



24 October 2022

Annual General Meeting – Letter to Shareholders

Dear Shareholder,

Kingston Resources Limited (“Kingston” or “the Company”) advises that the Annual General Meeting of Shareholders (“AGM”) will be held on:

Date: Thursday, 24 November 2022
Time: 4.00pm (AEDT)
Venue: Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW 2000

In accordance with Part 1.2AA of the Corporations Act 2001, the Company will only be dispatching physical copies of the Notice of Meeting (Notice) to Shareholders who have elected to receive the Notice in physical form.

The Notice is being made available to Shareholders electronically and can be viewed and downloaded online from either the Company’s website: <https://kingstonresources.com.au/investor-centre/asx-announcements/> or the Company’s ASX market announcements page (ASX:KSN).

This Notice is given based on circumstances as at the date of this letter. Should circumstances change, the Company will make an announcement on the ASX market announcements platform and on the Company’s website. Shareholders are urged to monitor the ASX announcements platform and the Company’s website.

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

To vote in person, attend the Meeting on the date and at the place set out above.

Unless a poll is demanded pursuant to Rule 6.12 of the constitution, the resolutions put to vote at the AGM will be decided on a show of hands.

Shareholders are strongly encouraged to complete and submit their vote by proxy by using one of the following methods:

Online	Lodge the Proxy Form online at https://investor.automic.com.au/#/loginsah by following the instructions: Log into the Automic website using the holding details as shown on the Proxy Form. Click on ‘View Meetings’ – ‘Vote’. To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form.
By post	Completing the enclosed Proxy Form and posting it to: Automic, GPO Box 5193, Sydney NSW 2001
By hand	Completing the enclosed Proxy Form and delivering it by hand to: Automic, Level 5, 126 Phillip Street, Sydney NSW 2000
By email	Completing the enclosed Proxy Form and emailing it to: meetings@automicgroup.com.au

Your proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

The Chairman intends to vote available proxies in favour of all Resolutions.


Yours Faithfully,

Mick Wilkes
Non-Executive Chairman



KINGSTON RESOURCES LIMITED

ACN 009 148 529

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Notice of Annual General Meeting 24 November 2022

This is an important document. Please read it carefully.

If you are unable to attend the Annual General Meeting, please complete the proxy form enclosed and return it in accordance with the instructions set out on that form.

The Annual General Meeting of the Company will be held at the office of Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW 2000 at 4 pm (AEDT Time) on Thursday, 24 November 2022.

Kingston Resources Limited

NOTICE OF 2022 ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Kingston Resources Limited for 2022 will be held at the office of Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW 2000 at 4 pm (AEDT Time) on Thursday, 24 November 2022. The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 7.00 pm (Sydney Time) on Tuesday, 22 November 2022.

The terms and abbreviations used in this Notice and Explanatory Statement are defined in the attached Glossary.

AGENDA

BUSINESS

Consideration of Financial Reports of the Directors and Auditors

To receive and consider the Financial Report together with the Directors' Report and the Auditor's Report for the Company and its controlled entities for the year ended 30 June 2022.

Shareholders will be given reasonable opportunity to ask questions about or make comments on the management of the Company.

Resolution 1 – Adoption of Remuneration Report

To consider, and if thought fit, to pass the following resolution as a **non-binding resolution**:

"To adopt the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 30 June 2022."

Resolution 2 – Re-Election of Director – Anthony Wehby

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Anthony Wehby, who retires by rotation pursuant to rule 7.3(a) of the Company's Constitution and being eligible for election, is re-elected as a Director of the Company."

Resolution 3 – Approval to grant Long Term Share Price Outperformance Incentive Options to Andrew Corbett

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 10.14 and for all other purposes, Shareholders approve the grant of up to 1,679,215 Long Term Incentive Options to Andrew Corbett (or his nominee), the Company's Managing Director, under the EIS on the terms and conditions set out in the Explanatory Statement."

Resolution 4 - Approval to grant Short Term Incentive Performance Rights to Andrew Corbett

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 10.11 and for all other purposes, Shareholders approve the grant of up to 2,099,018 Short Term Performance Rights to Andrew Corbett (or his nominee), the Company's Managing Director, on the terms and conditions set out in the Explanatory Statement."

Resolution 5 - Approval of issue of Equity Securities for the purposes of ASX Listing Rule 7.1A

To consider, and if thought fit, to pass the following resolution as a **special resolution**:

"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, the Shareholders of the Company approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the prescribed formula in Listing Rule 7.1A.2, be approved on the terms set out in the Explanatory Statement."

Resolution 6 – Changes to the Constitution – Virtual General Meetings

To consider, and if thought fit, to pass the following resolution as a **special resolution**:

"That, in accordance with section 136(2) of the Corporations Act and for all other purposes, the Company's Constitution be amended in the manner set out in the Explanatory Statement, with effect from the passing of this resolution."

Resolution 7 – Ratification of prior issue of the Tranche A Warrant to PURE Asset Management

To consider, and if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 7.4 and for all other purposes, the Shareholders ratify the issue of the Tranche A Warrant to PURE Asset Management Pty Ltd as trustee for The PURE Resources Fund (or its nominee) on the terms and conditions set out in the Explanatory Statement."

Resolution 8 – Approval to issue the Tranche B Warrant to PURE Asset Management

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

"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue the Tranche B Warrant to PURE Asset Management Pty Ltd as trustee for The PURE Resources Fund (or its nominee) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion Statement

The following voting exclusion statement applies to the resolutions under the Listing Rules or, where applicable, the provisions of the *Corporations Act*, to the following persons.

The Company will disregard any votes cast in favour of the following Resolutions by or on behalf of:

- the following (named) person (or class of persons) excluded from voting; or
- an Associate of that person (or those persons):

Resolution No.	Title	Excluded Persons
1	Adoption of Remuneration Report	A member of the KMP, or a Closely Related Party of the KMP, whose remuneration details are included in the remuneration report for the year ended 30 June 2022.
3	Approval to grant Long Term Share Price Outperformance Incentive Options to Andrew Corbett	A person referred to in rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the employee incentive scheme in question.
4	Approval to grant Short Term Incentive Performance Rights to Andrew Corbett	Andrew Corbett and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of Shares).
5	Approval of issue of Equity Securities for the purposes of ASX Listing Rule 7.1A	<p>A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue under the 10% Placement Capacity (except a benefit solely by reason of being a holder of Shares in the Company).</p> <p>As at the date of this Notice, the Company does not yet know, nor has it formed an intention in relation to how it will decide, which parties it may approach to participate in any issue that may ultimately be made.</p>
7	Ratification of prior issue of the Tranche A Warrant to PURE Asset Management	Pure Asset Management and its associates.
8	Approval to issue the Tranche B Warrant to PURE Asset Management	Pure Asset Management or any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of Shares).

However, this does not apply to a vote cast in favour of a resolution by:

1. a person as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with the directions given to on the proxy or attorney to vote on the resolution in that way; or
2. the Chairman as proxy or attorney for a person who is entitled to vote on the resolution, in accordance with a direction given to the Chairman to vote on the resolution as the Chairman decides; or
3. a Shareholder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the Shareholder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and

- the Shareholder votes on the resolution in accordance with directions given by the beneficiary to the Shareholder to vote in that way.

Voting by Proxy

The *Corporations Act* now places certain restrictions on the ability of KMP and their Closely Related Parties to vote on resolutions connected directly or indirectly with the remuneration of the Company's KMP. For those reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and consider appointing someone other than one of the Company's KMP as such proxies may not be able to vote undirected proxies.

If you appoint the Chairman as your proxy by marking the box at **STEP 1** on the Proxy Form, then you are providing express authorisation for the Chairman to vote on all Resolutions in accordance with his intentions as set out in this Notice and the Proxy Form (except where you have indicated a different voting intention by marking the voting boxes at **STEP 2** on the Proxy Form).

This express authorisation acknowledges that the Chairman may exercise your proxy in relation to Resolutions 1, 3 and 4 even though they are connected with remuneration of a member of KMP and Resolution 1 is a resolution in respect of which the Chairman of the meeting has an interest. Votes cast by the Chairman on Resolutions 1, 3, and 4 other than as an authorised proxy holder will be disregarded because of his interest in the outcome of the Resolutions.

The Chairman intends to vote available proxies in favour of all Resolutions.

Dated this 24th day of October 2022.

By Order of the Board

A handwritten signature in dark ink, appearing to read 'Mick Wilkes', with a long horizontal flourish extending to the right.

Mick Wilkes

Non-Executive Chairman

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at the office of Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW 2000 at 4 pm (AEDT Time) on Thursday, 24 November 2022.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

Financial Statements and Reports

The Corporations Act requires the Company to place its Financial Report, Directors' Report and Auditor's Report for the last financial year before the Annual General Meeting. No resolution is required for this Item, but Shareholders will be given a reasonable opportunity to ask questions and to make comments on the reports and the management and performance of the Company.

The Company's Auditor, Hall Chadwick, will be present at the meeting and Shareholders will be given the opportunity to ask the Auditor questions about the conduct of the audit, the preparation and content of the Auditor's Report, the accounting policies adopted by the Company and the independence of the Auditor.

The Company's 2022 Annual Report is available on the Company's website at www.kingstonresources.com.au.

Resolution 1 – Adoption of Remuneration Report

In accordance with Section 250R(2) of the Corporations Act, the Board is presenting the Company's Remuneration Report to shareholders for consideration and adoption by a non-binding vote.

The Remuneration Report is contained in the Company's 2022 Annual Report. The Remuneration Report includes all of the information required by Section 300A of the Corporations Act, including:

- (i) board policy for determining, or in relation to, the nature and amount (or value, as appropriate) of remuneration of Directors, secretaries and senior managers of the Company;
- (ii) discussion of the relationship between such policy and the Company's performance; and
- (iii) the prescribed details in relation to the remuneration of each Director and certain executives.

Under the *Corporations Act*, the vote on this Resolution is advisory only and does not bind the Board or the Company. However, the Board will consider the outcome of the vote when considering future remuneration for Directors and KMP. Shareholders should note that if 25% or more of the votes cast on this Resolution are against adoption of the Remuneration Report, then the first element in the Board spill provisions introduced in 2011 (known generally as the "two strikes rule") will be triggered. This would require a Resolution on whether to hold a further meeting to spill the Board ("spill resolution") to be put to Shareholders at the 2023 Annual General Meeting if a "second strike" were to occur at the 2023 Annual General Meeting.

