

ACN 009 148 529



## Notice of Annual General Meeting

**This is an important document. Please read it carefully.**

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

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The Annual General Meeting of the Company will be held at the offices of Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW 2000 at 1 pm (AEDT Time) on Wednesday, 29 November 2017.

# Kingston Resources Limited

## NOTICE OF 2017 ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Kingston Resources Limited for 2017 will be held at the office of Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW 2000 at 1 pm (Sydney AEDT Time) on Wednesday, 29 November 2017. The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 7.00 pm (Sydney Time) on 27 November 2017.

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

### AGENDA

#### BUSINESS

##### Consideration of Financial Reports of the Directors and Auditors

To receive and consider the Financial Report together with the Directors' Report and the Auditor's Report for the Company and its controlled entities for the year ended 30 June 2017.

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

##### Resolution 1 – Adoption of Remuneration Report

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

*"To adopt the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 30 June 2017."*

##### Resolution 2 – Change of Auditors

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

*"That, subject to the consent of the Australian Securities & Investments Commission to the current auditor resigning, to appoint Hall Chadwick, having consented in writing and been duly nominated in accordance with Section 328B(1) of the Corporations Act 2001, as Auditor of the Company, and the Directors be authorised to fix the remuneration of the auditor."*

##### Resolution 3 - Election of Director – Mr Andrew Paterson

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

*"That Mr Andrew Paterson, who having been appointed as a Director of the Company on 1 March 2017 in accordance with clause 7.2 of the Company's Constitution, and being eligible for election, be elected as a Director of the Company."*

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

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

*"That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 4,977,207 Performance Rights to Mr Andrew Corbett (or his nominee), the Company's Managing Director, under the KSN LTI Plan on the terms and conditions set out in the Explanatory Statement."*

##### Resolution 5 – Approval to grant Long Term Incentive Performance Rights to Mr Andrew Paterson

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

*"That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 4,235,921 Performance Rights to Mr Andrew Paterson (or his nominee), an Executive Director of the Company, under the KSN LTI Plan on the terms and conditions set out in the Explanatory Statement."*

### Resolution 6 - Approval to grant Short Term Incentive Performance Rights to Mr Andrew Corbett

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 6,399,266 Short Term Incentive Performance Rights to Mr Andrew Corbett (or his nominee), the Managing Director of the Company, on the terms and conditions set out in the Explanatory Statement.*

### Resolution 7 – Approval to grant Short Term Incentive Performance Rights to Mr Andrew Paterson

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 5,446,184 Short Term Incentive Performance Rights to Mr Andrew Paterson (or his nominee), an Executive Director of the Company, on the terms and conditions set out in the Explanatory Statement.*

### Resolution 8 – Non-Executive Remuneration

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

*“That, for the purposes of clause 7.5(a) of the Company’s Constitution and the ASX Listing Rules, the aggregate maximum remuneration that may be paid or provided to the Non-Executive Directors of the Company as a whole in any financial year be increased to \$250,000 per annum, with the increase to take effect on and from the date this resolution is passed and to apply pro rata to the financial year ending 30 June 2018.*

### Resolution 9 - Approval of Issue of Equity Securities for the Purpose of ASX Listing Rule 7.1A

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

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

### Voting Exclusion Statement

The following voting exclusion statement applies to the Resolutions under the Listing Rules or, where applicable, the provisions of the *Corporations Act*, to the following persons (“**Excluded Persons**”). The Company will disregard any votes on the following Resolutions cast by the following Excluded Persons and Associates of those persons:

Resolution No.	Title	Excluded Persons
1	Adoption of Remuneration Report	A member of the KMP, or a Closely Related Party of the KMP, whose remuneration details are included in the remuneration report for the year ended 30 June 2017.
3	Election of Director	Mr Andrew Paterson and any of his Associates
4 and 5	Approval to grant Long Term Incentive Performance Rights to Mr Andrew Corbett and Mr Andrew Paterson	Any Director who is eligible to participate in the Company’s LTI Plan and Associates of those persons.
6	Approval to grant Short Term Incentive Performance Rights to Mr Andrew Corbett	Mr Andrew Corbett and any of his Associates.
7	Approval to grant Short Term Incentive Performance Rights to Mr Andrew Paterson	Mr Andrew Paterson and any of his Associates.
8	Non-Executive Remuneration	Any Director of the Board and any of their Associates.
9	Approval of issue of Equity Securities for the purpose of ASX Listing Rule 7.1A	A person (and any Associates of such person) who may participate in the 10% Placement Capacity and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed.

A vote may be cast on Resolutions 1 and 4-8 by a KMP or a Closely Related Party of a KMP if:

1. the KMP is acting as proxy and the proxy form specifies how the proxy is to vote, and the vote is not cast on behalf of a person who is otherwise excluded from voting on these Resolutions as described above; or
2. the KMP is the Chair voting an undirected proxy which expressly authorises the Chair to vote the proxy on a resolution connected with the remuneration of a member of the KMP.

