

Prospectus

Tolu Minerals Limited

ARBN 657 300 359

Prospectus for the offer of a minimum of 30,000,000 Shares at an Offer Price of A\$0.50 per Share to raise A\$15,000,000 (**Minimum Subscription**) and up to a maximum of 40,000,000 Shares at an Offer Price of A\$0.50 per Share to raise A\$20,000,000 (**Maximum Subscription**).

The Prospectus is also issued to facilitate the secondary trading of the Frontier Shares and the MRDC Shares so as to enable the Frontier Shares and the MRDC Shares to be on-sold in Australia without any trading restrictions.

The Offer is conditional upon satisfaction (or waiver) of the Conditions, which are described in the Investment Overview and set out in Section 2.2 of this Prospectus. No Shares will be issued under this Prospectus until such time as the Conditions are satisfied (or waived).

Joint Lead Managers:

Blue Ocean Equities Pty Ltd
ACN 151 186 935



Martin Place Securities Pty Ltd
ACN 159 611 060



Foreign Brokers:

Amvest Capital Inc.
(acting through Delphos MMJ LP)



Stifel Nicolaus Canada Inc.



This document is important and it should be read in its entirety. If you are in any doubt as to the contents of this document, you should consult your stockbroker, solicitor, professional adviser, banker, accountant or other professional adviser without delay.

This Prospectus is issued pursuant to section 710 of the *Corporations Act 2001* (Cth).

The securities offered by this Prospectus are considered to be highly speculative.

Important Information

Offer

The offer contained in this prospectus (this **Prospectus**) is an offer of a Minimum Subscription of 30,000,000 Shares and a Maximum Subscription of 40,000,000 Shares in Tolu Minerals Limited ARBN 657 300 359 (**Tolu**, the **Company**, **we** or **us**) for subscription at an offer price of A\$0.50 per Share to raise a minimum of A\$15,000,000 and up to a maximum of A\$20,000,000 (**Offer**). This Prospectus is issued by the Company for the purposes of Chapter 6D of the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Offer under this Prospectus is subject to the Conditions, which are described in the Investment Overview and in Section 2.2 of this Prospectus. No Shares will be issued under this Prospectus until such time as the Conditions are satisfied (or waived). In the event that these Conditions are not met (or waived), then the listing of Tolu on the Australian Securities Exchange (**ASX**) will not proceed and all Application Monies received will be returned to Applicants without interest.

Frontier Shares

This Prospectus is also issued for the purposes of offering the Frontier Shares which are to be issued to Lanthanein Resources Limited ACN 095 684 389 (**Lanthanein**) pursuant to the Frontier Share Sale Agreement. For further details see Section 9.4 of this Prospectus.

MRDC Shares

This Prospectus is also issued for the purposes of offering the MRDC Shares which may be issued to the Noteholder (or its nominee) pursuant to the Convertible Note Deed. For further details see Section 9.6 of this Prospectus.

Lodgement and listing

This Prospectus is dated 10 August 2023 and a copy of this Prospectus was lodged with the Australian Securities and Investments Commission (**ASIC**) on that date. The Company will apply to the ASX for admission of the Company to the official list of the ASX (the **Official List**) within seven days after the date of this Prospectus. The fact that the ASX may admit the Company to its Official List is not to be taken in any way as an indication of the merits of the Shares, the Offer or the Company.

ASIC, the ASX and their officers take no responsibility for the contents of this Prospectus or the merit of the investment to which this Prospectus relates.

Expiry Date

No Shares will be allotted or issued on the basis of this Prospectus after 13 months from the date of this Prospectus.

Exposure Period

The Corporations Act prohibits the Company from processing applications to subscribe for Shares under the Offer (**Application**) during the seven day period after the date of lodgement of this Prospectus (the **Exposure Period**). This period may be extended by ASIC for a further seven days. This period is an Exposure Period to enable market participants to examine this Prospectus prior to the raising of funds under the Offer. Applications received during the Exposure Period will not be processed until after the expiry of the Exposure Period. No preference will be conferred on Applications received during the Exposure Period.

Notice to Applicants

The information in this Prospectus is not financial product advice and does not take into account your investment objectives, financial situation or particular needs. This Prospectus should not be construed as financial, taxation, legal or other advice. The Company is not licensed to provide financial product advice in respect of its securities or any other financial products.

This Prospectus is important, and you should read it in its entirety, along with each of the documents incorporated by reference, prior to deciding whether to invest in the Company's Shares. There are risks associated with an investment in the Shares, and you must regard the Shares offered under this Prospectus as a highly speculative investment. Some of the risks that you should consider are set out in Section 4 of this Prospectus. You should carefully consider these risks in light of your personal circumstances including financial and taxation issues. There may also be additional risks that you should consider in light of your personal circumstances.

If you do not fully understand this Prospectus or are in doubt as to how to analyse or interpret it, you should seek professional guidance from your stockbroker, solicitor, banker, accountant or other professional advisor before deciding whether to invest in the Shares.

No person named in this Prospectus guarantees the Company's performance or any return on investment or any return of capital made pursuant to this Prospectus.

International offer restrictions

This Prospectus does not constitute a public offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. No action has been taken to register or qualify the Shares or the Offer, or to otherwise permit a public offering of the Shares in any jurisdiction outside Australia or New Zealand. In particular, this Prospectus may only be distributed in the US to Institutional Investors by a US broker-dealer and only if this Prospectus is accompanied by a US Offering Circular.

There may be legal restrictions related to the distribution of this Prospectus (including in electronic form) outside Australia and New Zealand, and therefore any person who resides outside Australia or New Zealand, and who receives this Prospectus outside Australia or New Zealand, should observe, any such restrictions, including those set forth below.

The Company will not offer to sell, nor solicit an offer to purchase, any securities in any jurisdiction where such offer, sale or solicitation may be unlawful. Any failure to comply with these restrictions may constitute violation of applicable securities laws.

This Prospectus does not constitute an offer of Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia and New Zealand, except to the extent permitted below.

New Zealand

This Offer to New Zealand investors is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that act. In New Zealand,

this is subpart 6 of Part 9 of the *Financial Markets Conduct Act 2013* and Part 9 of the *Financial Markets Conduct Regulations 2014*.

This Offer and the content of the Offer document are principally governed by Australian rather than New Zealand law. The Corporations Act and the regulations made under that act set out how the Offer must be made.

There are differences in how financial products are regulated under Australian law. For example, the disclosure of fees for managed investment schemes is different under the Australian regime.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian financial products may differ from the rights, remedies, and compensation arrangements for New Zealand financial products.

Both the Australian and New Zealand financial markets regulators have enforcement responsibilities in relation to this Offer. If you need to make a complaint about this Offer, please contact the Financial Markets Authority, New Zealand (<https://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation of Australian financial products is not the same as for New Zealand financial products.

If you are uncertain about whether this investment is appropriate for you, you should seek the advice of a financial advice provider.

The Offer may involve a currency exchange risk. The currency for the financial products is not New Zealand Dollars. The value of the financial products will go up or down according to changes in the exchange rate between that currency and New Zealand Dollars. These changes may be significant.

If you expect the financial products to pay any amounts in a currency that is not New Zealand Dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand Dollars.

If the financial products are able to be traded on a financial product market and you wish to trade the financial products through that market, you will have to make arrangements for a participant in that market to sell the financial products on your behalf. If the financial product market does not operate in New Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Papua New Guinea

This Prospectus has not been, and will not be, authorised by or registered with the Securities Commission of Papua New Guinea (SCPNG) pursuant to the *Capital Market Act 2015* of the Independent State of PNG. No action has been taken in PNG to authorise this document or to permit the distribution of this Prospectus or any documents issued in connection with it in PNG.

Accordingly, the Shares have not been, and will not be, offered or sold other than in an excluded offer and/or excluded issue within the meaning of the *Capital Market Act 2015*. No advertisement, invitation or document relating to the Shares has been or will be issued in PNG or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of PNG (except if permitted to do so under the *Capital Market Act 2015* and any regulations made under

that act). The contents of this document have not been reviewed by any PNG regulatory authority. You are advised to exercise caution in relation to the Offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

United Kingdom

Neither this document nor any other document relating to the Offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the *Financial Services and Markets Act 2000*, as amended (FSMA)) has been published or is intended to be published in respect of the Shares.

The Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the *Financial Services and Markets Act 2000* (Financial Promotions) Order 2005 (FPO), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated ("relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

European Union (excluding Austria)

This Prospectus has not been, and will not be, registered with or approved by any securities regulator within the European Union. Accordingly, this Prospectus may not be made available, nor may the Shares be offered for sale, within the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the **Prospectus Regulation**).

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of Shares within the European Union is limited to persons who are "qualified investors" (as defined in Article 21 of the Prospectus Regulation).

British Virgin Islands

The Shares may not be offered within the British Virgin Islands unless the Company or the person offering such securities on its behalf is licensed to carry on business in the British Virgin Islands. While the Company is not licensed to carry on business in the British Virgin Islands, the Shares may be offered in the British Virgin Islands from outside the British Virgin Islands.

Important Information continued

Nicaragua

For purposes of the Nicaragua Capital Markets Law and rules issued by the Superintendencia de Bancos y de Otras Instituciones Financieras (the "Bank Superintendence"), the offer of the Shares does not constitute a public offer and the Shares have not been, and will not be, registered with the Bank Superintendence. This Prospectus is confidential and may be distributed only to institutional and sophisticated investors from outside Nicaragua. The Shares may not be offered or sold to the public in Nicaragua.

Panama

The Shares have not been registered with the Panama Superintendence of the Securities Market. The exemption from registration is based on numeral 3 of Article 83 of Decree Law 1 of 9 July 1999 and the tax treatment established in Articles 269 to 271 of Decree Law 1 does not apply to the Shares. Accordingly, this document may be made available, and the Shares offered for sale, in Panama only to "institutional investors" (as defined in the regulations issued by the Superintendent of Securities Markets). This Prospectus may not be distributed, and the Shares are not being offered, to the public in Panama.

Switzerland

The Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the Shares may be publicly distributed or otherwise made publicly available in Switzerland. The Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

Canada

This document constitutes an offering of Shares only in the Provinces of Alberta, British Columbia, Manitoba, Ontario, Quebec and Saskatchewan (the **Provinces**), only to persons to whom Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces.

This document may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the Shares or the offering of Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the Shares.

The Company as well as its Directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its Directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian Dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

United States

This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Shares may not be offered or sold in the United States

except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This Prospectus may only be distributed in the United States by a US broker-dealer to Institutional Investors and only if this Prospectus is accompanied by a US Offering Circular.

Financial information and amounts

All financial amounts contained in this Prospectus are expressed in Australian Dollars (**Australian Dollars** or **A\$**), unless otherwise stated. Any discrepancies between totals and sums of components in figures and tables contained in this Prospectus are due to rounding.

Section 5 of this Prospectus sets out in detail the financial information referred to in this Prospectus. The basis of preparation of that information is set out in Schedule 3 of this Prospectus.

Incorporation by reference

The Company's Corporate Governance Charter and policies are not contained in this Prospectus, but have been lodged with ASIC and are taken by law to be included in this Prospectus (refer to Section 8.1 of this Prospectus). If you are unsure whether you require the information contained in the Corporate Governance Charter and policies to decide whether or not to invest in the Company, it is recommended that you obtain a copy of the Corporate Governance Charter and policies. A copy of the Corporate Governance Charter and policies can be obtained free of charge from the Company's website at toluminerals.com (**Company Website**) or by email at investor@toluminerals.com during the Offer Period.

Disclaimer

No person should rely on any information that is not contained in this Prospectus for making a decision as to whether to acquire Shares under the Offer. No person is authorised by the Company or the Joint Lead Managers to give any information or make any representation in connection with the Offer that is not contained in this Prospectus. Any information or representation that is not contained in this Prospectus may not be relied on as having been authorised by the Company, its Directors or any other person in connection with the Offer. The Company's business, financial condition, results of operations and prospects may have changed since the date of this Prospectus.

This Prospectus may contain forward-looking statements concerning the Company's business, operations, financial performance and condition, as well as the Company's plans, objectives and expectations for its business, operations and financial performance and condition. Any statements contained in this Prospectus that are not of historical facts may be deemed to be forward-looking statements. You can identify these statements by words such as "aim", "anticipate", "assume", "believe", "could", "due", "estimate", "expect", "goal", "intend", "may", "objective", "plan", "predict", "potential", "positioned", "should", "target", "will", "would" and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are based on current expectations, estimates and projections about the Company's business and the industry in which the Company operates and Management's beliefs and assumptions. These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company's control. As a result, any or all of the Company's

forward-looking statements in this Prospectus may turn out to be inaccurate. Factors that may cause such differences between forward-looking statements and actual performance include, but are not limited to, the risks described in Section 4 of this Prospectus.

You are urged to consider the investment risks carefully for evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. The forward-looking statements speak only as at the date of this Prospectus. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the information and risks the Company describes in the reports to be filed from time to time with the ASX after the date of this Prospectus.

This Prospectus contains industry data and forecasts that were obtained from industry publications, third-party market research and publicly available information. These publications generally state or imply that the information contained in them has been obtained from sources believed to be reliable, but the Company has not independently verified the accuracy or completeness of such information. In addition, where a source has been identified in this Prospectus as the source for providing specific information included in the Prospectus, the author of that information has not given their consent to this information being included in the Prospectus and has not authorised or caused the issue of the Prospectus.

Section 3 of the Prospectus includes attributed statements from ASX releases and annual reports that are not specific to and have no connection with the Company. The authors of these sources have not provided their consent for these statements to be included in this Prospectus, and the Company is relying upon ASIC Corporations (Consents to Statements) Instrument 2016/72 for the inclusion of these statements in this Prospectus without such consent having been obtained.

This Prospectus also includes trademarks, trade names and service marks that are the property of other organisations.

Electronic Prospectus

This Prospectus, with an accompanying Application Form, may be viewed online at the Company Website. The Offer constituted by this Prospectus in electronic form is only available to Australian and New Zealand residents accessing an electronic version of this Prospectus in Australia or New Zealand. It is not available to persons in other jurisdictions. Persons who access the electronic version of this Prospectus should ensure that they download and read the entire Prospectus.

Privacy

By completing an Application Form, you consent to the collection, use and disclosure of your personal information as summarised below.

We collect personal information about you so that we can administer our dealings with you, provide you with Company information, products and services, service your needs as a Shareholder (if you become one), carry out appropriate administration of your Application and deal with any requests that you may have. If we do not collect your personal information, we may be unable to deal with your request or provide you with services and benefits, and we may not be able to process your Application.

Important Information continued

Disclosure of your personal information

We may disclose your personal information to third parties, such as our Share Registry, the Joint Lead Managers, auditors, Management, legal and other professional advisors, service providers, suppliers, insurers, IT providers who run our IT services, payment processors who process payments, marketing providers who provide marketing and public relations services, and if we are required to by law.

Privacy Policy

Our Shareholder privacy policy (the **Privacy Policy**), which may be found on the Company Website, sets out our approach to the management of personal information. Subject to the *Privacy Act 1998* (Cth), you can have access to and seek correction of your personal and sensitive information. The Privacy Policy contains information about how you can do this. The Privacy Policy also contains information about how you can make a complaint about a breach of privacy.

Company Website

Any documents included on the Company Website, (and any reference to them) are provided for convenience only and none of the documents or other information on the Company Website are incorporated by reference into this Prospectus. Any references to documents included on the Company Website are provided for convenience only, and none of the documents or other information on the website are incorporated in this Prospectus by reference unless specified in this Prospectus.

Definitions and abbreviations

Defined terms and abbreviations used in this Prospectus and not otherwise defined herein are defined and explained in the Glossary in Section 11 of this Prospectus.

References to time

All references to time in this Prospectus refer to the time in Sydney, New South Wales, Australia (AEST), unless stated otherwise.

Photographs and diagrams

Photographs used in this Prospectus that do not have any description are for illustration or design purposes only and should not be interpreted to mean that any person shown endorses this Prospectus or its contents or that the Company owns the assets shown. Similarly, any assets depicted in the photographs such as equipment, buildings or other property are not necessarily assets that are owned or used by the Company and have been included for presentation and illustrative purposes unless stated otherwise. Diagrams used in this Prospectus are illustrative only and may not be drawn to scale. Unless otherwise stated, all data contained in charts, graphs and tables is based on information available as at the date of this Prospectus.

Competent Person Statement

The Mineral Resource estimation for the Tolukuma Project and all other information relating to exploration results and metallurgical results contained in this Prospectus is based on and fairly reflects information compiled and conclusions derived by Roderick Carlson and Douglas Hutchison who are appropriately qualified and experienced.

The information contained in the Independent Geologist's Report prepared by AMC Consultants Pty Ltd (**AMC**) is based on, and fairly reflects information compiled by Roderick Carlson and Douglas Hutchison. The Independent Geologist's Report was prepared in accordance with the VALMIN Code (2015) and the 2012 edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the **JORC Code**) and is set out in Schedule 1 of this Prospectus.

Mr Hutchison is a member of the Australian Institute of Geoscientists and a self employed geologist. Mr Carlson is a Fellow of the Australasian Institute of Mining and Metallurgy, a member of the Australian Institute of Geoscientists, and a Principal Geologist of AMC Consultants.

Mr Carlson and Mr Hutchison (together, the **Competent Persons**) each have sufficient experience in the style of mineralisation and type of deposit under consideration and to the activity for which they are accepting responsibility to qualify as a Competent Person as defined in the JORC Code.

The Competent Persons each consent to the inclusion in the Prospectus of the abovementioned information in the manner and context in which it appears.



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Key Offer Information

Key Offer dates

Lodgement of Prospectus with ASIC	10 August 2023
Opening Date of Offer	18 August 2023
Closing Date of Offer	15 September 2023
Settlement Date of Offer	19 September 2023
Allotment Date of Shares under the Offer	25 September 2023
Allotment Date of Frontier Shares	25 September 2023
Allotment Date of MRDC Shares ¹	25 September 2023
Expected date for dispatch of holding statements	29 September 2023
Expected commencement of trading on ASX	4 October 2023

Note: This timetable is indicative only. Unless otherwise indicated, all times given are AEST. The Company, in consultation with the Joint Lead Managers, reserves the right to vary any and all of the above dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before completion of the Offer, in each case without notifying any recipient of this Prospectus or Applicants). Furthermore, dates are dependent upon completion, and as such, satisfaction (or waiver) of the Conditions. If the Offer is cancelled or withdrawn before completion of the Offer, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

Key Offer statistics

Company	Tolu Minerals Limited
Proposed ASX Ticker Code	TOK
Offer Price per Share	A\$0.50

1. This assumes the Noteholder exercise their conversion rights under the Convertible Note Deed. Refer to Section 9.6 of this Prospectus.

	Minimum Subscription	Maximum Subscription
Number of Shares on issue at the date of this Prospectus	77,291,857	77,291,857
Shares available under the Offer	30,000,000	40,000,000
Frontier Shares ²	3,000,000	3,000,000
MRDC Shares ³	8,857,143	8,857,143
Offer Proceeds ⁴	A\$15,000,000, before costs of the Offer	A\$20,000,000, before costs of the Offer
Total number of Shares on issue on completion of the Offer (on an undiluted basis) ⁵	119,149,000	129,149,000
Performance Rights on issue at completion of the Offer	2,750,000	2,750,000
Options on issue at completion of the Offer ⁶	1,125,000	1,500,000
Total number of Shares on issue on completion of the Offer (on a fully diluted basis)	123,024,000	133,399,000
Indicative market capitalisation of the Company at the Offer Price on completion of the Offer (on an undiluted basis) ⁷	A\$59,574,500	A\$64,574,500
Indicative market capitalisation of the Company at the Offer Price (on a fully diluted basis) ⁸	A\$61,512,000	A\$66,699,500

Note: Pursuant to the Tunnel Engineering Agreement, a further 880,000 Shares will be issued to the Contractor upon mobilisation and a further 3,520,000 Shares will be issued to the Contractor in five equal tranches to be issued progressively based on distance milestones during completion of the final 23km of the pilot access service road as described in Section 9.5. These Shares have not been included in this table as it is expected that they will be issued following completion of the Offer and the Company's admission to the Official List. Following the issue of the 4,400,000 Shares, the total number of Shares on issue in the Company (on a fully diluted basis) will be 127,424,000 (based on the Minimum Subscription) and 137,799,000 (based on the Maximum Subscription). This assumes that no other securities are issued and all the Frontier Shares and MRDC Shares are issued. This represents an interest in the Company's securities of 3.45% (based on the Minimum Subscription) and 3.19% (based on the Maximum Subscription).

How to Invest

Applications for Shares can only be made by completing and lodging an Application Form. Instructions on how to apply for Shares are set out in Section 2.8 of this Prospectus and on the Application Form.

- The Frontier Shares to be issued to Lanthanein upon completion of the Frontier Share Sale Agreement. Full details are described in Section 9.4 of this Prospectus.
- This assumes that the Noteholder issues a conversion notice to exercise their conversion rights under the Convertible Note Deed during the Offer Period. This also assumes that the MRDC Shares are issued from the conversion of the Convertible Notes for the full face value of PNG Kina 10,000,000 plus 1 years interest of PNG Kina 850,000 and applying a PNG Kina to Australian Dollar exchange rate of 2.45 as at 13 July 2023 and at the Offer Price per Share. Any change in the exchange rate at the time of issue of the conversion notice will change the number of MRDC Shares issued. For further details on the Convertible Note Deed see Section 9.6 of this Prospectus.
- The cash Costs of the Offer of A\$1,903,000 under the Minimum Subscription and A\$2,203,000 under the Maximum Subscription are described in Section 10.8 of this Prospectus.
- This assumes that the Offer is fully subscribed, all of the Frontier Shares and MRDC Shares are issued and no Shares are issued from the exercise of Options during the Offer Period.
- Refer to Sections 9.1, 9.2 and 9.3 of this Prospectus for details regarding the Options the Joint Lead Managers and the Foreign Brokers may receive at the completion of the Offer. This number is indicative only and assumes that 75% of the proceeds of the Offer are raised by the Joint Lead Managers, Foreign Brokers and additional foreign brokers meeting the requirements of the issue of Options.
- For indicative purposes only the market capitalisation is based on the Offer Price and total number of Shares on issue on completion of the Offer. Shares may not trade at the Offer Price after listing on the ASX. If Shares trade below the Offer Price, then the market capitalisation will be lower than the amount shown.
- For indicative purposes only the market capitalisation is based on the Offer Price and total number of Shares on issue on completion of the Offer. Shares may not trade at the Offer Price after listing on the ASX. If Shares trade below the Offer Price, then the market capitalisation will be lower than the amount shown.

Letter from the Chair

Dear Investor

On behalf of the Board of Directors of Tolu Minerals Limited ARBN 657 300 359 (**Tolu** or the **Company**), it is our pleasure to present this Prospectus and invite you to join us as a Shareholder in Tolu.

Tolukuma

On 3 October 2022, Tolu successfully completed the 100% acquisition and registration of the Tolukuma Gold Mine in Papua New Guinea (**PNG**) along with its associated assets and mine infrastructure (**Tolukuma Project**). The Tolukuma Project consists of one mining lease and six exploration licences (**EL**) surrounding the Tolukuma Gold Mine. Tolu has also secured binding rights to acquire additional acreage (and application rights) with immediate gold resource additions through its acquisition of Frontier Copper PNG Ltd (**Frontier**), a wholly owned subsidiary of ASX listed, Lanthanein Resources Limited (**Lanthanein**). Tolu also holds the exploration licence application (ELA 2780), known as the Ipi River Prospect, in the Tolukuma area.

Tolu has a clear strategy to develop and grow the resource both on the mine and the various ELs in order to define a potentially significant gold/silver/copper resource and subsequently to leverage the wider Tolukuma area resource and infrastructure into a large gold/silver and potentially copper, mining project.

Mt Penck

Tolu has secured 100% exploration rights over Mt Penck copper/gold exploration licence, EL 2662, located on the island of New Britain. Tolu is seeking to identify minable volumes of copper and gold at Mt Penck. Tolu plans to undertake further exploration work to develop a potential developable resource at Mt Penck. Significant previous exploration and appraisal programs at Mt Penck have identified significant potential gold and copper resources at this location.

Management Team

Tolu has assembled a strong team with both international and PNG experience with a track record of exploration, project development and operations.

Offer

Tolu is seeking to raise a minimum of A\$15 million and a maximum of A\$20 million at the Offer Price of A\$0.50 per Share. The primary purpose of the Offer is to provide funds to further explore in and around Tolukuma and at Mt Penck. This Prospectus is issued for the purpose of supporting an application to list Tolu on the Official List of the ASX. This Prospectus contains detailed information about Tolu, its business and the Offer, as well as the risks of investing in Tolu, and I encourage you to read it carefully. The securities offered by this Prospectus are considered to be highly speculative.

On behalf of the Board, I invite you to subscribe for Shares in Tolu and I look forward to a successful and exciting future together as Shareholders.

Yours sincerely,



John Anderson
Chair

Tolu Minerals Limited

1. Investment Overview



The information in this Section 1 is a summary only. It should be read in conjunction with the information set out in the remainder of this Prospectus.

Topic	Summary	For more information
1.1 Background		
<p>What is Tolu?</p>	<p>Tolu (formerly known as Lole Mining Ltd) was incorporated in PNG as a public company under the <i>Companies Act 1997</i> (PNG) (Companies Act) on 19 March 2020. Tolu was registered in Australia with ASIC as a foreign registered company on 28 March 2022.</p> <p>On 3 October 2022, Tolu successfully completed the 100% acquisition and registration of the Tolukuma Gold Mine in PNG along with its associated assets and mine infrastructure (Tolukuma Project).</p> <p>The Tolukuma Project currently includes one mining licence and six exploration licences surrounding the Tolukuma Gold Mine providing a dominant landholding of 1,252km² across the highly productive Tolukuma gold structure. Tolu also has the exploration licence application (ELA 2780), known as the Ipi River Prospect (423km²), in the Tolukuma area.</p> <p>On completion of the acquisition of the 118km² EL 2531 (described below), Tolu will hold some 1,370km² across the Tolukuma structure.</p> <p>The Company has also secured the Mt Penck copper/gold exploration licence, EL 2662 (Mt Penck Tenement) (204km²), which is located on the island of New Britain.</p>	<p>Section 3 of this Prospectus</p>
<p>What is the history of the Tolukuma Gold Mine?</p>	<p>The Tolukuma Gold Mine was discovered in 1986 and commissioned as a mine in 1995. Until 2015, it operated largely as an underground mine (approximately 90%) with small open cut mining sourcing oxide ore for blending purposes.</p> <p>Tolukuma has a history of strong gold production. For 19 years between 1996 and 2015 the Tolukuma Gold Mine produced 874,575 oz Au and 2,364,997 oz Ag. Gold production for the first 11 years of mine life totalled some 667,342 oz Au or an average of 60,667 oz Au per annum (peaking at 85,715 oz Au).</p> <p>The Tolukuma Gold Mine operated effectively until about 2011, when a significant production drop-off due to mining practices was unable to sustain the costs of operation largely driven by helicopter borne logistics, impacting profit margins and ability to fund underground development and exploration. The mine ceased operating and was put into care and maintenance in 2015. Tolukuma Gold Mines Ltd (Tolukuma Gold Mines) was put into liquidation and the assets placed under security in 2018.</p> <p>The Tolukuma structures are open ended at depth and along strike with future resource potential. It also affords the opportunity for the discovery of new veins within, not only the primary structure, but also in parallel structures adjacent to the mining licence and in the other Tolukuma Tenements.</p>	<p>Section 3 of this Prospectus</p>

1. Investment Overview continued

Topic	Summary	For more information
<p>What is the Offer?</p>	<p>Tolu is offering a minimum of 30,000,000 Shares at an Offer Price of A\$0.50 per Share to raise A\$15,000,000 (Minimum Subscription) and up to a maximum of 40,000,000 Shares at an Offer Price of A\$0.50 per Share to raise A\$20,000,000 (Maximum Subscription) (collectively, the Offer).</p> <p>Tolu is also offering the Frontier Shares to Lanthanein and the MRDC Shares to the Noteholder (or its nominee) (should the Noteholder exercise their conversion rights pursuant to the Convertible Note Deed during the Offer Period). Details of the Frontier Share Sale Agreement and the Convertible Note Deed are set out in Sections 9.4 and 9.6 of this Prospectus, respectively.</p> <p>The Offer is conditional upon satisfaction (or waiver) of the Conditions, which are described in the Investment Overview and set out in Section 2.2 of this Prospectus. No Shares will be issued under this Prospectus until such time as the Conditions are satisfied (or waived).</p> <p>All Shares issued or sold pursuant to this Prospectus will be fully paid ordinary shares in the Company and will rank equally with all other Shares on issue.</p>	<p>Section 2 of this Prospectus</p>
<p>Why is the Offer being conducted?</p>	<p>The purpose of the Offer is to:</p> <ul style="list-style-type: none"> (a) raise a Minimum Subscription of A\$15,000,000 and up to a Maximum Subscription of A\$20,000,000 (Offer Proceeds) to fund: <ul style="list-style-type: none"> (i) the Company's expenditure commitments and operating costs in relation to exploration costs on the Tolukuma Project and the Mt Penck Project; (ii) completion of the acquisition of Frontier; (iii) general working capital requirements; (iv) corporate overhead and administrative costs; (v) the costs of the Offer; and (vi) the operating costs of the Company; (b) provide a liquid market for the Company's Shares; (c) meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules to enable the Company to list on the ASX; (d) provide the Company with the benefits of an increased profile that arises from being listed; and (e) provide the Company with additional financial flexibility and access to capital markets, to assist in pursuing its growth strategy. 	<p>Section 2.5 of this Prospectus</p>

Topic	Summary	For more information
Frontier Shares	Tolu has agreed to acquire 100% of the share capital in Frontier from Lanthanein. As part of the purchase price under the Frontier Share Sale Agreement, Tolu will issue 3,000,000 Shares at an issue price equal to the Offer Price per Share to Lanthanein at completion of the Offer. Further detail of the transaction can be found in Section 9.4 of this Prospectus.	Section 9.4 of this Prospectus
MRDC Shares	In the event that the Noteholder exercises their conversion rights pursuant to the Convertible Note Deed during the Offer Period, Tolu will issue the MRDC Shares to the Noteholder (or its nominee) at completion of the Offer. Further details in respect of the Convertible Note Deed can be found in Section 9.6 of this Prospectus.	Section 9.6 of this Prospectus
PNG incorporated	As Tolu was incorporated in PNG, its general corporate activities (apart from any offering of securities in Australia) are not regulated by the Corporations Act or by ASIC but instead are regulated by the Companies Act and the Investment Promotion Authority of PNG.	Section 3 of this Prospectus
1.2 Summary of Tolu's Interests in the Tenements		
What is Tolu's interest in the Tenements?	<p>Tolu has a 100% interest in:</p> <ul style="list-style-type: none"> (a) each of the tenements comprising the Tolukuma Project, being ML 104, EL 2385, EL 2535, EL 2536, EL 2538, EL 2539, EL 2723 and ELA 2780 (the Ipi River Prospect) (collectively, the Tolukuma Tenements); and (b) the tenement comprising the Mt Penck Project, being EL 2662 (the Mt Penck Tenement). <p>Tolu has entered into the Frontier Share Sale Agreement pursuant to which Tolu will acquire 100% of the share capital in Frontier, which holds EL 2531 and ELA 2529 (collectively, the Frontier Tenements). EL 2531 surrounds the Tolukuma Gold Mine and ELA 2529 covers the old Sinivit Gold Mine at Gazelle on the island of New Britain. There are competing applications on ELA 2529 (one of which predates Frontier's application). There is no guarantee that Frontier's application on ELA 2529 will be successful.</p> <p>A summary of the Tolukuma Project and Mt Penck Project can be found in Section 3 and in detail in the Independent Geologist's Report at Schedule 1 and further details of the Tolukuma Tenements, Frontier Tenements and Mt Penck Tenement (collectively, the Tenements) in the Independent Legal Report in Schedule 2.</p>	Section 3 of this Prospectus
What is the nature of Tolu's interests in its projects?	Tolu is the legal and beneficial owner of 100% of the Mt Penck Project and the Tolukuma Project and upon completion of the Frontier Share Sale Agreement will be the 100% owner of Frontier.	Section 3.3 of this Prospectus

1. Investment Overview continued

Topic	Summary	For more information
1.3 Key Features of Tolu's Business Model		
What is the Company's vision and strategy?	<p>The Company's objective is to explore for and define a significant Mineral Resource and ultimately to become a significant gold producer, initially through upgrading and expanding the existing Mineral Resource Estimate (MRE) of the Tolukuma Gold Mine and in parallel defining a significant MRE on the Company's exploration projects at the Tolukuma Project and at the Mt Penck Project.</p> <p>It is the Company's intention in the medium term to return the Tolukuma Gold Mine to economically viable production on the back of an enhanced MRE. The Company sees the potential for significantly larger operations in the medium to long term, supported by the broader mineralised structure.</p> <p>The Company has entered into a contracting agreement with Tunnel Engineering (PNG) Ltd (1-86659) (Contractor) to have certain infrastructure built and/or repaired to enable it to advance its exploration at the Tolukuma Project.</p> <p>The main exploration activities of Tolu are:</p> <ul style="list-style-type: none"> (a) upgrading the existing MRE that is centred on the historically operated Tolukuma Gold Mine; (b) expanding the existing MRE, by utilising the infrastructure afforded by the Tolukuma Gold Mine to actively explore the area of the mine that remains underexplored despite a number of highly prospective targets being previously identified; (c) exploring a number exploration licences across the broader Tolukuma mineralised structure currently covering some 1,370km² of highly prospective ground with historical gold/silver/copper mineralisation, including those held by Frontier; and (d) exploring the Mt Penck Tenement. 	Section 3.2 of this Prospectus
What is the nature of the Company's business?	Subject to the satisfaction (or waiver) of the Conditions, Tolu aims to become a gold, silver and copper explorer and ultimately producer in PNG.	Section 3 of this Prospectus
How will the Company finance its ongoing operations?	<p>The Board believes that the Company's current cash reserves plus the net Offer Proceeds will be sufficient to fund the Company's operational requirements and short term business objectives.</p> <p>The Board will consider the use of further funding initiatives where appropriate to accelerate growth or fund a specific project, transaction or expansion.</p>	Sections 3 and 10.13 of this Prospectus
How does the Company generate revenue and what are its key expenses?	<p>The Company is seeking to explore and in due course develop the Tenements. As at the date of this Prospectus, the Company has no operating revenue and is reliant on raising further capital or the successful development of its projects to generate operating revenue.</p> <p>The Company's key expenses are summarised in Section 2.5 of this Prospectus.</p>	Sections 2.5 and 3 of this Prospectus
What are the material contracts that will affect the Company's operations?	The contracts entered into by Tolu which are material to its operations are summarised in Section 9 of this Prospectus.	Section 9 of this Prospectus

Topic	Summary	For more information																												
What is the competition facing the business?	The Company will be involved in a global industry and will be subject to domestic and global competition.	Section 4.2(z) of this Prospectus																												
1.4 Financial Information																														
What is the historical financial performance and pro-forma financial position of the Company?	<p>Tolu is a PNG public company limited by shares that was incorporated on 19 March 2020 and is also registered as a foreign company in Australia with ASIC.</p> <p>The statutory audited historical statement of profit or loss and other comprehensive income of the Company for the period ended 31 December 2022 are set out in the Financial Information section in Section 5 of this Prospectus.</p> <p>Tolu's statutory historical income statements are summarised below:</p> <p>Table 1.4.1: Summarised Historical Statements of Profit or Loss and Other Comprehensive Income</p> <table border="1"> <thead> <tr> <th>Period ended 31 December 2022</th> <th>Audited (A\$)</th> </tr> </thead> <tbody> <tr> <td>Revenue</td> <td>99,562</td> </tr> <tr> <td>Total expenses</td> <td>(2,962,503)</td> </tr> <tr> <td>Net (loss) for the period</td> <td>(2,862,941)</td> </tr> </tbody> </table> <p>Table 1.4.2: Summarised Historical Statement of Financial Position</p> <table border="1"> <thead> <tr> <th>Period ending 31 December 2022</th> <th>Audited (A\$)</th> </tr> </thead> <tbody> <tr> <td>Total assets</td> <td>9,949,629</td> </tr> <tr> <td>Total liabilities</td> <td>4,824,586</td> </tr> <tr> <td>Net assets</td> <td>5,125,043</td> </tr> </tbody> </table> <p>The statutory audited historical statement of financial position of the Company for the year ended 31 December 2022 are set out in the Financial Information section in Section 5 of this Prospectus.</p> <p>Tolu's statutory historical statement of financial position are summarised below.</p> <p>On a pro forma basis, following the Offer, Tolu's financial position is:</p> <p>Table 1.4.3: Summarised Pro Forma Statement of Financial Position</p> <table border="1"> <thead> <tr> <th>Period ended 31 December 2022</th> <th>Pro Forma Reviewed based on the Minimum Subscription (A\$)</th> <th>Pro Forma Reviewed based on the Maximum Subscription (A\$)</th> </tr> </thead> <tbody> <tr> <td>Total assets</td> <td>26,679,863</td> <td>31,367,944</td> </tr> <tr> <td>Total liabilities</td> <td>6,053,806</td> <td>6,053,806</td> </tr> <tr> <td>Net assets</td> <td>20,626,057</td> <td>25,314,138</td> </tr> </tbody> </table>	Period ended 31 December 2022	Audited (A\$)	Revenue	99,562	Total expenses	(2,962,503)	Net (loss) for the period	(2,862,941)	Period ending 31 December 2022	Audited (A\$)	Total assets	9,949,629	Total liabilities	4,824,586	Net assets	5,125,043	Period ended 31 December 2022	Pro Forma Reviewed based on the Minimum Subscription (A\$)	Pro Forma Reviewed based on the Maximum Subscription (A\$)	Total assets	26,679,863	31,367,944	Total liabilities	6,053,806	6,053,806	Net assets	20,626,057	25,314,138	Section 5 of this Prospectus
Period ended 31 December 2022	Audited (A\$)																													
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1. Investment Overview continued

Topic	Summary	For more information										
<p>What is the historical financial performance and pro-forma financial position of the Company? continued</p>	<p>The statutory audited historical statement of cash flows of the Company for the year ended 31 December 2022 are set out in the Financial Information section in Section 5 of this Prospectus.</p> <p>Historical statement of cash flows:</p> <p>Table 1.4.4: Summarised Historical Statement of Cash Flows</p> <table border="1"> <thead> <tr> <th>Period ended 31 December 2022</th> <th>Audited (A\$)</th> </tr> </thead> <tbody> <tr> <td>Operating Activity</td> <td>(2,118,404)</td> </tr> <tr> <td>Investing Activity</td> <td>(8,159,512)</td> </tr> <tr> <td>Financing Activity</td> <td>10,493,161</td> </tr> <tr> <td>Net Change in Cash</td> <td>215,245</td> </tr> </tbody> </table> <p>After transaction costs and on completion of the Offer, the Company is expected to have a pro forma balance of cash and cash equivalents of approximately A\$11,411,713 for the Minimum Subscription or A\$16,099,794 for the Maximum Subscription.</p>	Period ended 31 December 2022	Audited (A\$)	Operating Activity	(2,118,404)	Investing Activity	(8,159,512)	Financing Activity	10,493,161	Net Change in Cash	215,245	Section 5 of this Prospectus
Period ended 31 December 2022	Audited (A\$)											
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Investing Activity	(8,159,512)											
Financing Activity	10,493,161											
Net Change in Cash	215,245											
<p>What is the financial outlook for the Company?</p>	<p>Given the current status of the Company's projects and the highly speculative nature of gold, copper, and silver exploration and development, the Directors do not consider it is appropriate to forecast future earnings. Any forecast or projection information could contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection on a reasonable basis.</p>	Section 5 of this Prospectus										
<p>1.5 Summary of Key Investment Risks</p>												
<p>What are the key risks for the Company?</p>	<p>There are a number of risks associated with an investment in the Company that may affect its financial performance, financial position, cash flows, distributions, growth prospects and Share price.</p> <p>Further details about those listed below and other risks associated with an investment in Tolu are set out in Section 4 of this Prospectus.</p> <p>Potential investors should consider an investment in the Company as highly speculative and should consult their professional advisors before deciding whether to apply for Shares under the Offer.</p> <p>Conditional Prospectus</p> <p>This Prospectus is conditional upon the satisfaction (or waiver) of the following conditions (being the Conditions):</p> <ol style="list-style-type: none"> (1) Tolu receiving subscriptions for Shares to raise a minimum of A\$15,000,000 and up to a maximum of A\$20,000,000; (2) all necessary parties entering into restriction agreements as required by ASX imposing such restrictions on trading of certain Tolu securities issued pursuant to the Offer and listing of Tolu; and (3) Tolu obtaining a conditional admission letter from ASX on terms satisfactory to Tolu's Directors, acting reasonably. <p>There is no certainty that the above Conditions will be satisfied (or waived). In the event that these Conditions are not met (or waived), then the listing of Tolu on ASX will not proceed and all Application Monies received will be returned to Applicants without interest.</p>	Section 4 of this Prospectus										

Topic	Summary	For more information
<p>What are the key risks for the Company? continued</p>	<p>Exploration and Evaluation Risk</p> <p>The future value of Tolu will depend on its ability to find and develop resources that are economically recoverable within its Tenements. Mineral exploration and development is inherently highly speculative and involves a significant degree of risk. There is no guarantee that it will be economic to extract any resources or that there will be commercial opportunities available to monetise any resources.</p> <p>The circumstances in which a mineral deposit becomes or remains commercially viable depends on a number of factors. These include the particular attributes of the deposit, such as size, concentration and proximity to infrastructure as well as external factors such as supply and demand. This, along with other factors such as maintaining title to tenements and consents, successfully design construction, commissioning and operating of projects and processing facilities may result in projects not being developed, or operations becoming unprofitable.</p> <p>Furthermore, while the Company has confidence in its existing projects, should those projects not prove profitable and the Company is unable to secure new exploration areas and resources, there could be a material adverse effect on the Company's prospects for gold, copper and silver exploration and its success in the future.</p> <p>PNG Specific Exploration Risk</p> <p>PNG is a developing country with a democratic system of government, and well established mining industry. There are, however, risks attaching to exploration and mining operations in a developing country which are not necessarily present in a developed country. These include economic, social or political instability or change, security concerns, hyperinflation, currency non-convertibility or instability and changes of law effecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licencing, export duties as well as government control over mineral properties.</p> <p>Any future material adverse changes in government policies or legislation in PNG that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company.</p> <p>Resource Estimates</p> <p>Resource estimates are expressions of judgment based on knowledge, experience and industry practice. While these estimates may be appropriate when made and in the case of Tolukuma are substantially based on historically verified data and performance statistics, they may change significantly when new information or techniques become available.</p> <p>There are risks associated with such estimates. Resource estimates depend to some extent on interpretations, which may prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect Tolu's future plans and ultimately its financial performance and the value of its Shares.</p> <p>The Company has assessed the resource risk as high risk in recognition of the current state of the operation and the absolute criticality of developing a high confidence MRE before any commencement of production.</p>	<p>Section 4 of this Prospectus</p>

1. Investment Overview continued

Topic	Summary	For more information
<p>What are the key risks for the Company? continued</p>	<p>Refurbishment of Existing Infrastructure Risk</p> <p>The Company’s core project, the Tolukuma Project, has been dormant (but secured) since 2015. The Tolukuma Gold Mine is flooded to approximately 1550mRL. The Company has developed resource conversion and exploration plans that are in part supported by existing infrastructure that has not been operated since 2015.</p> <p>The use of such infrastructure has been based on an assessment of the state of the infrastructure and equipment, but there can be no guarantee that the refurbishment will be successful or that component parts of the refurbishment proceed according to budget and schedule.</p> <p>PNG Government and Stakeholder Equity</p> <p>It is PNG Government policy that the State has a right (which is expressed as a condition in each of the exploration licences) to take up an equity participation in a future mining project. The right is to purchase an interest of up to 30% at cost, although the State has not recently taken 30% in small or medium-sized mining projects.</p> <p>However, even if the PNG Government elects not to take up its rights in full, it may want to exercise this right to a limited extent in order to give local stakeholders an equity participation. Local stakeholder equity may be given free or on a carried interest basis.</p> <p>These issues cannot be negotiated with the PNG Government and the local stakeholders until the scope of the Company’s projects are known and notification of a mining lease application has commenced. If the PNG Government were to exercise its right to take up an equity participation in any of the Company’s projects, either for itself or for the local stakeholders, this may significantly affect the financial position of the Company.</p> <p>Economic Conditions and Other Global or National Issues</p> <p>General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company’s operations and financial performance, including the Company’s exploration, development and production activities, as well as on its ability to fund those activities. General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance. Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of the Shares remains unknown. The trading price of the Shares may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.</p>	<p>Section 4 of this Prospectus</p>

Topic	Summary	For more information
<p>What are the key risks for the Company? continued</p>	<p>COVID-19 Impact Risk</p> <p>Despite the increasing prevalence of COVID-19 vaccinations, measures taken in response to COVID-19 and easing of COVID-19 related restrictions, there remains continued uncertainty as to the emergence and impact of new COVID strains and the future response of governments and authorities. Given this uncertainty, there also remains a possibility of an economic downturn of unknown duration or severity in certain jurisdictions going forward.</p> <p>Commercialisation, Infrastructure Access and Contractual Risks</p> <p>Tolu's potential future earnings, profitability, and growth are likely to be dependent upon the Company being able to successfully implement some or all of its commercialisation plans. The ability for Tolu to do so is further dependent upon a number of factors, including matters which may be beyond the control of the Company. Tolu may be unsuccessful in securing identified customers or market opportunities.</p> <p>The Company is a party to various contracts, including those set forth in Section 9 of this Prospectus. Whilst Tolu will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which the Company is a party will be fully performed by all contracting parties. Additionally, no assurance can be given that if a contracting party does not comply with any contractual provisions, Tolu will be successful in securing compliance.</p> <p>Environmental Risks</p> <p>The Company's operations and projects are subject to the laws and regulations of all jurisdictions in which it has interests and carries on business, regarding environmental compliance and relevant hazards.</p> <p>These laws and regulations set standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards. They also establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted.</p> <p>It is the Company's intention to conduct its activities in accordance with good industry practice, including compliance with all environmental laws.</p> <p>As a result of its geographical location, PNG may experience high levels of rainfall from time to time which may impact upon accessibility or cause delays to the Company's work programs. There is a risk that the Company's intended exploration activity may be delayed for prolonged periods as a result of extended rainfall events, such as unpredictable rainfall may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.</p>	<p>Section 4 of this Prospectus</p>

1. Investment Overview continued

Topic	Summary	For more information
<p>What are the key risks for the Company? continued</p>	<p>As with most exploration project operations, the Company's activities are expected to have an impact on the environment. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by the Company, or non-compliance with environmental laws or regulations. It is the Company's intention to minimise this risk by conducting its activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations.</p> <p>There is also a risk that the environmental laws and regulations may become more onerous, making the Company's operations more expensive. Amendments to current laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or a reduction in levels of production at producing properties or require abandonment or delays in development of new properties.</p> <p>Tolukuma holds environmental permits for water harvesting and waste water discharge. The permits are subject to conditions and there is no guarantee that the conditions will be satisfied or the permits will be sufficient for future purposes.</p> <p>The key environmental risk is waste management, particularly riverine disposal of tailings, which is often the preferred solution in PNG due to risk of land emplaced tailings in steep terrain, poor ground stability and high rainfall. The volume of tailings produced by Tolukuma is relatively small and the mine has in the past returned a substantial percentage of tailings as a classified backfill to provide underground support. The contained trace elements are relatively benign and appropriate monitoring procedures were in place and Tolukuma have successfully operated appropriate procedures to manage waste disposal.</p> <p>Although historically, mine water has generally been of reasonable quality, the water that has accumulated in the mine may have accumulated some deleterious elements and may have to be cleaned prior to discharge. The Company has recognised this risk and will assess water quality and take the appropriate steps to neutralise it before discharge. Depending on the extent of work required in this regard, the cost of these steps may have a material adverse impact on the financial position of the Company.</p> <p>The Company is committed to good environmental practice and will review waste disposal procedures.</p>	<p>Section 4 of this Prospectus</p>

Topic	Summary	For more information
<p>What are the key risks for the Company? continued</p>	<p>Operating Cost Risk</p> <p>Tolukuma Gold Mine ceased mining operations and went into care and maintenance in 2015 and the then holding company subsequently entered liquidation in 2018 because the historical operators failed to maintain economically viable operating costs. While the Company has assessed the historical performance and has developed plans to mitigate operating costs (both exploration and tunnelling), these plans are dependent on the successful implementation of a number of critical capital projects, principally access road, dewatering portal and refurbishment of the hydro-electric power station, there can be no guarantee that these projects can be successfully implemented.</p> <p>The road to be built to support exploration activities would also have a longer term benefit in helping any future operations at the Tolukuma Gold Mine and its surrounding areas by affording the Company the ability to significantly reduce the amount of helicopter services needed to support operations.</p> <p>Exchange Rate Risk</p> <p>The revenues, earnings, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuations. The Company's revenue may be denominated in Australian Dollars or a foreign currency, such as PNG Kina or United States Dollars. As a result, fluctuations in exchange rates could result in unanticipated and material fluctuations in the financial results of the Company.</p> <p>Exploration and Mining Regulatory Risk</p> <p>The business of exploration, project development and mining involves many risks. Exploration is a high-risk activity that requires large amounts of expenditure over extended periods of time. There can be no guarantee that planned exploration and evaluation programs will lead to positive exploration and evaluation results or the delineation of a commercial deposit or, further, a commercial mining operation.</p> <p>The future exploration activities of Tolu may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and land access issues, changing government regulations and many other factors beyond the control of Tolu.</p> <p>Each of these may have a significant adverse effect on the future performance of Tolu and the market price of its Shares.</p> <p>Tailings Management Risk</p> <p>Tolukuma Gold Mine holds environmental permits for water harvesting and waste water discharge (which currently includes partial riverine tailings disposal). The permits are subject to conditions and there is no guarantee that the conditions will be satisfied or the permits will be sufficient for future purposes. The Company intends to look to identify and implement alternative tailings management processes. There can be no guarantee that the Company will identify suitable alternatives or that any alternatives so identified are economically viable.</p>	<p>Section 4 of this Prospectus</p>

1. Investment Overview continued

Topic	Summary	For more information
<p>What are the key risks for the Company? continued</p>	<p>Financing Risk</p> <p>The Company’s ability to effectively implement its business strategy over time will depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on reasonable terms or at all. Failure to obtain appropriate financing on a timely basis or reasonable terms may jeopardise the Company’s projects (due to inability to meet minimum tenement expenditure commitments), result in a loss of business opportunity and excessive funding costs.</p> <p>Government Policy</p> <p>Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and government policies in PNG, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.</p> <p>In addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.</p> <p>Changing attitudes to environmental, land care, cultural heritage, together with the nature of the political process, provide the possibility for future policy changes in PNG and, potentially, other jurisdictions. There is a risk that such changes may affect the Company’s exploration and development plans or, indeed, its rights and/or obligations with respect to the Tenements.</p> <p>Operational Risk</p> <p>The operations of the Company including exploration, the refurbishment of certain mining and processing infrastructure and bulk sampling may be affected by a range of factors. These include failure to achieve predicted grade in exploration and bulk sampling, sample collection, technical difficulties encountered in refurbishing infrastructure including plant and equipment, mechanical failure, cost escalation, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increase in the costs of consumables, spare parts, plant and equipment.</p> <p>Mine Risks</p> <p>In the event that the Company can recommence development after its exploration activities, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents.</p>	<p>Section 4 of this Prospectus</p>

Topic	Summary	For more information
<p>What are the key risks for the Company? continued</p>	<p>Sustainability of Growth and Margins</p> <p>The sustainability of growth and the level of profit margins from operations are dependent on a number of factors outside of the Company's control. Industry margins in the gold sector are likely to be subject to continuing but varying pressures, including competition from other current or potential suppliers.</p> <p>Commodity Risk</p> <p>The Company's long term viability is ultimately expected to be largely derived from the mining and sale of minerals or interests related thereto. The price of various minerals has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic, financial and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, environmental regulation, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of mineral substitutes, mineral stock levels maintained by producers and others and inventory carrying costs.</p> <p>Tenement Risks</p> <p>Interests in tenements in PNG are governed by the mining acts and regulations that are current in that country and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance.</p> <p>Consequently, the Company could lose title to or its interest in the Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments.</p> <p>All of the Tenements in which the Company has an interest (or tenements in which the Company may acquire an interest in the future), will be subject to applications for renewal or exemption from expenditure (as the case may be). The renewal or exemption from expenditure for a tenement is usually determined at the discretion of the relevant government authority. If a tenement is not renewed or granted an exemption from expenditure, the Company may suffer damage through loss of opportunity to develop and discover minerals on that tenement.</p> <p>The Company will put in place policies and procedures and exercise best endeavours to manage this risk effectively.</p> <p>Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest, in accordance with industry standards for the current stage of exploration and mining of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers and may also be affected by undetected defects or other stakeholder rights.</p>	<p>Section 4 of this Prospectus</p>

1. Investment Overview continued

Topic	Summary	For more information
<p>What are the key risks for the Company? continued</p>	<p>Reliance on Key Personnel</p> <p>Whilst the Company has a small number of executives and senior personnel, its progress in pursuing its exploration and evaluation programs within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of existing key personnel or a failure to secure and retain additional key personnel as the Company’s exploration program develops.</p> <p>The resulting impact from such loss would be dependent upon the quality and timing of the employee’s replacement.</p> <p>Although the key personnel of the Company have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring and evaluating resources projects, there is no guarantee or assurance that they will be successful in their objectives which are set out in detail in this Prospectus.</p> <p>Limited Operating History</p> <p>Tolu is a relatively new exploration company with limited operating history. Tolu was incorporated in March 2020 and has yet to generate a profit from its activities. Accordingly, the Company has no operating history in PNG or Australia and has limited historical financial information and record of performance. The Company’s business plan requires significant expenditure, particularly capital expenditure, during its exploration and subsequent phases. Any future revenue and profitability from the Company’s business will be dependent upon the successful exploration and development of the Company’s permits, and there can be no assurance that the Company will achieve profitability in future.</p> <p>Prospective Applicants should carefully consider these and other risks that are more fully disclosed in Section 4 of this Prospectus.</p>	<p>Section 4 of this Prospectus</p>
<p>1.6 Directors and Key Management</p>		
<p>Who are the Directors of the Company?</p>	<p>The Board of Directors comprises of:</p> <ul style="list-style-type: none"> ▶ John (Iain) Macpherson ▶ John Anderson ▶ Howard Lole ▶ Larry Andagali ▶ Brian Moller 	<p>Section 7.1 of this Prospectus</p>
<p>Who are the key members of Management?</p>	<p>Management comprises of:</p> <ul style="list-style-type: none"> ▶ John (Iain) Macpherson ▶ Howard Lole ▶ Craig Dawson ▶ Richard Moore 	<p>Section 7.3 of this Prospectus</p>

Topic	Summary	For more information
Who are the members of the Advisory Board?	<p>Commencing on the date that the Company is admitted to the Official List of the ASX, the Company will establish an Advisory Board comprising of the following persons:</p> <ul style="list-style-type: none"> ▶ Ian Stalker ▶ Richard Johnson ▶ Peter Swiridiuk ▶ Allen Tyson ▶ Chris Muller 	Section 7.4 of this Prospectus

1.7 Key People, Interests and Benefits

Who are the significant existing Tolu Shareholders of the Company and what will their interests be after completion of the Offer?	<p>As at the date of this Prospectus, Tolu currently has 77,291,857 Shares on issue. Shareholders holding a relevant interest in 5% or more of the Shares on issue as at the date of this Prospectus and on completion of the Offer are set out in the table below.</p> <table border="1"> <thead> <tr> <th>Shareholder¹</th> <th>Number of Shares</th> <th>% Holding Assuming Minimum Subscription Achieved^{2,3}</th> <th>% Holding Assuming Maximum Subscription Achieved^{2,3}</th> </tr> </thead> <tbody> <tr> <td>Gusaba Company Limited⁴</td> <td>15,880,980</td> <td>13.33%</td> <td>12.30%</td> </tr> <tr> <td>Allen John Tyson as Trustee for The Tyson Family Trust</td> <td>7,500,000</td> <td>6.29%</td> <td>5.81%</td> </tr> <tr> <td>Vernon Alan Wills as Trustee for The Wills Family Trust</td> <td>7,500,000</td> <td>6.29%</td> <td>5.81%</td> </tr> <tr> <td>Promaco Consulting Services Limited</td> <td>7,500,000</td> <td>6.29%</td> <td>5.81%</td> </tr> <tr> <td>Larry Andagali⁵</td> <td>7,061,433</td> <td>5.93%</td> <td>5.47%</td> </tr> </tbody> </table> <p>Notes:</p> <ol style="list-style-type: none"> 1. This assumes that no other person or entity acquires a substantial interest as a result of the Offer. 2. This assumes that the Conditions to the Offer are satisfied (or waived), that the Offer is fully subscribed, all of the Frontier Shares and MRDC Shares are issued and that no Shares are issued from the exercise of Options during the Offer Period. 3. This assumes that no Shares have been issued to the Contractor under the Tunnel Engineering Agreement as described in Section 9.5 as at completion of the Offer. 4. This is an entity associated with Howard Lole, a Director of Tolu. 5. Interests held directly and indirectly by Larry Andagali, a Director of Tolu, through an entity associated with Larry Andagali and through related parties. 	Shareholder ¹	Number of Shares	% Holding Assuming Minimum Subscription Achieved ^{2,3}	% Holding Assuming Maximum Subscription Achieved ^{2,3}	Gusaba Company Limited ⁴	15,880,980	13.33%	12.30%	Allen John Tyson as Trustee for The Tyson Family Trust	7,500,000	6.29%	5.81%	Vernon Alan Wills as Trustee for The Wills Family Trust	7,500,000	6.29%	5.81%	Promaco Consulting Services Limited	7,500,000	6.29%	5.81%	Larry Andagali ⁵	7,061,433	5.93%	5.47%	Section 10.5 of this Prospectus
Shareholder ¹	Number of Shares	% Holding Assuming Minimum Subscription Achieved ^{2,3}	% Holding Assuming Maximum Subscription Achieved ^{2,3}																							
Gusaba Company Limited ⁴	15,880,980	13.33%	12.30%																							
Allen John Tyson as Trustee for The Tyson Family Trust	7,500,000	6.29%	5.81%																							
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Larry Andagali ⁵	7,061,433	5.93%	5.47%																							

1. Investment Overview continued

Topic	Summary	For more information																								
<p>What are the Directors' shareholdings?</p>	<p>The Directors are expected to hold a direct or indirect interest in the following Shares on completion of the Offer (and assuming the Directors do not apply for Shares under the Offer):</p> <table border="1" data-bbox="424 607 1198 972"> <thead> <tr> <th data-bbox="424 741 544 775">Director</th> <th data-bbox="775 741 847 775">Shares</th> <th data-bbox="895 618 1023 775">% Holding Assuming Minimum Subscription under the Offer^{6,7}</th> <th data-bbox="1078 618 1198 775">% Holding Assuming Maximum Subscription under the Offer^{6,7}</th> </tr> </thead> <tbody> <tr> <td data-bbox="424 786 735 819">John (Iain) Macpherson¹</td> <td data-bbox="743 786 847 819">3,050,270</td> <td data-bbox="951 786 1023 819">2.56%</td> <td data-bbox="1110 786 1182 819">2.36%</td> </tr> <tr> <td data-bbox="424 819 735 853">John Anderson²</td> <td data-bbox="743 819 847 853">3,300,000</td> <td data-bbox="951 819 1023 853">2.77%</td> <td data-bbox="1110 819 1182 853">2.56%</td> </tr> <tr> <td data-bbox="424 853 735 887">Howard Lole³</td> <td data-bbox="743 853 847 887">15,880,980</td> <td data-bbox="935 853 1023 887">13.33%</td> <td data-bbox="1110 853 1182 887">12.30%</td> </tr> <tr> <td data-bbox="424 887 735 920">Larry Andagali⁴</td> <td data-bbox="743 887 847 920">7,061,433</td> <td data-bbox="951 887 1023 920">5.93%</td> <td data-bbox="1110 887 1182 920">5.47%</td> </tr> <tr> <td data-bbox="424 920 735 954">Brian Moller⁵</td> <td data-bbox="743 920 847 954">3,300,000</td> <td data-bbox="951 920 1023 954">2.77%</td> <td data-bbox="1110 920 1182 954">2.56%</td> </tr> </tbody> </table> <p>Notes:</p> <ol data-bbox="424 1032 1198 1447" style="list-style-type: none"> Shares held indirectly through an entity associated with John (Iain) Macpherson. Shares held indirectly through an entity associated with John Anderson. Shares held indirectly through an entity associated with Howard Lole. Further, Howard Lole is one of 1,840 members and one of 16 directors of Jugu Development Corporations Ltd which holds 364,830 shares in Tolu. The Board is of the opinion Howard Lole does not have a controlling indirect interest in Jugu Development Corporation Ltd for the purposes of his % holdings. Shares held directly and indirectly by Larry Andagali, through an entity associated with Larry Andagali and through related parties. Shares held indirectly through an entity associated with Brian Moller. This assumes that the Conditions to the Offer are satisfied (or waived), the Offer is fully subscribed, all of the Frontier Shares and MRDC Shares are issued and that no Shares are issued from the exercise of Options. This assumes that no Shares have been issued to the Contractor under the Tunnel Engineering Agreement as described in Section 9.5 as at completion of the Offer. 	Director	Shares	% Holding Assuming Minimum Subscription under the Offer ^{6,7}	% Holding Assuming Maximum Subscription under the Offer ^{6,7}	John (Iain) Macpherson ¹	3,050,270	2.56%	2.36%	John Anderson ²	3,300,000	2.77%	2.56%	Howard Lole ³	15,880,980	13.33%	12.30%	Larry Andagali ⁴	7,061,433	5.93%	5.47%	Brian Moller ⁵	3,300,000	2.77%	2.56%	<p>Section 7.9 of this Prospectus</p>
Director	Shares	% Holding Assuming Minimum Subscription under the Offer ^{6,7}	% Holding Assuming Maximum Subscription under the Offer ^{6,7}																							
John (Iain) Macpherson ¹	3,050,270	2.56%	2.36%																							
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Brian Moller ⁵	3,300,000	2.77%	2.56%																							

Topic	Summary	For more information												
<p>What significant benefits are payable to the Directors?</p>	<p>The Directors are entitled to the following remuneration and fees:</p> <table border="1" data-bbox="475 548 1252 1124"> <thead> <tr> <th data-bbox="475 548 742 593">Director</th> <th data-bbox="742 548 1252 593">Remuneration/Fees</th> </tr> </thead> <tbody> <tr> <td data-bbox="475 593 742 721">John (Iain) Macpherson (Managing Director and Chief Executive Officer)</td> <td data-bbox="742 593 1252 721">A\$395,000 per annum plus up to A\$150,000 in bonus entitlements and 2,500,000 Performance Rights which will convert upon achieving certain conditions</td> </tr> <tr> <td data-bbox="475 721 742 824">John Anderson (Non-Executive Director and Chair)</td> <td data-bbox="742 721 1252 824">A\$75,000 per annum plus A\$6,000/annum for each committee appointment</td> </tr> <tr> <td data-bbox="475 824 742 952">Howard Lole (Executive Director External Affairs (PNG))</td> <td data-bbox="742 824 1252 952">A\$165,000 per annum plus up to A\$35,000 in bonus entitlements and 250,000 Performance Rights which will convert upon achieving certain conditions</td> </tr> <tr> <td data-bbox="475 952 742 1055">Larry Andagali (Non-Executive Director)</td> <td data-bbox="742 952 1252 1055">A\$60,000 per annum plus A\$6,000/annum for each committee appointment</td> </tr> <tr> <td data-bbox="475 1055 742 1124">Brian Moller (Non-Executive Director)</td> <td data-bbox="742 1055 1252 1124">A\$60,000 per annum plus A\$6,000/annum for each committee appointment</td> </tr> </tbody> </table> <p>Non-Executive Directors who are appointed to various committees of the Board will receive A\$6,000 in addition to their remuneration entitlements for each committee appointment.</p>	Director	Remuneration/Fees	John (Iain) Macpherson (Managing Director and Chief Executive Officer)	A\$395,000 per annum plus up to A\$150,000 in bonus entitlements and 2,500,000 Performance Rights which will convert upon achieving certain conditions	John Anderson (Non-Executive Director and Chair)	A\$75,000 per annum plus A\$6,000/annum for each committee appointment	Howard Lole (Executive Director External Affairs (PNG))	A\$165,000 per annum plus up to A\$35,000 in bonus entitlements and 250,000 Performance Rights which will convert upon achieving certain conditions	Larry Andagali (Non-Executive Director)	A\$60,000 per annum plus A\$6,000/annum for each committee appointment	Brian Moller (Non-Executive Director)	A\$60,000 per annum plus A\$6,000/annum for each committee appointment	<p>Sections 7.6 and 7.7 of this Prospectus</p>
Director	Remuneration/Fees													
John (Iain) Macpherson (Managing Director and Chief Executive Officer)	A\$395,000 per annum plus up to A\$150,000 in bonus entitlements and 2,500,000 Performance Rights which will convert upon achieving certain conditions													
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<p>What escrow arrangements will be in place as at completion of the Offer?</p>	<p>The ASX may, as a condition of granting the Company's application for Official Quotation of its securities, classify certain securities of the Company (including some of the existing Shares on issue, Frontier Shares, MRDC Shares, Options and Performance Rights) as restricted securities. If so, prior to Official Quotation of the Company's securities, the holders of the securities that are to be classified as restricted securities will be required to enter into appropriate restriction agreements with the Company or will receive restriction notices from the Company.</p> <p>Based on the expected application by ASX of Appendix 9B to the Shares on issue, the Company expects its 'free float' (being the percentage of Shares that are not restricted and are held by Shareholders who are not related parties or their associates of the Company) at the time of admission to the Official List will not be less than 20% in compliance with ASX Listing Rule 1.1, condition 7.</p>	<p>Section 2.16 of this Prospectus</p>												
<p>What corporate governance policies does the Company have in place?</p>	<p>A summary of the Corporate Governance Charter and other policies adopted by the Company is set out in Section 8 of this Prospectus.</p>	<p>Section 8 of this Prospectus</p>												
<p>Are there any significant related party transactions?</p>	<p>The Company was incorporated as a PNG public company on 19 March 2020. The Companies Act does not contain restrictions on related party transactions, except to the extent contained in the 'interested director' provisions.</p> <p>The Company entered into a number of arrangements where Directors have an interest as set out in Section 7.11 of this Prospectus.</p>	<p>Section 7.11 of this Prospectus</p>												

1. Investment Overview continued

Topic	Summary	For more information
1.8 Key terms of the Offer		
Who is the issuer of this Prospectus?	Tolu Minerals Limited is the issuer of this Prospectus.	
What is the Offer?	<p>Tolu is offering a minimum of 30,000,000 Shares at an Offer Price of A\$0.50 per Share to raise A\$15,000,000 (Minimum Subscription) and up to a maximum of 40,000,000 Shares at an Offer Price of A\$0.50 per Share to raise A\$20,000,000 (Maximum Subscription) (collectively, the Offer).</p> <p>The offer of the Frontier Shares to Lanthanein and the MRDC Shares to the Noteholder (or its nominee) (should the Noteholder exercise their conversion rights pursuant to the Convertible Note Deed during the Offer Period) is also made pursuant to this Prospectus.</p> <p>Details of the Frontier Share Sale Agreement and the Convertible Note Deed are set out in Sections 9.4 and 9.6 of this Prospectus, respectively.</p> <p>The Offer is conditional upon satisfaction (or waiver) of the Conditions. No Shares will be issued under this Prospectus until such time as the Conditions are satisfied (or waived).</p> <p>All Shares issued or sold pursuant to this Prospectus will be fully paid ordinary shares in the Company and will rank equally with all other Shares on issue.</p>	Section 2 of this Prospectus

Topic	Summary	For more information																																																																
How will the proceeds of the Offer be used?	The Offer Proceeds are intended to be used as follows:	Section 2.5 of this Prospectus																																																																
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1. Investment Overview continued

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Is the Offer underwritten?	No.																			
What are the key dates of the Offer?	<p>Key Offer Dates</p> <table border="1"> <tbody> <tr> <td>Lodgement of Prospectus with ASIC</td> <td>10 August 2023</td> </tr> <tr> <td>Opening Date of Offer</td> <td>18 August 2023</td> </tr> <tr> <td>Closing Date of Offer</td> <td>15 September 2023</td> </tr> <tr> <td>Settlement Date of Offer</td> <td>19 September 2023</td> </tr> <tr> <td>Allotment Date of Shares under the Offer</td> <td>25 September 2023</td> </tr> <tr> <td>Allotment Date of Frontier Shares</td> <td>25 September 2023</td> </tr> <tr> <td>Allotment Date of MRDC Shares⁹</td> <td>25 September 2023</td> </tr> <tr> <td>Expected date for dispatch of holding statements</td> <td>29 September 2023</td> </tr> <tr> <td>Expected commencement of trading on ASX</td> <td>4 October 2023</td> </tr> </tbody> </table> <p>Note: This timetable is indicative only. Unless otherwise indicated, all times given are AEST. The Company, in consultation with the Joint Lead Managers, reserves the right to vary any and all of the above dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before completion of the Offer, in each case without notifying any recipient of this Prospectus or Applicants). Furthermore, dates are dependent upon completion, and as such, satisfaction (or waiver) of the Conditions. If the Offer is cancelled or withdrawn before completion of the Offer, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.</p>	Lodgement of Prospectus with ASIC	10 August 2023	Opening Date of Offer	18 August 2023	Closing Date of Offer	15 September 2023	Settlement Date of Offer	19 September 2023	Allotment Date of Shares under the Offer	25 September 2023	Allotment Date of Frontier Shares	25 September 2023	Allotment Date of MRDC Shares ⁹	25 September 2023	Expected date for dispatch of holding statements	29 September 2023	Expected commencement of trading on ASX	4 October 2023	Section 2.4 of this Prospectus
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What are the costs of the Offer and who is paying them?	The total estimated costs of the Offer including legal costs, ASIC and ASX fees, prospectus printing costs and other miscellaneous expenses, which will be borne by the Company, are estimated at A\$1,903,000 on the basis of raising the Minimum Subscription and A\$2,203,000 on the basis of raising the Maximum Subscription.	Section 10.8 of this Prospectus																		

9. This assumes that the Noteholder issues a conversion notice to exercise their conversion rights under the Convertible Note Deed during the Offer Period. For further details on the Convertible Note Deed see Section 9.6 of this Prospectus.

Topic	Summary	For more information
<p>When will I receive dividends on the Shares?</p>	<p>The Company is not deriving any revenue from its operations at this stage. Accordingly, no dividends are expected to be paid in the foreseeable future following the Company's listing on ASX.</p> <p>The payment and amount of any potential future dividends declared by the Company are subject to the discretion of the Directors and will depend upon, among other things, the Company's earnings, financial position, tax position and capital requirements.</p> <p>It is the Directors' intention to review this policy from time to time and commence the payment of a regular dividend once the Company is able to generate a substantial and sustainable level of cash flow, after allowing for capital expenditure and other commitments.</p> <p>The Directors also note that as the Company is not deriving revenue from business conducted in Australia, the Company may not be able to declare franked dividends unless and until it derives Australian sourced revenue and pays Australian tax.</p>	<p>Section 5.7(b) of this Prospectus</p>
<p>How can I obtain further information?</p>	<p>By speaking to your stockbroker, solicitor, banker, accountant or other professional adviser.</p>	
<p>How can I contact the Company?</p>	<p>For contact details, see the Corporate Directory at the end of this Prospectus.</p>	<p>Corporate Directory</p>
<p>What will the market capitalisation of the Company be upon Listing on the ASX?</p>	<p>The undiluted market capitalisation of the Company on admission to the Official List is expected to be approximately A\$59,574,500 assuming the Minimum Subscription of A\$15,000,000 is raised under the Offer and approximately A\$64,574,500 assuming the Maximum Subscription of A\$20,000,000 is raised under the Offer. This calculation assumes that the Conditions to the Offer are satisfied (or waived), that the Offer is fully subscribed, all of the Frontier Shares and MRDC Shares are issued and that no Shares are issued from the exercise of Options during the Offer Period.</p>	<p>Section 2.2 of this Prospectus</p>

1. Investment Overview continued

Topic	Summary	For more information
<p>How is the Offer structured?</p>	<p>The Offer comprises:</p> <ul style="list-style-type: none"> (a) the Retail Offer, comprising the Broker Firm Offer and the General Offer; and (b) the Institutional Offer, which consists of an invitation to subscribe for Shares made to Institutional Investors in Australia, New Zealand, Canada, PNG, the United Kingdom, the European Union (excluding Austria), Switzerland, the United States, Panama, Nicaragua, British Virgin Islands and other eligible overseas jurisdictions. <p>See Section 2.8 of this Prospectus for instructions on how to apply for Shares under the Offer.</p> <p>The Offer of the Frontier Shares to Lanthanein and of the MRDC Shares to the Noteholder (or its nominee) (should the Noteholder exercise their conversion rights pursuant to the Convertible Note Deed) is also made pursuant to this Prospectus. Details of the Frontier Share Sale Agreement and the Convertible Note Deed are set out in Sections 9.4 and 9.6 of this Prospectus, respectively.</p>	<p>Section 2.6(b) of this Prospectus</p>
<p>What is the allocation policy applicable to the Offer?</p>	<p>The Company in consultation with the Joint Lead Managers and/or the Foreign Brokers (as applicable) have absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application or bid, or allocate fewer Shares than the number, or the equivalent dollar amount than applied or bid for.</p>	<p>Section 2.9 of this Prospectus</p>
<p>When will I receive confirmation that my Application has been successful?</p>	<p>Holding statements, confirming Applicants' allocations under the Offer, are expected to be dispatched to Shareholders on 29 September 2023.</p>	<p>Section 2.12 of this Prospectus</p>
<p>When are the Shares expected to commence trading?</p>	<p>It is expected that trading of the Shares on the ASX will commence on or about 4 October 2023 on a normal T+2 settlement basis. This date is indicative only.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk.</p> <p>The Company, the Share Registry, the Joint Lead Managers and the Foreign Brokers disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding, even if such person received confirmation of allocation from the Offer Information Line, a broker or otherwise.</p>	
<p>Is there any brokerage, commission or stamp duty payable by Applicants?</p>	<p>No brokerage or stamp duty is payable by Applicants on acquisitions of Shares under the Offer.</p> <p>The Joint Lead Managers and the Foreign Brokers reserve the right to pay a commission (exclusive of GST) on amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid Applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee.</p>	<p>Section 2.20 of this Prospectus</p>

Topic	Summary	For more information
What are the tax implications of investing in the Company?	The taxation implications of investing in Shares will depend on an investor's individual circumstances. Applicants should obtain their own tax advice or financial planning advice prior to investing.	Section 10.9 of this Prospectus
How can I apply for Shares?	Eligible investors may apply for Shares by completing a valid Application Form attached to or accompanying this Prospectus. To the extent permitted by law, an Application by an Applicant under the Offer is irrevocable.	Section 2.8 of this Prospectus
Can the Offer be withdrawn?	The Company reserves the right not to proceed with the Offer at any time before the issue of Shares to successful Applicants. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded (without interest) in accordance with the requirements of the Corporations Act.	Section 2.17 of this Prospectus
Where can I find more information about this Prospectus or the Offer?	All enquiries in the first instance should be directed to your broker or you can contact the Company directly via email at investor@toluminerals.com or you can contact the Share Registry on the Offer Information Line on 1800 451 641 (within Australia) and +61 1800 451 641 (outside Australia) between 9:00am and 5:00pm (AEST) Monday to Friday, excluding public holidays, during the Offer Period. If you are unclear in relation to any matter or are uncertain as to whether Tolu is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, banker, accountant, financial advisor, tax advisor, or other professional advisor before deciding whether to invest in the Shares.	

2. Details of the Offer

This section is intended as an introduction and not as a summary of this Prospectus. It should be read in conjunction with the remainder of this Prospectus.

2.1 The Offer

This Prospectus constitutes an offer of a minimum of 30,000,000 Shares at an Offer Price of A\$0.50 per Share to raise A\$15,000,000 (**Minimum Subscription**) and up to a maximum of 40,000,000 Shares at an Offer Price of A\$0.50 per Share to raise A\$20,000,000 (**Maximum Subscription**) (**Offer**).

This Prospectus also incorporates the offer of 3,000,000 Shares to Lanthanein (**Frontier Shares**). The offer of the Frontier Shares is not an offer made to the general public.

This Prospectus also incorporates the offer of the MRDC Shares should the Noteholder issue a conversion notice to exercise its conversion rights under the Convertible Note Deed during the Offer Period. The offer of the MRDC Shares is not an offer made to the general public.

The Shares, the Frontier Shares and the MRDC Shares offered by this Prospectus will be issued as fully paid shares and, when issued, will rank equally in all respects with the existing Shares.

2.2 Conditions

Completion of the Offer under this Prospectus is conditional upon the following conditions being satisfied (or waived) (being the **Conditions**):

- (a) Tolu receiving subscriptions for Shares to raise a minimum of A\$15,000,000 and up to a maximum of A\$20,000,000;
- (b) all necessary parties entering into restriction agreements as required by ASX imposing such restrictions on trading of certain Tolu securities issued pursuant to the Offer and listing of Tolu on the ASX; and
- (c) Tolu obtaining a conditional admission letter from ASX on terms satisfactory to Tolu's Directors, acting reasonably.

No Shares will be issued under this Prospectus until such time as the Conditions are satisfied (or waived). In the event that these Conditions are not met (or waived), the listing of Tolu on the ASX will not proceed, and all Application Monies received will be returned to Applicants without interest.

2.3 Key Terms

	Minimum Subscription	Maximum Subscription
Number of Shares on issue at the date of this Prospectus	77,291,857	77,291,857
Shares available under the Offer	30,000,000	40,000,000
Frontier Shares ¹⁰	3,000,000	3,000,000
MRDC Shares ¹¹	8,857,143	8,857,143
Offer Proceeds ¹²	A\$15,000,000, before costs of the Offer	A\$20,000,000, before costs of the Offer
Total number of Shares on issue following the Offer (on an undiluted basis) ¹³	119,149,000	129,149,000
Performance Rights on issue at completion of the Offer	2,750,000	2,750,000
Options on issue at completion of the Offer ¹⁴	1,125,000	1,500,000
Total number of Shares on issue at completion of the Offer (on a fully diluted basis)	123,024,000	133,399,000
Indicative market capitalisation of the Company at the Offer Price on completion of the Offer (on an undiluted basis) ¹⁵	A\$59,574,500	A\$64,574,500
Indicative market capitalisation of the Company at the Offer Price (on a fully diluted basis) ¹⁶	A\$61,512,000	A\$66,699,500

Note: Pursuant to the Tunnel Engineering Agreement, a further 880,000 Shares will be issued to the Contractor upon mobilisation and a further 3,520,000 Shares will be issued to the Contractor in five equal tranches to be issued progressively based on distance milestones during completion of the final 23km of the pilot access service road as described in Section 9.5. These Shares have not been included in this table as it is expected that they will be issued following completion of the Offer and the Company's admission to the Official List. Following the issue of the 4,400,000 Shares, the total number of Shares on issue in the Company (on a fully diluted basis) will be 127,424,000 (based on the Minimum Subscription) and 137,799,000 (based on the Maximum Subscription). This assumes that no other securities are issued and all the Frontier Shares and MRDC Shares are issued. This represents an interest in the Company's securities of 3.45% (based on the Minimum Subscription) and 3.19% (based on the Maximum Subscription).

10. The Frontier Shares will be issued to Lanthanein upon completion of the Frontier Share Sale Agreement. Full details are described in Section 9.4 of this Prospectus.
11. This assumes that the Noteholder issues a conversion notice to exercise their conversion rights under the Convertible Note Deed during the Offer Period. This also assumes that the MRDC Shares are issued from the conversion of the Convertible Notes for the full face value of PNG Kina 10,000,000 plus 1 years interest of PNG Kina 850,000 and applying a PNG Kina to Australian Dollar exchange rate of 2.45 as at 13 July 2023 and at the Offer Price per Share. Any change in the exchange rate at the time of issue of the conversion notice will change the number of MRDC Shares issued. For further details on the Convertible Note Deed see Section 9.6 of this Prospectus.
12. The cash Costs of the Offer of A\$1,903,000 based on raising the Minimum Subscription and A\$2,203,000 based on raising the Maximum Subscription are described in Section 10.8 of this Prospectus.
13. This assumes that the Offer is fully subscribed, all of the Frontier Shares and MRDC Shares are issued and no Shares are issued from the exercise of Options during the Offer Period.
14. Refer to Sections 9.1, 9.2 and 9.3 of this Prospectus for details regarding the Options the Joint Lead Managers and the Foreign Brokers may receive at the completion of the Offer. This number is indicative only and assumes that 75% of the proceeds of the Offer are raised by the Joint Lead Managers, Foreign Brokers and additional foreign brokers meeting the requirement for the issue of Options.
15. For indicative purposes only, the market capitalisation is based on the Offer Price and total number of Shares on issue on completion of the Offer. Shares may not trade at the Offer Price after listing on the ASX. If Shares trade below the Offer Price, then the market capitalisation will be lower than the amount shown.
16. For indicative purposes only, the market capitalisation is based on the Offer Price and total number of Shares on issue on completion of the Offer. Shares may not trade at the Offer Price after listing on the ASX. If Shares trade below the Offer Price, then the market capitalisation will be lower than the amount shown.

2. Details of the Offer continued

2.4 Key Dates

Lodgement of Prospectus with ASIC	10 August 2023
Opening Date of Offer	18 August 2023
Closing Date of Offer	15 September 2023
Settlement date of Offer	19 September 2023
Allotment date of Shares under the Offer	25 September 2023
Allotment date of Frontier Shares	25 September 2023
Allotment Date of MRDC Shares ¹⁷	25 September 2023
Expected date for dispatch of holding statements	29 September 2023
Expected commencement of trading on ASX	4 October 2023

Note: This timetable is indicative only. Unless otherwise indicated, all times given are AEST. The Company, in consultation with the Joint Lead Managers, reserves the right to vary any and all of the above dates without notice (including, subject to the ASX Listing Rules and the Corporations Act, to close the Offer early, to extend the Closing Date, or to accept late Applications or bids, either generally or in particular cases, or to cancel or withdraw the Offer before completion of the Offer, in each case without notifying any recipient of this Prospectus or Applicants). Furthermore, dates are dependent upon completion, and as such, satisfaction (or waiver) of the Conditions. If the Offer is cancelled or withdrawn before completion of the Offer, then all Application Monies will be refunded in full (without interest) as soon as possible in accordance with the requirements of the Corporations Act. Investors are encouraged to submit their Applications as soon as possible after the Offer opens.

2.5 Purpose of the Offer and Proposed Use of Funds

- (a) The purpose of the Offer is to:
- (1) raise a Minimum Subscription of A\$15,000,000 and up to a Maximum Subscription of A\$20,000,000 (**Offer Proceeds**) to fund:
 - (A) the Company's expenditure commitments and operating costs in relation to exploration costs on the Tolukuma Project and the Mt Penck Project;
 - (B) completion of the acquisition of Frontier;
 - (C) general working capital requirements;
 - (D) corporate overhead and administrative costs;
 - (E) the costs of the Offer; and
 - (F) the operating costs of the Company;
 - (2) provide a liquid market for the Company's Shares;
 - (3) meet the requirements of the ASX and satisfy Chapters 1 and 2 of the ASX Listing Rules to enable the Company to list on the ASX;
 - (4) provide the Company with the benefits of an increased profile that arises from being listed; and
 - (5) provide the Company with additional financial flexibility and access to capital markets, to assist in pursuing its growth strategy.
- (b) Assuming the Offer is fully subscribed, the Directors are satisfied that upon completion of the Offer, Tolu will have sufficient funds to meet its short term objectives.

17. This assumes that the Noteholder issues a conversion notice to exercise their conversion rights under the Convertible Note Deed during the Offer Period. For further details on the Convertible Note Deed see Section 9.6 of this Prospectus.

The Company intends to apply funds raised from the Offer, together with existing cash reserves post-admission, over the first 18 months following admission of the Company to the Official List as follows:

Use of Funds	Minimum Subscription		Maximum Subscription	
	A\$	%	A\$	%
Pilot access service road	1,800,000	12.00	1,800,000	9.00
General mobilisation	1,130,000	7.53	1,553,000	7.77
Site roads ⁴	216,000	1.44	216,000	1.08
Hydroelectric refurbishment ⁵	–	–	212,000	1.06
Electrical refurbishment ⁶	1,374,000	9.16	2,082,000	10.41
Underground access	1,380,000	9.20	1,380,000	6.90
Underground works	283,000	1.89	283,000	1.42
Bulk sampling gravity circuit	–	–	1,347,000	6.74
Milihamba Exploration Drive and diamond drilling ⁷	1,131,000	7.54	1,630,000	8.15
Mineral resource development	737,000	4.91	737,000	3.69
Resource conversion	52,000	0.35	52,000	0.26
Tolukuma regional exploration	738,000	4.92	738,000	3.69
Mt Penck exploration	98,000	0.65	98,000	0.49
TMF studies	107,000	0.71	107,000	0.54
Off site ²	540,000	3.60	540,000	2.70
Acquisition of Frontier	500,000	3.33	500,000	2.50
Consultants ³	450,000	3.00	900,000	4.50
Working capital	2,561,000	17.07	3,622,000	18.11
Costs of the Offer	1,500,000	10.00	1,800,000	9.00
Costs of legal services	403,000	2.69	403,000	2.02
Total	15,000,000	100	20,000,000	100

Notes:

1. The above table is a statement of current intentions as at the date of this Prospectus. Investors should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including operational and development activities, regulatory developments, and market and general economic conditions. In light of this, the Board reserves its right to alter the way the funds are applied.
2. Off site costs cover establishing warehousing and drill core laydown area in Port Moresby and a helicopter staging facility at Veimari, North of Port Moresby, for a period of 8 months pending completion of the pilot access service road.
3. Consultant costs cover the costs of the independent consultants that will be retained by the Company, largely for future MREs and upgrading of the existing MRE (including management of the geological database and QA/QC protocols for Resource Estimation).
4. A\$216k has been allocated for Phase 2 Works for both the Minimum Subscription and Maximum Subscription. Refer to Section 9.5 of this Prospectus for further details.
5. A\$212k has been allocated for Phase 2 Works for the Maximum Subscription. Refer to Section 9.5 of this Prospectus for further details.
6. A\$362k has been allocated for Phase 2 Works for the Maximum Subscription. Refer to Section 9.5 of this Prospectus for further details.
7. A\$498k has been allocated for Phase 3 Works for the Maximum Subscription. Refer to Section 9.5 of this Prospectus for further details.

2. Details of the Offer continued

A detailed breakdown of the Company's proposed expenditure program over the first 18 months following admission of the Company to the Official List is set out below:

Use of Funds	0 to 6 months		6 to 12 months		12 to 18 months	
	Minimum Subscription A\$	Maximum Subscription A\$	Minimum Subscription A\$	Maximum Subscription A\$	Minimum Subscription A\$	Maximum Subscription A\$
Pilot access service road	936,000	936,000	864,000	864,000	–	–
General mobilisation	587,000	1,010,000	500,000	500,000	42,000	42
Site roads	–	–	105,000	105,000	111,000	111,000
Hydroelectric refurbishment	–	–	–	–	–	212,000
Electrical refurbishment	741,000	1,449,000	270,000	270,000	362,000	362,000
Underground access	989,000	989,000	391,000	391,000	–	–
Underground works	71,000	71,000	212,000	212,000	–	–
Bulk sampling	–	481,000	–	759,000	–	107,000
Milihamba Exploration Drive and diamond drilling	–	–	377,000	377,000	754,000	1,253,000
Mineral resource development	–	–	442,000	442,000	295,000	295,000
Resource conversion	–	–	35,000	35,000	16,000	16,000
Tolukuma regional exploration	246,000	246,000	246,000	246,000	246,000	246,000
Mt Penck exploration	33,000	33,000	33,000	33,000	33,000	33,000
TMF studies	29,000	29,000	43,000	43,000	36,000	36,000
Off site	189,000	189,000	196,000	196,000	156,000	156,000
Frontier acquisition	500,000	500,000	–	–	–	–
Consultants	150,000	300,000	150,000	300,000	150,000	300,000
Working capital	854,000	1,207,667	854,000	1,207,667	854,000	1,207,666
Costs of the Offer	1,500,000	1,800,000	–	–	–	–
Costs of legal services	403,000	403,000	–	–	–	–
Total	7,226,000	9,643,667	4,719,000	5,980,667	3,055,000	4,3666

Note: Totals may not add up due to rounding.

2.6 Capital Structure Post Offer

Assuming the satisfaction (or waiver) of the Conditions, upon completion of the Offer and allotment of Shares, the Frontier Shares and MRDC Shares (should the Noteholder exercise their conversion rights under the Convertible Note Deed during the Offer Period) pursuant to this Prospectus, the Company's capital will be as follows:

(a) Share Capital

Securities on issue on completion of Offer	Minimum Subscription	Maximum Subscription
Number of Shares on issue at the date of this Prospectus	77,291,857	77,291,857
Shares available under the Offer	30,000,000	40,000,000
Frontier Shares ¹⁸	3,000,000	3,000,000
MRDC Shares ¹⁹	8,857,143	8,857,143
Total number of Shares on issue on completion of the Offer (undiluted basis) ²⁰	119,149,000	129,149,000
Shares issued on exercise of all Performance Rights	2,750,000	2,750,000
Shares issued on exercise of all Options ²¹	1,125,000	1,500,000
Total Shares on issue at completion of the Offer (fully diluted basis)	123,024,000	133,399,000

Note: Pursuant to the Tunnel Engineering Agreement, a further 880,000 Shares will be issued to the Contractor upon mobilisation and a further 3,520,000 Shares will be issued to the Contractor in five equal tranches to be issued progressively based on distance milestones during completion of the final 23km of the pilot access service road as described in Section 9.5. These Shares have not been included in this table as it is expected that they will be issued following completion of the Offer and the Company's admission to the Official List. Following the issue of the 4,400,000 Shares, the total number of Shares on issue in the Company (on a fully diluted basis) will be 127,424,000 (based on the Minimum Subscription) and 137,799,000 (based on the Maximum Subscription). This assumes that no other securities are issued and all the Frontier Shares and MRDC Shares are issued. This represents an interest in the Company's securities of 3.45% (based on the Minimum Subscription) and 3.19% (based on the Maximum Subscription).

18. The Frontier Shares will be issued to Lanthanein upon completion of the Frontier Share Sale Agreement. Full details are described in Section 9.4 of this Prospectus.
19. This assumes that the Noteholder issues a conversion notice to exercise their conversion rights under the Convertible Note Deed during the Offer Period. This also assumes that the MRDC Shares are issued from the conversion of the Convertible Notes for the full face value of PNG Kina 10,000,000 plus 1 years interest of PNG Kina 850,000 and applying a PNG Kina to Australian Dollar exchange rate of 2.45 as at 13 July 2023 and at the Offer Price per Share. Any change in the exchange rate at the time of issue of the conversion notice will change the number of MRDC Shares issued. For further details on the Convertible Note Deed see Section 9.6 of this Prospectus.
20. This assumes that the Offer is fully subscribed, all of the Frontier Shares and MRDC Shares are issued and no Shares are issued from the exercise of Options during the Offer Period.
21. Refer to Sections 9.1, 9.2 and 9.3 of this Prospectus for details regarding the Options the Joint Lead Managers and the Foreign Brokers may receive at the completion of the Offer. This number is indicative only and assumes that 75% of the proceeds of the Offer are raised by the Joint Lead Managers, Foreign Brokers and additional foreign brokers meeting the requirement for the issue of Options.

2. Details of the Offer continued

(b) Structure of the Offer

The Offer will consist of:

- (1) the **Retail Offer**, which consists of:
 - (A) the **Broker Firm Offer**, which is open to Australian and New Zealand resident retail investors and sophisticated investors who have received a firm allocation from their broker; and
 - (B) the **General Offer**, which is open to members of the general public who have a registered address in Australia and New Zealand; and
- (2) the **Institutional Offer**, which consists of an invitation to certain Institutional Investors in Australia, New Zealand, Canada, PNG, the United Kingdom, the European Union (excluding Austria), Switzerland, the United States, Panama, Nicaragua, British Virgin Islands and other eligible overseas jurisdictions.

The offer of the Frontier Shares to Lanthanein is also made pursuant to this Prospectus. Details of the Frontier Share Sale Agreement are set out in Section 9.4 of this Prospectus.

The Offer of the MRDC Shares to the Noteholder (or its nominee) (should the Noteholder exercise their conversion rights pursuant to the Convertible Note Deed) is also made pursuant to this Prospectus. Details of the Convertible Note Deed are set out in Section 9.6 of this Prospectus.

The Joint Lead Managers, Foreign Brokers and the Company will determine the allocation of Shares between the Retail Offer and the Institutional Offer. Consideration will be given to the allocation policy outlined in Section 2.9 of this Prospectus.

2.7 Overview of Main Terms of the Offer

Topic	Summary
What is the type of security being offered?	Fully paid ordinary Shares in the capital of Tolu.
What are the rights and liabilities attached to the securities?	A description of the rights and liabilities attaching to the Shares is set out in Section 10.1 of this Prospectus.
What is the Offer Price?	A\$0.50 per Share.
What is the Offer Period?	The key dates, including details of the Offer Period relating to each component of the Offer, are set out in Section 2.4 of this Prospectus.
Is the Offer underwritten?	No.
What is the minimum and maximum Application size under the Offer?	<p>Applications under the Offer must be for a minimum of A\$2,000 worth of Shares and in multiples of A\$500 worth of Shares thereafter. There is no maximum value of Shares that may be applied for under the Offer.</p> <p>The Company in consultation with Joint Lead Managers and/or Foreign Brokers (as applicable) also reserve the right to aggregate any Applications that they believe may be multiple Applications from the same person.</p>

Topic	Summary
When will I receive confirmation that my Application has been successful?	It is expected that initial holding statements will be dispatched by standard post on or about 29 September 2023.
When are the Shares expected to commence trading?	<p>It is expected that trading of the Shares on the ASX will commence on or about 4 October 2023 on a normal T+2 settlement basis.</p> <p>It is the responsibility of each Applicant to confirm their holding before trading in Shares. Applicants who sell Shares before they receive an initial statement of holding do so at their own risk.</p> <p>The Company, the Share Registry, the Joint Lead Managers and the Foreign Brokers disclaim all liability, whether in negligence or otherwise, to persons who sell Shares before receiving their initial statement of holding, even if such person received confirmation of allocation from the Offer Information Line, a broker or otherwise.</p>
Are there any escrow arrangements?	Yes, details are provided in Section 2.16 of this Prospectus.
Are there any tax considerations?	Yes, refer to Section 10.9 of this Prospectus.
Are there any brokerage, commission or stamp duty considerations?	<p>No brokerage, commission, or stamp duty is payable by Applicants on acquisition of Shares under the Offer.</p> <p>The Joint Lead Managers and the Foreign Brokers reserve the right to pay a commission (exclusive of GST) on amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee.</p> <p>Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee. The Joint Lead Managers will be responsible for paying all commissions that the Joint Lead Managers and the Company agree with any other licensed securities dealers or Australian financial services licensee out of the fees paid by the Company to Joint Lead Managers under their separate Lead Manager Mandates.</p> <p>The Foreign Brokers will be responsible for paying all commissions that the Joint Lead Managers and the Company agree with any other licensed securities dealers or Australian financial services licensee out of the fees paid by the Company to the Foreign Brokers under their separate Foreign Brokers Mandates.</p>
What should I do with any enquiries?	<p>All enquiries in the first instance should be directed to your broker or you can contact the Company directly via email on investor@toluminerals.com or the Share Registry on the Offer Information Line on 1800 451 641 (within Australia) and +61 1800 451 641 (outside Australia) between 9:00am and 5:00pm (AEST) Monday to Friday, excluding public holidays, during the Offer Period.</p> <p>If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, banker, accountant, or other professional adviser before deciding whether to invest.</p>

2. Details of the Offer continued

2.8 Application and Payment for Shares

(a) Who May Apply?

The Offer is open under this Prospectus to Institutional Investors in Australia, New Zealand, Canada, PNG, the United Kingdom, the European Union (excluding Austria), the United States, Switzerland, Panama, Nicaragua, British Virgin Islands, and Retail Investors, who are persons who have a registered address in Australia or New Zealand.

(b) How to Apply?

Applications for Shares under this Prospectus may only be made under the Offer:

- (1) by applying online via the Company Website and paying by BPAY®; or
- (2) by Broker Firm Offer Applicants lodging an Application Form and Application Monies in accordance with the specific direction from a broker.

An Application for Shares constitutes an offer by you to subscribe for Shares on the terms and conditions as contained in the Offer. An Application to subscribe for Shares can only be made on the Application Form contained in or accompanying this Prospectus. Applications must be for a minimum of 4,000 Shares representing a minimum investment of A\$2,000 and thereafter in multiples of 1,000 Shares.

The Shares under the Offer may only be issued in response to an Application Form. If the Company does not have reasonable grounds to believe that the form was included in or accompanied by this Prospectus when the Application Form was distributed, any Applications may need to be dealt with in accordance with section 724 of the Corporations Act.

Lanthanein must lodge an application for the Frontier Shares in accordance with the specific directions on the Frontier Application Form.

The Noteholder, if it chooses to exercise its conversion right under the Convertible Note Deed during the Offer Period, must lodge an application for the MRDC Shares in accordance with the specific directions on the MRDC Application Form.

(c) How to Pay?

Apply online and pay by BPAY®.

If you are an eligible investor under the Retail Offer, you must complete your online Application by following the instructions and by making a BPAY® payment.

Using the BPAY® details provided when you complete your online Application, you need to:

- (1) access your participating BPAY® financial institution either through telephone banking or internet banking;
- (2) select BPAY® and follow the prompts;
- (3) enter the biller code supplied;
- (4) enter the unique "Customer Reference Number" supplied for each Application;
- (5) enter the total amount to be paid which corresponds to the number of Shares you wish to apply for under each Application (i.e. the minimum Application). Note that your financial institution may apply limits on your use of BPAY®. You should enquire about the limits that apply in your own personal situation;
- (6) select the account you wish your payment to be made from;
- (7) schedule your payment. Note that Applications without payment cannot be accepted; and
- (8) record your BPAY® receipt number and date paid. Retain these details for your records.

BPAY® payments must be made from an Australian Dollar account of an Australian financial institution. You will need to check with your financial institution in relation to their BPAY® closing times to ensure that your Application Monies will be received by 5:00pm (AEST) on the Closing Date. If you do not pay the Application Monies by this time, your Application will be incomplete and will not be accepted. If you complete your Application by making a BPAY® payment, you do not need to complete or return the paper Application Form. By completing a BPAY® payment, you acknowledge you are applying pursuant to the Application Form.

If you cannot pay via BPAY®, please contact the Share Registry on the Offer Information Line to obtain Electronic Funds Transfer payment details.

Broker applications

Broker Firm Offer Applicants should lodge your Application Form and Application Monies in accordance with the specific direction from your broker. If Broker Firm Offer Applicants have any queries about applying for Shares under the Offer, you should contact the Joint Lead Managers or the Offer Information Line operated by the Share Registry on 1800 451 641 (within Australia) and +61 1800 451 641 (outside Australia) between 9:00am and 5:00pm (AEST) Monday to Friday, excluding public holidays, during the Offer Period.

The Foreign Brokers will separately advise Institutional Investors of the application procedures under the Institutional Offer.

Subject to the Minimum Subscription of the Offer being achieved for the Shares as well as permission of the ASX for the Company to be admitted to the Official List, the Directors will allot the Shares as soon as possible after the Closing Date of the Offer.

An Application for Shares may be accepted in full, for any lesser number or rejected by the Company. If any Application is rejected, in whole or in part, the relevant Application Monies will be repaid without interest.

(d) Closing Date for Receipt of Applications

The opening date of the Offer will be 18 August 2023 at 9:00am (AEST) (**Opening Date**), and the closing date will be 15 September 2023 at 5:00pm (AEST) (**Closing Date**).

The Directors, subject to the requirements of the ASX Listing Rules and the Corporations Act, reserve the right to:

- (1) reject any Application, including Applications that have not been correctly completed or are accompanied by payments that are dishonoured;
- (2) accept late Applications received after the Closing Date;
- (3) allocate to any Applicant a lesser number of Shares than that for which any Applicant applied;
- (4) waive or correct any errors made by an Applicant in their Application;
- (5) close the Offer early without prior notice; or
- (6) vary any of the important dates set out in this Prospectus, including extending the Offer.

(e) How to Obtain a Copy of this Prospectus

Please contact your broker for instructions. You may also obtain a copy of this Prospectus as follows:

- (1) you can download a copy from toluminerals.com;
- (2) request a copy directly from the Company via email to investor@toluminerals.com; or
- (3) request a copy by calling the Share Registry on the Offer Information Line on 1800 451 641 (within Australia) and +61 1800 451 641 (outside Australia) between 9:00am and 5:00pm (AEST), Monday to Friday, excluding public holidays, during the Offer Period.

While you may obtain a copy of these documents as set out above, your Application will not be accepted under the Broker Firm Offer or the Institutional Offer if it is not lodged through your broker.

2. Details of the Offer continued

2.9 Allocation Policy

The Company in consultation with the Joint Lead Managers and/or the Foreign Brokers (as applicable) have absolute discretion regarding the allocation of Shares to Applicants under the Offer and may reject an Application or bid, or allocate fewer Shares than the number, or the equivalent dollar amount than applied or bid for.

2.10 Application Monies

The Share Registry, the Joint Lead Managers and the Foreign Brokers, will hold all Application Monies in trust in a separate account, until Shares are issued to successful Applicants.

Application Monies will be refunded to the extent that an Application is rejected or scaled back, or the Offer is withdrawn. No interest will be paid on refunded amounts. The Company will retain any interest earned on Application Monies.

2.11 Allotment

- (a) Allotment of the Shares under this Prospectus will take place as soon as practicable after the Closing Date of the Offer. Application Monies will be held in a subscription account until allotment.
- (b) This account will be established and kept by the Company in trust for each Applicant. Any interest earned on the Application Monies will be for the benefit of the Company and will be retained by the Company irrespective of whether allotment takes place.
- (c) Where the number of Shares allotted is less than the number applied for, the surplus Application Monies will be repaid within the time prescribed in the Corporations Act. Where no allotment is made, the amount tendered on Application will be repaid in full within the time prescribed in the Corporations Act. Interest will not be paid on monies refunded.
- (d) The Shares will be allotted and holding statements dispatched to holders as soon as possible after determination by the Company of entitlements.

2.12 Listing of Shares on the Official List of the ASX

No later than seven days after the date of this Prospectus, the Company will apply to ASX for admission to the Official List and for the Shares to be granted Official Quotation by ASX. The Company is not currently seeking a listing of its Shares on any other stock exchange.

The Offer is subject to the satisfaction (or waiver) of the Conditions, and ASX approving the application for quotation. The admission of the Company to the Official List of ASX and Official Quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares offered for subscription under the Offer.

The ASX takes no responsibility for the contents of this Prospectus.

If permission for quotation of the Shares is not granted within three months after the date of this Prospectus, all Application Monies will be refunded without interest as soon as practicable.

Subject to ASX granting approval for the Company to be admitted to the Official List, the Company will issue the Shares by 25 September 2023 and the Frontier Shares and the MRDC Shares (should the Noteholder exercise their conversion rights under the Convertible Note Deed during the Offer Period) as soon as practicable after the Closing Date. Details of the Frontier Share Sale Agreement and the Convertible Note Deed are set out in Sections 9.4 and 9.6 of this Prospectus, respectively. Holding statements confirming Applicants' allocations under the Offer are expected to be sent to successful Applicants on or around 29 September 2023.

Trading of Shares on the ASX is expected to commence on 4 October 2023 on a normal T+2 settlement basis.

If you sell Shares before receiving an initial holding statement, you may contravene the ASX Listing Rules and do so at your own risk, even if you have obtained details of your holding from your broker.

2.13 Clearing House Electronic Sub-Register System (CHES)

The Company will apply to participate in CHES and will comply with the ASX Listing Rules and the ASX Settlement Operating Rules. CHES is an electronic transfer and settlement system for transactions in securities quoted on ASX under which transfers are affected in an electronic form.

Following completion of the Offer, Shareholders will be sent a holding statement that sets out the number of Shares that have been allocated to them. This statement will also provide details of a Shareholder's Holder Identification Number (**HIN**) for CHES holders or, where applicable, the Securityholder Reference Number (**SRN**) of issuer sponsored holders. Shareholders will subsequently receive statements showing any changes to their holding. Certificates will not be issued.

Shareholders will receive subsequent statements during the first week of the following month if there has been a change to their holding on the register and as otherwise required under the ASX Listing Rules and the Corporations Act. Additional statements may be requested at any other time either directly through the Shareholder's sponsoring broker in the case of a holding on the CHES sub register or through the Share Registry in the case of a holding on the issuer sponsored sub register.

The Company and the Share Registry may charge a fee for these additional issuer sponsored statements.

2.14 International Offer Restrictions

No action has been taken to register or qualify the offer of Shares under this Prospectus, or to otherwise permit a public offering of Shares, in any jurisdiction outside Australia and New Zealand.

This Prospectus does not constitute an offer of Shares in any jurisdiction in which it would be unlawful. In particular, this Prospectus may not be distributed to any person, and the Shares may not be offered or sold, in any country outside Australia or New Zealand except as set forth in the Important Information section at the start of this Prospectus.

Persons may not distribute this Prospectus to any person outside Australia and New Zealand. Persons who receive this Prospectus outside Australia and New Zealand acknowledge that it may not be forwarded to any other person. Any failure to comply with these restrictions may constitute a violation of securities laws.

Each Applicant under this Prospectus will be taken to have represented, warranted and agreed that he/she/they/it:

- (a) understands that the offer and sale of the Shares has not been, and will not be, registered under the US Securities Act or the securities laws of any State or other jurisdiction of the United States and may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and applicable US state securities laws;
- (b) is resident or domiciled in Australia or New Zealand or is an Institutional Investor;
- (c) is not acting for the account or benefit of any person in the United States; and
- (d) has not sent, and will not send, the Prospectus or any other material relating to the Offer to any person in the United States or elsewhere outside Australia and New Zealand.

2. Details of the Offer continued

2.15 Electronic Prospectus

- (a) The Offer constituted by this Prospectus in electronic form is available only to persons receiving this Prospectus within Australia.
- (b) Persons who receive a copy of this Prospectus in electronic form from the Company Website are entitled to obtain a paper copy of the Prospectus (including any relevant accompanying Application Form) free of charge by contacting the Share Registry on the Offer Information Line on 1800 451 641 (within Australia) and +61 1800 451 641 (outside Australia) between 9:00am and 5:00pm (AEST) Monday to Friday, excluding public holidays, during the Offer Period or by contacting the Company directly via email at investor@toluminerals.com.

2.16 Restricted Securities

The ASX may, as a condition of granting the Company's application for Official Quotation of its Shares, classify certain securities of the Company (including some of the existing Shares on issue, Frontier Shares, MRDC Shares, Options and Performance Rights) as restricted securities. If so, prior to Official Quotation of the Company's securities, the holders of the securities that are to be classified as restricted securities will be required to enter into appropriate restriction agreements with the Company or will receive restriction notices from the Company.

Based on the expected application by ASX of Appendix 9B to the Shares on issue, the Company expects its 'free float' (being the percentage of Shares that are not restricted and are held by Shareholders who are not related parties or their associates of the Company) at the time of admission to the Official List will not be less than 20% in compliance with ASX Listing Rule 1.1, condition 7.

