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Notice of Annual General Meeting 6 November 2019

This is an important document. Please read it carefully.

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

The Annual General Meeting of the Company will be held at the offices of Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW 2000 at 3 pm (AEDT Time) on Wednesday, 6 November 2019.

Kingston Resources Limited

NOTICE OF 2019 ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Shareholders of Kingston Resources Limited for 2019 will be held at the offices of Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW 2000 at 3 pm (Sydney AEDT Time) on Wednesday, 6 November 2019. The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

Pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth), the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 7.00 pm (Sydney Time) on 4 November 2019.

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

AGENDA

BUSINESS

Consideration of Financial Reports of the Directors and Auditors

To receive and consider the Financial Report together with the Directors' Report and the Auditor's Report for the Company and its controlled entities for the year ended 30 June 2019.

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

Resolution 1 – Adoption of Remuneration Report

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

“To adopt the Remuneration Report as contained in the Company's Annual Financial Report for the financial year ended 30 June 2019.”

Resolution 2 – Re-Election of Director – Anthony Wehby

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

“Pursuant to Article 7.3(a) of the Company's Constitution and Listing Rule 14.4 and for all other purposes, Anthony Wehby is re-elected as a Director of the Company.”

Resolution 3 – Re-Election of Director – Stuart Rechner

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

“Pursuant to Article 7.3(a) of the Company's Constitution and Listing Rule 14.4 and for all other purposes, Stuart Rechner is re-elected as a Director of the Company.”

Resolution 4 – Approval to grant Long Term Incentive Options to Andrew Corbett

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

“That, for the purposes of Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 34,215,628 Long Term Incentive Options to Andrew Corbett (or his nominee), the Company's Managing Director, under the LTI Plan on the terms and conditions set out in the Explanatory Statement.”

Resolution 5 - Approval to grant Short Term Incentive Performance Rights to Andrew Corbett

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

“That, for the purposes of Listing Rule 10.11 and for all other purposes, Shareholders approve the grant of up to 11,405,209 Short Term Performance Rights to Andrew Corbett (or his nominee), the Company's Managing Director, on the terms and conditions set out in the Explanatory Statement.”

Resolution 6 – Ratification of Prior Issues of Placement Shares

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

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the allotment and prior issue of 213,186,388 fully paid ordinary Shares (Placement Shares) on terms and conditions all of which are described in the Explanatory Statement which accompanies and forms part of the Notice of Meeting.”

Resolution 7 - Approval of Issue of Equity Securities for the Purpose of ASX Listing Rule 7.1A

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

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

Resolution 8 – Share Consolidation

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

“That in accordance with, and pursuant to, section 254H(1) of the Corporations Act and for all other purposes, approval is given for the issued share capital of the Company to be consolidated on the basis that:

- (a) every ten (10) existing fully paid shares in the capital of the Company be consolidated into one fully paid ordinary share, on the terms described in the Explanatory Memorandum; and*
- (b) all options and performance rights on issue be adjusted in accordance with Listing Rules 7.21 and 7.22.*

Where this consolidation results in a fraction of a Share, Option or Performance Right being held by a security holder, the Directors be authorised to round that fraction up to the nearest Share, Option or Performance Right.”

Voting Exclusion Statement

The following voting exclusion statement applies to the resolutions under the Listing Rules or, where applicable, the provisions of the *Corporations Act*, to the following persons.

The Company will disregard any votes cast in favour of the following Resolutions by or on behalf of:

- the following (named) person (or class of persons) excluded from voting; or
- an Associate of that person (or those persons):

Resolution No.	Title	Excluded Persons
1	Adoption of Remuneration Report	A member of the KMP, or a Closely Related Party of the KMP, whose remuneration details are included in the remuneration report for the year ended 30 June 2019.
4	Approval to grant Long Term Incentive Options and Performance Rights to Andrew Corbett	Any Director of the Company (or his nominee) who is eligible to participate in the Company’s Long Term Incentive Plan.
5	Approval to grant Short Term Incentive Performance Rights to Andrew Corbett	Andrew Corbett (or his nominee).
6	Ratification of the Prior Issues of Placement Shares	Any person or entity who participated in the issue.
7	Approval of issue of Equity Securities for the purpose of ASX Listing Rule 7.1A	A person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue under the 10% Placement Capacity (except a benefit solely by reason of being a holder of ordinary securities in the Company). As at the date of this Notice, the Company does not yet know, nor has it formed an intention in relation to how it will decide, which parties it may approach to participate in any issue that may ultimately be made.

However, the Company need not disregard a vote in relation to Resolutions 1 and 4-7 if it is cast by:

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

Voting by Proxy

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

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

This express authorisation acknowledges that the Chairman may exercise your proxy in relation to Resolutions 1, 4 and 5 even though they are connected with remuneration of a member of KMP and Resolution 1 is a resolution in respect of which the Chairman of the meeting has an interest. Votes cast by the Chairman on Resolutions 1, 4 and 5, other than as an authorised proxy holder will be disregarded because of his interest in the outcome of the Resolutions.

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

Dated this 3rd day of October 2019.

By Order of the Board



Anthony Wehby
Non-Executive Chairman

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at the offices of Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW 2000 at 3 pm (Sydney Time) on Wednesday, 6 November 2019.

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

Financial Statements and Reports

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

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

The Company's 2019 Annual Report is available on the Company's website at www.kingstonresources.com.au.

1. Resolution 1 – Adoption of Remuneration Report

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

The Remuneration Report is contained in the Company's 2019 Annual Report. The Remuneration Report includes all of the information required by Section 300A of the *Corporations Act*, including:

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

Under the *Corporations Act*, the vote on this Resolution is advisory only and does not bind the Board or the Company. However, the Board will consider the outcome of the vote when considering future remuneration for Directors and KMP. Shareholders should note that if 25% or more of the votes cast on this Resolution are against adoption of the Remuneration Report, then the first element in the Board spill provisions introduced in 2011 (known generally as the "two strikes rule") will be triggered. This would require a Resolution on whether to hold a further meeting to spill the Board ("spill resolution") to be put to Shareholders at the 2020 Annual General Meeting if a "second strike" were to occur at the 2020 Annual General Meeting.