However, the Company need not disregard a vote in relation to Resolutions 1 and 4-8 if it is cast by:

1. a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or

the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides

### **Voting by Proxy**

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

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

This express authorisation acknowledges that the Chairman may exercise your proxy in relation to Resolution 1 and 4-8 even though it is connected with remuneration of a member of KMP and is a Resolution in respect of which the Chairman of the meeting has an interest. Votes cast by the Chairman on Resolutions 1 and 4-8 other than as an authorised proxy holder will be disregarded because of his interest in the outcome of the Resolution.

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

Dated this 27<sup>th</sup> day of October 2017.

By Order of the Board

**Anthony Wehby**

Non-Executive Chairman and Director

## EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at the offices of Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW 2000 at 1 pm (Sydney Time) on Wednesday, 29 November 2017.

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

### Financial Statements and Reports

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

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

The Company's 2017 Annual Report has previously been sent to Shareholders and is available on the Company's website at [www.kingstonresources.com.au](http://www.kingstonresources.com.au).

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### 1. Resolution 1 – Adoption of Remuneration Report

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

The Remuneration Report was first published on 30 August 2017 in the Company's 2017 Annual Report and has been available on the Company's website since then. The Remuneration Report includes all of the information required by Section 300A of the *Corporations Act*, including:

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

Under the *Corporations Act*, the vote on this Resolution is advisory only and does not bind the Board or the Company. However, the Board will take into account the outcome of the vote when considering future remuneration for Directors and KMP. Shareholders should note that if 25% or more of the votes cast on this Resolution are against adoption of the Remuneration Report, then the first element in the Board spill provisions introduced in 2011 (known generally as the "two strikes rule") will be triggered. This would require a Resolution on whether to hold a further meeting to spill the Board ("spill resolution") to be put to Shareholders at the 2018 Annual General Meeting if a "second strike" were to occur at the 2018 Annual General Meeting.

The Remuneration Report forms part of the Directors' Report which has unanimously been adopted by resolution of the Board. An opportunity will be provided for discussion of the Remuneration Report at the meeting. In relation to the approval of the Remuneration Report of the Company for 2016, less than 25% of the votes cast on that resolution were against it.

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

### Directors' Recommendation

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

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### 2. Change of Auditors

The Company's current auditor Grant Thornton was appointed as auditor by the shareholders at the 2010 AGM. The Company had on 11 September 2017, received a nomination for Hall Chadwick as the new auditor. Following a market assessment and board review, the Board has agreed to proceed with the nomination.

Grant Thornton will resign as the auditor of the Company, subject to approval of Hall Chadwick by shareholders pursuant to this resolution. The appointment of Hall Chadwick will take effect at the date of the AGM. Grant Thornton was responsible for the completion of the audit for the 2016/2017 financial year. If Hall Chadwick is appointed as auditor, arrangements are in place between the company, Hall Chadwick and Grant Thornton to ensure a smooth transition.

In accordance with section 328B of the Corporations Act, notice in writing nominating Hall Chadwick as auditor has been given to the Company by a shareholder. A copy of this notice is shown as Annexure 1 to this Explanatory Statement.

#### ***Directors' Recommendation***

The Directors recommend that Shareholders vote **in favour** of the Change in Auditors.

### **Resolution 3 – Election of Director – Mr Andrew Paterson**

Mr Andrew Paterson having been appointed as an Executive Director of the Company on 1 March 2017 in accordance with clause 7.2 of the Company's Constitution is standing for election in accordance with Listing Rule 14.4, and being eligible, offers himself for election as a Director of the Company.

Resolution 2 seeks Shareholder approval for the election of Mr Andrew Paterson as an Executive Director of the Company.

Mr Paterson is a member of the Australian Institute of Geoscientists and has been employed by Kingston Resources since 2 June 2016 as Chief Geological Officer. He has been instrumental in the recent company initiatives including the acquisition of the current lithium tenements, the Livingstone and Misima Gold Projects.

Mr Paterson will continue to lead the Company's extensive exploration program as a highly-experienced geologist with a track record of creating value in resources projects. He has held corporate, executive and operational roles in the gold, nickel sulphide and iron ore industries and holds both a Bachelor of Engineering in Geology and a Graduate Diploma in Mining from the Western Australian School of Mines.

The Board recognised that at this stage of the Company's growth, an additional Executive Director provides the balance required to ensure robust decision-making processes with a diversity of viewpoints and the effective governance of the growing Kingston group. The Board expects to appoint another Non-Executive Director during FY18 which will provide a majority of Non-Executive Directors on the Board.