The Remuneration Report forms part of the Directors' Report which has unanimously been adopted by resolution of the Board. An opportunity will be provided for discussion of the Remuneration Report at the meeting. In relation to the approval of the Remuneration Report of the Company for 2021, less than 25% of the votes cast on that resolution were against it.

The Chairman intends to vote all available proxies in favour of Resolution 1.

Directors' recommendation

The Directors recommend that Shareholders vote **in favour** of the adoption of the Remuneration Report.

Resolution 2 – Re-Election of Director – Anthony Wehby

Rule 7.3(a) of the Company's Constitution requires that no Director may hold office without re-election past the third annual general meeting following the director's appointment or 3 years, whichever is longer. In accordance with rule 7.3(a) of the Company's Constitution, Anthony Wehby retires from office at the conclusion of the AGM and is eligible for re-election as a Director of the Company.

Resolution 2 seeks Shareholder approval for the re-election of Anthony Wehby as a Director of the Company. Mr Wehby is eligible for re-election and offers himself for re-election as a Director of the Company.

Biography of Anthony Wehby, Non-Executive Director

Mr Wehby has been a director of the Company since 4 July 2016.

Mr Wehby is a highly experienced board member and chairman. He is also a Director of Ensurance Ltd (ASX:ENA) and was previously Chairman of Tellus Resources Limited, Non-Executive Chairman of Aurelia Metals Limited and a Director of Harmony Gold (Aust) Pty Ltd. Since 2001, Mr Wehby has maintained a financial consulting practice, focusing on strategic advice to companies including investments, divestments and capital raisings. Prior to 2001, Mr Wehby was a partner in PricewaterhouseCoopers Australia (Coopers & Lybrand) for 19 years.

Mr Wehby is a Member of the Australian Institute of Company Directors.

Directors' recommendation

The Directors (other than Mr Wehby who abstains given his personal interest in the Resolution) recommend that Shareholders vote **in favour** of the re-election of Mr Wehby.

Resolution 3 – Approval to grant Options to Mr Andrew Corbett

Background

The Company seeks Shareholder approval for the grant of performance-related Options to Mr Andrew Corbett. The Options to Mr Corbett will be exercisable for \$0.00 (zero) upon the satisfaction of vesting conditions (explained below).

The Company seeks Shareholder approval for the grant of **(LTI Options)**:

- (i) up to 1,679,215 Long Term Share Price Outperformance Incentive Options (**SPO Options**) to Andrew Corbett (or his Nominee) under the Company's long-term incentive plan (**EIS**) (Resolution 3);

The proposed grants of LTI Options form part of the FY26 remuneration packages for Mr Andrew Corbett and are intended to:

- (a) incentivise long term share price appreciation and the achievement of key operational objectives;
- (b) ensure the Company retains the services of the KSN Directors; and
- (c) align the interests of KSN Directors and Shareholders while reinforcing the commitment of the KSN Directors.

Resolution 3 – Approval to grant Long Term Share Price Outperformance Incentive Options to Andrew Corbett

The terms of the SPO Options proposed to be granted to Mr Andrew Corbett are set out in Schedule 1 and are otherwise to be subject to the rules of the EIS.

The key terms and conditions of the SPO Options proposed to be issued to Mr Corbett are as follows:

1. The earliest date on which the Options may vest (and become exercisable) is 1 July 2025 (unless there is a change in Control of the Company, in which case they will vest in full immediately regardless of whether or not any necessary hurdles have been achieved);
2. Up to 1,679,215, the SPO Options will vest subject to KSN.ASX share price performance (based on the VWAP for the month of June 2025 over the June 2022 VWAP of \$0.1091) relative to a peer group of companies as approved by the Remuneration Committee. The amount of Options vesting will be prorated evenly from 50% to 100% according to the percentile that KSN performance falls within the peer group with:
 - 50% will vest on achieving relative performance equivalent to the 50th percentile of the peer group
 - 100% will vest on achieving relative performance equivalent to or above the 80th percentile of the peer group; and
 - 0% will vest if KSN performance is below the 50th percentile of the peer group
3. All SPO Options that have not vested by 31 August 2025 will automatically lapse and be forfeited; and
4. Where employment is terminated, Mr Corbett will have 3 months to exercise vested SPO Options. Unvested SPO Options will be forfeited.

Each SPO Option entitles Mr Corbett to acquire, upon its exercise, one Share. The SPO Options will be unquoted and may not be sold, transferred, mortgaged, pledged, charged, encumbered with a security interest in or over them. The

SPO Options will not entitle Mr Corbett to receive dividends on Shares before vesting or exercise (as applicable) and do not carry any voting rights.

Regulatory requirements in respect of Resolution 3

Listing Rule 10.14 generally provides that the approval of shareholders is required before a director of a company can acquire Equity Securities issued under an employee incentive scheme. Accordingly, in order for Mr Corbett to acquire a beneficial interest in the LTI Options, shares which may be issued on the exercise of LTI Options, the Company must first obtain Shareholder approval pursuant to Listing Rule 10.14.

If approval for Resolution 3 is given for the purpose of Listing Rule 10.14, then approval is not required for Listing Rule 7.1.

Listing Rule 10.15 sets out a number of matters which must be included in a notice of meeting requesting Shareholder approval under Listing Rule 10.14. In accordance with Listing Rule 10.15, the following further information is provided with respect to Resolution 3:

- (a) The LTI Options will be issued to Mr Corbett or his nominee.
- (b) Mr Corbett is a director of the Company and therefore fall within the category of person under Listing Rule 10.14.1 (director).
- (c) The maximum number of Equity Securities that may be acquired by Mr Corbett (pursuant to Resolution 3) is 1,679,215 SPO Options, which may then be exercised at a zero-dollar exercise price, whereupon Mr Corbett would be entitled to 1,679,215 Shares.
- (d) Mr Corbett's total remuneration package for FY 2023 is anticipated to consist of, \$331,588 in salary, fees and leave, \$34,817 in post-employment benefits, \$36,063 in STI Performance Rights, \$14,767 for the annual apportionment in FY22 LTI share outperformance options, \$28,135 for the annual apportionment in SPO Options, equalling a total remuneration package of \$445,370.
- (e) The LTI Options will be granted for no cash consideration.
- (f) The following directors have received Equity Securities under the EIS since it was last approved by Shareholders on 13 December 2021:

Name of Director	Options		Performance Rights	
	Number	Acquisition Price	Number	Acquisition Price
Andrew Corbett	815,952 (FY22)	Nil	1,019,940 (FY22)	Nil
Mick Wilkes	186,667 (FY22)	Nil		
Anthony Wehby	69,783 (FY22)	Nil		
Stuart Rechner	69,783 (FY22)	Nil		

- (g) The persons entitled to participate in the EIS are Directors and employees of the Company and its Related Bodies Corporate.
- (h) The following information is provided for the purposes of Listing Rule 10.15.6:
 - (i) A summary of the material terms of the LTI Options is provided in Schedule 1.
 - (ii) The reason for granting LTI Options to Mr Corbett as part of his remuneration packages are to:
 - A. incentivise long term share price appreciation and the achievement of key operational objectives;
 - B. ensure the Company retains the services of Mr Corbett; and

- C. align the interests of Mr Corbett and Shareholders while reinforcing the commitment of Mr Corbett.
- (iii) The value attributed to the Equity Securities by the Company is as follows:
 - A. \$84,407 for the SPO Options to be issued to Mr Corbett;
- (iv) The valuation of the LTI option has been assessed based on the current share price of \$0.076 with a risk weighting applied reflecting the vesting outcomes, e.g. a 50% chance of being in the top 50% of the peer group, and a 20% chance of being in the top 20%. The average of the expected value of securities issued across each percentile of performance is then determined to calculate the value.
- (i) A voting exclusion statement for Resolution 3 is on page 4 of the Notice of Meeting. A Summary of the material terms of the EIS Rules is attached to this Explanatory Statement as Schedule 5.
- (j) There are no loans proposed to be granted to the Mr Corbett for the grant of the LTI Options.
- (k) The LTI Options will be granted as soon as practicable after the Meeting and in any event within 12 months of the Meeting.

The grant of the LTI Options will confer a financial benefit on Mr Corbett.

Under section 208 of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- a) obtain the approval of the public company's members; and
- b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Shareholder approval is **not** being sought for the purposes of section 208 of the Corporations Act on the basis that the benefit is considered by the other Directors to constitute reasonable remuneration and, therefore, the exception in section 211 of the Corporations Act applies. Section 211 provides that Shareholder approval is not required for the purposes of section 208 in circumstances where the benefit constitutes remuneration which would be reasonable given the Company's and the related party's circumstances.

Having considered the Company's circumstances and Mr Corbett's position as Managing Director of the Company, the Board other than Mr Corbett, considers that the financial benefit conferred by the grant of Options to Mr Corbett is reasonable and therefore, the exception in section 211 applies.

Details of any Options issued under the EIS will be published in the annual report of the Company relating to the period in which the Options are issued, along with a statement that approval for the issue of the Options was obtained under Listing Rule 10.14. Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Options under the EIS after resolution 3 is approved that were not named in this Notice of Meeting will not participate in the EIS until shareholder approval is obtained under Listing Rule 10.14.

If Shareholder approval is not obtained for Resolution 3, the grant of Options to Mr Corbett will not be able to proceed in the form proposed. In this situation, the Board would consider alternative remuneration arrangements for Mr Corbett which may result in Mr Corbett's remuneration being inconsistent with the Company's remuneration principles and diminish Mr Corbett's alignment of his interest with those of the rest of the Board and management and Shareholders.

Directors' recommendation

The Directors (other than Mr Corbett who abstains given his personal interest in the Resolution) recommend that Shareholders vote **in favour** of Resolution 3.

Resolution 4 – Approval to grant Short Term Incentive Performance Rights to Mr Andrew Corbett

Background

The Company seeks Shareholder approval for the grant of up to 2,099,018 Short Term Incentive Performance Rights (**STI Performance Rights**) to Mr Corbett.