The Remuneration Report forms part of the Directors' Report which has unanimously been adopted by resolution of the Board. An opportunity will be provided for discussion of the Remuneration Report at the meeting. In relation to the approval of the Remuneration Report of the Company for 2018, less than 25% of the votes cast on that resolution were against it.

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

Directors' Recommendation

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

2. Resolution 2 – Re-Election of Director – Anthony Wehby

Resolution 2 seeks Shareholder approval for the re-election of Anthony Wehby as a Director of the Company. Mr Wehby is eligible for re-election and offers himself for re-election as a Director of the Company.

Biography of Anthony Wehby, Non-Executive Chairman

Mr Wehby has been a director and non-executive Chairman of the Company since 4 July 2016.

Mr Wehby is a highly experience board member and chairman. He is also a Director of Ensurance Ltd (ASX:ENA) and Royal Rehab and was previously Chairman of Tellus Resources Limited, Non-Executive Chairman of Aurelia Metals Limited and a Director of Harmony Gold (Aust) Pty Ltd. Since 2001, Mr Wehby has maintained a financial consulting practice, focusing on strategic advice to companies including investments, divestments and capital raisings. Prior to 2001, Mr Wehby was a partner in PricewaterhouseCoopers Australia (Coopers & Lybrand) for 19 years.

Mr Wehby is a Fellow of the Institute of Chartered Accountants in Australia and a Member of the Australian Institute of Company Directors.

Directors' Recommendation

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

Resolution 3 – Re-election of Director – Stuart Rechner

Resolution 3 seeks Shareholder approval for the re-election of Stuart Rechner as a Director of the Company. Mr Rechner is eligible for re-election and offers himself for re-election as a Director of the Company.

Biography of Stuart Rechner, Non-Executive Director

Mr Rechner was appointed as Executive Director of Kingston Resources Limited on 23 February 2015 and transitioned to a Non-Executive Director role on 4 July 2016.

Mr Rechner is an experienced company director and geologist with a background in project generation and acquisition in Australia and overseas. Mr Rechner holds degrees in both geology and law and is a member of the Australian Institute of Geoscientists and the Australian Institute of Company Directors. For over ten years Mr Rechner was an Australian diplomat responsible for the resources sector with postings to Beijing and Jakarta.

Mr Rechner has been a Director of Strategic Energy Limited (ASX:SER) since 12 September 2014 and was a Director of GB Energy Limited (ASX:GBX) from 20 November 2013 until 28 September 2017. He has held no other listed directorships in the past three years.

Directors' Recommendation

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

Resolutions 4 – Approval to grant Long Term Incentive Options to Andrew Corbett.

Background

The Company seeks Shareholder approval for the grant of up to 34,215,628 Long Term Incentive Options (**LTI Options**) to Mr Corbett (or his Nominee) under the Company's long-term incentive plan (**LTI Plan**). The proposed grant of LTI Options forms part of the FY20 remuneration package for Mr Corbett and is intended to:

- (a) provide an appropriate and adequate incentives for Mr Corbett;
- (b) ensure the Company retains the services of Mr Corbett; and
- (c) reinforce the commitment of Mr Corbett.

Long Term Incentive Options

The terms of the LTI Options proposed to be granted to Mr Corbett are set out in Schedule 1 and are otherwise be subject to the rules of the LTI Plan.

The key terms and conditions of the LTI Options proposed to be issued to Mr Corbett are as follows:

1. The earliest date on which the LTI Options may vest (and become exercisable) is 31 July 2021 (unless there is a change of control in the Company, in which case they will vest immediately);
2. After 31 July 2021, the Options will vest subject to the Company achieving a JORC compliant reserve at Misima greater than 500,000oz, prorated between the following milestones prior to 31 July 2023:
 - a. 50% will vest on achieving a 500,000oz JORC compliant reserve, and
 - b. 100% will vest on achieving a JORC compliant reserve of 1,500,000oz or more;
3. Where employment is terminated, Mr Corbett will have 3 months to exercise vested Options; Unvested Options will be forfeited.

The LTI Options are exercisable at \$0.001 and will be issued for nil consideration.

All LTI Options that have not been exercised by 31 July 2023 will expire.

Each LTI Option entitles Mr Corbett to acquire, upon its exercise, one Share. The LTI Options will be unquoted and may not be sold, transferred, mortgaged, pledged, charged, encumbered with a security interest in or over them. The LTI

Options will not entitle Mr Corbett to receive dividends on Shares before vesting or exercise (as applicable) and do not carry any voting rights.

Regulatory requirements

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

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

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

- (a) The LTI Options will be issued to Andrew Corbett or his nominee.
- (b) The maximum number of securities that may be acquired by Mr Corbett is 34,215,628 LTI Options, which may be exercised upon payment of the relevant exercise price and meeting the terms and conditions of the LTI Options, whereupon Mr Corbett would be entitled to 34,215,628 Shares.
- (c) The LTI Options will be granted for no cash consideration.
- (d) The following directors have received securities under the LTI Plan since it was first approved by Shareholders on 4 July 2016:

