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ASX Announcement
20 May 2025

Misima Gold Project Sold to Ok Tedi for $95 Million

- **Kingston has entered into a binding agreement to sell the Misima Gold Project to Ok Tedi Mining Limited**
- **Total consideration of $95 million, comprising:**
  - **$50 million payable on completion;**
  - **$10 million payable 12 months post completion;**
  - **$10 million payable on Final Investment Decision to develop Misima; and**
  - **0.5% Gross Revenue Royalty on all gold production from Misima after 500koz of gold has been produced with Ok Tedi having a royalty buy-back right for $25 million.**
- **Transaction aligns with Kingston's corporate strategy:**
  - **Material strengthening of the balance sheet immediately after completion that will allow for repayment of $15 million debt facility in full;**
  - **Provides capital to build value at Mineral Hill via accelerated exploration and expansion studies; and**
  - **Retains upside exposure to future Misima production restart in a highly favourable gold price environment.**
- **Kingston to emerge as a well-funded Australian copper and gold producer with the ability to pursue growth opportunities.**

Kingston Resources Limited (**ASX: KSN**) ('**Kingston**' or '**Company**') is pleased to announce that it has entered into a binding definitive agreement to divest the Papua New Guinea ('**PNG**') located, Misima Gold Project ('**Misima**' or the '**Project**') to 100% PNG owned Ok Tedi Mining Limited ('**Ok Tedi**') (the '**Transaction**').

Kingston's Managing Director, Andrew Corbett, commented:

"The sale of Misima concludes a comprehensive global strategic process that commenced in November 2024. This deal will deliver Kingston up to $70 million in cash plus ongoing exposure to the future large-scale production profile of Misima through an gross revenue royalty, unlocking significant value for our shareholders. The total consideration is greater than Kingston's current market capitalisation whilst we retain 100% of the Mineral Hill gold and copper operation."

"Kingston is delighted to complete this transaction with PNG's largest mining company Ok Tedi. Ok Tedi is the natural owner and operator of Misima and we are excited by their vision to fast track towards FID for project construction. We look forward to Ok Tedi returning Misima to a leading Asia-Pacific gold mine for the benefit of the Papua New Guinea economy and local Misima community."

"Kingston will now intensify the focus on growth and development projects at Mineral Hill and target copper production in 2026. Drilling is set to broaden to other brownfields targets outside of SOZ to include historical production areas such as Parker's Hill, Jack's Hut and EOZ. Investment will also be accelerated in advancing regional drill targets along the highly prospective Mineral Hill Trend. The Company is now ideally placed to consider accretive Australian based copper and/or gold growth initiatives that match with our vision of being a leading multi mine producer with significant scale and long-term returns."

ASX: KSN
Shares on Issue: 821M
Market Cap: $76M
Cash: $12.5M (31 Mar 2025)

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Misima divestment unlocks significant value aligning with Kingston's corporate strategy

The Transaction successfully delivers Kingston's stated objective of divesting Misima to realise the significant latent value for its shareholders. Ok Tedi is a responsible owner of PNG assets with existing production and cash flow from copper, gold and silver production at the Ok Tedi Mine. The Kingston Board sees this Transaction as providing compelling long-term value for the local communities and existing stakeholders of Misima and expedites the Project towards a production restart.

Kingston intends to use its strong financial position to fully repay its existing $15 million secured debt facility with Pure Asset Management ('**PURE'**). Kingston expects to realise immediate cost savings of up to $4.0 million per year through the removal of costs associated with Misima and servicing the PURE secured debt facility.

Completion of the Transaction will allow Kingston to focus on open pit mining and accelerate underground development at Mineral Hill to deliver on the Company's six-year mine plan with underground production commencing in FY26. The added financial strength allows the Company to significantly de-risk near term mine plans with ongoing infill drilling. Mineral Hill has significant brownfields expansion upside at SOZ, Parkers Hill, Jacks Hut and EOZ which will be a focus to extend the mine life beyond 2030.