#### ***Directors' Recommendation***

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

### **Resolutions 4-7 – Approval to grant Long Term Incentive Performance Rights and Short Term Incentive Performance Rights to the Mr Andrew Corbett and Mr Andrew Paterson**

#### **Background**

The Company seeks Shareholder approval for the grant of:

- (a) up to 4,977,207 Long Term Performance Rights (**LTI Performance Rights**) to Mr Andrew Corbett under the Company's long term incentive plan (**LTI Plan**) (Resolution 4);
- (b) up to 4,235,921 Long Term Performance Rights (**LTI Performance Rights**) to Mr Andrew Paterson under the Company's long term incentive plan (**LTI Plan**) (Resolution 5),
- (c) up to 6,399,266 Short Term Incentive Performance Rights (**STI Performance Rights**) to Mr Andrew Corbett (Resolution 6) and
- (d) up to 5,446,184 Short Term Incentive Performance Rights (**STI Performance Rights**) to Mr Andrew Paterson (Resolution 7).

The proposed grant of LTI and STI Performance Rights form part of the FY18 remuneration packages for Mr Corbett and Mr Paterson and is intended to:

- (a) provide an appropriate and adequate incentive for Mr Corbett and Mr Paterson;
- (b) ensure the Company retains the services of Mr Corbett and Mr Paterson; and
- (c) reinforce the commitment of both Mr Corbett and Mr Paterson as Executive Directors.

#### **Long Term Incentive Performance Rights – Resolutions 4 and 5**

The terms of the LTI Performance Rights proposed to be granted to Mr Corbett and Mr Paterson, including the conditions on which the LTI Performance Rights may vest, are set out in Schedule 2. The LTI Performance Rights will otherwise be subject to the LTI Plan.

The key terms of the LTI Performance Rights proposed to be issued to Mr Corbett and Mr Paterson are as follows:

The LTI Performance Rights will be issued for nil consideration.

The LTI Performance Rights automatically vest if the Company achieves a Market Capitalisation greater than \$70 million on or before 30 June 2021.

All LTI Performance Rights that have not vested by 30 June 2021 will automatically lapse and be forfeited.

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

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

#### **Regulatory requirements – Resolutions 4 and 5**

Listing Rule 10.14 generally provides that the approval of shareholders is required before a director of a company can acquire securities issued under an employee incentive scheme. Accordingly, in order for Mr Corbett or Mr Paterson to acquire a beneficial interest in the LTI Performance Rights and any Shares which may be issued on the vesting of LTI Performance Rights, the Company must first obtain Shareholder approval pursuant to Listing Rule 10.14.

If approval for Resolutions 4 and 5 is given for the purpose of Listing Rule 10.14, then approval is not required for Listing Rule 7.1.

Listing Rule 10.15 sets out a number of matters which must be included in a notice of meeting requesting Shareholder approval under Listing Rule 10.14. In accordance with Listing Rule 10.15, the following further information is provided with respect to Resolutions 4 and 5:

- (a) The LTI Performance Rights will be issued to Mr Andrew Corbett and Mr Andrew Paterson or their nominee.
- (b) The maximum number of securities that may be acquired by Mr Corbett (pursuant to Resolution 4) is 4,977,207 LTI Performance Rights which may then convert into 4,977,207 Shares if the Performance Hurdles and Vesting Conditions are met.
- (c) The maximum number of securities that may be acquired by Mr Paterson (pursuant to Resolution 5) is 4,235,921 LTI Performance Rights which may then convert into 4,235,921 Shares if the Performance Hurdles and Vesting Conditions are met.
- (d) The LTI Performance Rights will be granted for no cash consideration.
- (e) The following directors have received securities under the LTI Plan since it was approved by Shareholders on 4 July 2016:

Name of Director	Number of and type of securities	Acquisition price
Mr Andrew Corbett	5 million Long Term Incentive Options	Nil
	10 million Long Term Incentive Performance Rights	Nil
	2,144,375 Long Term Incentive Performance Rights (FY17)	Nil
Mr Anthony Wehby	2 million Long Term Incentive Options	Nil
	6 million Long Term Incentive Performance Rights	Nil

- (f) The persons entitled to participate in the LTI Plan are Directors and employees of the Company and its Related Bodies Corporate.

- (g) A voting exclusion statement for Resolutions 4 and 5 is on page 2 of the Notice of Meeting.
- (h) There are no loans proposed to be granted to Mr Corbett or Mr Paterson for the grant of the LTI Performance Rights.
- (i) The LTI Performance Rights will be granted as soon as practicable after the Meeting and in any event within 12 months of the Meeting.

The grant of the LTI Performance Rights will confer a financial benefit on both Mr Corbett and Mr Paterson. However, Shareholder approval is not being sought for the purposes of the related party benefit provisions of the Corporations Act (particularly section 208 of the Corporations Act) on the basis that the benefit is considered by the other Directors to constitute reasonable remuneration and, therefore, the exception in section 211 of the Corporations Act applies. Section 211 provides that Shareholder approval is not required for the purposes of section 208 in circumstances where the benefit constitutes remuneration which would be reasonable given the Company's and the related party's circumstances.

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

#### **Short Term Incentive Performance Rights – Resolutions 6 and 7**

The Company proposes to grant 6,399,266 STI Performance Rights to Mr Andrew Corbett and 5,446,184 STI Performance Rights to Mr Andrew Paterson.