Name of Director	LTI Options		LTI Performance Rights	
	Number	Acquisition Price	Number	Acquisition Price
Andrew Corbett	5,000,000	Nil	10,000,000	Nil
Andrew Corbett	7,500,000 (FY19)	Nil	2,144,375 (FY17)	Nil
Andrew Corbett			4,977,207 (FY18)	Nil
Andrew Corbett			6,719,318 (FY19)	Nil
Anthony Wehby	2,000,000	Nil	6,000,000	Nil
Anthony Wehby	3,000,000 (FY19)	Nil	1,742,045 (FY19)	Nil
Stuart Rechner	3,000,000 (FY19)	Nil	1,368,750 (FY19)	Nil
Mick Wilkes	3,000,000 (FY19)	Nil	1,368,750 (FY19)	Nil
Andrew Paterson ¹	4,000,000	Nil	8,000,000	Nil
Andrew Paterson ¹	6,500,000 (FY19)	Nil	1,825,000 (FY17)	Nil
Andrew Paterson ¹			4,235,921 (FY18)	Nil
Andrew Paterson ¹			6,146,932 (FY19)	Nil

¹resigned on 20 June 2019

- (e) The persons entitled to participate in the LTI Plan are Directors and employees of the Company and its Related Bodies Corporate.
- (f) A voting exclusion statement for Resolution 4 is on page 3 of the Notice of Meeting.
- (g) There are no loans proposed to be granted to Mr Corbett for the grant of the LTI Options.
- (h) The LTI Options will be granted as soon as practicable after the Meeting and in any event within 12 months of the Meeting.

The grant of the LTI Options will confer a financial benefit on Mr Corbett.

Under section 208 of the *Corporations Act*, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- a) obtain the approval of the public company's members; and
- b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the *Corporations Act*.

Shareholder approval is **not** being sought for the purposes of section 208 of the *Corporations Act* on the basis that the benefit is considered by the other Directors to constitute reasonable remuneration and, therefore, the exception in section 211 of the *Corporations Act* applies. Section 211 provides that Shareholder approval is not required for the purposes of section 208 in circumstances where the benefit constitutes remuneration which would be reasonable given the Company's and the related party's circumstances.

Having considered the Company's circumstances and Mr Corbett's position as Managing Director of the Company, the other Directors consider that the financial benefit conferred by the grant of the LTI Options to Mr Corbett is reasonable and therefore the exception in section 211 applies.

If shareholder approval for Resolution 8 is obtained, the LTI Options will be issued to Mr Corbett prior to the Share Consolidation and will be adjusted in accordance with Listing Rule 7.22 and the terms and conditions set out in Schedule 1. That is, every 10 LTI Options will be consolidated into 1 LTI Option and any share priced based conversion conditions will be amended in inverse proportion to the consolidation ratio as follows.

Expiry Date	Pre-consolidation		Post-consolidation	
	Exercise Price	Number	Exercise Price	Number
31 July 2023	\$0.001	34,215,628	\$0.01	3,421,563

Directors' recommendation

The Directors (other than Mr Corbett who abstains given his personal interest in the Resolution) recommend that Shareholders vote in favour of Resolution 4.

Resolution 5 – Approval to grant Short Term Incentive Performance Rights to Andrew Corbett.

Background

The Company seeks Shareholder approval for the grant of up to 11,405,209 Short Term Incentive Performance Rights (**STI Performance Rights**) to Mr Corbett.

Short Term Incentive Performance Rights

The Company proposes to grant up to 11,405,209 STI Performance Rights to Mr Corbett. The key terms of the STI Performance Rights proposed to be granted to Mr Corbett are subject to the following vesting condition:

1. The STI Performance Rights will be issued for nil consideration and will vest in 2 tranches (Tranche 1 and Tranche 2) as follows:
 - (a) Up to 50% of the STI Performance Rights (Tranche 1) will automatically vest if the June 2020 VWAP is between 120% and 150% of the June 2019 VWAP, and
 - (b) Up to 50% of the STI Performance Rights (Tranche 2) will vest, at the Board's discretion, upon the achievement of operational performance measures by 30 June 2020.
2. All STI Performance Rights that have not vested by 31 July 2020 will automatically lapse and be forfeited.
3. Instead of receiving Shares when the STI Performance Rights (Tranche 2) have vested, Mr Corbett may elect to receive a cash payment in lieu of Shares for up to 50% of the vested STI Performance Rights in Tranche 2. The cash payment will be determined by multiplying the June 2019 VWAP of \$0.0137c by the number of vested STI Performance Rights for which Mr Corbett has elected to receive a cash payment instead of Shares. There is no option to receive a cash payment in respect of any vested STI Performance Rights in Tranche 1.

No subscription monies are required in respect of the grant of the STI Performance Rights.

The unvested STI Performance Rights will automatically lapse and be forfeited if Mr Corbett voluntarily resigns otherwise than to take up employment with a Related Body Corporate of the Company or if Mr Corbett is dismissed from employment for a material breach of his contract of employment, gross negligence or other conduct justifying

termination without notice. STI Performance Rights will not lapse if Mr Corbett ceases employment due to death, permanent disablement, or any other circumstance in which the Board determines the STI Performance Rights should not lapse.

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

Regulatory requirements

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

If approval for Resolution 5 is given for the purposes of Listing Rule 10.11 then approval is not required under Listing Rule 7.1.

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

- i) The STI Performance Rights will be issued to Mr Corbett or his nominee.
- ii) The maximum number of securities that may be acquired by Mr Corbett is 11,405,209 STI Performance Rights which may then convert into 11,405,209 Shares if the performance and vesting conditions are met.
- iii) The STI Performance Rights will be granted for nil consideration and no funds will be raised from the grant of STI Performance Rights, or issue of Shares upon the vesting of STI Performance Rights.
- iv) The full terms and conditions of the STI Performance Rights to be issued to Mr Corbett are set out in Schedule 2 to this Explanatory Statement.
- v) The STI Performance Rights will be granted as soon as practicable after the Meeting and in any event within 1 month of the Meeting.
- vi) A voting exclusion statement in respect of Resolution 5 is set out on page 3 of the Notice of Meeting.

