

Appendix 4G

Key to Disclosures Corporate Governance Council Principles and Recommendations

Name of entity:

Kingston Resources Limited

ABN / ARBN:

44 009 148 529

Financial year ended:

30 June 2018

Our corporate governance statement² for the above period above can be found at:³

☐ These pages of our annual report:

☒ This URL on our website: <http://www.kingstonresources.com.au/about/governance/>

The Corporate Governance Statement is accurate and up to date as at 31 August 2018 and has been approved by the board.

The annexure includes a key to where our corporate governance disclosures can be located.

Date: 6 September 2018



Name of Director or Secretary authorising
lodgement:

Rozanna Lee – Company Secretary

¹ Under Listing Rule 4.7.3, an entity must lodge with ASX a completed Appendix 4G at the same time as it lodges its annual report with ASX.

Listing Rule 4.10.3 requires an entity that is included in the official list as an ASX Listing to include in its annual report either a corporate governance statement that meets the requirements of that rule or the URL of the page on its website where such a statement is located. The corporate governance statement must disclose the extent to which the entity has followed the recommendations set by the ASX Corporate Governance Council during the reporting period. If the entity has not followed a recommendation for any part of the reporting period, its corporate governance statement must separately identify that recommendation and the period during which it was not followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during that period.

Under Listing Rule 4.7.4, if an entity chooses to include its corporate governance statement on its website rather than in its annual report, it must lodge a copy of the corporate governance statement with ASX at the same time as it lodges its annual report with ASX. The corporate governance statement must be current as at the effective date specified in that statement for the purposes of rule 4.10.3.

² "Corporate governance statement" is defined in Listing Rule 19.12 to mean the statement referred to in Listing Rule 4.10.3 which discloses the extent to which an entity has followed the recommendations set by the ASX Corporate Governance Council during a particular reporting period.

³ Mark whichever option is correct and then complete the page number(s) of the annual report, or the URL of the web page, where the entity's corporate governance statement can be found. You can, if you wish, delete the option which is not applicable.

Throughout this form, where you are given two or more options to select, you can, if you wish, delete any option which is not applicable and just retain the option that is applicable. If you select an option that includes "OR" at the end of the selection and you delete the other options, you can also, if you wish, delete the "OR" at the end of the selection.

ANNEXURE – KEY TO CORPORATE GOVERNANCE DISCLOSURES

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 1 – LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and information about the respective roles and responsibilities of our board and management (including those matters expressly reserved to the board and those delegated to management): <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.2	A listed entity should: (a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable

⁴ If you have followed all of the Council's recommendations in full for the whole of the period above, you can, if you wish, delete this column from the form and re-format it.

