Tolu Minerals Limited
PNG CR Company Camp,
Baruni Road,
National Capital District,
Papua New Guinea
Company Registration No.: 1-125888

Level 2, 52 Merivale Street,
South Brisbane, QLD 4101,
Australia
ARBN: 657 300 359

TOLU MINERALS

www.toluminerals.com

ASX:TOK, OTCQX:TOLUF

ASX, OTCQX Announcement

30 April 2024

Tolu Minerals Limited – Quarterly Report Period Ending 31 March 2024

The Directors of Tolu Minerals Limited ("**Tolu**" or the "**Company**") are pleased to provide a market update highlighting overall progress at the Tolukuma mine site, advancement on exploration activities, refurbishment activities, equipment updates and studies to further accelerate progress towards future operations and to take advantage of the strong metals price outlook.

Background

Tolu was incorporated in Papua New Guinea ("**PNG**") as a public company under the Companies Act 1997 (PNG) (Companies Act) on 19 March 2020. Tolu was registered in Australia with ASIC as a foreign registered company on 28 March 2022.

On 3 October 2022, Tolu successfully completed the 100% acquisition of the Tolukuma Gold Mine ("**TGM**") in PNG along with its associated assets and mine infrastructure. In parallel with the acquisition process, Tolu also secured a number of additional strategically important Exploration Licences (ELs) across the Tolukuma structural corridor giving Tolu a substantial and highly prospective land package to complement the mine and existing infrastructure. Collectively referred to as the "**Tolukuma Project**". The Tolukuma Project currently includes one mining lease (ML 104) and seven exploration licences (including EL 2531 referenced below) surrounding TGM, providing a dominant landholding of 1,090 km^2 across the highly productive Tolukuma epithermal structure.

Tolu also holds the Mt Penck tenement, EL 2662, over some 204km^2 copper/gold targets within the very productive Kulu Simi trend on the island of New Britain to the East of the PNG mainland. The Kulu Simi trend already hosts substantial mineral resources.

During the course of the acquisition of the Tolukuma Project, Tolu negotiated and ultimately completed the acquisition of 100% of the share capital of Frontier Copper (PNG) Ltd., a wholly owned, PNG registered, subsidiary of ASX listed Lanthanein Resources Ltd., (formerly Frontier Resources Ltd.). Frontier Copper's assets include EL 2531 the exploration licence surrounding TGM.

Tolu also has the exploration licence application (ELA 2780), known as the Ipi River Prospect (423km^2), in the Tolukuma area, Northwest of the Tolukuma structural corridor ELs. The application is on track and is scheduled to be forwarded for Ministerial approval in Q2 2024. Ipi River lies on the Yule Transfer Structure flanking a significant magnetic high anomaly that is highly prospective for porphyry, epithermal and skarn type alteration mineralisation.

On 10 November 2023 Tolu successfully completed its Initial Public Offering ("**IPO**") on the Australian Securities Exchange ("**ASX**") raising some AU$ 17.3 million. In addition to the IPO raise, Tolu also secured a contract for the completion of the Tolukuma access road that is key infrastructure for the development of the project, for a fixed price of AU$4 million of which AU$2.2 million is payable as stock at the IPO price of AU$0.50, subject to the contractor achieving completion milestones.

The completion of the IPO is a significant step undertaken to explore and develop Tolu's 100% owned, large exploration portfolio, leveraging the redevelopment, infrastructure and Mineral Resources of the historically proven, high-grade producing Tolukuma gold/silver mine.

On 13 February 2024 Tolu completed the quotation on UTCQX Market in the USA and commenced trading its ordinary shares under the symbol TOLUF. OTCQX Market quotation provides Tolu with access to a broad network of brokers and sophisticated and retail investors in the USA. There are no changes to the trading of Tolu's ordinary shares on its home exchange, ASX, under the ticker TOK.

On 19 April 2024 Tolu completed a further placement raising $8.8 million through the issue of circa 17.6 million shares at an issue price of $0.50 (as outlined in the ASX:TOK release dated 19 April 2024, https://toluminerals.com/investor-centre/). The proceeds of the placement will be used to fund:

- Acceleration of exploration activities, specifically the airborne magneto telluric survey and follow-on drilling;
- Exploration support activities; and
- General working capital purposes and costs of the Offer.

The company's operational strategy is based on four key work streams comprising:

- Operational restart which includes site refurbishment to support both exploration and future operations, conducting required implementation studies and costing and commissioning of bulk sampling through to first gold production, albeit at a small scale;
- Development to both uplift and expand current inferred MRE resources within the immediate mine workings to support start up. Numerous short-term opportunities to expand the MRE lie within the very prospective Southern section of the mine (refer to ASX:TOK release, Tolukuma Exploration Target, 11 December 2023, https://toluminerals.com/investor-centre/).

- Exploration of the regional tenements, surrounding the Tolukuma Mining Lease (refer to ASX release, Airborne MT,26 February2024, https://toluminerals.com/investor-centre/); and
- An early works program consisting of the development of a 70km access road, hydro power station and site access roads. (refer to ASX:TOK release, Tolukuma Road Contract Award, 24 November 2023, https://toluminerals.com/investor-centre/).

Management Report

Highlights

- Initiation of the maiden diamond drill program at Taula.
- Engagement of Expert Geophysics Ltd to conduct an Airborne Magneto Telluric survey over Tolu's entire tenement package.
- Material progress on the camp and site refurbishment.
- Completion of the initial mobile fleet assessment programme.
- Ordering of dewatering pumps and generating capacity.
- Successful recruitment of key management and operational staff.
- Progress on roadway construction since commencement in early December.

Safety Health and Environment

The Company is in the process of developing its Safety Management Strategy which includes the necessary standards, Safety Management System and various safety management tools. The first management tool, called "Safe Life Behaviours", has been rolled out on site and is constantly being reinforced to create a safe working culture.

The Company recorded one Medical Treatment case and one Lost Time Injury during the quarter. Investigations were completed and corrective action taken.

The Terms of reference for the Environmental Baseline Assessment were submitted to CEPA in preparation for engagement of suitable Environmental Consultancies to complete the assessment.

Water samples were submitted to Unitech for analysis in support of the dewatering strategy.

Our People

The Company is in the process of building up the exploration and early operational team with specific focus on the areas of safety and environment, financial controls, procurement and logistics, engineering, processing and mining capability.

A number of senior management positions were filled with highly experienced and competent personal who bring strong restart and project management experience. Key positions, that support the overall workplan are continuously identified and filled to ensure that the skills build up is in line with the workload.

Tolukuma Minesite

Tolu's strategy is to leverage the infrastructure including the mine, the gold plant and all associated infrastructure that was built to ensure that TGM could operate as a fully self-contained mine, in order to:

- undertake a substantial exploration programme both on-mine (including increasing the confidence levels and growing the current Mineral Resource Estimate ("**MRE**"), near mine exploration, regional exploration on the broader Tolukuma low sulphidation epithermal structure, the Ipi River tenement and Mt Penck; and
- prepare the mine for an ultimate return to production following the use of the gold plant where suitable and introducing new process capacity to provide an effective bulk sampling tool to address resource and metallurgical modifying factors.

Significant progress has been made on the camp refurbishment with the first phase planned for completion by the end of April 2024. Phase two, which includes additional facilities such as the laboratory, workshops, lamp room and additional accommodation will commence in May 2024.

To date the following has been achieved:

- refurbishing of 28 accommodation units to support an increased workforce;
- upgrading the staff mess and catering facilities;
- refurbishment of administration facilities providing sufficient working space on site;
- initial assessment and refurbishment of various mobile mining equipment;
- assessment of the existing processing equipment, especially the gravity gold circuit and smelting facilities;
- refurbishing all low voltage power reticulation in the camp;
- planning for the commencement of dewatering activities; and
- renegotiation of service contracts including security, helicopter support and catering are underway.

Partial dewatering of the mine workings is required in the short term to provide access to drill positions to increase and upgrade confidence levels on the current MRE and to identify the most suitable areas to recommence mining in order to guide mine development.

Following an assessment of the dewatering requirements, orders were placed for a total 380kW of pumping capacity that is expected to arrive during Q3, 2024. Piping arrangements have been completed and orders placed for sufficient piping to dewater down to the 1525 mRL level from the 1560 mRL level. This will open up a range of drill sites, specifically on the Miliahamba Drive that is the key exploration platform targeting the Southern portions of TGM and also to open up the high grade Fundoot Resource.

A 60KVa generator was procured and installed to meet initial power requirements. Orders have been placed for an additional 1.3MW of power generating capacity that is expected on site by September 2024. This will allow for all pumping and ventilation demand and broader restart capability.

An implementation study has been initiated to assess the optimum start up strategy for the bulk sampling programme that will evolve into initial production. This includes identification of the most suitable supply of feedstock to the process plant, optimisation of the gravity circuit and review of the process start up strategy, option studies on tailings handling and assessment of the high voltage power supply and reticulation, including the refurbishment of the hydro power station. Based on the cumulative outcome of these studies, a business plan will be approved in support of the start-up plan.

During this quarter, process consultants were appointed and the process study was initiated. The scope of the process study is to review existing test work and historic process performance in order to convert the flowsheet from a CIL and gravity to gravity only flowsheet to maximise gravity recoverable gold. The existing gravity circuit will be assessed and then integrated with new equipment where applicable. The study will size the new equipment to allow the company to procure accordingly. Lastly the consultants will consider the impact of the proposed flowsheet on the tailings rates, rheology and process water recovery.

Suitably qualified consultants were invited to submit proposals for a Tailings Option Study and an award will now shortly be made to initiate the study.

Roadway to Tolukuma Minesite

As previously identified, a key cost reduction initiative for exploration, bulk sampling and ultimate recommencement of production is to complete the remaining 23 kilometres of roadway, which will have a significant financial benefit on all activities at TGM and surrounding exploration sites.

The Mineral Resources Authority of Papua New Guinea ("**MRA**") commissioned a feasibility study which was completed in November 2016 that provides the design for the permanent road to service TGM and region. Of the 70.62km route, 37.81 km was previously constructed from the mine to near Popole village, while at the same time the MRA commenced work according to the feasibility study technical specifications from Bakoiudu on the Tapini Highway, completing approximately 10km before work ceased.

The company announced in November 2023 that a contract was awarded to Tunnel Engineering (PNG) Ltd, Reg: 1-86659 ("**TE**") to complete the access road from Bakoiudu to the TGM according to the PNG Department of Works basic rural road specification pending eventual upgrading by the State.

TE mobilised in early December 2023 with the breaking of rock and moving of heavy soils. Due to a wet rainy season, construction has been slower than planned, although works have progressed beyond the 30% mark to date. The Company expects the progress rate to increase during the dry season that is due to commence shortly.

Section of the New Tolukuma Access Road

On Mine Exploration

The on mine exploration strategy will increase the confidence level of the Inferred MRE as well as expand the MRE. A portion of the Inferred Resources within the current MRE occurs above the 1560 mRL level that is not flooded. Tolu has planned diamond drilling campaigns both from underground and surface to test zones on these veins above the 1560 mRL.

The uppermost development level on the Zine vein was at the 1570 mRL over a strike length of approximately 120m. No development or stoping took place above this level. Block model interpretation shows gold mineralisation continues some 300m South of this level and is open to the surface, but has not yet been drill tested. Tolu is currently making preparations to undertake diamond drilling from underground utilising a Boart Longyear LM75 rig (being refurbished) and from surface with a man-portable rig which is currently engaged on the Taula exploration project. Figure 1 illustrates the relationship between the various structures.