The grant of the STI Performance Rights will confer a financial benefit on Mr Corbett.

Under section 208 of the *Corporations Act*, for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- a) obtain the approval of the public company's members; and
- b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the *Corporations Act*.

Shareholder approval is **not** being sought for the purposes of section 208 of the *Corporations Act* on the basis that the benefit is considered by the other Directors to constitute reasonable remuneration and, therefore, the exception in section 211 of the *Corporations Act* applies. Section 211 provides that shareholder approval is not required for the purposes of section 208 in circumstances where the benefit constitutes remuneration which would be reasonable given the Company's and the related party's circumstances.

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

If shareholder approval for Resolution 8 is obtained, the STI Performance Rights will be issued to Mr Corbett prior to the Share Consolidation and will be adjusted in accordance with Listing Rule 7.21 and the terms and conditions set out in Schedule 2. That is, every 10 STI Performance Rights will be consolidated into 1 STI Performance Right as follows.

	Pre-consolidation	Post-consolidation
STI Performance Rights	11,405,209	1,140,521

Directors' recommendation

The Directors (other than Mr Corbett who abstains given his personal interest in the Resolution) recommend that Shareholders vote **in favour** of Resolution 5.

Resolution 6 – Ratification of Prior Issues of Placement Shares

Background

Listing Rule 7.1 allows the board of an ASX listed company to issue up to 15% of the company's issued capital in any 12-month period without shareholder approval.

Listing Rule 7.1A allows the board of an ASX listed company to seek shareholder approval for a special resolution to be passed at an Annual General Meeting in advance, that would provide the Company with the placement capacity to issue up to 10% (in addition to the 15% placement capacity already afforded to the company under Listing Rule 7.1) of the company's issued capital in a 12-month period.

The Company obtained shareholder approval at the 2018 Annual General Meeting held on 8 November 2018 for the additional 10% placement capacity pursuant to Listing Rule 7.1A.

The Company utilised a portion of its placement capacity under Listing Rules 7.1 and 7.1A to issue 285,562,500 ordinary shares in May 2019.

Listing Rule 7.4 provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to Listing Rules 7.1 and 7.1A (and provided that the previous issues did not breach the Listing Rules), those securities will be deemed to have been made with shareholder approval for the purposes of Listing Rules 7.1 and 7.1A. Resolution 6 proposes that shareholders of the Company approve and ratify the issue and allotment of:

- (a) 213,186,388 ordinary shares (**Placement Shares**) which were issued in May 2019 under the Company's 15% placement capacity under Listing Rule 7.1 (164,062,500 ordinary shares on 1 May 2019 and 49,123,888 ordinary shares on 8 May 2019) as part of the capital raising announced by the Company on 3 May 2019 (refer ASX Announcement on 3 May 2019); and
- (b) 72,376,112 Placement Shares which were issued on 8 and 10 May 2019 under the Company's additional 10% placement capacity under Listing Rule 7.1A as part of the capital raising announced by the Company on 3 May 2019 (refer ASX Announcement on 3 May 2019).

The effect of approval of Resolution 6 is to allow the Board of the Company to rely on Listing Rule 7.4, and in effect, reset the placement capacity under Listing Rule 7.1 and 7.1A, insofar as it relates to the issue of 285,562,500 Placement Shares, which will allow the Company to issue additional securities utilising its placement capacity under Listing Rule 7.1 and 7.1A after this Resolution is adopted, instead of having to wait until 12 months after the issue.

Information Required by Listing Rule 7.5

The following information in relation to the Placement Shares is provided to shareholders for the purposes of Listing Rule 7.5:

- (a) The Company issued 213,186,388 Placement Shares utilising placement capacity under Listing Rule 7.1 and 72,376,112 Placement Shares utilising placement capacity under Listing Rule 7.1A.
- (b) The Placement Shares were issued at \$0.016 per Placement Share.
- (c) Placement Shares were fully paid on issue and rank equally in all aspects with all existing fully paid shares previously issued by the Company.
- (d) Placement Shares were issued to institutional and sophisticated investors invited by the Company to subscribe for Placement Shares and to third parties in respect of fees as part of the capital raising announced by the Company on 3 May 2019.
- (e) Funds raised from the issue will be primarily used to advance exploration activities at the Company's Misima Gold Project and Livingstone Gold Project in WA, including:
 - Extensive regional drill program at Misima targeting new deposits
 - Extensional and infill drilling at the known Misima resource
 - Exploration drilling at Livingstone Gold Project
 - General working capital

The Chairman intends to vote all available proxies in favour of Resolution 6.

Directors' Recommendation

The Directors recommend that Shareholders vote **in favour** of Resolution 6.

Resolution 7 – Approval of issue of Equity Securities for the purpose of ASX Listing Rule 7.1A

Resolution 7 seeks Shareholder approval by way of special resolution for the Company to have the ability to issue Equity Securities pursuant to the 10% Placement Capacity available under ASX Listing Rule 7.1A.

Overview

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

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a Market Capitalisation of \$300 million or less at the time of the AGM. The Company is currently an eligible entity for the purpose of Listing Rule 7.1A. The Board expects that the Company will be an eligible entity as at the date of the AGM. However, if the Company is not eligible, Resolution 7 will be withdrawn.