Short Term Incentive Performance Rights

1. The Company proposes to grant up to 2,099,018 STI Performance Rights to Mr Corbett. The key terms of the STI Performance Rights proposed to be granted to Mr Corbett will vest in 2 tranches (Tranche 1 and Tranche 2) subject to the following vesting conditions:
 - (a) up to 40% of the STI Performance Rights (Tranche 1 – 839,607) will automatically vest on a sliding scale with a minimum of 10% vesting if the June 2023 VWAP is 20% above the June 2022 VWAP (\$0.1091), and the maximum of 40% (839,607) vesting if the June 2023 VWAP is 50% or more above the June 2022 VWAP, and
 - (b) up to 60% of the STI Performance Rights (Tranche 2 – 1,259,411) will vest, at the Board’s discretion, upon the achievement of operational performance measures by 30 June 2023.
2. All STI Performance Rights that have not vested by 31 August 2023 will automatically lapse and be forfeited.

No subscription monies are required in respect of the grant of the STI Performance Rights.

The unvested STI Performance Rights will automatically lapse and be forfeited if Mr Corbett voluntarily resigns otherwise than to take up employment with a Related Body Corporate of the Company or if Mr Corbett is dismissed from employment for a material breach of his contract of employment, gross negligence or other conduct justifying termination without notice. STI Performance Rights will not lapse if Mr Corbett ceases employment due to death, permanent disablement, or any other circumstance in which the Board determines the STI Performance Rights should not lapse.

Each STI Performance Right entitles Mr Corbett to receive, upon vesting, one Share. The STI Performance Rights will be unquoted and may not be sold, transferred, mortgaged, pledged, charged, encumbered with a security interest in or over them, or otherwise disposed of without the prior consent of the Board or where such assignment or transfer occurs by force of law. The STI Performance Rights will not entitle Mr Corbett to receive dividends on Shares before vesting nor will they carry any voting rights.

The STI Performance Rights will be issued to Mr Corbett for the purpose of forming part of Mr Corbett’s remuneration package, and aligning the interests of Mr Corbett with that of the Company and the Shareholders.

Regulatory requirements

Listing Rule 10.11 generally provides that Directors may not be issued any Equity Securities in the Company without the approval of Shareholders.

If approval for Resolution 4 is given for the purposes of Listing Rule 10.11 then approval is not required under Listing Rule 7.1.

In accordance with the requirements of Listing Rules 10.11 and 10.13, the following information is provided to Shareholders to further allow them to assess the proposed grant of STI Performance Rights to Mr Corbett:

- i) The STI Performance Rights will be issued to Mr Corbett or his nominee.
- ii) Mr Corbett is a director of the Company and therefore falls within the category of persons under Listing Rule 10.11.1 (a related party)
- iii) The maximum number of Equity Securities that may be acquired by Mr Corbett is 2,099,018 STI Performance Rights which may then convert into 2,099,018 Shares if the performance and vesting conditions are met.
- iv) The STI Performance Rights will be granted for nil consideration and no funds will be raised from the grant of STI Performance Rights, or issue of Shares upon the vesting of STI Performance Rights.
- v) The full terms and conditions of the STI Performance Rights to be issued to Mr Corbett are set out in Schedule 2 to this Explanatory Statement.
- vi) The STI Performance Rights will be granted as soon as practicable after the Meeting and in any event within 1 month of the Meeting.

- vii) Mr Corbett's total remuneration package for FY 2023 is anticipated to consist of, \$331,588 in salary, fees and leave, \$34,817 in post-employment benefits, \$36,063 in STI Performance Rights, \$14,767 for the annual apportionment in FY22 LTI share outperformance options, \$28,135 for the annual apportionment in SPO Options, equalling a total remuneration package of \$445,370.
- viii) A voting exclusion statement in respect of Resolution 4 is set out on page 4 of the Notice of Meeting.

The grant of the STI Performance Rights will confer a financial benefit on Mr Corbett. Under section 208 of the Corporations Act, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- a) obtain the approval of the public company's members; and
- b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the *Corporations Act*.

Shareholder approval is **not** being sought for the purposes of section 208 of the *Corporations Act* on the basis that the benefit is considered by the other Directors to constitute reasonable remuneration and, therefore, the exception in section 211 of the Corporations Act applies. Section 211 provides that shareholder approval is not required for the purposes of section 208 in circumstances where the benefit constitutes remuneration which would be reasonable given the Company's and the related party's circumstances.

Having considered the Company's circumstances and Mr Corbett's position as Managing Director of the Company, the Board other than Mr Corbett, considers that the financial benefit conferred by the grant of STI Performance Rights to Mr Corbett is reasonable and therefore, the exception in section 211 applies.

If Shareholder approval is not obtained for Resolution 4, the grant of STI Performance Rights to Mr Corbett will not be able to proceed in the form proposed. In this situation, the Board would consider alternative short-term remuneration arrangements for Mr Corbett which may result in Mr Corbett's remuneration being inconsistent with the Company's remuneration principles and diminish Mr Corbett's alignment of his interest with those of the rest of the Board and management and Shareholders.

Directors' recommendation

The Directors (other than Mr Corbett who abstains given his personal interest in the Resolution) recommend that Shareholders vote **in favour** of Resolution 4.

Resolution 5 – Approval of issue of Equity Securities for the purposes of ASX Listing Rule 7.1A

Resolution 5 seeks Shareholder approval by way of special resolution for the Company to have the ability to issue Equity Securities pursuant to the 10% Placement Capacity available under ASX Listing Rule 7.1A.

Overview

Listing Rule 7.1A allows mid to small cap listed entities to seek Shareholder approval to issue Equity Securities equivalent to an additional 10% of the number of Shares on issue by way of placements over a 12-month period (**10% Placement Capacity**). This is in addition to the 15% permitted under listing rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less at the time of the AGM. The Company is currently an eligible entity for the purpose of Listing Rule 7.1A. The Board expects that the Company will be an eligible entity as at the date of the AGM. However, if the Company is not eligible, Resolution 5 will be withdrawn.

Shareholder Approval

The ability to issue Equity Securities under Listing Rule 7.1A is subject to Shareholder approval by way of special resolution at AGM. Approval cannot be sought at any other Shareholder's meeting and Equity Securities issued under the approval (if obtained) must be issued by the earlier of 12 months after the date of the AGM, the time and date of the Company's next AGM or the time and date of approval by Shareholders of a transaction under Listing Rule 11.1.2 or 11.2.

No Equity Securities can be issued under Listing Rule 7.1A before the special resolution is passed. However, if a Listing Rule 7.1A approval has been obtained, Equity Securities issued under that rule may be subsequently ratified by Shareholders in accordance with Listing Rule 7.4 to "refresh" an entity's Listing Rule 7.1A additional 10% placement capacity.

Equity Securities

Any Equity Securities issued by the Company under the 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company.

As at the date of the Notice the Company has only one quoted class of Equity Securities on issue being Shares.

Formula for calculating the 10% Placement Capacity

The Company may issue Equity Securities during the 12-month period after the date of approval calculated in accordance with the following formula as contained in ASX Listing Rule 7.1A.2:

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

A is the number of fully paid ordinary Shares on issue 12 months before the date of issue or agreement to issue ("Relevant Period"):

- plus the number of fully ordinary Shares issued in the Relevant Period under an exception in Listing Rule 7.2 (other than exception 9, 16 or 17);
- plus the number of Shares issued in the Relevant Period on the conversion of convertible securities within Listing Rule 7.2 exception 9 where:
 - the convertible securities were issued or agreed to be issued before the commencement of the Relevant Period; or
 - the issue of, or agreement to issue, the convertible securities was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of Shares issued in the Relevant period under an agreement to issue Equity Securities within Listing Rule 7.2 exception 16 where:
 - the agreement was entered into before the commencement of the Relevant period; or
 - the agreement or issue was approved, or taken under the Listing Rules to have been approved, under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of any other Shares issued in the Relevant Period with approval under Listing Rule 7.1 or Listing Rule 7.4;
- plus the number of partly paid ordinary Shares that became fully paid in the Relevant Period;
- less the number of fully paid ordinary Shares cancelled in the Relevant Period.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the Relevant Period where the issue or agreement has not been subsequently approved by the Shareholders under Listing Rule 7.4.

Information required by Listing Rule 7.3A

For the purpose of Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Capacity:

▪ Validity

The approval under Listing Rule 7.1A will be valid from the date of the AGM until the earlier of 12 months from the AGM (24 November 2022), the time and date of the Company's next AGM or the time and date of approval by Shareholders of a transaction under Listing Rule 11.1.2 or 11.2.

▪ Minimum issue price

The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- the date on which the Equity Securities are to be issued is agreed by the Company and the recipients of the Equity Securities; or
- if the Equity Securities are not issued within 10 Business Days of the date in the preceding paragraph, the date on which the Equity Securities are issued.

▪ Risk of dilution

If the Company issues Equity Securities under the 10% Placement Capacity, there is a risk that the economic and voting power of existing Shareholders will be diluted.

There is also a risk that:

- the market price for the Company's Equity Securities may be significantly lower on the issue date than the date of approval at the AGM; and
- the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the issue date.

The below table shows the risk of dilution to existing Shareholders if the Company issues Equity Securities under the 10% Placement Capacity on the basis of:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples of where the issue price of Shares has decreased by 50% and increased by 50% against the current market price

Number of Shares on issue (Variable "A" in Listing Rule 7.1A.2)	Issue price (per Share)	Potential dilution		
		\$0.044 50% decrease in Issue Price	\$0.087 Issue Price	\$0.174 100% increase in Issue Price
413,396,625 Shares (current issued capital)	Shares issued	41,339,663	41,339,663	41,339,663
	Funds raised	\$1,818,945	\$3,596,551	\$7,193,101
620,094,938 Shares (50% increase in current issued capital)	Shares issued	62,009,494	62,009,494	62,009,494
	Funds raised	\$2,728,418	\$5,394,826	\$10,789,652
826,793,250 Shares (100% increase in current issued capital)	Shares issued	82,679,325	82,679,325	82,679,325
	Funds raised	\$3,637,890	\$7,193,101	\$14,386,203

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity.
- The table does not show any examples of the dilution that may be caused to a specific Shareholder based on that Shareholder's holding at the date of the AGM.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table only shows the effect of issues under Listing Rule 7.1A and does not consider the effect of any issues under the 15% placement capacity under Listing Rule 7.1 during the 12-month period or any other issues.
- The issue price of the Shares is \$0.087, being the closing price of the Shares on ASX on 21 September 2022.

