2013 (approved at the 2013 AGM)

Notes:

1. The exercise price is \$0.07 and the expiry date is 30 June 2016.
2. No securities have been issued to the non-executive Directors under listing rule 10.14.
3. Unquoted options were issued to Mathew Whyte and Michael Safrata on 7 December 2011 following shareholder approval obtained at the 2011 AGM. All of these options lapsed unexercised on 29 March 2013.

4.4 Proxy voting restrictions

If you appoint the Chairman as your proxy and have not directed him how to vote, you are expressly authorising the Chairman to cast your undirected proxy on this resolution in accordance with his stated intentions. The Chairman intends to vote all undirected proxies for this resolution.

If you appoint any other member of the Board, a member of senior management who is named in the Remuneration Report, or their closely related parties as your proxy, they will not be able to vote your proxy on this resolution unless you have directed them how to vote.

4.5 Directors' recommendation

All of the Directors have an interest in this resolution and do not make a recommendation to Shareholders.

5. Resolution 4 – Approval to prior issue of Shares

5.1 Background

On 2 May 2014 the Company completed a placement of 7,425,000 Shares at \$0.012 each to raise \$89,100. The purpose of the placement is to raise funds for exploration activities on the Company's projects and for working capital.

5.2 Requirements of the Listing Rules

Listing Rule 7.1 permits entities to issue equity securities up to 15% of its issued capital over a 12 month period without shareholder approval. Listing rule 7.4 provides that where shareholders subsequently approve securities that were issued under Listing Rule 7.1 then those securities will be treated as having been made with shareholder approval. The effect of this rule is to refresh the 15% placement capacity under Listing Rule 7.1 and enables entities to retain the flexibility to issue equity securities in the future without prior shareholder approval.

This resolution seeks Shareholder approval to approve and ratify the Shares issued on 2 May 2014.

For the purposes of this resolution the following information is provided to Shareholders:

- (a) The number of securities issued was 7,425,000 Shares.
- (b) The Shares were issued at a price of \$0.012 per Share.
- (c) The Shares are fully paid ordinary shares that rank equally with all other existing Shares. The Shares are quoted on ASX.
- (d) The Shares were issued to Omen Pty Ltd, which is a substantial shareholder in the Company. Omen Pty Ltd is not a related party of the Company.
- (e) It is intended that the funds will be used for exploration activities on the Company's projects and for working capital.

5.3 Directors' recommendation

All of the Directors have an interest in this resolution and do not make a recommendation to Shareholders.

6. Resolution 5 – Approval to issue Shares to Consultants

6.1 Background

The Company engages consultants from time to time to provide geophysics, drilling and other services to further the Company's projects. The Company seek Shareholder approval under this resolution to issue up to 5,500,000 Shares to consultants as full or part payment for services provided in lieu of cash.

The actual number of Shares that may be issued is unknown but will depend upon arrangements with consultants and the value of services provided. The Board has determined to issue Shares under this resolution at a deemed price of \$0.015. This was calculated as a 22% discount to the 30 day volume weighted average price of the Company's shares at the time of the Board determination.

6.2 Requirements of the Listing Rules

Listing Rule 7.1 permits entities to issue equity securities up to 15% of its issued capital over a 12 month period without shareholder approval. If this resolution is passed then the Shares issued will not count towards the Company's 15% placement capacity under Listing Rule 7.1. This resolution gives the Company flexibility to engage consultants and negotiate payment for the services performed by the issue of Shares without using the Company's 15% placement capacity.