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
1.5	<p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>... the fact that we have a diversity policy that complies with paragraph (a):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of our diversity policy or a summary of it:</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with our diversity policy and our progress towards achieving them:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraphs (c)(1) or (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>... the evaluation process referred to in paragraph (a):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and the information referred to in paragraph (b):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 2 - STRUCTURE THE BOARD TO ADD VALUE			
2.1	<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a nomination committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at www.kingstonresources.com.au "Corporate Governance"</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a nomination committee and the processes we employ to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement (newly formed Remuneration and Nomination Committee) OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
2.2	<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>... our board skills matrix:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
2.3	A listed entity should disclose: (a) the names of the directors considered by the board to be independent directors; (b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and (c) the length of service of each director.	... the names of the directors considered by the board to be independent directors: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and, where applicable, the information referred to in paragraph (b): <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location] ... and the length of service of each director: <input type="checkbox"/> in our Corporate Governance Statement OR <input checked="" type="checkbox"/> in the Company's 2018 Annual Report	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
2.4	A majority of the board of a listed entity should be independent directors.	... the fact that we follow this recommendation: <input type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.5	The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable
PRINCIPLE 3 – ACT ETHICALLY AND RESPONSIBLY			
3.1	A listed entity should: (a) have a code of conduct for its directors, senior executives and employees; and (b) disclose that code or a summary of it.	... our code of conduct or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 4 – SAFEGUARD INTEGRITY IN CORPORATE REPORTING			
4.1	<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have an audit committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at www.kingstonresources.com.au - Corporate Governance</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at Annual Report 2018 (qualifications)</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have an audit committee and the processes we employ that independently verify and safeguard the integrity of our corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement (Audit and Risk Management Committee newly formed)</p>
4.2	<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>... the fact that we follow this recommendation:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold an annual general meeting and this recommendation is therefore not applicable
PRINCIPLE 5 – MAKE TIMELY AND BALANCED DISCLOSURE			
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	... our continuous disclosure compliance policy or a summary of it: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
PRINCIPLE 6 – RESPECT THE RIGHTS OF SECURITY HOLDERS			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	... information about us and our governance on our website: <input checked="" type="checkbox"/> at www.kingstonresources.com.au	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	... our policies and processes for facilitating and encouraging participation at meetings of security holders: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR <input type="checkbox"/> we are an externally managed entity that does not hold periodic meetings of security holders and this recommendation is therefore not applicable
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	... the fact that we follow this recommendation: <input checked="" type="checkbox"/> in our Corporate Governance Statement OR <input type="checkbox"/> at [insert location]	<input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 7 – RECOGNISE AND MANAGE RISK			
7.1	<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a committee or committees to oversee risk that comply with paragraphs (1) and (2):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input checked="" type="checkbox"/> at www.kingstonresources.com.au</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a risk committee or committees that satisfy (a) and the processes we employ for overseeing our risk management framework:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement (newly formed Audit and Risk Management Committee)</p>
7.2	<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>... the fact that board or a committee of the board reviews the entity's risk management framework at least annually to satisfy itself that it continues to be sound:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and that such a review has taken place in the reporting period covered by this Appendix 4G:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.</p>	<p>[If the entity complies with paragraph (a):] ... how our internal audit function is structured and what role it performs:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p> <p>[If the entity complies with paragraph (b):] ... the fact that we do not have an internal audit function and the processes we employ for evaluating and continually improving the effectiveness of our risk management and internal control processes:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.</p>	<p>... whether we have any material exposure to economic, environmental and social sustainability risks and, if we do, how we manage or intend to manage those risks:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at <i>[insert location]</i></p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
PRINCIPLE 8 – REMUNERATE FAIRLY AND RESPONSIBLY			
8.1	<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>[If the entity complies with paragraph (a):]</p> <p>... the fact that we have a remuneration committee that complies with paragraphs (1) and (2):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>... and a copy of the charter of the committee:</p> <p><input type="checkbox"/> at www.kingstonresources.com.au</p> <p>... and the information referred to in paragraphs (4) and (5):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p> <p>[If the entity complies with paragraph (b):]</p> <p>... the fact that we do not have a remuneration committee and the processes we employ for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input checked="" type="checkbox"/> an explanation why that is so in our Corporate Governance Statement (new formed Remuneration and Nomination Committee) OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	<p>... separately our remuneration policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input checked="" type="checkbox"/> in the Company's Annual Report</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>... our policy on this issue or a summary of it:</p> <p><input checked="" type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> we do not have an equity-based remuneration scheme and this recommendation is therefore not applicable OR</p> <p><input type="checkbox"/> we are an externally managed entity and this recommendation is therefore not applicable</p>

Corporate Governance Council recommendation		We have followed the recommendation in full for the whole of the period above. We have disclosed ...	We have NOT followed the recommendation in full for the whole of the period above. We have disclosed ... ⁴
ADDITIONAL DISCLOSURES APPLICABLE TO EXTERNALLY MANAGED LISTED ENTITIES			
-	<p><i>Alternative to Recommendation 1.1 for externally managed listed entities:</i></p> <p>The responsible entity of an externally managed listed entity should disclose:</p> <p>(a) the arrangements between the responsible entity and the listed entity for managing the affairs of the listed entity;</p> <p>(b) the role and responsibility of the board of the responsible entity for overseeing those arrangements.</p>	<p>... the information referred to in paragraphs (a) and (b):</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>
-	<p><i>Alternative to Recommendations 8.1, 8.2 and 8.3 for externally managed listed entities:</i></p> <p>An externally managed listed entity should clearly disclose the terms governing the remuneration of the manager.</p>	<p>... the terms governing our remuneration as manager of the entity:</p> <p><input type="checkbox"/> in our Corporate Governance Statement OR</p> <p><input type="checkbox"/> at [insert location]</p>	<p><input type="checkbox"/> an explanation why that is so in our Corporate Governance Statement</p>

Kingston Resources Limited
Corporate Governance Statement
30 June 2018

The Board of Directors of Kingston Resources Limited (“KSN” or “the Company”) is responsible for the corporate governance of the Company. The Board (in conjunction with management) guides and monitors the business and affairs of KSN on behalf of the shareholders by whom it is elected and to whom it is accountable.

The Company, as a listed entity, must comply with the *Corporations Act 2001* and the Australian Securities Exchange Limited (“ASX”) Listing Rules. The ASX Listing Rules require the Company to report on the extent to which it has followed the Corporate Governance Recommendations published by the ASX Corporate Governance Council (ASX:CGC).

Given the size and structure of the Company, the nature of its business activities, the stage of its development and the cost of strict and detailed compliance with all of the recommendations, KSN has continued to adopt a range of modified systems, procedures and practices which it considers meet the principles of good corporate governance.

