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ASX, OTCQX Announcement

31 July 2024

Tolu Minerals Limited – Quarterly Report Period Ending 30 June 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

In 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 km² across the highly productive Tolukuma epithermal structure.

Tolu also 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 (423km²), in the Tolukuma area Northwest of the Tolukuma structural corridor ELs. 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.

Tolu also holds the Mt Penck tenement, EL 2662, over some 204km² 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.

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.

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 were 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 and equipment 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 and drilling 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:TOK release, Airborne MT, 26 February 2024, <https://toluminerals.com/investor-centre/>) including the MT survey; 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

Q2 Highlights

- Continuation of the maiden diamond drill program at Taula.
 - Commencement of Expert Geophysics Ltd Airborne Magneto Telluric survey over Tolu's entire tenement package.
 - Material progress on the camp and site refurbishment.
 - Initial dewatering started using a syphoning technique.
 - Ordering of gravity circuit process plant.
 - Conclusion of key service contracts.
 - Successful recruitment of key management and operational staff.
 - Continued progress on roadway construction since commencement in early December.
-

Safety Health and Environment

The Company is continuously developing its Safety Management Strategy which includes the necessary standards, Safety Management System and various safety management tools including "Safe Life Behaviours", which has been rolled out on site to create a safe working culture.

A senior safety officer was appointed to progress the development and administer the Safety Management System.

The Company recorded no Medical Treatment cases or Lost Time Injuries during the quarter.

The Company has engaged a qualified Environmental Consultant with strong in country knowledge to conduct the Environmental Baseline Assessment as part of discharging its environmental licence conditions. All planning and community awareness has been completed.

Community Liaison

The Company appointed a Legal and ESG Executive to oversee the Environmental, Social and Governance aspects of the development plan. During the quarter the focus was on community engagement of the local and downstream communities to inform them for the upcoming environmental baseline assessment.

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 were filled during the quarter include Mine Manager, Engineering Manager, Surface Supervisor, Mining Engineer, Resource Geologist, Database Manager, Safety Officer, Underground Foreman, Drilling Foreman and various artisans.

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;
- Initiate early gold production through introduction of new process capacity to support mine development, provide an effective bulk sampling tool and to address resource and metallurgical modifying factors; and
- Prepare the mine for an ultimate return to name plate capacity production following the refurbishment of the gold processing plant.

Phase 1 of the camp refurbishment was completed. This included:

- 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; and
- Refurbishing all low voltage ("**LV**") power reticulation in the camp.

Phase 2 started during May and includes additional accommodation units, the laboratory, workshops, lamp room, clinic and sewage treatment.

The first phase of the mobile equipment assessment was completed. During the assessment, the team achieved success in recommissioning an underground loader, truck, hydraulic excavator, front end loader and air compressor. Phase 2 is in progress and focusses on bringing this equipment into full operation as well as complete assessment on additional underground loaders as well and exploration, development and production drills.

A process review study was completed by Maxwell Energy and Resources Pty Ltd ("**MER**") to assess both the opportunity to refurbish the existing gold processing plant and to consider options for optimised start up strategy. The studies supported the conversion of the existing gravity and CIL circuit into an optimised gravity only circuit. The scope of the process study included a review of existing test work and historic process performance to maximise gravity recoverable gold. The study considered options to reconfigure the existing process circuit and

evaluated the outcome against an alternative third party supply option for a dedicated gravity circuit.

Also informing the optimal start-up strategy is access to improved gravity concentration technology, better alignment with the initial mine production capacity and significantly lower power requirements favoured the decision to procure an appropriately sized gravity circuit to initiate production ahead of full refurbishment of the existing plant. An order was subsequently placed for the engineering and fabrication of the plant which reached 50% completion by end of June. The plant is expected to arrive on-site by the end of September.

Service contracts were concluded for helicopter support, catering and emergency response on site. Negotiations on the security contract is underway.

Partial dewatering of the mine workings is required in the short term to provide access to the Fundoot vein for on vein development and drill positions on the Fundoot, Gulbadi Red and Mystery veins in order 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 in January for a total 380kW of pumping capacity. All fabrication was completed and ready for shipment by end of June. Delivery to site is planned for early August.

Piping arrangements were completed for sufficient piping to dewater down to the 1525 mRL level from the 1560 mRL level. All piping arrived in country at the end of June and will be delivered to site in early August. This will open a range of drill sites, specifically on the Milihamba Drive that is the key exploration platform targeting the Southern portions of TGM and also to open up the high grade Fundoot Resource.

In parallel to the design and procurement of the dewatering system, an innovative syphoning technique has been installed to start initial dewatering. This initiative has proven to be very successful in achieving 25% of the dewatering requirements to date with zero energy input. The response of the water table throughout the mine, confirmed connectivity of the water body which now allows dewatering to be achieved from locations much closer to the portal, which will result in increased pump efficiency.

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

Orders were placed in January for 1.3MW of diesel power generating capacity. The fabrication of the generators was completed during June and the units are enroute from France. It is expected to airlift the generators to site by the end of September. This will allow for all pumping and ventilation demand as well as broader restart capability.

An additional 80KVa generator, with sufficient cabling, was procured to start low voltage pumping during August.

An assessment and testing of the condition of the high voltage (“HV”)reticulation on site was completed during the quarter. Tolukuma LV & HV bulk infrastructure is in reasonable

condition, electrical tests such as insulation resistance and excitation current found the equipment returning good results, suggesting that most of the equipment is safe for operation. Various protection devices and some structural components of the system require remedial repairs.

The underground mine infrastructure is currently under engineering design and procurement.

Phase 2, which consists of detailed engineering for construction of the HV reticulation system has been initiated and will be completed during October 2024.

