

KINGSTON RESOURCES LIMITED
ABN 44 009 148 529
(Kingston or Company)

OFFER BOOKLET

Accelerated Non-Renounceable Pro-Rata Entitlement Offer

1 New Share for every 6 Shares held at an issue price of \$0.065 to raise up to approximately \$5,394,596

Last date for acceptance and payment:

5.00pm (AEST) on Wednesday, 8 May 2024

This is an important document. Please consider it carefully and contact your professional adviser if you have any queries. This document is not a prospectus and does not contain all of the information that a prospective investor would find in a prospectus or which may be required to make a decision regarding an application for New Shares offered by this document.



**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO, OR FOR
THE ACCOUNT OR BENEFIT OF, U.S. PERSONS**

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IMPORTANT NOTICES

This Offer Booklet and enclosed personalised Entitlement and Acceptance Form have been prepared by the Company. The information in this document is dated 8 April 2024 (other than the ASX Releases and Investor Presentation in Section 3).

No party other than the Company has authorised or caused the issue of the information in this document, or takes any responsibility for, or makes, any statements, representations or undertakings about the information in this document.

You should read the information in this document carefully and in its entirety before deciding whether to invest in New Shares. In particular, you should consider the risk factors outlined in Section 4. You should also consider the Company's other periodic and continuous disclosure announcements, annual reports and full year statutory accounts, current and historical share price, and any other Company announcements. This information may be obtained from sources including the Company's website at: www.kingstonresources.com.au or the ASX website at www.asx.com.au.

Not investment advice

This document is not a prospectus, nor other document regulated, under the Corporations Act and has not been lodged with ASIC. The information in this document does not constitute financial product advice and has been prepared without taking into account your particular investment objectives, financial circumstances or needs. The Company is not licensed to provide financial product advice in respect of the New Shares. The information in this document does not purport to contain all the information that you may require to evaluate a possible application for New Shares.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you, in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading the information in this document, you have any questions about the Entitlement Offer, you should contact your stockbroker, accountant or other independent professional adviser.

Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this document. Any information or representation that is not in this document may not be relied on as having been authorised by the Company in

connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of the Company, or any other person, warrants or guarantees the future performance of the Company or any return on any investment made pursuant to the information in this document.

Taxation

There will be tax implications associated with participating in the Entitlement Offer and receiving New Shares. Section 6 provides for a general guide to the Australian income tax, goods and services tax and stamp duty implications of the guide does not take account of the individual circumstances of particular Eligible Shareholders and does not constitute tax advice. The Company recommends that you consult your professional tax adviser in connection with the Entitlement Offer.

Information availability

Eligible Shareholders in Australia and New Zealand can obtain a copy of the information in this document during the period of the Entitlement Offer on the Kingston website at www.kingstonresources.com.au or by calling +61 2 8021 7492. Persons who access the electronic version of this document should ensure that they download and read the entire document. The electronic version of this document on the Company's website will not include an Entitlement and Acceptance Form. A replacement Entitlement and Acceptance Form can be requested by contacting the Share Registry or the Company Secretary.

Past Performance

Investors should note that the Company's past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) the Company's future performance including the Company's future financial position or share price performance.

Future performance and forward-looking statements

Neither the Company nor any other person associated with or representing the Company warrants or guarantees the future performance of the New Shares or any return on any investment made pursuant to the Entitlement Offer. Forward looking statements, opinions and estimates provided in the information in this document are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends,

which are based on interpretations of current market conditions.

Forward looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of the Company and the Board, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this document.

Governing law

This document, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the laws applicable in New South Wales, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

Foreign jurisdictions

This offer Booklet and the accompanying Entitlement and Acceptance Form do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. This Offer Booklet does not constitute an offer to Ineligible Shareholders.

This Offer Booklet is not to be distributed in, and no offer of New Shares is to be made, in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

No action has been taken to register or qualify the Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this document, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

United States

The Entitlements and the New Shares have not been and will not be, registered under the US Securities Act 1933 (**Securities Act**) or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold, directly or indirectly, in the United States, except in a transaction exempt form, or not subject to, the registration requirements of the Securities Act and

applicable securities laws of any state or other jurisdiction in the United States.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your application for New Shares is subject to all requisite authorities and clearances being obtained for Kingston to lawfully receive your application monies.

New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

It is a term of the Entitlement Offer that the offer of New Shares is made in compliance with the law of the country, state, territory, or province in which ASX is situated and any code, rules, or other requirements relating to the Entitlement Offer that may apply in that country, state, territory, or province.

Germany

This Offer Booklet has not been, and will not be, registered with or approved by any securities regulator in Germany or the broader European Union. Accordingly, this Offer Booklet may not be made available, nor may the New Shares be offered for sale, in Germany except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "**Prospectus Regulation**").

In accordance with Article 1(4) of the Prospectus Regulation, an offer of New Shares in Germany is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation); to fewer than 150 natural or legal persons (other than qualified investors) or in

Hong Kong

WARNING: This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and

Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance). No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The Contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

Notice to nominees and custodians

Nominees and custodians that hold Shares should note that the Entitlement Offer is available only to Eligible Shareholders. Accordingly, only nominees and custodians with registered addresses in Australia or New Zealand (or who contact or are contacted by the Company and can demonstrate to the satisfaction of the Company that their participation in the Entitlement Offer would not constitute a violation of securities laws in their jurisdiction) will be entitled to participate. With respect to the underlying beneficial holders of nominees and custodians, they may participate (wherever they reside) except to the extent that those underlying holders are:

- in the United States or US Persons (as defined in the Securities Act of 1933) or are acting for the account or benefit of any US Person except in a transaction exempt from, or not subject to, the registration requirements of the

Securities Act and applicable securities laws of any state or other jurisdiction in the United States; or

- not eligible or permitted under any applicable securities laws to receive the Entitlement Offer.

The Company takes no responsibility for advising on the securities laws of any jurisdiction, or the legality of providing the Entitlement Offer to any person for whom nominees and custodians may hold Shares in the Company beneficially, or those persons acquiring a beneficial interest in New Shares as a result of the Entitlement Offer. Nominees and custodians will need to assess whether the participation (whether direct or indirect) of a beneficiary is compatible with applicable foreign laws.

Key Risk factors

An investment in Kingston involves general risks associated with an investment in securities quoted on a share market or securities exchange. Refer to the 'Key Risks' section of the Investor Presentation included in Section 4 of this Offer Booklet for a summary of the general and specific risk factors before deciding to invest in Kingston.

Quotation and trading of New Shares

The Company has applied for the grant by ASX of official quotation of the New Shares. It is expected that normal trading of the New Shares will commence on Wednesday, 15 May 2024.

The Company will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by the Group or the Share Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

Investors should consider these factors carefully and if they are in any doubt, should obtain their own professional advice.

CHAIRMAN'S LETTER

Shareholders

On behalf of the Board of KSN I am pleased to invite you to participate in a 1:6 accelerated non-renounceable Entitlement Offer, priced at 6.5 cents per share to raise up to \$5.4 million. The Entitlement Offer will comprise:

- an institutional entitlement offer; to raise approximately \$730k; and
- a retail entitlement offer, to raise up to approximately \$4.6 million.

The institutional component of the Entitlement Offer will be settled along with the Placement offer on 8 April 2024.

The retail component of the Entitlement Offer is fully underwritten by Deutsche Balaton Aktiengesellschaft, an associate of Delphi Unternehmensberatung Akteingesellschaft, an existing shareholder and a sophisticated investor.