Kingston holds extensive exploration tenure along the broader mineralised trend and the ground already has extensive geochemical anomalies, coincident geophysical anomalies and recent adjacent discoveries. This Transaction provides the financial fire power to conduct increased exploration activity with the aim of discovering additional deposits that could justify a step-change increase in production at Mineral Hill.

Specifically, this exploration program will include:

- Targeting a second underground ore source from existing underground infrastructure to extend the current mine life;
- Commencing near mine surface exploration targeting new discoveries within the Mining Licence (ML) and EL 1999; and
- Commencing greenfield exploration on EL8334 targeting a significant new discovery.

In addition, the Company will continue to engage with owners of nearby Mineral Resources which may provide third party ore for processing.

Post Transaction completion, Kingston will be ideally positioned to consider accretive Australian based copper and/or gold growth initiatives that complement the Mineral Hill operations.

Key Transaction Terms, Documentation and Timetable

Kingston has entered into definitive documentation in connection with the sale of 100% of the issued share capital in Gallipoli Exploration (PNG) Limited (**Gallipoli**), which holds 100% of the Misima Project, to Ok Tedi.

The agreed Transaction consideration of $95 million for the sale comprises:

- $50 million in upfront cash, payable on completion of the Transaction;
- $10 million in deferred cash, payable on 12 months post completion of the Transaction;
- $10 million in deferred cash, payable on a positive final investment decision (**FID**) by Ok Tedi to proceed with the commercial scale development of Misima; and a
- 0.5% gross revenue royalty, payable over gold and copper production from Misima (**Royalty**). The Royalty will be uncapped and will commence after 500koz of gold has been produced. The Royalty will be subject to a buy-back right for Ok Tedi for a value of $25 million cash. The Royalty is subject to conditions customary for a royalty of this nature, including the granting of security in the form of a tenement mortgage in favour of Kingston to secure its rights.

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The Transaction is not subject to any financing condition or any further shareholder approval from either Ok Tedi nor Kingston.

Under the definitive documentation, completion of the Misima sale is subject to the following key conditions precedent being satisfied or waived:

- Approval from the Independent Consumer & Competition Commission of Papua New Guinea (**ICCC**); and
- The renewal of exploration licence EL 1747 not being rejected by the Mineral Resources Authority or EL 1747 otherwise forfeited, cancelled or materially varied. The EL renewal was submitted on the 4th December 2024 and is currently progressing through the normal approval process. Both parties to use their prompt and reasonable endeavours to support and assist the renewal process.

The definitive documentation contains other terms and conditions typical for an agreement of this nature including standard representations and warranties.

Kingston anticipates the Transaction completing during Q1, FY26, following the receipt of ICCC approval.

Advisers to the Transaction

Argonaut PCF acted as financial advisor and Ashurst as legal advisor to Kingston in relation to the Transaction.

Ok Tedi was advised by Treadstone Resource Partners as its financial advisor, Allens as its legal advisor, PwC as its tax advisor and AMC Consultants as its technical advisor.

About Ok Tedi Mining Limited

Ok Tedi operates the Ok Tedi Mine, the longest running open-pit copper, gold and silver mine in Papua New Guinea (PNG). The company is 100% PNG owned with a 67% direct shareholding by the Independent State of PNG through Kumul Minerals (Ok Tedi) Limited and a 33% interest held by the people of the Western Province. Ok Tedi is the single largest employer in the Western Province, and one of the largest in PNG.

The Ok Tedi Mine produces approximately 100ktpa copper, 260kozpa gold and 1Mozpa silver per annum and is capable of processing up to 24Mtpa of ore, with Ok Tedi currently expanding the mine life out to 2050. Ok Tedi operates with excellence, maximising the value of the mineral resource in an environmentally responsible way to deliver sustainable economic and social benefits to the local communities and the people of PNG.

Ok Tedi generated US$1.5b in revenue in 2024. It is well capitalised with a cash balance of US$94.5 million as at 31 December 2024, and US$50.0 million in undrawn funds available via a corporate debt.

This release has been authorised by the Kingston Resources Limited Board. For all enquiries, please contact Managing Director, Andrew Corbett, on +61 2 8021 7492.

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