An important part of the restart strategy is to have functional assay lab capability on site to support exploration and process activities. The existing lab has been cleared out and refurbished and all equipment tested. Additional equipment has been procured and delivered to site. It is expected that the laboratory will be commissioned by the end of July.

A site visit to the Company's hydro power station was conducted with experienced contractors in hydro power generation. Following the site visit, a comprehensive site survey was completed and the Company is awaiting a design proposal to recommission the hydro power station.

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 HV 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.

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 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. While progress has been slower than anticipated during the wet season, good progress was made in bringing all role players on board including the departments of Forestry, Land and Highways as well as the MRA. The Company now expects the progress rate to increase during the dry season and we expect to be accessing the road before year end.



Photo 1: 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 and from the surface with a man-portable rig which is currently engaged on the Taula exploration project. Figure 1 illustrates the relationship between the various structures.

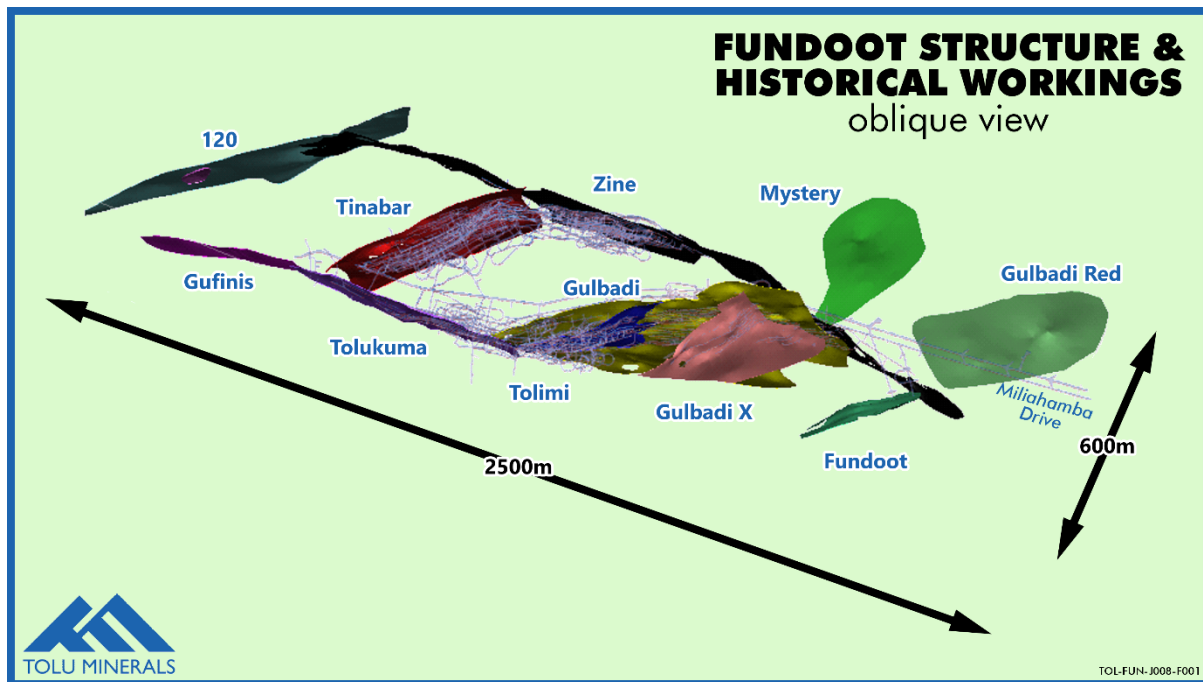


Figure 1: Oblique View of Historical Workings

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 underground drilling from the Miliyahamba 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).