We determined to pursue an Entitlement Offer with the price of 6.5 cents in order to reward and encourage our loyal shareholder base. This price is a 20.4% discount to recent trading in our shares as reflected in the 30 day VWAP of approximately 8.2 cents. In addition, Eligible Shareholders who take up their full Entitlement may also participate in the Shortfall by applying for additional New Shares in excess of their Entitlement.

The price is also consistent with that being paid by incoming shareholders who have taken placements totalling \$8.1m. These new shareholders add depth to our share register and our financial resources, as well as demonstrating support for the Company.

Funds raised under the Entitlement Offer will be used for:

- accelerating the transition to open pit mining at Pearse
- underground resource development drilling
- commissioning of the Mineral Hill processing plant for concentrate production
- general working capital.

For more information on the commencement of works at Mineral Hill, please see the Capital Raising Presentation announced on the ASX on 28 March 2024.

Yours sincerely



Mick Wilkes

SUMMARY OF THE ENTITLEMENT OFFER

Ratio	1 New Share for every 6 Shares held by Eligible Shareholders on the Record Date
Issue price	\$0.065 per New Share
Size	Issue of up to 82,993,790 New Shares ¹
Gross Proceeds	\$5,394,596

KEY DATES

Event	Date (2024)
Announcement of Entitlement Offer	Thursday, 28 March 2024
Record date for the Entitlement Offer (7.00pm AEDT)	Wednesday, 3 April 2024
Offer Booklet and Entitlement and Acceptance Form dispatch	Monday, 8 April 2024
Entitlement Offer opens	Monday, 8 April 2024
Settlement and allotment of New Shares under the Institutional Entitlement Offer and Placement	Monday, 8 April 2024
Entitlement Offer closes (5.00pm AEST)	Wednesday, 8 May 2024
Results of Entitlement Offer announced	Wednesday, 15 May 2024
Allotment of New Shares issued under the Entitlement Offer	Wednesday, 15 May 2024
Normal ASX trading for New Shares commences	Thursday, 16 May 2024
Dispatch of holding statements for New Shares	Thursday, 16 May 2024

This timetable is indicative only and subject to change. The Company may vary these dates subject to the ASX listing Rules. The last day for extension of the closing date is Friday, 3 May 2024. An extension of the closing Date will delay the anticipated date for issue of the New Shares.

The Company also reserves the right not to proceed with the whole or part of the entitlement Offer any time prior to the issue of the New Shares. In that event, the relevant application Monies (without interest) will be returned in full to the Applicants.

¹ This assumes no existing Options are exercised prior to the Record Date.

CAPITAL STRUCTURE

The capital structure of the Company following the issue of New Shares is expected to be as follows.

Shares on issue as at the Record Date	497,961,834
New Shares to be issued under the Entitlement Offer	82,993,790
New Shares to be issued under the Placement	124,490,458
Maximum number of Shares on issue after the Entitlement Offer and Placement	705,446,082

Underwriting

Deutsche Balaton Aktiengesellschaft (**Underwriter**) is appointed as the exclusive underwriter to the Retail Entitlement Offer. The Company has entered into an underwriting agreement with the Underwriter in respect of the Entitlement Offer (**Underwriting Agreement**). The Underwriting Agreement is on usual terms and the fees and termination events for the Underwriting Agreement are set out in section 5.11.

Enquiries

If you have any queries, please contact the Company or consult your stockbroker, accountant or other independent professional adviser.

Website: www.kingstonresources.com.au

Phone: +61 2 8021 7492

SECTION 1 – OPTIONS AVAILABLE TO YOU

If you are an Eligible Shareholder, you may take one of the following actions in response to the Entitlement Offer:

- take up all of your Entitlement and apply for Shortfall Shares;
- take up part of your Entitlement and allow the balance to lapse; or
- do nothing, in which case your Entitlement will lapse and you will not be allocated any New Shares.

If you are an Ineligible Shareholder (refer to Section 5.3), you are not entitled to participate in the Entitlement Offer.

Option available to Eligible Shareholder	Key Consideration
Take up all of your Entitlement and apply for Shortfall Shares	<p>You may elect to take up all of your Entitlement (See Section 2 “How to Apply” for instructions on how to take up your Entitlement).</p> <p>The New Shares will rank equally in all respects with existing Shares (including rights to dividends and distributions).</p> <p>Eligible Shareholders (excluding directors and all other Related Parties of the Company) may, in addition to applying for their Entitlement, apply for Shortfall Shares (see section 5.4).</p> <p>In addition, you may apply for Shortfall Shares (see section 5.4)</p>
Take up part of your Entitlement	<p>If you only take up part of your Entitlement, the part not taken up will lapse, and you will not receive any payment or value for those Entitlements not taken up.</p> <p>If you do not take up your Entitlement in full, you will have your percentage holding in the Company reduced as a result of the dilution by the New Shares issued under the Entitlement Offer.</p>
Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements	<p>If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlements will lapse.</p> <p>Your Entitlement to participate in the Entitlement Offer is non-renounceable, which means it is non-transferrable and cannot be sold, traded on ASX or any other exchange, nor can they be privately transferred.</p> <p>If you do not take up your Entitlement, you will have your percentage holding in the Company reduced as a result of dilution by the New Shares issued under the Entitlement Offer.</p>

SECTION 2 – HOW TO APPLY

1. Entitlement Offer

Eligible Shareholders are offered the opportunity to subscribe for 1 New Share for every 6 Shares held at 7.00pm (AEDT) on Wednesday, 3 April 2024 at the Issue Price of \$0.065 per New Share.

The Entitlement Offer is non-renounceable which means that the Entitlements do not trade on ASX, nor can they be sold, transferred or otherwise disposed of.

The Entitlement Offer is being made pursuant section 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) which allow entitlement offers to be offered without a prospectus or other regulated offer booklet, provided certain conditions are satisfied.

As a result, it is important for Eligible Shareholders to read and understand the information on Kingston and the Entitlement Offer made publicly available, prior to taking up all or part of their Entitlement. In particular, please refer to this document, Kingston's interim and annual reports and other announcements made available at www.kingstonresources.com.au and www.asx.com.au.

2. Your Entitlement

Your Entitlement is set out on the accompanying Entitlement and Acceptance Form and has been calculated as 1 New Share for every 6 Shares you hold as at the Record Date, with fractions of 0.5 or more rounded up to the nearest whole New Share. If you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. New Shares issued under the Entitlement Offer will rank pari passu with issued Shares.

3. Options available to you

The number of New Shares to which Eligible Shareholders are entitled is shown on the Entitlement and Acceptance Form that will accompany this offer Booklet when it is dispatched to you.

Eligible Shareholders may:

- take up their Entitlement in full and apply for Shortfall Shares;
- take up part of their Entitlement, in which case the balance of the Entitlement would lapse; or
- allow their Entitlement to lapse.

Payment by BPAY®

Please follow the instructions on the personalised Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please note that should you choose to pay by BPAY®:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to make the declarations on that Entitlement and Acceptance Form; and
- if you do not pay for your full Entitlement and Shortfall Shares applied for, you are deemed to have taken up your Entitlement and Shortfall Shares in respect of such whole number of New Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY payment is received by the share registry by no later than 5.00pm (AEST) on 8 May 2024. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

Any application monies received for more than your final allocation of New Shares will be deemed to be an application for Shortfall Shares under Section 5.4. Any application monies left over after the allocation of Shortfall Shares will be refunded by the Company in accordance with the Corporations Act where applicable. No interest will be paid to Applicants on any application monies received or refunded.

