

8 November 2023

Tolu Minerals Limited
Pre-Quotation Disclosure

Tolu Minerals Limited (**Company** or **TOK**) (ASX: TOK) makes the following disclosures in accordance with ASX's Conditions of Admission to and Quotation to the Official List.

Capitalised terms not otherwise defined in this announcement have the meaning given to that term in the Company's prospectus dated 10 August 2023 (**Prospectus**), supplementary prospectus dated 14 September 2023 (**Supplementary Prospectus**), second supplementary prospectus dated 5 October 2023 (**Second Supplementary Prospectus**) and third supplementary prospectus dated 20 October 2023 (**Third Supplementary Prospectus**).

1. Completion of the Offer and Receipt of Funds

The Company confirms that the initial public offer (**Offer**) made by the Company pursuant to the Prospectus has closed, all conditions precedent have been satisfied and the Company has issued 34,761,590 fully paid Shares at an issue price of A\$0.50 per share, raising \$17,335,795 (gross).

The Company confirms that it has issued 2,750,000 Performance Rights to directors as disclosed in the Prospectus.

The Company confirms it has received cleared funds for the complete amount of the issue price of every share issued and allotted shares to successful applicants.

2. Restricted Securities

The Company confirms that the following securities will be subject to restrictions pursuant to the ASX Listing Rules for the period outlined below:

Class	Number	Restriction period
Shares	53,592,603	24 months from the date of official quotation.
Performance Rights	2,750,000	24 months from the date of official quotation.
Shares	3,000,000	12 months from the date of official quotation.

3. Capital structure

The Company's capital structure at the date of admission is:

Security	Number
Shares - quoted	58,370,844
Shares - restricted	56,592,603
Fully paid ordinary shares - total	114,963,447
Unquoted Performance Rights – restricted	2,750,000

The Company confirms the issue of the following Performance Rights:

Number	Issue Date	Exercise Price	Vesting Condition
2,750,000	8 November 2023	Nil	<p>Each Performance Right will automatically vest and convert into a share on the achievement of the following performance hurdles on or before 31 December 2024.</p> <p>The Company having completed the pilot access service road to the Tolukuma Gold Mine, in accordance with the specifications contained in the contract or any future contract that has been awarded for these works.</p> <p>The Company having completed the mine site roads, the hydro access roads and the 1,300 dewatering portal access road, and repair of the hydro system in accordance with the specifications contained in the contract or any future contract awarded for these works.</p> <p>The holder having continued as an employee of the Company up to and including the date of vesting.</p>

Refer to Section 10.4 of the Prospectus for the full terms and further information in respect of these Performance Rights.

4. Commitments

The Company's updated use of funds is set out below:

Use of funds	\$17,335,795 (gross) Capital Raising under Prospectus	
	A\$	%
Pilot access service road	1,800,000	10%
General mobilisation	1,130,000	7%
Site roads	216,000	1%
Hydroelectric refurbishment	212,000	1%
Electrical refurbishment	1,374,000	8%
Underground access	1,380,000	8%

Underground works	283,000	2%
Bulk sampling gravity circuit	1,347,000	8%
Milihamba Exploration Drive and diamond drilling	1,131,000	7%
Mineral resource development	737,000	4%
Resource Conversion	52,000	0%
Tolukuma regional exploration	738,000	4%
Mt Penck exploration	98,000	1%
TMF studies	107,000	1%
Off site	540,000	3%
Acquisition of Frontier	500,000	3%
Consultants	450,000	3%
Working capital	3,314,000	19%
Costs of the Offer	1,524,000	9%
Costs of legal services	403,000	2%
Total funds allocated	17,336,000	100%

Note: the above figures are subject to rounding.

