



ASX Announcement

21 September 2017

ASX Code: KSN

Share Price: A\$0.017

Shares Outstanding: 669,082,736

Market Capitalisation: A\$11.4m

Cash: A\$3.9m (30 June, 2017)

ACN 009 148 529

Board and Management

Anthony Wehby
Chairman

Andrew Corbett
Managing Director

Andrew Paterson
Chief Geological Officer

Stuart Rechner
Non-Executive Director

Chris Drew
Business and Commercial Manager

Merger Arrangement Agreement Executed

Highlights

- **Kingston Resources Limited (KSN.ASX) and WCB Resources Limited (WCB.TSXv) have executed an unconditional Arrangement Agreement to merge.**
- **The terms of the merger remain unchanged from the Unconditional Heads of Agreement signed on 1 September 2017, and all conditions precedent have been satisfied.**
- **The Directors and major shareholders of WCB support the merger.**
- **KSN has received all required Australian regulatory approvals.**
- **The WCB Shareholder vote is scheduled to be held on or about the 7 November 2017 with completion of the merger expected on the 13 November.**

Further to the KSN announcement on 1 September 2017 that a Binding Heads of Agreement had been executed with WCB to merge the companies by way of a Canadian Plan of Arrangement (“Arrangement”), the Companies have now executed a binding Arrangement Agreement (the “Arrangement Agreement”) pursuant to which KSN will acquire all of the issued and outstanding securities of WCB. The terms of the Arrangement are unchanged from those announced September 1, 2017

The Arrangement will create a new Australasian-focused gold and lithium development and exploration group (“Group”). Upon completion of the Arrangement, WCB shareholders will hold in aggregate approximately 31%, and existing KSN shareholders approximately 69% of the expanded KSN. The Directors of both companies unanimously support the Arrangement. The Boards of KSN and WCB consider that the combination of the two companies will provide significant strategic and financial benefits to both sets of shareholders. WCB has received a verbal opinion from its financial advisor that the consideration to be received by WCB shareholders pursuant to the Arrangement is fair, from a financial point of view, to the WCB shareholders.

Pursuant to the Arrangement Agreement, on closing, each common share of WCB will be exchanged for 4.5 ordinary shares of KSN.

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Merger Update

In Canada, the Arrangement is a statutory process under Division 5 of Part 9 of the Business Corporations Act (British Columbia). The implementation of the Arrangement will be subject to the approval of the TSX Venture Exchange, the approval of the Supreme Court of British Columbia and the favourable vote of shareholders of WCB at an annual and special meeting expected to be held on or about 7 November 2017 (the “Meeting”). In order to obtain the required shareholder approval, a favourable vote of 66 2/3% of the votes cast at the Meeting, together with minority approval in accordance with Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (the “Shareholder Approval”) will be required. Pursuant to the terms of the Arrangement Agreement, the proposed Arrangement is also subject to the satisfaction of certain closing conditions customary for transactions of this nature.

Interim court approval is anticipated to be sought on or about 6 October 2017 with final court approval expected to be sought, assuming receipt of the Shareholder Approval, on or about 9 November 2017, with the completion of the merger expected by 13 November, following which it is expected that WCB will be delisted from the TSX-V. The Arrangement Agreement also provides for customary WCB and non-solicitation covenants from WCB (subject to standard “fiduciary out” provisions that entitle WCB to accept a superior proposal and a five-business day “right to match” in favour of KSN). The Arrangement Agreement also provides for the payment of a termination fee of CAD\$250,000, plus the repayment of the loan to be provided by KSN to WCB for costs associated with the Arrangement (to a maximum of CAD\$120,000), to KSN if the proposed Arrangement is not completed in certain specified circumstances.

The current WCB Board hold a combined interest of 17% in WCB, each has agreed to vote in favour of the Arrangement in the absence of a superior proposal. Sandfire Resources NL (ASX:SFR), a major shareholder of WCB holding 38% of the outstanding shares, plus two other large shareholders holding a combined total of 11% of outstanding shares, have each signed voting agreements in support of the Arrangement in the absence of a superior proposal. Other large shareholders holding circa 10% of WCB have indicated their support for the Arrangement.

In due course, WCB’s shareholders will receive a comprehensive Information Circular that will contain full details of the proposed Arrangement, including the basis for the WCB Board’s recommendation that WCB shareholders approve the proposed Arrangement. Mailing of the circular is expected to occur in early October. A full copy of the Arrangement Agreement will be filed in accordance with applicable securities laws and will be found on the WCB profile on SEDAR at www.sedar.com.

As announced on 7 September 2017, the ASX has also advised that KSN shareholder approval under Listing Rule 11.1 is not required for the merger and has granted Kingston a waiver from Listing Rule 7.1.

This announcement is for informational purposes only and does not constitute an offer to purchase, a solicitation of an offer to sell shares or a solicitation of a proxy.

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