2.17 Discretion Regarding the Offer

The Company may withdraw the Offer, or any part of it, at any time before the allotment of Shares to successful Applicants in the applicable part of the Offer. If the Offer, or any part of it, does not proceed, all relevant Application Monies will be refunded. No interest will be paid on unsuccessful Applications.

The Company also reserves the right to close the Offer or any part of it early, extend the Offer or any part of it, accept late Applications or bids either generally or in particular cases, reject any Application or bid, or allocate to any Applicant or bidder fewer Shares than applied or bid for.

2.18 Joint Lead Managers

Blue Ocean Equities Pty Ltd ACN 151 186 935 (**BOEQ**) and Martin Place Securities Pty Ltd ACN 159 611 060 (**Martin Place**) have been appointed as the Joint Lead Managers to the Offer. The terms of the separate Lead Manager Mandates for each of the Joint Lead Managers are summarised in Sections 9.1 and 9.2 of this Prospectus.

The Joint Lead Managers may appoint additional brokers for raising in foreign jurisdictions as permitted by this Prospectus. Such additional brokers fees will mirror or be similar to those of the Joint Lead Managers.

2.19 Foreign Brokers

Amvest Capital Inc. (acting through Delphos MMJ LP) (**Amvest**) and Stifel Nicolaus Canada Inc. (**Stifel**) have been appointed as the Foreign Brokers to the Offer. The terms of the separate broker mandates for each of the Foreign Brokers are summarised in Section 9.3 of this Prospectus.

2.20 Commissions Payable

No brokerage, commission, or stamp duty is payable by Applicants on the acquisition of Shares under the Offer.

The Joint Lead Managers and the Foreign Brokers reserve the right to pay a commission (exclusive of GST) on amounts subscribed through any licensed securities dealers or Australian financial services licensees in respect of any valid applications lodged and accepted by the Company and bearing the stamp of the licensed securities dealer or Australian financial services licensee.

Payments will be subject to the receipt of a proper tax invoice from the licensed securities dealer or Australian Financial Services licensee. The Joint Lead Managers and the Foreign Brokers will be responsible for paying all commissions that the Joint Lead Managers, the Foreign Brokers and the Company agree with any other licensed securities dealers or Australian financial services licensee out of the fees paid by the Company to the Joint Lead Managers under the Joint Lead Manager Mandates and out of the fees paid by the Company to the Foreign Brokers under the Foreign Broker Mandates.

2.21 Questions or Further Information

If you have any queries in relation to this Prospectus, including how to complete the Application Form or how to obtain additional copies, then you can:

- (a) contact your broker;
- (b) contact the Share Registry on the Offer Information Line on 1800 451 641 (within Australia) and +61 1800 451 641 (outside Australia) between 9:00am and 5:00pm (AEST), Monday to Friday, excluding public holidays; or
- (c) visit the Company Website to download an electronic copy of this Prospectus.

If you are unclear in relation to any matter or are uncertain as to whether the Company is a suitable investment for you, you should seek professional guidance from your stockbroker, solicitor, accountant, financial advisor or other independent professional advisor before deciding whether to invest.

3. Company and Assets Overview

3.1 Company Overview

Tolu is an emerging exploration company with rights to three significant gold (and silver and copper) resource opportunities in PNG:

- (a) the Tolukuma Gold Mine defined by ML 104;
- (b) a large, highly prospective exploration package on the broader Tolukuma structure surrounding, and on strike from, the Tolukuma Gold Mine; and
- (c) the Mt Penck Tenement on the island of New Britain, PNG.

Tolu (formerly Lole Mining Ltd), was incorporated in PNG under the Companies Act on 19 March 2020. It was established to focus on the acquisition and development of the Tolukuma Project in the Goilala District of the Central Province of PNG and the development of the Mt Penck Project located on the island of New Britain.

On 17 February 2021, Tolu executed a binding term sheet with Tolukuma Gold Mines (in liquidation) to acquire the Tolukuma Project. A formal sale of assets agreement was subsequently finalised and executed on 27 April 2021 (**Tolukuma Sale of Assets Agreement**).

On 3 October 2022, Tolu completed its acquisition of the Tolukuma Project, including six exploration licences surrounding the Tolukuma Gold Mine providing a dominant landholding of 1,500km² across the highly productive Tolukuma gold structure.

The Mt Penck Tenement was granted to Tolu on 26 October 2021 and is valid for a term of 2 years. The Company has commenced the renewal process for the Mt Penck Tenement and intends to lodge a 2 year extension renewal application in the coming days.

The Company entered into a binding agreement with Lanthanein (formerly known as Frontier Resources Ltd ABN 96 095 684 389), to acquire all the shares in its wholly owned subsidiary, Frontier, the 100% holder of the EL 2531 (which is in close proximity to Tolukuma) as well as a pending exploration licence application for the historical Sinivit Gold Mine in the East New Britain Province of PNG, ELA 2529. There are competing applications on ELA 2529 (one of which predates Frontier's application). There is no guarantee that Frontier's application on ELA 2529 will be successful.

On 6 December 2022, the Company entered into a formal share sale agreement with Lanthanein and Frontier, being the Frontier Share Sale Agreement. The terms of the Frontier Share Sale Agreement are set out in Section 9.4 of this Prospectus. The Frontier Share Sale Agreement is expected to complete concurrently with completion of the Offer.

On 28 February 2022, Lanthanein announced to the ASX an estimated maiden Inferred Mineral Resource of 2.0 Mt at 2.0g/t gold for 128,000 oz of gold for the Saki system of gold veins that occur some 3km north east of Tolukuma.²²

3.2 Company Objectives

The Company's short term objective is to explore for and define a significant Mineral Resource, initially through upgrading and expanding the existing Mineral Resource Estimate (**MRE**) of the Tolukuma Gold Mine and in parallel defining a significant MRE on the Company's exploration projects at the Tolukuma Project and at Mt Penck. See Section 3.5 below for more details regarding the existing MRE.

It is the Company's intention in the medium term to return the Tolukuma Gold Mine to economically viable production on the back of an enhanced MRE. The Company sees the potential for significantly larger operations in the medium to long term, supported by the broader mineralised structure.

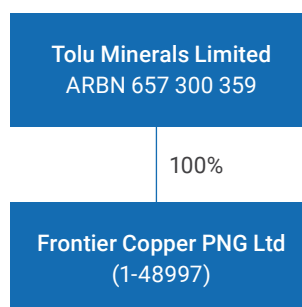
The main exploration activities of Tolu are:

- (a) upgrading the existing MRE that is centred on the historically operated Tolukuma Gold Mine;
- (b) expanding the existing MRE, by utilising the infrastructure afforded by the Tolukuma Gold Mine to actively explore the area of the mine that remains underexplored despite a number of highly prospective targets being previously identified;
- (c) exploring a number exploration licences across the broader Tolukuma mineralised structure currently covering some 1,370km² of highly prospective ground with historical gold/silver/copper mineralisation, including those held by Frontier; and
- (d) exploring the Mt Penck Tenement.

22. See ASX release by Lanthanein dated 28 February 2022.

3.3 Company Structure

The Company does not currently have any subsidiaries. Upon completion of its acquisition of Frontier, the structure of the group will be as follows:



3.4 Tolukuma Project

Tolukuma Gold Mine is situated in the Owen Stanley Ranges, approximately 100km north of Port Moresby (**POM**) in the Goilala District, Central Province, PNG.

Tolu holds a 100% interest in the ML 104, the exploration licences EL 2385, EL 2535, EL 2536, EL 2538, EL 2539, EL 2723 and ELA 2780 (known as the Ipi River Prospect, in the Tolukuma area as well) (collectively the **Tolukuma Tenements**) all of which are unencumbered. The mining lease has recently secured an extension for a further 10 years to August 2032 and the exploration licences have varying terms (that are renewable through a standard administrative procedure) depending on their date of award.

On completion of the Frontier Share Sale Agreement, Tolu will also hold, through its wholly owned subsidiary, a 100% interest in the Frontier Tenements.

(a) Tolukuma Project History

The following provides a high-level summary of exploration, development and production. A more detailed summary is contained within the Independent Geologist's Report contained in Schedule 1 of this Prospectus.

Early regional exploration was undertaken in the Fane-Woitape area during the 1960s and 1970s, but the Tolukuma vein system itself was not discovered until 1986 by means of following up on anomalous bulk leach extractable gold (**BLEG**) values and rock chip gold assays in Ilive Creek. Initial drilling occurred over the site in 1987.

Dome Resources Ltd (**Dome**) acquired the Tolukuma Gold Mine in 1993 and progressed further drilling and a feasibility study. The State granted a mining lease to Clayfield Pty Ltd to mine the resource on 29 August 1994. On 23 June 1995, Clayfield Pty Ltd changed its name to Tolukuma Gold Mines. This company was owned by Dome.

In December 1995, first gold was produced at the Tolukuma Gold Mine under the operatorship of Dome. At the time mining was exclusively by open cut. The hydroelectric power station was commissioned in December 1997 and underground production commenced in 1997. Mining continued until 2015 by means of both open cut and underground mining operations although in later years mainly underground.

In 2000, Dome sold its interest to DRD Gold Limited (**DRD**) of South Africa, who commissioned the gold gravity circuit in January 2000.

In 2006, DRD sold its interest to Emperor Mines Ltd which operated the Tolukuma Gold Mine until 2008.

3. Company and Assets Overview continued

Petromin (PNG) Holdings Ltd (**Petromin**) purchased the entire shareholding in the Tolukuma Gold Mine from Emperor Mines Ltd on 5 February 2008 and operated it until 2015.

On 15 April 2015, Petromin decided to place the mine under care and maintenance and sold the mine to Asidokona Mining Resources Pte Ltd (**Asidokona**) in October 2015. There has been no subsequent underground development or stoping activity at the mine.

Asidokona undertook some infrastructure work, notably road upgrades in conjunction with the State completing more than half of the 70km road connection from the Tolukuma Gold Mine to the Hiritano Highway from Port Moresby but failed to restart mining operations. Tolukuma Gold Mines was placed into liquidation by court order on 7 February 2018 due to insufficient funding.

On 3 October 2022, the Company completed its acquisition of the Tolukuma Project under the Tolukuma Sale of Assets Agreement and all administrative transfers were duly completed.

The Tolukuma Gold Mine's annual production was maintained at an average of around 60,000 oz Au and 160,000 oz Ag per annum until 2006, with output declining markedly from 2009 until eventual cession of operations in 2015, as illustrated in Table 3.4.1 below.

Table 3.4.1: Tolukuma Gold Mine Annual Gold and Silver Production History 1996 to 2015

Year Ending	oz Au	Cum oz Au	oz Ag	Cum oz Ag
Jun-96	28,275	28,275	43,326	43,326
Jun-97	54,970	83,245	153,239	196,565
Jun-98	72,375	155,620	293,422	489,987
Jun-99	73,448	229,068	299,121	789,108
Jun-00	17,811	246,879	160,079	949,187
Jun-01	63,593	310,472	181,967	1,131,154
Jun-02	71,955	382,427	141,899	1,273,053
Jun-03	68,096	450,523	157,844	1,430,897
Jun-04	85,715	536,238	148,007	1,578,904
Jun-05	76,314	612,552	72,150	1,651,054
Jun-06	54,790	667,342	109,580	1,760,634
Jun-07	44,181	711,523	88,362	1,848,996
Jun-08	43,000	754,523	125,827	1,974,823
Jun-09	25,000	779,523	136,666	2,111,489
Jun-10	24,000	803,523	76,911	2,188,400
Jun-11	24,000	827,523	62,662	2,251,062
Jun-12	21,414	848,937	47,345	2,298,407
2013	8,250	857,187	30,030	2,328,437
2014	14,402	871,589	29,937	2,358,374
2015	2,986	874,575	6,623	2,364,997

Source: S&P Global database to 2012, and from Petromin annual reports (where gaps exist in public reporting). Numbers are estimated for silver in 2006 and 2007.

3.5 Tolukuma Project Mineral Resources

AMC have produced a JORC (2012) MRE for Tolukuma dated 18 August 2022 (**2022 MRE**). The 2022 MRE is classified 'Inferred' in accordance with guidelines within the JORC Code. Parameters considered included the data quality, distribution and orientation, confidence in interpreted geological continuity of the mineralised zones, and confidence in the resource block estimates.

For more detail regarding the development of the 2022 MRE refer to the Independent Geologist's Report contained in Schedule 1 of this Prospectus.

(a) 2022 MRE

The reported 2022 MRE is 1.6 Mt at 10 g/t Au and 38 g/t Ag. This equates to contained metal of 500 koz Au and 1.9 moz of silver. Table 3.5.1 below shows the breakdown of the 2022 MRE based on vein.

AMC also estimated antimony, copper, lead, zinc and mercury grades for each vein.

Table 3.5.1: Tolukuma Inferred Mineral Resource at a 3 g/t Au cut-off, 18 August 2022

Domain	Tonnage (kt)	Grade		Metal	
		Gold (g/t Au)	Silver (g/t Ag)	Gold (Koz Au)	Silver (Koz Ag)
Zine	488	9	43	146	673
Zine PK Splay	7	35	145	8	33
Tolukuma	140	9	27	40	121
Tinabar	55	13	42	23	74
Gulbadi	343	10	27	114	294
Gulbadi Red	115	8	19	29	69
120 Vein	56	5	15	8	28
Fundoot	212	13	59	91	403
Gufinis	149	7	39	31	187
Mystery	45	9	46	13	67
Total	1,610	10	38	503	1,950

Other veins with historical production include Tolimi and Gulbadi X. These veins are considered to be depleted based on current information.

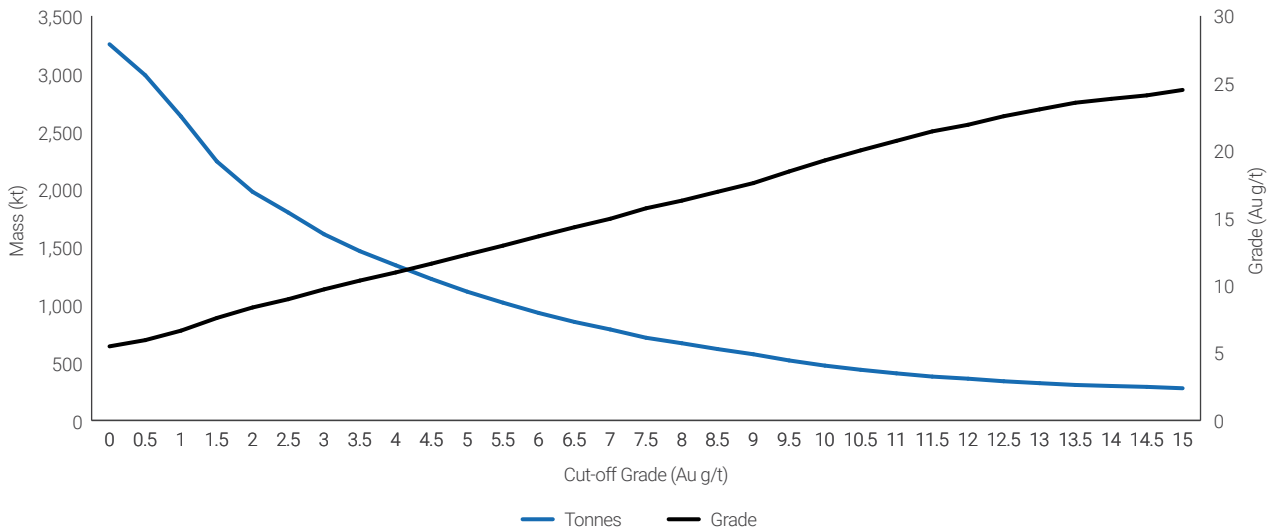
(b) Cut-off grade

The cut-off grade for reporting of the Mineral Resource is based on a grade tonnage relationship, taking into account potential mining development costs and examples from similar mining operations. K92 Mining Inc. is currently quoting a 1.0 g/t cut-off for their Mineral Resource at Kora vein which has similar characteristics to Tolukuma.

The cut-off grade utilised for the Tolukuma Mineral Resource statement is 3 g/t Au. This is taking into account the grade tonnage curve shown in Figure 3.5.2 below. The historical breakeven cut-off grades used for production varied largely due to changes in the PNG Kina to United States Dollar exchange rates that strongly influenced the gold price in local terms. The operations were also hampered by a 25% overhead for helicopter support.

3. Company and Assets Overview continued

Figure 3.5.2: Tolukuma Gold Grade-Tonnage Curve



3.6 Development Strategy

(a) Introduction

The Company's development strategy is focused on three key deliverables in the short to medium term, being:

- (1) to upgrade the existing MRE from an Inferred Mineral Resource to include a Measured and Indicated Mineral Resource as per the JORC Code;
- (2) to increase the MRE within the Tolukuma mining lease by a combination of exploration adjacent to historical mining areas and importantly, exploration in the Southern portion of the mining lease using the Milihamba Exploration Drive as an exploration platform; and
- (3) to recommence exploration on the exploration licences that are held by the Company, including the Mt Penck Tenement. In the short term, this will focus on meeting exploration commitments, while undertaking a regional review to inform on prospective targets for follow on investigation.

(b) Upgrade the Existing MRE

The Company has identified a number of areas within the updated Mineral Resource Estimate that will be targeted in order to test and increase confidence of the Mineral Resource Estimates. The Company will undertake limited development that will largely consist of drill drives, ore drives and raises and will undertake a significant drill and face sampling program to increase resource confidence. The mine's existing gravity circuit will be used to conduct bulk sampling testwork in order to validate and verify resource estimates.

This work program will entail the refurbishment of certain mine infrastructure to enable safe access to the working areas in question as well as refurbishment of certain support infrastructure including provision of power air and water services; ventilation services and limited pumping via the 1563m RL portal and supporting technical studies.

(c) ML 104 Exploration

The exploration planned for the mining lease includes re-establishing access to areas of the historic mine that will allow for diamond drilling and sampling. This includes re-establishing roads, power, ventilation and dewatering systems to allow underground access. The drilling will target the areas of highest grade and thickness in the known veins to improve resource confidence. 200 metres of underground development accessing and extending the Milihamba Exploration Drive is planned to access drill platforms to test vein extensions.

(d) Regional Exploration, Tolukuma Structure

The Company's exploration licences surrounding ML 104 have been explored since the late 1960's for gold and copper deposits by various companies including Kennecott Copper Corporation, Triako Mines NL, CRAE, BHP, Newmont, Tolukuma Gold Mines and Petromin. Numerous targets outside ML 104 with gold and/or copper potential were discovered and explored to a greater or lesser degree. Their locations are shown in Figure 3.6.1.

The targets include Tolukuma-style low to intermediate sulphidation epithermal Au-Ag fissure veins associated with the Tertiary volcanics, porphyry-style Cu-Au deposits associated with intrusive bodies emplaced into the basement metamorphics and one possible high sulphidation-style epithermal Au-Cu target.

Tolukuma-Style Epithermal Au-Ag Fissure Vein Targets

The fissure vein targets are located to the north, east and southeast of ML 104, mainly within a NE-trending 12km by 6km belt roughly coincident with the inferred sub-surface Tolukuma Intrusive Complex (Figure 3.6.2). Most are low sulphidation-style epithermal fissure veins. The veins are predominantly controlled by major NW to NNW-trending structures, including the Tolukuma, Kimono and Saki fault zones. Extensions of these structures beyond the known prospects are additional grass roots targets.

The fissure vein targets that have the best potential to contribute feed to the Tolukuma plant are located within 5km of the mine site and include Saki, Taula/Seriseri, Kimono, Soju-Yava and Mt. Sen. These have all been tested by trenching and, except for Kimono, drilling. Saki is the most advanced with 3 rounds of drilling but Taula/Seriseri, Mt Sen and Souju-Yava have had only one round of limited historical drilling. Kimono is untested. Duma-Dilava is less advanced but its location in close proximity to ML 104 raises its priority. Fine visible gold is commonly observed at surface in oxidised veins.

Saki is the most advanced target with a Maiden Inferred Resource of 2.0 Mt at 2.0 g/t Au for 128,000 oz gold at 1.0 g/t Au cut off. Multiple mineralized veins up to 1500m long and widths of 0.3m-16.0m are present and local artisanal gold mining is active on some veins. The target is open along strike and at depth with excellent potential to define additional resources and is "Drill Ready" for immediate follow up.

Taula/Seriseri and Kimono are located closest to the Tolukuma mill. Both are high grade vein targets but only Taula has been drill tested. Both have high grade ore shoots enclosed by wider, low grade envelopes. Their potential is illustrated by rock chip results of up to 332 g/t Au and 184 g/t Ag at Taula and up to 101 g/t Au and 470 g/t Ag at Kimono and trench results of 0.5m at 198.8 g/t Au & 1.2m at 1,041.2 g/t Au at Taula and 1.0m at 148 g/t Au at Kimono. Scout drilling at Taula intersected mineralisation along a 300m strike length (open along strike and at depth) with intersections of >3.0 g/t Au over drill widths up to 6.0m at depths up to 76.5m. Best results were: 3.0m at 16.19 g/t Au & 1.8m at 18.8 g/t Au. Both prospects have excellent potential to define high grade resources close to the Tolukuma mill and both are "Drill Ready" for immediate follow up.

Mt Sen and Souju-Yava are located north of the Auga River. At Mt Sen historical results of up to 44.0 g/t Au & 443.0 g/t Ag in soil, up to 34.8 g/t Au in rock chips, and trench results of 0.3m at 431.5 g/t Au & 2.0m at 164 g/t Au indicate potential for additional high grade resources close to the mine site. Two mineralised structures have been identified. At Souju-Yava multiple veins containing high grade ore shoots are present. Historical results of up to 1,750 g/t -u, 1.0 - 30.0 g/t Au and 200 g/t Au, 292 g/t Ag in rock chips and 0.7m at 62.2 g/t Au and 0.9m at 30.5 g/t Au in trenches indicate high grade potential. Limited historical scout drilling did not adequately test the target with one high grade intersection of 0.15m at 25.2 g/t Au, 239 g/t Ag. High base metal values of up to 1.35% Pb, 4.45% Cu and 9.4% Zn indicate possible porphyry potential at depth. Souju-Yava has very encouraging assays but has complex geology and requires follow up mapping and trenching prior to the next round of drilling.

Duma-Dilava Prospect is located immediately south of ML 104. Limited historical work by Newmont identified float blocks up to 2.0m in size of massive epithermal quartz with rock chip assays of up to 7.0 g/t Au, 13.3 g/t Au & 54.4 g/t Au in float and 1.0m at 4.77 g/t Au in outcrop. No follow up was undertaken. Due to the high gold values and its proximity to Tolukuma, follow up of Duma-Dilava is a priority to develop drill targets.

Tolukuma Gold Mine Ltd classified Diakoku Prospect as a possible high sulphidation Au-Cu target. Limited historical work has been undertaken. Hand trenching exposed a highly oxidized, vuggy, silicified gossanous structure, 5.0-10.0m wide, with a best trench result of 9.0m at 2.62 g/t Au & 250 ppm Cu (Kikiha and Duck, 1999, Annual Report for EL894, 4 April 1998 to 3 April 1999). No drill testing has been undertaken. Follow up trenching, mapping and sampling is required to develop drill targets.

3. Company and Assets Overview continued

Porphyry-Style Cu-Au-Mo Deposits

The area to the west of ML 104 has potential for porphyry-style Cu-Au-Mo mineralisation. Four intrusive related Au/Cu-Au targets, Kone, Mt Olom, Bela Vista and Gaiva, are located to the northwest of ML 104. Etasi Creek located to the southwest is also a porphyry-style target. Limited historical data is available for these prospects.

At Kone and Etasi Creek sub-volcanic porphyry Cu-Au is related to sheeted diorite dykes (at Kone) or multi-phase intrusive bodies (at Etasi Creek) emplaced into the basement metamorphic rocks, (Kikiha and Duck, 1999). At Etasi Creek there is additional potential for skarn/massive sulphide style copper-gold (Genga Prospect) and possibly epithermal style gold mineralisation (South Badim). Kone is described as a low grade porphyry Cu-Mo system with some massive sulphide potential but no assay data is available.

At Mt Olom, Belavista and Gaiva gold mineralisation is related to narrow dykes intruding metamorphic rocks, associated with base metal mineralisation at Mt Olom and Gaiva. These massive sulphide veins consist of pyrite, pyrrhotite, sphalerite, galena and magnetite. The metasediments in these three prospects have undergone phyllic alteration believed to be of hydrothermal origin. Mineralisation at Mt Olom consists of chalcopyrite and pyrite as disseminations and fracture fill. Mt Olom anomaly is either related to or part of the Kone porphyry copper prospect (Talu, 2003. Annual Report for EL1284, 19 April 2001 to 19 April 2002). At Belavista a massive sulphide vein was observed in outcrop at the contact between metasediments and intrusives. Two styles of mineralisation were identified at Belavista including quartz massive sulphide veins and disseminated porphyry Cu-Au mineralisation. Mineralisation at Gaiva occurs as sheeted veins of quartz, chalcopyrite, galena, sphalerite (Talu, 2003). Anomalous gold values in rock chips in the range 1.0 – 10.0 g/t Au and copper values up to 793 ppm Cu are reported but little detailed historical work has been undertaken at these prospects. Artisanal miners have historically mined gold from gossanous veins at Mt. Olom.

Etasi Creek has the best potential. A 25km² area of anomalous Cu, Mo, Au, Zn and Ag geochemistry is centred on a Cu-Au-Mo mineralised multi-phase porphyry system intruding phyllitic metamorphics. Rock chip results include up to 0.4% Cu and 600 ppm Mo in porphyry; up to 0.5% Cu, 0.3 g/t Au with Mo on fractures in phyllite wall rocks; up to 15.6% Cu in garnet-bearing skarn/massive sulphide; and up to 0.29% Pb, 0.37% Zn and 155 ppm Ag in outcrop grab samples, (Kikiha and Duck, 1999). CRAE completed an 8-hole diamond drill program but no details are available.

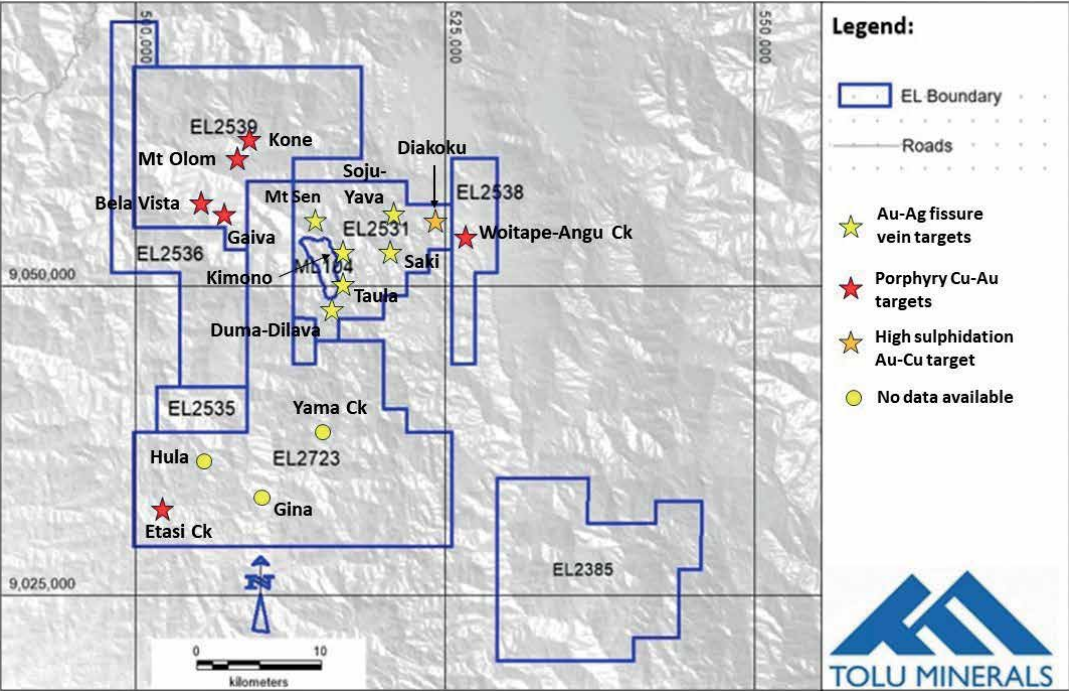
Within the Etasi group of prospects, the highest gold value of 69.44 g/t Au came from a malachite stained quartz sample from the Hula drainage located on the northern flanks of the Etasi Intrusive Complex. The next highest was a 19.71 g/t Au from a 0.5m wide massive pyrite-base metal zone in Kogidi creek west of Genga creek (Talu, 2004. Annual Report for EL894, 4 April 2003 to 4 April 2004). These results show the highly prospective nature of the Etasi group of prospects.

Etasi has clear potential as a porphyry target because of the size of the system, 25km², the multi-phase nature of the host intrusive complex, the range of mineralisation styles and anomalous Cu, Mo and, to a lesser extent, Au values.

In the Company's view, all these prospects justify follow up. However, an essential first step is to complete a thorough search, compilation and review of all historical data available to provide a basis for detailed planning of follow up work programs.

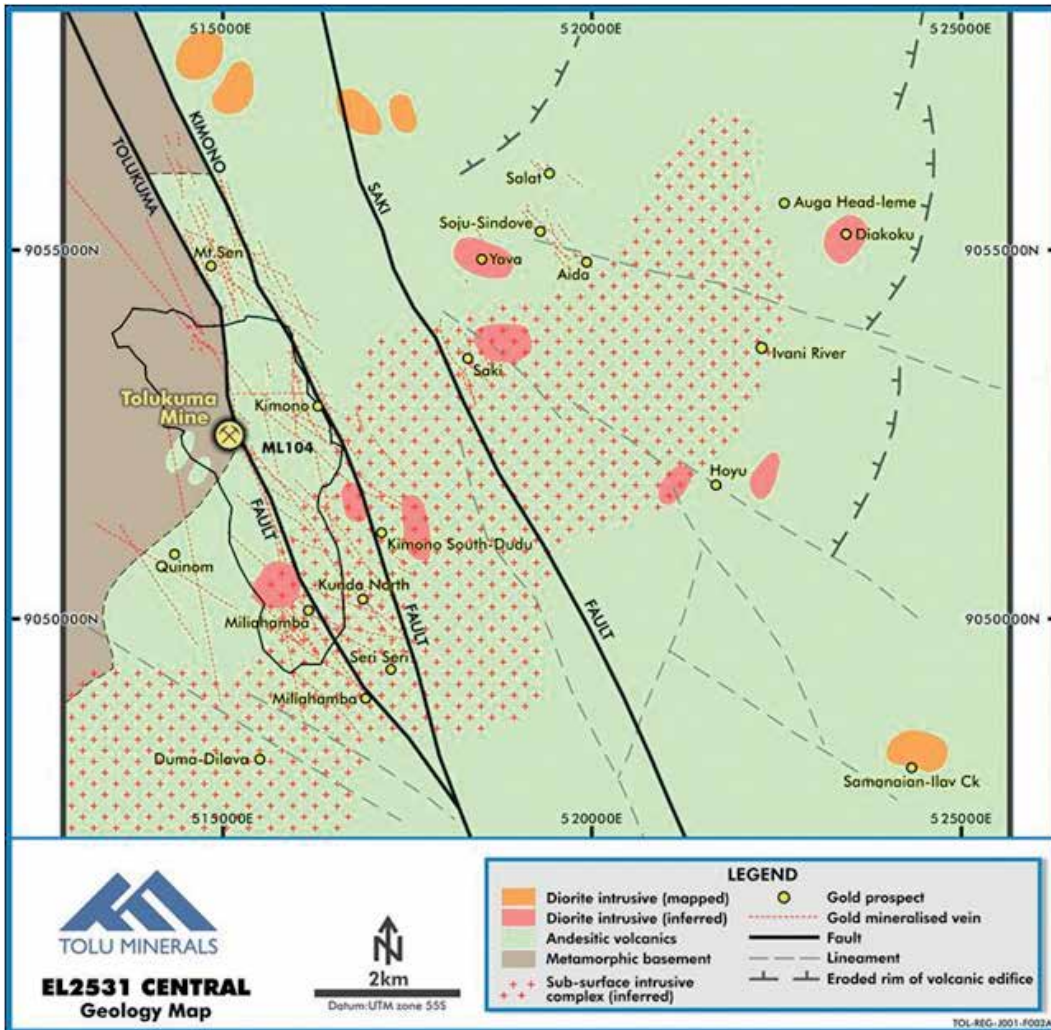
The porphyry potential of the area is further enhanced by the presence of base metals including pyrite, arsenopyrite, marcarsite, sphalerite, galena, stibnite and chalcopyrite at Tolukuma, and the gradation at depth into higher copper grades.

Figure 3.6.1: Location of known exploration targets within Tolu's exploration licences



3. Company and Assets Overview continued

Figure 3.6.2: Location of the Tolukuma-style fissure vein exploration targets in relation to the inferred sub-surface Tolukuma Intrusive Complex



(e) Regional Exploration, Mt Penck

A detailed review of the Mt Penck Project is included in the Independent Geologist's Report contained in Schedule 1 of this Prospectus.

Mt Penck is a large epithermal Au-Ag system located in a favourable structural setting near the north coast of New Britain Island, 55km west of the town of Kimbe (Figure 3.8.1). The site can be easily accessed either by road/plantation tracks or by small boat from Kimbe which has a deep-water port and nearby sealed airstrip and provides an excellent logistic base to support field work. Extensive programs of historical mapping, sampling, trenching, geophysical surveying and drilling were completed between 1968 and 2011 by various companies including BHP, Indo Pacific and Kanon Resources Limited. A total of 115 historical drill holes (82 diamond & 33 RC aircore) totaling 12,178.6m have been completed. This work has provided a large historical database. No work has been undertaken since 2011.

The property is located on the Kulu-Simi Trend, a NW-trending extensional structural corridor that transects central New Britain and hosts the advanced Simuku porphyry Cu-Mo-Au deposit (374 Mt at 0.31% Cu, 59 g/t Mo, 2.1 g/t Ag & 0.05 g/t Au (0.2 % Cu cutoff) and the Mt Nakru breccia/VHMS Cu-Au deposit (41 Mt at 0.75% Cu, 1.59 g/t Ag & 0.23 g/t Au (0.3 % Cu cut off) (Figure 3.6.3).

Epithermal Au-Ag mineralisation is associated with a large hydrothermal system of at least 12km² hosted by andesite-dacite volcanics and porphyry intrusions within a partly dissected Plio-Pleistocene volcanic edifice (Figure 3.6.4). The mineralisation is controlled by dilational structures associated with argillic/advanced argillic alteration, brecciation and silicification. Mineralisation styles range from low-intermediate sulphidation Au-Ag to high sulphidation Au-Cu. The sulphide mineral assemblage includes pyrite, galena, sphalerite, tetrahedrite, chalcopyrite, covellite and enargite.

Most previous work has been focussed on a relatively small area of the large hydrothermal system, measuring 1.5km by 1.2km within which three main targets have been identified. The remaining area is under explored in detail. Most of the historical drilling has been focussed on an even smaller area, measuring roughly 400m by 600m.

Three main prospects have been identified and tested by trenching and drilling, Kavola/Kavola East, Peni Creek and Koibua (Figure 3.6.4). The mineralisation occurs in veins, stockworks, breccias or zones of massive silica. The highest gold values occur in silica-rich structurally controlled ore shoots, identified as possible feeder zones. These form veins, pipes or elongate lenticular pods composed primarily of quartz and pyrite.

At the Kavola/Kavola East Prospects Mineralisation has been intersected by trenches or drill holes at depths ranging from surface to 170m downhole in a NE-trending zone with approximate dimensions of at least 300m x 250m (at surface) controlled by a dilational structure. Two principal styles of mineralisation have been identified:

- (1) Broad zones (10m – >50m wide) of lower grade stockwork mineralisation (1.0-3.0 g/t Au) generally within the upper 50m but intersected by drilling at depths of up to 167m, preferentially controlled by favourable horizons in the volcanic sequence (Stockwork Targets).
- (2) Narrow zones – (0.5m – 3.0m wide) of much higher grade (>10.0g/t Au), enclosed by lower grade envelopes, intersected by drilling at depths ranging from 5m to 170m. The highest Au grades occur at depths below 100m. These are interpreted to be the feeder structures that channelled the mineralising fluids from a porphyry heat source depth (Feeder Zone Targets).

Examples of both styles of mineralisation include (drill widths):

<i>Stockwork Targets:</i>	<i>Feeder Zone Targets:</i>
25.7m at 2.43 g/t Au from surface	2.0m at 13.36 g/t Au from 20m
47.0m at 2.06 g/t Au from 5m	1.0m at 16.35 g/t Au from 50m
43m at 2.35 g/t Au from 23m	3.0m at 14.94 g/t Au from 91m
13m at 3.06 g/t Au from 154m.	2.0m at 36.7 g/t Au from 168m.
(Average: 20.64m at 2.2 g/t Au)	(Average: 1.35m at 16.94 g/t Au)

In addition, there is potential for a near-surface oxide zone gold deposit in the upper 30-50m that has not been systematically tested. This represents a high priority target for early cash flow.

At *Peni Creek Prospect* a NW-trending mineralised zone with rough dimensions of 400m by 200m is hosted by argillic altered volcanics and porphyry. Visible free gold can be panned from weathered outcrops and intermittent local artisanal mining has historically taken place. The mineralisation style is similar to Kavola, wide intervals of lower grade mineralisation enclose narrower higher grade zones. Examples include:

- (1) 77m at 1.03 g/t Au, incl. 8m at 3.43 g/t Au; 32m at 1.41 g/t Au; 1.5m at 15.0 g/t Au and 1.5m at 12.1 g/t Au (trenches);
- (2) 36.7m at 1.70 g/t Au incl. 5m at 5.45 g/t Au; 12m at 1.34 g/t Au; 4m at 3.59 g/t Au (76.3-113m); 11m at 2.37 g/t Au (145-156m) and 4.0m at 5.70 g/t Au, incl 2.0m at 10.05 g/t (22-26m) (diamond drilling).

3. Company and Assets Overview continued

At Koibua Prospect a 400m by 600m area of alteration and mineralisation encloses NW-trending altered-mineralised structural zones, with quartz-limonite veining, up to 25m wide. Again, wider zones (10-55m) of lower grade mineralisation (1.0-6.0 g/t Au), intersected at depths ranging from surface to 145m downhole, enclose narrower higher grade intervals. Examples include:

- (1) 55.0m at 2.75 g/t Au, incl. 3m at 37.4 g/t Au; 11m at 2.19 g/t Au; and 5m at 5.84 g/t Au (trenches);
- (2) 33.0m at 2.14 g/t Au, incl. 3m at 11.0 g/t Au (aircore drilling);
- (3) 10.0m at 2.56 g/t Au (145-155m) and 37m at 1.7 g/t Au incl. 5m at 5.45 g/t Au (77-114m) (diamond drilling).

All three defined targets are open at depth and along strike and have excellent potential for the discovery of additional mineralisation. No formal resource estimates have been completed but there may be sufficient historical drill data for *Kavola/Kavola East* to classify a *Maiden Inferred Resource*.

Other Targets: Aeromagnetic and IP surveying has identified a number of geophysical targets outside the area of detailed historical work that have not been followed up. The Kavola mineralisation is associated with an elongate magnetic low due to magnetite destructive alteration and other similar magnetic low anomalies remain untested. Kavola is also associated with an IP chargeability anomaly that extends to >300m depth (Figure 3.6.5). Similar *untested chargeability anomalies* are located nearby along strike on an *inferred NNW-trending deep-seated structure*. In addition, earlier workers have identified circular features that may represent large volcano-diatreme structures (Figure 3.6.6). These are also untested.

Porphyry Cu-Au Potential: The presence of copper minerals (chalcopyrite, covellite and enargite), anomalous Cu geochemistry and the high sulphidation epithermal features all indicate there may be potential for *porphyry-style Cu-Au mineralisation* at depth. Very limited deep drill testing has been undertaken.

Figure 3.6.3: Location and structural setting of Mt Penck on New Britain Island

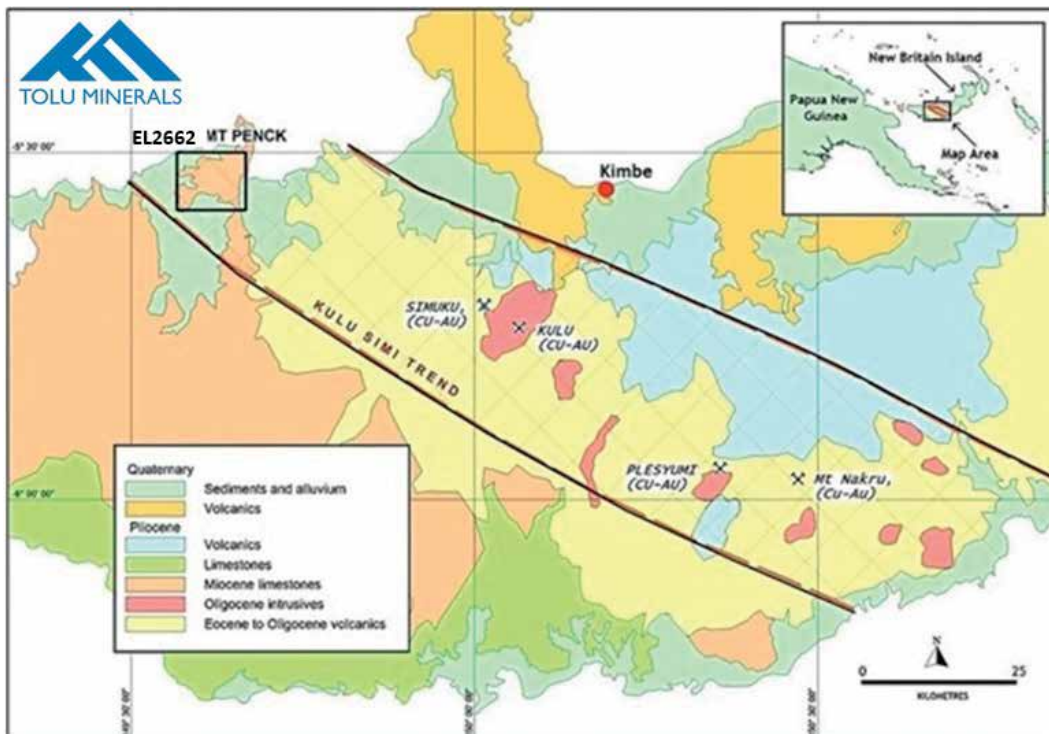


Figure 3.6.4: Volcanic setting, area of historical work and location of main prospects

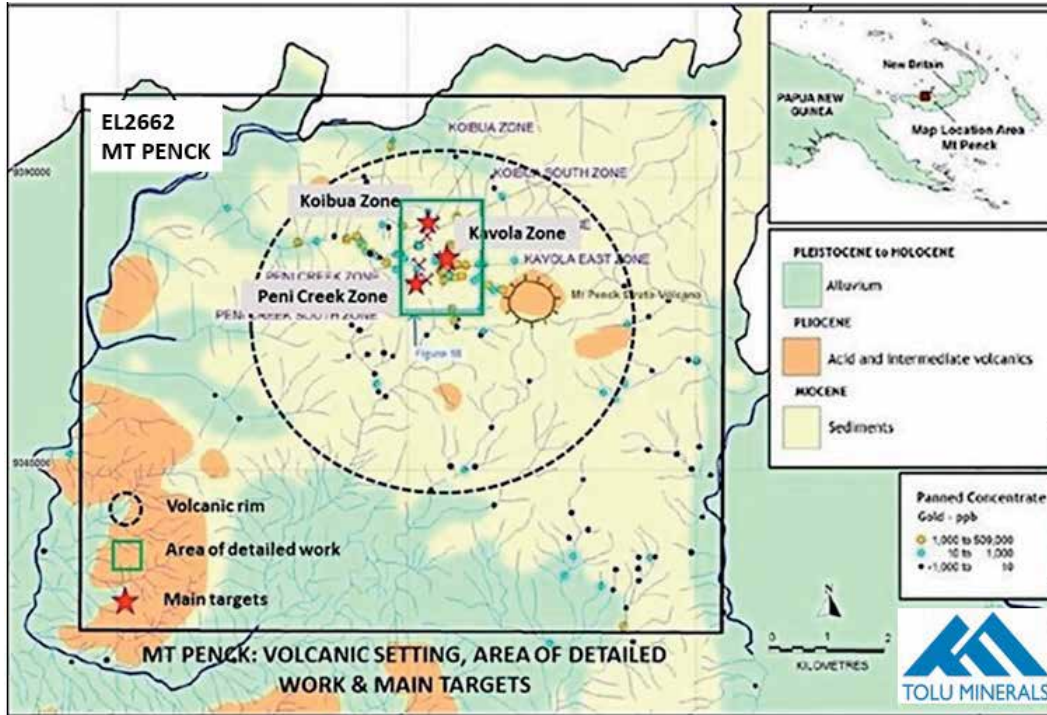
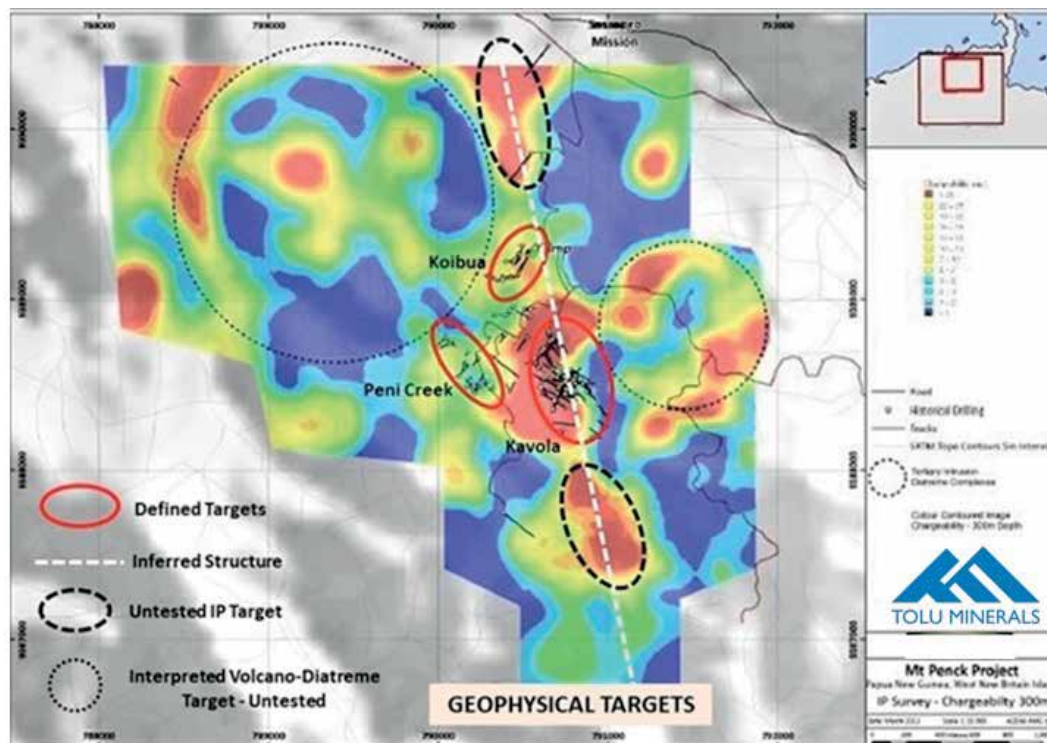
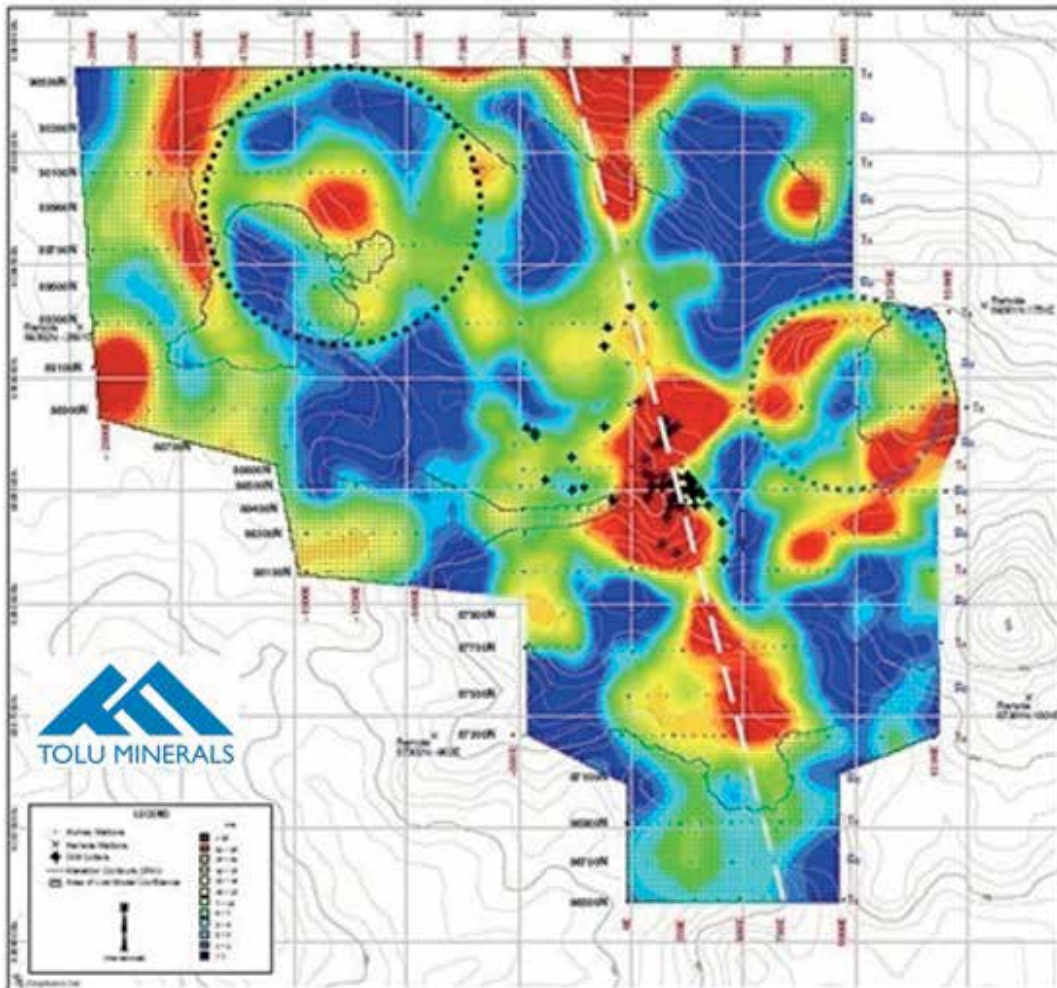


Figure 3.6.5: IP chargeability plan map at 300m depth showing locations of the known prospects and untested peripheral IP targets



3. Company and Assets Overview continued

Figure 3.6.6: IP chargeability plan map at 300m depth showing historical drill holes and untested peripheral structural and IP targets



3.7 Key Capital Projects

Four key capital projects will be implemented into in order to facilitate the Company's exploration strategy.

(a) Tolukuma to Bakoiudu Pilot Access Service Road Construction/Repair

Previous operators of Tolukuma completed a feasibility study for the construction of the Tolukuma to the Tapini road off the Hiritano Highway and Tolukuma Gold Mine Ltd commenced, but did not complete the work prior to Tolukuma Gold Mines going into liquidation. Of the 70.62km route, 37.81km was completed by Tolukuma Gold Mines, but has subsequently been neglected and will require some remediation. At the same time the Mineral Resources Authority of PNG commenced work according to the technical specifications of the feasibility study from the Hiritano Highway side completing approximately 10km before work ceased.

The State have recently promulgated legislation that provides 20bn PNG Kina over the next 20 years for the Connect PNG infrastructure program. Tolu have secured national and regional government commitment to support the completion of the Tolukuma road link that represents a key regional infrastructure project, but anticipate that the Company will have to take the lead and undertake the construction of the pilot access service road given its criticality to the cost base.

The Company entered into a binding term sheet (**Tunnel Engineering Agreement**) with the Contractor to carry out the completion of the pilot access service road to the Tolukuma Gold Mine, including repairs to the existing section of the road. Refer to Section 9.5 of this Prospectus for more details. The total budget for the road is A\$4,000,000, of which A\$2,200,000 will be paid by the issue of Shares in Tolu and A\$1,800,000 cash. This budget is based on historical road construction records and is underpinned by the Tunnel Engineering Agreement (as described in Section 9.5).

(b) Dewatering

Tolukuma Gold Mine is flooded to the upper portal (1563m RL) as illustrated in Figure 3.7.1 below.

The Company will adopt a two-pronged strategy to dewatering the mine given the critical nature of this issue, not only to the reopening of the Tolukuma Gold Mine to access the resource and other exploration targets, but also to the long term operating cost of the Tolukuma Project. In the short-term, the Company will undertake limited dewatering to below the Milihamba Exploration Drive and in the medium term complete a new bottom access that will facilitate natural long-term drainage as illustrated in Figure 3.7.2 below.

Tolu will assess water quality and undertake any necessary neutralisation before discharge. Historically, the Tolukuma Gold Mine discharge water was considered relatively benign. However, given the amount of time that the Tolukuma Gold Mine has been flooded, it cannot be assumed that this remains the case.

3. Company and Assets Overview continued

Figure 3.7.1: The Voids Below approximately 1500m RL are Flooded

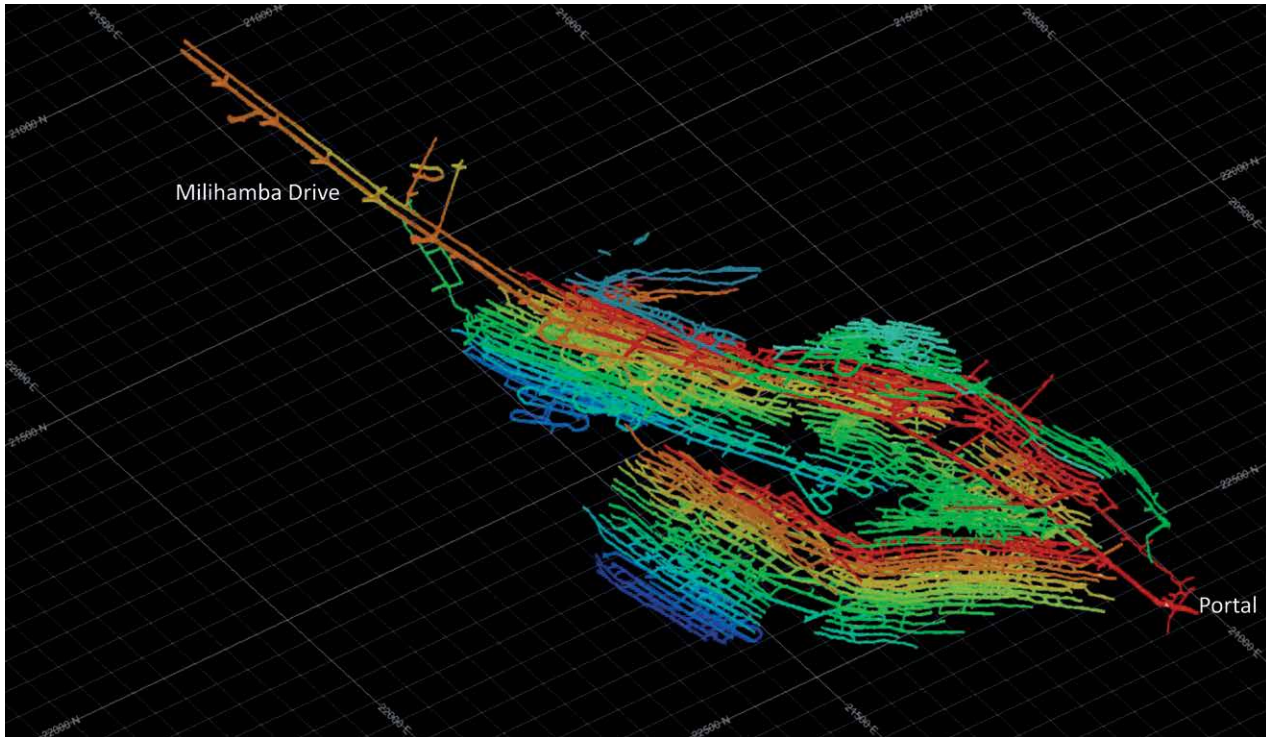
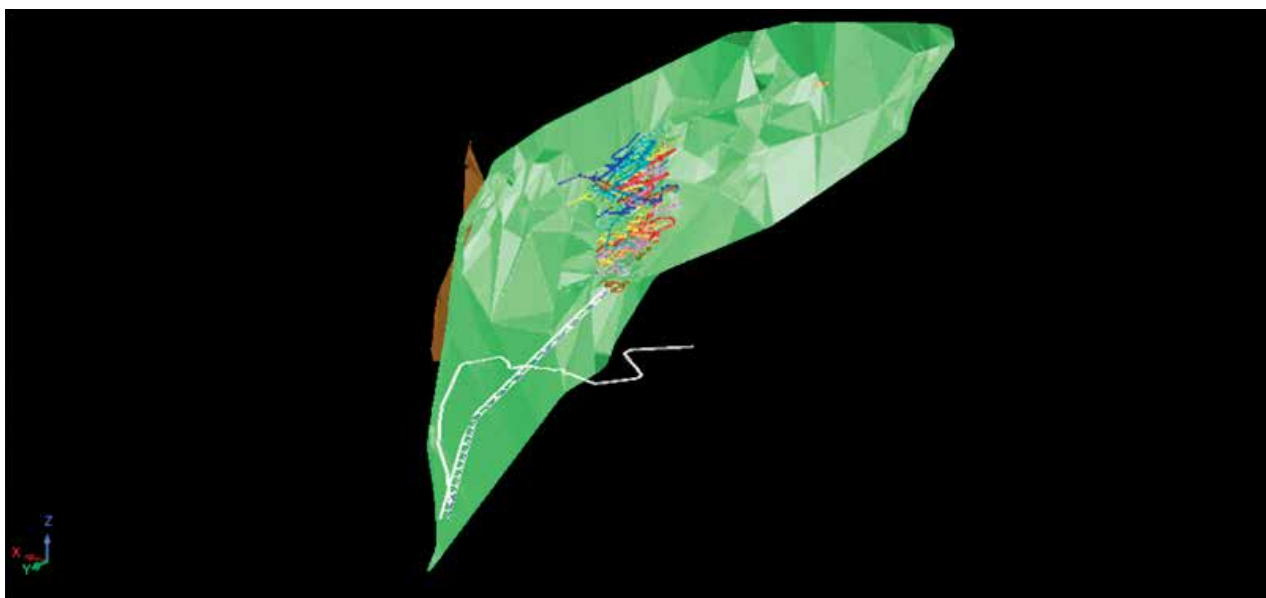


Figure 3.7.2: Plan of the Dewatering Drive Relative to the Zine and 120 Structures



Initial dewatering will be undertaken by progressively lowering submersible pumps on skids from the 1563m RL portal. This will provide access to the upper levels as water levels drop and the mine is made safe.

The Company have received a proposal of A\$1.05 million for the capital equipment for the pontoon mounted pump facility.

Tolu will also immediately commence the first phase of the long-term solution, access to the dewatering drive on 1320m RL.

Previous operators of the Tolukuma Gold Mine had completed a feasibility study on a dewatering drive from a new portal to be established at 1320m RL that will be developed on the strike of the general Tolukuma structures intersecting first the 120 vein and subsequently the Zine structure on 1335m RL. The overall drive length is 1,140m with the 120 vein intersection 470m from portal. The drive will then be extended along the 1335m RL Footwall Drive in order to intersect the Gulbadi, Tolimi, Tolukuma and Fundoot orebodies.

In order to access the 1320m RL portal site, an access road will be constructed from adjacent to the mine gate and warehouse down the ridge to a point just below the portal at 1300m RL elevation. The road is approximately 600m long, but traverses steep terrain so will require careful construction using specialist geotechnical and road contractors at an estimated cost of approximately PNG Kina 460,000 (A\$190,000 as at 17 June 2023). The road will intersect the Barun vein structure that will be assessed with a view to develop a resource on the Barun.

This study incorporates a ventilation drive parallel to the dewatering drive with interconnecting cross-cuts at 40m intervals, but Tolu will initially focus on the rapid development of the dewatering drive itself and reassess the timing of the ventilation drive.

Besides affording a safe and cost-effective solution to mine drainage, the drive will have a major impact on the efficiency and productivity of the overall mine. It will provide an enhanced ventilation layout, improved materials handling, better access to the lower reaches and strike extensions of the mine and will provide a platform from which to explore extensions on strike and to depth affording the prospect of significant new resource discoveries.

A summary of the key features of the planned dewatering and return air drives is as follows:

- (1) Start point: portal 1320m RL
- (2) Break through point: Zine 1335m RL
- (3) First target: Zine – 120 structure contact 470m from portal
- (4) Gradient to 120: 1:70
- (5) Second target Zine 1335m RL Footwall Drive 1,140 m from portal
- (6) Gradient from 120 to Zine: 1:80
- (7) Ventilation drive runs parallel to the dewatering drive at a distance of 8m
- (8) Planned dewatering drive dimensions: 3.6m x 4.0m
- (9) Planned ventilation drive dimensions: 2.2m x 2.7m
- (10) Cross-cut intervals: 40m
- (11) Geotech information: generally the drive will be developed in competent volcanic tuffs, but may encounter weak zones at structure intersections
- (12) Projected cost for the dewatering drive utilising mining contractors: 1,140m at A\$140/m³ equates to A\$5.6 million
- (13) Projected costs for the access road: 600m for an estimated contractor cost of PNG Kina 460,000 (A\$190,000 as at 17 June 2023)

(c) Power

The Tolukuma Gold Mine operated an independent power supply provided by a combination of hydroelectric power turbines supplemented by diesel generating sets.

Installed capacity at the hydro power plant consists of three twin jet, Turgo Impulse turbines, direct driving 415V AC 1,000kVA Alternators, providing capacity of approximately 2.7MW. In later years of operation, however, the three turbines were run at a combined 2.25MW to minimise wear and tear.

3. Company and Assets Overview continued

The hydroelectric power system is installed on the Auga river, a tributary of the Angabanga river. The river offtake is approximately 1km from the turbines and water is drawn from the river to a pressure head storage reservoir in order to maintain adequate water pressure for the three turbines. The turbines are fed via a penstock pipe from the reservoir.

Sometime before mine closure, Hydro 1 and 3 were taken offline because of excessive wear on the alternator windings. Hydro 1's alternator was serviced in Australia and returned to PNG where it remains in storage at the Veimauri laydown area. Hydro 3's alternator is still in position at the hydroelectric power station, but will need to be sent for rewinding before being recommissioned.

Hydro 2 remained in service until a landslip damaged the penstock pipe resulting in the shutdown of the hydroelectric power plant.

The Company will repair the access road and penstock and recommission approximately 0.9 MW of hydro power for the start-up phase of the Tolukuma Project.

The Tolukuma Gold Mine operated three back-up diesel generator sets with a total nameplate capacity of 2.26 MW as detailed in Table 3.7.1 below. While potentially operable, the Company will purchase and install two 275 kW diesel generating sets in the interim.

Table 3.7.1: Tolukuma Gold Mine Power Generation Capacity

Unit	Installed Capacity (kW)	Operating Capacity (kW)	Status
Hydro 1	1 000	750	To be recommissioned
Hydro 2	1 000	750	Operational
Hydro 3	1 000	750	To be rewound
Total Hydro	3 000	2 250	Offline due to landslip
Genset 02	260	200	Operable
Genset 10	1 000	800	Operable
Genset 11	1 000	800	Operable
Total Diesel	2 260	1 800	
Total Supply	5 260	4 050	

A preliminary geotechnical investigation of the hydro intake area and plant site access road was undertaken in April 2021 to assess the geohazards, mainly landslides within the vicinity of the hydro plant and intake sites.

A major landslide, which ran all the way down to the Auga River, severely damaged the intake pool area and penstock pipe and blocked the access road to the hydro plant site.

The hydroelectric power station area will require significant ground stabilisation (pinned and grouted gabion baskets), to be constructed along the ridge slope sides to act as retaining wall barriers to support the wall rock formation and mitigate risk of damage to the penstock pipe that will have to be rebuilt.

The access road to the hydro power station will require remediation and an alternate route following the longer, but a more stable access road from the hydro intake site will help reduce future risk and streamline operational costs.

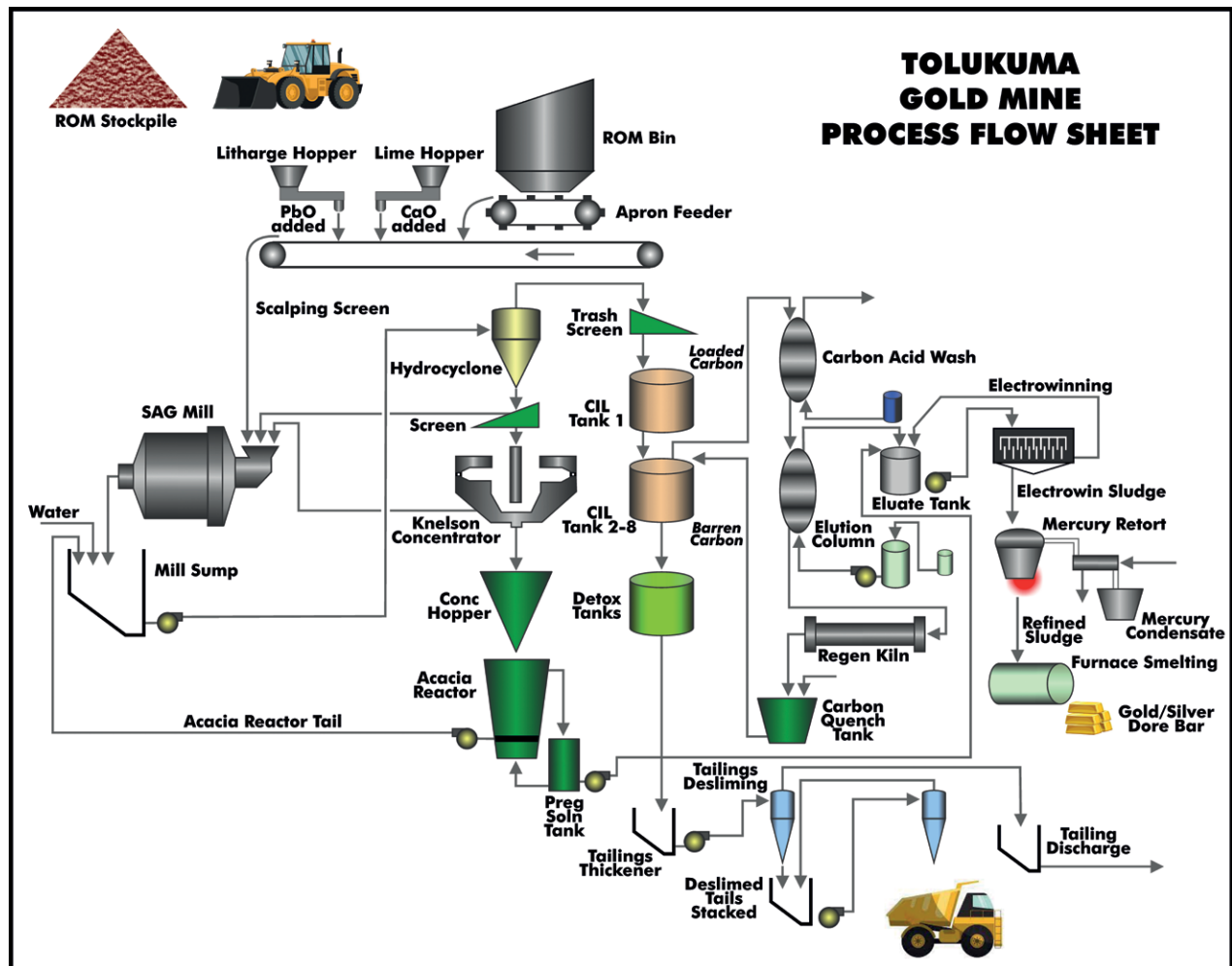
The Company will refurbish one of the three turbines at the hydroelectric station at a total budget of approximately A\$800,000 and will purchase and install two back up 275 kW diesel generating sets at a cost of approximately A\$240,000. The road refurbishment will cost approximately A\$230,000.

While the existing hydro plant is capable of operating for a couple of years, it is old and will have to be replaced in the medium term. Tolu will in due course initiate a project to construct a new hydroelectric plant near the junction of the Auga and Hoyu Rivers in proximity of the Saki prospect and have undertaken preliminary discussions with power providers.

(d) Refurbishment of the Gravity Circuit for Bulk Sampling

The Tolumka Gold Mine process plant was designed and commissioned to treat high grade ore at a design capacity of 13 tph. Over the years, modifications were introduced to increase throughput to 26 tph with a lower grade blended mill feed. Essentially the plant consists of gravity and CIL circuits feeding to a gold room that produced a gold/silver doré as illustrated in Figure 3.7.3 below. Tailings material was neutralised and partially disposed of and partially placed underground as backfill.

Figure 3.7.3: Gold Plant General Layout



The Company's plan involves limited use of the gravity circuit as a bulk sampling tool in order to accurately determine the modifying factors for both resource and metallurgical performance in support of a higher confidence level MRE and to feed into planning for a possible future restart of the operation.

The Company has allocated approximately A\$1.35 million for the necessary refurbishment of the gravity circuit.

4. Investment Risks

4.1 Introduction

As with any equities investment, there are risks involved with investing in the Company. This Section 4 seeks to identify the major areas of risk associated with an investment in the Company, but should not be viewed as an exhaustive list of all risk factors to which the Company and its Shareholders are exposed.

Potential investors should be aware that the risks outlined in Section 1.5 of this Prospectus and this Section 4 should be considered in conjunction with the other information in this Prospectus. In deciding whether or not to invest in the Company, potential investors should read this Prospectus in its entirety and consult their professional advisors before deciding whether to apply for Shares.

4.2 Specific Risks

In addition to the general market and economic risks noted in Section 1.5 of this Prospectus, investors should be aware of the risks specific to an investment in the Company. The major risks are described below.

(a) Conditional Prospectus

This Prospectus is conditional upon the following Conditions being satisfied (or waived):

- (1) Tolu receiving subscriptions for Shares to raise a minimum of A\$15,000,000 and up to a maximum of A\$20,000,000;
- (2) all necessary parties entering into restriction agreements as required by ASX imposing such restrictions on trading of certain Tolu securities issued pursuant to the Offer and listing of Tolu; and
- (3) Tolu obtaining a conditional admission letter from ASX on terms satisfactory to Tolu's Directors, acting reasonably.

There is no certainty that the above conditions will be satisfied (or waived). In the event that these Conditions are not met (or waived), then the listing of Tolu on ASX will not proceed and all Application Monies received will be returned to Applicants without interest.

(b) Exploration and Evaluation Risk

The future value of Tolu will depend on its ability to find and develop resources that are economically recoverable within its Tenements. Mineral exploration and development is inherently highly speculative and involves a significant degree of risk. There is no guarantee that it will be economic to extract any resources or that there will be commercial opportunities available to monetise any resources.

The circumstances in which a mineral deposit becomes or remains commercially viable depends on a number of factors. These include the particular attributes of the deposit, such as size, concentration and proximity to infrastructure as well as external factors such as supply and demand. This, along with other factors such as maintaining title to tenements and consents, successfully design construction, commissioning and operating of projects and processing facilities may result in projects not being developed, or operations becoming unprofitable.

Furthermore, while the Company has confidence in its existing projects, should those projects not prove profitable and the Company is unable to secure new exploration areas and resources, there could be a material adverse effect on the Company's prospects for gold, copper and silver exploration and its success in the future.

(c) PNG Specific Exploration Risk

PNG is a developing country with a democratic system of government, and well-established mining industry. There are, however, risks attaching to exploration and mining operations in a developing country which are not necessarily present in a developed country. These include economic, social or political instability or change, security concerns, hyperinflation, currency non-convertibility or instability and changes of law effecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licencing, export duties as well as government control over mineral properties.

Any future material adverse changes in government policies or legislation in PNG that affect foreign ownership, mineral exploration, development or mining activities, may affect the viability and profitability of the Company.

(d) Resource Estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. While these estimates may be appropriate when made and in the case of Tolukuma are substantially based on historically verified data and performance statistics, they may change significantly when new information or techniques become available.

There are risks associated with such estimates. Resource estimates depend to some extent on interpretations, which may prove to be inaccurate and require adjustment. Adjustments to resource estimates could affect Tolu's future plans and ultimately its financial performance and the value of its Shares.

The Company has assessed the resource risk as high risk in recognition of the current state of the operation and the absolute criticality of developing a high confidence MRE before any commencement of production.

(e) Refurbishment of Infrastructure Risk

The Company's core project, the Tolukuma Gold Mine, has been dormant (but secured) since 2015. The Tolukuma Gold Mine is flooded to approximately 1550mRL. The Company has developed resource conversion and exploration plans that are in part supported by existing infrastructure that has not been operated since 2015. The use of such infrastructure has been based on an assessment of the state of the infrastructure and equipment, but there can be no guarantee that the refurbishment will be successful or that component parts of the refurbishment proceed according to budget and schedule.

(f) PNG Government and Stakeholder Equity

It is PNG Government policy that the State has a right (which is expressed as a condition in each of the exploration licences) to take up an equity participation in a future mining project. The right is to purchase an interest of up to 30% at cost, although historically the State has not recently taken 30% in small or medium-sized mining projects.

However, even if the PNG Government elects not to take up its rights in full, it may want to exercise this right to a limited extent in order to give local stakeholders an equity participation. Local stakeholder equity may be given free or on a carried interest basis.

These issues cannot be negotiated with the PNG Government and the local stakeholders until the scope of the Company's projects are known and notification of a mining lease application has commenced. If the PNG Government were to exercise its right to take up an equity participation in any of the Company's projects, either for itself or for the local stakeholders, this may significantly affect the financial position of the Company.

(g) Economic Conditions and Other Global or National Issues

General economic conditions, laws relating to taxation, new legislation, trade barriers, movements in interest and inflation rates, currency exchange controls and rates, national and international political circumstances (including outbreaks in international hostilities, wars, terrorist acts, sabotage, subversive activities, security operations, labour unrest, civil disorder, and states of emergency), natural disasters (including fires, earthquakes and floods), and quarantine restrictions, epidemics and pandemics, may have an adverse effect on the Company's operations and financial performance, including the Company's exploration, development and production activities, as well as on its ability to fund those activities. General economic conditions may also affect the value of the Company and its market valuation regardless of its actual performance. Specifically, it should be noted that the current evolving conflict between Ukraine and Russia is impacting global macroeconomics and markets generally. The nature and extent of the effect of this conflict on the performance of the Company and the value of the Shares remains unknown. The trading price of the Shares may be adversely affected in the short to medium term by the economic uncertainty caused by the conflict between Ukraine and Russia and overall impacts on global macroeconomics. Given the situation is continually evolving, the outcomes and consequences are inevitably uncertain.

(h) COVID-19 Impact Risk

Despite the increasing prevalence of COVID-19 vaccinations, measures taken in response to COVID-19 and easing of COVID-19 related restrictions, there remains continued uncertainty as to the emergence and impact of new COVID strains and the future response of governments and authorities. Given this uncertainty, there also remains a possibility of an economic downturn of unknown duration or severity in certain jurisdictions going forward.

4. Investment Risks continued

(i) Commercialisation, Infrastructure Access and Contractual Risks

Tolu's potential future earnings, profitability, and growth are likely to be dependent upon the Company being able to successfully implement some or all of its commercialisation plans. The ability for Tolu to do so is further dependent upon a number of factors, including matters which may be beyond the control of the Company. Tolu may be unsuccessful in securing identified customers or market opportunities.

The Company is a party to various contracts, including those set forth in Section 9 of this Prospectus. Whilst Tolu will have various contractual rights in the event of non-compliance by a contracting party, no assurance can be given that all contracts to which the Company is a party will be fully performed by all contracting parties. Additionally, no assurance can be given that if a contracting party does not comply with any contractual provisions, Tolu will be successful in securing compliance.

The Company has entered into a contracting agreement with Tunnel Engineering (PNG) Ltd (1-86659) (**Contractor**) for the provision of services by the Contractor to carry out at its cost the construction of certain infrastructure and/or repair to enable Tolu to advance its exploration of the Tolukuma Tenements and the Frontier Tenements (as applicable). There is a risk that the Contractor may underperform its obligations under the contract, and in the event that the contract is terminated, the Company may not be able to find a suitable replacement on satisfactory terms.

As with any contract, there is a risk that the business could be disrupted in situations where there is a disagreement or dispute in relation to a term of the contract. Should such a disagreement or dispute occur, this may have an adverse impact on the Company's operations and performance generally. It is not possible for the Company to predict or protect itself against all such risks.

(j) Environmental Risks

The Company's operations and projects are subject to the laws and regulations of all jurisdictions in which it has interests and carries on business, regarding environmental compliance and relevant hazards.

These laws and regulations set standards regulating certain aspects of health and environmental quality and provide for penalties and other liabilities for the violation of such standards. They also establish, in certain circumstances, obligations to rehabilitate current and former facilities and locations where operations are or were conducted.

It is the Company's intention to conduct its activities in accordance with good industry practice, including compliance with all environmental laws.

As a result of its geographical location, PNG may experience high levels of rainfall from time to time which may impact upon accessibility or cause delays to the Company's work programs. There is a risk that the Company's intended exploration activity may be delayed for prolonged periods as a result of extended rainfall events, such as unpredictable rainfall may impact on the Company's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on the Company for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or non-compliance with environmental laws or regulations.

As with most exploration projects, the Company's activities are expected to have an impact on the environment. Significant liability could be imposed on the Company for damages, clean-up costs, or penalties in the event of certain discharges into the environment, environmental damage caused by previous owners of property acquired by the Company, or non-compliance with environmental laws or regulations. It is the Company's intention to minimise this risk by conducting its activities to the highest standard of environmental obligation, including compliance with all environmental laws and regulations.

There is also a risk that the environmental laws and regulations may become more onerous, making the Company's operations more expensive. Amendments to current laws, regulations and permits governing operations and activities of exploration companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in exploration expenses, capital expenditures or production costs or a reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

Tolukuma holds environmental permits for water harvesting and waste water discharge. The permits are subject to conditions and there is no guarantee that the conditions will be satisfied or the permits will be sufficient for future purposes.

The key environmental risk is waste management, particularly riverine disposal of tailings, which is often the preferred solution in PNG due to risk of land emplaced tailings in steep terrain, poor ground stability and high rainfall. The volume of tailings produced by Tolukuma is relatively small and the mine has in the past returned a substantial percentage of tailings as a classified backfill to provide underground support. The contained trace elements are relatively benign and appropriate monitoring procedures were in place and Tolukuma have successfully operated appropriate procedures to manage waste disposal.

Although historically, mine water has generally been of reasonable quality, the water that has accumulated in the mine may have accumulated some deleterious elements and may have to be cleaned prior to discharge. The Company has recognised this risk and will assess water quality and take the appropriate steps to neutralise it before discharge. Depending on the extent of work required in this regard, the cost of these steps may have a material adverse impact on the financial position of the Company.

The Company is committed to good environmental practice and will review waste disposal procedures.

(k) Tailings Management Risk

Tolukuma holds environmental permits for water harvesting and waste water discharge (which currently includes partial riverine tailings disposal). The permits are subject to conditions and there is no guarantee that the conditions will be satisfied or the permits will be sufficient for future purposes. The Company intends to commence the process to identify and implement alternative tailings management processes. There can be no guarantee that the Company will identify suitable alternatives or that any alternatives so identified are economically viable.

(l) Tenements Risks

Interests in tenements in PNG are governed by the mining acts and regulations that are current in that country and are evidenced by the granting of licences or leases. Each licence or lease is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance.

Consequently, the Company could lose title to or its interest in the tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments. Please refer to the Independent Legal Report in Schedule 2 of this Prospectus for further details of the applicable licence conditions.

All of the Tenements in which the Company currently has an interest (and those in which the Company may acquire an interest in the future), will be subject to applications for renewal or exemption from expenditure (as the case may be). The renewal or exemption from expenditure for a tenement is usually determined at the discretion of the relevant government authority. If a tenement is not renewed or granted an exemption from expenditure, the Company may suffer damage through loss of opportunity to develop and discover minerals on that tenement.

The Company will put in place policies and procedures and exercise best endeavours to manage this risk effectively.

Although the Company has taken steps to verify the title to the resource properties in which it has or has a right to acquire an interest, in accordance with industry standards for the current stage of exploration and mining of such properties, these procedures do not guarantee title. Title to resource properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or other stakeholder rights.

(m) Sovereign Risk

The Company's exploration and development activities are to be carried out in PNG. As a result, the Company will be subject to political, social, economic and other uncertainties including, but not limited to, changes in policies or the personnel administering them, foreign exchange restrictions, changes of law affecting foreign ownership, currency fluctuations, royalties and tax increases in that country.

(n) Social Issues

Social issues can be mining related or non-mining related but can affect the mining operation from time to time. Drug and alcohol consumption, immigration, HIV and Aids, serious crimes and now the risk of COVID-19 among the villagers can be a problem. Mine employees who are from outside the project areas must be managed and restricted from socialising with the local people.

Joint stakeholder sponsored community awareness program will be the only way to address these social issues. Local leaders and chiefs must be empowered and work with the mining company to carry out awareness programs in the communities.

Landowners and opportunists may seek to disturb exploration operations for issues relating to non-payment of landowner royalties and compensation payments. Protest action is not unusual, but typically arises from poor communication, lack of employment opportunities, poor tender procedures, mismanagement of spin-off business opportunities, etc.

The comprehensive and integrated community and communication program to be implemented by the Company will seek to mitigate this risk.

4. Investment Risks continued

(o) Financing Risk

The Company has finite financial resources and no cash flow from producing assets and therefore will likely require additional financing in order to carry out its exploration and development activities.

The Company's ability to effectively implement its business strategy over time will depend in part on its ability to raise additional funds. There can be no assurance that any such equity or debt funding will be available to the Company on favourable terms or at all. Failure to obtain appropriate financing on a timely basis could cause Tolu to have an impaired ability to expend the capital necessary to undertake or complete drilling programs, forfeit its interests in certain properties, and reduce or terminate its operations entirely. If Tolu raises additional funds through the issue of equity securities, this may result in dilution to the existing Shareholders and/or a change of control at the Company.

Tolu is effectively a newly incorporated company. The Tolukuma Project requires a not inconsiderable capital investment in order to progress exploration at the Tolukuma Project and subsequently return the operation to steady state viable production levels.

The Company has been successful in putting together an experienced corporate team supported by credible capital advisors and have been successful in securing the initial capital requirements from national and international strategic investors.

(p) Government and Political Risk

Government and political risk may be managed through effective national and regional participation in the projects and support for the redevelopment of the Tolukuma Gold Mine as an economic stimulus for the region is apparent.

Regular interface with key stakeholders including line government departments and community leaders from the project areas can be helpful in managing political risks.

Mining has been an important economic activity for decades and the mining legislative framework is mature and stable.

(q) Operational Risk

The operations of the Company including exploration, the refurbishment of certain mining and processing infrastructure and bulk sampling may be affected by a range of factors. These include failure to achieve the predicted grade in exploration, sample collection, processing, technical difficulties encountered in refurbishing infrastructure, plant and equipment, mechanical failure, cost escalation, adverse weather conditions, industrial and environmental accidents, industrial disputes, unexpected shortages or increase in the costs of consumables, spare parts, plant and equipment.

(r) Mine Risks

In the event that the Company can recommence development after its exploration activities, its operations may be disrupted by a variety of risks and hazards which are beyond its control, including environmental hazards, industrial accidents, technical failures, labour disputes, unusual or unexpected rock formations, flooding and extended interruptions due to inclement of hazardous weather conditions and fires, explosions or accidents.

The construction of any proposed development may exceed the expected timeframe or cost for a variety of reasons out of the Company's control. Any delays to project development could adversely affect the Company's operations and financial results and may require the Company to raise further funds to complete the project development and commence any production.

(s) Sustainability of Growth and Margins

The sustainability of growth and the level of profit margins from operations are dependent on a number of factors outside of the Company's control. Industry margins in the gold sector are likely to be subject to continuing but varying pressures, including competition from other current or potential suppliers.

(t) Commodity Risk

The Company's long term viability is ultimately expected to be largely derived from the mining and sale of minerals or interests related thereto. The price of various minerals has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond the Company's control including international economic, financial and political conditions, expectations of inflation, international currency exchange rates, interest rates, global or regional consumptive patterns, environmental regulation, speculative activities, levels of supply and demand, increased production due to new mine developments and improved mining and production methods, availability and costs of mineral substitutes, mineral stock levels maintained by producers and others and inventory carrying costs.

(u) Power Generation

The hydro power plant is currently out of order due to a landslip. Prior to that event the plant had underperformed in later years as the turbines are aged and have suffered from poor maintenance plant. Diesel generating sets were installed as emergency back-up, but it had become routine to run them as a primary power source.

The Company recognises that the entire power infrastructure will have to be overhauled and will commission a study for an integrated solution incorporating a new or refurbished hydro power facility with diesel back up.

Power failure could have a severe impact on mining operations. If the Company is able to secure the construction of an effective new or refurbished hydro power facility, the Company expects that this risk will be mitigated to some extent.

(v) Infrastructure

The mine support infrastructure is well established, although in need of investment and refurbishment.

Despite high rainfall, water supply has been restricted from time to time, notably impacting the hydro power plant. Proper design of adequate holding reservoirs will mitigate this risk.

The Company is of the view that this risk can be managed by suitable investment in the ramp up phase.

(w) Geotechnical Risk

Tolukuma is located in mountainous terrain with high rainfall that may result in unstable ground conditions and frequent landslips particularly in areas of weak incompetent schist formations that are encountered in the Tolukuma area.

(x) Transport Logistics

Historically the Tolukuma Project has been entirely reliant on expensive helicopter supply of all materials and personnel. The mine site is in mountainous terrain with very high rainfall creating an ever-present risk of landslip. The terrain also makes road construction difficult and costly. Transport costs have in the past significantly loaded the operating cost base.

The PNG Government has commenced repairs on the Hiritano Highway, the main North South arterial route from Port Moresby. The Company has set aside capital for the completion of the pilot access service road that connects Tolukuma to the Tapini road at Bakoiudu, which branches off the Hiritano Highway. Despite these plans, transport logistics remains high risk and must be managed appropriately.

(y) Operating Cost Risk

Tolukuma Gold Mine ceased mining operations and went into care and maintenance and the then holding company subsequently entered liquidation because the historical operators failed to maintain economically viable operating costs. While the Company has assessed the historical performance and has developed plans to mitigate operating costs (both exploration and tunnelling), these plans are dependent on the successful implementation of a number of critical capital projects, principally access road, dewatering portal and refurbishment of the hydro-electric power station, there can be no guarantee that these projects can be successfully implemented.

(z) Competition Risk

The Company will compete with other companies, including major gold companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. There can be no assurance that the Company can compete effectively with these companies.

4. Investment Risks continued

(aa) Capital Costs

The Tolukuma Gold Mine is a well-established mine. The replacement costs of the mine, processing plant and infrastructure would be considerable. In addition to the Offer Proceeds, future capital costs will be necessary for refurbishment and to some extent replacement of equipment and infrastructure.

Certain parts of the new capital cost investment will also have positive spin off benefits. Hydro power technology has advanced considerably, and replacement or augmentation of the existing plant could have positive benefits for the local development as well as for the efficient operation of the mine.

(bb) Management Actions

The success of the Company is currently largely dependent on the performance of its Directors and officers.

Directors of the Company will, to the best of their knowledge, experience and ability (in conjunction with their Management) endeavour to anticipate, identify and manage the risks inherent in the activities of the Company, but without assuming any personal liability for the same, with the aim of eliminating, avoiding and mitigating the impact of risks on the performance of the Company and its security. There is no assurance that the Company can maintain the services of its Directors and officers or other qualified personnel required to operate its business. The loss of the services of these persons could have a material adverse effect on the Company and its prospects.

(cc) Management and Staff

PNG has a well trained and experienced workforce as exploration and mining has been an important economic activity for almost 60 years now. A number of new operations, however, are planned and the Company will have to be competitive and generate a strong operating culture in order to attract and retain quality staff.

The Company has been successful to date in securing a core of highly experienced local and international management with strong experience of similar projects as well as the PNG environment.

The Company considers that with the establishment of the core management team and access to former employees, the risk of building a strong management team supported by an effective and motivated workforce is manageable.

(dd) Exchange Rate Risk

The revenues, earnings, assets and liabilities of the Company may be exposed adversely to exchange rate fluctuations. The Company's revenue may be denominated in Australian Dollars or a foreign currency, such as PNG Kina or United States Dollars. As a result, fluctuations in exchange rates could result in unanticipated and material fluctuations in the financial results of the Company.

(ee) Exploration and Mining Regulatory Risk

The business of exploration, project development and mining involves many risks. Exploration is a high-risk activity that requires large amounts of expenditure over extended periods of time. There can be no guarantee that planned exploration and evaluation programs will lead to positive exploration and evaluation results or the delineation of a commercial deposit or, further, a commercial mining operation.

The future exploration activities of Tolu may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents and land access issues, changing government regulations and many other factors beyond the control of Tolu.

Each of these may have a significant adverse effect on the future performance of Tolu and the market price of its Shares.

(ff) Industrial Risk

Industrial disruptions, work stoppages and accidents in the course of the Company's operations could result in losses and delays, which may adversely affect profitability.

(gg) Insurance Arrangements

The Company intends to ensure that insurance is maintained within ranges of coverage that the Company believes to be consistent with industry practice and having regard to the nature of activities being conducted. No assurance, however, can be given that the Company will be able to obtain such insurance coverage at reasonable rates or that any coverage it arranges will be adequate and available to cover any such claims.

Moreover, insurance against risks such as environmental pollution or other hazards as a result of exploration activities is not generally available to the Company or to other companies in the exploration industry on acceptable terms. The Company might also become subject to liability for pollution or other hazards that may not be insured against or which the Company may elect not to insure against because of premium costs or other reasons. Losses from these events may cause the Company to incur significant costs that could have a material adverse effect upon its financial performance and results of operations.

(hh) Land Access Risk

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective tenements is a competitive business, in which propriety knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential.

Access to land in PNG for mining and exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and regulatory requirements within the jurisdiction where the Company operates.

(ii) Litigation Risk

All industries, including the mining industry, may be subject to legal claims whether or not they have merit. The Company intends to maintain Directors' and officers' liability insurance and is in the process of securing the appropriate insurance cover. The Company has also provided an indemnity for each Non-Executive Director, Executive Director and the Chief Financial Officer to the maximum extent permitted by law, against any liability for legal costs incurred in respect of liability incurred by them, as or by virtue of their holding office as, and acting in the capacity of, an officer of the Company, except where the liability arises out of conduct involving lack of good faith or in breach of the law.

Whilst Tolu is not aware of any current or proposed litigation against it, the Company may be subject to litigation and other claims and disputes in the course of its business, including employment disputes, contractual disputes, indemnity claims and occupational and personal claims. Such litigation, claims and disputes, including the costs of settling claims and operational impacts, could cause the Company to incur unforeseen losses, costs or expenses (including loss, cost or expense that is not covered by insurance policies), could occupy a significant amount of Management's time and attention and could materially adversely affect the Company's business, operating and financial performance. In addition, even if the Company was to ultimately prevail in any such litigation, claim or dispute, it could suffer reputational damage, which could have an adverse effect on the Company's business, operating or financial performance.

(jj) Government Policy

Changes in relevant taxation, interest rates, other legal, legislative and administrative regimes, and government policies in PNG, may have an adverse effect on the assets, operations and ultimately the financial performance of the Company and the market price of its securities.

In addition to the normal level of income tax imposed on all industries, the Company may be required to pay government royalties, indirect taxes, GST and other imposts which generally relate to revenue or cash flows. Industry profitability can be affected by changes in government taxation policies.

Changing attitudes to environmental, land care, cultural heritage, together with the nature of the political process, provide the possibility for future policy changes in PNG and, potentially, other jurisdictions. There is a risk that such changes may affect the Company's exploration plans or, indeed, its rights and/or obligations with respect to the Tenements.

4. Investment Risks continued

(kk) Reliance on Key Personnel

Whilst the Company has a small number of executives and senior personnel, its progress in pursuing its exploration and evaluation programs within the time frames and within the costs structure as currently envisaged could be dramatically influenced by the loss of existing key personnel or a failure to secure and retain additional key personnel as the Company's exploration and mining program develops. The resulting impact from such loss would be dependent upon the quality and timing of the employee's replacement.

Although the key personnel of the Company have a considerable amount of experience and have previously been successful in their pursuits of acquiring, exploring and evaluating resources projects, there is no guarantee or assurance that they will be successful in their objectives set out in detail in this Prospectus.

(ll) Limited Operating History

Tolu is a relatively new exploration company with limited operating history. Tolu was incorporated in March 2020 and has yet to generate a profit from its activities. Accordingly, the Company has no operating history in PNG or Australia and has limited historical financial information and record of performance. The Company's business plan requires significant expenditure, particularly capital expenditure, during its exploration and subsequent phases. Any future revenue and profitability from the Company's business will be dependent upon the successful exploration and development of the Company's permits, and there can be no assurance that the Company will achieve profitability in future.

4.3 General Risks

(a) Liquidity Risk

It is likely that a substantial number of the Shares on issue at the date of this Prospectus will be subject to escrow in accordance with the escrow requirements in Chapter 9 of the ASX Listing Rules, at completion of the Offer and as such will not be able to be traded for a period of between 12 months from issue to between 12 to 24 months.

Given the number of Shares that are likely to be restricted from trading, this may impact on the liquidity of trading in Shares until such time as the applicable escrow periods end.

The Shares issued under the Offer will only be listed on ASX and will not be listed for trading on any other securities exchanges in Australia or elsewhere. As such, there can be no guarantee that an active market will develop or continue, or that the market price of the Shares will increase. If a market does not develop or is not sustained, it may be difficult for investors to sell their Shares. If illiquidity arises, there is a real risk that Shareholders will be unable to realise their investment in the Company.

(b) Investment Risk

There are a number of risks associated with any stock market investment. The market price of Shares can be expected to rise and fall in accordance with general market conditions and factors and there can be no certainty that, following listing, an active market for the Shares will develop.

The value of the Shares will be determined by the stock market and will be subject to a range of factors beyond the control of the Company or its Directors. These factors include movements in local and international stock exchanges, local interest rates and exchange rates, domestic and international economic and political conditions, government taxation, market supply, competition and demand and other legal, regulatory or policy changes.

The trading price after listing may also be affected by the financial and operating performance of the Company.

(c) Share Market Risk

The market price of quoted securities can be expected to rise and fall in accordance with general market conditions and factors specifically affecting the Australian resources sector and exploration and mining companies in particular.

There are a number of factors (both national and international) that may affect the share market price and neither the Company nor its Directors have control of these factors.

(d) Future Funding Requirements

Although the Directors believe that on completion of the Offer the Company will have sufficient working capital to carry out its short term business objectives, there can be no assurance that such objectives can be met without further financing or, if additional financing is necessary, that financing can be obtained on favourable terms or at all. Further, if additional funds are raised by issuing equity securities, this may result in dilution for some or all of the Shareholders.

If adequate funds are not available on acceptable terms, the Company may be required to reduce the scope of its anticipated activities and may not be able to take advantage of opportunities or respond to competitive pressures.

(e) Taxation

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation point of view and generally.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of applying for Shares under this Prospectus.

(f) Force Majeure Events

Acts of terrorism, an outbreak of international hostilities or fires, floods, earthquakes, labour strikes, civil wars and other natural disasters may cause an adverse change in investor sentiment with respect to the Company specifically or the stock market more generally, which could have a negative impact on the value of an investment in the Shares.

(g) Highly Speculative Nature of Investment

The above list of risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may materially affect the financial performance of the Company and the value of the Shares offered under the Offer. The Shares issued under the Offer carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade on ASX. Potential investors should therefore consider an investment in the Company as highly speculative and should consult their professional advisers before deciding whether to apply for Shares under the Offers.

5. Financial Information

5.1 Introduction

This Section sets out the Historical Financial Information and Pro Forma Historical Financial Information (**Financial Information**). All Financial Information set out in this Section has been prepared by Management and reviewed and adopted by the Directors and should be read in conjunction with the other information contained in this Section, the Investigating Accountant's Report included in Schedule 3 of this Prospectus, the risk factors included in Section 4 of this Prospectus and other information contained in this Prospectus. Investors should be aware that past performance is not an indication of future performance. Investors are urged to read all of this information in full.

Tolu was incorporated on 19 March 2020. The financial information for Tolu set out in this Section 5 includes:

Historical Financial Information

The Historical Financial Information provided in this Prospectus comprises:

- (a) audited statements of profit or loss and other comprehensive income for the years ended 31 December 2020, 31 December 2021 and 31 December 2022; and
- (b) audited statements of cash flow for the years ended 31 December 2020, 31 December 2021 and 31 December 2022, collectively referred to as the Historical Financial Information.

Pro Forma Historical Financial Information

The Pro Forma Historical Financial Information provided in this Prospectus comprises:

- (a) Pro forma Statement of Financial Position as at 31 December 2022 showing the impact of the pro forma adjustments as if they had occurred at 31 December 2022,

hereafter referred to as the Pro Forma Historical Financial Information.

Due to its nature, the Pro forma Historical Financial Information does not represent Tolu's actual or prospective financial performance, cash flow or financial position.

The Financial Information has been prepared on the basis set out in Section 5.2 of this Prospectus.

No forecast financial information has been provided for the Company.

5.2 Basis of Preparation of the Historical Financial Information Background

(a) Overview

The Historical Financial Information included in this Section 5 has been prepared in accordance with the recognition and measurement principles of International Accounting Standards and Interpretations issued by the International Accounting Standards Board (**IASB**) and International Financial Reporting Interpretations Committee (**IFRIC**), respectively, in substantial equivalence to Chapter 2M.3 of the Corporations Act.

The Historical Financial Information has been reviewed and reported on by Pitcher Partners Corporate Finance Limited whose Investigating Accountant's Report is provided in Schedule 3 of this Prospectus. Pitcher Partners Corporate Finance Limited completed their reviews in accordance with the Australian Standard on Assurance Engagements *ASAE 3450 Assurance Engagements involving Fundraising and/or Prospective Financial Information*. Investors should note the scope and limitations of this report. The Historical Financial Information has been prepared for the purpose of the Offer.

The Historical Financial Information of the Company has been extracted from the audited financial statements for the financial years ended 31 December 2020, 31 December 2021 and 31 December 2022, which were audited by Pitcher Partners Queensland Partnership ABN 84 797 724 539 (2020 and 2021) and Kowas Chartered Accountants (2022). An unmodified audit opinion including an emphasis of matter in relation to going concern was issued for the three financial periods noted above.

The significant accounting policies adopted in the preparation of the Financial Information are set out in Sections 5.8(a) to 5.8(k) of this Prospectus and have been consistently applied throughout the financial periods presented in this Prospectus, unless otherwise stated. The Company adopted all of the new or amended Accounting Standards and Interpretations issued by the IASB and IFRIC respectively, and 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. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The Pro Forma Historical Financial Information has been derived from the Historical Financial Information adjusted for certain transactions and pro forma adjustments as described further below. It has been prepared solely for inclusion in this Prospectus and in accordance with the recognition and measurement principles specified in International Accounting Standards, as described above, and it includes adjustments which reflect the impact of certain transactions as if they had occurred as at 31 December 2022 in the case of the Statement of Financial Position.

The Historical Financial Information is presented in an abbreviated form in-so-far as it does not include all the presentation, disclosures, statements or comparative information as required by International Accounting Standards applicable to annual and/or half year financial reports prepared in substantial equivalence with the Chapter 2M.3 of the Corporations Act. Significant accounting policies applied to the Historical Financial Information are noted in Sections 5.8(a) to 5.8(k) of this Prospectus.

(b) Historical Financial Information

The Historical Financial Information has been extracted from the financial statements of Tolu covering the years ended 31 December 2020, 31 December 2021 and 31 December 2022 which were audited by Pitcher Partners Queensland Partnership ABN 84 797 724 539 (2020 and 2021) and Kowas Chartered Accountants (2022) in accordance with International Auditing Standards.

(c) Critical Accounting Judgements and Estimates

Preparing financial statements in accordance with International Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on Tolu and that are believed to be reasonable under the circumstances. Tolu makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined in the significant accounting policies of Tolu set out in Sections 5.8(a) to 5.8(k) of this Prospectus.

The areas involving significant estimates and assumptions include:

Borrowings – Convertible Loans

During the years ended 31 December 2021 and 2022, the Company entered into Converting Loan Agreements with various parties, denominated in PNG Kina. The Convertible Loans were unsecured and interest free, with repayment in 2 years from the execution date of the agreements, or earlier at the sole discretion of the Company. Repayment can be in the form of Shares or cash, or a combination at the discretion of the Company.

The Convertible Loans are recognised as financial liabilities, as they do not meet the definition of equity. The liabilities are measured at amortised cost adopting an effective interest rate of 15% which is based on comparable data for a similar instrument.

5. Financial Information continued

Impairment of exploration and evaluation expenditure

Exploration and evaluation assets are assessed for impairment in accordance with the accounting policy disclosed in Note 5.8(f). The accounting policy requires management to make certain estimates and assumptions as to future events and circumstances. These estimates and assumptions may change as new information becomes available. If, after having capitalised expenditure under the accounting policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be expensed in the statement of profit or loss and other comprehensive income.

The Company believes it has complied with all licence conditions, including minimum expenditure requirements, and is not aware of any matters or circumstances that have arisen that would result in the company's application for renewal of the exploration licences not being granted in the ordinary course of business. The Company has determined that no impairment of the capitalised exploration and evaluation expenditure relating to these exploration licences is necessary as it is considered that there is a reasonable basis to expect that the renewal applications will be granted and that the company is otherwise proceeding with exploration and development activities on the exploration licences. Should any of the exploration licences not be renewed, the relevant capitalised amount as at 31 December 2022 will be expensed in the statement of profit or loss and other comprehensive income.

5.3 Historical Statements of Profit or Loss and Other Comprehensive Income

Table 5A below presents the Historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 31 December 2020, 31 December 2021 and 31 December 2022.

Table 5A

		31-Dec-20 A\$	31-Dec-21 A\$	31-Dec-22 A\$
Other income				
Foreign exchange gains (net)	1	–	878	–
Gain on Convertible Loans	2	–	180,347	99,562
Expenses				
Depreciation and amortisation expense	3	–	(618)	(21,789)
Employee benefits expense	4	–	–	(26,679)
Finance costs	5	–	(81,990)	(533,485)
Legal and professional fees	6	–	(726,480)	(1,502,835)
Mine evaluation expenditure	7	–	(128,657)	(115,529)
Travel expenses	8	–	(14,980)	(442,359)
Foreign exchange loss	1	–	–	(222,560)
Other expenses	9	(13)	(38,874)	(97,267)
Total expenses		(13)	(991,599)	(2,962,503)
Net profit/(loss) before tax		(13)	(810,374)	(2,862,941)
Income tax expense		–	–	–
Profit/(Loss) for the period		(13)	(810,374)	(2,862,941)
Other comprehensive income				
Exchange differences on translation	10	(11)	(282)	275,918
Total comprehensive income		(24)	(810,656)	(2,587,023)

Notes:

1. **Foreign exchange gain/loss** – represents exchange losses on settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period.
2. **Gain on Convertible Loans** – represents the day one gain on recognition of the net present value of interest free converting loans, measured using the effective interest rate of 15% from non-shareholders.
3. **Depreciation and amortisation expense** – represents the depreciation of property, plant and equipment and right-of-use assets during the applicable reporting period.
4. **Employee benefits expense** – represents finance and administration salary/consultancy costs incurred during the applicable reporting period.
5. **Finance costs** – represents interest expense measured under the effective interest rate method on the converting loans/notes during the applicable reporting period.
6. **Legal and professional fees** – represents the costs of consultants and service providers during the applicable reporting period.
7. **Mine evaluation expenditure** – represents the costs of development of Tolukuma prior to the acquisition of the licence during the applicable reporting period.
8. **Travel expenses** – represents airfares and accommodation costs associated for administrative purpose.
9. **Other operating expenses** – represents sundry operating costs incurred in operating the business during the applicable reporting period.
10. **Exchange Differences of Translation** – represents the net gain/(loss) on translation from functional currency (PNG Kina) to presentation currency (Australian Dollars) during the applicable reporting period.

5.4 Management Discussion and Analysis

(a) Key Elements of Operating Results and their Drivers

Below is a discussion of Tolu's revenue and expenses and the main factors which affected Tolu's operating and financial performance during the period of the Historical Financial Information.

The discussion is intended to provide a brief summary only and does not detail all the factors that had an impact on the historical operating and financial performance, or everything which may impact Tolu's operations and financial performance in the future. Unless otherwise stated, all financial information presented in this Section 5, and the related commentary, is on a pro forma basis. The information in this Section 5 should be read in conjunction with the risk factors set out in Section 4 of this Prospectus and other information contained in this Prospectus.

(b) Revenue

During the historical reporting periods, the Company did not earn any income, other than net foreign exchange gains and gains recognised on measurement and recognition of the converting loans using the effective interest rate method on loans from parties other than shareholders in the relevant reporting periods.

The Company is in mine evaluation stage, pending the future development and commencement of operations and revenue earning from its proposed Tolukuma Project.

(c) Expenses

We present our operating expense categories within the income statements on a functional basis. The categories used are as outlined in Table 5A above.

A description of each of the operating expense categories is outlined in the notes at the end of Table 5A above.

5. Financial Information continued

5.5 Historical Statements of Cash Flows

Table 5B below presents the Historical Statements of Cash Flows for the years ended 31 December 2020, 31 December 2021 and 31 December 2022.

Table 5B

		31-Dec-20 (audited) A\$	31-Dec-21 (audited) A\$	31-Dec-22 (audited) A\$
Cash flow from operating activities				
Payments to suppliers and employees	1	(13)	(585,657)	(2,112,137)
Finance costs	2	–	–	(6,267)
Net cash (used in) operating activities		(13)	(585,657)	(2,118,404)
Cash flow from investing activities				
Payment for property, plant and equipment	3	–	(13,208)	–
Mine evaluation expenditure	4	–	(196,387)	(8,159,512)
Net cash (used in)/provided by investing activities		–	(209,595)	(8,159,512)
Cash flow from financing activities				
Proceeds from share issue	5	48	417,864	5,921,445
Proceeds from borrowings/notes	6	18,501	–	4,174,668
Principal portion of lease payments	7	–	–	(20,419)
Proceeds from converting loans	8	–	1,551,453	417,467
Net cash provided by financing activities		18,549	1,969,317	10,493,161
Reconciliation of cash				
Cash at Beginning of the financial year		–	18,525	1,189,704
Net increase in cash held		18,536	1,174,065	215,245
Foreign exchange difference		(11)	(2,886)	56,689
Cash at the end of financial year		18,525	1,189,704	1,461,638

Notes:

- Operating cash flows reflect the payments to suppliers, employees, consultants and professionals for administration expenses.
- Finance costs represent interest expense on leased plant and equipment.
- Payments for property plant and equipment comprises payments for a generator and office equipment and furniture.
- Mine evaluation expenditure reflects the deposit paid to acquire the Tolukuma Gold Mine information, contracts and property, plant and improvements.
- Proceeds from share issue comprise founder shares issued for minimal consideration, and subscription shares issued for cash consideration.
- Proceeds from borrowings comprises an initial Director related entity loan to the Company and proceeds from the issue of a Convertible Note.
- Represents the principal portion of lease payments for plant and equipment.
- Represents the cash proceeds on issuing Convertible Loans for the year ended 31 December 2021.