The key terms of the STI Performance Rights proposed to be issued to Mr Corbett and Mr Paterson are as follows:

The STI Performance Rights will be issued for nil consideration.

The performance and vesting conditions for the STI Performance Rights are as follows:

- (a) Up to 50% of the STI Performance Rights will automatically vest if, the 30 day VWAP at 30 June 2018 is between 150% and 200% greater than \$0.019 per Share
- (b) Up to 25% of the STI Performance Rights will vest, at the Board's discretion, upon the achievement of business development measures, including the delivery of the Company's Business Development Plan for 30 June 2018.
- (c) Up to 25% of the STI Performance Rights will vest, at the Boards discretion, upon the achievement of operational and management objectives measured against the Company's Operational Plan by 30 June 2018.

All STI Performance Rights that have not vested by 31 July 2018 will automatically lapse and be forfeited.

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

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

#### **Regulatory requirements – Resolution 6 and 7**

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

If approval for Resolutions 6 and 7 is given for the purposes of Listing Rule 10.11 then approval is not required under Listing Rule 7.1.

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

- i) The STI Performance Rights will be issued to Mr Andrew Corbett and Mr Paterson or their nominees.



- ii) The maximum number of securities that may be acquired by Mr Corbett (pursuant to Resolution 6) is 6,399,266 STI Performance Rights which may then convert into 6,399,266 Shares if the Performance Hurdles and Vesting Conditions are met.
- iii) The maximum number of securities that may be acquired by Mr Paterson (pursuant to Resolution 7) is 5,446,184 STI Performance Rights which may then convert into 5,446,184 Shares if the Performance Hurdles and Vesting Conditions are met.
- iv) The STI Performance Rights will be granted for nil consideration and no funds will be raised from the grant of STI Performance Rights, or issue of Share upon the vesting of STI Performance Rights.
- v) The full terms and conditions of the STI Performance Rights to be issued to Mr Corbett and Mr Paterson are set out in Schedule 3 to this Explanatory Statement.
- vi) The STI Performance Rights will be granted as soon as practicable after the Meeting and in any event within 1 month of the Meeting.
- vii) A voting exclusion statement in respect of Resolutions 6 and 7 is set out on page 2 of the Notice of Meeting.

The grant of the STI Performance Rights will confer a financial benefit on Mr Corbett and Mr Paterson. However, Shareholder approval is not being sought for the purposes of the related party benefit provisions of the Corporations Act (particularly section 208 of the Corporations Act) on the basis that the benefit is considered by the other Directors to constitute reasonable remuneration and, therefore, the exception in section 211 of the Corporations Act applies. Section 211 provides that shareholder approval is not required for the purposes of section 208 in circumstances where the benefit constitutes remuneration which would be reasonable given the Company's and the related party's circumstances.

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

#### **Directors' recommendation**

The Directors other than Mr Corbett and Mr Paterson recommend Shareholders vote in favour of Resolutions 4, 5, 6 and 7.

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#### **Resolution 8 – Non-Executive Remuneration**

In accordance with clause 7.5(a) of the Company's Constitution, and subject to the Listing Rules 10.17 and 10.17A, the Company may pay to the Non-Executive Directors a maximum total amount of director's fees determined by the Company in general meeting. The current maximum total amount is \$150,000.

The Board seeks shareholder approval to increase the maximum total amount by \$100,000 to \$250,000, with the increase to take effect on and from the date of this resolution passed and to apply pro rata to the financial year ending 30 June 2018.

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The Board confirms, for the purposes of ASX Listing Rule 10.17, that the following securities were issued to Non-Executive Directors under ASX Listing Rule 10.11 or 10.14 with the approval of the Company's shareholders during the last 3 years:

<b>Number of Equity Securities Issued</b>	<b>Class of Equity Securities Issued</b>	<b>Name of Person to Whom Equity Securities were Issued</b>	<b>Date of Approval of Shareholders</b>
2,088,981	Ordinary Shares	Anthony Wehby, Non-Executive Chairman	4 July 2016
2,000,000	Unquoted Options	Anthony Wehby, Non-Executive Chairman	4 July 2016
520,813	Ordinary Shares	Jonathan Davies, former Non-Executive Chairman	20 November 2015

530,813	Ordinary Shares	Yafeng Cai, former Non-Executive Director	20 November 2015
<b>Total: 5,140,607</b>			

The current limit of \$150,000 was approved by the Company's shareholders at the 2014 Annual General Meeting, with the majority of shareholders voting in favour of the resolution to increase the maximum limit to \$150,000.

Details of remuneration paid to Non-Executive Directors for the financial year ending 30 June 2017 are set out in the Company's Remuneration Report. The Company considers that the increase in the maximum limit will provide the Company with greater flexibility in providing remuneration for Non-Executive Directors that is consistent with current market based payments.

The Company notes that its Constitution permits the Company appoint additional Directors, which represents a possible increase in the number of Non-Executive Directors. This opportunity, together with the flexibility that an increased maximum fee limit will provide, is consistent with the Company's focus on strategic growth.

