



Kingston Resources Limited

ACN 009 148 529

Notice of General Meeting and Explanatory Statement

**General Meeting to be held at
25-27 Jewell Parade, North Fremantle, WA
on 23 December 2014
commencing at 11.00am (WST)**

The Notice of General Meeting, Explanatory Statement and Proxy Form should be read in their entirety. If you are in doubt as to how you should vote, you should seek advice from your accountant, solicitor or other professional adviser prior to voting.

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Notice of General Meeting

Notice is given that a General Meeting of Kingston Resources Limited ACN 009 148 529 (**Company**) will be held at 25-27 Jewell Parade, North Fremantle, WA on Tuesday, 23 December 2014 commencing at 11.00am (WST).

AGENDA

Resolution 1 – Ratification of prior issue of Options to Underwriter or its nominees

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 7.4 and for all other purposes, Shareholders approve and ratify the prior issue of 13,467,124 Options exercisable at 7 cents each on or before 30 June 2016, to CPS Capital Group Pty Ltd or its nominees in consideration of CPS underwriting the Offer, on the terms and conditions set out in the Explanatory Statement.

Resolution 2 – Approval to issue Options to Underwriter or its nominees

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 7.1 and for all other purposes, Shareholders approve the issue of 9,157,645 Options exercisable at 7 cents each on or before 30 June 2016, to CPS Capital Group Pty Ltd or its nominees in consideration of CPS underwriting the Offer, on the terms and conditions set out in the Explanatory Statement.

Resolution 3 – Approval to issue Shares to Consultants

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 7.1 and for all other purposes, Shareholders approve the issue of up to 5,500,000 Shares, on the terms and conditions set out in the Explanatory Statement.

Voting Exclusions

For the purposes of the Corporations Act and Listing Rule 14.11, the following voting exclusion statements apply to the resolutions. The Company will disregard any votes on the following resolutions cast by or on behalf of the following persons:

Resolution	Excluded Parties
Resolution 1	A person who participated in the issue and any Associate of that person.
Resolution 2	CPS Capital Group Pty Ltd and any of its Associates, and a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder if the resolution is passed, and any of their Associates.
Resolution 3	A person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder if the resolution is passed, and any of their Associates.

However, the Company need not disregard a vote on Resolutions 1, 2 or 3 if it is cast by:

- the person as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

- the Chairman of the Meeting as proxy for a person who is entitled to vote, in accordance a direction on the proxy form to vote as the proxy decides.

By order of the Board of Directors

Mathew Whyte
Director and Company Secretary
24 November 2014

Proxy appointment and voting instructions

Voting eligibility – snapshot date

The Directors have determined that the persons eligible to attend and vote at the General Meeting are those persons who are registered Shareholders at 11.00am on Sunday, 21 December 2014. Transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Proxy Form

The Proxy Form (and any power of attorney or other authority, if any, under which it is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be lodged no later than 11.00am on Sunday, 21 December 2014. Proxy Forms may be lodged:

By hand: 25-27 Jewell Parade, North Fremantle 6159 WA

By mail: 25-27 Jewell Parade, North Fremantle 6159 WA

By fax: +61 8 9335 3565

Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Appointment of a proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy. The proxy may, but need not be, a Shareholder.

Please write the name of the person you wish to appoint as your proxy in the Proxy Form. If you leave this section blank, or your named proxy does not attend the Meeting, the Chairman will be appointed as your 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 on +61 8 9336 6619 or you may photocopy the Proxy Form. To appoint a second proxy you must state on each Proxy Form (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Directing your proxy to vote on Resolutions

You may direct your proxy how to vote by marking For, Against or Abstain for each resolution. All your shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on the resolutions 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 resolutions, your proxy may vote as he or she chooses (except where a voting exclusion applies). If you mark more than one box on a resolution your vote on will be invalid on that resolution.

How the Chairman will vote undirected proxies

At the date of this Notice, the Chairman intends to vote all undirected proxies FOR each of the Resolutions. In exceptional cases the Chairman's intentions may change subsequently and in this event, the Company will make an announcement to the market.

Corporate Shareholders

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: two directors of the company; a director and a company secretary of the company; or for a proprietary company that has a sole director who is also the sole company secretary – that director.

