TOUBANI RESOURCES

# 2023 Annual REPORT

## ASX: TRE

*Developing West Africa's Next Gold Mine*

**Toubani Resources Limited**

**Toubani Resources Limited (formerly Toubani Resources Inc.)**
**Contents**
**31 December 2023**

## HIGHLIGHTS

- **Mineral Resource Estimate updated to 2.4Moz including 1.5Moz of shallow, free dig oxide resources;**
- **Commenced an update of the 2021 Definitive Feasibility Study with the appointment of Lycopodium with targeted completion in 3Q 2024;**
- **Regional drilling program extended drill-defined mineralisation by almost 5km to now total 11km;**
- **New regional discoveries including the Kobada West discovery located 1km from the main Kobada open pit;**
- **Kobada East discovery was confirmed by a maiden RC drilling program;**
- **Appointment of Mr Phil Russo as Chief Executive Officer and Executive Director in January 2023;**
- **Strengthened technical team with the appointments of Mr Bill Oliver and Mr Kerry Griffin to lead exploration, resource development and study activities;**
- **Completed redomiciling of the corporation to Australia in January 2024 with the Company's CHESS Depositary Interests (CDI) converted to ordinary fully paid common shares;**
- **Continued constructive engagement with various Malian government departments during the year including the Ministry of Mines;**

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|---|---|
| Directors | Phil Russo (Executive Director and Chief Executive Officer)<br>Danny Callow (Non-Executive Chairman)<br>Tim Kestell (Non-Executive Director)<br>Scott Perry (Non-Executive Director) |
| Company secretary | Kevin Hart |
| Registered office | 1202 Hay Street, West Perth WA 6005 |
| Principal place of business | 1202 Hay Street, West Perth WA 6005 |
| Share register | Automic Group<br>Level 5, 191 St Georges Terrace<br>Perth, WA 6000 |
| Auditor | BDO Audit Pty Ltd<br>Level 9, Mia Yellagonga Tower 2<br>5 Spring Street<br>Perth WA 6000 |
| Solicitors | Thomson Geer<br>Level 29, Central Park Tower<br>152-158 St Georges Terrace<br>Perth WA 6000 |
| Stock exchange listing | Toubani Resources Limited (formerly Toubani Resources Inc.) shares are listed on the Australian Securities Exchange (ASX code: TRE) |
| Corporate Governance Statement | www.toubaniresources.com/company/#corporategovernance |

## REVIEW OF OPERATIONS

Toubani is advancing the Kobada Gold Project ("Kobada", "Project") in southern Mali. The Kobada project hosts 2.4 Moz in Mineral Resources which occurs over a 4.5km strike length, is predominantly near-surface oxide material and open pittable.

**Chief Executive Officer, Phil Russo commented**: "Following our listing on the ASX in December 2022, we made significant strides during 2023 in advancing Kobada towards its rightful place as a regional project of significance.

Corporately, we strengthened the management team with highly experienced, seasoned technical executives in Bill Oliver and Kerry Griffin, as well as refreshing the Board with the addition of renowned senior mining executives in Scott Perry and Mark Strizek. We made the decision to focus on a single listing on the ASX and followed that with the redomiciling of the Company to Australia.

In parallel, our 2023 drilling program was focused on regional opportunities across our significant, highly prospective land package with several targets drill tested for the first time leading to the Kobada West discovery being made less than 1km from the Kobada open pit. Overall, this drilling program was successful in extending the strike at Kobada to 11km from 5km with nearly 50km of mineralised shear zones on our tenements to be explored over time.

The abundance of shallow, free dig oxide ore at Kobada has driven our strategy to update our mineral resources with the 2023 resources positively confirming the large inventory of oxide ore with 1.5Moz of oxide resources confirmed.

This confirmation of oxide resources underpins our decision to update the DFS, with the objective being to reposition Kobada as a project of scale, producing at higher production rates and at lower unit costs. The Company believes that by focusing on the predominantly oxide ores initially the project can be developed at a relatively lean capital cost.

Our mining optimisation work has informed our target resource definition drilling program in 2024 that seeks to convert inferred resources with success of this program ultimately leading to increasing value in the Kobada deposit.

At a time of all-time highs in gold prices, the inherent value in the Kobada project continues to rise and our technical derisking serves to bring Kobada to the forefront of West African development projects at a time where fewer are advancing through the pipeline."

### MINERAL RESOURCES

#### 2023 Mineral Resource Estimate

The Mineral Resource Estimate (**MRE**) for the Kobada Gold Project stands at 87 million tonnes at 0.86g/t for 2.4 million ounces of gold as detailed in Table 1 and Appendix 1. The resource is an open pittable resource reported within a conceptual pit shell generated using appropriate cost and pricing parameters to satisfy the Reasonable Prospects for Eventual Economic Extraction (RPEEE) criteria under the JORC Code (**RPEEE shell**). Cross sections and plans illustrating the Mineral Resource are presented in Appendix 2.

**Table 1: Mineral Resources for the Kobada Project**

| Material | Indicated | | | Inferred | | | Total | | |
|---|---|---|---|---|---|---|---|---|---|
| | Tonnes (Mt) | Grade (g/t) | Ounces (Moz) | Tonnes (Mt) | Grade (g/t) | Ounces (Moz) | Tonnes (Mt) | Grade (g/t) | Ounces (Moz) |
| Oxide [1] | 38 | 0.80 | 0.96 | 17 | 0.93 | 0.51 | **55** | **0.84** | **1.48** |
| Fresh [2] | 22 | 0.79 | 0.57 | 9 | 1.16 | 0.35 | **32** | **0.90** | **0.92** |
| **Total** | **60** | **0.79** | **1.53** | **27** | **1.01** | **0.86** | **87** | **0.86** | **2.39** |

Tonnages are dry metric tonnes. Minor discrepancies may occur due to rounding.
[1] Oxide refers to Laterite, Saprolite and Transitional material as detailed in Appendix 1. Oxide resources quoted above 0.25g/t.
[2] Fresh rock resources quoted above 0.3g/t.

As part of the Company's recent assessment of the 2021 Definitive Feasibility Study (**DFS**), Toubani undertook a review of the 2021 Kobada Mineral Resource Estimate to assess the resource model's suitability for use in studies into a larger scale processing and mining operation. This review evolved into an update of the Mineral Resource to enable more robust local grade estimation to aid detailed mine planning and scheduling planned as part of the announced Definitive Feasibility Study Update (**DFS Update**, refer ASX Announcement 11 July 2023).

The 2023 Mineral Resource Estimate has been completed by an independent external consultant Entech Pty Ltd (Entech) in collaboration with the Company's technical team. Geological interpretation and domaining has been carried out by Entech based on all available RC and DD drillhole data, which was previously compiled into a relational database by external database consultants Geobase Australia.

Interpretation has been built up based on discrete modelling of mineralisation above >0.2-0.3 g/t (based on continuity) with orientation of modelling determined based on measured structural data from oriented core or observed foliation in core photos (where data was not available or inconsistent). A minimum of three drill hole intercepts were required to define geometry, width, orientation and continuity for an individual mineralised domain, with domains not created where interpretation was based on only one or two drillhole intersections.

Geostatistical analysis, variography and estimation was then carried out as detailed below. Domains were capped to address instances where outliers were defined as both statistical and spatial outliers, using industry standard criteria and techniques. Classification also used criteria in line with industry peers with pit optimisations then completed on Indicated and Inferred material using costs derived from prevailing costs at similar operations within West Africa at a gold price of US$1,950/oz to satisfy RPEEE criteria.

The presence of prospect-scale, mineralised east–west cross structures previously reported by Toubani was also observed in exploratory data analysis (EDA) of the mineralised domains. These structures are not yet fully understood but are thought to host higher grade mineralisation versus the broader deposit. While further work is required to better understand these structures, Entech used appropriate techniques to model and constrain higher grade samples within the mineralised domains during estimation to avoid any "smearing" along strike.