Shareholder Approval

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

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

Equity Securities

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

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

Formula for calculating the 10% Placement Capacity

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

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

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

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

D is 10%

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

Information required by Listing Rule 7.3A

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

▪ Minimum issue price

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

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

▪ Risk of dilution

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

There is also a risk that:

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

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

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

Variable "A" in Listing Rule 7.1A.2		Dilution / Effect		
		\$0.009	\$0.017	\$0.034
		50% decrease in Issue Price	Issue Price	100% increase in Issue Price
Current Issued Capital Variable A	Shares Issued under LR 7.1A (10%)	176,592,058	176,592,058	176,592,058
1,765,920,584 Shares	Funds Raised	\$1,589,329	\$3,002,065	\$6,004,130
50% increase in Current Issued Capital Variable A	Shares Issued under LR 7.1A (10%)	264,888,088	264,888,088	264,888,088
2,648,880,876 Shares	Funds Raised	\$2,383,993	\$4,503,097	\$9,006,195
100% increase Current Issued Capital Variable A	Shares Issued under LR 7.1A (10%)	353,184,117	353,184,117	353,184,117
3,531,841,168 Shares	Funds Raised	\$3,178,657	\$6,004,130	\$12,008,260

The table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Capacity.
- The table does not show any examples of the dilution that may be caused to a specific Shareholder based on that Shareholder's holding at the date of the AGM.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue.
- The table only shows the effect of issues under Listing Rule 7.1A and does not consider the effect of any issues under the 15% placement capacity under Listing Rule 7.1 during the 12-month period or any other issues.
- The Issue Price of the Shares is \$0.017, being the closing price of the Shares on ASX on 2 September 2019.

If shareholder approval for Resolution 8 is obtained, the above calculations will be adjusted in accordance with the proposed consolidation. That is, every 10 Ordinary Shares will be consolidated into 1 Ordinary Share and the issue price will be adjusted in inverse proportion to the consolidation ratio (i.e. the issue price will be \$0.17).

- **Final issue date**

The final date that the Company can issue Equity Securities under the 10% Placement Capacity is 12 months from the date of the AGM, being 6 November 2020.

The approval under Resolution 7 will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities) or Listing Rule 11.2 (disposal of main undertaking).

- **Purpose of the issue**

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

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

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

- **Allocation policy**

The Company's allocation policy for the issue of Equity Securities pursuant to the 10% Placement Capacity is largely dependent on the prevailing market conditions and the circumstances of the Company at the time of any proposed issue. The time frame over the 12-month period which the Company expects to make placements under its placement capacity pursuant to Listing Rule 7.1A therefore cannot yet be accurately determined.

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

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

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

- **Previous approval**

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

The Company obtained Shareholder approval for the 10% Placement Capacity at its 2018 Annual General Meeting.

During the 12 months prior to the date of this Notice, the Company issued 601,434,246 equity securities representing approximately 48% of the total number of equity securities on issue 12 months ago. 1,223,198,382 equity securities were on issue at the commencement of that 12 month period. Of those equity securities issued during the 12 months prior to the date of this Notice, 77,876,112 shares were issued under the 10% Placement Capacity pursuant to Listing Rule 7.1A.

The details of the equity securities issued are as follows:

Number of Equity Securities Issued	Class of Equity Securities Issued	Name of Persons to Whom Equity Securities were Issued	Issue Price	Cash or non-cash Consideration	Discount
276,250,000 ¹	Ordinary Shares ⁹	Institutional and sophisticated investors ¹	\$0.016	\$4,420,000	-

¹Ordinary Shares issued in May 2019 as part of a capital raising announced by the Company on 3 May 2019. 213,186,388 shares were issued under the Company's placement capacity pursuant to Listing Rule 7.1 and 63,063,612 shares were issued under the Company's 10% Placement Capacity pursuant to Listing Rule 7.1A. Since this placement the Company has utilised approximately \$1.9m on the Misima Gold Project including ongoing drilling activities. The remainder of the funds raised from the issue will be used to continue to advance exploration activities at the Company's Misima Gold Project and Livingstone Gold Project in WA, as well as general working capital.

9,312,500 ²	Ordinary Shares	Third parties	\$0.016	Nil (current value \$149,000) ¹⁰	-
² 9,312,500 Ordinary Shares issued in May 2019 under the Company's 10% Placement Capacity pursuant to Listing Rule 7.1A. No funds were raised from the issue of shares as they were issued as part of fees payable to third parties.					
58,666,858 ³	Ordinary Shares	Existing Shareholders	\$0.016	\$938,670	-
³ Ordinary Shares issued on 5 June 2019 to existing Shareholders (pro rata renounceable rights issue announced by the Company on 3 May 2019). Funds raised from the issue will be used for additional working capital to progress exploration and drilling activities at the Misima Gold Project and the Livingston Gold Project. With funding from the above May placement still available, the Company is yet to utilise this funding.					
192,793,865 ⁴	Ordinary Shares	Institutional and sophisticated investors ⁴	\$0.016	\$3,084,702	-
⁴ Ordinary Shares issued on 22 August 2019 to existing Institutional and sophisticated investors (placement of shortfall from pro rata non-renounceable rights issue announced by the Company on 3 May 2019). Funds raised from the issue will be used for additional working capital to progress exploration and drilling activities at the Misima Gold Project and the Livingston Gold Project. With funding from the above May placement still available, the Company is yet to utilise this funding.					
3,023,694 ⁵	Ordinary Shares	Executive Director ⁵	Nil	Nil (current value \$48,379) ¹⁰	-
⁵ Ordinary Shares issued on 25 July 2019 to Executive Director upon partial vesting of FY19 STI Performance Rights (KSNST4) – remainder have lapsed. Shareholder approval was obtained at the 2018 AGM pursuant to Listing Rule 10.11 for the issue of STI Performance Rights to Andrew Corbett. No funds were raised from the issue of shares as they were issued as part of the FY19 remuneration.					
2,675,284 ⁶	Ordinary Shares	Employee	Nil	Nil (current value \$42,804) ¹⁰	-
4,000,000 ⁷	STI Options (KSNLTU01)	Employees	Nil	Nil (current value \$60,096) ¹¹	-
1,500,000 ⁷	LTI Performance Rights (KSNLTPR5)	Employees	Nil	Nil (current value \$24,000)	-
⁶ Ordinary Shares issued on 25 July 2019 to employee upon partial vesting of FY19 STI Performance Rights (KSNST4) – remainder have lapsed.					
⁷ Unlisted Options and Performance Rights issued on 6 June 2019 to employees issued under the Company's 10% Placement Capacity pursuant to Listing Rule 7.1A. No funds were raised from the issues of Options and Performance Rights as they were issued as part of FY19 Remuneration.					
23,000,000 ⁸	LTI Options	Directors	Nil	Nil (current value \$52,670)	-
17,345,795 ⁸	LTI Performance Rights (FY19)	Directors	Nil	Nil (current value \$19,427) ¹¹	-
12,866,250 ⁸	STI Performance Rights (FY19)	Directors	Nil	Nil (current value Nil)	-
⁸ FY19 LTI Options, STI and LTI Performance Rights issued on 9 November 2018 to directors. Shareholder approval was obtained at the 2019 AGM pursuant to Listing Rule 10.11 for the issue of Options and Performance Rights to directors. No funds were raised from the issue of these Options and Performance Rights as they were issued as part of FY19 remuneration. FY19 STI Performance Rights partially vested in July 2019 and the remainder lapsed.					
Total: 601,434,246					

