



TOLU MINERALS LIMITED  
AND  
CONTROLLED ENTITIES

ARBN 657 300 359

ASX Half-Year Information – 30 June 2024  
Lodged with the ASX under Listing Rule 4.2A

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2023 and any public announcements made by Tolu Minerals Limited during the interim reporting period in accordance with continuous disclosure requirements.

## APPENDIX 4D HALF-YEAR REPORT TO THE AUSTRALIAN STOCK EXCHANGE

<b>Name of Entity</b>	Tolu Minerals Limited
<b>ARBN</b>	657 300 359
<b>Half-Year Ended</b>	30 June 2024
<b>Previous corresponding reporting period</b>	30 June 2023

### Results for Announcement to the Market

	\$'000	Percentage increase / (decrease) over previous corresponding period
Revenue from ordinary activities	-	-
Profit / (loss) from ordinary activities after tax attributable to members	\$(3,293)	(74%) increase to loss
Net Profit / (loss) for the period attributable to members	\$(3,293)	(74%) increase to loss
Dividends	Amount per security	Franked amount per security
Final dividend	Nil	Not applicable
Interim dividend	Nil	Not applicable
Record date for determining entitlements to the dividends (if any)		Not applicable
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Refer to the Directors' Report on page 7.		

### Dividends

Date the dividend is payable	Not applicable
Record date to determine entitlement to the dividend	-
Amount per security	-
Total dividend	-
Amount per security of foreign sourced dividend or distribution	-
Details of any dividend reinvestment plans in operation	-
The last date for receipt of an election notice for participation in any dividend reinvestment plans.	-

### NTA Backing

Net tangible asset backing per ordinary security	<b>30 June 2024</b>	<b>31 December 2023</b>
	18.87 cents	20.86 cents

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**APPENDIX 4D**  
**HALF-YEAR REPORT TO THE AUSTRALIAN STOCK EXCHANGE**

**Audit / Review Status**

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification: Not Applicable			

**Attachments Forming Part of Appendix 4D**

Attachment No.	Details
1	Financial Statements
Signed by (Managing Director & CEO)	
Print Name:	John Macpherson
Date:	13 September 2024



TOLU MINERALS LIMITED  
AND  
CONTROLLED ENTITIES

ARBN 657 300 359

Financial Statements for the  
Half-Year ended 30 June 2024

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## Directors' Report

Your Directors submit their report for Tolu Minerals Limited "the Company" and controlled entities "the Group" for the half-year ended 30 June 2024.

The financial statements are presented in Australian dollars which is the Company's presentation currency.

### Directors

The names of the Directors of the Company in office during the half-year and until the date of this report are:

- John (Iain) Macpherson
- John Anderson
- Howard Lole
- Larry Andagali
- Brian Moller (Resigned June 2024)

The directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

### Principal activity

The principal activity of the Company during the half-year was mine acquisition and evaluation activities. No significant change in the nature of these activities occurred during the half-year.

### Review of operations and results

For the half-year ended 30 June 2024, Tolu Minerals Limited reported a loss after tax of \$3,292,702 compared to a \$1,896,504 loss in the previous corresponding period

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 km<sup>2</sup> 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 (423km<sup>2</sup>), 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 204km<sup>2</sup> 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.

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## Directors' Report continued

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 OTCQX 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/>).

### Cash position

At 30 June 2024, the Group had cash reserves of \$11,618,823 and net current assets of \$9,424,647

### Dividends

Subsequent to 31 December 2023 the Directors have not recommended the payment of an interim dividend.

### Significant changes in state of affairs

There were no significant changes in the Company's state of affairs that occurred during the financial half-year, other than those referred to elsewhere in this report.



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## Directors' Report continued

### After balance date events

Other than as noted elsewhere in this report, there has been no other significant events post balance date.

Signed in accordance with a resolution of the Directors this 13th day of September 2024.