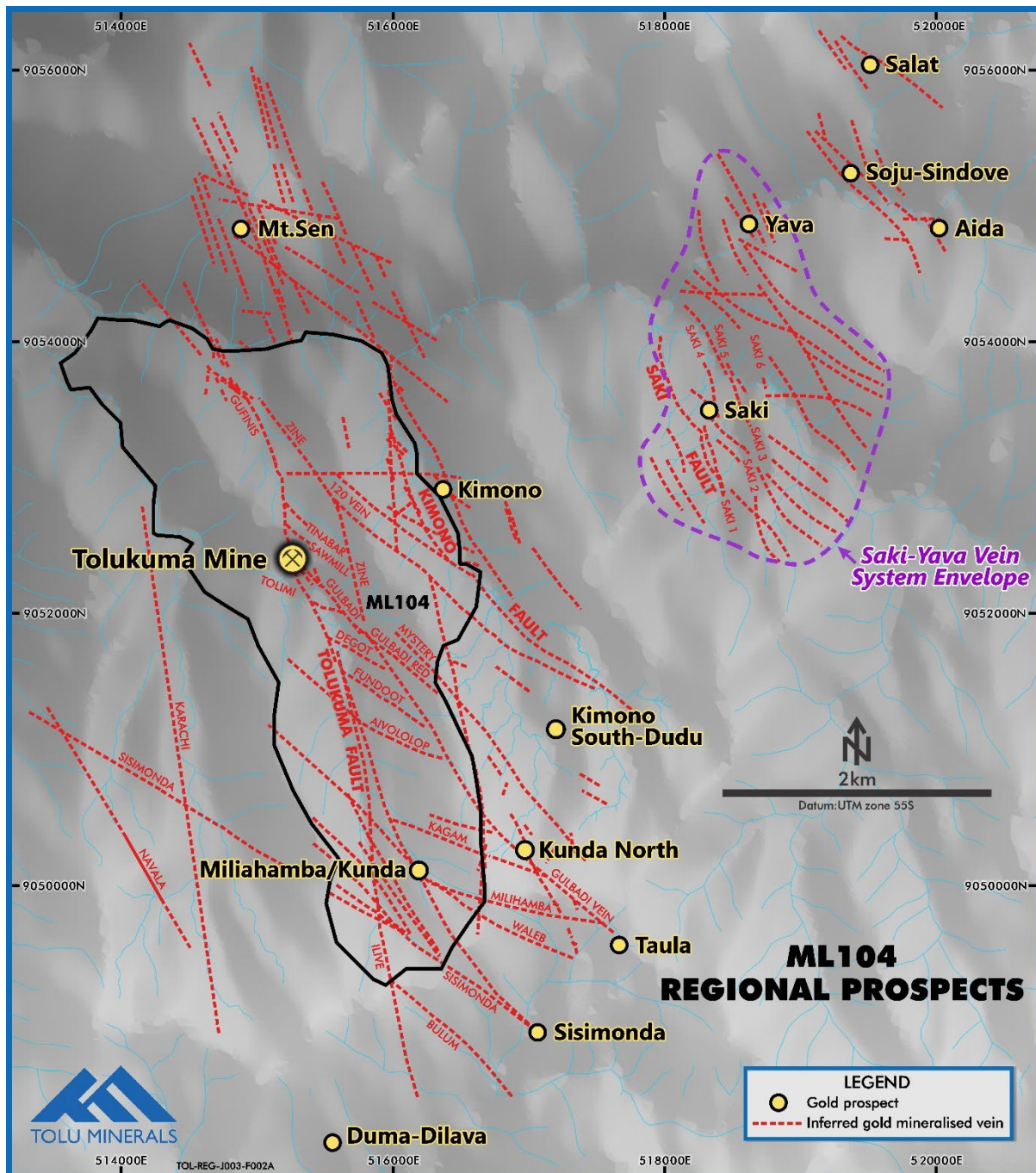


Figure 2: Near Mine Structures

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/>).

Tolukuma Project Gold Exploration Target – December 2023						
Project	Deposit	Rank	Low (tonnes)	High (tonnes)	Low (Gold)	High (Gold)
Tolukuma	Tolukuma Tolukuma South Miliahamba Taula Kimono Saki-Yava-Soju-Salat	High	7,800,000	8,500,000	8.0 g/t	11.0 g/t
Totals			7,800,000	8,500,000	8.0 g/t	11.0 g/t

Table 1: Tolukuma Near Mine Exploration Target, December 2023¹

Competent Person Statement:

The information in this report that relates to 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.

The Company is currently completing 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 more than halfway completed with assay results from the first three drillholes pending.

The drilling is testing 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.

¹ **Cautionary Statement:**

The Exploration Target for the Tolukuma gold 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.

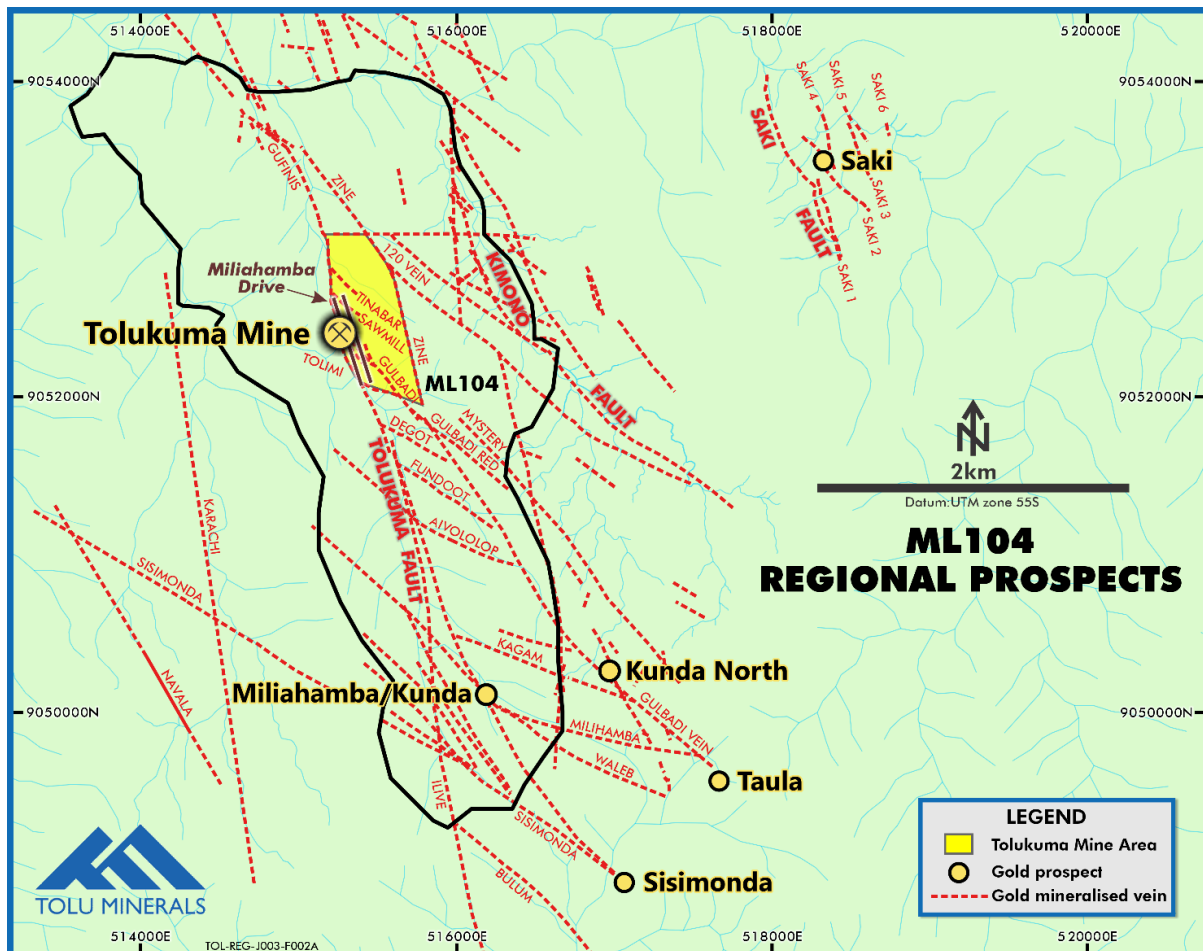


Figure 3: Near Mine Prospects

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.