⁹Ordinary Shares are fully paid ordinary shares in the capital of the Company with full entitlements to participate in dividends and to vote in meetings.

¹⁰Current value based on the Company's share price of 1.6 cents on 1 September 2019

¹¹Options valued at 1 September 2019 using the Black Scholes Valuation Model and Performance Rights valued at 1 September 2019 using the Monte Carlo Simulation

Voting exclusion statement

A voting exclusion statement is set out on page 3 of this Notice. As at the date of this Notice, the Company does not yet know, nor has it formed an intention in relation to how it will decide, which parties it may approach to participate in any issue that may ultimately be made.

Directors' Recommendation

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

Resolution 8 – Share Consolidation

The Company proposes to consolidate its share capital through the conversion of every 10 ordinary shares in the Company into 1 ordinary share in the Company. Under section 254H of the Corporations Act 2001, a company may consolidate its shares if the consolidation is approved by an ordinary resolution of shareholders at a general meeting.

Listing Rule 7.20 provides that if an entity proposes to reorganise its capital, it must advise shareholders of certain matters, which are set out below. No voting exclusions apply, and all shareholders can vote on this resolution.

Background

As at the date of this Notice, the Company has 1,765,920,584 ordinary shares on issue following completion of various capital raisings and a merger with WCB Resources in late 2017. The Directors consider that a share consolidation will result in a more appropriate and effective capital structure for the Company as it continues to progress its exploration projects in PNG and in Western Australia. The Directors believe that the consolidation will provide the best platform for continued growth, a capital structure that is more aligned with the Company's size and a share price level that is more attractive to a wider range of investors.

Effect of Consolidation

The current capital structure of the Company comprises fully paid ordinary shares, options and performance rights. The effect of the Consolidation, if approved, on the capital structure is summarised below.

Other than as set out below, the Consolidation will not otherwise result in any change to the rights and obligations of the Company's security holders. The Company's balance sheet will also remain unaltered as a result of the Consolidation. However, the price per shares can be expected to increase to reflect the reduced number of shares on issue.

Effect on Shares

If the proposed share consolidation is approved by the Company's shareholders, the number of the Company's shares on issue will be reduced from 1,765,920,584 shares to 176,592,059 shares. As the consolidation applies equally to all shareholders, individual shareholdings will be reduced in the same ratio as the total number of the Company's shares (subject only to the rounding of fractions, where fractions will be rounded up to the nearest whole number). It follows that the consolidation will have no effect on the percentage interest of each individual shareholder.

Effect on Options

The Company has unlisted options on issue. In accordance with the option terms and ASX Listing Rule 7.22, these options will be consolidated on the same basis as the shares. That is, every 10 options will be consolidated into 1 option, and their exercise price amended in inverse proportion to the consolidation ratio. Any fractional entitlements will be rounded up to the nearest whole number.

If the proposed consolidation is approved by the Company's shareholders, the effect of the consolidation on the number and exercise price of options is set out below.

Expiry Date	Pre-consolidation		Post-consolidation	
	Exercise Price	Number	Exercise Price	Number
22 December 2019	\$0.025	5,000,000	\$0.25	500,000
30 June 2021	\$0.027	30,375,909	\$0.27	3,037,591
31 December 2020	\$0.001	4,000,000	\$0.01	400,000
Total		39,375,909		3,937,591

Effect on Performance Rights

The Company has unlisted performance rights on issue. In accordance with the terms of the performance rights and ASX Listing Rule 7.21, these rights will be consolidated on the same basis as the shares. That is, every 10 performance rights will be consolidated into 1 performance right and any share priced based conversion conditions will be amended in inverse proportion to the consolidation ratio. Any fractional entitlements will be rounded up to the nearest whole number. If the proposed consolidation is approved by the Company's shareholders, the effect of the consolidation on the number is set out below.

	Pre-consolidation	Post-consolidation
Performance Rights ¹ (KSNLTPR2)	3,695,625	369,563
Performance Rights ¹ (KSNLTPR3)	8,577,740	857,774
Performance Rights ¹ (KSNLTPR4)	16,549,431	1,654,944
Performance Rights ² (KSNLTPR5)	1,500,000	150,000
Total	30,322,796	3,032,281

¹These performance rights vest and convert into ordinary shares upon the satisfaction of market capitalisation hurdles. There are no individual share price based vesting or conversion conditions.

² These performance rights vest and convert into ordinary shares upon achieving JORC compliant resource hurdles. There are no individual share price based vesting or conversion conditions.

