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KINGSTON RESOURCES LIMITED

ABN 44 009 148 529

Half Yearly Financial Statements

31 December 2024

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Corporate Directory

DIRECTORS

Mick Wilkes (B Eng (Hons), MBA, GAICD)
Non-Executive Chairman

Andrew Corbett (B Eng (Mining, Hons), MBA, MAICD)
Managing Director

Anthony Wehby
Non-Executive Director

Stuart Rechner (BSc, LLB, MAIG, MAusIMM, GAICD)
Non-Executive Director

COMPANY SECRETARY

Vinod Manikandan (CPA, AGIA)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

202/201 Miller Street
North Sydney NSW 2060
AUSTRALIA

Telephone (02) 8021 7492
Email info@kingstonresources.com.au
Website www.kingstonresources.com.au

AUDITORS

Hall Chadwick (NSW)
Chartered Accountants

SHARE REGISTRY

Automic Group

BANKERS

Australia & New Zealand Banking Group Limited
Macquarie Group Limited
Bank of South Pacific

SOLICITORS

Ashurst Australia
Cowell Clarke Commercial Lawyers
Resources Legal Pty Ltd

STOCK EXCHANGE

Australian Securities Exchange (ASX)
The home Exchange is in Perth, Western Australia
Secondary Listing - Frankfurt Stock Exchange

ASX CODE

KSN

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Directors' Report

Your Directors submit their report for the half year ended 31 December 2024.

DIRECTORS

The names of the Company's Directors in office during the half year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

- Mick Wilkes
- Andrew Corbett
- Anthony Wehby
- Stuart Rechner

PRINCIPAL ACTIVITIES

The Company is an Australian-based Company listed on the ASX. The principal activity of the Group during the period was mineral production and exploration.

REVIEW OF OPERATING RESULTS AND OPERATIONS

Operating Results

Kingston reported a statutory net loss of \$2,521,479 for the half year (2023: profit \$2,689,226).

Review of Operations

Kingston commenced open pit mining operations with the initial blast occurring on 11 June 2024. The transition from the previous Tailings Mining operation was completed seamlessly due to the transition of numerous operators into the open pit project. The company has employed 40 new employees, the majority of these being residents of the Lachlan Shire.

Open pit ore was initially stockpiled in June, July and August while refurbishment of the crushing and grinding circuits was being finalised. The refurbishment of the processing plant was budgeted to be a \$13.2m project and Kingston executed the project solely using in-house expertise which allowed the Company to deliver the project on time and at a total cost 4% higher than the initial budget.

Kingston rapidly increased crushing and grinding rates to be running consistently at 50 tonnes per hour, 20% above the original plant design. Weekly gold and silver sales were established as early as September 2024.



Figure 1: Pearse North pit prior to the initial blast (facing south).

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Figure 2: Pearse North (PN) open pit in July 2024. Pearse South (PS) pit in the background (facing south).



Figure 3: Pearse North open pit mining operations by January 2025 (facing north east).

OPEN PIT MINING AND PROCESSING

Open pit mining and processing was successfully ramped up to full capacity over the December 2024 half. Initial challenges with rock fragmentation and haulage rates were quickly overcome, allowing for an increase in the rate of material movement from October 2024 onwards. Between the first and second quarter, ore and waste mined increased

36% and 58% respectively. Production improved across all metrics across the half as the site was ramped up. Gold produced increased 78% over the two quarters, with 5,201oz sold over the half.

The Pearse Ore Reserve estimates used mining cutoff grades of 1.3g/t and 1.5g/t for Pearse North and South respectively. Due to a marked increase in the spot gold price, Kingston has decided to lower the mining cutoff grade to 0.8g/t, resulting in a reduction in mined gold grades.

Material Movement

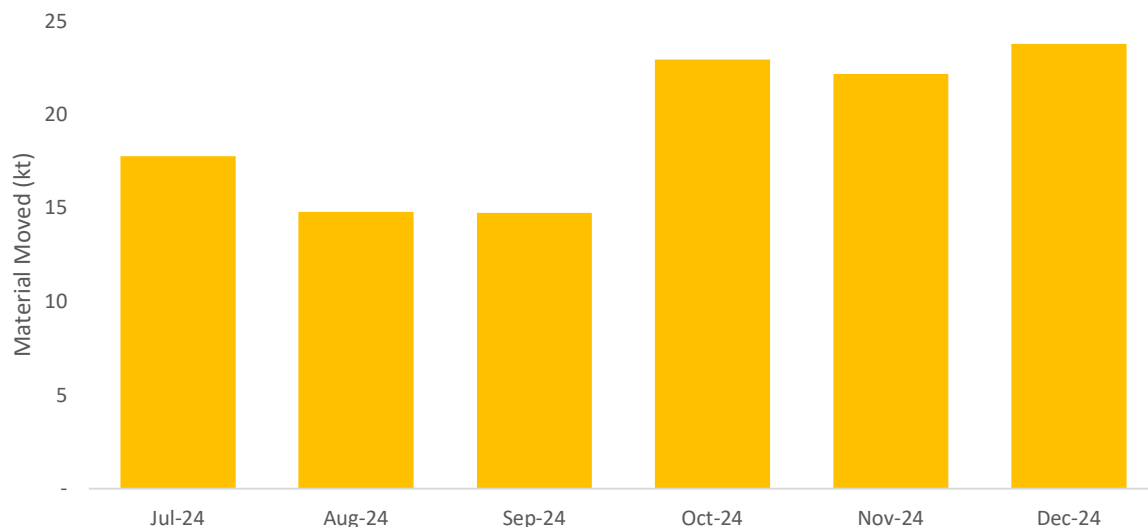


Figure 4: Monthly material movement from open pit mining at Pearse.

Table 1: Open pit mining and processing summary.