A focus of the updated geological interpretation was to better define mineralisation within the thick oxide profile at Kobada, which extends to some 70 - 100m below surface. A key aim for the resource update was to ensure a robust estimate of the quantity of near-surface oxide mineralisation given the forthcoming DFS Update will focus on maximising and de-risking the oxide mining and processing phase. The Company anticipates that a low strip, bulk tonnage oxide mining and processing operation represents a lower overall technical risk profile for the initial phase of the Kobada Project (refer ASX Announcement 11th July 2023).

## ENGINEERING

### Definitive Feasibility Study Update

The Company commenced the DFS Update in 2023 with targeted completion of the DFS Update in 2024. The Company appointed Lycopodium Minerals (Lycopodium) as lead engineer.

The DFS Update focuses on a range of development scenarios to analyse the impact of higher processing rates on operating costs, capital costs and the financial performance of the project. The 2021 DFS contemplated a processing plant throughput rate of 3.0Mtpa with mining rates averaging 24Mtpa.

The Company believes that Kobada's overall technical and geological risk profile could reduce significantly under a large tonnage, majority oxide scenario with the nature of the deposit amenable to a bulk mining approach, and the potential economics of a larger processing plant and increased annual production benefitting the project overall. As a result, Lycopodium's scope of work and the DFS Update will focus on maximising and de-risking the initial oxide processing phase.

As part of the DFS Update, Lycopodium will assess a range of higher oxide processing plant throughputs, with mining schedules to be updated to match these processing rates while minimising stockpile balances. Initial work will assess the possible range of throughputs that can be achieved without significant changes to the mining rates contemplated in the 2021 DFS, while using achievable mining productivities and consistent material movements for a project of this scale. The mining work package to be completed as part of the DFS Update will use the recently updated Mineral Resource for the Kobada Gold Project (refer Table 1 and ASX Announcement 18 August 2023).

Lycopodium's primary responsibility will be to optimise the processing plant throughput to maximise the NPV of the resultant project and work with Toubani to ensure Kobada's operating cost profile is positioned competitively when compared to peer projects to Kobada. Once the oxide throughput rate is determined, Lycopodium will be responsible for the process plant DFS design as well as related infrastructure that will also optimally provide for an oxide/fresh rock blend later in the mine life. The engineering work during this stage will include sourcing of formal quotations from the market in order to define the capital and operating cost profile for the Kobada Project to a Feasibility Study level of accuracy (+/-15%).

The 2021 DFS contemplated an onsite processing plant treating a blend of oxide, transitional and fresh gold-bearing ores from the open pit – all ore types are free milling and capable of processing using conventional Carbon-in-Leach methods. The DFS planned the processing of oxide material only in the initial project phase by removing the secondary and tertiary crushing stages as well as the secondary ball mill from the oxide DFS flowsheet. Given the DFS level of metallurgical testwork already completed, the Company does not anticipate making significant changes to the flowsheet as part of the DFS Update. However, prior to commencing detailed plant design, Lycopodium will review the process design to determine if any opportunities exist to refine and optimise the flowsheet.

## EXPLORATION

### Summary highlights

- **Exploration drilling successfully extends the strike of gold mineralisation to 11km, up from 5km, with shallow, open pittable gold mineralisation intersected at all targets tested in the first phase of drilling for 2023**
- **Significant exploration upside remains with approximately 40km of the 50km+ regional-scale shear zones yet to be drill tested – Toubani has the dominant land position in the region controlling the footprint of these structures**
- **Drilling results support Toubani's overall strategy of an oxide-dominant project of scale at Kobada by providing a pipeline of new oxide prospects for drill testing**
- **Significant discovery at Kobada West with continuous, near surface oxide gold mineralisation delineated in maiden drilling, located 1km north-west from the Kobada Main Deposit**
- **Significant strike extension to drill-defined mineralisation at Kobada North, Kobada South and Gosso**
- **Confirmation of a new discovery at Kobada East, confirming maiden auger intercepts from 2022**
- **Review of fresh rock potential below current oxide resource at the Kobada Main deposit supports potential for significant resource growth with mineralisation open down dip and along the entire strike extent below the current average drill depth of 110m**

### 2023 Exploration Program

As shown in Table 2 the first phase of drilling in 2023 has successfully extended the extent of drill-defined mineralisation at Kobada by over 5km to 11km. The exploration strategy for this phase planned to step out from the known mineralisation at Kobada and test the potential of regional structures. While the presence and potential of these structures is well known there has only been limited historical testing.

Over 50km of regional-scale shear zones fall within the Kobada Project area, with the results from this drilling demonstrating the potential of these structures to host gold mineralisation, illustrating the exploration upside present at Kobada. These shear zones host Mineral Resources on neighbouring tenure and results to date indicate that there is the opportunity to discover and delineate further Mineral Resources within the Kobada Project.

Increasing the quantity of near-surface oxide mineralisation is significant given the Company's belief that a bulk tonnage oxide mining and processing operation represents a lower overall technical risk profile for an initial Project (refer ASX Announcement 11 July 2023).

**Table 2: Summary of 1H 2023 drill program by target area**

| Target | Holes drilled | Metres drilled | Increase in known mineralisation (m)[1] | Key Intersections |
|---|---|---|---|---|
| Gosso | 13 | 1,793 | 650 | 1m at 5.78g/t (GO22_P024),<br>3m at 1.34g/t & 2m at 0.98g/t (GO22_P029) |
| Kobada East | 15 | 2,073 | 400 | 6m at 0.85g/t incl. 2m at 1.70g/t (KE22_P013),<br>1m at 3.58g/t (KE22_P007) |
| Kobada North 1 | 11 | 1,540 | 650 | 9m at 1.32g/t incl. 4m at 2.64g/t (KN1/22_P009),<br>14m at 1.02g/t (KN1/22_P008) |
| Kobada North 2 | 6 | 840 | 1,450 | 1m at 8.51g/t (KN2/22_P003) |
| Kobada West | 15 | 2,073 | 600 | 9m at 1.72g/t incl. 2m at 6.26g/t (KW1/22_P003), 1m at 11.3g/t &<br>5m at 1.26g/t (KW22_P003) |
| Kobada South | 26 | 3,203 | 650 | 3m at 1.81g/t & 3m at 1.20g/t (KS22_P003) |
| Junction / Foroko | 19 | 2,600 | 1,000 | 1m at 24.8g/t (KN22_P014),<br>3m at 1.21g/t (KN22_P012) |
| **Total** | **105** | **14,122** | **5,400** | |

As shown in Table 1 the first phase of drilling in 2023 has successfully extended the extent of drill-defined mineralisation at Kobada by over 5km to 11km. The exploration strategy for this phase planned to step out from the known mineralisation at Kobada and test the potential of regional structures. While the presence and potential of these structures is well known there has only been limited historical testing. Over 50km of regional-scale shear zones fall within the Kobada Project area, with the results from this drilling demonstrating the potential of these structures to host gold mineralisation, illustrating the exploration upside present at Kobada. These shear zones host Mineral Resources on neighbouring tenure and results to date indicate that there is the opportunity to discover and delineate further Mineral Resources within the Kobada Project. Increasing the quantity of near-surface oxide mineralisation is significant given the Company's belief that a bulk tonnage oxide mining and processing operation represents a lower overall technical risk profile for an initial Project (refer ASX Announcement 11th July 2023). The forthcoming Definitive Feasibility Study ("DFS") Update will focus on maximising and de-risking the oxide mining and processing phase of Kobada and the exploration potential of the broader Project represents an opportunity to generate a portfolio of targets to increase and expand the oxide phase.

[1] "Extension to Mineralisation" is based on strike length of mineralisation defined by drilling and measured from last historical drill result to furthest new intersection along strike. Where no historical drilling has occurred the measurement is of strike extent defined by Toubani's drilling in this program.