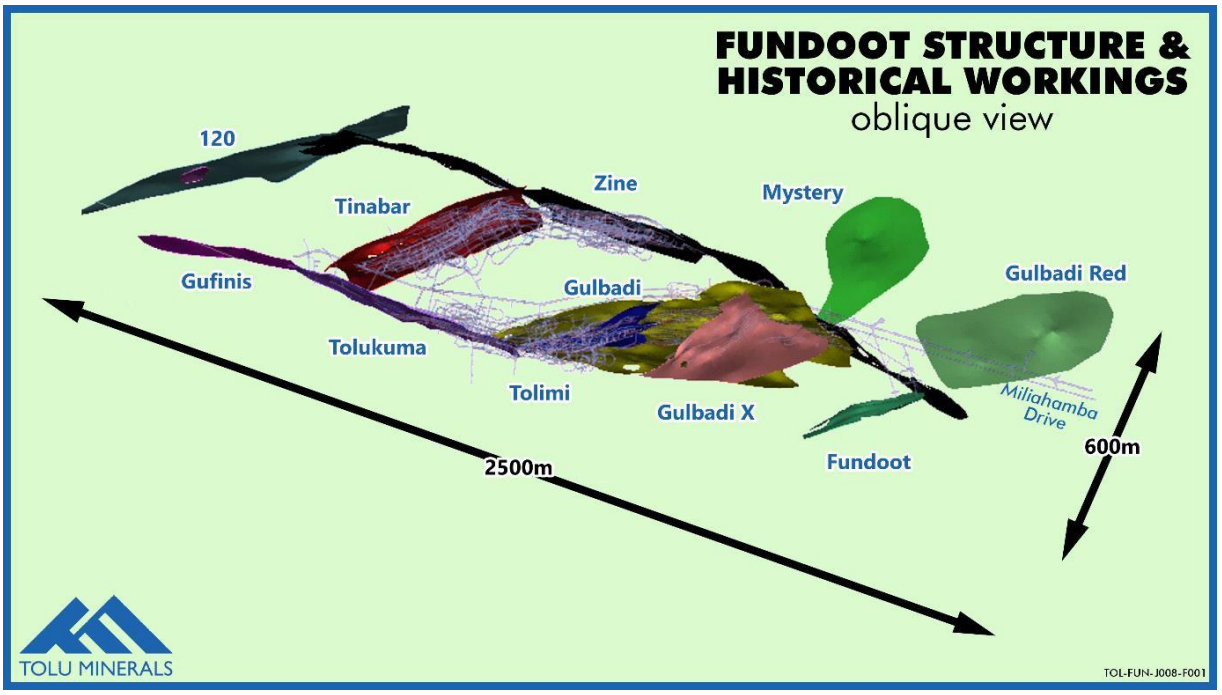

Figure 1: Oblique View of Historical Workings

Resources delineated by this drilling will be readily accessible to be included in a mine plan for a potential early start -up of mining.

Similarly, resources within the current MRE above 1560 mRL on the Tinabar, Gulbadi, Tolimi and Tolukuma veins, which remain in remnant blocks, are being assessed for inclusion in a short-term start up plan.

The Fundoot Vein, Gulbadi Red Vein and Mystery veins have been delineated with very limited diamond drilling, largely from underground from the Miliahamba Drive South and partially (Fundoot) from surface. These veins have Inferred Resources reported in the current MRE at a cut off of 3g/t Au of:

	Tonnage (kt)	Grade (g/t Au)	Contained (koz Au)
Fundoot	212	13	91
Gulbadi Red	115	8	29
Mystery	45	9	13

No mining has taken place on these veins and they constitute a priority target for short-term drilling in order to both expand and upgrade resources. Gold mineralisation of these veins is open both on strike and dip.

The drill platforms for these veins are situated at 1525 mRL, but are currently flooded between 1560 mRL and 1525 mRL. As indicated above, Tolu has placed orders for pumps and piping to undertake the dewatering of this area to enable further resource drilling to take place.

The most advanced structure is the Fundoot vein with 91koz in current Inferred Resource category. In addition to diamond drilling to expand this resource, Tolu plans to develop strike ore drives on the vein on at least two levels. The development drives will be mapped, sampled and assayed after each blast. All mapping and assay data will be included in the resource model for a revised Mineral Resource Estimate.

The refurbished gravity section of the gold plant will process bulk samples generated from the ore drive development. It is anticipated that ore drive development sampling together with gravity separation results will enable a conversion to reserves and subsequently a mine plan.

Near Mine and Regional Exploration

During 2023 Tolu reviewed the historical exploration work undertaken in the vicinity of Tolukuma mine in conjunction with more recent work undertaken on EL 2531 by Frontier and Tolu's own programmes during 2023. Based on this review, current gold resources and prospects include:

- The existing MRE at Tolukuma of 503 koz Au at 10g/t, including 91 koz at 13 g/t Au on the previously unmined Fundoot Structure (refer to ASX:TOK announcement dated 4 December 2023, https://toluminerals.com/investor-centre/).
- Significant strike extensions from historical ground based 3DIP conductivity geophysical results show an additional 2km of vein systems to the South Southeast from the main Tolukuma Vein (Figure 3).
- The Miliahamba/Kunda prospect trench results include 1.0m @ 85 g/t Au and drill results of 1.8m @ 6.74 g/t Au (refer to ASX:TOK announcement dated 13 November 2023, https://toluminerals.com/investor-centre/).
- Taula with drill results including 6.0m @ 16.16 g/t Au, Sisimonda with drilling results including 1.0m @ 31 g/t Au, and North Kunda with a reported chip sample assaying 1,034 g/t Au (refer to ASX:TOK announcement dated 13 November 2023, https://toluminerals.com/investor-centre/).
- Saki has a reported Maiden Inferred Mineral Resource of 2.0 Mt @ 2.0 g/t gold for 128,000 oz Au (refer to ASX:LNR Announcement dated 28 February 2022).
- Saki-Yava-Soju-Salat system of gold veins demonstrates a 3km wide zone of gold mineralisation with best trench sampling results at the Justin Vein of 1.0m @ 158.37g/t gold (refer to ASX:LNR Announcement dated 19 August 2020).
- The Kimono gold mineralised structure which occurs 800m from the Tolukuma mine gold plant is at least 1,000 in strike length, immediately adjacent to the Eastern boundary of the ML, with trench results including 1m @ 30.1g/t Au (refer to ASX:LNR Announcement dated 22 November 2019).

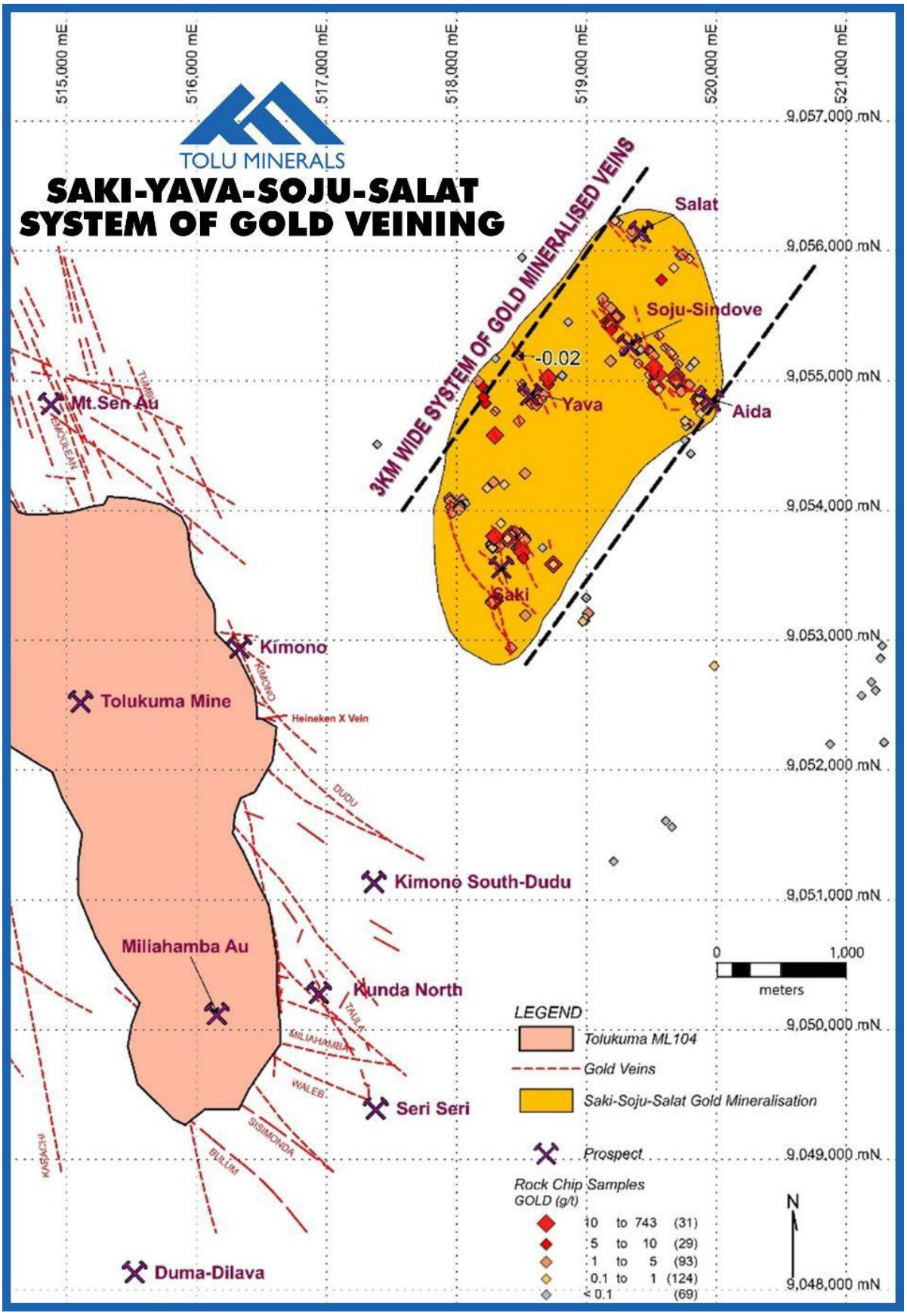

Figure 2: Near Mine Structures

Based on the MRE tonnes and grades, extension of the Tolukuma vein system 2km to the South-Southeast, grades from the Miliahamba prospect drilling, grades from drilling at Taula, Sisimonda and Kimono, grades and tonnage of the Saki Inferred Mineral Resource and trench sampling grades from the broader Saki-Yava-Soju-Salat system of gold veins, Tolu has developed an Exploration Target of 2 to 3 Moz Au grading 8 to 11 g/t Au, Table 1(refer to ASX:TOK release, dated 11 December 2023, https://toluminerals.com/investor-centre/).

The company completed a trenching and rock sample exploration campaign on the Taula gold and silver epithermal system during November 2023. The Taula vein occurs 3km South-Southeast of TGM on EL2531. The trenching programme was designed to test the surface extensions of the mineralised structure in preparation for a shallow drilling programme.

The Company has now initiated this maiden diamond drilling programme at the highly prospective Taula vein system. A man-portable diamond drill rig was purchased for this and future programmes and mobilised to site. All site preparations were completed, including the building of a remote drill camp, core shed and access to all drill sites. Drilling is currently underway.

The drilling is planned to target significant historical exploration drilling results at depth, as well as the more recent exploration trenching and rock sampling results at Taula, which occurs 3km South-Southeast of TGM within EL2531.