5.6 Historical and Pro Forma Statements of Financial Position

Table 5C below presents the summary Historical Statement of Financial Position as at 31 December 2022. It shows the pro forma adjustments that have been made to the Historical Statement of Financial Position as at 31 December 2022 to calculate the Pro Forma Statement of Financial Position as at 31 December 2022. These adjustments reflect certain significant transactions and completion of the Offer, as if the Offer had occurred as at 31 December 2022. The Pro Forma Statement of Financial Position below is provided for illustrative purposes only and is not represented as being necessarily indicative of the Company's view of its future financial position.

Historical and Pro Forma Historical Statements of Financial Position (based on minimum raising amount of A\$15,000,000 and maximum raising of A\$20,000,000):

Table 5C

	31-Dec-22 Actual (audited) A\$	Significant Transactions (reviewed) 1	Minimum IPO Adjustments (reviewed) 2	Minimum Pro Forma (reviewed) A\$	Maximum IPO Adjustments (reviewed) 2	Maximum Pro Forma (reviewed) A\$
Current Assets						
Cash and cash equivalents	1,461,638	(3,129,091)	13,079,166	11,411,713	17,767,247	16,099,794
Receivables	79,104	–	–	79,104	–	79,104
Total Current Assets	1,540,742	(3,129,091)	13,079,166	11,490,817	17,767,247	16,178,898
Non-Current Assets						
Property, plant and equipment	11,715	–	–	11,715	–	11,715
Lease assets	41,273	–	–	41,273	–	41,273
Mine tenements, information and other assets	8,355,899	6,780,159	–	15,136,058	–	15,136,058
Total Non-Current Assets	8,408,887	6,780,159	–	15,189,046	–	15,189,046
Total Assets	9,949,629	3,651,068	13,079,166	26,679,863	17,767,247	31,367,944
Current Liabilities						
Payables	481,238	501,567	–	982,805	–	982,805
Lease liabilities	43,268	–	–	43,268	–	43,268
Total Current Liabilities	524,506	501,567	–	1,026,073	–	1,026,073
Non-Current Liabilities						
Other liabilities	–	–	–	–	–	–
Contingent consideration	–	611,136	–	611,136	–	611,136
Borrowings	4,300,080	116,517	–	4,416,597	–	4,416,597
Total Non-Current Liabilities	4,300,080	727,653	–	5,027,733	–	5,027,733
Total Liabilities	4,824,586	1,229,220	–	6,053,806	–	6,053,806
Net Assets	5,125,043	2,421,848	13,079,166	20,626,057	17,767,247	25,314,138
Equity						
Share capital	8,337,859	3,700,000	13,730,992	25,768,851	18,332,717	30,370,576
Reserves	460,512	(152,602)	101,988	409,898	135,985	443,895
Accumulated losses	(3,673,328)	(1,125,550)	(753,814)	(5,552,692)	(701,455)	(5,500,333)
Total Equity	5,125,043	2,421,848	13,079,166	20,626,057	17,767,247	25,314,138

5. Financial Information continued

Notes:

1. Significant Transactions

Set out below are the significant transactions and their related impact on the Statement of Financial Position as if they had occurred as at 31 December 2022:

(a) Frontier Acquisition

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

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

(b) Tunnel Engineering Agreement

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

(1) A\$1,800,000 will be paid in cash in the following tranches:

(A) A\$90,000 upon completion of the Offer;

(B) A\$270,000 upon mobilisation; and

(C) A\$1,440,000 in five equal tranches to be issued progressively based on distance milestones during completion of the final 23km of the pilot access service road to the Tolukuma Gold Mine; and

(2) 4,400,000 Shares will be issued to the Contractor in the following tranches:

(A) 880,000 Shares upon mobilisation; and

(B) 3,520,000 Shares in five equal tranches to be issued progressively based on distance milestones during completion of the final 23km of the pilot access service road to the Tolukuma Gold Mine.

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

(c) Operating Costs/Overhead

From 31 December 2022 to 30 April 2023, the Company has utilised a further A\$676,489 in cash for operating overhead of A\$454,157 and reduction of payables of A\$222,332. Further, interest of A\$116,517 was incurred with respect to the unwind of the discount on the Convertible Notes, and A\$554,876 has been accrued for operating/overhead expenses.

(d) Effect of Movement in Foreign Exchange Rate

This adjustment is to record the effect of movement in the foreign exchange rate on cash balances from the date of the relevant transaction until 30 April 2023.

2. IPO Adjustments

Set out below are the transactions that will be undertaken on completion of the Company's Offer as if they had occurred as at 31 December 2022.

(a) A capital raising of minimum 30 million and maximum 40 million Shares (at A\$0.50 each) to raise a minimum of A\$15,000,000 and maximum of A\$20,000,000 cash before costs in accordance with this Offer; and

(b) Costs of the capital raising and listing, comprising cash fees of A\$1,920,834 for the Minimum Subscription and A\$2,232,753 for the Maximum Subscription and the fair value of Options to be issued of A\$101,988 (Minimum Subscription) and A\$135,985 (Maximum Subscription). Depending on the nature of the cost, the capital raising fees were split between expenses through the Profit & Loss (A\$753,814 and A\$701,455 for Minimum Subscription and Maximum Subscription, respectively) and those charged to Share capital (A\$1,269,008 and A\$1,667,283 for the Minimum Subscription and Maximum Subscription, respectively).

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

Cash and cash equivalents
Table 5D

	Note	Pro Forma Minimum Raise A\$	Pro Forma Maximum Raise A\$
Balances at 31 December 2022		1,461,638	1,461,638
Operating costs post 31 December 2022 and creditor payments	1(c)	(676,489)	(676,489)
Acquisition of Frontier	1(a)	(500,000)	(500,000)
Pilot access service road payment to Tunnel Engineering	1(b)	(1,800,000)	(1,800,000)
Effect of movement in foreign exchange rate	1(d)	(152,602)	(152,602)
Shares issued under this Prospectus	2(a)	15,000,000	20,000,000
Costs of the Offer	2(b)	(1,920,834)	(2,232,753)
Pro Forma balance		11,411,713	16,099,794

Mine tenement, information and other assets
Table 5E

	Note	Pro Forma Minimum Raise A\$	Pro Forma Maximum Raise A\$
Balances at 31 December 2022		8,355,899	8,355,899
Acquisition of Frontier	1(a)	2,611,136	2,611,136
Stamp duty on acquisition of Tolukuma Project and Frontier	1(a)	169,023	169,023
Construction of pilot access service road	1(b)	4,000,000	4,000,000
Pro Forma Balance		15,136,058	15,136,058

Payables
Table 5F

	Note	Pro Forma Minimum Raise A\$	Pro Forma Maximum Raise A\$
Balances at 31 December 2022		481,238	481,238
Stamp duty payable on Tolukuma Project and Frontier	1(a)	169,023	169,023
Movement in payables post 31 December 2022	1(c)	332,544	332,544
Pro Forma Balance		982,805	982,805

Contingent consideration
Table 5G

	Note	Pro Forma Minimum Raise A\$	Pro Forma Maximum Raise A\$
Balances at 31 December 2022		-	-
Recognition of contingent consideration on acquisition of Frontier	1(a)	611,136	611,136
Pro Forma Balance		611,136	611,136

Borrowings
Table 5H

	Note	Pro Forma Minimum Raise A\$	Pro Forma Maximum Raise A\$
Balances at 31 December 2022		4,300,080	4,300,080
Unwind of unexpired interest – convertible loans	1(c)	116,517	116,517
Pro Forma Balance		4,416,597	4,416,597

Share capital – Minimum Subscription
Table 5I

	Note	Pro Forma Minimum Raise A\$	Pro Forma Minimum Raise A\$
Balances at 31 December 2022		77,291,857	8,337,859
Shares issued on acquisition of Frontier	1(a)	3,000,000	1,500,000
Shares issued on construction of pilot access service road	1(b)	4,400,000	2,200,000
Shares issued under this Prospectus	2(a)	30,000,000	15,000,000
Costs of the Offer	2(b)	-	(1,269,008)
Pro Forma Balance		114,691,857	25,768,851

5. Financial Information continued

Share capital – Maximum Subscription
Table 5J

	Note	Pro Forma Number	Pro Forma Maximum Raise A\$
Balances at 31 December 2022		77,291,857	8,337,859
Shares issued on acquisition of Frontier	1(a)	3,000,000	1,500,000
Shares issued on construction of the pilot access service road	1(b)	4,400,000	2,200,000
Shares issued under this Prospectus	2(a)	40,000,000	20,000,000
Costs of the Offer	2(b)	–	(1,667,283)
Pro Forma Balance		124,691,857	30,370,576

Reserves
Table 5K

	Note	Pro Forma Minimum Raise A\$	Pro Forma Maximum Raise A\$
Balances at 31 December 2022		460,512	460,512
Broker Options issued	2(b)	101,988	135,985
Effect of movement in foreign exchange rate	1(d)	(152,602)	(152,602)
Pro Forma Balance		409,898	443,895

Accumulated losses
Table 5L

	Note	Pro Forma Minimum Raise A\$	Pro Forma Maximum Raise A\$
Balances at 31 December 2022		(3,673,328)	(3,673,328)
Unwind of unexpired interest on convertible loans	1(c)	(116,517)	(116,517)
Post balance date operating costs/overhead	1(c)	(1,009,033)	(1,009,033)
Costs of the Offer	2(b)	(753,814)	(701,455)
Pro Forma Balance		(5,552,692)	(5,500,333)

5.7 Quantitative and Qualitative Disclosures about Market Risk

(a) Interest Rate Risk

Tolu is exposed to interest rate risk arising from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. The primary financial liabilities impacted by interest rate movements include cash balances, loans and borrowings. Interest rate exposure is monitored and analysed, and consideration is given to potential renewals of existing positions, uses of funds and alternative financing options as well as the mix of fixed and variable interest rates.

(b) Dividend Policy

The Company is not deriving any revenue from its operations at this stage. Accordingly, no dividends are expected to be paid in the foreseeable future following the Company's listing on ASX.

The payment and amount of any potential future dividends declared by the Company are subject to the discretion of the Directors and will depend upon, among other things, the Company's earnings, financial position, tax position and capital requirements.

It is the Directors' intention to review this policy from time to time and commence the payment of a regular dividend once the Company is able to generate a substantial and sustainable level of cash flow, after allowing for capital expenditure and other commitments.

The Directors also note that as the Company is not deriving revenue from business conducted in Australia, the Company may not be able to declare franked dividends unless and until it derives Australian sourced revenue and pays Australian tax.

(c) Segment Information

Tolu manages its operations as a single business operation and there are no parts of the business that qualify as an operating segment under IFRS 8 Operating Segments.

(d) No Forecasts

The industries that Tolu operates in are inherently uncertain. Consequently, there are significant uncertainties associated with forecasting future revenues and expenses associated with Tolu's proposed activities.

The Directors have considered the matters detailed in ASIC's Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of Tolu are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

The Directors consequently believe that, given there are inherent uncertainties, it is not possible to include reliable forecasts in this Prospectus.

5.8 Significant Accounting Principles

The financial information is for the entity Tolu as an individual entity.

The following is a summary of the material accounting policies adopted by the Company in the preparation of the financial information contained in this Section 5. The accounting policies have been consistently applied unless otherwise stated.

The financial information is in compliance with the recognition and measurement requirements of International Accounting Standards and Interpretations issued by the IASB and the IFRIC, respectively, in substantial equivalence to Chapter 2M.3 of the Corporations Act.

(a) Basis of Preparation of the Financial Information

Historical Cost Convention

These financial statements have been prepared using the historical cost convention. Unless otherwise stated, the accounting policies adopted are consistent with those of previous reporting periods.

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 Company incurred a loss from ordinary activities of \$2,862,941 during the year ended 31 December 2022.

The Company is currently undertaking a capital raising of approximately A\$15,000,000 and A\$20,000,000 by way of IPO on the ASX in order to:

- (1) upgrade the existing MRE that is centred on the historically operated Tolukuma Gold Mine;
- (2) expand the existing MRE, by refurbishing and utilising certain infrastructure and equipment afforded by the Tolukuma Gold Mine to actively explore the area of the mine that remains underexplored despite a number of highly prospective targets being previously identified;
- (3) explore a number exploration licences across the broader Tolukuma mineralised structure currently covering some 1,370km² of highly prospective ground with historical gold/silver/copper mineralisation, including those held by Frontier; and
- (4) explore the Mt Penck Tenement.

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.

5. Financial Information continued

Should the Company be unsuccessful with the capital raisings there is material uncertainty which may cast doubt over the Company's ability to continue as a going concern, and the Company may therefore be required to realise assets and extinguish liabilities other than in the ordinary course of business with the amount realised being different from those shown in the financial statements.

(b) Foreign Currency Translations and Balances

The functional currency of the Company is PNG Kina. The financial statements are presented in Australian Dollars, which is the Company's presentation currency.

Transactions in currencies different to the Company's functional currency are recorded at the rates of exchange prevailing on the dates of the transactions. At each statement of financial position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the statement of financial position date. Exchange gains and losses on the settlement of monetary items are recognised in the statement of profit or loss and other comprehensive income.

(c) Income Tax

(1) Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Company operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(2) Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- (A) where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (B) in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- (A) where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (B) in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss.

Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(d) Financial Instruments

(1) Financial Assets

(A) Recognition and Derecognition

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the company commits to purchase or sell the asset. Financial assets are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit and loss are recognised immediately in profit or loss.

(B) Classification and Measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Company classifies its financial assets based on the Company's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets. The Company's financial assets are classified at amortised cost which comprise other receivables, and cash and cash equivalents.

(C) Impairment

The Company recognises an allowance for expected credit losses (**ECLs**) for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Company recognises an impairment gain or loss in profit and loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

(2) Financial Liabilities

Financial liabilities include trade and other payables and amounts due to shareholders. Financial liabilities are recognised on the balance sheet when, and only when, the company becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost, comprising original debt less principal payments and amortisation.

A financial liability is de-recognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are de-recognised and through the amortisation process.

Financial liabilities are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

5. Financial Information continued

(e) Property, Plant and Equipment

Property, plant and equipment are stated at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

On disposal of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit or loss; any amount in revaluation reserve relating to that asset is transferred to accumulated profits directly.

The depreciable amount of all property, plant and equipment is depreciated over their estimated useful lives commencing from the time the asset is held ready for use.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

The residual values, estimated useful lives and depreciation method are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognised in the profit or loss when the changes arise.

(f) Impairment of Non-financial Assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the assets.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit and loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss.

(g) Evaluation Expenditure

Evaluation costs, including the costs of acquiring licenses, are capitalised as evaluation assets on an area of interest basis. Costs incurred before the Company has obtained legal rights to evaluate/develop an area are expensed in the profit or loss.

Evaluation assets are only recognised if the rights to the area of interest are current and either:

- (1) the expenditures are expected to be recouped through successful development and exploitation of the area of interest or by its sale; or
- (2) activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Evaluation assets are assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability and the facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. The cash generation unit shall not be larger than the area of interest.

Once technical feasibility and commercial viability of the area of interest are demonstrable, evaluation assets attributable to that area are first tested for impairment and then reclassified from evaluation assets to property and development assets within property, plant and equipment.

(h) Contingencies

A contingent liability is:

- (1) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or
- (2) a present obligation that arises from past events but is not recognised because:
 - (A) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (B) the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the statement of financial position of the Company, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

(i) Short Term Employee Benefit Obligations

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. The expected cost of short term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short term employee benefit obligations are presented as payables.

(j) Long Term Employee Benefit Obligations

Liabilities arising in respect of long service leave and annual leave which is not expected to be settled within twelve months of the reporting date are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Employee benefit obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

(k) GST

Revenues, expenses and purchased assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the relevant taxation authority. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the consolidated statement of financial position are shown inclusive of GST.

Cash flows are presented in the consolidated statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

6. Expert Reports

6.1 Independent Geologist's Report

The Company has engaged AMC to prepare an independent geologist's report on the Company's operations (**Independent Geologist's Report**). A copy of the Independent Geologist's Report is set out in Schedule 1 of this Prospectus.

The report includes a geological description of the Company's projects, regional mineralisation and previous exploration and development activity, a full review of the most up to date MRE prepared for the Tolukuma Project and Mt Penck Project in accordance with the JORC Code and details for planned work programs and budgets.

6.2 Independent Legal Report on Tenements

The Company has engaged O'Briens Lawyers to prepare an independent legal report on the Company and the Tenements in PNG (**Independent Legal Report**). A copy of the Independent Legal Report is set out in Schedule 2 of this Prospectus.

6.3 Investigating Accountant's Report

The Company has engaged Pitcher Partners Corporate Finance Limited to prepare an independent limited assurance report on the Company's historical financial information (**Investigating Accountant's Report**). A copy of the Investigating Accountant's Report is set out in Schedule 3 of this Prospectus.

7. Directors and Management



7.1 Board of Directors

The Directors bring relevant experience and skills to the Board, including industry and business knowledge, financial management and corporate governance experience.



John Anderson
(Chair)

John has over 30 years of experience in the Australian and Asia-Pacific resources sector, including 12 years as a senior executive in Santos Ltd with responsibility for operations in PNG. He is also a Non-Executive Director of Platina Resources Ltd (ASX:PGM).

John holds a Bachelor of Economics, Bachelor of Laws, Graduate Diploma in Commercial Law and is a Graduate of the Australian Institute of Company Directors.



John (Iain) Macpherson
(Managing Director and Chief Executive Officer)

Iain is a seasoned mining executive with well over 30 years of experience in senior management and executive roles in junior and major mining sectors. He has a track record of operating, developing and financing mining projects including having led a number of significant stock market listings, specifically on the London and North American markets.

Iain holds a Bachelor of Science in Mining Engineering from the Royal School of Mines, Imperial College, London University.



Howard Lole
(Executive Director External Affairs (PNG))

Howard is a PNG National with over 25 years of experience in the public and private sectors, including the financial, industrial and mining sectors. Former Chief Inspector of Mines responsible for development of several major mining projects in PNG and holder of Mine Manager Certificate issued under the PNG Mining Safety Act, Former Community Affairs Manager for K92 Mining Ltd, Simberi Gold Project and Lead Consultant for the Mt Kare Gold Exploration Project, among others.

Howard holds a Bachelor of Engineering in Mining Engineering from the PNG University of Technology and a Master of Engineering Science with specialisation in the Mining Industry Management from the University of New South Wales. Howard also holds certificates of attendance at various company director courses offered by the PNG Institute of Company Directors and the PNG Institute of Banking and Business Management.



Larry Andagali
(Non-Executive Director)

Larry is a well-known and successful PNG Businessman with over 30 years of public and private experience. He is the former chair of PNG Power Ltd and deputy chair of Kumul Petroleum Holdings Ltd. He has held various managerial and advisory roles for BP and ExxonMobil.

Larry holds a Diploma in Secondary Teaching and an Advance Diploma in Teaching Science from the University of Goroka in PNG.



Brian Moller
(Non-Executive Director)

Brian is a lawyer with over 30 years of experience in capital markets, mergers and acquisitions. He is a Partner of HopgoodGanim Lawyers, leading the Corporate Advisory and Governance practice. He is also a director of various ASX mining sector companies.

Brian holds a Bachelor of Laws (Hons) from the University of Queensland. He is also the chairman of ASX listed Mineral Commodities Ltd, Platina Resources Ltd, Clara Resources Ltd, Tempest Minerals Ltd and NewPeak Metals Ltd and a non-executive director of ASX listed DGR Global Ltd.

7. Directors and Management continued

7.2 Company Secretary

Tolu has the following Company Secretary:

- (a) Naime O'ome of SBC Solutions (PNG)

Tolu has the following Assistant Company Secretary:

- (b) Craig Dawson (Australia)

7.3 Management

Management comprises the following:

- (a) John (Iain) Macpherson, Managing Director and Chief Executive Officer
- (b) Howard Lole, Executive Director External Affairs (PNG)
- (c) Craig Dawson, Chief Financial Officer, Assistant Company Secretary and Local Agent
- (d) Richard Moore, Exploration Manager



Craig Dawson

(Chief Financial Officer, Assistant Company Secretary and Local Agent)

Craig is the Chief Financial Officer and Company Secretary of Site Group International Limited (ASX:SIT). He brings extensive financial management experience gained in ASX listed entities with both local and international operations in a variety of industries including media, financial services, gaming and wagering and most recently in the rapidly growing online sector.

Most notably, Craig was the Chief Financial Officer of Wotif.com for over 4 years as the group experienced rapid earnings growth, greatly extended its geographical reach and expanded its brands and products through both organic and acquisition growth. Prior to that, Craig was Queensland General Manager – Corporate Services at Tatts Group Limited (**Tatts**) heading up the finance and administration divisions of Tatts' Queensland operations.

Craig holds a Bachelor of Commerce and is a Chartered Accountant.



Richard Moore

(Exploration Manager)

Richard has over 25 years of experience working in the mining sector. Richard was the former exploration manager for Frontier. Richard has also previously held senior exploration geologist positions with Simberi Gold Company Ltd, Vangold Ltd and Geopacific Limited.

Richard holds a Bachelor of Science (Geology) from the University of Papua New Guinea.

7.4 Advisory Board

Commencing on the date that the Company is admitted to the Official List of the ASX, the Company will establish an Advisory Board comprising:



Ian Stalker
(Chair of the Advisory Board)

Mining executive with almost 50 years of experience in mine development operations globally. Highly respected capital markets expert. Founder and former CEO of K92 Mining Ltd.



Richard Johnson

Mining engineer with extensive experience in operational and executive roles for several international mining companies. Mining consultant providing advisory services to mining companies and national governments, including PNG. Extensive PNG operating experience and former General Manager of the Tolukuma Gold Mine.



Peter Swiridiuk

Geologist, former Managing Director of ASX listed Coppermoly Ltd working copper/gold assets on the island of New Britain in joint venture with Barrick Gold Corp. He is also a director of ASX listed Lanthanein with gold prospects adjacent to Tolukuma. Lanthanein has recently been responsible for in excess of A\$40 million in exploration programs in PNG.



Allen Tyson

Managing Director of PNG CR, the largest design, construction and operating company for large scale oil and gas camps in the Indo-Pacific. Former General Manager for Orion Group, a major oil services company responsible for scaling up the business from start-up to 2,500 contractors supporting ExxonMobil. Substantial PNG experience across a number of industries.



Chris Muller

Geologist with over 20 years of experience in open pit and underground mine, near mine, brownfields and greenfields exploration in PNG, Mongolia, China, Ghana, Indonesia and Thailand, including 17 years in PNG. Has experience working on a range of mineral deposit styles and has been involved in several mineral finds, including the discovery of additional porphyry deposits that led to the world class status of the Wafi/Golpu project in PNG and the Kora North high-grade deposit at Kainantu Gold Mine. Headed the K92 Mining Ltd exploration team that discovered the Blue Lake Porphyry.

7. Directors and Management continued

7.5 Director Disclosures

No Director has been the subject of any disciplinary action, criminal conviction, personal bankruptcy or disqualification in Australia or elsewhere in the last 10 years.

Mr Lole and Mr Andagali were directors of the company Advance Aviation Group Pty Ltd ACN 051 391 747 which was placed into voluntary administration in 2013.

7.6 Directors' and Management's Remuneration

The proposed annual remuneration for the Directors and Management for the financial year following the Company being listed on the ASX is set out in the table below:

Director and Management	Remuneration/Fees
John (Iain) Macpherson (Managing Director and Chief Executive Officer)	A\$395,000/annum plus up to A\$150,000 in bonus entitlements and 2,500,000 Performance Rights which will convert upon achieving certain conditions
John Anderson (Non-Executive Director and Chair)	A\$75,000/annum plus A\$6,000/annum for each committee appointment
Howard Lole (Executive Director External Affairs (PNG))	A\$165,000/annum plus up to A\$35,000 in bonus entitlements and 250,000 Performance Rights which will convert upon achieving certain conditions
Larry Andagali (Non-Executive Director)	A\$60,000/annum plus A\$6,000/annum for each committee appointments
Brian Moller (Non-Executive Director)	A\$60,000/annum plus A\$6,000/annum for each committee appointment
Craig Dawson (Chief Financial Offer, Assistant Company Secretary and Local Agent)	A\$125,000/annum

7.7 Directors' Fees

The Constitution of the Company provides that the Non-Executive Directors are entitled to remuneration as determined by the Company in a general meeting to be apportioned among them in such manner as the Directors agree and, in default of agreement, equally. The aggregate maximum remuneration is currently A\$350,000 per annum. Additionally, Non-Executive Directors will be entitled to be reimbursed for properly incurred expenses.

7.8 Committee Fees

Non-Executive Directors who are appointed to various committees of the Board will receive A\$6,000 in addition to their remuneration entitlements for each committee appointment.

7.9 Disclosure of Interests

The Directors are expected to hold a direct or indirect interest in the following securities on completion of the Offer (and assuming the Directors (other than John (Iain) Macpherson as described in Section 7.11(l)) do not apply for Shares under the Offer):

Director	Shares	% Holding (Minimum Subscription) ^{6,7}	% Holding (Maximum Subscription) ^{6,7}	Performance Rights
John (Iain) Macpherson ¹	3,050,270	2.56%	2.36%	2,500,000
John Anderson ²	3,300,000	2.77%	2.56%	–
Howard Lole ³	15,880,980	13.33%	12.30%	250,000
Larry Andagali ⁴	7,061,433	5.93%	5.47%	–
Brian Moller ⁵	3,300,000	2.77%	2.56%	–

Notes:

- Shares held indirectly through an entity associated with John (Iain) Macpherson.
- Shares held indirectly through an entity associated with John Anderson.
- Shares held indirectly through an entity associated with Howard Lole. Further, Howard Lole is one of 1,840 members and one of 16 directors of Jugu Development Corporations Ltd which holds 364,830 Shares in Tolu. The Board is of the opinion Howard Lole does not have a controlling indirect interest in Jugu Development Corporation Ltd for the purposes of his % holdings.
- Shares held directly and indirectly by Larry Andagali, through an entity associated with Larry Andagali and through related parties.
- Shares held indirectly through an entity associated with Brian Moller.
- This assumes that the Conditions to the Offer are satisfied (or waived), the Offer is fully subscribed, all of the Frontier Shares and MRDC Shares are issued and that no Shares are issued from the exercise of Options.
- This assumes that no Shares have been issued to the Contractor under the Tunnel Engineering Agreement as described in Section 9.5 as at completion of the Offer.

7.10 Employee Shares and Awards Plan

The Company has an Employee Shares and Awards Plan (**Plan**) which was adopted by the Board on 30 November 2022.

A summary of the key terms of the Plan is set out below:

(a) Eligibility

The Plan extends to each Director of the Company, full or part-time employee, casual employee, contractor, prospective participants or any other person who is a “primary participant” as set out in section 1100L of the Corporations Act (**Eligible Person**).

The Plan extends to an immediate family member of an Eligible Person, a company whose members comprise no persons other than the Eligible Person to immediate family members of the Eligible Person, a corporate trustee of a self-managed superannuation fund (within the meaning of the *Superannuation Industry (Supervision) Act 1993*) where the Eligible Person is a director of the trustee or any other person who is a “primary participant” as set out in section 1100L of the Corporations Act (**Eligible Associate**).

For the purposes of this summary, an Eligible Person or an Eligible Associate who accepts an offer from the Board to participate in the Plan is a ‘Participant’.

(b) Types of Offers

The Plan allows for the offer of the following to Participants:

- Options to subscribe for and be allotted fully paid ordinary Shares in the capital of the Company upon payment of the exercise price and subject also to vesting criteria (if applicable); and
- Performance Rights to be issued, transferred, or allocated fully paid ordinary Shares in the capital of the Company subject to the satisfaction of the Plan, offer, performance hurdles, and any disposal restrictions.

For the purposes of this summary, an Option or Performance Right or any combination of them is an ‘Award’.

7. Directors and Management continued

(c) Restrictions

Offers made under the Plan are subject to compliance with the Corporations Act, the Companies Act, and any other applicable law, including the insider trading provisions of Division 3 of Part 7.10 of the Corporations Act and the Company's securities trading policy.

The Board, at its discretion, may offer and issue restricted Awards under this Plan upon the terms and conditions it sees fit, including, without limitation, the length of and any exceptions to such restriction imposed.

(d) Discretion of Board

The Plan is administered by the Board (or any other committee of the Board to which power to administer the Plan has been delegated) (**Administrators**) and the Administrators have the discretion to determine:

- (1) the eligibility of persons to participate in the Plan;
- (2) number of Options and/or Performance Rights to be granted;
- (3) terms and conditions of any Options and/or Performance Rights granted under the Plan; and
- (4) the vesting criteria (subject to certain requirements contained in the Plan).

(e) Requirements for Offers

An offer under the Plan must be in writing and specify:

- (1) the name and address of the Eligible Person or Eligible Associate (where applicable) to whom the offer is made;
- (2) the number and type of Awards being offered;
- (3) the period commencing on the award commencement date and (unless the Board determines otherwise) expiring on the date nominated by the Board at its sole discretion at the time of the grant of the Award;
- (4) the exercise price for any Options on offer;
- (5) the date of the offer;
- (6) the date, being not more than 30 days after the date of the offer by which the offer must be accepted;
- (7) any applicable vesting requirements;
- (8) any performance hurdle applying to the offer or the Awards;
- (9) any other terms and conditions attaching to the offer or the Awards including, without limitation, whether any restrictions contemplated in the Plan will be imposed on the Awards being offered;
- (10) whether deferral of any taxation in accordance with Division 83A-C of the *Income Tax Assessment Act 1997* (Cth) is to apply to the offer; and
- (11) any other information required by the Corporations Act or Companies Act.

(f) Acceptance of Offer

An offer will be accompanied by an Acceptance Form, the terms and conditions of the Plan and a summary of the Plan. An Eligible Person or Eligible Associate may accept the offer by delivering to the Company the completed Acceptance Form by the time specified in the offer and paying the issue price applicable to the offer in cleared funds.

(g) Exercise Price

Each Option issued under the Plan is exercisable into one Share at the exercise price determined by the Board at its sole discretion.

(h) Shares to Rank Equally

Any securities allotted under the Plan will rank pari passu in all respects with the securities of the same class for the time being on issue with the exception of:

- (1) any rights attaching to other securities by virtue of entitlements arising from a record date prior to the date of the allotment in respect of those securities; and
- (2) any other restrictions that may apply.

(i) Issue Limit

The total number of securities which may be offered by the Company under this Plan shall not at any time exceed 5% of the Company's total issued Shares when aggregated with the number of securities issued or that may be issued as a result of offers made at any time during the previous three-year period under:

- (1) an employee incentive scheme covered by the Corporations Act or the Companies Act; or
- (2) an ASIC exempt arrangement of a similar kind to an employee incentive scheme.

(j) Vesting of Awards

The Company must provide an issue notice to the Participant once a Participant's Awards have been vested. A Participant's Awards may only be vested if:

- (1) the Award has not lapsed in accordance with the Plan rules; and
- (2) the performance hurdle and any other relevant conditions attaching to the Awards have been satisfied.

(k) Exercise of Awards

No Award can be exercised until it has vested under the relevant vesting conditions. Once an Award can be exercised, the Participant may subscribe for and be allotted one (1) Share at the relevant exercise price (if applicable).

An Award is exercised by:

- (1) in the case of Options, the Participant lodging with the Company a notice in writing exercising the Award in such form prescribed by the Board from time to time specifying the number of Shares in respect of which the Options are being exercised (**Award Exercise Notice**);
- (2) the receipt by the Company of a payment by or on behalf of the Participant in immediately available funds of the total exercise price payable for those Options nominated in the Award Exercise Notice; and
- (3) the Participant lodging with the Company the certificate for those Awards, for cancellation by the Company.

Upon the exercise of an Award, the Company must issue and allot a Share or procure the transfer of a Share to the Participant.

(l) New Issues

Award holders do not have any right to new issues of securities made to Shareholders generally.

(m) Dividends

Award holders are not entitled to participate in any dividends unless their Awards are exercised or vested before the record date.

7. Directors and Management continued

(n) Rights of Participants

- (1) In general, nothing in the Plan or participation in the Plan:
 - (A) confers on any Eligible Person the right to continue as a Director, employee or contractor;
 - (B) confers on any Eligible Person the right to become or remain a Director, employee or contractor or to participate under the Plan;
 - (C) will be taken into account in determining an Eligible Person's salary or remuneration for the purposes of superannuation or other pension arrangements (where applicable);
 - (D) affects the rights and obligations of any Eligible Person under the terms of their office, employment with the Company or Associated Body Corporate;
 - (E) affects any rights which the Company may have to terminate the office, employment or engagement of an Eligible Person or will be taken into account in determining an Eligible Person's termination or severance pay;
 - (F) may be used to increase damages in any action brought against the Company or an Associated Body Corporate in respect of any such termination; or
 - (G) confers any responsibility or liability on the Company or Associated Body Corporate or their directors, officers, employees, representatives or agents in respect of any taxation liabilities of the Eligible Person.
- (2) Terms of employment, consulting arrangements or appointments are not affected by the Plan rules.

(o) Termination or Suspension of Plan

The Plan may be terminated or suspended at any time by resolution of the Directors and notification to the ASX in accordance with the ASX Listing Rules.

7.11 Related Party Transactions

The Companies Act does not contain restrictions on related party transactions, except to the extent contained in the 'interested director' provisions.

The Company entered into a number of arrangements where Directors have an interest as follows:

- (a) the issue of 50,000 Shares on 19 March 2020, for cash consideration equivalent to approximately PNG Kina 100 (A\$52.50 as at the date of issue), to an entity associated with Howard Lole, as the founder of the Company;
- (b) the issue of 15,466,150 Shares on 1 April 2021, for nil cash consideration, to an entity associated with Howard Lole, during the Company's formative stages;
- (c) the issue of 364,830 Shares on 1 April 2021, for cash consideration equivalent to approximately PNG Kina 100,000 (A\$37,780 as at the date of issue), to an entity associated with Howard Lole, during the Company's formative stages;
- (d) the issue of 3,300,000 Shares on 1 April 2021, for nil cash consideration, to an entity associated with John Anderson, during the Company's formative stages;
- (e) the issue of 3,300,000 Shares on 1 April 2021, for nil cash consideration, to an entity associated with Brian Moller, during the Company's formative stages;
- (f) the issue of 1,118,190 Shares on 1 April 2021, for cash consideration equivalent to approximately PNG Kina 300,000 (A\$113,340 as at the date of issue), to an entity associated with Larry Andagali, during the Company's formative stages;
- (g) the issue of 2,700,000 Shares on 1 April 2021, for nil cash consideration, to an entity associated with Larry Andagali, during the Company's formative stages;
- (h) the issue of 2,162,162 Shares on 26 October 2022 to an entity associated with Larry Andagali pursuant to the terms of the relevant Converting Loan Agreement;
- (i) the issue of 1,081,081 Shares on 26 October 2022, for cash consideration of A\$400,000 (A\$0.37 per Share), to Larry Andagali and related parties of Larry Andagali as part of a pre-IPO raise;

- (j) the issue of 2,500,000 Shares on 25 February 2022, for nil cash consideration, to an entity associated with John (Iain) Macpherson, during the Company's formative stages;
- (k) the issue of 270,270 Shares on 26 October 2022, for cash consideration of A\$100,000 (A\$0.37 per Share), to an entity associated with John (Iain) Macpherson as part of the pre-IPO raise;
- (l) the proposed issue of 280,000 Shares under the Offer, for cash consideration of A\$140,000, to an entity associated with John (Iain) Macpherson pursuant to the terms of a convertible note deed;
- (m) an executive service agreement for services as Managing Director and Chief Executive Officer with John (Iain) Macpherson. The terms of this agreement are set out in Section 9.8 of this Prospectus;
- (n) an executive service agreement for services as an Executive Director with Howard Lole. The terms of this agreement are set out in Section 9.8 of this Prospectus;
- (o) the agreement to issue 2,500,000 Performance Rights to John (Iain) Macpherson and 250,000 Performance Rights to Howard Lole on completion of the Offer and immediately prior to the Company being admitted to the Official List of the ASX. The terms of the Performance Rights are set out in Section 10.4 of this Prospectus;
- (p) the Company has entered into letters of appointment with each of the Non-Executive Directors, John Anderson, Brian Moller and Larry Andagali. The terms of these agreements are set out in Section 9.10 of this Prospectus; and
- (q) the Company has entered into Indemnity Deeds with each Director. The terms of these agreements are set out in Section 9.13 of this Prospectus.

8. Corporate Governance

8.1 Incorporation of Corporate Governance Material

For the purposes of this Prospectus, the Company also relies upon the provisions in section 712 of the Corporations Act which enables the Company to incorporate material by reference into this Prospectus. Accordingly, rather than contain all the information that may be required to be set out in a standard document of this type in relation to the corporate governance practices of the Company, it incorporates by reference the Corporate Governance Charter of the Company adopted on 30 November 2022 and lodged with ASIC on or about 30 December 2022.

The Corporate Governance Charter can be obtained, at no cost, from the Company's registered office and is also available on the Company Website.

The following summary is provided pursuant to section 712(2) of the Corporations Act.

8.2 General

To the extent applicable, commensurate with the Company's size and nature, the Company has adopted The Corporate Governance Principles and Recommendations (4th Edition) as published by ASX Corporate Governance Council (**Recommendations**). The Directors will seek, where appropriate, to provide accountability levels that meet or exceed the Recommendations, which are not prescriptions, but guidelines.

The Company's main corporate governance policies and practices are outlined below.

8.3 Board of Directors

The Board oversees the Company's business and is responsible for the overall corporate governance of the Company. The Board monitors the Company's operational and financial position. The Board also monitors the Company's performance and oversees its business strategy, including approving its strategy and performance objectives.

The Board is committed to maximising performance and generating value and financial returns for Shareholders. To further these objectives, the Board has created a framework for managing the Company, including the adoption of relevant internal controls, risk management processes and corporate governance policies and practices that the Board believes are appropriate for the business and which are designed to promote the responsible management and conduct of the Company.

8.4 Composition of the Board

The Board is currently comprised of John Anderson, Larry Andagali, and Brian Moller as Non-Executive Directors, and Howard Lole and John (Iain) Macpherson as Executive Directors. Biographies of the Directors are provided in Section 7.1.

As the Company's activities increase in size, nature and scope, the size of the Board and optimal number of Directors required to adequately govern the Company's activities will be reviewed periodically subject to limitations imposed by the Constitution.

In assessing the independence of Directors, the Company has regard to Principle 2 of the Recommendations. The Corporate Governance Charter sets out further matters that the Board will consider when determining the independence of Directors of the Company.

Each Director has confirmed to the Company that they anticipate being available to perform their duties as a Non-Executive Director or Executive Director, as applicable, without constraint from other commitments.

8.5 Nominations Committee

The Board has not formally established a nominations committee as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of a nominations committee. The Board as a whole currently fulfils this role and considers that it is able to deal efficiently and effectively with Board composition and succession issues without establishing a separate nominations committee and in doing so, the Board will be guided by the Corporate Governance Charter (which includes a Nominations Committee Charter), which can be accessed on the Company Website under "Corporate Governance". The Company will review this position annually and determine whether a nominations committee needs to be established.

8.6 Remuneration Committee

The Board has not formally established a remuneration committee as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of a remuneration committee. The Board as a whole currently fulfils this role and considers that it is able to deal efficiently and effectively with remuneration issues without establishing a separate remuneration committee and in doing so, the Board will be guided by the Corporate Governance Charter (which includes a Remunerations Committee Charter), which can be accessed on the Company Website under "Corporate Governance". The Company will review this position annually and determine whether a remuneration committee needs to be established. The Company will also provide details in its Corporate Governance Statement, its annual report or on the Company Website of the processes it employs in relation to setting the level and composition of remuneration for Directors and senior management and ensuring that such remuneration is appropriate and not excessive.

8.7 Identification and Management of Risk

The Company has established an audit and risk management committee (**Audit and Risk Management Committee**) to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to the Company. The Audit and Risk Management Committee will be responsible for reviewing and making recommendations to the Board in relation to the adequacy of the Company's processes for managing risks and developing an appropriate risk management policy framework to provide guidance to Management.

The committee is comprised of Larry Andagali as chair, and Executive Directors, John (Iain) Macpherson and Howard Lole.

8.8 Environmental Health and Safety Committee

The Company has established an Environmental Health and Safety Committee (**EH&S Committee**) to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to its environmental impact and safety. The EH&S Committee will be responsible for reviewing and making recommendations to the Board in relation to the adequacy of the Company's processes for managing its impact on the environment and its resources.

The committee is comprised of Brian Moller as chair, and Non-Executive Directors, John Anderson and Larry Andagali.

8.9 Ethical Standards

The Company is committed to the establishment and maintenance of appropriate ethical standards. Accordingly, the Company has adopted a corporate ethics policy and a corporate code of conduct (**Code of Conduct**). The Code of Conduct establishes the principles and responsibilities to which the Company is committed with respect to both its internal dealings with employees and consultants, and external dealings with Shareholders and the community at large.

The Code of Conduct sets out the standard which the Board, Management and employees of the Company are encouraged to comply with when dealing with each other, Shareholders and the broader community.

The responsibilities contained within the Code of Conduct include:

- (a) to increase Shareholder value within an appropriate framework which safeguards the rights and interests of the Company's Shareholders and the financial community;
- (b) compliance with systems of control and accountability which the Company has in place as part of its corporate governance;
- (c) to act with honesty, integrity and fairness; and
- (d) compliance with all relevant laws and regulations applicable to it.

8. Corporate Governance continued

8.10 Corporate Governance Policies

The Board has adopted the following corporate governance policies, each of which has been prepared having regard to the Recommendations.

(a) Corporate Ethics and Continuous Disclosure Policy

Once listed on the ASX, the Company will be required to comply with the continuous disclosure requirements of the ASX Listing Rules and the Corporations Act. Subject to the exceptions contained in the ASX Listing Rules, the Company will be required to immediately advise ASX of any information concerning the Company that a reasonable person would expect to have a material effect on the price or value of the Company's Shares.

The Corporate Governance Charter contains the Corporate Ethics and Continuous Disclosure Policy, which reinforces the Company's commitment to its continuous disclosure obligations and describes the processes in place that enable the Company to provide Shareholders with timely disclosure in accordance with those obligations.

Information will be communicated to Shareholders through the lodgement of all relevant financial and other information with ASX, and copies of the Company's announcement to ASX will be available on the Company Website. The Company Website will also contain information about the Company, including periodic releases, key policies, the terms of reference of Board committees and other information relevant to Shareholders.

The Corporate Ethics and Continuous Disclosure Policy also assists the Directors in discharging their duty to the Company in compliance with the relevant stringent legal requirements which regulate both their internal conduct within the Company and in their dealings with third parties (both on their own behalf and on behalf of the Company).

The Company is committed to a high level of integrity and ethical standards in all business practices. The Corporate Ethics and Continuous Disclosure Policy is designed to outline the Directors' duties and provide a benchmark for the level of professional behaviour expected of the Company's Board.

(b) Diversity Policy

The Corporate Governance Charter contains a Diversity Policy, which sets out the Company's commitment to an inclusive and diverse workforce. The Company recognises the benefits arising from employee and Board diversity, including a broader pool of high quality employees, improving employee retention and motivation, accessing different perspectives and ideas and benefiting from all available talent.

The Company will include in its Corporate Governance Statement each year details of the measurable objectives set under the Diversity Policy of the year to which the Corporate Governance Statement relates, and a summary of the Company's progress towards achieving those measurable objectives. The Diversity Policy will be reviewed annually by the Board (or, if established, the Corporate Governance Committee), and any proposed changes will be recommended to the Board for approval.

(c) Trading Policy

The Corporate Governance Charter contains a Trading Policy which establishes procedures for the buying and selling of securities in the Company, and which aims to provide Directors and employees (and any other persons who may be associated with the Company) with guidance on how and when trades in the Company's securities may take place and when trading of the Company's securities is strictly prohibited.

The prohibition on trading in the Company's securities as set out in this policy is intended to ensure that restricted persons do not abuse (and do not place themselves under suspicion of abusing) inside information that they may be thought to have, especially in periods leading up to an announcement of the Company. This ensure public confidence in the Company and in the trading of the Company's securities is maintained.

(d) Related Party Policy

The Company is committed to complying with all related party transaction requirements under the ASX Listing Rules. Accordingly, the Corporate Governance Charter contains the Related Party Policy which sets out a framework for obtaining approval for all related party transactions under the ASX Listing Rules. The Related Party Policy is intended to establish a clear process for the Board to follow to ensure the Company complies with its related party transaction obligations.

(e) Anti-Bribery and Corruption Policy

The Company and the Board take a zero-tolerance approach to corruption and are committed to acting professionally, ethically and with integrity in all of the Company's business dealings and relationships. This extends to implementing and enforcing effective systems to counter corruption.

The Corporate Governance Charter contains the Anti-Bribery and Corruption Policy which establishes controls to ensure compliance with all applicable anti-corruption laws and regulations, and to ensure that the Company conducts business in a socially responsible manner.

It addresses protection of the Company's personnel in seeking to comply with this policy, dealing with false reports, investigations, consequences for breach, examples of improper conduct, contact with government officials, donations, in-kind gifts and corporate hospitality, political and charitable contributions and sponsorships, facilitation payments and secret commissions.

(f) Whistleblower Policy

The Company is committed to the highest standards of conduct and ethical behaviour in all of its business activities and to promoting and supporting a culture of honest and ethical behaviour, corporate compliance and good corporate governance across the Company. As part of that commitment, the Company has adopted a separate Whistleblower Policy, in compliance with applicable laws and practices. The policy is an important tool for helping the Company to identify wrongdoing that may not be uncovered unless there is a safe and secure means for disclosing wrongdoing. The Company encourages disclosers who are aware of possible wrongdoing to report it in accordance with the policy.

The Whistleblower Policy is intended to supplement all applicable laws, rules and other corporate policies including, without limitation, the Company's Corporate Ethics and Continuous Disclosure Policy, Anti-Bribery and Corruption Policy, and the Company's Code of Conduct.

(g) Security Policy

The Company recognises that security and respect for people and human rights is fundamental to the safeguarding the integrity of Company personnel and property. An effective security program is fundamental in the protection of the Company's people, products, assets and reputation.

As a business and good corporate citizen, the Company is committed to act in a manner consistent with the law of the country within which it is present, to be mindful of the highest applicable international standards, and to promote the observance of applicable international law enforcement principles.

Accordingly, the Company has adopted a separate Security Policy that outlines in brief the general principles and guidelines to which all Company security activities must adhere. Every person working with or doing business with the Company is expected to conduct themselves in a manner that promotes sound security practices, safeguarding themselves, others and assets from loss.

The Company will measure and report progress against the policy and review performance on a periodic basis to ensure ongoing management of security risks.

(h) Environment, Social and Governance (ESG) Policy

The Company is committed to managing its impact on the environment and its resources, as well as developing and maintaining strong relationships with the communities in which it operates.

The Company recognises that all of its stakeholders, inclusive of its employees, local communities and others, have a right to expect the Company to commit to delivery on its environmental, social and governance (**ESG**) responsibilities. Accordingly, the Board has adopted an ESG Policy which sets out a clear framework for the Board to follow to ensure the Company delivers on its ESG responsibilities.

(i) Privacy Policy

The Company respects others' privacy and is committed to protecting it. Accordingly, the Board has adopted a separate Privacy Policy which sets out a framework for the Company to comply with the Australian Privacy Principles and the *Privacy Act 1988* (Cth), which govern the way private sector organisations collect, use, keep secure and disclose personal information.

8. Corporate Governance continued

8.11 ASX Corporate Governance – Compliance with Recommendations

As at the date of this Prospectus, the Company will be compliant with the ASX Recommendations except as set out in the table below:

The table below summarises how the Company complies with the Recommendations, and, in the case of non-compliance, why not. The Board is of the view that with the exception of the departures from the Recommendations noted below it otherwise complies with all of the Recommendations.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
1 Lay solid foundations for management and oversight			
1.1	A listed entity should disclose: (a) the respective roles and responsibilities of the Board and Management; and (b) those matters expressly reserved to the Board and those delegated to Management.	Yes	Section 1 of the Company's Corporate Governance Charter sets out (amongst other things): (a) the roles and responsibilities of the Board and of management; and (b) the matters expressly reserved to the Board and those delegated to management. A copy of the Corporate Governance Charter is available on the Company Website.
1.2	A listed entity should: (a) undertake appropriate checks before appointing a Director or senior executive or putting forward someone forward for election as a Director; and (b) provide security holders with all material information in the Company's possession relevant to a decision on whether or not to elect or re-elect a Director.	Yes	Prior to the appointment of a person as a Director, or putting forward to Shareholders a candidate for election as a Director, the Company undertakes checks which it believes are appropriate to verify a Director's character, experience, education, criminal record and bankruptcy history (including for new Directors). The Company will ensure that all material information in its possession relevant to a Shareholder's decision whether to elect or re-elect a Director, including the information referred to in Recommendation 1.2, is provided to Shareholders in any Notice of Annual or Extraordinary General Meeting.
1.3	A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	Yes	Each Director and senior executive of the Company has an agreement in writing with the Company which sets out the key terms and conditions of their appointment including their duties, rights and responsibilities and (to the extent applicable) the matters referred to in the commentary to Recommendation 1.3.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
1.4	The company secretary of a listed entity should be accountable directly to the Board, through the chair, on all matters to do with the proper functioning of the Board.	Yes	<p>The responsibilities of the Company Secretary are set out in section 1 of the Corporate Governance Charter. The Company Secretary is accountable directly to the Board, and is responsible for:</p> <ul style="list-style-type: none"> (a) advising the Board and its committees of governance matters; (b) monitoring compliance with the Board and its committee policy and procedures; (c) coordinating the timely completion and despatch of Board and committee papers; (d) ensuring that the business at Board and committee meetings is accurately recorded in the minutes; and (e) helping to organise and facilitate the induction and professional development of Directors.
1.5	<p>A listed entity should:</p> <ul style="list-style-type: none"> (a) have and disclose a diversity policy; (b) through its Board or a committee of the Board set measurable objectives for achieving gender diversity in the composition of its Board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> (1) the measurable objectives set for that period to achieve gender diversity; (2) the entity's progress towards achieving those objectives; and (3) either the respective proportions of men and women on the Board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes) or, if the Company is a relevant employer" under the <i>Workplace Gender Equality Act 2012</i> (Cth), the Company's most recent "Gender Equality Indicators", as defined in and published under that Act. 	Partially	<p>The Company's Corporate Governance Charter contains a Diversity Policy. The Diversity Policy is available on the Company Website.</p> <p>With respect to gender diversity, management will develop, for approval by the Board (or the Nominations Committee, if in existence) a set of measurable objectives for achieving gender diversity including concerning the strategies, initiatives and programs to develop a broader and more diverse pool of skilled and experienced employees with a view to preparing those employees over time, for senior management positions and to increase the representation of women in management roles.</p> <p>The Board assesses any measurable objectives for achieving gender diversity and annually reviews any such objectives and the Company's progress towards achieving them.</p> <p>The Board reports at least annually on the relative proportion of women and men appointed or employed within the Company group in senior executive roles and on the Board.</p> <p>Disclosure of any measurable objectives, progress towards achieving such objectives and respective proportions of men and women appointed or employed with the Company will be disclosed in the Annual Report.</p>

8. Corporate Governance continued

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
1.6	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</p>	No	<p>The Board has not formally established a corporate governance committee as the Directors consider that the Company is not of a size nor are its affairs of such complexity as to justify the formation of a corporate governance committee. The Board as a whole currently fulfils this role and considers that it is able to deal efficiently and effectively with corporate governance issues without establishing a separate committee and in doing so, the Board will be guided by the Company's Corporate Governance Charter (which contains a Corporate Governance Committee Charter). The Corporate Governance Charter is available on the Company Website.</p> <p>The Corporate Governance Committee Charter details the Company's commitment, responsibility and process to evaluate the performance of the Board, individual Directors, the Chair and the committees of the Board.</p> <p>The Board is responsible for the evaluation of its performance and the performance of individual Directors. This evaluation shall involve evaluating the performance of each Director against appropriate measures (including if warranted by considering the use of external advisers to conduct this performance review). The Board must also set out its future goals and objectives, and review and recommend any changes to the Corporate Governance Charter deemed necessary or desirable. The performance evaluation shall be conducted in such manner as the Board deems appropriate.</p> <p>Since the incorporation of the Company in March 2020, the Company has not undertaken an evaluation of the performance of the Board, individual Directors or committees of the Board.</p>

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
1.7	<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation was undertaken in accordance with that process during or in respect of that period.</p>	No	<p>After completion of the Offer, the Chief Executive Officer intends to review the performance of the senior executives on an informal basis. These evaluations will take into account criteria such as the achievement and performance towards the Company's objectives and (where appropriate) performance benchmarks and the achievement of individual performance objectives. However, the Board also recognises the need for flexibility in defining performance objectives which must reflect the current status of the Company and the development of its projects.</p> <p>The Board did not conduct a performance evaluation of senior executives during the last 12 months and has not adopted a performance evaluation policy.</p> <p>The Company believes that the small size of the executive team and the current scale of the Company's activities make the establishment of a formal performance evaluation procedure unnecessary. Performance evaluation is a discretionary matter for consideration by the entire Board. In the normal course of events the Board reviews performance of the Management, Directors and the Board as a whole. Achievement of goals and business development and compliance issues are evaluated regularly on an informal basis.</p>

8. Corporate Governance continued

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
2 Structure the Board to be effective and add value			
2.1	<p>The Board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent Directors; and</p> <p>(2) is chaired by an independent Director;</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	No	<p>The Board has no formal nominations committee, and the Board as a whole currently fulfils this role.</p> <p>Acting in its ordinary capacity from time to time as required, the Board carries out the process of determining the need for, screening and appointing new Directors. In view of the size and resources available to the Company, it is not considered that a separate nominations committee would add any substance to this process.</p> <p>The Company's Corporate Governance Charter contains a Nominations Committee Charter. The Corporate Governance Charter is available on the Company Website.</p> <p>The Nominations Committee Charter sets out the processes the Company employs regarding appointments to the Board and matters regarding successions.</p>
2.2	A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the Board currently has or is looking to achieve in its membership.	Yes	<p>The Board regularly evaluates the mix of skills, experience and diversity at the Board level. The Board believes that a highly credentialed Board, with a diversity of background, skills and perspectives, will be effective in supporting and enabling delivery of good governance for the Company and value for the Company's Shareholders.</p> <p>At the date of this Prospectus, the Board comprises five Directors from diverse backgrounds with a range of business experience, skills and attributes. Biographical information on each Director is contained on the Company Website.</p> <p>Details of the current Directors, their skills, experience and qualifications are set out in the Prospectus. These details, plus a record of attendance at meetings, will be included in the Directors' Report within the annual report in the future. Section 1 of the Corporate Governance Charter contains the Board's skills matrix.</p>

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
2.3	<p>A listed entity should disclose:</p> <p>(a) the names of the Directors considered by the Board to be independent Directors;</p> <p>(b) if a Director has an interest, position or relationship that might cause doubts about the independence of a Director but the Board is of the opinion that it does not compromise the independence of the Director, the nature of the interest, position or relationship in question and an explanation of why the Board is of that opinion; and</p> <p>(c) the length of service of each Director.</p>	Yes	<p>The Board comprises the following Directors:</p> <p>(a) Mr Howard Lole (Executive Director) is not considered an independent Director as he is a founder and a substantial Shareholder of Tolu. Mr Lole was appointed on 19 March 2020;</p> <p>(b) Mr John Anderson (independent, Non-Executive Director and Chair) appointed on 1 April 2021;</p> <p>(c) Mr Larry Andagali (independent, Non-Executive Director) appointed on 1 April 2021. Mr Andagali is a substantial Shareholder of Tolu. However, the Board considers that Mr Andagali is independent having regard to the indicia in Box 2.3 of the Recommendations. In particular the Board considers that Mr Andagali's Shareholding assists to align his interests to those of other Shareholders, and would not reasonably be seen to interfere, with Mr Andagali's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party;</p> <p>(d) Mr John (Iain) Macpherson (Managing Director and Chief Operating Officer) is not considered an independent Director due to his status as Managing Director. Mr Macpherson was appointed on 15 April 2021; and</p> <p>(e) Mr Brian Moller (independent, Non-Executive Director) appointed on 24 February 2022. Mr Moller is a partner of law firm HopgoodGanim Lawyers. HopgoodGanim Lawyers provides professional legal advisory services to the Company. However, legal matters for the Company are handled by other partners and employees of HopgoodGanim Lawyers. The Board considers that Mr Moller is independent having regard to the indicia in Box 2.3 of the Recommendations. In particular, the Board considers that the relationship between the Company and HopgoodGanim Lawyers does not interfere, and would not reasonably be seen to interfere, with Mr Moller's capacity to bring an independent judgement to bear on issues before the Board and to act in the best interests of the entity as a whole rather than in the interests of an individual security holder or other party.</p>
2.4	The majority of the Board should be independent Directors.	Yes	On the basis of the above information detailed in Recommendation 2.3, the Board consists of a majority of independent Directors.

8. Corporate Governance continued

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
2.5	The chair of the Board should be an independent Director and, in particular, should not be the same person as the CEO of the entity.	Yes	The Chair of the Board is an independent Director.
2.6	A listed entity should have a program for inducting new Directors and for periodically reviewing whether there is a need for existing Directors to undertake professional development opportunities for Directors to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.	Partially	<p>Under section 1 of the Company's Corporate Governance Charter, all new Directors are given a thorough briefing by Management on key Board issues and provided with appropriate background documentation, including the Company's financial, strategic, operational and risk management position, their rights, duties and responsibilities, and the role of the Board and the Board committees.</p> <p>The Board will periodically review whether there is a need for existing Directors to undertake professional development to develop and maintain the skills and knowledge needed to perform their roles as Directors effectively.</p>
3 Instil a culture of acting lawfully, ethically and responsibly			
3.1	A listed entity should articulate and disclose its values.	Yes	<p>The Company's Corporate Governance Charter contains a Code of Conduct. The Corporate Governance Charter is available on the Company Website.</p> <p>The Code of Conduct articulates and discloses its values.</p>
3.2	<p>A listed entity should:</p> <p>(a) have and disclose a code of conduct for its Directors, senior executives and employees; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material breaches of that code.</p>	Yes	<p>The Company's Corporate Governance Charter contains a Code of Conduct. The Corporate Governance Charter is available on the Company Website.</p> <p>The Code of Conduct sets out the standard which the Board, Management and employees of the Company are encouraged to comply with when dealing with each other, Shareholders and the broader community.</p> <p>Any breach of compliance with the Code of Conduct is to be reported directly to the Chief Executive Officer, Managing Director or Chair (as appropriate).</p>

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
3.3	<p>A listed entity should:</p> <p>(a) have and disclose a Whistleblower Policy; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material incidents reported under that policy.</p>	Yes	<p>The Company has a Whistleblower Policy available on the Company Website. The purpose of the policy is to assist the Company in identifying wrongdoing that may not be uncovered unless there is a safe and secure means for disclosing wrongdoing. The Whistleblower Policy is intended to supplement all applicable laws, rules and other corporate policies including, without limitation, the Company's Corporate Ethics and Continuous Disclosure Policy.</p> <p>Material incidents reported under the policy relating to the Board will be provided to the Chair or to the chair of the Audit and Risk Management Committee, as appropriate. Material incidents relating to executive leaders and internal audit team members will be provided to the chair of the Audit and Risk Management Committee. Material incidents relating to all other matters will be provided to the Board unless the Chair of the Board or the chair of the Audit and Risk Management Committee direct otherwise.</p>
3.4	<p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the Board or a committee of the Board is informed of any material breaches of that policy.</p>	Yes	<p>The Company's Corporate Governance Charter contains an Anti-bribery and Corruption Policy. The Corporate Governance Charter is available on the Company Website.</p> <p>Any material incidents reported under the Anti-bribery and Corruption Policy are reported to the Board.</p> <p>Under the Anti-bribery and Corruption Policy, all Company personnel are encouraged to raise concerns about actual or suspected improper conduct or other violation of this policy. Concerns can be raised confidentially with the Board directly or the Company Secretary (as applicable).</p>

8. Corporate Governance continued

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
4 Safeguard the integrity of corporate reports			
4.1	<p>The Board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are Non-executive Directors and a majority of whom are independent Directors; and</p> <p>(2) is chaired by an independent Director, who is not the chair of the Board; and</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	No	<p>The Board has established an Audit and Risk Management Committee, however, two of the Board members currently comprising the membership of the committee are Executive non-independent Directors. The Audit and Risk Management Committee is currently chaired by an independent Director.</p> <p>Recommendation 4.1 states that the audit committee should consist of a majority of independent Directors and all be Non-Executive Directors. The Company believes that given the size and scale of its operations, non-compliance by the Company will not be detrimental to the Company.</p> <p>The Company's Corporate Governance Charter contains an Audit and Risk Management Committee Charter. The Corporate Governance Charter is available on the Company Website.</p> <p>The committee's members (who are also Directors of the Company) and their relevant qualifications and experience, the number of times the committee met throughout the reporting period and the attendance of the committee's members at those meetings will be set out in each Annual Report.</p>

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
4.2	The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Yes	<p>The Board is to receive a declaration in the form set out in Recommendation 4.2 from its Chief Executive Officer and Chief Financial Officer in relation to the financial statements.</p> <p>The Audit and Risk Management Committee is responsible for discussing with Management and the external auditor the process surrounding and the disclosures made by the Chief Executive officer and Chief Financial Officer in connection with their personal certification of the half yearly and annual financial statements.</p>
4.3	A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.	Yes	The Company ensures that any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor undergoes review by the Audit and Risk Management Committee. The Audit and Risk Management Committee is responsible for reviewing, assessing and recommending release to the Board for all financial statements and reports which are required to be publicly released. The review should include a discussion with Management and the external auditors of accounting issues and board policies.
5 Make timely and balanced disclosure			
5.1	A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under ASX Listing Rule 3.1.	Yes	<p>The Company's Corporate Governance Charter contains a Corporate Ethics and Continuous Disclosure Policy. The Corporate Governance Charter is available on the Company Website.</p> <p>The Corporate Ethics and Continuous Disclosure Policy outlines the processes to be followed by the Company to ensure compliance with its continuous disclosure obligations and the corporate governance standards applied by the Company in its communications to the market.</p>
5.2	A listed entity should ensure that its Board receives copies of all material market announcements promptly after they have been made.	Yes	Under the Company's Corporate Governance Charter, the Board is responsible for overseeing the continuous disclosure process to ensure timely and balanced disclosures and ensuring that the Company has an effective process for communicating with Shareholders, other stakeholders and the public.

8. Corporate Governance continued

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
5.3	A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.	Yes	Under the Company's Corporate Ethics and Continuous Disclosure Policy, any materials distributed at analyst and media briefings will be lodged with ASX at the time of the briefing, and at investor meetings, the Company will not disclose any information that a reasonable person might regard as being price sensitive unless such information has previously been released to the market through the ASX or is otherwise already in the public domain.
6 Respect the rights of security holders			
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Yes	Information about the Company and its operations is available on the Company Website. Information about the Company's corporate governance (including links to the Company's Corporate Governance Charter and other governance policies) can be accessed from the Company Website.
6.2	A listed entity should have an investor relations program that facilitates effective two-way communication with investors.	Yes	The Company's Corporate Governance Charter contains a Corporate Ethics and Continuous Disclosure Policy. The Corporate Governance Charter is available on the Company Website. The Corporate Ethics and Continuous Disclosure Policy outlines the processes followed by the Company to ensure communication with Shareholders and the investment community is effective, consistent and adheres to the principles of continuous disclosure.
6.3	A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.	Yes	The Corporate Governance Charter sets out the policies and processes the Company has in place to facilitate and encourage participation at meetings of Shareholders.
6.4	A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.	No	<p>The Company's Constitution states that a poll may be demanded, before or after any vote on a resolution is taken.</p> <p>The Company's Constitution also provides that the Chair has charge of the general conduct of a general meeting of Shareholders, and may require adoption of any procedure which is in the Chair's opinion necessary or desirable, including the proper and orderly casting or recording of votes at the general meeting of Shareholders.</p> <p>The Company considers that these requirements adequately protect the interests of Shareholders.</p>
6.5	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Yes	The Company gives Shareholders the option to receive communications from, and send communications to, the Company and its Share Registry electronically.

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
7 Recognise and manage risk			
7.1	<p>The Board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <p>(1) has at least three members, a majority of whom are independent Directors; and</p> <p>(2) is chaired by an independent Director;</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	No	<p>See Recommendation 4.1 above.</p> <p>The Company's Corporate Governance Charter contains an Audit and Risk Management Committee Charter. The Corporate Governance Charter is available on the Company Website.</p> <p>The committee's members (who are also Directors of the Company), meet throughout the reporting period and the attendance of the committee's members at those meetings will be set out in each Annual Report.</p>

8. Corporate Governance continued

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
7.2	<p>The Board or a committee of the Board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the Board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	No	<p>The Company's Audit and Risk Management Committee Charter sets the framework for risk management. The Audit and Risk Management Committee will report to the Board, at least annually, a review of the Company's risk management policy framework.</p> <p>Since incorporation, the Board has not completed a structured review of the Company's risk management policy framework and key corporate risk in accordance with the Audit and Risk Management Committee Charter.</p> <p>The Board as a whole addresses individual risks as required on an ongoing basis.</p>
7.3	<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluation and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	No	<p>The Company is committed to understanding and managing risk and to establishing an organisational culture that ensures risk management is included in all activities, decision making and business processes. The Company does not have a formal internal audit function due to its size and business needs.</p> <p>The Company's Corporate Governance Charter contains an Audit and Risk Management Committee Charter. The Corporate Governance Charter is available on the Company Website.</p> <p>Under the Company's Audit and Risk Management Committee Charter, the Audit and Risk Management Committee is charged with the review of the Company's internal controls.</p>
7.4	<p>A listed entity should disclose whether it has any material exposure to environmental or social risks and if it does, how it manages or intends to manage those risks.</p>	Yes	<p>The Company's Risk Management Policy acknowledges that it has an obligation to Shareholders, employees, contractors, and other stakeholders to oversee the establishment and implementation of a risk management strategy, and monitor, review and evaluate the risk management and internal control systems for the Company.</p> <p>The Company may be exposed to such environmental risks as disclosed in Section 4 of this Prospectus.</p>

Principle Number	Best Practice Recommendation	Compliance (Yes/No)	Explanation
8 Remunerate fairly and responsibly			
8.1	<p>The Board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <p>(1) has at least three members, a majority of whom are independent Directors; and</p> <p>(2) is chaired by an independent Director,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	No	<p>The Board is of the view that the Company is not currently of the size to justify the formation of a separate remuneration committee.</p> <p>The Board currently performs the functions of a remuneration committee and where necessary will seek the advice of external advisors in relation to this role.</p> <p>The Board shall, upon the Company reaching the requisite corporate and commercial maturity, approve the constitution of a remuneration committee to assist the Board in relation to the appointment of Directors and senior management as required and determine the level and composition of remuneration for Directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p> <p>The Company believes that given the size and scale of its operations, non-compliance by the Company will not be detrimental to the Company.</p> <p>The Company's Corporate Governance Charter contains a Remuneration Committee Charter. The Corporate Governance Charter, is available on the Company Website.</p>
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of Non-executive Directors and the remuneration of executive Directors and other senior executives.	Yes	<p>The remuneration of the Directors of the Company is set out in Section 7 of this Prospectus.</p> <p>The Company's policies and practices regarding the remuneration of Non-Executive Directors and the remuneration of Executive Directors and other senior executives will be set out in the Remuneration Report contained in each Annual Report.</p>
8.3	<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	No	The Company has an equity-based remuneration scheme. The Company's Corporate Governance Charter contains a Trading Policy. The Corporate Governance Charter is available on the Company Website. The Trading Policy provides that participants in the scheme must not enter into any transaction which would have the effect of hedging or otherwise transferring to any other person the risk of any fluctuation in the value of any unvested equity interest.

9. Summary of Material Contracts

The contracts entered into by Tolu which are material to its operations are as follows:

9.1 BOEQ Mandate

On 30 November 2022, the Company and Blue Ocean Equities Pty Ltd ACN 151 186 935 (**BOEQ**) entered into a lead manager mandate (and as amended by a letter of variation dated 12 July 2023) (**BOEQ Mandate**) pursuant to which the BOEQ agreed to be appointed as the Company's joint lead manager to the Offer.

Under the BOEQ Mandate, BOEQ will be paid:

- (a) a management fee equivalent to 1% of the proceeds raised under the Offer, to be split evenly between the Joint Lead Managers. For the avoidance of doubt, the management fee will be calculated by reference to the total proceeds raised under the Offer, of which BOEQ will receive a fee equivalent to 0.5%; and
- (b) a capital raising fee of 5% of the total proceeds raised under the Offer by BOEQ, (together, the **Lead Manager Fees**). The Lead Manager Fees are expressed exclusive of GST and are payable by the Company on completion of the Offer.

The Company agrees to issue BOEQ (or its nominee) with equity options (**JLM Options**) equivalent to 5% of the securities subscribed for under the Offer by investors introduced by BOEQ following completion of the Offer. The JLM Options exercise price will be at a 40% premium to the Offer Price and will have a two year expiry date from the date of issue.

The terms of the JLM Options are set out below:

- (a) The securities are Options to subscribe for fully paid ordinary shares in the Company.
- (b) The JLM Options will be issued for no consideration.
- (c) The exercise price of each JLM Option is A\$0.70.
- (d) The JLM Options vest on the date of issue.
- (e) The expiry date is 2 years from the date of issue.
- (f) Shares issued on exercise of the JLM Options will rank equally with all existing Shares at the time of issue.
- (g) The JLM Options, once vested, may be exercised wholly or in part by notice in writing to the Company received at any time on or before the expiry date together with payment for the exercise price of the JLM Option multiplied by the number of Shares in respect of which JLM Options are being exercised.
- (h) The JLM Options shall be unlisted but shall be transferable.
- (i) Upon allotment of Shares pursuant to the exercise of JLM Options, the Company shall use its best endeavours to have such Shares listed on the ASX.
- (j) JLM Option holders do not have any right to participate in new issues of securities in the Company made to Shareholders generally. The Company will, where required pursuant to any relevant ASX Listing Rules, provide JLM Option holders with notice prior to the books record date (to determine entitlements to any new issue of securities made to Shareholders generally) to exercise the JLM Options, in accordance with the requirements of the ASX Listing Rules.
- (k) JLM Option holders do not participate in dividends or in bonus issues unless the JLM Options are exercised and the resultant Shares of the Company are issued prior to the relevant record date.
- (l) The terms of the JLM Options shall only be changed if holders (whose votes are not to be disregarded) of Shares approve of such a change. However, the terms of the JLM Options shall not be changed to reduce the exercise price, increase the number of JLM Options or change any period for exercise of the JLM Options.

BOEQ may appoint an additional broker for raisings in foreign jurisdictions as permitted by this Prospectus. Fees payable to such additional brokers will be on similar terms as the capital raising fee of the Joint Lead Managers.

The BOEQ Mandate otherwise contains terms and conditions which are considered standard for an agreement of this nature, including those relating to confidentiality, representations and warranties.

9.2 MPS Mandate

On 30 November 2022, the Company and Martin Place Securities Pty Ltd ACN 159 611 060 (**Martin Place**) entered into a lead manager mandate (and as amended by a letter of variation dated 12 July 2023) (**MPS Mandate**) pursuant to which Martin Place agreed to be appointed as the Company's joint lead manager to the Offer.

Under the MPS Mandate, Martin Place will be paid:

- (a) a management fee of 1% of the total proceeds raised arising from the Offer, which will be split evenly between the Joint lead Managers. For the avoidance of doubt, the management fee will be calculated by reference to the total proceeds raised under the Offer, of which Martin Place will receive a fee equivalent to 0.5%; and
 - (b) a capital raising fee of 5% of the total proceeds raised under the Offer by Martin Place,
- (together, the **Lead Manager Fees**). The Lead Manager Fees are expressed exclusive of GST and are payable by the Company on completion of the Offer.

The Company agrees to issue Martin Place (or its nominee) JLM Options equivalent to 5% of the securities subscribed for by investors under the Offer introduced by Martin Place following completion of the Offer. The JLM Options exercise price will be at a 40% premium to the Offer Price and will have a two year expiry date from the date of issue. The JLM Options will be issued on the same terms as set out in Section 9.1 above.

Martin Place may appoint an additional broker for raisings in foreign jurisdictions as permitted by this Prospectus. Fees payable to such additional brokers will be on similar terms as the capital raising fee of the Joint Lead Managers.

The MPS Mandate otherwise contains terms and conditions which are considered standard for an agreement of this nature, including those relating to confidentiality, representations and warranties.

9.3 Foreign Broker Mandates

Amvest and Stifel have been appointed as the foreign brokers to the Offer (**Foreign Brokers**). The Company has entered into broker mandates with each of the Foreign Brokers on largely the same terms (**Foreign Broker Mandates**).

Under the Foreign Broker Mandates, the Foreign Brokers will each be paid:

- (a) a placement fee of 5% and a management fee of up to 1% of the aggregate proceeds raised from investors procured by the Foreign Broker for the Offer; and
- (b) subject to achieving agreed minimum subscriptions, the issue of Options upon the same terms as the JLM Options.

The Foreign Brokers Mandates otherwise contain terms and conditions which are considered standard for an agreement of this nature, including those relating to confidentiality, representations and warranties.

9.4 Frontier Share Sale Agreement

On 6 December 2022, the Company entered into a share sale agreement with Lanthanein for the sale of its wholly owned subsidiary, Frontier (and as amended by the deed of amendment and restatement dated 14 July 2023) (**Frontier Share Sale Agreement**). Frontier holds the Frontier Tenements.

The acquisition of Frontier is conditional on:

- (a) Tolu lodging a prospectus for an IPO by 29 September 2023;
- (b) the successful closing of the Offer by 31 October 2023; and
- (c) the Company either receiving unconditional approval to list on the ASX or another recognised stock exchange or completing a reverse takeover, by 28 November 2023.

Completion under the Frontier Share Sale Agreement will occur 5 Business Days following satisfaction or waiver of each of these conditions.

9. Summary of Material Contracts continued

The consideration to be paid by the Company for its acquisition of Frontier is A\$2,000,000, payable by the Company as follows:

- (a) A\$500,000 in cash; and
- (b) at its election, A\$1,500,000 either in cash or in Shares at an issue price being the Offer Price.

The Company has elected to issue Shares and will issue 3,000,000 Shares to Lanthanein on completion of the Offer.

If within 5 years of completion under the Frontier Share Sale Agreement, the Company 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 Company must make a further payment to Lanthanein of A\$1,000,000, payable at the election of the Company as follows:

- (a) by way of cash;
- (b) if the Company 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 Company's Shares prior to the announcement of the satisfaction of the Milestone; or
- (c) a combination of (a) and (b).

9.5 Tunnel Engineering Agreement

On 12 June 2023, the Company entered into a binding term sheet with the Contractor (**Tunnel Engineering Agreement**) to build and/or repair certain infrastructure at or near the Tolukuma Gold Mine to enable the Company to advance its exploration on the Tolukuma Tenements and the Frontier Tenements. Pursuant to the terms of the Tunnel Engineering Agreement, the Contractor will carry out the completion of the pilot access service road to the Tolukuma Gold Mine, including repairs to the existing section of the road at its cost in exchange for the consideration described below.

The Contractor will receive:

- (a) A\$1,800,000, to be paid in cash in the following tranches:
 - (1) A\$90,000 upon completion of the Offer;
 - (2) A\$270,000 upon mobilisation; and
 - (3) A\$1,440,000 in five equal tranches to be issued progressively based on distance milestones during completion of the final 23km of the pilot access service road to the Tolukuma Gold Mine. These payments are to align with the completion of the following distance milestones:
 - (A) A\$288,000 to be paid on completion of the first 5km of the pilot access service road;
 - (B) A\$288,000 to be paid on completion of a further 5km of the pilot access service road;
 - (C) A\$288,000 to be paid on completion of a further 5km of the pilot access service road;
 - (D) A\$288,000 to be paid on completion of a further 5km of the pilot access service road; and
 - (E) A\$288,000 to be paid on completion of the final 3km of the pilot access service road.
- (b) 4,400,000 Shares, to be issued to the Contractor progressively in the following tranches and on the Contractor achieving the following milestones:
 - (1) 880,000 Shares upon mobilisation; and
 - (2) 3,520,000 Shares in five equal tranches to be issued progressively based on distance milestones during completion of the final 23km of the pilot access service road to the Tolukuma Gold Mine. The issue of these Shares is to align with the completion of the following distance milestones by the Contractor:
 - (A) 704,000 Shares to be issued on completion of the first 5km of the pilot access service road;
 - (B) 704,000 Shares to be issued on completion of a further 5km of the pilot access service road;
 - (C) 704,000 Shares to be issued on completion of a further 5km of the pilot access service road;
 - (D) 704,000 Shares to be issued on completion of a further 5km of the pilot access service road; and
 - (E) 704,000 Shares to be issued on completion of the final 3km of the pilot access service road.

The Shares described above will be issued at the Offer Price and are expected to be issued over a period of approximately 9 months following the Company's admission to the Official List of the ASX. Any Shares issued to the Contractor will be subject to a voluntary escrow period of 6 months from their date of issue.

Construction standards applicable to the Tunnel Engineering Agreement have been separately agreed with the Contractor and a formal agreement will be executed between the Company and the Contractor incorporating both the terms of the Tunnel Engineering Agreement and the agreed specifications. The Tunnel Engineering Agreement and the specifications will continue to apply until such time as the formal agreement has been finalised.

Both the terms of the Tunnel Engineering Agreement and the formal agreement (once executed) will be governed by the laws of PNG.

The Contractor is not a related party of the Company. The consideration to be paid to the Contractor for its services has been arrived at via arm's length negotiations with the Contractor and the Contractor will not derive any additional financial benefits either under the Tunnel Engineering Agreement or otherwise.

Upon completion of the of the pilot access service road to the Tolukuma Gold Mine, the Contractor will have the first right of refusal to provide the following exploration works:

- (a) completion of the mine site roads, the hydro access roads and the 1,330 dewatering portal access road; and
- (b) completion of the repair of the hydro system,

(collectively, the **Phase 2 Works**).

If, during the term of the Tunnel Engineering Agreement or the formal contract or within 12 months following the expiry or termination of the Tunnel Engineering Agreement or the formal contract, the Company determines to carry out further exploration works involving the installation of twin drives and settling pond dewatering required for exploration of the Tolukuma Gold Mine (**Phase 3 Works**), the Company will offer the Contractor a first right of refusal to provide services for the Phase 3 Works. If the Contractor is appointed to act, the Contractor will enter into a new agreement with the Company in respect of carrying out the Phase 3 Works.

The total budgeted spend for the Phase 2 Works and Phase 3 Works over the next 18 months is A\$2,865,000. The cash component of the Phase 2 Works and Phase 3 Works, being A\$1,289,000, is accounted for in the Use of Funds table contained in Section 2.5 of this Prospectus. The Company intends to negotiate the balance of A\$1,576,000 to be settled in Shares on similar terms to those agreed under the Tunnel Engineering Agreement.

9.6 Convertible Note Deed

On 24 August 2022 (**Commencement Date**), the Company entered into a convertible note deed with PRK (a subsidiary of MRDC) (**Noteholder**) for an amount of PNG Kina 10,000,000 (**Convertible Note Deed**). MRDC manages PRK's corporate, financial investment and other affairs pursuant to the terms of a management agreement.

The Company has granted a registrable first ranking security interest over ML 104 and all the assets and undertakings of the Company situated upon ML 104 pursuant to a general security deed in favour of the Noteholder.

The notes issued to the Noteholder pursuant to this Convertible Note Deed (the **Convertible Notes**) have a 5 year maturity date expiring on 24 August 2027 (**Maturity Date**) and will bear interest at the rate of 8.5% p.a.

In the event of an IPO, the Noteholder is entitled to convert its Convertible Notes into Shares by issuing a conversion notice in respect of all of the Convertible Notes and the Company will issue to the Noteholder on the conversion date (being a date elected by the Company prior to the date on which the Company is admitted to the Official List) such number of Shares calculated based on the following issue price per Share:

- (a) in the event that the Company has not been listed on ASX for 15 days immediately prior to the issue of the conversion notice, the Offer Price; or
- (b) the 15-day VWAP for trading of the Company's Shares on ASX immediately prior to the issue of the conversion notice.

9. Summary of Material Contracts continued

The Company has an early redemption right exercisable at any time prior to the Maturity Date at 103% of the face value of the Convertible Notes. The Company can exercise this right by giving written notice to PRK (**Redemption Notice**). On receipt of a Redemption Notice, the Noteholder may elect to have the Company repay the amount owing in whole or in part by the issue of Shares by issuing a conversion notice to the Company not less than 10 Business Days after the date on which the Redemption Notice was served. The issue price for the relevant conversion Shares will be calculated as described above. Subject to any escrow restrictions imposed by ASX, the Company must in the case of an IPO take all reasonable steps within its power to ensure that Shares issued on conversion are freely transferrable on the ASX.

The Noteholder can also elect to redeem all or part of the Convertible Notes at any time within 30 days after the Company has notified the Noteholder of an event of default.

Unless otherwise agreed by the Company and the Noteholder, on or as soon as practicable after the Maturity Date, the Company must redeem all of the Convertible Notes that have not previously been redeemed or converted.

Interest will be calculated and accrue annually at 8.5% p.a. on the amount owing under the Convertible Note Deed from the Commencement Date until the Maturity Date (subject to any earlier conversion or redemption).

9.7 Converting Loan Agreements

The Company entered into Converting Loan Agreements with the companies and for the amounts as set out in the Table below.

The term of each of the loans was 2 years.

On 26 October 2022, the Company repaid each of the loans (free of interest) by the issue of Shares at an issue price equivalent to A\$0.37 per Share. The number of Shares issued in satisfaction of these loans are included in the Table below:

No	Name	Amount of Loan	Shares Issued
1	LLA Investment Ltd	PNG Kina 2,000,000	2,162,162
2	PNG Mining & Petroleum Hospitality Services Ltd	PNG Kina 300,000	324,324
3	Natko Investments Limited	PNG Kina 50,000	54,054
4	TD2Q Limited	PNG Kina 200,000	216,216
5	Tapara Engineering Services Limited	PNG Kina 100,000	108,108
6	Tuguba Holdings Limited	PNG Kina 100,000	108,108
7	Ipwenz Holdings Limited	PNG Kina 1,000,000	1,081,081
8	Trans Wonderland Limited	PNG Kina 1,000,000	1,081,081
9	Wandiago Kau	PNG Kina 100,000	108,108
10	Hiwa Corporation Ltd	PNG Kina 100,000	108,108

9.8 Service Agreements

(a) John (Iain) Macpherson

The Company has entered into an Executive Service Agreement (as amended by a deeds of variation dated 19 July 2023 and 28 July 2023) (**Macpherson Agreement**) with Mr Macpherson which requires Mr Macpherson to provide services to the Company as Managing Director and Chief Executive Officer commencing on the date that the Company is admitted to the Official List of the ASX.

Under the Macpherson Agreement, Mr Macpherson is entitled to a salary of A\$395,000 per annum (excluding superannuation contributions) plus bonus performance entitlements of up to A\$150,000, and 2,500,000 Performance Rights (**Macpherson Performance Rights**) which will vest on or before 31 December 2024 upon satisfaction of the following conditions:

- (1) the Company having:
 - (A) completed the pilot access service road to the Tolukuma Gold Mine, including repairs to the existing section of the pilot access service road, in accordance with the specifications contained in the contract or any future contract that has been awarded for these works; and
 - (B) completed the mine site roads and hydro access roads and the 1,300 dewatering portal access road, and repair of the hydro system, in accordance with the specifications contained in the contract or any future contract awarded for these works; and
- (2) Mr Macpherson having continued being an employee of the Company up to and including the vesting date.

The Company will take all reasonable steps to ensure that the Macpherson Performance Rights vest on or before 31 December 2024.

Additionally, Mr Macpherson may be remunerated through the grant of Options, Performance Rights and other bonus payments determined at the discretion of the Board.

The Macpherson Agreement is for a term of 2 years unless:

- (1) extended by the parties for the additional 2 year option term; or
- (2) terminated earlier by either party.

Mr Macpherson may terminate the Macpherson Agreement upon giving the Company:

- (1) 6 months' written notice;
- (2) 3 months' written notice in the event of a change of control of the Company; or
- (3) immediately, if there is a significant diminution of Mr Macpherson's benefits, job content, status, responsibilities or authority.

The Company may terminate the Macpherson Agreement upon giving Mr Macpherson 6 months' written notice or immediately in the event of serious misconduct by Mr Macpherson. The Company may, in lieu of notice, pay Mr Macpherson an amount for any period of short notice.

The Company has also entered into an Executive Director letter of appointment with Mr Macpherson formalising his appointment as an Executive Director. This letter of appointment does not provide for any additional remuneration to be paid to Mr Macpherson.

(b) Howard Lole

The Company has entered into an Executive Service Agreement (as amended by a deed of variations dated 25 July 2023 and 28 July 2023) (**Lole Agreement**) with Mr Lole which requires Mr Lole to provide services to the Company as an Executive Director of external affairs commencing on the date that the Company is admitted to the Official List of the ASX.

Under the Lole Agreement, Mr Lole is entitled to a salary of A\$165,000 per annum (excluding superannuation contributions) plus bonus performance entitlements of up to A\$35,000, and 250,000 Performance Rights (**Lole Performance Rights**) which will vest on or before 31 December 2024 upon satisfaction of the following conditions:

- (1) the Company having:
 - (A) completed the pilot access service road to the Tolukuma Gold Mine, including repairs to the existing section of the pilot access service road, in accordance with the specifications contained in the contract or any future contract that has been awarded for these works; and
 - (B) completed the mine site roads, the hydro access roads and the 1,300 dewatering portal access road, and repair of the hydro system, in accordance with the specifications contained in the contract or any future contract awarded for these works; and
- (2) Mr Lole having continued being an employee of the Company up to and including the vesting date.

9. Summary of Material Contracts continued

The Company will take all reasonable steps to ensure that the Lole Performance Rights vest on or before 31 December 2024.

Additionally, Mr Lole may be remunerated through the grant of Options, Performance Rights and other bonus payments determined at the discretion of the Board.

The Lole Agreement for a term of 2 years unless:

- (1) extended by the parties for the additional 2 year option term; or
- (2) terminated earlier by either party.

Mr Lole may terminate the Lole Agreement upon giving the Company:

- (1) 6 months' written notice;
- (2) 3 months' written notice in the event of a change of control of the Company; or
- (3) immediately, if there is a significant diminution of Mr Lole's benefits, job content, status, responsibilities or authority.

The Company may terminate the Lole Agreement without cause upon giving Mr Lole 6 months' written notice or immediately in the event of serious misconduct by Mr Lole. The Company may, in lieu of notice, pay Mr Lole an amount for any period of short notice.

The Company has also entered into an Executive Director letter of appointment with Mr Lole formalising his appointment as an Executive Director. This letter of appointment does not provide for any additional remuneration to be paid to Mr Lole.

(c) Craig Dawson

The Company has entered into an Executive Service Agreement (**Dawson Agreement**) with Mr Dawson on or about 1 December 2022 which requires Mr Dawson to provide services to the Company as Chief Financial Officer.

Under the Dawson Agreement, Mr Dawson is entitled to a salary of A\$125,000 per annum (excluding superannuation contributions).

Additionally, Mr Dawson may be remunerated through the grant of Options, Performance Rights and other bonus payments determined at the discretion of the Board.

The Dawson Agreement is for a term of 2 years unless:

- (1) extended by the parties for the additional 2 year option term; or
- (2) terminated earlier by either party.

Mr Dawson may terminate the Dawson Agreement upon giving the Company:

- (1) 6 months' written notice;
- (2) 3 months' written notice in the event of a change of control of the Company; or
- (3) immediately, if there is a significant diminution of Mr Dawson's benefits, job content, status, responsibilities or authority.

The Company may terminate the agreement upon giving Mr Dawson 6 months' written notice or immediately in the event of serious misconduct by Mr Dawson. The Company may, in lieu of notice, pay Mr Dawson an amount for any period of short notice.

9.9 Management and Administration Services Agreement

The Company has entered into an employment agreement with Katie Campbell for the provision of financial controller services to the Company (**Management and Administration Services Agreement**).

Under the Management and Administration Services Agreement, Ms Campbell is entitled to a salary of A\$55,000 per annum (excluding superannuation contributions). The Management and Administration Services Agreement continues until it is terminated. The termination notice period for Ms Campbell and the Company is set out in the table below:

Period of Continuous Service	Notice Period
Not more than 1 year	1 week
More than 1 year but not more than 3 years	2 weeks
More than 3 years but not more than 5 years	3 weeks
More than 5 years	4 weeks

If at the time that notice of termination is given Ms Campbell is over 45 years of age and has been in permanent employment with the Company for more than 2 continuous years, each period of notice will be increased by 1 week.

In cases of serious misconduct, the Company may terminate Ms Campbell's employment immediately.

9.10 Non-Executive Director Letters of Appointment

The Company has entered into letters of appointment with John Anderson, Larry Andagali, and Brian Moller in respect of each of their appointments as Non-Executive Directors of the Company. The letters of appointment are each in a standard form and detail the nature of each Non-Executive Directors' appointment, their duties and their remuneration entitlements (as set out in Section 7).

9.11 Exploration Manager Letter of Appointment

The Company has entered into a letter of appointment with Richard Moore in respect to his appointment as Exploration Manager. The letter of appointment is in standard form and details the nature of his appointment, duties and remuneration.

Mr Moore will be paid PNG Kina 16,000 per month.

9.12 Advisory Board Letters of Appointment

The Company has entered into letters of appointment with Chris Muller, Richard Johnson, Allen Tyson, Peter Swiridiuk and Ian Stalker in respect of each of their appointments as members of the Advisory Board. The letters of appointment are each in a standard form and detail the nature of each Advisory Board members' appointment, their duties and their remuneration entitlements.

Each member of the Advisory Board will be paid \$18,000 per annum (excluding superannuation contributions and reimbursements for out of pocket expenses).

9.13 Indemnity Deeds with Directors

The Company has entered into a deed of indemnity, access and insurance (**Indemnity Deeds**) with each of the Directors and the Chief Financial Officer of the Company (**Director or Officer**) to provide indemnification, including advancement of expenses incurred in legal proceedings to which the Director or Officer was, or is threatened to be made, a party by reason of the fact that such Director or Officer is or was a Director, officer, employee or agent of the Company (including a subsidiary of the Company), provided that such Director or Officer acted in good faith. The Indemnity Deeds also contain the Directors' or Officers' right to access Board papers.

The Company may decide to enter into Indemnity Deeds with each member of the Advisory Board in the future.

At present, there is no pending litigation or proceeding involving a Director or officer for which indemnification is sought, nor is the Company aware of any threatened litigation that may result in claims for indemnification.

The Company is in the process of procuring appropriate insurance policies that indemnify its Directors and officers against various liabilities that might be incurred by any Director or officer in their capacity as such.

10. Additional Information

10.1 Rights Attaching to Shares in the Company

The following is a summary of the more significant rights attaching to Shares under the Company's Constitution. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice:

(a) ASX Listing Rules

To the extent of any inconsistency between the Constitution and the ASX Listing Rules, the ASX Listing Rules prevail and the Directors are required to take any steps necessary to give effect to the provision.

(b) Voting

Subject to any special rights or restrictions as to voting attached to any Shares or class of Shares, at a general meeting of the Company on a show of hands, every member present in person, or by proxy, attorney or representative has one vote and upon a poll, every member present in person, or by proxy, attorney or representative has one vote for every Share held by them.

(c) Dividends

The Directors may from time to time decide to pay a dividend to the Shareholders according to their respective rights and interests and determine the property to constitute the dividend.

(d) Transfer of Securities

Generally, the Shares in the Company will be freely transferable, subject to satisfying the usual requirements of security transfers on the ASX. The Directors may decline to register any transfer of Shares but only where permitted to do so under its Constitution or the ASX Listing Rules.

(e) Sale of Non-Marketable Holdings

The Company may take steps to sell securities held by a Shareholder which is less than a marketable parcel of listed securities. The Company may only take steps to eliminate non-marketable holdings in accordance with the Constitution and the ASX Listing Rules. For more particular details of the rights attaching to Shares in the Company, investors should refer to the Constitution of the Company.

10.2 JLM Options

The Joint Lead Managers may receive JLM Options at the completion of the Offer. Please refer to Sections 9.1 and 9.2 for details regarding these Options.

10.3 Foreign Broker Options

The Foreign Brokers may receive Options at the completion of the Offer. Please refer to Section 9.3 for details regarding these Options.

10.4 Performance Rights

As set out in Sections 7.9 and 9.8, the Company has agreed to issue 2,500,000 Performance Rights to Mr John (Iain) Macpherson and 250,000 Performance Rights to Mr Howard Lole.

The full terms of the Performance Rights are as follows.

- (a) **(ASX Listing)** The Performance Rights will be issued upon completion of the Offer and immediately prior to the Company being admitted to the Official List of the ASX.
- (b) **(No consideration)** The Performance Rights will be issued for nil consideration.
- (c) **(Entitlement)** Each Performance Right will entitle the holder (**Holder or Recipient**) to receive one Share in the Company upon the satisfaction of the Performance Hurdles (as specified below).
- (d) **(Performance Hurdles)** Each Performance Right will automatically vest and convert into a Share on the achievement of the following performance hurdles on or before 31 December 2024:
 - (1) The Company having:
 - (A) completed the pilot access service road to the Tolukuma Gold Mine, including repairs to the existing section of the pilot access service road, in accordance with the specifications contained in the contract or any future contract that has been awarded for these works; and
 - (B) completed the mine site roads, the hydro access roads and the 1,300 dewatering portal access road, and repair of the hydro system in accordance with the specifications contained in the contract or any future contract awarded for these works; and
 - (2) the Holder having continued as an employee of the Company up to and including the date of vesting.
- (e) **(Notice of satisfaction of Performance Hurdles)** The Company must provide an issue notice to the Holder following the vesting of the Performance Rights.
- (f) **(Ranking upon conversion)** The Shares into which the Performance Rights convert will rank pari passu in all respects with the existing Shares of the Company.
- (g) **(Expiry date)** The Performance Rights will expire 3 years from the date of issue. If Performance Hurdles have not been achieved by this date, the Performance Rights will automatically lapse.
- (h) **(Not transferable)** A Performance Right is not transferable.
- (i) **(Application to ASX)** A Performance Right will not be quoted on ASX. However, the Company must apply for the Official Quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.
- (j) **(No voting rights)** A Performance Right does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.
- (k) **(No dividend rights)** A Performance Right does not entitle the Holder to any dividends, whether fixed or at the discretion of the Directors.
- (l) **(No rights to return of capital)** A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (m) **(Rights on winding up)** A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.
- (n) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of the Holder will be changed in a manner consistent with the applicable ASX Listing Rules at the time of reorganisation.
- (o) **(Participation in new issues)** A Performance Right does not entitle the Holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (p) **(No other rights)** A Performance Right gives the Holder no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

10. Additional Information continued

- (q) **(No brokerage, commission or stamp duty)** No brokerage, commission, stamp duty or other transaction costs will be payable by the Holder in respect of any allotment of Shares.
- (r) **(Cessation of employment)** If the Holder's employment or engagement with the Company or an associated body corporate ceases because of an Uncontrollable Event, the Board in its absolute discretion may determine to reduce, vary or waive any Performance Hurdle that has not been satisfied at the date of the Uncontrollable Event so that the Performance Rights may vest.

If the Holder's employment or engagement with the Company or an associated body corporate ceases because of a Controllable Event, unless otherwise determined by the Board, all Performance Rights subject to Performance Hurdles that have not been satisfied at the date of the Controllable Event, will lapse.

Controllable Event means cessation of employment or engagement other than by an Uncontrollable Event.

Uncontrollable Event means:

- (1) death, serious injury, disability or illness which renders the Holder incapable of continuing their employment or engagement (or providing the services the subject of the engagement) with the Company or Associated Body Corporate;
- (2) forced early retirement, retrenchment or redundancy; or
- (3) such other circumstances which results in a Holder leaving the employment of or ceasing their engagement with the Company or Associated Body Corporate and which the Board determines is an Uncontrollable Event.

Each of the Recipients will play a key role in executing the Company's business model, which is directly aligned with the Performance Hurdles for the Performance Rights as follows:

- (a) As Executive Directors of the Company, the Recipients will both be responsible for, among other things, the management of the Company's exploration and mining activities including overseeing completion of the pilot access service road to the Tolukuma Gold Mine by the Contractor.
- (b) Pursuant to the Tunnel Engineering Agreement, upon completion of the pilot access service road, the Contractor will have the first right of refusal to provide the Phase 2 Works, being the following further work:
 - (1) completion of the main site roads, the hydro access roads and the 1,330 dewatering portal access road; and
 - (2) completion of the repair of the hydro system.
- (c) As Executive Directors of the Company, the Recipients will both be responsible for overseeing completion of the work outlined in paragraph (b) above, including the engagement of a new contractor in the event that the Contractor does not elect to carry out the Phase 2 Works.
- (d) The Recipients will also be responsible for:
 - (1) directing the activities of the Company generally and providing recommendations of a strategic nature to the Board;
 - (2) reviewing, approving, implementing and monitoring the business plan and annual budgets of the Company; and
 - (3) monitoring risks facing the Company and its operations.
- (e) Details of the securities in the Company held by each of the Recipients (or any of their associates) are set out in Sections 7.9 and 7.11 of this Prospectus.
- (f) Details of the total remuneration packages of each of the Recipients are set out in Section 7.6 of this Prospectus.

The Performance Rights will be issued as part of the Recipients' remuneration packages. The Company considers it necessary and appropriate to further remunerate and incentivise the Recipients to achieve the applicable Performance Hurdles for the following reasons:

- (a) the issue of Performance Rights to the Recipients will further align the interests of the Recipients with those of the Shareholders;
- (b) the commercial goal of the issue of the Performance Rights is to reward achievement of the performance milestones (in particular the Company having completed the pilot access service road, the site and hydro service roads and repair of the hydro system), which will be a significant achievement for the Company in support of its planned exploration activities;
- (c) the Performance Rights are unlisted, and as such the grant of the Performance Rights has no immediate dilutionary impact on the Shareholders;
- (d) the issue of the Performance Rights is a reasonable and appropriate method to provide cost effective remuneration to the Recipients as this non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its exploration activities than it would if, alternative, cash forms of remuneration were given to the Recipients; and
- (e) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Performance Rights on the terms proposed.

The number of Performance Rights to be issued to each of the Recipients (or their nominees) was determined by the Board on an arm's length basis having regard to:

- (a) current market standards and/or practices of other ASX listed companies of a similar size and stage of development to the Company;
- (b) the remuneration of the Recipients; and
- (c) incentives to attract and retain the service of the Recipients, who have the desired knowledge and expertise, while maintaining the Company's cash reserves.

The Board considers the number of Performance Rights and the Performance Hurdles to be appropriate and equitable for the following reasons:

- (a) the Performance Rights are consistent with ASX's policy regarding the base requirements for performance securities, which are detailed in section 9 of ASX Guidance Note 19;
- (b) the number of Shares into which the Performance Rights will convert if the Performance Hurdles are achieved is fixed (one for one) which allows investors and analysts to readily understand and have reasonable certainty as to the impact on the Company's capital structure if the Performance Hurdles are achieved;
- (c) there is an appropriate link between the Performance Hurdles and the purposes for which the Performance Rights are being issued and the Performance Hurdles are clearly articulated by reference to objective criteria so that investors and analysts can readily understand, and have reasonable certainty as to the circumstances in which the Performance Hurdles will be taken to have been met;
- (d) there is an appropriate link to the benefit of the Company's Shareholders and the Company at large through the achievement of the Performance Hurdles, which have been constructed so that satisfaction of the Performance Hurdles will be consistent with increases in the value of Company's business;
- (e) the Performance Rights will represent a small proportion of the Company's issued capital upon listing (approximately 2.24% based on the minimum subscription (on a fully diluted basis) and 2.06% based on the maximum subscription (on a fully diluted basis)); and
- (f) the Performance Rights have an expiry date by which the Performance Hurdles are to be achieved and, if the Performance Hurdles are not achieved by that date, the Performance Rights will lapse.

10. Additional Information continued

10.5 Substantial Holders

Shareholders holding a relevant interest in 5% or more of the Shares on issue as at the date of this Prospectus and on completion of the Offer are set out in the table below. None of these Shareholders have provided a further commitment to participate in the Offer.

Shareholder ¹	Tolu Shares	% Holding Assuming Minimum Subscription Achieved ^{2,3}	% Holding Assuming Maximum Subscription Achieved ^{2,3}
Gusaba Company Limited ⁴	15,880,980	13.33%	12.30%
Allen John Tyson as Trustee for The Tyson Family Trust	7,500,000	6.29%	5.81%
Vernon Alan Wills as Trustee for The Wills Family Trust	7,500,000	6.29%	5.81%
Promaco Consulting Services Limited	7,500,000	6.29%	5.81%
Larry Andagali ⁵	7,061,433	5.93%	5.47%

Notes:

1. This assumes that no other person or entity acquires a substantial interest as a result of the Offer.
2. This assumes that the Conditions to the Offer are satisfied (or waived), that the Offer is fully subscribed, all of the Frontier Shares and MRDC Shares are issued and that no Shares are issued from the exercise of Options during the Offer Period.
3. This assumes that no Shares have been issued to the Contractor under the Tunnel Engineering Agreement as described in Section 9.5 as at completion of the Offer.
4. This is an entity associated with Howard Lole, a Director of Tolu.
5. Interests held directly and indirectly by Larry Andagali, a Director of Tolu, through an entity associated with Larry Andagali and through related parties.

10.6 Litigation

The Company is not engaged in any litigation which has or would be likely to have a material adverse effect on either the Company or its business.

10.7 Comparison between PNG Company Law and Corporations Act

	PNG Law	Australian Law
Types of transactions that require shareholder approval	<p>Shareholders are required to vote on major transactions (which are broadly defined under the Companies Act to include an acquisition, disposal or other transaction with a value that is more than half the value of the assets of the company).</p> <p>Shareholder approval is also required:</p> <ul style="list-style-type: none"> (a) to adopt or alter the constitution of the company; (b) to appoint or remove a director or auditor; (c) for amalgamations (other than between the company and its wholly owned subsidiaries); (d) to put the company into liquidation; and (e) to change the rights attached to the shares in the company. 	<p>Under the Corporations Act, the principal transactions or actions requiring shareholder approval include:</p> <ul style="list-style-type: none"> (a) adopting or altering the constitution of the company; (b) appointing or removing a director or auditor; (c) certain transactions with related parties of the company; (d) putting the company into liquidation; and (e) changes to the rights attached to shares. <p>Shareholder approval is also required for certain transactions affecting share capital (e.g. share buybacks and share capital reductions).</p> <p>Under the ASX Listing Rules, shareholder approval is required for matters including:</p> <ul style="list-style-type: none"> (a) directors' termination benefits in certain circumstances; (b) certain transactions with related parties; (c) certain issues of shares; and (d) if a company proposes to make a significant change to the nature or scale of its activities or proposes to dispose of its main undertaking.
The rights of shareholders to appoint proxies to attend and vote at meetings on their behalf	<p>At a general meeting, every shareholder present in person or by proxy, attorney or representative has one vote on a resolution put to the meeting by voice or show of hands. On a poll, every shareholder who is present in person or by proxy, attorney or representative has one vote for every fully paid share registered in the shareholder's name.</p> <p>A proxy shall be appointed by notice in writing signed by the shareholder and the notice shall state whether the appointment is for a particular meeting or a specified term not exceeding one year. In accordance with the Constitution, an appointment of proxy is not effective unless it is received by the company at least 48 hours prior to the time notified for the relevant meeting.</p>	<p>A shareholder may appoint a proxy to attend and vote on the shareholder's behalf at a meeting, if appointed validly under the Corporations Act. A proxy has the same rights as the member to:</p> <ul style="list-style-type: none"> (a) speak at the meeting; (b) vote (but only to the extent allowed by the appointment); and (c) join in a demand for a poll. <p>A company's constitution may provide that a proxy is not entitled to vote on a show of hands.</p>

10. Additional Information continued

	PNG Law	Australian Law
The rights of shareholders to request or requisition a meeting of security holders	A special meeting of shareholders must be called by the Board when requisitioned by shareholders representing at least 5% of total voting rights entitled to be exercised on the issue.	The Corporations Act requires the directors to call a general meeting on the request of members with at least 5% of the votes that may be cast at the general meeting. Shareholders with at least 5% of the votes that may be cast at the general meeting may also call and arrange to hold a general meeting at their own expense.
Changes in the rights attaching to shares	The Companies Act prohibits a company from taking any action that would affect the rights attached to shares unless that action has been approved by a special resolution of each affected interest group. An 'interest group' in relation to an action or proposal affecting the rights attached to shares means a group of shareholders whose affected rights are identical and whose rights are affected by the action or proposal in the same way and who comprise the holders of one or more classes of shares in the company.	The Corporations Act allows a company to set out in its constitution the procedure for varying or cancelling rights attached to shares in a class of shares. If the company does not have a constitution, or has a constitution that does not set out a procedure, the rights may only be varied or cancelled by: (a) a special resolution passed at a meeting for a company with a share capital of the class of members holding shares in the class; or (b) a written consent of members with at least 75% of the votes in the class.
Rights of shareholders to seek relief for oppressive conduct	Under the Companies Act, a shareholder or former shareholder of a company, or any other entitled person, has statutory remedies for oppressive, unfairly discriminatory, or unfairly prejudicial conduct of the company's affairs. The court can make orders where it considers that it is just and equitable to do so, including: (a) requiring the company or any other person to acquire the shareholder's shares; (b) requiring the company or any other person to pay compensation to a person; (c) altering or adding to the company's constitution; and (d) setting aside action taken by the company or the board in breach of the Companies Act or the constitution of the Company.	Under the Corporations Act, shareholders have statutory remedies for oppressive or unfair conduct of the company's affairs and the court can make any order as it sees appropriate.