Corporate Representatives

A corporation may elect to appoint an individual to act as its representative in accordance with section 250D of the Corporations Act, in which case the Company will require a certificate of appointment of the corporate representative executed in accordance with the Corporations Act. The certificate of appointment must be lodged with the Company, before the Meeting or at the registration desk on the day of the Meeting.

Defined terms

Capitalised terms used in the Notice and the Explanatory Statement are defined in the Glossary.

Questions from Shareholders

At the Meeting the Chairman will allow a reasonable opportunity for Shareholders to ask questions about the matters the subject of this Notice. Written questions in advance of the Meeting can be sent to the Company as follows:

By hand: 25-27 Jewell Parade, North Fremantle 6159 WA

By mail: 25-27 Jewell Parade, North Fremantle 6159 WA

By fax: +61 8 9335 3565

Explanatory Statement

This Explanatory Statement has been prepared to provide information to Shareholders about the business to be conducted at the Meeting.

1. Resolution 1 – Ratification of prior issue of Options to Underwriter or its nominees

1.1 Background

On 4 November 2014 the Company lodged a prospectus (**Prospectus**) for continuously quoted securities that sets out the terms of a renounceable pro rata offer (**Offer**) of three (3) Shares for every five (5) Shares held by Shareholders registered at 5.00pm (WST) on 11 November 2014 at an issue price of 1.4 cents per Share to raise up to approximately \$754,159 (**Underwritten Amount**).

The Company is undertaking the Offer to raise funds to identify drilling targets and design and implement drilling program(s) on the Company's Six Mile Hill Project and Cootanoorina Project, and for general working capital.

On 17 November 2014, the Company entered into an underwriting agreement (**Underwriting Agreement**) with CPS Capital Group Pty Ltd (**Underwriter** or **CPS**) pursuant to which the Underwriter agreed to fully underwrite the Offer by underwriting the subscription of up to 53,868,497 Shares under the Offer. On 19 November 2014 the Company lodged a supplementary prospectus (**Supplementary Prospectus**) to advise that the Company had entered into the Underwriting Agreement and to inform Shareholders of the effect of the Underwriting Agreement on the Offer.

Pursuant to the Underwriting Agreement, the Underwriter is entitled to:

- (a) an underwriting fee of \$30,166.36 plus GST (4% of the Underwritten Amount);
- (b) a management fee of \$15,083.183 plus GST (2% of the Underwritten Amount).

In addition to the underwriting fee and the management fee, the Company must issue to CPS or its nominees, 22,624,770 options exercisable at \$0.07 on or before 30 June 2016 (**Underwriter Options**).

The Underwriting Agreement contains a moratorium pursuant to which the Company (and its subsidiaries) must not for the period of six months after the liability of the Underwriter under the Underwriting Agreement terminates, without the consent of the Underwriter:

- (a) undertake or propose a Share buy-back or issue or agree to issue any Shares, other securities or grant any options to subscribe for any Shares or other securities except:
 - (i) as permitted under the Underwriting Agreement; or
 - (ii) to the extent the securities are Shares issued pursuant to Resolution 5 of the annual general meeting of the Company held on 31 October 2014;
- (b) alter its capital structure or amend its Constitution other than as proposed in the Prospectus or Supplementary Prospectus;
- (c) dispose of, agree to dispose or, charge or agree to charge, the whole or a substantial part of its business or property; or
- (d) pass or take steps to pass a resolution under section 260B of the Corporations Act.

The Underwriter may terminate the Underwriting Agreement if certain events occur which are usual for this type of underwriting agreement.

1.2 Issue of Underwriter Options pursuant to the Underwriting Agreement

The Company will utilise its 15% placement capacity under Listing Rule 7.1 to issue 13,467,124 of the Underwriter Options to the Underwriter or its nominees. These Underwriter Options will be issued on the same date that the Shortfall is issued under the Offer, being on one date after the date of this Notice and before the date of the Meeting. As at the date of this Notice, it is anticipated that those 13,467,124 Underwriter Options will be issued on 16 December 2014.