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John Macpherson – Managing Director & CEO

**TOLU MINERALS LIMITED ARBN: 657 300 359  
AND CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 30 JUNE 2024**

**Condensed Consolidated Statement of Profit or Loss &  
Other Comprehensive Income**

	Note	Consolidated Group	
		Jun-24	Jun-23
		\$	\$
<b>Revenue and other income</b>			
Other income	3	376,745	128,384
Interest income		12,077	-
<b>Total income</b>		<b>388,822</b>	<b>128,384</b>
<b>Expenses</b>			
Depreciation and amortisation expense	4	(109,722)	(11,150)
Employee benefits expense		(2,130,042)	(173,121)
Finance costs	4	(204,502)	(178,764)
Foreign currency gain loss		(65,693)	-
Legal and professional fees		(224,646)	(463,945)
Mine security and standby costs		-	(629,582)
Travel expenses		(444,619)	(428,230)
Fair value loss on financial liabilities through the profit or loss	8	(30,847)	-
Other expenses		(471,453)	(140,096)
		<b>(3,681,524)</b>	<b>(2,024,888)</b>
<b>Loss before tax income tax expense</b>		<b>(3,292,702)</b>	<b>(1,896,504)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(3,292,702)</b>	<b>(1,896,504)</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss in subsequent years (net of tax):</i>			
Translation of foreign operations		147,488	(51,154)
<b>Total other comprehensive income /(loss)</b>		<b>147,488</b>	<b>(51,154)</b>
<b>Total comprehensive profit (loss)</b>		<b>147,488</b>	<b>(51,154)</b>

The above consolidated statement of profit or loss & other comprehensive income should be read in conjunction with the accompanying notes.

**TOLU MINERALS LIMITED ARBN: 657 300 359  
AND CONTROLLED ENTITIES AS AT 30 JUNE 2024**

**Condensed Consolidated Statement of Financial Position**

	Note	Jun-24 \$	Dec-23 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	11,618,823	12,617,050
Receivables		725,424	261,361
Prepayments		143,904	183,667
<b>TOTAL CURRENT ASSETS</b>		<b>12,488,151</b>	<b>13,062,078</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	6	380,005	72,824
Intangible assets	6	23,343	-
Lease assets	9	286,504	19,229
Security deposits		48,803	-
Mine tenements, information and other assets	7	17,983,838	10,602,074
<b>TOTAL NON-CURRENT ASSETS</b>		<b>18,722,493</b>	<b>10,694,127</b>
<b>TOTAL ASSETS</b>		<b>31,210,644</b>	<b>23,756,205</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	2,893,099	1,143,073
Lease liabilities	9	132,843	21,151
Borrowings	11	-	397,494
Provisions		37,562	17,156
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,063,504</b>	<b>1,578,874</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities	9	164,229	-
Borrowings	11	4,536,209	4,347,386
Financial liabilities at fair value	8	641,984	611,137
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>5,342,422</b>	<b>4,958,523</b>
<b>TOTAL LIABILITIES</b>		<b>8,405,926</b>	<b>6,537,397</b>
<b>NET ASSETS</b>		<b>22,804,718</b>	<b>17,218,808</b>
<b>EQUITY</b>			
Issued capital	12	35,470,526	26,739,403
Reserves	13	(792,664)	(940,153)
Accumulated losses		(11,873,144)	(8,580,442)
<b>TOTAL EQUITY</b>		<b>22,804,718</b>	<b>17,218,808</b>

The above consolidated statement of financial position should be read  
in conjunction with the accompanying notes.

**TOLU MINERALS LIMITED ARBN: 657 300 359  
AND CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 30 JUNE 2024**

**Condensed Consolidated Statement of Changes in Equity**

	Share Capital	Accumulated Losses	Reserves	Total
	Note 12		Note 13	
	\$	\$	\$	\$
<b>Consolidated Group</b>				
<b>Balance at 1 January 2023</b>	8,337,859	(3,673,328)	460,512	5,125,043
<b>Comprehensive income</b>				
Profit for the period	-	(4,907,114)	-	(4,907,114)
Other comprehensive loss for the period	-	-	(1,400,664)	(1,400,664)
<b>Total comprehensive income / (loss) for the period</b>	-	(4,907,114)	(1,400,664)	(6,307,778)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>				
Shares issued during the period	18,835,795	-	-	18,835,795
Transaction costs	(434,251)	-	-	(434,251)
Share-based payments	-	-	-	-
<b>Total transactions with owners and other transfers</b>	18,401,544	-	-	18,401,544
<b>Balance at 31 December 2023</b>	26,739,403	(8,580,442)	(940,152)	17,218,809
<b>Comprehensive income</b>				
Profit for the period	-	(3,292,702)	-	(3,292,702)
Other comprehensive loss for the period	-	-	147,488	147,488
<b>Total comprehensive gain/ (loss) for the period</b>	-	(3,292,702)	147,488	(3,145,214)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>				
Shares issued during the period	9,241,767	-	-	9,241,767
Transaction costs	(510,644)	-	-	(510,644)
Share-based payments	-	-	-	-
<b>Total transactions with owners and other transfers</b>	8,731,123	-	-	8,731,123
<b>Balance at 30 June 2024</b>	35,470,526	(11,873,144)	(792,664)	22,804,718

The above consolidated statement of changes in equity should be read  
in conjunction with the accompanying notes.