A summary of the Company’s compliance with the ASX Corporate Governance Council’s Revised Principles and Recommendations, in accordance with ASX Listing Rule 4.10.3, is outlined in the table below. The Company’s Corporate Governance Policy which sets out its main governance policies is available on the Company’s website: www.kingstonresources.com.au

Recommendations		Compliance	Reference
PRINCIPLE 1 – Lay solid foundations for management and oversight A listed entity should establish and disclose the respective roles and responsibilities of its board and management and how their performance is monitored and evaluated.			
1.1	A listed entity should disclose: a) the respective roles and responsibilities of its board and management; and b) those matters expressly reserved to the board and those delegated to management.	Yes	Page 7 See Board Charter at www.kingstonresources.com.au
1.2	A listed entity should: a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Yes	Page 7
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	Yes	Page 8
1.4	The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with proper functioning of the board.	Yes	Page 8

1.5	<p>A listed entity should:</p> <ul style="list-style-type: none"> a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; b) disclose that policy or a summary of it; and c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: <ul style="list-style-type: none"> 1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or 2) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators" as defined in and published under that Act. 	Partially complies	<p>Page 8</p> <p>See Diversity Policy at www.kingstonresources.com.au</p>
1.6	<p>A listed entity should:</p> <ul style="list-style-type: none"> a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	Yes	Page 8
1.7	<p>A listed entity should:</p> <ul style="list-style-type: none"> a) have and disclose a process for periodically evaluating the performance of its senior executives; and b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process. 	Yes	Page 9
<p>PRINCIPLE 2 – Structure the Board to add value</p> <p>A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.</p>			
2.1	<p>The board of a listed entity should:</p> <ul style="list-style-type: none"> a) have a nomination committee which: <ul style="list-style-type: none"> i) has at least three members, a majority of whom are independent directors; and ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> iii) the charter of the committee; iv) the members of the committee; and v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at that meeting; or 	Yes	Page 9

	b) if it does not have a nomination committee, disclose the fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.		
2.2	A listed company should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Yes	Page 9 and 18
2.3	A listed entity should disclose: a) the names of the directors considered by the board to be independent directors; b) if a director has an interest, position, association or relationship of the type described in Box 2.3 (generally relating to non-independent activity within the prior three years, a material contract or a substantial security holding) but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and c) the length of service of each director.	Yes	Page 10
2.4	A majority of the board of a listed company should be independent directors.	No	Page 10
2.5	The chair of the board of a listed company should be an independent director and, in particular, should not be the same person as the CEO of the entity.	Yes	Page 10
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Yes	Page 8
PRINCIPLE 3 – Act ethically and responsibly A listed entity should have a board of an appropriate size, composition, skills and commitment to enable it to discharge its duties effectively.			
3.1	A listed entity should: a) have a code of conduct for its directors, senior executive and employees; and b) disclose that code or a summary of it.	Yes	Page 10 See Code of Conduct Policy at www.kingstonresources.com.au
PRINCIPLE 4 – Safeguard integrity in corporate reporting A listed entity should have formal and rigorous processes that independently verify and safeguard the integrity of its corporate reporting.			
4.1	The board of a listed entity should: a) have an audit committee which: i) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and	Yes	Page 12

	<ul style="list-style-type: none"> ii) is chaired by an independent director, who is not the chair of the board, and disclose iii) the charter of the committee; iv) the relevant qualifications and experience of the members of the committee; and v) in relation to each reporting period, the number of times the committee met during the period and the individual attendances of the members at those meetings; or <p>b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>		
4.2	The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	Page 12
4.3	A listed entity that has an AGM should ensure that its external auditor attends the AGM and is available to answer questions from security holders relevant to the audit.	Yes	Page 12
PRINCIPLE 5 – Make timely and balance disclosure A listed entity should make timely and balance disclosure of all matters concerning it that a reasonable person would expect to have a material effect on the price or value of its securities.			
5.1	<p>A listed entity should:</p> <ul style="list-style-type: none"> a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and b) disclose that policy or a summary of it. 	Yes	<p>Page 13</p> <p>See Continuous Disclosure and Communication Policy at www.kingstonresources.com.au</p>
PRINCIPLE 6 – Respect the rights of security holders A listed entity should respect the rights of its security holders by providing them with appropriate information and facilities to allow them to exercise those rights effectively.			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	Page 14
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Yes	<p>Page 14</p> <p>See Continuous Disclosure and Communication Policy at www.kingstonresources.com.au</p>

6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Yes	Page 14 See Continuous Disclosure and Communication Policy at www.kingstonresources.com.au
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	Page 14
PRINCIPLE 7 – Recognise and manage risk A listed entity should establish a sound risk management framework and periodically review the effectiveness of that framework.			
7.1	The board of a listed entity should: <ul style="list-style-type: none"> a) have a committee or committees to oversee risk, each of which: <ul style="list-style-type: none"> i) has at least three members, a majority of whom are independent directors; and ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> iii) the charter of the committee; iv) the members of the committee; and v) as at the end of each reporting period, the number of times the committee has met throughout the period and the individual attendances at those meetings; or b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework. 	Yes	Page 15
7.2	The board or committee of the board should: <ul style="list-style-type: none"> a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and b) disclose, in relation to each reporting period, whether such a review has taken place. 	No	Page 15
7.3	A listed entity should disclose: <ul style="list-style-type: none"> a) if it has an internal audit function, how the function is structured and what role it performs; or b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes. 	Yes	Page 16
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Yes	Page 15-16
PRINCIPLE 8 – Remunerate fairly and responsibly A listed entity should pay director remuneration sufficient to attract and retain high quality directors and design executive remuneration to attract, retain and motivate high quality senior executives and to align their interests with the creation of value for security holders.			