- **Final issue date**

The final date that the Company can issue Equity Securities under the 10% Placement Capacity is 12 months from the date of the AGM, being 13 December 2022, or the time and date of the Company's next AGM.

The approval under Resolution 5 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).

- **Purpose of the issue**

The Company may seek to issue the Equity Securities for cash consideration to be applied to the acquisition of new investments, or expenditure associated with exploration, drilling, and development of the Company's existing asset base in NSW and PNG.

In accordance with Listing Rule 7.1A.3, the Equity Securities issued under Listing Rule 7.1A must not be issued for non-cash consideration.

- **Allocation policy**

The Company's allocation policy for the issue of Equity Securities pursuant to the 10% Placement Capacity is largely dependent on the prevailing market conditions and the circumstances of the Company at the time of any proposed issue. The time frame over the 12-month period which the Company expects to make placements under its placement capacity pursuant to Listing Rule 7.1A therefore cannot yet be accurately determined.

As at the date of the Notice the Company has not formed an intention to issue Equity Securities under a placement pursuant to Listing Rule 7.1A to any particular party. The Company may approach existing

Shareholders, a class or group of existing Shareholders, or new investors who have not previously been Shareholders to participate in a placement of Equity Securities.

When determining to issue the 10% Placement Capacity Equity Securities the Company will have regard to a range of factors including but not limited to:

- the effect of the issue of Equity Securities on the control of the Company;
- the financial circumstances of the Company;
- whether the raising of funds could be carried out by means of a pro-rata entitlement offer or other similar issue to allow existing Shareholders to participate;
- advice from the Company's corporate, financial and professional advisors;
- whether a placement of Equity Securities to a vendor(s) as non-cash consideration for the acquisition of new resources, assets or investments is the best alternative for the Company.

- **Previous approval**

For the purposes of Listing Rule 7.3A.6 the following information is provided.

The Company obtained Shareholder approval for the 10% Placement Capacity at its 2021 Annual General Meeting.

During the 12 months prior to the date of this Notice, the Company issued 28,445,981 Equity Securities under the 10% Placement Capacity pursuant to Listing Rule 7.1A representing approximately 10% of the total number of Equity Securities on issue 12 months prior to the date of this Notice.

The Company confirms that none of the shareholders receiving shares issued under the 10% Placement Capacity pursuant to Listing Rule 7.1A are required to be named under 7.3A.6.

The details of the Equity Securities issued are as follows:

Number of Equity Securities Issued	Class of Equity Securities Issued	Name of Persons to Whom Equity Securities were Issued	Issue Price	Cash or non-cash Consideration	Discount
28,445,981	Ordinary Shares ²	Institutional and sophisticated investors	\$0.20	\$5,689,196	0%
The issue using the 7.1A placement capacity formed part of a broader fundraising effort of the Company (which included an institutional placement under Listing Rule 7.1). The cash consideration received for the issue under the 7.1A placement capacity was \$5,689,196. Of the funds raised from the broader fundraising activities, approximately \$1,388,118 has been spent as cash consideration to acquire Mineral Hill Pty Ltd. The remaining \$4,301,078 is spent on associated environmental bonds for Mineral Hill Mine. The Company has not attributed this expenditure to one form of fundraising.					

²Ordinary Shares are fully paid ordinary shares in the capital of the Company with full entitlements to participate in dividends and to vote in meetings.

If Shareholder approval is not obtained for Resolution 5, the Company will not be able to rely on the 10% additional placement capacity from the date of the AGM. This will inhibit the Company's ability to undertake placements during

the period from the AGM which may result in the Company being unable to raise additional capital to take advantage of opportunities and/or fund ongoing operations during that time.

Voting exclusion statement

A voting exclusion statement is set out on page 4 of this Notice. As at the date of this Notice, the Company does not yet know, nor has it formed an intention in relation to how it will decide, which parties it may approach to participate in any issue that may ultimately be made.

Directors' recommendation

The Directors recommend that Shareholders vote **in favour** of the 10% Placement Capacity.

Resolution 6 – Changes to the Constitution – Virtual General Meetings

Under section 136(2) of the Corporations Act, a company can modify or repeal its constitution or a provision of its constitution by special resolution of shareholders. A special resolution requires the approval of 75% of the votes cast by the shareholders present or eligible to vote (in person, by proxy or corporate representative) in order to be passed.

This special resolution to amend the constitution is proposed to ensure that the Company can convene a general meeting to be held at two or more places or entirely virtually using technology as permitted by the Corporations Act.

Background

Section 249R of the Corporations Act was amended by the *Corporations Amendment (Meetings and Documents) Act 2022* (Cth) to allow for meetings of members to be held physically, as a hybrid or, if expressly permitted by the entity's constitution, virtually only (provided that members, as a whole, are given a reasonable opportunity to participate in the meeting as required under section 249S of the Corporations Act).

Kingston's current Constitution already contemplates that any Members' meetings may be held "in two or more places" and states that "if the meeting is to be held in two or more places, the technology that will be used to facilitate this" [Rule 6.4 (c)(i)].

Further, the current Constitution specifies that "The Company must hold an annual general meeting of Members (AGM) in accordance with the Corporations Act" [Rule 6.3(a)].

Kingston's current Constitution does not expressly permit the holding of virtual only meeting of members.

During the current COVID-19 pandemic, the Company has taken advantage of various measures (e.g., Corporations (Coronavirus Economic Response) Determination (No 1) 2020 and ASIC's no-action position as set out in its 21-061MR of 29 March 2021 to hold a general meeting virtually using technologies.

The proposed amendments to Kingston Constitution will enable the Company to hold meetings using technology, either physical, hybrid or virtual, consistent with Section 249R of the Corporations Act.

The proposed amendments to Kingston's Constitution will:

- (a) clarify the Company's ability to hold a general meeting at two or more places using technology, or wholly using technology, which give the shareholders as a whole a reasonable opportunity to participate in Members' meetings;
- (b) require that if a general meeting is to be held in two or more places or wholly using technology, requiring that the relevant notice of meeting includes details of the technology that will be used to facilitate the holding of the general meeting.
- (c) deem shareholders and where relevant, their proxies, attorneys and representatives, to be present at a general meeting which is held at two or more places or entirely virtually, where such shareholder or their proxy, attorney or representative participates in the general meeting using technology provided for in the relevant notice of meeting;
- (d) clarify how a quorum is to be constituted for a virtual general meeting;
- (e) clarify how to deal with technical difficulties which may impact on the ability of shareholders as a whole to have a reasonable opportunity to participate in the general meeting;

- (f) confirm that a shareholder may appoint a proxy to attend a general meeting in any manner authorised by the Corporations Act and the Listing rules, including by using technology where provided in the relevant notice of meeting; and
- (g) specifically provide for the possibility of 'direct voting' by shareholders on resolutions in accordance with rules and regulations determined from time to time by the Directors. Direct voting is a form of voting that allows shareholders to cast their vote, either online or by completing their personalised voting form, on resolutions proposed at a general meeting without having to attend the meeting in person and without needing to appoint a proxy on their behalf.

The proposed amendments are set out in Schedule 3 to this Notice of Meeting.

How to obtain a copy of the proposed constitution

Copies of the proposed amended constitution can be obtained by requesting a copy at the following e-mail address: info@kingstonresources.com.au. A copy of the amended constitution will also be available for inspection by shareholders at the physical address of the AGM.

Directors' recommendation

The Board considers the proposed amendments to be in the best interests of Shareholders as the amendments will clarify procedural rules and details which support the Company's ability to hold meetings online.

The Board notes that virtual or hybrid meetings allow a larger number of shareholders to participate in its general meetings, including its Annual General Meeting, and so increases transparency and inclusivity.

Kingston 2022 annual general meeting will be held in person and the Company has no intention to move permanently to holding its general meetings virtually. The Board will assess each meetings' agenda and matters for discussion on their merits and determine the nature of the meeting in accordance with good governance and practical considerations at the time.

The Directors recommend that Shareholders vote **in favour** of Resolution 6.

The Chair intends to vote all valid and available, undirected proxies on, and in favour of Resolution 6.

Resolutions 7-8 – Issue of Tranche A Warrant and Tranche B Warrant to PURE Asset Management

Background

On 7 July 2022, Kingston announced it had entered a binding term sheet with PURE Asset Management for a two tranche \$10m debt facility to fund the Company's key growth initiatives at Mineral Hill.

In conjunction with the entry into the facility agreement, the Company has also entered into a Warrant Deed with the lender.

In July 2022, tranche 1 funding of \$5million was drawn by the Company under the facility agreement and the Tranche A Warrant was issued under the Warrant Deed to Pure Asset Management, which granted Pure Asset Management (or its nominee) the option, subject to the terms of the Warrant Deed, to require the Company to issue 25,000,000 Shares. The Tranche A Warrant was issued utilising the Company's existing placement capacity under ASX Listing Rule 7.1A summary of the Warrant Deed is set out in Schedule 4.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the Tranche A Warrant.

Subject to the satisfaction of certain conditions precedent under the facility agreement (which include shareholder approval of the Tranche B Warrant), the Company has the ability to draw the second tranche of \$5 million by 30 November 2022 (which may be extended following the payment of an extension fee) under the facility agreement. If the Company utilises the additional \$5million debt funding under the facility agreement, the Company will, subject to Shareholder approval, seek to issue the Tranche B Warrant to PURE Asset Management. Resolution 8 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 to issue the Tranche B Warrant to PURE Asset Management (or its nominee). The Tranche B Warrant will not be issued if Kingston does not draw down the second tranche under the facility agreement with Pure Asset Management.

By ratifying the issue of the Tranche A Warrant under Resolution 7 and by seeking approval for the issue of the Tranche B Warrant under Resolution 8, the Company will retain the flexibility to issue equity securities in the future up to the

15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

Summary of Listing Rule 7.1 and Listing Rule 7.4

Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid up ordinary securities it had on issue at the commencement of that period (**Placement Capacity**). Listing Rule 7.1A allows a certain entities (of which the Company is one), with approval of its shareholders, to issue an additional 10% of shares for 12 months from the date the resolution is passed by Shareholders (**Additional Placement Capacity**).