Resolution 1 seeks Shareholder approval and ratification under Listing Rule 7.4 for the prior issue by the Company of 13,467,124 Underwriter Options.

The issue of the remaining 9,157,645 Underwriter Options is subject to the passing of Resolution 2, which is described in Section 2 below.

1.3 Requirements of the Listing Rules

Listing Rule 7.1 permits an entity to issue equity securities up to 15% of its issued capital over a 12 month period without shareholder approval. Listing Rule 7.4 provides that where shareholders subsequently approve securities that were issued under Listing Rule 7.1 then those securities will be treated as having been issued with shareholder approval. The effect of this rule is to refresh the 15% placement capacity under Listing Rule 7.1 and enables entities to retain the flexibility to issue equity securities in the future without prior shareholder approval.

If Resolution 1 is approved, 13,467,124 of the Options issued under the Underwriting Agreement will not be included in calculating the Company's 15% issuing capacity for the purposes of Listing Rule 7.1.

For the purposes of this resolution the following information is provided to Shareholders:

- (a) The number of securities to be issued is 13,467,124 Underwriter Options.
- (b) The issue price of the Underwriter Options is \$nil each.
- (c) The Underwriter Options will be issued on the same date as the Shortfall is issued under the Offer, being on one date after the date of this Notice but before the date of the Meeting. As at the date of this Notice, it is anticipated the Underwriter Options will be issued on 16 December 2014.
- (d) The Underwriter Options will be issued to CPS Capital Group Pty Ltd or its nominees. The nominees may at CPS's discretion include sub-underwriters to the Offer. None of these persons will be Related Parties of the Company.
- (e) The terms and conditions of the Underwriter Options are set out in Schedule 1 of this Explanatory Statement.
- (f) Subject to the number of Options of the same class as the Underwriter Options and the number of holders of those Options complying with Condition 6 of Listing Rule 2.5, the Company will apply for quotation of the Underwriter Options on ASX.
- (g) The Underwriter Options will be issued as consideration for CPS's underwriting of the Offer and so no funds will be raised on their issue. If all Underwriter Options issued pursuant to Resolution 1 are exercised, \$942,699 will be raised.

1.4 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of this resolution.

2. Resolution 2 – Approval to issue Options to Underwriter or its nominees

2.1 Background

Resolution 2 seeks Shareholder approval under Listing Rule 7.1 for the issue by the Company to the Underwriter of the remaining 9,157,645 Underwriter Options to which the Underwriter is entitled pursuant to the Underwriting Agreement, as described in Section 1 above.

In the event that the Company does not obtain prior Shareholder approval for the issue of these 9,157,645 Underwriter Options, the Company must pay CPS or its nominees the sum of 0.17 cents for each Underwriter Option that the Company would have issued if it had obtained Shareholder approval.

2.2 Requirements of the Listing Rules

Listing Rule 7.1 permits an entity to issue equity securities up to 15% of its issued capital over a 12 month period without shareholder approval. This resolution gives the Company approval to issue the remaining 9,157,645 Underwriter Options which CPS or its nominees are entitled to receive under the Underwriting Agreement as consideration for CPS underwriting the Offer. If this resolution is passed then the 9,157,645 Underwriter Options issued will not count towards the Company's 15% placement capacity under Listing Rule 7.1.

For the purposes of this resolution the following information is provided to Shareholders:

- (a) The maximum number of securities the Company will issue is 9,157,645 Underwriter Options.
- (b) The Underwriter Options will be issued on one date no later than 3 months after the date of this Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules). It is anticipated the Underwriter Options will be issued within 5 Business Days of the Meeting if Resolution 2 is approved.
- (c) The Underwriter Options will be issued at an issue price of \$nil each.
- (d) The Underwriter Options will be issued to CPS Capital Group Pty Ltd or its nominees. The nominees may at CPS's discretion include sub-underwriters to the Offer. None of these persons will be Related Parties of the Company.
- (e) The Underwriter Options will be granted on the terms and conditions set out in Schedule 1 of this Explanatory Statement.
- (f) Subject to the number of Options of the same class as the Underwriter Options and the number of holders of those Options complying with Condition 6 of Listing Rule 2.5, the Company will apply for quotation of the Underwriter Options on ASX.
- (g) The Underwriter Options will be issued as consideration for CPS's underwriting of the Offer and so no funds will be raised on their issue. If all Underwriter Options issued pursuant to Resolution 2 are exercised, \$641,035 will be raised.

