

ASX: TOK, OTCQX: TOLUF

ASX Announcement

19 April 2024

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A\$8.8 million Placement to Significantly Accelerate Exploration Activities

Tolu Minerals Limited (**ASX: TOK, Tolu Minerals** or the **Company**) is pleased to announce that it has secured binding commitments for a placement to raise A\$8.8 million through the issue of approximately 17.6 million shares (**New Shares**) at an issue price of A\$0.50 per share (**Placement**).

HIGHLIGHTS:

- Strongly supported A\$8.8 million Placement.
- Strong demand received during bookbuild from both existing and new institutional shareholders, located domestically and offshore.
- Proceeds from the Placement will be used to fund:
 - Acceleration of exploration activities, specifically the airborne magneto telluric survey and follow-on drilling at the Tolukuma Gold Mine;
 - Exploration support activities; and
 - General working capital purposes and costs of the Offer.
- Iain Macpherson, Managing Director and Chief Executive Officer and Larry Andagali, Non-executive Director, of Tolu Minerals have provided firm commitments of A\$200,000 and approximately A\$250,000 respectively in the Placement that will be subject to shareholders' approval.
- Following strong demand, two Tolu Minerals seed investors have agreed to sell 4.6 million shares in Tolu Minerals at the same price as the Placement as a concurrent sell-down.

Tolu Minerals Managing Director & Chief Executive Officer, Iain Macpherson commented:

This is a very pleasing outcome and is strong confirmation that Tolu's strategy of leveraging the existing infrastructure of the historical Tolukuma gold mine to grow and develop a very substantial resource, resonates with our shareholders and the market. I am particularly pleased with the ongoing support of existing shareholders coupled with new investments from a number of leading global institutional gold funds.

The placement will enable Tolu to build on the significant advances made since the IPO in November last year and accelerate project exploration and development works. Tolu will now undertake an

airborne Magneto Telluric survey over Tolu's entire exploration footprint. I believe that the survey will be an invaluable tool to enhance future exploration by utilising world-leading technology to identify structures and mineralised zones to depths in excess of 1,000m below surface. The survey will be undertaken in the coming months and I look forward to updating the market early in Q4 this year with the outcomes of this work. This survey work was instrumental in the value creation path of fellow PNG gold company K92, which we aim to emulate.

Use of Funds

The proceeds from the Placement will be utilised to allow an increased focus on more effective and earlier delivery of the Tolu programme centred on regional and on mine exploration and supporting activities, working capital requirements and the cost of the offer. Costs related to exploration and exploration support account for more than 65% of the expedited work programme.

The Placement enables Tolu to accelerate its planned work programme and specifically enables Tolu to complete the Airborne Magneto Telluric survey earlier than previously planned. This survey will enhance target generation and drive further exploration across Tolu's tenement package.

Tolu's holistic work programme consists of a substantial brownfield and greenfield exploration programme, including brownfields Mineral Resource development leveraging an operational restart of the mine, with subsequent project studies and implementation. This includes a number of on and off-site infrastructure development projects that support the exploration programme and the mine.

The overall work program is split into the following distinct work streams:

- Operational Restart
 - Complete Environmental Baseline assessment
 - Refurbishment of infrastructure required for exploration
 - Execution of studies and workplans including plant, power, dewatering, mobile fleet, TSF, etc.
- On Mine Resource Development
 - Underground diamond drilling, 6,000m programme targeting resource increase Gulbadi Red, Mystery & Zine
 - Strike development of the Fundoot ore body
 - Underground sampling and assay
- Early Workstreams
 - Bakoiudu to Tolukuma access road
 - Access roads to the Hydro Power station
 - Refurbishment of the Hydro power station
 - Access road to the 1300 mRL portal
- Regional Exploration and Resource Development
 - Airborne Magneto Telluric Survey (MT Survey) over Tolu tenements including Mt Penck
 - Maiden Taula drill campaign
 - Tolukuma Regional Exploration following on the MT survey
 - Mt Penck Regional Exploration following on the MT survey

Placement Details

An equity raising of A\$8.8 million (before costs) via a Placement. Approximately 16.7 million New Shares will be issued under the Placement to sophisticated, professional and institutional investors

utilising the Company's available Listing Rule 7.1 capacity. Approximately 0.9 million New Shares will be issued subject to shareholder approval at a Tolu Minerals General Meeting to be held on or around 18 June 2024.

The Placement issue price of A\$0.50 per share represents a discount of approximately 13.0% to Tolu Minerals' last traded price (16 April 2024) of A\$0.575 per share and a discount of approximately 13.5% to the 5-day volume weighted average price (VWAP) of A\$0.578 per share.

