

ASX Announcement

3 May 2019

ASX Code: KSN

Share Price: A\$0.019

Shares Outstanding: 1,223,198,383

Market Capitalisation: A\$23m

Cash: A\$1.9m (31 Mar 2019)

Board and Management

Anthony Wehby

Chairman

Andrew Corbett

Managing Director

Mick Wilkes

Non-Executive Director

Andrew Paterson

Technical Director

Stuart Rechner

Non-Executive Director

Chris Drew

Chief Financial Officer

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\$4.3m Placement and \$4.0m Entitlement Offer

Highlights

- Received binding commitments for an institutional placement raising \$4.3m and welcomes two new substantial shareholders
- To offer existing shareholders the opportunity to participate in a discounted 1 for 6 Entitlement Offer to raise up to an additional \$4.0m
- Funds to be used primarily to advance exploration at the Misima Gold Project

Kingston Resources Limited (**Company** or **KSN**) is pleased to announce that it has successfully obtained binding commitments for a placement of 276m shares at a price of \$0.016 per share (**Placement**) to institutional and sophisticated investors raising net proceeds of \$4.3m.

Kingston is delighted to welcome two new substantial shareholders to its register - DELPHI Unternehmensberatung AG (**DELPHI**) and Winchester Investments Group Pty Ltd (**Winchester**). DELPHI is a private German based investment company with investments in a number of Australian mineral exploration and mining companies. Winchester is an Australian private investment group which already held a non-substantial interest in Kingston. At the completion of the Placement and the Entitlement Offer both DELPHI and Winchester will hold an interest in Kingston of approximately 10%. Kingston is pleased to have the support of two new major shareholders who have a long-term investment strategy are very keen to support the continued development of Misima.

Funds raised will be used to advance exploration activities at the Company's Misima Gold Project, as well as at the 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

Kingston MD Andrew Corbett said *"We welcome our new shareholders and in particular DELPHI and Winchester. We are very encouraged by their support for Misima and their interest in developing the project into a long-term, viable mining operation. Their knowledge and understanding of the resources sector is also an important factor.*

"Misima is at an exciting point in its development as we drill exploration targets outside the existing resource that have been identified through our structural and geochemical work. These areas have not been the focus of any activity for almost two decades and are very prospective targets for Kingston. This work has occurred alongside the development of an updated geological model for Misima.

"Kingston has an active works program ahead and shareholders will be rewarded with new valuation catalysts. In the next two quarters we will ramp up the regional drill program

targeting satellite deposits at Misima. The Company will also increase activities at its Livingstone Gold Project in WA.

“We look forward to updating shareholders on these developments in the coming months.”

The Placement is being undertaken pursuant to ASX Listing Rule 7.1 and 7.1A. It is anticipated that 213,186,388 shares will be allotted under Listing Rule 7.1, and 63,063,612 will be allotted under Listing Rule 7.1A. The shares are expected to be issued on or around 10 May 2019, with an Appendix 3B to be issued confirming exact allotments.

Patersons Securities Ltd acted as Lead Manager to the Placement with Acova Capital as Joint Bookrunner.

Entitlement Offer

Kingston is also pleased to offer existing eligible shareholders the opportunity to acquire New Shares through a pro-rata non-renounceable Entitlement Offer of 1 Share for every 6 Shares held by eligible shareholders on the Record Date (Wednesday, 15 May 2019) at the same issue price of \$0.016 per New Share to raise up to approximately \$4.0 million (before costs) (**Entitlement Offer**). Shares issued under the Placement to eligible shareholders will be entitled to participate in the Entitlement Offer. The maximum number of New Shares to be issued under the Entitlement Offer is 251,460,147.

The issue price of \$0.016 per New Share represents a discount of 16% to the last closing price and 16% discount to the 10 day VWAP, and a 19% discount to the 30 day VWAP.

Proceeds raised through the Entitlement Offer will provide the Company with additional funds to progress exploration and drilling activities at the Misima Gold Project and the Livingstone Gold Project.

Oversubscription Facility: Eligible shareholders that take up their entitlements in full may also apply for additional New Shares in excess of their pro-rata entitlement, subject to any scale back as determined by Kingston.

Shortfall Share Offer: After allocating any New Shares under the Oversubscription Facility, the directors may issue any remaining shortfall in New Shares to eligible new investors where permitted.

Key Terms

Eligible shareholders are offered the opportunity to subscribe for 1 New Share for every 6 Shares held at 7.00pm (AEST) on Wednesday, 15 May 2019 at the Issue Price of \$0.016 per New Share. The Entitlement Offer is non-renounceable which means that the Rights do not trade on ASX, nor can they be sold, transferred or otherwise disposed of.

Participation in Entitlement Offer is entirely optional and will be open to all shareholders other than shareholders who have registered addresses in countries outside Australia or New Zealand where regulatory requirements make participation by the shareholder unlawful or impracticable. The complete terms and conditions of the Entitlement Offer will be distributed to eligible shareholders in the Offer Booklet on or around Monday, 20 May 2019 and full details are also available on the company's website and via ASX announcements. Eligible shareholders will also be able to participate through the Company's website from 20 May 2019 at www.kingstonresources.com.au by clicking on the 'Entitlement Offer' button.

Indicative Entitlement Offer Timetable*

Event	Date (2019)
Announcement of intention to undertake the Entitlement Offer	Friday, 3 May
Offer Booklet lodged with ASX	Friday, 3 May
“Ex” date for securities trading	Tuesday, 14 May
Record date for the Entitlement Offer (7.00pm AEST)	Wednesday, 15 May
Offer Booklet and Entitlement and Acceptance Form dispatch	Monday, 20 May
Entitlement Offer opens	Monday, 20 May
Entitlement Offer closes (5.00pm AEST)	Wednesday, 29 May
New Shares commence trading on a deferred settlement basis	Thursday, 30 May
Results of Entitlement Offer announced	Monday, 3 June
Allotment of New Shares issued under the Entitlement Offer	Wednesday, 5 June
Normal ASX trading for New Shares commences	Thursday, 6 June
Dispatch of holding statements for New Shares	Thursday, 6 June
Placement of Shortfall (on or before)	Wednesday, 28 August

**The timetable above is indicative only and may be subject to change. The commencement of trading of new shares is subject to confirmation from the ASX. The last day for extension of the closing date is Friday, 24 May 2019. An extension of the closing Date will delay the anticipated date for issue of the New Shares. The Company also reserves the right not to proceed with the whole or part of the entitlement Offer any time prior to the issue of the New Shares. In that event, the relevant application Monies (without interest) will be returned in full to the Applicants.*

Copies of the Offer Booklet and entitlement forms will be mailed to all eligible shareholders in accordance with the above timetable. For enquiries in regard to individual shareholdings please contact Link Registry Services.