5. Updated pro-forma statement of financial position as at 30 June 2023 (based on \$17,335,795 (gross) raised under the Offer)

5.1 Pro Forma Statements of Financial Position

The Table below presents the summary Statement of Financial Position as at 30 June 2023. It shows the pro forma adjustments that have been made to the Statement of Financial Position as at 30 June 2023 to calculate the Pro Forma Statement of Financial Position as at 30 June 2023. These adjustments reflect certain significant transactions and completion of the Offer, as if the Offer had occurred as at 30 June 2023. The Pro Forma Statement of Financial Position below is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

Historical and Pro Forma Statements of Financial Position (based on raising amount of A\$17,335,795):

Table	30 June 23 Actual (reviewed)	Significant Transactions	IPO Adjustments	Pro Forma
	A\$	1	2	A\$
Current Assets				
Cash and cash equivalents	141,813	(2,300,000)	15,414,961	13,256,774
Receivables	159,166	-	-	159,166
Total Current Assets	300,979	(2,300,000)	15,414,961	13,415,940
Non-Current Assets				
Property, plant and equipment	14,327	-	-	14,327

Table	30 June 23 Actual (reviewed)	Significant Transactions	IPO Adjustments	Pro Forma
	A\$	1	2	A\$
Lease assets	31,611	-	-	31,611
Mine tenements, information and other assets	8,533,305	6,780,159	-	15,313,464
Total Non-Current Assets	8,579,243	6,780,159	-	15,359,402
Total Assets	8,880,222	4,480,159	15,414,961	28,775,342
Current Liabilities				
Payables	995,768	169,023	-	1,164,791
Lease liabilities	23,165	-	-	23,165
Total Current Liabilities	1,018,933	169,023	-	1,187,956
Non-Current Liabilities				
Contingent Consideration	-	611,136	-	611,136
Lease Liabilities	10,519	-	-	10,519
Borrowings	4,571,077	-	-	4,571,077
Total Non-current Liabilities	4,581,596	611,136	-	5,192,732
TOTAL LIABILITIES	5,600,529	780,159	-	6,380,688
NET ASSETS	3,279,693	3,700,000	15,414,961	22,394,654
Equity				
Share capital	8,337,859	3,700,000	16,168,775	28,206,634
Accumulated losses	(5,569,832)	-	(753,814)	(6,323,646)
Reserves	511,666	-	-	511,666
TOTAL EQUITY	3,279,693	3,700,000	15,414,961	22,394,654

Notes:

(a) **Significant Transactions**

Set out below are the significant transactions and their related impact on the Statement of Financial Position as if they had occurred as at 30 June 2023:

(b) **Frontier Acquisition**

The Company entered into a binding agreement with Lanthanein to acquire all the shares in its wholly owned subsidiary Frontier, the 100% holder of the Frontier Tenements.

The agreement with Lanthanein is expected to complete concurrently with completion of the Offer. On completion of the Offer, Tolu shall pay A\$500,000 cash to Lanthanein and a further A\$1.5 million in either cash or more likely Shares at the election of Tolu to Lanthanein. Further consideration of A\$1 million is payable if, within the next 5 years, an aggregate minimum of 500,000oz of gold of not less than JORC Code Indicated category of resources is identified on EL 2531.

(c) **Tunnel Engineering Agreement**

On 12 June 2023, the Company entered into a binding term sheet with Tunnel Engineering (PNG) Ltd (Contractor) for the completion of the pilot access service road to the Tolukuma Gold Mine, including repairs to the existing section of the road. The Contractor will receive the following consideration for this work:

- (1) A\$1,800,000 will be paid in cash in the following tranches:
 - (A) A\$90,000 upon completion of the Offer;
 - (B) A\$270,000 upon mobilisation; and
 - (C) A\$1,440,000 in five equal tranches to be issued progressively based on distance milestones during completion of the final 23km of the pilot access service road to the Tolukuma Gold Mine; and
- (2) 4,400,000 Shares will be issued to the Contractor in the following tranches:
 - (A) 880,000 Shares upon mobilisation; and
 - (B) 3,520,000 Shares in five equal tranches to be issued progressively based on distance milestones during completion of the final 23km of the pilot access service road to the Tolukuma Gold Mine.

The fair value of the Shares has been valued based on the services provided by the Contractor at A\$2.2 million.