**TOLU MINERALS LIMITED ARBN: 657 300 359  
AND CONTROLLED ENTITIES FOR THE HALF-YEAR ENDED 30 JUNE 2024**

## Condensed Consolidated Statement of Cash Flows

	Note	Consolidated Group	
		Jun-24 \$	Jun-23 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(1,628,845)	(1,275,544)
Interest received		11,661	-
Finance costs		(5,546)	(2,246)
<b>Net cash used in operating activities</b>		<b>(1,622,730)</b>	<b>(1,277,790)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment	6	(337,021)	-
Payments for exploration & evaluation	7	(7,202,259)	-
Purchase of intangible assets	6	(26,934)	-
Payments for other non-current assets		(48,386)	-
<b>Net cash provided investing activities</b>		<b>(7,614,600)</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of shares	12	8,818,689	-
Principal repayments - lease liabilities	9	(68,943)	(10,503)
Transaction costs on shares	12	(510,644)	-
<b>Net cash provided by financing activities</b>		<b>8,239,102</b>	<b>(10,503)</b>
Net increase / (decrease) in cash held		(998,228)	(1,288,293)
Effect of exchange rates on cash holdings in foreign currencies		1	(31,532)
Cash and cash equivalents at beginning of financial year		12,617,050	1,461,638
<b>Cash and cash equivalents at end of financial year</b>		<b>11,618,823</b>	<b>141,813</b>

The above consolidated statement of cash flows should be read  
in conjunction with the accompanying notes.

## **Notes to the Financial Statements for the Half-Year Ended 30 June 2024**

### **NOTE 1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

#### **(a) Reporting Entity**

These financial statements for the interim half-year reporting period ended 30 June 2024 and have been prepared in accordance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

Tolu Minerals Limited (Parent) a company limited by shares incorporated in Papua New Guinea whose shares are publicly traded on the Australian Stock Exchange (ASX Code: TOK).

The consolidated interim financial report of the Group as at and for the six months ended 30 June 2024 comprises the Parent Company and its subsidiaries (together referred to as 'the Group').

Tolu Minerals Limited is a for-profit entity for the purpose of preparing the financial statements.

These financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2023.

#### **(b) New or Amended Accounting Standards and Interpretations adopted**

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

The Company has adopted all the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

#### **(c) Foreign Currency Transactions and Balances**

##### *Functional and presentation currency*

The financial statements are presented in Australian dollars which is the company's presentation currency. The Company's functional currency is Papua New Guinea Kina.

##### *Transactions and Balances*

Transactions undertaken in foreign currencies are recognised in the Company's functional currency, using the spot rate at the date of the transaction.

Foreign currency monetary items that are outstanding at the reporting date (other than monetary items arising under foreign currency contracts where the exchange rate for that monetary item is fixed in the contract) are restated to the spot rate at the reporting date.

Except for certain foreign currency hedges, all exchange gains or losses are recognised in profit or loss for the period in which they arise.

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## Notes to the Financial Statements for the Half-Year Ended 30 June 2024 continued

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

#### (d) Going Concern

The financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

The Group incurred a loss from ordinary activities of \$3,292,702 during the half-year ended 30 June 2024 (Jun 2023: \$1,896,504).

In November 2023 the Company completed a successful raising of approximately A\$17.3 million as part of its listing on the ASX. In addition, a further A\$8.8 million was raised in April 2024.

The funds have been raised to meet:

- the Company's expenditure commitments and operating costs in relation to exploration costs on the Tolukuma Project and the Mt Penck Project.
- general working capital requirements.
- corporate overhead and administrative costs; and
- the operating costs of the Company.

On this basis no adjustments have been made to the financial report relating to the recoverability and classification of the carrying amount of assets or the amount and classification of liabilities that might be necessary should the company not continue as a going concern. Accordingly, the financial report has been prepared on a going concern basis.