Listing Rule 7.4 provides that an issue of equity securities made without shareholder approval is treated as having been made with shareholder approval for the purposes of Listing Rules 7.1 and 7.1A if the issue of Shares did not breach Listing Rules 7.1 and 7.1A and the Shareholders subsequently approve it.

On 14 December 2021, the Shareholders of Kingston passed a resolution to add the Additional Placement Capacity. Listing Rule 7.4 sets out an exception to Listing Rule 7.1. It provides that where a company in General Meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Resolution 7 – Ratification of prior issue of the Tranche A Warrant to PURE Asset Management

Regulatory requirements

Kingston is seeking Shareholder approval for the issue of the Tranche A Warrant under Listing Rule 7.4, and for all other purposes, so as to refresh its Placement Capacity and Additional Placement Capacity under ASX Listing Rule 7.1.

A summary of Listing Rule 7.1 and Listing Rule 7.4 is contained in page 17 of this Notice of Meeting.

Pursuant to Listing Rule 7.5, the information provided in relation to the issue of Tranche A Warrant to PURE Asset Management is set out below:

Warrants	
Names of the person to whom warrants were issued	Tranche A Warrant was issued to Pure Asset Management Pty Ltd as trustee for The PURE Resources Fund (or its nominee)
Maximum number and class of securities issued	Under the Warrant Deed, a Tranche A Warrant was issued by the Company which entitles the holder to be issued with 25,000,000 Shares. The Tranche A Warrant was issued utilising the Company issue capacity under Listing Rule 7.1
Are the securities fully paid ordinary shares?	No
The date(s) of issue	11 July 2022
The price of issue	Nil for the grant of the Tranche A Warrant. An exercise price is payable for the exercise of the Tranche A Warrant (as described in Schedule 4)
Purpose of issue	The warrants under the Warrant Deed are to be issued in consideration for Pure Asset Management entering into the facility agreement with Kingston Resources Limited
Material terms of the agreement	A summary of the terms of the warrants under the Warrant Deed are set out in Schedule 4
Voting exclusion statement	A voting exclusion statement is included in the Notice on page 4

If Shareholder approval is **not** obtained for Resolution 7, then the Tranche A Warrant will form part of Kingston's Placement Capacity and Additional Placement Capacity, which may result in Kingston being unable to raise additional

capital to take advantage of opportunities and/or fund ongoing operations during the period in which Kingston's capacity will be limited. Without Shareholder approval for Resolution 7, the Company will not have any remaining Placement Capacity during this period.

If Resolution 7 is passed, the issue of the Tranche A Warrant will be ratified for the purposes of Listing Rule 7.1 and Kingston's placement capacity will be refreshed.

Directors' recommendation

The Directors recommend that Shareholders vote **in favour** of Resolution 7.

The Chair intends to vote all valid and available, undirected proxies on, and in favour of Resolution 7.

Resolution 8 – Approval to issue the Tranche B Warrant to PURE Asset Management

Kingston is seeking Shareholder approval for the issue of the Tranche B Warrant under Listing Rule 7.1.

A summary of Listing Rule 7.1 is contained in page 17 of this Notice of Meeting.

Pursuant to Listing Rule 7.3, the following information in relation to the approval for the issue of the Tranche B Warrant is set out below:

- (a) the Tranche B Warrant will be issued to PURE Asset Management (or its nominee) on the terms and conditions summarised in Schedule 4;
- (b) subject to the drawdown of the second tranche of \$5million under the facility agreement, the Tranche B Warrant will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Tranche B Warrant will be issued for nil cash consideration. Other than Pure Asset Management entering into the facility agreement with the Company, the Company will not receive any other consideration for the issue of Tranche B Warrant (other than in respect of funds received on exercise of the warrant);
- (d) the Tranche B Warrant is being issued under the Warrant Deed which have been entered into with PURE Asset Management. The purpose of the issue of the Tranche B Warrant is that it will be issued in consideration of Pure Asset Management entering into the facility agreement with Kingston;
- (e) the Warrant is not being issued under, or to fund, a reverse takeover;
- (f) a voting exclusion statement is set out on page 4 of this Notice.

If Shareholder approval is **not** obtained for Resolution 8, then the Tranche B Warrant will form part of Kingston's Placement Capacity and Additional Placement Capacity, which may result in Kingston being unable to raise additional capital to take advantage of opportunities and/or fund ongoing operations during the period in which Kingston's capacity will be limited. Without Shareholder approval for Resolution 8, the Company will not have any remaining Placement Capacity during this period.

If Resolution 8 is passed, the issue of the Tranche B Warrants will be approved for the purposes of Listing Rule 7.1 and Kingston's placement capacity will be refreshed.

Directors' recommendation

The Directors recommend that Shareholders vote **in favour** of Resolution 8.

The Chair intends to vote all valid and available, undirected proxies on, and in favour of Resolution 8.

KINGSTON RESOURCES LIMITED

ACN 009 148 529

Instructions for Completing 'Appointment of Proxy' Form

1. Any Proxy appointed pursuant to this part may attend the Annual General Meeting (**AGM**) virtually in the same manner that Shareholders can. Shareholders are encouraged to appoint the Chair of the Meeting as their proxy.
2. A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, each proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
3. A duly appointed proxy need not be a member of the Company. In the case of joint holders, both holders must sign.
4. 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:

- 4.1. 2 directors of the company;
- 4.2. a director and a company secretary of the company; or
- 4.3. for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the *Corporations Act*, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who signs the document or witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

5. Completion of a Proxy Form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid Proxy Form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
6. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as the Proxy Form.
7. You can direct your proxy how to vote on each Resolution by completing **STEP 2** on the Proxy Form.

8. If you appoint the Chairman as your proxy by marking the box in **STEP 1** on the Proxy Form then you are providing express authorisation for the Chairman to vote on all Resolutions in accordance with his intentions as set out in this Notice and the Proxy Form (except where you have indicated a different voting intention by marking the voting boxes in **STEP 2** on the Proxy Form).

This express authorisation acknowledges that the Chairman may exercise your proxy in relation to Resolutions 1 and 3 and 4 even though these Resolutions are connected with remuneration of a member of KMP. Resolution 1 is a Resolution in respect of which the Chairman of the meeting has an interest.

Votes cast by the Chairman on Resolution 1 other than as authorised proxy holder will be disregarded because of his interest in the outcome of the Resolution.

The Chairman intends to vote available proxies in favour of all Resolutions.

9. If you appoint a KMP other than the Chairman at **STEP 1**, and do not complete **STEP 2**, your vote will not be counted in respect of Resolution 1.
10. To vote by proxy:

1. please complete and sign the enclosed Proxy Form, and deliver the Proxy Form:
 - (a) by hand to:
Automic Group
Level 5, 126 Phillip Street, Sydney NSW 2000; or
 - (b) by post to:
Automic Group
GPO Box 5193, Sydney NSW 2001;
2. please lodge the Proxy Form online at <https://investor.automic.com.au/#/loginsah> by following the below instructions: Login to the Automic website using the holding details as shown on the Proxy Form. Click on 'Meetings' –'Vote'.

To use the online lodgement facility, Shareholders will need their holder number (Securityholder Reference Number (SRN) or Holder Identification Number (HIN)) as shown on the front of the Proxy Form. Your proxy instruction must be received not later than 48 hours before the commencement of the Meeting. **Proxy Forms received later than this time will be invalid.**

GLOSSARY

In this Notice of Meeting:

\$ means Australian Dollars.

10% Placement Capacity means the Company's ability under Listing Rule 7.1A to issue Equity Securities up to 10% of its issued share capital by way of placements over a 12-month period after the AGM.

AGM, General Meeting or Meeting means the Annual General Meeting of Shareholders convened for the purposes of considering the Resolutions.

Annual Financial Report or Financial Report means the annual financial report prepared under chapter 2M of the *Corporations Act* for the Company and its controlled entities.

Annual Report means the Directors Report, the Financial Report and the Auditors Report in respect to the financial year ended 30 June 2022.

ASIC means the Australian Securities and Investments Commission.

Associate has the same meaning as in the *Corporations Act*.

ASX means ASX Limited ACN 008 624 691 or the market it operates known as the Australian Securities Exchange, as applicable.

Auditor means the auditor of the Company.

Auditor's Report means the auditor's report on the Financial Report.

Board or Board of Directors means the board of Directors of the Company.

Chair or Chairman means the person appointed the chair of the Meeting convened by this Notice.

Closely Related Party has the meaning given in section 9 of the *Corporations Act*.

Company or Kingston means Kingston Resources Limited ACN 009 148 529.

Control has the same meaning as in the *Corporations Act*.

Constitution means the constitution of the Company.

Corporations Act means *the Corporations Act 2001* (Cth).

Director means a director of the Company.

Directors' Report means the annual directors report.

EIS means the Company's Employee Incentive Scheme.

Equity Securities has the same meaning as in the Listing Rules.

Explanatory Statement means the Explanatory Statement accompanying the Notice of Meeting.

Hall Chadwick means Hall Chadwick Chartered Accountants.

Key Management Personnel or KMP means key management personnel as identified in the Remuneration Report for the financial year ended 30 June 2022.

Listing Rules means the Listing Rules of the ASX.

LTI Option means a Long Term Incentive Option issued pursuant to the EIS.

Notice of Meeting or Notice means the notice convening the Annual General Meeting accompanying this Explanatory Statement.

Option means a right, other than a Performance Right, to subscribe for or otherwise acquire a Share subject to certain terms.

Performance Right means a right to acquire a share subject to certain terms imposed by the Board.

Proxy Form means a proxy form accompanying this Notice of Meeting.

Pure Asset Management or PURE Asset Management means Pure Asset Management Pty Ltd as trustee for The PURE Resources Fund.

Related Body Corporate has the meaning given in the *Corporations Act*.

Related Party has the same meaning as in the *Corporations Act*.

Relevant Interest has the same meaning as in the *Corporations Act*.

Remuneration Committee means the remuneration committee of the Company.

Remuneration Report means the remuneration report of the Company contained in the Directors' report.