Physical Summary	Unit	Q1 FY25	Q2 FY25	H1FY25
Waste Mined	t	413,600	654,080	1,067,680
Ore Mined	t	45,136	61,201	106,337
Ore Processed	t	43,269	73,717	116,986
Head Grade	g/t	1.51	1.56	1.54
Processing Recovery	%	89%	89%	89%
Gold Produced	oz	1,868	3,333	5,201
Gold Sales	oz	1,680	3,261	4,941
Silver Sales	oz	11,551	22,862	34,413
Average Gold Price	\$/oz	3,777	4,101	3,991

Gold recovery remained higher than the original forecast of 85%, reaching 89% for the December half. Additionally, the original plan expected an earlier transition to sulphide ore, which has a forecast gold recovery of 78%.

Kingston has benefited from a strong momentum in the spot gold price and this resulted in an increase in the realised gold price. Gold and silver sales from Mineral Hill are sold at the daily market price, allowing the company to fully capitalize on the current gold price bull market.

Commercial production for the Pearse open pits was declared as of 1 October 2024. During the December quarter, operating costs were \$8.8m and sustaining capital was \$0.35m, resulting in an all-in-sustaining cost of \$2,814/oz (net of silver by-product revenue).

UNDERGROUND ORE RESERVE AND LOM UPDATE

Kingston released an initial underground Ore Reserve for the Southern Ore Zone during the half and extended life-of-mine (LOM) plan to six years (see ASX released dated 30 September 2024). As part of the release, the Company also issued a revised LOM production target comprising open pit and underground Ore Reserves and a component of

Inferred Resources. The first 12 and 36 months of the production target are underpinned by 89% and 80% of Measured and Indicated Resources respectively.

Key highlights of the LOM plan include:

- LOM extended to six years.
- Open pit mining to the end of CY2025.
- Revised Ore Reserve estimates for the Pearse open pits based on an updated Pearse North Mineral Resource.
- Initial Underground Ore Reserve: 0.7Mt for 0.8% Cu, 1.4g/t Au, 20g/t Ag, 1.9% Pb and 1.6% Zn.
- Ore Reserves in the mine plan of 1.1Mt.
- Total production target of 2.2Mt.
- LOM production of 207koz gold equivalent (AuEq) payable.
- Gold and copper comprise 85% of the payable metal in AuEq terms.

The statement of the underground Ore Reserve is a significant development for Kingston, as it materially increases the technical and financial certainty for Mineral Hill. Underground drilling has recommenced to continue infilling and extending the underground resources.

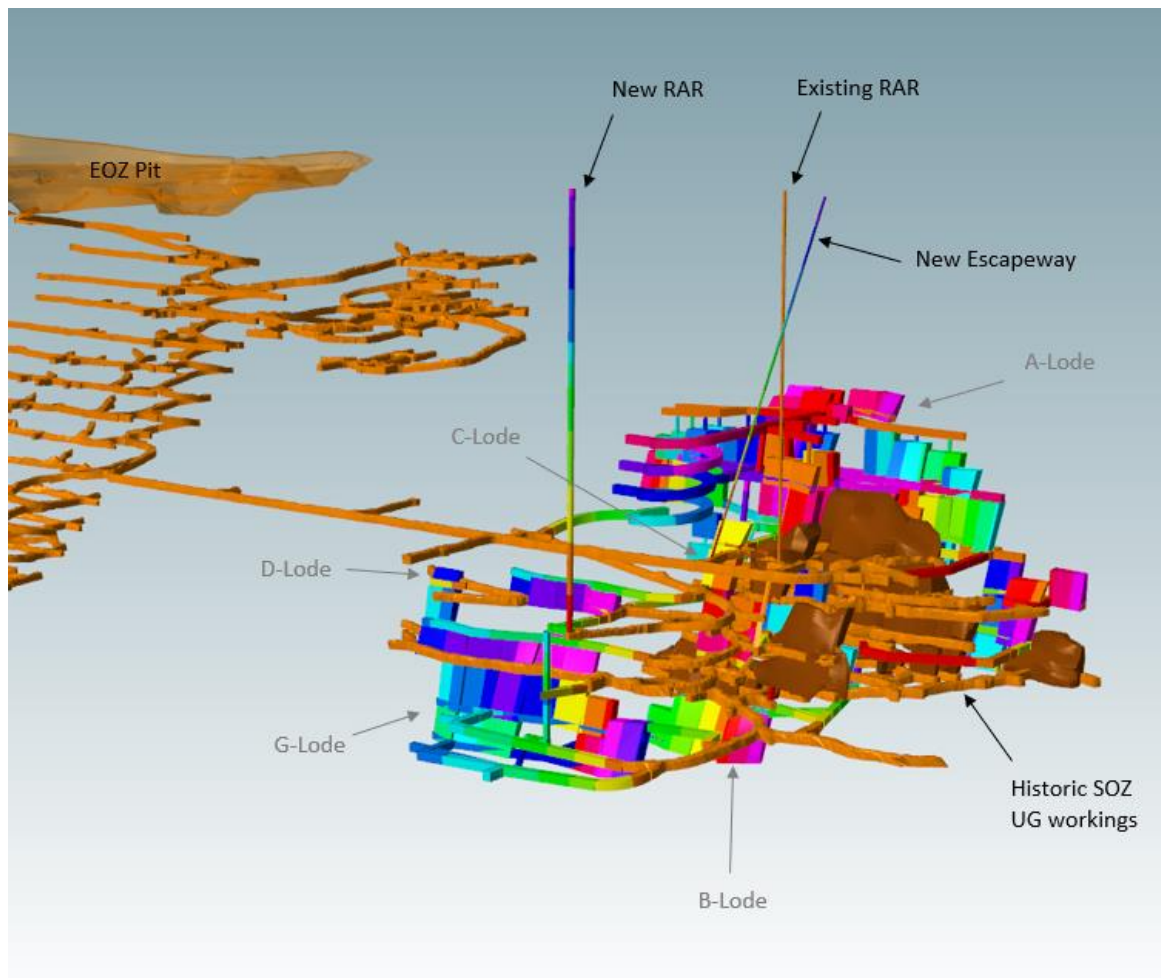


Figure 5: Underground production target existing development (orange) and mining designs (multi-coloured).