#### (e) Basis of Consolidation and Equity Accounting

The consolidated financial statements comprise the financial statements of the Group as at, and for the period ended. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- The rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

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## Notes to the Financial Statements for the Half-Year Ended 30 June 2024 continued

### NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

#### (e) Basis of Consolidation and Equity Accounting Continued

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### (f) Estimates

The preparation of interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year end 31 December 2023.

#### (g) Comparative Figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation for the current financial year where required by accounting standards or because of changes in accounting policy.

#### (h) Rounding of Amounts

Amounts in the financial statements have been rounded off in accordance with the instrument to the nearest the nearest dollar.



## Notes to the Financial Statements for the Half-Year Ended 30 June 2024 continued

### NOTE 2: OPERATING SEGMENTS

The Company's operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')), in assessing performance and in determining the allocation of resources.

The Directors are of the opinion that there is one reportable segment as the CODM reviews results, assesses performance and allocates resources at a company level.

### NOTE 3: OTHER INCOME

	Consolidated Group	
	Jun-24	Jun-23
	\$	\$
Refund of ASX listing costs (i)	-	128,384
Refund of legal fees (ii)	368,878	-
Other	7,867	-
	376,745	128,384

- (i) Represents the refund of initial ASX listing fees.  
(ii) Represents the write back of legal fees

### NOTE 4: OPERATING PROFIT

	Note	Consolidated Group	
		Jun-24	Jun-23
		\$	\$
Losses before income tax has been determined after:			
<i>Finance costs</i>			
- Lease Liabilities - finance charges	9	3,622	2,246
- Convertible notes	11	194,050	176,518
- Other		6,830	-
		204,502	178,764
<i>Depreciation and amortisation expense</i>			
- Property, plant and equipment	6	29,338	799
- Intangible assets	6	3,591	-
- Lease assets	9	76,793	10,351
		109,722	11,150

## Notes to the Financial Statements for the Half-Year Ended 30 June 2024 continued

### NOTE 5: CASH AND CASH EQUIVALENTS

	Consolidated Group	
	Jun-24	Dec-23
	\$	\$
Cash at bank	11,618,823	12,617,050
	11,618,823	12,617,050

### NOTE 6: PROPERTY PLANT AND EQUIPMENT & INTANGIBLES

#### Property Plant and Equipment

	Consolidated Group	
	Jun-24	Dec-23
	\$	\$
Computer equipment at cost	49,039	8,017
Accumulated depreciation	(7,110)	(1,834)
	41,929	6,183
Office equipment at cost	18,419	7,207
Accumulated depreciation	(3,380)	(1,813)
	15,039	5,394
Mining equipment at cost	82,712	3,016
Accumulated depreciation	(3,696)	(859)
	79,016	2,157
Motor vehicles at cost	265,045	60,685
Accumulated depreciation	(21,024)	(1,595)
	244,021	59,090
Total property plant and equipment	380,005	72,824

#### Intangibles

	Consolidated Group	
	Jun-24	Dec-23
	\$	\$
Software & other intangible assets	26,934	-
Accumulated amortisation	(3,591)	-
	23,343	-
Total Intangible assets	23,343	-

## Notes to the Financial Statements for the Half-Year Ended 30 June 2024 continued

### NOTE 6: PROPERTY PLANT AND EQUIPMENT & INTANGIBLES CONTINUED

#### Movements in Carrying Amounts

Movements in carrying amounts for each class of property, plant and equipment and intangible assets between the beginning and the end of the current financial year.

	Computer equipment	Office equipment	Mining equipment at cost	Motor vehicles	Total property plant and equipment	Software & other intangible assets	Total Intangible assets
	\$	\$	\$	\$	\$	\$	\$
<b>Balance at 31 Dec 2022</b>	1,833	7,253	2,629	-	11,715	-	-
Additions	5,144	-	-	60,686	65,830	-	-
Depreciation expense	(805)	(1,313)	(280)	(1,693)	(4,091)	-	-
Exchange rate differences	11	(546)	(192)	97	(630)	-	-
<b>Balance at 31 Dec 2023</b>	<b>6,183</b>	<b>5,394</b>	<b>2,157</b>	<b>59,090</b>	<b>72,824</b>	-	-
Additions	41,022	11,212	79,690	204,360	336,284	26,934	26,934
Depreciation expense	(5,276)	(1,577)	(3,056)	(19,429)	(29,338)	-	-
Amortisation expense	-	-	-	-	-	(3,591)	(3,591)
Exchange rate differences	-	10	225	-	235	-	-
<b>Balance at 30 Jun 2024</b>	<b>41,929</b>	<b>15,039</b>	<b>79,016</b>	<b>244,021</b>	<b>380,005</b>	<b>23,343</b>	<b>23,343</b>