A voting exclusion statement for Resolution 8 is set out in the Notice of Meeting.

#### **Directors' recommendation**

The Directors, other than the Non-Executive Directors, recommend Shareholders vote in favour of Resolution 8.

#### **Resolution 9 – Approval of issue of Equity Securities for the purpose of ASX Listing Rule 7.1A**

Resolution 9 seeks Shareholder approval by way of special resolution for the Company to have the ability to issue Equity Securities pursuant to the 10% Placement Capacity available under ASX Listing Rule 7.1A.

#### **Overview**

Listing Rule 7.1A was introduced on 1 August 2012 and allows mid to small cap listed entities to seek Shareholder approval to issue Equity Securities equivalent to an additional 10% of the number of ordinary securities on issue by way of placements over a 12 month period (**10% Placement Capacity**). This is in addition to the 15% permitted under listing rule 7.1.

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a Market Capitalisation of \$300 million or less at the time of the AGM. The Company is currently an eligible entity for the purpose of Listing Rule 7.1A. The Board expects that the Company will be an eligible entity as at the date of the AGM. However, if the Company is not eligible, Resolution 8 will be withdrawn.

#### **Shareholder Approval**

The ability to issue Equity Securities under Listing Rule 7.1A is subject to Shareholder approval by way of special resolution at AGM. Approval cannot be sought at any other Shareholder's meeting and Equity Securities issued under the approval (if obtained) must be issued within 12 months after the date of the AGM.

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

#### **Equity Securities**

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

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

#### **Formula for calculating the 10% Placement Capacity**

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

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

**A** is the number of fully paid ordinary Shares on issue 12 months before the date of issue or agreement to issue:

- plus the number of fully ordinary Shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid ordinary Shares that became fully paid in the 12 months;
- plus the number of fully paid ordinary Shares issued in the 12 months with approval of Shareholders under Listing Rule 7.1 or 7.4;

- less the number of fully paid ordinary Shares cancelled in the 12 months.

**D** is 10%

**E** is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with approval of Shareholders under Listing Rule 7.1 or 7.4.

#### Additional Disclosure

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

#### ▪ Minimum issue price

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

- the date on which the Equity Securities are to be issued; or
- the date on which the price of the Equity Securities is agreed, provided that the issue is then completed within 5 Business Days.

#### ▪ Risk of dilution

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

There is also a risk that:

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

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

- the current market price of Shares and the current number of Shares calculated in accordance with Listing Rule 7.1A(2) variable "A";
- a 50% decrease in the current market price of Shares and a 50% increase in the current number of Shares calculated in accordance with Listing Rule 7.1A(2) variable "A"; and
- a 100% increase in the current market price of Shares and a 100% increase in the current number of Shares calculated in accordance with Listing Rule 7.1A(2) variable "A".

Variable "A" in Listing Rule 7.1A.2		Dilution / Effect		
		\$0.0085	\$0.017	\$0.034
		50% decrease in Issue Price	Issue Price	100% increase in Issue Price
Current Issued Capital Variable A=	Shares Issued under LR 7.1A (10%)	66,908,274	66,908,274	66,908,274
669,082,736 Shares	Funds Raised	\$568,720	\$1,137,441	\$2,274,881
50% increase in Current Issued Capital Variable A=	Shares Issued under LR 7.1A (10%)	100,362,410	100,362,410	100,362,410
1,003,624,104 Shares	Funds Raised	\$853,080	\$1,706,161	\$3,412,322

<b>100% increase Current Issued Capital Variable A=</b>	<b>Shares Issued under LR 7.1A (10%)</b>	133,816,547	133,816,547	133,816,547
<b>1,338,165,472 Shares</b>	<b>Funds Raised</b>	\$1,137,441	\$2,274,881	\$4,549,763

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity.
- The table does not show any examples of the dilution that may be caused to a specific Shareholder based on that Shareholder's holding at the date of the AGM.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table only shows the effect of issues under Listing Rule 7.1A and does not consider the effect of any issues under the 15% placement capacity under Listing Rule 7.1 during the 12 month period or any other issues.
- The Issue Price of the Shares is \$0.017, being the closing price of the Shares on ASX on 2 October 2016.

• **Final issue date**

The final date that the Company can issue Equity Securities under the 10% Placement Capacity is 12 months from the date of the AGM, being 29 November 2018.

The approval under Resolution 8 will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

• **Purpose of the issue**

The Company may seek to issue the Equity Securities for the following purposes:

- cash consideration to be applied to the acquisition of new investments, expenditure associated with exploration, drilling, development of the Company's existing asset base in Western Australia, Northern Territory and PNG; or
- non-cash consideration for the acquisition of new resources, assets or investments.

If the Equity Securities are issued for non-cash consideration, the Company will release to the market a valuation of the non-cash consideration which demonstrates that the issue price of the securities complies with Listing Rule 7.1A.3.