If payment is made by BPAY® the Entitlement and Acceptance Form is not required to be completed as the payment of the application money is deemed to be acceptance by the Shareholder. The Directors' decision as to whether to treat the acceptance as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

Overseas Eligible Investors who cannot make payment by BPAY may pay by direct credit. Instructions for payment by direct credit are located in the Acceptance Form.

Cash payments, Cheque, bank draft or money order will not be accepted. Receipts for payment will not be issued.

4. **Delivery**

To participate, your payment must be received no later than the close of the Entitlement Offer, on 5.00pm (AEST) on Wednesday, 8 May 2024.

5. **Entitlement and Acceptance Form is binding**

Returning a completed Entitlement and Acceptance form or paying any application monies for New Shares via BPAY will be taken to constitute a representation by the Eligible Shareholder that they:

- have received a copy of this Offer Booklet accompanying the Entitlement and Acceptance Form and have read them in their entirety;
- have made the Eligible Shareholder declarations set out in section 5.19 of this Offer Booklet; and
- acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY payment instruction is given in relation to any application monies, the Application may not be varied or withdrawn except as required by law.

6. **Consider the Entitlement Offer in light of your particular investment objectives and circumstances**

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspects of the Entitlement Offer.

SECTION 3 – ASX ANNOUNCEMENT AND INVESTOR PRESENTATION

Please refer to the Company's ASX announcement of 2 April 2024 and the Investor Presentation released on 28 March 2024, which can be found on the Company's website at www.kingstonresources.com.au or the ASX website at www.asx.com.au.

SECTION 4 – KEY RISKS

4.1 Introduction

The New Shares offered under this Offer Document should be considered speculative because of the nature of the Company's business. There are a number of risk factors, both specific to the Company or the Offer, and of a general nature, which could adversely impact the Company's performance and financial position and the value of its Shares. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, however, many are outside the control of the Company and cannot be mitigated. Accordingly, an investment in the Company carries no guarantee with respect to the payment of dividends, return of capital or price at which securities will trade. This section describes certain specific areas that are believed to be the material risks associated with an investment in the Company. The following is a summary only and the risks in this section are not exhaustive of the risks faced by a potential investor in the Company but they are considered by the Directors to be the more material risks that potential investors should be aware of. These risks in respect of the Company together with the general risks applicable to all investments in listed securities may affect the value of the Shares in the future. You should consider carefully the risks described in this section and read this Offer Document in its entirety, and consult your accountant, broker, financial or other professional adviser before making an investment decision and applying for New Shares.

4.2 Specific Risk Factors

Exploration risks

Exploration is a high risk activity that requires large amounts of expenditure over extended periods of time. The Company's exploration activities are subject to all the hazards and risks normally encountered in the exploration of minerals, including climatic conditions, hazards of operating vehicles and plant, risks associated with operating in remote areas and other similar considerations. Conclusions drawn during mineral exploration are subject to the uncertainties associated with all sampling techniques and to the risk of incorrect interpretation of geological, geochemical, geophysical, drilling and other data. Further, the costs of the Company's exploration activities may materially differ from its estimates and assumptions. No assurance can be given that the Company's cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability. There is no certainty that exploration carried out by the Company will result in the discovery of mineralisation that has economic value.

Tenement Titles

KSN could lose title to its mineral tenements if insufficient funds are available to meet the relevant annual expenditure commitments, as and when they arise. KSN closely monitors its compliance with licence conditions, including expenditure commitments and rents, and maintains a dialogue with the relevant government representatives who are responsible for enforcing licence conditions. Most tenements have a long history, with multiple previous title holders. While registration on the Mineral Titles Register is evidence of ownership, it is not definitive. The registration is subject to prior registered dealings and encumbrances which may be incomplete or have not been identified and may materially affect the value of the relevant tenements and/or KSN's intended operations on those tenements.

Mineral Resources and Ore Reserves

KSN's Mineral Resources estimates for its existing projects are expressions of judgement based on industry practice, experience and knowledge and are estimates only, which are necessarily imprecise and depend to some extent on interpretations which may prove inaccurate. No assurance can be given that the estimated Mineral Resources and/or Ore Reserves are accurate or that the estimated level of copper or any other mineral will be produced. Such estimates are, in large part, based on interpretations of geological data obtained from drill holes and other sampling

techniques. Actual mineralisation or geological conditions may be different from those predicted. No assurance can be given that any or all of KSN's Mineral Resources constitute or will be converted into Ore Reserves. Actual Mineral Resources and/or Ore Reserves may differ from those estimated, which could have a positive or negative effect on KSN's operational or financial performance.

Commodity price fluctuations as well as increased production and costs may render KSN's Mineral Resources and/or Mineral Resources or Ore Reserves unprofitable to develop at a particular site or sites for periods of time or may render Ore Reserves containing relatively lower grade mineralisation uneconomic. Estimated Mineral Resources and/or Ore Reserves may have to be recalculated based on actual production experience. Any of these factors may require KSN to reduce its Mineral Resources and/or Ore Reserves, which could have a negative impact on KSN's financial results and the expected operating life of their Operations.

Reliance on key personnel

The Company's success depends to a significant extent upon its key management personnel, as well as other management and technical personnel including sub-contractors. The loss of the services of any such personnel could have an adverse effect on the Company at this stage of its development.

Gold Price

The success of the projects held by the Company will be dependent on the price of gold. The ability to raise additional funding for future exploration activities could be impacted if the price of gold fell materially below current levels causing the Company to cease activities. The ability to develop an economically viable mining operation based on currently identified resources or gold resources discovered through future exploration could be impacted if the price of gold was below the level required to ensure viability. Gold prices are volatile and may fluctuate as a result of numerous factors, which are beyond the control of the Company.

Joint Venture and other arrangements

The Company may hold assets, developments or undertake projects through incorporated and unincorporated joint ventures with third parties. There is a risk of financial failure or default by a participant in any joint venture to which the Company is or may become a party. Disagreements between co-venturers or a failure of co-venturer to adequately manage a project poses a further risk of financial loss or legal or other disputes with the other participants in such a joint venture. Projects held and run through joint ventures impose a number of restrictions on the Company's ability to sell its interest in any assets held through such a structure and may require prior approval of the other joint venture partner or may be subject to pre-emptive rights.

Financing risks and capital requirements

The Company's capital requirements will depend on a number of factors. As an exploration company, Kingston may, in the future, require further equity financing which may dilute shareholders and may be undertaken at lower prices than the current market price. No assurances can be made that appropriate capital or funding, if and when needed, will be available on terms favourable to the Company or at all. In the ordinary course of business, the Company is required to issue financial assurances, particularly insurances and bond/bank guarantee instruments, to secure statutory and environmental performance undertakings and commercial arrangements. The Company's ability to provide such assurances is subject to external financial and credit market assessments, and its own financial position.

Environmental risks and hazards

The operations of the Company may be materially affected by adverse weather conditions and other environmental hazards such as fires, floods and water ingress which may delay or prevent

exploration from taking place and cause the Company to incur significant costs to rectify any damage or consequences arising from those hazards

Security of tenure

The Company cannot guarantee that all or any licences or permits in which it has interests will be renewed. Such renewals are at the discretion of relevant government bodies in the jurisdiction, and often depends on the Company being successful in obtaining other required statutory approvals for its proposed activities. There is no assurance that such renewals or grants will be granted, nor that they will be granted without adverse conditions attached. There may be areas in relation to tenements which the Company has an existing interest in, or will acquire an interest in the future, over which common law Native Title rights exist or may be found to exist, which may preclude or delay exploration, or development activities. The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of exploration or mining activities.