### NOTE 7: MINE TENEMENTS, INFORMATION AND OTHER ASSETS

	Consolidated Group		
	Note	Jun-24	Dec-23
		\$	\$
<i>Mine tenements, information and other assets at cost</i>		17,983,838	8,149,722
<i>Reconciliation of mine tenements, information and other assets at cost</i>			
Opening carrying amount		10,602,074	8,355,899
Additions - subsequent expenditure		7,202,258	-
Additions - EL 2531	8	-	2,616,972
Net foreign exchange movement		179,506	(370,797)
Closing carrying amount		17,983,838	10,602,074

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

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## Notes to the Financial Statements for the Half-Year Ended 30 June 2024 continued

### NOTE 8: FRONTIER SHARE SALE AGREEMENT

On 6 December 2022 the Group entered into an agreement Lanthanein Resources Limited (Lanthanein) to acquire 100% of the issued share capital of Frontier Copper PNG Ltd (Frontier).

Frontier is a PNG based mining company and holds the Tolukuma exploration licence EL2531 which surrounds the Tolukuma gold mine.

The acquisition of Frontier aligns with the Group's evolving plans to further accelerate the development of its exploration portfolio, and its plans on returning the Tolukuma mine to production in the relatively near term.

#### Purchase consideration

Pursuant to the agreement, the purchase consideration was as follows:

	\$
Cash paid	500,000
3,000,000 shares issued (refer note 12)	1,500,000
Contingent consideration	611,137
<b>Total Purchase consideration</b>	<b>2,611,137</b>

The fair value of the 3,000,000 shares issued as part of the consideration paid for Frontier (\$1.5m) was based on the listing price of \$0.50 per share on 10 November 2023.

#### Net assets acquired

The assets and liabilities recognised as a result of the acquisition are as follows:

	\$
Tenement deposits	2,616,972
Payables	(5,835)
<b>Net assets acquired</b>	<b>2,611,137</b>

#### Contingent consideration

If within 5 years of completion under the Frontier Share Sale Agreement, the Group identifies an aggregate minimum of 500,000 ounces of gold of not less than a JORC (2012) indicated category on the Frontier Tenements (Milestone), the Group must make a further payment to Lanthanein of A\$1,000,000, payable at the election of the Group as follows:

- (a) by way of cash;
- (b) if the Group has completed an IPO on the ASX, by the issue of shares at an issue price equal to the VWAP of the Shares over the last 30 days in which trading occurred in the Group's shares prior to the announcement of the satisfaction of the Milestone; or
- (c) a combination of (a) and (b).

## Notes to the Financial Statements for the Half-Year Ended 30 June 2024 continued

### NOTE 8: FRONTIER SHARE SALE AGREEMENT CONTINUED

At the time of the sale, the fair value of the contingent consideration was valued at A\$611,137 and was recognised as a financial liability in the statement of financial position, discounted at 10.35% p.a.

At 30 June 2024, the fair value was determined to be A\$641,984 as detailed below.

*Fair value of financial liability*

	Jun-24	Dec-23
	\$	\$
Opening Balance	611,137	-
Initial recognition	-	611,137
Movement in fair value	30,847	-
	641,984	611,137

### NOTE 9: LEASE ASSETS AND LEASE LIABILITIES

	Consolidated Group	
	Jun-24	Dec-23
	\$	\$
<b>(a) Lease assets</b>		
<i>Premises</i>		
Under lease	402,666	57,687
Accum Amortisation	(116,162)	(38,458)
Total carrying value of lease assets	286,504	19,229
<b>Reconciliations</b>		
Reconciliation of the carrying amount of lease assets a at the beginning and end of the financial year :		
<i>Premises</i>		
Opening carrying amount	19,229	41,273
Additions	382,402	-
Revaluation of existing lease	(37,423)	-
Depreciation expense	(76,793)	(20,107)
Net forex movement	(911)	(1,937)
Closing carrying amount	286,504	19,229