	PNG Law	Australian Law
Rights of shareholders to bring or intervene in legal proceedings on behalf of the company	<p>A shareholder or director of a company may bring an action on behalf of the company or may intervene in an action to which the company is a party for the purposes of continuing, defending or discontinuing proceedings if leave is granted by the court.</p> <p>In determining whether to grant leave, the court must have regard to:</p> <ul style="list-style-type: none"> (a) the likelihood of the proceedings succeeding; (b) the costs of the proceedings in relation to the relief likely to be obtained; (c) any action already taken by the company to obtain the relief; and (d) the interests of the company in the proceedings. <p>Leave may only be granted where the court is satisfied that either the company does not intend to bring, diligently continue or defend, or discontinues, the proceedings or it is in the interests of the company that the conduct of the proceedings should not be left to the directors or to the determination of shareholders as a whole.</p>	<p>The Corporations Act permits a shareholder to apply to the court for leave to bring proceedings on behalf of the company, or to intervene in proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for those proceedings, or for a particular step in those proceedings.</p> <p>The court must grant the application if it is satisfied that:</p> <ul style="list-style-type: none"> (a) it is probable that the company will not itself bring the proceedings or properly take responsibility for them, or for the steps in them; (b) the applicant is acting in good faith; (c) it is in the best interests of the company that the applicant be granted leave; (d) if the applicant is applying for leave to bring proceedings, there is a serious question to be tried; and (e) either at least 14 days before making the application, the applicant gave written notice to the company of the intention to apply for leave and of the reasons for applying, or the court considers it appropriate to grant leave. <p>Proceedings brought or intervened in with leave must not be discontinued, compromised or settled without the leave of the court.</p>
“Two strikes” rule	<p>Director remuneration is set by the procedure outlined in the Constitution.</p> <p>This procedure can be overridden by unanimous shareholder agreement pursuant to the Companies Act.</p>	<p>The Corporations Act requires that a company's annual report must include a report by the directors on the company's remuneration framework (called a remuneration report).</p> <p>A resolution must be put to shareholders at each annual general meeting of the company's shareholders seeking approval for the remuneration report. The approval is advisory only, however, if more than 25% of shareholders vote against the remuneration report at two consecutive annual general meetings (i.e. two strikes) an ordinary resolution must be put to shareholders at the second annual general meeting proposing that a further meeting be held within 90 days at which all of the directors who approved the second remuneration report must resign and stand for re-election.</p>

10. Additional Information continued

	PNG Law	Australian Law
Related party transactions	<p>Under the PNG Companies Act, details of transactions in which a director has a material financial interest (either personally or through a parent, child or spouse, or has an indirect material financial interest) must be disclosed to the board and entered into an “interests register”.</p> <p>A transaction in which a Director has a material personal interest of this kind may be avoided by Tolu at any time within three months after the transaction is disclosed to Shareholders (but not where Tolu receives fair value under it). The right of Shareholders to request that Tolu withdraw from a transaction in which a Director has a direct or indirect material financial interest is not based on a requirement for Shareholder approval, unlike the Australian Corporations Act regime for related party transactions.</p> <p>The effect is that only those transactions that require approval under the ASX Listing Rules, are subject to Shareholder approval. For other kinds of transactions in which Directors have a direct or indirect material financial interest, the rights of shareholders are limited to requesting that Tolu avoid the relevant transaction or, in the absence of action being taken by the Board, to commence legal proceedings against (or in the name of) Tolu to avoid the transaction and recover compensation from the relevant director.</p>	<p>The Corporations Act regulates transactions under which a financial benefit is given by a company to a related party of the company (being the directors of the company, persons who control the company and their respective associates). Generally, transactions with related parties must be approved by shareholders. However, exceptions to this requirement exist in certain circumstances such as where the board of the company is of the view that:</p> <ul style="list-style-type: none"> (a) the terms of the transaction were negotiated on an arm’s length basis; (b) the financial benefit constitutes reasonable remuneration to the related party; and (c) where the financial benefit is given to all shareholders of the company in a manner that does not discriminate unfairly between the related party and the other shareholders of the company.

	PNG Law	Australian Law
Disclosure of substantial holdings	<p>A substantial shareholder is defined in the <i>Capital Market Act 2015</i> as a person who has a defined relevant interest in 5% or more of Tolu shares. A substantial shareholder must give notice to the company, the PNG Securities Commission and, where applicable, the PNGX in a prescribed form as soon as the person knows (or ought reasonably to know) of:</p> <ul style="list-style-type: none"> (a) acquiring a 5% relevant interest in shares; and (b) a 1% change occurring in a relevant interest. 	<p>The Corporations Act requires every person who is a substantial holder to notify a listed company and the ASX that they are a substantial holder and to give prescribed information in relation to their holding if:</p> <ul style="list-style-type: none"> (a) the person begins to have or ceases to have a substantial holding in the company; (b) the person has a substantial holding in the company and there is a movement of at least 1% in their holding; or (c) the person makes a takeover bid for securities of the company. <p>A person has a substantial holding if the total votes attached to voting shares in the company in which they or their associates have a relevant interest in is 5% or more of the total number of votes attached to voting shares in the company, or the person has made a takeover bid for voting shares in the company and the bid period has started and not yet ended.</p> <p>The Australian substantial holder regime in the Corporations Act does not apply to Shareholders of the Company because the Company is a PNG incorporated company.</p>
Regulation of takeovers	<p>When the <i>Capital Market Act 2015</i> came into effect, there was no transitional provision for the Takeovers Code that was in operation under the former Securities Act 1997 and at present there is no specific corporate regulation of the acquisition of shares in Tolu, other than the substantial shareholder reporting regime (as mentioned above under the heading "Disclosure of substantial holdings"). The PNG Securities Commission has general powers to intervene, including through the giving of directions or the imposition of penalties, in relation to matters concerning trading in shares which could be relevant in the event that a buyer of shares in PNG makes statements that are false or misleading, or seeks to create a false market, in relation to Tolu shares.</p>	<p>The Corporations Act prohibits a person from acquiring a relevant interest in issued voting shares in a listed company if any person's voting power in the company will increase from 20% or below to more than 20%, or from a starting point that is above 20% and below 90%.</p> <p>Exceptions to the prohibition apply (for example acquisitions with shareholder approval, 3% creep over six months and rights issues that satisfy prescribed conditions).</p> <p>Substantial holder notice requirements apply (as mentioned above under the heading "Disclosure of substantial holdings").</p> <p>Compulsory acquisitions are permitted by persons who hold 90% or more of securities or voting rights in a company.</p>
Amalgamations	<p>Unlike Australia, the Companies Act provides for the amalgamation of PNG companies, which is a statutory merger procedure, which is subject to shareholder approval by special resolution.</p>	<p>The Corporations Act does not provide for the amalgamation of companies.</p>

10. Additional Information continued

	PNG Law	Australian Law
Voting threshold for schemes of arrangement	<p>Although the Companies Act provides for court-approved schemes of arrangement (which can be used as a form of merger structure) with shareholder approval of the target by special resolution (75% approval).</p>	<p>Under the Corporations Act, for a scheme of arrangement to be approved, a resolution in favour must be passed at the scheme meeting by each class of target shareholders by both 75% of the votes cast on the resolution and at least 50% of the number of shareholders voting on the resolution.</p>
Filing of documents	<p>Tolu must comply with the filing obligations under PNG law.</p> <p>As a PNG registered company which is certified by the Investment Promotion Authority of PNG to carry on business in PNG, Tolu is required to prepare and file annual returns within 6 months of the end of its financial year (i.e. balance date) accompanied by certified copies of audited financial statements relating to the business of the Company conducted in PNG.</p> <p>The Registrar of Companies of PNG must also be notified of any change in the name of the Company, any changes to its constitution or equivalent instrument or a change in the directors, or resident agent or secretaries, or a change of shareholder, or a change in the address of the place of business or principal place of business of Tolu.</p> <p>Apart from complying with the conditions on which Investment Promotion Authority of PNG certification is granted under the <i>Investment Promotion Act 1992</i> (PNG), Tolu must notify the Investment Promotion Authority of PNG of any change in its shareholding or beneficial ownership or control, any variation of its business activities, the operating location of its business activities, or any change in any other details supplied by Tolu to the Investment Promotion Authority of PNG in its initial foreign certification application.</p> <p>Once listed, the obligation to report shareholding changes and apply for variation falls away.</p>	<p>As a foreign registered company under the Corporations Act, Tolu has limited filing obligations. It is required to file annual accounts with ASIC (including its balance sheet, cash flow statement and profit and loss statement for the last financial year, as well as any other documents required to be prepared under PNG law).</p> <p>ASIC must also be notified of certain changes (e.g. the appointment or resignation of directors or changes to Tolu's constitution).</p> <p>Filing obligations applicable to Australian registered companies will not apply to Tolu as a foreign company.</p>

	PNG Law	Australian Law
<p>Duties of directors</p>	<p>The Companies Act spells out a number of duties of directors, this includes:</p> <ul style="list-style-type: none"> (a) a duty that they must act in good faith and in the best interests of the company; (b) a duty that they must comply with the company's constitution and the Companies Act; (c) in the exercise of their powers and in discharging their duties, a director must always act with diligence and care that a reasonable person would exercise in the circumstances; (d) a duty that they must not abuse and exploit the information that they possess as a director of the company in any way; (e) a duty to disclose any acquisitions or dispositions of a relevant interest in shares issued by the company; (f) not to engage in insider trading; and (g) a duty to ensure that the company is solvent. <p>In addition, the directors' duties and the standards required are derived from the underlying law of PNG which is derived from the rules of English common law and equity as they stood on 15 September 1975.</p>	<p>The Corporations Act sets out various duties that apply to the directors of a company. These include that a director must:</p> <ul style="list-style-type: none"> (a) exercise their powers and discharge their duties with the degree of care and diligence that a reasonable person would exercise; (b) exercise their powers and discharge their duties in good faith in the best interests of the company and for a proper purpose; and (c) not improperly use their position or information obtained as a result of their position to gain an advantage for themselves or someone else or to cause detriment to the company. <p>In addition, there is a general requirement under Australian law that in Australia a director owes a fiduciary duty to the company, that is he or she must act honestly, in good faith and to the best of his or her ability in the interests of the company.</p> <p>These duties only apply to the Company, as a foreign incorporated entity, to the extent that the acts and/or omissions of the directors, officers or employees have a connection with Australia.</p> <p>A director who fails to perform their duties under the Corporations Act may:</p> <ul style="list-style-type: none"> (a) contravene a civil penalty provision of the Corporations Act and face a pecuniary penalty of up to the greater of A\$1,110,000 or three times the benefit gained (or loss avoided) from the breach; (b) in certain circumstances, be guilty of a criminal offence where a director or other officer is reckless or dishonest with a potential penalty of up to 15 years imprisonment; (c) be personally liable to compensate the company or others for any loss or damage they suffer; and (d) be disqualified from managing a company.

10. Additional Information continued

	PNG Law	Australian Law
Duties of directors continued		A company may enter into a deed of indemnity with a director indemnifying a director out of the property of the company against any liability the director incurs to another person (other than the company or a Related Body Corporate of the company), unless the liability arises out of conduct involving a lack of good faith by the director or in relation to certain pecuniary penalties and compensation orders under the Corporations Act. A company may also purchase insurance for directors and certain other officers against liability incurred by the director as a result of being a director of the company. However, the company must not pay, or agree to pay, a premium for an insurance policy in relation to a director where the director's liability arises out of conduct involving a wilful breach of the director's duty or where the director is liable as a result of a breach of the duty to not improperly use their position or information obtained as a result of their position to gain an advantage for themselves or someone else or to cause detriment to the company.
The ability to obtain a copy of a company's share register	Directors, shareholders and any person authorised in writing by a shareholder are entitled to inspect the share register. A copy may be obtained on payment of an administrative fee for doing so.	Under the Corporations Act, a company must allow anyone to inspect its share register. A shareholder of a company has a right to inspect the share register free of charge and a third party is entitled to inspect the register upon payment of a reasonable fee. A company must provide the applicant with a copy of the share register within seven (7) days following receipt of an application to inspect the company's share register and payment of the relevant fee.
Winding up of a solvent company	The Companies Act provides that there are three situations in which a solvent company may be wound up, that is by: <ul style="list-style-type: none"> (a) special resolution of those shareholders entitled to vote and voting on the question; or (b) the board of the company on the occurrence of an event specified in the constitution; or (c) the Court, on the application of the company, or a director or shareholder, or other entitled person, or a creditor of the company (including any contingent or prospective creditor), or the Registrar. 	Under the Corporations Act, the directors of a solvent company may wind up a company with the approval of shareholders holding 75% of the issued capital in the company, following which a company liquidator can commence the winding up process.

	PNG Law	Australian Law
Winding up of an insolvent company	<p>Under the Companies Act, the solvency test applies whereby a company is deemed insolvent if it is unable to pay its debts as and when they become due in the ordinary course of business.</p> <p>The Companies Act provides that there are three situations in which an insolvent company may be wound up, that is by:</p> <ul style="list-style-type: none"> (a) special resolution of those shareholders entitled to vote and voting on the question; or (b) the board of the company on the occurrence of an event specified in the constitution; or (c) the Court, on the application of the company, or a director or shareholder, or other entitled person, or a creditor of the company (including any contingent or prospective creditor), or the Registrar. 	<p>A company is considered insolvent if it cannot pay its debts as and when they fall due. While insolvent, a company must not trade or continue conducting business as usual. Trading while insolvent can result in civil penalties or criminal charges under the Corporations Act.</p> <p>The winding up of an insolvent company can be effected through the appointment of an administrator or company liquidator.</p> <p>Voluntary administration tries to resolve the company's insolvency in the best way possible. A qualified person is appointed as voluntary administrator to try and bring the company back to solvency. If it is not possible to bring the company back to solvency, the voluntary administrator's job is to decide the best course of action in the interest of the company's creditors.</p> <p>Liquidation involves a registered liquidator taking control of the insolvent company and liquidating the assets of the company, following which the company is deregistered. The liquidator has an obligation to ensure that creditors are treated fairly as part of the liquidation.</p>
Transfer of Shares	<p>The Companies Act provides that a transfer of shares must be done in accordance with the constitution of the company and in certain situations by operation of law.</p> <p>A transfer of shares can be done by any of the shareholders so long as a form of transfer is signed by the present holder of the shares or their personal representative and then is presented to the company or an agent of the company who is tasked to maintain the company's share register.</p> <p>Once in receipt of the share transfer, the Board may refuse, accept, or delay the transfer until certain actions are performed.</p> <p>When the transfer is complete, the board must notify the Registrar of the names of the transferees or the new holders of the shares.</p>	<p>Other than trading of shares on market, except where a right to shares has devolved by will or by operation of law, shares may only be transferred upon the completion and delivery of an instrument of transfer that complies with the Corporations Act. A company must register a transfer of shares if a proper instrument of transfer has been delivered to the company. A person transferring shares remains the holder of the shares until the transfer is registered and the name of the transferee is entered in the register of members in respect of the shares. The directors of a company may refuse to register a transfer of shares only if permitted to do so by the Corporations Act and the ASX Listing Rules.</p>

10. Additional Information continued

10.8 Costs of the Offer

The total estimated costs to the Company in connection with the Offer, including advisory, legal, accounting, tax, listing and administrative fees, as well as printing, advertising and other expenses, are currently estimated to be cash fees of approximately A\$1,903,000 based on the Minimum Subscription under the Offer and cash fees of approximately A\$2,203,000 based on a Maximum Subscription under the Offer and are detailed as follows:

Item of Expenditure	Minimum Subscription Amount of Expenditure (excluding GST) A\$	Maximum Subscription Amount of Expenditure (excluding GST) A\$
ASX and ASIC fees	135,000	139,000
Cost of legal services	403,000	403,000
Accounting and Audit	240,000	240,000
Joint Lead Managers and additional foreign broker	900,000	1,196,000
Independent Geologist Report	75,000	75,000
Other capital raising costs	109,000	109,000
Printing and registry costs	41,000	41,000
Total	A\$1,903,000	A\$2,203,000

Note: There are also non-cash costs in connection with the Offer, being the fair value of the Options to be issued, being A\$102,000 (based on the Minimum Subscription) and A\$136,000 (based on the Maximum Subscription).

10.9 Australian Taxation Implications of Investing Under the Offer

The following general taxation comments consider the potential Australian taxation implications for Australian tax residents only. The tax implications for holders of Shares in the Company relate to the receipt of dividends and potential gains on the disposal of Shares.

The comments below do not purport to provide tax advice to any particular investor and should not be relied upon as the tax position of each investor may vary depending on the specific circumstances. This summary is based on the existing Australian tax law and administrative practices as at the date of this Prospectus, which may be subject to change (including with retrospective effect).

The Company recommends that each investor seeks their own independent income tax advice based on their particular circumstances. All current or potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares.

To the maximum extent permitted by law, the Company, its officers, Directors, and each of their respective advisors accept no liability or responsibility with respect to the taxation consequences of acquiring or disposing of Shares issued under this Prospectus.

Dividends

For Australian resident individual investors, dividend income should be treated as assessable income in the year in which the dividend is paid. As detailed below, if the relevant dividend is 'franked', the amount of taxable payable in relation to the receipt of that dividend income may be reduced.

In this regard, Australian tax resident companies, such as Tolu, may pay dividends to Shareholders on a fully franked, partly franked or unfranked basis.

If a dividend is "fully franked" it means that franking credits are attached to that dividend and provides the recipient Shareholder with a tax credit for any income tax which has already been paid by the Company, based on the Company's corporate tax rate. Dividends may also be paid on a partly franked or unfranked basis. The Company will provide notice to its Shareholders of any dividends to be paid to Shareholders along with the details of any franking credits which relate to those dividends.

It should be noted that the general entitlement to franking credits can be impacted in certain circumstances. For example, over a de minimis threshold, shareholders must own their shares for at least 45 days (or 90 days for preference shares) in order to benefit from franking credits.

For completeness, we note that non-resident shareholders may be subject to dividend withholding tax (**DWT**) where they are in receipt of unfranked dividends at a rate of:

- (a) 30%; or
- (b) a lower rate as prescribed, where the investor is a resident of a country that is subject to a Double Taxation Agreement (**DTA**) with Australia. For example, for a US resident investor who owns less than 10% of the Company, the DWT rate on unfranked dividends would be reduced to 15%.

Such investors may also be taxable in their country of tax residence on receiving such dividends, and, depending upon the laws of the relevant country, a tax credit may be available in relation to any withholding tax paid in Australia.

Dividends paid to non-resident shareholders which are fully franked should not be subject to DWT or any additional tax.

Disposal of Shares

Please note that the below comments relate to Australian resident investors who hold their shares on capital account only.

Investors who hold their Shares on revenue account, as trading stock or as assets used for carrying on a business should seek independent professional advice in relation to their income tax consequences.

We strongly recommend that investors seek professional advice regarding whether the Shares they hold are on capital account or revenue account as this will affect the calculation of their capital gain tax and/or income tax.

Capital Gains Tax

Shareholders holding their Shares on capital account will trigger CGT event A1 on the disposal of their Shares.

For Australian resident investors, a capital gain will arise equal to the amount by which the capital proceeds on the disposal exceeds the cost base of the Shares (broadly, the amount paid to acquire the Shares plus any transaction costs incurred in relation to the acquisition, holding or disposal of the Shares). In the case of an arm's length on-market sale, the capital proceeds will generally be the cash proceeds received from the sale of the Shares.

Alternatively, an Australian resident investor will make a capital loss equal to the amount by which the cost base of the Shares disposed of exceeds the capital proceeds from the disposal.

A capital loss may only be offset against capital gains realised by the Shareholder in the same income year or carried forward and used to offset capital gains made in future income years, subject to certain loss recoupment tests being satisfied. Capital losses may be applied to reduce capital gains but cannot be offset against other categories of income.

If applicable, the CGT discount may be applied to the remaining capital gain after it has been reduced by any available capital losses, to arrive at the Shareholder's net capital gain. The net capital gain is the amount the Shareholder is required to include in their assessable income for income tax purposes.

The CGT discount for individuals and trusts is 50% and 33.3% for complying superannuation entities. Companies are not eligible for the CGT discount.

There are a number of requirements which must be satisfied for a taxpayer to be eligible to apply the CGT discount and Shareholders should seek independent professional advice in relation to their particular circumstances.

10. Additional Information continued

GST

No GST will generally be payable in respect of the acquisition or disposal by Shareholders of the Shares.

However, GST may be incurred by Shareholders on transaction costs incurred such as fees charged by a professional adviser that they have engaged to advise them on their acquisition or disposal of Shares.

In these circumstances there may be some restrictions imposed on Shareholders in respect of their ability to recover any GST paid in the form of income tax credits for costs incurred.

This is a complex area of Australian GST law and if applicable, Shareholders should seek their own independent GST advice based on their individual circumstances.

No GST will be payable in respect of the dividends paid to Shareholders by the Company.

Stamp Duty

No Australian stamp duty should be payable in relation to:

- (a) the issue or allotment of the Shares as part of the Offer; and
- (b) on the acquisition or disposal of the Shares by Shareholders that are quoted on the ASX at the time of the Listing.

No PNG stamp duty should be payable on the allotment of Shares under the Offer or on transactions which are effected on the ASX and recorded on the Australian sub-register only. PNG stamp duty may become payable if the parties moved shares issued on the Offer from the Australian sub-register to the PNG main register of the Company in circumstances where there is also a transfer to a new shareholder or if a shareholder obtained more than 50% control of the Company.

10.10 Interests of Experts and Advisers and Remuneration

Sections 1.7, 7.6 to 7.9, 9.1, 9.2, 9.8, and 10.11 of this Prospectus set out the nature and extent of the interests and fees of certain persons involved in the Offer. Other than set out in this Prospectus, no:

- (a) Director or proposed Director of the Company;
- (b) person named in this Prospectus and who has performed a function in a professional, advisory, or other capacity in connection with the preparation or distribution of this Prospectus;
- (c) promoter of the Company; or
- (d) stockbroker or underwriter (but not a sub-underwriter) to the Offer,

holds at the time of lodgement of this Prospectus with ASIC, or has held in the two years before lodgement of this Prospectus with ASIC, an interest in:

- (e) the formation or promotion of the Company;
- (f) property acquired or proposed to be acquired by the Company in connection with its formation or promotion, or in connection with the Offer; or
- (g) the Offer; and

no amount (whether in cash, Shares, Options or otherwise) has been paid or agreed to be paid, nor has any benefit been given to any such persons for services in connection with the formation or promotion of the Company or the Offer or to any Director or proposed Director to induce them to become, or qualify as, a Director of Tolu.

10.11 Consent of Experts

HopgoodGanim Lawyers are named in the Corporate Directory as solicitors to the Company in relation to the Offer and have been involved in the process of reviewing this Prospectus for consistency with the material contracts. In doing so, they have placed reasonable reliance upon information provided to them by the Company and other third parties. HopgoodGanim Lawyers has given its consent to be named in the form and context in which it is named and has not withdrawn that consent prior to the lodgement of this Prospectus with ASIC. They do not make any other statement in this Prospectus. HopgoodGanim Lawyers will be paid for work performed in accordance with usual time based charge out rates and estimate their professional costs at A\$363,000 (excluding disbursements and GST), at the date of this Prospectus.

Kowas Chartered Accountants is named in the Corporate Directory as Auditor to the Company and has given its written consent to be named as the auditor in the form and context in which it is named and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC. Kowas Chartered Accountants has had no involvement in the preparation of any part of the Prospectus other than being named as the Auditor to the Company, has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus. Kowas Chartered Accountants will be paid for work performed in accordance with usual time based charge out rates and estimate their professional costs at A\$16,331 (excluding disbursements and GST), at the date of this Prospectus.

Pitcher Partners Queensland Partnership (**Pitcher Partners**) completed the prior year audits for the years ended 31 December 2020 and 31 December 2021. Pitcher Partners has had no involvement in the preparation of any part of the Prospectus other than being named as the Auditor to the Company for those 2 years, has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

Pitcher Partners Corporate Finance Limited is named in the Corporate Directory as the Investigating Accountant. They were involved in the preparation of the Investigating Accountant's Report set out in Schedule 3 of this Prospectus. Pitcher Partners Corporate Finance Limited has given its consent for inclusion of the Investigating Accountant's Report in the Prospectus and to be named in the form and context in which it is named, and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC. In doing so, it has placed reasonable reliance upon information provided to it by the Company and other third parties. Other than contained in the Investigating Accountant's Report, Pitcher Partners Corporate Finance Limited does not make any other statement in this Prospectus. Pitcher Partners Corporate Finance Limited will be paid for work performed in accordance with usual time based charge out rates and estimate their professional costs at A\$240,000 (excluding disbursements and GST), at the date of this Prospectus.

Blue Ocean Equities Pty Ltd ACN 151 186 935 & Martin Place Securities Pty Ltd ACN 159 611 060 (**BOEQ & MPS**) are named in the Corporate Directory as Joint Lead Managers to the Offer. BOEQ & MPS have given their consent to be named as Joint Lead Managers to the Offer in the form and context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC. BOEQ & MPS make no statement in this Prospectus nor are any statements made in this Prospectus based on any statement by them, other than being named as Joint Lead Managers, and have not authorised or caused the issue of, this Prospectus. In consideration for their role as Joint Lead Managers to the Offer, BOEQ & MPS will receive a fee as set out in Sections 9.1 and 9.2 of this Prospectus.

Amvest and Stifel (**Foreign Brokers**) are named in the Corporate Directory as the Foreign Brokers to the Offer. The Foreign Brokers have given their consent to be named as Foreign Brokers to the Offer in the form and context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC. The Foreign Brokers make no statement in this Prospectus nor are any statements made in this Prospectus based on any statement by them, other than being named as Foreign Brokers and have not authorised or caused the issue of, this Prospectus. In consideration for their role as Foreign Brokers to the Offer, the Foreign Brokers will receive a fee as set out in Section 9.3 of this Prospectus.

AMC Consultants Pty Ltd (**AMC**) is named in the Corporate Directory as the Independent Geologist to the Company and has prepared the Independent Geologist's Report, which is set out in Schedule 1 of this Prospectus. AMC has given its consent for inclusion of the Independent Geologist's Report in this Prospectus and to be named in the form and context in which it is named, and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC. In doing so, it has placed reasonable reliance upon information provided to it by the Company and other third parties. Other than those included in the Independent Geologist's Report, it does not make any other statement in this Prospectus. AMC will be paid for work performed in accordance with usual time based charge out rates and estimate their professional costs at approximately A\$75,000 (excluding disbursements and GST) at the date of this Prospectus.

10. Additional Information continued

O'Briens Lawyers (**O'Briens**) is named in the Corporate Directory as the Independent Solicitor to the Company and has prepared the Independent Legal Report, which is set out at Schedule 2 of this Prospectus. O'Briens has given its consent for inclusion of the Independent Legal Report in this Prospectus and to be named in the form and context in which it is named, and has not withdrawn its consent prior to the lodgement of this Prospectus with ASIC. In doing so, it has placed reasonable reliance upon the information provided to it by the Company and other third parties. Other than those included in the Independent Legal Report, it does not make any other statement in this Prospectus. O'Briens will be paid for work performed in accordance with usual time based charge out rates and estimate their professional costs at approximately A\$40,000 (excluding disbursements and GST) at the date of this Prospectus.

Link Market Securities (**Link**) has given its written consent to be named as the Share Registry in the form and context in which it is named and has not withdrawn its consent prior to lodgement of this Prospectus within ASIC. Link has had no involvement in the preparation of any part of the Prospectus other than being named as the Share Registry to the Company. Link has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of this Prospectus.

There are a number of persons referred to elsewhere in this Prospectus who are not experts and who have not made statements included in this Prospectus, nor are there any statements made in this Prospectus on the basis of any statements made by those persons. These persons did not consent to being named in the Prospectus and did not authorise or cause the issue of the Prospectus.

10.12 ASX Waivers and Confirmations

The Company does not believe it will require any waivers from ASX from any requirements of the ASX Listing Rules in its application for admission to the Official List of the ASX.

10.13 Working Capital Statement

The Board believes that the Company's current cash reserves plus the net Offer Proceeds will be sufficient to fund the Company's operational requirements and short term business objectives.

The Board will consider the use of further funding initiatives where appropriate to accelerate growth or fund a specific project, transaction or expansion.

10.14 Subsequent Events

There has not arisen, at the date of this Prospectus any item, transaction or event of a material or unusual nature not already disclosed in this Prospectus which is likely, in the opinion of the Directors of the Company to affect substantially:

- (a) the operations of the Company;
- (b) the results of those operations; or
- (c) the state of affairs of the Company.

10.15 Inspection of Documents

Copies of following documents may be inspected free of charge at the registered office of the Company and at the offices of HopgoodGanim Lawyers, Level 8, 1 Eagle Street, Brisbane during normal business hours:

- (a) the Material Contracts in Section 9 of this Prospectus;
- (b) the Constitution of the Company; and
- (c) the consents referred to in Section 10.11 of this Prospectus.

10.16 Governing Law

This Prospectus and (unless otherwise specially stated) the contracts that arise from the acceptance of the Applications are governed by the laws applicable in Western Australia and each Applicant submits to the exclusive jurisdiction of the courts of Western Australia.

10.17 Electronic Prospectus

- (a) An electronic version of this Prospectus is available from the Company at toluminerals.com.
- (b) The Application Form may only be distributed attached to a complete and unaltered copy of this Prospectus. The Application Form included with this Prospectus contains a declaration that the investor has personally received the complete and unaltered Prospectus prior to completing the Application Form.
- (c) The Company will not accept a completed Application Form if it has reason to believe that the investor has not received a complete paper copy or electronic copy of the Prospectus or if it has reason to believe that the Application Form or electronic copy of this Prospectus has been altered or tampered with in any way.
- (d) While the Company believes that it is extremely unlikely that in the Offer Period the electronic version of this Prospectus will be tampered with or altered in any way, the Company cannot give any absolute assurance that it will not be the case. Any investor in doubt concerning the validity or integrity of an electronic copy of this Prospectus ought immediately request a paper copy of this Prospectus directly from the Company or a financial adviser.

10.18 Consent to Lodgement

Each of the Directors of the Company has consented to the lodgement of this Prospectus with the ASIC.

Signed on behalf of the Company by:



John Anderson
Chair – Tolu Minerals Limited

10 August 2023

11. Glossary of Defined Terms

Term	Definition
A\$	Australian Dollars.
AEST	Australian Eastern Standard Time.
Amvest	Amvest Capital Inc. (acting through Delphos MMJ LP).
Applicants	a person applying for Shares offered by this Prospectus.
Application Form or Application	the application form attached to or accompanying this Prospectus (including an online application form) for use by Applicants.
Application Monies	monies that are payable in accordance with the terms of the Offer by an Applicant when submitting an Application.
ASIC	Australian Securities and Investments Commission.
Associated Body Corporate	in relation to the Company means: (a) a Related Body Corporate of the Company; (b) a body corporate that has voting power in the Company not less than 20%; or (c) a body corporate in which the Company has voting power of not less than 20%.
ASX	ASX Limited ABN 98 008 624 691.
ASX Listing Rules	the Official Listing Rules of the ASX as amended or waived from time to time.
ASX Settlement Operating Rules	the operating rules of the ASX Settlement which apply while the Company is an issuer of CHESS-approved securities, each as amended or replaced from time to time.
Audit and Risk Management Committee	a committee established by the Board to assist the Board in discharging its responsibility to exercise due care, diligence and skill.
Board	the board of Directors of the Company from time to time.
BOEQ Mandate	has the meaning given to the term in Section 9.1.
Broker Firm Offer	has the meaning given to the term in Section 2.6(b)(1)(A).
Business Day	has the meaning ascribed to it in the ASX Listing Rules.
CGT	Capital Gains Tax.
CHESS	the Clearing House Electronic Sub-registry System operated by ASX.
Closing Date	15 September 2023 (subject to the right of the Directors to close the Offer earlier or to extend this date without notice).
Companies Act	<i>Companies Act 1997</i> (PNG).

Term	Definition
Company or Tolu	Tolu Minerals Limited ARBN 657 300 359.
Company Website	toluminerals.com.
Conditions	the conditions to the Offer set forth in Section 2.2.
Constitution	the Constitution of the Company.
Contractor	Tunnel Engineering (PNG) Ltd (1-86659).
Converting Loans or Convertible Loans	loans made to the Company pursuant to the Converting Loan Agreements.
Converting Loan Agreements	the agreements between the Company and the lenders who provided Converting Loans to the Company, details of which are set out in Section 9.7.
Convertible Notes	has the meaning given to the term in Section 9.6.
Convertible Note Deed	has the meaning given to the term in Section 9.6.
Corporate Governance Charter	the corporate governance charter adopted by the Company on 30 November 2022 and lodged with ASIC on 30 December 2022.
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Directors	the Directors of the Company.
Exposure Period	the 7 day period from the date of lodgement of the Prospectus, unless otherwise extended by ASIC.
Foreign Brokers	Amvest Capital Inc. (acting through Delphos MMJ LP). Stifel Nicolaus Canada Inc.
Foreign Broker Mandates	has the meaning given to the term in Section 9.3.
Frontier	Frontier Copper PNG Ltd (1-48997), a PNG incorporated company which holds the Frontier Tenements.
Frontier Shares	the 3,000,000 Shares to be issued to Lanthanein pursuant to the Frontier Share Sale Agreement.
Frontier Share Sale Agreement	has the meaning given to the term in Section 9.4.
Frontier Tenements	(a) Exploration Licence (EL) 2531 (b) Exploration Licence Application (ELA) 2529
General Offer	has the meaning given to the term in Section 2.6(b)(1)(B).

11. Glossary of Defined Terms continued

Term	Definition
GST	Goods and Services Tax.
HIN	Holder Identification Number.
Indemnity Deeds	has the meaning given to the term in Section 9.13.
Institutional Offer	has the meaning given to the term in Section 2.6(b)(2).
Institutional Investors	<p>An investor (and any person for whom it is acting) to whom offers or invitations in respect of securities can be made without the need for a lodged prospectus (or other formality, other than a formality which the Company is willing to comply with), and in particular:</p> <ul style="list-style-type: none"> (a) if in Australia, a person to whom offers or invitations can be made without the need for a lodged prospectus under section 708 of the Corporations Act; (b) if in Canada, an “accredited investor” within the meaning of National Instrument 45-106 – Prospectus Exemptions; (c) if in the European Union (excluding Austria), a “qualified investor” as defined in Article 2(e) Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union; (d) if in New Zealand, it is a person who (i) is an investment business within the meaning of clause 37 of Schedule 1 of the <i>Financial Markets Conduct Act 2013</i> (New Zealand) (the FMC Act), (ii) meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act, (iii) is large within the meaning of clause 39 of Schedule 1 of the FMC Act, (iv) is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act or (v) is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act (and, if an eligible investor, have provided the necessary certification); (e) if in British Virgin Islands, it is an institutional or professional investor; (f) if in Nicaragua, it is an “institutional investor” or a “sophisticated investor” (as defined in the Nicaraguan Capital Markets Law); (g) if in Panama, an “institutional investor” (as defined in the regulations issued by the Panama Superintendent of Securities Markets); (h) if in Papua New Guinea, a “sophisticated investor”, being the offer, issue or invitation is made to a person meeting the description of “excluded offer” or “excluded issue” in Schedule 6 or Schedule 7 of the <i>Capital Market Act 2015</i>, and permitted to receive the offer, invitation or issue pursuant to s 125 or s126 of the <i>Capital Market Act 2015</i>; (i) if in Switzerland, a “professional client” (as defined in the Swiss Financial Services Act); (j) if in the United Kingdom, (i) a “qualified investor” within the meaning of Article 2(e) of the UK Prospectus Regulation; and (ii) within the categories of persons referred to in Article 19(5) (investment professionals) or Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the UK Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended; and (k) if in the United States, an “accredited investor” as defined in Rule 501(a) under the US Securities Act.
Joint Lead Managers	<p>Blue Ocean Equities Pty Ltd ACN 151 186 935 – AFSL 412765</p> <p>Martin Place Securities Pty Ltd ACN 159 611 060 – AFSL 291787</p>

Term	Definition
JLM Options	has the meaning given to the term in Section 9.1.
Lanthanein	Lanthanein Resources Limited ACN 095 684 389, the owner of Frontier.
Lead Manager Mandates	means the BOEQ Mandate and the MPS Mandate.
Management	John (Iain) Macpherson – Chief Executive Officer and Managing Director Howard Lole – External Affairs PNG Craig Dawson – Chief Financial Officer Richard Moore – Exploration Manager
Management and Administration Services Agreement	has the meaning given to the term in Section 9.9.
Mining Act	the <i>PNG Mining Act 1992</i> , as amended.
MPS Mandate	has the meaning given to the term in Section 9.2.
Mt Penck Project	exploration and development of the Mt Penck Tenement.
Mt Penck Tenement	Exploration Licence (EL) 2662.
MRDC	Mineral Resources Development Company Limited (1-5231).
MRDC Shares	the resulting Shares in the event that the Noteholder exercise their conversion rights under the Convertible Note Deed.
Offer	has the meaning given to the term in Section 2.
Offer Period	18 August 2023 to 15 September 2023.
Offer Price	A\$0.50 per Share.
Offer Proceeds	has the meaning given to the term in Section 2.5(a).
Official List	the Official List of the ASX.
Official Quotation	quotation on the Official List of the ASX.
Opening Date	18 August 2023.
Options	options to subscribe for Shares.
Performance Rights	means a performance right convertible into a Share.
Phase 2 Works	has the meaning given to the term in Section 9.5.

11. Glossary of Defined Terms continued

Term	Definition
Phase 3 Works	has the meaning given to the term in Section 9.5.
Pitcher Partners	Pitcher Partners Queensland Partnership.
Plan	means the Employee Shares and Awards Plan which was adopted by the Company on 30 November 2022.
PNG	Papua New Guinea.
PNG Kina or K	currency of Papua New Guinea.
PRK	Petroleum Resources Kutubu Limited (1-15352) (a subsidiary of MRDC).
Prospectus	this Prospectus, which is dated 10 August 2023.
Recommendations	the corporate governance principles and recommendations of the ASX Corporate Governance Council as at the date of this Prospectus.
Related Body Corporate	has the meaning given to the term in the Corporations Act.
Retail Investors	an investor who is not an Institutional Investor.
Retail Offer	has the meaning given to the term in Section 2.6(b)(1).
Shareholders	holders of Shares in the Company.
Shares	fully paid ordinary shares in the capital of the Company.
Stifel	Stifel Nicolaus Canada Inc.
Tenements	means each of the Tolukuma Tenements, Frontier Tenements and the Mt Penck Tenement.
Tolukuma Gold Mine	the Tolukuma Gold Mine situated in Tolukuma, PNG.
Tolukuma Project	<ul style="list-style-type: none"> (a) the Tolukuma Tenements; (b) all gold and other mineral resources within or under the Tolukuma Tenements; (c) all fixtures and movable equipment and property in situ at the site of the Tolukuma Gold Mine; (d) all intellectual property and mining information related to any of the same; (e) any conduct and compensation, cultural heritage, native title or other similar agreements that Tolukuma Gold Mines (in liquidation) is a party to (or has a right to become a party to) in relation to the Tolukuma Tenements that is capable of assignment; and (f) all mining, environmental and export licences.
Tolukuma Sale of Assets Agreement	the sale of assets agreement dated 27 April 2021 between the Company and Tolukuma Gold Mines (in liquidation).

Term	Definition
Tolukuma Tenements	(a) Mining Licence (ML) 104
	(b) Exploration Licence (EL) 2385
	(c) Exploration Licence (EL) 2535
	(d) Exploration Licence (EL) 2536
	(e) Exploration Licence (EL) 2538
	(f) Exploration Licence (EL) 2539
	(g) Exploration Licence (EL) 2723
	(h) Exploration Licence Application (ELA) 2780
US Securities Act	<i>US Securities Act of 1993, as amended.</i>

References in this Prospectus to Sections and paragraphs are to Sections and paragraphs of this Prospectus.

Schedule 1 – Independent Geologist's Report

AMC Consultants Pty Ltd
ABN 58 008 129 164

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Australia

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Report

Independent Geologist Report Tolu Minerals Limited

AMC Consultants Pty Ltd in accordance with the Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets, The VALMIN Code, 2015 Edition

Specialist:

R. Carlson BSc, MSc, MAIG RPGeo (Mining and Exploration) MAusIMM, Principal Geologist
D Hutchison BSc (Hons), MSc, MAIG Consultant Geologist

AMC Project 321045
3 August 2023

Unearth a smarter way

Independent Geologist Report

Tolu Minerals Limited

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Executive summary

This technical report has been prepared by AMC Consultants Pty Ltd (AMC) at the request of Tolu Minerals Ltd (formerly Lole Mining Ltd) for an Independent Geological Report (IGR) and Mineral Resource report of the Tolukuma and Mt Penck Projects under the guiding principles of the 2012 JORC Code¹.

AMC has prepared this IGR in accordance with the Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets, the VALMIN Code, 2015 Edition² (VALMIN) and the 2012 JORC Code. The exploration results and estimates of mineral resources are based on, and fairly represent, information and supporting documentation prepared by named competent persons.

Location and Access

The Tolukuma Gold Mine (TGM) is located in the Goilala District of Central Province of Papua New Guinea (PNG), in the Owen Stanley Ranges, about 100 km north of the capital city Port Moresby.

At Tolukuma the gold and silver mine is situated in rugged mountainous terrain at an elevation of 1500 m to 2000 m above sea level. The Project consists of a granted mining lease (ML), six granted exploration licences (EL) and an exploration licence application (ELA) all in the immediate area surrounding Tolukuma. Access to the mine site is currently limited to air transport. All personnel are transferred by helicopter to and from either Port Moresby or Veimauri. Road access is planned as part of the re-establishment of the mine.

The Mt Penck project is an epithermal gold-silver project, comprising a single exploration licence, EL 2662, located in West New Britain Province, Papua New Guinea (PNG). The Property is located adjacent to the north coast of New Britain and is readily accessible by road or boat from the town of Kimbe, located 55 km to the east. Kimbe provides an excellent logistic base for work at Mt Penck.

Exploration History

The potential for gold in the Tolukuma area was first discovered in 1986 by Newmont Proprietary Limited (Newmont). The exploration then passed through a number of companies before being developed as an operating gold mine by Tolukuma Gold Mines Pty Ltd in 1995 to exploit high grade, epithermal veins within a large structural zone. The mine operated effectively until about 2011, before a significant production drop-off due to costs of helicopter borne logistics impacting profit margins and ability to fund exploration. In 2015 the mine was placed on care and maintenance. On 7 February 2018, Tolukuma Gold Mines Pty Ltd. was put into liquidation by Court order.

A Tolukuma Sale of Assets Agreement was executed between the Liquidator and a PNG registered company, Tolu Minerals Ltd (TML) on 27 April 2021 followed by the transfer of the Tenements ratified by the Minister of Mines on 2 July 2021.

¹ Australasian Joint Ore Reserves Committee (JORC), *Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves* (the JORC Code), 2012 edition, effective December 2012, 44 pp., available <http://www.jorc.org/docs/JORC_code_2012.pdf>, viewed 21 August 2019.

² The Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets. The VALMIN Code 2015 Edition. The VALMIN Code has been prepared by the VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. The VALMIN Code is a companion to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). The VALMIN Code provides guidance on matters that may be subject to Australian regulations, other provisions of law and published policies and guidance of the Australian Securities and Investment Commission (ASIC) and the Listing Rules of the Australian Securities Exchange (ASX) or of other relevant exchanges.

Schedule 1 – Independent Geologist’s Report continued

Independent Geologist Report

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The Mt Penck tenement is owned 100% by TML. EL 2662 was granted on 26 October 2021 for an initial term of 2 years and may be renewed biannually. Mt Penck has an extensive history of previous exploration carried out between 1968 and 2011. Extensive programs of mapping, rock and soil sampling, hand trenching, bulldozer costeaning, geophysical surveying and drilling were completed. A total of 115 historical drillholes, comprising 82 diamond core drillholes (DD) totalling 11,038.6 m and 33 reverse circulation aircore (RAC) drillholes totalling 1,140 m, have been completed.

Most historical exploration was carried out by Kanon Resources Limited between 2003 and 2011. Kanon completed four phases of diamond drilling (75 drillholes). No work has been carried out since 2011 and no Mineral Resource estimates have been completed. The historical work is summarised in detail in the main body of the report.

TML has carried out no work to date at Mt Penck and this report relies entirely on the results of historical work.

Geology and Mineralisation

TGM is located in the New Guinea metallogenic belt, a 2,300 km mineralised corridor running along the central spine and northern foothills of the island of New Guinea. Many large deposits of gold (and copper) occur in the metallogenic belt which is regarded as one of the most prospective gold-copper metallogenic provinces in the world.

The gold-silver vein deposits in the Tolukuma-Saki-Mt Tafa area are scattered over a roughly 100 km² area. However, most of the better developed vein systems occur within a northeast-trending 12 km by 6 km belt that is roughly coincident with the inferred sub-surface Tolukuma Intrusive Complex. All the known deposits are high level fissure veins formed in a classic epithermal-porphyry environment, mainly classified as low sulphidation style epithermal systems.

The mineralisation is hosted by north-northwest to northwest-trending narrow fissure veins which commonly dip steeply to the southwest or northeast. Vein widths typically range from roughly 0.5 m to 2.0 m but pinch and swell and can bulge out to widths of 10 m to 20 m at the intersections of the main fissures with cross structures or splay veins. The host rocks are Pliocene-age terrestrial volcanic rocks of the Mt. Davidson Volcanics. These comprise mainly fine to coarse tuffaceous and fragmental rocks with minor lavas, of andesitic to basaltic composition. The volcanics unconformably overlie a metamorphic basement sequence of the Kagi Metamorphics (Cretaceous to Eocene age).

Intermediate to basic pyroclastics (fine ash flow, crystal and crystal-lithic tuff, agglomerate, and breccia) with subordinate andesitic and basaltic lavas, of the Mt. Davidson Volcanics, are the dominant host rocks. These are widely intruded by late narrow dykes of porphyritic andesite, basalt, and dolerite, and locally intruded by small diorite intrusive bodies.

Typically, the mineralised fissures include massive quartz and quartz-sulphide veins, silicification, fault gouge, sheeted veins, stockworks, stringers and breccia zones. Breccias include structural, hydrothermal, and fluidised crackle varieties. Quartz textures include colloform, crustiform, comb, dogtooth, botryoidal, rosette, drusy, vuggy and massive crystalline; all are typical of the upper levels of a low sulfidation epithermal system.

The gold mineralisation is dominantly associated with a pyrite-marcasite-arsenopyrite-stibnite sulphide assemblage that is commonly strongly oxidised at surface with goethite-limonite-manganese staining. Copper, lead, and zinc sulphides occur in deeper parts of the systems. Fine visible gold is commonly observed at surface in oxidised veins.

Mt Penck comprises a large gold-silver mineralised hydrothermal system, of about 12 km², hosted by a partly dissected Plio-Pleistocene volcanic edifice. The system is located at the north-western end of the Kulu-Simi structural corridor, a northwest-trending extensional zone

Independent Geologist Report

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that transects central New Britain and hosts the Simuku porphyry copper-molybdenum-gold project and the Mt Nakru copper-gold breccia / VHMS deposit.

At Mt Penck epithermal style gold-silver mineralisation is associated with argillic / advanced argillic alteration, silicification and brecciation and controlled by dilational structures, hosted by andesite-dacite volcanics and porphyry intrusions. The system is complex and exhibits characteristics ranging from low to intermediate sulphidation style gold-silver to high sulphidation style gold-copper mineralisation. The sulphide mineral assemblage includes pyrite, galena, sphalerite, tetrahedrite, chalcopyrite, covellite and enargite.

Three main prospects have been identified within an area of about 1.5 km by 1.2 km: Kavola / Kavola East, Peni Creek and Koibua. This report focusses mainly on the Kavola Zone prospects where the majority of historical exploration has been completed. At Kavola the mineralisation occurs in veins, stockworks, breccias or zones of massive silica, spatially related to zones of intense argillic (or advanced argillic) alteration. The highest gold values occur in structurally controlled ore shoots, identified as possible feeder zones. The shoots are characterised by vuggy silica and form irregular pipes, elongate lenticular pods or veins composed primarily of quartz and pyrite.

Tolukuma Mineral Resource

The Inferred Mineral Resource at Tolukuma as of 18 August 2022 is 1.6 Mt at 10 g/t Au and 38 g/t Ag. This equates to contained metal of 500 Koz Au and 1.9 Moz of silver. Table ES1 shows the breakdown of the Mineral Resource based on vein. The Mineral Resource is reported as an undiluted underground resource above 3 g/t Au. The block models are limited to the interpreted veins, and do not have included dilution. Depletion is managed by excluding all areas of previous development and stoping by cookie cutting around the entire area.

AMC also estimated antimony, copper, lead, zinc and mercury grades for each vein.

Table ES1 Tolukuma Inferred Mineral Resource at a 3 g/t Au cut-off

Domain	Tonnage (kt)	Grade		Metal	
		Gold (g/t Au)	Silver (g/t Ag)	Gold (Koz Au)	Silver (Koz Ag)
Zine	488	9	43	146	673
Zine PK Splay	7	35	145	8	33
Tolukuma	140	9	27	40	121
Tinabar	55	13	42	23	74
Gulbadi	343	10	27	114	294
Gulbadi Red	115	8	19	29	69
120 Vein	56	5	15	8	28
Fundoot	212	13	59	91	403
Gufinis	149	7	39	31	187
Mystery	45	9	46	13	67
Total	1,610	10	38	503	1,950

Notes: Totals may not add up due to rounding.

All previously mined areas are excluded as assumed depletion.

Cut-off grade is assessed based on global tonnes/grade curves and similar operations in PNG.

Exploration Potential

The exploration potential at TGM is largely untested. Modern exploration methods have not been used at TGM to date. Many new applications of geophysical methods are to target generation in the area. The larger TGM tenement package has many undertested geochemical and structural targets that need further assessments.

Schedule 1 – Independent Geologist’s Report continued

Independent Geologist Report

Tolu Minerals Limited

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Several well-defined mineralised vein systems, that may have potential to provide additional resources as feed for the Tolukuma mill, are located nearby in the adjacent EL 2531, which surrounds ML 104.

These systems include Saki, Kimono and Taula located south of the Auga River, and Soju-Yava and Mt. Sen located north of the Auga River. All are located within 5 km or less of the mine site. Mt. Sen was discovered and explored by TGM, the others were discovered by Newmont and explored by Newmont, TGM and, in some cases, Petromin. Duma-Dilava is an additional less advanced target located immediately south of ML 104 where little historical work has been completed.

Saki has a previously reported Mineral Resource reported in accordance with the JORC Code (2012) by Frontier Resources Limited (now Lanthanein Resources Limited) in 2022 (<https://wcsecure.weblink.com.au/pdf/FNT/02492922.pdf>). The resource is tabled as 2.0 Mt at 2.0 g/t gold for 128,000 ounces Au (using a 1 g/t Au cut-off). AMC considers the resource needs additional drilling to confirm and improve confidence in the resource.

The gold-silver mineralisation at Mt Penck is controlled by both structure and lithology and has been intersected by trenches or drillholes at depths ranging from surface to 170 m downhole. Two principal styles of mineralisation are present:

- Broad zones (10 m to >50 m wide) of lower grade (1.0 g/t Au to 3.0 g/t Au) stockwork mineralisation generally within the upper 50 m but intersected by drilling to depths of up to 167 m, preferentially controlled by favourable horizons in the volcanic sequence (Stockwork Targets).
- Narrow zones (0.5 m to 3.0 m wide) of much higher grade, >10.0 g/t Au, intersected by drilling at depths ranging from 5 m to 170 m with the highest grades at depths below 100 m. These are interpreted to be the feeder structures that channelled the mineralising fluids from depth (Feeder Zone Targets).

The property-wide average width / grade figures from historical drilling are 20.64 m at 2.2 g/t Au for the Stockwork Targets and 1.35 m at 16.94 g/t Au for the Feeder Zone Targets.

There is potential for a near-surface oxide zone gold deposit in the upper 30 m to 50 m at Kavola / Kavola East. This represents the highest priority target.

The historical exploration results justify further drilling and trenching at all three defined prospects. In addition, geophysical and geochemical anomalies exist outside the area of detailed historical work which require follow up.

Exploration Program and Budget

The Tolukuma tenement package has current annual rents of PGK 19,499 (AUD 7,991) and minimum expenditures of PGK 3,000,000 (AUD 1,229,508). The Mt Penck tenement package has current annual rents of PGK 5,400 (AUD 2,213) and minimum expenditures of PGK 100,000 (AUD 40,984).

The exploration planned for the Mining Lease includes re-establishing access to areas of the historic mine that will allow for diamond drilling and sampling. This includes re-establishing road, power, ventilation and dewatering systems to allow underground access. The drilling will target the areas of highest grade and thickness in the known veins to improve resource confidence. 200 metres of underground development accessing and extending the Milihamba Drive is planned to access drill platforms to test vein extensions.

Regional exploration expenditure on the Tolukuma and Mt Penck tenements is planned to include geophysical surveys, access (roads and helicopter), mapping, sampling, and trenching to develop prioritised targets. The planned use of funds is summarised in Table ES2

Table ES2 Planned use of funds raised for minimum and maximum capital raise

Uses of Funds	\$15M Minimum Capital Raise (AUD)	\$20M Maximum Capital Raise (AUD)
Pilot Access Road	1,800	1,800
General Mobilisation	1,130	1,553
Site Roads	216	216
Hydroelectric Refurbishment	0	212
Electrical Refurbishment	1,374	2,082
Underground Access	1,380	1,380
Underground Works	283	283
Bulk Sampling Gravity Circuit	0	1,347
Milihamba Exploration Drive and Diamond Drilling	1,131	1,630
Mineral Resource Development	737	737
Resource Conversion	52	52
Tolukuma Regional Exploration	738	738
Mt Penck Exploration	98	98
TMF Studies	107	107
Off Site	540	540
Acquisition of Frontier	500	500
Consultants	450	900
Working Capital	2,561	3,622
Cost of the Offer	1,500	1,800
Cost of Legal Services	403	403
Total	15,000	20,000

AMC considers that the Company has a reasonable proposed exploration budget over eighteen months consistent with its stated objectives and that this program is warranted and justified on the basis of the historical exploration activity and demonstrated potential for discovery of mineralisation.

Schedule 1 – Independent Geologist’s Report continued

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Quality control

The signing of this statement confirms this report has been prepared and checked in accordance with the AMC Peer Review Process.


Project Manager


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3 August 2023

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Appendix B Tolukuma Drill Intercepts

Appendix C Mt Penck DD Drillhole Location Data

Appendix D Summary of Kanon Phase 1 & Phase 2 DD Drilling Results

Appendix E Summary of Kanon Phase 3 DD Drilling Results

Appendix F Tolukuma JORC 2012 Table 1

Appendix G Mt Penck JORC 2012 Table 1

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Glossary of technical terms and abbreviations

Item	Description
°	Degrees.
%	Percent.
2D	Two dimensional.
3D	Three dimensional.
Ag	Chemical symbol for silver.
AIG	Australian Institute of Geoscientists
AMC	AMC Consultants Pty Ltd
As	Chemical symbol for arsenic.
ASX	Australian Securities Exchange
Au	Chemical symbol for gold.
AusIMM	Australasian Institute of Mining and Metallurgy
Chargeability	One of several units of induced polarization in the time domain. Chargeability is used to characterize the formation and strength of the induced polarization within a rock, under the influence of an electric field and describes how conductivity changes with electrical frequency.
Co	Chemical symbol for cobalt.
Conductivity	Conductivity is a diagnostic physical property that quantifies how easily electrical charges move through a given material when subjected to an applied electric field. For most electrical geophysical surveys electrical conductivity is the primary diagnostic physical property. Conductivity =1/Resistivity.
Cu	Chemical symbol for copper.
dB/dt	An electromagnetic survey measurement. The ratio between the amount of change in amplitude of the magnetic field (dB) and the time it takes to make that change (dt)
Dipole/dipole	Relates to the magnetic field created when an electrical charge is applied to the ground. A dipole is a pair of oppositely charged electrodes that are so close together that the electric field seems to form a single electric field rather than a field from two different electric poles. The dipole-dipole array offers a way to plot raw IP data in order to get an idea of a cross-section of the earth. Today, modern inversion software can recalculate these apparent data to true data, so that a realistic image of the earth can be created.
EM	The electromagnetic (EM) induction method is based on the measurement of the change in mutual impedance between a pair of coils on or above the earth's surface. These coils are electrically connected and are separated by a fixed distance. The transmitter coil is used to generate an electromagnetic field at a specific frequency. This is known as the primary field. The primary field causes electrical currents to flow in conductive materials in the subsurface. The flow of currents in the subsurface, called eddy currents, generate a secondary magnetic field, which is sensed by the receiver coil. The magnitude of the secondary field sensed by the receiver depends upon the type and distribution of conductive material in the subsurface.
g/t	Grams per tonne, a standard ratio for demonstrating the concentration of metals in a rock, equivalent to parts per million (ppm).
AGD	Geocentric datum of Australia as established in 1996.
ha	Hectare, standard metric unit area 100m by 100m.
IGR	Independent Geologist Report
IPO	Initial Public Offering
IP (2DIP and 3D IP)	Induced polarization (IP) is a geophysical imaging technique used to identify the electrical resistivity and chargeability of subsurface materials, such as ore. An electric current is transmitted into the subsurface through two electrodes, and voltage is monitored through two other electrodes. IP surveys provide additional information about the spatial variation in lithology and grain-surface chemistry. The IP survey can be made in time-domain and frequency-domain mode. The IP method is one of the most widely used techniques in mineral exploration and mining industry. IP surveys until recently have been carried out on 2D sections using linear arrays along single sections but recently the development of 3D resistivity and IP survey techniques and inversion software has revolutionised the way surveys are carried out and interpreted. Recent developments in field equipment design, interpretation software and microcomputer technology, 3D surveys are now practical geophysical exploration tools for mineral, environmental and engineering investigations.
kg	Kilogram, a standard metric unit for weight.
km	Kilometre, a standard metric unit measure of distance.

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km ²	Square kilometre, a standard metric unit measure of area.
koz	Thousand troy ounces.
kt	Thousand tonnes, a standard metric unit measure of mass.
m	Metre, a standard metric unit measure of distance.
Ma	Million years ago.
Mn	Chemical symbol for manganese.
Mo	Chemical symbol for molybdenum.
oz	Troy ounces, common imperial weight measure applied to precious metals; equivalent to 31.1034807 grams.
Pb	Chemical symbol for lead.
PNG	Papua New Guinea
ppb	An abbreviation for parts per billion.
ppm	Parts per million, quantitative equivalent of grams per tonne (g/t), applied to define the concentration of trace elements.
RAC	Air Core (drilling)
RC	Reverse Circulation (drilling)
t	Tonne, a standard metric unit of weight.
t/m ³	Tonnes per cubic metre, a unit of density.
TGM	Tolukuma Gold Mine
Time-domain	Time-domain geophysical electrical methods represent an alternative approach to detecting weak electrical fields that works by simply switching the primary field off and measuring the decay of secondary electrical fields. This method is often referred to as transient electromagnetic exploration (TEM) or time-domain electromagnetic (TDEM) exploration. In the time-domain induced polarization method, the voltage response is observed as a function of time after the injected current is switched off or on. In the frequency-domain induced polarization mode, an alternating current is injected into the ground with variable frequencies. Voltage phase-shifts are measured to evaluate the impedance spectrum at different injection frequencies
TML	Tolu Minerals Limited
U	Chemical symbol for uranium.
Zn	Chemical symbol for zinc.

1 Introduction

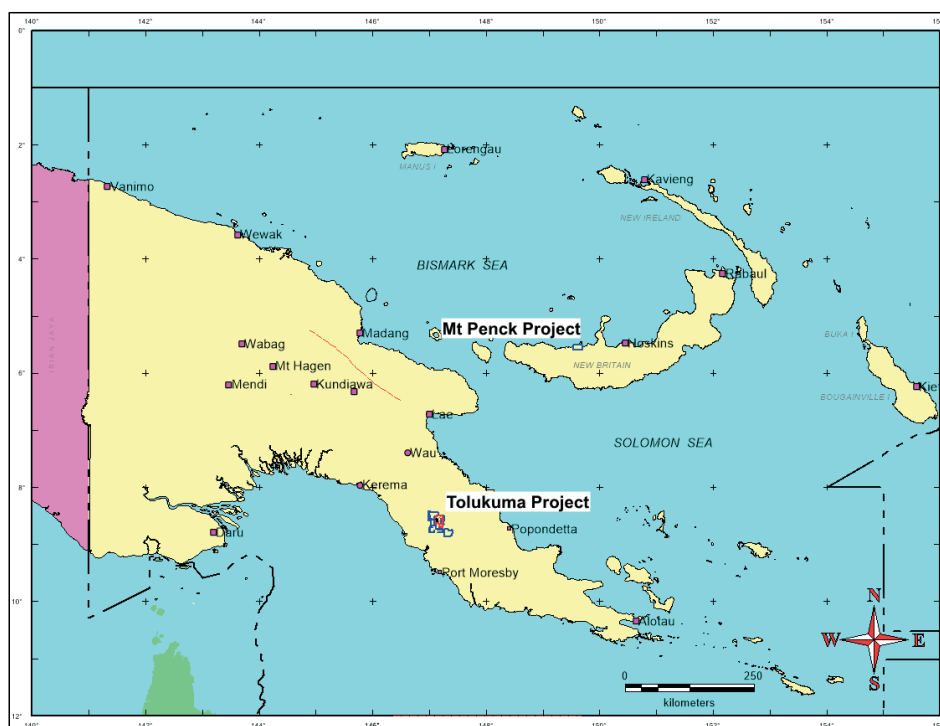
1.1 Purpose of the report

This report is an Independent Geological Report (IGR) dated 3 August 2023 detailing the Tolukuma Project and the Mt Penck Project in Papua New Guinea (PNG). The Tolukuma Project includes the Tolukuma Gold Mine (TGM) and surrounding exploration property located approximately 100 km north of Port Moresby. Mt Penck is an exploration property located in the West New Britain Province of PNG.

In July 2021, Tolu Minerals Ltd, the "Issuer or TML", requested AMC Consultants Pty Ltd (AMC) to prepare a Mineral Resource estimate and report in accordance with the JORC Code³ for the Tolukuma mine area and an IGR for the Tolukuma and Mt Penck Projects.

Tolukuma Project consists of a mining licence (ML 104) and six exploration licences EL 2385, EL 2535, EL 2536, EL 2538, EL 2539 and EL 2723 (together the "TGM Tenements") covering a total area of 1,252 km² as shown in Figure 1.1 and is located in the Central Province of PNG, some 100 km north of the capital Port Moresby. The Issuer has entered into a share sale agreement with Lanthanein Resources Ltd for the purchase of Frontier Copper (PNG) Ltd, which holds exploration licence EL 2531, and exploration licence application ELA 2529 on New Britain.

Figure 1.1 TML project locations



Source: AMC Projection: Lat/Long (WGS84)

³ Australasian Joint Ore Reserves Committee (JORC), Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code), 2012 edn, effective December 2012, 44 pp., available <http://www.jorc.org/docs/JORC_code_2012.pdf>, viewed 29 July 2016.

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The Mt Penck Project comprises a single exploration licence, EL 2662, located about 55 km west of the township of Kimbe in West New Britain Province, PNG (Figure 1.1).

AMC has compiled this Technical Report for the purposes of an IGR for an Initial Public Offering (IPO) on the Australian Securities Exchange (ASX).

At the Issuer’s request the scope of the report includes:

- Production of an IGR is prepared in accordance with the JORC Code and Valmin⁴.
- Preparation of a Mineral Resource estimate for the TGM deposits.
- Description of mining, milling and support infrastructure at TGM.
- Summarise the results of the redevelopment plan for TGM.
- Summarise the studies on various engineering works in support of the TGM redevelopment plan.
- Make recommendations for the further development of TGM and for near mine exploration.

The quality of information, conclusions, and estimates contained herein are consistent with the level of effort involved in the Consultants services, based on:

- Information available at the time of preparation.
- Data supplied by outside sources.
- The assumptions, conditions, and qualifications set forth in this report.

1.2 Reporting standard

AMC warrants that in the preparation of this IGR it has taken reasonable care in accordance with standards ordinarily exercised by members of the profession generally who practice in the same locality and under similar conditions. AMC accepts no liability whatsoever in respect of any failure to exercise a degree or level of care beyond such reasonable care. No other warranty, express or implied, is given, save where necessarily incorporated by statute. The IGR has been prepared in accordance with the scope of work and for the purpose outlined in the engagement letter dated 27 July 2021 and should be read in full. No responsibility is accepted for the use of any part of this IGR in any other context or for any other purpose or by third parties. This IGR does not purport to give to legal advice.

1.3 Reliance on information

In AMC’s letter of engagement, TML agreed to comply with the obligations of the commissioning entity under the VALMIN Code, including that to the best of its knowledge and understanding, complete, accurate and true disclosure of all relevant material information has been made.

In preparing this IGR, to the extent that it is based on information and reports provided by TML, AMC has relied on information and reports provided to it by TML, and AMC has no reason to believe that information is materially misleading or incomplete or contains any material errors. AMC has not audited the information provided by TML but has exercised reasonable care as set below, in the use of such data and information. AMC makes no representation and gives no warranty as to the accuracy or completeness of the data or information contained in any information or reports that it has relied on.

The exploration results and estimates of mineral resources are based on, and fairly represent, information and supporting documentation prepared by a named competent person.

⁴ Australasian Code for the Public Reporting of Technical Assessments and Valuations of Mineral Assets. The VALMIN Code 2015 Edition, Prepared by The VALMIN Committee, a joint committee of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists, with the participation of the Minerals Council of Australia and other key stakeholder representatives.

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TML has been provided with drafts of this IGR to enable correction of any factual errors and notation of any material omissions. The views, statements, opinions and conclusions expressed by AMC are based on the assumption, that all data provided to it by TML are complete, factual and correct to the best of TML's knowledge.

During the preparation of this report, AMC has relied on the opinions and documentation prepared by other internal and external experts as well as information provided by the Issuer and verified by third-party experts, as required, concerning legal and environmental, in particular Section 2.

The third-party experts include O'Brien's Lawyers (mineral title, surface rights, legal agreements, and tax information), and BMT WBM (environment and waste disposal).

O'Brien's Lawyers are based in Port Moresby and have extensive experience in advising participants in the mining industry and a number of mine operating and exploration companies are clients.

BMT WBM have an office in Brisbane and have significant experience in the mining sector, including in PNG and have advised a number of mining companies as clients.

1.4 Effective date

The conclusions in this IGR are effective as at the date of the report, however those conclusions could change in the future depending on changes in commodity prices and/or results and technical changes at the proposed operations and/or results of exploration and / or status of tenements. AMC disclaims responsibility for any changes that may have occurred after the date of this IGR.

1.5 Consent

AMC consents to the inclusion of this IGR in listing documents to accompany an IPO for a listing by TML on the Australian Securities Exchange in 2023. Neither AMC's IGR nor any part of it, nor any reference to it, may be used for any other purpose without AMC's prior written consent. AMC may, at its discretion, withdraw consent for the client to use or rely on this IGR and its contents, including circumstances in which its fees remain outstanding.

1.6 Competent Person's Statement

All information in this IGR related to the Tolukuma Mining Lease has been compiled by Mr Roderick Carlson, a Competent Person who is a Fellow of the Australian Institute of Geoscientists. Mr Carlson is employed by AMC Consultants Pty Ltd. AMC Consultants Pty Ltd has been engaged by Tolu Minerals Limited under a services agreement. Mr Carlson has no relationship with Tolu Minerals Limited, or any employees or directors of Tolu Minerals Limited. Mr Carlson is not a shareholder of Tolu Minerals Limited. Mr Carlson has no beneficial interest in any of the claims or agreements related to the claims, the subject of this IGR. Mr Carlson has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Carlson consents to the inclusion of this IGR in the IPO prospectus in its entirety.

All information in this IGR related to Tolukuma regional exploration and Mt Penck data has been compiled by Mr Doug Hutchison, a Competent Person who is a Member of Australian Institute of Geoscientists. Mr Hutchison is self-employed. Mr Hutchison has been engaged by Tolu Minerals Limited under a services agreement. Mr Hutchison has no relationship with Tolu Minerals Limited, or any employees or directors of Tolu Minerals Limited. Mr Hutchison is not a shareholder of Tolu Minerals Limited. Mr Hutchison has no beneficial interest in any of the claims or agreements related to the claims, the subject of this IGR. Mr Hutchison has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the

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‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Mr Hutchison consents to the inclusion of this IGR in the IPO prospectus in its entirety.

The signatories of this IGR are members of the Australian Institute of Geoscientists (AIG) and/or Australasian Institute of Mining and Metallurgy (AusIMM) and are bound by its code of ethics.



R Carlson
BSc, MSc, FAIG (RPGeo), MAusIMM
Principal Geologist



D Hutchison
BSc (Hons), MSc, MAIG
Consultant Geologist

1.7 Indemnity

TML has indemnified AMC in regard to damages, losses and liabilities related to or arising out of AMC’s engagement other than those arising from wilful default, negligence or unlawful act on our part.

1.8 Site Visits

The following Competent Person’s conducted site visits to the Tolukuma and Mt Penck Projects on the dates indicated:

- Mr Roderick Carlson completed site visits to the Tolukuma Project in 2013 and 2015. The initial site visit was to validate the inputs to the Mineral Resource data used in the Tolukuma 2012 estimate. In addition, he reviewed exploration protocols, assessed results, collected information, and discussed the ongoing activities with site personnel. During subsequent visits the focus shifted on to technical aspects of the program and future planning.
- Mr Douglas Hutchison completed site visits to the Mt Penck Project during 2006-2007. Mr Hutchison has personal knowledge of the property gained from field visits during the period while employed by New Guinea Gold Limited (NGG). At the time NGG was a 50% joint tenement holder and operator of the project. Mr Hutchison has not visited Tolukuma regional prospects.

1.9 Independence

AMC acted as an independent party. Neither AMC nor the contributors to this IGR have any interests in TML or in the proposed transaction subject of this IGR that could be reasonably construed to affect their independence.

Neither AMC nor the contributors to this IGR or members of their immediate families hold shares in TML.

AMC is being paid a fee according to its normal per diem rates and out of pocket expenses in the preparation of this IGR. Its fee is not contingent on the outcome of the transaction subject to this IGR. AMC has no other pecuniary interest, association, or employment relationship with TML. AMC’s fee for completing the Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, AMC’s knowledge of the assets and availability of data. The fee payable to AMC for this engagement is AUD 50,000 (inclusive of GST). The payment of this professional fee is not contingent upon the outcome of this Report.

1.10 Units of Measure

The metric system has been used throughout this report.

Tonnes are metric tonnes equivalent to 1,000 kilograms (2,204.6 lb).

Currency is stated in Australian Dollars (AUD) unless otherwise stated. Certain PNG based costs have been stated in Papua New Guinea Kina (PNGK) or have been converted from PNGK to AUD. The defined exchange rate for the purposes of this report is PNGK 2.44: AUD 1.00.

1.11 Sources of Information

This report is based on technical data provided by the Issuer. The Issuer provided open access to all the records necessary to enable a proper assessment of Tolukuma and Mt Penck Projects. The Issuer has warranted in writing that full disclosure has been made of all material information and that, to the best of the Issuer's knowledge and understanding, such information is complete, accurate and true.

Additional relevant material was acquired independently from a variety of sources. This material was used to expand on the information provided by the Issuer and where appropriate, confirm or provide alternative assumptions to those made by the Issuer. With respect to Section 3 of this report, the Author has relied in part on historical information including exploration reports, technical papers, sample descriptions, assay results, computer data, maps and drill logs generated by previous operators and associated third party consultants. Historical documents and data sources used during the preparation of this report are listed in Section 8.0, References.

The Issuer has warranted to the Authors that the information provided for preparation of this report correctly represents all material information relevant to TGM. The Issuer has taken reasonable measures to ensure that title to its properties is in good standing, including obtaining a legal opinion with respect to validity of the tenements, relevant permits and agreements.

No attempt to independently verify the land tenure information was made by the Author.

The Author has relied on experience to determine if the information from previous reports was suitable for inclusion in this technical report and adjusted information that required amending. This report includes technical information, which required subsequent calculations to derive subtotals, totals, and weighted averages. Such calculations inherently involve a degree of rounding and consequently introduce a margin of error. Where these occur, the Author does not consider them to be material.

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2 Project location and tenure

2.1 Tolukuma

2.1.1 Property Location

The Tolukuma Project is located in the Goilala District of Central Province of Papua New Guinea, in the Owen Stanley Ranges, about 100 km north of the capital city Port Moresby (Figure 2.1). The mine is situated in rugged mountainous terrain on the Tolukuma hill with rain forest at an elevation of 1500 m to 2000 m above sea level which has steep side slopes that descend into the Auga River. The Auga River is a tributary of the Angabanga River, which eventually flows to the sea 100 km from the mine.

Elevation at the site ranges from approximately 1,100 m above sea level at the Auga River up to 1,750 m at the top of Tolukuma Hill. This represents a difference in elevation of greater than 600 m over the mine site, which translates into an average slope of approximately 10%.

Steep gorges and sharp rising mountains are prominent in the region and are thought to be part of a large eroded volcanic system which was formed during late Miocene to early Pliocene during the collision of the Melanesian arc and the Australian continental plate.

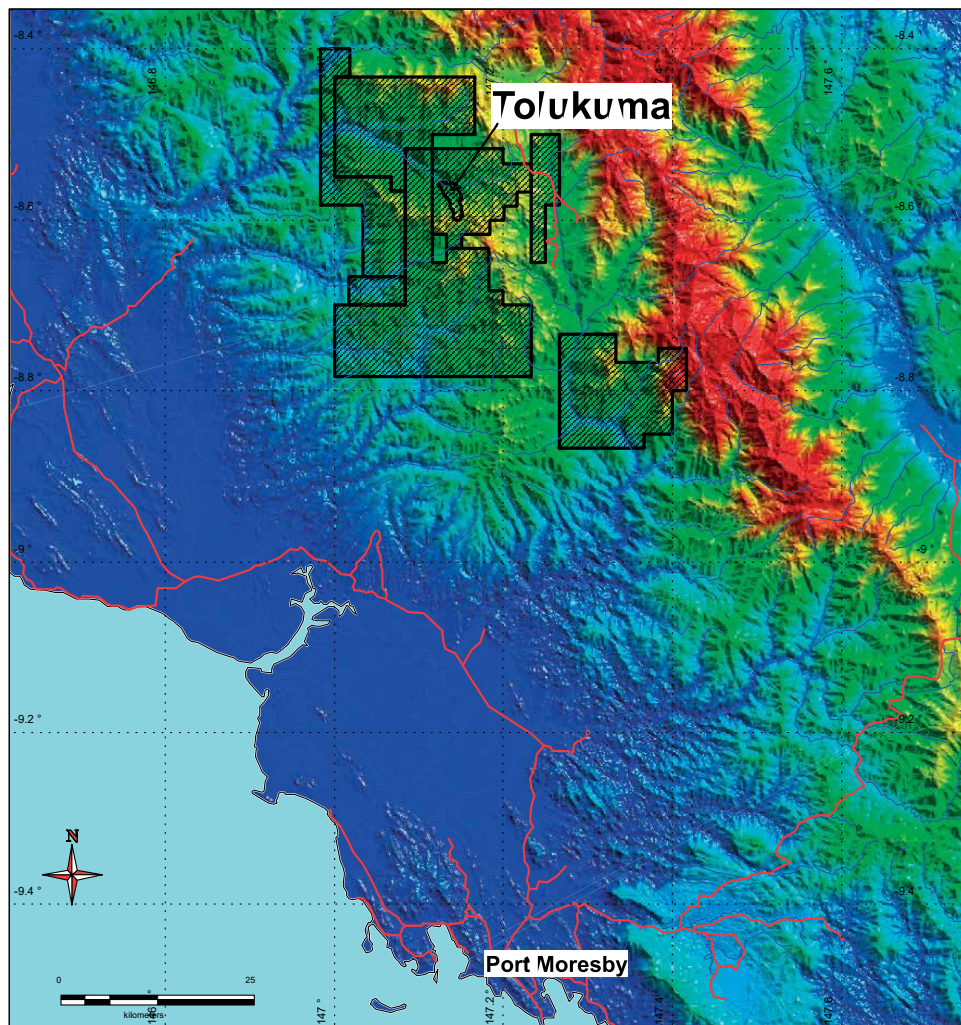
Access to the mine site is currently limited to air transport. All personnel are transferred by helicopter to and from either Port Moresby or Veimauri. All cargo and supplies are transported by helicopter to and from a storage and handling site at Veimauri, which is located approximately 70 km north-northwest of Port Moresby by road.

The nearest airstrip that can accommodate small fixed winged aircraft is at Fane, which is about 5 km west of the mine site and a second, longer airstrip that can accommodate larger aircraft is located at Waitape, some 22 km from the mine site. There is no road linking Tolukuma with the Hiritano highway to Port Moresby, although a 36 km pilot road excavation following old horse tracks from the mine site to Fane and Popole / Mafulu village was completed by previous TGM owner, Asidokona Mining Pte Ltd (Asidokona) in 2016.

Tolukuma Project is located in the Goilala District of the Waitape Local Level Government (Waitape LLG) in the Central Provincial government administrative region.

As discussed in Section 4.18.1 of this report, The Government of PNG has committed to an upgrade of the Hiritano Highway and the Issuers have set aside capital for the completion of the mine service road connecting from TGM to the Hiritano Highway at Bakoiudu. This will have a significant impact on project logistics and both capital and operating cost as it reduces the historical reliance on helicopter transport.

Figure 2.1 Regional location map of the Tolukuma Project with topography



Source: AMC, Projection Lat/Log AGD66. As at 17/07/23

The coverage area of the Tolukuma lease ML 104 is approximately 7.71 km².

Mining commenced in 1995 and continued through a combination of mostly underground mining (about 90%) and open cut mining. The TGM mineralised system is a structurally complex series of structurally controlled, high grade, steeply dipping, narrow epithermal veins and associated splays within a 500 m corridor trending roughly north to south. There is considerable exploration potential for extensions to depth and along strike within this corridor, but also outside the corridor in the vicinity. There is also potential for new discoveries in the district as will be discussed.

Mining was suspended and the site has been on care and maintenance since 2015.

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2.1.2 Tenure

Information on Tenure is based on the opinion provided by O’Briens Lawyers, PNG in a letter dated 3 August 2023.

Note that Tolu Minerals Ltd (TML), the Issuer was previously known as Lole Mining Ltd. Some tenure is still registered to Lole Mining Ltd but is in the process of being changed.

Tolukuma Gold Mines (Pty) Ltd, the company that previously owned the Tenements was liquidated in 2018 and remained under the custody of the liquidator until an Sale of Assets Agreement was executed between the Liquidator and a PNG registered company, Lole Mining Limited on 27 April 2021 followed by the transfer of the Tenements.

TML was incorporated in March 2020 as the special purpose vehicle in order to acquire Tolukuma Gold Mines (Pty) Ltd’s assets including the Tenements from the Liquidator and to secure the Mt. Penck exploration licence. The Issuer has completed the transfer of the Tenements to Tolukuma Gold Mines (Pty) Ltd, secured the ML 104 tenure extension for a period of ten (10) years up to 28 August 2032 and secured the Mt. Penck exploration project.

TGM was fully permitted for operation and the Issuer has secured agreement from PNG Government departments that all the permits will be updated when necessary and issued to Tolukuma Gold Mines (Pty) Ltd as the ML 104 holder.

In addition to ML 104, the Issuer also holds six granted exploration licences EL 2385, EL 2535, EL 2536, EL 2538, EL 2539, EL 2723 plus ELA 2780 as shown in Figure 2.2, Figure 2.3 and Table 2.1. TML also will obtain EL 2531 and exploration licence application ELA 2570 post IPO (see 2.1.2.2)

Figure 2.2 TML Tolukuma area licences

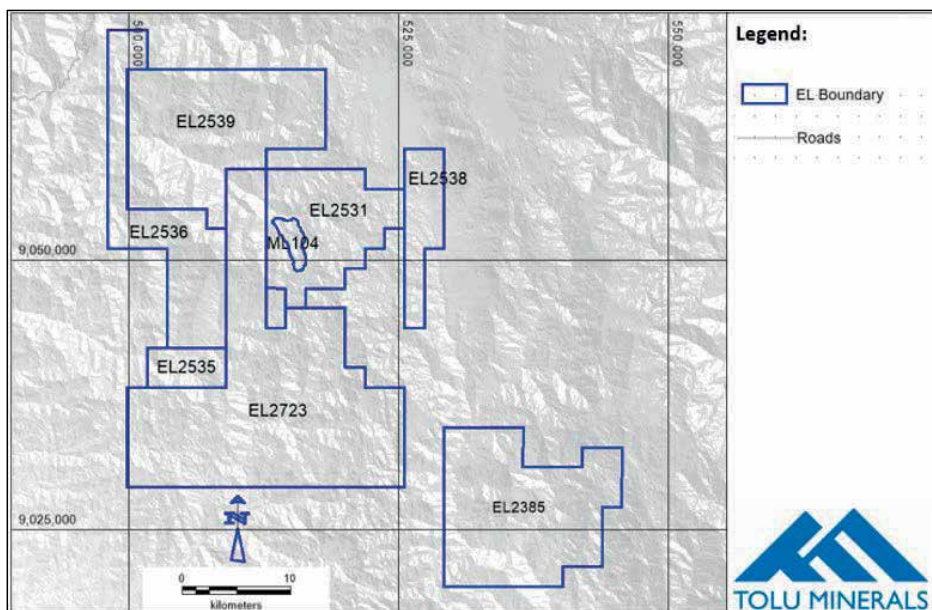
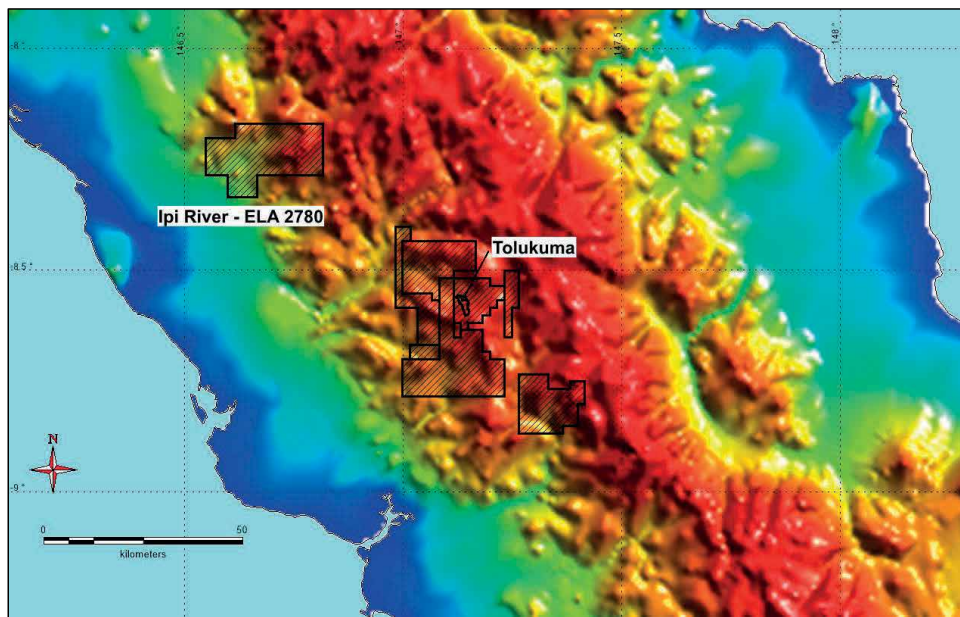


Figure 2.3 Ipi River exploration licence application area in relation to Tolukuma



Source: AMC. Projection: Lat Long (AGD66). As at 17/07/23.

Table 2.1 TML tenement details

Tenement No.	Province	Owner	Status	Application Date	Grant Date	Expiry Date	Area	
							Sub Blocks	Km ²
ML 104	Central	TML	Active		01/09/21	28/08/32		7.71
EL 2385	Central	TML	Active ¹	02/06/15	26/05/16	25/05/22	58	197
EL 2531	Central	Frontier	Active ²	04/05/17	25/02/19	24/02/23	32.73	118
EL 2535	Central	TML	Active	30/05/17	24/01/22	25/01/24	8	255
EL 2536	Central	TML	Active	30/05/17	24/01/22	25/01/24	37	126
EL 2538	Central	TML	Active	13/06/17	24/01/22	25/01/24	14	101
EL 2539	Central	TML	Active	13/06/17	24/01/22	25/01/24	58	197
EL 2723	Central	TML	Active	09/08/21	08/11/22	07/11/24	108	368
ELA 2780	Central	TML	Application ³	10/02/23	-	-	116	423

¹ EL 2385 expired on 25 May 2022 but is subject to statutory holding over pursuant to an undecided two year extension renewal application. The tenement remains in force until determinations are made.

² EL 2531 expired on 24 February 2023 but is subject to statutory holding over pursuant to a renewal application. The tenement remains in force until determinations are made.

³ ELA 2780 (Ipi River) is an exploration licence application that is pending.

2.1.2.1 Mine lease ML 104 conditions

ML 104 was renewed on 1 September 2021 for a period of 10 years to 28 August 2032. The conditions of the lease renewal are summarised below:

- The lessee must comply with the TGM proposals for Tenure Transfer to TML dated 30 June 2021

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- A registered compensation agreement dated 16 November 1993 continues in full force and effect for the term of ML 104.
- The mine must comply with the Mining Safety Act.
- The Lessee must comply with all relevant legislation.
- Develop a detailed rehabilitation and Mine Closure Plan at least 5 years prior to the planned closure of the mine or the expiration of the Mine lease or any extended Mining Lease, whichever occurs first.
- Any public statement in relation to the Mining Lease and TGM must also disclose any relevant conditions that form part of the extension of the Mining Lease.

2.1.2.2 Exploration licence EL 2531

The Issuer has entered into a share sale agreement with Lanthanein Resources Ltd for the purchase of Frontier Copper (PNG) Ltd, which holds exploration licence EL 2531, and exploration licence application ELA 2529.

The agreement is subject to the successful completion of the Offer.

Under the agreement the Company is required to pay on closing:

- AUD 500,000 in cash.
- at its election AUD 1,500,000 either by cash or the issue of Shares to be issued at the Offer Price.

The Issuer has elected to issue Shares and will issue on completion to Lanthanein Resources Ltd 3,000,000 Shares.

2.1.3 Expenditure commitments

The Tolukuma tenement package has current annual rents of PGK 29,219 and minimum expenditures of PGK 3,200,000 as listed in Table 2.2.

Table 2.2 Tolukuma exploration licence rent and minimum expenditure commitment

Exploration License	Province	Rent (PGK)	Minimum Expenditure (PGK)	Due Date
EL 2385	Central	5,220	200,000	26/05/2024
EL 2531	Central	3,749	1,600,000	25/02/2024
EL 2535	Central	720	300,000	24/01/2024
EL 2536	Central	3,330	300,000	24/01/2024
EL 2538	Central	1,260	300,000	24/01/2024
EL 2539	Central	5,220	300,000	24/01/2024
EL 2723	Central	9,720	200,000	07/11/2023

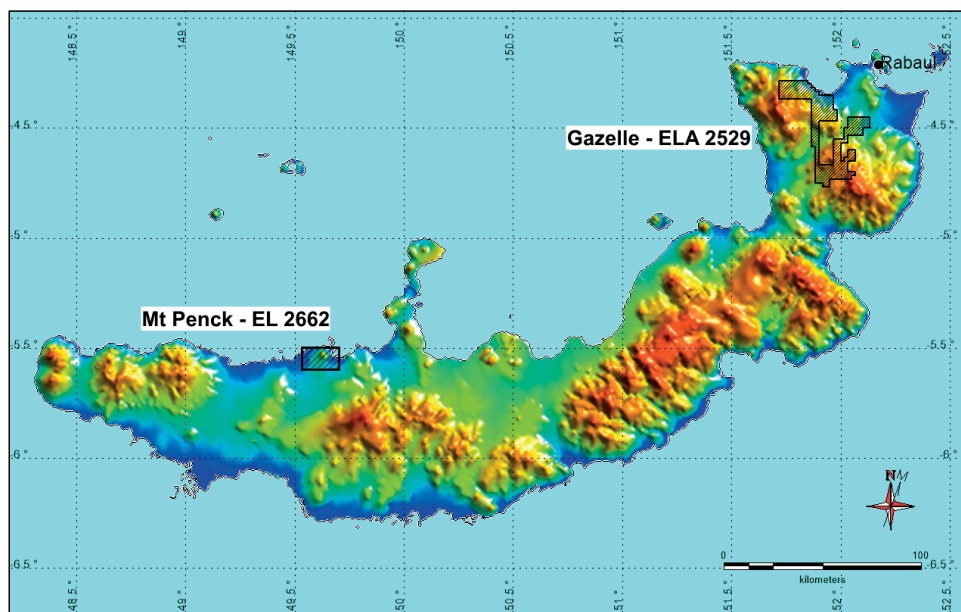
2.2 New Britain - Mt Penck and Gazelle

2.2.1 Property location

The Mt Penck property comprises a single Exploration Licence, EL 2662, located about 55 km west of the township of Kimbe in West New Britain Province, Papua New Guinea (PNG). The licence is located on the Cape Raoult-Arawe (SB 55-8 & SB 55-12) 1:250,000 and Namo (8886) 1:100,000 map sheets, centred at about 5° 32' 30" S latitude and 149° 37' 00" E longitude (Figure 2.4). Rabaul, the provincial capital of East New Britain Province, lies 300 km to the east, northeast of the property. The coordinate datum system used is AGD66, UTM Zone 55.

An exploration licence application ELA 2529 has been lodged by Frontier Copper (PNG) Limited for the Gazelle property.

Figure 2.4 Mt Penck and Gazelle tenement location map on New Britain island



Source: AMC. Projection: Lat Long AGD66. As at 17/07/23

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2.2.2 Tenure

The gold prospective Mt Penck exploration licence, EL 2662, covers 60 sub-blocks, an area of 204 km² in west New Britain Province, PNG, about 90 km west of Hoskins as shown in Figure 2.4.

An application for an exploration licence has been lodged by Frontier Copper (PNG) Limited for ELA 2529 (Gazelle) on the eastern end of New Britain (Figure 2.4). Tenement details are summarized in Table 2.3.

Table 2.3 Mt Penck tenement details

Tenement No.	Province	Owner	Status	Application Date	Grant Date	Expiry Date	Area	
							Sub blocks	Area km ²
EL 2662	West New Britain	TML	Active	03/04/2020	26/10/2021	25/10/2023	60	204
ELA 2529	East New Britain	Frontier	Application	02/05/2017	-	-	210	719

2.2.3 Expenditure commitments

Expenditure commitments for Mt Penck are as listed in Table 2.4.

Table 2.4 Mt Penck exploration licence minimum expenditure commitments

Exploration Licence	Province	Rent	Minimum Expenditure (PNG K)	Due Date
EL 2662	West New Britain	5,400	100,000	26/10/2023

3 History

3.1 Tolukuma

The potential for gold in the Tolukuma area was first discovered in 1986 by Newmont Proprietary Limited (Newmont). The exploration then passed through a number of companies before being developed as an operating gold mine by Tolukuma Gold Mines Pty Ltd in 1995 to exploit high grade, epithermal veins within a large structural zone. The mine operated effectively until about 2011, before a significant production drop-off due to costs of helicopter borne logistics impacting profit margins and ability to fund exploration. The mine was put into care and maintenance in 2015.

The Tolukuma structures are open ended at depth and many along strike with future resource potential. It also affords the opportunity for discovery of new veins within the primary structure and in parallel structures adjacent to the mining licence and in the exploration licences controlled by TML in the Tolukuma area.

3.1.1 Prior Ownership and Ownership Changes

The ownership history of the property and major milestones are summarised in Table 3.1.

Table 3.1 Ownership history and major milestones

Year	Event
1985	PA 580 granted to Newmont Pty Ltd
1986	Tolukuma deposit discovered by Newmont Proprietary Limited (Newmont)
1987	Initial drill testing
1993	Tolukuma project sold to Dome Resources Limited of Canada
1994	ML 104 granted to Clayfield Pty Ltd (100% owned by Dome Resources Limited)
1995	Clayfield Pty Ltd changed name to Tolukuma Gold Mines Pty Ltd
1995	First gold poured from open pit production.
1997	Underground production commenced
2000	Tolukuma Gold Mines Pty Ltd sold to DRD Gold Limited of South Africa.
2002	Renewal of ML 104
2006	Tolukuma Gold Mines Pty Ltd sold to Emperor Mines Limited of Fiji.
2008	Tolukuma Gold Mines Pty Ltd sold by Emperor to Petromin (PNG) Holdings Ltd
2012	Renewal of ML 104
2015	Mine put into care and maintenance
2015	Tolukuma Gold Mines Pty Ltd sold to Asidokona
2018	Tolukuma Gold Mines Pty Ltd put into liquidation by court order
2021	Tolukuma Gold Mines Pty Ltd acquired from liquidator by and ML 105 approved
2021-2023	Exploration licences approved

Early regional exploration was undertaken in the Fane-Woitape area during the 1960s and 1970s. Initial exploration of the property was carried out under Prospecting Authority (PA 580) which was granted to Newmont Propriety Limited on 7 March 1985. The Tolukuma vein system itself was not discovered by Newmont until 1986 by means of following up on anomalous bulk leach extractable gold (BLEG) values and rock chip gold assays in Ilive Creek. Initial drilling occurred over the site in 1987.

Newmont subsequently sold the property to Dome Resources Limited of Canada in late 1993. From 1993 Dome Resources Limited progressed further drilling, completed a feasibility study and commenced construction of the mine in 1994.

A Mining Lease (ML) 104, was granted to Clayfield Pty Limited (100% owned by Dome Resources Limited (Dome)) on 29 August 1994. On 23 June 1995, Clayfield Pty Limited changed its name

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to Tolukuma Gold Mines Pty Ltd. The mining lease has been renewed several times since then. In December 1995 the first gold was produced at TGM under the ownership of Dome.

In 2000, Dome sold its interest to DRD Gold Limited of South Africa (DRD).

DRD operated the project for several years before selling Tolukuma Gold Mines Pty Ltd to Emperor Mines Limited of Fiji, as part of DRD restructuring in 2006.

Petromin (PNG) Holdings Ltd (Petromin) purchased Tolukuma Gold Mines Pty Ltd from Emperor Mines Limited through a share sale agreement on 5 February 2008. Petromin operated the mine until 2015, although production started declining from 2011. Petromin put the operation into care and maintenance on 15 April 2015 and sold Tolukuma Gold Mines Pty Ltd to Asidokona Mining Resources Pte Ltd (Asidokona) in October 2015. There has been no subsequent underground development or stoping activity at the mine.

Tolukuma Gold Mines Pty Ltd was put into liquidation on 7 February 2018 by court order due to insufficient funding by then owners Asidokona. The liquidator was Pini Accountants and Advisors, represented by Mr Andrew Pini.

3.1.2 Summary of historical exploration, development and production

The following provides a summary of the exploration, development and production history of the property.

Initial drill testing was carried out by Newmont in 1987. The deposit size, however, was not sufficient to make the operation commercially viable for a company of Newmont’s scale and in late 1993 the mine was acquired by Dome Resources Limited.

Dome carried out further drilling and moved into feasibility and development in 1994 with production commencing from open pit mining of the Tolukuma and Gulbadi veins in 1995. Underground mining commenced in 1997 via several adits to access these veins below the open pits. Since 1997 TGM has operated mostly as an underground mine with small open pits to source oxide ore for blending purposes.

A brief operating history of the TGM operations is outlined as follows:

- The Mining Lease (ML 104) was awarded on 29 August 1994.
- Open cut mining commenced in 1995 and in December 1995, first gold was produced. At the time mining was exclusively open cut.
- The hydroelectric power station was commissioned in December 1997.
- Decline development and underground mining using mechanised cut and fill shrinkage methods commenced in 1997.
- DRD acquired the mine from Dome in 2000.
- The gravity gold circuit was commissioned by DRD in 2000.
- The plant contains a semi-autogenous (SAG) mill that in 2006 was designed to treat 18,000 tonnes per month (tpm) (DRDGold, 2006).
- In 2006 DRD sold its interest to Emperor Mines Limited, who operated TGM until 2008.
- Petromin purchased Tolukuma Gold Mines Pty Ltd from Emperor Mines Limited on 5 February 2008.
- Production started declining from 2011.
- On 15th April 2015, Petromin placed the mine on care and maintenance after several years of declining production.
- Asidokona took ownership of Tolukuma Gold Mines Pty Ltd in October 2015 but did not restart mining operations. The only work conducted was dewatering underground drives to get access to work headings and stoping areas. Other rehabilitation work included

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refurbishment of the mill carbon-in-leach (CIL) tanks and waste tails neutralisation circuit, gold furnace room and Knelson plant.

- Asidokona also undertook some infrastructure work most notably road upgrades including constructing a pilot road access from TGM to reach the Hiritano Highway from Port Moresby. Although some 36 km of road grading was undertaken, the access road was not completed.
- On 7 February 2018, Tolukuma Gold Mines Pty Ltd. was put into liquidation by Court order.

A summary of all drill significant drill collars for the Mineral Resource estimate and significant intercepts from those drillholes is included in Appendix A and Appendix B.

TGM's annual production was maintained at an average of around 50 Koz Au and 146 Koz Ag until 2011 (Table 3.2).

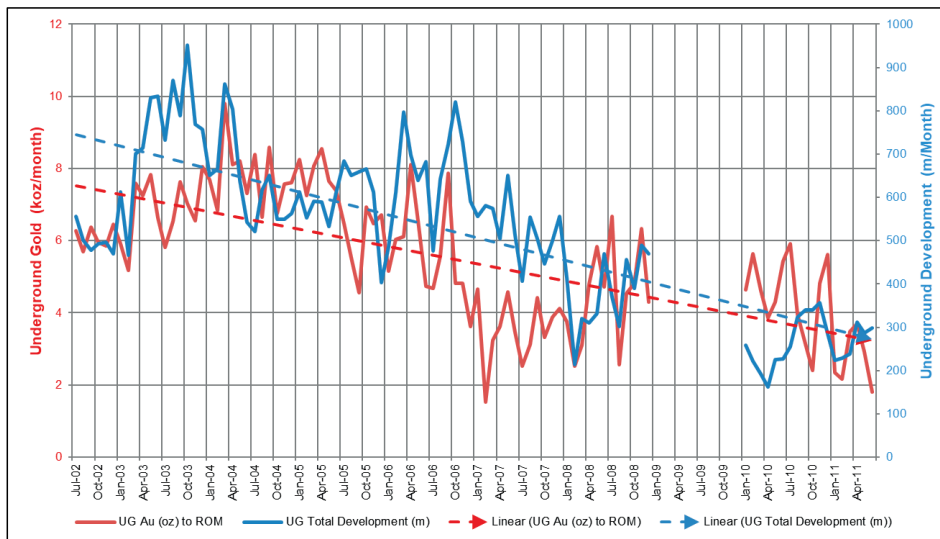
Table 3.2 TGM annual gold and silver metal production history 1996 to 2015

Production Year Ending	Gold Metal		Silver Metal	
	Yearly (oz Au)	Cumulative (oz Au)	Yearly (oz Ag)	Cumulative (oz Ag)
Jun-96	28,275	28,275	43,326	43,326
Jun-97	54,970	83,245	153,239	196,565
Jun-98	72,375	155,620	293,422	489,987
Jun-99	73,448	229,068	299,121	789,108
Jun-00	17,811	246,879	160,079	949,187
Jun-01	63,593	310,472	181,967	1,131,154
Jun-02	71,955	382,427	141,899	1,273,053
Jun-03	68,096	450,523	157,844	1,430,897
Jun-04	85,715	536,238	148,007	1,578,904
Jun-05	76,314	612,552	72,150	1,651,054
Jun-06	54,790	667,342	109,580	1,760,634
Jun-07	44,181	711,523	88,362	1,848,996
Jun-08	43,000	754,523	125,827	1,974,823
Jun-09	25,000	779,523	136,666	2,111,489
Jun-10	24,000	803,523	76,911	2,188,400
Jun-11	24,000	827,523	62,662	2,251,062
Jun-12	21,414	848,937	47,345	2,298,407
2013	8,250	857,187	30,030	2,328,437
2014	14,402	871,589	29,937	2,358,374
2015	2,986	874,575	6,623	2,364,997

Source: S&P Global database to 2012, and from Petromin annual reports (where gaps exist in public reporting). Numbers are estimated for silver in 2006 and 2007.

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Figure 3.1 Tolukuma mine production tonnes and grade by month (AMC, 2011a)



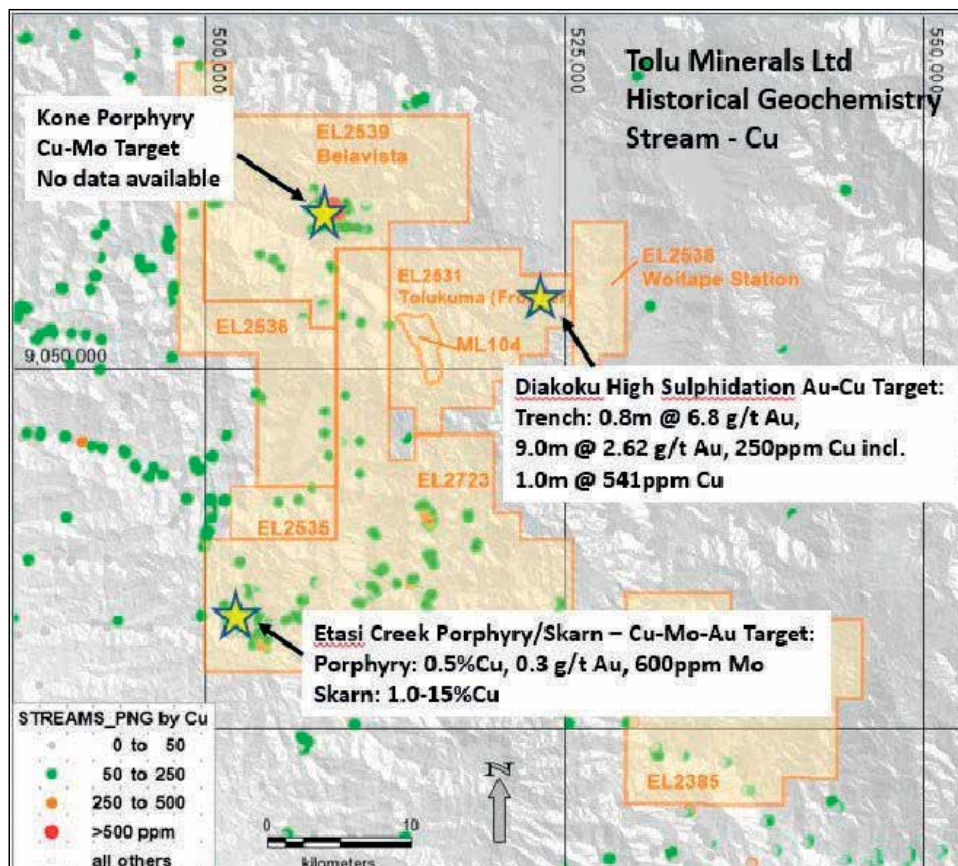
3.2 Tolukuma regional

3.2.1 EL 2531

EL 2531 surrounds the Tolukuma mining lease. Exploration has included:

Late 1960s to 1992: Early exploration of the licence area included regional scale steam sediment and rock chip sampling surveys by Kennecott in the late 1960's (PA 29) and CRA Exploration in the 1970's (PA 217), targeting porphyry-style copper mineralization (Figure 3.2), and Newmont Proprietary Limited (PA 589) between 1985 and 1992 targeting gold mineralization.

Figure 3.2 Historical stream sediment sampling (copper) highlights



Source: TML

Newmont's work led to the discovery of the Tolukuma vein system in ML 104 and the nearby Saki, Kimono, Taula and Soju-Yava vein systems in EL 2531. Newmont also discovered the Duma-Dilava and Diakoku prospects which have had little follow up work.

1992-2014: Between 1992 and 2014 TGM / Dome / DRD / Petromin completed re-interpretation of historical regional geochemistry combined with airborne geophysics to define follow up targets, and continued exploration of the area surrounding ML 104 including the ground now held under EL 2531. Additional field work was carried out at the known Saki, Kimono, Taula

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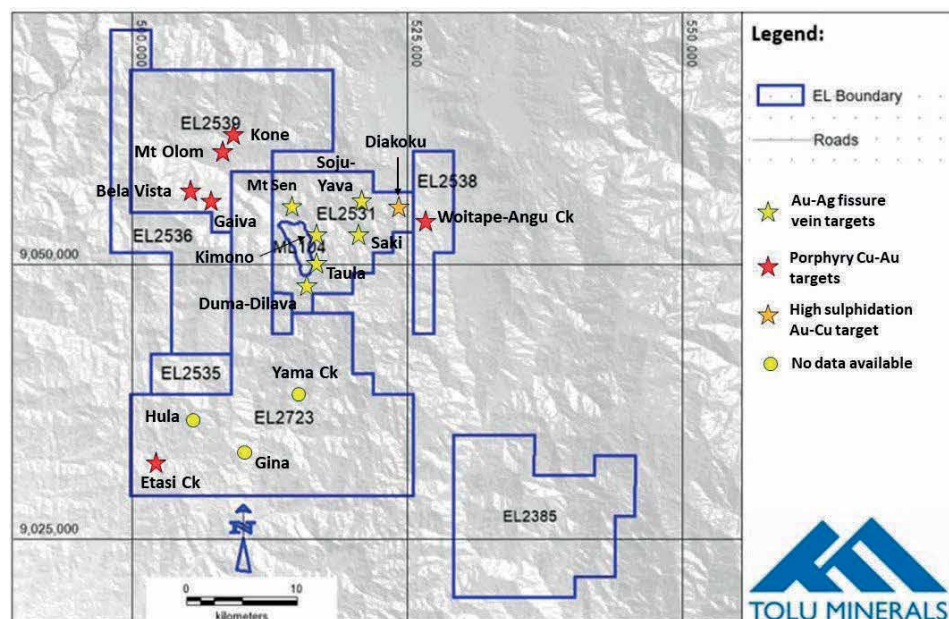
and Soju-Yava vein systems and new targets were discovered at Mt Sen and Evese. A total of nine targets are now known in EL 2531 as shown in Figure 3.3.

Historical diamond core drilling, totalling about 8,471 m in 78 drillholes, was undertaken by Newmont and / or TGM at the five main targets: Saki, Taula, Kimono, Mt Sen and Soju-Yava. Table 3.3 summarises the historical drilling that was carried out.

Table 3.3 Historical drilling completed in EL 2531

Target	Historical Drilling
Saki	48 DD drillholes in three phases totalling 4,610 m; maximum depth 237 m; only 8 drillholes >150 m.
Taula	13 DD drillholes at Seriseri (Taula Vein) totalling 1,316 m; maximum depth 90.4 m; 5 DD drillholes at Sisimonda totalling 464 m.
Kimono	2 DD drillholes totalling 670 m(approximate); maximum depth 350 m (approximate); no drill logs available; no assays; drillholes missed targets; Kimono Vein is totally untested.
Mt Sen	3 DD drillholes totalling 367 m; maximum depth 140.8 m.
Soju-Yava	7 DD drillholes totalling 1,044 m; maximum depth 240.1 m.

Figure 3.3 Location of exploration prospects in Tolukuma region



Source: TML

2017-2022: Frontier Resources Ltd was granted EL 2531 in February 2019. Frontier exploration completed at the nine known targets is summarised in Section 4.5. In 2022, Frontier reported a Mineral Resource reported in accordance with the JORC Code (2012) (Frontier, 2022a) at Saki. An Inferred Mineral Resource of 2.0 Mt at 2.0 g/t Au for 128 Oz Au was reported.

3.2.2 Other regional tenements surrounding Tolukuma

Numerous targets outside ML 104 with gold and/or copper potential were discovered and explored to a greater or lesser degree by various companies including Kennecott, Triako, CRAE, BHP, Newmont, Tolukuma Gold Mine Pty Ltd and Petromin since the late 1960s.

3.3 Mt Penck

3.3.1 Summary

The Mt Penck property has an extensive history of exploration carried out in stages by several companies between 1968 and 2011, as summarised in Table 3.4. The programs generated a large database of historical information. A total of 115 historical drillholes, comprising 82 DD drillholes totalling 11,038.6 m and 33 RC drillholes totalling 1,140 m, has been completed to date. Systematic modern exploration of the property and its surrounds commenced in 1968. Between 1968 and 1997 work programs were completed by Placer, BHP Havana, Nord Resources Corporation (Nord), BHP-UTAH Minerals International (BHP) and Indo Pacific Mining (PNG) Pty Ltd (Indo Pacific). From 2003 to 2015 work was conducted by Kanon Resources Limited (Kanon).

Table 3.4 Mt Penck - Summary of historical ownership and exploration activities

Period	Company	Tenement	Activity Summary
1968-70	Placer / BHP Havana	?	Regional exploration of surrounding area for porphyry-style copper mineralization.
1981	Nord Resources	?	Helicopter supported stream sediment sampling targeting gold and base metal mineralization.
1985-90	BHP	PA 617 Silavuti	Stream sediment sampling; geological mapping; rock chip sampling; ridge and spur soil sampling; 600-line km airborne magnetic/radiometric survey; bulldozer costeaning; first drill testing (aircore (RAC) drilling; 33 drillholes, 1,140.5m).
1994-97	Indo Pacific	EL 1088 Silavuti	Geological mapping; bulldozer costeaning; hand trenching; first DD drill testing (7 drillholes, 1,098.5m)
2003-15 (No work after 2011)	Kanon Resources	EL 1322 Mt Penck	Geological mapping; rock chip sampling; stream sediment sampling; grid auger soil sampling; hand trenching; bulldozer costeaning; 3D-IP surveying; DD drilling (75 drillholes, 9,940.1m).