8.1	<p>The board of a listed entity should:</p> <ul style="list-style-type: none"> a) have a remuneration committee which: <ul style="list-style-type: none"> i) has at least three members, a majority of whom are independent directors; and ii) is chaired by an independent director, and disclose: <ul style="list-style-type: none"> iii) the charter of the committee; iv) the members of the committee; and v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive. 	Yes	Page 17
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.	Yes	Page 17 See Remuneration Report within the Annual Report at www.kingstonresources.com.au
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <ul style="list-style-type: none"> a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and b) disclose that policy or a summary of it. 	Yes	Page 17

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

1.1 Roles and Responsibilities of the Board and Management

The Board has adopted a written Charter to provide a framework for the effective operation of the Board. The Charter outlines the Board composition, its roles and responsibilities, relationship with management and delegation of authority to Board committees and management. The Charter may be viewed in full at the Investor Centre at www.kingstonresources.com.au under the heading “Corporate Governance”.

Under the Board Charter, the Board is responsible for the overall operation and stewardship of the Company and its subsidiaries and, in particular, is responsible for:

- (a) establishing the Company’s corporate level and business level goals and monitoring and implementing strategies to achieve these goals;
- (b) setting the strategic direction and financial objectives of the Company and ensuring appropriate resources are available;
- (c) monitoring and implementation of those policies and strategies and the achievement of those financial objectives;
- (d) reviewing the performance of all Board members and overseeing succession plans for the senior executive team;
- (e) ensuring that the Company has appropriate corporate governance structures in place including standards of ethical behaviour and a culture of corporate and social responsibility;
- (f) ensuring that effective audit, risk and controls are in place to protect the Company’s assets;
- (g) monitor the risk management process and strategies;
- (h) to set specific limits of authority for the executive management to commit to new expenditure and enter into new contracts without prior Board approval;
- (i) ensuring that the Board is and remains appropriately skilled to meet the changing needs of the Company;
- (j) monitoring compliance with regulatory requirements (including continuous disclosure);
- (k) review the Board succession plans;
- (l) monitoring ASX and regulatory disclosure requirements;
- (m) monitoring the integrity of reporting including ensuring the preparation of accurate financial reports and statements;
- (n) ensuring effective and timely reporting to various stakeholders; and
- (o) ensuring that the shareholders are informed of all major developments affecting the Company’s state of affairs.

1.2 (a) Background checks on Directors

One of the responsibilities of the Board is identifying and assessing the necessary and desirable competencies and characteristics for Board membership. The process may include undertaking checks as to character, experience, education and bankruptcy history. Appropriate background checks were carried out prior to the appointment of each director.

In respect of any future Directors, the Company will continue to conduct specific and appropriate checks of candidates prior to their appointment or nomination for election by shareholders. The Company does not propose to conduct specific checks prior to nominating an existing Director for re-election by shareholders at a general meeting on the basis that this is not considered necessary in the Company’s circumstances.

(b) Information to be given for election of Directors

As a matter of practice, the Company includes in its notices of meeting a brief biography of each Director who stands for election or re-election. The biography sets out the relevant qualifications and professional experience of the nominated Director for consideration by shareholders.

1.3 Written contracts of appointment

The Board recognises the benefits for Directors and senior executives to have clearly defined roles and responsibilities. Each Director and senior executive has been, and in accordance with the Company's appointment and remuneration policies, will be appointed by way of written agreement setting out terms of their appointment, including role, responsibilities and remuneration.

1.4 Company Secretary

Each Director is able to communicate directly with the Company Secretary and vice versa. The Company Secretary reports directly, and is accountable to the Board, through the Chairman, on all matters to do with the proper functioning of the Board.

1.5 Diversity

The Company has adopted a Diversity Policy a copy of which can be found on the Company's website: www.kingstonresources.com.au.

Appointments are made on ability and availability, not necessarily on gender. The Company has not fully complied with recommendation 1.5 in setting measurable objectives for achieving gender diversity. The Board continues to monitor diversity across the organisation, however due to the current size of the Company, its level of activity and its small number of employees, the Board does not consider it appropriate at this time to formally set measurable objectives for gender diversity.