2.3 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of this resolution.

3. Resolution 3 – Approval to issue Shares to Consultants

3.1 Background

At the Company's Annual General Meeting held on 31 October 2014, Shareholders approved the issue of up to 5,500,000 Shares to consultants as full or part payment for services provided in lieu of cash (**Initial Approval**). Pursuant to that Initial Approval, the Company has to the date of the Meeting, issued 876,250 Shares to consultants.

The Company anticipates making further issues of Shares to consultants pursuant to the Initial Approval. However, the 3 month period permitted by the Listing Rules during which Shares may be issued pursuant to the Initial Approval expires on 31 January 2014.

The effect of passing Resolution 3 will be to refresh the Initial Approval so that up to 5,500,000 Shares may be issued to consultants for a further period of 3 months commencing on the date of the Meeting. As set out in the Company's Notice of Annual General Meeting, the consultants to whom the Shares will be issued provide geophysics, drilling and other services to further the Company's projects.

The actual number of Shares that may be issued is unknown but will depend upon arrangements with consultants and the value of services provided.

The Board has determined to issue Shares under this Resolution at the same price as Shares issued pursuant to the Initial Approval, being a price of \$0.015 each. The issue price represents a 5% premium to the VWAP of Shares over the 30 days preceding the date of this Notice.

3.2 Requirements of the Listing Rules

Listing Rule 7.1 permits an entity to issue equity securities up to 15% of its issued capital over a 12 month period without shareholder approval. If this resolution is passed then the Shares issued will not count towards the Company's 15% placement capacity under Listing Rule 7.1. This resolution gives the Company flexibility to engage consultants and negotiate payment for the services performed by the issue of Shares without using the Company's 15% placement capacity.

For the purposes of this resolution the following information is provided to Shareholders:

- (a) The maximum number of securities the Company will issue is 5,500,000 Shares. The actual number of Shares that will be issued depends on the value of the consulting fees charged to the Company.
- (b) The Shares will be issued no later than 3 months after the date of this Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) The Shares will be issued at a deemed price of \$0.015 per Share.
- (d) The Shares will be issued to third party consultants/service providers which may be engaged by the Company in full or part payment of services provided. As at the date of this Notice, the Company has engaged Terra Resources Pty Ltd to provide geophysics services and has agreed to issue Shares to it in lieu of cash payment. Other potential third party consultants/service providers have not yet been identified and are not yet known.
- (e) The Shares will be fully paid ordinary shares and will rank equally with the Company's existing Shares. The Company will apply for quotation of the Shares on ASX.

- (f) No funds will be raised by the issue of the Shares. The Shares will be issued as payment for services provided by Terra Resources Pty Ltd and other third party consultants/service providers.
- (g) It is intended that the Shares will be issued progressively after services have been provided.

3.3 Directors' recommendation

The Directors unanimously recommend that Shareholders vote in favour of this resolution.

Glossary

In this Notice and Explanatory Statement, the following terms have the following meaning unless the context otherwise requires:

Associate	Has the meaning set out in the Listing Rules.
ASX	ASX Limited ACN 008 624 691.
Board	Board of Directors of the Company.
Chairman	The chairman of the Meeting.
Company	Kingston Resources Limited ACN 009 148 529.
Constitution	The Company's constitution.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Director	A director of the Company.
Explanatory Statement	This explanatory statement which accompanies and forms part of the Notice of General Meeting.
General Meeting or Meeting	The General Meeting of Shareholders of the Company or any adjournment thereof, convened by this Notice.
Listing Rules	The listing rules of ASX, as amended from time to time.
Notice or Notice of General Meeting	The notice of General Meeting which accompanies the Explanatory Statement.
Offer	The renounceable pro rata offer of three (3) Shares for every five (5) Shares held by Shareholders registered at 5.00pm (WST) on 11 November 2014 at an issue price of 1.4 cents per Share to raise up to approximately \$754,159, as offered pursuant to the Prospectus.
Option	An option to acquire a Share.
Prospectus	The transaction specific prospectus for continuously quoted securities released to ASX by the Company on 4 November 2014.
Proxy Form	The proxy form accompanying the Notice.
Related Party	Has the meaning given to it in the Listing Rules.
Resolution	A resolution set out in the Notice.
Share	A fully paid ordinary share in the Company.
Shareholder	A registered holder of a Share.
Shortfall	The Shares not applied for under the Offer before the closing date of the Offer, being 9 December 2014.
Sub-Underwriters	Any sub-underwriter that enters into a sub-underwriting agreement with the Underwriter in relation to the Offer.