MISIMA GOLD PROJECT

Kingston appointed Argonaut PCF Limited (“Argonaut”) as exclusive financial adviser to lead and manage a formal strategic process in respect of the Misima Gold Project (“Misima”) during the half. The main aim of engaging Argonaut is to crystallise the deep value built at Misima during the Company’s ownership.

Argonaut has a strong history of successful transactions in the APAC region, particularly within the gold sector of PNG. Argonaut's reputation is well regarded among major international gold and natural resource companies and their team has strong commercial and technical expertise in managing corporate and asset level transactions. A site visit was conducted in December 2024 to complete their own extensive due diligence.

Kingston continued to advance the Misima Gold Project during the half, progressing landholder identification studies and ongoing environmental monitoring in support of the Environmental and Social Impact Assessment (ESIA). The company remains deeply engaged with the local community, implementing initiatives aimed at empowering locals in education, health, and business development. Notably, Kingston facilitated a Women in Business program, reaching over 629 women since its inception in 2023, with a focus on empowering women through business training and financial literacy programs.



Figure 6: Argonaut site visit conducting due diligence work.

CORPORATE

On 28 November 2024, the company held its Annual General Meeting (AGM). All resolutions were passed and decided by way of poll.

On 9 December 2024, Kingston announced its intention to raise a total of \$8.4 million (before cost) by undertaking a \$6.4 million Placement and a \$2 million fully underwritten Share Purchase Plan (SPP) both at an issue price of \$0.075 per share. The Company successfully completed the Placement on 16 December 2024. The fully underwritten SPP was completed on 22 January 2025 with retail shareholders strongly supporting the SPP by subscribing for 61% of the offer and the remaining 39% taken up by the underwriter, Delphi Unternehmensberatung Akteingesellschaft, an existing major shareholder and sophisticated investor. Kingston received applications for 16,126,541 Shares totalling to \$1,209,494.

The funds raised will be strategically allocated to accelerate surface exploration, drill underground resource extension targets, and expand resources to drive production growth at Mineral Hill.

MINERAL RESOURCES TABLE

Mineral Hill (NSW, Australia)

Table 2: Mineral Hill Mineral Resource summary, prepared by Mr S. Hayward of Kingston Resources Ltd. Rounding errors may occur.

Resource Category	Tonnes	Au	Ag	Cu	Pb	Zn	Au	Ag	Cu	Pb	Zn
	kt	g/t	g/t	%	%	%	koz	koz	kt	kt	kt
Measured	233	2.01	11	1.2%	0.5%	0.4%	15	81	3	1.2	0.8
Indicated	4,501	1.13	29	1.1%	1.9%	1.1%	164	4,556	47	77	46
Inferred	3,020	1.81	18	0.9%	0.9%	0.7%	175	1,727	25	26	20
Total	7,755	1.42	26	1.0%	1.4%	0.9%	354	6,364	75	104	67

Table 3: Mineral Hill Mineral Reserve summary, prepared by Mr J. Wyche of Australian Mine Design and Development Pty Ltd. Rounding errors may occur.

Reserve	Tonnes	Au	Ag	Cu	Pb	Zn	Au	Ag	Cu	Pb	Zn
	kt	g/t	g/t	%	%	%	koz	koz	kt	kt	kt
Proved	-	-	-	-	-	-	-	-	-	-	-
Probable	1,100	2.2	31	0.8%	1.9%	1.6%	74	1,087	5.5	13	11
Total	1,100	2.2	31	0.8%	1.9%	1.6%	74	1,087	5.5	13	11

Misima Gold Project (PNG)

Table 4: Misima Gold Project Mineral Resource summary, prepared by Mr S. Hayward of Kingston Resources Ltd. Rounding errors may occur.

Deposit	Classification	Cutoff g/t Au	Tonnes	Gold	Silver	Au Moz	Ag Moz
			Mt	g/t Au	g/t Ag		
Umuna Total Resource	Indicated	0.3	93.5	0.78	4.3	2.4	13.1
	Inferred	0.3	64.1	0.58	3.8	1.2	7.5
Umuna TOTAL			157.6	0.70	4.1	3.6	20.5
Cooktown Stockpile	Inferred	0.5	3.8	0.65	7.0	0.1	0.9
Cooktown Stockpile			3.8	0.65	7.0	0.1	0.9
Ewatinona Total Resource	Indicated	0.3	4.2	0.88	2.6	0.12	0.3
	Inferred	0.3	3.4	0.74	3.2	0.08	0.3
Ewatinona TOTAL			7.6	0.81	2.8	0.2	0.7
Misima	Indicated		97.7	0.79	4.3	2.5	13.4
	Inferred		71.3	0.59	3.8	1.4	8.7
Misima TOTAL			169	0.71	4.1	3.8	22.1

Table 5: Misima Gold Project Ore Reserve summary, prepared by Mr J. Wyche of Australian Mine Design and Development Pty Ltd. Rounding errors may occur.

	Tonnes	Gold	Silver	Au koz	Ag koz
	Mt	Au g/t	Ag g/t		
Ewatinona					
Probable	3.9	0.8	2.4	100	300
Ewatinona Total	3.9	0.8	2.4	100	300
Umuna					
Probable	71.7	0.8	4.6	1,784	10,603
Umuna Total	71.7	0.8	4.6	1,784	10,603
Probable	75.6	0.8	4.5	1,944	10,938
Misima Total Reserve	75.6	0.8	4.5	1,944	10,938

COMPETENT PERSON'S STATEMENT

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr. Stuart Hayward BAppSc (Geology) MAIG, a Competent Person who is a member of the Australian Institute of Geoscientists. Mr. Hayward is an employee of the Company. Mr. Hayward has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Hayward consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears.

The Competent Person signing off on the overall Ore Reserves Estimate is Mr John Wyche BE (Min Hon), of Australian Mine Design and Development Pty Ltd, who is a Fellow of the Australasian Institute of Mining and Metallurgy and who has sufficient relevant experience in operations and consulting for open pit metalliferous mines. Mr Wyche consents to the inclusion in this report of the matters based upon the information in the form and context in which it appears.