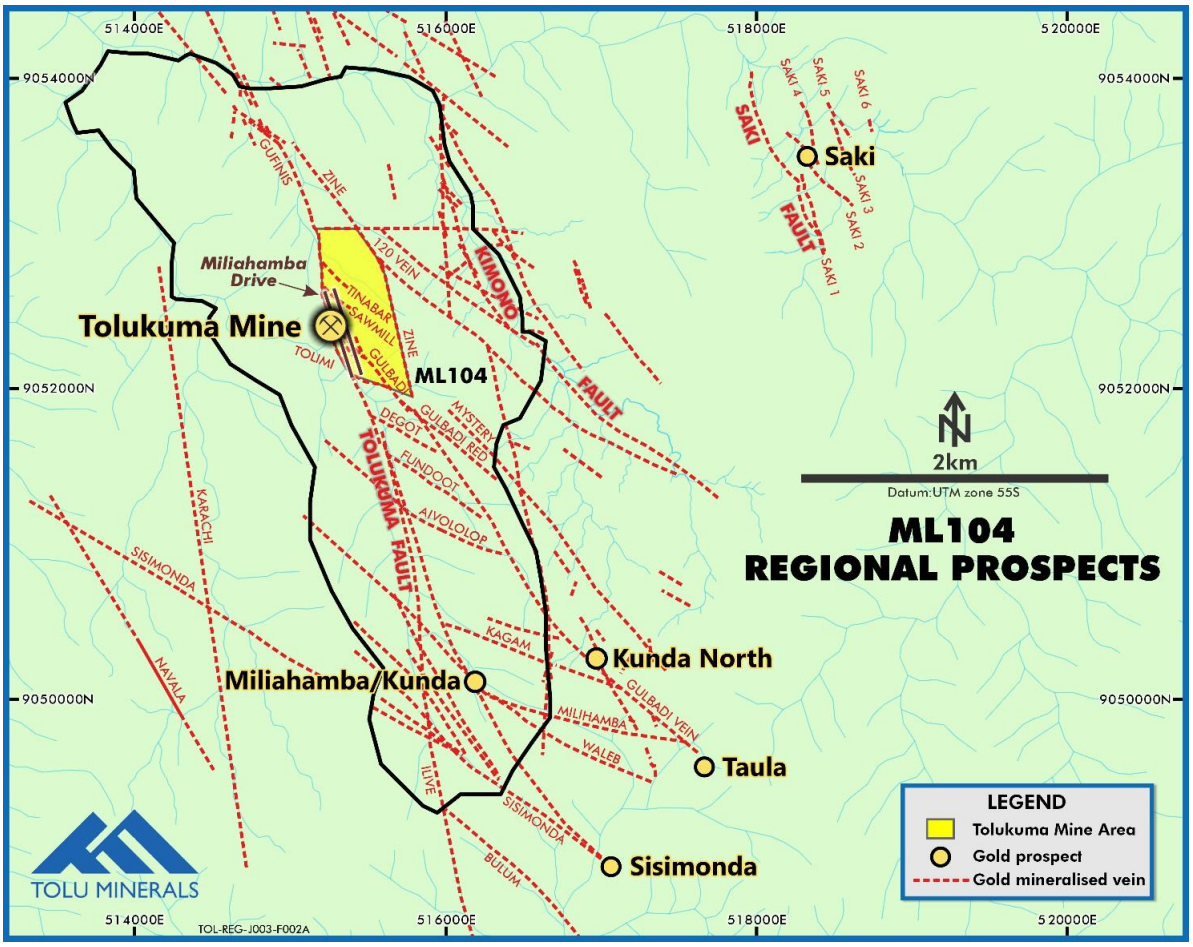

Figure 3: Near Mine Prospects

Historical drill holes at Taula have previously been re-located by Tolu using GPS. Historical drill intercepts include (refer to ASX:TOK announcement dated 13 November 2023, https://toluminerals.com/investor-centre/):

- 3.0m @ 16.19 g/t Au from 23m (SSD003)
- 5.3m @ 7.19 g/t Au from 37.6m, incl 1.8m @ 18.8 g/t Au (SSD008)
- 4.2m @ 8.47 g/t Au from 66m (SSD011)
- 1.7m @ 12.55 g/t Au from 31.1m (SSD010)
- 6.0m @ 3.8 g/t Au from 18.5m (SSD002)
- 2m @ 3.21 g/t Au from 61.6m, 1.8m @ 3.21 g/t Au from 73.2m & 2m @ 5.28 from 76.5m (SSD009)

More recent exploration results by Tolu have extended the gold and silver mineralisation from a 750m strike length to over a 1,300m strike length. A total of ten follow-up drillholes are planned by Tolu as illustrated in Figure 4 below.

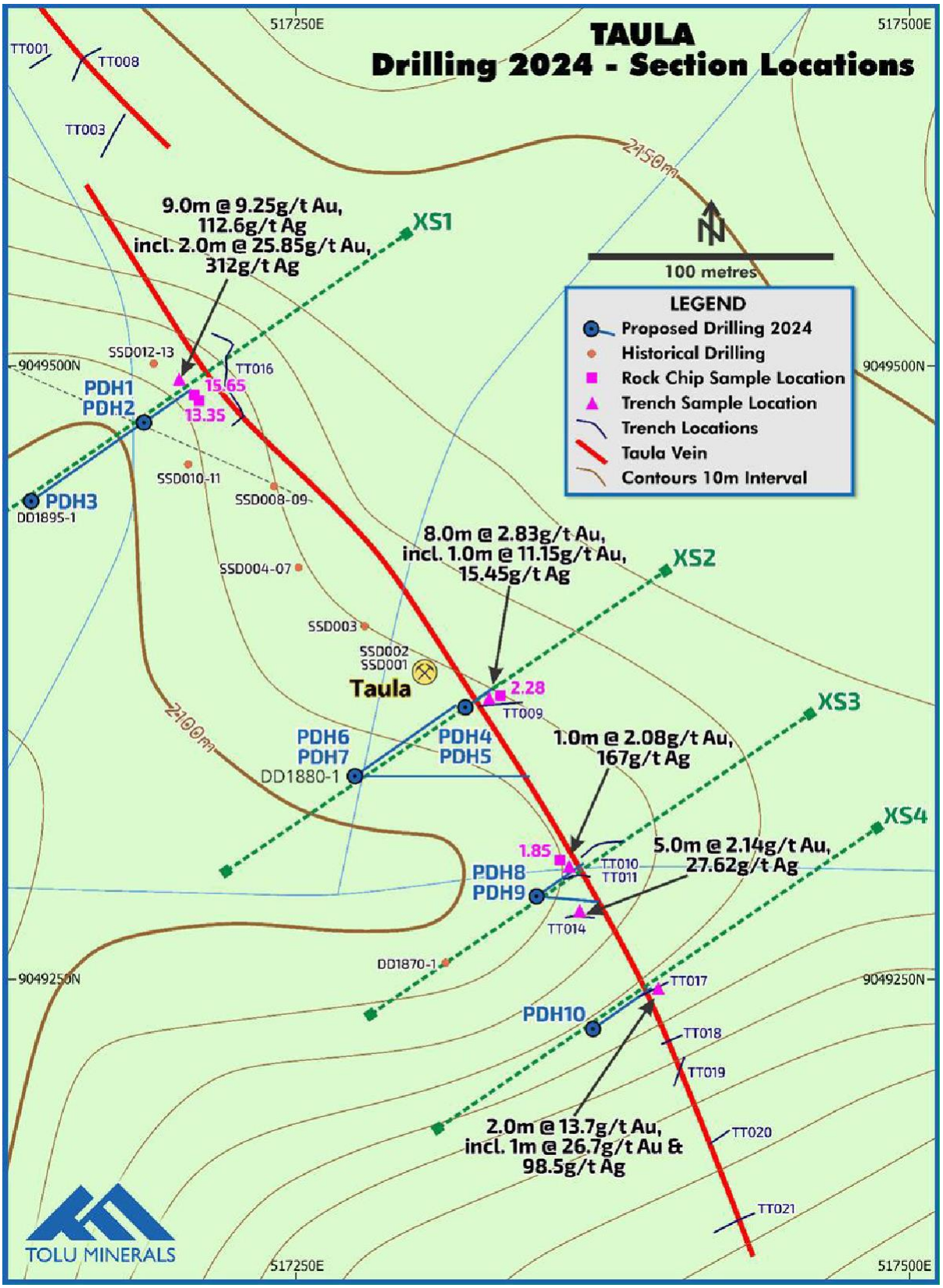

Figure 4: Trench Highlights and Planned Drilling

Deeper interpretation of these structures will be supported by the Airborne Magneto Telluric ("**MT**") survey programme planned for May 2024 to be followed up by underground drilling from within Tolukuma mine.

Airborne Magneto Telluric Survey

The Company has announced that it planned to commence an MT survey over all its projects to define gold bearing structures/veins and porphyry gold-copper targets for the next generation of targets for follow-up and drilling. The survey utilises electrical resistivity imaging of the top 1km with complementary VLF data providing near surface conductivity information to define geological structures related to gold mineralisation, as well as magnetic data to help map geology.

Expert Geophysics Limited ("**EGL**") was contracted to conduct this large regional geophysical survey commencing in May 2024 covering an area of 2,585 km^2 over the Tolukuma Mining Lease and surrounding tenements, then Ipi River ELA2780 to the Northwest of Tolukuma followed by the Mt Penck EL2662 tenement area on New Britain Island (Figures 5 and 6).

Equipment has been shipped from Canada and successfully imported into the country. Final arrangements regarding the helicopter flight planning and fuel distribution are currently underway. The project has been scheduled for the May-June weather window and is expected to commence in mid-May.

Airborne MT has already been used with good success at K92 in PNG (ref: K92 Investor Presentation 2024, page 44, https://k92mining.com) The MT survey will greatly help in identifying a new generation of geophysical targets to complement historical work related to gold and copper-lead-zinc mineralisation for ground follow-up and targeted drilling by delivering an overlay of mineralised structures and also highlight the position of epithermal and polymetallic systems that will greatly enhance Tolu`s understanding of the underlying mineralisation and provide cost and scheduling benefits for the exploration process.

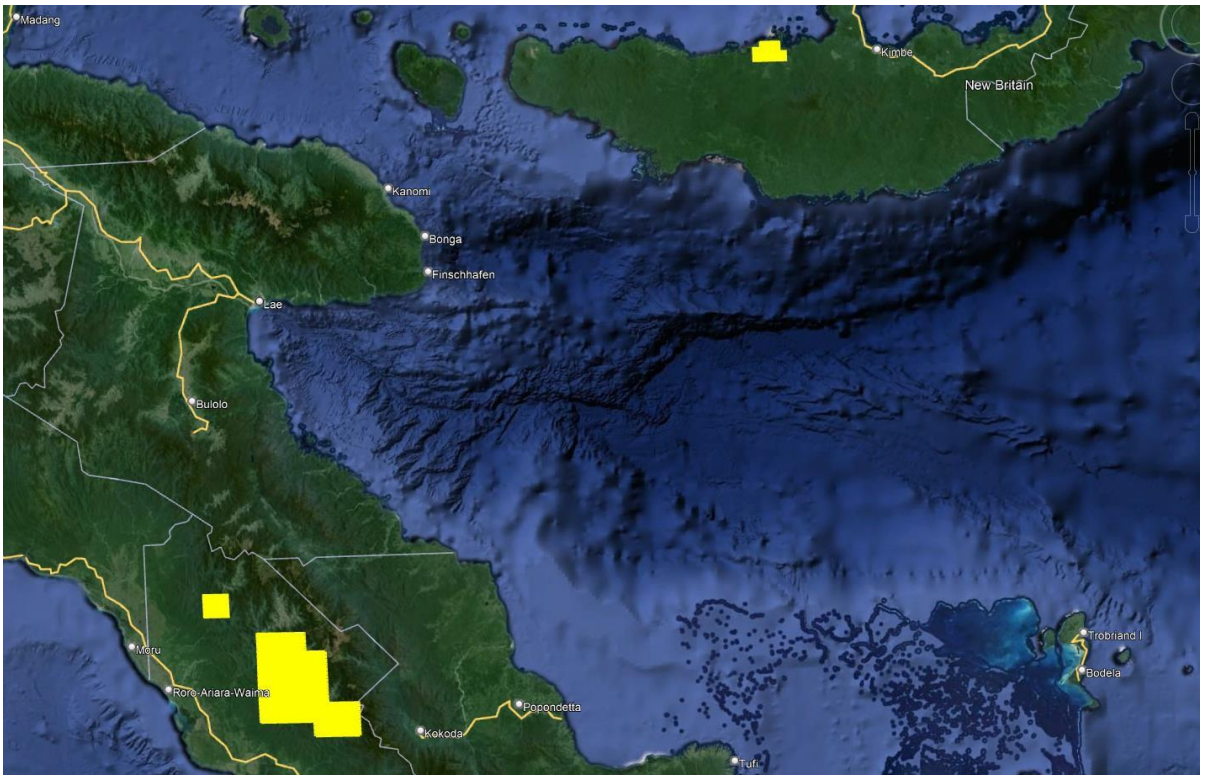

Figure 5: Topographic Map Showing Locations of the Proposed Airborne Mobile MT Survey