Resolution means a resolution to be considered at the Annual General Meeting as contained in the Notice of Meeting.

Share means a fully paid ordinary share in the Company.

Shareholder means a person registered as a holder of a Share.

SPO Options have the meaning given in the 'Background' with respect to Resolution 3, as set out on page 7, unless otherwise defined.

Sydney Time means Australian Eastern Daylight Time.

Tranche A Warrant means the tranche A warrant issued pursuant to the terms of the Warrant Deed.

Tranche B Warrant means the tranche B warrant as referred to in the terms of the Warrant Deed.

Voting Power has the same meaning as in the *Corporations Act*.

VWAP means volume weighted average price.

In this Notice and the Explanatory Statement words importing the singular include the plural and vice versa.

Warrants means the Tranche A Warrant and the Tranche B Warrant.

Warrant Deed means the warrant deed dated 7 July 2022 between Kingston and Pure Asset Management.

Schedule 1

Terms and Conditions of Long Term Share Price Outperformance Incentive Options– Mr Andrew Corbett

1. Mr Corbett (**Recipient**) has been offered 1,679,215 Long-Term Share Price Outperformance Incentive Options (**SPO Option**) pursuant to the EIS (**Option Offer**).
2. The Option Offer has been made pursuant to the terms and conditions of the Rules of the EIS (**EIS Rules**) and the terms of the Option Offer must be read in conjunction with the EIS Rules. The Long-Term Incentive Options will be governed by the EIS Rules and the terms of the Option Offer.
3. To the extent of any inconsistency between the terms of the Option Offer and the EIS Rules, the terms of the Option Offer will prevail.
4. Each Long-Term Incentive Option (**LTI Option**) entitles the holder (**Option Holder**) to subscribe for one fully paid ordinary share in the Company.
5. No amount is payable on grant of the Long-Term Incentive Options.
6. The earliest date on which the SPO Options may vest (and become exercisable) is 30 June 2025 (unless there is a change of control in the Company, in which case they will vest immediately);
7. Up to 1,679,215, the SPO Options will vest subject to KSN.ASX share price performance (based on the VWAP for the month of June 2025 over the June 2022 VWAP of \$0.1091) relative to a peer group of companies as approved by the Remuneration Committee. The amount of Options vesting will be prorated evenly from 50% to 100% according to the percentile that KSN performance falls within the Peer Group with:
 - 50% will vest on achieving relative performance equivalent to the 50th percentile of the peer group
 - 100% will vest on achieving relative performance equivalent to or above the 80th percentile of the peer group;
 - 0% will vest if KSN performance is below the 50th percentile of the peer group
8. Where employment is terminated, Mr Corbett will have 3 months to exercise vested Options; Unvested Options will be forfeited.
9. The SPO Options are exercisable at \$0.00 and will be issued for nil consideration.
10. Any SPO Option not exercised by 5 pm on 31 August 2028 (**Expiry Date**) will automatically expire.
11. No certificate will be issued for SPO Options.
12. The SPO Options will not be listed for quotation on any stock exchange including the ASX.
13. If the Company is admitted to the Official List of the ASX, the Company will apply for Official Quotation of all Shares allotted pursuant to an exercise of the Long-Term Incentive Options in accordance with the Listing Rules.
14. SPO Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Long-Term Incentive Options.
15. There will be no participating entitlements inherent in SPO Options to participate in new issues of capital that may be offered to Shareholders during the currency of the LTI Option. If the Company is admitted to the ASX, Option Holders will be notified by the Company prior to any new pro-rata issue of securities to Shareholders in accordance with the Listing Rules.
16. In the event of a bonus issue of securities, the number of Shares over which the SPO Options are exercisable may be increased by the number of Shares that the Option holders would have received if the Options had been exercised before the record date for the bonus issue.
17. If the Company is admitted to the ASX, in the event of a reconstruction, including the consolidation, subdivision, reduction or return of issue capital of the Company prior to the Expiry Date, all rights of an Option Holder are to be changed in a manner consistent with the Listing Rules.
18. There is no right to a change in the exercise price of SPO Options or to the number of Shares over which the SPO Options are exercisable in the event of a new issue of capital (other than a bonus issue or a pro rata issue as per Listing Rule 6.22) during the currency of the SPO Options.
19. The Company will notify each Option Holder and if required by the Listing Rules, ASX, within one month after the record date for a bonus issue or a pro rata issue of the adjustment to the number of Shares over which SPO Options exists.
20. SPO Options are exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option Holder to exercise all or a specified number of SPO Options held by the Option Holder accompanied by a cheque made payable to the Company for the subscription price for the exercise of the specified SPO Option. An exercise of only some of the SPO Options will not affect the rights of the Option Holder to the balance of the SPO Options held by him.
21. SPO Options will be deemed to have been exercised on the date the exercise notice is received by the Company.
22. The Company will allot the resultant Shares and deliver the holding statement within five business days after the exercise of SPO Options.

23. Shares allotted pursuant to an exercise of SPO Options will rank, from the date of allotment, in all respects equally with existing fully paid ordinary Shares of the Company. For the avoidance of doubt, subject to the application of the Listing Rules, all Shares allotted pursuant to an exercise of SPO Options will be transferrable.

Schedule 2

Terms and Conditions of Short Term Incentive Performance Rights – Mr Andrew Corbett

1. Mr Andrew Corbett (**Recipient**) has been offered Short Term Incentive Performance Rights pursuant to the terms of the EIS (**STI Performance Rights**).
2. The STI Performance Right Offers has been made pursuant to the terms and conditions of the rules of the EIS (**EIS Rules**) and the terms of the STI Performance Right Offer must be read in conjunction with the EIS Rules. The STI Performance Rights will be governed by the EIS Rules and the terms of the STI Performance Right Offer.
3. To the extent of any inconsistency between the terms of the STI Performance Right Offer and the EIS Rules, the terms of the STI Performance Right Offer will prevail.
4. Each STI Performance Right entitles Mr Corbett to receive one (1) Share, by way of issue of new Shares or transfer of existing Shares.
5. The 2,099,018 STI Performance Rights issued to Mr Corbett will convert into up to 2,099,018 Shares, subject to satisfaction of the Vesting Conditions as follows:
6. The STI Performance Rights will vest in 2 tranches (Tranche 1 and Tranche 2) as follows:
 - a. Up to 40% of the STI Performance Rights (Tranche 1 – 839,607) will automatically vest on a sliding scale with a minimum of 10% vesting if the June 2023 VWAP is 20% above the June 2022 VWAP (\$0.1091), and the maximum of 40% (839,607) vesting if the June 2023 VWAP is 50% or more above the June 2022 VWAP, and
 - b. Up to 60% of the STI Performance Rights (Tranche 2 – 1,259,411) will vest, at the Board's discretion, upon the achievement of operational performance measures by 30 June 2023.
7. All STI Performance Rights that have not vested by 31 August 2023 will automatically lapse and be forfeited.
8. No subscription monies are required in respect of the grant of the STI Performance Rights.
9. The Company's determination as to whether a Vesting Condition has been achieved shall be final.
10. If the Vesting Conditions for STI Performance Rights are satisfied during the period of a Recipient's employment with or directorship of the Company or any Related Body Corporate, those Performance Rights will vest and will not be subject to forfeiture.
11. The STI Performance Rights proposed to be issued to Mr Corbett will automatically lapse and be forfeited if Mr Corbett voluntarily resigns otherwise than to take up employment with a Related Body Corporate of the Company or if either individual is dismissed from employment for a material breach of his contract of employment, gross negligence or other conduct justifying termination without notice. The STI Performance Rights proposed to be issued to Mr Corbett will not lapse and be forfeited if Mr Corbett ceases employment due to death, permanent disablement, or any other circumstance in which the Board determines the Performance Rights should not lapse and be forfeited.
12. Any Shares that are acquired on the vesting of STI Performance Rights will be issued or transferred to Mr Corbett free of any holding lock or other restriction on dealing, subject to any restriction on trading by reason of the provisions of the Corporations Act applicable to secondary trading in securities.
13. In the event of a bonus issue of securities, the number of Shares over which the STI Performance Rights are exercisable may be increased by the number of Shares that Mr Corbett would have received if the STI Performance Rights had been exercised before the record date for the bonus issue.
14. In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of Mr Corbett are to be changed in the manner consistent with the Listing Rules.
15. There will be no participating entitlements inherent in the STI Performance Rights to participate in new issues of capital that may be offered to Shareholders during the currency of the STI Performance Rights.

Schedule 3

Changes to Kingston's Constitution to incorporate provisions to permit virtual general meetings

The text below sets out the proposed changes to the Constitution, to accommodate the holding of virtual general meetings, with new text underlined, with any deletions set out with a strikethrough.

1.3 Definitions

...

'Direct Vote' means, in relation to a resolution or a general meeting or a meeting of a class of Members (as applicable), a direct vote that is delivered to (or as directed by) the Company in accordance with this Constitution (and any regulations, rules and procedures prescribed under this Constitution) and the Corporations Act in respect of the resolution or the general meeting or the meeting of a class of Members (as applicable) and Direct Voting has a corresponding meaning;

1.4 Interpretation

In this Constitution:

...

- (e) a Member is taken to be present at a meeting of Members if: (A) the Member is present in person at the physical venue (or a physical venue) for the meeting of Members or present by using the virtual meeting technology used for the meeting of Members; or (B) the Member is present by proxy, attorney or Representative (whether such proxy, attorney or Representative is present at the physical venue (or a physical venue) for the meeting of Members or present by using the virtual meeting technology used for the meeting of Members); or (C) other than in relation to any rule in this Constitution which specifies a quorum, a Member who has duly lodged a valid Direct Vote in relation to the meeting;

6.4 Notice of Members' Meetings

- (a) The Company must give not less than Prescribed Notice for a meeting of Members.
- (b) Notice of a meeting of Members must be given to:
- (i) each Member;
 - (ii) each Director;
 - (iii) each Alternate Director; and
 - (iv) the Auditor.
- (c) Subject to Rule 6.13(h), a notice of a meeting of Members must:
- (i) set out the place (or places), date and time of the meeting (and, if the meeting is to be held in 2 or more places, or held in 2 or more places in combination with virtual meeting technology, or held wholly using virtual meeting technology (as approved by the Directors), details of the technology that will be used to facilitate this the holding of the meeting);

- (ii) state the general nature of the business to be transacted at the meeting;
- (iii) if a special resolution is to be proposed at the meeting, set out an intention to propose the special resolution and state the resolution;
- (iv) if a Member is entitled to appoint a proxy, contain a statement setting out the following information:
 - (A) that the Member has a right to appoint a proxy;
 - (B) whether or not the proxy needs to be a Member; and
 - (C) that a Member who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise; and
- (v) if the Company is included in the Official List:
 - (A) specify a place and/or fax number and/or other appropriate technology approved by the directors for the purposes of receipt of proxy appointments (and/or may specify an electronic address for such purposes); and
 - (B) comply with the Listing Rules.