Kingston publicly reports Exploration Results and Mineral Resource estimates in accordance with the ASX Listing Rules and the requirements and guidelines of the 2012 edition of the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves – the JORC Code. Kingston's governance for public reporting of Exploration Results and Mineral Resource estimates includes important assurance measures. All reports are signed-off by appropriate JORC Competent Persons with JORC Code Table 1 Checklists as required. Exploration Results and Mineral Resource estimates are also peer reviewed (either by Kingston technical staff or suitably qualified external consultants) before Board approval and ASX release.

FINANCIAL POSITION

At 31 December 2024 the consolidated entity had net assets of \$94,788,138 (30 June 2024: \$90,781,524) and \$9,893,172 in cash (30 June 2024: \$8,357,776).

On 16 December 2024, the Company issued 85,333,334 Placement shares at \$0.075 raising \$6,400,000 (before costs).

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than reported above in the Review of Results and Operations, there were no significant changes in the state of affairs of the Company during the reporting period.

DIVIDENDS

There were no dividends paid, recommended, or declared during the current or previous financial half-years.

OPTIONS AND PERFORMANCE RIGHTS

During the half-year ended 31 December 2024 Directors and employees of the Company were granted options and performance options. Please see Note 10 for details.

EVENTS AFTER THE BALANCE DATE

On 9 December 2024, the Company announced its intention to undertake a fully underwritten SPP to raise \$2 million (before cost) at an issue price of \$0.075. The SPP was fully underwritten by Delphi Untemehmensberatung Akeingsellschaft an existing major shareholder and sophisticated investor. The SPP shares were issued on 22 January 2025, with 16,126,541 shares issued to SPP applicants raising \$1,209,494 (before cost) and 10,540,080 Shares allocated to the underwriter raising \$790,506.

Other than the above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

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Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The Auditor's Independence Declaration is set out on page 11 and forms part of the Directors' Report for the half year ended 31 December 2024.

Pursuant to section 306 Corporations Act 2001 this Directors' Report:

- (a) is made in accordance with a resolution of the Directors;
- (b) is dated 28 February 2025; and
- (c) is signed by Mick Wilkes.

On behalf of the directors



Mick Wilkes
Chairman

28 February 2025

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**KINGSTON RESOURCES LIMITED
ABN 44 009 148 529
AND CONTROLLED ENTITIES**

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF KINGSTON RESOURCES LIMITED**

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Kingston Resources Limited. As the lead partner for the review of the financial report of Kingston Resources Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Hall Chadwick (NSW)

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



ANTHONY TRAVERS
Partner

Dated: 28 February 2025

ADELAIDE
Level 9
50 Pirie Street
Adelaide SA 5000
T: +61 8 7093 8283

BRISBANE
Level 19
240 Queen Street
Brisbane QLD 4000
T: +61 7 2111 7000

DARWIN
Level 1
48-50 Smith Street
Darwin NT 0800
T: +61 8 8943 0645

MELBOURNE
Level 14
440 Collins Street
Melbourne VIC 3000
T: +61 3 9820 6400

PERTH
Level 11
77 St Georges Tce
Perth WA 6000
T: +61 8 6557 6200

SYDNEY
Level 40
2 Park Street
Sydney NSW 2000
T: +61 2 9263 2600

www.hallchadwick.com.au

Liability limited by a scheme approved under Professional Standards Legislation. Hall Chadwick (NSW) Pty Ltd ABN: 32 103 221 352

Consolidated Statement of Financial Position

	Notes	Consolidated Group	
		31 December 2024	30 June 2024
		\$	\$
Current assets			
Cash and cash equivalents		9,893,172	8,357,776
Trade and other receivables		1,009,743	515,345
Available for sale financial assets		187,900	287,900
Inventory		2,480,288	2,049,895
Other current assets		983,083	401,454
Total current assets		14,554,186	11,612,370
Non-current assets			
Property, plant and equipment	5	29,710,948	29,121,694
Capitalised exploration expenditure	4	50,864,228	49,759,508
Mine & resource development expenditure	4	27,487,514	22,865,123
Right of use assets		629,237	703,495
Rehabilitation bond and security deposits	6	7,552,869	7,555,209
Total non-current assets		116,244,796	110,005,029
Total assets		130,798,982	121,617,399
Current liabilities			
Trade and other payables		9,604,082	8,746,694
Interest bearing loan		652,502	173,164
Lease liabilities		546,498	256,781
Employee provisions		812,211	660,547
Deferred payables	12	3,053,162	4,158,967
Total current liabilities		14,668,455	13,996,153
Non-current liabilities			
Borrowings	11	13,646,954	9,104,811
Lease liabilities		134,045	188,019
Rehabilitation provisions		7,465,000	7,465,000
Employee provisions		96,390	81,892
Total non-current liabilities		21,342,389	16,839,722
Total liabilities		36,010,844	30,835,875
Net assets		94,788,138	90,781,524
Equity			
Issued capital	9	145,907,400	139,856,904
Accumulated losses		(53,776,990)	(51,353,844)
Share based payment reserve		2,512,313	2,121,133
Foreign currency translation reserve		145,415	157,331
Total equity		94,788,138	90,781,524

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	Consolidated Group	
		31 December 2024 \$	31 December 2023 \$
Continuing Operations			
Sales		14,465,758	23,640,552
Other revenue		16,592	9,000
Cost of sales		(4,205,602)	(12,595,019)
Gross Profit		10,276,748	11,054,533
Administrative expenses		(237,811)	(278,702)
Consultant and legal fees		(26,170)	(123,594)
Director fees		(149,371)	(179,184)
Employee expenses		(6,320,500)	(3,627,591)
Share based payments expense		(225,447)	(300,611)
Mark to market of financial assets gain/(loss)		(100,000)	68,750
Foreign exchange loss		107,699	(790,905)
EBITDA		3,325,148	5,822,696
Amortisation expense	3	(1,328,670)	(716,184)
Depreciation expense	3	(3,268,567)	(1,757,049)
Interest received		177,047	5,863
Interest paid		(1,426,437)	(666,100)
(Loss)/Profit before income tax expense		(2,521,479)	2,689,226
Income tax expense		-	-
(Loss)/Profit for the period		(2,521,479)	2,689,226
Other comprehensive income			
Other comprehensive income		(11,916)	(35,845)
Total comprehensive (loss)/income for the period		(2,533,395)	2,653,381
Basic (loss)/profit per share (cents)		(0.36)	0.55
Diluted (loss)/profit per share (cents)		(0.36)	0.44