As at the date of the balance date the percentage of women at each of the following levels with KSN was:

Level	June 2018
Directors and Officers (including Managing Director/CEO)	17%
Senior Management	0%
All employees	20%

The Company is committed to increasing diversity in the workplace and to increase the participation of women in the Company in order to broaden the talent pipeline where future leaders can be drawn. The Diversity Policy may be viewed at www.kingstonresources.com.au under the heading "Corporate Governance".

1.6, 2.6 Board Reviews, Induction and professional development

The Board acknowledges the benefits of evaluating its performance on an individual and collective basis and intends to implement a formal process for self and peer evaluation. However due to the size of the Board and the nature of its activities, it has not been deemed necessary at this point in time to institute a formal documented performance review program of individuals. Performance evaluation is a discretionary matter for consideration by the entire Board and in the normal course of events the Board will review performance of the management, Directors, any applicable Board Committees and the Board as a whole via discussions on an ongoing basis with the Chairman. The Board as a whole is responsible for evaluating the Chairman. Independent external advice is sought from remuneration consultants when required. During the reporting period, the Company engaged remuneration consultants to benchmark Board and executive management remuneration for FY19.

The evaluation of the Managing Director is undertaken via an interview process which occurs annually or more frequently, at the Board's discretion. During the reporting period, an evaluation of the Board, the Chairman and individual directors took place in accordance with the process disclosed above.

The Company has a formal induction program for new Directors.

The Company does not currently have a formal professional development program for existing Directors, but KSN supports ongoing professional development of Directors both through opportunities within the Company and through external education.

All Directors are generally experienced in exploration and mining company operations and have different particular expertise (e.g. operations, finance, legal etc). Some of the current Directors are also involved, or have been involved, in other listed companies. The Board seeks to ensure that all of its members understand the Company's operations, including where practical site visits. Directors may attend, on behalf of the Company and otherwise, technical and commercial seminars and industry conferences which enable them to maintain their understanding of industry matters and technical advancements.

1.7 Management Reviews

The Company has developed senior executive performance plans and undertakes formal reviews of its senior executive on an annual basis, with informal reviews conducted as and when required. During the reporting period, reviews were conducted by the Managing Director/CEO, and the Board in the case of the Managing Director/CEO. The reviews assessed the performance of the senior executive against their performance plan, which may encompass key performance indicators, including operational performance, the Company's strategic objectives and personal objectives.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

2.1 Nomination Committee

The Board has recently established a Remuneration and Nomination Committee. The committee has three members, two of whom are independent. The Committee is chaired by an independent director. The functions include Board renewal, succession planning, induction and evaluation. The Committee Charter may be viewed in full at the Investor Centre at www.kingstonresources.com.au under the heading "Corporate Governance". The Charter details the main responsibilities of the Remuneration and Nomination Committee.

The members of the Remuneration and Nomination Committee are Tony Wehby, Stuart Rechner and Mick Wilkes. No meetings were held during the reporting period. Prior to the establishment of the Remuneration and Nomination Committee, nominations were considered by the full Board.

The composition of the Board is reviewed by the Committee on an on-going basis to determine if additional core strengths are required to be added to the Board in light of the nature of the Company's businesses and its activities.

2.2 Board skills

The Company recognises that having a diverse range of skills, backgrounds and experience among its directors is important for dependable decision-making and the effective governance of Kingston.

The Remuneration and Nomination Committee, which is responsible for selecting and appointing directors to the Board, will regularly review the core skills and experience which would be important for Kingston board members to have in order for the Board to fulfil its responsibilities, and aims to achieve a balanced mix of skills, experience, independence and diversity appropriate for Kingston's size, complexity and circumstances when appointing new Board members. The skills matrix attached as Appendix 1 outlines the Board's current skills mix. Directors have been selected for their extensive relevant experience and expertise, and bring to the Board a variety of skills and experience, including industry and business knowledge, financial management, and accounting experience. The Board has considered and is satisfied that the composition of the Board reflects an appropriate range of skills and experience for the Company as at the date of this report. The experience and expertise of each of the Directors and their length of service is set out in the Directors' Report in the Annual Report for the year ended 30 June 2018.

2.3, 2.4, 2.5 Director Independence

The current Board consists of 5 Directors, and with the Chairman, Tony Wehby and Mick Wilkes, considered independent, having regard to the factors relevant to assessing independence set out in Recommendation 2.3 of the ASX Recommendations. This recommendation states that an Independent Director should not be or have been employed in an executive capacity by the Company and there has not been a period of at least three years between ceasing such employment and serving on the board.

The Board considers that Andrew Corbett, Andrew Paterson and Stuart Rechner are not independent at the date of this report considering both the current and recent executive positions that each hold or have held in the Company.

Given the nature and size of the Company, its business interests and the stage of development, the Board considers that its composition is an appropriate blend of skills and expertise relevant to the Company's operations. The Company deals with the lack of independent directors by ensuring that conflicts of interest are adequately disclosed in accordance with the Company's Code of Conduct. Directors abstain from voting on matters where they have, or are perceived to have, a beneficial interest in the outcome of the matters.