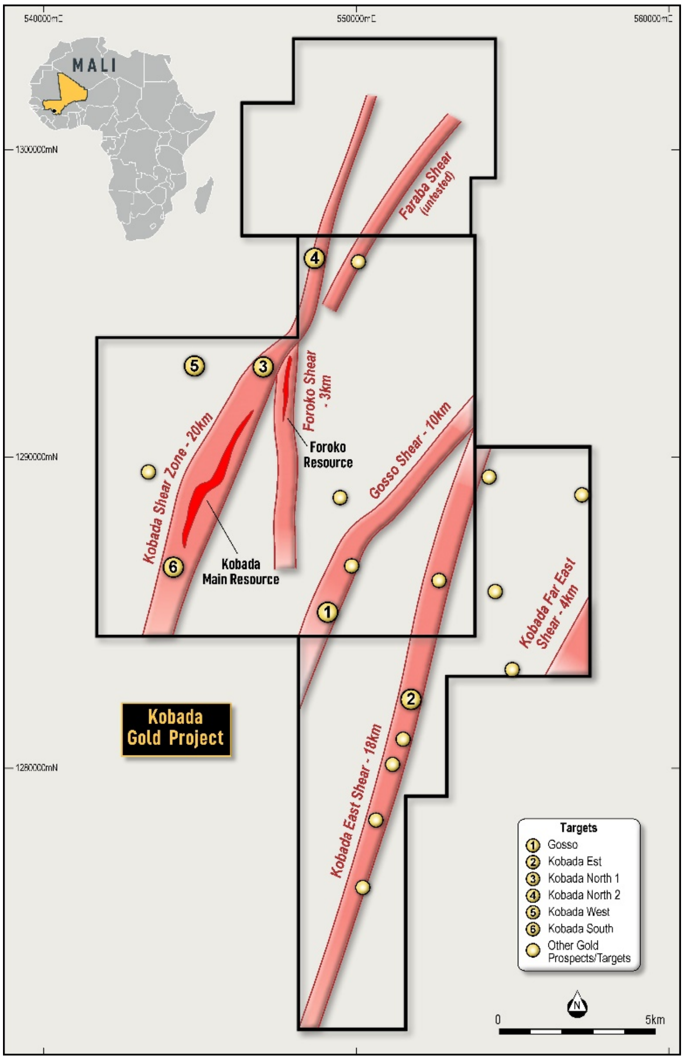


**Figure 1: Plan showing exploration targets within the Kobada gold project**

## Planned Resource Conversion Drilling to Support DFS Update

As detailed in the ASX Announcement dated 11 July 2023, the principle focus for the next phase of drilling at Kobada will be centred on converting material currently classed as Inferred within the DFS pit shell to Indicated.

Detailed drill planning occurred in the second half of 2023 and drilling commenced early 2024. The program focussed on increasing confidence in near surface oxide material likely to be mined in the first 5 years of the Project.

In addition, initial geological modelling is planned for Gosso, Kobada West and Kobada East to evaluate the potential of these prospects to provide mill feed during the Project's life. Infill drilling at one or more of these prospects will be carried out in time.

Results of these drill programs will be fed directly into the DFS Update with the potential for both programs to add substantial value to the Kobada Project which already presents as a robust, near-term development opportunity.

Auger drilling was conducted on site testing the extensions of the Kobada Main Shear as well as the interpreted Faraba Shear some 5 kilometres along strike from the Kobada Main Deposit. Artisanal mining in this area is in progress and auger drilling is being used as a first pass technique to test below thin transported cover and laterite platforms.

## Potential Future Growth in Fresh Rock Resources

Future opportunity exists to review the potential controls to mineralisation at Kobada, especially primary controls in the fresh mineralisation. As previously outlined, the interplay of deep-seated regional scale bounding structures with localised cross-cutting structures is the key control on higher-grade mineralisation at Kobada and surrounds, with intense shearing resulting in the concentration of high-grade quartz veins.

The average depth of drilling at Kobada to date is 110 metres which has tested the deposit down to an average vertical depth of 97 metres. With the depth to fresh rock averaging 65 metres across the deposit, and increasing to over 100 metres in places, only limited penetration into fresh rock has occurred in historical drilling.

Where drilling has extended into fresh rock, this drilling has not been targeted at discrete zones below the Kobada Main deposit. Despite this, fresh rock mineralisation has been confirmed to be present by drilling and remains open down-dip along the strike length of the deposit.

The substantial near surface gold endowment of the Kobada Main Deposit provides encouragement of the potential for a complimentary quantity of fresh rock mineralisation below or adjacent. Significant intersections in fresh rock at Kobada include:

- 9m at 21.0g/t from 114m (KBRC12-066)
- 3m at 33.9g/t from 135m (KBRC12-066)
- 32.4m at 1.70g/t from 246.3m (KB07-67)
- 8.5m at 6.40g/t from 112m (KB07-78)

The Company anticipates that analysis of the substantial drill data will yield targets within the fresh rock for future drilling.

## CORPORATE

### Australian Continuance

Toubani was registered as an Australian company effective from 8 January 2024 (**Australian Continuance**) following approval by the Company's shareholders at the Company's Annual General Meeting held on 1 September 2023. Pursuant to the Australian Continuance, the Company's name has also changed to Toubani Resources Limited.

As part of the Australian Continuance, the Company's common shares became fully paid ordinary shares (**Shares**) on a 1:1 basis. All shareholders will then hold Shares directly in the Company rather than through CHESS Depositary Interests (**CDIs**) and those Shares are tradeable on the ASX. Accordingly, all existing CDIs were cancelled and new holding statements were issued in support of the uncertificated shareholdings (in replacement for the existing CDI statements).

### Voluntary Delisting from TSX Venture Exchange

Toubani voluntarily delisted from the TSV Venture Exchange (**TSX-V**), with the last day for trading of common shares on the TSX-V being 11 May 2023. Toubani believes that the Company's shares and overall liquidity benefits from a centralised focus on the Australian Securities Exchange (**ASX**) following Its listing In November 2022.

### CEO Appointment

Mr Phil Russo agreed to join the Company as Chief Executive Officer and Executive Director, commencing 9 January 2023. Following the Company's successful ASX listing in November and in line with the Company's Prospectus, Toubani moved to appoint an Australian-based Chief Executive Officer with broad corporate, project development and capital markets experience to advance the Company's strategy to increase its market profile in Australia and globally, as well as unlocking the significant, value in the Kobada gold project.

Mr Russo is an experienced mining and finance professional with more than 20-years experience in corporate, project development and capital markets functions. He has deep, long-standing relationships within the precious metals sector globally. His past experiences include various executive roles within corporate development, strategic direction, investor relations and project development at Barrick Gold, Dacian Gold and Perseus Mining both in Perth and Toronto, as well as several years at a North American investment bank. He holds a BSc in Applied Science from Curtin University of Technology and an MBA from Curtin Business School, Western Australia.

### Technical Management Appointments

Toubani announced the appointments of Mr Bill Oliver and Mr Kerry Griffin to the technical management team. Both Mr Oliver and Mr Griffin are highly experienced geologists and will be instrumental in driving the exploration and resource development strategy at Toubani as the Company initiates a concerted effort to unlock the significant geological potential at Kobada.

Mr Oliver is a geologist with over 20 years of experience in the international resources industry working for both major and junior companies. Mr Oliver has spent recent years in the development of projects across Africa including being responsible for the identification, acquisition, development and into production of the Konongo Gold Project in Ghana as the Managing Director of Signature Metals Ltd. Mr Oliver was the General Manager, Geology and Exploration for Firefinch, overseeing delineation of 3.5 million ounces in Mineral Resources at the Morila Gold Project in Mali.

Mr Griffin is a geologist and has over 27 years experience in Australia, Africa, South/Central America, Central and SE Asia in various senior and management positions. Mr Griffins experience includes corporate development, mining, mine geology, mine development and management, as well as designing and managing large scale exploration and resource drilling programs, resource modelling and estimation, management and training of geological/technical teams.

