

KINGSTON RESOURCES LIMITED

ASX:KSN

ACN 009 148 529

6 November 2014

Dear Shareholder

Renounceable pro rata entitlement offer

On 4 November 2014, Kingston Resources Limited (**Company**) announced a proposed renounceable pro rata entitlement offer of three (3) fully paid ordinary shares in the Company (**Shares**) for every five (5) Shares held by Shareholders registered at 5.00pm Perth time on the Record Date at an issue price of 1.4 cents per Share, to raise approximately \$754,159 before expenses (**Offer**).

This letter is to inform you about the Offer and to explain why you will not be able to subscribe for new Shares under the Offer. This letter is not an offer to issue new Shares to you, nor an invitation for you to apply for new Shares.

You are not required to do anything in response to this letter.

Documents relating to the Offer were lodged with ASIC and ASX on 4 November 2014 and are being mailed to Eligible Shareholders (as defined below in the section headed "Eligibility criteria").

The Entitlement Offer is to be implemented under section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**).

Eligibility criteria

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules, that it would be unreasonable to make offers to shareholders in all countries in connection with the Offer. This determination was made due to legal limitations on making or extending an offer of new Shares in some countries, the relatively small number of shareholders in those countries, the small number of securities they hold and the potential cost of complying with regulatory requirements in those countries.

Accordingly, in compliance with ASX Listing Rule 7.7.1(b) of the Corporations Act, the Company wishes to advise you that it will not be extending the Offer to you and you will not be able to subscribe for new Shares under the Offer.

Shareholders who are eligible to participate in the Offer (**Eligible Shareholders**) are shareholders who:

- (a) are registered as holders of existing shares as at 5.00pm Perth time on Tuesday, 11 November 2014 (**Record Date**); and
- (b) as at the Record Date, have a registered address in Australia or New Zealand.

Kingston Resources Limited
25 – 27 Jewell Parade, North Fremantle, Western Australia 6159

t +61 8 9336 6619 w www.kingstonresources.com.au e info@kingstonresources.com.au

Unfortunately, as you do not satisfy the eligibility criteria for an Eligible Shareholder stated above, you will not be able to subscribe for new Shares under the Offer.

Renounceable Offer

However, as the Offer is renounceable, you may still receive some benefit for entitlements you would have received had you been eligible to participate in the Offer. The Company intends, subject to ASIC approval, to appoint CPS Capital Group Pty Ltd (**CPS**) as the nominee to conduct a foreign sale facility on behalf of ineligible shareholders (**Foreign Sale Facility**). Under the Foreign Sale Facility, the Company will issue the nominee with rights to apply for new Shares which would otherwise have been available for subscription by ineligible shareholders had they been eligible to participate in the Offer. The nominee will then dispose of those rights during the period for which they are tradeable on the ASX.

There is, however, no guarantee that you will receive any proceeds as a result of the Foreign Sale Facility. The ability of CPS to sell entitlements under the Foreign Sale Facility and the price it obtains for them will be dependent on various factors, including market conditions. To the maximum extent permitted by law, neither the Company, nor CPS nor their respective agents or affiliates, will be liable for any failure to sell entitlements under the Foreign Sale Facility at a particular price or in a particular time frame.

If you have any questions in relation to any of the above matters, please 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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