Regulatory requirements including exploration and mining permits and licences

The Company's operations are subject to various Federal, State, local and Papua New Guinea laws and regulations, including those relating to mining, prospecting, development permit and licence requirements, industrial relations, environment, land use, royalties, water, native title and cultural heritage, mine safety and occupational health. These laws and regulations may become more restrictive, impose stricter standards and increase penalties for non-compliance, which may adversely affect the Company's financial performance. Additional capital may be required to ensure compliance with such laws and regulations, and operational activities may be delayed or prevented entirely.

Environment, rehabilitation and restoration

The operations and activities of the Company are subject to the environmental laws and regulations of Australia and Papua New Guinea. As with most exploration projects, the Company's operations and activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. The Company will attempt to conduct its operations and activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations.

Diversification Risk

The Company's operations are concentrated primarily on gold exploration. As such, the company's operations are not diversified. A negative impact which affects the Company's gold exploration activities may cause substantial damage to the Company, and a lack of diversification may adversely affect the potential damage caused to the Company, and the Company's ability to recover, from such an impact.

4.3 Risks Associated with the Offer

Dilution

The completion of the Offer will result in the issue of up to approximately 82,993,790 million New Shares. If an Eligible Shareholder does not take up their full Entitlement their percentage holding of Shares will be diluted.

No cooling off

There are no cooling off rights in relation to the Offer. You cannot withdraw your Application for New Shares once it has been submitted.

Offer provides no guarantee of future performance

While the Offer will help improve the Company's financial position and provide it with additional flexibility, it does not guarantee the Company's future financial performance.

Underwriting

The Company has entered into the Underwriting Agreement. Pursuant to the Underwriting Agreement, the Company has appointed the Underwriter and the Underwriter has agreed to fully underwrite the Retail Entitlement Offer. See section 5.11 for further details of the material terms of the Underwriting Agreement. Given the structure of the Entitlement Offer, in which the Institutional Entitlement Offer settles before the Retail Entitlement Offer, there is a risk that the Underwriting Agreement may terminate before or after the Institutional Entitlement Offer has settled.

If the Underwriting Agreement is terminated and the Entitlement Offer does not proceed or does not raise the funds required for the Company to meet its stated objectives, the Company may be required to find alternative financing or curtail its activities. In those circumstances, there is no guarantee that alternative funding could be sourced in the time required or at all or that the Company would be able to successfully negotiate the terms of any debt or equity financing arrangements in those circumstances.

4.4 General Risk Factors

Competition

The Company competes with other companies, including major exploration companies in Australia and internationally. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

General economic conditions

The performance of the Company may be significantly affected by changes in local, national and international financial and economic conditions. Profitability of the business may be affected by factors such as market conditions, fluctuations in currencies, commodity prices, interest rates, inflation, industrial disruption and supply and demand. The Company's future possible revenues and Share price can be affected by these factors, all of which are beyond the control of the Company or its Directors.

Changes in government policy

Changes in government policy (including fiscal, monetary and regulatory policies at federal, state and local levels) may affect the amount and timing of the Company's future cash flows and profits, and its viability and profitability. The activities of the Company are subject to various federal, state, local and Papua New Guinea laws governing prospecting, development, production, taxes, labour standards and occupational health and safety, and other matters.

Geo-political factors

The Company's largest project is located in Papua New Guinea and is therefore exposed to potential political and legal issues outside of Australia. The Company may also be affected by the impact that geo-political factors have on the various world economies or the Australian economy or on financial markets and investments generally or specifically.

Equity market conditions

Securities listed on the stock market, and in particular securities of mining and exploration companies, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general.

General factors that may affect the market price of Shares include economic conditions in both Australia and internationally (particularly Australian, US and Chinese economic conditions), investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

The Company, being a company listed on ASX, is subject to the market forces that influence the broad share market trends and the price of securities of individual companies. Accordingly, assuming that the New Shares are granted official quotation on ASX, they may trade on ASX at higher or lower prices than the Issue Price.

Liquidity and realisation

There can be no guarantee that an active market in Shares will develop or that the price of Shares will increase. There may be relatively few buyers or a relatively high number of sellers of Shares on ASX at any given time. This may increase the volatility of the price of Shares. It may also affect the prevailing price of Shares at which Shareholders are able to sell.

SECTION 5 – SHAREHOLDER INFORMATION

5.1 Overview of the Entitlement Offer

Eligible Shareholders are entitled to apply for 1 New Share at a price of \$0.065 per New Share for every 6 Shares held on the Record Date, subject to the terms of this Offer Booklet.

There is no minimum subscription.

This Entitlement Offer is non-renounceable which means that the Entitlements cannot be traded or otherwise transferred on the ASX. This Entitlement Offer includes the Shortfall Share Offer that enables Eligible Shareholders (other than Related Parties of the Company) who take up their full Entitlement to apply for Shortfall Shares.

The Entitlement Offer has two components:

- (a) The Institutional Entitlement Offer – Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlement was carried out. The Institutional Entitlement Offer raised approximately \$730,728.
- (b) The Retail Entitlement Offer – other Eligible Shareholders will be allotted Entitlements under the Entitlement Offer which can be taken up in whole or in part. In addition, Eligible Shareholders who take up their full Entitlement may also participate in the Shortfall by applying for additional New Shares in excess of their Entitlement.

5.2 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

5.3 Eligibility of Shareholders

The Entitlement Offer is being offered to Eligible Shareholders only. Eligible Shareholders are Shareholders who:

- are registered as holders of existing Shares in the Company as at 7.00pm (AEDT) on the Record Date;
- have a registered address on the Company's share register in Australia and New Zealand as at 7.00pm (AEDT) on the Record Date (or are a Shareholder not in Australia or New Zealand that the Company has otherwise determined is eligible to participate); and
- are eligible under all applicable securities laws to receive an offer under the Entitlement Offer.

The Company reserves the right to determine whether a Shareholder is an Eligible Shareholder or an Ineligible Shareholder. The Company may determine that certain Shareholders from Germany, Hong Kong and the United States are Eligible Shareholders subject to the restrictions provided for in the Important Notices.

By returning a completed personalised Entitlement and Acceptance Form or making a payment by BPAY, cheque, bank draft or money order you will be taken to have represented and warranted that you satisfy each of the criteria listed above to be an Eligible Shareholder. Nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

The Company has determined that it is unreasonable to extend the Entitlement Offer to retail Shareholders who have a registered address outside of Australia or New Zealand because of the small number of such Shareholders, the number and value of New Shares that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places. The Company reserves the right (in its absolute discretion) to extend the Entitlement Offer to Shareholders who have registered addresses outside Australia or New Zealand (subject to compliance with relevant laws).

All Shareholders who are not Eligible Shareholders are ineligible shareholders (**Ineligible Shareholders**). Ineligible Shareholders will not be entitled to participate in the Entitlement Offer.

5.4 **Shortfall Shares**

If any Eligible Shareholders do not take up their Entitlement under this Entitlement Offer, the New Shares not taken up will form the Shortfall.