BHP completed initial aircore drill testing in 1989 (33 drillholes) and Indo Pacific undertook the first diamond drill testing in 1996 (7 drillholes).

Most of the historical exploration on the property was carried out by Kanon between 2003 and 2011. Kanon completed four phases of DD drilling (75 drillholes). A fifth phase of drilling was planned for 2013 but was aborted due to lack of funding and the tenement was eventually relinquished in 2015. To the best of the Author's knowledge, no work has been carried out on the property since 2011.

The historical work has identified several individual exploration targets/prospects within the overall Mt Penck hydrothermal system. The naming of these prospects in historical reports is somewhat confusing. Prospect names that have been used include Kavola, Kavola Central, Kavola East, Kavola South, Kavola North, Kavola Zone, Koibua, Koibua North, Koibua South, Peni Creek, Peni Creek South, Big Bend and Angahai.

For clarity there are five main prospective zones, Kavola East, Kavola, Koibua, Peni Creek and Peni Creek South as shown in Figure 3.4 which includes locations of the prospects, trenches, and drill holes. Big Bend and Angahai prospects are located between Peni Creek and Koibua. This report focusses on the Kavola prospects where the majority of historical exploration work has been focussed.

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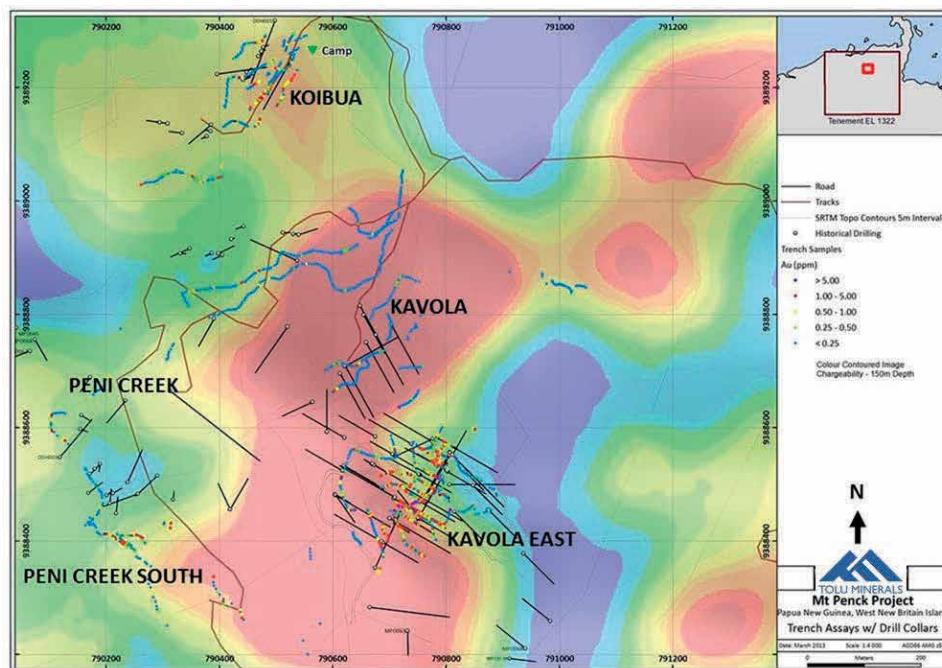
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The following sources of data were used in the preparation of this report:

- Copies of publicly available open file historical annual reports submitted to the PNG Mineral Resources Authority (MRA) by Kanon for the years 2004 to 2008 and 2011 to 2013 (in several instances figures and appendices are missing from the digital copies available).
- Historical drill logs for 72 of the 82 DD drillholes.
- Some historical assay sheets.
- Previously compiled independent technical reports prepared on the property.
- Unpublished technical data and maps and internal company reports acquired from companies that have previously explored the property.
- Personal knowledge of the property gained from several field visits during the period 2006-2007.

Figure 3.4 Mt Penck main IP chargeability prospects plan



Source: Amended from image prepared by Cairn, 2013.

The database available for this review is not complete. Some historical annual reports, and much original data such as early drill logs, most assay sheets, most drill sections, sample description sheets and most field maps were not available for review. AMC has relied on Kanon annual reports for descriptions of pre-Kanon historical work, on descriptions and summaries compiled in previous independent technical reports prepared on the property by consultants Peter Swiridiuk and Ralph Stagg (Swiridiuk, 2004; Swiridiuk, 2009; Stagg, 2006; Stagg and Swiridiuk, 2008;) and on the writer’s personal knowledge of the Property. Other internal unpublished reviews by consultants Exploration Alliance (2010) and Nadia Cairn (Cairn, 2013) were also helpful. Information or quotes from historical independent reports are referenced where appropriate.

3.3.2 1968 to 1997

3.3.2.1 Placer and BHP Havana – 1968-70

Placer Exploration (in 1968) and BHP Havana (in 1970) explored the area surrounding Mt Penck targeting porphyry-style copper mineralization hosted by Oligocene-age intrusive rocks. The younger Pliocene-age volcanics, which host the gold mineralization at Mt Penck, were not investigated.

3.3.2.2 Nord - 1981

Nord held part of the Mt Penck license area in 1981 and conducted helicopter supported stream sediment sampling targeting gold and base metal mineralization. Nord assayed their samples for Au, Ag, As, Cu, Pb and Zn but failed to identify any geochemical anomalies. However, they noted sulphide-bearing float in the Uteir River 20 km east of Mt Penck.

3.3.2.3 BHP – 1985-90

BHP explored the area in 1985-90 under PA 617 Silavuti. In 1985, an initial regional program of bulk leach extractable gold (BLEG) and minus 80 mesh drainage sampling was completed which located a 17 ppm Au pan concentrate result in Meto Creek, the first indication of gold mineralization at Mt Penck.

Subsequently, during 1986-87 geological mapping, rock chip sampling and ridge-spur soil sampling was conducted in the Meto and Kavola Creek areas (Wright and Irvine, 1989). Anomalous arsenic geochemistry (the highest value was 1280 ppm As) in soil at Meto Creek and a 49.4 g/t Au assay from a rock float sample in Kavola Creek led to follow up airborne geophysics, bulldozer costeaning and RAC drilling.

In July 1988, a 600-line kilometre airborne magnetic-radiometric survey was completed which outlined Kavola Prospect as a coincident magnetic low / potassium high anomaly. Other combined potassium high / magnetic low anomalies were defined peripheral to Kavola, some coinciding with anomalous gold in stream samples.

In 1989, BHP commenced initial drill testing with a program of shallow RAC targeting mineralised structures exposed by costeans at Koibua and Peni Creek. A total of 1,140.5 m was drilled in 33 drillholes (PA01-33) to an average depth of 34 m and a maximum depth of 74 m. Drill samples were assayed for gold and arsenic. Table 3.5, Table 3.6 and Table 3.7 summarise the drilling results, using a 0.1 g/t gold lower grade cut-off, for Peni Creek, Koibua and Koibua South, respectively.

The drilling intersected several zones of low tenor gold mineralization (1.0 g/t Au to 3.0 g/t Au) ranging from 3.0 m to 33 m wide from surface to drill depths of 33 m (Swiridiuk, 2009). The best intersections were:

- Peni Creek – 4 m at 2.41 g/t Au from 24 m (PA12)
- Peni Creek – 32 m at 0.98 g/t Au from 16 m (PA14)
- Koibua – 33 m at 2.41 g/t Au from surface (PA33)
- Koibua – 10 m at 2.91 g/t Au from 2 m (PA6)
- Koibua – 21.5 m at 1.43 g/t Au from surface (PA 7)

Table 3.5 Mt Penck BHP Peni Creek RC (aircore) drilling results

Drillhole Number	From (m)	To (m)	Interval (m)	Gold Grade (g/t Au)
PA 11	6	24	18	0.56
PA 12	16	20	4	1.03
	24	28	4	2.41
	30	36.5	6.5	0.51

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Drillhole Number	From (m)	To (m)	Interval (m)	Gold Grade (g/t Au)
PA 13	44	50	6	1.3
	52	58	6	0.78
PA 14	16	48	32	0.98
PA 15	4	28	24	0.65
PA 16	4	6	2	0.57
PA 17	0	4	4	0.72
	26	30	4	1.15
PA 18	8	16	8	1.4
PA 19	0	26	26	0.95
PA 22	22	26	4	1.84

Note: 0.1 g/t Au lower grade cut-off (From Swiridiuk, 2009)

Table 3.6 Mt Penck BHP Koibua RAC drilling results

Drillhole Number	From (m)	To (m)	Interval (m)	Gold Grade (g/t Au)
PA 6	2	12	10	2.19
	24	27	3	1.37
PA 7	0	21.5	21.5	1.43
PA 10	8	19.5	11.5	1.3
PA 33	0	33	33	2.41

Note: 0.1 g/t Au lower grade cut-off (From Swiridiuk, 2009)

Table 3.7 Mt Penck BHP Koibua South RAC drilling results

Drillhole Number	From (m)	To (m)	Interval (m)	Gold Grade (g/t Au)
PA 3	0	30	30	0.68
PA 4	2	8	6	0.49
PA 5	0	4	4	2.09
PA 30	0	8	8	0.59

Note: 0.1 g/t Au lower grade cut-off (From Swiridiuk, 2009)

The drilling results indicated that both the Peni Creek and Koibua mineralised zones are controlled by northwest trending structures in argillic altered volcanics at Peni Creek, and in altered hornblende porphyritic quartz andesite at Koibua. At Koibua a 10 m wide zone across the structure averaged 3.7 g/t Au (Swiridiuk, 2009). Three types of alteration were recognized: propylitic, transitional argillic, and argillic usually with >1% pyrite. The sulphide mineral assemblage included pyrite / sphalerite with subordinate chalcopyrite, zincian tennantite, and zincian argentite / tetrahedrite.

In 1990, BHP Gold Limited merged with Newmont Australia to form Newcrest Mining Limited, and PA 617 was subsequently relinquished.

3.3.2.4 Indo Pacific – 1994-97

Indo Pacific was granted EL 1088 (Silavuti) in 1994. They completed the following programs at Kavola East, Koibua and Peni Creek (Hall, 2004):

- detailed mapping and hand trenching (200 m of trenching)
- drainage and rock chip sampling
- bulldozer costeaning (2.2 km)
- a 7-drillhole (1,098.5 m) DD drilling program, the first diamond core testing of the property; drill depths ranged from 101.8 m to 287.0 m downhole.

Three prospects with gold potential were confirmed Kavola East, Koibua and Peni Creek.

Figure 3.5 shows the location of Indo Pacific's trench sampling, with gold-in trench values greater than 0.5 g/t Au, and the diamond drill hole locations. Table 3.8 provides a summary of the trenching results at Kavola East and Table 3.9 provides selected highlights from the diamond drilling.

Indo Pacific's work confirmed the presence of broad zones of near-surface gold mineralization up to 30 m wide at the Koibua and Peni Creek prospects, with average grades of 1.59 g/t Au to vertical depths of 130 m (Hall, 2004).

Indo Pacific noted that the mineralisation dominantly occurs in zones of strong argillic alteration and silicified hydrothermal crackle breccias, associated with weak stockwork of fine dark sulphide veinlets, hosted mainly by quartz andesite and hornblende andesite.

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Figure 3.5 Location of Indo Pacific’s bulldozer trenches with gold assay highlights and location of initial DD drillholes (DDH001-DDH007).

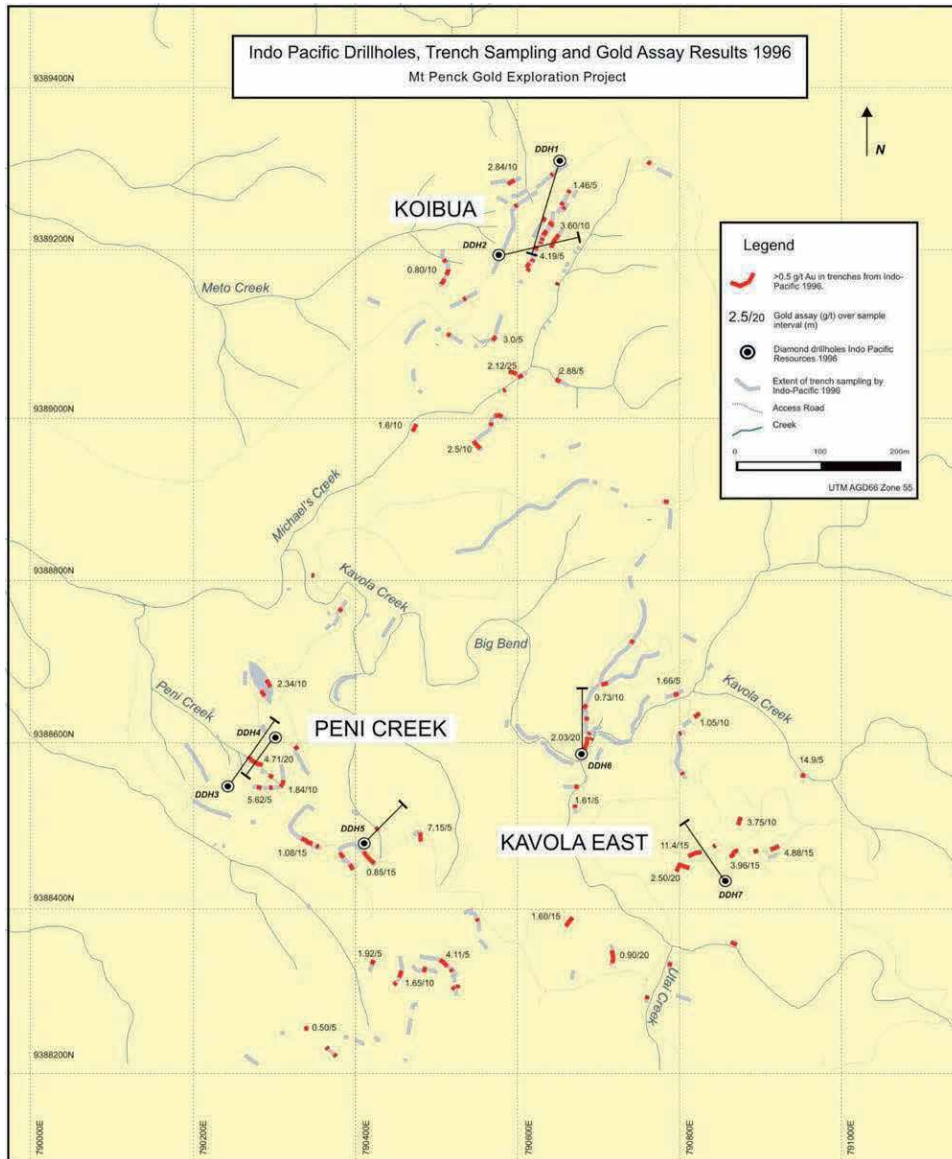


Table 3.8 Indo Pacific Trenching Selected Results at Kavola East Prospect

Trench Number	Trench Length (m)	Interval Gold Results
1	60	5 m @ 1.26 g/t Au
2	60	5 m @ 0.94 g/t Au

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Trench Number	Trench Length (m)	Interval Gold Results
3	55	45 m @ 1.06 g/t Au, incl. 5m @ 6.51 g/t Au 5 m @ 1.16 g/t Au
4	160	40 m @ 8.89 g/t Au, incl. 5 m @ 61.0 g/t Au
5		10 m @ 3.73 g/t Au
6		5 m @ 4.99 g/t Au 5 m @ 2.72 g/t Au
7	15	15 m @ 4.6 g/t Au
8	130	5 m @ 1.45 g/t Au
9	15	15 m @ 2.55 g/t Au
10	15	15 m @ 11.73 g/t Au
11	20	20 m @ 2.49 g/t Au
12	5	5 m @ 1.28 g/t Au
13	15	15 m @ 0.89 g/t Au, incl. 5 m @ 1.48 g/t Au
14	2	2 m @ 1.06 g/t Au

(From Lindley, 2005 in Bucher, 2008; cut-off not reported)

Table 3.9 Indo Pacific diamond drilling selected results

Drillhole Number	From (m)	To (m)	Interval (m)	Gold Grade (g/t Au)
DDH 001 (184 m)	145	173	28	1.59
DDH 002 (136.8 m)	46	113	67	1.68
	incl. 76.3	81.3	5	2.85
	incl. 90.6	103.6	13	3.13
DDH 003 (153.1 m)	145	173	28	1.59
	incl. 145	155	10	2.54
DDH 004 (101.8 m)	58	60	2	0.10
DDH 005 (106.8 m)	1	6	5	0.50
	34	36	2	0.99
	84	90	6	1.01
DDH 006 (287 m)	0	287	287	0.05
	incl. 50	52	2	1.14
DDH 007 (128 m)	0	128	128	0.63
	incl. 0	2	2	4.76
	incl. 18	38	20	2.08
	incl. 28	34	6	6.08
	incl. 29	30	1	23.2
	incl. 66	120	54	0.43
	incl. 67	68	2	0.83
	incl. 85	88	3	1.92
	incl. 112	115	3	1.47
	incl. 114	115	1	2.85
incl. 119	120	1	1.93	

(From Swiridiuk, 2009).

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3.3.3 2003 to 2011

3.3.3.1 Summary

Kanon, a PNG-incorporated private company originally owned by Macmin (PNG) Limited, was granted EL 1322, Mt Penck, on 1 May 2003. In 2004, TSX-listed companies New Guinea Gold Limited (NGG) and Vangold Resources Limited (Vangold) became 50% equal joint owners of Kanon. Until 2009, subsequent exploration was jointly funded by both companies with NGG as operator. In 2009, Vangold acquired NGG’s equity and became a 100% owner of the property. On 25 February 2010, Kanon changed its name to Vangold (PNG) Limited, a subsidiary of Vangold Resources Limited.

Between 2003 and 2011 Kanon completed a series of work programs, as summarised in Table 3.10, which included:

- mapping and prospecting,
- rock chip and chip-channel sampling,
- grid-based auger soil sampling (two phases) and spectral analysis of soils,
- hand and bulldozer trenching, several phases,
- three-dimensional (3D) IP surveying, and
- diamond drilling (total of 75 drillholes in four phases).

All reported Kanon drill results are drill intervals not true widths.

Table 3.10 Summary of Kanon Exploration Programs – 2003-2011

Period	Work Completed
2003-05	Mapping & rock chip sampling at Kavola and Kavola East. Hand trenching - 10 trenches (596 m) at Kavola; 12 trenches at Kavola East; 4 old trenches at Koibua and 3 old trenches at Kavola East resampled. Grid auger soil sampling over the main prospects; spectral analysis of soil samples. Phase 1 diamond drilling at Kavola East; (7 drillholes; MPD001-007, 998.7 m); combined with program of bulldozer costeaning totalling 1037.8 m.
2006	Phase 2 diamond drilling program (31 drillholes, 3,640.8 m, MPD008-038); 29 drillholes (MPD008-035 & MPD038) at Kavola East Prospect; 2 drillholes (MPD036, MPD037) SW of Kavola / Kavola East creek junction.
2007-08	Regional mapping, prospecting & rock chip sampling; detailed mapping & rock chip sampling at Peni Creek, Big Bend & Angahiai prospects; re-sampling of old bulldozer trenches at Kavola East; hand trenching at Kavola East & Peni Creek; re-survey of all drill collars; field checking airborne geophysical anomalies.
2009-10	Phase 3 diamond drilling program (34 drillholes, 4,111.6 m).
2010	3D-IP survey (200 m spaced E-W lines, 9.7 km ² ; soil sampling of IP grid (1,258 samples).
2010-11	Phase 4 DD drilling program (3 drillholes, 1,189 m, maximum depth 402 m); chip-channel sampling of access roads and tracks, 5 m – 30 m composite samples, 1,268 samples.

3.3.3.2 Initial Trenching and Soil Sampling Programs – 2003 to 2006

During the period 2003 to 2006 Kanon completed the following surface exploration programs: hand trenching at Kavola, Kavola East and Koibua; bulldozer costeaning mainly at Kavola; and grid-based soil sampling. Creek mapping and re-interpretation of the historical 1985 BHP airborne geophysical data was also undertaken.

Hall (2004) also reported that four by 40 kg samples were collected from the Koibua, Kavola and Kavola East zones for metallurgical testing but no record can be found of metallurgical test results in the database available to the writer.

Trenching

A total of 29 hand-dug trenches were completed at Kavola, Kavola East and Koibua. The trenches were sampled at 1.0 m intervals in zones of silicification and / or limonite-hematite veining, at 2.0 m to 3.0 m intervals in zones of argillic-phyllitic alteration and at 5.0 m intervals in zones of propylitic alteration. Figure 3.6 shows the location of the hand trenches at Kavola East with gold assay highlights and Table 3.11 provides a summary of the assay results with a 0.5 g/t Au lower grade cut-off.

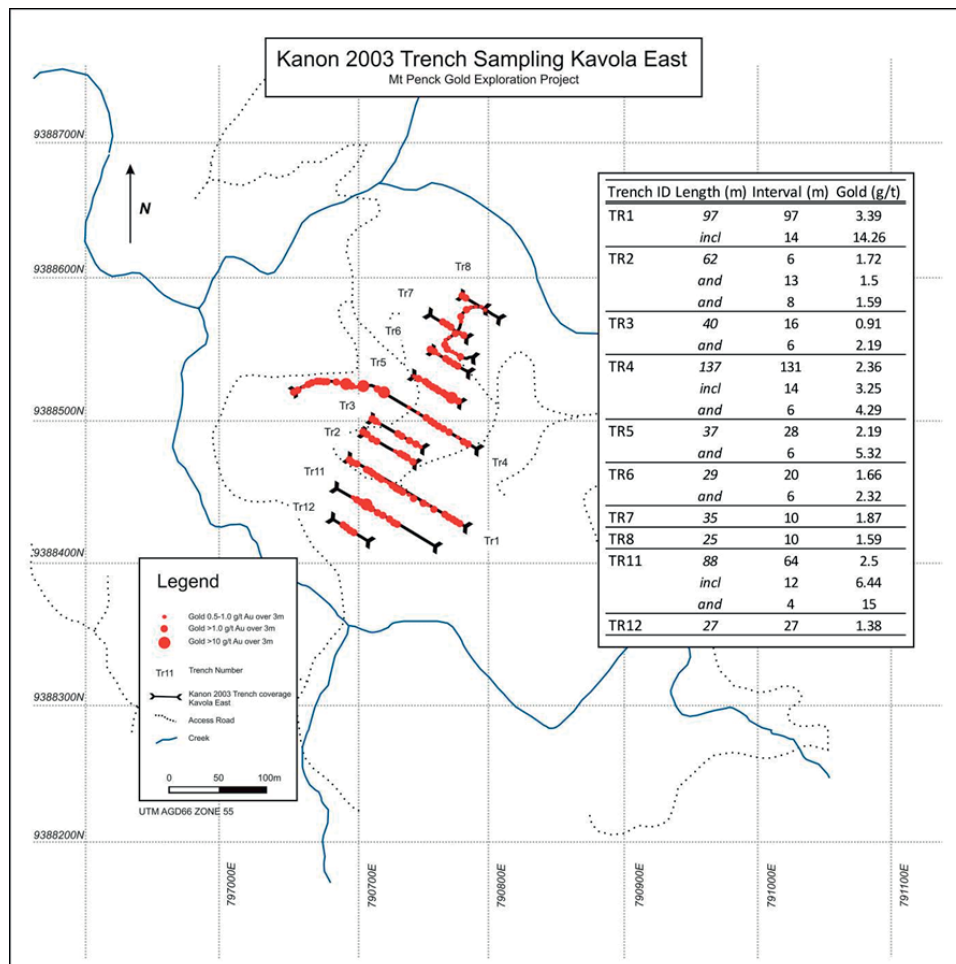
Table 3.11 Results of 2003 Kanon Hand Trenching at Kavola East

Trench Number	Trench Length (m)	Intercept (m)	Gold Grade (g/t Au)
1	97	97	3.39
2	62	62	0.84
3	40	40	0.80
4	137	131	2.36
5	37	28	2.19
6	29	20	1.66
7	35	35	0.97
8	25	10	1.59
11	88	64	2.50
12	27	27	1.38

(0.5 g/t Au lower grade cut-off) (From Swiridiuk, 2009)

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Figure 3.6 Location of 2003 hand trenches at Kavola East with gold assay highlights.



(From Swiridiuk, 2009)

Bulldozer costeaning was also undertaken but no location map for the bulldozer costeans can be found in the database.

The results of the initial hand and bulldozer trenching programs, using a 0.5 g/t Au lower grade cut-off, defined wide intervals (up to 97 m wide) of plus 1.0 g/t Au within which were narrower 1.0 m to 3.0 m intervals of plus 10.0 g/t Au. Examples include (Swiridiuk, 2009):

- 97 m at 3.39 g/t Au (hand Trench 1)
- 131 m at 2.36 g/t Au (hand Trench 4)
- 28 m at 2.19 g/t Au (hand Trench 5)
- 20 m at 4.73 g/t Au (bulldozer Costean 26)
- 18 m at 7.72 g/t Au (bulldozer Costean 23)
- 18 m at 3.79 g/t Au (bulldozer Costean 20)

- 13 m at 2.65 g/t Au (bulldozer Costean 33)
- 3 m at 16.32 g/t Au (bulldozer Costean 28)
- 1.0 m at 10.1 g/t Au (bulldozer Costean 22)

Grid Soil Sampling and Spectral Analysis - 2005 (Hall, 2006)

In 2005, Kanon completed a grid-based soil survey over an area of 1400 m by 1000 m covering all the prospects. Samples were collected from the B-horizon at depths of 0.4 m to 1.3 m using a hand auger, at 25 m spacing along 100 m spaced lines oriented magnetic East to West. The soil samples were analysed for gold, arsenic and copper and splits were sent to AusSpec International in Sydney for spectral HyChips analysis to assist with mapping the surface alteration patterns (Hall, 2006).

Figure 3.7 displays gridded images of the combined soil assay results for Au-As and Au-Cu. The results show a strong correlation between gold and arsenic concentrations in soil and a broad correlation between gold and copper. The highest copper and gold values occur at Kavola. The gold-arsenic anomalies showed a strong correlation with areas of clay (argillic) alteration (Hall, 2006).

An interpretation of the gold soil results suggests the gold anomalies are in part controlled by a series of NE-trending structures. The highest gold-in-soil value was 4.49 g/t Au at Kavola South.

The aims of the HyChips spectral study were (i) to provide an analysis of the alteration mineralogy, (ii) to assess whether variations in mineral assemblages could be related to mineralisation and (iii) to assist with mapping alteration patterns (Pontual, 2006).

The following minerals were identified: white mica, halloysite / kaolinite, pyrophyllite, nontronite, montmorillonite and goethite. The white mica is dominantly paragonitic illite (Na-rich) which is common in acidic epithermal settings and most likely indicates phyllic alteration. Halloysite / kaolinite, dominant in many samples, is most likely due to a weathering overprint.

Figure 3.8 shows alteration maps prepared by AusSpec. Kavola Zone has the best-defined alteration zone with an intense white mica signature (reflecting phyllic alteration) and a central intense zone of goethite development. Goethite occurs in a large number of samples and most likely is a weathering product of pyrite in the original sericite-pyrite alteration.

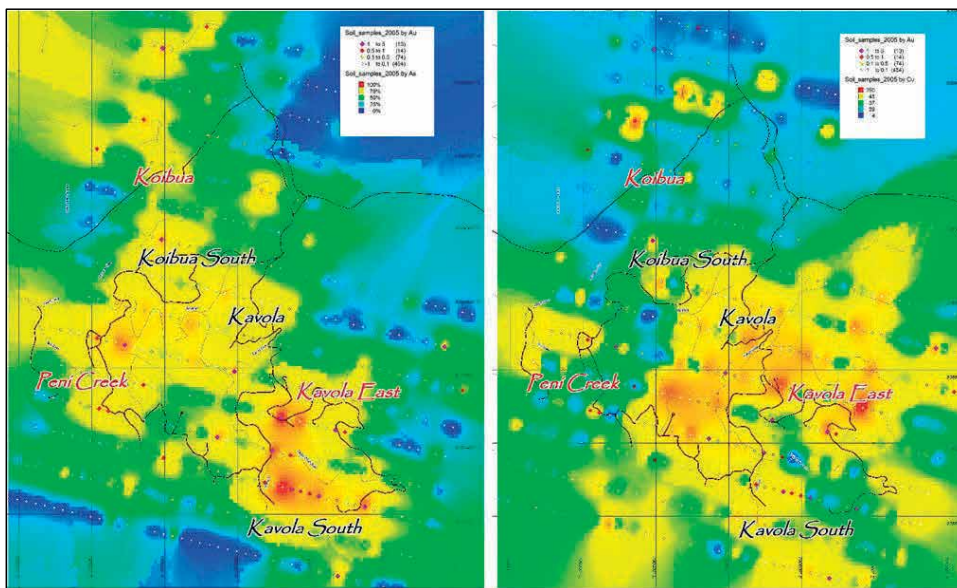
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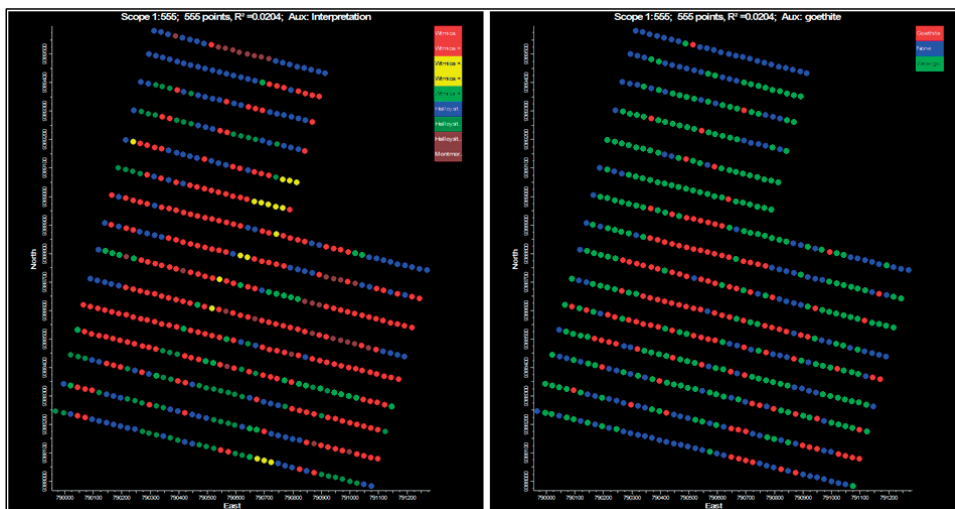
Figure 3.7 Gridded soil anomaly maps for Au-As (left) and Au-Cu (right) from the 2005 grid soil survey.



(Image from Kanon database.)

The results of the spectral analysis corresponded well with mapped alteration patterns. Clearly defined distinct alteration zones were defined including phyllic, argillic and propylitic. Paragonitic white micas characteristic of acidic epithermal systems were identified and smectite and montmorillonite were also identified. A well-defined central zone of phyllic alteration (Figure 3.8) coincident with goethite is present at the core of the system (Hall, 2006).

Figure 3.8 Alteration maps based on soil spectral data.



Note: Left: clay-chlorite alteration and weathering (red+yellow+pale green = white mica +/- pyrophyllite +/- chlorite). Right: distribution of goethite (red = strong goethite). (Abbreviations used: h/k = halloysite/kaolinite, montmor = montmorillonite, neglig = negligible). (From Pontual, 2006)

3.3.3.3 Phase 1 & 2 DD drilling programs – 2005-06

In 2005, Kanon's initial (Phase 1) DD drilling program was completed at Kavola East comprising 7 drillholes (MPD001-MPD007) totalling 998.7 m to depths ranging from 88.4 m to 174.4 m downhole. The aim of the program was to test the near surface extent and continuity of the widespread gold mineralisation defined by trenching and to provide information on the style of gold mineralisation (Hall, 2005). The drillholes were drilled over a distance of 250 m along the mineralised system controlled by the interpreted Kavola East structure. Gold mineralisation was intersected at depths ranging from surface to 160 m downhole.

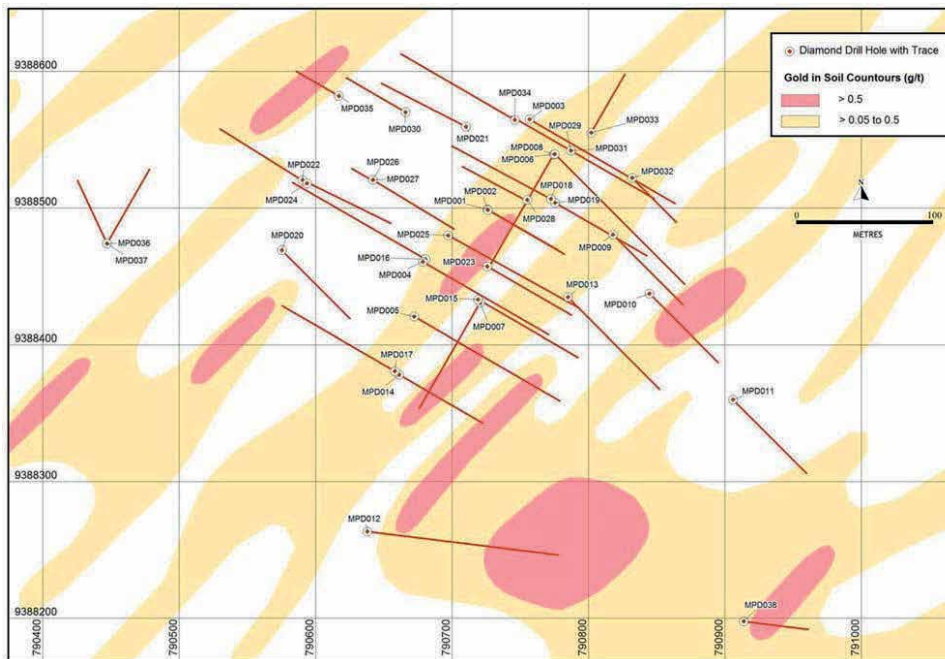
In 2006, a follow up (Phase 2) DD drilling program was completed, comprising 31 drillholes totalling 3,640.8 m to depths ranging from 31.1 m to 199.5 m (MPD008-MPD038); 5 drillholes were <100 m. Twenty-nine drillholes (MPD008-MPD035 & MPD038) were located at Kavola East and 2 drillholes (MPD036, MPD037) were located southwest of the Kavola / Kavola East creek junction.

The drill hole locations for both programs are shown in Figure 3.9. Appendix C provides a table listing the location and orientation data for all Kanon's DD drillholes up to MPD072 and Appendix D provides a detailed list of all mineralised intervals >0.5 g/t Au intersected during the Phase 1 and Phase 2 drilling campaigns. The intervals are all drill widths.

The results of the Phase 1 and Phase 2 drilling confirmed the trenching results that indicated the presence of wide near surface zones of plus 1.0 g/t Au, which were contained within even wider envelopes of anomalous gold in the range of 50 ppb to 200 ppb gold (Swiridiuk, 2009). In addition, there were a number of narrow 2.0 m to 3.0 m intersections of much higher grade (plus 10.0 g/t Au).

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Figure 3.9 Location of Kanon’s Phase 1 and Phase 2 diamond drillholes (MPD001-MPD038) on gold soil geochemistry.



(From Swiridiuk, 2009)

Table 3.12 Summary of Kanon’s Phase 1 and Phase 2 DD drilling results

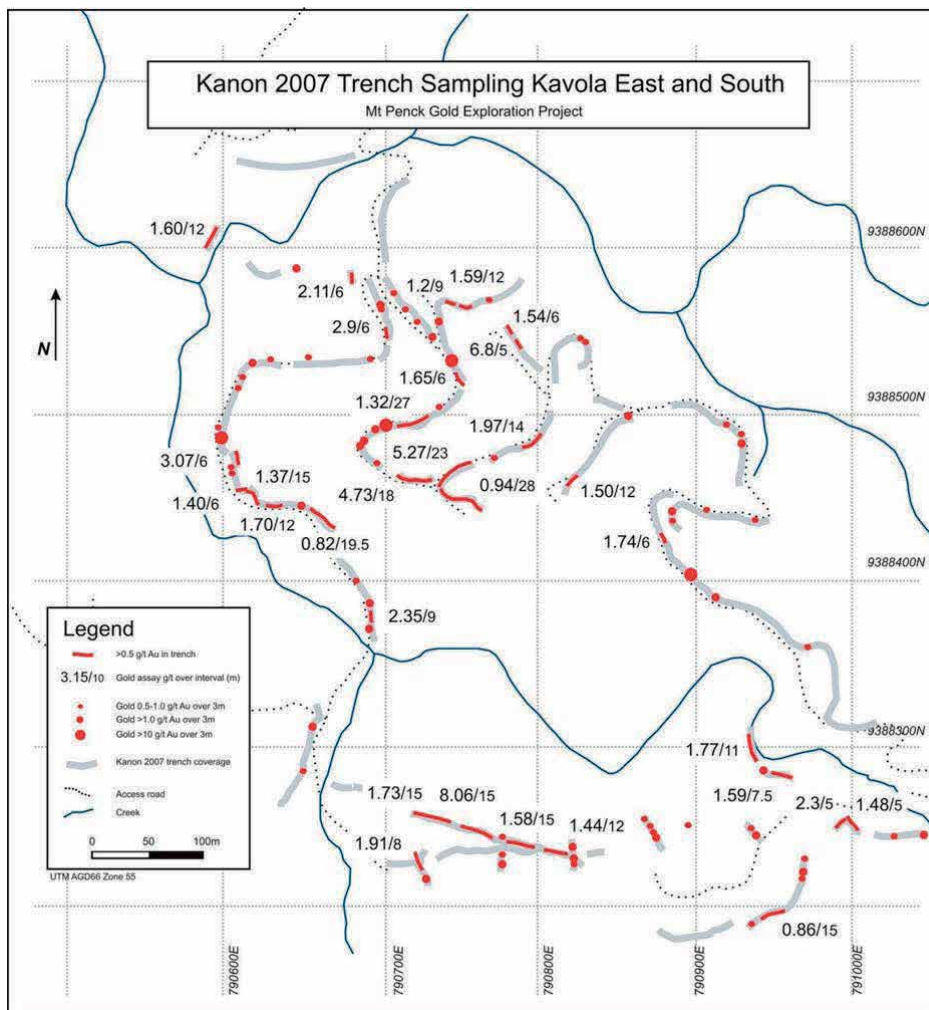
Drillhole Number	Interval (m)	Starting Depth (m)	Gold Grade (g/t Au)
Plus 10 m wide intercepts at >1.0 g/t Au:			
002	10	70	1.99
003	10	163	2.18
005	13	154	3.06
006	10	7	1.25
	43	23	2.35
007	14	0	2.83
008	23	0	2.29
015	11	13	1.10
018	13	10	2.10
033	10	0	2.20
Plus 10.0 g/t Au intercepts:			
007	2	168	36.70
008	1	6	11.70
011	1	75	16.20
	1	50	16.35
022	3	91	14.94
	1*	24	13.30*
(*within a 6m at 7.16 g/t Au interval)			

From the drilling results Kanon's initial interpretation of a relatively simple, mineralised, north easterly trending structure at Kavola East was modified to conclude the mineralisation was partly controlled by quartz stockwork zones within favourable lava horizons in the volcanic sequence.

3.3.3.4 Hand Trenching and Bulldozer Costeaming – 2007-08

During 2007 to 2008 additional programs of hand and bulldozer trenching were completed at Kavola East and Kavola South. These programs confirmed the earlier results of wide but irregular zones of near-surface gold mineralisation. Figure 3.10 shows the trench locations and gold assay highlights.

Figure 3.10 Kanon's 2007 trench sampling with gold assay results >0.5 g/t Au.



(From Swiridiuk, 2009)

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3.3.3.5 Phase 3 Diamond Drilling – 2009 to 2010

In 2009 to 2010, Kanon completed its Phase 3 DD drilling program, comprising 34 drillholes (MPD039-MPD072) totalling 4,111.6 m to depths ranging from 75.0 m to 241.5 m downhole; 11 drillholes were <100 m and one drillhole was >200 m. The aim was to provide sufficient data to complete a NI 43-101 resource estimate for Kavola East and to test anomalous gold values in trenches at Kavola South, Peni Creek and Koibua (Swiridiuk, 2009). The drillhole locations are shown in Figure 3.11.

Twenty-one drillholes (MPD039-MPD049) were drilled at Kavola East and 13 drillholes (MPD050-MPD072) were drilled at targets generated by strong gold-in-trench results at Peni Creek, Kavola south and Koibua. New targets that had been defined at Koibua and Kavola were also tested. A detailed list of assay results is provided in Appendix E and the drillhole locations are shown in Figure 3.11.

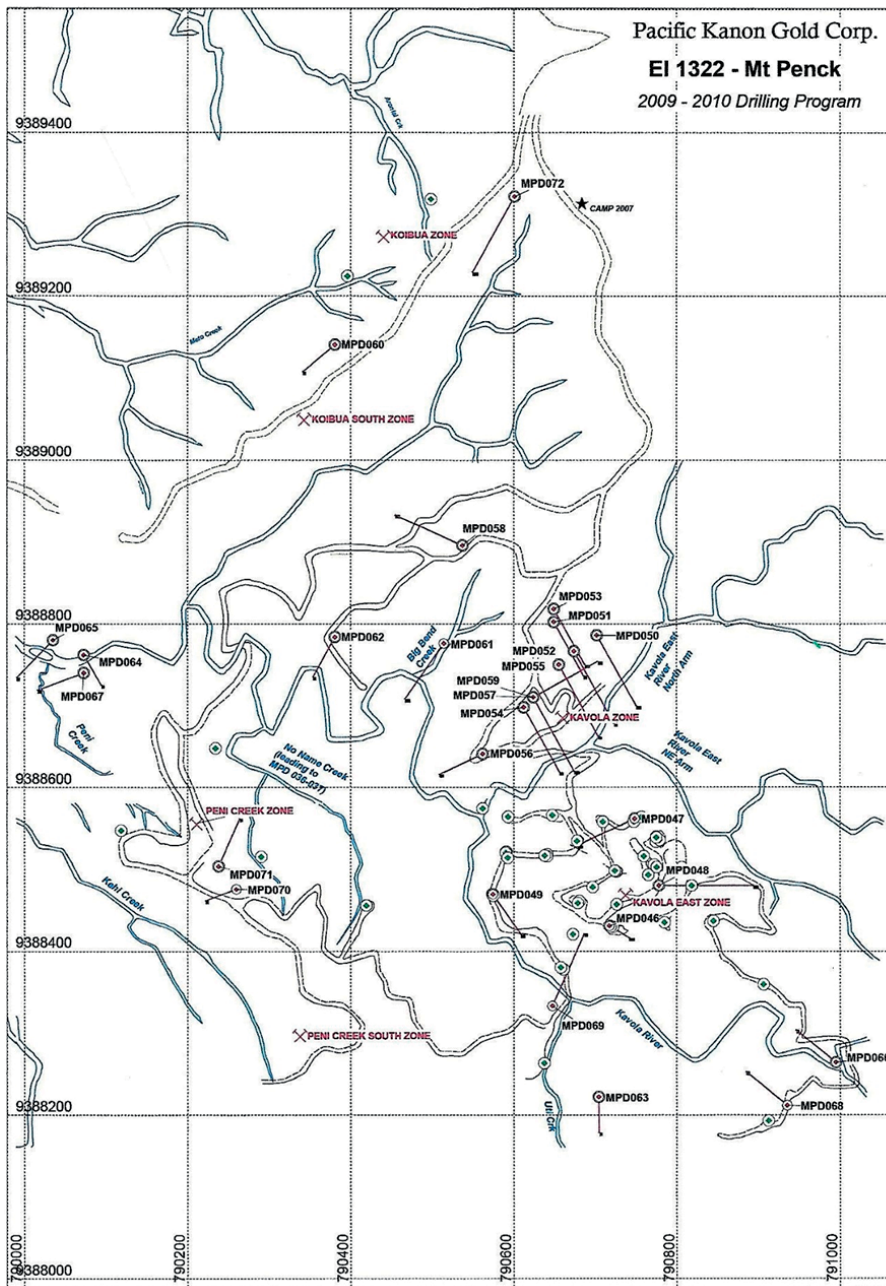
The results of the Phase 3 drilling confirmed the earlier model of wide zones of lower grade mineralisation (1.0 g/t Au to 3.0 g/t Au) at shallower levels (generally less than 50 m) and narrow zones (up to 3.0 m) of much higher grade (>10.0 g/t Au) interpreted to be the feeder conduits. Table 3.13 provides a summary of the Phase 3 results for both styles of mineralisation, based on the data provided in Appendix E.

Table 3.13 Summary of Kanon’s phase 3 diamond drilling results

Drillhole Number	Interval (m)	Starting Depth (m)	Gold Grade (g/t Au)
Plus 10m wide intercepts at >1.0 g/t Au:			
039	25.7	0	2.43
	32.3	37.2	1.57
040	21.0	2.0	3.13
	47.0	5.0	2.06
042	19.0	55.0	1.64
	19.0	75.0	1.17
	10.0	123.0	3.14
044	21.0	70.0	1.85
045	11.0	0	1.06
	16.0	14.0	3.72
Plus 10.0 g/t Au intercepts:			
040	2.0	20.0	10.01
045	2.0	20.0	13.36
	1.0	23.0	13.55
048	0.7	3.5	16.7
052	0.9	153.6	15.45

At Kavola south track excavation for drill access exposed extensive zones of phyllic alteration and strong silicification, along with strong earthy hematite (red iron oxide) mineralisation. Ubiquitous fine pyrite is disseminated throughout and centimetre scale bornite after chalcopyrite veinlets were recognized (Vangold, 2009).

Figure 3.11 Location of Kanon's 2009-10 (Phase 3) DD drillholes.



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3.3.3.6 Kanon exploration programs – 2010-11

In mid-2010, Vangold Resources Limited acquired NGG's 50% share of the project and became 100% owner and operator. Following completion of this transaction, Kanon completed additional work programs during 2010-11, including:

- 3D-IP geophysical survey.
- Auger soil sampling of the IP grid lines.
- Initial DD drill testing of 3D-IP anomalies (Phase 4 drilling program).
- Chip-channel sampling of access roads and tracks.

Some of the work completed and the results for this period are not well documented in the database.

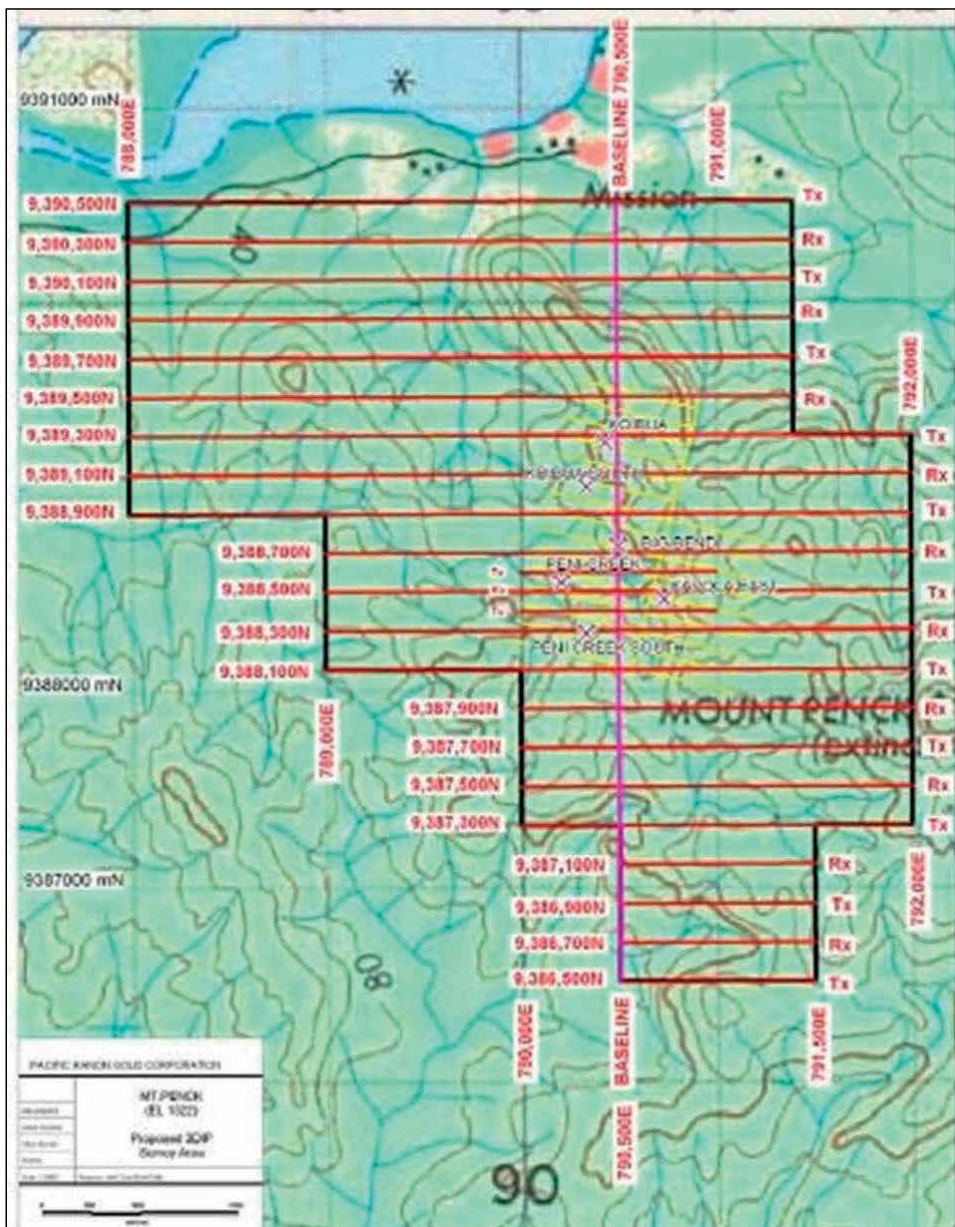
3.3.3.7 3D-IP geophysical survey

In 2010 a three-dimensional induced polarisation (3D-IP) ground geophysical survey was undertaken, covering an area of 9.7 km² along E-W lines spaced 200 m apart and 100 m apart over Kavola East (Figure 3.12). The aim of the survey was to help define mineralisation associated with zones of disseminated pyrite-arsenopyrite-chalcopyrite (expected to generate chargeability anomalies) and to help define mineralised structures or quartz veins from the resistivity component. Massive sulphides, if present, should also be detected from the conductivity component (Swiridiuk, 2010a). The following summary of the survey results is taken from Swiridiuk (2010b).

Five sub-surface chargeability anomalies, named Talasea, Kavola North, Silivuti, Kavola Zone and Angahia, were identified and selected as drill targets, as shown in Figure 3.13. These are summarised in Figure 3.16.

The anomalies were interpreted to be related to disseminated sulphides including pyrite, chalcopyrite and arsenopyrite. Swiridiuk considered that the anomalies are "very similar in intensity and size to that resolved at the Nakru copper-gold breccia systems. The prospects at Mt.Penck occur within an interpreted caldera. Similarly, the Nakru copper / gold systems occur as clusters of mineralised deposits nested within an interpreted caldera. The narrow epithermal gold structures at Mt.Penck potentially overlie Nakru style copper/gold systems" (Swiridiuk, 2010b).

Figure 3.12 Location of 2010 Kanon 3D-IP survey grid lines.

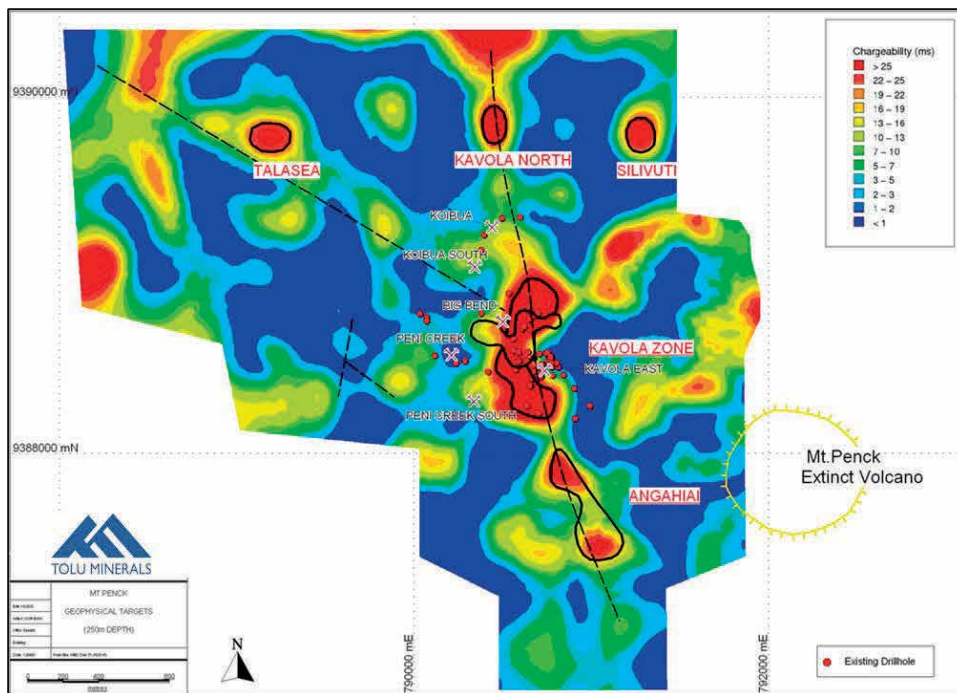


Note: Projection AGD66 Z555

Kavola Zone is the largest anomaly. At shallower levels it coincides with the central zone of phyllic alteration (Figure 3.14). A summary of the chargeability anomaly characteristics is provided in Table 3.14.

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Figure 3.13 Chargeability plan map (horizontal slice) at 250 m depth showing chargeability anomalies selected as drill targets.



(From Swiridiuk, 2010b) Projection AGD66 Z555

Table 3.14 3D-IP chargeability anomalies identified as drill targets

Anomaly	Description
Kavola Zone	18Ha chargeability anomaly at 200 m depth; coincident east to west zone of higher resistivity (>700 ohm.m) at 100 m depth; indicates possible east to west structure through the Kavola Zone.
Kavola North	Discrete intrusive-style chargeability anomaly; located on Kavola Structure; possible intrusive source.
Silavuti	Discrete intrusive-style chargeability anomaly located at 200 m depth; possibly due to disseminated sulphides.
Talasea	Discrete chargeability anomaly located at 200 m depth; adjacent to major northwest-trending structure that intersects the Kavola Structure at Kavola East.
Angahiai	700 m long chargeability anomaly located at 200 m depth; 200 m south-southeast of Kavola; associated with mineralised Kavola Structure.

3.3.3.8 2010 - Grid Soil Sampling

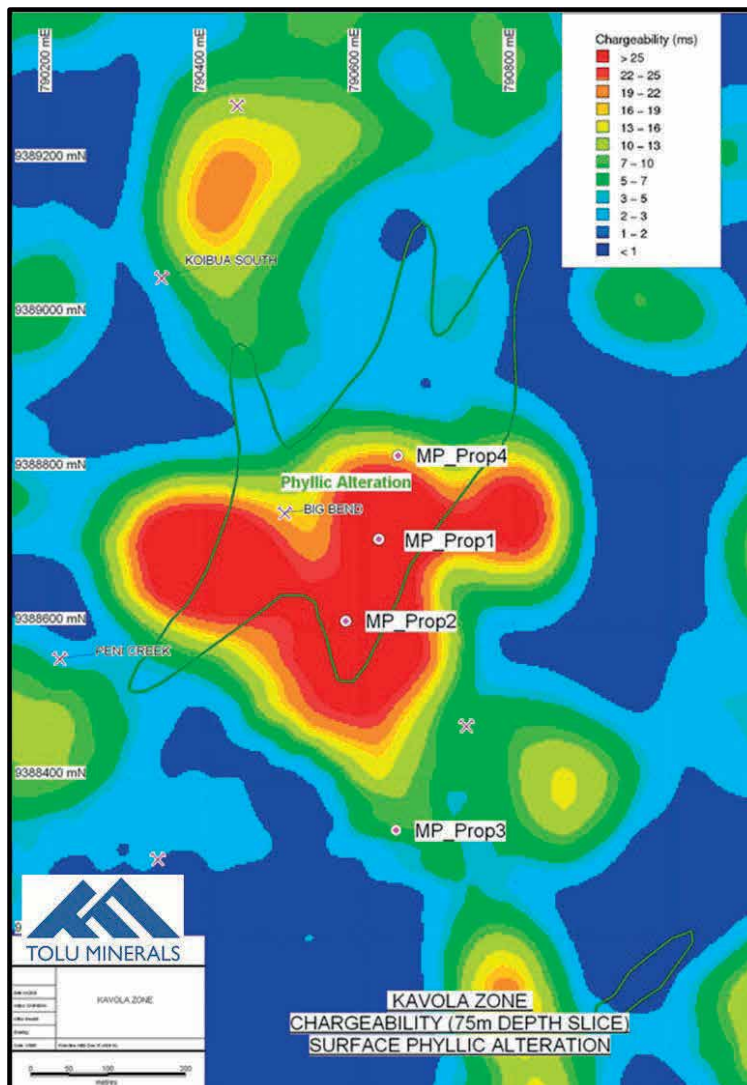
Following completion of the 3DIP survey, grid-based soil sampling was undertaken along the IP grid lines. A total of 1,258 soil samples were collected but no details are available regarding sampling procedure or sample depth.

Figure 3.15 displays gridded soil anomaly maps for gold and arsenic. The results confirm the remarkable geochemical correlation between gold and arsenic in soils at Mt. Penck. The extensive

gold-soil anomaly over the central Kavola area is evident and other peripheral anomalies are present, including:

- West-northwest of Kavola (788025E, 9389000N), "north bank of the west flowing river" a gold soil anomaly across two lines, not closed off to the south, coincident with a high chargeability zone on the western edge of the grid, trending east-west.
- East of Kavola a gold soil anomaly extending over three adjacent lines near a zone of anomalous (>0.5 g/t Au) "trench/track" samples.

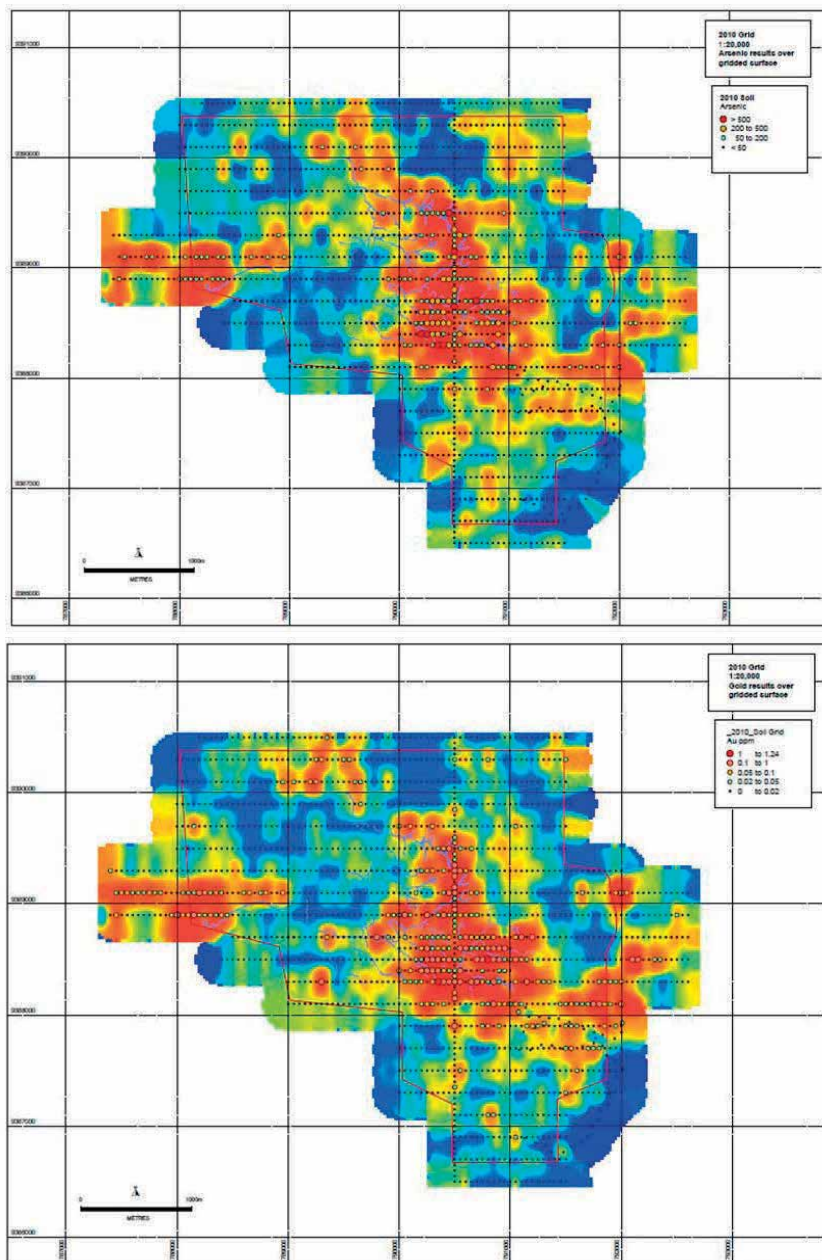
Figure 3.14 Kavola Zone chargeability anomaly at 75 m depth in relation to the central zone of phyllic alteration mapped at surface.



(From Swiridiuk, 2010b) Projection AGD66 Z55S

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Figure 3.15 Gridded soil anomaly maps for gold (top) and arsenic from Kanon's 2010 soil survey.



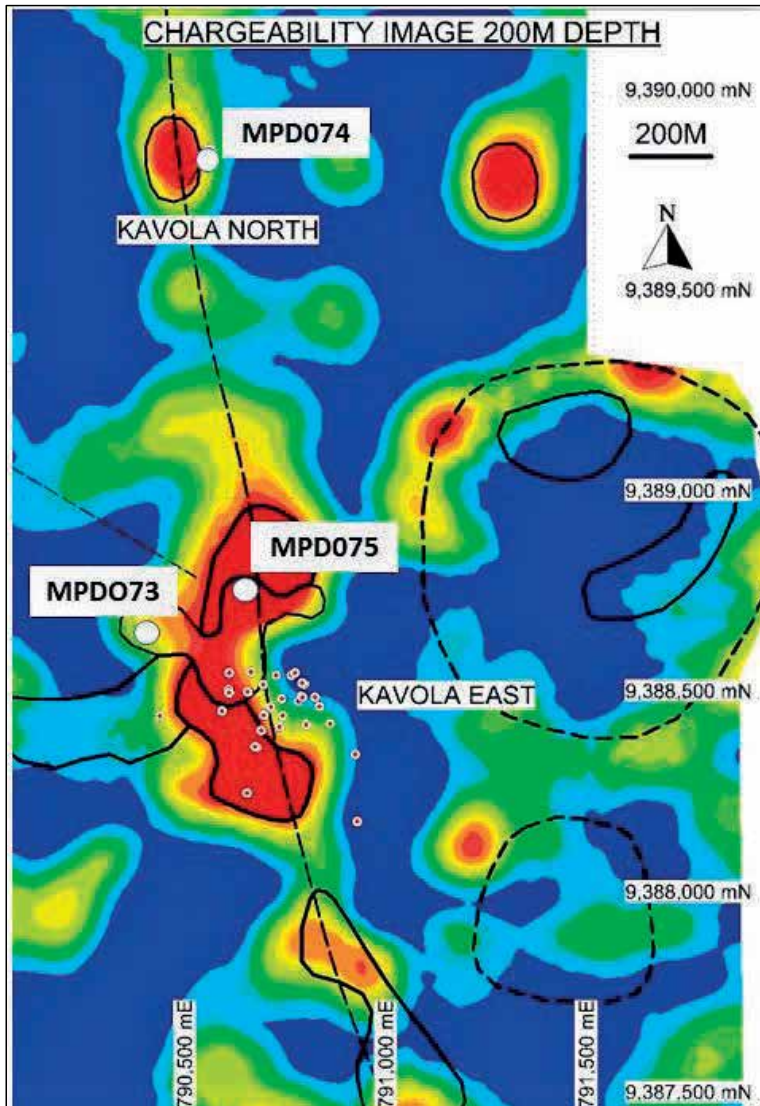
Note: Projection AGD66 Z55S

3.3.3.9 Phase 4 Diamond Drilling – 2010-11:

The following summary is based mainly on unpublished internal Vangold field reports.

In late 2010 to early 2011 a three-drillhole program of deep DD drilling, totalling 1,189 m to a maximum depth of 402 m, was undertaken to test 3D-IP geophysical targets selected in association with structural and geochemical data. The drillhole collar locations are shown in Figure 3.16.

Figure 3.16 Mt Penck drillhole collar locations on IP Chargeability image



Note: Projection AGD66 Z555

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Two angled drillholes (MPD073 and MPD074) were drilled to test the shoulders of 3D-IP chargeability anomalies coincident with structural features at Kavola East and Kavola north, respectively. One deep vertical drillhole (MPD075) was also drilled at Kavola East to test the main chargeability anomaly.

Apart from a summary lithological log for MPD074 (Table 3.15), no logging information is available in the database for these drillholes. MPD074 was reported to be unmineralised and was not sampled. The other two drillholes intersected mineralisation but an assay list is available only for MPD073. The best reported intercepts were 3 m at 2.80 g/t gold from 148 m in MPD073 and 7 m at 0.46 g/t gold in MPD075.

MPD 073 (386.9 m) was drilled to test the western shoulder of a 3D-IP anomaly located at Kavola East Prospect. Strong sulphide mineralisation (pyrite, arsenopyrite ± chalcopyrite) was intersected over wide intervals. Gold mineralised intersections included 3 m at 2.80 g/t gold from 148 m and 3 m at 0.68 g/t gold from 41 m, with several additional narrow 1.0 m to 2.0 m zones grading 0.75 g/t Au to 1.65 g/t Au down to 266 m depth.

MPD 074 (402.0 m) was sited to test the southern shoulder of a discrete coincident chargeability and resistivity high at Kavola north. The drillhole failed to intersect significant mineralisation and was not sampled or assayed. However, it is the only drillhole for which any drill log information is available from the Phase 4 program. The summary log for MPD074 is provided in Table 3.15.

Table 3.15 Summary log for diamond drill hole MPD074

Interval (m)	Summary Description
0 - 5.0	Grayish green strongly weathered; illite-sericite-chlorite-carbonate altered hornblende porphyry; moderate manganese/goethite fracture coating; moderately shattered/fractured.
5 - 19	Green coarse grained fresh barren hornblende porphyry; propylitic alteration with vein/fracture controlled chlorite/carbonate/manganese/goethite coating, strongly magnetic.
19 - 21	Grayish green weathered hornblende porphyry, illite-sericite-chlorite alteration.
21 - 332	Green coarse grained fresh barren hornblende porphyry; propylitic alteration with chlorite-carbonate vein/fracture coating, v. weak carbonate±quartz veins in places; strongly magnetic.
332 - 342	As in 19.0 m to 21.0 m, illite-sericite-chlorite alteration with 3-5% jarosite-goethite ± carbonate staining.
342 - 386.9 (EOH)	Green coarse grained barren hornblende porphyry, propylitic alteration with moderate chlorite-carbonate fracture staining, strongly magnetic.

MPD 075 (400.5 m) was a vertical hole that targeted the northern lobe of a chargeability high located at Kavola East. Disseminated and vein / veinlet sulphide mineralisation, comprising pyrite-arsenopyrite-dark sulphide, associated with illite-smectite-kaolinite-sericite alteration hosted by feldspar porphyry was intersected throughout the entire hole. Anomalous gold values ranging up to 0.60 g/t Au were also present, irregularly distributed throughout the 400 m section drilled. The best intersections were 7 m at 0.46 g/t gold and 3 m at 0.59 g/t Au.

4 Tolukuma Project

4.1 Geology

4.1.1 Regional Geology

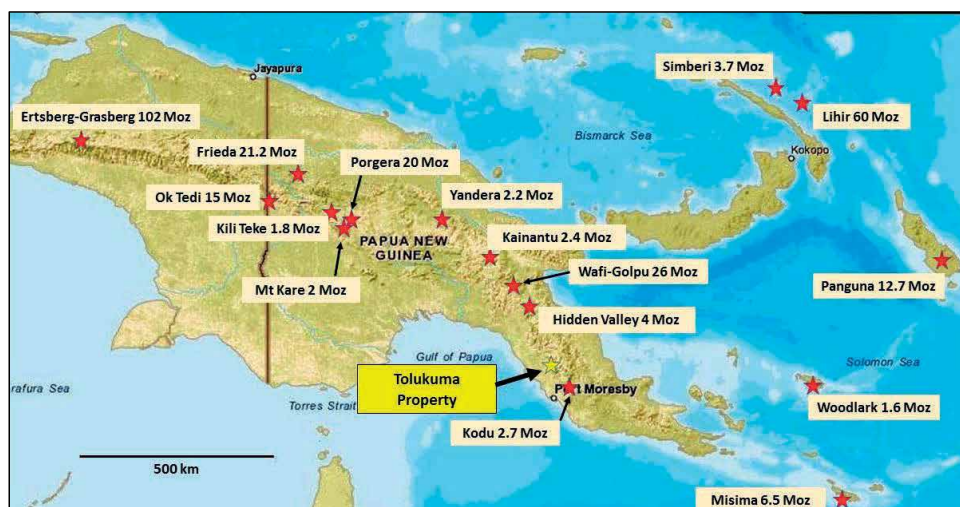
4.1.1.1 Tectonic Setting

The Tolukuma Property is located in the highly prospective New Guinea metallogenic belt, a 2,300 km mineralised corridor running along the central spine and northern foothills of the island of New Guinea (Figure 4.1). This highly complex belt (also called the Central Orogenic Belt) was formed by oblique convergence between the northward moving Australian continental plate and the westward moving Pacific oceanic plate. Interaction between these two major crustal plates since the Cretaceous has produced a fragmented zone of successively accreted terranes characterized by mountain building, folding, large-scale deep-seated faulting and thrusting, metamorphism, volcanism, and intrusive emplacement.

Many large deposits of gold (and copper) occur in the metallogenic belt which is regarded as one of the most prospective gold-copper metallogenic provinces in the world. Major discoveries include Ertsberg-Grasberg (in Irian Jaya), Ok Tedi, Frieda, Porgera, Wafi-Golpu and Hidden Valley (PNG), with total combined resources exceeding 180 Moz gold (including Ertsberg-Grasberg).

The belt is divided into a southern Fold Belt underlain by rigid continental crust of the Australian craton and a northern Thrust Belt underlain by thinner oceanic crust of the Pacific Plate. Two series of intermediate to acid intrusions are present; an older series of Early Oligocene to Late Miocene age (30 Ma to 10 Ma) intruding the Thrust Belt, many of which are associated with major copper-gold deposits including Frieda, and a younger series of Late Miocene to Pleistocene age (10 Ma to 1.0 Ma) intruding the Fold Belt, including those intrusions associated with the large Porgera and Mt. Kare gold deposits, and the Ok Tedi copper-gold deposit. The intrusions in the Tolukuma area belong to the younger series.

Figure 4.1 Property location in the New Guinea metallogenic belt showing the distribution of major gold deposits, with approximate total gold resources.



Source: D Hutchison 2022

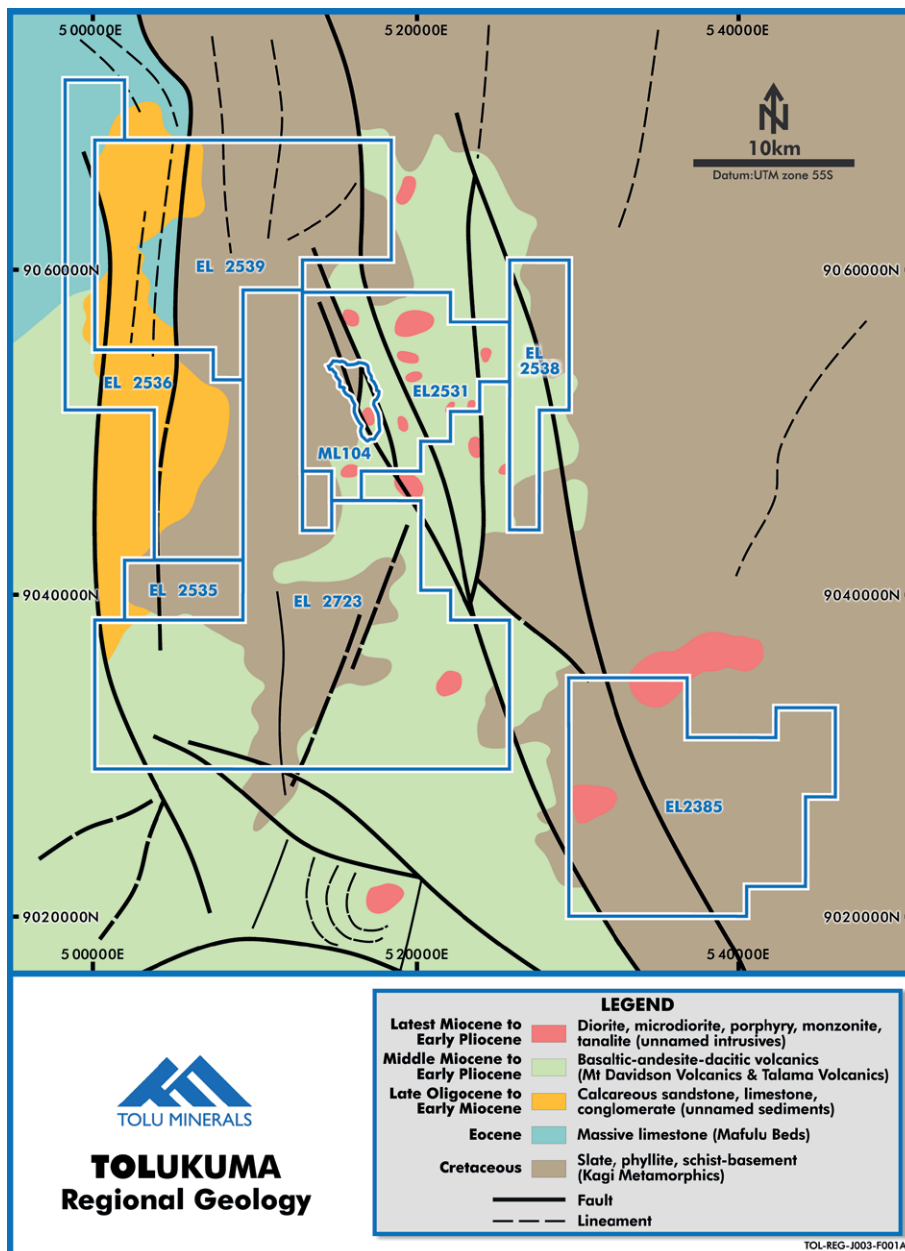
Schedule 1 – Independent Geologist’s Report continued

4.1.2 Geological Formation

The regional geology of the Tolukuma area is shown on the Buna (SC/55-7) 1:250,000 published geology sheet and described in Pieters (1978). A summary of the mapped geological units, from oldest to youngest, based on the above map and report is provided (Figure 4.2) and in Table 4.1. Figure 4.2 is a regional geology map of the area adapted from a map produced by TGM.

Cretaceous to Eocene metamorphic basement (Kagi Metamorphics): Metamorphic basement rocks up to 10 km thick underlie all other geological units. They are exposed in the western part of the area, immediately west of the Tolukuma Vein, and are composed predominantly of greenschist grade metasediments including slate, phyllite, schist, quartz-feldspar-mica schist, minor metabasite and minor massive quartzite. Minor amphibolite-grade garnet-mica schist is present locally. The mineral assemblage, including quartz, albite, muscovite, chlorite, minor epidote, graphite, biotite, garnet and local andalusite and lawsonite, suggests initial high-pressure metamorphism.

Figure 4.2 Regional geology map of the Tolumkuma area



Source: TML. Projection: AGD66 AMG55S

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Middle Miocene to Early Pliocene subaerial volcanics (Talama Volcanics & Mt. Davidson Volcanics): A sequence of subaerial volcanics of Middle Miocene to Early Pliocene age unconformably overlies the metamorphic basement. The volcanics are divided into two units: (i) the 1500 m thick Talama Volcanics (Middle to Late Miocene based on K-Ar dates of 7.19 Ma and 5.34 Ma) and the 600 m thick Mt. Davidson Volcanics (Latest Miocene to Early Pliocene based on K-Ar dates of 5.85 Ma to 4.8 Ma). Both volcanic units are highly faulted and eroded but the younger Mt. Davidson Volcanics retain vestiges of volcanic landforms particularly in the Mt. Cameron Range to the south of the Property.

The Mt. Davidson Volcanics (which host the gold deposits in the Tolukuma area) comprise mainly crystal, lithic and lapilli tuffs with subordinate agglomerates, coarse breccias and andesitic lavas with minor intercalated volcanoclastic / epiclastic conglomerate, sandstone and minor mudstone. Local areas of well bedded lacustrine siltstone have been mapped in places. Local intrusions of narrow andesitic to basaltic dykes or small sub-volcanic stocks of andesite porphyry intrude the volcanics and are of roughly coeval age. Much of the unit has been subjected to regional propylitic alteration.

A photogeological study by Newmont in 1987 (Langmead, 1991) identified “the possible presence of an east-north-east trending graben containing several caldera-like centres.”

Based on satellite imagery, TGM interpreted a large caldera-like volcanic structure with dimensions of 30 km (east-west) by 24 km (north-south), centred north of Tolukuma (shown by blue lines in Figure 4.6). This feature is called the Boundary Volcano.

Table 4.1 Mapped geological units in the Tolukuma area

Unit	Age	Thickness	Description
Alluvium	Holocene	<10 m	Clay, sand, silt, gravel, soil and colluvium.
Unnamed intrusives	Latest Miocene to Early Pliocene	-	Diorite, porphyritic microdiorite, hornblende-feldspar porphyry, monzonite, and granodiorite; small stocks 1-5 km.
Mt. Davidson Volcanics	Latest Miocene to Early Pliocene	600 m	Basaltic to andesitic agglomerate, tuff, lava and lava breccia; intercalated volcanoclastic conglomerate and coarse sandstone; paraconformable on Talama Volcanics.
Talama Volcanics	Middle to Late Miocene	1,500 m	Andesitic to basaltic pyroclastics, including massive coarse agglomerate, with subordinate lava; locally reworked as volcanoclastic conglomerate.
Kagi Metamorphics	Cretaceous to Eocene	~10 km	Phyllite, schist, quartz-feldspar-mica schist; local garnet-mica schist; predominantly psammitic metasediment.

Latest Miocene to Early Pliocene intrusive rocks (unnamed, informally known as Tolukuma Intrusive Complex): Small steep-sided stocks, 1 km to 5 km across, of diorite, porphyritic microdiorite, hornblende-feldspar porphyry, monzonite and granodiorite have been mapped (or interpreted from aerial photographs) intruding the metamorphic and volcanic units. These intrusive rocks are thought to be coeval with the Mt. Davidson Volcanics. Their age is based partly on one Early Pliocene K-Ar date from drill core at Kone Prospect. A sample of hornblende andesite from upper Dilava River (south of Tolukuma) was K-Ar dated by Newmont at 4.8 Ma, Early Pliocene (Langmead, 1991). Examples from core are shown in Figure 4.3.

The mapped intrusive rocks are commonly magnetic, and a regional airborne magnetic survey flown by TGM in 1998 delineated a 4 km wide northeast-trending magnetic high anomaly extending for about 20 km from south of Tolukuma almost to Waitape (Figure 4.6). This anomaly was interpreted by TGM to outline a predominantly sub-surface magnetic intrusive complex they informally named the Tolukuma Intrusive Complex. The Tolukuma deposit is located on the NW flank of this body (Figure 4.7).

Holocene alluvium: Recent alluvial deposits are located along the present-day drainage systems.

Figure 4.3 Photographs of lithology specimen examples



4.1.3 Mineralisation

The paragenetic sequence of sulphides and other ore phases at Toluma is best described by Corbett et al. (1994). The main stages of mineralisation development are:

- Stage 1: Breccias, diatreme fluidised pyritic
- Stage 2: Banded quartz-adularia, bladed calcite
- Stage 3: Banded quartz-carbonate-clay
- Stage 4: Chalcedony-kaolinite-siderite

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Figure 4.4 Photographs of mineralisation specimen examples (pt 1)



Source: R Carlson 2011

Figure 4.5 Photographs of mineralisation specimen examples (part 2)



Source: R Carlson 2011

4.2 Major Structures

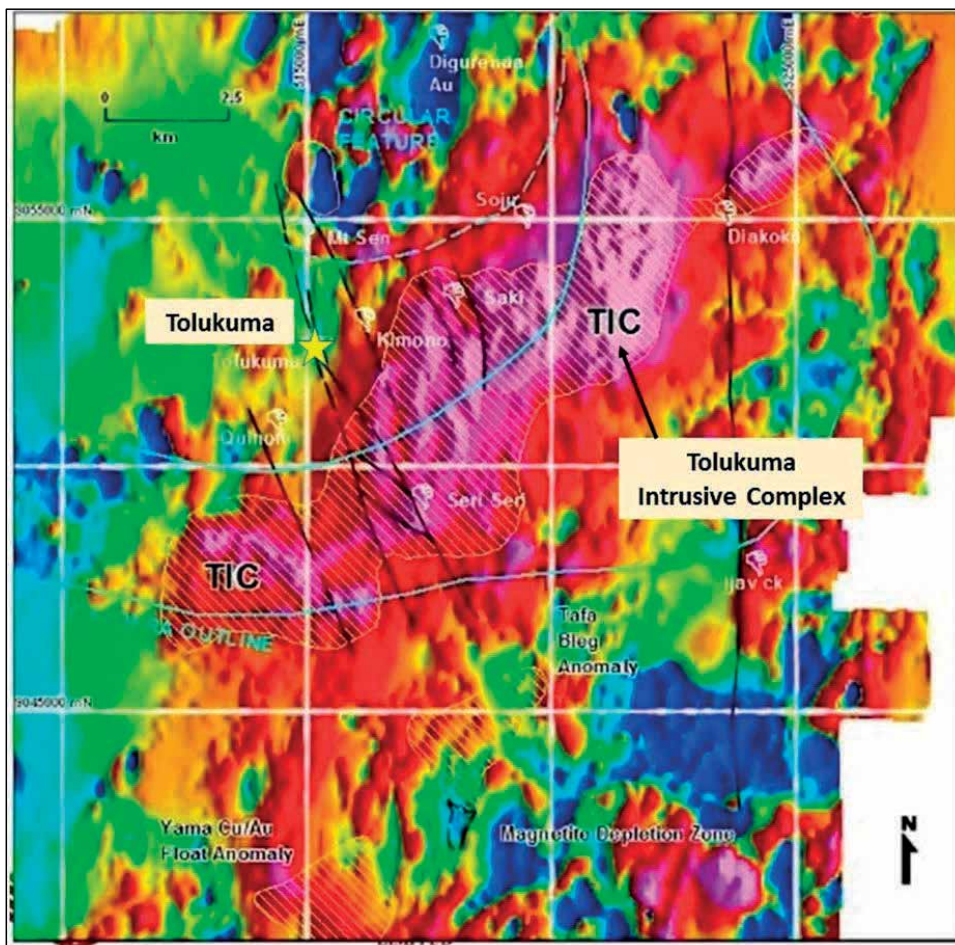
The regional structure of the area is dominated by a series of sub-vertical north to north-northwest-trending sub-parallel faults, shown on the published 1:250,000 geology map and visible in Figure 4.6 and Figure 4.7, that were named the Goilala fault system. These faults may represent deep-seated basement structures that were reactivated during uplift of the Owen Stanley Range and were propagated into the overlying volcanics. They have played a key role in focussing mineralising fluids and controlling the location of gold-mineralised fissure veins in the Tolukuma area.

The main fault structures identified by TGM include the Tolukuma Fault, Kimono Fault and Saki Fault which control, respectively, the location of the Tolukuma, Kimono and Saki gold systems.

Shallow dipping thrust or detachment faults are present within the metamorphic basement which may represent nappes or thrust sheets separating different lithostratigraphic horizons. These structures may also have played a role in localising gold mineralisation in the Tolukuma area.

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Figure 4.6 RTP aeromagnetic image showing the location of the Tolumkuma property in relation to the interpreted sub-surface Tolumkuma Intrusive Complex.

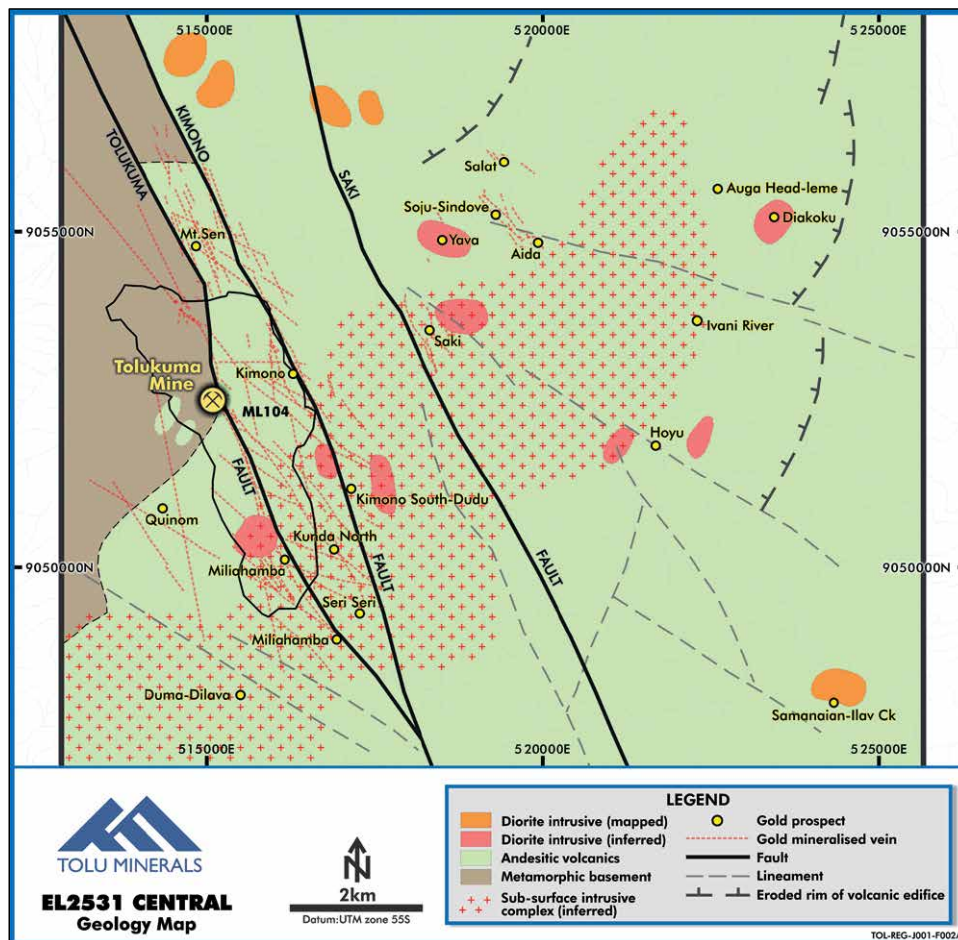


Source: Modified from a TGM image. Source: TML. Projection: AGD66 AMG55S

4.3 Mineral deposit types

The gold-silver vein deposits in the Tolumkuma-Saki-Mt Tafa area are scattered over a roughly 100 km² area. However, most of the better developed vein systems occur within a northeast-trending 12 km by 6 km belt that is roughly coincident with the inferred sub-surface Tolumkuma Intrusive Complex (Figure 4.7). Important vein systems that lie outside ML 104 - and have the potential to contribute feed to the Tolumkuma plant - include Taula, Kimono, Saki, Soju-Yava and Mt. Sen.

Figure 4.7 Epithermal gold-silver prospects located near Tolukuma



Source: TML. Projection: AGD66 AMG55S

All the known deposits are high level fissure veins formed in a classic epithermal-porphyry environment, mainly classified as low sulphidation style epithermal systems. Some systems display in part intermediate sulphidation characteristics and TGM classified Diakoku Prospect, located in adjacent EL 2531 at the North-Eastern end of the prospective zone, as a high sulphidation system.

The veins are predominantly controlled by major northwest to north-northwest-trending structures, including the Tolukuma, Kimono and Saki faults identified by TGM, which commonly dip steeply to the southwest or northeast. Vein widths typically range from roughly 0.5 m to 2.0 m but pinch and swell and can bulge out to widths of 10 m to 20 m at the intersections of the main fissures with cross structures or splay veins. These "bulge out" zones are commonly of higher grade as is seen at Tolukuma and, for example, at Kimono Prospect located immediately east of the ML boundary in EL 2531.

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Typically, the mineralised fissures include massive quartz and quartz-sulphide veins, silicification, fault gouge, sheeted veins, stockworks, stringers and breccia zones. Breccias include structural, hydrothermal, and fluidised crackle varieties. Quartz textures include colloform, crustiform, comb, dogtooth, botryoidal, rosette, drusy, vuggy and massive crystalline; all are typical of the upper levels of a low sulphidation epithermal system.

The gold mineralisation is dominantly associated with a pyrite-marcasite-arsenopyrite-stibnite sulphide assemblage that is commonly strongly oxidised at surface with goethite-limonite-manganese staining. Copper, lead, and zinc sulphides occur in deeper parts of the systems. Fine visible gold is commonly observed at surface in oxidised veins.

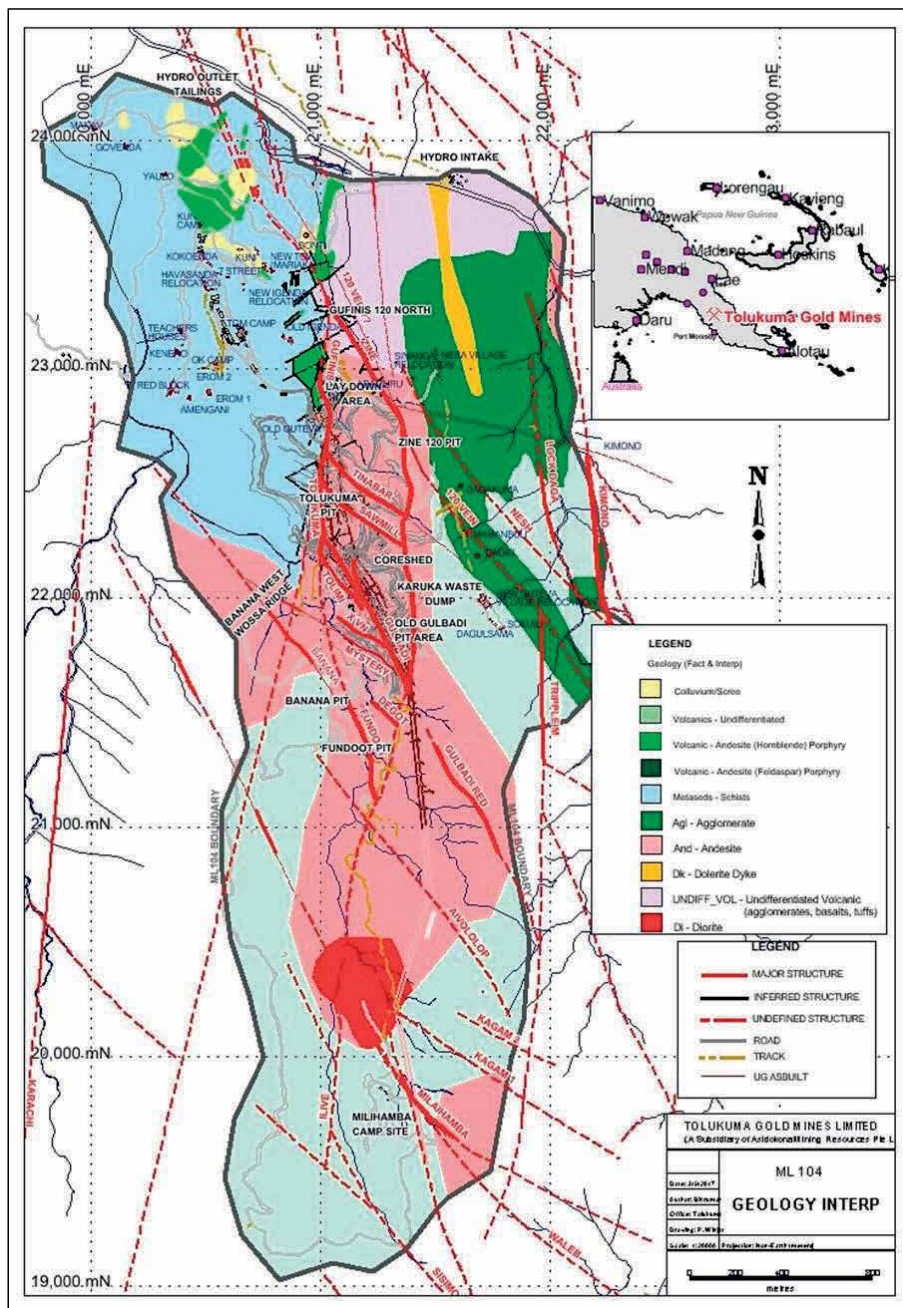
The veins are closely associated with narrow envelopes of silicification and phyllic-argillic alteration that overprint and are superimposed on the early pre-mineral phase of regional propylitic alteration. These phases are all overprinted locally by a supergene clay-oxide assemblage, including hematite, goethite, limonite, and manganese oxides.

4.4 Geology of ML 104

Tolukuma is a structurally controlled low sulphidation style epithermal Au-Ag deposit, hosted by terrestrial volcanic rocks. The hosting structures are north-northwest to northwest-trending narrow fissure veins averaging 1.0 m to 1.5 m in width and usually dipping steeply at 70° to 85°. Figure 4.8 is a geology map of the deposit.

The mineralisation is hosted by north-northwest to northwest-trending narrow fissure veins in Pliocene-age terrestrial volcanic rocks of the Mt. Davidson Volcanics. These comprise mainly fine to coarse tuffaceous and fragmental rocks with minor lavas, of andesitic to basaltic composition. The volcanics unconformably overlie a metamorphic basement sequence of the Kagi Metamorphics (Cretaceous to Eocene age).

Figure 4.8 Geological map of Tolumkuma ML 104



Source: TGM from 2017. Projection: TGM Local Grid

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Intermediate to basic pyroclastics (fine ash flow, crystal and crystal-lithic tuff, agglomerate, and breccia) with subordinate andesitic and basaltic lavas, of the Mt. Davidson Volcanics, are the dominant host rocks. These are widely intruded by late narrow dykes of porphyritic andesite, basalt, and dolerite, and locally intruded by small diorite intrusive bodies. The underlying Kagi Metamorphic basement is exposed to the west of the vein system and consists of meta-pelitic rocks including phyllites and carbonaceous or sericitic shales with metamorphic quartz boudins; the contact is partly unconformable and partly faulted.

Alteration of the host volcanics is extensive with a pre-mineral phase of regional propylitic alteration overprinted by later silicification and phyllic-argillic (clay-pyrite) assemblages usually structurally controlled and closely associated with the mineralisation. XRD and fluid inclusion analysis by KRTA for Newmont indicated:

- alteration by near-neutral fluids at >230°.
- deposition at depths of 340 m to 480 m below the paleo water table.
- boiling occurring over a minimum 140 m vertical interval (Langmead, 1988).

4.5 Targets in Tolukuma regional tenure

Several well-defined mineralised vein systems, that may have potential to provide additional resources as feed for the Tolukuma mill, are located nearby in the adjacent EL 2531 and the regional tenements, which surround ML 104.

These systems include Saki, Kimono and Taula located south of the Auga River, and Soju-Yava and Mt. Sen located north of the Auga River (Figure 4.7). All are located within 5 km or less of the mine site. Mt. Sen was discovered and explored by TGM, the others were discovered by Newmont and explored by Newmont, TGM and, in some cases, Petromin. Duma-Dilava is an additional less advanced target located immediately south of ML 104 where little historical work has been completed.

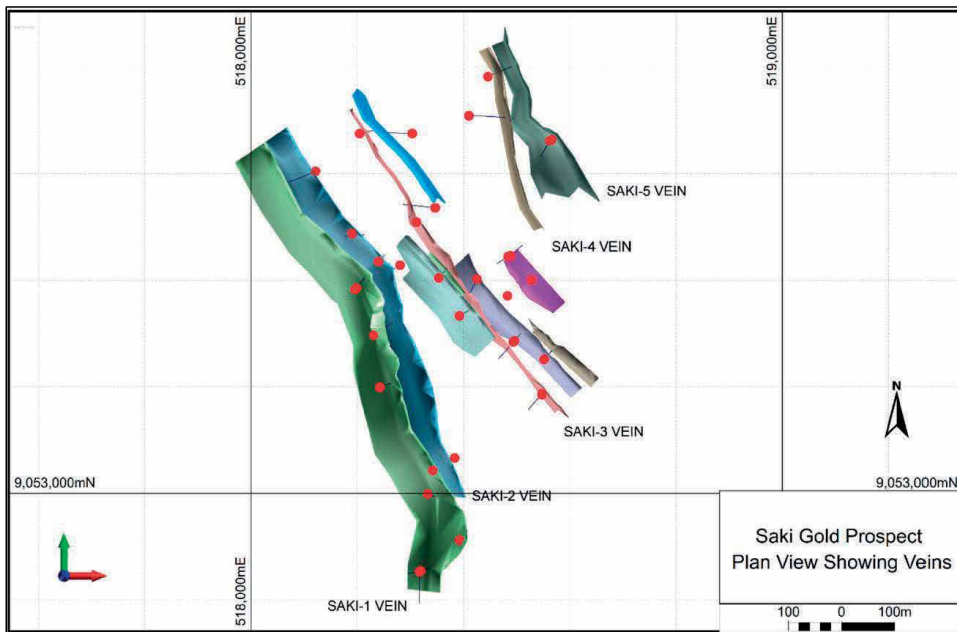
The following target summaries are based largely on Newmont, TGM and Petromin historical reports which are listed in the References section. For work carried out by Frontier, the sources are Moore (2022), Frontier ASX releases (Frontier 2019a & b; 2020a-2020i; 2021a-2021p; and 2022a) which are also listed in the References section and sample spreadsheets made available to the author.

4.5.1 Saki Prospect

Saki contains multiple north-west to north-northwest trending Au-Ag veins within a 1500 m by 600 m vein swarm: individual veins up to 1500 m long, widths of 0.3 m to 16.0 m (average about 1.5 m). Rock chip sampling indicated widespread moderate to high grade Au-Ag. Trenching defined envelopes of plus 1.0 g/t Au up to 16.0 m wide, enclosing narrow (0.5 m to 5 m) high grade Au-Ag zones, up to 535 g/t Au and 303 g/t Ag. Drilling (3 phases) intersected numerous intervals of >1.0 g/t Au (up to 26.0 g/t Au) over drillhole widths of 0.2 m to 13.2 m, to depths up to 125.8 m. Initial geotechnical surveys completed a road access route to Tolukuma and potential hydro power sites in the Auga River.

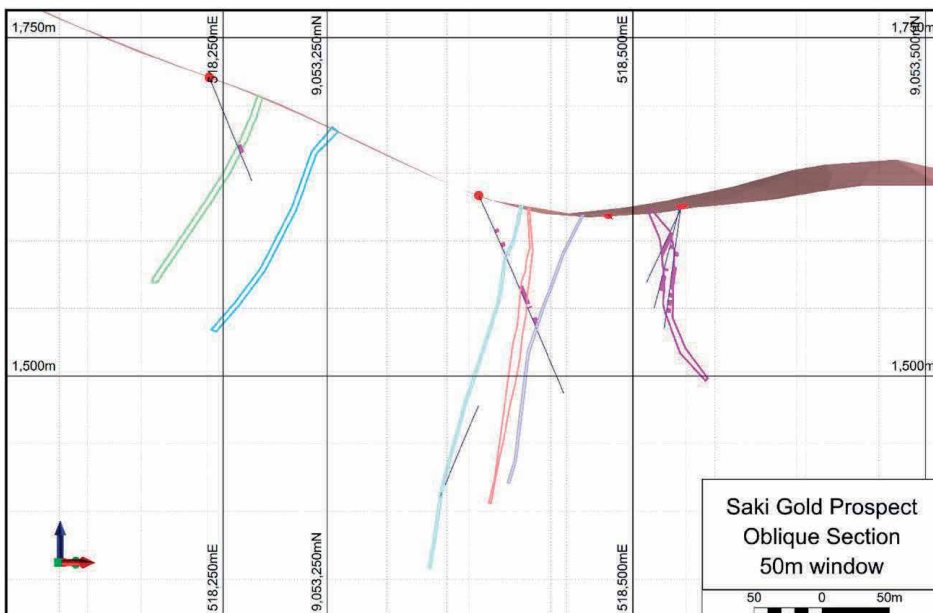
Saki has a previously reported Mineral Resource reported in accordance with the JORC Code (2012) by Frontier Resources Limited (now Lanthanein Resources Limited) in 2022 (<https://wcsecure.weblink.com.au/pdf/FNT/02492922.pdf>). The resource is tabled as 2.0 Mt at 2.0 g/t gold for 128,000 ounces Au (using a 1 g/t Au cut-off). AMC considers the resource needs additional drilling to confirm and improve confidence in the resource (Figure 4.9 and Figure 4.10).

Figure 4.9 Saki Mineral Resource wireframes and drilling



Source: Frontier, 2022a. Projection: AGD66 AMG55S

Figure 4.10 Saki modelled veins oblique section

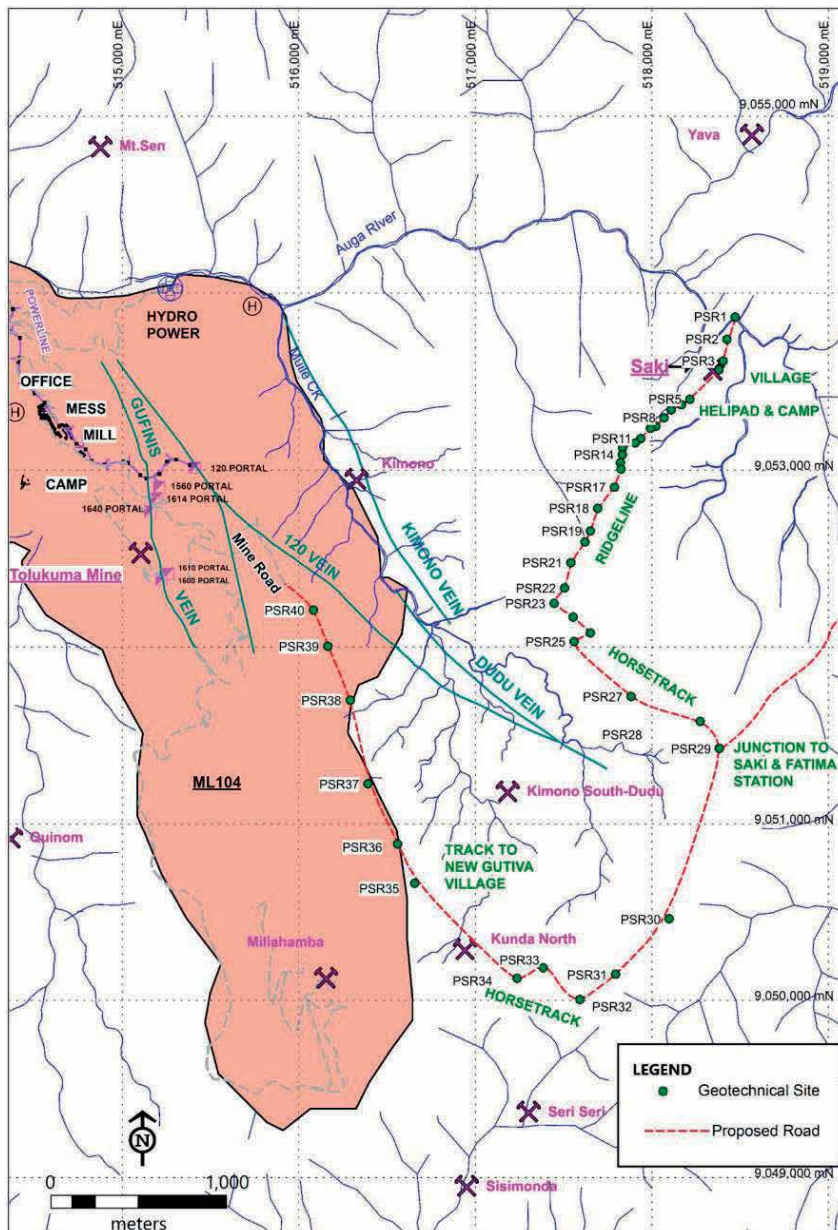


Source: Frontier, 2022a. Projection: AGD66 AMG55S

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Reasonable prospects of eventual economic extraction were examined with a geotechnical survey of an overland route from Saki to Tolukuma (Figure 4.11).

Figure 4.11 Surveyed proposed route access from Saki to Tolukuma Mine



Source: Frontier, 2022a. Projection: AGD66 AMG55S

Comments:

- Saki is the most advanced target in terms of completed work and resource definition.
- Multiple mineralized veins mapped and tested by extensive trenching and drilling.
- However, due to lower average grade (2.0 g/t Au) than Kimono & Taula and distance from Tolukuma, Saki is ranked below Taula.
- Further drilling is required to firm up continuity confidence and locate, if possible, higher grade zones. Two main follow up drill targets identified: 50 m by 750 m (Saki Veins I-II) and 300 m by 750 m (Saki Veins III-VI); system is open to north-west and south-east and at depth. Saki is proposed to have immediate follow up.

4.5.2 Kimono Prospect

Kimono prospect is a 0.2 m to 10.0 m wide north-west to north-northwest fissure vein/structure; with approximately 2.5 km of strike length (open to the south). It is intersected by north-west trending veins extending from ML 104, including Heineken Vein and 120 Vein. The highest gold grades occur in dilational vein/stockwork/breccia zones at structural intersections. The central 360 m of higher grades (flexure zone) is defined as a priority follow up target. Rock chips from this area include grades up to 101 g/t Au and up to 470 g/t Ag. Trenching of this zone exposed narrow high grade Au-Ag zones in lower grade envelopes (e.g.: 1.0 m at 148 g/t Au, 413 g/t Ag; 7.0 m at 13.25 g/t Au and 15.0 m at 13.89 g/t Au. Drilling includes two historical holes; both of which missed the target; unfortunately, no logs or assay data are available.

Comments:

- Central zone has potential to provide early drill success.
- The mineralisation is open to the north-northwest and south-southeast.
- Untested by drilling and is planned for immediate follow up.

4.5.3 Taula Prospect:

The Taula prospect is a north-west to north-northwest structure, 750 m long, open to north-west and south-southeast; 1 m to 8 m wide; offset by splays and cross structures. TGM reported intermittent dilational zones up to 2.0 m wide over strike lengths of 200 m to 300 m. Rock chip sampling indicates high grades, up to 332 g/t Au and 184 g/t Ag. Trenching confirmed high grade potential, e.g. 0.5m at 198.8 g/t Au and 1.2m at 1,041.2 g/t Au, (along structure); highest silver was 100 g/t Ag. Drilling (one phase) tested the structure over 300 m of strike to maximum depth of 90.4 m. Mineralization was intersected at depth along the full 300 m zone, with greater than 3.0 g/t Au intersected over drill widths up to 6.0 m at depths of 18.5 m to 76.5 m. Best results were: 3.0 m at 16.19 g/t Au and 1.8m at 18.8 g/t Au.