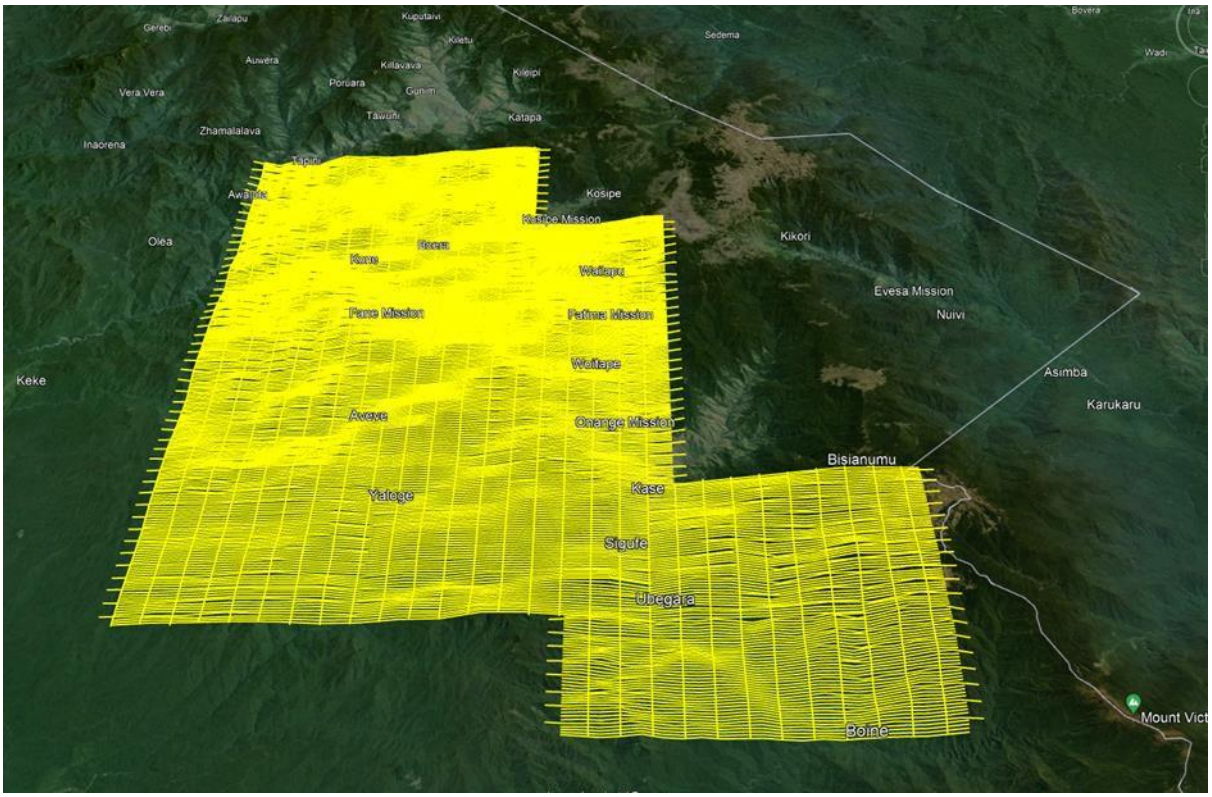

Figure 6: Planned Grid Lines for MT Survey over Tolukuma Tenements

Mt Penck Exploration

Mt Penck (EL 2662) on New Britain Island is evolving into a very interesting prospect and consequently, in addition to field work undertaken last year and early this year, the Company has undertaken a further review of historical data that was perhaps not properly assessed by previous operators.

Mt Penck site is accessible by road, 56 km from an existing deep-water port at the provincial capital of Kimbe on New Britain Island, (Figure 7). Existing infrastructure around Kimbe enables simple and reliable access to the project.

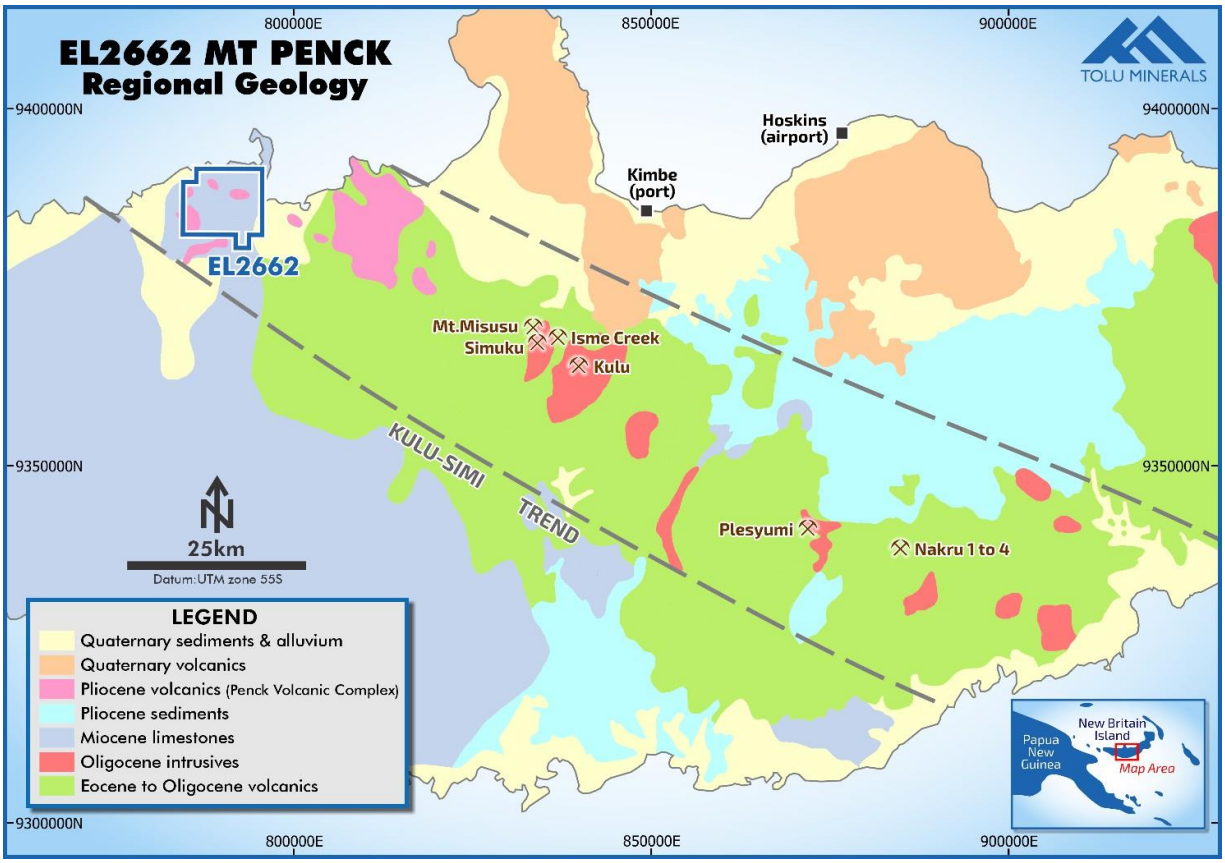

Figure 7: Location and Structural Setting of Mt Penck Project

Several gold prospects were originally identified at Mt Penck by historical explorers including BHP-Utah, Nord Resources, Indo Pacific and Kanon/New Guinea Gold.

Mt Penck is a complex epithermal system that exhibits overlapping low to intermediate sulphidation gold-silver and high sulphidation gold-copper mineralisation hosted in volcanics and porphyry intrusions.

A total of 115 historical drillholes, comprising 82 diamond holes (11,038.6 m) and 33 rotary aircore holes (1,140 m), have been completed on the property. Historical mapping, geochemical sampling, trenching, geophysics and drilling has delineated four main prospects, Kavola, Kavola East, Koibua and Peni Creek (Figure 8) within an overall larger mineralised/altered/anomalous zone with rough dimensions of 3.0 km by 1.5 km centred on a dissected volcanic edifice.

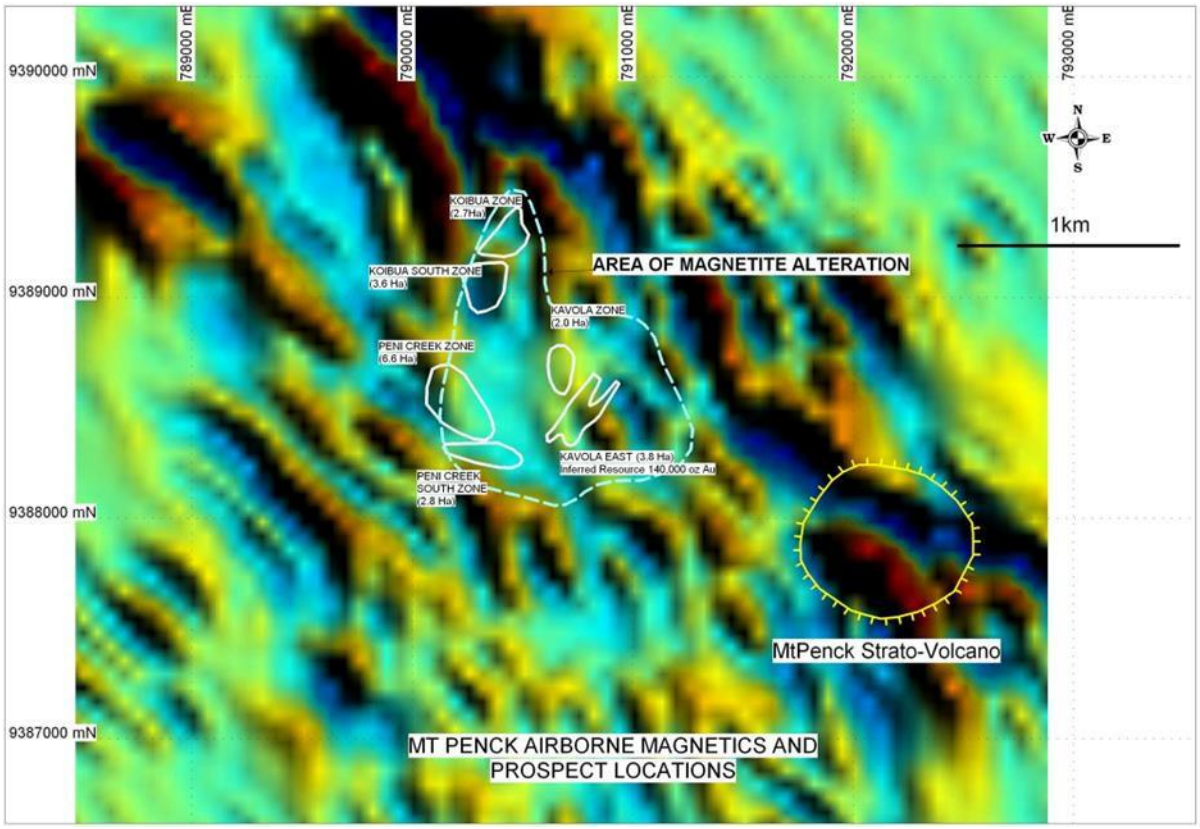

Figure 8: Magnetic Image of the Mt Penck Volcanic Complex Showing Gold Prospects

During the quarter the Company announced the results of field work at the Peni Creek prospect (refer to ASX:TOK announcement dated 29 January 2024, https://toluminerals.com/investor-centre/) and on 29 April 2024, announced the results of further work identifying a polymetallic feeder zone and a gold Exploration Target for Mt Penck. (refer to ASX:TOK announcement dated 29 April 2024, https://toluminerals.com/investor-centre/).