This Entitlement Offer includes the Shortfall Share Offer whereby Eligible Shareholders (excluding directors and all other Related Parties of the Company whose participation is subject to shareholder approval) may, in addition to applying for their Entitlement, apply for Shortfall Shares. The issue price of the New Shares to be issued pursuant to the Shortfall Share Offer is \$0.065, being the same as the Issue Price under the Entitlement Offer.

Eligible Shareholders (other than Related Parties) who want to apply for Shortfall Shares should insert the number of Shortfall Shares they want to apply for in the appropriate section of the Entitlement and Acceptance Form. There is no maximum number of Shortfall Shares an Eligible Shareholder can apply for. However, the Company may scale back any application in its discretion and there is no guarantee that Eligible Shareholders will receive any or all of the Shortfall Shares they apply for. If the Shortfall Share Offer is oversubscribed then the Company will likely allocate the Shortfall Shares to applicants on a pro rata basis.

Any Shortfall Shares that are applied for must be paid for at the same time and in the same way that the New Shares to be issued pursuant to the acceptance of Entitlements are paid for.

Any money paid for Shortfall Shares that are not issued to an Eligible Shareholder who applies for them will be returned to the Eligible Shareholder without interest. Shortfall Shares that are issued to Eligible Shareholders are intended to be issued at the same time as the New Shares issued pursuant to the acceptance of Entitlements, and in any case within 3 months of the Closing Date.

5.5 **Ranking of New Shares**

The New Shares issued will rank equally with the existing ordinary shares on issue. The rights and liabilities attaching to the New Shares are set out in Kingston's Constitution and in the Corporations Act.

5.6 **Issue of New Shares, quotation and trading**

The Company has applied for quotation of the New Shares on ASX in accordance with Listing Rule requirements. If ASX does not grant quotation of the New Shares, the Company will repay all application monies (without interest).

It is expected that allotment of the New Shares under the Entitlement Offer will take place on Wednesday, 15 May 2024. Application monies will be held by the Company on trust for applicants until the New Shares are issued. No interest will be paid on application monies.

Subject to approval being granted, it is expected that the New Shares issued under the Entitlement offer will commence trading on a normal basis on Wednesday, 15 May 2024.

It is the responsibility of applicants to determine the number of New Shares issued to them prior to trading in the New Shares. The sale by an applicant of New Shares prior to receiving their holding statement is at the applicant's own risk.

5.7 Capital Structure

After the issue of New Shares under the Entitlement Offer, the capital structure of the Company is expected to be as follows (subject to the rounding of fractional Entitlements):

Shares on issue as at Record Date	497,961,834
Maximum number of New Shares to be issued under the Entitlement Offer	82,993,790
Number of Shares issued under the Placement	124,490,458
Maximum Shares on issue on completion of the Entitlement offer	705,446,082

5.8 Control

The Company does not consider that the issue of New Shares under the Entitlement Offer will have a material impact on the control of the Company.

5.9 Potential Dilution

You should note that if you do not participate in the Entitlement Offer, the proportion your Shares represent to the total number of Shares on issue as at the date of this Offer Booklet is likely to be diluted. The maximum amount that your holdings may be diluted is 16.6%.

5.10 Reconciliation

In any Entitlement Offer, investors may believe that they own more existing Shares on the Record Date than they ultimately do. This may result in a need for reconciliation to ensure all Eligible Shareholders have the opportunity to receive their full Entitlement.

The Company may need to issue a small quantity of additional New Shares to ensure all Eligible Shareholders have the opportunity to receive their appropriate allocation of New Shares. The price at which these New Shares would be issued, if required, is the same as the offer Price.

The Company also reserves the right to reduce the size of an Entitlement or New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders, if their Entitlement claims prove to be overstated, if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are not Eligible Shareholders.

5.11 Underwriting arrangement and fees

Deutsche Balaton Aktiengesellschaft (**Underwriter**) is appointed as the exclusive underwriter to the Retail Entitlement Offer. The Company has entered into an underwriting agreement with the Underwriter in respect of the Retail Entitlement Offer (**Underwriting Agreement**).

The Underwriter a related party of DELPHI Unternehmensberatung Aktiengesellschaft (**Delphi**). Delphi currently has an interest in the Company of 12.67% (including a holding by another related party, 2Invest AG). Delphi's interest in the Company may increase as a result of the Offer. Below is a table showing how Delphi's relevant interest in the Company will be affected based on the amount of New Shares subscribed for by Eligible Investors taking up their Entitlement and subscribing for Shortfall Shares:

Eligible Investor participation in the Retail Entitlement Offer*	Shares subscribed for by Eligible Investors	Shares subscribed for by the Underwriter	Delphi's relevant interest in the Company following completion of the Offer**
100%	71,751,815	0	8.94%
75%	53,813,861	17,937,954	11.49%
50%	35,875,908	35,875,907	14.03%
25%	17,937,954	53,813,861	16.57%
0%	0	71,751,815	19.11%

* Not counting Delphi in the number of investors participating in the Entitlement Offer

** Delphi currently has an interest in 63,087,157 Shares. The Company will have 705,446,082 Shares on issue following completion of the Offer and Placement.

The Underwriting Agreement is subject to certain terms and conditions which are customary for an underwriting agreement of this type, including representations and warranties, undertakings in favour of the Underwriter including ordinary course of business and termination rights (described below).

The Underwriting Agreement also imposes various obligations on the Company, including undertakings to do certain things, including providing certain notices to the Underwriter and the ASX within prescribed periods. Time is of the essence in the Underwriting Agreement.

The Underwrite is to be paid a fee of \$233,193.38, which is equal to 5% of the amount underwritten, being the amount of the Retail Entitlement Offer.

Termination Events
(Adverse change) there is an adverse change, or an event occurs that is likely to give rise to an adverse change, in the business, assets, liabilities, financial position or performance, operations, management, outlook or prospects of the Company or the Group (in so far as the position in relation to any entity in the Group affects the overall position of the Company).
(Application) there is an application to a Governmental Agency (including the Takeovers Panel) for an order, declaration (including of unacceptable circumstances) or other remedy in connection with the Offer (or any part of it), except in circumstances where the existence of the application has not become public and has been withdrawn, discontinued or terminated by the date that is the earlier of: <ul style="list-style-type: none"> • the Business Day immediately preceding the Issue Date; or • the date that is 3 Business Days after the application, hearing, inquiry,

investigation, prosecution or notice is commenced or received.

(ASIC Action) ASIC:

- applies for an order under Part 9.5 of the Corporations Act in relation to the Offer, the issue of the New Shares or any Offer Document;
- holds, or gives notice of intention to hold, a hearing, inquiry or investigation in relation to the Offer, the issue of the New Shares or any Offer Document under the Corporations Act or the *Australian Securities and Investments Commission Act 2001* (Cth);
- prosecutes or gives notice of an intention to prosecute, or commences proceedings against, or gives notice of an intention to commence proceedings against, the Company or any of its officers, employees or agents in relation to the Offer, the issue of the New Shares or any Offer Document under the Corporations Act or the *Australian Securities and Investments Commission Act 2001* (Cth),

except in circumstances where the existence of the application, hearing, inquiry, investigation, prosecution or notice has not become public and it has been withdrawn by the date that is the earlier of:

- the Business Day immediately preceding the Issue Date; or
- the date that is three Business Days after the application, hearing, inquiry, investigation, prosecution or notice is commenced or received.