6.6 Right to Attend Meetings

- (a) Subject to Rule 6.6(b), the following persons are entitled to attend a meeting of Members:
 - (i) Each Member, in person or by proxy, attorney or Representative;
 - (ii) each Director;
 - (iii) each Alternate Director (if any);
 - (iv) the Auditor; and
 - (v) any other person or persons as the chairperson may approve from time to time.
- (b) The chairperson of a meeting of Members may refuse any person admission to any physical venue at which the meeting is being held, or refuse a person access to (or use of) any virtual meeting technology being used for the meeting, or require a person to leave and remain out of, the meeting (including requiring a person to cease accessing (or using) any virtual meeting technology being used for the meeting), if that person:
 - (i) in the opinion of the chairperson, is not complying with the reasonable directions of the chairperson;
 - (ii) has any audio or visual recording device;
 - (iii) has a placard or banner;
 - (iv) has an article the chairperson considers to be dangerous, offensive or liable to cause disruption;
 - (v) refuses to produce, or to permit examination of, any article, or the contents of any article, in the person's possession;

- (vi) behaves or threatens to behave in a dangerous, offensive or disruptive manner; or
- (vii) is not:
 - (A) a Member;
 - (B) a proxy, attorney or Representative of a Member; or
 - (C) the Auditor.

6.7 ~~Meetings in 2 or More Places~~ Place and time of meetings

- (a) Subject to the requirements of the Corporations Act, a meeting of Members may be held:
- (i) virtually, using virtual meeting technology;
 - (ii) by inviting persons to physically attend a physical location;
 - (iii) by inviting persons to physically attend at different physical locations and using virtual meeting technology to connect the different locations; or
 - (iv) using a combination of the above methods,

provided that in each case, the Members are given a reasonable opportunity to participate in the meeting of Members.

- ~~(a)(b)~~ If a meeting of Members may be held in 2 or more places linked together by any form of technology or solely by using virtual meeting technology, that that meeting must:
- (i) gives the Members as a whole in those places a reasonable opportunity to participate in the proceedings;
 - (ii) enables the chairperson to be aware of the proceedings in each place; and
 - (iii) enables the Members in each place to vote on a show of hands and on a poll.

- ~~(b)(c)~~ Subject to the Corporations Act, if a meeting of Members is held in 2 or more places, or virtually, pursuant to Rule 6.7(a), the meeting is taken to be held at:
- (i) if the meeting is held at only one physical venue (whether or not it is also held using virtual meeting technology), that physical venue; a Member present at one of the places is taken to be present at the meeting; and
 - (ii) the chairperson of the meeting may determine at which place the meeting is taken to be held; if the meeting is held at more than one physical venue (whether or not it is also held using virtual meeting technology), the main physical venue as set out in the notice of meeting; or
 - ~~(iii)~~ (iii) the registered office of the Company if the meeting is held using virtual technology only.

6.8 Quorum

- (a) A quorum for a meeting of Members is:
- (i) 2 Members entitled to vote at that meeting; or
 - (ii) where the Company has only one Member, that Member.

- (b) In determining whether a quorum for a meeting of Members is present:
 - (i) where more than one proxy, attorney or Representative of a Member is present, only one of those persons is counted;
 - (ii) where a person is present as a Member and as a proxy, attorney or Representative of another Member, that person is counted separately for each appointment provided that there is at least one other Member present; and
 - (iii) where a person is present as a proxy, attorney or Representative for more than one Member, that person is counted separately for each appointment provided that there is at least one other Member present.
- (c) A quorum for a meeting of Members must be present at the commencement of the meeting, in which case it is taken to be present at all times during the meeting unless the chairperson otherwise determines.
- (d) If a quorum for a meeting of Members is not present within 15 minutes after the time appointed for a meeting of Members:
 - (i) where the meeting was called pursuant to Rules 6.2(b) or 6.2(c), the meeting is dissolved; and
 - (ii) in any other case, the meeting is adjourned to either:
 - (A) the same day in the next week at the same time and physical venue or physical venues (if any), and using the same virtual meeting technology (if any) place; or
 - (B) such other date, time and physical venue or physical venues (if any) and/or virtual meeting technology (if any), place as the Directors specify.
- (e) If a quorum for a meeting of Members is not present within 15 minutes after the time appointed for an adjourned meeting of Members, the meeting is dissolved.

6.10 General Conduct of Meetings

- (a) Subject to the Corporations Act, the chairperson of a meeting of Members:
 - (i) is responsible for the general conduct of, and the procedures to be adopted at, the meeting;
 - (ii) may make rulings or adjourn the meeting without putting a question (or any question) to the vote if that action is required to ensure the orderly conduct of the meeting;
 - (iii) may determine the procedures to be adopted for the casting or recording of votes;
 - (iv) may determine any dispute concerning the admission, validity or rejection of a vote at the meeting;
 - (v) may terminate debate or discussion on any matter being considered at the meeting and require that matter to be put to a vote;
 - (vi) may refuse to allow debate or discussion on any matter which is not business referred to in the notice of meeting or is not business referred to in Rule 6.3(b);
 - (vii) may refuse to allow any amendment to be moved to a resolution set out in the notice of meeting; ~~and~~

(viii) may delegate to any person any power conferred by this Rule 6.10(a); and

(viii)(ix) may, if before or during a meeting of Members, any technical difficulty occurs which materially impacts the participation of Members who are attending the meeting by using virtual meeting technology, adjourn the meeting until the difficulty is remedied or continue to hold the meeting and transact business, and no Member may object to the meeting being held or continuing, provided that sufficient Members are able to participate in the general meeting as are required to constitute a quorum.

6.11 Resolutions of Members

- (a) Subject to the Corporations Act, a resolution is passed if more votes are cast in favour of the resolution by Members entitled to vote on the resolution than against the resolution.
- (b) Unless a poll is demanded pursuant to Rule 6.12, a resolution put to the vote at a meeting of Members must be decided on a show of hands.
- (c) On a show of hands, a declaration by the chairperson of a meeting of Members is conclusive evidence of the result, provided that the declaration reflects the show of hands and the votes of the proxies received.

6.13 Adjourned, Cancelled and Postponed Meetings

- (a) Subject to the Corporations Act, the chairperson:
 - (i) may adjourn a meeting of Members to any date, time and placephysical venue or physical venues (if any) and the virtual meeting technology (if any) as the chairperson determines; and
 - (ii) must adjourn a meeting of Members (to a date, time and placephysical venue or physical venues (if any) and virtual meeting technology (if any), to be determined by the chairperson) if the Members present agree or direct the chairperson to do so.
- (b) No person other than the chairperson of a meeting of Members may adjourn that meeting.
- (c) A resolution passed at a meeting of Members resumed after an adjournment is passed on the day it was passed.
- (d) Only unfinished business may be transacted at a meeting of Members resumed after an adjournment.
- (e) Subject to the Corporations Act and this Rule 6.13, the Directors may, at any time, postpone or cancel a meeting of Members by giving notice, not less than 5 Business Days before the time at which the meeting was to be held, to:
 - (i) each Member;
 - (ii) each Director;
 - (iii) each Alternate Director (if any); and
 - (iv) the Auditor, as at the date of the notice.
- (f) A meeting of Members called pursuant to Rule 6.2(b) must not be cancelled by the Directors without the consent of the Members who requested the meeting.

- (g) A meeting of Members called pursuant to Rule 6.2(c) must not be cancelled or postponed by the Directors without the consent of the Members who called the meeting.
- (h) A notice postponing a meeting of Members must set out the place or places (if any) and/or the virtual meeting technology (if any) for the postponed meeting, date and time for the revised meeting (and if the revised meeting is to be held in 2 or more places or wholly using virtual meeting technology, the technology that will be used to facilitate this).
- (i) No notice is required to be given to Members in relation to an adjourned meeting unless the meeting is adjourned for more than 30 days in which case the notice must set out the place or places (if any) and/or the virtual meeting technology (if any) for the adjourned meeting, date and time for the revised meeting (and if the revised meeting is to be held in 2 or more places or wholly using virtual meeting technology, the technology that will be used to facilitate this).

6.17 Direct votes

- (a) The Directors may determine that at any general meeting or meeting of a class of Members, a Member who is entitled to attend and vote on a resolution at that meeting is entitled to a Direct Vote in respect of that resolution.
- (b) The Directors may prescribe regulations, rules and procedures in relation to Direct Voting, including specifying the form, method and timing of giving a Direct Vote at a general meeting or meeting of a class of Members in order for the Direct Vote to be valid.