For the purposes of this resolution the following information is provided to Shareholders:

- (a) The maximum number of Shares the Company will issue is 5,500,000. The actual number of Shares that will be issued depends on the value of the consulting fees charged to the Company.
- (b) The Shares will be issued no later than 3 months after the date of this Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) The Shares will be issued at a deemed price of \$0.015 per Share.
- (d) The Shares will be issued to third party consultants/service providers which may be engaged by the Company in full or part payment of services provided. As at the date of this Notice, the Company has engaged Terra Resources Pty Ltd to provide geophysics services and has agreed to issue Shares to it in lieu of cash payment. Other potential third party consultants/service providers have not yet been identified and are not yet known.
- (e) The Shares will be fully paid ordinary shares and will rank equally with the Company's existing Shares. The Company will apply for quotation of the Shares on ASX.
- (f) No funds will be raised by the issue of the Shares. The Shares will be issued as payment for services provided by Terra Resources Pty Ltd and other third party consultants/service providers.
- (g) It is intended that the Shares will be issued progressively after services have been provided.

6.3 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of this resolution.

7. Resolution 6 – Approval for Additional Placement Facility

7.1 Background

Listing rule 7.1A permits eligible entities that have obtained the approval of shareholders by special resolution at an annual general meeting to issue an additional 10% of issued capital by way of placements over a 12 month period (**Additional Placement Facility**).

The Company is an eligible entity (being an entity with market capitalisation of less than \$300 million or less and is not included in the S&P/ASX 300 index) and seeks Shareholder approval under this resolution for the Additional Placement Facility.

7.2 Requirements of Listing Rule 7.1A

(a) Quoted securities

Any equity securities issued under the Additional Placement Facility must be in the same class as an existing class of equity securities of the Company that are quoted on ASX. As at the date of this Notice, the Company has two classes of equity securities quoted on ASX being fully paid ordinary shares (ASX: KSN) and options (ASX: KSNO).

(b) Number of equity securities that may be issued

Listing Rule 7.1 permits the Company to issue 15% of issued capital over a 12 month period without shareholder approval. The Additional Placement Facility under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1. The effect of Shareholders passing this resolution is to allow the Company to issue up to 25% of its issued capital during the next 12 months without obtaining specific Shareholder approval before the placement.

The exact number of additional equity securities that the Company may issue under the Additional Placement Facility is not fixed but is calculated under a formula prescribed by the Listing Rules (set out below).

At the date of this Notice the Company has 89,780,828 Shares on issue. If all the Resolutions in this Notice are passed, the Company will be permitted to issue (as at the date of this Notice):

- 13,467,124 equity securities under Listing Rule 7.1 (15% placement capacity); and
- 8,978,082 equity securities under Listing Rule 7.1A (10% Additional Placement Facility).

(c) Formula for calculating the number of equity securities that may be issued under the Additional Placement Facility.

If this resolution is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of equity securities calculated in accordance with the following formula.

$$(A \times D) - E$$

Where:

A	The number of Shares on issue 12 months before the date of issue or agreement: <ul style="list-style-type: none">• plus the number of Shares issued in the 12 months under an exception in Listing Rule 7.2,• plus the number of Shares issued in the 12 months with approval of Shareholders under Listing Rules 7.1 or 7.4,• less the number of Shares cancelled in the 12 months.
D	10%
E	The number of equity securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or 7.4.

7.3 Information required under the Listing Rules

(a) Minimum price

The issue price of any equity security under the Additional Placement Facility will be no less than 75% of the volume weighted average price for securities in the same class, calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price at which the securities are to be issued is agreed; or
- if the securities are not issued within five trading days of the date above, the date on which the securities are issued.

(b) Risk of economic and voting dilution

If this resolution is passed and the Company issues securities under the Additional Placement Facility, then there is a risk to existing Shareholders of economic and voting dilution including the risk that:

- The market price for equity securities in the same class may be significantly lower on the issue date of the new equity securities than on the date of this Meeting; and
- The new equity securities may be issued at a price that is at a discount to the market price for equity securities in the same class on the issue date or the new equity securities may be issued consideration for the acquisition of a new asset.

The table below identifies the potential dilution to existing Shareholders following the issue of equity securities under the Additional Placement Facility (based on the formula set out above) using different variables for the number of issued Shares and the market price of Shares. The numbers are calculated on the basis of the latest available market price of Shares before the date of this Notice and the current number of Shares on issue.