The Board Charter provides that where practical the Company will endeavour to ensure that it has a majority of independent directors at all times. Accordingly, the Board will consider the appointment of independent Non-Executive Directors as suitably qualified candidates are identified and as the size and scale of the Company's operations determine.

The roles of Chairman and CEO are not held by the same individuals.

PRINCIPLE 3: ACT ETHICALLY AND RESPONSIBLY

3.1 Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. Accordingly, the Board has adopted a formal Code of Conduct to be followed by all directors, officers, employees and consultants of the Company. The Code of Conduct sets out KSN's policies on various matters including ethical conduct, business conduct, compliance, privacy, security of information, integrity and conflicts of interest and is available at www.kingstonresources.com.au under the heading "Corporate Governance".

Directors, officers, employees and consultants to the Company are required to observe high standards of behaviour and business ethics in conducting business on behalf of the Company and they are required to maintain a reputation of integrity on the part of both the Company and themselves. The Company does not contract with or otherwise engage any person or party where it considers integrity may be compromised.

The Code sets out the Company's policies on various matters, including the following:

- (a) conflicts of interest – in accordance with the Corporations Act and the Constitution, each Director is required to keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company, and where the Board believes a significant conflict exists, the Director concerned will not be present at the Board meeting whilst the matter is being considered;
- (b) fair trading and dealing;
- (c) health, safety and environment;
- (d) employment practices; and
- (e) bribes and facilitation payments.

The Code also outlines the procedure for reporting any breaches of the Code.

In addition to their obligations under the Corporations Act in relation to inside information, all directors, employees and consultants have a duty of confidentiality to the Company in relation to confidential information they possess.

In fulfilling their duties, each director dealing with corporate governance matters may obtain independent professional advice at the Company's expense, subject to prior approval of the Chairman, whose approval will not be unreasonably withheld.

PRINCIPLE 4: SAFEGUARDING INTEGRITY IN CORPORATE REPORTING

4.1 Audit Committee

The Board has established an Audit and Risk Management Committee, consisting of three members, all of whom are Non-Executive Directors and a majority of whom are independent Directors. The Chairman of the Audit and Risk Management Committee is an independent Director who is not the Chair of the Board. The Company has an Audit and Risk Management Charter. The key responsibilities contained within the Charter include assessing any significant estimates or judgements in KSN's financial reports, reviewing all half yearly and annual reports with management, advisers and the external auditors (as appropriate) and adopting same, overseeing the establishment and implementation of risk management and internal compliance and control systems and ensuring that there is a mechanism for assessing the ongoing efficiency of those systems, approving the terms of engagement with the external auditor at the beginning of each financial year, approving policies and procedures for appointing or removing an external auditor and for external audit engagement partner rotation.

The members of the Audit and Risk Management Committee as at the date of the statement are Mick Wilkes, Tony Wehby and Stuart Rechner. Their qualifications and experience are detailed in the Directors' Report in the Company's 2018 Annual Report. No meetings were held during the reporting period.

The Committee Charter may be viewed in full at the Investor Centre at www.kingstonresources.com.au under the heading "Corporate Governance".

4.2 CEO and CFO certification of financial statements

Prior to approving the Company's financial statements for the 2018 reporting period, the Board received from the CEO and the CFO or equivalent a written declaration under section 295A of the *Corporations Act 2001 (Cth)* that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Company. The CEO and the CFO or equivalent have each given a written assurance to the Board that the opinion forming the basis for the declaration was made by each of them and was formed on the basis of a sound system of risk management and internal control which is operating effectively.

4.3 External Auditor available at AGM

The Company's external auditor will be represented at the AGM by a suitably qualified member of the audit team who is in a position to answer questions about the audit. Shareholders are entitled and encouraged to submit questions to the auditor that are relevant to the content of the auditor's report or the conduct of the audit.

The Chairman is required, and will, allow a reasonable opportunity for the shareholders as a whole at the AGM to ask the auditor's representative questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements, and the independence of the auditor in relation to the conduct of the audit. Shareholders are encouraged to take advantage of this opportunity.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

5.1 Disclosure Policy

The Company is committed to observing its disclosure obligations under the Listing Rules and the *Corporations Act 2001 (Cth)*. Subject to the exceptions contained in the Listing Rules, the Company is required to disclose to the ASX any information concerning the Company that is not generally available and which a reasonable person would expect to have a material effect on the price or value of the shares.

The Company has established a Communications and Continuous Disclosure Policy which established processes and procedures designed to ensure compliance with, and Board and employee responsibilities and accountabilities for its continuous disclosure obligations under the Listing Rules and the *Corporations Act 2001 (Cth)*. The aim of the policy is to ensure all investors have equal and timely access to material information concerning the Company.