Schedule 4

Terms and conditions of Warrants under the Warrant Deed

Key Term	Description
Issue of Tranche A Warrant	The Tranche A Warrant was issued by the Company on 11 July 2022.
Issue of Tranche B Warrant	The issue of the Tranche B Warrant is subject to the advance of the second tranche of \$5million under the facility agreement and shareholder approval for the purposes of Listing Rule 7.1 to enable the issue of the Tranche B Warrant (as referred to in the Notice of Meeting).
Exercise of Warrant Shares	<p>The exercise of:</p> <ul style="list-style-type: none"> the Tranche A Warrant entitles Pure Asset Management (or its nominee) to be issued with 25,000,000 Shares; the Tranche B Warrant entitles Pure Asset Management (or its nominee) to be issued with the number of Shares calculated by dividing the amount of \$5million by the applicable exercise price, <p>together the Warrant Shares. The Warrant Deed does permit the partial exercise of the Warrants provided any number of Warrant Shares is greater than or equal to \$1,000,000 divided by the exercise price.</p>
Exercise Price	<p>Subject to a reorganisation of capital:</p> <ul style="list-style-type: none"> the exercise price for the Tranche A Warrant is \$0.20 (which is subject to downward adjustment if certain events occur as specified in the Warrant Deed, including if Kingston issues equity beyond its 15% Listing Rule 7.1 placement capacity in any 12-month period); the exercise price for the Tranche B Warrant is \$0.26 (which is subject to downward adjustment if certain events occur as specified in the Warrant Deed, which includes the 5-day volume weighted average price (VWAP) of shares for the five trading days immediately before the utilisation date of the tranche 2 loan, multiplied by 1.65).
Expiry	The Warrants lapse if not exercised within the exercise period.
Exercise period	The Tranche A Warrant is exercisable in the period commencing on the first utilisation under the facility agreement with Pure Asset Management, being 7 July 2022 and expiring on the date that is 12 months after the repayment date under the facility agreement (such expiry date being 7 July 2027). The Tranche B Warrant is exercisable in the period commencing on the advance of the second tranche of \$5million under the facility agreement and expiring on the date that is 12 months after the repayment date under the facility agreement.
Notice of exercise	A Warrant may be exercised during the exercise period by notice to the Company. Completion for the issue of the relevant number of Warrant Shares and payment of the purchase price will occur on the date which is 5 business days after the exercise date (which may be extended in certain circumstances) (Completion Date).
Issue of Warrant Shares on Completion Date	<p>On the Completion Date:</p> <ul style="list-style-type: none"> the Company must issue the Warrant Shares to Pure Asset Management (or its nominee); the Company, Pure Asset Management or its nominee must execute and deliver all necessary documents to ensure the Warrant Shares are issued free from security interests and third party rights; Pure Asset Management or its nominee must pay the purchase price for the Warrant Shares to the Company. <p>Within five business days after completion, the Company must give to the ASX a cleansing notice (or, if necessary, lodge a prospectus under the Corporations</p>

	Act) to ensure that the Warrant Shares are not subject to any on-sale restrictions. The Company must ensure that a statement of holdings for the Warrant Shares is received by the holder within seven business days after the Completion Date.
Shares issued on exercise	Warrant Shares issued on exercise of the Warrants will rank equally with the existing Shares at the date of issue.
Participation in new issues	Pure Asset Management is not entitled to participate in a new issue of capital offered to Shareholders during the exercise period without first exercising the Warrant.
Bonus issues	If the Company makes (whether before or during the exercise period) a bonus issue to shareholders, then the number of shares over which the Warrant is exercisable is increased by the number of Shares which Pure Asset Management would have received under the bonus issue if it had exercised the Warrant prior to the record date for the bonus issue.
Reorganisation of capital	If there is a reorganisation of the capital of the Company (whether before or during the exercise period) then the rights of Pure Asset Management are changed to the extent necessary to comply with the ASX Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
Pro-rata issues	Subject to the exercise price for the Tranche B Warrant not being adjusted in circumstances should the Company issue equity beyond its 15% LR7.1 placement capacity in any 12-month period, if the Company (whether before or during the exercise period) makes a pro-rata issue (as defined in the Listing Rules) of shares (except a bonus issue) the exercise price will be adjusted in accordance with Listing Rules but only if the adjustment would result in a reduction to the exercise price.
Nominee	Pure Asset Management may nominate a substitute entity to receive the issue of the Warrant Shares.
Transferability	Pure Asset Management may assign, transfer, novate or otherwise deal with the Warrant Deed or any right or obligation under the deed without the consent of the Company.

Schedule 5

Summary of Employee Incentive Scheme Rules

The terms of the Employee Incentive Scheme (EIS) are summarised below.

The terms and conditions on which any Options and Performance Rights are granted to Directors or employees, including any vesting and performance criteria, will be governed by the terms set out in an offer or invitation to participate in the EIS made to Directors or employees from time to time.

i) Eligible Participants

The EIS is open to directors and to full time and part time employees of the Company and Related Bodies Corporate of the Company, other than such persons who have given notice of resignation, or who have been given notice of termination, of his or her employment, or removed from his or her position (Eligible Participants).

Options and Performance Rights may not be offered to a Director or his or her Associates except where approval is given by the Shareholders in general meeting in accordance with the requirements of the Listing Rules.

Purpose of the EIS

The purpose of the EIS is to:

- a) establish a method by which Eligible Participants can participate in the future growth and profitability of the Company;
- b) provide an incentive and reward for Eligible Participants for their contributions to the Company;
- c) attract and retain a high standard of managerial and technical personnel for the benefit of the Company; and
- d) align the interests of Eligible Participants more closely with the interests of Shareholders, by providing an opportunity for Eligible Participants to hold an equity interest in the Company.

Board discretions

The Board has broad discretions under the EIS, including (without limitation) as to:

- a) identifying persons eligible to participate in the EIS;
- b) the timing of making an offer to participate in the EIS;
- c) the terms of issue of Options and Performance Rights;
- d) subject to the requirements of the Listing Rules, particularly Listing Rule 6.23.2, the cancellation of Performance Rights for no consideration, subject to agreement with the participant;
- e) the periods during which Options and Performance Rights may be exercised or vest; and
- f) the exercise price of Options.

Options and Performance Rights not to be quoted

Options and Performance Rights granted under the EIS will not be quoted on ASX. However, application will be made to ASX for official quotation of Shares issued or transferred on the exercise of an Option or vesting of a Performance Right provided the Shares are listed on ASX at that time.

Shares issued on exercise of Options and Performance Rights

Subject to the terms of the Options or Performance Rights, each Option or Performance Right entitles its holder to subscribe for and be issued with one Share in the Company.

Shares issued pursuant to the exercise of Options and Performance Rights will in all respects rank equally and carry the same rights and entitlements as other Shares on issue in the Company.

Holders of Options and Performance Rights will not be entitled to notice of, or to vote or attend at meetings of the Company or receive dividends until Shares are issued on the exercise of the Options or vesting of the Performance Rights.

Lapse of Options and Performance Rights

Unless the Directors in their absolute discretion determine otherwise, Options and Performance Rights shall lapse:

- i) if not exercised or vested prior to their expiry date; or
- ii) if any Performance Hurdle(s), Vesting Conditions or Exercise Conditions are not satisfied.

Unless the Directors in their absolute discretion determine otherwise, Performance Rights shall also lapse:

- i) if the holder voluntarily resigns otherwise than to take up employment with a Related Body Corporate of the Company or is dismissed from employment for a material breach of contract of employment, negligence or other conduct justifying termination of employment without notice, except that:
 - A) the Performance Rights will not lapse if the cessation of employment was due to death, permanent disablement (for example, illness or incapacity necessitating the permanent withdrawal of the employee from the work force), retirement, redundancy or any other circumstance in which the Board determines the Performance Rights should not lapse;
 - B) Performance Rights may vest, within 12 months after the holder ceases to be a participant where that cessation was by reason of permanent disablement or any other circumstance deemed by the Board to necessitate the permanent withdrawal of the participant from the workforce; and
- ii) if, in the opinion of the Board, the holder has acted fraudulently or dishonestly or is in material breach of his or her obligations to the Company or any of its Related Bodies Corporate, and the Board determines (at its sole and absolute discretion) the Performance Rights held by that holder to have lapsed.

Restrictions on transfer

Performance Rights and Options granted under the EIS may not be sold, transferred, mortgaged, pledged, charged, encumbered with a security interest in or over them, or otherwise disposed of by a participant without the prior consent of the Board or where such assignment or transfer occurs by force of law.

Participation rights of Option and Performance Right holders

Holders of Options and Performance Rights will only be permitted to participate in a pro rata issue of Shares by the Company if they exercise their Options or if their Performance Rights vest before the record date for the relevant issue. The Company must ensure that it notifies holders of Options of the proposed issue at least 7 Business Days before the record date to determine entitlements to the pro rata issue.

Adjustment of Options and Performance Rights

If the Company makes a pro rata bonus issue, and an Option or Performance Right is not exercised before the record date for that bonus issue, then on exercise of the Option or Performance Right, the holder is entitled to receive the number of bonus shares which would have been issued if the Option or Performance Right had been exercised before the record date.

In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, the number of Options and Performance Rights to which each Option and Performance Right holder is entitled or the exercise price or both will be changed in the manner required by the Listing Rules and, in any case, in a manner which will not result in any benefits being conferred on holders of Options and Performance Rights which are not conferred on Shareholders.

Takeovers

In the event of a takeover bid, certain capital reorganisations or transactions occurring that give rise to certain changes of control of the Company, restrictions on the exercise or vesting of an Option or Performance Right will lapse so that Option or Performance Right holders are able to participate in the relevant transaction.

Amending the EIS

Subject to any applicable Listing Rules or laws, the EIS may be suspended, terminated or amended at any time by resolution of the Board.

Proxy Voting Form

If you are attending the meeting in person, please bring this with you for Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]
[EntityRegistrationDetailsLine2Envelope]
[EntityRegistrationDetailsLine3Envelope]
[EntityRegistrationDetailsLine4Envelope]
[EntityRegistrationDetailsLine5Envelope]
[EntityRegistrationDetailsLine6Envelope]

[HolderNumber]

Holder Number:
[HolderNumber]

Your proxy voting instruction must be received by **4.00pm (AEDT) on Tuesday, 22 November 2022**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item 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 items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

SIGNING INSTRUCTIONS

Individual: Where the holding is in one name, the Shareholder must sign.

Joint holding: Where the holding is in more than one name, all Shareholders should sign.

Power of attorney: If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

Companies: To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

Email Address: Please provide your email address in the space provided.

By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

Lodging your Proxy Voting Form:

Online:

Use your computer or smartphone to appoint a proxy at
<https://investor.automic.com.au/#/loginsah>

or scan the QR code below using your smartphone

Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.



BY MAIL:

Automic
GPO Box 5193
Sydney NSW 2001

IN PERSON:

Automic
Level 5, 126 Phillip Street
Sydney NSW 2000

BY EMAIL:

meetings@automicgroup.com.au

BY FACSIMILE:

+61 2 8583 3040

All enquiries to Automic:

WEBSITE: <https://automicgroup.com.au/>

PHONE: 1300 288 664 (Within Australia)
+61 2 9698 5414 (Overseas)