Comments:

- Drill tested zone is open to the north-northwest and south-southeast along 750 m Taula Structure.
- Due to high gold and silver grades in historical and Frontier samples, potential strike length and proximity to the mine site, Taula is rated as the highest priority for follow up.
- Taula is drill ready for next stage of drilling.

4.5.4 Kunda North Prospect

Kunda North is a 0.1 m to 4.0 m wide vein, trending northwest; now known to be a separate structure to Taula Vein. Rock chips of discovery outcrop included 10% of 122 samples with >1.0 g/t Au with grades up to 332 g/t Au. No historical trenching or drilling reported. No work by Frontier due to denial of access by local landowners.

Comments:

- Follow up is justified due to highly anomalous gold values in initial rock chip sampling and proximity to Tolukuma.

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- Follow up mapping, rock chip sampling and hand trenching required to define targets for initial drill testing.

4.5.5 Mt Sen Prospect

Mt Sen has two north-northwest mineralized structures, Tumbu and Emaloun, 700 m apart. Tumbu is probably a northern extension of the Kimono structure; visible gold has been observed in both structures. Geochemical results include up to 44.0 g/t Au and 443.0 g/t Ag in soil and widespread anomalous Au in rock chips, up to 34.8 g/t Au. Trenching exposed narrow very high-grade zones at Emaloun of 0.3 m at 431.5 g/t Au and 2.0 m at 164 g/t Au; and 7.62 g/t Au at Tumbu (width not reported). Three scout diamond holes to a maximum depth 140.8 m targeted high trench values on the Emaloun Structure with a best intersection of 1.15m at 6.4 g/t Au (from 125.9 m), including 0.63 m at 7.89g/t Au.

Comments:

- Mineralized structures are on trend from the Kimono and possibly Tolukuma veins.
- Only limited surface programs completed; limited drill testing - three scout holes only.
- Follow up mapping, rock chip sampling and trenching are justified to define drill targets.
- Ranked higher than Soju-Yava because of potential for high grades and close proximity to Tolukuma.

4.5.6 Soju-Yava Prospect

Historical mapping, stream sediment, soil & rock chip sampling, trenching and scout diamond drilling completed has been completed at the Soju-Yava prospect. Three sets of northwest veins – Soju, Yava and Salat; are collectively called the Soju-Yava Prospect. Most historical work targeted Soju and Yava veins. At Soju three main veins and at least eight additional veins within 300 m wide north-west trending corridor with 0.5 m to 2.0 m widths (average 1.0 m) and strike lengths of 20 m to 600 m.

At Yava north-northwest striking quartz-sulphide breccia-veins up to 2.0 m wide with dilational zones up to 4.0 m. Highest gold values are associated with base metal sulphides. Rock chips indicate potential for very high grades, up to 1,750 g/t Au in float, with 1.0 g/t Au to 30.0 g/t Au in outcrop and up to 200 g/t Au and 292 g/t Ag in a trench grab. Trenching exposed narrow high-grade zones including 0.7 m at 62.2 g/t Au; 0.9 m at 30.5 g/t Au and 1.0 m at 22.3 g/t Au in several different veins.

At Soju seven drillholes several structures were intersected up to a maximum strike of 240 m. Gold assays are generally low but with some high silver grades. 11 intersections of >1.0 g/t Au over 0.3 m to 1.1 m. There are only two intersections >5.0 g/t Au: 0.15 m at 25.2 g/t Au, 239 g/t Ag and 0.3 m at 6.13 g/t Au, 339 g/t Ag. High base metal values include up to 1.35% Pb, 4.45% Cu and 9.4% Zn with visible gold in two samples. The six drillholes are inclined parallel to vein orientation (probably due to terrain).

Comments:

- The local geology is complex. Elevated base metals at Soju suggest exposure at deep level, possibly below main gold depositing zone. Elevated gold values in surface samples likely due to supergene enrichment.
- Widespread Au-Ag mineralisation with very high Au values and very limited drill testing, indicate more work is required.
- Due to possible deep level of exposure, distance from Tolukuma and location on north side of Auga River, Soju-Yava is lower priority.

4.6 Data sources

4.6.1 Topography

The topography as generated for the Mineral Resource estimates is dominantly generated from a topography file taken from the mine surveyors in 2013. The local Mine Grid oriented file, in AutoCAD DWG format, was imported as points into Leapfrog, as the direct import to lines and points did not have correct connections. The point cloud was then manually edited to remove points that overlapped vertically, and to manually correct elevations to below the recorded Pit samples where present. The points covered some but not all of the surrounding area (mostly along existing tracks). The Mineral Resource topography is in Mine Grid and is not appropriate for use as a regional topography.

TML commissioned a WorldView-3 satellite topography scene from Geoimage Pty Ltd (Geoimage, 2021) in December 2021. The 1 m resolution digital surface model (DSM) was generated from a WorldView-3 stereo pair acquired 16 February 2020.

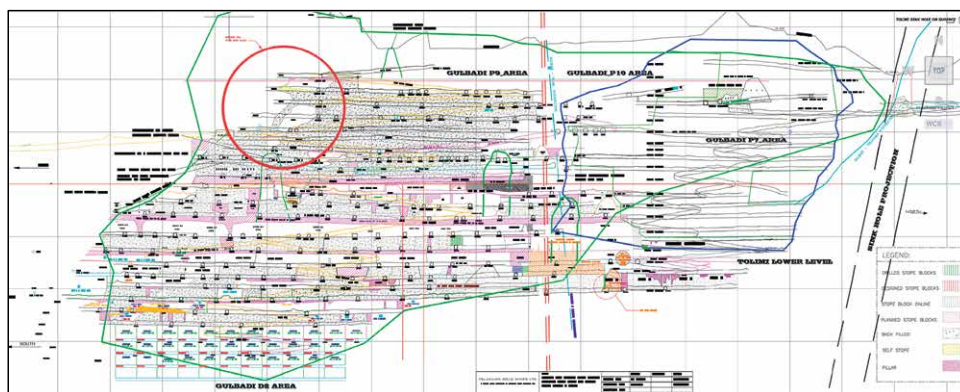
4.6.2 Mine development

Mine development data was provided in Surpac format digital files from 2013. The data included surveyed development and some but not all mine stoped areas. These along with the face sampling locations were used to guide the outlines of the depletions cookie cut out of the Mineral Resource. The files may not be complete to the end of mine life as some mining did occur post data collection. It is noted that the depletions have been conservatively applied in application to ensure the risk of reporting previously mined material is minimal.

4.6.3 Mine stopes

A global exclusion of all areas with development within the veins has been applied in the MRE. Mine personnel utilised AutoCAD based long section files that defined the stope and pillar arrangements, as well as forecast block grades. AMC has access to electronic dated versions of Tolukuma, Gulbadi, Tinabar and Zine veins variously from 2012 to 2014 (example of Gulbadi shown in Figure 4.12).

Figure 4.12 Gulbadi long section example



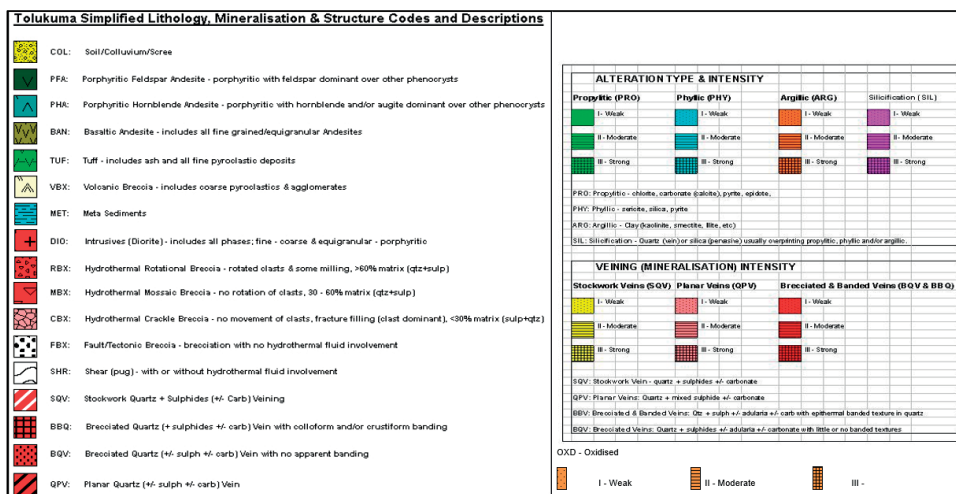
Source: AMC from GULBADI_LSEX_20.08.13.dwg

4.6.4 Drilling

The Tolukuma Mine owned five drill rigs which included three surface and two underground. The surface rigs were man-portable DT250P and DT600P and one Longyear 44. The underground rigs were a conventional Boart Longyear LMA90 and a LM75. The Longyear 44 is capable of drilling to depths of 600 m.

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Figure 4.13 Tolumuma simplified geological logging codes



4.6.5 Face sample

Face samples were collected by the underground geological personnel using traditional chainage from survey point measurements in a development drive. Survey then provided centre point coordinates for each face and as-built wireframes. The current database includes face samples as a pseudo-drillhole, with the collar being the start point of the hangingwall sample, with an assumed horizontal dip, a sample length for each sample being the downhole component. An example of the face sample record sheet is shown in Figure 4.14. It was set up to record an x,y,z (location) and bearing of the face. This data is critical in the database to locate the "face collar" and azimuth, from which the grades and thicknesses can be attributed. In 2013, external checks were conducted by Snowden (2013) and showed that not all records had survey information. Snowden undertook a major data validation of the then recorded 16,623 face samples.

4.6.6 Open Pit sampling

Samples coded as "pit" were recovered from the mine face sample database. The samples have an unknown quality, but given the horizontal nature are assumed to be grade control samples from small trenches or equivalent. These samples were critical to understanding the likely hard rock surface topography as previously provided mine topography included areas of backfill that did not represent the as-mined topography.

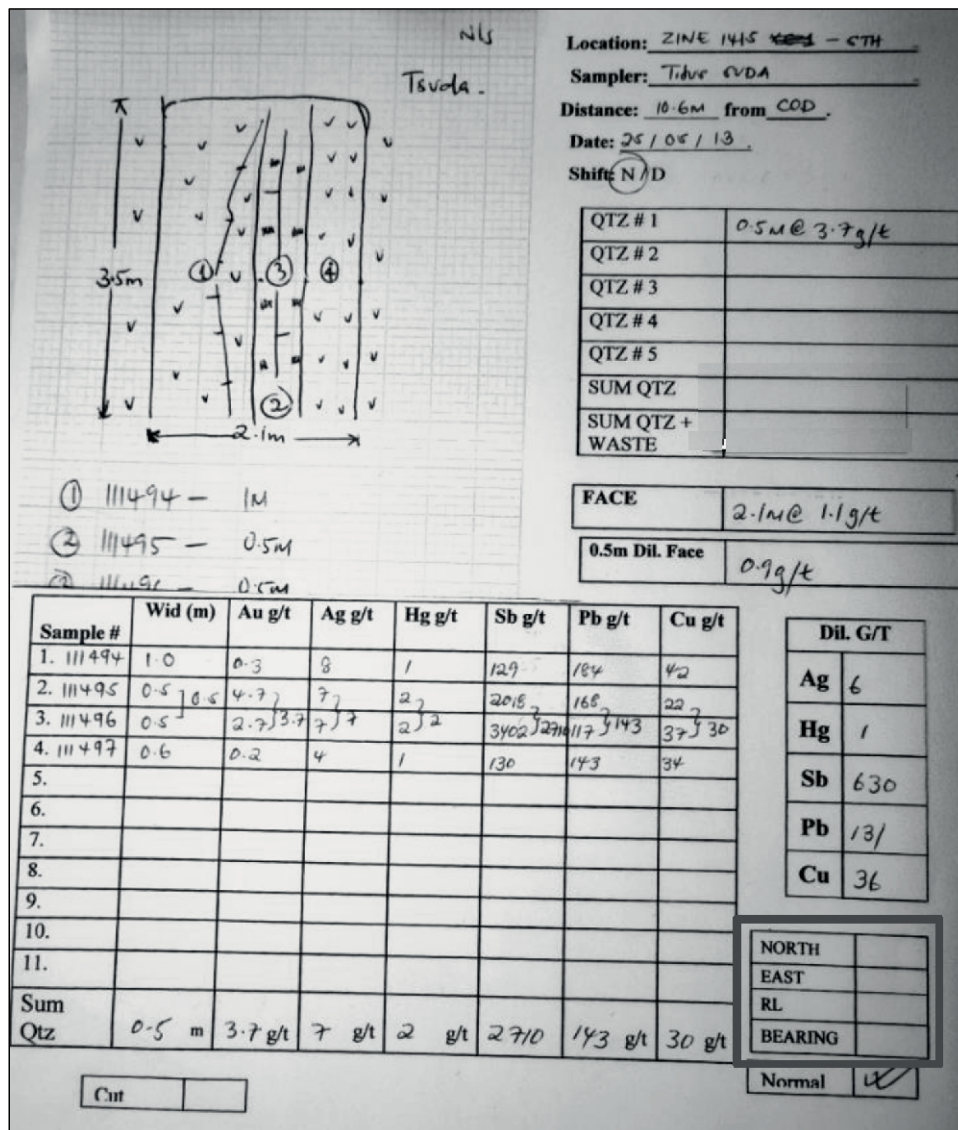
The Open Pit sampling was utilised in the estimate but are largely irrelevant as they are above the topographic surface and consequently not selected as being within the vein wireframe.

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Figure 4.14 Tolukuma mine face sample record sheet



4.6.7 Quality Assurance Quality Control (QAQC)

There are no recorded QAQC data for the face, pit or drill samples at Tolukuma.

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4.7 Tolukuma Drilling

4.7.1 Drilling

The Tolukuma Mine owned five drill rigs which included three surface and two underground. The surface rigs were man portable DT250P and DT600P and one Longyear 44 for surface work. The underground rigs were a conventional Boart Longyear LMA90 and a LM75. The Longyear 44 is capable of drilling to depths of 600 m.

Unfortunately, much of the detailed logging of diamond core has been lost in systems not recovered by AMC or is unknown to AMC at this time. A LYNX software package hosted the data originally. Original extracts into excel files and or access databases were provided to AMC in 2011.

The Competent Person (R Carlson) conducted a site visit in 2013 where physical hardcopy records of all drilling were examined in filing cabinets in the Tolukuma Mine office. A comprehensive review of all the downhole survey records was conducted, and databases updated to correct missing or invalid measurements. The downhole survey data was generated from single shot cameras and were collected at a variety of intervals of the period of the drilling.

A selection of drillholes was also checked for the hardcopy assay laboratory record sheets against the digital records. No significant errors were noted at the time.

The currently available data compiled from a Microsoft Access (MSAccess) file originally supplied in 2011 (2011tolukuma.mdb) and updated by AMC in 2013 and 2016 (mlex_database_final_v1_09092016.mdb) to include updated face samples, DD drilling and trenching completed after the validation and corrections done in 2011.

4.7.2 Drill type

Drilling is exclusively DD drilling. The DD drillholes at Tolukuma were collared in HQ / HQ3 (63.5 / 61.1 mm core diameter) and reducing to NQ / NQ3 (47.6 or / 45.1 mm core diameter) at depth. The triple tube drilling was in place from at least 2007 (Bateleur, 2007).

The database does not record the core size.

4.7.3 Collar survey

Underground DD drilling collar coordinates and azimuths are marked out by the mine surveyors as soon as drillholes were designed and signed off by the Mine Engineering and Geology management. Either side of walls are marked in the underground and pegging used for surface drillhole azimuth alignment.

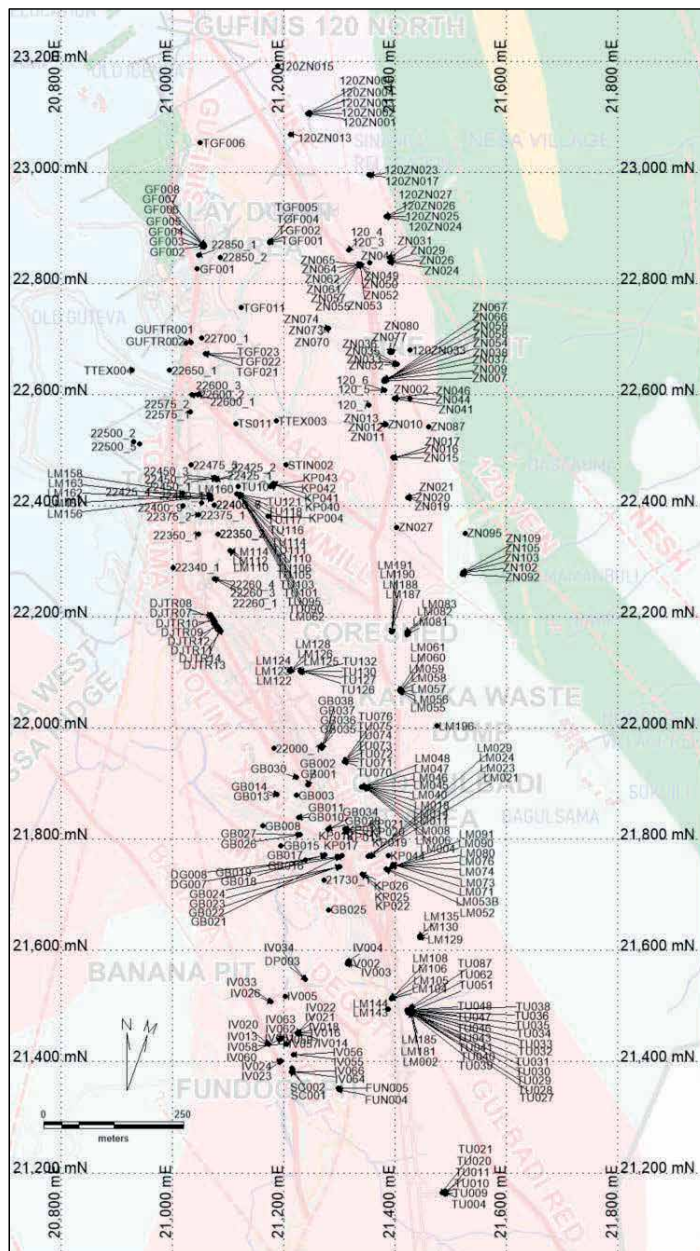
A Sokkia SET 530R - Total Station (Theodolite) is used by the qualified Mine surveyors to mark up the proposed collar position. The azimuths are indicated by using spray paints. All point pickups within the ML 104 are in local Mine Grid and those outside of the ML 104 are in Australian Metric Grid (AMG 66; AGD 55). Conversion from AMG to Mine grid is plus 20° degrees in history.

For the surface drillholes, the collar positions, azimuth and dip are measured using a tape and compass method surveyed by the geologist and / or field supervisor. After the completion of the drillhole, a proper theodolite survey is done, and the results compared with those obtained from the earlier tape and compass survey. Significant differences between the two readings are addressed and a re-survey is done if required.

The as drilled underground drillholes are surveyed by the underground mine surveyors.

The collar locations for the drilling (surface and underground) included in the Tolukuma Mineral Resource are shown in Figure 4.15.

Figure 4.15 Tolumkuma drillhole locations included in the Mineral Resource estimate



Note: Tolumkuma Mine Grid. Generated by AMC.

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4.7.4 Downhole surveys

A Sperry Sun Single Shot Camera was used to take all downhole surveys on the drillholes. Shots are taken every 50 m down the drillhole and the films processed on site. A repeat run is immediately done if the film is poorly developed. Deviation in azimuth and dip is read and recorded by the geologist, the film disc is then placed in an envelope with details of azimuth, dip and drillhole depth and safely stored in a folder containing all other downhole information for that particular drillhole.

A comprehensive review of all the downhole survey records was conducted by Snowden in 2013, and databases updated to correct missing or invalid measurements. The downhole survey data was generated from single shot cameras and were collected at a variety of intervals of the period of the drilling.

4.7.5 Core orientation

There was no oriented core collected at Tolukuma.

4.7.6 Core recovery

Core recovery for Tolukuma DD drilling is a big challenge in two areas:

- the incompetent and deeply weathered and oxidized top zone (down to 40 m).
- the often-soft clay altered and friable nature of the volcanic rocks that host all epithermal vein mineralization at Tolukuma. The clay zones normally host some free gold mineralization.

The soft clays associated with the mineralisation within the epithermal veins are normally washed out and the more competent quartz drops back into the drillhole and end up been re-drilled. However, since 2003, a number of corrective steps were taken to improve core recovery. When drilling through the incompetent oxidized zone including heavily altered and mineralized zones the following controls were applied:

- More mud and polymer were applied to increase fluid viscosity.
- Shift down hole water pump / pressure to low gear.
- Not pushing the drill head, instead applying moderate hydraulic pressure or use of rod weight to penetrate.
- Reduce rotation on rods and go slowly.
- Do short core runs – never full tube.

When close to the expected target structure, the site Geologist advised the driller and the above measures were taken immediately.

Core recovery within competent country rock is excellent.

Core recovery data have not always been recorded in the database. The recorded global core recovery mean in the vein material is 92%. This comes from 6,650 core recovery values in the database of 92,827 DD intervals (total data approximately 78,501 assays). 296 data records are less than 2% and so appear to have been recorded as decimals rather than percentages and so there is some uncertainty in the data. A total of approximately 7% of the diamond core sampling has had the recovery recorded and entered. The core recovery histogram is shown in [Figure 4.16](#) and the recovery to grade relationship shown in [Figure 4.17](#). There is no apparent recovery to grade relationship.

Figure 4.16 Histogram of core recovery

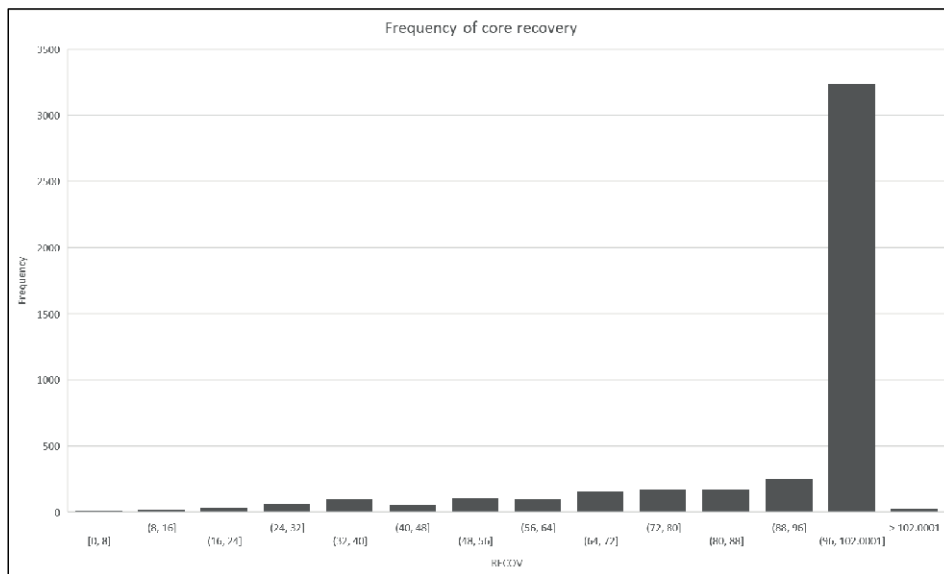
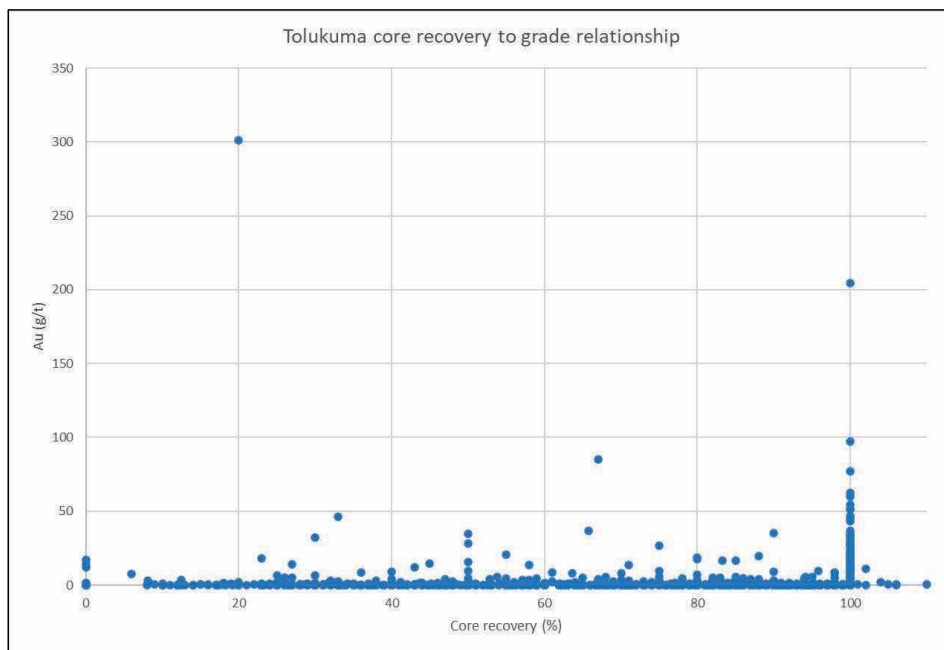


Figure 4.17 Scatterplot of recovery to gold grade



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4.7.7 Drillhole spacing

Drillhole spacing is highly varied across the deposit as a whole. In general, drillholes are targeted at spacings of approximately 60 m by 60 m as a first pass along strike and down dip to test extensions. Follow-up drilling in to 30 m by 30 m is used where increased confidence is required. Historically, there are areas of the mine (e.g. Tolimi) where no drilling at all preceded mining. The miners followed the vein in the face and used face samples to predict the stope grades.

Later underground drilling had multiple drillholes drilled from single underground cuddies.

4.7.8 Core logging

Core logging includes codes for each vein, percentages for recovery and by the amount of core in sticks greater than 10 cm in length for RQD. The database contains irregular and old codes and requires a detailed re-assessment and re-compilation from scratch using the original logs wherever they still exist.

The database structure was very basic with tables for collar, survey, assay, lithology, and lode (Table 4.2).

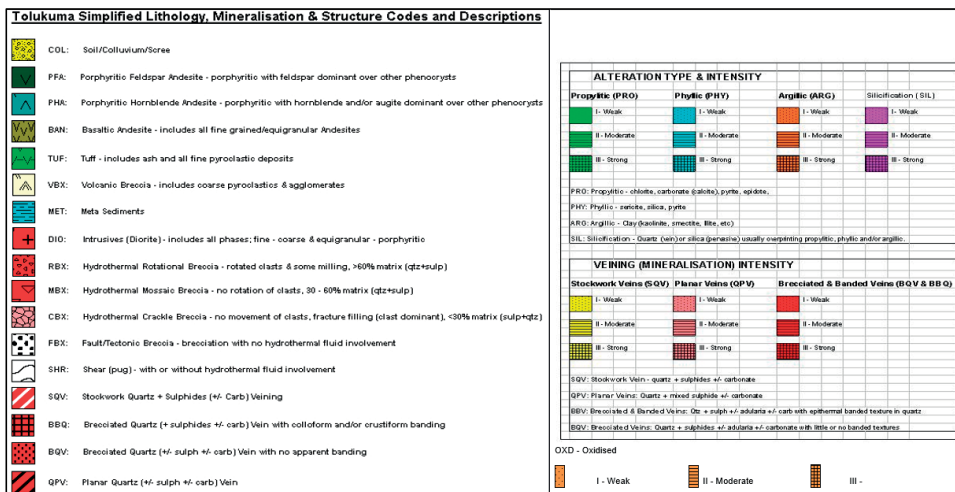
Table 4.2 Tolukuma database structure

Table	Fields
Collar	Drillhole identifier (Hole_ID), east, north, RL, drill type, maximum depth, date and remarks
Survey	Hole_ID, depth, dip, azimuth
Assay	Hole_ID, from, to, sample ID, sample width, true width, calc width, recovery, vein id, vein name, code, category, core angle, dip angle, dip direction, domain, flag, lithology, mineralisation, alteration, gold, silver, antimony, mercury, copper, lead, zinc
Lithology	Hole_ID, from, to, sample ID, lith code, lith number
Lode	Hole_ID, from, to, sample ID, category, vein name

Lithological codes used in the database are shown in Figure 4.18, although in practice many variations of this and other codes are present in the database provided. The rock types described are included as photographs in Figure 4.3, Figure 4.4, and Figure 4.5.

Unfortunately, the database as provided in 2011, and subsequent file updates, was based on generally very poorly maintained data. Many fields contained data with mixed information where data had been imported into MSAccess or Excel incorrectly. Many fields contained no data or inconsistently recorded data. The key field of the vein name was not consistently recorded and contained many misclassified veins. AMC chose to use the vein names available in the assay table, and the recorded lithology to commence the flagging process for vein correlation. Data was loaded to Leapfrog and vein data validated, grade and lithology-based subsets were then used to identify intercepts not previously flagged.

Figure 4.18 Tolukuma simplified geological logging codes



4.7.9 Core sampling

All core sampling was based on lithology and vein intervals. There are some incorrectly coded sample intervals in the original dataset that indicated very large sample intervals. These were ignored as being invalid.

4.7.10 Potential bias factors

Diamond drill core recovery for Tolukuma drilling is recognised as poor in the following situations:

- Incompetent, deeply weathered and oxidized near surface zones (down to 40 m).
- Soft clay altered and friable zones of the volcanic rocks that host all epithermal vein mineralization at Tolukuma. The clay zones normally host some free gold mineralization.

Sample recovery was not recorded adequately or consistently based on the data

4.8 Sample preparation

All core samples at Tolukuma were prepared on-site. The sampled core was dried in batch ovens at 180° to 200° at the sample preparation shed or in the mine laboratory. Following drying a jaw crush (Essa unit) of 3 mm to 5 mm was completed. Following that the sample was split 50:50 in a Jones riffle until the primary sample was reduced to 300 g to 500 g. This split was then pulverised in a Labtechnics LM2 to 90% passing 75 µm (Figure 4.19). The pulp was tipped onto a rolling mat and scooped into a sealed envelope for analysis.

AMC notes that at the drying temperature used, mercury could evolve as a gas and the resulting analysis be biased low.

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Figure 4.19 Photograph of sample preparation equipment in 2013



Source: Snowden, 2013

4.9 Sample assay

The Tolukuma mine laboratory is located adjacent to the Mill. It hosts small but well segregated areas for wet sizing, drying, wet chemistry and analysis. The laboratory was run by TGM personnel (Figure 4.20).

Gold was analysed by Aqua Regia digest with a di-iso butyl ketone (DIBK) organic solvent extraction phase prior to analysis on an Agilent 240 AA, Atomic Absorption Spectrophotometer (AAS)(in 2013) earlier readings were on a Varian Spectra AA. Silver, mercury, and antimony, and variably through time, copper, lead, and zinc are completed by reading the Aqua Regia digest (after boiling, drying, and making up to volume) in an AAS.

Duplicates, commercial Certified Reference Materials (CRM’s), and internally prepared matrix matched standards (not independently certified) are used for internal laboratory control. However, no records to date have been discovered to verify the data.

No recorded verifiable internal or external QAQC is presently available for the drilling or face sample.

Round robin blind CRM assaying was conducted in 2006 (Conway-Mortimer, 2006a and 2006b).

There are recorded site visits to the laboratory by Roger Cooper (Bateleur, 2007) and the author in 2013. The author found the lab was well managed with clean areas, well documented protocols, and digital data capture from the Agilent AAS. AMC considers the laboratory whilst not having International Standards Organisation (ISO) qualification was of a high standard.

Figure 4.20 Photographs of Tolukuma mine laboratory weighing, wet chemistry digest areas and AAS equipment



Source: Bateleur (2007) and AMC (photos from 2013 site visit)

4.10 Density determination

AMC has no records of any density readings to be used for in-situ dry bulk density assignment. Historical density used at the mine for tonnage factors from production utilised 2.2 kg/m^3 . AMC strongly recommends all future drilling includes measurements of bulk density of host rock and mineralisation on a regular basis.

4.11 Data verification

4.11.1 Data sources

The data sources used for the 2022 Tolukuma Mineral Resource are derived from a number of disparate areas. The majority of the data was derived from previous data held by AMC based on projects completed at Tolukuma for previous clients. AMC considers this data is of higher quality than data subsequently sourced from various computers based at the mine site, as the data had been previously validated for earlier estimates.

4.11.2 Grid coordinate system

The primary grid used in the Mineral Resource estimate is a local Tolukuma Mine grid. All drilling and underground workings data is based on this grid. The local grid has not been accurately tied to any global grid to AMC's knowledge. Based on the drill log header MINE grid azimuth should have -13 degrees subtracted to get AMG grid azimuth. As at 2005, magnetic to mine was $+20$ degrees.

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The primary grid used for regional geophysical and exploration data is based on Australian Geodetic Datum 1966 (AGD66) and uses Transverse Mercator Australian Map Grid Zone 55 (TMAMG55) projections.

4.11.3 Face samples

The current database incorporates face samples in the estimate due to the lack of drilling in many locations. The face sample database was validated in 2013 (Snowden,2013) from a file called “tolukuma.mdb”. The face sample database had not been validated previously and contained large numbers of duplicate and incorrectly coded face positions. The data following cleaning was incorporated into a single database by AMC. Not all face samples were able to be used (compared to hardcopy) due to a period late in the mine life (2013-2015) where surveyor positioning data was missing, additionally many located samples were missing assay information.

4.11.4 Drilling data

Unfortunately, much of the detailed logging of diamond core has been lost in systems not recovered by AMC or is unknown to AMC at this time. A LYNX software package hosted the data originally. Extracts into excel files and or access databases were provided to AMC.

The Competent Person (R Carlson) conducted a site visit in 2013 where physical hardcopy records of all drilling were examined in filing cabinets in the Tolukuma Mine office. A comprehensive review of all the downhole survey records was conducted, and databases updated to correct missing or invalid measurements. The downhole survey data was generated from single shot Eastman cameras and were collected at a variety of intervals of the period of the drilling.

A selection of drillholes was also checked for the hardcopy assay laboratory record sheets against the digital records. No significant errors were noted at the time.

4.11.5 Collar surveys

Collar surveys for all drilling were completed at mark out and final pickup stage by the Mine Surveyors. The information is historically recorded manually and later recorded digitally. Transfer of information to the Geology drilling database was by email or spreadsheet. The surveyors in late times used industry standard reflector-less high precision electronic theodolites for recording positions. AMC considers the collar position accuracy is low risk underground, but moderate risk in older surface drilling due to less accurate methods in use at the time. Many surface drilling locations would not be able to be validated due to open pit mining and waste dump locations.

Face samples were collected using distance chainage from survey point measurements in development drives. Survey then provided centre point coordinates for each face and as built wireframes.

4.11.6 Density

The assignment of in-situ dry bulk density is assumed. No data verification has been completed (see Section 4.10).

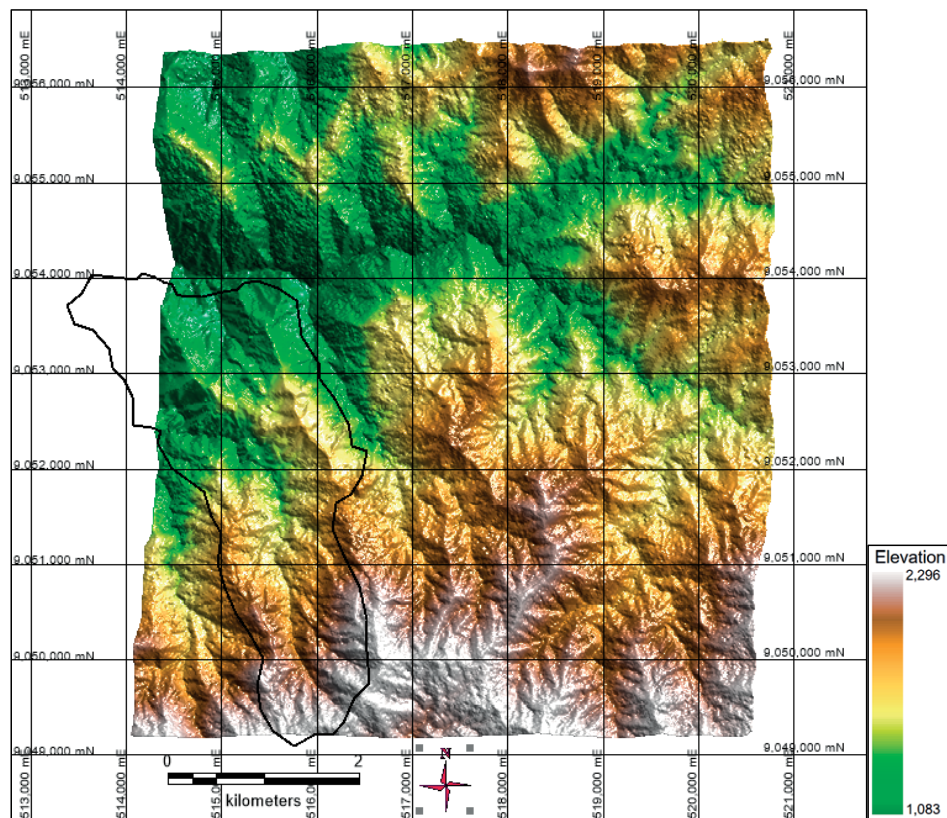
4.11.7 Topography

Topography for the hard rock surface used in the Mineral Resource estimate is based on Mine Surveyor pick-up in local mine grid using theodolite (unknown accuracy) modified by AMC to fit post-mining hard rock surfaces. The points used were available in a file called mine_surface2013.dwg collected from the mine in 2013 by AMC. The topographic points only covered parts of the mining lease area, mainly the pit, dump and road areas, with some other points. Some of the points were modified to create likely hard rock surfaces based on grade control trench samples showing the benched open pit mine locations. In locations such as Gufinis, Tolukuma and 120 vein open pits there is backfill or dumped material over the top that mask

the original mined hard rock surface. The surface topography used in the resource estimate is not appropriate for use as a global topographic surface as it is only accurate in the areas picked up by the surveyors.

In addition, TML provided a satellite derived digital terrain model (DTM) and orthophoto generated by Geoimage Pty Ltd (Geoimage, 2021) in December 2021 from World View 3 satellite imagery. This data was provided in AGD66 TMAMG55 projection and has a stated resolution of 50 cm panchromatic and 2 m for the 4-band multi-spectral. The swath image was acquired on 16 February 2020 and covers the majority of ML 104 (Figure 4.21, Figure 4.22).

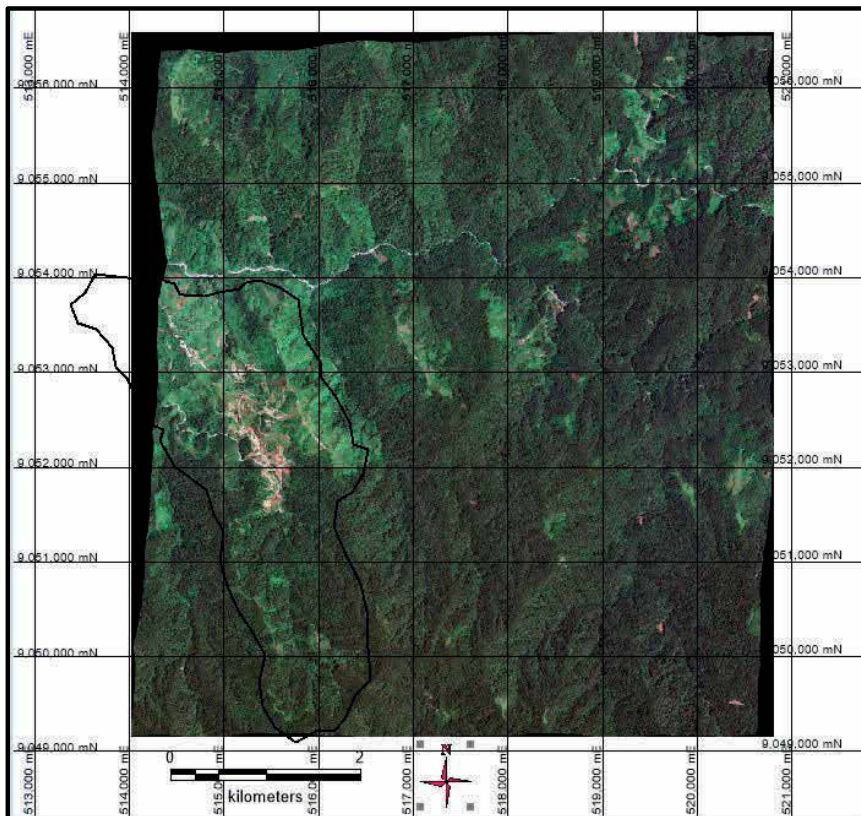
Figure 4.21 Tolukuma Worldview-3 topography elevation (false colour) showing ML 104 boundary



Source: AMC from Geoimage, 2021. Projection AGD66 TMAMG55

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Figure 4.22 Tolukuma Worldview-3 orthophoto (false colour) showing ML 104 boundary



Source: AMC from Geoimage, 2021. Projection AGD66 TMAMG55

4.12 Quality assurance and quality control

4.12.1 Assay certificates

No Tolukuma drilling or face sampling has any recorded Independent International Standards Office (ISO) assay certificates. All analysis were conducted at the on-site minesite laboratory.

4.12.2 Certified Reference Materials

The laboratory used external standards to calibrate and validate in all sample batches. No record has been kept of these data.

4.12.3 Duplicates

No duplicates are recorded.

4.12.4 Blanks

No blanks are recorded.

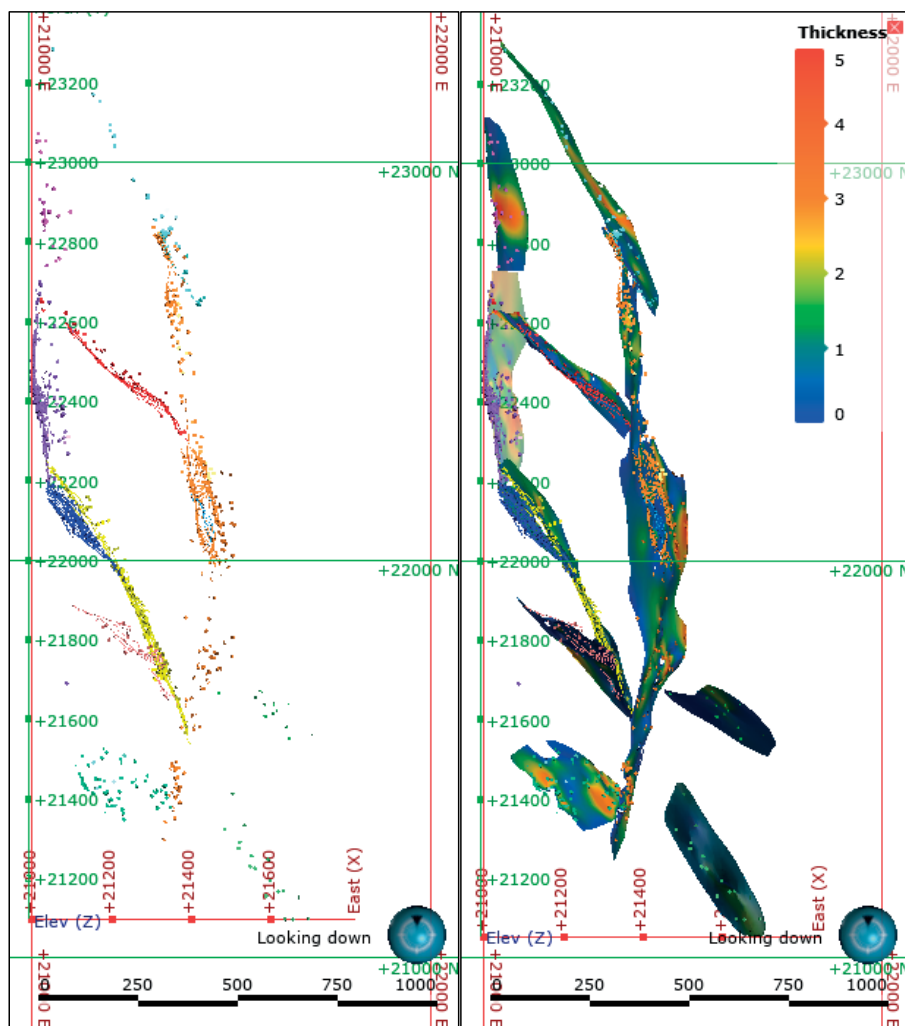
4.13 Interpretation

4.13.1 Modelling

The Tolukuma veins were modelled in Leapfrog™ software using vein options with snapping to drillholes. The vein samples were selected from vein flagging used by the mine, but significantly edited to correct mistakes, add intercepts where not flagged, and add intercepts based on new interpretations. The flagging of the face samples and drill intercepts was then used to guide the individual veins (Figure 4.23).

No geological interpretation was attempted due to the extremely large number of lithological codes and variation of logging used by the mine geologists over time.

Figure 4.23 Tolukuma vein intercepts coloured by vein and vein modelled thicknesses



Source: AMC. Note: Plan view

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4.13.2 Lithological domains

No geological interpretation was attempted due to the extremely large number of lithological codes and variation of logging used by the mine geologists over time. All veins are currently hosted by volcanic rocks ranging from Andesites to Rhyolites. AMC recommends that an early priority would be to establish a 3D geological model to assist the interpretation and modelling of future estimates.

4.13.3 Mineralisation domains

The mineralisation domains are based on the historically mined veins both surface and underground, and extensions thereof. The major veins that have development to date include:

- Tolukuma
- Tolimi
- Gulbadi
- Gulbadi X
- Tinabar
- Zine
- 120
- Gufinis (minor open pit)

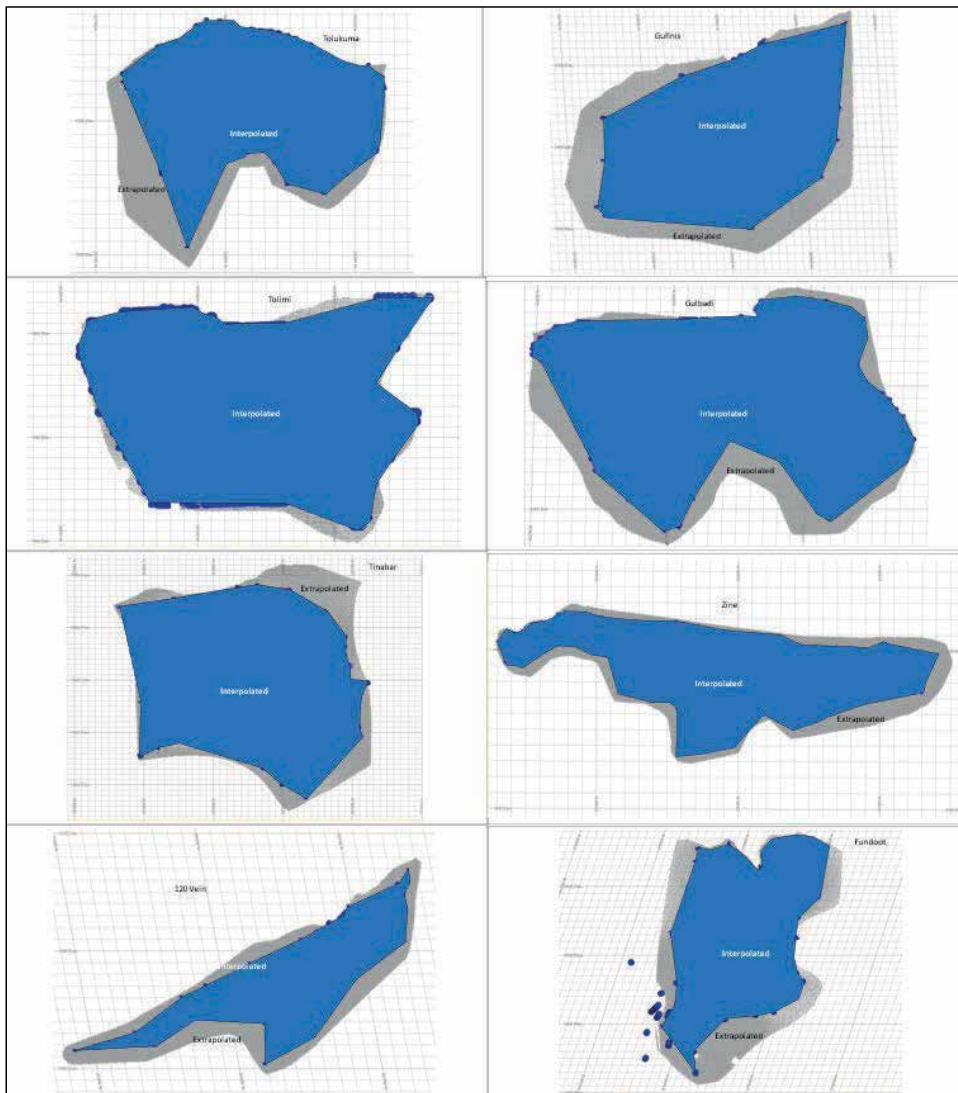
Other mineralisation domains interpreted from drilling or development that remain undeveloped include:

- Fundoot
- Gulbadi Red
- Mystery

Maximum extrapolation from drillhole or face sample composite varies in order to maintain the vein orientation and continuity, but a maximum of approximately 80 m is generally maintained. Maximum average distance for the block estimation is 126 m with a mean of 25 m.

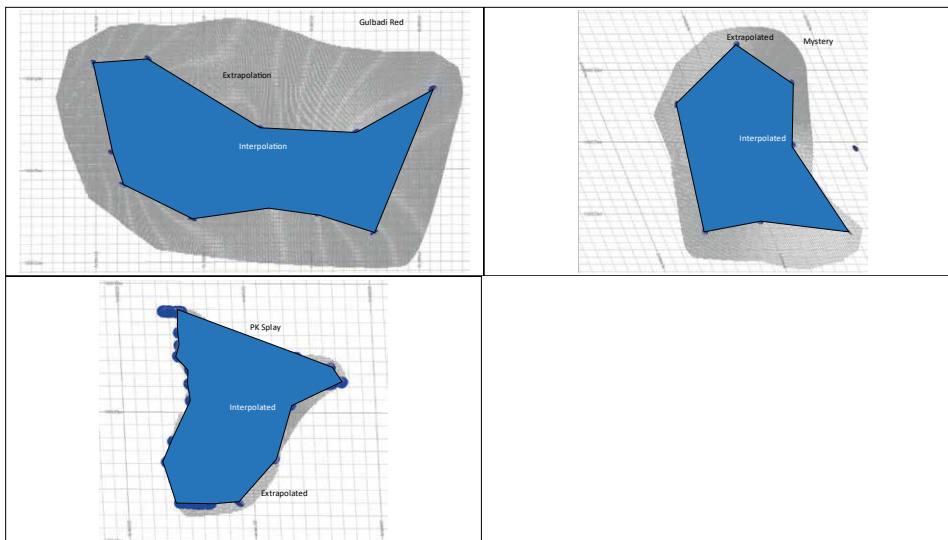
The proportion of the resource that is based on extrapolated data is approximated 10%. The basis of the extrapolation is established vein continuity shown from mining at Tolukuma.

Figure 4.24 Extrapolation and Interpolation shapes for each vein (part 1)



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Figure 4.25 Extrapolation and Interpolation shapes for each vein (part 2)



4.14 Mineral Resource estimation

4.14.1 Introduction

Ordinary kriging was used to estimate vein widths and metal accumulations into parent cells in a 'two' dimensional block model of the veins. Inverse distance weighted and nearest neighbour estimates were also completed for comparative purposes but not used in the final estimations. The metal accumulation estimates were then divided by the vein width estimates to obtain the metal grade estimates. The grade estimates were then transformed to a three-dimensional block model constrained by wireframes of the veins and topography surface. The ore domain wireframes were created using Leapfrog Geo software (Leapfrog) from interval selections using the supplied drilling database. The initial prototype block model was created using Surpac mining software (Surpac) and all subsequent resource modelling and estimation processes were completed within Datamine Studio mining software (Datamine). AMC generated the resource estimates for deposits using the method as follows:

- Build geological vein ore domains from the supplied drilling database based on grade, historical vein identification and lithology.
- Validate geological wireframes.
- Select and create full-length composite samples within the vein domains.
- Create a 3D block model constrained by vein and topography wireframes in real space.
- Create a 2D single width block model of the veins for grade interpolation and transform all easting coordinates onto a single easting reference plane (21300 mE).
- Code the full-length composites with the true thickness determined from the vein domain wireframes.
- Project the full-length composite samples onto the single easting reference plane (21300 mE).
- Estimates of the metal accumulations and true thickness were generated into the 2D block model.
- Divide the metal accumulation estimates by the vein width estimates to get the metal grade estimates within 2D block model.

- Transform the estimated grade and thickness from the 2D block model back into the spatially correct 3D block model.
- Validate estimated grades.
- Deplete the 3D block model with previously mined areas, or areas with a high likelihood of inaccessibility or ground deterioration.
- Classify the 3D block model based on geological confidence, vein thickness, drill density and geostatistics.
- Final block model validation.
- AMC peer review and reporting.

4.14.2 Database

Section 4.11 and 4.12 describe the validity of the data used in the estimate.

AMC believes that the key issues likely to affect the reliability of the resource estimates are the reliability of the downhole surveys, selective sampling, assays, and the quality control of the database information. To avoid the use of invalid data in future, AMC recommends that TML conducts a thorough validation of the database and institutes a systematic QAQC process for all future data collection. This could involve a review and upgrade of the data entry and management systems.

4.14.3 Domaining

Each mineralised vein wireframe was created within Leapfrog using the flagged sample intervals. The vein model used the Vein Modelling option in Leapfrog with snapping to sample intervals. A combination of explicit and implicit wireframing was used to create 15 separate veins using interval selection listed below in Table 4.3. The vein intervals were based on grade, historical vein identification and lithology. The sampling used to inform the domains was a combination of diamond drilling and face sampling. For continuity purposes, a 1 g/t Au cut-off together with drillhole logging was used to help define the mineralised veins.

Table 4.3 List of the Tolukuma mineralised domains used in the MRE

Vein Name	Domain Number	Wireframe Description	Filename (Datamine format)	Date Created
Gulbadi Red	1	Vein wireframe	tol_vgulrpt / tol_vgulrtr	12/01/2022
Mystery	2	Vein Wireframe	tol_vmmzpt / tol_vmmztr	12/01/2022
Fundoot	3	Vein Wireframe	tol_vfunpt / tol_vfuntr	12/01/2022
Gulbadi X (Depleted)	4	Vein wireframe	tol_vgulxpt / tol_vgulxtr	12/01/2022
		Depletion	Vgulxdeplpt / vgulxdepltr	22/12/2021
Tolukuma	5	Vein Wireframe	tol_vtolpt / tol_vtoltr	12/01/2022
		Depletion	Vtlideplpt / vtlidepltr	21/12/2021
Tinabar	6	Vein Wireframe	tol_vtinpt / tol_vtintr	12/01/2022
		Depletion	Vtindeplpt / vtindepltr	07/01/2022
Sawmill (Not reported)	7	Vein Wireframe	tol_vsawpt / tol_vsawtr	12/01/2022
Tolimi (Depleted)	8	Vein Wireframe	tol_vtlupt / tol_vtlutr	12/01/2022
		Depletion	Vtludeplpt / vtludepltr	07/01/2022
Gulbadi	9	Vein Wireframe	tol_vgulpt / tol_vgultr	12/01/2022
		Depletion	Vguldeplpt / vguldepltr	07/01/2022
Zine PK	10	Vein Wireframe	tol_vpkpt / tol_vpktr	12/01/2022
		Depletion	Vpkdeplpt / vpkdepltr	21/12/2021
Gulfinis	11	Vein Wireframe	tol_vgufpt / tol_vguftr	12/01/2022
120	12	Vein Wireframe	tol_v120pt / tol_v120tr	12/01/2022
		Depletion	v120deplpt / v120depltr	18/01/2022

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Vein Name	Domain Number	Wireframe Description	Filename (Datamine format)	Date Created
120 Footwall (Not reported)	13	Vein Wireframe	tol_v120fwpt / tol_v120fwtr	12/01/2022
Miliahama (Not reported)	14	Vein Wireframe	tol_vmvpt / tol_vmvtr	12/01/2022
Zine	15	Vein Wireframe	tol_vzinpt / tol_vzintr	12/01/2022
		Depletion	Vzindeplpt / vzindeplre	18/01/2022

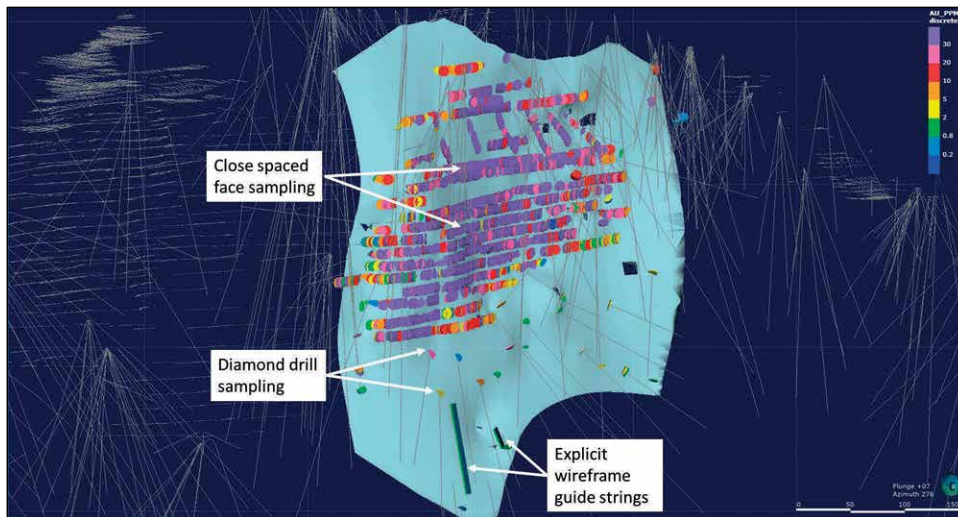
4.14.4 Compositing

The sample database was flagged with a vein code unique to each individual wireframe. Because the veins are thin in nature (typically <2 m true width) a full-length composite was used to reflect the lack of selectivity during mining, and to help reduce the downhole variance within drillholes.

4.14.5 Geological interpretation

The boundaries of the mineralised veins were interpreted using Leapfrog using both implicit and explicit wireframing to form a fully linked three-dimensional geological interpretation of the vein, using both geology and sample information from drillhole and face sample data. Intervals were selected based on lithology, grade, and historic identification to create a new vein field in the database. The new vein field was then categorically used to create vein shapes. The extents of the veins were manually created based on drill density and grade. Some drill intervals were excluded on a case-by-case basis with respect to geological continuity or lack of available sample data. An example is shown below in Figure 4.26.

Figure 4.26 Tinabar interval selection showing close spaced face sample interval selection in the upper regions, and diamond drill interval selection in the lower region.



4.14.6 Block modelling

A 3D prototype block model was built using Surpac that encompassed all the mineralisation wireframes, the dimensions are shown below in Table 4.4. The initial prototype block model was created to allow ease of importing and exporting across various mining software packages as requested by TML.

Table 4.4 3D block model prototype coordinates and dimensions

Coordinate	Minimum (m)	Maximum (m)	Parent Cell Size (m)	Subcell Size (m, minimum)
X (Easting)	20800	21800	5	0.15625
Y (Northing)	19500	23500	10	1.25
Z (Elevation)	1100	2100	10	1.25

The two-dimensional (2D) block model was used for grade interpolation. This block model was a transformed version of the prototype model in which all block X coordinates were manually set to 21300 mE. This method resulted in the parent cells being aligned onto the same easting plane (21300 mE) as the composite samples, which improved the searching of related samples during estimation. Final block model parameters are detailed below in Table 4.5.

Table 4.5 Final block model parameters

Field	Description
Domain	Domain field (same for all metals)
Mined	Depleted (as of end of 2021)
TOPO	Topography surface
Density	Assigned density (t/m ³)
AVDIST	Average distance of contributing composites of a gold block estimate
NSAM	Number of contributing composites of a gold block estimate
NoBHID	Number of contributing drillholes from which composites are drawn for a gold block estimate
PASS	Estimation pass (1,2 or 3) based on search neighbour scenario used to generate a gold block estimate
AUESTOK	Gold grade block estimate (g/t Au - AUTHKOK/THICK)
AGESTOK	Silver grade block estimate (g/t Ag)
CUESTOK	Copper grade block estimate (ppm Cu)
PBESTOK	Lead grade block estimate (ppm Pb)
ZNESTOK	Zinc grade block estimate (ppm Zn)
HGESTOK	Mercury grade block estimate (ppm Hg)
SBESTOK	Antimony grade block estimate (ppm Sb)
AUTHKOK	Gold metal accumulation block estimate (g/t Au)
THICK	True thickness block estimate
RESCAT	Mineral Resource category (classification)
THIN11	Unclassified thin volume - domain 11
THIN2	Unclassified thin volume - domain 2
THIN6	Unclassified thin volume - domain 6
THIN15	Unclassified thin volume - domain 15

4.14.7 Selection and treatment of data

The true thickness of the wireframes was determined using Datamine. The wireframes were imported from Leapfrog into Datamine, and the 'calculate wireframe volume' function was used to write the true thickness attribute into the triangulation file. A true thickness attribute was recorded for every triangle in each individual wireframe. This was the preferred method to better

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preserve wireframe geometry true thickness rather than rely on sample intercepts from faces or DD drilling that had varying levels of available data points to estimate from.

The triangulation true thickness was then assigned to the corresponding sample composite in the database using a nearest neighbour estimation. The metal accumulations for the intercepts were calculated for gold, silver, copper, lead, mercury, antimony, and zinc by multiplying the grade with the true thickness of the sample composite. Metal accumulations are additive irrespective of the sample length. The metal accumulations were therefore used for statistical and geostatistical analyses.

The metal accumulations and true thicknesses of the sample composites were interpolated, for each element, using up to three passes of ordinary kriging (OK) into the model parent blocks within the 2D model. The model blocks and composites were returned to their true positions prior to validation of the model.

The estimated metal grades for the blocks were then back calculated by dividing the estimated metal accumulations by the estimated true thickness.

Inverse distance squared (ID²), nearest neighbour (NN) estimates were run concurrently as a validation check on the OK block grade estimates. Additional validation check estimates were also generated based on unweighted composite grades.

4.14.8 Variography

Experimental variograms were modelled for domains 5, 9 and 15 as they were representative domains with appropriate number of sample pairs available. Variography analysis was completed in Snowden Supervisor software (Supervisor) on the gold and silver metal accumulation (examples in Figure 4.27 and Figure 4.28). Domains with low sample counts used the same gold or silver variography as adjacent domains with a similar dip / strike and similar grade populations (Table 4.6).

Nugget values were determined from the directional variograms as the downhole variogram did not have enough data for useful analysis, the composites were full length.

A correlation matrix was created to compare the regression values between the secondary metals, copper, lead, zinc, mercury, and antimony. It was deemed appropriate to apply the gold variography to the secondary metals. Good correlation was difficult to determine because of the significantly lower number of assay results available for the secondary metals. Table 4.6 below shows the relationship between what domains were grouped, and what metals shared the gold variography.

Figure 4.27 Variogram fans for gold - domain 5 Tolumkuma vein

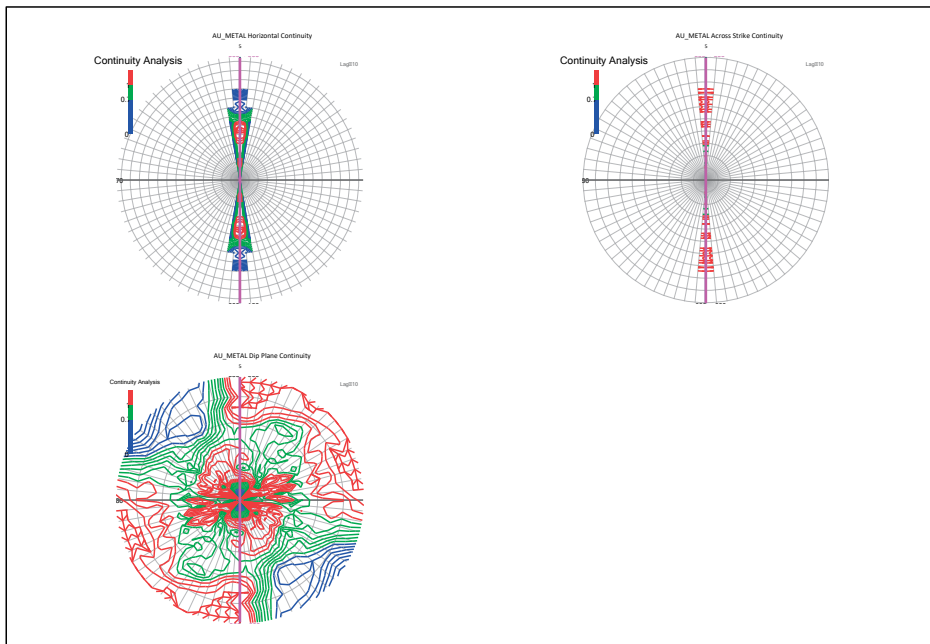
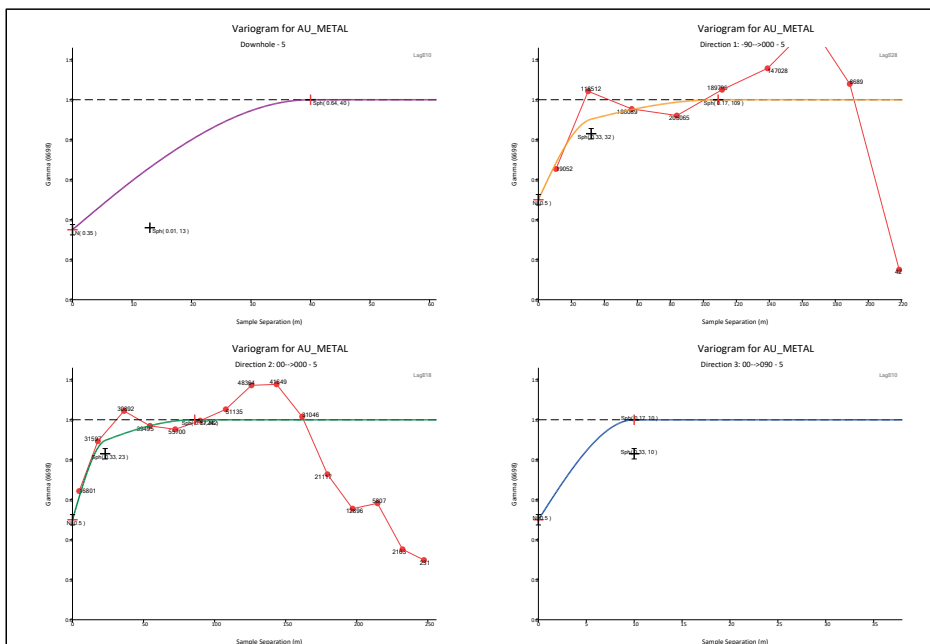


Figure 4.28 Variogram models for gold domain 5 - Tolumkuma vein



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Table 4.6 Domain groupings with shared variography

Domains	Shared Variogram Groups
1, 2, 3, 4, 5 , 6, 7	Au, Cu, Hg, Pb, Sb, Zn, Thickness
8, 10, 11, 15	Au, Cu, Hg, Pb, Sb, Zn, Thickness
9 , 12, 13, 14	Au, Cu, Hg, Pb, Sb, Zn, Thickness
1, 2, 3, 4, 5, 6, 7, 8	Ag, Thickness
8, 10, 11, 15	Ag, Thickness
9, 12, 13, 14	Ag, Thickness

Bold domain numbers indicate the representative domain variography was completed on.

4.14.9 Resource estimation procedures

Ordinary kriging was used to estimate vein widths and metal accumulations into parent cells in a 2D block model of the veins. The metal accumulation estimates were then divided by the vein width estimates to obtain the metal grade estimates. Subsequently, the grade estimates were mapped to a three-dimensional block model constrained by wireframes of the veins.

The OK interpolation was done into a 2D block model to ensure that relevant composites are selected, and that the orientation of the search ellipsoid coincides with the orientation of the veins. The narrow widths coupled with the undulating geometry of the veins could pose difficulty in the orientation of a search ellipsoid in a 3D block model interpolation in that samples outside the vein boundaries could be selected.

The metal accumulation was used in the estimation because it is an additive variable irrespective of sample length, while metal grade is not an additive variable when sample lengths are variable. To obtain meaningful summary statistics and a valid grade interpolation, the variable used in the estimation must be additive. In order to obtain additive sample grades, the samples must be composited to equal length (to achieve uniform support).

As most of the samples have very small lengths, it is difficult to composite samples without sub-dividing the longer samples into composites smaller than the original sample lengths. Compositing samples below sample length will make the grade appear more continuous than it actually is. To overcome the difficulty associated with compositing narrow vein intersections into equal lengths, the sample intersections were composited across the full width of the vein. The vein thickness and grade accumulation, which is a product of grade and east-west horizontal width, were used for all estimation work.

The final model was comprised of two individual estimations, a general estimation that used a grade cap (top-cut), and a high-grade estimation that was spatially restricted without any grade cap. Where both models had estimated blocks, the high-grade estimation blocks took priority over the general estimation during the model merging.

4.14.10 Resource estimation parameters

The OK search parameters were adopted from the 2009 resource estimate. During model validation, some search parameters were adjusted to better reflect metal distribution compared to the sample information. Additionally, a high-grade restriction estimation and search was adopted to help represent local variability in grade. A summary of the estimation and search parameters is shown below in Table 4.7 and Table 4.8.

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Table 4.7 General estimation and high-grade restriction estimation search parameters for gold

Variable	Domain	Distance (m)			Pass 1			Pass 2			Pass 3			Maximum number of composite from drillholes
		Z	X	Y	Composite Numbers		Search Ellipse Factor	Composite Numbers		Search Ellipse Factor	Composite Numbers			
					Minimum	Maximum		Minimum	Maximum		Minimum	Maximum		
AU_CUT	ALL	40	50	50	3	10	2	3	3	8	3	3	6	3

Table 4.8 High grade restriction block selection search parameters for gold

Variable	Domain	Distance (m)			Pass 1			Pass 2			Pass 3			Maximum number of composite from drillholes
		Z	X	Y	Composite Numbers		Search Ellipse Factor	Composite Numbers		Search Ellipse Factor	Composite Numbers			
					Minimum	Maximum		Minimum	Maximum		Minimum	Maximum		
AUTHICK	1, 2, 3, 4, 5, 7, 8, 9, 11, 12, 13, 14	20	20	20	1	2	-	-	-	-	-	-	-	999
AUTHICK	6, 10, 15	10	10	10	1	2	-	-	-	-	-	-	-	999

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4.14.11 Extrapolation

Maximum extrapolation from drillhole or face sample composite varies in order to maintain the vein orientation and continuity, but a maximum of approximately 80 m is generally maintained. Maximum average distance for the block estimation is 126 m with a mean of 25 m.

The proportion of the resource that is based on extrapolated data is approximated 10%. The basis of the extrapolation is established vein continuity shown from mining at Tolukuma (Figure 4.24 and Figure 4.25).

4.14.12 Grade capping

The requirement for grade capping was analysed using Supervisor. Histograms, log probability plots and spatial distribution of high grades were checked, and appropriate grade capping was determined. The composited drillhole and face sample populations were statistically analysed to derive grade capping values using a combination of examination of coefficient of variation, cumulative probability plots and disintegration of the data in the populations. Gold was capped individually for each domain (Table 4.9). Silver, copper, lead, zinc, antimony, and mercury were capped at one value to suit all domains. This was deemed appropriate considering the lack of supporting assay numbers for the secondary metals. (Table 4.9)

Table 4.9 Gold grade caps

Domain	Gold Grade Caps (g/t Au)
1	12
2	22
3	80
4	110
5	260
6	260
7	13
8	125
9	185
10	55
11	10
12	10
13	N/A
14	N/A
15	80

Table 4.10 Secondary metals grade caps

Variable	Domain	Grade Caps
AG_CUT (silver)	All	600 g/t Ag
ZN_CUT (zinc)	All	1,600 ppm Zn
CU_CUT (copper)	All	750 ppm Cu
PB_CUT (lead)	All	5,000 ppm Pb
SB_CUT (antimony)	All	10,000 ppm Sb
HG_CUT (mercury)	All	2,000 ppm Hg

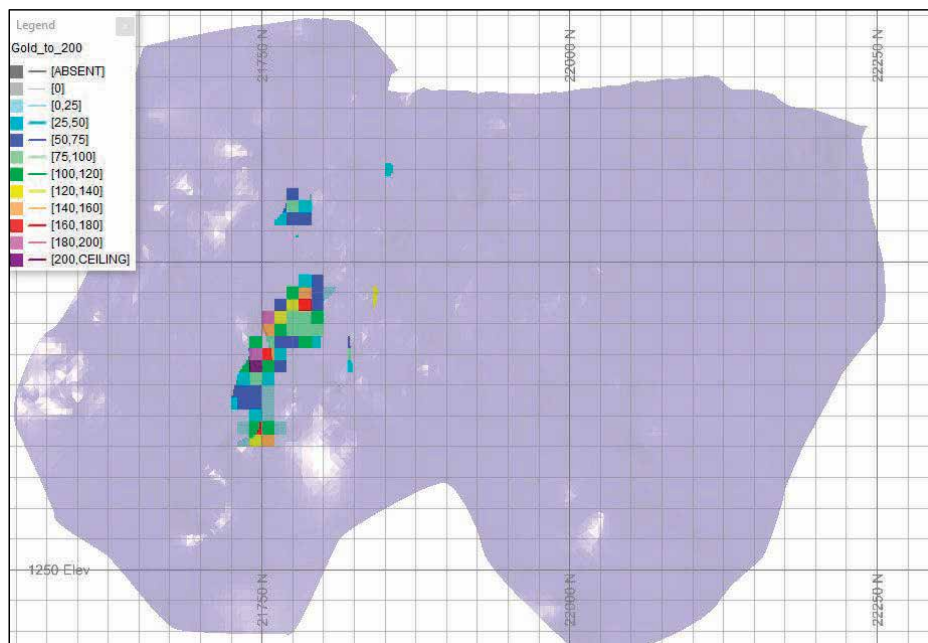
4.14.13 High-grade restriction

Two models were estimated and then combined, a general estimation which was all blocks, and a high-grade restriction estimation where blocks were above the general grade caps. The two models were then combined with the high-grade model overprinting the general estimation.

The high-grade restriction was implemented to help honour the high-grade deposit style and improve local grade estimation, but to reduce the spatial influence of any extreme outliers. A high-grade block model was created using a nearest neighbour method with independent search and estimation parameters (Table 4.8) that only estimated blocks with grades above the caps listed in Table 4.9 using restricted searching distances and reduced minimum and maximum samples.

The high-grade restriction model blocks were coded, and then estimated again using an OK method with standard estimation and search parameters (Table 4.7) but without any grade caps applied to the composite database.

Figure 4.29 Gold high-grade restriction model for Gulbadi



4.14.14 Absent values

The waste domain of zero (0) was initially coded but removed from the final estimations.

Absent values that were not estimated in any of the three estimation passes were manually coded into the block model. Gold and silver absent values were set to 0.5 ppm Au. Half the detection limit was not used because the absent values were within mineralisation domains, and while there was geological support for the existence of mineralisation, often missing assay data was the cause for un-estimated blocks rather than distance from drillholes. The un-estimated values will also be below reporting grade and will not effect the reportable evaluation.

For copper, lead, zinc, antimony, and mercury the absent block values throughout all domains were set to the same value for each metal – the 25th percentile metal grade for all domains averaged (Table 4.11).

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Table 4.11 Absent values averaged for all domains at the 25th percentile

Variable	Domain	Absent value
ZN_CUT (zinc)	All	104 ppm Zn
CU_CUT	All	20 ppm Cu
PB_CUT	All	70 ppm Pb
SB_CUT	All	210 ppm Sb
HG_CUT	All	6 ppm Hg

4.14.15 Summary statistics

All metals were constrained by hard boundary mineralisation domains. The gold summary statistics are shown below in Table 4.12.

Table 4.12 Gold composite summary statistics

Variable	Domain	No. samples	Minimum	Maximum	Mean	Std Dev	CoV
AUESTOK	1	16	0.12	102.41	13.20	26.89	2.04
AUESTOK	2	12	0.06	35.60	9.40	11.08	1.18
AUESTOK	3	52	0.15	204.50	17.98	34.50	1.92
AUESTOK	4	601	0.01	1042.00	28.70	57.04	1.99
AUESTOK	5	2554	0.10	1292.00	47.27	56.32	1.19
AUESTOK	6	2185	0.00	775.85	47.81	64.35	1.35
AUESTOK	7	86	0.00	51.00	3.21	6.45	2.01
AUESTOK	8	1849	0.00	468.00	23.72	30.19	1.27
AUESTOK	9	4801	0.00	743.15	32.29	38.87	1.20
AUESTOK	10	290	0.10	687.70	45.37	87.82	1.94
AUESTOK	11	39	0.00	38.93	5.52	9.37	1.70
AUESTOK	12	50	0.07	50.20	3.76	7.94	2.11
AUESTOK	13	6	0.56	12.90	4.46	4.30	0.96
AUESTOK	14	31	0.01	1.09	0.32	0.32	0.99
AUESTOK	15	2824	0.00	1456.90	44.24	89.62	2.03

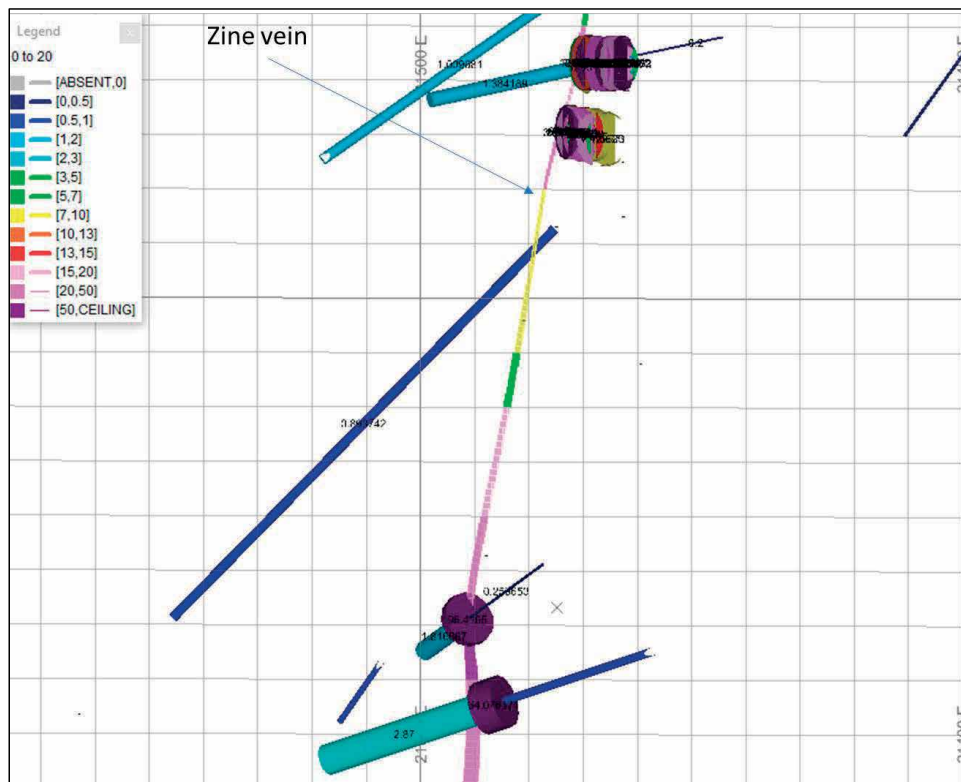
Std Dev = Standard deviation, CoV = Coefficient of variation

4.14.16 Validation

Validation of the global resource estimate was done by way of visual checks of block model estimates against the drillhole composites, comparison of domain composite means to block model means, and swath plots in northing, easting, and elevation. Visual checks confirmed that in general the block model reflects composite grade trends in the input data and block model grades correlate reasonably with the composite grades (Figure 4.30 and Figure 4.31). There is no obvious smearing of high grade, with areas of higher grade being well constrained locally around the drillhole intercepts.

In the swath plots, the overall trends between the block model estimates and composites show a good correlation with no significant bias noted between the sets of data. The plots indicate that in general the block model estimates are well-conditioned with respect to the supporting data. As an example, Figure 4.32 to Figure 4.34 show the global gold swath plots for northings, eastings, and elevations.

Figure 4.30 Zine vein gold cross section 21980mN with drillholes.



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Figure 4.31 Fundoot vein gold long section with drillholes

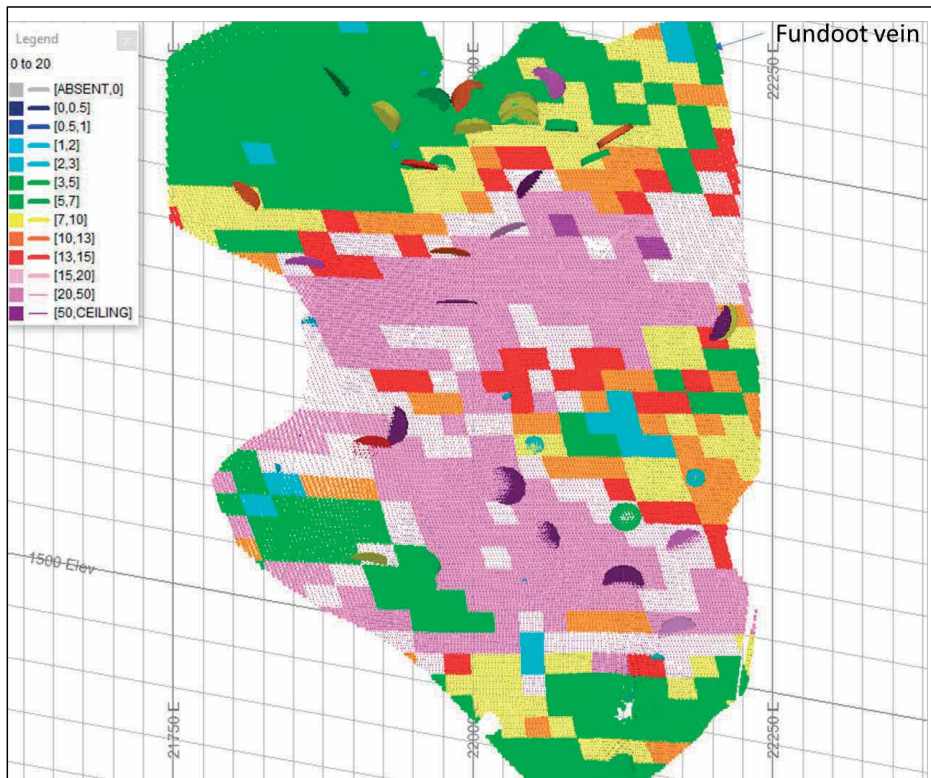


Figure 4.32 All domains gold northing swath plot

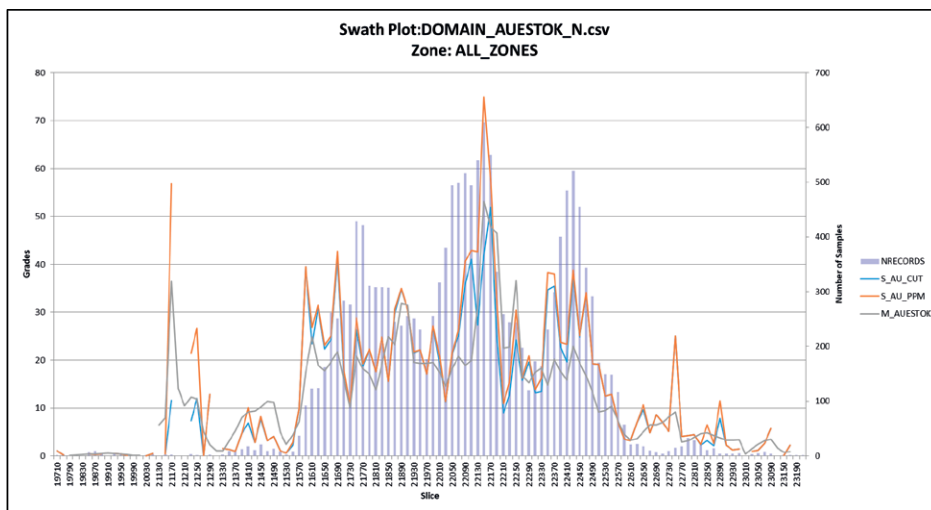


Figure 4.33 All domains gold easting swath plot

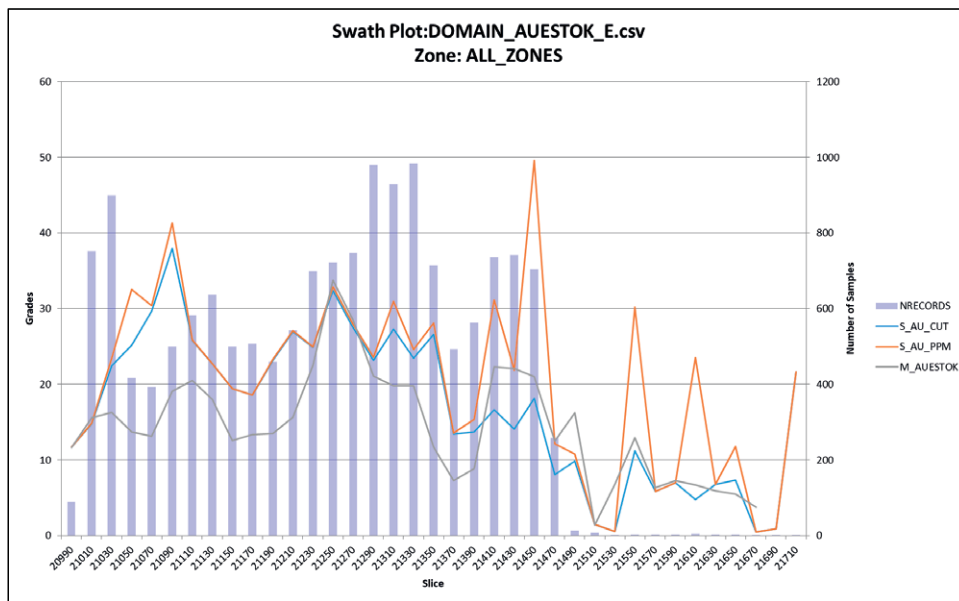
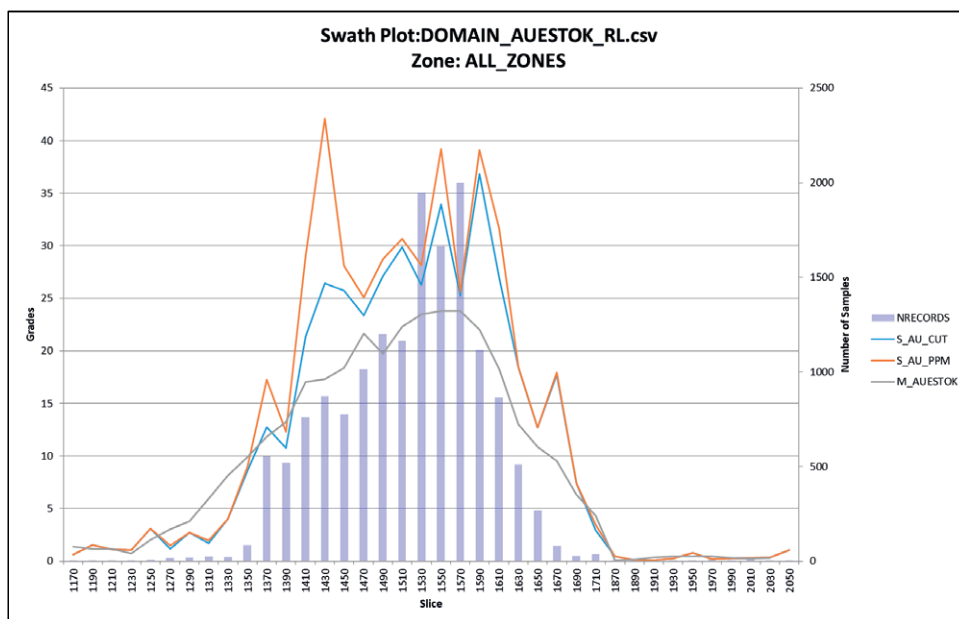


Figure 4.34 All domains gold RL swath plot



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4.15 Mineral Resource classification

4.15.1 Classification

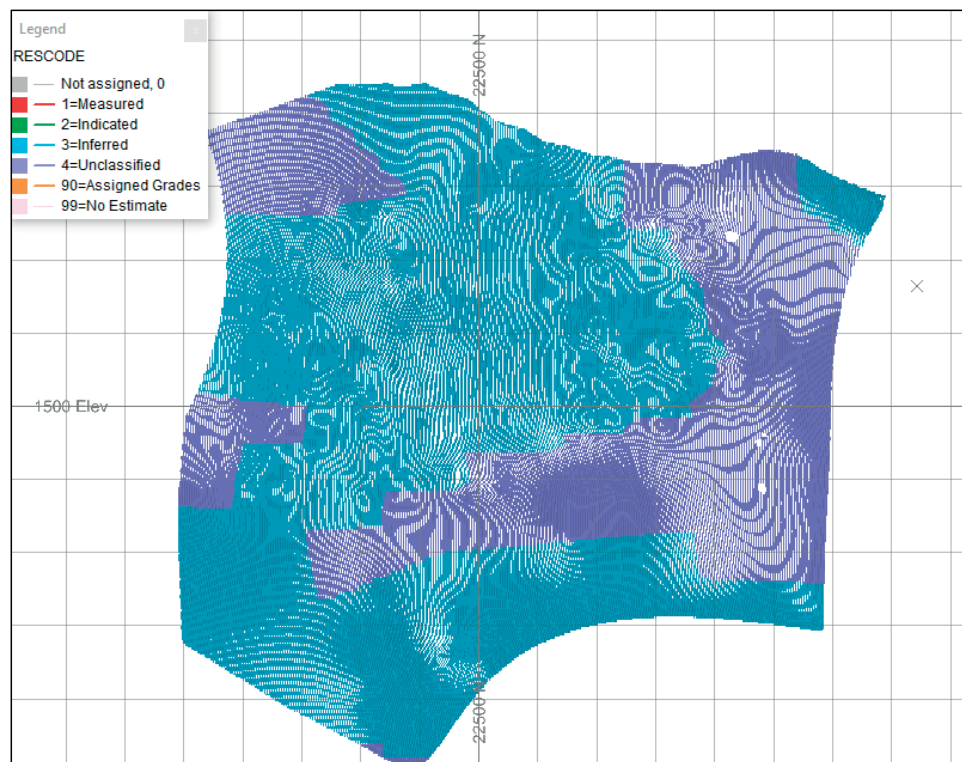
The Tolukuma Mineral Resource is classified Inferred in accordance with guidelines within the JORC Code 2012. Parameters considered included the data quality, distribution and orientation, confidence in interpreted geological continuity of the mineralised zones, and confidence in the resource block estimates.

In general, areas with a high drillhole density and low average distances (including face sampling) are depleted due to historical mining. In-situ material is all along strike or below the old workings and has a drillhole spacing of 30 m by 30 m or larger. As such, the resource has been assigned an Inferred classification.

Mineralised areas that are consistently less than approximately 0.8 m have been classified as “un-classified” and are not included in the reportable tonnages. Additionally, they are coded in the final model as “THIN” followed by the domain number e.g. THIN6 (Tinabar vein).

Depleted material was classified as Inferred and has a “mined” variable to exclude those tonnages from the reportable resource. Un-estimated blocks were not classified. An example is shown below in Figure 4.35.

Figure 4.35 Tinabar vein resource classification



4.16 Tolukuma Mineral Resources

4.16.1 Mineral Resource statement

The reported Inferred Mineral Resource of Tolukuma as of 18 August 2022 is 1.6 Mt at 10 g/t Au and 38 g/t Ag. This equates to contained metal of 500 Koz Au and 1.9 Moz of silver. Table 4.13 shows the breakdown of the Mineral Resource based on vein.

AMC also estimated antimony, copper, lead, zinc and mercury grades for each vein.

Table 4.13 Tolukuma Inferred Mineral Resource at a 3 g/t Au cut-off

Domain	Tonnage	Grade		Metal	
	(kt)	Gold (g/t Au)	Silver (g/t Ag)	Gold (Koz Au)	Silver (Koz Ag)
Zine	488	9	43	146	673
Zine PK Splay	7	35	145	8	33
Tolukuma	140	9	27	40	121
Tinabar	55	13	42	23	74
Gulbadi	343	10	27	114	294
Gulbadi Red	115	8	19	29	69
120 Vein	56	5	15	8	28
Fundoot	212	13	59	91	403
Gufinis	149	7	39	31	187
Mystery	45	9	46	13	67
Total	1,610	10	38	503	1,950

Notes: Totals may not add up due to rounding.

Other veins with historical production include Tolimi and Gulbadi X. These veins are considered to be depleted based on current information.

The JORC Table 1 for the Tolukuma MRE is included in Appendix F.

4.16.2 Cut-off grade

The cut-off grade for reporting of the Mineral Resource is based on a grade tonnage relationship, taking into account potential mining development costs and examples from similar mining operations. K92 Mining Inc. is currently quoting a 1.0 g/t cut-off for their Mineral Resource at Kora vein which has similar characteristics to Tolukuma ([K92 Mining Inc. Reports Significant Resource Increase at High-Grade Kora Deposit | K92 Mining Inc.](#)).

The cut-off grade utilised for the Tolukuma Mineral Resource statement is 3 g/t Au. This is taking into account the grade tonnage curve shown in Figure 4.36 and Table 4.14. The historical breakeven cut-off grades used for production varied largely due to changes in the PNG Kina to US Dollar exchange rates that strongly influenced the gold price in local terms. The operations were also hampered by a 25% overhead for helicopter support.

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Figure 4.36 Tolukuma gold grade-tonnage curve

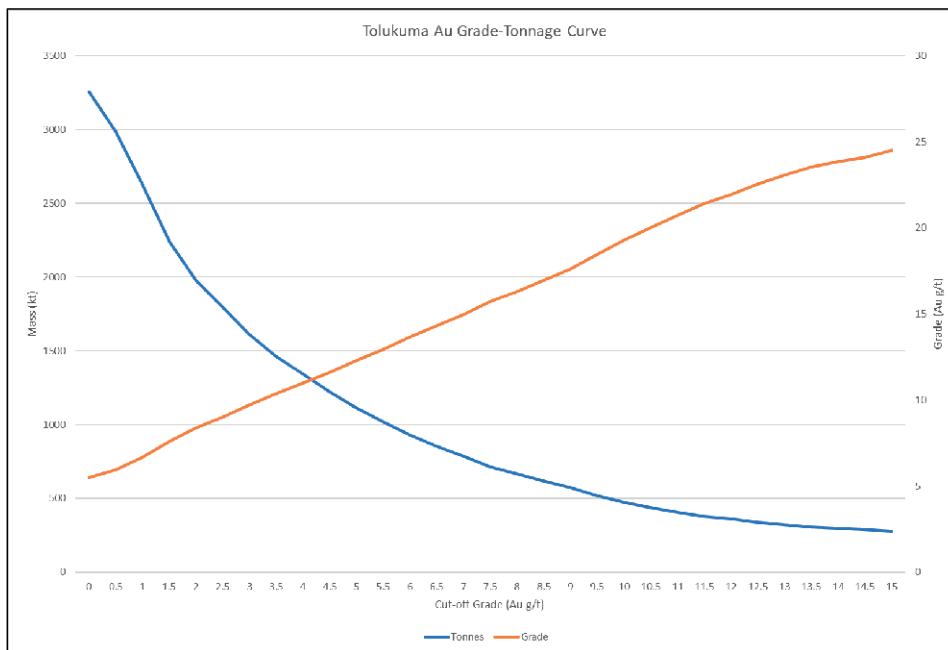


Table 4.14 Gold grade – tonnage tabulation

Cut-off Gold Grade (g/t Au)	Tonnage (kt)	Gold Grade (g/t Au)
0.0	3,254	5.49
0.5	2,986	5.95
1.0	2,629	6.65
1.5	2,241	7.59
2.0	1,977	8.37
2.5	1,798	8.99
3.0	1,610	9.72
3.5	1,464	10.37
4.0	1,342	10.97
4.5	1,223	11.62
5.0	1,113	12.30
5.5	1,018	12.96
6.0	929	13.65
6.5	852	14.32
7.0	786	14.95
7.5	715	15.73
8.0	667	16.29
8.5	617	16.95
9.0	572	17.60
9.5	518	18.46
10.0	474	19.28

Cut-off Gold Grade (g/t Au)	Tonnage (kt)	Gold Grade (g/t Au)
10.5	438	20.02
11.0	407	20.73
11.5	379	21.43
12.0	361	21.92
12.5	338	22.56
13.0	322	23.06
13.5	306	23.56
14.0	298	23.84
14.5	290	24.10
15.0	278	24.50

4.16.3 Density

A default density of 2.2 t/m³ has been used by the mine for tonnage calculations and all previous estimates. AMC has not sighted or reviewed the supporting data for the density used. In 2007, Roger Cooper⁵ reviewed 92 density measurements recorded for all veins combined and concluded that a universal density of 2.55 t/m³ could be used to estimate the resource tonnage. This would imply that the density currently being used is conservative. If the density is conservative then, all other things being equal, the produced metal should be more than planned, however, this has not been the experience at Tolukuma. At this stage the basis of the density used is uncertain resulting in a residual uncertainty in the resource tonnage, and therefore the reported ounces. AMC recommends that samples are taken, and density measurements made to confirm the density values used for resource estimation.

4.16.4 Reconciliation of model with production

A reconciliation of mine to mill was estimated by Snowden (Snowden, 2013) for the period July 2011 to April 2013.

The data for Tolukuma mill production were summarized from the Mill Production spreadsheets supplied by TGM, and an estimate of tonnages and grade based on the differences between the July 2011 stope wireframes and the April 2013 stope wireframes. The areas were outlined, and the existing block model interrogated within the outlines. The production is summarized in Table 4.15.

Table 4.15 Tolukuma mill production statistics July 2011 to April 2013

Item	Value
Tonnes Milled	242,262 t
Av Reconciled head grade	6.05 g/t Au
Av Reconciled head grade	32.55 g/t Ag
Gold ounces	41,167 oz Au
Silver Ounces	92,294 oz Ag
Gold recovery	88%
Silver recovery	41%

Snowden calculated the tonnages and grade predicted by the block model based on a cookie cut of the stope shapes as shown in Table 4.16.

⁵ Report on the Resources of the Tolukuma Gold Mine, Papua New Guinea, Bateleur Minerals, August 2007, Roger Cooper, internal report.

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Table 4.16 Block model statistics for stoped areas: July 2011 to April 2013

Item	Values
Resource tonnes	51,573 t
Modelled grade gold	29.17 g/t Au
Modelled grade silver	61.43 g/t Ag
Modelled gold ounces	48,394 oz Au
Modelled silver ounces	101,853 oz Ag
Recoverable gold ounces	42,369 oz Au
Recoverable silver ounces	42,061 oz Ag
Back estimate Resource diluted head grade	6.23 g/t Au

Additional open pit and self-mining stope material was fed during the period. The records estimate all material movement from development stopes, self-mining areas and open pit sources.

The predicted gold ounces based on the mined Mineral Resource are within 3% of the Milled achieved ounces. This is an unusual outcome to be so close, a lot of factors have not been catered for in the 2013 year (e.g., feeding low grade stockpiles and self-mining stopes in the last couple of months).

The underground as-mined dilution was unrealistically large at 370% of resource tonnage. A review was recommended as surface stockpiles, open pit mining and self-mining stopes were also fed but not taken into account in the estimate of dilution.

An anomaly in silver grades to mill recovered silver was 219% higher than forecast in the block models. The diluted gold head grade was 21% of the resource estimate. Responses from TGM to this issue were that low grade gold, but high-grade silver were blended into the mill feed from Zine vein in order to blend out issues with high antimony grades.

4.17 Tolukuma Risk

4.17.1 Tolukuma Database

The Tolukuma database is a relatively low confidence dataset based on current standards that would not meet the current data quality reporting requirements if reporting on a Maiden Resource in a greenfield site. The risk is significantly mitigated by the presence of a mine that operated for 18 years and produced approximately 874,000 oz of gold.

The data quality suffers from the following areas of risk:

- Database maintenance
- Downhole survey imprecision due to wide spaced manual downhole surveys
- Lack of digital diamond core photography
- Comprehensive digital stope and pillar wireframes
- Full geological logging information

4.17.2 Tolukuma Mineral Resource

The interpretation methodology uses vein modelling in Leapfrog which at a global scale approaches reality, but at a local scale may vary from reality.

AMC has taken a conservative approach to depletions within the previously mined areas by excluding all metal within the boundaries of the outer limits of production drives, and in areas above the underground workings where many self-mining stopes are known to exist. However, AMC cannot rule out areas of mining that were not recorded outside of the depletion envelope.

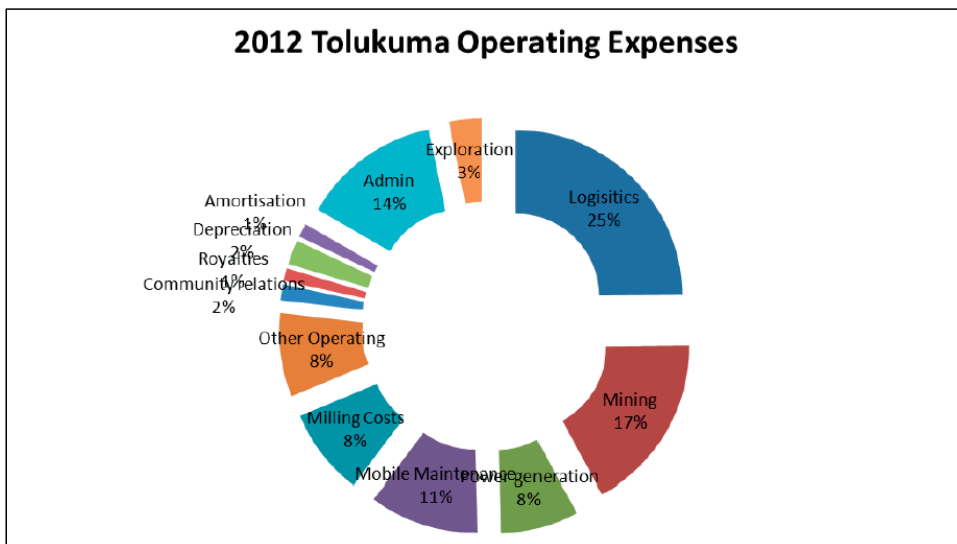
4.18 Tolukuma Reasonable Prospects

The aspects of reasonable prospects of eventual economic extraction (RPEEE) as per the reporting requirements of the JORC Code has been considered by AMC. The following sections describe the areas of key concern and proposed mitigation for any future development potential of the Tolukuma Mineral Resource.

4.18.1 Access

The profits and operations of previous mining at Tolukuma were heavily impacted by the necessity for helicopter support for all materials including fuel and personnel. Costs from helicopter support (logistics) in 2012 were 25% of total operating costs (Figure 4.37). This led in part to the economic failure of the mine to continue past 2013.

Figure 4.37 Tolukuma Mine operating expenses in 2012



Source: Snowden (2013)

AMC understands TML is planning to develop an access road between Bakoiudu Village and Tolukuma Mine (Figure 4.38). Previous operators Asidokona planned and partially completed this road in 2017. AMC has sighted documentation from the PNG Government Department of Works and Implementation from March 2022 where an agreement to develop the road under a public-private partnership between the Government and TML has been agreed to under the "Connect PNG Programme". Based on this proposed development, AMC is able to accept that traditional road transport of goods and fuel would be possible, and therefore remove the major overhead the helicopter support would otherwise impose.

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Figure 4.38 Planned road access route from Bakoiudu Village and Tolukuma



Source: TML

4.18.2 Water

The mine is currently filled with water to the level of the lowest portal at 1556 mRL. The lowest known development is at approximately 1336 mRL in the Zine vein. The mine has open access to rainfall in some areas due to old self mining stopes that developed through to surface. Dewatering from top down would be lengthy and require considerable time and effort. The contained water has not yet been tested for potential environmental risks.

TML has proposed to develop a twin incline access from the base of the range close to the Auga River north of the mine to facilitate dewatering of the mine. The conceptual incline needs to be approximately 1.3 km long to reach the lower parts of the Tolimi vein. AMC considers that a focussed drilling programme will be required to test the geotechnical conditions along the path of the incline prior to development.

4.18.3 Environmental, Social, Governance

Historically, the Tolukuma mine waste was used as rock backfill, dumped into old open pits, or dumped on the slopes to the north of the portal and workshops. Tailings were disposed of in the Auga River following processing through a cyanide recovery circuit (sulphidisation, acidification, recycling and thickening - SART).

AMC has sighted a letter from the Conservation and Environmental Protection Authority in PNG from the Managing Director – Gunther Joku dated 24 January 2022. The letter states “...I hereby confirm that it is my intention to transfer the environment permit EL-L3 (19) on registration of ML 104 to TML, subject to TML completing the requirements under the Environmental Act 2000 and Regulations including baseline environmental impact assessment report and other requirements within 6-12 months”.

AMC understands that TML has engaged BMT Commercial Australia Pty Ltd an environmental consulting firm with relevant Tolukuma experience to undertake the requirements of the baseline study and permitting issues.

In terms of social licence to mine, TML is a PNG firm with strong links to national development and is led by local mining entrepreneur Howard Lole. AMC understands that all local communities have taken part in the legal processes associated with the granting of the transfer of licence. Approval was requested and given by local communities at the Warden meetings with unanimous support (Tenement summary notes update_211201.pdf).

4.19 Tolukuma recommendations

AMC recommends that TML undertake a full re-compilation of the Tolukuma drilling database starting by using hard copy records available in the mine office. Re-building and validating as much as possible the geological information for the key areas that have future potential.

Dewatering should commence as soon as practical to allow refurbishment of access decline through to the areas of the mine planned for development. Underground drilling should then commence as a matter of priority to in-fill drill those areas of highest potential development to increase the grade and thickness confidence.

Testing by drilling and other methods such as geophysical methods should be used to examine the likely conditions to be met in the dewatering drive incline to affirm possible zones of poor ground that should be avoided.

Regional exploration is a key to future mine expansion and should have a segregated budget to drive exploration efforts in surround prospects and regional exploration licences.