Fieldwork Results at Peni Creek prospect

The historical drilling results suggest the presence of additional mineralised structures in the sub-surface that may not have a surface expression, indicating there may be at least 10 separate structures within the Peni Creek target zone (Figure 9).

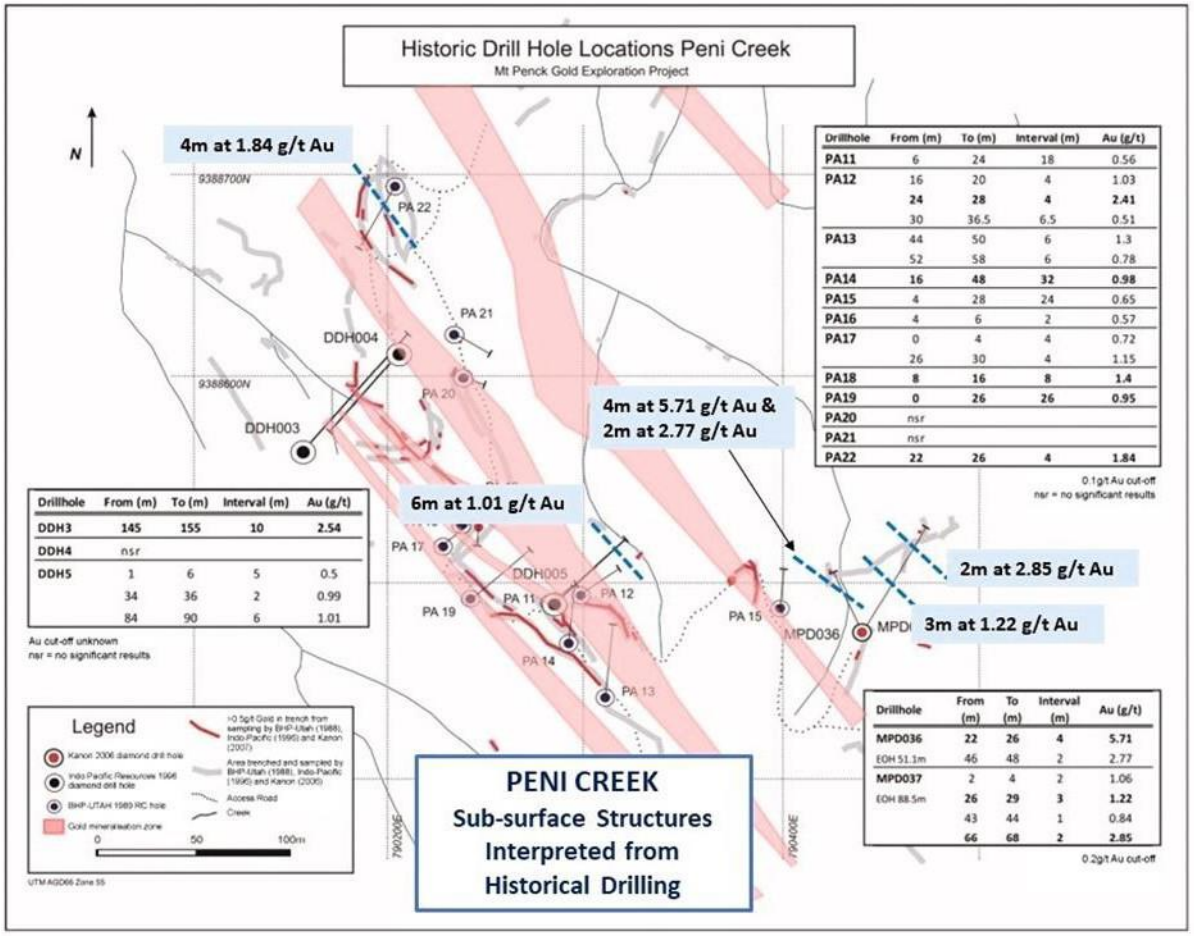

Figure 9: Sub-surface structures (blue dashed lines) from historical drilling results

The Company received assay results for 432 trench samples and 171 rock samples from the Trench and Rock Sampling campaign at the Peni Creek Prospect within EL2662.

A total of 65 trench samples (1m width) returned values above 0.5 g/t gold, 36 intervals returned values over 1.0 g/t gold and six samples returned 12.5, 15.3, 15.7, 29.2 and 36.2 ppm Mo. The best trench intersections include:

- 4m @ 5.57 g/t Au incl. 1m @ 18.2 g/t Au & 45.9 g/t Ag (Trench 7)
- 2m @ 4.3 g/t Au incl. 1m @ 7.3 g/t Au, 19.2 g/t Ag & 12.5 ppm Mo (Trench 7)
- 3m @ 5.04 g/t Au incl. 1m @ 8.99 g/t Au (Trench 3)

The results confirm Tolu's and previous explorers' interpretation of narrow Northwest trending gold mineralised zones. Tolu's work, however, has also identified four specific narrow mineralized zones at Peni Creek controlled by faults, veins and hydrothermal breccias. These zones range from 5m to 22m in width and 130m to 500m in length and open to the Northwest and Southeast directions (Figure 10).

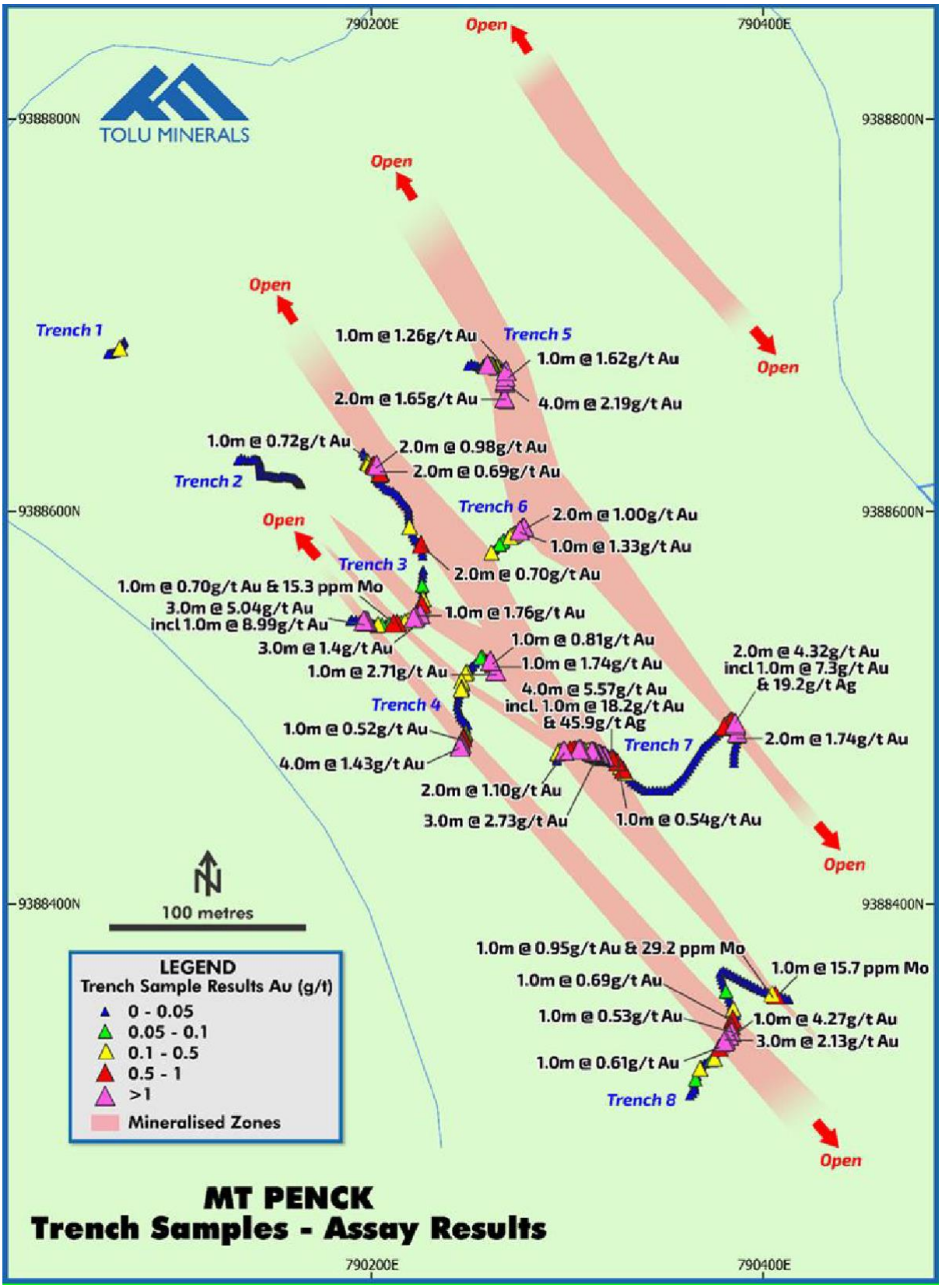

Figure 10: Peni Creek Prospect Trench Assay Highlights

A total of 171 rock samples were collected during the sampling program in Peni Creek. Fifteen rock samples returned gold values above 0.5 g/t Au and nine samples gave values above 1.0 g/t Au with the highest result of 7.29 g/t Au.

Most of these rock samples were in-situ outcrop samples that are channel sampled across the Northwest trending mineralised structures (Figure 11). They consist of pervasively altered andesite-dacite volcanics containing illite-sericite-smectite-kaolinite alteration with minor quartz-pyrite-haematite-limonite veining.

Arsenic is known to correlate positively and is considered to play an important role in the concentration of gold within the hydrothermal systems at Mt Penck. For 24 of the rock samples, including 84 trench samples, Arsenic (As) values were above 1000 ppm.

The samples were collected from Northwest-trending narrow mineralised zones and confirm at least 7 separate mineralised structures over a 260m wide zone and 460m strike extension, providing additional targets that will be better defined by the MT survey and followed up with further diamond drilling.