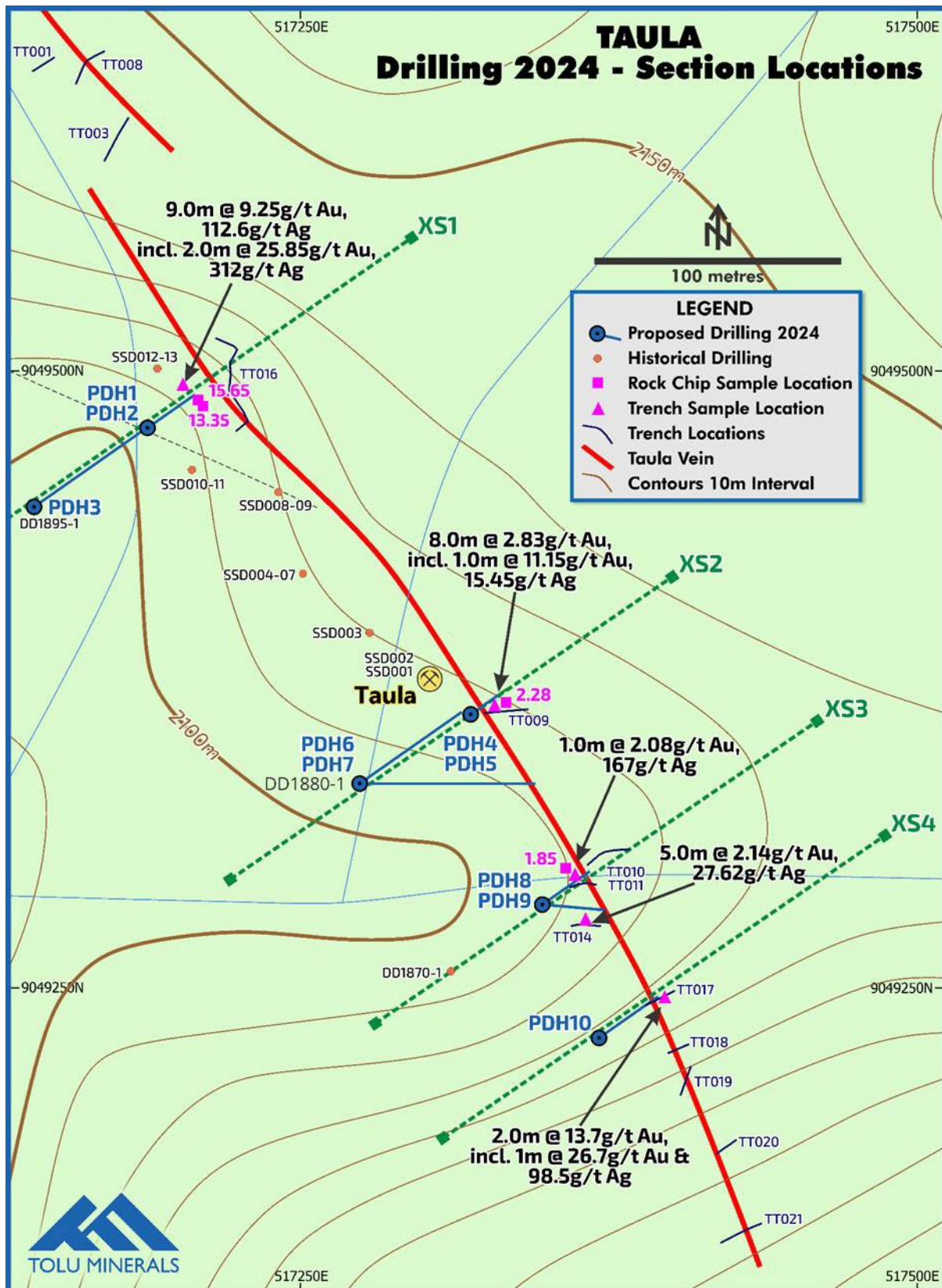


Figure 4: Trench Highlights and Planned Drilling

Deeper interpretation of these structures will also be supported by the Airborne Magneto Telluric (“MT”) survey data to be followed up by underground drilling from within Tolukuma mine.

Airborne Magneto Telluric Survey Commences

During June Tolu announced the commencement of the airborne MT geophysical survey flown by Expert Geophysics Limited (“EGL”), see Photos 2 and 3. The survey started during the second half of this year to cover the Tolukuma Mining Lease and surrounding tenements, Ipi River EL2780 to the Northwest of Tolukuma, and the Mt Penck EL2662 tenement area on New Britain Island (Figure 5 to 7).

These results will enhance the existing extensive database of technical information including airborne and ground geophysics, geochemistry, historical drilling results and geology. New targets are expected to be interpreted that will require an on-going field exploration program of geological mapping, sampling and drill testing following on from our completion of drilling at the Taula prospect. Airborne MT resistivity data will be modelled to help provide a more accurate guide to depth and location of drill targets.

Airborne MT has already been used with good success at K92 in PNG (refer to ASX Announcement dated 26 February 2024). 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 drill testing.