**Board Update**

Toubani announced the appointments of Mr Scott Perry and Mr Mark Strizek to the Board as Non-Executive Directors, effective 15 May 2023. Mr Perry and Mr Strizek are both highly experienced senior mining executives in the industry with a proven track record in corporate initiatives and advancement of development stage assets.

Non-Executive Directors Mr Jan-Erik Back and Mr Doug Jendry retired from the Board, effective 15 May 2023. In February 2024 Mr Strizek has resigned as a Non-Executive Director of the Company. Mr Strizek was recently appointed as a Director at another West African gold company and has elected to step down from his Non-Executive Director role with Toubani.

Accordingly, the Toubani Board of Directors now consists of Danny Callow as Non-Executive Chairman, Tim Kestell and Scott Perry as Non-Executive Directors, and Phil Russo as Chief Executive Officer and Executive Director.

**Placement**

Toubani completed a fully subscribed placement in August 2023 to institutional and sophisticated Investors pursuant to s708 of the Corporations Act (Cwth) 2001, raising A$3.8 million before expenses by the Issue of 31,666,667 CDIs at an issue price of $0.12 per CDI.

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Toubani Resources Limited (formerly Toubani Resources Inc.) (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 31 December 2023.

**Principal activities**
Toubani Resources Limited (formerly Toubani Resources Inc.) (the “Company” or “TRE”) is incorporated in Australia and is a gold exploration and development company engaged in the exploration and development of properties located in Mali, West Africa.

**Dividends**
There were no dividends paid, recommended or declared during the current or previous financial year.

**Review of operations**
The loss for the consolidated entity after providing for income tax amounted to $6,625,026 (31 December 2022: $5,136,694).

Included in the consolidated loss for the current year is exploration evaluation expenditure totalling $3,775,151 (31 December 2022: $1,994,675).

**Review of activities**
Toubani is advancing the Kobada Gold Project (“**Kobada**”, “**Project**”) in southern Mali. The Kobada project hosts 2.4 Moz in mineral resources which occurs over a 4.5km strike length, is predominantly near-surface oxide material and open pittable. Exploration and evaluation activities during the year included:

- completion of Phase 1 drilling program totalling 105 holes and 14,122 metres drilled;
- drilling successfully extended the strike of gold mineralisation to 11km, up from 5km, with shallow, open pittable gold mineralisation intersected at all targets tested in the first phase of drilling for 2023
- significant discovery at Kobada West with continuous, near surface oxide gold mineralisation delineated in maiden drilling, located 1km north-west from the Kobada Main Deposit;
- significant strike extension to drill-defined mineralisation at Kobada North, Kobada South and Gosso;
- confirmation of a new discovery at Kobada East, confirming maiden auger intercepts from 2022;
- review of fresh rock potential below current oxide resource at the Kobada Main deposit supports potential for significant resources growth with mineralisation open down dip and along strike extent below current average depth of 110m;
- an independent, external review and update of the Mineral Resource Estimate (MRE) completed resulting in 2.4Moz MRE to underpin DFS Update activities optimising the oxide project phase (with 1.5Moz of shallow, free dig oxide resources) as part of a bulk tonnage, low cost oxide dominant project; and
- Lycopodium appointed as lead engineer for Kobada DFS update

**Significant changes in the state of affairs**
During the year the Company voluntarily delisted its common shares from the TSX Venture Exchange, the last day of trading on the TSX-V was 11 May 2023.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

**Matters subsequent to the end of the financial year**
Toubani Resources was registered as an Australian company effective from 8 January 2024. The Company’s name has also changed to Toubani Resources Limited.

Mr Mark Strizek resigned as a Non-Executive Director of the Company on 13 February 2024.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

**Likely developments and expected results of operations**
Information on likely developments in the operations of the consolidated entity and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the consolidated entity.

The Group will continue gold exploration and development of its project located in Mali, West Africa.

**Main business risks**

**Exploration and development risk**

The exploration for and development of mineral deposits involve significant risks that even a combination of careful evaluation, experience and knowledge may not eliminate. While the discovery of an ore body may result in substantial rewards, not all exploration activity will lead to the discovery of economic deposits, and even fewer are ultimately developed into producing mines. Major expenditure may be required to locate and establish Ore Reserves, to establish rights to mine the ground, to receive all necessary operating permits, to develop metallurgical processes and to construct mining and processing facilities at a particular site.

**Future capital requirements**

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

There can be no assurance that any such funding will be available to the Company on favourable terms or at all. Failure to obtain appropriate financing on a timely basis could cause the Company 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 the Company 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.

**Title, tenure and land access risks**

The rights to mineral tenements carry with them various obligations which the holder is required to comply with in order to ensure the continued good standing of the tenement. Failure to meet these requirements could prejudice the right to maintain title to a given area and result in government or third-party action to forfeit a tenement or tenements.

Mining and exploration tenements are subject to periodic renewal. The renewal of the term of granted tenements is subject to compliance with the applicable mining legislation and regulations and the discretion of the relevant mining authority.

**Sovereign risk**

The Company is 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.

**Environmental regulation**

The Company’s exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations.

**Information on directors**

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|---|---|
| Name: | Phil Russo |
| Title: | Executive Director and Chief Executive Officer |
| Experience and expertise: | Mr Russo is an experienced mining and finance professional with more than 20-years experience in corporate, project development and capital markets functions. He has deep, long-standing relationships within the precious metals sector globally. His past experiences include various executive roles within corporate development, strategic direction, investor relations and project development at Barrick Gold, Dacian Gold and Perseus Mining both in Perth and Toronto, as well as several years at a North American investment bank. He holds a BSc in Applied Science from Curtin University of Technology and an MBA from Curtin Business School, Western Australia. |
| Other current directorships: | - |
| Former directorships (last 3 years): | - |
| Interests in shares: | 397,333 Ordinary fully paid shares |
| Interests in options: | 1,000,000 Options exercisable at A$0.35 and expiring 9 Jan 2026, vested on 9 January 2024<br>1,000,000 Options exercisable at A$0.50 and expiring 9 Jan 2026, vested on 9 January 2024 |
| Interests in rights: | 1,000,000 Performance Rights vesting upon of the VWAP on ASX of the Shares being at least A$0.35 for 10 consecutive trading days expiring 6 September 2028<br>1,500,000 Performance Rights vesting upon of the VWAP on ASX of the Shares being at least A$0.50 for 10 consecutive trading days expiring 6 September 2028<br>2,000,000 Performance Rights vesting upon of the VWAP on ASX of the Shares being at least A$0.80 for 10 consecutive trading days expiring 6 September 2028<br>4,000,000 Performance Rights vesting upon of the VWAP on ASX of the Shares being at least A$1.20 for 10 consecutive trading days expiring 6 September 2028 |

| | |
|---|---|
| Name: | Danny Callow |
| Title: | Non-executive Chairman |
| Experience and expertise: | Mr Danny Callow has over 28 years of experience of mining in multiple jurisdictions in Africa. Mr Callow was Head of African Copper Operations for Glencore PLC., Chief Executive Officer and Executive Director of Katanga Mining Limited and Chief Executive Officer of Mopani Copper Mines PLC. He is also a Professional Mining Engineer and holds an MBA from Henley Management College and a Bachelor (Hons) of Mining Engineering from the Camborne School of Mines as well as Non-Executive Director professional diploma from FT-London. Mr Callow has operated multiple mines at an executive level, and has overseen more than US$2.5 billion in mining projects from conception though to full production in both greenfields and brownfields projects. |
| Other current directorships: | - |
| Former directorships (last 3 years): | Euro Sun Mining Inc. |
| Interests in shares: | 4,424,999 Ordinary fully paid shares |
| Interests in options: | 333,333 Options – Exercisable at C$0.75 and expiring 13 August 2024<br>1,000,000 Options – Exercisable at C$0.84 and expiring 10 August 2025<br>333,333 Options – Exercisable at C$0.45 and expiring 31 May 2026 |

