

**ASX Announcement**

12 February 2018

ASX Code: KSN

Share Price: A\$0.022

Shares Outstanding: 1,009,370,132

Market Capitalisation: A\$22.2

Cash: A\$2.1m (31 December, 2017)

Pro-forma (post Share Issue)

Shares Outstanding: 1,203,370,132

Cash: A\$6.1m

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

Contact Details

205/283 Alfred Street North,
North Sydney,
NSW 2060
+61 2 8021 7492

Cleansing Statement and Appendix 3B – Issue of Securities

Kingston Resources Limited (the Company) will issue 194,000,000 ordinary fully paid shares (Shares) on 13 February 2018 at an issue price of \$0.022 per Share to raise \$4.3m (before costs) pursuant to a placement to Australian and international institutional investors alongside sophisticated investors (Issue).

The Company gives the following cleansing notice under section 708A(5)(e) of the Corporations Act 2001 (Cth) (the Corporations Act) that:

1. The Issue was made without disclosure to investors under Part 6D.2 of the Corporations Act;
2. As at the date of this notice, the Company has complied with:
 - 2.1. the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
 - 2.2. section 674 of the Corporations Act; and
3. As at the date of this notice, there is no information to be disclosed which is “excluded information”, as defined in sections 708A(7) or 708A(8) of the Corporations Act.

An Appendix 3B new issue announcement in relation to the Issue is attached.

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

KINGSTON RESOURCES LIMITED

ABN

44 009 148 529

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|-----------------------------|
| 1 | +Class of +securities issued or to be issued | Ordinary Shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | 194,000,000 Ordinary Shares |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Same as existing Shares |

+ See chapter 19 for defined terms.

4	<p>Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	Yes
5	Issue price or consideration	\$0.022 per Shares
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Funds to be used primarily to advance exploration activities at the Company's Misima and Livingstone Gold projects (refer Announcements dated 6 and 12 February 2018)</p>
6a	<p>Is the entity an ⁺eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the ⁺securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	Yes.
6b	The date the security holder resolution under rule 7.1A was passed	29 November 2017
6c	Number of ⁺ securities issued without security holder approval under rule 7.1	97,507,877
6d	Number of ⁺ securities issued without security holder approval under rule 7.1A	96,492,123

6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A	
6f	Number of securities issued under an exception in rule 7.2	N/A	
6g	If securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Yes, refer ASX Announcement on 6 February 2018	
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A	
6i	Calculate the entity’s remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	Rule 7.1 – Nil Rule 7.1A – 473,773	
7	Dates of entering +securities into uncertificated holdings or despatch of certificates	13 February 2018	
8	Number and +class of all +securities quoted on ASX (including the securities in section 2 if applicable)	Number Ordinary Shares 1,203,370,132	+Class KSN

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in section 2 if applicable)	
	<i>Existing</i>	
	7,058,823 Options (Expiry 30/6/2019, EX 3c)	KSNOP1
	13,500,000 Options (Expiry 30/06/2018, Ex 4c)	KSNOP3
	13,500,000 Options (Expiry 30/06/2019, EX 7c)	KSNOP2
	5,000,000 Options (Expiry 22/12/19, Ex 2.5 cents)	KSNOP4
	1,350,000 Options (Expiry 8/3/2018, EX 5.6c)	KSNOP5
	29,000,000 Performance Rights (Expiry 30/06/2019 - subject to Performance and Vesting Conditions)	KSNPER
	5,520,625 Performance Rights (Expiry 30/06/2020 - subject to Performance and Vesting Conditions)	KSNLT2
	16,474,707 Performance Rights (Expiry 31/7/18 – subject to Performance and Vesting Conditions)	KSNST3
	12,813,661 Performance Rights (Expiry 30/06/2021 – subject to Performance and Vesting Conditions)	KSNLT3
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	N/A

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	N/A
12	Is the issue renounceable or non-renounceable?	N/A
13	Ratio in which the +securities will be offered	N/A
14	+Class of +securities to which the offer relates	N/A

15	+Record date to determine entitlements	N/A
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	N/A
17	Policy for deciding entitlements in relation to fractions	N/A
18	Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	N/A
19	Closing date for receipt of acceptances or renunciations	N/A

+ See chapter 19 for defined terms.

20	Names of any underwriters	N/A
21	Amount of any underwriting fee or commission	N/A
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of ⁺ security holders	N/A
25	If the issue is contingent on ⁺ security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	N/A
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	N/A
29	Date rights trading will end (if applicable)	N/A
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?	N/A
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	N/A
32	How do ⁺ security holders dispose of their entitlements (except by sale through a broker)?	N/A
33	⁺ Despatch date	N/A

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of securities
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the +securities are +equity securities, the names of the 20 largest holders of the additional +securities, and the number and percentage of additional +securities held by those holders

To be provided.