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

	Consolidated Group	
	31 December 2024	31 December 2023
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Continued Operations		
Receipts from customers	14,018,647	23,695,187
Interest received	88,485	5,863
Interest paid	(1,099,009)	(460,095)
Receipts from other income	16,349	9,000
Government grants	75,000	-
Payments to suppliers and employees	(8,102,457)	(14,928,537)
NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES	4,997,015	8,321,418
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation	(1,735,058)	(2,224,326)
Payment for bond deposits	-	(36,108)
Payment for property, plant and equipment	(5,842,900)	(5,680,765)
Payment for mine development	(5,271,690)	(4,765,839)
Payment for acquisition of Mineral Hill Pty Ltd	(35,434)	(3,648,274)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(12,885,082)	(16,355,312)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of shares and options	6,400,000	1,045,618
Payments for lease	(212,312)	(141,407)
Transaction costs related to issue of shares, convertibles, or options	(368,930)	(167,159)
Net proceeds from borrowings	4,594,822	-
Payments to Quintana Resources LLC	(993,637)	(367,749)
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	9,419,943	369,303
Net change in cash and cash equivalents held	1,531,876	(7,664,591)
Cash and cash equivalents at beginning of period	8,357,776	18,206,767
Effect of movement in exchange rates on cash held	3,520	(2,253)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	9,893,172	10,539,923

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

Consolidated

Attributable to the shareholders of Kingston Resources Limited

	Ordinary Shares \$	Advanced Placement Fund \$	Accumulated Losses \$	Foreign Exchange Reserves	Share based payment Reserve \$	Total Equity \$
Balance at 1 July 2023	121,170,385	3,867,452	(50,812,957)	186,894	2,043,126	76,454,900
Profit for the half year	-	-	2,689,226	-	-	2,689,226
Total comprehensive income	-	-	-	(35,846)	-	(35,846)
	121,170,385	3,867,452	(48,123,731)	151,048	2,043,126	79,108,280
Issue of shares	2,068,176	-	-	-	-	2,068,176
Advanced placement fund	4,500,000	(4,500,000)	-	-	-	-
Cost of share issue	(440,529)	302,255	-	-	-	(138,274)
Share based payments	(468,379)	330,293	-	-	416,476	278,390
Transfer from share-based payment reserve on expiry/lapse/Issuance of options	240,477	-	172,657	-	(413,134)	-
Balance at 31 December 2023	127,070,130	-	(47,951,074)	151,048	2,046,468	81,316,572
Balance at 1 July 2024	139,856,904	-	(51,353,844)	157,331	2,121,133	90,781,524
Loss for the half year	-	-	(2,521,479)	-	-	(2,521,479)
Total comprehensive income	-	-	-	(11,916)	-	(11,916)
	139,856,904	-	(53,875,323)	145,415	2,121,133	88,248,129
Issue of shares	6,430,000	-	-	-	-	6,430,000
Cost of shares issued	(411,883)	-	-	-	-	(411,883)
Share based payments	-	-	-	-	521,892	521,892
Transfer from share-based payment reserve on expiry/lapse/Issuance of options	32,379	-	98,333	-	(130,712)	-
Balance at 31 December 2024	145,907,400	-	(53,776,990)	145,415	2,512,313	94,788,138

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. CORPORATE INFORMATION

The financial statements of Kingston Resources Limited for the half year ended 31 December 2024 are authorised for issue in accordance with a resolution of the Directors on 28 February 2025. Kingston Resources Limited is a company incorporated in Australia and limited by shares listed on the ASX.

The nature of the operations and principal activities of the Group are described in the Review of Operating Results and Operations included in the Directors' Report and in Note 7 Segment Information.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The half year financial statements do not include all of the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report.

The half year financial statements should be read in conjunction with the annual Financial Statements of the Group as at 30 June 2024.

It is also recommended that the half year financial statements be considered together with public announcements made by Kingston Resources and its controlled entities during the half year ended 31 December 2024 and up to the date of this report in accordance with the continuous disclosure obligations arising under the *Corporations Act 2001*.

a) Basis of Preparation

These general purpose financial statements for the interim half year reporting period ended 31 December 2024 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

The interim financial statements are intended to provide users with an update on the latest annual financial statements of Kingston Resources Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes during the half year within the Group. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2024, together with any public announcements made during the half year and up to the date of this report.

The accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

From 1 July 2024, the consolidated entity has adopted all Australian Accounting Standards and Interpretations effective for annual periods beginning on or before 1 July 2024. The adoption of new and amended standards and interpretations had no impact on the financial position or performance of the consolidated entity.

The consolidated entity has not elected to early adopt any new standards or amendments that are issued but not yet effective.

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b) Going Concern

The consolidated entity incurred a net loss of \$2,521,479 (2023: profit \$2,689,226) and positive operating cash flows of \$4,997,015 (2023: \$8,321,418) for the half year ended 31 December 2024. As at 31 December 2024 the consolidated entity held cash of \$9,893,172.

During the period the following significant equity raisings were made:

- On 9 December 2024, the Company announced its intention to undertake a Share Placement Offer raising \$6,400,000 and a fully underwritten SPP raising \$2,000,000, raising a total of \$8,400,000 (before costs). On 16 December 2024, the company issued 85,333,334 Placement Shares at an issue price of \$0.075, raising a total of \$6,400,000 before costs.
- The SPP was fully underwritten by Delphi Untemehmensberatung Akeingsellschaft an existing major shareholder and sophisticated investor to raise \$2,000,000 (before costs) at an exercise price of \$0.075. The SPP closed and \$2 million was received after the reporting period.