| | |
|---|---|
| Name: | Tim Kestell |
| Title: | Non-executive director |
| Experience and expertise: | Mr Tim Kestell is an accomplished executive with over 25 years of experience in the capital markets, including working for HSBC, Patersons Securities and Euroz Securities Limited. Mr Kestell has played an instrumental role as a director and an investor in a number of companies in the mining sector, including Capricorn Metals and Emerald Resources NL, enabling the transition from explorer to producer stage. |
| Other current directorships: | - |
| Former directorships (last 3 years): | Ausgold Limited |
| Interests in shares: | 1,595,238 Ordinary fully paid shares |
| Interests in options: | 150,000 Options – Exercisable at A$0.35 and expiring 6 September 2026<br>250,000 Options – Exercisable at C$0.30 and expiring 4 May 2027 |

| | |
|---|---|
| Name: | Scott Perry |
| Title: | Non-executive director |
| Experience and expertise: | Mr Scott Perry has over 25 years of international senior executive experience in the mining industry with a track record in corporate transactions, project financing and development. Previously, Mr Perry was the Chief Executive Officer & Director of Centerra Gold from 2015 to 2022, a global intermediate gold producer where he led the US$1.1 billion acquisition of Thompson Creek Metals in 2016 and the US$240 million acquisition of AuRico Metals in 2017, amongst several other corporate initiatives. Prior to joining Centerra, Mr Perry served as Chief Executive Officer & Director of AuRico Gold, leading AuRico's US$1.5 billion merger with Alamos Gold in 2015. Prior to joining AuRico Gold, Mr Perry held increasingly senior roles with Barrick Gold in Australia, the United States, and Russia & Central Asia. Mr Perry is a former Director of the World Gold Council serving as the Audit Committee Chairman. Mr Perry holds a Bachelor of Commerce degree from Curtin University, a post-graduate diploma in Applied Finance and Investment and a CPA designation. |
| Other current directorships: | - |
| Former directorships (last 3 years): | Centerra Gold Inc. |
| Special responsibilities: | - |
| Interests in shares: | 2,083,334 Ordinary fully paid shares |
| Interests in options: | 400,000 Options – Exercisable at A$0.35 and expiring 6 September 2026 |

| | |
|---|---|
| Name: | Mark Strizek (resigned 13 February 2024) |
| Title: | Non-executive director |
| Experience and expertise: | Mr Mark Strizek is a geologist and resource industry professional with over 27 years in the mining industry with experience in gold, base and technology metal projects. Mr Strizek has worked extensively as an executive with management and Board responsibilities across Australia, West Africa, Asia and Europe. Most recently, Mr Strizek was a Director and Executive Director (2017 to 2023) of ASX-listed Tietto Minerals which went from IPO in 2018 to first gold at its 4.5Mtpa gold project in Côte d'Ivoire in January 2023, and was admitted to the ASX 300 in March 2023. Mr Strizek was previously Managing Director of Vital Metals Limited, an ASX-listed company from 2011 to 2019. Mr Strizek holds a Bachelor of Science and a post-graduate certificate in Geostatistics. |
| Other current directorships: | Taiton Resources Limited, Aurum Resources Limited |
| Former directorships (last 3 years): | Tietto Minerals Limited |
| Interests in shares: | 634,555 Fully paid ordinary shares |
| Interests in options: | 400,000 Options – Exercisable at A$0.35 and expiring 6 September 2026 |

| | |
|---|---|
| Name: | Jan-Erik Back (resigned 15 May 2023) |
| Title: | Non-executive director |
| Experience and expertise: | Mr Jan-Erik Back is a former Chief Investment Officer for Eurasian Resources Group, where he had a specific focus on the financing and development of ERG's portfolio of copper and cobalt assets in Africa. Mr Back has extensive experience in financial markets and has served as Global Head of Investments and Structured Finance Group at BTG Pactual Commodities and previously spent over 10 years with the Hatch Group with a focus on project financing for mining projects. |
| Other current directorships: | n/a |
| Former directorships (last 3 years): | n/a |
| Interests in shares: | n/a |
| Interests in options: | n/a |

| | |
|---|---|
| Name: | Doug Jendry (resigned 15 May 2023) |
| Title: | Non-executive director |
| Experience and expertise: | Mr Douglas Jendry is a geologist with over 40 years' experience in the resource sector. Mr Jendry has held a number of executive and board positions in listed entities over the past 25 years. Accordingly, Mr Jendry brings global experience in all aspects of the resource industry. |
| Other current directorships: | n/a |
| Former directorships (last 3 years): | n/a |
| Interests in shares: | n/a |
| Interests in options: | n/a |

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

**Company secretary**
**Mr Kevin Hart, FCA, B.Com**
Mr Hart has over 30 years experience in accounting and the management and administration of public listed entities in the mining, mining services and exploration sector. His experience includes senior accounting and finance roles with ASX listed gold miners and 10 years as the Company Secretary/Chief Financial Officer of an ASX listed diamond exploration company. He is a Principal in the Company Secretarial and CFO advisory divisions of the Automic Group that provides secretarial support, corporate and compliance advice to a number of ASX listed public companies.

**Meetings of directors**
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 31 December 2023, and the number of meetings attended by each director were:

| | Full Board | | Nomination and Remuneration Committee | | Audit and Risk Committee | |
|---|---|---|---|---|---|---|
| | Attended | Held | Attended | Held | Attended | Held |
| Phil Russo | 11 | 11 | - | - | - | - |
| Danny Callow | 9 | 11 | - | - | - | - |
| Tim Kestell | 9 | 11 | 1 | 1 | 5 | 5 |
| Scott Perry | 9 | 9 | 1 | 1 | 3 | 3 |
| Mark Strizek | 9 | 9 | 1 | 1 | 3 | 3 |
| Jan-Erik Back | 1 | 2 | - | - | 1 | 2 |
| Doug Jendry | 2 | 2 | - | - | 2 | 2 |

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

**Remuneration report (audited)**
The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Group Performance
- Additional disclosures relating to key management personnel

***Principles used to determine the nature and amount of remuneration***
The objective of the consolidated entity's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and it is considered to conform to the market best practice for the delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- performance linkage / alignment of executive compensation
- transparency

The Nomination and Remuneration Committee is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- focusing on sustained growth in shareholder wealth
- attracting and retaining high calibre executives

Additionally, the reward framework should seek to enhance executives' interests by:
- rewarding capability and experience
- reflecting competitive reward for contribution to growth in shareholder wealth
- providing a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

*Non-executive directors remuneration*
Fees and payments to non-executive directors reflect the demands and responsibilities of their role. Non-executive directors' fees and payments are reviewed regularly by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee may, from time to time, receive advice from independent remuneration consultants to ensure non-executive directors' fees and payments are appropriate and in line with the market. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to the determination of his own remuneration. Non-executive directors receive share options as part of their remuneration package.

*Executive remuneration*
The consolidated entity aims to reward executives based on their position and responsibility, with a level and mix of remuneration which has both fixed and variable components.

The executive remuneration and reward framework has four components:
- base pay and non-monetary benefits
- short-term performance incentives
- share-based payments
- other remuneration such as superannuation and long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Nomination and Remuneration Committee based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives may receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and provides additional value to the executive.

The short-term incentives ('STI') program is designed to align the targets of the business units with the performance hurdles of executives. STI payments are granted to executives based on specific annual targets and key performance indicators ('KPI's') being achieved. KPI's include health & safety, environmental, governance, financial and permitting.

The long-term incentives ('LTI') include long service leave and share-based payments. Options and performance rights which are granted from time to time to encourage exceptional performance in the realisation of strategic outcomes and growth in shareholders wealth. Options and performance rights are granted for no consideration and do not carry voting rights or dividend entitlements. Options are valued using the Black-Scholes methodology. Option exercise prices are determined based on a premium over and above weighted average share price at grant date. Both the number and exercise price of options issued are at the Board’s discretion.