(ASX approval) unconditional approval (or conditional approval, provided such condition would not have a material adverse effect on the success or settlement of the Offer) by ASX for official quotation of the New Shares is refused or is not granted by the time required to issue the relevant New Shares in accordance with the Timetable or, if granted, is modified (in a manner which would have a material adverse effect on the success or settlement of the Offer) or withdrawn.

(Authorisations) any:

- material licence, lease, permit, concession, tenement, authorisation or concession of the Group (**Authorisation**) is, or is likely to be, invalid, revoked or unenforceable, including as a result of the introduction of new legislation in the relevant jurisdiction; or
- Authorisation is breached or not complied with in a material respect.

(Breach of warranty or undertaking) a representation, warranty or undertaking given by the Company under this Agreement is breached by the Company or is or becomes false, inaccurate or incorrect when made or as at the date it is deemed given under this Agreement.

(Company default under this Agreement) there is a default by the Company in the performance of any of its obligations under this Agreement and that failure is not remedied to the satisfaction of the Underwriter within 5 Business Days after being given notice of the breach by the Underwriter.

(Compliance) the Company commits a breach of the Corporations Act, ASX Listing Rules, the Constitution, or other applicable laws or its Constitution.

(Certificate) a Certificate which is required to be furnished by the Company under this

Agreement is not furnished when required, or if furnished is untrue, incorrect or misleading or deceptive in any material respect (including by omission).

(Change in law) there is introduced into the Parliament of the Commonwealth of Australia or any State or Territory of Australia a law or prospective law or any new regulation is made under any law, or a Governmental Agency or the Reserve Bank of Australia adopts a policy, or there is an official announcement on behalf of the Government of the Commonwealth of Australia or any State or Territory of Australia or a Governmental Agency that such a law or regulation will be introduced or policy adopted (as the case may be) (other than a law or policy that has been announced before the date of this Agreement), any of which does or is likely to prohibit or regulate the Offer or adversely affects the Group.

(Conduct) the Company or any of its directors or officers engages in misleading or deceptive conduct or activity in connection with the Offer.

(Disruption in financial markets) any of the following occurs:

- general moratorium on commercial banking activities in Australia, New Zealand, the United States, Japan, Singapore or the United Kingdom (together, the **Specified Jurisdictions**) is declared by the relevant central banking authority in any of those countries, or there is a material disruption in commercial banking or security settlement or clearance services in any of those countries; or
- trading in all securities quoted or listed on the ASX, the London Stock Exchange, the New York Stock Exchange or the Tokyo Stock Exchange is suspended or limited in a material respect; or
- the occurrence of any other adverse change or disruption to financial, political or economic conditions, currency exchange rates or controls or financial markets in a Specified Jurisdiction, or any change or development involving such a prospective adverse change in any of those conditions or markets.

(Gold price fall) the price of gold by reference to spot A\$ gold price referenced on Bloomberg under reference "XAUAUD Currency" falls to a level which is 15.0% or more below the level of that price on the close of trading on the Business Day before the date of this agreement and closes at or below that level on:

- any two consecutive Business Days on or before the Business Day immediately prior to the Issue Date; or
- at the close of trading on the Business Day immediately prior to the Issue Date.

(Market Fall) the S&P/ASX Mining and Metals Index falls to a level which is 15.0% or more below the level of that index on the close of trading on the Business Day before the date of this Agreement and closes at or below that level on:

- any two consecutive Business Days on or before the Business Day immediately prior to the Issue Date; or
- at the close of trading on the Business Day immediately prior to the Issue Date.

(Hostilities) major hostilities not existing at the date of this agreement commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of the Specified Jurisdictions, or a national emergency is declared by any one or more of the Specified Jurisdictions, or a

major terrorist act is perpetrated anywhere in the world.
(Insolvency) an Insolvency Event occurs with respect to the Company or any Related Corporation.
(Judgment) a judgment in an amount exceeding \$100,000 is obtained against the Company or any of its Related Corporations and is not set aside or satisfied within 15 Business Days.
(Legal proceedings) legal proceedings against the Company, any other Group Member or against any director of the Company or any other Group Member in that capacity is commenced or any regulatory body commences any enquiry or public action against a Group Member.
(Listing) the Company ceases to be admitted to the official list of ASX or the Securities are suspended from trading on, or ceases to be quoted on ASX or it is announced by ASX or the Company that such an event will occur.
(New circumstance) a new circumstance arises which is a matter adverse to investors in the Offer which would have been required by the Corporations Act to be included in the cleansing notice issued on the issue date, had the new circumstance arisen before the documents was given to ASX.
(Offer Documents varied without approval) the Company varies or withdraws an existing Offer Document without the prior approval of the Underwriter (such approval not to be unreasonably withheld).
<p>(Prescribed occurrence) other than as contemplated in the Offer, any of the following occurs without the Underwriter's consent:</p> <ul style="list-style-type: none"> • the Company or any of its Related Corporations converts all of any of its Shares into larger or smaller number of shares; • the Company or any of its Related Corporations proposes to buy-back, or considers any resolution of the directors or at a general meeting to buy-back, or buys-back any of its Shares; • the Company or any of its Related Corporations makes an issue of, or grants an option to subscribe for, any of its shares, or agrees to make such issue or grant such an option; • the Company or any of its Related Corporations issues, or agrees to issue, convertible notes; • the Company or any of its Related Corporations disposes, or agrees to dispose of the whole, or a substantial part of its business or property; • the Company or any of its Related Corporations charges, or agrees to charge the whole or a substantial part of its business or property, other than any existing Security Interests at the date of this Agreement; or • the Company or any of its Related Corporations makes, pays or declares any distribution to shareholders.
(Repayment of application moneys) any circumstance arises after lodgement of the Offer Booklet with ASIC that results in the Company either repaying the money received from the Offer from applicants or offering applicants an opportunity to withdraw their

applications for New Shares and be repaid their application moneys.

(Restriction on issue) the Company is prevented for any reason from issuing the New Shares within the time required by this Agreement, the Corporations Act, any statute or regulation, or by ASIC or any court of competent jurisdiction or any governmental or semi-Governmental Agency or authority.

5.12 Directors' Interests and Participation

The directors (and their respective associates) may acquire New Shares under the Entitlement Offer to the extent they are Eligible Shareholders. Holdings of Shares are subject to the Listing Rules.

Details of Directors' holdings in the Company are set out in the below table.

Director	Relevant Interest
Michael Wilkes	3,067,060
Andrew Corbett	7,986,181
Anthony Wehby	2,311,361
Stuart Rechner	854,268

5.13 Continuous Disclosure

The Company is a disclosing entity under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half-yearly reports.

The Company is required to notify the ASX of information about specific events and matters as they arise for the purposes of the ASX making that information available to markets conducted by the ASX. In particular, the Company has an obligation under the ASX Listing Rules (subject to certain exceptions) to notify the ASX immediately if there is, or it becomes aware of, any information which a reasonable person would expect to have a material effect on the price or value of Shares. That information is available to the public from the ASX.

5.14 Risk factors

Please refer to the 'Key risks' in the Investor Presentation located at Section 4 of this Offer Booklet for details. You should consider these risk factors carefully in light of your personal circumstances, including financial and taxation issues, before making an investment decision on connection with the Entitlement Offer.

5.15 Not investment advice

The Company recommends that you consult your professional adviser before deciding to invest. The information provided in this Offer Booklet and the accompanying personalised Entitlement and Acceptance Form does not constitute financial product advice and has been prepared without taking into account your individual investment objectives, financial circumstances or particular needs. The information should not be considered to comprise all the information which a Shareholder may require in order to determine whether or not to subscribe for New Shares.