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5 Mt Penck Project

5.1 Geology

5.1.1 Regional Geology

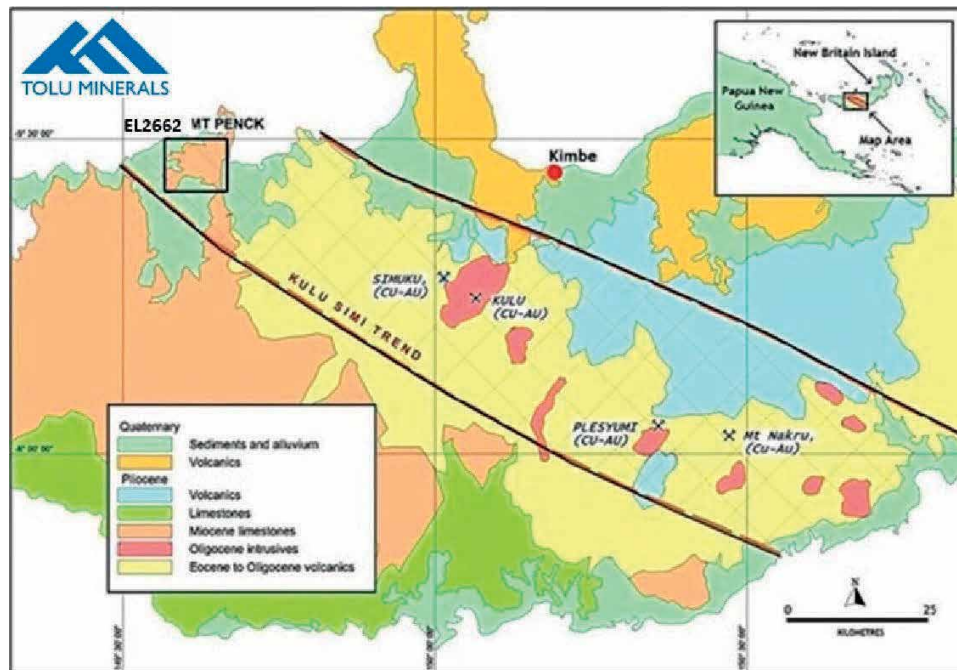
Systematic regional mapping of New Britain was undertaken by the Australian Bureau of Mineral Resources in the late 1960s. The regional geology of the Mt Penck area is shown on the 1:250,000 scale Geological Series, Cape Raoult / Arawe (SB/55-8 & SB/55-12).

New Britain Island is underlain by a Lower Tertiary basement of island arc volcanics and volcanogenic sediments, Baining Volcanics (upper Eocene) and Kapuluk Volcanics (upper Oligocene), and a series of unnamed intrusives of mainly Oligocene age. Widespread massive limestones were deposited over the basement in the Miocene, followed by intrusion of acid to intermediate volcanics and high level intrusives of Plio-Pleistocene age. In the Mt Penck area, the older basement volcanics are locally overlain by the Yalam Limestone (Miocene), which is exposed near the base of the Mt Penck volcanic edifice. These units are in turn overlain by the Mt Penck volcanics (Plio-Pleistocene). *Figure 5.1* shows the regional geology of central New Britain.

Mt Penck is located at the north-western end of a major northwest trending structural corridor (the Kulu-Simi Corridor), an extensional zone that localised the emplacement of Oligocene-age intrusions and the deposition of Eocene-Oligocene volcanics. The corridor transects the island and hosts the Simuku porphyry copper-molybdenum-gold project and the Mt Nakru copper-gold breccia / volcanic hosted massive sulphide (VHMS) deposit (*Figure 5.1*).

Simuku, located 55 km southeast of Mount Penck, has an Inferred Mineral Resource of 200 Mt at 0.36 % Cu, 61 ppm Mo and 0.06 g/t Au, demonstrating the potential for the Kulu-Simi corridor to host significantly mineralized systems (Exploration Alliance, 2010).

Figure 5.1 Structural setting and regional geology of central New Britain



Source: Adapted from Swiridiuk (2009). Projection Latitude / Longitude.

5.1.2 Property Geology

5.1.2.1 Lithology

The volcanic sequence at Mt Penck consists of andesitic to dacitic lavas and pyroclastics, volcanic breccias, diatreme breccias and andesitic dykes, intruded by andesitic to dacitic porphyry intrusions. There are some discrepancies in reports by different workers in classifying certain rock types as either lavas or high level intrusives, a common problem in sub-volcanic / volcanic environments. In some instances, rocks initially mapped as porphyritic lavas were later re-interpreted as intrusive porphyries.

The lavas are generally massive to blocky, porphyritic with hornblende, feldspar, and minor quartz phenocrysts, and locally jointed, fractured and brecciated where intersected by structures. Pyroclastic / epiclastic rocks including coarse volcanic breccias and lava breccias were mapped at Kavola. Bedding in the volcanic sequence has a consistent SW-NE strike (220-240°) and dips NW at 35-50° west of Kavola, steepening to 60-70° towards the central Kavola zone (Malagun, 2005).

Diatreme breccia was mapped at Kavola and was described as comprising sub-rounded to rounded polymictic clasts in a matrix of milled rock. The clasts range in size and comprise propylitic and argillic altered porphyritic lava, volcanic breccia, and mineralised quartz fragments. Disseminated pyrite and rare chalcopyrite occur in the matrix.

The lithologies that dominantly host the alteration and mineralisation are porphyritic lavas, volcanic breccias, diatreme breccia and porphyry intrusives. Hornblende andesite porphyries or lavas are the most competent rock types and strongly magnetic hornblende porphyry intrusives have been intersected in drilling. Medium to fine dacite porphyry intrusives have been described

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at Kavola, Koibua and Peni Creek. Angular matrix-supported heterolithic volcanic breccias crop out in several places (Malagun, 2005; Bucher, 2008).

5.1.2.2 Alteration

Three main styles of alteration have been noted, propylitic, argillic, and phyllic, with local development of silica alteration. Weak to strong propylitic alteration is widespread, dominantly within the hornblende porphyry unit, and is overprinted locally by argillic (illite / smectite + kaolinite +/- silica) alteration, associated with silica veining and silicification. A central zone of strong phyllic alteration forms the core of the system and argillic alteration is strongly developed at all the main gold prospects. Advanced argillic alteration has also been mapped. Away from the main central Kavola zone, argillic alteration is confined to linear zones controlled mainly by NE-trending structures.

Propylitic alteration rarely carries more than 0.20 g/t gold whereas argillic-phyllic alteration zones typically carry higher values of gold (>0.20 g/t Au) and arsenic and host the gold-bearing quartz veins. In addition, the gold mineralisation is controlled by structures that focus the gold-bearing fluids within the broader alteration zone (Jensen et al, 1996).

The known gold prospects are located peripheral to the central zone of intense phyllic alteration which is coincident with a clearly defined magnetic-low / potassium-high geophysical anomaly with dimensions of 600 m by 300 m (Swiridiuk, 2004; Lindley, 2005). The central alteration zone may overlie a high-level intrusive plug that was the main heat engine and fluid source of the mineralization.

5.2 Structure

The structure is complex with several phases of faulting. Through going north-west trending, possibly deep-seated, structures paralleling the Kulu-Simi trend transect the system, locally cut by east-west possibly compressional fractures. North-south structures are also present. A prominent north north-easterly trending high-angle extensional fault (Lumni Fault) divides the project area into two distinct blocks, a western block dominated by deeper-level phyllic (porphyry-style) alteration, and an eastern block characterised by higher-level epithermal stockworking and brittle fracturing (Swiridiuk, 2009). The Lumni Fault may represent a deep-seated, fundamental crustal fracture upon which prospect-scale, mineral-controlling structures are superimposed. At Kavola, the mineralisation is controlled by NE-trending dilational structures.

This structural complexity is reflected in the five main structural sets that were mapped by geologists onsite (Malagun, 2005; Bucher, 2008). The NE-SW trending set of structures are believed to be dilational and the main structural trend controlling the mineralisation.

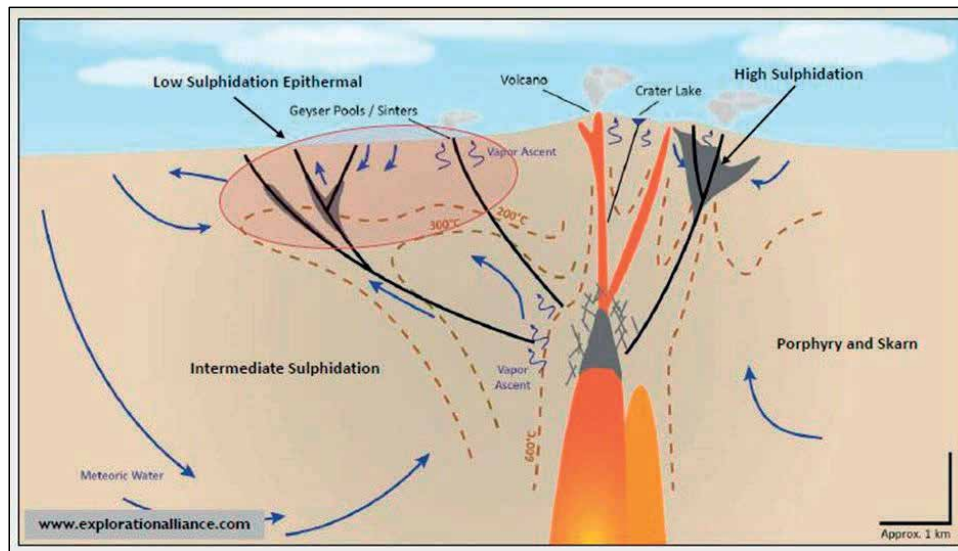
5.3 Mineral deposit types

The gold mineralisation at Mt Penck has characteristics of both intermediate sulphidation and high sulphidation epithermal deposits. Epithermal deposits represent the uppermost parts of intrusion-related hydrothermal systems, generally forming within 500 metres of surface as shown in the generalized model provided in Figure 5.2. Mt Penck is classified as a dominantly high sulphidation style deposit located above an intrusive source at depth. However, the mineral assemblage, alteration style, strong structural control, sulphide mineral assemblage and spatial association with the volcanic centre of Mt Penck, suggest Mt Penck is dominantly a high sulphidation (or acid-sulphate) style deposit (Exploration Alliance, 2010).

Epithermal deposits are classified as high, low or intermediate sulphidation based on their mineral assemblage and the Ph / Eh of the mineralising fluids (Exploration Alliance, 2013). They may overlie or be spatially related to deeper porphyry systems as shown in Figure 5.2. Metals are deposited at temperatures below 250°C through processes of fluid boiling, fluid mixing and vapour release. Where these systems break through to the surface, they form geysers, sinter

terraces, and thermal mud pools. Modern day examples include Yellowstone National Park in the USA and Rotorua in New Zealand.

Figure 5.2 Idealized model of a porphyry-epithermal system



(From Wilson & Tunningley, 2013.)

High sulphidation systems are characterised by (Exploration Alliance, 2010):

- Zoned alteration comprising a core of vuggy silica which passes outwards through quartz-alunite (advanced argillic) to illite-kaolinite (argillic).
- The highest gold grades are associated with vuggy silica and quartz-alunite zones which may be localised, discontinuous and poddy.
- An extensive halo of disseminated low grade gold usually surrounds the high-grade silica and quartz-alunite zones.
- Feeder zones and vuggy silica zones can be very high grade, and it is common for the majority of the contained gold to be hosted in a relatively small percentage of the total resource tonnage.

Mt Penck shares similarities with the acid-sulphate deposits at Goldfield, Nevada, Red Mountain, Nevada, Summitville, Colorado and Cerro Rico, Bolivia. These deposits typically have pipe-like and lenticular brecciated veins with a leached vuggy quartz-kaolinite cores, zoning outwards into argillic and finally into barren propylitic alteration. The gold mineralization is strongly structurally controlled.

Because of the large, irregular low grade gold envelope and alteration halo, and the irregular and discontinuous nature of the narrow higher-grade zones, exploration of high sulphidation systems usually require sustained drilling. The presence of significantly mineralised porphyry systems (e.g. Simuku) within the Kulu-Simi structural corridor indicates that Mt Penck may be also be prospective for porphyry style mineralization (Exploration Alliance, 2010).

The alteration and gold mineralisation at Mt Penck are controlled by structure and lithology. Two principal styles of mineralisation have been delineated; (i) broad near surface zones (10 m to plus 50 m wide) of lower grade (1.0-3.0 g/t Au) generally within the upper 50 m, and (ii) narrow zones (0.5-3.0 m wide) of much higher grade, plus 10.0 g/t Au, often intersected at deeper

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levels by drilling. The broad, lower grade zones preferentially occur in favourable horizons in the volcanic sequence and the narrow higher-grade zones are interpreted to be the feeder structures that channelled the mineralising fluids. The mineralisation is commonly associated with quartz or quartz-limonite veins, stockwork, mineralised breccias, faults and fractures within zones of intense argillic alteration-phyllitic and brecciation.

The main host rocks are the impermeable porphyry and lava units which display brittle fracturing, crackle brecciation and quartz-limonite veins / stockwork where they have been intersected by throughgoing structures. By contrast the porous pyroclastic / epiclastic units have weak development of brittle fracturing and are characterised by pervasive argillic alteration due to dispersion of the mineralizing fluids (Jensen et.al, 1996). Gold values are typically highest in the porphyritic andesite lava horizons associated with quartz-carbonate-hematite stockwork and lower in the "heterolithic epiclastic units" (Caira, 2013). The structural feeder zones are considered prospective at depth, possibly with bonanza grades, due to focussing of the mineralising fluids within the narrower conduits.

Five main mineralised zones have been identified, Kavola East, Kavola, Koibua, Peni Creek and Peni Creek South. This report focusses mainly on the Kavola prospects where the majority of historical exploration work has been focussed. The following summary of the Kavola mineralisation is based mainly on Exploration Alliance (2010) and Caira (2013).

The mineralisation occurs in veins, stockworks and breccias spatially related to zones of intense argillic (or advanced argillic) alteration. The highest gold values are related to intense argillic alteration, silicification and various breccias as well as quartz-carbonate-sulphide stockwork in or near lithological contacts between quartz andesite / dacite porphyry, diorite, and hornblende andesite lithologies. A possible diatreme breccia pipe has been described. Drilling has defined a well-developed gold oxide enrichment blanket within the upper 30 meters. Gold values increase and the silver to gold ratios decrease at higher elevations.

The sulphide mineral assemblage includes pyrite, galena, sphalerite, tetrahedrite and chalcopyrite in a gangue of quartz-carbonate-(anhydrite-gypsum). Covellite and enargite have also been recognized. A close association between hematite and gold mineralisation including (i) fine veinlets and stockwork of hematitic quartz, (ii) veinlets of hematite overprinting pervasive argillic alteration, and (iii) wide intervals of low-grade mineralisation (<1.0 g/t Au) associated with pervasive hematite staining/alteration (Lindley, 2005).

The highest gold values occur in mineralised shoots, identified as possible feeder zones. The mineralised shoots have a strong association with vuggy silica occurring as irregular pipes and elongate lenticular pods and veins, composed primarily of quartz and pyrite, enclosed by alteration zones grading outward from quartz-(alunite) to quartz-kaolinite-montmorillonite to distal propylitic alteration.

Fine disseminated pyrite is ubiquitous and covellite and enargite have been recognized within the vuggy quartz-(alunite)-kaolin alteration zones. Distinct quartz-pyrite-arsenopyrite veins with epithermal textures locally increase the gold grades.

Mineralised shoots at Kavola, identified as zones in drill core with anomalous gold assay results, have the following characteristics:

- Associated with breccias, crackle breccias and shearing.
- Enveloped by a strongly bleached, acid-leached, kaolin-rich phyllic-argillic alteration zone.
- Centre of mineralised shoot typically has high quartz (quartz veins, veinlets or silica alteration) with open vugs and vuggy cores of quartz veins lined with drusy quartz and euhedral sulphides.
- High gold to silver ratios.
- Gold-rich sections in ore shoots are generally 2 m to 3 m wide.
- Sulphide assemblage of pyrite>arsenopyrite>sphalerite>galena>enargite.

5.4 Sampling methods and sample quality

5.4.1 Sampling and assay methodology

Since its discovery in 1985, Mt Penck has been explored by several different companies using different methodologies and a variety of techniques, some more effective than others. The historical sampling and assaying methodologies used in past programs are in most reports not well described. The following summary of historical procedures are based on brief descriptions provided by Hall (2004, 2006), Bucher (2008) and Swiridiuk (2009).

5.4.1.1 BHP-UTAH procedures

BHP-UTAH collected rock channel samples from hand dug and bulldozer trenches and exposed outcrop in drainage systems. Sample intervals ranged from 1.0 m to 8.0 m, with 4.0 m the most common interval for chip-channel samples. Usually, a sample in excess of 3 kg of broken rock was collected and sent to Pilbara Laboratories in Lae for fire assay gold and hydride generation arsenic analysis.

A total of 230 soil samples were collected in 1988 along ridges and spurs within the Kavola River catchments using a 25 m sample spacing. The sample depth was not described but BHP recommended future "C" horizon auger soil sampling to help further delineate the auriferous zones at surface. The soil samples were also analysed for gold and arsenic.

5.4.1.2 Indo Pacific procedures

Indo Pacific Mining (PNG) Pty Ltd collected channel samples at 5 m intervals which were analysed for gold and arsenic. Grid soil sampling was completed in the Koibua and Kavola East areas. Samples were collected at 25 m spacing from the base of the humic layer and assayed for gold and arsenic.

Indo Pacific collected 706 PQ and HQ core size samples from DD drillholes DDH001 to DDH007. The cores were sampled selectively: 1.0 m samples were taken in argillic altered or silicified zones and elsewhere 2.0 m intervals were sampled. All DD cores were logged and photographed on site and split in half by diamond saw. Half of the recovered DD core was sent to Analabs for assay and the other half was stored at the core shed on site. Analytic techniques used were 50 g fire assay for Au and AAS for Cu, Pb, Zn, Ag and As.

5.4.1.3 Kanon Resources procedures

Trench sampling: After first clearing vegetation and overburden, trenches were chip-channel sampled over 1.0 m, 2.0 m, 3.0 m or 5.0 m widths depending on the type of alteration or structure. Surface weathering was avoided if possible. An equal amount of rock (continuous sampling) was collected throughout the whole channel length resulting in a sample of 1.5 kg to 2 kg weight, with some exceptions (Bucher, 2008).

Panned concentrate sampling: In 2007, panned concentrate sampling of Peni Creek trenches was undertaken. "All panned out samples came from the same costean channel as the correspondent costean channel samples sent to the laboratory. After the first panned dish was done, if any visible gold was found it was noted and the next sample was panned. If on the first panned dish no gold was found, a second dish was panned to confirm the first results. Very often dust was confirmed on the 2nd panned out dish" (Bucher, 2008). Larger channel samples of 7 kg to 10 kg were collected from some zones as a precaution if coarse spotty gold was present.

DD core sampling: DD core samples were collected from half cut DD core generally at 1.0 m intervals although wider zones were selected based on geology.

Soil sampling: During the 2006 grid soil survey, samples were collected at 25 m spacing from the B-horizon at depths of 0.4 m to 1.3 m using a hand auger.

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All Kanon rock, soil and core samples were shipped either to ALS Chemex in Brisbane, Australia, or to the Intertek laboratory in Lae, PNG for analysis. At ALS Chemex, gold analysis was carried out by atomic absorption spectroscopy (AAS) following an initial aqua regia digestion. After heating for 2 hours at 220°C to satisfy quarantine requirements, the samples were pulverized to >85% passing 75 microns. A 25 g split was weighed for analysis by aqua regia digest followed by solvent extraction and final reading by AAS. This method (Au-AA41) has a detection range of 0.01-100 ppm Au. ICP-AES (inductively coupled plasma atomic emission spectrometry) followed by aqua regia digestion was also used for some samples (probably for base metals and other elements).

At Intertek in Lae, samples were dried, crushed (jaw crusher), split and pulverized. Gold analysis was by 50 g fire assay with AAS finish. Another method used was ICP-OES (inductively coupled plasma optical emission spectrometry) following aqua regia digest (for base metals and other elements).

5.5 Data verification

5.5.1 Data sources

As the most recent work carried out on the property was in 2011, this report relies entirely on the use of historical data as described in Section 3.3. Because of the 10-year time interval between cessation of work and preparation of this report, it is not possible to validate any of the historical data for the property. However, the writer has undertaken a review of the available historical data and has no reason to doubt the reliability or accuracy of the data provided and reviewed.

The JORC Table 1 for all Mt Penck exploration is included in Appendix G.

In 2003-2004, Kanon carried out check assaying of trench samples with high gold values from the initial aqua regia / AAS analysis at ALS laboratory in Brisbane (Hall, 2004). For the original assays a 25 g aliquot was analysed by aqua regia digest followed by solvent extraction and AAS reading (AU-AA41). The samples were check assayed by 50 g fire assay. A comparison of the results is provided in Table 5.1.

Table 5.1 Comparison of check assays from aqua regia digest and fire assay

Trench No	Sample No	Au (ppm) AR/AAS	Au (ppm) FA/AAS	Sample Interval (m)	Trench No	Sample No	Au (ppm) AR/AAS	Au (ppm) FA/AAS	Sample Interval (m)
1	MPT33	1.07	1.20	3	4	MPT99	2.20	2.59	2
1	MPT32	1.57	1.47	3	4	MPT100	4.50	4.32	2
1	MPT31	0.47	0.51	3	4	MPT101	3.07	3.37	2
1	MPT30	4.16	3.96	3	4	MPT102	9.22	10.40	2
1	MPTTR1	6.31	5.83	2					
1	MPTTR2	9.20	9.47	2	5	MPT187	7.47	7.28	1
1	MPTTR3	3.71	3.24	2	5	MPT188	5.19	5.34	1
1	MPTTR4	7.47	6.47	2	5	MPT189	7.24	7.44	1
1	MPTTR5	8.86	8.20	2	5	MPT190	5.63	5.48	1
1	MPTTR6	13.00	12.50	2					
1	MPTTR7	1.55	1.37	2	11	MPT281	2.17	2.17	4
1	MPTTR8	56.00	54.30	2	11	MPT282	3.29	3.46	4
1	MPTTR9	4.69	3.94	2	11	MPT283	9.36	9.05	4
					11	MPT284	0.89	0.89	4
4	MPT129	39.00	36.70	2					
4	MPT128	0.49	0.54	2	11	MPT292	2.34	2.28	4
4	MPT127	0.56	0.60	2	11	MPT293	15.00	19.00	4

4	MPT126	0.62	0.56	2	11	MPT294	1.97	1.81	4
4	MPT125	0.97	0.93	2					
4	MPT124	16.30	17.40	2					
4	MPT123	6.24	6.25	2					

Source: Hall, 2004.

The two sets of assays correlate well. Kanon concluded that the gold is neither coarsely particulate nor contained in quartz and that aqua regia digestion of a 30 g sample provided reliable assay results.

5.5.2 Grid coordinate system

The primary grid used for regional geophysical and exploration data is based on Australian Geodetic Datum 1966 (AGD66) and uses Transverse Mercator Australian Map Grid Zone 55 (TMAMG55) projections.

5.5.3 Drilling data

A total of 115 historical drillholes, comprising 82 DD drillholes totalling 11,038.6 m and 33 RAC drillholes totalling 1,140 m, have been completed between 1968 and 2011, as summarised in Table 3.4.

5.5.3.1 Collar locations

Collar locations are based on information provided in historic reports. No independent validation of collar locations has been conducted by the Authors. All Mt Penck collar location data is included in Appendix 1.

5.5.3.2 Downhole survey

Downhole survey data are based on information provided in historic reports. No independent validation of downhole survey data has been conducted by the Authors.

5.5.3.3 Sampling

Sampling as reported is included in Section 5.4. No independent validation of results other than that previously reported has been conducted.

5.5.3.4 Density

No information on DD core density measurement is available.

5.5.3.5 Topography

No digital topography is currently in use.

5.5.3.6 Data exclusions

No data has been excluded from exploration reporting.

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6 Exploration Budgets

Exploration Program and Budget

The Tolukuma tenement package has current annual rents of PGK 19,499 (AUD 7,991) and minimum expenditures of PGK 3,000,000 (AUD 1,229,508). The Mt Penck tenement package has current annual rents of PGK 5,400 (AUD 2,213) and minimum expenditures of PGK 100,000 (AUD 40,984).

The exploration planned for the Mining Lease includes re-establishing access to areas of the historic mine that will allow for diamond drilling and sampling. This includes re-establishing road, power, ventilation and dewatering systems to allow underground access. The drilling will target the areas of highest grade and thickness in the known veins to improve resource confidence. 200 metres of underground development accessing and extending the Milihamba Drive is planned to access drill platforms to test vein extensions.

Regional exploration expenditure on the Tolukuma and Mt Penck tenements is planned to include geophysical surveys, access (roads and helicopter), mapping, sampling, and trenching to develop prioritised targets. The planned use of funds is summarised in Table 6.1.

Table 6.1 Planned use of funds raised for minimum and maximum capital raise

Uses of Funds	\$15M Minimum Capital Raise (AUD)	\$20M Maximum Capital Raise (AUD)
Pilot Access Road	1,800	1,800
General Mobilisation	1,130	1,553
Site Roads	216	216
Hydroelectric Refurbishment	0	212
Electrical Refurbishment	1,374	2,082
Underground Access	1,380	1,380
Underground Works	283	283
Bulk Sampling Gravity Circuit	0	1,347
Milihamba Exploration Drive and Diamond Drilling	1,131	1,630
Mineral Resource Development	737	737
Resource Conversion	52	52
Tolukuma Regional Exploration	738	738
Mt Penck Exploration	98	98
TMF Studies	107	107
Off Site	540	540
Acquisition of Frontier	500	500
Consultants	450	900
Working Capital	2,561	3,622
Cost of the Offer	1,500	1,800
Cost of Legal Services	403	403
Total	15,000	20,000

AMC considers that the Company has a reasonable proposed exploration budget over eighteen months consistent with its stated objectives and that this program is warranted and justified on the basis of the historical exploration activity and demonstrated potential for discovery of mineralisation.

7 Conclusions and recommendations

The Tolukuma property has a long history of production. A lack of modern exploration methods and adequate exploration budgets were the main reason the mine failed to continue to operate. There are significant known resources, that with limited additional drilling could deliver improved confidence resulting in classification upgrades. The regional Tolukuma tenure has a large number of drill ready targets for assessment and development in prospective geological units.

Mt Penck has an extensive history of previous exploration carried out between 1968 and 2011. Extensive programs of mapping, rock and soil sampling, hand trenching, bulldozer costeaning, geophysical surveying and drilling were completed. The historical exploration results justify further drilling and trenching at all three defined prospects. In addition, geophysical and geochemical anomalies exist outside the area of detailed historical work which require follow up.

AMC recommends that a structured plan to access the historical mine workings to allow drilling to commence in the Fundoot and other areas where safe access can be obtained would provide the highest likelihood of developing future options.

AMC recommends that the highest priority Tolukuma regional targets as well as near mine targets are assessed by a dedicated regional geological team. The Saki Mineral Resource requires infill drilling to upgrade confidence before conducting a Scoping Study. Serious consideration of using modern geophysical methods such as magnetotellurics and induced polarisation could aid in mapping potential mineralisation and aid in geological modelling.

Mt Penck has an expenditure plan to cover first pass exploration and minimum requirements to maintain lease currency. Further, on-going exploration should be weighed up against all TML prospect potentials.

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Appendix A **Tolukuma Drillhole Location Data**

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Table A1 Tolukuma Drillhole Location Data

Drillhole Name	East (m)	North (m)	RL (m)	Total Depth (m)	Azimuth	Dip
120_2	21269.50	22978.00	1502.50	79.0	215.0	-45.00
120_3	21317.00	22860.00	1540.00	42.5	239.0	-55.00
120_4	21317.00	22860.00	1540.00	60.0	241.0	-80.00
120_5	21381.56	22608.57	1709.14	93.1	44.5	-35.00
120_6	21381.00	22608.00	1709.10	141.2	48.0	-50.00
120_7	21353.50	22581.37	1681.52	145.6	43.5	-42.00
120_8	21353.50	22581.40	1681.50	214.8	43.5	-55.00
120ZN001	21242.40	23106.80	1474.40	115.0	240.0	-55.00
120ZN002	21242.40	23106.80	1474.40	160.0	240.0	-64.00
120ZN003	21242.40	23106.80	1474.40	118.5	255.0	-50.00
120ZN004	21242.40	23106.80	1474.40	116.0	222.0	-53.00
120ZN005	21242.40	23106.80	1474.40	149.1	222.0	-66.00
120ZN006	21242.40	23106.80	1474.40	148.5	255.0	-66.00
120ZN009	21123.60	23283.90	1358.30	158.3	270.0	-45.00
120ZN012	21212.00	23069.00	1469.00	96.7	238.0	-55.00
120ZN013	21212.00	23069.00	1469.00	68.5	192.0	-55.00
120ZN014	21212.00	23069.00	1469.00	93.6	280.0	-60.00
120ZN015	21189.00	23192.00	1416.00	157.8	238.0	-65.00
120ZN016	21189.00	23192.00	1416.00	135.1	209.0	-70.00
120ZN017	21352.92	22996.15	1548.00	319.4	215.0	-40.00
120ZN018	21352.92	22996.15	1548.00	259.7	215.0	-50.00
120ZN019	21352.92	22996.15	1548.00	293.1	215.0	-60.00
120ZN020B	21352.92	22996.15	1548.00	244.6	234.5	-45.52
120ZN021	21352.92	22996.15	1548.00	220.7	235.0	-55.00
120ZN022	21353.64	22996.92	1548.15	341.6	235.0	-65.00
120ZN023	21355.10	22996.61	1548.53	341.1	235.8	-74.15
120ZN024	21383.46	22920.73	1555.12	190.1	201.0	-45.00
120ZN025	21383.46	22920.73	1555.12	302.0	201.0	-60.00
120ZN026	21383.46	22920.73	1555.12	341.2	201.0	-75.00
120ZN027	21383.46	22920.73	1555.12	256.6	225.4	-49.26
120ZN028	21383.46	22920.73	1555.10	207.6	227.0	-65.00
120ZN029	21383.46	22920.73	1555.12	332.0	227.0	-75.00
120ZN030	21426.25	22679.39	1670.21	101.6	201.5	-35.09
120ZN031	21425.49	22677.84	1669.59	142.9	204.0	-59.00
120ZN032	21426.05	22679.69	1670.53	78.5	230.0	-44.77
120ZN033	21426.85	22680.26	1670.51	180.6	230.0	-64.00
21640_1	21313.94	21642.96	1670.90	200.1	82.3	-50.50
21730_1	21271.90	21727.40	1647.40	148.8	80.3	-48.00
21800_1	21233.24	21806.17	1630.40	163.2	80.3	-61.00
21800_2	21151.50	21792.50	1600.00	311.0	80.0	-54.50

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Drillhole Name	East (m)	North (m)	RL (m)	Total Depth (m)	Azimuth	Dip
22000_1	21181.96	21963.91	1595.40	128.9	70.3	-60.00
22000_3	21142.90	21950.58	1566.15	180.0	70.3	-64.00
22260_1	21076.00	22269.50	1656.50	119.9	207.0	-45.00
22260_2	20997.35	22180.55	1589.40	166.1	67.3	-61.00
22260_3	21075.00	22269.50	1656.50	141.7	206.0	-55.00
22260_4	21075.00	22268.50	1656.50	139.3	206.0	-65.00
22340_1	21000.90	22289.50	1628.30	156.0	50.0	-55.00
22340_3	21018.30	22300.30	1630.30	50.7	48.0	-45.00
22340_4	21071.50	22347.00	1657.10	175.0	228.0	-72.50
22340_5	21071.50	22347.00	1657.10	156.1	210.0	-62.50
22350_1	21047.70	22349.00	1656.30	52.0	270.0	-61.00
22350_2	21081.50	22349.40	1657.20	126.1	270.0	-60.00
22350_3	21081.50	22349.40	1657.20	165.4	275.0	-71.00
22375_1	21047.00	22384.00	1670.00	58.1	270.0	-45.00
22375_2	21047.00	22384.00	1670.00	83.5	270.0	-65.00
22400_1	21052.74	22405.39	1693.22	120.0	270.0	-45.00
22400_5	21167.00	22406.80	1715.50	326.0	270.0	-60.00
22400_6	21074.90	22402.10	1689.80	159.4	270.0	-70.00
22400_7	21074.90	22402.10	1689.80	115.7	270.0	-50.00
22400_9	21019.00	22400.00	1690.00	34.9	255.0	-65.00
22425_1	21079.70	22447.40	1724.90	164.6	250.0	-55.00
22425_2	21079.70	22447.40	1724.90	126.5	250.0	-45.00
22425_4	21019.00	22423.00	1689.00	37.4	255.0	-65.00
22450_1	21076.70	22450.80	1725.00	141.9	270.0	-52.00
22450_2	21078.60	22449.20	1724.80	163.9	270.0	-60.00
22450_3	21078.60	22449.20	1724.80	198.0	270.0	-67.50
22475_3	21033.00	22474.00	1745.50	142.0	270.0	-70.00
22500_2	20930.30	22515.80	1733.10	159.9	101.5	-55.00
22500_4	21199.10	22500.80	1662.00	353.0	270.0	-58.00
22500_5	20941.70	22512.30	1735.10	114.2	95.0	-45.00
22550_1	21033.06	22550.52	1703.90	77.3	270.5	-55.00
22550_2	21060.87	22552.50	1705.84	150.0	260.5	-63.50
22550_3	21127.00	22554.40	1656.50	200.2	270.0	-50.00
22550_5	21196.00	22547.00	1632.00	337.8	269.5	-48.70
22575_1	21032.00	22570.00	1687.00	50.3	253.0	-50.00
22575_2	21032.00	22570.00	1687.00	94.4	253.0	-70.00
22600_1	21034.90	22600.50	1665.70	49.4	270.0	-49.00
22600_2	21045.50	22599.80	1664.10	76.3	270.0	-62.00
22600_3	21045.50	22599.80	1664.10	66.6	270.0	-50.00
22650_1	20995.22	22644.34	1633.60	92.5	81.5	-55.00
22650_3	21054.80	22654.90	1628.20	71.5	270.0	-45.00

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Drillhole Name	East (m)	North (m)	RL (m)	Total Depth (m)	Azimuth	Dip
22700_1	21052.90	22702.20	1592.70	50.9	250.0	-45.00
22730_1	21028.10	22746.40	1562.00	50.0	130.0	-45.00
22850_1	21046.88	22850.58	1541.70	89.3	270.5	-63.00
22850_2	21085.83	22847.50	1516.96	114.8	275.0	-58.00
22950_1	21029.25	22950.42	1495.93	93.2	270.0	-45.00
DG002	21241.00	21633.00	1637.00	237.6	207.0	-45.00
DG004	21241.00	21633.00	1637.00	192.8	74.0	-57.00
DG006	21299.57	21768.22	1658.33	24.9	42.0	-45.00
DG007	21299.57	21768.22	1658.33	61.4	104.0	-45.00
DG008	21299.57	21768.22	1658.33	67.8	127.0	-45.00
DG010	21318.40	21665.42	1676.37	113.0	73.8	-44.20
DG012	21308.45	21722.75	1667.66	84.7	86.7	-47.95
DG013	21305.00	21723.50	1670.00	100.0	55.0	-45.00
DJTR07	21068.80	22204.80	1621.90	24.2	230.5	0.00
DJTR08	21071.80	22200.50	1621.90	24.6	237.3	0.00
DJTR09	21073.90	22196.10	1622.10	24.6	242.3	0.00
DJTR10	21076.60	22192.00	1622.30	25.3	242.6	0.00
DJTR11	21078.50	22187.60	1622.40	25.3	245.1	0.00
DJTR12	21081.20	22183.80	1622.70	26.7	246.4	0.00
DJTR13	21084.70	22179.20	1622.70	28.3	249.4	0.00
DJTR14	21087.20	22175.30	1622.80	29.0	252.0	0.00
DP003	21238.00	21550.00	1630.00	180.0	170.0	-45.00
DP004	21238.00	21550.00	1630.00	204.8	170.0	-70.00
FUN004	21299.00	21350.00	1533.00	0.6	273.0	0.00
FUN005	21298.00	21353.00	1533.00	0.6	273.0	0.00
GB001	21243.79	21898.78	1648.97	42.5	69.3	-48.00
GB002	21243.20	21898.53	1649.07	49.0	69.3	-66.00
GB003	21222.53	21879.21	1647.40	72.6	47.3	-45.00
GB004	21221.53	21878.21	1647.40	104.8	47.3	-65.00
GB005	21219.53	21878.22	1647.40	194.0	47.0	-77.50
GB007	21255.08	21862.89	1682.04	68.0	67.3	-65.00
GB008	21162.03	21824.48	1599.08	174.5	65.0	-47.00
GB009	21161.36	21824.11	1598.90	246.7	67.0	-60.00
GB010	21227.24	21839.68	1659.81	99.0	60.3	-44.50
GB011	21226.92	21839.51	1659.62	112.9	60.3	-57.00
GB012	21226.56	21839.33	1659.73	150.6	55.0	-65.00
GB013	21187.63	21880.88	1650.17	121.0	47.3	-45.00
GB014	21187.32	21880.51	1650.17	138.0	46.3	-57.00
GB015	21195.14	21788.55	1628.97	193.4	77.0	-46.00
GB016	21239.55	21763.46	1648.48	130.5	73.3	-45.00
GB017	21239.10	21763.30	1648.45	152.5	75.0	-55.00

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Drillhole Name	East (m)	North (m)	RL (m)	Total Depth (m)	Azimuth	Dip
GB018	21273.21	21771.92	1665.57	71.0	66.3	-45.00
GB019	21272.61	21771.57	1665.46	106.2	68.0	-60.00
GB020	21306.00	21771.00	1683.00	50.6	70.3	-52.00
GB021	21305.00	21771.00	1683.00	67.6	73.3	-72.00
GB022	21299.64	21750.63	1667.81	113.0	68.3	-60.00
GB023	21298.96	21750.26	1668.00	101.3	66.3	-45.00
GB024	21300.17	21750.76	1668.21	50.0	67.3	-35.00
GB025	21280.55	21673.14	1665.07	139.6	53.3	-38.00
GB026	21228.73	21808.46	1630.20	107.1	60.3	-45.00
GB027	21229.63	21808.84	1630.36	105.0	60.3	-30.00
GB028	21280.89	21818.70	1648.90	63.6	50.3	-45.00
GB030	21223.25	21912.18	1661.92	80.0	60.3	-62.00
GB031	21323.68	21709.39	1689.07	109.9	60.3	-61.00
GB032	21324.86	21710.09	1689.17	109.3	56.3	-30.00
GB033	21331.69	21661.38	1680.87	81.7	60.3	-30.00
GB034	21278.99	21817.68	1648.91	98.1	26.3	-74.50
GB035	21267.74	21966.52	1683.95	100.0	281.7	-55.41
GB036	21268.17	21966.51	1683.95	134.0	281.7	-63.00
GB037	21268.35	21964.35	1683.85	84.0	246.6	-53.76
GB038	21268.68	21964.52	1683.86	118.0	248.4	-63.34
GBY005	21128.10	21872.50	1605.00	277.9	104.0	-45.00
GF001	21045.00	22827.00	1538.20	53.0	276.0	-45.00
GF002	21056.42	22868.40	1532.51	70.3	277.0	-42.00
GF003	21057.64	22868.11	1532.64	80.8	275.0	-62.50
GF004	21057.00	22866.50	1532.65	87.4	230.0	-55.00
GF005	21056.89	22869.97	1532.39	97.9	313.7	-54.00
GF006	21056.25	22871.59	1532.33	122.0	313.0	-39.00
GF007	21056.48	22869.21	1532.59	66.8	294.0	-51.00
GF008	21057.29	22867.53	1532.58	74.8	244.7	-59.50
GF009	21051.75	22932.55	1513.17	80.0	287.0	-51.00
GP001	21326.77	21653.04	1678.01	87.4	90.0	-44.49
GP002	21325.74	21653.04	1678.03	101.3	90.0	-60.23
GP004	21308.55	21716.87	1668.37	87.3	88.1	-39.41
GP005	21307.65	21716.88	1668.26	111.7	90.0	-58.19
GP006	21302.10	21745.51	1662.01	79.1	90.0	-60.00
GP007	21302.10	21745.51	1662.01	103.8	90.0	-45.00
IV002	21314.65	21576.46	1691.00	346.8	231.4	-58.50
IV003	21314.30	21576.30	1691.00	539.0	231.4	-67.50
IV004	21315.48	21580.54	1690.82	400.0	43.9	-69.56
IV005	21202.23	21517.52	1633.99	460.5	72.6	-51.10
IV006	21277.27	19911.27	2017.85	280.2	81.2	-43.64

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Drillhole Name	East (m)	North (m)	RL (m)	Total Depth (m)	Azimuth	Dip
IV013	21172.80	21431.70	1686.40	71.1	245.0	-73.50
IV014	21224.70	21451.50	1644.80	102.6	245.0	-45.00
IV016	21225.00	21451.70	1644.80	164.3	245.0	-75.00
IV018	21225.30	21451.90	1644.80	147.1	245.0	-88.00
IV020	21172.00	21432.60	1686.40	102.5	304.0	-45.00
IV021	21224.70	21451.50	1644.80	132.3	189.0	-45.00
IV022	21224.70	21451.50	1644.80	120.0	189.0	-64.00
IV023	21194.50	21401.30	1678.40	74.3	194.0	-45.00
IV024	21195.00	21401.80	1678.50	79.3	194.0	-83.00
IV025	21195.30	21403.30	1678.50	43.6	198.0	-35.00
IV026	21177.90	21507.60	1637.80	139.7	236.0	-70.00
IV027	21177.50	21507.90	1638.00	71.0	236.0	-45.00
IV028	21240.50	21348.30	1676.60	71.3	265.0	-61.00
IV029	21178.80	21508.50	1636.20	110.0	236.0	-85.00
IV033	21177.50	21507.90	1638.00	119.6	270.0	-45.00
IV034	21238.50	21548.70	1633.00	210.5	236.0	-54.00
IV037	21241.50	21349.00	1676.60	113.1	270.0	-80.00
IV055	21216.97	21412.31	1652.64	67.4	232.0	-45.00
IV056	21216.90	21412.30	1652.60	72.6	232.0	-55.00
IV057	21205.30	21431.60	1661.40	53.7	232.0	-45.00
IV058	21205.30	21431.60	1661.40	74.0	232.0	-61.00
IV059	21194.40	21440.90	1661.40	90.1	285.0	-45.00
IV060	21194.50	21440.90	1661.50	81.9	285.0	-60.00
IV061	21194.50	21440.90	1661.50	90.4	285.0	-75.00
IV062	21194.40	21441.00	1661.50	82.5	204.0	-45.00
IV063	21194.40	21441.00	1661.50	87.3	249.0	-50.00
IV064	21213.26	21382.39	1655.54	52.0	270.0	-50.00
IV065	21214.13	21382.44	1655.57	89.2	270.0	-70.00
IV066	21214.52	21382.45	1655.62	122.3	270.0	-85.74
KD002	21323.71	19917.67	2018.74	54.6	73.5	-62.80
KD003	21322.44	19919.43	2019.00	87.8	20.7	-60.50
KD004	21324.51	19915.23	2018.77	68.1	127.4	-44.50
KD006	21368.14	19868.76	2034.10	35.2	242.1	-66.90
KD007	21368.80	19867.61	2034.25	47.1	187.2	-50.70
KD012	21402.43	19749.26	2088.30	100.0	66.6	-58.60
KD014	21484.13	19700.04	2084.42	50.4	44.9	-67.00
KD016	21304.00	19936.00	2011.70	73.0	80.0	-48.00
KD017	21304.00	19936.00	2011.70	118.9	80.0	-62.00
KD019	21297.00	19870.00	2044.00	190.4	100.0	-55.00
KD020	21297.00	19870.00	2044.00	184.6	100.0	-45.00
KD021A	21335.00	19795.00	2040.00	110.1	50.0	-40.00

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Drillhole Name	East (m)	North (m)	RL (m)	Total Depth (m)	Azimuth	Dip
KD021B	21335.00	19795.00	2040.00	178.6	50.0	-40.00
KD022	21297.00	19870.00	2044.00	166.7	75.0	-45.00
KD023	21297.00	19870.00	2044.00	185.4	75.0	-60.00
KD024	21335.00	19795.00	2040.00	188.4	50.0	-58.00
KD025	21297.00	19870.00	2044.00	159.6	45.0	-45.00
KD026	21335.00	19795.00	2040.00	147.0	80.0	-45.00
KD027	21335.00	19795.00	2040.00	180.8	80.0	-55.00
KD028	21297.00	19870.00	2044.00	194.3	45.0	-60.00
KD029	21335.00	19795.00	2040.00	195.7	100.0	-45.00
KD030	21297.00	19870.00	2044.00	200.3	25.0	-55.00
KD031	21297.00	19870.00	2044.00	206.1	25.0	-50.00
KD033	21275.00	19912.00	2020.00	190.3	43.0	-45.00
KD034	21275.00	19912.00	2020.00	200.0	22.0	-45.00
KD035	21372.04	19874.63	2029.39	126.8	295.0	-65.00
KD036	21372.04	19874.63	2029.39	234.8	295.0	-75.00
KD037	21372.04	19874.63	2029.39	125.0	255.0	-60.00
KD038	21372.04	19874.63	2029.00	98.1	255.0	-75.00
KD039	21372.04	19874.63	2029.39	129.6	212.0	-55.00
KD041	21359.65	19875.70	2029.36	120.6	175.0	-70.00
KD042	21359.65	19875.70	2029.36	175.9	175.0	-55.00
KP002	21172.00	22381.50	1553.90	150.0	34.0	-45.00
KP004	21172.20	22381.30	1553.90	181.5	34.0	-52.00
KP007	21172.60	22381.00	1553.90	169.0	54.0	-45.00
KP009	21389.10	21611.10	1451.00	130.0	135.0	-35.00
KP010	21389.10	21611.10	1451.00	90.0	100.0	-45.00
KP013	21309.60	21819.00	1408.00	83.2	300.0	-15.00
KP014	21309.90	21817.60	1408.00	50.6	242.0	-10.00
KP015	21309.90	21817.60	1408.00	69.5	245.0	-45.00
KP016	21310.80	21815.10	1408.00	66.0	195.0	-23.00
KP017	21310.80	21815.10	1408.00	75.4	195.0	-45.00
KP018	21309.60	21819.00	1408.00	110.0	300.0	-37.00
KP019	21309.60	21817.60	1408.00	53.9	245.0	-58.00
KP020	21309.90	21817.60	1408.00	102.0	230.4	-69.00
KP021	21309.90	21817.60	1408.00	110.0	296.0	-70.00
KP022	21342.00	21736.50	1410.40	112.0	219.3	-70.00
KP023	21342.00	21736.50	1410.00	128.1	219.3	-66.00
KP024	21340.00	21734.30	1410.00	120.8	219.0	-50.00
KP025	21340.80	21737.60	1410.00	115.8	245.0	-63.00
KP026	21340.80	21737.60	1410.00	51.4	245.0	-50.00
KP027	21340.80	21737.60	1410.00	121.3	245.0	-60.00
KP040	21181.00	22441.00	1526.99	158.4	241.0	-14.00

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Drillhole Name	East (m)	North (m)	RL (m)	Total Depth (m)	Azimuth	Dip
KP041	21181.00	22441.00	1526.99	196.6	256.0	-15.00
KP042	21177.80	22437.10	1526.99	155.4	275.0	-28.00
KP043	21175.30	22434.80	1526.99	193.9	225.0	-21.00
KP044	21387.70	21770.40	1539.00	68.1	81.0	35.00
KP046	21388.10	21769.30	1539.60	88.6	146.0	20.00
LM001	21341.00	21779.00	1436.00	204.9	75.0	-3.00
LM002	21429.40	21497.70	1532.00	400.1	40.0	-33.00
LM003	21346.40	21893.90	1467.00	122.8	113.4	-1.00
LM004	21346.40	21893.90	1467.00	152.9	113.4	-20.00
LM005	21346.60	21894.00	1467.00	148.8	84.2	-1.00
LM006	21346.60	21894.00	1467.00	161.9	84.2	-22.00
LM007	21346.60	21894.00	1467.00	155.0	84.2	33.00
LM008	21346.40	21893.90	1467.00	153.9	113.4	30.00
LM009	21346.40	21893.90	1466.70	266.4	113.4	-34.00
LM011	21346.40	21893.90	1466.80	392.6	113.4	-28.00
LM012	21346.40	21893.90	1467.00	158.0	113.4	5.00
LM013	21346.50	21895.00	1467.00	185.4	61.0	11.00
LM014	21346.50	21895.00	1467.00	176.5	61.0	-9.00
LM015	21346.60	21894.00	1467.00	304.7	84.0	-37.00
LM016	21346.60	21894.00	1466.50	358.4	84.0	-44.00
LM017	21346.60	21894.00	1466.50	167.9	129.0	-3.00
LM018	21347.00	21894.00	1466.50	161.4	129.0	27.00
LM019	21347.00	21894.00	1466.50	151.0	129.0	29.00
LM020	21357.20	21769.30	1521.90	419.7	91.0	-1.00
LM021	21357.20	21769.30	1521.90	261.7	91.0	-45.00
LM022	21357.20	21769.30	1521.90	215.8	91.0	-60.00
LM023	21351.50	21769.50	1521.50	197.8	116.0	-1.00
LM024	21351.50	21769.50	1521.50	197.7	117.0	-4.50
LM026	21351.50	21769.50	1521.50	251.6	118.0	-45.00
LM027	21351.50	21769.50	1521.50	200.9	160.0	-10.00
LM028	21351.50	21769.50	1521.50	239.8	140.0	-12.00
LM029	21357.00	21769.30	1521.90	225.0	99.0	-54.00
LM030	21341.00	21779.00	1436.00	168.3	96.0	22.00
LM031	21341.00	21779.00	1436.00	186.6	130.0	16.00
LM032	21341.00	21779.00	1436.00	190.1	121.0	0.00
LM033	21341.00	21779.00	1436.00	235.2	121.0	-20.00
LM035	21341.00	21894.00	1465.00	257.8	306.0	-55.00
LM040	21340.00	21894.00	1465.00	309.1	306.0	-45.00
LM041	21340.00	21894.00	1465.00	276.3	296.0	-53.00
LM043	21341.00	21894.00	1465.00	280.1	316.0	-45.00
LM044	21341.00	21894.00	1465.00	334.3	316.0	-55.00

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LM045	21341.00	21894.00	1465.00	362.8	316.0	-63.00
LM046	21341.00	21894.00	1466.00	304.3	316.0	-20.00
LM047	21341.00	21894.00	1465.00	200.8	306.0	-33.00
LM048	21341.00	21894.00	1465.00	288.8	313.0	-30.00
LM049	21341.00	21894.00	1465.00	257.2	313.0	-45.00
LM050	21385.00	21745.00	1365.00	139.8	255.0	-35.00
LM051	21385.00	21745.00	1365.00	161.0	255.0	-45.00
LM052	21385.00	21745.00	1365.00	208.0	255.0	-55.00
LM053B	21384.51	21746.39	1364.91	189.8	232.0	-58.00
LM054	21384.51	21746.39	1364.91	197.5	232.0	-49.00
LM055	21409.04	22065.95	1465.28	185.6	120.0	-50.00
LM056	21409.43	22066.81	1465.11	176.7	103.0	-61.00
LM057	21409.58	22066.77	1465.10	161.7	103.0	-56.00
LM058	21409.72	22067.03	1465.09	166.4	83.0	-61.00
LM059	21409.72	22067.03	1465.33	182.6	83.0	-52.00
LM060	21409.98	22067.86	1465.31	197.7	70.0	-64.00
LM061	21408.16	22068.69	1464.79	233.1	41.0	-62.00
LM062	21119.00	22420.70	1491.40	161.6	217.0	-16.00
LM063	21119.00	22420.70	1491.40	72.7	217.0	-29.00
LM064	21119.00	22420.70	1491.40	263.6	217.0	-32.00
LM065	21119.00	22420.70	1491.40	193.3	217.0	-43.00
LM066	21119.00	22420.70	1491.40	178.5	217.0	-51.00
LM067	21119.00	22420.70	1491.40	140.6	231.0	-19.00
LM068	21119.00	22420.70	1491.40	124.4	231.0	-34.00
LM069	21119.00	22420.70	1491.40	137.8	231.0	-50.00
LM070	21119.00	22420.70	1491.40	207.4	231.0	-60.00
LM071	21395.30	21754.30	1365.91	140.5	58.0	20.00
LM072	21395.30	21754.30	1365.91	140.7	58.0	-4.00
LM073	21395.30	21754.30	1365.91	174.0	58.0	-25.00
LM074	21396.14	21752.92	1366.30	166.4	58.0	-36.89
LM075B	21395.75	21752.09	95.54	62.7	95.5	23.00
LM076	21395.97	21752.07	1367.15	116.7	82.0	-6.00
LM077	21395.30	21754.30	1365.91	140.6	82.0	-34.00
LM078	21395.98	21752.02	1366.49	185.9	87.5	-36.44
LM079	21395.60	21751.60	1368.26	118.4	122.3	23.00
LM080	21395.68	21751.57	1367.21	80.0	110.0	-6.00
LM081	21421.78	22168.49	1362.16	69.2	134.0	-11.00
LM082	21421.23	22172.25	1361.64	50.0	94.0	-17.00
LM083	21421.26	22173.62	1361.83	48.6	49.7	-14.11
LM084	21395.30	21754.30	1365.91	94.4	110.0	-33.00
LM085	21395.30	21754.30	1365.91	129.1	110.0	-45.00

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Drillhole Name	East (m)	North (m)	RL (m)	Total Depth (m)	Azimuth	Dip
LM086	21395.13	21751.26	1368.13	95.7	144.5	18.27
LM087	21395.24	21751.17	1367.19	107.9	138.0	-8.00
LM088	21395.20	21751.14	1366.85	111.1	145.1	-23.15
LM089	21395.17	21751.22	1366.56	154.5	140.3	-39.26
LM090	21394.79	21751.05	1367.91	141.0	155.7	14.47
LM091	21394.92	21750.77	1366.85	181.4	155.2	-22.00
LM092	21395.03	21750.77	1366.58	182.8	154.0	-28.22
LM093	21394.95	21750.71	1366.33	176.7	154.7	-42.56
LM095	22216.20	22112.65	1413.21	319.8	70.0	-20.00
LM100	21105.60	22581.52	1567.42	316.7	99.1	10.00
LM103	21394.04	21514.25	1457.17	201.9	198.7	10.86
LM104	21393.76	21513.39	1456.48	131.3	198.2	-11.76
LM105	21393.87	21513.32	1456.56	149.5	189.3	-14.60
LM106	21394.60	21516.00	1456.80	151.7	197.0	-25.00
LM107	21393.95	21513.59	1455.59	137.4	188.5	-41.59
LM108	21394.04	21514.06	1455.31	118.7	194.7	-57.52
LM110	21104.57	22319.10	1484.02	136.4	199.3	-52.77
LM112	21103.48	22319.69	1483.84	125.3	229.5	-68.75
LM113	21103.85	22320.04	1483.74	180.9	221.0	-82.00
LM114	21103.09	22320.34	1483.83	89.6	239.8	-49.77
LM115	21105.32	22321.68	1483.98	132.4	240.0	-67.00
LM116	21103.66	22320.69	1483.59	131.9	131.9	-76.43
LM117	21103.36	22322.04	1483.84	139.5	139.5	-67.59
LM118	21103.65	22321.96	1483.90	126.0	271.8	-78.84
LM119	21212.00	22102.52	1412.37	116.8	212.1	-49.68
LM120	21212.34	22102.95	1412.25	172.3	214.7	-70.21
LM121	21212.47	22103.11	1412.24	240.1	214.2	-76.15
LM122	21212.56	22103.19	1411.89	112.6	254.2	-52.96
LM123	21213.37	22103.44	1412.23	161.9	256.2	-72.13
LM124	21212.37	22103.11	1413.37	201.3	256.0	-81.00
LM125	21211.12	22103.69	1413.02	134.9	295.0	-24.55
LM126	21211.71	22103.45	1412.71	137.9	296.8	-46.64
LM127	21211.43	22103.88	1412.73	146.9	307.3	-34.73
LM128	21212.37	22103.11	1413.37	135.0	307.0	-47.00
LM129	21444.07	21623.67	1453.74	269.8	102.9	-0.29
LM130	21444.07	21623.67	1453.74	293.0	102.9	-20.00
LM135	21444.39	21625.45	1453.08	308.6	85.5	-23.60
LM136	21443.91	21625.00	1452.35	176.8	86.0	0.00
MILAMB01	21385.90	21650.00	1545.00	0.6	272.0	0.00
SC001	21214.42	21388.01	1655.55	248.9	143.0	-68.71
SC002	21214.00	21382.44	1655.57	221.6	144.7	-58.80

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Drillhole Name	East (m)	North (m)	RL (m)	Total Depth (m)	Azimuth	Dip
SC003	21214.60	21387.76	1655.65	517.6	143.1	-57.90
SM001	21094.00	22469.00	1708.00	131.0	232.0	-70.00
SM002	21159.00	22458.00	1699.00	128.0	220.0	-45.00
SM003	21094.00	22469.00	1708.00	99.0	232.0	-48.00
SM004	21159.00	22457.00	1699.00	200.0	200.0	-45.00
SM005	21094.00	22469.00	1708.00	130.0	232.0	-58.00
SM006	21098.00	22448.00	1708.00	100.0	169.0	-48.00
SM007	21098.00	22448.00	1708.00	147.0	170.0	-61.00
SM008	21098.00	22448.00	1708.00	149.0	169.0	-55.00
SM009	21128.00	22418.00	1712.00	64.0	238.0	-60.00
SM010	21128.00	22418.00	1712.00	150.0	238.0	-65.00
SM013	21172.50	22318.00	1712.00	204.3	39.0	-83.00
STIN002	21203.60	22473.60	1676.50	0.7	45.0	0.00
TD23200_1	21201.00	23207.00	1427.00	450.2	250.0	-55.00
TGF001	21174.10	22875.00	1563.90	255.9	270.0	-45.00
TGF002	21174.10	22875.00	1563.90	258.5	270.0	-61.00
TGF003	21174.10	22875.00	1563.90	314.7	270.0	-72.00
TGF004	21174.10	22874.10	1564.00	258.2	296.0	-45.00
TGF005	21174.10	22874.10	1564.00	273.3	296.0	-57.00
TGF006	21050.40	23053.20	1507.00	247.2	270.0	-61.00
TGF007	21123.00	22757.00	1561.00	170.5	270.0	-62.00
TGF008	21050.40	23053.20	1507.00	261.7	270.0	-76.00
TGF009	21123.00	22757.00	1561.00	235.9	270.0	-70.00
TGF010	21050.40	23053.20	1507.00	255.8	270.0	-84.00
TGF011	21123.00	22757.00	1561.00	235.5	300.0	-59.00
TGF012	21050.40	23053.20	1507.50	198.8	230.0	-64.00
TGF013	21050.40	23053.20	1507.00	217.7	230.0	-80.00
TGF014	21123.00	22757.00	1561.00	240.1	300.0	-76.00
TGF016	21123.00	22757.00	1561.00	203.9	315.0	-60.00
TGF017	21050.00	23053.00	1507.00	204.7	297.0	-82.00
TL001	21061.00	22140.00	1620.00	221.1	260.0	-50.00
TL002	21061.00	22140.00	1620.00	320.0	228.0	-50.00
TS001	21202.01	22473.88	1677.58	108.7	44.9	-40.06
TS002	21201.99	22474.94	1678.93	94.6	359.3	-49.73
TS003	21202.00	22474.67	1678.93	117.7	0.0	-55.00
TS005	21115.32	22547.49	1666.27	70.8	24.9	-51.15
TS006	21115.09	22547.42	1666.42	60.8	6.0	-45.00
TS007	21114.05	22548.59	1666.18	67.5	352.4	-45.16
TS008	21114.18	22548.72	1664.95	70.9	352.6	-56.75
TS009	21113.86	22549.22	1664.66	77.6	342.5	-43.54
TS010	21113.33	22549.13	1664.66	99.5	328.5	-45.00

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Drillhole Name	East (m)	North (m)	RL (m)	Total Depth (m)	Azimuth	Dip
TS011	21113.89	22548.30	1664.99	78.5	332.0	-60.00
TTEX001	21186.00	22553.00	1624.00	224.5	285.0	-45.00
TTEX002	21186.00	22553.00	1624.00	250.3	285.0	-57.00
TTEX003	21186.00	22553.00	1624.00	378.3	285.0	-77.00
TTEX004	20928.11	22645.03	1651.65	360.4	99.0	-49.41
TTEX005	20927.80	22645.09	1651.52	286.2	88.9	-51.75
TTEX006	20928.11	22645.03	1651.65	340.2	99.0	-60.00
TU004	21487.20	21165.30	1536.00	299.6	90.0	-55.00
TU005	21489.70	21161.00	1536.40	475.3	90.0	-32.00
TU006	21489.10	21161.00	1535.70	392.6	90.0	-70.00
TU007	21489.10	21163.50	1535.80	278.5	49.0	-58.00
TU009	21488.90	21163.40	1535.80	410.5	49.0	-69.00
TU010	21488.40	21164.00	1535.60	343.6	42.0	-72.00
TU011	21486.70	21164.30	1535.50	530.0	35.0	-64.00
TU013	21485.00	21164.30	1535.30	346.9	16.0	-67.50
TU014	21484.90	21164.50	1535.40	334.2	16.0	-64.00
TU019	21485.20	21164.70	1535.40	302.6	16.0	-48.00
TU020	21489.40	21162.00	1535.70	333.0	88.0	-61.00
TU021	21484.90	21164.10	1535.40	398.6	359.0	-62.00
TU022	21423.50	21498.00	1532.00	150.6	315.0	-63.50
TU023	21420.00	21495.00	1532.00	173.7	278.0	-66.00
TU024	21420.00	21495.00	1532.00	172.7	278.0	-54.00
TU025	21421.50	21491.50	1532.00	160.1	236.5	-54.00
TU026	21421.50	21491.50	1532.00	131.2	236.5	-34.00
TU027	21425.00	21492.00	1532.00	198.9	214.0	-56.00
TU028	21423.90	21491.80	1532.00	214.4	214.0	-44.00
TU029	21427.00	21495.00	1532.00	398.7	56.0	-40.00
TU030	21421.00	21491.50	1532.00	209.4	223.0	-49.00
TU031	21421.50	21491.50	1532.00	194.1	255.0	-57.00
TU032	21422.00	21492.00	1532.00	240.4	236.5	-62.00
TU033	21421.50	21492.00	1532.00	322.5	228.0	-51.00
TU034	21421.30	21492.30	1532.00	251.1	234.0	-55.00
TU035	21421.50	21492.50	1532.00	203.4	236.5	-40.00
TU036	21421.50	21492.50	1532.00	235.7	236.5	-28.00
TU037	21421.50	21492.50	1532.00	235.6	236.5	-36.00
TU038	21422.00	21492.00	1532.00	239.3	223.0	-24.00
TU039	21422.00	21492.00	1532.00	220.0	223.0	-24.00
TU040	21421.50	21492.50	1532.00	230.1	255.0	-31.00
TU041	21421.50	21492.50	1532.00	199.7	255.0	-39.00
TU042	21422.50	21491.50	1532.00	220.0	255.0	-13.00
TU043	21422.00	21492.00	1532.00	191.8	255.0	-19.00

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Drillhole Name	East (m)	North (m)	RL (m)	Total Depth (m)	Azimuth	Dip
TU045	21422.00	21493.00	1532.00	166.7	260.0	-22.00
TU046	21422.00	21493.00	1532.00	202.3	270.0	-33.00
TU047	21422.00	21493.00	1532.00	237.6	270.0	-15.00
TU048	21422.00	21493.00	1532.00	270.0	277.0	-18.00
TU050	21422.62	21488.08	1532.26	232.1	211.9	-30.00
TU051	21422.71	21488.19	1531.82	252.1	208.1	-42.00
TU053	21420.44	21494.36	1533.00	240.0	264.9	-19.90
TU058	21432.00	21295.00	1528.00	300.0	31.0	-45.00
TU060	21427.00	21495.00	1532.00	584.6	56.0	-19.00
TU061	21427.00	21495.00	1533.00	371.4	56.0	3.00
TU062	21427.00	21495.00	1532.00	490.3	56.0	-51.00
TU063	21428.60	21494.60	1533.00	155.8	350.0	-57.00
TU064	21428.60	21494.60	1533.00	227.6	337.0	-74.00
TU066	21455.00	21089.00	1536.00	422.4	88.0	-45.00
TU067	21455.00	21088.50	1536.00	401.0	85.0	-54.00
TU068	21455.00	21088.50	1536.00	323.0	88.0	-26.00
TU072	21308.90	21939.90	1573.00	175.0	40.0	18.00
TU073	21308.90	21939.90	1573.00	323.6	40.0	-40.00
TU074	21308.90	21939.90	1575.00	284.4	60.0	-27.00
TU075	21308.90	21939.90	1573.00	280.0	60.0	-38.00
TU076	21308.90	21939.90	1573.00	359.6	60.0	-48.00
TU085	21308.90	21939.90	1573.00	344.1	88.0	-40.00
TU086	21429.00	21498.00	1532.00	356.5	40.0	-14.00
TU089	21122.40	22419.40	1490.90	417.1	72.0	-20.00
TU091	21122.40	22419.40	1491.90	276.0	72.0	-46.00
TU092	21119.90	22419.80	1491.90	390.0	90.0	-25.00
TU094	21122.40	22419.40	1491.90	353.0	90.0	-44.00
TU095	21122.30	22420.40	1491.90	413.3	97.2	-20.00
TU096	21122.30	22420.40	1491.90	522.0	97.2	-35.00
TU099	21119.90	22420.70	1491.90	449.8	83.0	-30.00
TU106	21119.90	22420.70	1491.90	293.9	15.0	-30.00
TU110	21119.90	22420.70	1491.90	266.7	27.0	-25.00
TU111	21119.00	22420.70	1491.40	204.5	252.0	-22.00
TU112	21119.00	22420.70	1491.40	218.5	252.0	-38.00
TU113	21116.29	22419.79	1491.71	169.7	252.0	-56.00
TU114	21119.00	22420.70	1491.10	131.0	252.1	20.80
TU115	21119.00	22420.70	1491.40	143.7	248.6	-4.34
TU116	21119.00	22420.70	1491.40	99.9	279.8	17.53
TU117	21119.00	22420.70	1491.40	198.0	277.1	-38.42
TU118	21115.59	22421.50	1493.09	258.0	283.9	-3.79
TU119B	21116.01	22422.39	1493.86	204.0	301.2	19.26

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Drillhole Name	East (m)	North (m)	RL (m)	Total Depth (m)	Azimuth	Dip
TU120	21115.85	22422.49	1491.90	198.0	302.0	-8.00
TU121	21115.89	22422.48	1492.57	129.0	302.0	-18.00
TU122	21115.28	22422.81	1492.76	121.4	302.0	-37.00
TU123	21116.07	22423.26	1492.52	134.9	310.0	-16.00
TU124	21115.98	22423.29	1491.89	165.0	308.2	-35.85
TU125	21229.84	22103.33	1413.16	350.6	67.3	-29.06
TU126	21229.70	22103.32	1412.89	400.6	66.5	-39.12
TU127	21230.02	22102.77	1413.24	338.2	81.1	-25.69
TU128	21229.82	22102.73	1412.89	336.4	81.4	-39.39
TU129	21229.90	22102.71	1412.77	421.0	85.6	-43.11
TU130	21229.08	22101.98	1413.77	345.9	108.4	-23.85
TU131	21229.94	22101.88	1412.95	400.6	101.3	-31.50
TU132	21230.56	22101.00	1413.82	323.7	111.2	-15.06
ZGC007	21424.70	22230.40	1765.40	270.0	259.0	-69.00
ZGC009	21426.50	21855.50	1708.00	170.0	270.0	-83.00
ZN002	21427.12	22594.07	1725.12	131.0	270.0	-50.00
ZN004	21380.91	22628.15	1708.04	136.1	298.9	-71.20
ZN005	21380.38	22627.66	1708.09	126.4	270.0	-80.00
ZN007	21380.20	22625.22	1708.13	74.1	250.0	-54.00
ZN008	21381.08	22625.88	1708.12	150.5	233.0	-77.00
ZN009	21381.70	22628.21	1708.13	111.6	280.5	-77.00
ZN010	21383.86	22547.28	1690.53	107.4	270.5	-78.00
ZN011	21382.96	22547.98	1690.43	61.9	292.2	-48.40
ZN012	21382.96	22547.98	1690.43	58.9	250.0	-47.50
ZN013	21384.54	22546.63	1690.54	115.0	230.3	-76.82
ZN014	21396.53	22487.13	1683.34	83.1	267.3	-54.06
ZN015	21396.61	22487.57	1683.39	91.7	288.2	-54.88
ZN016	21397.34	22487.25	1683.38	138.6	310.2	-77.80
ZN017	21396.69	22486.88	1683.37	56.1	248.1	-53.53
ZN018	21397.41	22486.97	1683.35	159.6	230.9	-77.85
ZN019	21422.90	22415.00	1699.40	111.0	267.4	-54.24
ZN020	21422.90	22415.00	1699.40	165.6	267.4	-71.65
ZN021	21423.00	22415.00	1699.30	113.1	250.0	-57.00
ZN022	21423.00	22415.00	1699.40	150.5	200.0	-51.00
ZN024	21390.99	22838.62	1571.91	127.4	194.5	-51.50
ZN026	21390.99	22838.62	1571.91	156.8	216.0	-64.00
ZN027	21402.87	22362.03	1719.59	123.7	269.4	-49.08
ZN028	21402.87	22362.03	1719.59	152.1	266.0	-68.00
ZN029	21390.99	22838.62	1571.91	122.1	251.0	-50.00
ZN030	21411.00	22395.00	1718.00	183.1	265.0	-72.00
ZN031	21390.00	22847.00	1567.00	142.6	252.0	-63.00

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Drillhole Name	East (m)	North (m)	RL (m)	Total Depth (m)	Azimuth	Dip
ZN032	21404.00	22655.00	1704.00	122.0	282.0	-59.00
ZN033	21404.00	22655.00	1704.00	147.1	280.0	-73.00
ZN034	21408.77	22857.17	1571.94	343.5	287.0	-51.00
ZN035	21401.39	22654.80	1702.32	104.2	232.0	-55.00
ZN036	21402.84	22654.84	1702.39	150.7	253.0	-75.00
ZN037	21381.00	22628.00	1708.00	122.2	228.0	-65.00
ZN038	21381.00	22628.00	1708.00	100.0	251.0	-65.00
ZN039	21398.00	22593.00	1708.00	100.0	253.0	-56.00
ZN040	21390.00	22847.00	1567.00	250.0	265.0	-63.00
ZN041	21398.00	22593.00	1708.00	100.0	245.0	-65.00
ZN042	21398.00	22593.00	1707.00	147.7	245.0	-79.00
ZN044	21398.00	22593.00	1709.00	104.0	275.0	-72.00
ZN045	21354.00	22838.00	1558.84	71.3	245.0	-48.00
ZN046	21398.00	22593.00	1709.00	135.5	279.0	-79.00
ZN047	21354.00	22838.66	1558.84	139.7	238.0	-86.00
ZN048	21398.00	22593.00	1708.00	134.1	298.0	-69.00
ZN050	21337.47	22834.66	1558.84	96.5	229.0	-78.00
ZN051	21398.00	22593.00	1709.00	146.0	299.0	-80.00
ZN052	21337.47	22834.66	1558.84	54.1	218.0	-45.00
ZN053	21337.47	22834.66	1558.84	76.1	218.0	-67.00
ZN054	21381.64	22626.49	1708.28	92.0	292.0	-65.00
ZN055	21337.47	22834.66	1558.84	49.6	206.0	-42.00
ZN057	21337.47	22834.66	1558.84	73.5	206.0	-68.00
ZN058	21381.64	22626.49	1708.28	95.0	305.0	-62.00
ZN059	21337.47	22834.66	1558.84	109.6	229.0	-78.00
ZN061	21338.17	22835.40	1557.09	59.0	192.0	-38.00
ZN062	21338.17	22835.40	1557.09	68.2	191.0	-61.00
ZN063	21381.64	22626.49	1708.28	171.6	308.0	-85.00
ZN064	21338.17	22835.40	1557.09	87.0	191.0	-73.00
ZN065	21338.17	22835.40	1557.09	70.7	192.0	-57.00
ZN069	21398.00	22524.00	1692.00	72.4	270.0	-57.00
ZN083	21498.00	22470.00	1730.00	407.0	270.0	-67.00
ZN084	21498.00	22470.00	1730.00	319.5	270.0	-66.00
ZN086	21460.00	22543.00	1730.00	298.8	294.0	-68.00
ZN087	21460.00	22543.00	1730.00	280.8	249.0	-68.00
ZN088	21445.80	22543.08	1726.32	302.0	249.0	-73.00
ZN089	21484.00	22353.00	1763.00	367.2	265.0	-72.00
ZN090	21521.18	22276.46	1773.88	425.3	270.0	-73.00
ZN091	21521.18	22276.46	1773.88	450.5	267.0	-70.00
ZN092	21521.18	22276.46	1773.88	468.7	238.0	-69.00
ZN095	21525.50	22351.11	1782.44	423.0	270.0	-70.00

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Drillhole Name	East (m)	North (m)	RL (m)	Total Depth (m)	Azimuth	Dip
ZN099	21521.60	22276.50	1774.45	471.4	232.0	-77.00
ZN101	21522.19	22280.31	1774.30	455.0	268.0	-69.00
ZN102	21522.19	22280.31	1774.30	401.3	270.0	-73.50
ZN103	21522.19	22280.31	1774.30	449.0	285.0	-68.50
ZN104	21523.47	22280.56	1773.83	368.8	284.0	-63.50
ZN105	21522.29	22281.21	1773.68	401.2	282.0	-67.00
ZN106	21523.60	22281.40	1774.34	378.8	284.0	-64.00
ZN107	21522.20	22280.30	1744.00	482.2	277.0	-67.50
ZN108	21522.70	22280.31	1744.00	430.8	284.0	-76.00
ZN109	21522.70	22280.31	1744.00	417.3	247.0	-75.00
ZNP01	21426.66	22680.39	1670.20	60.0	204.0	-35.00
ZNP02	21426.66	22680.39	1670.20	65.0	204.0	-59.00
ZNP03	21426.66	22680.39	1670.20	55.0	230.0	-43.00
ZNP04	21426.66	22680.39	1670.20	60.0	230.0	-64.00

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Appendix B **Tolukuma Drill Intercepts**

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Table B1 Tolukuma Drill Intercepts

Drillhole Name	From (m)	To (m)	Interval (m)	Domain	Au (g/t)	Ag (g/t)	Sb (ppm)
DG007	36.30	38.60	2.30	Gulbadi X	8.23	20.7	13
DG008	59.50	62.00	2.50	Gulbadi	36.48	132.4	88
DJTR07	2.00	2.60	0.60	Gulbadi	13.6	10	350
DJTR08	1.50	2.60	1.10	Gulbadi	19.7	14	220
DJTR09	0.80	1.70	0.90	Gulbadi	18.1	12	830
DJTR10	0.50	2.00	1.50	Gulbadi	17.7	12	1380
DJTR11	0.00	1.00	1.00	Gulbadi	10.9	10	365
DJTR12	0.00	1.30	1.30	Gulbadi	21.5	16	400
DJTR13	0.40	1.30	0.90	Gulbadi	23	25	3720
DJTR14	0.00	0.90	0.90	Gulbadi	26.9	20	725
DP003	171.20	173.20	2.00	Fundoot	1.46	29.3	7
FUN004	0.00	0.60	0.60	Fundoot	8.6		
FUN005	0.00	0.60	0.60	Fundoot	50		
GB001	25.50	27.50	2.00	Gulbadi	30.3	260.5	
GB002	33.50	37.70	4.20	Gulbadi	52.1	436.1	
GB003	55.90	58.50	2.60	Gulbadi	34.63	191.9	
GB008	159.70	161.40	1.70	Gulbadi	23.62	78.8	
GB010	73.50	77.00	3.50	Gulbadi	22.98	112.3	
GB011	96.20	99.50	3.30	Gulbadi	15.23	35.9	
GB013	101.60	103.60	2.00	Gulbadi	27.25	514	
GB014	124.40	127.40	3.00	Gulbadi	9.55	53.5	
GB015	155.40	157.40	2.00	Gulbadi	1.21	7	
GB016	108.10	109.90	1.80	Gulbadi	19.11	85	
GB017	57.30	58.80	1.50	Gulbadi X	13.27	55.3	
GB017	132.30	135.90	3.60	Gulbadi	26.19	75.4	
GB018	62.00	63.80	1.80	Gulbadi	7.52	39.4	
GB019	85.30	86.80	1.50	Gulbadi	34.4	150	
GB021	49.90	53.60	3.70	Gulbadi	1.44	196.2	
GB022	59.30	62.80	3.50	Gulbadi	9.3	33.5	
GB023	45.70	46.70	1.00	Gulbadi	2.53	5	
GB024	36.80	39.00	2.20	Gulbadi	10.01	18.4	
GB025	96.60	99.00	2.40	Gulbadi	10.43	9.8	
GB026	91.90	93.90	2.00	Gulbadi	48.95	152.5	
GB027	12.40	12.70	0.30	Gulbadi X	25.8	96	
GB027	77.10	79.20	2.10	Gulbadi	36.77	244.6	
GB028	23.10	25.80	2.70	Gulbadi	18.58	76.9	
GB030	50.70	56.80	6.10	Gulbadi	11.9	64.6	
GB034	78.20	85.30	7.10	Gulbadi	24.64	95.1	
GB035	70.00	72.40	2.40	Gulbadi	14	32.8	
GB036	118.00	123.60	5.60	Gulbadi	1.9	11	
GB036	128.70	134.00	5.30	Tolimi	38.96	287.4	
GB037	64.00	66.60	2.60	Gulbadi	4.22	61.8	
GB037	70.70	72.70	2.00	Tolimi	11.25	25	
GB038	91.50	101.50	10.00	Gulbadi	6.39	20.2	
GB038	101.50	109.40	7.90	Gulbadi	5.42	31.4	

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Drillhole Name	From (m)	To (m)	Interval (m)	Domain	Au (g/t)	Ag (g/t)	Sb (ppm)
GF001	18.00	19.70	1.70	Gufinis	4.43	9.6	
GF002	33.20	35.30	2.10	Gufinis	12.21	106.7	
GF003	61.09	69.39	8.30	Gufinis	6.25	18.7	
GF004	56.59	60.29	3.70	Gufinis	38.93	329.9	
GF005	64.79	74.89	10.10	Gufinis	9.12	17.9	
GF006	64.79	68.59	3.80	Gufinis	9.16	17.3	
GF007	43.90	46.80	2.90	Gufinis	18.92	40.2	
GF008	57.39	61.49	4.10	Gufinis	7.5	27.4	
GP006	68.50	73.90	5.40	Gulbadi	28.38	40.5	49
GUFTR001	13.00	16.00	3.00	Tolukuma	1.22	4.5	41
GUFTR002	3.00	6.00	3.00	Tolukuma	25.42	20.8	104
IV002	248.30	248.50	0.20	Fundoot	13.5	102	
IV003	290.50	290.90	0.40	Fundoot	8.09	13	
IV004	221.40	224.80	3.40	Gulbadi	29.96	118.1	
IV005	340.90	341.70	0.80	Gulbadi	10.7	11.9	
IV013	43.20	47.70	4.50	Fundoot	1.3	18.5	18
IV014	60.50	62.00	1.50	Fundoot	3.28	39.6	16
IV016	86.20	86.80	0.60	Fundoot	11.76	97	19
IV018	104.20	105.20	1.00	Fundoot	65.55	83.4	38
IV020	67.30	68.60	1.30	Fundoot	5.1	14.6	17
IV021	72.70	73.20	0.50	Fundoot	204.5	178	105
IV022	81.00	81.50	0.50	Fundoot	19.5	73.3	37
IV023	29.60	30.60	1.00	Fundoot	4.39	61.5	42
IV024	41.70	51.20	9.50	Fundoot	1.68	15.3	29
IV026	88.30	89.00	0.70	Fundoot	27.32	52.1	25
IV033	73.95	75.00	1.05	Fundoot	10.21	165.5	27
IV034	129.30	131.50	2.20	Fundoot	1.88	27.3	17
IV055	32.10	39.60	7.50	Fundoot	8.08	60.4	10
IV056	39.60	41.10	1.50	Fundoot	7.89	345.2	21
IV057	40.70	43.55	2.85	Fundoot	4.16	36.9	11
IV058	48.85	51.67	2.82	Fundoot	7.15	67.4	9
IV059	50.40	55.00	4.60	Fundoot	7.63	38	8
IV060	53.73	60.50	6.77	Fundoot	1.22	106.3	182
IV061	61.35	63.30	1.95	Fundoot	14.76	228.5	17
IV062	39.60	43.80	4.20	Fundoot	10.73	750.6	4
IV063	40.64	42.30	1.66	Fundoot	5.01	16.9	5
IV064	20.76	23.20	2.44	Fundoot	22.63	243.9	40
IV066	34.73	39.35	4.62	Fundoot	4.03	83.9	15
KD014	25.80	31.00	5.20	120 FW Vein	1.03	26.5	2
KD022	115.00	123.02	8.02	120 FW Vein	1.09	29.6	18
LM081	50.70	59.60	8.90	Zine	9.82	14.9	420
LM082	31.34	34.29	2.95	Zine	17.73	25.9	727
LM083	33.85	37.46	3.61	Zine	1.38	5.5	316
LM090	83.04	83.88	0.84	Zine	15.77	56.6	563
LM091	77.90	78.63	0.73	Zine	13.74	17.8	23

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Drillhole Name	From (m)	To (m)	Interval (m)	Domain	Au (g/t)	Ag (g/t)	Sb (ppm)
KP004	180.60	181.50	0.90	Tinabar	30		
KP014	26.40	27.20	0.80	Gulbadi	1.18	6.3	32
KP015	30.70	36.90	6.20	Gulbadi	7.55	6.3	229
KP017	61.70	71.90	10.20	Gulbadi	4.3	86.1	33
KP018	45.30	48.90	3.60	Gulbadi	3.96	16.9	1627
KP019	38.30	45.80	7.50	Gulbadi	5.5	56	55
KP020	61.00	65.30	4.30	Gulbadi	20.1	8	44
KP021	45.00	57.50	12.50	Gulbadi	11.8	51.8	625
KP022	104.80	107.00	2.20	Gulbadi	9	13	220
KP025	51.70	54.60	2.90	Gulbadi	1.7	27.7	102
KP026	36.00	38.00	2.00	Gulbadi	12.25		
KP040	77.40	77.70	0.30	Sawmill	4.9	74	49
KP041	87.60	89.00	1.40	Sawmill	1.7	42	240
KP042	137.40	137.90	0.50	Sawmill	21	47	84
KP042	144.80	146.50	1.70	Tolukuma	2.8	11	120
KP043	67.70	68.10	0.40	Sawmill	1.4	18	5
KP043	183.10	185.80	2.70	Tolukuma	14	18	25
KP044	51.50	54.40	2.90	Zine	10.64	20.8	72
LM002	247.00	247.20	0.20	Mystery	17.01	150	
LM004	117.20	117.50	0.30	Zine	1.22	3	1820
LM006	119.30	120.80	1.50	Zine	1.06	5.9	1
LM008	117.50	119.70	2.20	Zine	9.81	21.4	15
LM011	126.20	127.70	1.50	Zine	2.63	25.8	
LM014	145.60	146.00	0.40	Zine	8.93	9.1	
LM018	125.60	128.00	2.40	Zine	19.99	218.8	77
LM021	116.70	121.70	5.00	Zine	3.1	18	64
LM023	69.60	71.80	2.20	Zine	3.41	10.4	20
LM024	70.60	73.50	2.90	Zine	16.55	122.9	
LM029	156.00	166.00	10.00	Zine	1.91	7.5	168
LM029	166.00	174.00	8.00	Zine	2.57	11.6	104
LM040	229.30	236.70	7.40	Gulbadi	2.45	15	249
LM045	291.80	303.30	11.50	Gulbadi	1.02	14.2	17
LM046	261.30	269.50	8.20	Gulbadi	6.71	54.3	5077
LM047	188.40	196.30	7.90	Gulbadi	1.87	52.7	35
LM048	234.70	239.20	4.50	Gulbadi	1.36	4.8	4713
LM052	147.87	150.85	2.98	Gulbadi	4.24	39.4	660
LM053B	163.18	165.53	2.35	Gulbadi	2.08	171.3	3762
LM055	122.40	131.56	9.16	Zine	8.46	15	686
LM056	142.96	154.80	11.84	Zine	2.98	17.9	672
LM057	120.59	126.40	5.81	Zine	10.52	61.5	374
LM058	137.96	143.74	5.78	Zine	3.25	17	1739
LM059	95.15	100.47	5.32	Zine	5.24	23.8	5304
LM060	161.70	167.39	5.69	Zine	6.04	11.1	1962
LM061	198.00	202.80	4.80	Zine	5.88	13.2	431
LM062	16.61	17.62	1.01	Sawmill	1.99	14.3	3
LM071	62.50	65.28	2.78	Zine	1.38	31.7	604

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Drillhole Name	From (m)	To (m)	Interval (m)	Domain	Au (g/t)	Ag (g/t)	Sb (ppm)
LM073	99.76	101.78	2.02	Zine	2.07	8.8	145
LM074	149.44	155.31	5.87	Zine	1.14	2.7	641
LM076	65.00	66.23	1.23	Zine	1.25	11.2	23
LM080	71.80	77.80	6.00	Zine	6.86	20.2	1989
TS011	32.52	32.80	0.28	Tinabar	3.19	19.7	38
TTEX003	249.70	250.40	0.70	Tinabar	2.98	32	232
TTEX003	369.10	371.30	2.20	Tolukuma	1.88	19.8	232
TTEX004	248.65	249.65	1.00	Tinabar	4.24	6.2	190
TU004	259.00	261.70	2.70	Gulbadi Red	11.26	15.9	6
TU009	259.90	262.15	2.25	Gulbadi Red	9.64	34.2	77
TU010	284.40	285.24	0.84	Gulbadi Red	54.15	36	10
TU011	254.50	255.36	0.86	Gulbadi Red	26.65	30	9
LM104	105.00	115.00	10.00	Zine	1.28	3.4	14
LM104	115.00	120.98	5.98	Zine	7.29	12	40
LM105	111.60	122.10	10.50	Zine	1.37	17.3	145
LM106	98.02	108.02	10.00	Zine	2.56	8	161
LM106	108.02	113.75	5.73	Zine	8.05	7.4	223
LM108	95.24	98.42	3.18	Zine	2.97	2.7	360
LM110	94.58	99.60	5.02	Tolukuma	5.75	14.2	3995
LM112	92.45	93.65	1.20	Tolukuma	4.46	7.1	68
LM114	60.07	64.13	4.06	Tolukuma	21.29	19.3	971
LM122	81.40	84.51	3.11	Gulbadi	3.41	11.5	874
LM123	122.34	124.40	2.06	Gulbadi	17.07	9.5	875
LM124	148.90	153.67	4.77	Gulbadi	1.44	6	144
LM125	83.00	88.37	5.37	Gulbadi	4.33	8.2	449
LM126	99.92	104.10	4.18	Gulbadi	2.71	16.8	29980
LM128	119.38	124.57	5.19	Gulbadi	1.92	5.9	4612
LM129	264.80	266.50	1.70	Mystery	21.65	188.4	3800
LM130	218.36	219.49	1.13	Mystery	11.07	32.7	780
LM135	150.89	151.22	0.33	Mystery	18.74	70.3	46
LM143	48.28	49.27	0.99	Zine	1.58	4	260
LM144	47.50	48.20	0.70	Zine	26.43	73.1	77
LM144	150.30	153.30	3.00	Fundoot	2.32	32.7	47
LM156	31.00	34.00	3.00	Tolukuma	2.51	8.2	190
LM157	33.60	36.80	3.20	Tolukuma	2.99	17.8	354
LM158	25.00	30.00	5.00	Tolukuma	3.43	9.1	544
LM160	24.60	28.60	4.00	Tolukuma	3.84	10.9	
LM162	26.50	28.30	1.80	Tolukuma	1.38	23	
LM163	27.00	28.65	1.65	Tolukuma	6.82	44.4	
LM181	218.50	221.80	3.30	Zine	13.29	9.8	195
LM185	244.50	250.00	5.50	Zine	1.28	4.5	588
LM187	239.00	245.60	6.60	Zine	2.44	11.4	841
LM188	197.00	211.30	14.30	Zine	2.16	5	47
LM190	120.40	121.60	1.20	Zine	1.5	5.7	1176
LM191	101.30	102.90	1.60	Zine	2.1	15.1	48
LM196	28.30	30.30	2.00	Zine	96.42	44.9	276

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Drillhole Name	From (m)	To (m)	Interval (m)	Domain	Au (g/t)	Ag (g/t)	Sb (ppm)
SC001	52.96	55.89	2.93	Fundoot	3.86	14.9	2
SC002	46.28	49.28	3.00	Fundoot	11.21	66	18
SM002	92.30	93.40	1.10	Sawmill	8.1		
SM005	85.10	86.10	1.00	Sawmill	1.5		
STIN002	0.00	0.70	0.70	Tinabar	101	93	
TGF001	187.10	193.20	6.10	Gufinis	16.72	28.7	1030
TGF002	231.00	236.30	5.30	Gufinis	2.02	29.7	1339
TGF004	219.40	221.30	1.90	Gufinis	2.97	2.3	19
TGF005	252.30	255.20	2.90	Gufinis	1.53	13.1	871
TGF006	80.80	83.00	2.20	Gufinis	1.56	4.9	288
TGF011	150.70	151.70	1.00	Gufinis	1.76	13	145
TGF021	64.40	67.40	3.00	Tolukuma	8.9	44.3	60
TGF022	55.00	59.00	4.00	Tolukuma	13.59	33.9	94
TGF023	71.70	72.70	1.00	Tolukuma	21.9	15.6	165
TU027	173.40	185.20	11.80	Zine	1.3	3.4	99
TU028	147.00	153.30	6.30	Zine	1.89	9.7	
TU029	277.80	279.20	1.40	Mystery	5.44	20.7	24
TU030	186.60	188.60	2.00	Fundoot	18	13.5	84
TU031	100.30	102.00	1.70	Zine	2.73	8	7
TU032	226.20	234.50	8.30	Fundoot	3.74	4.6	60
TU033	191.80	194.30	2.50	Fundoot	2.02	10	104
TU034	210.50	211.50	1.00	Fundoot	1.3	5.6	157
TU035	180.40	181.40	1.00	Fundoot	80		
TU036	171.55	174.70	3.15	Fundoot	3.79	60	53
TU038	171.60	174.60	3.00	Fundoot	46.4	100	40
TU039	168.90	176.40	7.50	Fundoot	2.32	16.2	4
TU040	173.60	175.70	2.10	Fundoot	55.19	84.1	
TU041	180.80	181.90	1.10	Fundoot	1.04	5.2	100
TU043	183.50	184.00	0.50	Fundoot	110	165	54
TU046	196.30	199.40	3.10	Fundoot	3.76		
TU047	203.00	204.00	1.00	Fundoot	54.3	84.8	55
TU048	254.20	255.30	1.10	Fundoot	1.3	9	
TU020	262.90	265.10	2.20	Gulbadi Red	102.41	30.1	797
TU021	337.30	338.60	1.30	Gulbadi Red	2.61	6.8	20
TU116	87.55	91.95	4.40	Tolukuma	12.67	33.1	134
TU117	74.00	75.00	1.00	Tolukuma	3.41	3.8	75
TU118	73.30	78.49	5.19	Tolukuma	7.05	17.2	627
TU121	86.27	89.00	2.73	Tolukuma	1.88	8.7	181
TU126	383.59	384.08	0.49	Zine	1.19	11.7	81
TU127	270.75	271.39	0.64	Zine	9.52	21.4	270
TU130	287.38	290.70	3.32	Zine	4.71	26.4	559
TU132	285.15	290.06	4.91	Zine	64.08	58.1	521
120ZN002	127.70	139.10	11.40	120 FW Vein	3.32		
120ZN003	102.40	103.70	1.30	120 FW Vein	12.9		
120ZN004	94.10	96.80	2.70	120 Vein	5.31		

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Drillhole Name	From (m)	To (m)	Interval (m)	Domain	Au (g/t)	Ag (g/t)	Sb (ppm)
120ZN004	105.40	108.90	3.50	120 FW Vein	2.56		
120ZN005	126.70	127.70	1.00	120 Vein	2.4		
120ZN013	47.50	52.00	4.50	120 Vein	1.41	50.4	839
120ZN015	95.20	97.00	1.80	120 Vein	2.25	33.3	523
TU051	150.50	160.50	10.00	Zine	1.32	2.2	8
TU062	313.60	313.90	0.30	Mystery	2.11	6.6	1500
TU070	196.90	201.20	4.30	Zine	1.48		
TU071	170.50	172.90	2.40	Zine	40.19	17	0
TU072	145.50	148.00	2.50	Zine	2.94	4.2	9
TU073	313.90	320.30	6.40	Zine	1.96	8.4	197
TU074	181.30	182.30	1.00	Zine	1.03	11.6	18
TU075	237.50	239.60	2.10	Zine	2.89	12.4	166
TU076	324.10	327.15	3.05	Zine	1.97	12.8	
TU087	340.20	341.20	1.00	Mystery	35.6	25.1	14
TU090	167.00	168.00	1.00	Tinabar	1.87	20.7	
TU092	297.25	297.55	0.30	Zine	20.46	50.7	
TU095	208.40	209.30	0.90	Tinabar	20.9	97.7	373
TU101	122.70	125.70	3.00	Tinabar	1.48	12.1	340
TU103	208.60	212.60	4.00	Tinabar	5.31	22.8	178
TU104	153.70	154.60	0.90	Tinabar	3.93	13	70
TU105	240.60	244.20	3.60	Tolukuma	2.28	15.6	158
TU106	162.90	163.50	0.60	Tinabar	5.29	24.9	9155
TU110	127.60	130.04	2.44	Tinabar	4.4	10.4	86
TU111	19.49	19.93	0.44	Sawmill	1.58	22	230
TU114	89.50	93.90	4.40	Tolukuma	1.86	24.9	605
T1438U03	0.40	0.90	0.50	Zine	202.5	98	15000
T1438U04	0.00	2.00	2.00	Zine	12.5	21	16000
T1438U05	0.00	2.00	2.00	Zine	23.3	22	30000
T1438U06	0.00	2.00	2.00	Zine	27	21	330
ZN002	117.00	119.70	2.70	Zine	1.82	12.9	23
ZN007	65.30	65.80	0.50	Zine	3.28	15.2	34
ZN009	104.70	105.70	1.00	Zine	2.65	47	1470
ZN010	87.50	89.90	2.40	Zine	23.83	6.8	84
ZN011	48.30	51.27	2.97	Zine	6.35	13.6	8
ZN012	45.80	47.50	1.70	Zine	1.01	1.6	3
ZN013	95.50	99.15	3.65	Zine	4.82	22.3	77
ZN015	47.00	50.60	3.60	Zine	11.95	55.4	26
ZN016	119.70	122.70	3.00	Zine	8.97	65	144
ZN017	44.50	45.60	1.10	Zine	10.11	35.1	59
ZN019	87.60	89.20	1.60	Zine	2.07	14.5	14
ZN020	152.80	156.40	3.60	Zine	8.48	85.1	47
ZN021	95.20	96.60	1.40	Zine	1.9	8.4	45
ZN024	105.00	110.20	5.20	Zine	1.15	19	84
ZN026	135.20	138.70	3.50	Zine	6.12	6.8	2433
ZN027	116.90	117.70	0.80	Tinabar	3.03	12.1	22
ZN029	82.40	84.00	1.60	120 Vein	1.82	23	278

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Drillhole Name	From (m)	To (m)	Interval (m)	Domain	Au (g/t)	Ag (g/t)	Sb (ppm)
ZN029	106.30	107.80	1.50	Zine	1.41	20.9	451
ZN031	134.00	138.00	4.00	Zine	1.07	16.5	166
ZN032	111.90	112.50	0.60	Zine	4.98	24.3	109
ZN033	140.60	142.00	1.40	Zine	4.21	31.3	2186
ZN035	99.60	102.20	2.60	Zine	3.05	20.2	166
ZN036	145.60	147.50	1.90	Zine	5.41	17.5	341
ZN037	90.00	93.00	3.00	Zine	2.09	19.1	30
ZN038	80.30	82.00	1.70	Zine	7.41	48.6	26
ZN041	90.90	92.20	1.30	Zine	6.78	66.4	39
ZN044	98.40	99.90	1.50	Zine	2.71	19.1	116
ZN045	41.70	42.60	0.90	120 Vein	1.27	3	260
ZN046	118.60	121.00	2.40	Zine	3.89	37.7	91
ZN049	22.25	24.30	2.05	120 Vein	4.5	7.6	34
ZN049	40.65	42.95	2.30	Zine	11.2	152.9	2130
ZN050	39.90	41.30	1.40	120 Vein	6.36	5.4	87
ZN050	81.96	83.30	1.34	Zine	6.09	81.9	5288
ZN052	23.20	25.10	1.90	120 Vein	3.53	10.3	227
ZN052	42.60	45.20	2.60	Zine	14.22	28	384
ZN053	62.90	64.90	2.00	Zine	3.02	57.3	625
ZN054	84.50	85.90	1.40	Zine	4.25	180.9	55
ZN055	24.80	25.80	1.00	120 Vein	10.4	50.9	78
ZN055	43.60	46.40	2.80	Zine	4.58	81.7	906
ZN057	34.00	35.10	1.10	120 Vein	8.58	8.9	308
ZN058	88.90	91.10	2.20	Zine	1.7	4.9	58
ZN059	96.70	99.60	2.90	Zine	3.06	69.7	434
ZN061	26.70	28.00	1.30	120 Vein	5.07	5.8	215
ZN061	46.50	49.10	2.60	Zine	6.16	41	96
ZN062	31.80	33.80	2.00	120 Vein	4.07	24.5	590
ZN064	41.00	42.90	1.90	120 Vein	28.03	34.4	302
ZN065	57.00	59.10	2.10	Zine	19.5	43.1	10550
ZN066	123.80	125.60	1.80	Zine	1.02		
ZN067	165.30	167.30	2.00	Zine	2.49	28.5	2554
ZN070	142.70	149.00	6.30	120 Vein	4.56	10.2	82
ZN073	166.70	168.40	1.70	Zine	10.12	34.5	101
ZN074	223.90	225.50	1.60	120 Vein	3.15	2.1	850
ZN077	102.40	103.50	1.10	Zine	3.9		
ZN080	76.70	77.60	0.90	Zine	14.8	10.5	7
ZN087	184.40	187.80	3.40	Zine	2.39	11.8	37
ZN092	332.30	334.00	1.70	Zine	4.23	37.9	
ZN095	331.30	332.10	0.80	Zine	2.36	2.4	
ZN102	377.30	379.70	2.40	Zine	2.25	12.1	528
ZN103	406.20	410.50	4.30	Tinabar	1.28	10.9	1073
ZN105	390.70	396.40	5.70	Tinabar	17.35	107.7	31084
ZN109	411.13	416.10	4.97	Zine	5.98	15.3	3827
120ZN001	92.70	94.50	1.80	120 Vein	1.35		
120ZN001	101.20	106.80	5.60	120 FW Vein	6.76		

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Drillhole Name	From (m)	To (m)	Interval (m)	Domain	Au (g/t)	Ag (g/t)	Sb (ppm)
120ZN017	142.14	145.40	3.26	120 Vein	1.5	6.1	930
120ZN023	304.70	308.70	4.00	120 Vein	2.31	10.8	443
120ZN024	150.90	157.30	6.40	Zine	1.02	6.5	106
120ZN025	196.95	199.67	2.72	120 Vein	1.63	7.2	552
120ZN026	242.95	249.20	6.25	120 Vein	1.32	24.2	1955
120ZN027	122.16	123.92	1.76	120 Vein	2.26	5.6	134
120ZN033	149.00	152.30	3.30	Zine	1.7	4	47
120_3	16.50	17.50	1.00	120 Vein	1.9	7	
120_4	28.50	30.60	2.10	120 Vein	2.36	6.2	
120_5	56.60	57.00	0.40	120 Vein	50.2	66.6	
120_6	78.00	79.50	1.50	120 Vein	2.23	94	
120_7	135.70	137.50	1.80	120 Vein	2.23	13.4	
21730_1	93.00	94.70	1.70	Gulbadi X	2.88	50.2	26
21730_1	97.50	101.00	3.50	Gulbadi	6.68	5.5	16
21800_1	141.30	143.30	2.00	Gulbadi	1.09	5	
22000_1	62.30	63.20	0.90	Tolimi	1.32		
22000_1	66.40	69.70	3.30	Gulbadi	33.04		
22260_1	79.00	80.40	1.40	Gulbadi	7.74		
22260_3	121.00	122.50	1.50	Tolukuma	4.1		
22260_4	113.50	116.50	3.00	Gulbadi	8.25		
22260_4	131.10	132.10	1.00	Tolukuma	3.55		
22340_1	60.50	67.50	7.00	Tolukuma	36.78		
22340_3	15.60	17.15	1.55	Tolukuma	2		
22350_1	43.50	48.50	5.00	Tolukuma	10.16	30.4	
22350_2	113.60	114.60	1.00	Tolukuma	32.2	65	
22350_3	143.50	145.50	2.00	Tolukuma	1.22	484	
22375_1	44.80	49.35	4.55	Tolukuma	25.9	49	
22375_2	65.45	72.70	7.25	Tolukuma	15.24	44.8	
22400_1	58.60	63.40	4.80	Tolukuma	26.44		
22400_6	146.50	148.00	1.50	Tolukuma	23.1	347	
22400_7	98.50	102.30	3.80	Tolukuma	25.6	115.1	
22400_9	23.80	28.90	5.10	Tolukuma	25.55	33.5	
22425_1	141.30	144.90	3.60	Tolukuma	40.28	95.4	
22425_2	108.30	116.30	8.00	Tolukuma	19.25	107.5	
22425_4	25.20	36.10	10.90	Tolukuma	23.25	102.2	
22450_1	120.00	124.90	4.90	Tolukuma	13.32	63.2	
22450_2	151.70	158.70	7.00	Tolukuma	18.97	64.6	
22450_3	56.00	66.00	10.00	Sawmill	1.11	8.8	
22450_3	66.00	73.70	7.70	Sawmill	1.61	9.8	
22450_3	189.70	192.70	3.00	Tolukuma	1.11	33.6	
22475_3	76.90	79.40	2.50	Tolukuma	23.6	87.2	
22500_2	127.70	132.05	4.35	Tolukuma	4.63		
22500_5	80.40	87.90	7.50	Tolukuma	7.28	26.2	
22550_1	43.50	45.40	1.90	Tolukuma	33.32		
22550_2	122.40	123.40	1.00	Tolukuma	3.4		
22550_3	169.00	170.80	1.80	Tolukuma	11.26		

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Drillhole Name	From (m)	To (m)	Interval (m)	Domain	Au (g/t)	Ag (g/t)	Sb (ppm)
22550_5	231.10	232.25	1.15	Tolukuma	3.66	106.7	
22575_1	39.70	40.70	1.00	Tolukuma	8.02		
22575_2	83.70	88.20	4.50	Tolukuma	27.97	34.7	
22600_1	31.15	37.35	6.20	Tolukuma	15.43		
22600_2	72.40	73.50	1.10	Tolukuma	9.66	7	
22600_3	56.20	58.20	2.00	Tolukuma	7.16	11	
22650_1	26.90	30.75	3.85	Tolukuma	12.31		
22700_1	45.00	49.00	4.00	Tolukuma	4.65	54.5	
22850_1	30.35	40.35	10.00	Gufinis	8.22		
22850_2	91.30	93.20	1.90	Gufinis	3.41		

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Appendix C **Mt Penck DD Drillhole Location Data**

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Table C1 Mt Penck DD drillhole location data

Drillhole ID	Date Drilled	Prospect	Easting (mE)	Northing (mN)	Elevation (mRL)	Azimuth Magnetic Degree	Dip Degree	Depth (m)
MPD-001	04-Aug-04	Kavola East	790747	9388512	232	120	-47	88.4
MPD-002	04-Aug-04	Kavola East	790747	9388512	232	120	-65	153.4
MPD-003	12-Aug-04	Kavola East	790777	9388594	243	120	-45	174.4
MPD-004	15-Aug-04	Kavola East	790706	9388472	237	120	-45	150.3
MPD-005	22-Aug-04	Kavola East	790670	9388423	224	120	-45	174.3
MPD-006	04-Sep-04	Kavola East	790804	9388552	253	210	-45	135.2
MPD-007	14-Sep-04	Kavola East	790772	9388505	254	210	-45	123
MPD-008	10-May-06	Kavola East	790808	9388556	253	135	-45	190.5
MPD-009	21-May-06	Kavola East	790846	9388501	278	135	-45	103
MPD-010	09-Jun-06	Kavola East	790874	9388456	301	135	-45	100.5
MPD-011	15-Jun-06	Kavola East	790933	9388376	300	135	-45	108
MPD-012	28-Jun-06	Kavola East	790671	9388278	235	97	-45	199.5
MPD-013	07-Jul-06	Kavola East	790828	9388468	278	135	-46	100.5
MPD-014	14-Jul-06	Kavola East	790685	9388387	213	120	-45	100.5
MPD-015	19-Jul-06	Kavola East	790750	9388446	260	120	-45	100.5
MPD-016	26-Jul-06	Kavola East	790706	9388472	237	300	-45	158.9
MPD-017	27-Jul-06	Kavola East	790685	9388387	213	300	-45	135
MPD-018	01-Aug-06	Kavola East	790801	9388523	249	300	-45	111
MPD-019	08-Aug-06	Kavola East	790801	9388524	249	120	-45	109.7
MPD-020	13-Aug-06	Kavola East	790609	9388482	186	120	-45	157.5
MPD-021	17-Aug-06	Kavola East	790737	9388576	233	300	-45	123.1
MPD-022	18-Aug-06	Kavola East	790623	9388533	196	120	-45	111
MPD-023	22-Aug-06	Kavola East	790750	9388477	250	120	-45	100.6
MPD-024	25-Aug-06	Kavola East	790623	9388533	196	300	-60	150.1
MPD-025	01-Sep-06	Kavola East	790726	9388496	228	120	-45	171
MPD-026	01-Sep-06	Kavola East	790699	9388540	220	120	-45	106.6
MPD-027	05-Sep-06	Kavola East	790699	9388540	220	300	-60	31.1
MPD-028	10-Sep-06	Kavola East	790747	9388512	232	300	-60	111.1
MPD-029	14-Sep-06	Kavola East	790711	9388552	199	120	-45	103.5
MPD-030	25-Sep-06	Kavola East	790672	9388581	202	300	-20	148.7
MPD-031	26-Sep-06	Kavola East	790711	9388552	199	300	-60	90.3
MPD-032	07-Oct-06	Kavola East	790834	9388525	269	135	-60	91.5
MPD-033	14-Oct-06	Kavola East	790807	9388558	253	30	-60	99
MPD-034	08-Nov-06	Kavola East	790780	9388587	243	300	-50	153
MPD-035	15-Nov-06	Kavola East	790619	9388580	187	300	-60	169.5
MPD-036	22-Nov-06	Peni Creek	790447	9388474	194	335	-60	51.1
MPD-037	28-Nov-06	Peni Creek	790447	9388474	194	30	-45	88.5
MPD-038	4-Dec-06	South Kavola	790925	9388219	338	97	-45	66
MPD-039	28-Apr-09	Kavola East	790759	9388516	243	90	-90	101.1
MPD-040	3-May-09	Kavola East	790774	9388534	255	90	-90	116.4
MPD-041	3-May-09	Kavola East	790641	9388518	200	90	-90	75
MPD-042	8-May-09	Kavola East	790774	9388534	255	210	-60	150
MPD-043	9-May-09	Kavola East	790591	9388522	205	120	-60	130.5
MPD-044	13-May-09	Kavola East	790774	9388504	252	300	-60	121.5