Figure 5: Tolu Minerals Ltd Project Locations



Photo 2: Airborne MT Survey at Tolukuma Mine



Photo 3: EGL Airborne MT Capsule at the Minesite Helipad

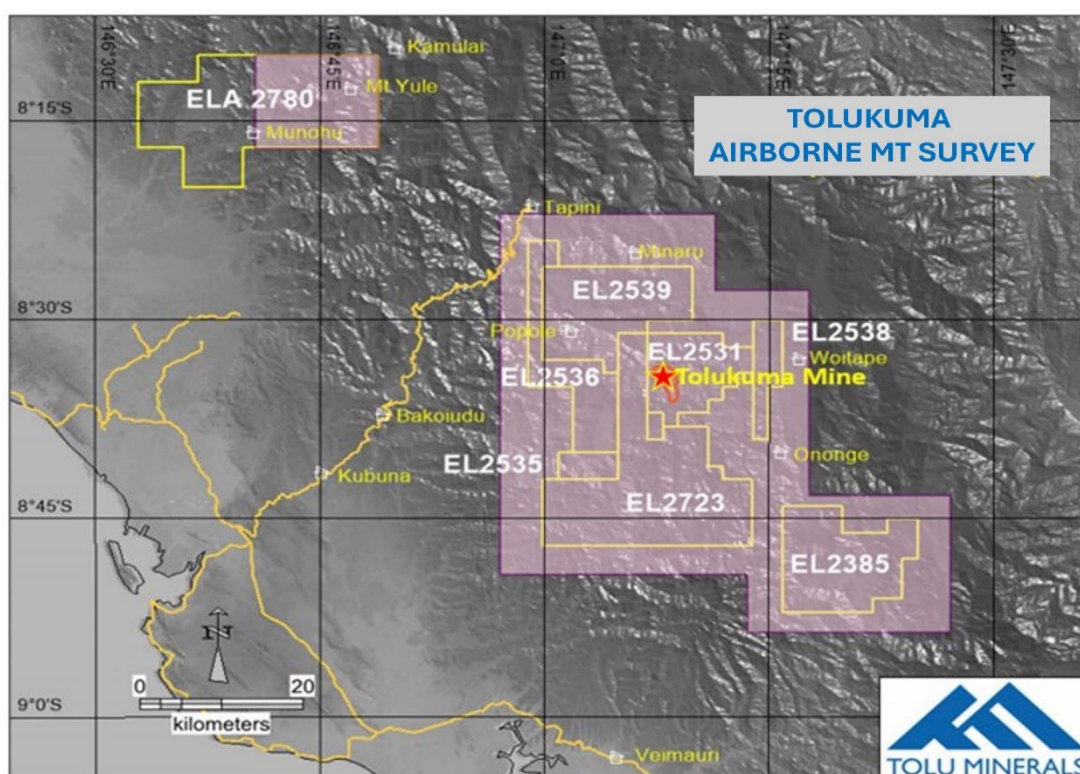


Figure 6: Airborne MT Survey Boundary over the Tolukuma Tenements

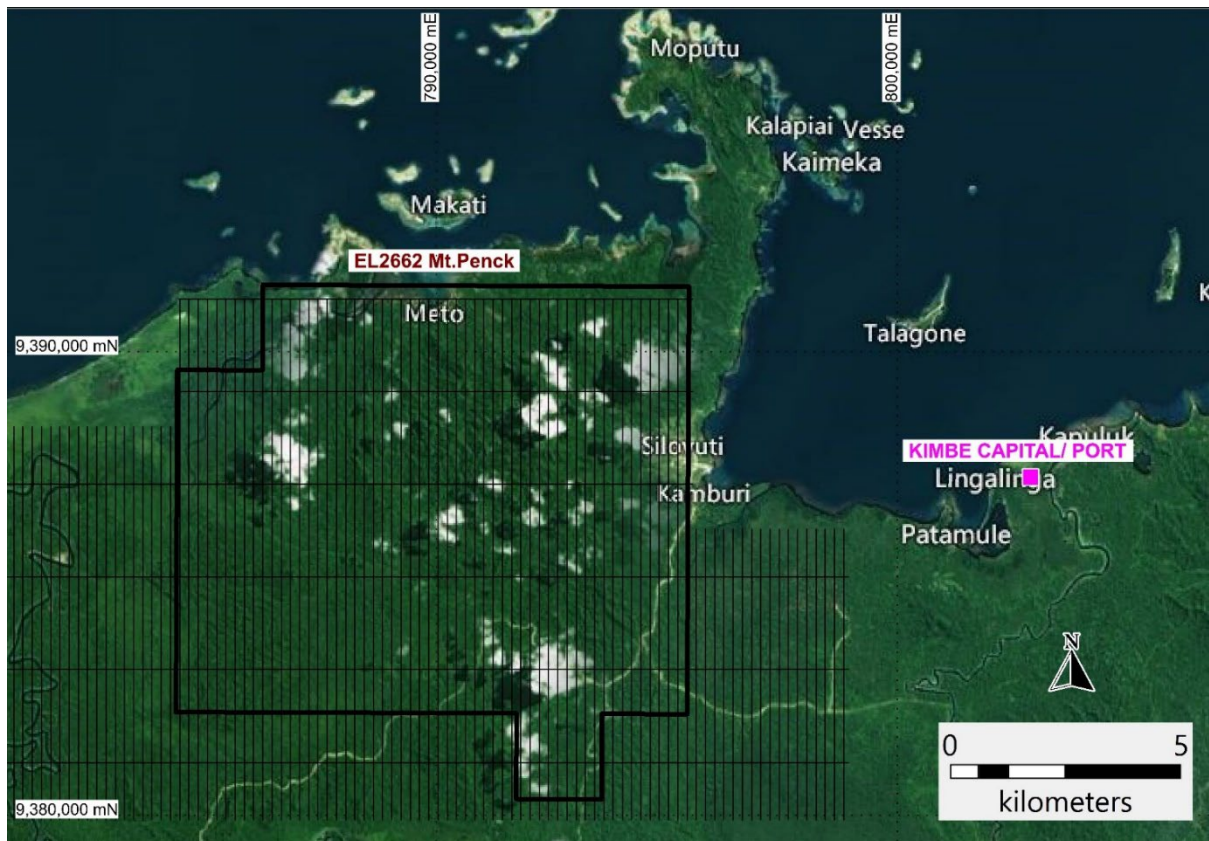


Figure 7: Airborne MT Survey planned flight lines over the Mt Penck Tenement, New Britain Island

Mobile MT utilises naturally occurring electromagnetic fields from three orthogonal induction coils which is contained within an aerodynamic shaped capsule (see Photo 3 above) towed by helicopter 60m to 70m above the ground. In addition, magnetic data will be collected to assist in mapping sub-surface geology.