*Consolidated entity performance and link to remuneration*
Remuneration for certain individuals is directly linked to the performance of the consolidated entity. A portion of cash bonus and incentive payments are dependent on market share price targets being met. The remaining portion of the cash bonus and incentive payments are subject to KPIs and at the discretion of the Nomination and Remuneration Committee. Refer to the section "Company performance and its consequences on shareholder wealth" below for details of the earnings and total shareholders return for the last five years.

*Voting and comments made at the company's 1 September 2023 Annual General Meeting ('AGM')*
The company did not receive any specific feedback at the AGM regarding its remuneration practices.

**Company performance and its consequences on shareholder wealth**
It is not possible at this time to evaluate the Company's financial performance using generally accepted measures such as profitability and total shareholder return as the Company is an exploration company with no signification revenue stream. This assessment will be developed if and when the Company moves from explorer to producer.

***Details of remuneration***

*Amounts of remuneration*
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

The key management personnel of the consolidated entity consisted of the following directors of Toubani Resources Limited (formerly Toubani Resources Inc.):
- Phil Russo (appointed Executive Director and Chief Executive Officer on 9 January 2023)
- Danny Callow (resigned as President and CEO effective 9 January 2023, at which time he transitioned to the role of Executive Chairman until 30 June 2023. On 1 July 2023 Mr Callow transitioned to the role of Non-executive Chairman)
- Tim Kestell
- Scott Perry (appointed non-executive director on 15 May 2023)
- Mark Strizek (appointed non-executive director on 15 May 2023, resigned 13 February 2024)
- Jan-Erik Back (resigned as non-executive director on 15 May 2023)
- Doug Jendry (resigned as non-executive director on 15 May 2023)

Changes since the end of the reporting period:
Mr Strizek was resigned on 13 February 2024.

| | Short-term benefits | | | Post-employment benefits | Long-term benefits | Share-based payments | Termination benefits | |
|---|---|---|---|---|---|---|---|---|
| **31 December 2023** | Cash salary and fees<br>$ | Cash bonus<br>$ | Non-monetary<br>$ | Super-annuation<br>$ | Long service leave<br>$ | Equity-settled<br>$ | <br>$ | Total<br>$ |
| *Non-Executive Directors:* | | | | | | | | |
| Danny Callow (1) | 115,784 | - | - | - | - | - | - | 115,784 |
| Tim Kestell | 32,372 | - | - | 2,916 | - | 6,711 | - | 41,999 |
| Scott Perry (2) | 20,250 | - | - | 2,207 | - | 17,896 | - | 40,353 |
| Mark Strizek (3) | 20,250 | - | - | 2,207 | - | 17,896 | - | 40,353 |
| Jan-Erik Back (4) | 12,063 | - | - | 703 | - | - | - | 12,766 |
| Doug Jendry (5) | 12,063 | - | - | 703 | - | - | - | 12,766 |
| *Executive Directors:* | | | | | | | | |
| Phil Russo (6) | 243,505 | 37,500 | - | 30,265 | 13,778 | 133,653 | - | 458,701 |
| | 456,287 | 37,500 | - | 39,001 | 13,778 | 176,156 | - | 722,722 |

1 Chairman until 30 June 2023 at which time he transitioned to the role of Non-executive Chairman.
2 Appointed non-executive director on 15 May 2023
3 Appointed non-executive director on 15 May 2023, resigned 13 February 2024
4 Resigned as non-executive director on 15 May 2023
5 Resigned as non-executive director on 15 May 2023
6 Appointed Executive Director and Chief Executive Officer on 9 January 2024

| | Short-term benefits | | | Post-employment benefits | Long-term benefits | Share-based payments | Termination benefits | |
|---|---|---|---|---|---|---|---|---|
| **Restated 31 December 2022** | Cash salary and fees<br>$ | Cash bonus<br>$ | Non-monetary<br>$ | Super-annuation<br>$ | Long service leave<br>$ | Equity-settled<br>$ | $ | Total<br>$ |
| *Non-Executive Directors:* | | | | | | | | |
| Tim Kestell | 89,278 | - | - | - | - | 18,620 | - | 107,898 |
| Jan-Erik Back | 33,223 | - | - | - | - | 47,341 | - | 80,564 |
| Doug Jendry | 21,880 | - | - | - | - | 71,011 | - | 92,891 |
| Scott Eldridge | 57,870 | - | - | - | - | - | - | 57,870 |
| *Executive Directors:* | | | | | | | | |
| Danny Callow * | 516,827 | 167,473 | - | - | - | - | 1,080,093 | 1,764,393 |
| | 719,078 | 167,473 | - | - | - | 136,972 | 1,080,093 | 2,103,616 |

* During 2022 Mr Danny Callow resigned as President and CEO (effective 9 January 2023), at which time he transitioned to the role of Executive Chairman until 30 June 2023.

*Details of Performance Related Remuneration*

During the year ended 31 December 2023 total short-term incentive bonuses (STI), measured for the period 1 January 2023 to 31 December 2023, were awarded to the Company's Executive Director, Mr Russo of $37,500 plus superannuation.

The STI performance objectives for the abovementioned STI for the measurement period ended 31 December 2023 were as follows:

- Health & Safety - Zero Harm, no accidents on site
- Heath & Safety - Malaria spraying
- Operational - All permitting up to date
- Operational - Human resources, employ locally
- Financial - Reduce budget spend
- Financial - Cashflow, ensure money raised to meet operational needs
- Share price - Increase in share price
- ESG - Environmental, no level 3 incidents on site
- ESG - Governance

| STI Period Ended | Maximum potential STI bonus[1]<br>$ | % achieved | Total STI bonus achieved[1]<br>$ |
|---|---|---|---|
| 31 December 2023 | 50,000 | 75% | 37,500 |

1 - excluding superannuation guarantee

| Name | Fixed remuneration 31 December 2023 | Fixed remuneration Restated 31 December 2022 | At risk - STI 31 December 2023 | At risk - STI Restated 31 December 2022 | At risk - LTI 31 December 2023 | At risk - LTI Restated 31 December 2022 |
|---|---|---|---|---|---|---|
| *Non-Executive Directors:* | | | | | | |
| Danny Callow [(1)] | 100% | 91% | - | 9% | - | - |
| Tim Kestell | 84% | 83% | - | - | 16% | 17% |
| Scott Perry [(2)] | 56% | - | - | - | 44% | - |
| Mark Strizek [(3)] | 56% | - | - | - | 44% | - |
| Jan-Erik Back [(4)] | 100% | 41% | - | - | - | 59% |
| Doug Jendry [(5)] | 100% | 24% | - | - | - | 76% |
| *Executive Directors:* | | | | | | |
| Phil Russo [(6)] | 63% | - | 8% | - | 29% | - |

1 Executive until 30 June 2023 at which time he transitioned to the role of Non-executive Chairman.
2 Appointed non-executive director on 15 May 2023
3 Appointed non-executive director on 15 May 2023, resigned 13 February 2024
4 Resigned as non-executive director on 15 May 2023
5 Resigned as non-executive director on 15 May 2023
6 Appointed Executive Director and Chief Executive Officer on 9 January 2024

***Service agreements***

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

| | |
|---|---|
| Name: | Phil Russo |
| Title: | Executive Director and Chief Executive Officer |
| Agreement commenced: | 9 January 2023 |
| Term of agreement: | Three years subject to automatic renewal for successive three (3) year periods unless one party gives the other notice at least one hundred and eighty (180) days prior to the expiry of such term or renewal term. |
| Details: | Base salary per annum including any superannuation of A$275,000<br>Terminated by notice: Mr Russo notice period – 3 months; and<br>Company notice period – 6 months. |

Key management personnel have no entitlement to termination payments in the event of removal for misconduct.