(d) **IPO Adjustments**

Set out below are the transactions that will be undertaken on completion of the Company's Offer as if they had occurred as at 30 June 2023:

- (1) A capital raising of 34,671,590 Shares (at A\$0.50 each) to raise A\$17,335,795; and
- (2) Costs of the capital raising and listing, comprising cash fees of A\$1,920,834. Depending on the nature of the cost, the capital raising fees were split between expenses through the Profit & Loss (A\$753,814) and those charged to Share capital (A\$1,167,020).

5.2 **Effect of Pro Forma Adjustments on Statement of Financial Position line items:**

Cash and cash equivalents

Table	Note	Pro Forma A\$
Balances at 30 June 2023		141,813
Acquisition of Frontier	5.1(b)	(500,000)
Pilot access service road payment to Tunnel Engineering	5.1(c)	(1,800,000)
Shares issued under this Prospectus	5.1(d)(1)	17,335,795
Costs of the Offer	5.1(d)(2)	(1,920,834)
Pro Forma balance		13,256,774

Mine tenement, information and other assets

Table	Note	Pro Forma A\$
Balances at 30 June 2023		8,533,305
Acquisition of Frontier	5.1(b)	2,611,136
Stamp duty on acquisition of Tolukuma Project and Frontier	5.1(b)	169,023
Construction of pilot access service road	5.1(c)	4,000,000
Pro Forma Balance		15,313,464

Payables

Table	Note	Pro Forma A\$
Balances at 30 June 2023		995,768
Stamp duty payable on Tolukuma Project and Frontier	5.1(b)	169,023
Pro Forma Balance		1,164,791

Contingent consideration

Table	Note	Pro Forma A\$
Balances at 30 June 2023		-
Recognition of contingent consideration on acquisition of Frontier	5.1(b)	611,136
Pro Forma Balance		611,136

Share capital

Table	Note	Pro Forma Number	Pro Forma A\$
Balances at 30 June 2023		77,291,857	8,337,859
Shares issued on acquisition of Frontier	5.1(b)	3,000,000	1,500,000
Shares issued on construction of pilot access service road	5.1(c)	4,400,000	2,200,000
Shares issued for the raising	5.1(d)(1)	34,671,590	17,335,795
Costs of the Offer	5.1(d)(2)	-	(1,167,020)
Pro Forma Balance		119,363,447	28,206,634

Accumulated losses

Table	Note	Pro Forma A\$
Balances at 30 June 2023		(5,569,832)
Costs of the Offer	5.1(d)(2)	(753,814)
Pro Forma Balance		(6,323,646)

6. Confirmation Statements

The Company confirms the following:

- (a) satisfaction of conditions precedent and completion of the agreement between TOK and Lanthanein Resources Limited (as disclosed in section 9.4 of the Prospectus) to acquire 100% of the share capital in Frontier, including the issue of 3,000,000 fully paid ordinary shares and payment of \$500,000 cash;
- (b) shares will not be issued as deferred consideration under the agreement between TOK and Lanthanein Resources Limited (as disclosed in section 9.4 of the Prospectus) to acquire 100% of the share capital in Frontier and that only cash will be paid;
- (c) no shares will be issued as deferred consideration under the agreement between TOK and Tunnel Engineering (PNG) Ltd dated 12 June 2023 more than 2 years from the date of quotation on ASX;
- (d) there will not be any conversion of the convertible notes issued under the deed between TOK and PRK dated 24 August 2022 (**Convertible Note Deed**), and no shares will be issued under this Convertible Note Deed, on or before the date TOK commences quotation on ASX;
- (e) for the convertible note held by Petroleum Resources Kutubu Limited (1-15352) (**Noteholder**) the principal component is K10,000,000, at 8.5% interest with a maturity date of 24 August 2027. As at 6 November 2023 the interest is K1,036,977;
- (f) the status of the renewal of each exploration licence is as follows:
 - (1) EL2662 – In statutory holding over. The notional expiry date of 25 October 2023 is extended by statutory holding over pursuant to an undecided renewal application lodged by holder on 20 July 2023;
 - (2) EL2531 - In statutory holding over. The notional expiry date of 24 February 2023 is extended by statutory holding over pursuant to an undecided renewal application lodged by holder on 8 November 2022;
 - (3) EL 2385 – The notional expiry date was 25 May 2022 but a renewal application was lodged prior to expiry which has now been processed. The Mineral Resources Authority public records that pending renewal registration is complete, however renewal documentation has not yet been dispatched by the Mineral Resources Authority. The next renewal due date of 25 May 2024 is also recorded in those records.
 - (4) EL 2535 – Current and due to expire on 25 January 2024; however, will enter statutory holding over on that date due to renewal application lodged by holder on 24 October 2023.