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, (see Figure 8). Existing infrastructure around Kimbe enables simple and reliable access to the project.

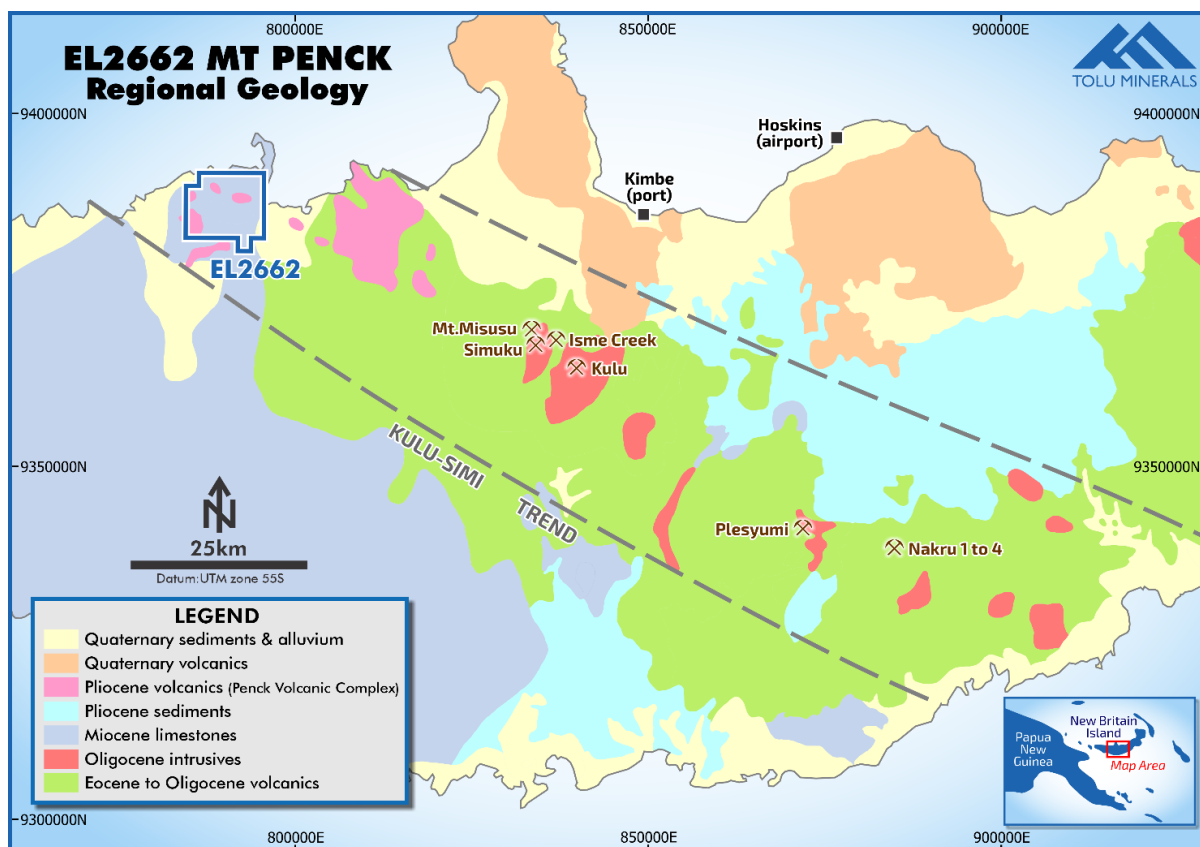


Figure 8: Location and Structural Setting of Mt Penck Project

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; and
- 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 which the Company is hoping will be even further refined following the MT survey.

From historical ground geophysical 3D-IP imagery (see Figure 9), 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 9). 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.