The nature of an exploration and early-stage mining company is to have negative cashflow from operations, which requires the Company to raise equity as required. If the Group is unsuccessful in raising capital, a material uncertainty exists, that may cast significant doubt on the Group's ability as a going concern and its ability to recover assets, and discharge liabilities in the normal course of business and at the amount shown in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Taking into account the current cash reserves of the Company, the Directors are confident the Company has adequate resources to continue in its main business activity for the foreseeable future. As a result, the financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business and at the amounts stated in the financial report.

c) New Accounting Standards Implemented

The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

Any new, revised or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

3. LOSS FOR THE PERIOD

	Consolidated Group	
	31 December 2024	31 December 2023
	\$	\$
The following expense items are relevant in explaining the financial performance for the interim period:		
Expenses		
Depreciation and amortisation on non-current assets		
Depreciation of:		
- right of use asset	141,955	80,847
- building	51,577	45,265
- plant & equipment	3,075,035	1,630,937
Total depreciation	3,268,567	1,757,049
Amortisation of:		
- Mine development	1,328,670	122,549
- Tailings removal	-	593,635
	1,328,670	716,184

4. EXPLORATION AND EVALUATION ACTIVITIES

	Consolidated Group		
	Mine development expenditure	Capitalised exploration expenditure	Total
	\$	\$	\$
At 1 July 2024			
Cost	26,050,472	49,759,508	75,809,980
Accumulated amortisation	(3,185,349)	-	(3,185,349)
Net Carrying Amount	22,865,123	49,759,508	72,624,631
Half Year ended 31 December 2024			
Carrying amount at the beginning of the period	22,865,123	49,759,508	72,624,631
Additions	5,951,061	1,091,913	7,042,974
Amortisation	(1,328,670)	-	(1,328,670)
Foreign exchange differences	-	12,807	12,807
Carrying amount at 31 December 2024	27,487,514	50,864,228	78,351,742
At 31 December 2024			
Cost	29,384,308	50,864,228	80,248,536
Accumulated amortisation	(1,896,794)	-	(1,896,794)
Net Carrying Amount	27,487,514	50,864,228	78,351,742

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The carrying value of the capitalised exploration and evaluation expenditure is assessed for impairment whenever facts and circumstances suggest that the carrying amount of the asset may exceed its recoverable amount, where substantive expenditure on further exploration and evaluation is neither budgeted nor planned, or the period for which the Company has the right to explore will expire in the near future and is not expected to be renewed.

	Consolidated Group	
	31 December 2024 \$	30 June 2024 \$
5. PROPERTY, PLANT AND EQUIPMENT		
Motor vehicles:		
Opening balance	226,352	226,352
Disposals	(65,545)	-
Closing Balance	<u>160,807</u>	<u>226,352</u>
Accumulated depreciation		
Opening balance	203,277	176,381
Disposals	(65,545)	-
Depreciation for the year	12,807	26,896
Closing balance	<u>150,539</u>	<u>203,277</u>
Net Book Value – Motor Vehicles	<u>10,268</u>	<u>23,075</u>
Buildings:		
Opening balance	1,044,629	909,687
Additions	-	127,892
Transfer from Plant & Equipment	-	7,050
Closing Balance	<u>1,044,629</u>	<u>1,044,629</u>
Accumulated depreciation		
Opening balance	515,851	419,685
Depreciation for the year	51,577	96,166
Closing balance	<u>567,428</u>	<u>515,851</u>
Net Book Value – Buildings	<u>477,201</u>	<u>528,778</u>
Plant & Equipment:		
Opening balance	39,921,393	23,698,998
Additions	3,735,070	16,568,713
Transfer from Right of Use Assets	-	105,744
Net transfer to Mine Development	-	(445,012)
Transfer to Buildings	-	(7,050)
Disposals	(8,867)	-
Closing Balance	<u>43,647,596</u>	<u>39,921,393</u>
Accumulated depreciation		
Opening balance	11,351,552	6,982,862
Disposals	(8,867)	-
Depreciation for the period	3,081,432	4,368,690
Closing balance	<u>14,424,117</u>	<u>11,351,552</u>
Net Book Value – Plant & Equipment	<u>29,223,479</u>	<u>28,569,841</u>
Net Book Value – Property, Plant and Equipment	<u>29,710,948</u>	<u>29,121,694</u>

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	Consolidated Group	
	30 June 2024	30 June 2023
	\$	\$
6. OTHER NONCURRENT ASSETS		
Environmental bonds	7,408,000	7,408,000
Other security deposits	144,8699	147,2094
Total	7,552,869	7,555,209

7. SEGMENT INFORMATION

For the year half year ended 31 December 2024, the Group has two segments, being mining and exploration of minerals in Australia and Papua New Guinea.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period in that geographic region.

	Australia	PNG	Total
External revenue	14,465,758	-	14,465,758
Other revenue	16,592	-	16,592
Interest income	177,044	3	177,047
Total revenue	14,659,394	3	14,659,397
EBITDA	3,325,296	(148)	3,325,148
Depreciation and amortisation	(4,597,237)	-	(4,597,237)
Total Comprehensive income	(2,533,247)	(148)	(2,533,395)
Reportable segment asset	85,582,936	45,216,046	130,798,982
Reportable segment liability	(36,151,051)	(156,238)	(36,307,289)
Net assets	49,431,885	45,059,808	94,491,693

8. COMMITMENTS AND CONTINGENCIES

The Group has had certain obligations to perform minimum exploration work and to expend minimum amounts of money on such work on mining tenements. These obligations may be varied from time to time subject to approval and are expected to be fulfilled in the normal course of the operations of the Group. These commitments have not been provided for in the financial report. Due to the nature of the Group's operations in exploring and evaluating areas of interest, it is difficult to accurately forecast the nature and amount of future expenditure beyond the next year. Expenditure may be reduced by seeking exemption from individual commitments, by relinquishing tenure or by new joint venture arrangements. Expenditure may be increased when new tenements are granted or joint venture agreements amended. The minimum expenditure commitment on currently held tenements is:

	Consolidated Group	
	31 December 2024	30 June 2024
	\$	\$
Exploration commitment		
Not later than one year	613,177	1,390,207
Later than one year and less than five years	746,666	3,161,458

The Group has a commitment to increase the Rehabilitation Security Bond at Mineral Hill Pty Ltd as follows:

Rehabilitation Security Bond commitment

On 1 December 2023, the Rehabilitation Security Bond was increased from \$7,247,000 to \$7,408,000. On 16 May 2024, the Company fulfilled its commitment and increased its cash backed Rehabilitation Security Bond by \$161,000, to a total of \$7,408,000.