- (5) EL 2536 - Current and due to expire on 25 January 2024; however, will enter statutory holding over on that date due to renewal application lodged by holder on 24 October 2023.
- (6) EL 2538 - Current and due to expire on 25 January 2024; however, will enter statutory holding over on that date due to renewal application lodged by holder on 24 October 2023; and
- (7) EL 2539 - Current and due to expire on 25 January 2024; however, will enter statutory holding over on that date due to renewal application lodged by holder on 24 October 2023.
- (g) there are no legal, regulatory, statutory or contractual impediments to TOK entering its portfolio of tenements (disclosed on pages 364-365 of the Prospectus) and carrying out exploration activities such that TOK will be able to spend its cash in accordance with its commitments for the purposes of Listing Rule 1.3.2(b);
- (h) that the Independent Accounting Report provided by Pitcher Partners has been conducted pursuant to ASAE 3450.

7. Waiver Decision – ASX Listing Rule 1.1 Condition 12

The Company obtained a waiver from Listing Rule 1.1 Condition 12 to the extent necessary to permit the Company to have on issue 2,750,000 Performance Rights with a nil exercise price issued to the Directors of the Company.

8. ASX Listing Rule 6.1 Confirmation

Confirmation Decision

ASX has confirmed that 2,750,000 Performance Rights issued Iain Macpherson and Howard Lole are appropriate and equitable for the purposes of Listing Rules 6.1, subject to the following conditions:

- (a) The Company discloses in its Prospectus:
 - (1) the party or parties to whom the Performance Rights are to be issued and the number of Performance Rights to be issued to them or each of them;
 - (2) any relationship the recipient of the Performance Rights or an associate of the recipient has with the entity;
 - (3) In respect of the Performance Rights proposed to be issued to remunerate or incentivise directors:
 - (A) a statement to that effect;
 - (B) details of the role (if any) the directors will play in meeting the performance milestone;
 - (C) details of the existing total remuneration package of the director;
 - (D) if the director or any of their associates hold securities in the entity, details of those securities and the consideration they paid or provided for those securities;

- (E) in light of the above, an explanation why it is considered necessary or appropriate to further remunerate or incentivise the director to achieve the applicable performance milestone; and
 - (F) details of how the entity determined the number of performance securities to be issued to the director and why it considers that number to be appropriate and equitable.
- (4) The number of ordinary shares that the Performance Rights will convert into if the applicable performance milestone is met and the impact that will have on the entity's capital structure.
- (5) The full terms of the Performance Rights, including:
 - (A) The Performance Rights are not quoted.
 - (B) The Performance Rights are not transferrable.
 - (C) The Performance Rights do not confer any right to vote, except as otherwise required by law.
 - (D) The Performance Rights do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues.
 - (E) The Performance Rights do not carry an entitlement to a dividend.
 - (F) The Performance Rights do not permit the holder to participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
 - (G) The Performance Rights do not carry an entitlement to participate in the surplus profit or asset of the Company upon winding up of the Company.
 - (H) Each Performance Rights is converted into one fully paid ordinary share on achievement of the relevant milestone.
 - (I) If the relevant class of Performance Rights is not converted into a share by the relevant expiry date then all the Performance Rights of that class lapse.
- (b) The Company makes an announcement immediately upon the satisfaction of any milestones, upon the conversion of any of the Performance Rights and the expiry of any of the Performance Rights.
- (c) The terms and conditions of the Performance Rights, including without limitation the relevant milestones that have to be satisfied before each Performance Right converts into an ordinary share, are not to be changed without the prior approval of ASX and the Company's shareholders.
- (d) Upon conversion of the Performance Rights into ordinary shares, the Company will apply to the ASX for quotation of the shares within the requisite time period.
- (e) The Company discloses the following in each annual report issued by the Company in respect of any period during which any of the Performance Rights remain on issue or were converted or cancelled:

- (1) The number of Performance Rights on issue during the relevant period;
 - (2) A summary of the terms and conditions of the Performance Rights, including without limitation the number of ordinary shares into which they are convertible and the relevant milestones.
 - (3) Whether any of the Performance Rights were converted or cancelled during that period; and
 - (4) Whether any milestones were met during the period.
- (f) that the terms of 4,400,000 fully paid ordinary shares to be issued to Tunnel Engineering (PNG) Ltd (Deferred Shares) are appropriate and equitable for the purposes of Listing Rules 6.1, subject to the following conditions:
- (1) The Company discloses in its Prospectus:
 - (A) the party or parties to whom the Deferred Shares are to be issued and the number of Deferred Shares to be issued to them or each of them;
 - (B) any relationship the recipient of the Deferred Shares or an associate of the recipient has with the entity;
 - (C) In respect of the Deferred Shares proposed to be issued to Tunnel Engineering as a service provider:
 - (i) a statement to that effect;
 - (ii) details of all fees and other consideration (including securities) the service provider may receive for those services;
 - (iii) if the service provider or any of its associates hold securities in the entity, details of those securities and the consideration they paid or provided for those securities;
 - (iv) in light of the above, an explanation why it is considered necessary or appropriate to further reward the service provider with the issue of performance securities; and
 - (v) details of how the entity determined the number of performance securities to be issued to Tunnel Engineering and why it considers that number to be appropriate and equitable.
 - (D) The number of ordinary shares that the Deferred Shares will convert into if the applicable performance milestone is met and the impact that will have on the entity's capital structure.
 - (E) The full terms of the Deferred Shares, including:
 - (i) The Deferred Shares are not quoted.
 - (ii) The Deferred Shares are not transferrable.
 - (iii) The Deferred Shares do not confer any right to vote, except as otherwise required by law.

- (iv) The Deferred Shares do not permit the holder to participate in new issues of capital such as bonus issues and entitlement issues.
 - (v) The Deferred Shares do not carry an entitlement to a dividend.
 - (vi) The Deferred Shares do not permit the holder to participate in a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
 - (vii) The Deferred Shares do not carry an entitlement to participate in the surplus profit or asset of the Company upon winding up of the Company.
 - (viii) Each Deferred Shares is converted into one fully paid ordinary share on achievement of the relevant milestone.
 - (ix) If the relevant class of Deferred Shares is not converted into a share by the relevant expiry date then all the Deferred Shares of that class lapse.
- (g) The Company makes an announcement immediately upon the satisfaction of any milestones, upon the conversion of any of the Deferred Shares and the expiry of any of the Deferred Shares.
- (h) The terms and conditions of the Deferred Shares, including without limitation the relevant milestones that have to be satisfied before each Deferred Share converts into an ordinary share, are not to be changed without the prior approval of ASX and the Company's shareholders.
- (i) Upon conversion of the Deferred Shares into ordinary shares, the Company will apply to the ASX for quotation of the shares within the requisite time period.
- (j) The Company discloses the following in each annual report issued by the Company in respect of any period during which any of the Deferred Shares remain on issue or were converted or cancelled:
 - (1) The number of Deferred Shares on issue during the relevant period;
 - (2) A summary of the terms and conditions of the Deferred Shares, including without limitation the number of ordinary shares into which they are convertible and the relevant milestones.
 - (3) Whether any of the Deferred Shares were converted or cancelled during that period; and
 - (4) Whether any milestones were met during the period.
- (k) ASX has considered Listing Rule 6.1 only and makes no statement as to the Company's compliance with other listing rules.

This announcement is authorised for market release by the Board of the Company.

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