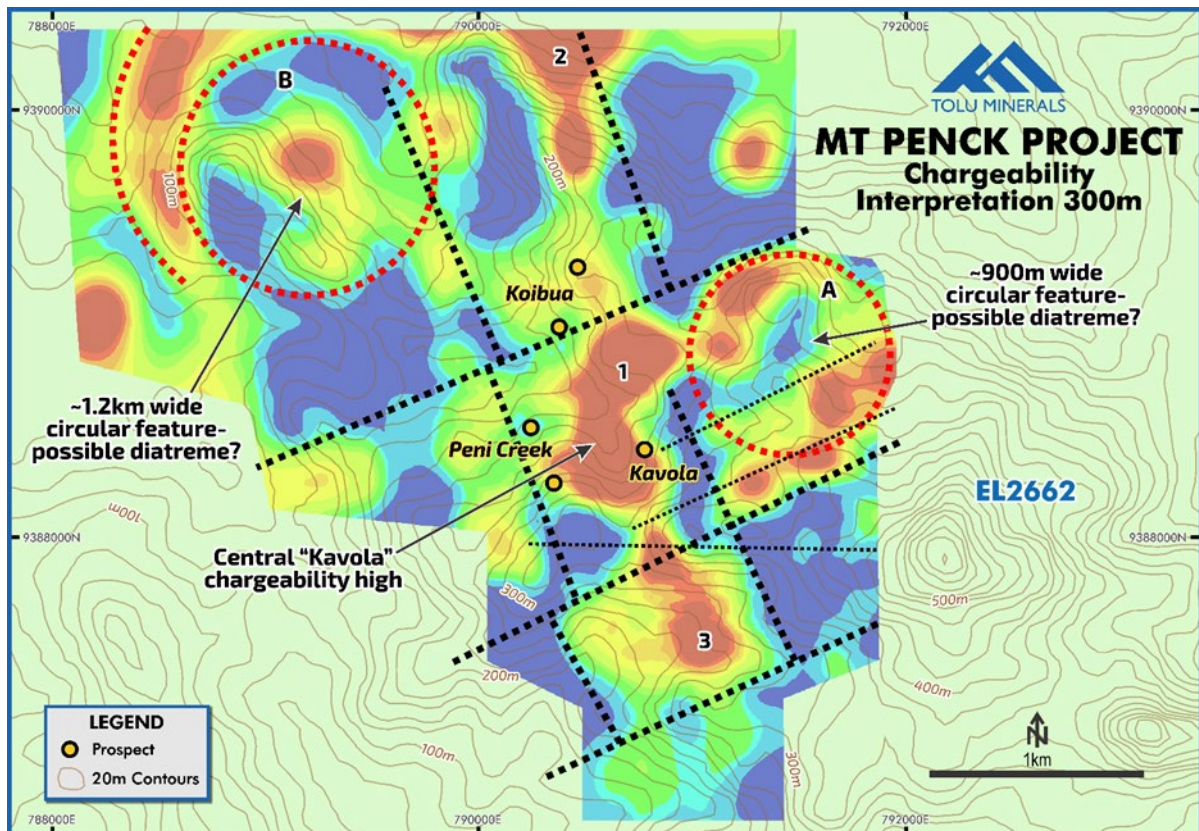


Figure 9: Chargeability Model at 300m Depth Showing Targets A and B

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 has 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 2) 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; and

- the number of veins intersected from surface trenching, trench and drilling grades at the Peni Creek prospect.

Mt Penck Project Gold Exploration Target – April 2024						
Project	Deposit	Rank	Low (tonnes)	High (tonnes)	Low (Au)	High (Au)
Mt Penck	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

Table 2: Mt Penck Exploration Target²

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Large Tonnage Porphyry Copper-Gold Target

From historical ground geophysics 3D-IP (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 10). 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

² *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.*

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).

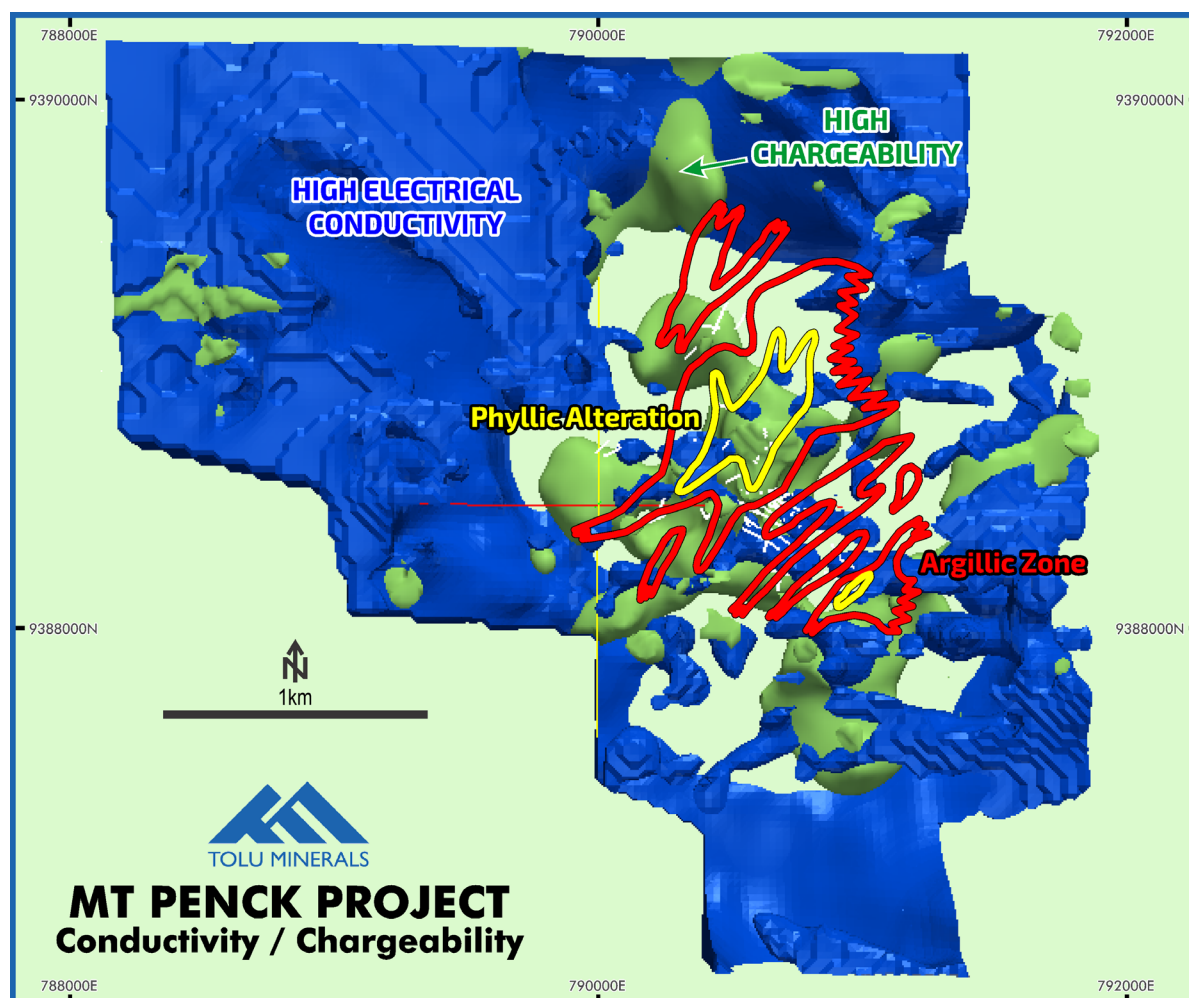


Figure 10: Historical 3D IP Conductivity (blue) and Chargeability (green) with Alteration