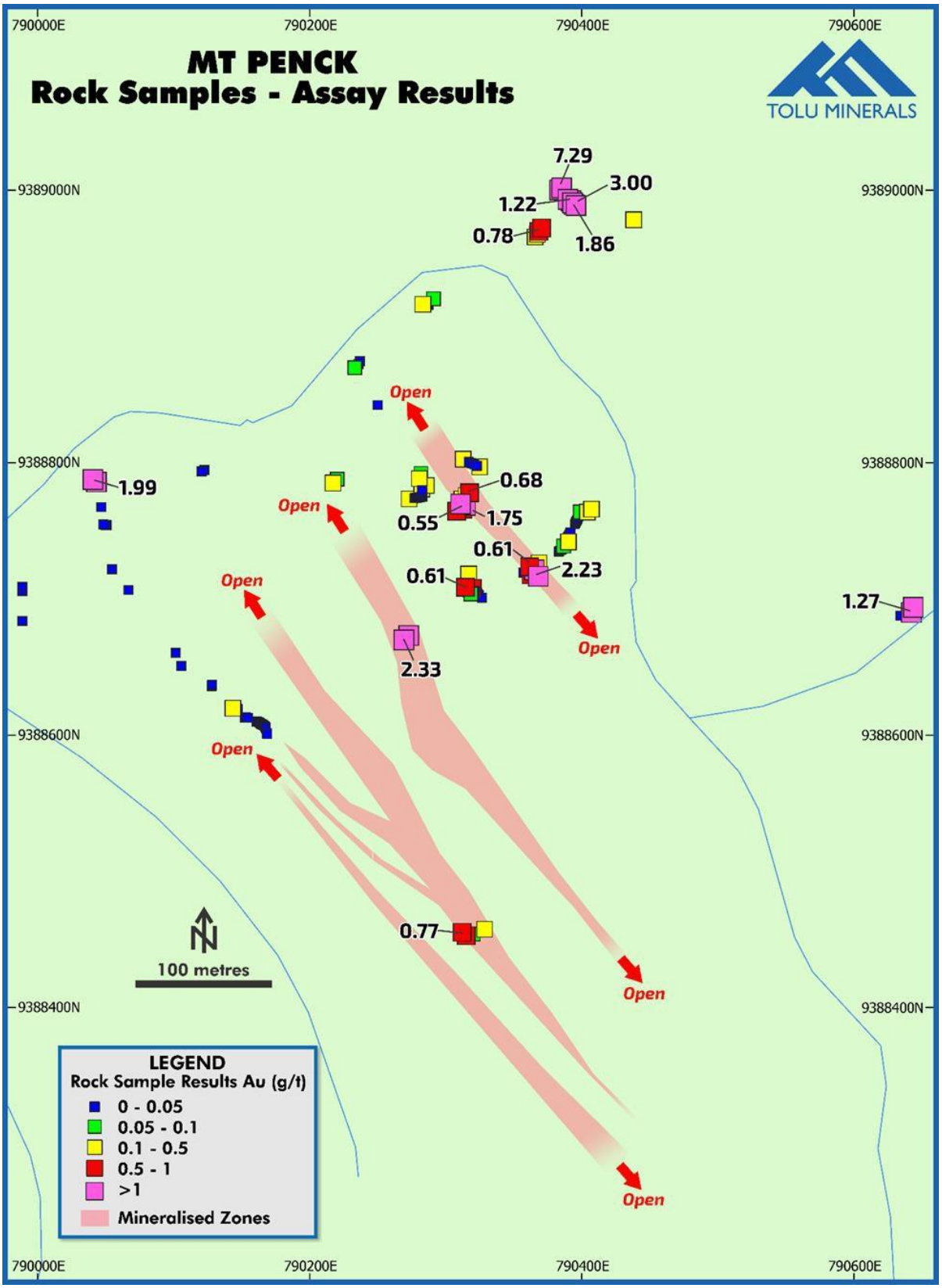

Figure 11: Peni Creek Prospect Rock Sample Assay Highlights

Mt Penck Historical Data Review

Historical data from the Mt Penck Kavola West prospect reveals polymetallic feeder zones with drill hole intersections including:

- 2m at 2.05 g/t Au + 43 g/t Ag + >1% Pb + 7.4% Zn from 27m including,
- 1m at 2.36 g/t Au + 65.1g/t Ag + >1% Pb + 12.2% Zn from 28m
- 6m at 9.08 g/t Au + 54 g/t Ag + 0.28% Cu + 0.21% Pb + 0.82% Zn from 88m including,
- 2m at 19.05g/t Au + 131g/t Ag + 0.69% Cu + 0.46% Pb + 1.8% Zn from 91m

Polymetallic zones identified at Kavola, Kavola East and Kavola West are highly prospective and are targeted for further drilling following the MT survey.

Koibua Prospect's two largest veins returned significant grades that warrant further drill testing: 55m at 2.75 g/t Au, including 3m at 37.4 g/t Au.

Geophysical chargeability targets measuring 1,100m and 900m in diameter require additional follow-up exploration.

A large sulphide polymetallic target was identified from a 1.5km diameter area of surface alteration and low conductivity with a disseminated sulphide body at its core.

A review of historical drillhole results indicates significant gold, copper, lead and zinc intersections identified from feeder zones, with drill core logs not previously looked at from a polymetallic perspective.

From historical ground geophysical 3DIP imagery (Figure 12), known mineralisation occurs within a roughly NNW-trending belt of chargeability highs, designated areas 1, 2 & 3, which is intersected and disrupted by a roughly 1.0 km wide ENE-trending structural zone. The known prospects are clustered at or near the intersection zone. The Central Kavola chargeability anomaly extends from surface to greater than 400m as a pipe-like body becoming larger with depth.

Two large circular target areas have been interpreted and designated A & B (Figure 12). The circular 'A' anomaly lies at the Eastern end of the ENE-trending corridor and is roughly 900m wide with a chargeable rim and resistive core. It may represent a diatreme/breccia pipe type feature sourced from a deeper porphyry system.

The second circular 'B' anomaly is a larger feature up to about 1.2 km wide with a chargeable core and outer rim and resistive inner rim. This anomaly may represent a diatreme-type target and the planned MT survey should assist with further delineating and evaluating these types of targets ahead of any ground follow-up mapping, sampling and drilling.

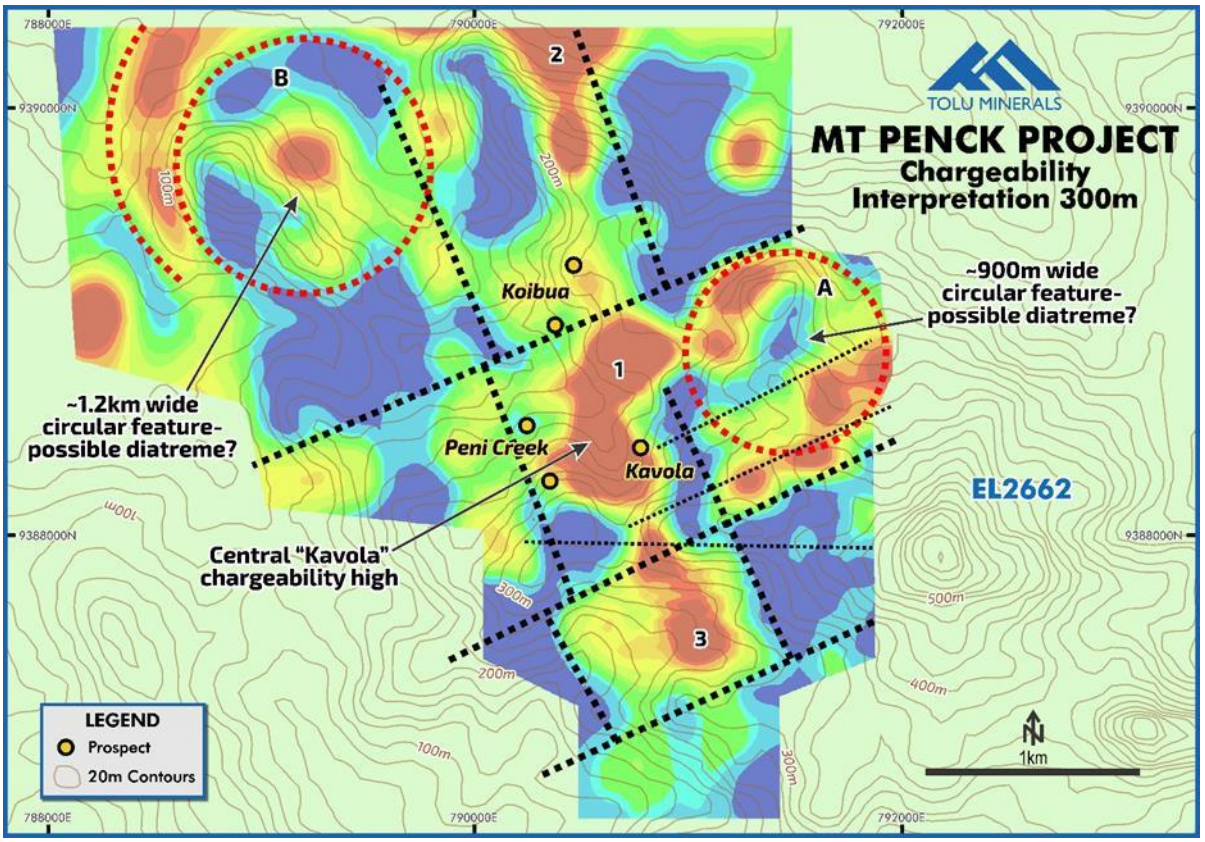

Figure 12: Chargeability Model at 300m Depth Showing Targets A and B

Kavola East Prospect

The Kavola East target area (Figure 13 and Figure 14) has up to six sub-parallel NE-trending "veins" over a width of 200m with strike potential of 280-300m for each individual vein. The combination of high-grade vein and bulk low grade stockwork mineralisation at Kavola East indicates this target is highly prospective and there are a number of significant intersections. (refer to ASX:TOK announcement dated 29 April 2024, https://toluminerals.com/investor-centre/).

Kavola (Copper) Prospect

The Kavola (Copper) Prospect has returned significant polymetallic intersections (refer to ASX:TOK announcement dated 29 April 2024, https://toluminerals.com/investor-centre/). Host lithologies are mainly lava, porphyritic lava or porphyry, with local breccia zones and some of the porphyries may be intrusive dykes or sills.

Kavola West (Zinc) Prospect

In addition to the previously reported gold and silver intersections, Kavola West (Zinc) Prospect returned a number of significant zinc, copper and lead intersections including:

MPD022: - 2m at 2.05 g/t Au + 43 g/t Ag + >1% Pb + 7.4% Zn from 27m including,
1m at 2.36 g/t Au + 65.1g/t Ag + >1% Pb + 12.2% Zn from 28m depth.

- 6m at 9.08 g/t Au + 54 g/t Ag + 0.28% Cu + 0.21%Pb + 0.82% Zn from 88m including, 2m at 19.05g/t Au + 131g/t Ag + 0.69% Cu + 0.46% Pb + 1.8% Zn from 91m depth.

Kavola SE Prospect Significant Drillhole Intersections:

Among others, Hole MPD011 in area known as Kavola SE (Figure 13) delivered 1m at 16.2 g/t Au from 75m depth.