If Resolutions 4 and 5 are approved, LTI Options and STI Performance Rights will be issued to Mr Corbett prior to the Share Consolidation and will be adjusted thereafter in accordance with Listing Rule 7.22.

Indicative Timetable

If the share consolidation is approved, it is expected to take effect in accordance with the following timetable (as set out in the Listing Rules):

Date*	Event
Wednesday, 6 November	Shareholder meeting and notice to ASX that shareholders have approved the share consolidation
Thursday, 7 November	Last day for trading in pre-consolidated shares
Friday, 8 November	Trading in consolidated shares on a deferred settlement basis commences
Monday, 11 November	Last day for registration of transfers on a pre-consolidation basis
Tuesday, 12 November	First day for registration of transfers on a post-consolidated basis and first day for issue of holding statements. First day for Company to send notice to each holder of the change in their details of holdings.
Monday, 18 November	Change of details of holdings date. Deferred settlement trading ends. Last day for securities to be entered into holders' security holdings. Last day for the Company to send notice to each holder of the change in their details of holdings.

*The above timetable is indicative only and subject to change. Any changes will be announced to ASX.

KINGSTON RESOURCES LIMITED**ACN 009 148 529****Instructions for Completing 'Appointment of Proxy' Form**

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

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

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

This express authorisation acknowledges that the Chairman may exercise your proxy in relation to Resolutions 1,4 and5 even though these Resolutions are connected with remuneration of a member of KMP. Resolution 1 is a Resolution in respect of which the Chairman of the meeting has an interest.

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

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

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

so that it is received not later than 3pm (Sydney Time) on 4 November 2019.

Proxy Forms received later than this time will be invalid.

GLOSSARY

In this Notice of Meeting:

\$ means Australian Dollars

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

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

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

Annual Report means the Directors Report, the Financial Report and the Auditors Report in respect to the financial year ended 30 June 2019.

ASIC means the Australian Securities and Investments Commission.

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

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

Auditor means the auditor of the Company.

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

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

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

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

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

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

Constitution means the constitution of the Company.

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

Director means a director of the Company.

Directors' Report means the annual directors report.

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

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

Hall Chadwick means Hall Chadwick Chartered Accountants

Key Management Personnel or KMP means key management personnel as identified in the Remuneration Report for the financial year ended 30 June 2019.

Listing Rules means the Listing Rules of the ASX.

LTI Plan means the Company's Long-Term Incentive Plan as approved by Shareholders on 8 November 2019.

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

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

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

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

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

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

Share means a fully paid ordinary share in the Company.

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

Sydney Time means Australian Eastern Daylight Time.

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

VWAP means volume weighted average price.

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

Schedule 1

TERMS AND CONDITIONS OF LONG TERM INCENTIVE OPTIONS

1. Mr Corbett (**Recipient**) has been offered 34,215,628 Long-Term Incentive Options pursuant to the LTI Plan (**Option Offer**).
2. The Option Offer has been made pursuant to the terms and conditions of the Rules of the LTI Plan (**LTI Plan Rules**) and the terms of the Option Offer must be read in conjunction with the LTI Plan Rules. The Long -Term Incentive Options will be governed by the LTI Plan Rules and the terms of the Option Offer.
3. To the extent of any inconsistency between the terms of the Option Offer and the LTI Plan Rules, the terms of the Option Offer will prevail.
4. Each Long-Term Incentive Option (**LTI Option**) entitles the holder (**Option Holder**) to subscribe for one fully paid ordinary share in the Company.
5. No amount is payable on grant of the Long-Term Incentive Options.
6. The earliest date on which the LTI Options may vest (and become exercisable) is 31 July 2021 (unless there is a change of control in the Company, in which case they will vest immediately);
7. After 31 July 2021, the Options will vest subject to the Company achieving a JORC compliant reserve at Misima greater than 500,000oz, prorated between the following milestones prior to 31 July 2023:
 - a. 50% will vest on achieving a 500,000oz JORC compliant reserve, and
 - b. 100% will vest on achieving a JORC compliant reserve of 1,500,000oz or more;
8. Where employment is terminated, Mr Corbett will have 3 months to exercise vested Options; Unvested Options will be forfeited.
9. The LTI Options are exercisable at \$0.001 and will be issued for nil consideration.
10. Any LTI Option not exercised by 5 pm on 31 July 2023 (**Expiry Date**) will automatically expire.
11. No certificate will be issued for the LTI Options.
12. The LTI Options will not be listed for quotation on any stock exchange including the ASX.
13. If the Company is admitted to the Official List of the ASX, the Company will apply for Official Quotation of all Shares allotted pursuant to an exercise of the Long-Term Incentive Options in accordance with the Listing Rules.
14. The LTI Options will not give any right to participate in dividends until Shares are allotted pursuant to the exercise of the relevant Long-Term Incentive Options.
15. There will be no participating entitlements inherent in the LTI Options to participate in new issues of capital that may be offered to Shareholders during the currency of the LTI Option. If the Company is admitted to the ASX, Option Holders will be notified by the Company prior to any new pro-rata issue of securities to Shareholders in accordance with the Listing Rules.
16. In the event of a bonus issue of securities, the number of Shares over which the LTI Options are exercisable may be increased by the number of Shares that the Option holders would have received if the Options had been exercised before the record date for the bonus issue.
17. If the Company is admitted to the ASX, in the event of a reconstruction, including the consolidation, subdivision, reduction or return of issue capital of the Company prior to the Expiry Date, all rights of an Option Holder are to be changed in a manner consistent with the Listing Rules.
18. There is no right to a change in the exercise price of the LTI Options or to the number of Shares over which the LTI Options are exercisable in the event of a new issue of capital (other than a bonus issue or a pro rata issue) during the currency of the LTI Options.
19. The Company will notify each Option Holder and if required by the Listing Rules, ASX, within one month after the record date for a bonus issue or a pro rata issue of the adjustment to the number of Shares over which a LTI Option exists.
20. LTI Options are exercisable by the delivery to the registered office of the Company of a notice in writing stating the intention of the Option Holder to exercise all or a specified number of the LTI Options held by the Option Holder accompanied by a cheque made payable to the Company for the subscription price for the exercise of the specified LTI Options. An exercise of only some of the LTI Options will not affect the rights of the Option Holder to the balance of the LTI Options held by him.
21. LTI Options will be deemed to have been exercised on the date the exercise notice is received by the Company.
22. The Company will allot the resultant Shares and deliver the holding statement within five business days after the exercise of the LTI Option.
23. Shares allotted pursuant to an exercise of LTI Options will rank, from the date of allotment, in all respects equally with existing fully paid ordinary Shares of the Company. For the avoidance of doubt, subject to the application of the Listing Rules, all Shares allotted pursuant to an exercise of LTI Options will be transferrable.
24. These terms and the rights and obligations of the Option Holder are governed by the laws of Western Australia. The Option Holder irrevocably and unconditionally submits to the jurisdiction of the courts of Western Australia.