• **Allocation policy**

The Company's allocation policy for the issue of Equity Securities pursuant to the 10% Placement Capacity is largely dependent on the prevailing market conditions and the circumstances of the Company at the time of any proposed issue. The time frame over the 12-month period which the Company expects to make placements under the Resolution 4 approval therefore cannot yet be accurately determined.

As at the date of the Notice the Company has not formed an intention to issue securities under a placement pursuant to Listing Rule 7.1A to any particular party. The Company may approach existing Shareholders, a class or group of existing Shareholders, or new investors who have not previously been Shareholders to participate in a placement of Equity Securities.

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

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

▪ **Previous approval**

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

The Company obtained Shareholder approval for the 10% Placement Capacity at its 2016 Annual General Meeting.

During the 12 months prior to the date of this Notice, the Company issued 17,188,965 equity securities representing 2.6% of the total number of equity securities on issue 12 months ago (660,269,985 number of shares in issue). None of the equity securities were issued under the Additional Placement Capacity. The details of the equity securities issued are as follows:

Number of Equity Securities Issued	Class of Equity Securities Issued	Name of Person to Whom Equity Securities were Issued	Issue Price	Cash Consideration	Discount
3,312,715 <sup>1</sup>	Ordinary Shares <sup>2</sup>	Directors and Employees	Nil	Non-cash (current value \$49,691)	Nil
3,376,250 <sup>3</sup>	LTI Performance Rights	Director and Employees	Nil	Non-cash (current value \$3,533)	Nil
5,000,000 <sup>4</sup>	Unquoted Options	Trillbar Resources Pty Ltd	Nil	Non-cash (current value \$29,060)	Nil
5,500,000 <sup>4</sup>	Ordinary Shares <sup>2</sup>	Trillbar Resources Pty Ltd	Nil	Non-cash (current value \$83,000)	Nil
<b>Total: 17,188,965</b>					

<sup>1</sup> Ordinary Shares issued on 31 July 2017 to Directors and Employees upon partial vesting of STI Performance Rights issued on 19 December 2016 – remainder have lapsed. Shareholder approval was obtained at the 2016 AGM pursuant to Listing Rule 10.11 for the issue of STI Performance Rights to Andrew Corbett. No funds were raised from the issue of shares as they were issued as part of the STI Plan for the FY17 financial year.

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

<sup>3</sup> LTI Performance Rights issued on 21 December 2016 to director and employees. Shareholder approval was obtained at the 2016 AGM pursuant to Listing Rule 10.11 for the issue of LTI Performance Rights to Director Andrew Corbett. No funds were raised from the issue of LTI Performance Rights as they were issued as part of the LTI Plan for the FY17 financial year.

<sup>4</sup> On 29 November 2016, the Company announced that it had signed an option agreement to acquire a 75% interest in the Livingstone Gold Project from Trillbar Resources Pty Ltd t (refer ASX Announcement 29 November 2016). The Company announced the completion of the option agreement on 21 December 2016 (refer ASX Announcement 21 December 2016). As consideration for the completion of the option agreement Kingston issued the Vendors 5.5 million shares (4-month escrow) in KSN, and 5 million options in KSN, exercisable at \$0.025 within three years of issue.

The Company did not raise any funds from the issue of equity securities.

#### ▪ **Voting exclusion statement**

A voting exclusion statement is set out on page 2 of this Notice.

As at the date of this Notice, the Company does not yet know, nor has it formed an intention in relation to how it will decide, which parties it may approach to participate in any issue that may ultimately be made.

#### **Directors' Recommendation**

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

## KINGSTON RESOURCES LIMITED

ACN 009 148 529

### Instructions for Completing 'Appointment of Proxy' Form

1. A member entitled to attend and vote at an Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on their behalf. Where more than one proxy is appointed, each proxy must be allocated a proportion of the member's voting rights. If the shareholder appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes.
2. A duly appointed proxy need not be a member of the Company. In the case of joint holders, both holders must sign.
3. Corporate shareholders should comply with the execution requirements set out on the Proxy Form or otherwise with the provisions of Section 127 of the *Corporations Act*. Section 127 of the *Corporations Act* provides that a company may execute a document without using its common seal if the document is signed by:
  - 3.1. 2 directors of the company;
  - 3.2. a director and a company secretary of the company; or
  - 3.3. for a proprietary company that has a sole director who is also the sole company secretary – that director.

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

4. Completion of a Proxy Form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid Proxy Form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
5. Where a Proxy Form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as the Proxy Form.
6. You can direct your proxy how to vote on each Resolution by completing **STEP 2** on the Proxy Form.
7. If you appoint the Chairman as your proxy by marking the box in **STEP 1** on the Proxy Form then you are providing express authorisation for the Chairman to vote on all Resolutions in accordance with his intentions as set out in this Notice and the Proxy Form (except where you have indicated a different voting intention by marking the voting boxes in **STEP 2** on the Proxy Form).