***Share-based compensation***

*Issue of shares*

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 31 December 2023.

*Options*

The terms and conditions of each grant of options over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

| Name | Number of options granted | Grant date | Vesting date and exercisable date | Expiry date | Exercise price | Fair value per option at grant date |
|---|---|---|---|---|---|---|
| Phil Russo | 1,000,000 | 9/1/2023 | 9/1/2024 | 9/1/2026 | $0.35 | $0.0776 |
| Phil Russo | 1,000,000 | 9/1/2023 | 9/1/2025 | 9/1/2026 | $0.50 | $0.0647 |
| Tim Kestell | 150,000 | 1/9/2023 | 1/9/2023 | 6/9/2026 | $0.35 | $0.0447 |
| Scott Perry | 400,000 | 1/9/2023 | 1/9/2023 | 6/9/2026 | $0.35 | $0.0447 |
| Mark Strizek | 400,000 | 1/9/2023 | 1/9/2023 | 6/9/2026 | $0.35 | $0.0447 |

Options granted carry no dividend or voting rights.

All options are valued using the Black-Scholes option pricing model.

*Performance rights*
The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

| Name | Number of rights granted | Grant date | Issue Date | Expiry date | Share price hurdle for vesting | Fair value per right at grant date |
|---|---|---|---|---|---|---|
| Phil Russo | 1,000,000 | 1/9/2023 | 7/9/2023 | 6/9/2028 | $0.35 | $0.1148 |
| Phil Russo | 1,500,000 | 1/9/2023 | 7/9/2023 | 6/9/2028 | $0.50 | $0.1029 |
| Phil Russo | 2,000,000 | 1/9/2023 | 7/9/2023 | 6/9/2028 | $0.80 | $0.0855 |
| Phil Russo | 4,000,000 | 1/9/2023 | 7/9/2023 | 6/9/2028 | $1.20 | $0.0700 |

Performance rights granted carry no dividend or voting rights.

***Group Performance***
In considering the Company's performance, the Board provides the following indices in respect of the current financial year and previous financial years:

| | 2023<br>$ | 2022<br>Restated<br>$ | 2021<br>Restated<br>$ | 2020<br>Restated<br>$ | 2019<br>Restated<br>$ |
|---|---|---|---|---|---|
| Profit/(Loss) for the year attributable to shareholders | (6,625,026) | (5,136,694) | (5,970,715) | (9,104,402) | (6,864,587) |
| Closing share price at 31 December[1] | 0.145 | 0.160 | 0.423 | 0.535 | 0.920 |

1 - 2019, 2020 and 2021 share price has been adjusted to reflect the 3:1 share consolidation that took place in 2022.

As an exploration company, the Board does not consider the profit/(loss) attributable to shareholders as one of the performance indicators when implementing Short Term Incentive Payments. In addition to economic and technical exploration success, the Board considers more appropriate indicators of management performance for the 2023 financial period to include:
- corporate management and business development (including the identification and acquisition of high quality projects);
- project and operational performance (including safety and environmental management); and
- cash flow and funding management.

***Additional disclosures relating to key management personnel***
*Shareholdings*
The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| | Balance at the start of the year[1] | Received as part of remuneration | Additions | Disposals/ other | Balance at the end of the year[2] |
|---|---|---|---|---|---|
| *Ordinary shares* | | | | | |
| Phil Russo | - | - | 397,333 | - | 397,333 |
| Danny Callow | 4,216,666 | - | 208,333 | - | 4,424,999 |
| Tim Kestell | 1,595,238 | - | - | - | 1,595,238 |
| Scott Perry | - | - | 2,083,334 | - | 2,083,334 |
| Mark Strizek | - | - | 634,555 | - | 634,555 |
| Jan-Erik Back | 400,000 | - | - | - | 400,000 |
| Doug Jendry | 463,000 | - | 75,000 | - | 538,000 |
| | 6,674,904 | - | 3,398,555 | - | 10,073,459 |

1 - As at 31 December 2022 or date of appointment as director/KMP
2 - As at 31 December 2023 or date of resignation as director/KMP

*Option holding*
The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

| *Options over ordinary shares* | Balance at the start of the year[1] | Granted | Exercised | Expired/ forfeited/ other[2] | Balance at the end of the year[3] | Vested and exercisable at end of year[3] |
|---|---|---|---|---|---|---|
| Phil Russo | - | 2,000,000 | - | - | 2,000,000 | - |
| Danny Callow | 2,083,332 | - | - | (416,666) | 1,666,666 | 1,666,666 |
| Tim Kestell | 547,619 | 150,000 | - | (297,619) | 400,000 | 400,000 |
| Scott Perry | - | 400,000 | - | - | 400,000 | 400,000 |
| Mark Strizek | - | 400,000 | - | - | 400,000 | 400,000 |
| Jan-Erik Back | - | - | - | - | - | - |
| Doug Jendry | 333,332 | - | - | - | 333,332 | 333,332 |
| | 2,964,283 | 2,950,000 | - | (714,285) | 5,199,998 | 3,199,998 |

1 - As at 31 December 2022 or date of appointment as director/KMP
2 - 333,333 Options held by Danny Callow that lapsed were granted as part of his remuneration 2019
3 - As at 31 December 2023 or date of resignation as director/KMP

***This concludes the remuneration report, which has been audited.***

**Shares under option and warrant**
Unissued ordinary shares of Toubani Resources Limited (formerly Toubani Resources Inc.) under warrant and option at the date of this report are as follows:

| Grant Date | Expiry Date | Exercise Price | Number under option/warrant |
|---|---|---|---|
| 03/06/2019 | 03/06/2024 | C$0.675 | 224,442 |
| 07/08/2019 | 07/08/2024 | C$0.75 | 33,333 |
| 13/08/2019 | 13/08/2024 | C$0.75 | 333,333 |
| 02/03/2020 | 02/03/2025 | C$0.60 | 400,000 |
| 10/08/2020 | 10/08/2025 | C$0.84 | 1,918,886 |
| 31/03/2021 | 31/03/2026 | C$0.45 | 933,329 |
| 14/12/2021 | 14/12/2026 | C$0.42 | 166,666 |
| 04/05/2022 | 04/05/2027 | C$0.30 | 482,221 |
| 09/01/2023 | 09/01/2026 | A$0.35 | 1,000,000 |
| 09/01/2023 | 09/01/2026 | A$0.50 | 1,000,000 |
| 15/02/2023 | 15/02/2026 | A$0.35 | 1,000,000 |
| 01/09/2023 | 06/09/2026 | A$0.35 | 950,000 |
| 21/11/2022 | 21/11/2025 | A$0.26 | 990,795 |
| 21/11/2022 | 21/11/2025 | A$0.28 | 990,794 |
| 21/11/2022 | 21/11/2025 | A$0.30 | 990,794 |

**Shares under performance rights**
Unissued ordinary shares of Toubani Resources Limited (formerly Toubani Resources Inc.) under performance rights at the date of this report are as follows:

| Grant date | Expiry date | Share price hurdle for vesting | Number under rights |
|---|---|---|---|
| 1 September 2023 | 6 September 2028 | $0.35 | 1,000,000 |
| 1 September 2023 | 6 September 2028 | $0.50 | 1,500,000 |
| 1 September 2023 | 6 September 2028 | $0.80 | 2,000,000 |
| 1 September 2023 | 6 September 2028 | $1.20 | 4,000,000 |
| | | | 8,500,000 |

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the company or of any other body corporate.

**Shares issued on the exercise of options**
There were no ordinary shares of Toubani Resources Limited (formerly Toubani Resources Inc.) issued on the exercise of options during the year ended 31 December 2023 and up to the date of this report.

**Shares issued on the exercise of performance rights**
There were no ordinary shares of Toubani Resources Limited (formerly Toubani Resources Inc.) issued on the exercise of performance rights during the year ended 31 December 2023 and up to the date of this report.