The Group has finance leases between 6 months and three years for motor vehicle and plant and equipment for the Mineral Hill mine. The future minimum lease payments are as follows:

	Consolidated Group	
	31 December 2024	30 June 2024
	\$	\$
Finance lease commitment		
Not later than one year	513,538	177,695
Later than one year and less than five years	134,045	188,019

The Group is a party to rental leases for its office premises. The future minimum lease payments are as follows:

	Consolidated Group	
	31 December 2024	30 June 2024
	\$	\$
Operating lease commitment		
Not later than one year	32,960	79,086
Later than one year and less than five years	-	-

9. ISSUED CAPITAL

	Consolidated Group	
	31 December 2024	30 June 2024
	\$	\$
a) Ordinary shares		
793,867,685 fully paid ordinary shares (30 June 2024: 707,019,971)	145,907,400	139,856,904
b) Movements in contributed equity for the period		
Balance at the beginning of the period	139,856,904	121,170,385
Shares issued during the current financial period:		
- 26 September 2024 – exercise of LTI Options	8,412	-
- 16 December 2024 – Placement Offer	6,400,000	-
- 16 December 2024 – Shares issued in lieu of Placement fees	30,000	-
- 16 December 2024 – exercise of STI Options	7,776	-
- 16 December 2024 – exercise of LTI Options	16,191	-
Shares issued during the previous period:		
- 3 July 2023 tranche 1 of the Placement offer	-	4,169,707
- 26 July 2023 exercise of LTI Options	-	229,133
- 17 August 2023 tranche 2 Placement Offer	-	930,957
- 17 August 2023 vesting of Performance Rights	-	4,765
- 17 August 2023 under employment contract	-	22,558
- 17 August 2023 exercise of FY22 service fee options	-	52,197
- 17 August 2023 Shareholder participation under SPP offer	-	810,864
- 18 August 2023 Underwritten component of SPP offer	-	120,093
- 8 April 2024 Share Placement and accelerated component of ANREO	-	8,822,608
- 15 May 2024 Retail component of ANREO	-	4,663,878
- 15 May 2024 exercise of FY23 service fee options	-	58,742
- 15 May 2024 exercise of FY24 service fee options	-	73,464
Less share issuance costs	(411,883)	(1,272,447)
Total contributed equity	145,907,400	139,856,904

10. SHARE BASED PAYMENTS

- (i) Short-Term Performance Incentive options and Long-Term Share Price Outperformance Options granted to employees and directors of the Company, or any Associated Body Corporate of the Company:
- On 29 November 2024, Kingston granted senior management and staff 3,590,608 FY25 Short-Term Performance Incentive Options.
 - On 2 December 2024, Kingston granted senior management and staff 7,949,195 Long-Term Share Price Outperformance Options.
 - On 2 December 2024, Kingston granted non-executive directors 1,336,732 FY25 Service Fee Options.
- (ii) Shares granted on the vesting of short-term performance incentive options and long-term share performance incentive options held by employees and directors of the Company, or any Associated Body Corporate of the Company:
- On 26 September 2024, Kingston issued 171,377 shares upon exercise of FY21 LTI Share Performance options for nil consideration.
 - On 16 December 2024, Kingston issued 329,825 shares upon exercise of FY21 LTI Share Performance options for nil consideration.
 - On 16 December 2024, Kingston issued 613,178 shares upon exercise of FY24 Short-Term Performance Incentive options for nil consideration.
- (iii) Share options granted to employees and directors of the Company, or any Associated Body Corporate of the Company, lapsed during the period:
- On 29 August 2024, 2,010,910 FY24 STI Performance Options lapsed unvested.
 - On 29 August 2024, 301,249 FY23 LTI Share Performance Options lapsed unvested.
 - On 29 August 2024, 830,462 FY22 LTI Share Performance Options lapsed unvested.
 - On 29 August 2024, 1,359,297 FY21 LTI Share Performance Options lapsed unvested.

11. BORROWINGS

	Consolidated Group	
	31 December 2024	30 June 2024
	\$	\$

Interest bearing loans	13,646,954	9,104,811
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On 7 July 2022, the Company secured a two tranche \$10m debt facility with PURE Asset Management. Under Tranche A, \$5 million was drawn under a 4-year secured loan facility at an interest rate of 9.90% per annum with 25,000,000 detached warrant shares at an exercise price of \$0.20. An establishment fee of \$150,000 was recognised as a reduction in proceeds. The warrants exercise price is adjusted to \$0.0816 subsequent to various capital raisings undertaken by the company.

On 29 June 2023, \$5 million under Tranche B of the facility was drawn, under a 3-year secured loan facility at an interest rate of 9.90% per annum with 35,714,286 detached warrant shares at an exercise price of \$0.14. An establishment fee of \$150,000 was recognised as a reduction in proceeds. The warrants exercise price is adjusted to \$0.0816 subsequent to various capital raisings undertaken by the company.

On 23 August 2024, an additional \$5 million was drawn under a revised facility agreement, under 30 months secured loan facility at an interest rate of 9.90% per annum with 69,726,166 detached warrant shares at an exercise price of \$0.1183. An establishment fee of \$200,000 was recognised as a reduction in proceeds. The warrants exercise price is adjusted to \$0.0879 subsequent to various capital raisings undertaken by the company.