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

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

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

8. If you appoint a KMP other than the Chairman at **STEP 1**, and do not complete **STEP 2**, your vote will not be counted in respect of Resolution 1.
9. To vote by proxy please sign the enclosed Proxy Form and return:
  - (a) by mail to Link Market Services Limited, Locked Bag A14, Sydney South NSW 1235 Australia;
  - (b) by facsimile to Link Market Services Limited on facsimile number +61 2 9287 0309;
  - (c) by hand to Link Market Services Limited, 1A Homebush Bay Drive, Rhodes NSW 2138; or
  - (d) online by visiting [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au), Select 'Investor Login' and in the "Single Holding" section enter Kingston Resources Limited or the ASX code KSN in the Issuer name field, your Security Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your proxy form), postcode and security code which is shown on the screen and click 'Login'. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website;

so that it is received not later than 1pm (Sydney Time) on 27 November 2017.

**Proxy Forms received later than this time will be invalid.**

## GLOSSARY

In this Notice of Meeting:

**\$** means Australian Dollars

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

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

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

**Annual Report** means the Directors Report, the Financial Report and the Auditors Report in respect to the financial year ended 30 June 2017.

**ASIC** means the Australian Securities and Investments Commission.

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

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

**Auditor** means the auditor of the Company.

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

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

**Business Development Plan** means the Company's business development plan for FY18.

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

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

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

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

**Constitution** means the constitution of the Company.

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

**Director** means a director of the Company.

**Directors' Report** means the annual directors report.

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

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

**Hall Chadwick** means Hall Chadwick Chartered Accountants

**Key Management Personnel or KMP** means key management personnel as identified in the Remuneration Report for the financial year ended 30 June 2017.

**Listing Rules** means the Listing Rules of the ASX.

**LTI Plan** means the Company's Long Term Incentive Plan approved by Shareholders on 4 July 2016.

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

**Operational Plan** means the Company's operational plan for FY18.

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

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

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

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

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

**Share** means a fully paid ordinary share in the Company.

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

**Sydney Time** means Australian Eastern Daylight Time.

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

**VWAP** means volume weighted average price.

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



**Schedule 1**

11 September 2017

The Managing Director  
Kingston Resources Limited  
Suite 205, 283 Alfred Street North  
NORTH SYDNEY NSW 2060

Nomination of Auditor Pursuant to Section 328B of Corporations Act

Rozanna Lee, being a member of Kingston Resources Limited ACN 009 148 529 (Company) nominates Hall Chadwick for appointment as auditor of the Company at the Company's 2017 Annual General Meeting in accordance with section 328B of the Corporations Act 2001 (C'th).

Yours sincerely

A handwritten signature in dark ink, appearing to read 'R Lee', is enclosed within a thin rectangular border.

Rozanna Lee

## Schedule 2

### Terms and Conditions of Long Term Incentive Performance Rights

1. Mr Andrew Corbett and Mr Andrew Paterson (**Recipient**) have been offered Performance Rights pursuant to the LTI Plan (**Rights Offers**).
2. The Rights Offers have been made pursuant to the terms and conditions of the Rules of the LTI Plan (**LTI Plan Rules**) and the terms of the Offers must be read in conjunction with the LTI Plan Rules. The Performance Rights will be governed by the LTI Plan Rules and the terms of the Rights Offers.
3. To the extent of any inconsistency between the terms of the Rights Offers and the LTI Plan Rules, the terms of the Rights Offers will prevail.
4. Each Performance Right the Recipient to acquire one (1) Share, by way of issue of new Shares or transfer of existing Shares.
5. The 4,977,207 Performance Rights issued to Mr Corbett will convert into up to 4,977,207 Shares, subject to satisfaction of the Performance Hurdles and Vesting Conditions described below) and otherwise in accordance with the LTI Plan Rules.
6. The 4,235,921 Performance Rights issued to Mr Paterson will convert into up to 4,235,921 Shares, subject to satisfaction of the Performance Hurdles and Vesting Conditions described below) and otherwise in accordance with the LTI Plan Rules.
7. The Performance Rights will automatically vest if the Company achieves a Market Capitalisation greater than \$70 million on or before 30 June 2021 (**Vesting Condition**). Market Capitalisation means the price of the Company's Shares as quoted on ASX multiplied by the total number of Shares on issue.
8. The Company's determination as to whether a Vesting Condition has been achieved shall be final.
9. The Performance Rights may also vest in the circumstances set out in the LTI Plan Rules.
10. The Vesting Date in respect of Performance Rights is the earlier of:
  - (a) the date specified in paragraph 5(a) above;
  - (b) the date a Change in Control Event (as defined in the LTI Plan Rules) occurs; and
  - (c) the date the Company makes an announcement to the effect that the Board recommends that Shareholders accept a takeover bid for the Company.
11. If the Vesting Conditions for Performance Rights are satisfied during the period of a Recipient's employment with or directorship of the Company or any Related Body Corporate, those Performance Rights will vest and will not be subject to forfeiture.
12. The Performance Rights proposed to be issued to Mr Corbett and Mr Paterson will automatically lapse and be forfeited if either Mr Corbett or Mr Paterson voluntarily resigns otherwise than to take up employment with a Related Body Corporate of the Company or if either individual is dismissed from employment for a material breach of his contract of employment, gross negligence or other conduct justifying termination without notice. The Performance Rights proposed to be issued to Mr Corbett or Mr Paterson will not lapse and be forfeited if Mr Corbett or Mr Paterson cease employment due to death, permanent disablement, or any other circumstance in which the Board determines the Performance Rights should not lapse and be forfeited.
13. Any Shares that are acquired on the vesting of Performance Rights in accordance with the Rights Offers will be issued or transferred to the Recipient free of any holding lock or other restriction on dealing, subject to any restriction on trading by reason of the provisions of the Corporations Act applicable to secondary trading in securities.
14. All Performance Rights that have not vested by 30 June 2021 will automatically lapse and be forfeited.

