

KINGSTON RESOURCES LIMITED

ASX:KSN

ACN 009 148 529

6 November 2014

Dear Shareholder

Renounceable pro rata entitlement offer

I am pleased to announce that Kingston Resources Limited (**Company**) is conducting a three (3) for five (5) renounceable pro rata entitlement offer at an issue price of 1.4 cents per share, to raise approximately \$754,159 before expenses (**Offer**).

The purpose of the Offer is to facilitate the ongoing development of the Company's Six Mile Hill Project and Cootanoorina Project.

In accordance with the requirements of section 713 of the Corporations Act 2001 (*Cth*) (**Corporations Act**) the Company lodged a prospectus for the Offer (**Prospectus**) with the Australian Securities Investment Commission (**ASIC**) and ASX on 4 November 2014. The Prospectus will be despatched to all Eligible Shareholders, together with an Entitlement and Acceptance Form, on 13 November 2014. If you are eligible and wish to participate, please read the Prospectus when you receive it and carefully follow the instructions. .

Key information

Key information in connection with the Offer and important dates are set out below for your reference:

1. The Offer is a renounceable pro-rata offer and is being undertaken on the basis of three (3) fully paid ordinary shares in the Company (**New Shares**) for every five (5) ordinary shares held by eligible shareholders at an issue price of 1.4 cents per New Share.
2. Eligible shareholders are those shareholders whose registered address is within Australia or New Zealand as at the Record Date, being 5.00pm Perth time on Tuesday, 11 November 2014 (**Eligible Shareholders**).
3. A maximum of 53,868,497 New Shares will be issued under the Offer. This number excludes shares which may be issued in the event that an option holder elects to exercise their right to convert their securities to ordinary shares prior to the Record Date. This number is also subject to a final reconciliation and rounding of entitlements.
4. The Offer is expected to close at 5:00pm (AEST) on 9 December 2014 (**Closing Date**).
5. After completion of the Offer, the Company will have up to 143,649,325 ordinary shares on issue (assuming that no Options are exercised prior to the Record Date), all of which will be quoted on the Australian Securities Exchange (**ASX**). The Company will also have 31,702,500 options on issue.

Kingston Resources Limited
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6. As a renounceable entitlement offer, rights are tradeable on the ASX and otherwise transferable. Eligible Shareholders who elect not to take up their full entitlement may receive some value in respect of those entitlements by selling their rights.
7. The Company intends, subject to ASIC approval, to appoint CPS Capital Group Pty Ltd as its nominee to sell the rights of ineligible shareholders.
8. New Shares will rank equally with the Company's existing fully paid ordinary shares.
9. Shareholder approval of the Offer is not required.
10. Fractions of entitlements to New Shares will be rounded down.
11. The Offer will be undertaken with a prospectus in accordance with section 713 of the *Corporations Act 2001* (Cth).
12. The Offer is not underwritten.
13. Eligible Shareholders will be able to apply for additional New Shares to the extent that there is a shortfall of acceptances under the Offer.
14. The Company does not have a dividend policy. Payment of future dividends will depend upon future profitability and the financial position of the Company.

Use of the proceeds

The purpose of the Offer is to facilitate the ongoing development of the Company's Six Mile Hill Project and Cootanoorina Project.

The projected uses of the funds raised under the Offer include:

1. identifying drilling targets, designing and implementing drilling program(s) on the Six Mile Hill Project / Cootanoorina Project;
2. for general working capital; and
3. to pay the expenses of the Offer.

Key dates

The anticipated timetable for the Offer is as follows:

| Event | Date |
|---|-----------------|
| Announcement of Offer | 4 November 2014 |
| Prospectus lodged with ASIC and ASX (Appendix 3B lodged with ASX) | 4 November 2014 |
| Notice of Offer sent to Shareholders | 6 November 2014 |
| Ex-date (date from which Shares begin trading without the Rights to participate in the Offer) | 7 November 2014 |
| Rights trading commences | 7 November 2014 |

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|---|------------------|
| Record Date (to identify Shareholders entitled to participate in the Offer) | 11 November 2014 |
| Prospectus and Entitlement and Acceptance Forms sent to Eligible Shareholders | 13 November 2014 |
| Offer opens (Opening Date) | 13 November 2014 |
| Rights trading ends | 2 December 2014 |
| New Shares quoted on a deferred settlement basis | 3 December 2014 |
| Last day to extend the Closing Date | 4 December 2014 |
| Offer closes (Closing Date)* | 9 December 2014 |
| Notice to ASX of Shortfall | 12 December 2014 |
| New Shares issued | 16 December 2014 |
| Quotation of New Shares on ASX commences | 17 December 2014 |

Further information

For further information on the Offer, please see the Company's announcements from 6 November 2014 as listed on the ASX website (www.asx.com.au) or the Company's website (www.kingstonresources.com.au), or alternatively contact the Company on +61 8 9336 6619 from 9.00am to 5.00pm Perth time, Monday to Friday.

On behalf of the Board and management of the Company, thank you for your continued support.

Yours faithfully

Mathew Whyte
Non-Executive Director and Company Secretary

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