Supplementary Prospectus	The supplementary prospectus released to ASX by the Company on 19 November 2014.
Underwriter or CPS	CPS Capital Group Pty Ltd ACN 088 055 636.
Underwriter Options	Options to be issued to the Underwriter or its nominees pursuant to Resolutions 1 and 2.
Underwritten Amount	The maximum amount to be raised under the Offer, being \$754,159.
Underwritten Shares	The Shares to be issued under the Offer, being a maximum of 53,868,497 Shares.
VWAP	Volume weighted average price.
WST	Australian Western Standard Time, being the time in Perth, Western Australia.

Schedule 1

TERMS AND CONDITIONS OF UNDERWRITER OPTIONS

Unless otherwise indicated, capitalised terms in this Schedule 1 have the meanings given to them in the Glossary in the Explanatory Statement.

1. Each Underwriter Option entitles the holder to subscribe for one (1) Share.
2. Each Underwriter Option has an exercise price of \$0.07 (**Exercise Price**).
3. Each Underwriter Option may be exercised at any time before 5.00pm (WST) on 30 June 2016 (**Expiry Date**). Any Underwriter Option not exercised by the Expiry Date will automatically expire.
4. Subject to the holder of an Underwriter Option (**Option Holder**) complying with any applicable provisions of the Corporations Act, the Underwriter Options are transferable.
5. Subject to the number of Options of the same class as the Underwriter Options and the number of holders of those Options complying with Condition 6 of Listing Rule 2.5, the Company will apply for quotation of the Underwriter Options on ASX.
6. The Company will apply for official quotation of the Shares issued on the exercise of the Underwriter Options.
7. The Option Holder is not entitled to participate in any new issue to existing Shareholders unless they have exercised their Underwriter Options before the eligibility date for determining entitlements to the new issue of securities and participate as a result of holding Shares. The Company must give the Option Holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.
8. If the Company makes a bonus issue of Shares or other securities to Shareholders (except an issue in lieu of dividends or by way of dividend reinvestment) and a Share has not been issued in respect of an Underwriter Option before the record date for determining entitlements to the issue, then the number of underlying Shares over which the Underwriter Option is exercisable is increased by the number of Shares which the Option Holder would have received if the Option Holder had exercised the Underwriter Option before the record date for determining entitlements to the issue.
9. If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option Holder (including the number of Underwriter Options to which the Option Holder is entitled to and the Exercise Price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
10. Any calculations or adjustments which are required to be made will be made by the Company's Board of Directors and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option Holder.
11. The Company will, within a reasonable period, give to the Option Holder notice of any change to the Exercise Price of any Underwriter Options held by the Option Holder or the number of Shares which the Option Holder is entitled to subscribe for on exercise of an Underwriter Option.

12. To exercise an Underwriter Option, the Option Holder must give the Company or its share registry, at the same time:
 - (a) a written exercise notice (in the form approved by the Board of the Company from time to time) specifying the number of Underwriter Options being exercised and Shares to be issued (Exercise Notice); and
 - (b) payment of the Exercise Price for the Underwriter Options the subject of the exercise notice, by way of bank cheque or by other means of payment approved by the Company.
13. Within ten (10) days after receiving an Exercise Notice for exercise of Underwriter Options and payment by the Option Holder of the Exercise Price, the Company will issue the Option Holder the number of Shares specified in the Exercise Notice.
14. Subject to the Company's Constitution, all Shares issued on the exercise of Underwriter Options will rank in all respects (including rights relating to dividends) *pari passu* with the existing Shares at the date of issue.