### Schedule 3

#### Terms and Conditions of Short Term Incentive Performance Rights

1. Each STI Performance Right entitles Mr Corbett and Mr Paterson to acquire one (1) Share, by way of issue of new Shares or transfer of existing Shares.
2. The 6,399,266 STI Performance Rights issued to Mr Corbett will convert into up to 6,399,266 Shares, subject to satisfaction of the Performance Hurdles and Vesting Conditions described below.
3. The 5,446,184 STI Performance Rights issued to Mr Paterson will convert into up to 5,446,184 Shares, subject to satisfaction of the Performance Hurdles and Vesting Conditions described below.
4. The Vesting Conditions in respect of the STI Performance Rights are as follows:
  - (a) Up to 50% of the STI Performance Rights will automatically vest if, the 30 day VWAP at 30 June 2018 is between 150% and 200% greater than \$0.019 per Share
  - (b) Up to 25% of the STI Performance Rights will vest, at the Board's discretion, upon the achievement of business development measures, including the delivery of the Company's Business Development Plan for 30 June 2018.
  - (c) Up to 25% of the STI Performance Rights will vest, at the Boards discretion, upon the achievement of operational and management objectives measured against the Company's Operational Plan by 30 June 2018.
5. The Company's determination as to whether a Vesting Condition has been achieved shall be final.
6. If the Vesting Conditions for Performance Rights are satisfied during the period of a Recipient's employment with or directorship of the Company or any Related Body Corporate, those Performance Rights will vest and will not be subject to forfeiture.
7. The Performance Rights proposed to be issued to Mr Corbett and Mr Paterson will automatically lapse and be forfeited if Mr Corbett or Mr Paterson voluntarily resigns otherwise than to take up employment with a Related Body Corporate of the Company or if either individual is dismissed from employment for a material breach of his contract of employment, gross negligence or other conduct justifying termination without notice. The Performance Rights proposed to be issued to Mr Corbett and Mr Paterson will not lapse and be forfeited if Mr Corbett or Mr Paterson ceases employment due to death, permanent disablement, or any other circumstance in which the Board determines the Performance Rights should not lapse and be forfeited.
8. Any Shares that are acquired on the vesting of Performance will be issued or transferred to Mr Corbett and Mr Paterson free of any holding lock or other restriction on dealing, subject to any restriction on trading by reason of the provisions of the Corporations Act applicable to secondary trading in securities.
9. All Performance Rights that have not vested by 31 July 2018 will automatically lapse and be forfeited.

## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Kingston Resources Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138;



### ALL ENQUIRIES TO

Telephone: +61 1300 554 474

## LODGE A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given above by **1:00pm (AEDT) on Monday, 27 November 2017**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the reverse of this Proxy Form).

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

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

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

NAME SURNAME  
ADDRESS LINE 1  
ADDRESS LINE 2  
ADDRESS LINE 3  
ADDRESS LINE 4  
ADDRESS LINE 5  
ADDRESS LINE 6



X99999999999

## PROXY FORM

I/We being a member(s) of Kingston Resources Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

☐ the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **1:00pm (AEDT) on Wednesday, 29 November 2017 at the offices of Hall Chadwick, Level 40, 2 Park Street, Sydney NSW 2000** (the Meeting) and at any postponement or adjournment of the Meeting.

**Important for Resolutions 1 and 4-8:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1 and 4-8, even though the Resolutions are connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒.

#### Resolutions

	For	Against	Abstain*		For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9 Approval of Issue of Equity Securities for the Purpose of ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Change of Auditors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
3 Election of Director – Mr Andrew Paterson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
4 Approval to grant Long Term Incentive Performance Rights to Mr Andrew Corbett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
5 Approval to grant Long Term Incentive Performance Rights to Mr Andrew Paterson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
6 Approval to grant Short Term Incentive Performance Rights to Mr Andrew Corbett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
7 Approval to grant Short Term Incentive Performance Rights to Mr Andrew Paterson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				
8 Non-Executive Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>				



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

KSN PRX1701D