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Drillhole ID	Date Drilled	Prospect	Easting (mE)	Northing (mN)	Elevation (mRL)	Azimuth Magnetic Degree	Dip Degree	Depth (m)
MPD-045	14-May-09	Kavola East	790574	9388470	193	120	-70	91.5
MPD-046	17-May-09	Kavola East	790717	9388431	244	120	-75	109.7
MPD-047	25-May-09	Kavola East	790748	9388562	244	245	-50	119.5
MPD-048	22-May-09	Kavola East	790778	7388480	250	90	-50	179.9
MPD-049	28-May-09	Kavola East	790575	9388469	193	145	-60	120
MPD-050	3-Jun-09	Central Kavola	790703	9388784	210	151	-50	153.5
MPD-051	3-Jun-09	Central Kavola	790655	9388800	234	151	-50	120
MPD-052	9-Jun-09	Central Kavola	790647	9388817	233	151	-50	156
MPD-053	9-Jun-09	Central Kavola	790676	9388767	221	151	-50	120
MPD-054	17-Jun-09	Central Kavola	790662	9388755	227	151	-50	141
MPD-055	18-Jun-09	Central Kavola	790613	9388699	210	151	-50	156
MPD-056	24-Jun-09	Central Kavola	790565	9388646	184	245	-50	90.2
MPD-057	28-Jun-09	Central Kavola	790624	9388702	218	151	-50	159.1
MPD-058	29-Jun-09	Koibua South	790536	9388897	228	294	-50	140.8
MPD-059	14-Jul-09	Central Kavola	790624	9388702	218	61	-60	241.5
MPD-060	5-Jul-09	Koibua	790382	9389135	208	230	-50	81
MPD-061	13-Jul-09	Big Bend	790524	9388768	165	209	-50	154
MPD-062	17-Jul-09	Peni Creek	790390	9388793	149	209	-50	87
MPD-063	20-Jul-09	South Kavola	790704	9388222	251	179	-60	87
MPD-064	17-Jul-09	Peni Creek	790067	9388756	122	150	-50	66
MPD-065	25-Jul-09	Peni Creek	790035	9388780	127	224	-50	99
MPD-066	25-Jul-09	South Kavola	790987	9388260	327	309	-50	98
MPD-067	30-Jul-09	Peni Creek	790073	9388740	119	250	-50	94.5
MPD-068	30-Jul-09	South Kavola	790935	9388212	345	309	-50	101
MPD-069	3-Aug-09	South Kavola	790647	9388333	150	24	-50	182
MPD-070	3-Aug-09	Peni Creek	790260	9388476	208	250	-50	102
MPD-071	5-Aug-09	Peni Creek	790238	9388504	202	24	-50	99
MPD-072	9-Aug-09	Koibua	790601	9389322	208	209	-50	164.5

(From Swiridiuk, 2009)

Appendix D Summary of Kanon Phase 1 & Phase 2 DD Drilling Results

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Table D1 Summary of Kanon Phase 1 and Phase 2 DD drilling results

Drillhole Number	From (m)	To (m)	Intercept (m)	Above Lower Gold Cut-off Grade 0.5 g/t Au
MPD001	32	34	2	0.87
	50	52	2	1.01
MPD002	70	80	10	1.99
incl.	72	74	2	3.33
	152	153.4	1.4	1.10
MPD003	96	100	4	0.68
	106	108	2	0.82
	128	133	5	0.59
	163	173	10	2.18
incl.	168	169	1	3.17
incl.	169	170	1	9.89
MPD004	0	3	3	1.49
	4	5	1	4.61
	5	6	1	13.30
	10	11	1	1.56
	112	114	2	0.67
	119	121	2	0.55
MPD005	0	2	2	1.13
	114	118	4	0.81
	131	132	1	0.95
	138	140	2	0.65
	154	167	13	3.06
incl.	157	158	1	18.25
incl.	158	159	1	12.45
	168	169	1	0.64
	172	173	1	0.53
MPD006	0	4	4	3.01
incl.	0	1	1	5.78
	7	17	10	1.25
incl.	13	14	1	3.27
	23	66	43	2.35
incl.	23	24	1	4.10
incl.	32	33	1	3.52
incl.	33	34	1	4.92
incl.	37	38	1	3.57
incl.	43	44	1	6.11
incl.	45	46	1	5.76
incl.	46	47	1	4.13
incl.	51	52	1	6.66
incl.	63	64	1	13.60
	75	77	2	1.28
	83	85	2	0.74
MPD007	0	14	14	2.83

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Drillhole Number	From (m)	To (m)	Intercept (m)	Above Lower Gold Cut-off Grade 0.5 g/t Au
incl.	0	2	2	4.62
incl.	6	8	2	6.30
	18	24	6	0.66
	28	32	4	0.55
	40	46	6	0.87
	66	68	2	0.67
	68	70	2	36.70
	72	74	2	0.56
MPD008	0	23	23	2.29
incl.	6	7	1	11.70
incl.	14	15	1	5.66
incl.	17	18	1	3.47
	29	32	3	0.64
	52	56	4	2.54
incl.	54	55	1	7.57
	60	61	1	3.71
	69	70	1	3.98
	140	142	2	0.95
	162	164	2	0.62
	170	174	4	1.07
MPD009	60	62	2	0.64
	69	71	2	1.58
	96	100	4	4.04
incl.	96	97	1	4.37
incl.	97	98	1	9.94
MPD010	24	25	1	2.34
	40	41	1	3.82
	45	46	1	2.70
	53	57	4	2.25
incl.	53	54	1	4.30
	89	91	2	0.52
MPD011	67	70	3	4.30
incl.	68	69	1	7.20
incl.	69	70	1	3.07
	74	75	1	0.54
	75	76	1	16.20
MPD012	21	23	2	1.40
	36	40	4	0.90
MPD013	4	6	2	1.70
	8	10	2	0.50
	27	28	1	0.50
	46	47	1	0.60
	48	55	7	1.20
MPD014	20	21	1	0.60
	30	32	2	0.60

Schedule 1 – Independent Geologist’s Report continued

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Drillhole Number	From (m)	To (m)	Intercept (m)	Above Lower Gold Cut-off Grade 0.5 g/t Au	
MPD015	0	3	3	0.70	
	5	12	7	2.30	
	incl.	9	10	1	4.28
	13	24	11	1.10	
	36	37	1	2.10	
MPD016	89	90	1	0.60	
	0	1	1	1.60	
	4	5	1	1.00	
MPD017	95.9	97.4	1.5	1.50	
	24	27	3	1.79	
MPD018	incl.	25	26	1	3.10
	61	64	3	1.40	
	70	71	1	1.70	
	10	23	13	2.10	
	incl.	12	13	1	5.45
MPD019	incl.	18	19	1	3.34
	27	33	6	1.90	
	incl.	27	28	1	3.02
	37	39	2	4.50	
	48	53	5	2.50	
	incl.	50	51	1	5.81
	61	62	1	1.00	
	96	101	5	1.30	
	107	109	2	1.00	
	17.2	19.2	2.3	2.90	
MPD020	incl.	17.2	18.3	1.1	3.23
	35.3	37.4	1.1	1.20	
	39.3	41.4	2.1	2.60	
	77.9	78.5	0.8	0.90	
	4	5	1	0.60	
MPD021	7	8	1	0.50	
	10	14	4	0.90	
	15	18	3	1.80	
	incl.	16	17	1	3.75
	20	22	2	3.20	
	43	48	5	2.90	
	incl.	46	47	1	3.07
	incl.	47	48	1	8.47
	55	58	3	0.70	
	65	69	4	0.70	
MPD022	77	81	4	0.50	
	141	142	1	0.70	
	146	148	2	0.80	
	45	47	2	1.03	
MPD022	27	29	2	2.10	

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Drillhole Number	From (m)	To (m)	Intercept (m)	Above Lower Gold Cut-off Grade 0.5 g/t Au
	33.7	42	8.3	1.70
	44	46	2	0.60
	48	52	4	7.50
incl.	49	50	1	9.95
incl.	50	51	1	16.35
	57	60	3	0.91
	64	67	3	2.10
incl.	65	66	1	5.27
	87	96	9	6.40
incl.	89	90	1	4.28
incl.	91	92	1	17.10
MPD022	continued			
incl.	92	93	1	21.00
incl.	93	94	1	6.72
	97	98	1	1.00
	99	100	1	1.40
	104	106	2	0.90
MPD023	18	119	1	1.30
	20	26	6	1.40
	30	31	1	2.60
	92	93	1	1.00
MPD024	0	1	1	4.50
	2	3	1	0.60
	29	30	1	2.20
	49	51	2	1.40
	52	54	2	1.00
	66	68	2	1.70
	128	130	2	1.50
MPD025	0	3	3	1.40
	13	14	1	0.50
	17	18	1	0.80
	21	22	1	0.80
	94	96	2	1.40
	98	99	1	0.60
MPD026	4	5	1	1.80
	6	7	1	1.80
	9	13	4	3.70
incl.	9	10	1	3.46
incl.	10	11	1	7.43
incl.	11	12	1	3.15
	74	81	7	2.10
incl.	79	80	1	3.76
	92	94	2	0.50
	98	100	2	1.30

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Drillhole Number	From (m)	To (m)	Intercept (m)	Above Lower Gold Cut-off Grade 0.5 g/t Au
MPD027	No significant	results		
MPD028	19	20	1	1.21
	24	30	6	1.43
	36	38	2	0.60
	77	81	4	1.94
incl.	77	78	1	3.55
	90	91	1	1.83
MPD029	13	14	1	3.33
	90	96	6	0.90
MPD030	19	21	2	0.99
	125	126	1	1.56
	130	132	2	1.01
MPD031	67	68	1	1.20
	70	71	1	1.01
MPD032	8	16	8	1.41
incl.	8	10	2	3.32
	34	36	2	1.08
MPD033	0	10	10	2.20
incl.	4	5	1	5.28
incl.	5	6	1	3.69
incl.	6	7	1	3.95
incl.	7	8	1	4.36
	24	26	2	0.66
MPD033	continued			
	62	64	2	0.55
	80	84	4	0.85
MPD034	0	3	3	0.70
	58	60	2	1.08
	88	89	1	3.34
	113	117	4	0.85
	124	126	2	2.80
MPD035	No significant	results		
MPD036	22	26	4	5.70
incl.	24	25	1	13.30
incl.	25	26	1	6.86
	30	32	2	0.76
	46	48	2	2.77
MPD037	0	4	4	0.74
	43	44	1	0.84
	66	68	2	2.85
MPD038	0	2	2	0.66
	44	48	2	1.13

(0.5 g/t Au cut-off) (From Bucher, 2008)

Appendix E

Summary of Kanon Phase 3 DD Drilling Results

Schedule 1 – Independent Geologist’s Report continued

Independent Geologist Report
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Table E1 Summary of Kanon Phase 3 Diamond Drilling Results

(All intervals are drill widths) (From Swiridiuk, 2009)

Hole No.	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)	Cut-off grade (gold g/t)
MPD039	0.0	25.7	25.7	2.43	5.09	0.2
including	0.8	10.8	10.0	3.24	6.38	1.0
including	11.9	25.7	13.8	2.14	3.54	0.5
including	24.3	25.7	1.4	5.45	2.90	5.0
	27.2	36.2	9.0	1.05	1.94	0.2
including	28.1	30.2	2.1	2.68	4.61	2.0
	37.2	69.5	32.3	1.57	1.55	0.2
including	37.2	39.6	2.4	2.24	1.58	0.5
including	40.4	45.6	5.2	2.06	1.39	0.5
including	40.9	44.3	3.4	2.71	1.74	2.0
including	47.5	49.3	1.8	2.48	4.15	2.0
including	57.5	63.6	6.1	3.37	3.14	1.0
including	58.3	60.3	2.0	5.63	2.70	5.0
MPD040	2.0	23.0	21.0	3.13	10.83	0.4
including	6.0	7.0	1.0	5.26	8.90	3.5
including	20.0	22.0	2.0	10.01	45.60	6.0
	29.0	31.0	2.0	0.88	1.00	0.2
including	30.0	31.0	1.0	1.25	1.10	1.0
	35.0	38.0	3.0	0.35	0.57	0.2
	45.0	55.0	10.0	0.73	1.06	0.2
including	51.0	52.0	1.0	2.70	1.80	2.5
MPD041	no assays greater than 0.2g/t					
MPD042	0.0	4.0	4.0	1.05	5.63	0.2
	5.0	52.0	47.0	2.06	3.71	0.2
including	5.0	19.9	14.9	2.96	8.17	1.0
including	16.0	18.0	2.0	6.27	22.10	5.0
including	21.0	22.0	1.0	1.45	1.70	1.0
including	24.2	30.0	5.8	2.05	1.94	1.0
including	33.0	36.0	3.0	3.18	1.90	1.5
including	40.0	42.0	2.0	2.88	3.05	2.0
including	46.4	48.0	1.6	5.92	6.29	4.0
	55.0	74.0	19.0	1.64	1.88	0.2
including	57.0	61.0	4.0	3.39	4.10	2.5
including	62.0	65.0	3.0	3.63	3.23	2.0
	75.0	94.0	19.0	1.17	1.61	0.2
including	77.0	79.5	2.5	3.25	1.58	1.5
including	84.0	85.0	1.0	2.76	0.20	2.5
	95.0	98.0	3.0	2.77	0.70	0.2
including	95.0	96.0	1.0	7.35	1.50	7.0
	99.0	103.5	4.5	1.65	5.82	0.2
including	99.0	102.0	3.0	2.06	7.19	1.0
	105.5	108.0	2.5	0.25	0.36	0.2
	110.0	114.0	4.0	0.24	0.40	0.2
	115.0	122.0	7.0	1.81	3.84	0.2

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Hole No.	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)	Cut-off grade (gold g/t)
including	116.0	121.0	5.0	2.41	5.10	1.0
	123.0	133.0	10.0	3.14	16.73	0.2
including	125.0	133.0	8.0	3.85	20.85	0.5
including	127.5	130.5	3.0	8.09	52.50	5.0
including	128.5	129.5	1.0	13.25	101.00	13.0
MPD043	3.0	8.0	5.0	0.41	3.12	0.2
including	7.0	8.0	1.0	0.66	3.90	0.5
	9.0	12.0	3.0	0.34	1.73	0.2
	23.0	28.0	5.0	1.45	6.38	0.5
including	25.0	28.0	3.0	1.92	8.53	1.0
including	27.0	28.0	1.0	2.62	14.30	2.0
	54.0	59.0	5.0	0.60	2.62	0.2
including	54.0	56.0	2.0	1.09	5.85	0.5
	62.0	64.0	2.0	0.71	1.10	0.2
including	62.0	63.0	1.0	0.98	1.40	0.5
	82.5	83.15	0.6	0.57	1.60	0.5
MPD044	7.0	28.0	21.0	1.85	4.30	0.2
including	7.0	26.0	19.0	2.00	4.69	0.5
including	11.0	13.0	2.0	5.29	7.45	5.0
	29.0	37.0	8.0	1.52	1.18	0.2
including	33.0	37.0	4.0	2.75	2.00	1.0
	59.0	60.0	1.0	0.56	0.30	0.5
	61.0	63.1	2.1	0.48	2.60	0.2
including	62.1	63.1	1.0	0.74	4.90	0.5
	92.3	93.0	0.7	2.34	9.00	2.0
MPD045	0.0	11.0	11.0	1.06	4.54	0.2
including	0.0	1.5	1.5	1.07	6.00	1.0
including	5.0	7.0	2.0	1.06	7.65	0.5
including	9.0	11.0	2.0	3.19	10.25	2.5
	14.0	30.0	16.0	3.72	20.37	0.2
including	14.0	16.0	2.0	2.19	5.70	1.5
including	17.0	26.0	9.0	5.94	34.43	0.5
including	18.0	19.0	1.0	7.75	8.70	7.0
including	20.0	22.0	2.0	13.36	102.40	8.0
including	23.0	24.0	1.0	13.55	80.00	13.0
MPD046	15.0	17.0	2.0	1.00	0.40	0.5
	18.0	19.0	1.0	3.35	22.30	3.0
	20.0	22.0	2.0	1.20	0.25	0.5
including	20.0	21.0	1.0	1.67	0.30	1.0
	32.0	33.0	1.0	0.58	<0.20	0.5
	38.0	41.0	3.0	0.55	<0.20	0.3
	48.0	59.0	11.0	0.76	0.42	0.2
including	49.0	52.0	3.0	0.92	0.37	0.5
including	49.0	50.0	1.0	1.09	0.40	1.0
including	54.0	56.0	2.0	1.84	0.85	0.5
including	54.0	55.0	1.0	3.08	0.90	3.0

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Hole No.	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)	Cut-off grade (gold g/t)
	63.0	64.0	1.0	0.57	0.30	0.5
	66.0	67.0	1.0	0.60	0.50	0.5
	73.0	74.3	1.3	0.67	0.50	0.5
MPD047	3.5	4.5	1.0	0.92	0.70	0.5
	7.7	8.2	0.5	0.50	0.60	0.5
	76.0	77.0	1.0	0.59	1.30	0.5
	98.0	99.0	1.0	1.37	5.60	1.0
MPD048	0.0	8.0	8.0	3.28	4.34	0.5
including	1.8	7.0	7.0	3.49	4.45	1.0
including	1.8	5.0	3.2	6.67	8.76	3.0
including	3.5	4.2	0.7	16.50	25.00	15.0
	14.0	23.0	9.0	0.57	0.24	0.2
including	15.0	16.0	1.0	1.01	0.30	1.0
	26.0	28.0	2.0	0.93	0.35	0.5
	54.5	55.5	1.0	1.59	0.40	1.0
	65.0	67.0	2.0	0.72	0.10	0.5
	148.0	149.0	1.0	0.87	2.30	0.5
	164.0	165.0	1.0	0.57	1.10	0.5
MPD049	0.0	6.0	6.0	0.59	3.14	0.2
including	1.1	2.0	0.9	1.48	4.60	1.0
	11.0	12.0	1.0	0.56	3.90	0.5
	34.0	36.0	2.0	1.22	3.15	0.5
	75.0	76.0	1.0	0.71	0.30	0.5
MPD050	145.0	148.0	3.0	1.24	1.87	0.5
	151.0	153.5	2.5	0.86	4.74	0.5
MPD051	No assays greater than 0.5 g/t					
MPD052	15.0	16.0	1.0	1.15	3.10	1.0
	103.0	104.0	1.0	0.78	1.90	0.5
	153.6	154.5	0.9	15.45	24.20	15.0
MPD053	95.0	97.0	2.0	1.39	22.40	1.0
MPD054	7.0	9.0	2.0	0.59	0.70	0.5
	13.7	14.6	0.7	1.13	0.50	1.0
	51.0	52.0	1.0	0.64	0.20	0.5
	123.0	126.0	3.0	1.49	8.23	0.5
including	123.0	125.0	2.0	1.90	9.40	1.5
MPD055	62.0	64.0	2.0	0.67	0.50	0.5
	67.0	68.4	1.4	2.57	3.10	2.0
	98.5	99.5	1.0	1.04	7.90	1.0
	101.5	103.5	2.0	1.30	0.65	0.5
including	102.5	103.5	1.0	2.09	0.80	2.0
	113.5	115.4	1.9	4.99	3.16	3.0
	116.4	120.0	3.6	0.65	0.24	0.5
MPD056	3.0	4.0	1.0	1.01	0.50	1.0

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Hole No.	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)	Cut-off grade (gold g/t)
	8.0	10.0	2.0	0.56	0.50	0.5
	35.2	36.7	1.5	0.75	1.30	0.5
	51.0	52.5	1.5	0.66	0.20	0.5
MPD057	40.0	41.0	1.0	0.99	0.80	0.5
	158.0	159.0	1.0	0.81	5.80	0.5
MPD058	98.0	100.0	2.0	0.68	1.50	0.5
	136.0	137.4	1.4	3.72	16.70	3.0
	138.5	140.8	2.3	0.51	2.60	0.5
MPD059	46.0	47.0	1.0	0.62	<0.20	0.5
	208.0	209.0	1.0	0.82	8.90	0.5
MPD060	No assays greater than 0.5 g/t					
MPD061	2.0	7.5	5.5	1.80	0.81	0.5
including	2.0	6.0	4.0	2.19	1.00	1.0
	32.2	35.0	2.8	2.86	4.48	0.5
including	32.2	34.4	2.2	3.39	5.59	1.0
including	33.0	33.7	0.7	5.80	8.50	5.0
MPD 062	45.0	46.0	1.0	0.65	0.50	0.5
MPD 063	4.0	5.0	1.0	0.55	0.30	0.5
	7.0	8.0	1.0	0.99	0.30	0.5
	9.0	11.0	2.0	1.99	0.60	0.5
including	10.0	11.0	1.0	3.44	0.70	1.0
	29.3	30.0	0.7	0.51	<0.20	0.5
MPD 064	No assays greater than 0.5 g/t					
MPD 065	No assays greater than 0.5 g/t					
MPD 066	3.0	4.0	1.0	2.17	<0.20	2.0
	46.0	47.0	1.0	1.32	0.40	1.0
	54.6	55.5	0.9	4.05	32.20	4.0
	56.5	60.0	3.5	1.46	2.77	0.5
including	57.9	60.0	2.1	2.06	1.50	1.0
	66.4	67.5	1.1	0.69	0.60	0.5
	77.0	78.0	1.0	0.77	1.10	0.5
MPD 067	No assays greater than 0.5 g/t					
MPD 068	0.0	3.0	3.0	1.85	1.13	0.5
including	0.0	1.0	1.0	2.76	1.20	2.0
including	2.0	3.0	1.0	2.06	0.00	2.0
	96.0	97.0	1.0	0.58	6.90	0.5
	98.0	99.0	1.0	0.63	1.90	0.5
MPD 069	2.0	7.5	5.5	0.17	0.48	0.5
	10.7	15.0	4.3	1.21	5.50	0.5
	17.0	18.0	1.0	0.74	0.70	0.5
	21.0	38.0	17.0	1.06	3.40	0.5
including	21.9	25.0	3.1	1.71	14.59	1.0
including	28.0	29.0	1.0	1.73	3.80	1.0
including	30.0	33.0	3.0	2.03	5.00	1.0
including	37.0	38.0	1.0	1.41	2.60	1.0

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Hole No.	From (m)	To (m)	Length (m)	Gold (g/t)	Silver (g/t)	Cut-off grade (gold g/t)
	42.0	43.0	1.0	1.35	3.20	1.0
	45.0	47.0	2.0	2.09	1.75	0.5
including	46.0	47.0	1.0	3.29	2.50	3.0
	51.0	52.0	1.0	0.74	1.20	0.5
	55.0	56.0	1.0	0.51	2.20	0.5
	62.0	63.0	1.0	1.11	1.30	1.0
	71.0	72.0	1.0	0.52	1.70	0.5
MPD 070	0.0	2.0	2.0	0.47	0.35	0.5
	3.0	5.0	2.0	0.28	0.35	0.5
	10.0	11.0	1.0	0.67	0.30	0.5
	32.0	34.0	2.0	1.04	0.50	1.0
	60.0	61.0	1.0	0.68	0.60	0.5
MPD 071	23.0	27.0	4.0	1.89	0.75	1.0
	32.0	33.5	1.5	1.47	0.50	1.0
MPD 072	16.7	18.0	1.3	1.08	2.10	1.0
	45.5	47.5	2.0	1.04	2.45	0.5
including	46.5	47.5	1.0	1.12	3.70	1.0
	62.0	64.0	2.0	0.52	0.60	0.5
	66.0	69.0	3.0	2.19	3.47	0.5
including	66.0	68.0	2.0	3.28	5.20	3.0
	90.0	91.5	1.5	1.92	1.40	1.0
	102.0	104.0	2.0	2.42	2.30	2.0
	106.5	108.0	1.5	1.37	1.60	1.0
	120.0	121.5	1.5	0.75	1.00	0.5
	122.7	123.9	1.2	2.15	1.80	2.0

Appendix F

Tolukuma JORC 2012 Table 1

Schedule 1 – Independent Geologist’s Report continued

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Tolukuma Mineral Resource Estimate JORC Code, 2012 Edition

Table F1 Section 1 Sampling techniques and data

(Criteria in this section apply to all succeeding sections)

Criteria	JORC Code explanation	Commentary															
	<p>Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.</p> <p>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</p> <p>Aspects of the determination of mineralisation that are Material to the Public Report.</p> <p>In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.</p>	<p>Trench samples were collected according to a SOP document and overseen by employees of Tolukuma Gold Mine (TGM).</p> <p>Sample sites were cleaned to expose fresh rock faces using an excavator. Horizontal or near horizontal sample intervals of 1 m were marked with spray paint using a 50 m measuring tape. Each interval was identified by a unique sample identifier. The beginning of each sample was located using Mine Survey theodolite system.</p> <p>Channel sample sites were mapped and photographed and each sample was weighed prior to despatch. The samples produced was despatched to the Tolukuma Mine Site Assay Laboratory for sample preparation and analysis.</p> <p>Face samples were aimed to be collected on every production drive face. Samples were collected by trained technicians by chip sampling host rock and vein samples separately. Vein thickness was mapped and sample locations denoted. All samples were submitted to Tolukuma Mine Site Assay Laboratory.</p> <p>Diamond drill core samples</p> <p>Sample preparation comprised drying and crushing each sample down to a 500 g sample which was pulverised to 95% passing 75 microns, delivering a 250 g split for analysis. The analysis technique comprised aqua regia digest of the pulp followed by and assay using the Atomic Absorption Spectrometry (AAS) analytical method.</p>															
Drilling techniques	<p>Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).</p>	<p>Drilling is exclusively diamond drilling. The diamond drill holes at Tolukuma were collared in HQ/HQ3 (63.5/61.1 mm core diameter) and reducing to NQ/NQ3 (47.6/45.1 mm core diameter) at depth. The triple tube drilling was in place from at least 2007. The currently available database does not record hole diameters. No oriented core was collected.</p> <p>The database records the following totals by sample/drill type</p> <table border="1"> <thead> <tr> <th>Data type</th> <th>Number</th> <th>Meters</th> </tr> </thead> <tbody> <tr> <td>Diamond drill</td> <td>1,024</td> <td>178,560.82</td> </tr> <tr> <td>Face</td> <td>16,619</td> <td>34,802.30</td> </tr> <tr> <td>Pit</td> <td>1,586</td> <td>16,612.51</td> </tr> <tr> <td>Other</td> <td>66</td> <td></td> </tr> </tbody> </table>	Data type	Number	Meters	Diamond drill	1,024	178,560.82	Face	16,619	34,802.30	Pit	1,586	16,612.51	Other	66	
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Other	66																

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Criteria	JORC Code explanation	Commentary
		Total (including minor unused) 19,295
Drill sample recovery	<p>Method of recording and assessing core and chip sample recoveries and results assessed.</p> <p>Measures taken to maximise sample recovery and ensure representative nature of the samples.</p> <p>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</p>	<p>Diamond core sample lengths were measured, recorded, and recovery calculated as an integral part of the logging procedure. To maximise core recovery, the diamond core drilling method used large diameter HQ size where possible. This approach helped to preserve core in place.</p> <p>Drilling recovery averages 92% across all lithologies. No relationship was detected between elemental abundances and core recovery.</p>
Logging	<p>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</p> <p>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.</p> <p>The total length and percentage of the relevant intersections logged.</p>	<p>Drillholes were logged on geological intervals for characteristics including lithology, quartz veining and vein to core axis orientation.</p> <p>Diamond drill core was photographed before sampling but these records were not available in retained datasets.</p> <p>Rock quality designation (RQD) was recorded but not retained in current datasets.</p> <p>The observations were collected as hard copy logs and transcribed into digital files.</p> <p>Currently available fields include lithology and vein name</p>
Sub-sampling techniques and sample preparation	<p>If core, whether cut or sawn and whether quarter, half or all core taken.</p> <p>If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.</p> <p>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</p> <p>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</p> <p>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</p> <p>Whether sample sizes are appropriate to the grain size of the material being sampled.</p>	<p>Diamond drill core was marked with sampling intervals by geologists according to geological boundaries and pre-determined sampling lengths. On average core was sampled at approximately 1 m intervals through potentially mineralised zones. Not all core was assayed, only core with indications of shearing and or veining.</p> <p>The core was generally cut into halves using a diamond saw. Soft core, for example the near surface soil material, was manually segregated. Samples were placed into numbered calico bags, with an internal tag, for delivery to the laboratory.</p> <p>Sample preparation was completed at Tolukuma Gold Mine preparation facilities.</p> <p>Sample preparation comprised drying and crushing each sample down to a 500 g sample which was pulverised to 95% passing 75 microns, delivering a 250 g split for analysis</p> <p>To ensure samples taken were representative, experienced geologists have undertaken tasks and advised and trained other field staff. Documented operating procedures for drill supervision, core logging, core cutting and density measurement were followed in obtaining samples.</p> <p>AMC considers sampling followed usual industry practices and appropriate for obtaining assays suitable for resource estimation.</p>
Quality of assay data and laboratory tests	<p>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</p>	<p>In 2007 it was reported that check samples were taken and analysed, with blanks and standards included in every batch but not recorded in the database. Problems were reported with attempts to match duplicates. A small number (98) of samples able to be matched with gold assays between TGM and external results from Genalysis Laboratories in Perth showed good correlation. It is reported in</p>

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Schedule 1 – Independent Geologist’s Report continued

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Criteria	JORC Code explanation	Commentary
	<p>For geophysical tools, spectrometers, handheld XRF instruments, etc. the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</p> <p>Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.</p>	<p>2006 that the Tolukuma Mine Laboratory took part in Geostats Pty Ltd round robin blind testing with the performance of the laboratory in both reports for that year being satisfactory.</p> <p>In 2013 onwards it is reported the QA/QC programme included the insertion of blind blanks and CRMs into submitted sample batches. Of the CRMs, gold standards were purchased from a reputable supplier and supplied as small sealed packages. Field duplicates were not included in these QA/QC programmes but have been in previous programmes. Internal laboratory repeat assays and introduced CRMs were monitored. Unfortunately, no record of QA/QC was maintained in the database.</p> <p>For drilling and trenching in 2017 sample pulps were sent by the preparing facility at TGM to Intertek (TTS) Lae for analysis. All prepared pulps were submitted for gold determination by fire assay/atomic absorption spectrophotometry (FA/AAS) (Intertek Lab Code FA50); for copper, iron, zinc (4A/OE (4-acid/ICP-OES)); silver, lead, antimony (4A/MS (4-acid ICP-MS)) and mercury (AR01/MS (Vapour hydride/AAS)). The rate of insertion was 1 in 30 for blanks, 1 in 20 for CRM, and 1 in 50 for field duplicates (for historic drilling).</p> <p>AMC considers the lack of QA/QC consistently recording quality of assays lowers the confidence in the overall MRE. However, based on limited recording and on the inspection of the laboratory in 2011 that the available data is adequate for the grade estimation of gold and silver resources. Laboratory procedures used at TGM are typical industry practice, well-documented, and supervised, and the technique is considered total. AMC considers the captured data can be used for resource estimation..</p> <p>All data in the database is loaded from digital files provided by the laboratories, with random checking of hardcopy printouts against database results.</p>
<p>Verification of sampling and assaying</p>	<p>The verification of significant intersections by either independent or alternative company personnel.</p> <p>The use of twinned holes.</p> <p>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</p> <p>Discuss any adjustment to assay data.</p>	<p>No drillholes have been twinned to date. At times several drillholes were collared from the same site, with different orientation. Therefore, the top few metres of each of these holes represent close-spaced drillholes, similar to twinned holes. Comparison of such intervals suggests no obvious errors.</p> <p>TGM geologists inspected intervals of substantial mineralisation as part of the validation and verification of sampled intervals.</p> <p>Primary data was recorded on paper and/or entered digitally into the logging templates then captured into the database as defined in documented procedures. Data was validated by field and office staff. Unfortunately, over time and with changes in companies and personnel much of the originally recorded data has not survived to current times. AMC considers this decreases confidence in the overall resource estimate.</p> <p>No adjustment to assay data has been made</p>
<p>Location of data points</p>	<p>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</p> <p>Specification of the grid system used.</p> <p>Quality and adequacy of topographic control.</p>	<p>Drillholes were located using total station surveying. The survey was completed in Tolukuma Mine Grid datum. This is a local grid with local permanent survey markers. It has not to date been tied to global grid coordinate systems. The rotation from magnetic north in early years is reported to be approximately 20 degrees west</p> <p>Downhole surveys were completed on the drillholes and were nominally surveyed at 25 m to 5 m intervals downhole using a digital single shot 'Pathfinder' downhole camera and a manual Eastman downhole camera.</p>

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Criteria	JORC Code explanation	Commentary
		The topographic survey was completed using Total Station in a local mine grid by Mine Surveyors updated in 2014. The collar positions of some drillholes lie above this surface as historic surface mining continued post- drilling and channel sampling. AMC considers the accuracy of locations of surface drilling is adequate, and underground is good for resource estimation.
Data spacing and distribution	Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied.	The nominal drillhole spacing is 30 m along east-west oriented drill sections which are 30 m apart but in many locations closer spaced holes are located where close to surface workings or from underground drill caddies. . AMC considers the data spacing is appropriate for the purpose of Mineral Resource estimation.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Diamond drilling is designed where possible to intersect the mineralisation at a high angle approaching normal. The intercepts in angled drillholes do not always equate to true width. Mineralisation is narrow 1-4 m in thickness. Drillhole intervals in potentially mineralised horizons are nominally 1 m providing strong control on mineralisation dimensions and variability. Drilling locations in the underground are limited and, in some situations, result in exaggerated apparent thicknesses due to low angles to vein orientation. There is no evidence at this stage or reason to believe that sampling is biased. Face samples by their nature are biased. The use of face samples is warranted by the use of high grade restrictions and in the depletion of all resources with areas of workings. Thus the face samples only inform limited along strike and depth extensions of the veins.
Sample security	The measures taken to ensure sample security.	All drilling was undertaken on the mine site. All core was processed in a dedicated exploration logging and sampling facilities by TGM employees. Access to the facilities is kept locked when not in use and no reports of break-in or theft were recorded during the drilling programme. Security guards are employed by TGM to monitor the buildings. Once samples were delivered to Intertek Lae, all sample preparation and analysis was undertaken by Intertek Lae. AMC considers sample security was adequate and appropriate for the mineralisation style and location.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	Audits of data, drilling, sampling and assay methods are recorded in reports from 2007, 2013, 2015 and 2017.

Section 2 Reporting of exploration results

(Criteria listed in the preceding section also apply to this section)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties,	The Tolukuma Gold mine is located 100 km north of Port Moresby, located on land administered by the Wotape Local Level Government. On 2 July 2021, the Tolukuma Gold Mine tenement package was acquired by Tolu Minerals Ltd from the Liquidator. The current status of tenements is as follows:

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Schedule 1 – Independent Geologist’s Report continued

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Criteria	JORC Code explanation	Commentary																																																															
	native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	<table border="1"> <thead> <tr> <th>Tenement</th> <th>Owner</th> <th>Status</th> <th>Appl. Date</th> <th>Grant Date</th> <th>Expiry Date</th> <th>Area</th> </tr> </thead> <tbody> <tr> <td>ML104</td> <td>Tolu</td> <td>Active</td> <td>01/10/93</td> <td>29/08/22</td> <td>28/08/32</td> <td>771 Ha</td> </tr> <tr> <td>EL2385</td> <td>TGM</td> <td>Active</td> <td>02/06/15</td> <td>26/05/16</td> <td>25/05/22⁺</td> <td>58 sub blocks</td> </tr> <tr> <td>EL2531</td> <td>Frontier</td> <td>Active</td> <td>04/05/17</td> <td>25/02/19</td> <td>24/02/23</td> <td>~66 sub blocks</td> </tr> <tr> <td>EL2535</td> <td>Tolu</td> <td>Active</td> <td>30/05/17</td> <td>24/01/22</td> <td>25/01/24</td> <td>75 sub blocks</td> </tr> <tr> <td>EL2536</td> <td>Tolu</td> <td>Active</td> <td>30/05/17</td> <td>24/01/22</td> <td>25/01/24</td> <td>37 sub blocks</td> </tr> <tr> <td>EL2538</td> <td>TGM</td> <td>Active</td> <td>13/06/17</td> <td>24/01/22</td> <td>25/01/24</td> <td>30 sub blocks</td> </tr> <tr> <td>EL2539</td> <td>TGM</td> <td>Active</td> <td>13/06/17</td> <td>24/01/22</td> <td>25/01/24</td> <td>58 sub blocks</td> </tr> <tr> <td>ELA2723</td> <td>Tolu</td> <td>Appl</td> <td>09/08/21</td> <td>24/01/22</td> <td>25/01/24</td> <td>108 sub blocks</td> </tr> </tbody> </table> <p>NOTE: ⁺ Request for extension lodged and is subject to statutory holding over pursuant to an undecided renewal application. *Appl. are applications made on areas with earlier applications. This may mean they are not granted.</p>	Tenement	Owner	Status	Appl. Date	Grant Date	Expiry Date	Area	ML104	Tolu	Active	01/10/93	29/08/22	28/08/32	771 Ha	EL2385	TGM	Active	02/06/15	26/05/16	25/05/22 ⁺	58 sub blocks	EL2531	Frontier	Active	04/05/17	25/02/19	24/02/23	~66 sub blocks	EL2535	Tolu	Active	30/05/17	24/01/22	25/01/24	75 sub blocks	EL2536	Tolu	Active	30/05/17	24/01/22	25/01/24	37 sub blocks	EL2538	TGM	Active	13/06/17	24/01/22	25/01/24	30 sub blocks	EL2539	TGM	Active	13/06/17	24/01/22	25/01/24	58 sub blocks	ELA2723	Tolu	Appl	09/08/21	24/01/22	25/01/24	108 sub blocks
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ELA2723	Tolu	Appl	09/08/21	24/01/22	25/01/24	108 sub blocks																																																											
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Exploration and mining at Tolukuma has been conducted by many companies over the years including by Newmont Proprietary Limited, Dome Resources, Emperor Mines Pty Ltd-Durban Roodport Deep (DRD) Ltd, Petromin (PNG) Holdings Ltd, Asidokona Mining Resources Pte. Ltd. Mining commenced in 1995 by Dome Resources after initial exploration discovery in 1986 by Newmont Proprietary Limited. Discovery was by stream sediment and ridge and spur sampling methods.																																																															
Geology	Deposit type, geological setting and style of mineralisation.	<p>The primary host rocks to the mineralised veins are the Miocene to Pliocene Mount Davidson Volcanics, although some mineralisation occurs within the Jurassic-Cretaceous Kagi Metamorphics which predominantly lie to the west of the main Tolukuma Fault. The volcanics comprise basaltic and andesitic tuffs, agglomerates, and breccias which are extensively altered and have been intruded by diorites and porphyries. The Kagi Metamorphics consist of slate, phyllite schist and minor gneiss.</p> <p>Gold mineralisation at Tolukuma occurs within a series of steeply-dipping, relatively narrow, fault-controlled quartz-adularia epithermal veins, within a north-south-trending structural corridor. The principal controlling structure is the sinistral strike-slip Tolukuma fault. Mineralisation has been defined over a north-south strike of 1-2 km, but the major structures have been mapped for several kilometres, principally to the south of the mine area. Approximately 400 m to the east of the Tolukuma fault is the sub-parallel north-south-striking Zine fault and splays. Southeast-striking tension fractures have developed between the major faults and splays and also carry mineralisation; the principal structures from north to south are the Tolukuma, Zine, Tinabar, Sawmill, Gulbadi, Tolimi, Gulbadi X, Degot, Fundoot and Avilolop veins. East of the Zine vein additional mineralised splays have been identified, including the Gulbadi Red and Mystery vein. The bulk of the known mineralised veins lie to the east of the Tolukuma fault, but some splays have been identified striking off to the northwest, notably the Banana structure. The known width of the mineralised corridor ranges from 200-500 m.</p> <p>The mineralised veins pinch and swell, and range in width from 0.5-4.5 m. The strike extent of the mineralised lodes varies but can typically range from 100-300 m along the southeast-striking tension fractures, to 500 m or more along the more continuous north-south-trending shears. Veins comprise quartz, adularia, pyrite and marcasite, with lesser pyrrhotite and stibnite. Gold grades in the veins are variable, averaging 10-40 g/t Au, but can reach bonanza grades.</p>																																																															

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Criteria	JORC Code explanation	Commentary																																																																																																																																																																		
Drill hole Information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole dip and azimuth of the hole down hole length and interception depth hole length.</p> <p>If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</p>	<p>All material drill hole locations related to this MRE are included in Attachments A summary of the vein targets of all drilling in the database grouped by drillhole prefix are shown below:</p> <table border="1"> <thead> <tr> <th>Drillhole ID from</th> <th>to</th> <th>Era drilled</th> <th>Target vein area</th> 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Dagakuma	Surface	DDH	LM001	LM200	unknown	All TGM veins	Underground	DDH	MSDH001	MSDH003	unknown	Mt Sen	Surface	DDH	MYV001	MYV006	unknown	Mystery	Surface	DDH	SC001	SC003	unknown	Fundoot-Ivololop	Surface	DDH	SK001	SK045	unknown	Saki	Surface	DDH	SM001	SM015	unknown	Sawmill	Surface	DDH
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Schedule 1 – Independent Geologist’s Report continued

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Data aggregation methods	<p>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</p> <p>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</p> <p>The assumptions used for any reporting of metal equivalent values should be clearly stated.</p>	<p>All material vein intercepts for this MRE are included in Attachments based on a cut-off of 1 g/t Au. Note drilling was only sampled where alteration or veining of the host rock was logged. Metal equivalents have not been used in any reporting.</p>																																																																		
Relationship between mineralisation widths and intercept lengths	<p>These relationships are particularly important in the reporting of Exploration Results.</p> <p>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</p> <p>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</p>	<p>Diamond drilling is designed where possible to intersect the mineralisation at a high angle approaching normal. The intercepts in angled drillholes do not always equate to true width. Mineralisation is narrow 1-4 m in thickness. Drillhole intervals in potentially mineralised horizons are nominally 1 m providing strong control on mineralisation dimensions and variability.</p> <p>Drilling locations in the underground are limited and, in some situations, result in exaggerated apparent thicknesses due to low angles to vein orientation.</p> <p>All intercepts quoted in the attachments are down hole length.</p>																																																																		

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Criteria	JORC Code explanation	Commentary
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to, a plan view of drill hole collar locations and appropriate sectional views.	Plans of drilling locations and types are included in the body of the report. Example cross sections are also provided in the body of the report.
Balanced reporting	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.	Comprehensive reporting of trench samples and drillholes is not practical, but summary details of the data are provided in the report and attachments, and numerous diagrams are included showing results of selected drilling. This is a summary MRE report and includes a large amount of historic data that does include drilling with low grades
Other substantive exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Historic drilling exploration is recorded in the mine exploration database. The ToluKuma Gold Mine has been in semi-continuous operation since 1994. Bulk density was historically recorded, but is currently lost. An assumed density of 2.2 g/cm ³ has been applied consistently in previous estimates and during production. AMC believes there is a risk that this density is likely to be lower than reality in lower (fresh rock) parts of the resource. Current recovery methods for gold are by gravity and conventional carbon-in-leach (CIL) with silver recovery using the Merrill Crowe process. The mineralisation has variable levels of antimony that can reduce gold recovery if not blended appropriately. The highest levels of antimony are currently recognised in the deepest parts of the Zine orebody.
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	AMC has provided recommendations for further drill assessments especially in the areas planned for future development such as Fundoot and Gulbadf Red.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	Much of the detailed logging of diamond core has been lost in systems not recovered by AMC or is unknown to AMC at this time. A LYNX software package hosted the data during ownership by DRD. The original Excel files and/or MSAccess databases used by AMC in resource estimates in 2011 were provided by the Mine Geology team at the time.

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Schedule 1 – Independent Geologist’s Report continued

Criteria	JORC Code explanation	Commentary
		<p>The Competent Person (R. Carlson) conducted a site visit in 2013 where physical hardcopy records of all drilling were examined in filing cabinets in the Tolumka Mine office. A comprehensive review of all the downhole survey records was conducted, and databases updated to correct missing or invalid measurements. A selection of holes was also checked for the hardcopy assay laboratory record sheets against the digital records. No significant errors were noted at the time. The currently available data is compiled from a Microsoft Access (MSAccess) file originally supplied in 2011 (2011tolukuma.mdb) and updated by AMC in 2013 and 2016 (mlex_database_final_v1_09092016.mdb) to include updated face samples, diamond drilling and trenching completed after the validation and corrections done in 2011. AMC validated the supplied data by checking for:</p> <ul style="list-style-type: none"> • Duplicate drillhole collar coordinates • Drillhole collar elevation for underground drilling was checked against underground development wireframes. Surface drilling collars were not validated due to poor topographic surface quality and changes in topography due to mining and backfilling. • Duplicate downhole survey depths • Excessive azimuth / dip deviations • Azimuth / dip measurements outside expected values, • Overlapping intervals in assay data • Assay values outside expected limits. <p>5 diamond drillholes were excluded from the Tolumka dataset due to unreasonable uncertainty in the position of the drillhole collars, no geology, or no/dubious downhole survey.</p>
<p>Site visits</p>	<ul style="list-style-type: none"> • <i>Comment on any site visits undertaken by the Competent Person and the outcome of those visits.</i> • <i>If no site visits have been undertaken indicate why this is the case.</i> 	<p>Mr Roderick Carlson (Competent Person) completed site visits to the Tolumka Project in 2013 and 2015. The initial site visit was to validate the inputs to the Mineral Resource data used in the Tolumka 2012 estimate. In addition, he reviewed exploration protocols, assessed results, collected information and discussed the ongoing activities with site personnel. During subsequent visits the focus shifted on to technical aspects of the program and future planning.</p>
<p>Geological interpretation</p>	<ul style="list-style-type: none"> • <i>Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.</i> • <i>Nature of the data used and of any assumptions made.</i> • <i>The effect, if any, of alternative interpretations on Mineral Resource estimation.</i> • <i>The use of geology in guiding and controlling Mineral Resource estimation.</i> 	<ul style="list-style-type: none"> • Gold mineralisation occurs within a series of steeply dipping, and narrow fault-controlled quartz-adularia epithermal veins within a north-south trending structural corridor. The mineralisation has been defined over a north-south strike length of 1 - 2 km, but major structures have been mapped for several kilometres. • From the data available (drillhole logs, historic face samples and assays) development of 15 discrete mineralisation domains was completed. The new interpretation was based on drilling and face sample data, and based on historical mining stopes and development drive. Generally, the veins were selected using a cut-off grade

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Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> The factors affecting continuity, both of grade and geology. 	<p>of greater than 3 g/t Au with veining logged in lithology. Some poorly drilled areas were joined with gold grades less than 3 g/t Au with veining logged in lithology for continuity purposes.</p> <ul style="list-style-type: none"> The vein domain thickness is interpolated based on the sampled interval. Data point spacing varies but is generally within 30 m, but in areas with face samples is every cut. The Competent Person is confident in the geological interpretation and, given the historic mining and underground development, considers there to be low risk of alternate geological interpretations that would result in any material changes.
Dimensions	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	<ul style="list-style-type: none"> The strike length of the mineralised veins varies from 100 m to 300m along the south-east tension fractures, to over 500 m along the north-south trending shears. The mineralised veins pinch and swell along strike and down dip. Vein widths vary from 0.1 m to 4.0 m. From the drilling to date, mineralisation is observed to be continuous down to 500 m below the surface in the major domains, however more commonly, mineralisation extends to approximately 300 m below the surface.
Estimation and modelling techniques	<ul style="list-style-type: none"> The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. The assumptions made regarding recovery of by-products. Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. Any assumptions behind modelling of selective mining units. Any assumptions about correlation between variables. Description of how the geological interpretation was used to control the resource estimates. 	<ul style="list-style-type: none"> Resource estimation was carried out using Datamine Studio RM software (version 1.10.100.0). The initial domain block model was created in Surpac prior to import into Datamine due to sub ceiling differences in the software. Ordinary Kriging (OK) was used to estimate Gold (Au), Silver (Ag), Copper (Cu), Lead (Pb), Mercury (Hg), Antimony (Sb) and Zinc (Zn) into parent blocks using an accumulation method. The parent block dimensions were 10 m along strike (northing), 5 m across strike (easting) and 10 m down dip (elevation). The typical vein thickness is less than 5 m wide, and so a parent block of 5 m in the across strike direction essentially created a one block estimate to aid in reducing the eventual mining grade variation. The parent blocks were transformed into a two dimensional (2D) block model set to the 21,300 mE and the full length composites were also set to the 21300 mE. This improved the searching of related samples during estimation. The model was later re-transformed back into the real three dimensional (3D) space. The block size was selected based on the drill hole spacing and variability in grades within the gold metal. Blocks were sub-celled down to 0.15625 mE by 1.25 mN by 1.25 mRL to accommodate changes in the geometry of the mineralisation and to allow the model file to be used in Surpac effectively. The triangulation true thickness was estimated for each domain. This was done by calculating the true thickness for every triangle within each domain, using a nearest neighbour estimation and assigning it to the nearest full length composite. The metal accumulations were calculated based on assays multiplied by length of true thickness that had been assigned to the composite. The metal accumulations were

Schedule 1 – Independent Geologist’s Report continued

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Criteria	JORC Code explanation	Commentary
<ul style="list-style-type: none"> • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available. 	<ul style="list-style-type: none"> • interplated and then the grades were determined by dividing the metal accumulations by the true thickness. • Experimental variograms were modelled for all domains with an appropriate number of sample pairs available in Snowden Supervisor on the gold and silver metal accumulation. Domains with low sample counts used the same gold or silver variability as adjacent domains with a similar dip/strike and similar grade populations. A correlation matrix was created to compare the regression values between the secondary metals, copper, lead, zinc, mercury and antimony. It was deemed appropriate to apply the gold variability to the secondary metals. Good correlation was difficult to determine because of the significantly lower number of samples available for the secondary metals. • The final model was comprised of two individual estimations, a general estimation that used a grade top-cut, and a high-grade estimation that was spatially restricted without any top-cutting. Where both models had estimated blocks, the high-grade estimation blocks took priority over the general estimation during the model merging. • Typically pass one involved a search ellipse with a major, semi-major and minor range of approximately 50 m, 40 m and 50 m respectively. The number of samples was the same for all metals. Pass 1 required a minimum of 3 samples and a maximum of 10 samples. Pass 2 had a search expansion of 2 and the maximum required samples was reduced to 8 samples. Pass 3 had a search expansion factor of 3 and the maximum required samples was reduced to 6. • Cell discretisation divided blocks into a grid of 3 (X) by 3 (Y) by 1 (Z) (total of 9 points). • Un estimated blocks for Gold and Silver were assigned at 0.5 ppm so they were kept under the reportable grades. For all other metals, the average median value for the 25th percentile for each domain was used. These metals will not be reported. Only Gold and Silver are reported. • The estimation approach is considered appropriate for the style of mineralisation, the thickness of the veins and the variability of the gold grades. • The grade estimates within each domain were validated visually by comparing drillhole composite grades to estimated grades in section, plan, and long-section. The mean, top-cut composite grade was compared to the mean estimated grade within each domain. Swath plots of drillhole composite grades against estimated grades were also developed and used to validate the block grade estimates. The swath plots showed the composite grade trends have been replicated by the grade estimates. 	

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Criteria	JORC Code explanation	Commentary
Moisture	<ul style="list-style-type: none"> Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content. 	<ul style="list-style-type: none"> Historical mining records for Tolukuma are not appropriate to use as a comparison as there is no way to verify all the material mined and processed exactly. Tonnage was estimated on a dry basis.
Cut-off parameters	<ul style="list-style-type: none"> The basis of the adopted cut-off grade(s) or quality parameters applied. 	<ul style="list-style-type: none"> The Mineral Resource estimate (MRE) for the Tolukuma Gold deposit as of 18 August 2022 is shown in Table 4.13 of this report. At the date of this report, the 2022 Tolukuma Mineral Resource is based on Inferred classified material. The MRE is reported under the assumption of mining by an underground method (not fully assessed). Only blocks at or above 3 g/t Au have been reported.
Mining factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made. 	<ul style="list-style-type: none"> The Tolukuma resource estimate is a high-grade epithermal Gold + Silver metal deposit with good continuity and grades that are comparable to other Gold deposits around the world. It is assumed that Tolukuma will be mined similarly to the historical method used previously, with the full vein width extraction and minor dilution where possible using a stope and pillar method. The material will be processed on site. In the Competent Person's opinion, these factors indicate that the Mineral Resource has reasonable prospects of eventual economic extraction.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made. 	<ul style="list-style-type: none"> The historical mining at Tolukuma had to consider impacts of antimony through the presence of stibnite in the ore feed. Antimony sulphide minerals decompose to some extent in alkaline cyanide solutions to form complex reducing compounds which retard or prevent gold dissolution. Higher grades of stibnite occur in the lower parts of the historical mining areas, especially in the Zinc vein. The mill was required to blend the ore to maintain adequate gold recovery rates. There has been no recent metallurgical testwork carried out for ore processing. It is assumed that the planned processing of gold onsite will be similar to the historical processing that was conducted at Tolukuma. Over 800 koz of gold has been historically mined and processed.
Environmental factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental 	<ul style="list-style-type: none"> It has been approved that waste rock from the underground mine will be backfilled in the mine. Processing will take place at the Tolukuma site. The processed tailings have been approved for riverine disposal following cyanide recovery. Planned dewatering of the mine will occur through riverine disposal following assessment of all environmental potential contaminations.

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Criteria	JORC Code explanation	Commentary
	<p>impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.</p>	
<p>Bulk density</p>	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. 	<ul style="list-style-type: none"> Historically, 2.2 g/cm³ has been used as an assigned dry bulk density value for all domains within the deposit. No bulk density data was available to AMC in the database. Previous reports of 93 historic density measurements indicated the mineralised rock dry bulk density is 2.55 g/cm³, however the reconciled dry bulk density from the processing plant indicates the value to be closer to 2.2 g/cm³. AMC has not validated the historic density data and cannot confirm which method was used to determine the dry bulk density measurements. AMC considers the 2.2 g/cm³ is likely to result in an under call of tonnes achieved in future mining due to most of the resource being in fresh rock.
<p>Classification</p>	<ul style="list-style-type: none"> The basis for the classification of the Mineral Resources into varying confidence categories. Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). Whether the result appropriately reflects the Competent Person’s view of the deposit. 	<ul style="list-style-type: none"> The ToluKuma Mineral Resource is classified as Inferred in accordance with guidelines within the JORC Code 2012. Parameters considered included the data quality, distribution and orientation of drill data, confidence in interpreted geological continuity of the mineralised zones, confidence in the density, and confidence in the resource block estimates. In general, areas with a high drill hole density and low average distances (including face sampling) are all depleted. The in situ material is all along strike or below the old workings and has a drill hole spacing of 30 m by 30 m or larger. As such, the resource has an Inferred classification. Mineralised areas that have veining consistently less than approximately 0.8 m have been classified as “un-classified” and are not included in the reportable tonnes. Depleted material was classified as Inferred, and flagged with a cookie cut area “mined” variable to exclude those tonnes from the reportable resource. Un-estimated blocks were not classified. A cut-off grade of 3 g/t Au was used to report the Mineral Resource. Given the data quality, drillhole spacing, and observed continuity of mineralisation the Competent Person considers the Inferred classification appropriately reflects the level of confidence in the reported Mineral Resource.

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Criteria	JORC Code explanation	Commentary
<p>Audits or reviews</p>	<ul style="list-style-type: none"> The results of any audits or reviews of Mineral Resource estimates. Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits; or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. 	<ul style="list-style-type: none"> The Mineral Resource estimate has been subject to peer review by AMC. No external independent review was carried out. The Competent Person considers that the classification is appropriate for the global resource. The estimate is constrained to interpreted mineralisation domains. The domains exhibit good continuity of mineralisation, whilst maintaining the orientation and geometry of observed geological features such as lithology and alteration. The location of the mineralised zones as observed in the drillholes and historic development mining are reasonably predictable at the global vein length, but thickness and grade can vary significantly at local scales. Local scale variations are consistent with the style of mineralisation but are not expected to have a material impact on the global resource estimate. Infill drilling will be required prior to any development planning to assure minimum vein thickness and grades are achieved. The Mineral Resource grades are those associated with the mineralised structures and will be diluted by host rock material in minimum mining width operations.
<p>Discussion of relative accuracy/confidence</p>		

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Appendix G **Mt Penck JORC 2012 Table 1**

Table G1 Mt Penck exploration

JORC Code, 2012 Edition

Section 1 Sampling techniques and data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
<p>Sampling techniques</p>	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	<ul style="list-style-type: none"> All sample data referred to in the report are historic, dating from 1968 to 2011. To the best of the Author's knowledge, no work has been carried out since 2011. Historic sampling was carried out by Placer, BHP, Nord Resources, Indo Pacific Resources and Kanon Resources. The Issuer has undertaken no sampling on the Property. Historic sampling methodology included stream sediment sampling, spade and auger soil sampling, rock grab and rock chip sampling of float and outcrop, chip-channel/continuous chip sampling of creek outcrops and hand dug or bulldozer trench faces, aircore drill sampling and diamond drill core sampling. Trench sample intervals and sample size were: BHP- 1.0-8.0m, 3kg; Indo Pacific - 5.0m, (?)kg; and Kanon - 1.0-5.0m, 1.5-2.0kg (larger if coarse gold expected). Diamond core sampling was half core: 1.0m or 2.0m PQ & HQ (Indo Pacific), mostly 1.0m NQ & HQ (Kanon). No data are available on measures taken to verify historic sample representivity. No independent sampling to verify sample representivity has been undertaken by the Issuer or the Author. Drill samples from the 2006-07 Kanon diamond drilling were collected from half NQ or HQ core split lengthwise with a core saw; half core sent for assay & half retained in tray. The historic data are considered to be on the whole reliable and of sufficient quality based on a review of the available literature and brief site visits to the Property by the Author in 2006-07.
<p>Drilling techniques</p>	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	<ul style="list-style-type: none"> Historic shallow aircore drilling, mostly <50m, by BHP and triple tube diamond drilling by Indo Pacific and Kanon. Aircore drilling is a form of reverse circulation drilling where the sample is collected at the face and returned inside the inner tube using compressed air. No information is available regarding core orientation measurements.
<p>Drill sample recovery</p>	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. 	<ul style="list-style-type: none"> Exploration drilling only has been completed on the Property. No details are available regarding methods of recording and assessing sample recovery or measures taken to ensure representative sampling for the historic BHP aircore or Indo Pacific diamond drilling.

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Criteria	JORC Code explanation	Commentary
	<ul style="list-style-type: none"> Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	<ul style="list-style-type: none"> Historic Kanon diamond drill logs in most cases do not record core loss and no details are available of Kanon’s methods for assessing core recovery or measures taken to ensure representative sampling. No data are available regarding possible sample bias.
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged. 	<ul style="list-style-type: none"> No Mineral Resource estimation, mining studies or metallurgical studies have been completed. No historic drill logs or data are available for the BHP and Indo Pacific drilling. Historic Kanon drill logs show that in most cases qualitative logging was completed for the total length of each hole.
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> No data are available on historic aircore drill sampling, Indo Pacific and Kanon diamond drilling used half core for sampling, with one half retained in the core tray. Historic samples were assayed in reputable laboratories indicating preparation techniques would have followed standard industry best practice. No data are available on QA/QC procedures or measures taken to ensure representivity of historic sampling. The reported historic sample sizes are considered to be appropriate for the grain size of the material being sampled, except for the specific instance of coarse spotty gold at Peni Creek noted by Kanon and referred to in the report.
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	<ul style="list-style-type: none"> Historic assays were carried out by Pilbara Laboratories, fire assay Au (BHP); Analabs, 50g fire assay Au (Indo Pacific); ALS Chemex, AAS/aqua regia Au or Intertek, Lae, 50g fire assay Au (Kanon). AAS/aqua regia is a partial digestion technique and fire assay is a total technique. These are appropriate assay techniques for the type of mineralisation and exploration samples. No geophysical or hand-held instruments were used for analysis. No data are available on historic QA/QC procedures.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data. 	<ul style="list-style-type: none"> No data are available on verification of significant intersections. No twinned holes are reported in the historic database. In 2006-07 Kanon primary field data were recorded in field notebooks, on field maps and on drill log sheets and entered into a digital database on laptop computers in the field camp.

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Criteria	JORC Code explanation	Commentary
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> No data are available on surveying of historic BHP or Indo Pacific drill collars. In 2006-07 Kanon used hand-held GPS for initial surveying of drill collar locations. No data are available on alternative surveying techniques.
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. Whether sample compositing has been applied. 	<ul style="list-style-type: none"> The historic exploration sample spacing is considered appropriate for the style of mineralisation. No Mineral Resource or Reserve estimates have been completed. Compositing of some exploration trench samples was undertaken by Kanon.
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	<ul style="list-style-type: none"> The orientation of historic trenches and drill holes is considered appropriate to achieve unbiased sampling of the mapped structures and mineralised zones. The Author is not aware of any sampling bias.
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	<ul style="list-style-type: none"> No historic data available.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	<ul style="list-style-type: none"> No historic data available.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	<ul style="list-style-type: none"> Mt Penck comprises a single exploration licence, EL 2662, totalling 208.48 km² located 55km west of Kimbe in West New Britain Province, Papua New Guinea. The licence is 100% owned by Lole Mining Limited. The PNG Government may purchase up to 30% equity in any mining project arising from the licence. More details are provided in the report. The licence was granted on 26/10/2021 for a term of 2 years and is in good standing.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> All exploration data reported here is historic from work carried out by Placer, BHP, Nord Resources, Indo Pacific Resources and Kanon Resources between 1968 and 2011.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<ul style="list-style-type: none"> Mt Penck is a low to high sulphidation epithermal gold deposit hosted by Plio-Pleistocene island arc volcanics; located within a NW-trending structural corridor. Gold-(silver-base metal) mineralisation is controlled by favourable horizons

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Criteria	JORC Code explanation	Commentary
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	<p>in the host volcanic sequence or by NE-trending or NW-trending, steeply dipping to sub-vertical dilational structures.</p> <ul style="list-style-type: none"> The historic exploration drilling results available in the database and considered to be Material are listed in various tables and appendices in the report.
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	<ul style="list-style-type: none"> Historic trench and drill intercepts are reported as length-weighted average grades. Cut-off grades are used in some tables in the report and these are clearly designated as such. Some Kanon trench intercepts in lower grade peripheral material have been aggregated. No metal equivalent values have been reported.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	<ul style="list-style-type: none"> The mineralisation is controlled either by shallow to moderately dipping lithological horizons or steeply dipping to sub-vertical structures. The structures trend NE or NW. The location, orientation and length of most drill holes are appropriate to intersect the targeted zones. Unless otherwise stated all reported drill intercepts are drill widths or down hole lengths.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	<ul style="list-style-type: none"> Suitable maps and sections from the historic database are included in the report as deemed appropriate.
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	<ul style="list-style-type: none"> In most cases the exploration results are summarised and representative reporting is used.
Other substantive	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, 	<ul style="list-style-type: none"> In addition to the reported trench and drill sample data, the historic database includes stream sediment, soil and rock geochemical data, airborne magnetic/radiometric data, ground 3D-IP geophysical data and remote sensing data. Results from this work are included in the report

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Criteria	JORC Code explanation	Commentary
exploration data	<p>geotechnical and rock characteristics; potential deleterious or contaminating substances.</p>	<p>where deemed appropriate.</p> <ul style="list-style-type: none"> No metallurgical testing data are reported.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Future exploration work planned by Lole will include follow up trenching and drilling aimed at defining a Maiden Inferred Resource. Other targets outside the area of detailed historic work, defined by historic geochemical and geophysical data, will also be followed up.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database Integrity	<ul style="list-style-type: none"> Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. Data validation procedures used. 	<ul style="list-style-type: none"> No Mineral Resource or Reserve estimates have been completed.
Site visits	<ul style="list-style-type: none"> Comment on any site visits undertaken by the Competent Person and the outcome of those visits. If no site visits have been undertaken indicate why this is the case. 	<ul style="list-style-type: none"> No Mineral Resource or Reserve estimates have been completed.
Geological interpretation	<ul style="list-style-type: none"> Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. Nature of the data used and of any assumptions made. The effect, if any, of alternative interpretations on Mineral Resource estimation. The use of geology in guiding and controlling Mineral Resource estimation. The factors affecting continuity both of grade and geology. 	<ul style="list-style-type: none"> No Mineral Resource or Reserve estimates have been completed.
Dimensions	<ul style="list-style-type: none"> The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource. 	<ul style="list-style-type: none"> No Mineral Resource or Reserve estimates have been completed.
Estimation and modelling techniques	<ul style="list-style-type: none"> The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. The assumptions made regarding recovery of by-products. Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. 	<ul style="list-style-type: none"> No Mineral Resource or Reserve estimates have been completed.

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Criteria	JORC Code explanation	Commentary
Moisture	<ul style="list-style-type: none"> Any assumptions behind modelling of selective mining units. Any assumptions about correlation between variables. Description of how the geological interpretation was used to control the resource estimates. Discussion of basis for using or not using grade cutting or capping. The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available. Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content. 	<ul style="list-style-type: none"> No Mineral Resource or Reserve estimates have been completed.
Cut-off parameters	<ul style="list-style-type: none"> The basis of the adopted cut-off grade(s) or quality parameters applied. 	<ul style="list-style-type: none"> No Mineral Resource or Reserve estimates have been completed.
Mining factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made. 	<ul style="list-style-type: none"> No Mineral Resource or Reserve estimates have been completed.
Metallurgical factors or assumptions	<ul style="list-style-type: none"> The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made. 	<ul style="list-style-type: none"> No Mineral Resource or Reserve estimates have been completed.
Environmental factors or assumptions	<ul style="list-style-type: none"> Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made. 	<ul style="list-style-type: none"> No Mineral Resource or Reserve estimates have been completed.
Bulk density	<ul style="list-style-type: none"> Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and 	<ul style="list-style-type: none"> No Mineral Resource or Reserve estimates have been completed.

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Criteria	JORC Code explanation	Commentary
Classification	<ul style="list-style-type: none"> • differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials. • The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit. 	<ul style="list-style-type: none"> • No Mineral Resource or Reserve estimates have been completed.
Audits or reviews	<ul style="list-style-type: none"> • The results of any audits or reviews of Mineral Resource estimates. 	<ul style="list-style-type: none"> • No Mineral Resource or Reserve estimates have been completed.
Discussion of relative accuracy/confidence	<ul style="list-style-type: none"> • Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available. 	<ul style="list-style-type: none"> • No Mineral Resource or Reserve estimates have been completed.

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Schedule 2 – Independent Legal Report



Contact: Steven O'Brien
Direct Line: +675 308 8311
Email: sobrien@obriens.com.pg
Our Ref: 1221478
Your Ref:

3 August 2023

BY EMAIL TO: howard.lole@tolemining.com

The Directors
Tolu Minerals Ltd (formerly Lole Mining Ltd)
Section 209, Allotment 54
Garden Hills
Port Moresby NCD 121

Dear Sir

PROSPECTUS DUE DILIGENCE - TOLU MINERALS LTD (FORMERLY LOLE MINING LTD)

We refer to your recent instructions to provide opinion with respect to the mining tenements held by Tolu Minerals Ltd (formerly Lole Mining Limited) (Company Number 1-125888) (TML) and to provide observations on the mining law regime in Papua New Guinea.

In providing our opinions expressed herein, we have examined the law and regulations applicable in Papua New Guinea and examined such public and corporate records, certificates and other documents and conducted such other examinations as we have considered necessary. In such examinations we have assumed the legal capacity of all individuals, the genuineness of all signatures, the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified, photocopied or facsimile copies.

We are duly qualified to practice law in Papua New Guinea (PNG). This opinion is confined to matters of PNG law at 11.00am on the day it is dated and no opinion is expressed as to the laws of any other jurisdiction. For the purposes of this opinion, Governmental Authorisations means an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation or registration required by:

- (a) any national government, political sub-division thereof, or local jurisdiction therein, or
- (b) any board, commission, department, division, organisation, instrumentality, court, regulatory or self-regulatory authority or agency of any entity referred to in (a) above, however constituted.

In rendering our opinions below under the section entitled Corporate Opinions, we have relied upon a computerised database Companies Extract dated 19 June 2023 issued by the Office of the Registrar of Companies and a computerised Foreign Certification Extract dated 19 June 2023

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TOLU M-

Schedule 2 – Independent Legal Report continued

2.

both in respect of TML. Regarding litigation, we have relied upon our review of the National and Supreme Court registries on 20 June 2023.

In rendering our opinions in the section entitled Title Opinions, we have relied upon our review of the register book maintained at the office of the Mineral Resources Authority as of 15 June 2023 in relation to TML tenements.

Our opinion is as follows:

1. Corporate Opinions

- (a) TML was incorporated on 19 March 2020 and reregistered on 30 May 2023 pursuant to the Companies Act (amended) and the laws of PNG and is a validly existing corporation.
- (b) TML has the necessary corporate power, Government Authorisations and capacity to own its assets, including, but not limited to, the tenements (as defined below) and to carry on its business as previously conducted to date, and so far as we are aware, as it is intended to be conducted in the future.
- (c) Companies incorporated in PNG and registered under the Companies Act (amended) do not have any limit on authorised capital and the amount of capital which a company might raise is unlimited.
- (d) TML holds a certificate of 'good standing' as issued under the Companies Act 1997. Further, Frontier Copper PNG Ltd (**FCPNGL**) being a company comprised in the acquisition arrangement referred to in paragraph 2(g) below and also incorporated in Papua New Guinea, also holds a certificate of 'good standing' as issued under the Companies Act 1997.
- (e) As of 28 July 2023, TML has on issue 77291857 ordinary shares held by 54 shareholders comprising individuals and both local and overseas corporations.
- (f) Public searches of official records do not disclose information about whether any person, firm or corporation has any agreement or option, or any right or privilege capable of becoming an agreement for the purchase, subscription or issuance of any securities of, interests in or assets of TML.

Additional documents provided to us by TML confirm that TML issued to Petroleum Resources Kutubu Ltd (1-15352) a Note repayable or convertible to shares in TML at a strike price referable to 15-day VWAP on ASX of TML shares (provided if a price is to be struck in circumstances where TML has been listed for less than 15 days, then the strike price is to be the IPO price). Petroleum Resources Kutubu Ltd is a statutory trustee of land owner participation and royalty entitlements in the Kutubu Petroleum project and is under the management and control of the Papua New Guinea government.

- (g) Annual returns due for filing at the office of the Registrar of Companies by TML have been filed up to 31 May 2023 for the financial year ending 31 December 2022. The next annual return filing will be due for the year ending 31 December 2023.
- (h) Personal Property Security Registry searches have resulted in a 'nil records returned' result indicating that the personal property of TML is not subject to a personal property security interest. However, we are aware of registrable personal

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property security interests granted by TML in favour of Petroleum Resources Kutubu Ltd. TML has granted a personal property security over the ML104 fixed plant and equipment as security for the Note referred to in subparagraph (f) above. FCPNGL has a PPSR entry for a secured creditor described as Hastings Deering (PNG) Ltd claiming a security over all goods and parts sold, leased, rented, bailed or made available to FCPNGL.

- (i) TML has adopted a constitution which is intended to be compliant with the requirements of the listing rules of a stock exchange.
- (j) TML has certification under the Investment Promotion Act to carry on business of mining ferrous and non-ferrous metals and mineral exploration under foreign ownership in accordance with the terms and conditions of the foreign ownership certification. These terms and conditions are consistent with usual terms and conditions for such approvals.
- (k) The search of the Court registries did not disclose any litigation either by or against any of TML or FCPNGL. A jurisdictional materiality threshold of PGK10,000.00 (approximately AUD4,000.00) was applied in conducting these Court searches.

2. **Title Opinions**

- (a) Under PNG law all mineral rights are vested in the State. The Mining Act 1992 (**Mining Act**) allows for the granting of mining leases, mining easements, lease for mining purposes and exploration licences by the Minister.
- (b) TML (in its former name of Lole Mining Ltd) is recorded on the Register of Mining Tenements (**Register**) as the registered holder of the following tenements issued by the Minister of Mining of PNG (**Minister**) pursuant to the Mining Act:
 - (i) ML 104 expiring 28 August 2032;
 - (ii) EL 2385 which expired on 25 May 2022 but subject to statutory holding over pursuant to an undecided renewal application;
 - (iii) EL 2535 - expiring on 25 January 2024;
 - (iv) EL 2536 - expiring on 25 January 2024;
 - (v) EL 2538 - expiring on 25 January 2024;
 - (vi) EL 2539 - expiring on 25 January 2024;
 - (vii) EL 2662 – expiring on 25 October 2023;
 - (viii) EL 2723 –expiring on 7 November 2024;
 - (ix) EL 2780 – is a new application lodged on 10 February 2023 but subject to determination by the Mining Advisory Council,collectively (the **TML Tenements**).
- (c) A registered compensation agreement dated 16 November 1993 (**Compensation Agreement**) commenced the day ML 104 was granted and continues in full force

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and effect for the term of the ML 104. The Compensation Agreement is to be reviewed every 5 years.

- (d) There are no encumbrances registered on the TML Tenements.
- (e) The rentals in respect of the TML Tenements are paid up to date and through to the next future due date in each case.
- (f) In relation to EL2385, on 11 May 2022 a further two-year extension application for EL 2385 was lodged by the former owner of the tenement. Section 112 of the Mining Act provides that where, prior to the expiry of a tenement, the holder has applied for an extension of the term of the tenement, the tenement will continue in force until the determination of the application. The application awaits determination by the Mining Advisory Council of the Mineral Resources Authority. TML rights in EL2385 comprise the rights of an applicant for renewal.
- (g) We are instructed that TML has under acquisition contract (by way of share acquisition of all of the shares in FCPNGL) additional tenements:
 - (i) EL 2531 expired on 24 February 2023. This tenement is still under application renewal process; and
 - (ii) ELA 2529 applied for on 2 May 2017 and undecided.collectively (the **Tenements Under Acquisition**).
- (h) As to the Tenements Under Acquisition:
 - (i) EL 2531 is held by FCPNGL; and
 - (ii) ELA 2529 is under application by FCPNGL.Neither is subject to any encumbrances.
- (i) In relation to ELA 2529 comprised in the Tenements Under Acquisition, this is an application for an Exploration Licence over 210 subblocks and the K5,000.00 fee was paid. There is no record of a warden's hearing occurring and there is no record of a grant.

3. **Rights Attaching to TML Tenements and Tenements Under Acquisition**

- (a) Pursuant to s 38 of the Mining Act, the granting of a mining lease, including ML104, authorises the holder thereof, in accordance with the laws of PNG and any conditions to which the mining lease is subject, to:
 - “...
 - (a) enter and occupy the land over which the mining lease was granted for the purpose of mining the minerals on that land and carry on such operations and undertake such works as may be necessary or expedient for that purpose;
 - (b) construct a treatment plant on that land and treat any mineral derived from mining operations, whether on that land or elsewhere, and construct any other facilities required for treatment including waste dumps and tailings dams;
 - (c) take and remove rock, earth, soil and minerals from the land, with or without treatment;

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- (d) take and divert water situated on or flowing through such land and use it for any purpose necessary for his mining or treatment operations subject to and in accordance with the Water Resources Act; and
 - (e) do all other things necessary or expedient for the undertaking of mining or treatment operations on that land."
- (b) Subject to the sections 41 and 120(1) of the Mining Act, the holder of a mining lease, including ML104, is entitled to the exclusive occupancy of the land and the right to carry on the exploration, development (including the building of infrastructure required for mining and exploration), extraction, mining transportation and sales of, and exportation of gold and associated mineral substances and to occupy the land in respect of which the mining lease was granted free and clear of any encumbrances, and owns all minerals lawfully mined from that land.
- (c) Under section 23 of the Mining Act, the granting of an exploration licence, including the new ELs authorises the holder thereof, in accordance with any conditions to which the exploration licence may be subject, to:
- (i) enter and occupy the land which comprises the exploration licence for the purpose of carrying out exploration for minerals on that land;
 - (ii) subject to section 162 of the Mining Act, extract, remove and dispose of such quantity of rock earth, soil or minerals as may be permitted by the approved program;
 - (iii) take and divert water situated on or flowing through such land and use it for any purpose necessary for his exploration activities subject to and in accordance with the provisions of the Water Resources Act; and
 - (iv) do all other things necessary or expedient for the undertaking of exploration on the land.
- (d) Subject to the sections 23(2) and 120(1) of the Mining Act, the holder of an exploration licence is entitled to the exclusive occupancy for exploration purposes of the land in respect of which the exploration licence was granted.
- (e) Subject to section 31(2) of the Mining Act, TML will not be able to transfer or otherwise dispose of ELs during the first 2 years, but there is a carveout to allow listing on a stock exchange. Section 31 of the Mining Act provides:

31. No dealing with an exploration licence during first two years

- (1) A person whose only legal or equitable interest in a tenement is held directly or indirectly in an exploration licence which is in its first term of two years (or where there is more than one exploration licence, which are all in their first term of two years) shall not validly create, transfer or otherwise dispose of such interests either directly or indirectly, except as provided for in Subsections (2) and (3).
- (2) Except where:
 - (a) the holder is a corporation which is listed on a public stock exchange somewhere in the world; or
 - (b) the creation, transfer or other disposal of a legal or equitable interest in the shares of a corporation holding an exploration

Schedule 2 – Independent Legal Report continued

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licence arises in the course of those shares being listed on a stock exchange,

the creation, transfer or other disposal of a legal or equitable interest in the shares of a corporation directly or indirectly holding an exploration licence shall be deemed to be a contravention of Subsection (1) where more than 25% of the issued shares of that corporation are so affected within the first two years of the term of the exploration licence.

- (f) The Minister has the power under the Mining Act to cancel a tenement. Section 142(2) of the Mining Act provides for the process of cancellation of a licence where the holder of a tenement breaches a provision of the Mining Act or a condition of the tenement. Section 142 of the Mining Act provides:

Section 142 Cancellation of a tenement

- (1) Where the holder of a tenement breaches:

- (a) a provision of this Act; or
(b) a condition on which the tenement was granted,

the Managing Director may, by written notice, require the holder of the tenement, within the time specified in the notice, to show cause why the tenement should not be cancelled.

- (2) Where the holder of a tenement on whom notice has been served under Subsection (1) fails, in the opinion of the Minister after receiving a recommendation from the Council, to show cause in accordance with the notice, the Minister may cancel the tenement.

- (g) The granting or holding of a Tenement does it itself absolve the holder from having to comply with other Governmental Authorisations as to the operation of conduct of the Tenement.
- (h) Each Exploration Licence reserves to the State the right to acquire a 30% interest in any Mining Lease granted from the property comprised in the Exploration Licence. On the exercise of the option the State is required to pay to the Exploration Licence holder's prorata the accumulated exploration expenditure (otherwise known as sunk costs) and thereafter contribute to development costs prorata.

4. **Papua New Guinea Minerals Legal System**

(a) Westminster Parliamentary Government

Papua New Guinea has a Westminster derived system of government with a uni-cameral Parliament.

Its written Constitution provides for the establishment of the Parliament, the establishment and jurisdiction of the Superior Courts and the Executive arm of government. The Constitution also gives recognition to and implements the doctrine of separation of powers.

(b) Mining Laws

The Independent State of Papua New Guinea owns all precious minerals within the bounds of the country.

Despite the clear and long-standing expression of this right of ownership by the State devolving to it on Independence in 1975 having been expressed in the legislation, the

7.

Parliament of the Independent State passed a clarifying Constitutional Law entitled Constitutional Amendment No. 44 (Papua New Guinea's Ownership of Hydrocarbons and Minerals and the Consolidation and Commercialisation of Papua New Guinea's Business) Law 2016.

Constitutional Amendment No. 44 introduced a provision in the following terms:

212B. Papua New Guinea's Ownership of Hydrocarbons and Minerals.

- (1) Hydrocarbons and minerals in their natural state are, and always have been, the property of Papua New Guinea.
- (2) An Organic Law may make further provision in respect of Papua New Guinea's interests in hydrocarbons and minerals, including the development of, disposal of, and dealing with the consolidation and commercialisation of those interests.

At present there is no specific Organic Law dealing with all of the matters set out in s 212B(2), however some of the issues are touched upon in the provisions of the Organic Law on Provincial and Local Level Government dealing with development levies.

Subsequent to the passage of this clarifying law the Supreme Court was asked by persons asserting they have customary rights to consider in *Re Justice Foundation for Porgera Ltd* [2022] SC2257 whether the provisions were ineffective. Those proceedings were dismissed on procedural grounds without substantive determination of the effect or validity of Constitutional Amendment 44 and in doing so left the Constitutional provisions and the provisions of the Mining Act standing effective. In principle, the issue could be resubmitted to the Court again potentially by the same or other litigants.

The boundaries of the country are defined by the geographical coordinates expressed in Maritime Zones Act 2005.

(c) Establishment of Mining Regulatory Regime

The Parliament has passed legislation, principally to be found in the Mining Act providing for the means by which members of the public and corporations alike may explore for, develop, extract and sell minerals in the country.

This legislation empowers the executive arm of government to administer the Mining Act which it does through a statutory authority known as the Mineral Resources Authority (the **MRA**) established pursuant to the Mineral Resources Authority Act 2018 (the **MRA Act**). In addition to the MRA, the Mining Act also establishes the Mining Advisory Council (the **MAC**). The principal purpose of the MAC is to consider applications for tenements and make recommendations to the Minister on how he should exercise his powers.

Pursuant to the Mining Act the Minister grants tenements having considered the advice of the MAC and exercises certain other appointment powers under the Mining Act. The MRA through its officeholders such as the Registrar of Tenements, Warden and Managing Director exercises many powers covering mining operational matters.

Separately, the MRA administers the Mining (Safety) Act and the Conservation and Environment Protection Authority administers compliance with environmental laws and water utilisation laws. Various other authorities touch on technical matters including without limitation such things as safety of lifting devices, electrical safety, power generation and storage and transportation of explosives.

Schedule 2 – Independent Legal Report continued

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Together, the Minister, the MAC, the MRA (and its officeholders), Conservation and Environment Protection Authority (**CEPA**) and the other authorities exercise executive power enabled by the Constitution and granted pursuant to the various pieces of legislation over the mining industry.

Section 155(3) of the Constitution provides a basis for the review of all executive actions by a Court. The review mechanism is provided for in the National Court Act and the National Court Rules. The right of review is qualified in many ways and subject to a significant number of procedural restrictions.

(d) Mining Tenements

The Mining Act defines and provides for the circumstances when various tenements can be granted by the Minister. These comprise tenements of the following classes:

(i) Exploration Licences

The maximum term of an exploration licence is 2 years, the licence may be renewed but 50% of the area must be surrendered on a renewal unless certain conditions are met providing a basis to not surrender 50% on a renewal.

Exploration Licences carry exploration responsibilities and obligations consistent with the work program filed with the application and applicant's rights under s 23 of the Mining Act as provided above.

(ii) Special Mining Leases

Special Mining Leases are leases for large mining operations for terms up to 40 years extendable in periods of 20 years which also require the tenement holder to enter into a mining development contract with the State. The Special Mining Lease provisions are not applicable to any of the mining tenements held by the Company.

(iii) Mining Leases

Mining Leases are leases for mining operations for terms up to 20 years extendable in periods of 10 years. There are no obligations on a mining lease holder to enter into a mining development contract with the State.

TML holds one Mining Lease and the rights and obligations are as set out above.

(iv) Alluvial Mining Leases

Alluvial Mining Leases are applicable for citizen's using non mechanised means of mining. These tenements are not applicable to any of the company property.

(v) Leases for Mining Purposes

Leases for mining purposes are helper tenements where it is necessary outside the area of the actual mining tenement to stage operations relating to the mining activity. Such tenements could be used for off-site energy production facilities, processing facilities, camps etc.

Leases for Mining Purposes are normally granted for a term co-extensive with the mining tenement they exist to support.

(vi) **Mining Easements**

Like leases for Mining Purposes, Mining Easements are helper tenements of a special type used to support infrastructure to traverse other land. For example, a mining easement would typically be used to support a power line, pipeline or road from the mining tenement to another area.

Mining tenements such as an Exploration Licence, Special Mining Lease, and Mining Lease are often expressed to be subject to the State option to acquire up to 30% of the tenement for sunk cost on a free carried basis.

Not all tenements in Papua New Guinea are subject to the option and during the last few decades in Papua New Guinea government policy has not been consistent over the desirability of government owning equity in mining projects. It is a concept which has come and gone and re-entered the policy agenda.

The policy will normally attach when a Mining Lease or Special Mining Lease is granted out of an area the subject of an exploration licence, or potentially if not present, might be added on the extension of term of an existing licence.

Mining tenements can also be cancelled by the Minister for non-compliance with conditions.

The Mining Act sets out basic obligations of a leaseholder on the expiry, cancellation or non-renewal of a Mining Lease and more specific provisions may be added as conditions in the Mining Lease. It is common for there to be a closure provision to be made.

The Mining Act also provides, in cases where the tenement holder has applied more than 90 days in advance of a tenement expiry for statutory holding over of the expiring tenement until all administrative requirements for any extension are finally determined.

Mining Tenements are transferrable with the consent of the Minister, with the exception of Exploration Tenements in their first term. There is a provision to prevent speculation in exploration tenements and to focus parties on their obligations to perform the exploration obligations.

All dealings or interests created in Mining Tenements must be registered at the MRA. Failure to register an interest would likely constitute a defect in the right comprised in the instrument, but the register does not operate to provide title by registration.

The specific rights held by TML are provided above.

(e) **Environmental Regulation**

The Papua New Guinea Parliament has provided for a comprehensive and consistent set of environment laws applicable to all industries.

These are provided in the Environment Act 2000 (**Environment Act**) and the delegated legislation made under that Act.

The Environment Act contemplates that air, water and physical discharges from the activity are regulated pursuant to a system of licences. Also, the taking of water from the environment is regulated and permitted pursuant to a system of licences.

Schedule 2 – Independent Legal Report continued

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A different regulator known as CEPA administers the Environment Act. Fees and charges are collected by CEPA usually based around the size of the activity being undertaken.

Licences may be subject to complex conditions and can be cancelled in certain circumstances, such as in the event of non-compliance with conditions.

(f) Export and Currency Controls

The export of gold or gold ores from Papua New Guinea without the approval of the Central Bank given under the Central Banking (Foreign Exchange and Gold) Regulation is prohibited by the Customs (Prohibited Exports) Regulation.

It is normal for gold mining companies to hold an export licence which has traditionally been granted to all special mining lease and mining lease holders on application. Each shipment of gold is normally assayed as part of the export process and the proceeds of the gold export must be remitted to Papua New Guinea by the exporter unless an authorisation permitting a different arrangement has been granted by the Central Bank.

(g) Requirement to Comply with Other Laws

The grant of a mining tenement by the Minister does not absolve the tenement holder from complying with all the general laws of Papua New Guinea which remain applicable to the holder of the tenement in accordance with the proper application and tenor of such laws.

Such laws are very wide ranging in their content and application.

5. Reservations

In addition to the assumptions outlined above, this opinion is delivered subject to the following general qualifications and reservations:

- (a) Under section 158(2) of the Constitution of PNG, the Courts of PNG are required to give paramount consideration to the dispensation of justice referred to in interpreting the law. Some decisions of the PNG Courts have referred to this provision as an alternative source of jurisdiction or judicial power. However, a more restrictive and recent line of authority has interpreted 'justice' in this section to mean justice according to law.
- (b) All valid laws of PNG (and acts or things done under them) may be held unlawful pursuant to section 41 of the Constitution of PNG if the act or thing is in the particular circumstances of the case (i) harsh or oppressive; or (ii) not warranted by or disproportionate to, the requirements of the circumstances of the particular case; or (iii) is otherwise not reasonably justified in a democratic society having proper regard for the rights and dignity of mankind.
- (c) The Act (and its predecessors) reserves title to minerals to the State, and in 2016 the Constitution was amended by Parliament to confirm the same reservation of title to minerals. During 2021 social activists made an application to the Supreme Court for interpretation of those provisions, seeking to argue that they are contrary to citizens' right of protection from unjust deprivation of property. The case arose in circumstances concerning the issue of mining tenements for another mining tenement holder, and does not relate to the TML Tenements.

11.

- (d) No investigation of the environmental practises pursued or intended to be pursued by TML has been performed by us and no opinion is expressed whether such practises are in compliance with the laws of PNG.
- (e) Any stoppage of the activities of the company or any activity licensed under the Environment Act, sufficient to constitute a general ceasing of operations may trigger:
 - (i) a lapsing of environmental approvals under the Environment Act and;
 - (ii) a need for fresh permits under the Environment Act which permits might be assessed or granted on newer or different criteria.
- (f) The holding of the tenements, including ML 104 and the ELs and the rights conferred by those instruments does not otherwise limit or absolve the holder from otherwise complying with laws of PNG in the conduct of mining or exploration activities.
- (g) Many of the rights of TML are dependent on TML maintaining in currency and good order periodic reporting filings with the Mineral Resources Authority, the Registrar of Companies and the Investment Promotion Authority.
- (h) None of the qualifications is limited by reference to any other qualification.
- (i) We are qualified in and practise only PNG law and express no opinion as to how the rights and entitlements of persons in relation to the matters the subject of this opinion may be treated under the laws of places outside PNG.

Our opinion is limited to those of the documents reviewed to which the laws of PNG apply.

This opinion is rendered solely to the addressees listed above in connection with the TML tenure and transfer processes to TML and may not be used or relied upon by you for any other purpose or used or relied upon by any other person, nor quoted from or referred to in any documents or filed with any stock exchange or regulatory body, government authority or judicial forum, without our prior written consent.

Yours faithfully



Steven O'Brien
O'BRIENS

Schedule 3 – Investigating Accountant’s Report



10 August 2023

The Directors
Tolu Minerals Limited
Ground Floor
488 Queen Street
Brisbane Qld 4000

Dear Sirs,

Pitcher Partners Corporate Finance Limited

ABN 99 054 784 619
AFS LICENCE NO.255516

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Licence (QLD) No. 3668087

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INDEPENDENT LIMITED ASSURANCE REPORT ON HISTORICAL FINANCIAL INFORMATION AND PRO FORMA FINANCIAL INFORMATION

Introduction

This report has been prepared at the request of the directors of Tolu Minerals Limited, formerly Lole Mining Limited (“Tolu” or “the Company”) to report on certain financial information to be included in the Prospectus for an Initial Public Offering (“the Offer”) on ASX Limited.

Expressions and terms defined in the Prospectus have the same meaning in this report.

Scope

Historical Financial Information

Pitcher Partners Corporate Finance Limited has been engaged by the Directors to review the Tolu:

- historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 31 December 2020, 31 December 2021 and 31 December 2022;
- historical Statements of Cash Flows the years ended 31 December 2020, 31 December 2021 and 31 December 2022; and
- historical Statement of Financial Position as at 31 December 2022;

as set out in Tables 5A, 5B and 5C of the Prospectus (together, the ‘Historical Financial Information’).

The Historical Financial Information has been extracted from the audited financial statements of Tolu Minerals Limited as at, and for the years ended 31 December 2020, 31 December 2021 (which were audited by Pitcher Partners Partnership (ABN 84 797 724 539)) and 31 December 2022 (which was audited by Kowas Chartered Accountants), in accordance with International Auditing Standards. Both Pitcher Partners Partnership and Kowas Chartered Accountants issued unmodified audit opinions, which included emphasis of matter paragraphs with respect to going concern, in each of the respective financial reports.

The Historical Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required International Accounting Standards (‘IAS’) and Interpretations issued by the International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) respectively and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in substantial equivalence with Chapter 2M.3 of the *Corporations Act 2001*.

Pro Forma Financial Information

Pitcher Partners Corporate Finance Limited has been engaged by the Directors to review the:

- Pro Forma Historical Statement of Financial Position, shown with pro forma adjustments to show the effect of certain subsequent events and transactions related to the capital raising and listing as if they had occurred at 31 December 2022, (‘Pro Forma Historical Financial Information’);

as set out in Table 5C.

Brisbane Sydney Newcastle Melbourne Adelaide Perth

Pitcher Partners is an association of independent firms.

Liability limited by a scheme approved under Professional standards Legislation.

Pitcher Partners is a member of the global network of Baker Tilly International Limited, the members of which are separate and independent legal entities.



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The Pro Forma Historical Financial Information has been derived from the Historical Financial Information, after adjusting for the effects of pro forma adjustments described in Tables 5D to 5L of the Prospectus (the 'Pro Forma Adjustments').

The Pro Forma Financial Information has been prepared in accordance with the recognition and measurement principles contained in International Accounting Standards, other than that it includes adjustments which have been prepared in a manner consistent with IAS, that reflect the impact of certain transactions as if they occurred as at 31 December 2022.

Due to its nature, the Pro Forma Financial Information does not represent Tolu's actual or prospective financial position. The Pro Forma Financial Information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by IAS and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in substantial equivalence with Chapter 2M.3 of the *Corporations Act 2001*.

Directors' Responsibility

The Directors are responsible for:

- the preparation and presentation of the Historical Financial Information and the Pro Forma Financial Information, including the selection and determination of Pro Forma Adjustments made to the Historical Financial Information and included in the Pro Forma Financial Information; and
- the information contained within the Prospectus.

This responsibility includes for the operation of such internal controls as the Directors determine are necessary to enable the preparation of the Historical Financial Information, and the Pro Forma Financial Information that are free from material misstatement, whether due to fraud or error.

Our Responsibility

Historical Financial Information and Pro forma Financial Information

Our responsibility is to express a limited assurance conclusion on the Historical Financial Information, and Pro Forma Financial Information based on the procedures performed and the evidence we have obtained.

Our procedures did not involve updating or re-issuing any previously issued audit report, nor issuing standalone review opinions on un-audited information, used as a source of the financial information.

Conclusions

Historical Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Historical Financial Information comprising:

- historical Statements of Profit or Loss and Other Comprehensive Income for the years ended 31 December 2020, 31 December 2021 and 31 December 2022;
- historical Statements of Cash Flows the years ended 31 December 2020, 31 December 2021 and 31 December 2022; and
- historical Statement of Financial Position as at 31 December 2022;

are not prepared and presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 5.8 of the Prospectus.

Pro Forma Financial Information

Based on our limited assurance engagement, which is not an audit, nothing has come to our attention that causes us to believe that the Proforma Financial Information comprising:

- Pro Forma Historical Statement of Financial Position, shown with Pro Forma Adjustments to show the effect of certain subsequent events and transactions related to the capital raising and listing as if they had occurred at 31 December 2022, ("Pro Forma Historical Financial Information");

is not prepared and presented fairly in all material respects, in accordance with the stated basis of preparation as described in Section 5.8 of the Prospectus.

Prospective investors should be aware of the material risks and uncertainties relating to an investment in Tolu, which are detailed in Section 4 of the Prospectus. Accordingly, prospective investors should have regard to the risk factors set out in Section 4 of the Prospectus.

Pitcher Partners Corporate Finance Limited

ABN 99 054 784 619 AFS LICENCE NO.255516

Liability limited by a scheme approved under Professional standards Legislation.

Schedule 3 – Investigating Accountant’s Report continued



We disclaim any assumption of responsibility for any reliance on this report, for any purpose other than that for which it was prepared. We have assumed, and relied on representations from certain members of management of Tolu, that all material information concerning the prospects and proposed operations of Tolu has been disclosed to us and that the information provided to us for the purpose of our work is true, complete and accurate in all respects. We have no reason to believe that those representations are false.

Restrictions on Use

Without modifying our conclusions, we draw attention to the Important Notices of the Prospectus, which describes the purpose of the Historical Financial Information, and the Pro Forma Financial Information, being for inclusion in the Prospectus. As a result, the Limited Assurance Report may not be suitable for use for another purpose.

Consent

Pitcher Partners Corporate Finance Limited has consented to the inclusion of this limited assurance report in the Prospectus in the form and context in which it is included.

Liability

The liability of Pitcher Partners Corporate Finance Limited is limited to the inclusion of this report in the Prospectus. Pitcher Partners Corporate Finance Limited makes no representation regarding, and has no liability for any other statement or other material in, or any omissions from the Prospectus.

Disclosure of Interest

Pitcher Partners Corporate Finance Limited does not have any interest in the outcome of this Offer other than the preparation of this report and participation in the due diligence procedures for which normal professional fees will be received. Pitcher Partners Partnership (ABN 84 797 724 539) was the auditor of Tolu in 2020 and 2021.

Yours faithfully

PITCHER PARTNERS CORPORATE FINANCE LIMITED

A handwritten signature in black ink, appearing to read "J. Evans".

Jason Evans

Executive Director
Authorised Representative of
Pitcher Partners Corporate Finance Limited

TOLU MINERALS LIMITED

ARBN 657 300 359

Broker Code

Adviser Code

General Offer Application Form

This is an Application Form for Shares in Tolu Minerals Limited under the General Offer on the terms set out in the Prospectus dated 10 August 2023. You may apply for a minimum of 4,000 Shares and multiples of 1,000 thereafter. Your Application and payment must be received by 5:00pm (AEST) on 15 September 2023.

If you wish to apply for Shares and pay by BPAY, please visit Tolu Minerals Limited's website at <https://www.toluminerals.com/prospectus> and then follow the link to 'Proceed to Tolu IPO'.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.

Shares applied for

Price per Share

Application Monies

A

at

A\$0.50

B A\$

(minimum 4,000, thereafter in multiples of 1,000)

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

+

Applicant #1

Surname/Company Name

C

Title

First Name

Middle Name

Joint Applicant #2

Surname

Title

First Name

Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

TFN/ABN/Exemption Code

First Applicant

Joint Applicant #2

Joint Applicant #3

D

TFN/ABN type – if NOT an individual, please mark the appropriate box

Company

Partnership

Trust

Super Fund

PLEASE COMPLETE ADDRESS DETAILS

PO Box/RMB/Locked Bag/Care of (c-)/Property name/Building name (if applicable)

E

Unit Number/Level

Street Number

Street Name

Suburb/City or Town

State

Postcode

Email address (only for purpose of electronic communication of shareholder information)

CHESS HIN

F X

+

If you have a Broker Sponsored account and would like your securities to be allocated to this account, it is important that you enter your HIN at this step. Failure to do so will result in your securities being allocated to a new Issuer Sponsored account. You will not be able to change this until after the stock exchange listing takes place and you will need to request your broker to do this for you.

Telephone Number where you can be contacted during Business Hours

Contact Name (PRINT)

G ()

Total Amount

A\$

TOK IPO001



Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Tolu Minerals Limited ("TOK") Shares. Further details about the shares are contained in the Prospectus dated 10 August 2023 issued by Tolu Minerals Limited. The Prospectus will expire 13 months after the date of the Prospectus. While the Prospectus is current, Tolu Minerals Limited will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 4,000 Shares and thereafter in multiples of 1,000. You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars.
- C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Tolu Minerals Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from Tolu Minerals Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHES participant or sponsored by a CHES participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHES for this HIN is different to the details given on this form, your Shares will be issued to Tolu Minerals Limited's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.

LODGEMENT INSTRUCTIONS

If you wish to apply for Shares and pay by BPAY, please visit Tolu Minerals Limited's website at <https://www.toluminerals.com/prospectus> and then follow the link to 'Proceed to Tolu IPO'.

PERSONAL INFORMATION COLLECTION NOTIFICATION STATEMENT

Personal information about you is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. For details about Link Group's personal information handling practices including collection, use and disclosure, how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

TOLU MINERALS LIMITED

ARBN 657 300 359

Broker Code

Adviser Code

Broker Firm Offer Application Form

This is an Application Form for Shares in Tolu Minerals Limited under the Broker Firm Offer on the terms set out in the Prospectus dated 10 August 2023. You may apply for a minimum of 4,000 Shares and multiples of 1,000 thereafter. This Application Form and your cheque or bank draft must be received by your Broker by the deadline set out in their offer to you.

If you wish to apply for Shares and pay by BPAY, please visit Tolu Minerals Limited's website at <https://www.toluminerals.com/prospectus> and then follow the link to 'Proceed to Tolu IPO'.

If you are in doubt as to how to deal with this Application Form, please contact your accountant, lawyer, stockbroker or other professional adviser. The Prospectus contains information relevant to a decision to invest in Shares and you should read the entire Prospectus carefully before applying for Shares.

Shares applied for

Price per Share

Application Monies

A , , , , , at **A\$0.50** **B** **A\$** , , , , , .

(minimum 4,000, thereafter in multiples of 1,000)

PLEASE COMPLETE YOUR DETAILS BELOW (refer overleaf for correct forms of registrable names)

Applicant #1

Surname/Company Name

C

Title

First Name

Middle Name

Joint Applicant #2

Surname

Title

First Name

Middle Name

Designated account e.g. <Super Fund> (or Joint Applicant #3)

TFN/ABN/Exemption Code

First Applicant

Joint Applicant #2

Joint Applicant #3

D

TFN/ABN type – if NOT an individual, please mark the appropriate box

Company

Partnership

Trust

Super Fund

PLEASE COMPLETE ADDRESS DETAILS

PO Box/RMB/Locked Bag/Care of (c-)/Property name/Building name (if applicable)

E

Unit Number/Level

Street Number

Street Name

Suburb/City or Town

State

Postcode

Email address (only for purpose of electronic communication of shareholder information)

CHESS HIN

F **X**

If you have a Broker Sponsored account and would like your securities to be allocated to this account, it is important that you enter your HIN at this step. Failure to do so will result in your securities being allocated to a new Issuer Sponsored account. You will not be able to change this until after the stock exchange listing takes place and you will need to request your broker to do this for you.

Telephone Number where you can be contacted during Business Hours

Contact Name (PRINT)

G ()

Cheques or bank drafts should be drawn up according to the instructions given by your Broker.

Cheque or Bank Draft Number

BSB

Account Number

H

Total Amount **A\$**

LODGEMENT INSTRUCTIONS

You must return your application so it is received by your Broker by the deadline set out in their offer to you.

TOK BRO001

Your Guide to the Application Form

Please complete all relevant white sections of the Application Form in BLOCK LETTERS, using black or blue ink. These instructions are cross-referenced to each section of the form.

The Shares to which this Application Form relates are Tolu Minerals Limited ("TOK") Shares. Further details about the Shares are contained in the Prospectus dated 10 August 2023 issued by Tolu Minerals Limited. The Prospectus will expire 13 months after the date of the Prospectus. While the Prospectus is current, Tolu Minerals Limited will send paper copies of the Prospectus, any supplementary document and the Application Form, free of charge on request.

The Australian Securities and Investments Commission requires that a person who provides access to an electronic application form must provide access, by the same means and at the same time, to the relevant Prospectus. This Application Form is included in the Prospectus.

The Prospectus contains important information about investing in the Shares. You should read the Prospectus before applying for Shares.

- A** Insert the number of Shares you wish to apply for. The Application must be for a minimum of 4,000 Shares and thereafter in multiples of 1,000. You may be issued all of the Shares applied for or a lesser number.
- B** Insert the relevant amount of Application Monies. To calculate your Application Monies, multiply the number of Shares applied for by the issue price. Amounts should be in Australian dollars. Please make sure the amount of your cheque or bank draft equals this amount.
- C** Write the full name you wish to appear on the register of Shares. This must be either your own name or the name of a company. Up to three joint Applicants may register. You should refer to the table below for the correct registrable title.
- D** Enter your Tax File Number (TFN) or exemption category. Business enterprises may alternatively quote their Australian Business Number (ABN). Where applicable, please enter the TFN or ABN for each joint Applicant. Collection of TFN(s) and ABN(s) is authorised by taxation laws. Quotation of TFN(s) and ABN(s) is not compulsory and will not affect your Application. However, if these are not provided, Tolu Minerals Limited will be required to deduct tax at the highest marginal rate of tax (including the Medicare Levy) from payments.
- E** Please enter your postal address for all correspondence. All communications to you from Tolu Minerals Limited and the Share Registry will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- F** If you are already a CHES participant or sponsored by a CHES participant, write your Holder Identification Number (HIN) here. If the name or address recorded on CHES for this HIN is different to the details given on this form, your Shares will be issued to Tolu Minerals Limited's issuer sponsored subregister.
- G** Please enter your telephone number(s), area code and contact name in case we need to contact you in relation to your Application.
- H** Please complete the details of your cheque or bank draft in this section. The total amount of your cheque or bank draft should agree with the amount shown in section B.
- If you receive a firm allocation of Shares from your Broker make your cheque payable to your Broker in accordance with their instructions.

CORRECT FORMS OF REGISTRABLE NAMES

Note that ONLY legal entities are allowed to hold Shares. Applications must be in the name(s) of natural persons or companies. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the examples of correct forms below.

Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual Use given names in full, not initials	Mrs Katherine Clare Edwards	K C Edwards
Company Use Company's full title, not abbreviations	Liz Biz Pty Ltd	Liz Biz P/L or Liz Biz Co.
Joint Holdings Use full and complete names	Mr Peter Paul Tranche & Ms Mary Orlando Tranche	Peter Paul & Mary Tranche
Trusts Use the trustee(s) personal name(s)	Mrs Alessandra Herbert Smith <Alessandra Smith A/C>	Alessandra Smith Family Trust
Deceased Estates Use the executor(s) personal name(s)	Ms Sophia Garnet Post & Mr Alexander Traverse Post <Est Harold Post A/C>	Estate of late Harold Post or Harold Post Deceased
Minor (a person under the age of 18 years) Use the name of a responsible adult with an appropriate designation	Mrs Sally Hamilton <Henry Hamilton>	Master Henry Hamilton
Partnerships Use the partners' personal names	Mr Frederick Samuel Smith & Mr Samuel Lawrence Smith <Fred Smith & Son A/C>	Fred Smith & Son
Long Names	Mr Hugh Adrian John Smith-Jones	Mr Hugh A J Smith Jones
Clubs/Unincorporated Bodies/Business Names Use office bearer(s) personal name(s)	Mr Alistair Edward Lilley <Vintage Wine Club A/C>	Vintage Wine Club
Superannuation Funds Use the name of the trustee of the fund	XYZ Pty Ltd <Super Fund A/C>	XYZ Pty Ltd Superannuation Fund

Put the name(s) of any joint Applicant(s) and/or account description using < > as indicated above in designated spaces at section C on the Application Form.

Board of Directors

John (Iain) Macpherson
John Anderson
Howard Lole
Larry Andagali
Brian Moller

Company Secretary

Naime O'ome

Chief Financial Officer and Assistant Company Secretary

Craig Dawson

Registered Office

HopgoodGanim Lawyers
Level 8, Waterfront Place
1 Eagle Street
Brisbane QLD 4000

Telephone: 1800 451 641
Email: investor@toluminerals.com
Website: www.toluminerals.com

Auditor

Kowas Chartered Accountants

Unit 1, Lot 7, Sect 24 Granville
(Lawes Road Apartments)
Port Moresby National Capital District

Telephone: +675 7232 3200
Website: www.kowasCA.com

Independent Geologist

AMC Consultants Pty Ltd

Level 15, 100 Creek Street
Brisbane QLD 4000

Telephone: (07) 3230 9000
Website: www.amcconsultants.com

Independent Solicitor

O'Briens Lawyers

PO Box 389
Port Moresby NCD 121
Papua New Guinea

Telephone: +675 308 8311
Website: www.obriens.com.pg

Foreign Brokers

Amvest Capital Inc. (acting through Delphos MMJ LP)

675 Third Avenue
Floor 22
New York NY 10017

Telephone: +(212) 970-1963
Website: www.amvestcapital.com

Stifel Nicolaus Canada Inc.

161 Bay Street, Suite 3800
Toronto, Ontario M5J 2S1

Telephone: (416) 367 8600
Website: www.stifelcanada.com

Joint Lead Managers

Blue Ocean Equities Pty Ltd

Level 29, 88 Phillip Street
Sydney NSW 2000

Telephone: (02) 8072 2988
Website: www.boeq.com.au

Martin Place Securities Pty Ltd

GPO Box 5263
Sydney NSW 2001

Telephone: (02) 9222 9111
Website: www.mpsecurities.com.au

Solicitors to the Offer

HopgoodGanim Lawyers

Level 27, Allendale Square
77 St Georges Terrace
Perth WA 6000

Telephone: (08) 9211 8111
Website: www.hopgoodganim.com.au

Share Registry

Link Market Registry

Level 12, 680 George Street
Sydney NSW 2000

Telephone: 1300 554 474
Website: <https://www.linkmarketservices.com.au>

Investigating Accountant

Pitcher Partners Corporate Finance Limited

Level 38, 345 Queen Street
Brisbane QLD 4000

Telephone: (07) 3222 8444
Website: www.pitcher.com.au

