



ASX ANNOUNCEMENT 26 APRIL 2024

A\$4.0M PLACEMENT TO DELIVER KOBADA DEFINITIVE FEASIBILITY STUDY

HIGHLIGHTS

- Significant support received from existing and new investors
- Funds to support completion of 2024 resource definition drilling, a Mineral Resource update and Ore Reserve studies, towards completion of a DFS for the Kobada Gold Project
- Offer price of A\$0.115 per share represents a 14.8% discount to the last closing price of Toubani¹ and 11.9% discount to the 20-Day VWAP
- Toubani is at an exciting phase as it targets an increased scale, oxide-focused DFS for Kobada with recent drilling delivering numerous high grade, shallow oxide gold intercepts including 19m @ 20.6g/t²

Toubani Resources, Inc (ASX:TRE) (Toubani or the Company) is pleased to advise that it has successfully raised A\$3.85 million through the receipt of binding commitments for a placement of approximately 33.5m new fully paid ordinary shares at A\$0.115 per share to sophisticated, professional and institutional investors (Placement).

Additionally, Non-Executive Director, Tim Kestell, has subscribed for a total of approximately 1.3m shares in the Placement (equal to A\$150,000), subject to shareholder approval (Director Subscription).

Toubani Chief Executive Officer, Phil Russo, commented:

"We are delighted with the support received for the Placement from both existing and new investors. The funding enables Toubani to complete the technical work streams necessary to deliver our DFS including updating our Mineral Resource following our highly targeted resource definition drilling, as well as Ore Reserve studies and finally, completion of an increased scale, predominantly oxide and technically simple Kobada DFS.

"Toubani is at an exciting juncture in our development with our recent drilling serving to remind us of the potential at Kobada and we look forward to defining an attractive gold development asset in a market devoid of development assets, particularly those with the attributes of Kobada."

ASX:TRE

info@toubaniresources.com

1202 Hay Street
West Perth, WA 6005

toubaniresources.com

¹ Based on Toubani closing price of A\$0.135 on 23 April 2024.

² See Toubani ASX announcement dated 22 April 2024.



Use of Funds

The A\$4m in proceeds from the Placement and Director Subscription in conjunction with Toubani's existing cash of approximately A\$1m (as at 31 March 2024) will be allocated towards;

- I. Complete the Definitive Feasibility Study ("**DFS**") at Kobada including Mineral Resource update and Ore Reserve studies;
- II. Complete Kobada resource definition drilling; and
- III. General working capital and costs of the Placement.

Placement Details

The A\$0.115 per share issue price (Offer Price) of the Placement represents a 14.8% discount to Toubani's last traded price on ASX of A\$0.135 (as at 23 April 2024) and 11.9% discount to the 20-day volume-weighted average price (**VWAP**) on ASX of A\$0.130 (over the period up to and including 23 April 2024).

Shares issued under the Placement will rank equally with Toubani's existing shares on issue and will occur under Toubani's existing 7.1 (20,079,849 shares) and 7.1A (13,386,566 shares) placement capacity. Settlement of these shares is expected to take place on Wednesday, 01 May 2024, with allotment expected to occur on Thursday, 02 May 2024.

The Director Subscription shares are subject to shareholder approval, which is planned to be sought at an Extraordinary General Meeting expected to be held in early June 2024.

Canaccord Genuity (Australia) Limited and Euroz Hartleys Limited are acting as Joint Lead Managers to the Placement.

The Joint Lead Managers will be paid a cash management fee equal to 2% of funds raised under the Placement and a cash selling fee equal to 4% of funds introduced under the Placement. Subject to shareholder approval, the JLMs will receive 3.5 million unquoted options as part compensation for their services (options are exercisable at A\$0.23 per option and expire 30 months from the date of issue, terms and conditions are in Appendix A of this announcement).

Sternship Advisers Pty Ltd is acting as financial adviser to Toubani.

About Toubani Resources Limited

Toubani Resources (ASX: TRE) is a development Company with a focus on advancing Africa's next large gold development project with its oxide-dominant Kobada Gold Project. The Company has a highly experienced Board and management team with a proven African track record in advancing projects through exploration, development and into production. For more information regarding Toubani Resources visit our website at www.toubaniresources.com

This announcement has been authorised for release by the Board of Toubani Resources.

For more information:

Phil Russo

Chief Executive Officer and Executive Director
+61 (0) 478 138 627
phil.russo@toubaniresources.com

Peter Taylor

Investor and Media Relations
+61 (0) 412 036 231
peter@nwrcommunications.com.au

The Company confirms that it is not aware of any new information or data that materially affects the information in the relevant market announcements, and that the form and context in which the Competent Persons findings are presented have not been materially modified from the original announcements.

Appendix A - Terms and Conditions of Broker Options

Entitlement

Each Option entitles the holder (**Holder**) to subscribe for one (1) Share upon exercise.

Exercise Price and Expiry Date

The exercise price of each Option is \$0.23 (**Exercise Price**).

Each Option will expire 30 months from the date of issue (**Expiry Date**).

Exercise Period

Each option is exercisable at any time prior to the Expiry Date (**Exercise Period**). Any Options unexercised within the Exercise Period will automatically lapse.

Notice of Exercise

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) payment of the applicable Exercise Price for each Option being exercised.

Shares Issued on Exercise

Shares issued on exercise of the Options rank equally with the Shares on issue and will be free of all encumbrances, liens and third-party interests.

Quotation of Shares

If admitted to the official list of ASX, the Company will apply to ASX for quotation of the Shares issued upon the exercise of the Options.

Timing of Issue of Shares and Quotation of Shares on Exercise

- (a) Within 5 Business Days after the later of the following:
- (i) receipt of an Option Exercise Form given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Option being exercised; and
 - (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the *Corporations Act 2001* (Cth) (**Corporations Act**)) (if any) ceases to be excluded information. If there is no such information the relevant date will be the date of receipt of an Option Exercise Form as set out above,
- the Company will:
- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Option Exercise Form and for which cleared funds have been received by the Company;
 - (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (b) If, for any reason, a notice delivered is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with the Australian Securities and Investments Commission (ASIC) a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

Participation in New Issues

A Holder who holds Options is not entitled to:

- (a) notice of, or to vote or attend at, a meeting of the shareholders;
- (b) receive any dividends declared by the Company; or
- (c) participate in any new issues of securities offered to shareholders during the term of the Options,

unless and until the Options are exercised and the Holder holds Shares.

Adjustment for Bonus Issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Holder would have received if the Holder of an Option had exercised the option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

Adjustment for Rights Issue

There will be no adjustment to the Exercise Price.

Adjustment for Reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Holder will be varied to comply with the Listing Rules that apply to the reconstruction at the time of the reconstruction.

Quotation of Options

The Company will not seek official quotation of any Options.

Options Transferability

The Options are non-transferrable.

Lodgement Requirements

Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable' for the application for Shares on the exercise of the Options.