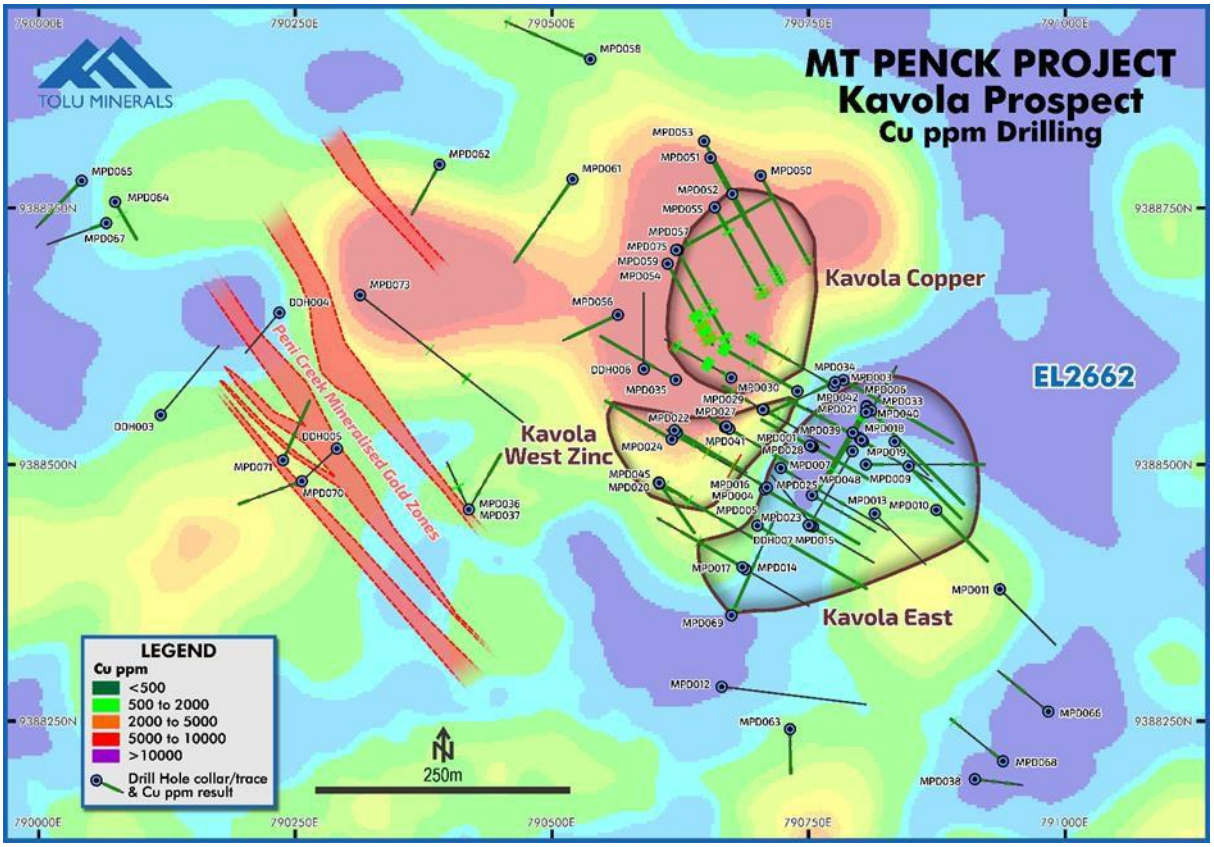

Figure 13: Kavola Area with Chargeability Model at 50m Depth and Copper Drill Intersections

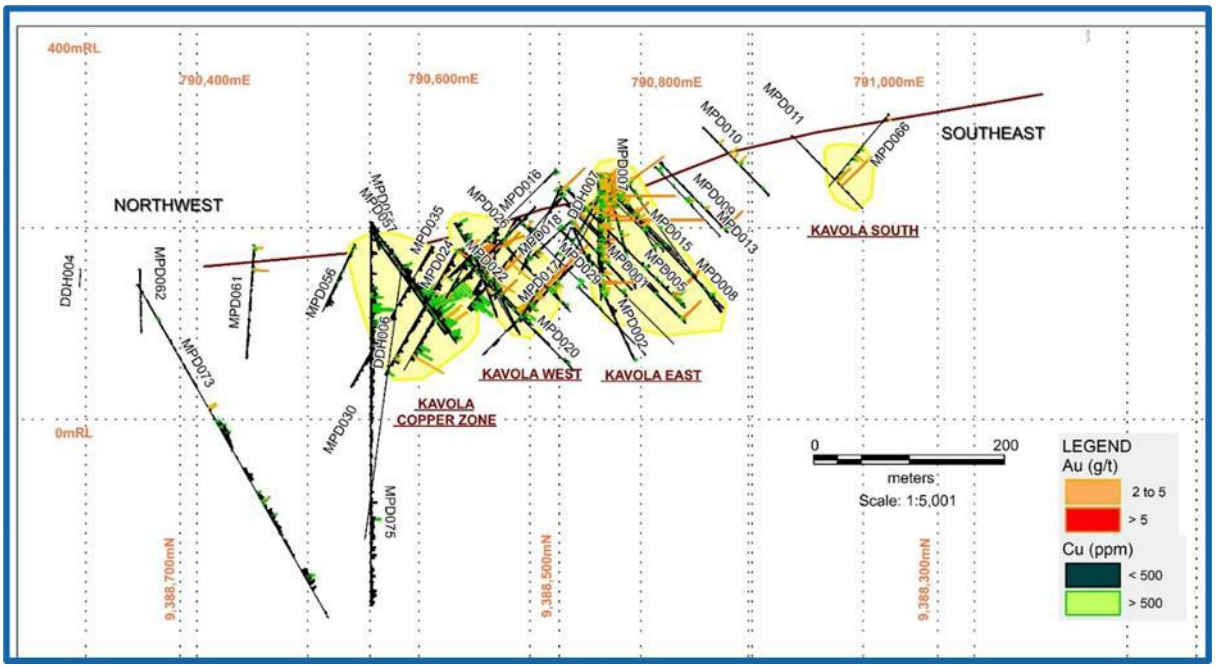

Figure 14: Diamond Drillhole Long Section Across Kavola Prospects

Koibua Prospect (Figure 13 and Figure 16)

Initial hand trenching by BHP returned very encouraging results including Costean 1 which returned 55m at 2.75 g/t Au, including 3m at 37.4 g/t Au, sampled across a zone containing a 30-40cm wide, 350^0/sub-vertical quartz vein.

Initial shallow aircore drilling by BHP also gave encouraging results (mostly in the oxide zone) including: PA 33 with 33.0m at 2.14 g/t Au, including 3m at 11.0 g/t Au from surface.

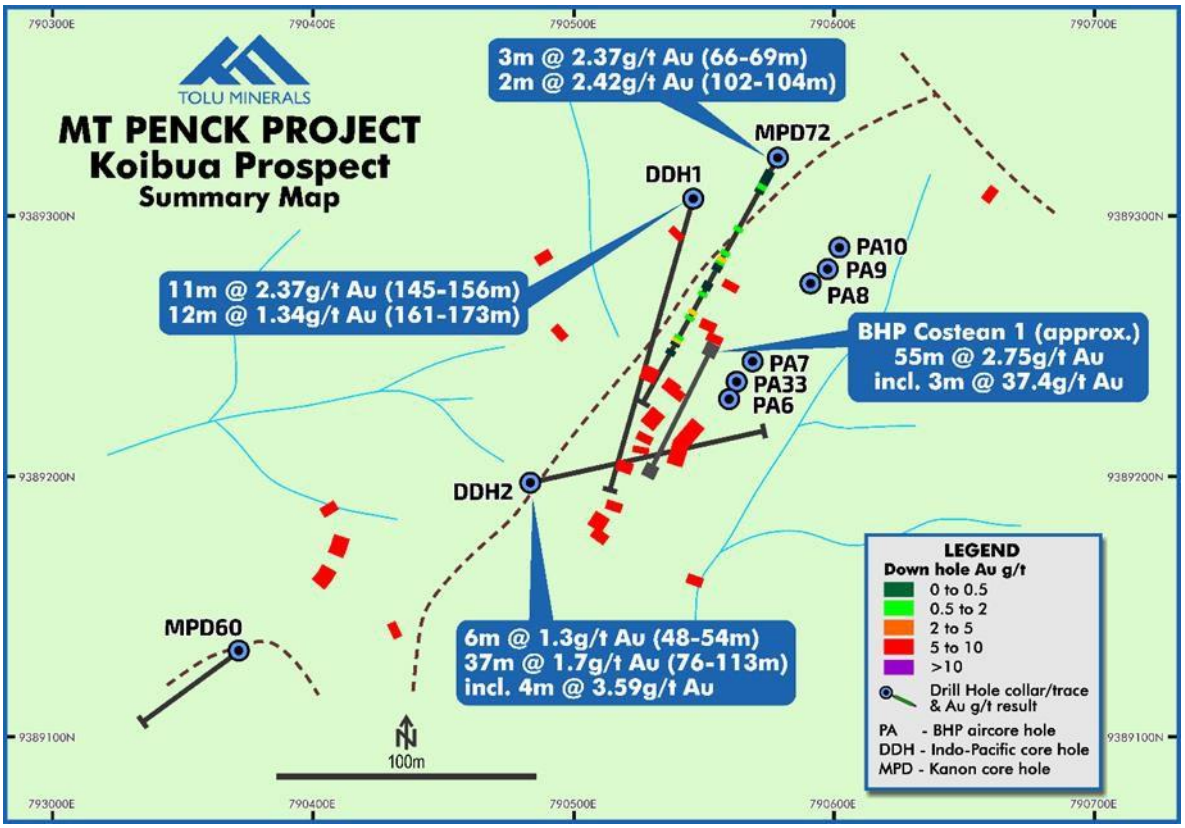

Figure 15: Koibua Prospect Surface Trench and Drill Results

Indo Pacific tested the Koibua Zone with two angled diamond holes: DDH 1, returning 11m at 2.37 g/t Au, including 3m at 3.8 g/t Au from 145m depth and 12m at 1.34 g/t Au from 161m depth; and DDH 2 with 6m at 1.3 g/t Au and 37m at 1.7 g/t Au, including 4m at 3.59 g/t Au from 77m depth. (Figure 16).

DDH1 and DDH2 intersected two closely adjacent sub-vertical vein/fissure zones at depths up to about 120m. The largest interpreted vein is 6m to 18m wide, and the second ranging in width from 2m to 6m (estimated true widths). Two narrower, subordinate 1-2m wide zones were intersected by DDH1 and Kanon hole MPD072.

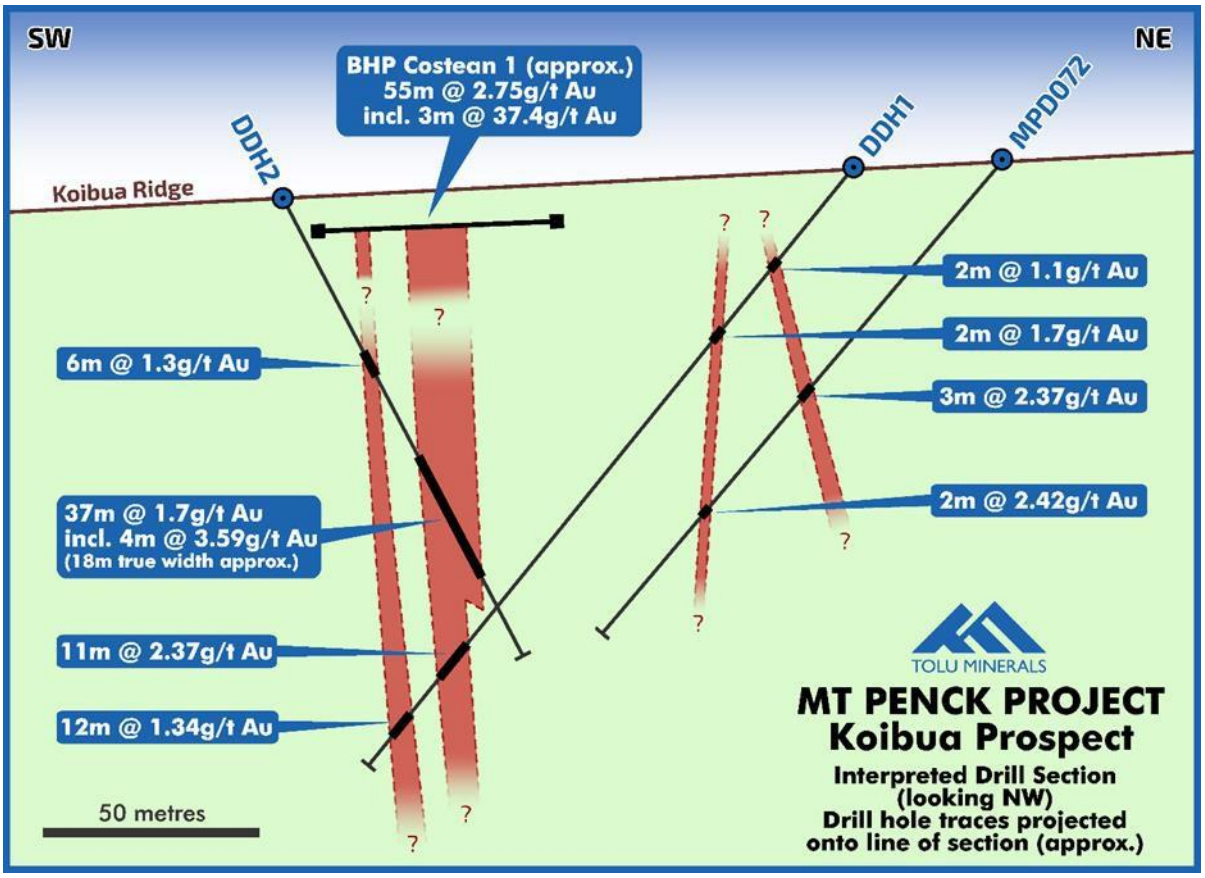

Figure 16: Koibua Prospect Drill Section Showing Vein/Fissure Targets

Mt Penck Exploration Target

Based on the updated review as reported in the ASX:TOK announcement dated 29 April 2024, https://toluminerals.com/investor-centre/ Tolu have developed an Exploration Target at Mt Penck of 240,000 to 400,000 oz Au grading 2.1 to 3.1 g/t Au (refer to Table 1) based on the estimated:

- tonnes and grades from surface trench and drill results of Kavola, Kavola East, Kavola SE and Kavola West with averaging significant intersections of 4.15 g/t Au,
- the number of veins intersected at Kavola, Kavola East, Kavola SE and Kavola West,
- gold grades and widths from trenching and drilling at the Koibua prospect,
- number of veins intersected from surface trenching, trench and drilling grades at the Peni Creek prospect.