Variable A in Listing Rule 7.1A		Nominal issue price		
		\$* (market price*)	\$* (25% decrease in market price)	\$* (50% decrease in market price)
Current issued capital A = * Shares	Shares issued under LR 7.1A	*	*	*
	Voting dilution	10%	10%	10%
	Funds raised	*	*	*
	Economic dilution	0%	2.27%	4.55%
50% increase in issued capital A = * Shares	Shares issued under LR 7.1A	*	*	*
	Voting dilution	7.5%	7.5%	7.5%
	Funds raised	\$*	\$*	\$*
	Economic dilution	0%	2.27%	4.55%

100% increase in issued capital A = * Shares	Shares issued under LR 7.1A	*	*	*
	Voting dilution	5%	5%	5%
	Funds raised	\$*	\$*	\$*
	Economic dilution	0%	2.27%	4.55%

This table has been prepared on the following assumptions:

- (i) the latest available market price of Shares as at the date of the Notice was \$0.016;
 - (ii) the Company issues the maximum number of equity securities available under the Additional Placement Facility
 - (iii) existing Shareholders' holdings do not change from the date of this Meeting to the date of the issue under the Additional Placement Facility;
 - (iv) the Company issues Shares only and does not issue other types of equity securities (such as options) under the Additional Placement Facility; and
 - (v) the impact of placements under Listing Rule 7.1 or following the exercise of options is not included in the calculations.
- (c) Placement period
- Equity securities may be issued under the Additional Placement Facility at any time after the date of this Meeting until that date that is 12 months after this Meeting. The approval to the Additional Placement Facility under this resolution will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).
- (d) Purposes for which equity securities may be issued
- The Company may seek to issue equity securities under the Additional Placement Facility for the following purposes:
- cash consideration to fund business growth, to acquire new assets or make investments, to develop the Company's existing assets and operations and for general working capital; and
 - non-cash consideration to acquire new assets or make investments. In these circumstances the Company provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.
- (e) Allocation policy
- The Company's allocation policy for the issue of equity securities under the Additional Placement Facility will depend on the prevailing market conditions at the time of the proposed issue. The allottees will be determined on a case-by-case basis having regard to the factors such as:

- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue of the new securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate and other advisors.

At the date of this Notice the proposed allottees under the Additional Placement Facility have not been determined but may include existing substantial Shareholders, other Shareholders and/or new investors. None of the allottees will be a related party or an associate of a related party of the Company. Existing Shareholders may or may not be entitled to subscribe for equity securities under the Additional Placement Facility and it is possible that their shareholding will be diluted.

If the Additional Placement Facility is used to acquire new assets or investments then it is likely that the allottees will be the vendors of these assets/investments.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any equity securities under the Additional Placement Facility.

- (f) Equity securities issued under previous placement facility approval

The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.

7.4 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of this resolution.

Glossary of terms

In this Notice and Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Annual General Meeting or Meeting	The Annual General Meeting of Shareholders of the Company or any adjournment thereof, convened by this Notice.
associate	Has the meaning set out in the Listing Rules.
ASX	ASX Limited ACN 008 624 691.
Board	Board of Directors of the Company.
Chairman	The chairman of the Meeting.
Company	Kingston Resources Limited ACN 009 148 529.
Constitution	The Company's constitution.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Explanatory Statement	This explanatory statement which accompanies and forms part of the Notice of Annual General Meeting.
Key Management Personnel	Those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.
Listing Rules	The listing rules of ASX, as amended from time to time.
Notice or Notice of Annual General Meeting	The notice of Annual General Meeting which accompanies the Explanatory Statement.
Proxy Form	The proxy form accompanying the Notice.
Remuneration Report	The remuneration report contained in the Directors' report for the year ended 30 June 2014.
Resolution	A resolution set out in the Notice.
Share	A fully paid ordinary share in the Company.
Shareholder	A registered holder of a Share.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.