Managing Director and Chief Executive Officer of Tolu Minerals, Iain Macpherson and related entities have confirmed that they will subscribe for A\$200,000 worth of New Shares in the Placement, which will be subject to shareholder approval at a Tolu General Meeting to be held on or around 18 June 2024.

Non-executive Director of Tolu Minerals, Larry Andagali has confirmed that he will subscribe for approximately A\$250,000 worth of New Shares in the Placement, which will be subject to shareholder approval at a Tolu General Meeting to be held on or around 18 June 2024.

New Shares issued will rank equally with existing shares on issue.

Table 1. Indicative Placement Timetable

Event	Timing
ASX Announcement / Resume Trading	Friday, 19 April 2024
Settlement New Shares	Friday, 26 April 2024
Expected Date of ASX Quotation of New Shares	Monday, 29 April 2024
Anticipated General Meeting for Approval of Director Shares	On or around 18 June 2024
Settlement of Director Shares	Thereafter
Expected Date of ASX Quotation of Director Shares	Thereafter

Note: the above timetable is indicative only and subject to change. The Company reserves the right to amend any or of these dates at its absolute discretion, subject to the Corporations Act 2001 (Cth), the ASX Listing Rules and any other applicable laws. The quotation of the New Shares is subject to approval from the ASX.

Shareholder Sell Down

Following strong demand in the Placement, two Tolu Minerals seed investors have agreed to sell approximately 4.6 million shares in Tolu Minerals at the same price as the Placement, by way of special crossing.

Other Information

Argonaut Securities Pty Limited acted as Lead Manager to the Placement and sell down aided by Martin Place Securities and Amvest Capital.

Not an offer in the United States

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Forward looking statements

Some of the information contained herein constitutes forward-looking statements that are subject to various risks and uncertainties. Forward-looking statements include those containing such words as 'anticipate', 'estimate', 'should', 'will', 'expects', 'plans' or similar expressions. These statements discuss future objectives or expectations concerning results of operations or financial conditions or provide other forward-looking information. The Company's actual results, performance or achievements could be significantly different from the results or objectives expressed in, or implied by, those forward-looking statements. This document details some important factors that could cause the Company's actual results to differ from the forward-looking statements made in this document.

This announcement has been authorised for release by the Directors of the Company. For additional information please visit our website at www.toluminerals.com

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TOLU MINERALS LIMITED**Competent Person Statement:**

The information in this report that relates to Exploration, Exploration Results and Mineral Resources is based on information compiled by or compiled under the supervision of Peter Swiridiuk - Member of the Aust. Inst. of Geoscientists. Peter Swiridiuk is a Technical Consultant and member of the Tolu Minerals Ltd. Advisory Board. Peter Swiridiuk has sufficient experience which is relevant to the type of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting Exploration Results, Mineral Resources and Ore Resources. Peter Swiridiuk consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. Additionally, Mr Swiridiuk confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

Tolu Exploration Licence Information

License Number	Type of License	Tolu Ownership	Sub-blocks	Area * (km ²)	Grant Date	Expiry Date
ML104	Mining Lease	100%	N/A	7.71	01-Sep-21	28-Aug-32
EL2531	Exploration License	100%	33	118.40	25-Feb-19	24-Feb-25
EL2385	Exploration License	100%	58	197.00	26-May-16	25-May22
EL2535	Exploration License	100%	8	27.30	24-Jan-22	25-Jan24
EL2536	Exploration License	100%	37	125.70	24-Jan-22	25-Jan-24
EL2538	Exploration License	100%	14	47.70	24-Jan22	25-Jan24
EL2539	Exploration License	100%	58	197.80	24-Jan22	25-Jan-24
EL2723	Exploration License	100%	108	368.28	8-Nov22	07-Nov-24
EL2662	Exploration License	100%	60	204.48	26-Oct-21	25-Oct-23
ELA2780	EL Application	100%	116	392.33	N/A	N/A
Total			480	1,686.70		

*1 sub-block approximately 3.41 sq.km

Notes:

The PNG Mining Act-1992 stipulates that Exploration Licenses (ELs) are granted for a renewable 2-year term (subject to satisfying work and expenditure commitments) and the PNG Government maintains the right to purchase up to 30% project equity at "Sunk Cost" if/when a Mining Lease (ML) is granted. EL2385, EL2535, EL2536, EL2538 and EL2539 are currently subject to an extension renewal process. The tenements remain in force until determinations are made by the Mining Advisory Council.

The Warden Hearing for ELA2780 was completed on 6 March 2024