The Board will use the external auditor and legal counsel in an advisory capacity where appropriate, however maintains overriding authority in relation to continuous disclosure and, in relation to major matters, the Board must consider and approve any announcement to be made to the ASX by the Company. The Company Secretary is responsible for the administration of the Policy, and is responsible for ensuring that announcements are communicated to the relevant stock exchanges in accordance with applicable laws, listing rules and regulations, after approval by the Board. The Company Secretary is responsible for ensuring that officers and employees of the Company are aware of, and understand, the Company's continuous disclosure obligations, their responsibilities in relation to these obligations and to protect the confidentiality of information.

The Communications and Continuous Disclosure Policy may be viewed at www.kingstonresources.com.au under the heading "Corporate Governance". Announcements are available on the Company's website under the heading "ASX Announcements".

PRINCIPLE 6: RESPECT THE RIGHTS OF SECURITY HOLDERS

6.1 Information on website

The Board's aim is to ensure that shareholders are provided with sufficient information to assess the performance of KSN and are informed of all major developments affecting the affairs of the Company in accordance with all applicable laws.

The Company has a website, www.kingstonresources.com.au, within which there is a "Corporate Governance" section where all relevant corporate governance policies can be accessed. The information available on the website includes the Company's Communications and Continuous Disclosure Policy, which supports the Company's commitment to effective communication with shareholders and encourages participation by shareholders at general meetings, among other things.

The Company's website also contains other information about the Company, including:

- a) the Board and senior management team;
- b) key Policies and the Charters of the Board and its committees;
- c) ASX announcements;
- d) Annual and quarterly reports;
- e) notices of meetings; and
- f) media releases.

6.2 Investor Relations Program

The Company has adopted a Communications and Continuous Disclosure Policy, the purpose of which is to facilitate effective two-way communication with investors, with the aim of allowing shareholders and other financial market participants to gain a greater understanding of the Company's operations, governance, financial performance and prospects. The Company welcomes shareholder participation as the AGM and shareholder and investor enquiries. Matters of concern raised in this way are regularly communicated to the Board.

A copy of the Communications and Continuous Disclosure Policy is available at www.kingstonresources.com.au.

6.3 Facilitating participation at meetings of security holders

In accordance with the Communications and Continuous Disclosure Policy, the Company supports shareholder participation in general meetings and seeks to provide appropriate mechanisms for such participation. As a matter of practice, in its notices of meetings, the Company encourages those shareholders who cannot attend general meetings in person to appoint proxies on their behalf.

The Company's Communications and Continuous Disclosure Policy sets out the Company's procedures in relation to shareholder participation. Mechanisms for encouraging and facilitating shareholder participation will be reviewed regularly to encourage the highest level of shareholder participation.

6.4 Facilitating electronic communication

The Company provides shareholders with the option to receive communications from, and send communications to, the Company and the Share Registry electronically, for reasons of speed, convenience, cost and environmental considerations.

Annual Reports are provided electronically on the Company's website, unless a shareholder elects to receive a printed copy. Announcements made by the Company to the ASX are made available on the website under the heading "ASX Announcements".

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

7.1 Risk Management Framework

The Board has recently established an Audit and Risk Management Committee. The members of the committee are Mick Wilkes, Tony Wehby and Stuart Rechner, the majority of whom are independent directors. It is chaired by an independent director, Mick Wilkes. The Committee Charter may be viewed in full at the Investor Centre at www.kingstonresources.com.au under the heading "Corporate Governance".

During the reporting period, the Company did not have a separate risk management committee. The role of the risk management committee was undertaken by the full Board, which comprised two Non-Executive Directors and two Executive Directors.

Section 7 of the Company's Corporate Governance plan sets out the Company's risk management review and internal compliance and control procedures. The greatest risk, of course, is the low probability of success for minerals exploration.

The Board notes that key operational risks and their management will be recurring items for deliberation at Board meetings.

The Board will review assessments of the effectiveness of risk management and internal compliance and control on an annual basis.

7.2, 7.4 Risk Review and Economic, environmental and social sustainability risks

The newly established Audit and Risk Management Committee has responsibility for the monitoring of risk management however it has not received a formal report from the Board regarding the material risks and whether those risks are managed effectively. The Board and Committee believe that the Consolidated Group has to date effectively communicated its significant and material risks to the Board and its affairs are not of sufficiently complexity to justify the implementation of a more formal system for identifying, assessing, monitoring and managing risk in the Company. As at the date of this statement, the Company has not disclosed the fact that these reviews have been undertaken, but the Company intends to do so once these reviews are in place.

