



ASX Announcement

08 December 2017

ASX Code: KSN

Share Price: A\$0.02

Shares Outstanding: 992,957,093

Market Capitalisation: A\$19.9

Cash: A\$3.1m (30 September, 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

Clarification

Kingston Resources Limited advises the wording in paragraph (a) of the performance and vesting conditions for the Short-Term Incentive Performance Rights (Explanatory Statement Resolutions 6 and 7 – Notice of 2017 Annual General Meeting of Shareholders) was incorrect and should have read (with the change marked up):

“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% of greater than \$0.019 per Share”.

Resolutions relating to this correction will be submitted to Shareholders at the next General Meeting.

The correct vesting condition for the first tranche of the STI Performance Rights is 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% of \$0.019 per Share in accordance with the below scale:

Share Price	\$0.0285	\$0.0304	\$0.0323	\$0.0342	\$0.0361	\$0.0380
STI Level 1 Hurdle - Performance Rights proportion vested	17%	33%	50%	67%	83%	100%

The revised terms and conditions of the Short-Term Performance Rights are attached.

Contact Details

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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% of \$0.019 per Share, in accordance with the scale below:

Share Price	\$0.0285	\$0.0304	\$0.0323	\$0.0342	\$0.0361	\$0.0380
STI Level 1 Hurdle - Performance Rights proportion vested	17%	33%	50%	67%	83%	100%

- (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 by 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.