## Notes to the Financial Statements for the Half-Year Ended 30 June 2024 continued

### NOTE 9: LEASE ASSETS AND LEASE LIABILITIES CONTINUED

	Consolidated Group	
	Jun-24	Dec-23
	\$	\$
<b>(b) Lease Liabilities</b>		
<b>CURRENT</b>		
Lease liabilities	132,843	21,151
<b>NON CURRENT</b>		
Lease liabilities	164,229	-
Total carrying amount of lease liabilities	297,072	21,151
<b>Reconciliations</b>		
Reconciliation of the carrying amount of lease liabilities at the beginning and end of the financial year :		
Opening carrying amount	21,151	43,268
Additions	341,242	-
Lease Repayments	(68,943)	(24,363)
Interest	3,622	2,246
Net forex movement	-	-
Closing carrying amount	297,072	21,151

### NOTE 10: TRADE AND OTHER PAYABLES

	Consolidated Group	
	Jun-24	Dec-23
	\$	\$
<b>CURRENT</b>		
<i>Unsecured Liabilities</i>		
Trade creditors	2,451,007	881,159
Other payables	341,670	234,510
Employee related payables	94,576	27,404
	2,887,253	1,143,073

## Notes to the Financial Statements for the Half-Year Ended 30 June 2024 continued

### NOTE 11: BORROWINGS

		Consolidated Group	
Note	Jun-24	Dec-23	
	\$	\$	
<b>(a) Convertible notes</b>			
CURRENT			
<i>Unsecured Liabilities</i>			
Convertible Notes	-	397,494	
<b>Reconciliation</b>			
Opening Balance	397,494	-	
Convertible Note proceeds	-	388,029	
Accrued Interest	13,828	11,687	
Convertible Notes converted to equity	12 (423,078)	-	
Changes in foreign currency translation	11,756	(2,222)	
Closing Balance	-	397,494	
NON CURRENT			
<i>Unsecured Liabilities</i>			
Convertible Notes	4,536,209	4,347,386	
<b>Reconciliation</b>			
Opening Balance	4,347,386	4,300,080	
Accrued Interest	180,222	359,144	
Changes in foreign currency translation	8,601	(311,838)	
Closing Balance	4,536,209	4,347,386	

#### (a) Convertible notes

##### *Current*

During the financial year ended 31 December 2023, the company entered into Converting Note Agreements with various parties, denominated in Papua New Guinea Kina (K375,000) and Australian Dollars (A\$240,000).

The notes were issued with an initial maturity date of 31 December 2023 and bear interest at 8.5% p.a. The notes were to be repaid on the earlier of the conversion date, the maturity date or the early redemption date.

On 20 June 2024 the convertible notes were converted into shares at the conversion price of A\$0.50 per share (Note 12).

## Notes to the Financial Statements for the Half-Year Ended 30 June 2024 continued

### NOTE 11: BORROWINGS CONTINUED

#### *Non-current*

On 24 August 2022, the Company entered into a Convertible Note Deed with Petroleum Resources Kutubu Limited (PRK), a subsidiary of Mineral Development Resource Company for an amount of 10,000,000 Papua New Guinea Kina. The Company has granted a registered first ranking security interest over ML 104 and all the assets situated upon ML 104 pursuant to a general security deed. The notes issued to PRK have a 5-year maturity date expiring on 24 August 2027 and will bear interest at the rate of 8.5% p.a.

In the event of an IPO, the Noteholder is entitled to convert the notes into shares at a conversion price being the 15-day VWAP for trading of the Company's shares on ASX immediately prior to the issue of the conversion notice. PRK may exercise their right to convert the notes at any time and the Company must redeem the notes at face value on the maturity date.

In addition, the Company has an early redemption right exercisable at any time over the 5-year period at 103% of the face value of the notes. Interest shall be capitalised annually in arrears and repaid on the earlier of the conversion date, the maturity date or the early redemption date.