36 ☐ If the +securities are +equity securities, a distribution schedule of the additional +securities setting out the number of holders in the categories

1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over

To be provided.

37 ☐ A copy of any trust deed for the additional +securities

Entities that have ticked box 34(b)

38 Number of securities for which +quotation is sought

N/A

39 Class of +securities for which quotation is sought

N/A

+ See chapter 19 for defined terms.

40	<p>Do the ⁺securities rank equally in all respects from the date of allotment with an existing ⁺class of quoted ⁺securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A	
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another security, clearly identify that other security)</p>	N/A	
42	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in clause 38)	Number	⁺ Class

Quotation agreement

1 ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the ⁺securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those ⁺securities should not be granted ⁺quotation.
- An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any ⁺securities to be quoted and that no-one has any right to return any ⁺securities to be quoted under

sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.

- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 12 February 2018
(Company secretary)

Print name: Rozanna Lee

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Appendix 3B – Annexure 1

Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12

Part 1

Rule 7.1 – Issues exceeding 15% of capital	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
Insert number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	665,769,985
<p>Add the following:</p> <ul style="list-style-type: none"> • Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2 • Number of fully paid ordinary securities issued in that 12 month period with shareholder approval • Number of partly paid ordinary securities that became fully paid in that 12 month period <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>Include only ordinary securities here – other classes of equity securities cannot be added</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>1,287,000 ordinary shares issued upon partial vesting of STI Performance Rights issued to Managing Director on 19/12/16 – approval by shareholders at AGM on 30/11/16) – remainder of Performance Rights have lapsed (issued on 31 July 2017)</p> <p>302,601,971 ordinary shares issued as scheme consideration (17 November 2017)</p>
Subtract the number of fully paid ordinary securities cancelled during that 12 month period	N/A
“A”	969,658,956

Step 2: Calculate 15% of “A”	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
Multiply “A” by 0.15	145,448,843
Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used	
<p>Insert number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> • Under an exception in rule 7.2 • Under rule 7.1A • With security holder approval under rule 7.1 or rule 7.4 <p><i>Note:</i></p> <ul style="list-style-type: none"> • <i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i> • <i>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</i> • <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	<p>2,025,751 (Ordinary Shares issued on 31 July 2017 upon partial vesting of STI Performance Rights issued to employees on 19/12/16 – remainder of Performance Rights have lapsed)</p> <p>15,220,351 (Ordinary Shares issued as WCB Management Compensation Shares on 17/11/17)</p> <p>6,052,035 (Ordinary Shares issued to adviser to company wrt WCB merger)</p> <p>4,629,257.....(STI Performance Rights issued on 6/12/17 without shareholder approval)</p> <p>3,600,533 (LTI Performance Rights issued on 6/12/17 without shareholder approval)</p> <p>16,413,039 Ordinary Shares issued on 8/12/17)</p> <p>97,507,877 Ordinary Shares issued on 13/2/18</p>
“C”	145,448,843
Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	145,448,843
<p>Subtract “C”</p> <p><i>Note: number must be same as shown in Step 3</i></p>	145,448,843

+ See chapter 19 for defined terms.

Total ["A" x 0.15] – "C"	0 <i>[Note: this is the remaining placement capacity under rule 7.1]</i>
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Part 2

Rule 7.1A – Additional placement capacity for eligible entities	
Step 1: Calculate “A”, the base figure from which the placement capacity is calculated	
“A” <i>Note: number must be same as shown in Step 1 of Part 1</i>	969,658,956
Step 2: Calculate 10% of “A”	
“D”	0.10 <i>Note: this value cannot be changed</i>
Multiply “A” by 0.10	96,965,896
Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used	
Insert number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A <i>Notes:</i> <ul style="list-style-type: none"> <i>This applies to equity securities – not just ordinary securities</i> <i>Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</i> <i>Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</i> <i>It may be useful to set out issues of securities on different dates as separate line items</i> 	96,492,123 Ordinary Shares issued on 13/2/18
“E”	96,492,123

+ See chapter 19 for defined terms.

Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A	
“A” x 0.10 <i>Note: number must be same as shown in Step 2</i>	96,965,896
Subtract “E” <i>Note: number must be same as shown in Step 3</i>	96,492,123
Total [“A” x 0.10] – “E”	473,773 <i>Note: this is the remaining placement capacity under rule 7.1A</i>