Table 1: Mt Penck Exploration Target[1]

Mt Penck Project Gold Exploration Target – April 2024						
Project	Deposit	Rank	Low (tonnes)	High (tonnes)	Low (Au)	High (Au)
MtPenck	Kavola East Kavola SE Kavola Kavola West Peni Creek Koibua	High	3,400,000	4,000,000	2.2 g/t	3.1 g/t
Totals			3,400,000	4,000,000	2.1 g/t	3.1 g/t

Large Tonnage Porphyry Copper-Gold Target

From historical ground geophysics 3DIP (chargeability/Resistivity) imagery and interpretation, a large circular 1.5km diameter area of lower conductivity is coincident with surface phyllic and argillic alteration at its centre (Figure 17). This coincidence of alteration at surface, anomalous geophysics at depth, near surface sporadic gold mineralisation and gold and polymetallic mineralisation from drill holes, suggest a significant mineralising system to over a 2km depth extent.

At the centre of this alteration zone, anomalous 3DIP Chargeability occurs at its core, down to over 500m depth. Near surface (<300m) drilling and trench intersections of polymetallic minerals and gold, indicates that this area is a potential large-tonnage source of disseminated sulphides related to gold, copper, lead and zinc mineralisation.

This target area will benefit from the planned MT survey and require further near surface (<100m) exploration for sporadic low-tonnage high grade zones, and deep >500m drill testing for a large-tonnage polymetallic deposit (Au, Ag, Cu, Pb Zn).

[1] *Cautionary Statement: The Exploration Target for the Mt Penck project, describing the potential quantity and grade, is conceptual in nature. There has been insufficient exploration completed to estimate a Mineral Resource for all target areas reported and it is uncertain if further exploration will result in the estimation of further Mineral Resources.*

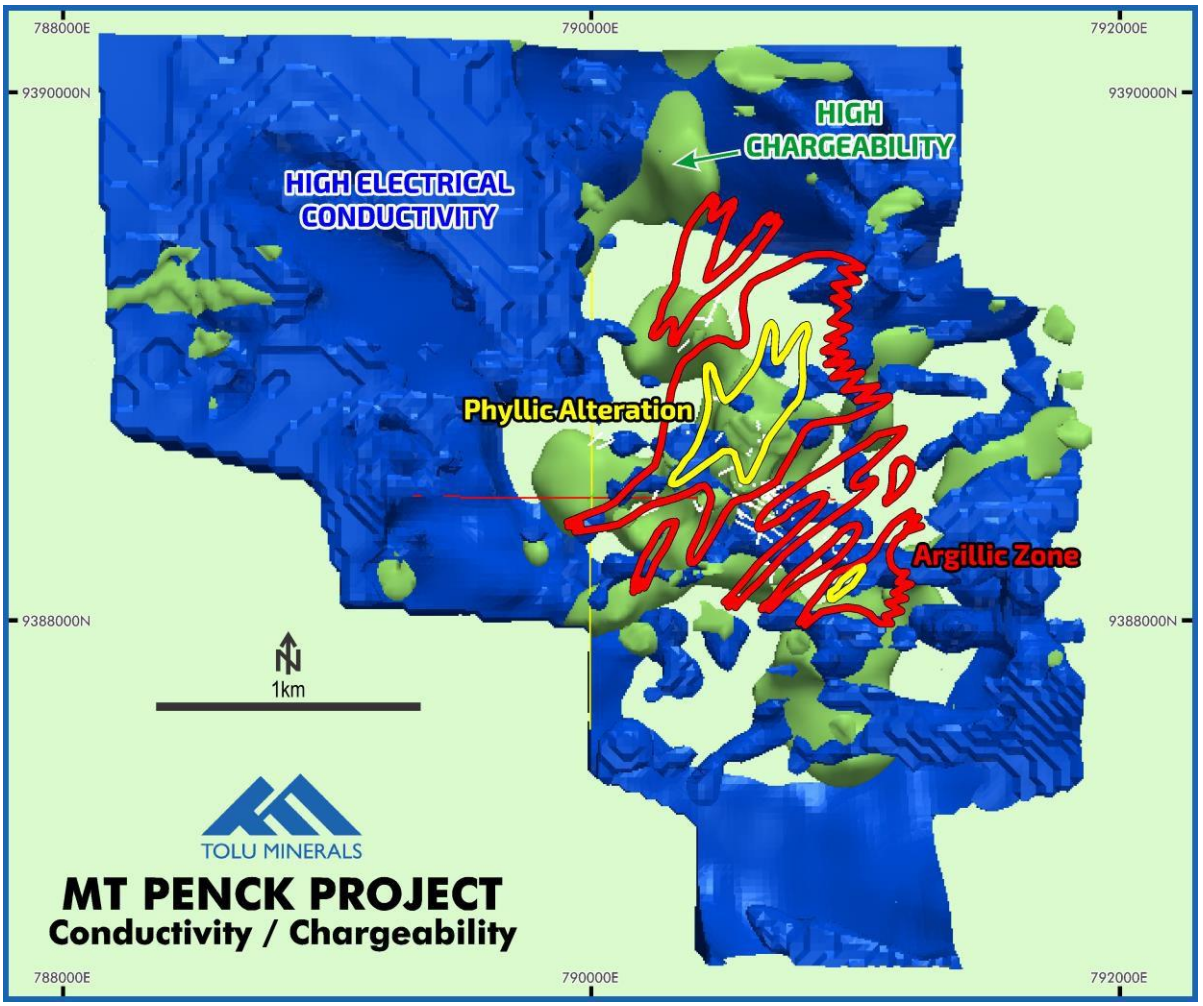

Figure 17: Historical 3D IP Conductivity (blue) and Chargeability (green) with Alteration

Corporate

On 19 April 2024, the Company completed a placement raising $8,818,690 through the issue of 17,637,379 shares at $0.50 per share. Of the total shares to be issued, 910,204 shares will be issued subject to shareholder approval at the General Meeting of the Company to be held in June. In addition the Lead Manager of the placement, Argonaut Securities Pty Limited are entitled to 4,101,056 options subject to shareholder approval.

The company's current capital structure is as follows:

Security	**Number**
Shares - quoted	75,098,019
Shares – in escrow until 10 November 2025	53,592,603
Shares – in escrow until 3 November 2024	3,000,000
Fully paid ordinary shares - total	**131,690,622**
Shares to be issued subject to shareholder approval	910,204
Performance rights -in escrow until 10 November 2025	2,750,000
Unquoted option exercisable at $0.80 per option expiring 2 years from issue subject to shareholder approval	4,101,056

References to previous ASX releases

The exploration results for the Company were reported in compliance the 2012 Edition of the JORC Australasian Code for Reporting of exploration results, mineral resources and ore reserves in market releases dated as follows:

29 January 2024	Mt Penck results
26 February 2024	Airborne MT Surveys to Commence over Tolu Projects
4 March 2024	Drilling Programme Commenced at Taula and Renewal of EL2531
29 April 2024	Mt Penck High Grade Gold and Polymetallic Feeder Zones and Exploration Targets

The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcements referred to above and further confirms that all material assumptions underpinning the exploration results continue to apply and have not materially changed.

The Company provides the following information pursuant to ASX Listing Rule requirements:

ASX Listing Rule 5.3.1

Exploration and evaluation expenditure during the quarter was $973,000 (including work done on the building of the roadway).

ASX Listing Rule 5.3.2

There were no substantive mining production and development activities during the quarter.

ASX Listing Rule 5.3.3

The following table sets out the tenement information held at 31 March 2024.

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-Jan-24
EL2536	Exploration License	100%	37	125.70	24-Jan-22	25-Jan-24
EL2538	Exploration License	100%	14	47.70	24-Jan22	25-Jan-24
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

ASX Listing Rule 5.3.4

The table below indicates the expenditure comparison between the Prospectus Use of Funds and the actual expenditure by the Company.

Use of Funds	Prospectus $000s	Actual (2Q) $000s
Pilot access service road	1,800	401
General Mobilisation	1,130	1,479
Site roads	216	-
Hydroelectric Refurbishment	212	-
Electrical Refurbishment	1,374	-
Underground Access	1,380	255
Underground Works	283	-
Bulk Sampling Gravity Circuit	1,347	-
Milihamba Exploration Drive and diamond drilling	1,131	-
Mineral resource development	737	-
Resource conversion	52	-
Tolukuma regional exploration	738	911
Mt Penck exploration	98	238
TMF studies	107	-
Off site	540	180
Acquisition of Frontier	500	500
Consultants	450	115
Working capital	3,314	1,477
Cost of the Offer inc. Legal	1,927	1,446
Total	**17,336**	**7,002**

ASX Listing Rule 5.3.5

A total of $140,000 was paid to related parties during the quarter comprising the Managing Directors salary and consulting and director fees.

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

Contacts:

Iain Macpherson	Vern Wills
MD & CEO	Strategic Corporate Advisor
iain.macpherson@toluminerals.com	vern.wills@enhance.net.au
+61 428 912 245	+61 418 912 664

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
Tolu Minerals Limited	
ABN	**Quarter ended ("current quarter")**
35 657 300 359	31 March 2024

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation	(935)	(935)
	(b) development		
	(c) production		
	(d) staff costs	(389)	(389)
	(e) administration and corporate costs	(382)	(382)
1.3	Dividends received (see note 3)		
1.4	Interest received	2	2
1.5	Interest and other costs of finance paid	(1)	(1)
1.6	Income taxes paid		
1.7	Government grants and tax incentives		
1.8	Other (provide details if material)		
1.9	**Net cash from / (used in) operating activities**	**(1,705)**	**(1,705)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements		
	(c) property, plant and equipment	(510)	(510)
	(d) exploration & evaluation	(38)	(38)
	(e) investments		
	(f) other non-current assets	(25)	(25)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(573)**	**(573)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other Repayment of principle on lease liabilities	(5)	(5)
3.10	**Net cash from / (used in) financing activities**	**(5)**	**(5)**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**	(2,283)	(2,283)
4.1	Cash and cash equivalents at beginning of period	12,617	12,617
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,705)	(1,705)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(573)	(573)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(5)	(5)

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**10,334**	**10,334**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	10,334	12,617
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**10,334**	**12,617**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	140
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

N/A

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(1,705)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(38)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(1,743)
8.4	Cash and cash equivalents at quarter end (item 4.6)	10,334
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	10,334
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	5.9

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer: N/A	
Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.	

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 30 April 2024.....

Authorised by: .... By the Board.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.