The Company's primary operation of mineral exploration and development is speculative in nature and has inherent risks. It is subject to various economic, environmental and social sustainability risks, which may materially impact the Company's ability to operate and to generate value for shareholders. These include:

- (a) **Exploration:** The success of the Company depends on the delineation of economically mineable reserves and resources, access to required development capital, movement in the price of commodities, securing and maintaining title to the Company's exploration and mining tenements and obtaining all consents and approvals necessary for the conduct of its exploration activities. The actual costs of exploration may materially differ from those estimated by the Company.
- (b) **Title risks:** All exploration leases held either by the Company or through its subsidiaries. The Company has in place internal tenement management and monitoring to ensure continuity of its tenement assets.
- (c) **Future capital requirements:** The Company will need to raise funding for exploration activities and working capital from time to time. However, there is no guarantee that appropriate or adequate funding will be available.
- (d) **Commodity price fluctuations:** The Company's future revenue will depend upon demand and commodity prices in particular for gold.
- (e) **Exchange rate fluctuations:** International prices of most commodities are denominated in United States dollars, whereas the expenditure of the Company, whilst operating on Australian projects, will be in Australian dollars and on Papua New Guinea projects will be in Kina and Australian dollars.

This will expose the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar, subject to any currency hedging the Company may undertake. The exchange rate is affected by numerous factors beyond the control of the Company, including international markets, interest rates, inflation and the general economic outlook.

- (f) **Environmental risks:** The operations and proposed activities of the Company are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, the Company's proposed activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Such impact can give rise to substantial costs for environmental rehabilitation, damage, control and losses.

Delay in obtaining or failure to grant any environmental approvals that may be required from relevant government or regulatory authorities may impede or prevent the Company from undertaking its planned activities.

In addition, if there are environmental rehabilitation conditions attaching to the mining tenements of the Company, failure to meet such conditions could lead to forfeiture of the Tenements (or any additional tenement interests held by the Company in the future). The Company will attempt to conduct its activities to the highest standard of environmental obligation, including compliance with all environmental laws.

Further, the Company is unable to predict the impact of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

- (g) **Securities market conditions:** As with all securities markets, the price of the Company's shares and other securities is subject to fluctuations in the market

7.3 Internal Audit

The Company does not have an internal audit function given the current size and scope of the Company's operations. The Board believes that specific responsibilities for risk management are clearly communicated, understood and managed by it and senior management. The reporting obligations of management ensure that the Board and Audit and Risk Management Committee are regularly informed of material risk management issues and actions.

PRINCIPLE 8: REMUNERATE FAIRLY AND RESPONSIBLY

8.1 Remuneration Committee

The Company has recently established a Remuneration and Nomination Committee consisting of three members, a majority of whom are independent. The Committee is chaired by an independent Director. The Committee Charter may be viewed in full at the Investor Centre at www.kingstonresources.com.au under the heading “Corporate Governance”.

During the reporting period, the role of the remuneration committee was undertaken by Tony Wehby and Stuart Rechner, the Non-Executive Directors.

The Company sets out the remuneration paid or provided to Directors and key management personnel annually in the remuneration report contained within the Company’s annual report to shareholders. The maximum aggregate remuneration payable to Non-Executive Directors is \$250,000, which was approved by the shareholders at the 2017 Annual General Meeting in accordance with the Company’s Constitution.

8.2 Remuneration Policy

Details of the Company’s remuneration policies and practices are included in the “Remuneration Report” within the Annual Report. Details of compensation for Directors and senior management are also disclosed within the “Remuneration Report”. The structure of remuneration for Non-Executive Directors is clearly distinguished from that of Executive Directors and senior management, including in relation to termination entitlements. The Company does not currently have any schemes for retirement benefits for Non-Executive Directors, other than the compulsory superannuation guarantee levy.

8.3 Policies on hedging equity incentive schemes

The Company has an equity-based remuneration scheme. The Company’s Securities Trading Policy prohibits employees from entering into transactions or arrangements which could have the effect of limiting their risk relating to an element of their remuneration that has not vested.

Appendix 1: Skills Matrix

Board Skills	Description
Leadership	Public listed company experience at board and management level, developing company culture, implementation and strategy
Strategy	Development, implementation, delivery of and overseeing strategy, dynamic ability to review and adapt long term planning. Oversight and deliver of strategy
Financial & Legal	Financial management, accounting, ASX listing compliance, legal and corporate governance, remuneration
Mergers & Acquisitions	Project identification and acquisition, funding and capital markets, negotiation of legal contracts and deal structure,
Geology	Identification of prospective geology, systematic exploration approach, effective, efficient and economic exploration, governance within exploration industry
Project Development	Exploration to resources, resource to decision to mine
Mining	Resources - medium to large project experience/Infrastructure - exposure to mining infrastructure
International Experience	Business experience including living and working outside Australia, PNG in-country experience and network
Health, Safety & Environment	WH&S, Environmental (Environment Impact Studies), community issues, mining and project approvals, mining regulations
Stakeholder Management	Investor relations, community relationships, government and industrial relations, communications, media and public relations
Corporate Governance	Effective risk management and internal controls, ensuring effective governance structures