5.16 **Withdrawal of the Entitlement Offer**

The Company reserves the right to withdraw the Entitlement Offer at any time, in which case the Company will refund any application monies already received in accordance with the Corporations Act and will do so without interest.

5.17 **Consents**

None of the parties referred to in the Corporate Directory of this Offer Booklet (other than the Company), have made or authorised the making of any statement that is included in this Offer Booklet or any statement on which a statement in this Offer Booklet is based. To the maximum extent permitted by law, each of these parties expressly disclaims and takes no responsibility for any statements in or omissions from this Offer Booklet other than references to its name or a statement or report included in this Offer Booklet with the consent of that party as specified above.

5.18 **Privacy Statement**

If you complete an application for New Shares, you will be providing personal information to the Company (directly or by the Share Registry). The Company collects, holds and will use that information to assess your application, service your needs as a Shareholder and to facilitate distribution payments and corporate communications to you as a Shareholder.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Share Registry. You can access, correct and update the personal information that is held about you. If you wish to do so contact the Share Registry at the relevant contact details set out in this Offer Booklet.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended). You should note that if the information required on the application for New Shares is not provided, Kingston may not be able to accept or process your application.

5.19 **Eligible Shareholder Declarations**

If you participate in the Entitlement Offer, you will be taken to make the following declarations to the Company:

- you acknowledge that you have read and understand each of this Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- you agree to be bound by the terms of the Entitlement Offer, the provisions of this Offer Booklet and the Company's constitution;
- you authorise the Company to register you as the holder(s) of New Shares issued to you;
- you declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- you declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- you acknowledge that once the Company receives your personalised Entitlement and Acceptance Form or any payment of application monies via BPAY, you may not withdraw your application or funds provided except as allowed by law;

- you agree to apply for and be issued up to the number of New Shares specified in the personalised Entitlement and Acceptance Form, or for which you have submitted payment of any application monies via BPAY, at the offer price per New Share;
- you authorise the Company, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry upon using the contract details set out in your personalised Entitlement and Acceptance Form;
- you declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- you acknowledge that the information contained in this Offer Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that the New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- you acknowledge that this Offer Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in the Company and is given in the context of the Company's past and ongoing continuous disclosure announcements to ASX;
- you acknowledge (and have read) the statement of risks in the "Key Risks" section of the Investor Presentation included in Section 4 of this Offer Booklet, and that investments in the Company are subject to risk;
- you acknowledge that none of the Company or its related bodies corporate and affiliates and its respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantees the performance of the company, nor do they guarantee the repayment of capital;
- you agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Entitlement Offer and of your holding of Shares on the Record Date;
- you authorise the Company to correct any errors in your personalised entitlement and Acceptance Form or other form provided by you;
- you represent and warrant for the benefit of the Company (and its respective related bodies corporate and affiliates) that you are not an Ineligible Shareholder and are otherwise eligible to participate in the Entitlement Offer;
- you represent and warrant that the law of any place does not prohibit you from being given this Offer Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and that you are otherwise eligible to participate in the Entitlement Offer;
- you are an Eligible Shareholder and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Entitlement Offer;
- you acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or under the laws of any other jurisdiction outside Australia;
- you have not and will not send any materials relating to the entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States; and

- you agree that if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in transactions where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or who is acting for the account or benefit of a person in the United States.

SECTION 6 – TAXATION CONSEQUENCES

There will be tax implications associated with participating in the Entitlement Offer and receiving any New Shares.

As the taxation circumstances of each investor may be different, Eligible Shareholders must obtain independent professional taxation advice on the implications applicable to their situation.

The information in this Section is not, nor is it intended to be, a substitute for investors obtaining independent tax advice in relation to their personal circumstances. The Company strongly recommends you seek independent tax advice that takes into account your own personal circumstances.

Investors should be aware that due to the complexity of taxation laws the interpretation of such laws may be subject to change during the period of investment in the Company. Eligible Shareholders should seek advice from an appropriate professional advisor in relation to the tax implications of the Entitlement Offer based on their own individual circumstances.

6.1 Taxation considerations

There will be tax implications associated with participating in the Entitlement Offer and receiving any New Shares. The information outlined in this Section is simply of a general nature and does not purport to constitute legal or tax advice. Investors should be aware that due to the complexity of taxation laws the interpretation of such laws may be subject to change during the period of investment in the Company. This general information pertaining to the taxation of Shareholders participating in this Entitlement Offer is based on current tax law and ATO Rulings at the time this Offer Booklet was issued.

Investors should also note that this Offer Booklet is unable to address every taxation issue that could be of relevance to a particular Eligible Shareholder.

As the taxation circumstances of each investor may be different, Eligible Shareholders must not rely on the information provided in this summary. Prospective investors must obtain independent professional taxation advice on the implications applicable to their situation. The information in this Section is not, nor is it intended to be, a substitute for investors obtaining independent tax advice in relation to their personal circumstances. The Company strongly recommends you seek independent tax advice that takes into account your own personal circumstances.

6.2 Introduction

The tax implications provided below only relate to Australian Shareholders who hold their Shares on capital account. Different tax implications apply to non-resident Shareholders or Shareholders who hold their Shares on revenue account.

The comments in this Section are general in nature on the basis that the tax implications for each Shareholder may vary depending on their particular circumstances. Accordingly, it is recommended that each Eligible Shareholder seek their own professional advice regarding the taxation implications associated with the Entitlement Offer.

The comments in this Section are based on the *Income Tax Assessment Act 1936*, *Income Tax Assessment Act 1997*, *A New Tax System (Goods and Services Tax) Act 1999* and the relevant stamp duties legislation as at the date of this Offer Booklet. This Section provides a general overview of the Australian income tax implications of investing in the Company, based on current tax law. As such, it is not intended as a substitute for investors obtaining independent tax advice in relation to their personal circumstances. It is strongly recommended you should seek independent tax advice.

6.3 Stamp duty

Eligible Shareholders should not be liable to stamp duty in Australia in respect of the acquisition of New Shares under the Entitlement Offer.

6.4 Income tax position of Australian resident Shareholders

A general outline of the tax implications associated with the Entitlement Offer for Australian resident Shareholders who hold their Shares on capital account is set out below.

6.5 Issue of Entitlement

The issue of the Entitlement should not in itself result in any amount being included as assessable income of an Eligible Shareholder.

6.6 Exercise of Entitlement

New Shares will be acquired where an Eligible Shareholder exercises all or part of their Entitlement under the Entitlement Offer.

An Eligible Shareholder should not derive any assessable income, or make any capital gain or capital loss, at the time of exercising (i.e. taking up) their Entitlement under the Entitlement Offer.

For Australian capital gains tax (CGT) purpose, the cost base of each New Share acquired under the Entitlement Offer will be equal to the Issue Price payable for each new Share plus certain non-deductible incidental costs the Eligible Shareholder incurs in acquiring, and subsequently holding or disposing of the New Shares.

6.7 Lapse of Entitlement

If an Eligible Shareholder does not accept all or part of their Entitlement in accordance with the Entitlement Offer, then the Entitlement will lapse, and the Eligible Shareholder will not receive any consideration for their Entitlement that is not taken up. There should be no tax implications (either by way of assessable income or allowable deductions) for an Eligible Shareholder from the lapse of all or part of the Entitlement.

