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000001 000 KSN  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

10 August 2015

Dear Shareholder

### Replacement Prospectus for Renounceable pro rata entitlement offer

Further to our letter of 3 August 2015, Kingston Resources Limited (**Company**) has issued a replacement prospectus dated 6 August 2015 (**Prospectus**) to replace the prospectus dated 30 July 2015. The original prospectus was replaced in order to extend the Record Date from Monday, 10 August 2015 to Thursday, 13 August 2015, and to include information with respect to the securing of sub-underwriting positions.

Pursuant to the Prospectus the Company is conducting a four (4) for five (5) non-renounceable pro rata entitlement offer at an issue price of 2.0 cents per share, with one (1) free attaching option exercisable at 4.0 cents each on or before 30 June 2019 for every two (2) shares issued to raise approximately \$2,349,783 before expenses (**Offer**).

The funds raised will be used to underpin the next phase of exploration and evaluation of the exciting Six Mile Hill Project in South Australia, to undertake drilling at the Cootanoorina project and further evaluate the Hiltaba project as well as for costs of the Offer and for general working capital purposes.

In accordance with the requirements of section 713 of the *Corporations Act 2001* (Cth) (**Corporations Act**) the Company lodged a replacement prospectus for the Offer (**Prospectus**) with the Australian Securities Investment Commission (**ASIC**) and ASX on 6 August 2015. The Prospectus will be despatched to all Eligible Shareholders, together with an Entitlement and Acceptance Form, on 14 August 2015. If you are eligible and wish to participate, please read the Prospectus when you receive it and carefully follow the instructions.

### Key information

Key information in connection with the Offer and important dates are set out below for your reference:

1. The Offer is a non-renounceable pro-rata offer and is being undertaken on the basis of four (4) fully paid ordinary shares in the Company (**New Shares**) for every five (5) ordinary shares held by eligible shareholders at an issue price of 2.0 cents per New Share, with one (1) free attaching option exercisable at 4.0 cents each on or before 30 June 2019 for every two (2) New Shares issued.
2. Eligible shareholders are those shareholders whose registered address is within Australia or New Zealand as at the Record Date, being 5.00pm Perth time on Thursday, 13 August 2015 (**Eligible Shareholders**).

3. A maximum of 117,489,129 New Shares will be issued under the Offer. This number excludes shares which may be issued in the event that an option holder elects to exercise their right to convert their securities to ordinary shares prior to the Record Date. This number is also subject to a final reconciliation and rounding of entitlements.
4. The Offer is expected to close at 3.00pm Perth time on Tuesday, 25 August 2015 (**Closing Date**).
5. After completion of the Offer, the Company will have up to 264,350,540 ordinary shares on issue (assuming that no Options are exercised prior to the Record Date), all of which will be quoted on the Australian Securities Exchange (**ASX**). The Company will also have 113,071,833 options on issue (excluding any options that may be issued independently of the Offer).
6. As a non-renounceable entitlement offer, rights are not tradeable on the ASX or otherwise transferable.
7. New Shares will rank equally with the Company's existing fully paid ordinary shares.
8. Shareholder approval of the Offer is not required.
9. Fractions of entitlements to New Shares will be rounded down.
10. The Offer will be undertaken with a prospectus in accordance with section 713 of the Corporations Act.
11. The Offer is fully underwritten by Pinnacle.Alignment Capital Pty Ltd (**Lead Manager**), has secured firm commitments from investors to sub-underwrite the full amount of the Offer. However, the Underwriter may still terminate the Underwriting Agreement if for any reason the sub-underwriting commitments are not to its satisfaction. The Underwriter's obligation to underwrite the Offer is therefore effectively conditional upon the Underwriter being satisfied with the sub-underwriting commitments.
12. The Directors in conjunction with the Lead Manager reserve the right to place some or all of any shortfall to the Offer at their absolute discretion. Eligible Shareholders may not apply for additional New Shares that may form part of the shortfall.
13. The Company does not have a dividend policy. Payment of future dividends will depend upon future profitability and the financial position of the Company.

### Use of the proceeds

The funds raised from the Offer are planned to be used over the next 18 months in accordance with the table set out below:

Use of funds	Full Subscription (\$)	%
Exploration expenditure	1,568,650	67%
Corporate and administration costs	460,955	20%
Costs of the Offer	190,000	8%
Contingency working capital	130,178	6%
<b>Total</b>	<b>\$2,349,783</b>	<b>100%</b>

Exploration expenditure will be applied to drilling and assays at both the Six Mile Hill and Cootanoorina projects; geophysical surveys at Mt Eba and Hiltaba; mapping and geochemical sampling at Orbost; and Kingston's joint venture contributions to exploration at the Myall Creek and Spencer project.

The information in this table is a statement of present intention as at the date of this Prospectus. The exact amount of funds spent by the Company will depend on many factors that cannot be ascertained at this time. The Board reserves the right to alter the way funds are applied on this basis.

## Key dates

The anticipated timetable for the Offer is as follows:

Event	Date
Announcement of Offer	Thursday, 30 July 2015
Prospectus lodged with ASIC and ASX (Appendix 3B lodged with ASX)	Thursday, 6 August 2015
Notices sent to Securityholders	Monday, 10 August 2015
Ex-date (date from which Shares begin trading without the Rights to participate in the Offer)	Tuesday, 11 August 2015
Record Date (to identify Shareholders entitled to participate in the Offer)	Thursday, 13 August 2015
Prospectus and Entitlement and Acceptance Forms sent to Eligible Shareholders	Friday, 14 August 2015
Offer opens (Opening Date)	Friday, 14 August 2015
Last day to extend the Closing Date	Thursday, 20 August 2015
Offer closes (Closing Date)*	3.00pm Perth time Tuesday, 25 August 2015
New Securities quoted on a deferred settlement basis	Wednesday, 26 August 2015
Notice to ASX of Shortfall	Thursday, 27 August 2015
New Securities issued and despatch of holding statements	Tuesday, 1 September 2015
Quotation of New Securities on ASX commences	Thursday, 3 September 2015

\* The above dates are indicative only and may be subject to change. The Directors may vary these dates subject to any applicable requirements of the *Corporations Act* or the Listing Rules. The Directors may extend the Closing Date by giving at least three Business Days notice to ASX before the Closing Date.

## Further information

For further information on the Offer, please see the Company's announcements from 30 July 2015 as listed on the ASX website ([www.asx.com.au](http://www.asx.com.au)) or the Company's website ([www.kingstonresources.com.au](http://www.kingstonresources.com.au)), or alternatively contact the Company Shareholder information line on 1300 850 505 or +61 3 9415 4000.

On behalf of the Board and management of the Company, thank you for your continued support.

Yours faithfully

**Kingston Resources Limited**

**Mathew Whyte**  
**Company Secretary**