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 issued, 910,204 shares were issued on 27 June 2024 following shareholder approval at the General Meeting of the Company held on 20 June 2024 as they were subscribed for by the Managing Director and CEO Iain Macpherson and Non-executive Director Larry Andagali. Further issues post the approvals at the General Meeting included:

- 846,153 shares on conversion of the short-term convertible notes at the IPO price of \$0.50 including convertible notes issue to related parties of the Managing Director and CEO Iain Macpherson and Non-executive Director Larry Andagali;
- the Lead Manager of the placement, Argonaut Securities Pty Limited received 4,101,056 options; and
- 80,000 shares issued as sign on incentives to executives under the Employee Shares and Awards plan.

The company's current capital structure is as follows:

Security	Number
Shares – quoted	76,934,376
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	133,526,979
Performance rights -in escrow until 10 November 2025	2,750,000
Unquoted options exercisable at \$0.80 per option expiring 24 June 2026	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 April 2024	Mt Penck High Grade Gold and Polymetallic Feeder Zones and Exploration Targets
25 June 2024	Commencement of Airborne MT Survey

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 \$5,607,000 (including the MT survey and 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 30 June 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%	32.73	111.61	25-Feb-19	24-Feb-25
EL2385	Exploration License	100%	58	197.78	26-May-16	25-May-22
EL2535	Exploration License	100%	8	27.28	26-Jan-22	25-Jan-24
EL2536	Exploration License	100%	30	102.30	26-Jan-22	25-Jan-24
EL2538	Exploration License	100%	14	47.74	26-Jan-22	25-Jan-24
EL2539	Exploration License	100%	29	98.89	26-Jan-22	25-Jan-24
EL2723	Exploration License	100%	108	368.28	8-Nov-22	07-Nov-24
EL2662	Exploration License	100%	30	102.30	26-Oct-21	25-Oct-23
ELA2780	EL Application	100%	116	392.33	N/A	N/A
Total			425.73	1,456.2		

*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, EL2539 and EL2662 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. The final step is Ministerial Approval.

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. (NB The actual expenditure is higher due to the additional capital raise of \$8.8m completed in April 24 as noted above).

Use of Funds	Prospectus \$000s	Actual (3 Qtrs) \$000s
Pilot access service road	1,800	671
General Mobilisation	1,130	3,512
Site roads	216	-
Hydroelectric Refurbishment	212	-
Electrical Refurbishment	1,374	-
Underground Access	1,380	423
Underground Works	283	-
Bulk Sampling Gravity Circuit	1,347	1,233
Milihamba Exploration Drive and diamond drilling	1,131	-
Mineral resource development	737	-
Resource conversion	52	-
Tolukuma regional exploration	738	2,973
Mt Penck exploration	98	313
TMF studies	107	-
Off site	540	359
Acquisition of Frontier	500	500
Consultants	450	345
Working capital	3,314	2,249
Cost of the Offer inc. Legal	1,927	1,957
Total	17,336	14,535

ASX Listing Rule 5.3.5

A total of \$428,000 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

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Appendix 5B

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

Name of entity

Tolu Minerals Limited

ABN

35 657 300 359

Quarter ended ("current quarter")

30 June 2024

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(671)	(1,060)
	(e) administration and corporate costs	(587)	(969)
1.3	Dividends received (see note 3)		
1.4	Interest received	10	12
1.5	Interest and other costs of finance paid	(2)	(3)
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	(1,250)	(2,020)
2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements		
	(c) property, plant and equipment	(135)	(364)
	(d) exploration & evaluation	(5,607)	(6,860)
	(e) investments		
	(f) other non-current assets	(23)	(48)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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	(5,765)	(7,272)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	8,819	8,819
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	(511)	(511)
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	(7)	(12)
3.10	Net cash from / (used in) financing activities	8,301	8,296

4.	Net increase / (decrease) in cash and cash equivalents for the period	1,286	(996)
4.1	Cash and cash equivalents at beginning of period	10,334	12,617
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,250)	(2,020)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,765)	(7,272)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	8,301	8,296

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(1)	(2)
4.6	Cash and cash equivalents at end of period	11,619	11,619

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	11,619	10,334
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)	11,619	10,334

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	428
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.

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

7. Financing facilities <i>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.</i>	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)	(1,250)
8.2 (Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(5,607)
8.3 Total relevant outgoings (item 8.1 + item 8.2)	(6,857)
8.4 Cash and cash equivalents at quarter end (item 4.6)	11,619
8.5 Unused finance facilities available at quarter end (item 7.5)	-
8.6 Total available funding (item 8.4 + item 8.5)	11,619
8.7 Estimated quarters of funding available (item 8.6 divided by item 8.3)	1.7
<i>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.</i>	
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: Following the successful raise of \$8.8 million, the company has significantly accelerated its exploration activities including the airborne Magneto telluric survey and further project exploration and development works. This has led to significant expenditure and mobilisation costs incurred in this quarter as the activities were commenced and a number of upfront payments were made on commencement of planned work programs.	

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: The recently completed placement was well supported by existing shareholders and a number of leading global institutional gold funds. The company will continue to work closely with its investors to ensure that the company strategy of leveraging the existing Tolukuma Gold Mine to develop a substantial resource is well funded and supported.

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: The entity fully expects to continue to meet its business objectives and to continue its existing operations

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: 31 July 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.