Conversion by the lender

Tranche A Warrants - The lender may elect at any time up to 7 July 2027, to convert any number greater than or equal to 12,254,902 warrant shares per conversion, at a rate of \$0.0816 share for every warrant share converted (this conversion rate may be adjusted in the event of significant future capital raisings). The noteholder is not entitled to any additional payments on account of this conversion.

Tranche B Warrants - The lender may elect at any time up to 29 June 2028, to convert any number greater than or equal to 12,254,902 warrant shares per conversion, at a rate of \$0.0816 share for every warrant share converted (this conversion rate may be adjusted in the event of significant future capital raisings). The noteholder is not entitled to any additional payments on account of this conversion.

Tranche C Warrants - The lender may elect at any time up to 23 February 2028, to convert any number greater than or equal to 11,376,565 warrant shares per conversion, at a rate of \$0.0879 share for every warrant share converted (this conversion rate may be adjusted in the event of significant future capital raisings). The noteholder is not entitled to any additional payments on account of this conversion.

Failure to Redeem

If the noteholder does not convert all their warrant shares during the exercise period, then the balance of the debt facility under Tranche A facility will be due for repayment on 7 July 2026, the balance of the debt facility under the Tranche B facility will be due for repayment on 29 June 2027 and the balance of the debt facility under the Tranche C facility will be due for repayment on 23 February 2027.

Movement in interest bearing loan

	Consolidated Group	
	31 December 2024	30 June 2024
	\$	\$
Carrying value at the beginning of the period	9,104,811	8,822,176
Loan– face value	5,000,000	-
Less Establishment fees and other charges	(405,178)	-
Less: Fair value of equity component – share warrants	(296,445)	-
Add: Amortised interest expense	243,766	282,635
Carrying value as at end of the period	13,646,954	9,104,811

12. DEFERRED PAYABLES

	Consolidated Group	
	31 December 2024	30 June 2024
	\$	\$
Opening balance	4,158,967	9,579,789
Less:		
- Milestone payments	(993,637)	(4,744,174)
-T2 share placement offer	-	(1,000,000)
-Royalty payments to Quintana recognised at acquisition	-	(703,140)
-Foreign exchange loss	(112,168)	1,026,492
Closing balance	3,053,162	4,158,967

On 17 January 2022, the Group completed the acquisition of Mineral Hill Pty Ltd. Mineral Hill Pty Ltd assets include operating Mineral Hill Mine. Upon Acquisition, the Group recognised deferred payment totalling to \$12.8 million, comprising of USD\$8 million (AUD\$11.1 million) for milestone payments and \$1.7 million for royalty payment. As at the end of the year, the Group has paid milestone payments totalling to USD\$4.5 million (\$6.8 million) and royalty payments totalling to USD\$1.2 million (AUD\$1.8 million). The Final Milestone Payment of USD\$3.5 million was reduced by USD\$645,100 (AUD\$1 million) from Quintana Holdings LLP

participation in Tranche 2 Placement offer which was completed on 17 August 2023. The Group has restructured the remaining Milestone payment of USD\$2.85million (AUD\$4.3 million). Under the agreed terms, the outstanding milestone payment will be paid over six monthly instalments of USD\$350k commencing from 1 November 2024 with a final payment of USD\$754,900 in May 2025. As at the end of the reporting period, the Company has paid USD\$700,000 and USD\$2.15 million remains outstanding.

13. EVENTS SUBSEQUENT TO REPORTING DATE

On 9 December 2024, the Company announced its intention to undertake a fully underwritten SPP to raise \$2 million (before cost) at an issue price of \$0.075. The SPP was fully underwritten by Delphi Untemehmensberatung Akeingsellschaft an existing major shareholder and sophisticated investor. The SPP shares were issued on 22 January 2025, with 16,126,541 shares issued to SPP applicants raising \$1,209,494 (before cost) and 10,540,080 Shares allocated to the underwriter raising \$790,506.

Other than the above, there has not been any matter or circumstance that has arisen after balance date that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial periods.

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Directors' Declaration

In the opinion of the Directors:

- (a) the financial statements and the notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the financial position as at 31 December 2024 and the performance for the half year ended on that date of the consolidated entity; and
 - (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors of Kingston Resources Limited made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Board



Mick Wilkes
Chairman

28 February 2025

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**KINGSTON RESOURCES LIMITED
ABN 44 009 148 529
AND CONTROLLED ENTITIES**

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE OWNERS OF
KINGSTON RESOURCES LIMITED**

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Kingston Resources Limited (the Company) and its controlled entities (the Group), which comprises the consolidated statement of financial position as at 31 December 2024, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes to the financial statements including a summary of material accounting policies, other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Kingston Resources Limited and its controlled entities is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year then ended; and
- (ii) complying with AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of Financial Report performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(b) to the financial report, which describes the principal conditions that raise doubt about the Group's ability to continue as a going concern. As stated in Note 2(b), these events or conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

<p>ADELAIDE Level 9 50 Pirie Street Adelaide SA 5000 T: +61 8 7093 8283</p>	<p>BRISBANE Level 19 240 Queen Street Brisbane QLD 4000 T: +61 7 2111 7000</p>	<p>DARWIN Level 1 48-50 Smith Street Darwin NT 0800 T: +61 8 8943 0645</p>	<p>MELBOURNE Level 14 440 Collins Street Melbourne VIC 3000 T: +61 3 9820 6400</p>	<p>PERTH Level 11 77 St Georges Tce Perth WA 6000 T: +61 8 6557 6200</p>	<p>SYDNEY Level 40 2 Park Street Sydney NSW 2000 T: +61 2 9263 2600</p>
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Responsibilities of the Directors for the Half-Year Financial Report

The directors of the Group are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-Year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Hall Chadwick (NSW)

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000



ANTHONY TRAVERS
Partner
Dated: 28 February 2025

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