6.8 Disposal of Shares

The disposal of New Shares will constitute a disposal for CGT purposes and hence shall be a taxing event for Eligible Shareholders.

Eligible Shareholders should derive a taxable capital gain where the capital proceeds that are received as a result of the disposal of New Shares exceed the cost base of the New Shares. Likewise, Eligible Shareholders should generally incur a capital loss where the reduced cost base of the New Shares exceeds the capital proceeds.

Generally, the capital proceeds that are received as a result of the disposal of the New Shares will be equal to the consideration received on disposal. The cost base of the New Shares will generally be equal to the amount paid in respect of the acquisition of the New Shares plus any non-deductible incidental costs of acquisition holding or disposal.

Provided Eligible Shareholders (other than corporate Eligible Shareholders) have held their New Shares for 12 months prior to the disposal, the CGT discount concession may be available in relation to any capital gain arising as a result of the disposal.

Where this concession applies, any such capital gain will be reduced (after applying capital losses) by the following percentages:

- 50% for an individual or trust;
- 33.33% for a complying superannuation fund.

The New Shares will be treated for the purposes of the CGT discount as having been acquired at the date when the Entitlement is exercised. Accordingly, in order to be eligible for the CGT discount, the New Shares must be held for at least 12 months after the date the Entitlement is exercised.

If a capital loss is made, it can only be used offset against other capital gains (i.e. a capital loss cannot be offset against taxable income on revenue account. If the capital loss cannot be used in the year it is incurred it can be carried forward to be used in future income years, subject to certain tests being satisfied.

6.9 Dividends

Any future dividends made in respect of New Shares issued under the Entitlement Offer will be subject to the same tax treatment as dividends paid on existing Shares held in the same circumstances.

Dividends received by Eligible Shareholders should be included in the assessable income of Eligible Shareholders in the income year in which the dividends are paid. Generally, individual Shareholders will be taxed on the dividends at their relevant marginal rate of tax. If the Eligible Shareholder is a company, the Eligible Shareholder will be taxed at the prevailing company tax rate (currently 27.50% for companies that qualify as 'Base Rate entities' and 30% for all others).

Generally, to the extent that the dividends are franked, an amount equal to the franking credits attaching to the dividends will be included in the assessable income of the Eligible Shareholder. Further, Eligible Shareholders will generally be entitled to a refundable tax offset equal to the amount of the franking credits on the dividend (i.e. Eligible Shareholders will effectively get a tax credit for the corporate tax paid in respect of the dividends).

Certain Eligible Shareholders (including individuals and complying superannuation funds) may be entitled to a refund of 'excess franking credits' where their tax offset in respect of the franked dividends exceeds their tax liability.

The income tax rate for complying superannuation funds in accumulation phase is 15%. Complying superannuation funds generally obtain a tax offset from franked dividends against the fund's income tax liability, and any excess franking credits may be fully refunded.

A complying superannuation fund 100% in pension phase would be entitled to a full refund of franking credits, as all income of the fund would be attributable to the fund's liability to pay current pensions, and therefore exempt from income tax.

6.10 Goods and Services Tax

GST should not be payable in regard to the acquisition, disposal, redemption or any distributions paid resulting from the ownership of New Shares issued under the Entitlement Offer. GST may be included in fees charged to you in respect of acquisition or disposal of your New Shares. Eligible Shareholders should seek independent professional taxation advice regarding the applicability and availability of input tax credits resulting from GST payments.

SECTION 7 – GLOSSARY OF TERMS

TERM	DEFINITION
\$	Australian dollars.
Applicant	An Eligible Shareholder who submits an Entitlement and Acceptance Form.
Application	An application by way of a completed Entitlement and Acceptance Form.
Application Money	The money received from Applicants in respect of their Application.
ASIC	Australian Securities and Investments Commission.
Associate	An associate for the purpose of Chapter 6 of the Corporations Act.
ASX	ASX Limited (ABN 98 008 624 691) or the market it operates, as applicable.
ASX Releases	The documents lodged by Kingston with ASX as contained in Section 4.
ATO	Australian Tax Office
Board	The current board of directors of Kingston.
Closing Date	5.00pm (AEST) on Wednesday, 8 May 2024
Company	Kingston Resources Limited ABN 44 009 148 529.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Delphi	Delphi Unternehmensberatung Aktiengesellschaft
Eligible Institutional Shareholder	A person who, in accordance with sections 708(8) and (11) of the Corporations Act, respectively, a sophisticated or professional Shareholder on the Record Date who has received an invitation from the Company to participate in the Institutional Entitlement Offer.
Eligible Shareholder	<p>A person who is a Shareholder at the Record Date, and whose registered address is in Australia or New Zealand or is a Shareholder that the Company has otherwise determined is eligible to participate and who is permitted by applicable securities laws to receive this Offer Booklet.</p> <p>Existing Option holders may only participate in the Entitlement Offer in respect of the Shares to be issued on exercise of the Options held by them if they exercise their Options prior to the Record Date and are registered as the holder of the underlying Shares on the Record Date.</p>
Entitlement	For Eligible Shareholders, a right to subscribe for up to 1 New Share for each 6 Shares held on the Record Date.
Entitlement Offer	The offer to all Eligible Shareholders of a non-renounceable right to subscribe for up to 1 New Share for each 6 Shares held on the Record

TERM	DEFINITION
	Date at the Issue Price (including the Institutional Entitlement Offer).
Entitlement and Acceptance Form	The entitlement and acceptance form attached to this Offer Booklet.
Financial Benefits	Has the same meaning as in the Corporations Act.
Ineligible Shareholder	A Shareholder that is not an Eligible Shareholder.
Institutional Entitlement Offer	Means the pro-rata accelerated non-renounceable entitlement offer to Eligible Institutional Shareholders.
Issue Price	\$0.065 per New Share.
New Shares	Shares being offered pursuant to the Entitlement Offer.
Offer Booklet	This document.
Official List	The official list of ASX.
Option	An option to subscribe for a Share.
Placement	The institutional placement announced on ASX on 2 April 2024
Record Date	7.00pm (AEDT) on Wednesday, 3 April 2024.
Related Party	A related party for the purposes of the Corporations Act.
Relevant Interest	Has the same meaning as in the Corporations Act.
Retail Entitlement Offer	the retail component of the Entitlement Offer made to Eligible Shareholders that did not participate in the Institutional Entitlement Offer.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A person who is the registered holder of Shares.
Shortfall or Shortfall Shares	The number of New Shares for which valid applications in response to the Entitlement Offer and Shortfall Share Offer under this Offer Booklet have not been received by the Closing Date.
Shortfall Share Offer	The offer to Eligible Shareholders (other than Related Parties of the Company) to subscribe for any New Share not taken up under the Entitlement Offer, pursuant to the terms set out in this Offer Booklet.
Voting Power	Has the same meaning as in the Corporations Act.
Underwriter	Delphi
Underwriting Agreement	Underwriting Agreement between Delphi and the Company dated 5 April 2024.

CORPORATE DIRECTORY

Company

Kingston Resources Limited
ASX: KSN

Share Registry

Automic Pty Ltd
Level 5 126 Phillip Street
Sydney NSW 2000

Legal Adviser

Cowell Clarke
Level 2
50 Pitt St
Sydney NSW 2000

Website

To view annual reports, shareholder and company information, announcements, information on Kingston see: www.kingstonresources.com.au