Schedule 2

Terms and Conditions of Short Term Incentive Performance Rights

1. Each STI Performance Right entitles Mr Corbett to receive one (1) Share, by way of issue of new Shares or transfer of existing Shares.
2. The 11,405,209 STI Performance Rights issued to Mr Corbett will convert into up to 11,405,209 Shares, subject to satisfaction of the Vesting Conditions as follows:
 - i) The STI Performance Rights will vest in 2 tranches (Tranche 1 and Tranche 2) as follows:
 - a) Up to 50% of the STI Performance Rights (Tranche 1) will automatically vest if the June 2020 VWAP is between 120% and 150% of the June 2019 VWAP, and
 - b) Up to 50% of the STI Performance Rights (Tranche 2) will vest, at the Board's discretion, upon the achievement of operational performance measures by 30 June 2020.
 - ii) All STI Performance Rights that have not vested by 31 July 2020 will automatically lapse and be forfeited.
 - iii) Instead of receiving Shares when the STI Performance Rights (Tranche 2) have vested, you may elect to receive a cash payment in lieu of Shares for up to 50% of the vested STI Performance Rights in Tranche 2. The cash payment will be determined by multiplying the June 2019 VWAP of \$0.0137c by the number of vested STI Performance Rights for which you have elected to receive a cash payment instead of Shares. There is no option to receive a cash payment in respect of any vested STI Performance Rights in Tranche 1.
3. No subscription monies are required in respect of the grant of the STI Performance Rights.
4. The Company's determination as to whether a Vesting Condition has been achieved shall be final.
5. If the Vesting Conditions for STI Performance Rights are satisfied during the period of a Recipient's employment with or directorship of the Company or any Related Body Corporate, those Performance Rights will vest and will not be subject to forfeiture.
6. The STI Performance Rights proposed to be issued to Mr Corbett will automatically lapse and be forfeited if Mr Corbett voluntarily resigns otherwise than to take up employment with a Related Body Corporate of the Company or if either individual is dismissed from employment for a material breach of his contract of employment, gross negligence or other conduct justifying termination without notice. The STI Performance Rights proposed to be issued to Mr Corbett will not lapse and be forfeited if Mr Corbett ceases employment due to death, permanent disablement, or any other circumstance in which the Board determines the Performance Rights should not lapse and be forfeited.
7. Any Shares that are acquired on the vesting of STI Performance Rights will be issued or transferred to Mr Corbett free of any holding lock or other restriction on dealing, subject to any restriction on trading by reason of the provisions of the *Corporations Act* applicable to secondary trading in securities.
8. In the event of a bonus issue of securities, the number of Shares over which the STI Performance Rights are exercisable may be increased by the number of Shares that Mr Corbett would have received if the STI Performance Rights had been exercised before the record date for the bonus issue.
9. In the event of a reorganisation (including a consolidation, subdivision, reduction or return) of the issued capital of the Company, all rights of Mr Corbett are to be changed in the manner consistent with the Listing Rules.

LODGE YOUR VOTE

-  **ONLINE**
www.linkmarketservices.com.au
-  **BY MAIL**
Kingston Resources Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia
-  **BY FAX**
+61 2 9287 0309
-  **BY HAND**
Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138
-  **ALL ENQUIRIES TO**
Telephone: 1300 554 474 Overseas: +61 1300 554 474



X99999999999

PROXY FORM

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

APPOINT A PROXY

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

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **3:00pm (AEDT) on Wednesday, 6 November 2019 at the offices of Hall Chadwick, Level 40, 2 Park Street, Sydney, NSW 2000** (the Meeting) and at any postponement or adjournment of the Meeting.


Important for Resolutions 1, 4 and 5: If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolutions 1, 4 and 5, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (KMP).

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

VOTING DIRECTIONS

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

Resolutions	For	Against	Abstain*	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Director – Anthony Wehby	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Re-Election of Director – Stuart Rechner	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to grant Long Term Incentive Options to Andrew Corbett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Approval to grant Short Term Incentive Performance Rights to Andrew Corbett	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Ratification of Prior Issues of Placement Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval of Issue of Equity Securities for the Purpose of ASX Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Share Consolidation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)
 Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

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



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

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

APPOINTMENT OF PROXY

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

DEFAULT TO CHAIRMAN OF THE MEETING

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

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

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

APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

SIGNING INSTRUCTIONS

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

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

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

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

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

CORPORATE REPRESENTATIVES

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

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **3:00pm (AEDT) on Monday, 4 November 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

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



ONLINE

www.linkmarketservices.com.au

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



BY MAIL

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



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)



COMMUNICATIONS PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

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