### NOTE 12: SHARE CAPITAL

	Consolidated Group	
	Jun-24	Dec-23
	\$	\$
133,446,976 fully paid ordinary shares; (Dec 2023: 114,963,447 fully paid ordinary shares)	36,415,421	27,173,654
Cost of capital raising	(944,895)	(434,251)
	35,470,526	26,739,403
<b>Ordinary Shares</b>	<b>No. Shares</b>	<b>\$</b>
<b>31 December 2022 share capital</b>	77,291,857	8,337,859
Share issue - 10 November 2023	34,671,590	17,335,795
Share issue - 10 November 2023	3,000,000	1,500,000
Transaction costs relating to capital raising	-	(434,251)
<b>31 December 2023 share capital</b>	114,963,447	26,739,403
Share issue - 29 April 2024	16,727,175	8,363,588
Share issue - 20 June 2024	846,153	423,078
Share issue - 27 June 2024	910,201	455,101
Transaction costs relating to capital raising	-	(510,644)
<b>30 June 2024 share capital</b>	133,446,976	35,470,526

- On 10 November 2023 - 34,671,590 ordinary shares were issued for consideration of A\$0.50 per share as part of initial listing on the ASX.



## Notes to the Financial Statements for the Half-Year Ended 30 June 2024 continued

### NOTE 12: SHARE CAPITAL CONTINUED

- On 10 November 2023 – 3,000,000 shares were issued for consideration of A\$0.50 per share as part of the purchase of company Frontier Copper PNG Ltd (refer note 8).
- On 29 April 2024 – 16,727,175 shares were issued for consideration of A\$0.50 per share as part of a share placement.
- On 20 June 2024 – 846,153 shares were issued for consideration of A\$0.50 per share as part of a convertible note debt conversion (refer note 11).
- On 27 June 2024 – 910,201 shares were issued for consideration of A\$0.50 per share as part of a share placement.

#### Rights of each type of share

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

#### Capital management

When managing capital, management's objective is to ensure the company continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. This is achieved through the monitoring of historical and forecast performance and cash flows.

### NOTE 13: RESERVES

	Other Reserves \$	Foreign currency translation \$	Total \$
Balance at 31 December 2022	184,887	275,625	460,512
Foreign currency translation	-	(1,400,664)	(1,400,664)
Balance at 31 December 2023	184,887	(1,125,039)	(940,152)
Foreign currency translation	-	147,488	147,488
<b>Balance at 30 June 2024</b>	<b>184,887</b>	<b>(977,551)</b>	<b>(792,664)</b>

The foreign currency translation reserve is used to record the exchange differences arising on translation of a foreign entity.

The other reserve is used to record the initial recognition and measurement of the converting loans (which are interest free) under the effective interest rate method for loan holders who are shareholders.

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## Notes to the Financial Statements for the Half-Year Ended 30 June 2024 continued

### NOTE 14: RELATED PARTY TRANSACTIONS

- (a) Transactions with key management personnel of the entity or its parent and their personally related entities:

	Consolidated Group	
	Jun-24	Jun-23
	\$	\$
Payments to related entities of Iain Macpherson (CEO)	-	108,784
	-	108,784

At 30 June 2024 there were no payments outstanding to related parties.

The comparative balance represents consultancy fees paid to a related entity of Iain Macpherson. These transactions were made at arm's length.

### NOTE 15: SUBSEQUENT EVENTS

Other than as disclosed elsewhere in the report, there have been no significant events after balance date.

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## Directors' Declaration

In accordance with a resolution of the Directors of Tolu Minerals Limited, I state that:

In the opinion of the Directors:

1. The financial statements and notes, as set out on pages 9 – 26 are in accordance with the PNG Companies Act 1997 including:
  - i. complying with Accounting Standards, the Companies Act 1997 and other mandatory professional reporting requirements; and
  - ii. give a true and fair view of the Company's and Group's financial position as at 30 June 2024 and performance, as represented by the results of its operations and its cash flows, for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



John Macpherson  
Managing Director & CEO

13 September 2024

## **Independent auditor's review report to the members of Tolu Minerals Limited**

### **Report on the half-year financial report**

#### **Conclusion**

We have reviewed the half-year financial report of Tolu Minerals Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated balance sheet as at 30 June 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Tolu Minerals Limited does not comply with the Corporations Act 2001 including:

1. giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

#### **Basis for conclusion**

We conducted our review in accordance with ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity (ASRE 2410). Our responsibilities are further described in the Auditor's responsibilities for the review of the half-year financial report section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

#### **Responsibilities of the directors for the half-year financial report**

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

## **Auditor's responsibilities for the review of the half-year financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including giving a true independent auditor's report to the members of Tolu Minerals Limited half-year ended on that date and complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Kowas Chartered Accountants**

A handwritten signature in black ink, appearing to read "Fred Kowas", written in a cursive style.

Fred Kowas  
**Partner**  
**Port Moresby**

13<sup>th</sup> September 2024