**Indemnity and insurance of officers**
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

**Indemnity and insurance of auditor**
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

**Proceedings on behalf of the company**
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

**Non-audit services**
There were no non-audit services provided during the financial year by the auditor.

**Officers of the company who are former partners of BDO Audit Pty Ltd**
There are no officers of the company who are former partners of BDO Audit Pty Ltd.

**Auditor's independence declaration**
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

**Auditor**
BDO Audit Pty Ltd as appointed on 11 January 2024 continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

Danny Callow
Chairman

25 March 2024

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Australia



**DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF TOUBANI RESOURCES LIMITED**

As lead auditor of Toubani Resources Limited for the year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Toubani Resources Limited and the entities it controlled during the period.

**Dean Just**

**Director**

**BDO Audit Pty Ltd**

Perth

25 March 2024

**Toubani Resources Limited (formerly Toubani Resources Inc.)**
**Statement of profit or loss and other comprehensive income**
**For the year ended 31 December 2023**

| | Note | Consolidated 31 December 2023 $ | Restated 31 December 2022 $ |
|---|---|---|---|
| **Revenue** | | | |
| Interest income | | 6,348 | 19,636 |
| **Expenses** | | | |
| Consulting and personnel costs | | 1,944,652 | 2,375,605 |
| Share based payments | 12 | 266,574 | (65,417) |
| Amortization | | 32,378 | 28,133 |
| Administrative and general | | 615,853 | 997,219 |
| Exploration and evaluation expenditure | | 3,775,151 | 1,994,675 |
| Foreign exchange (gain) loss | | (3,234) | (173,885) |
| **Loss before income tax expense** | | (6,625,026) | (5,136,694) |
| Income tax expense | 6 | - | - |
| **Loss after income tax expense for the year attributable to the owners of Toubani Resources Limited (formerly Toubani Resources Inc.)** | 15 | (6,625,026) | (5,136,694) |
| **Other comprehensive income** | | | |
| *Items that may be reclassified subsequently to profit or loss* | | | |
| Foreign currency translation | | 96,735 | (108,846) |
| Other comprehensive income for the year, net of tax | | 96,735 | (108,846) |
| **Total comprehensive income for the year attributable to the owners of Toubani Resources Limited (formerly Toubani Resources Inc.)** | | (6,528,291) | (5,245,540) |
| | | **Cents** | **Cents** |
| Basic earnings per share | 14 | (6.03) | (6.80) |
| Diluted earnings per share | 14 | (6.03) | (6.80) |

*The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes*

**Toubani Resources Limited (formerly Toubani Resources Inc.)**
**Statement of financial position**
**As at 31 December 2023**

| | Note | 31 December 2023 $ | Consolidated Restated 31 December 2022 $ | Restated 31 December 2021 $ |
|---|---|---|---|---|
| **Assets** | | | | |
| **Current assets** | | | | |
| Cash and cash equivalents | 7 | 2,243,636 | 5,344,635 | 4,828,216 |
| Trade and other receivables | | 24,108 | 21,354 | 25,962 |
| Other current assets | 8 | 197,064 | 128,062 | 79,412 |
| Total current assets | | 2,464,808 | 5,494,051 | 4,933,590 |
| **Non-current assets** | | | | |
| Property and equipment | 9 | 456,925 | 438,080 | 414,504 |
| Intangibles | | 8,750 | - | - |
| Total non-current assets | | 465,675 | 438,080 | 414,504 |
| **Total assets** | | 2,930,483 | 5,932,131 | 5,348,094 |
| **Liabilities** | | | | |
| **Current liabilities** | | | | |
| Trade and other payables | 10 | 582,730 | 898,810 | 584,650 |
| Provisions | | 13,778 | - | - |
| Total current liabilities | | 596,508 | 898,810 | 584,650 |
| **Total liabilities** | | 596,508 | 898,810 | 584,650 |
| **Net assets** | | 2,333,975 | 5,033,321 | 4,763,444 |
| **Equity** | | | | |
| Share capital | 11 | 107,437,660 | 103,875,289 | 98,594,710 |
| Reserves | 12 | 3,477,174 | (3,382,493) | 1,980,208 |
| Accumulated losses | 15 | (108,580,859) | (95,459,475) | (95,811,474) |
| **Total equity** | | 2,333,975 | 5,033,321 | 4,763,444 |

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

**Toubani Resources Limited (formerly Toubani Resources Inc.)**
**Statement of changes in equity**
**For the year ended 31 December 2023**

| Consolidated | Issued capital $ | Reserves $ | Retained profits $ | Total equity $ |
|---|---|---|---|---|
| Balance at 1 January 2022 - Restated | 98,594,710 | 1,980,208 | (95,811,474) | 4,763,444 |
| Loss after income tax expense for the year | - | - | (5,136,694) | (5,136,694) |
| Other comprehensive income for the year, net of tax | - | (108,846) | - | (108,846) |
| Total comprehensive income for the year | - | (108,846) | (5,136,694) | (5,245,540) |
| Shares issued during the year, net of issue costs | 5,280,579 | 300,255 | - | 5,580,834 |
| Share based payments | - | (65,417) | - | (65,417) |
| Expiry of warrants & options | - | (5,488,693) | 5,488,693 | - |
| Balance at 31 December 2022 - Restated | 103,875,289 | (3,382,493) | (95,459,475) | 5,033,321 |

| Consolidated | Issued capital $ | Reserves $ | Retained profits $ | Total equity $ |
|---|---|---|---|---|
| Balance at 1 January 2023 - Restated | 103,875,289 | (3,382,493) | (95,459,475) | 5,033,321 |
| Loss after income tax expense for the year | - | - | (6,625,026) | (6,625,026) |
| Other comprehensive income for the year, net of tax | - | 96,735 | - | 96,735 |
| Total comprehensive income for the year | - | 96,735 | (6,625,026) | (6,528,291) |
| Shares issued during the year, net of issue costs | 3,562,371 | - | - | 3,562,371 |
| Share based payments | - | 266,574 | - | 266,574 |
| Expiry of warrants | - | (1,905,718) | 1,905,718 | - |
| Change of presentation currency | - | 8,402,076 | (8,402,076) | - |
| Balance at 31 December 2023 | 107,437,660 | 3,477,174 | (108,580,859) | 2,333,975 |

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

**Toubani Resources Limited (formerly Toubani Resources Inc.)**
**Statement of cash flows**
**For the year ended 31 December 2023**

| | Note | Consolidated 31 December 2023 $ | Consolidated Restated 31 December 2022 $ |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Payments to suppliers and employees (inclusive of GST) | | (6,710,962) | (4,959,289) |
| Interest received | | 6,339 | 19,636 |
| Net cash used in operating activities | 23 | (6,704,623) | (4,939,653) |
| **Cash flows from investing activities** | | | |
| Payments for property, plant and equipment | 9 | (45,458) | (24,714) |
| Net cash used in investing activities | | (45,458) | (24,714) |
| **Cash flows from financing activities** | | | |
| Proceeds from the issue of equity securities | 11 | 3,800,000 | 6,000,000 |
| Share issue costs | | (237,629) | (440,871) |
| Net cash from financing activities | | 3,562,371 | 5,559,129 |
| Net increase/(decrease) in cash and cash equivalents | | (3,187,710) | 594,762 |
| Cash and cash equivalents at the beginning of the financial year | | 5,344,635 | 4,828,216 |
| Effects of exchange rate changes on cash and cash equivalents | | 86,711 | (78,343) |
| Cash and cash equivalents at the end of the financial year | 7 | 2,243,636 | 5,344,635 |

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

## Note 1. General Information

The financial statements cover Toubani Resources Limited (formerly Toubani Resources Inc.) as a Group consisting of Toubani Resources Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Toubani Resources Limited's functional and presentation currency.

Toubani Resources Limited is a listed public company limited by shares, incorporated in Ontario, Canada on 2 October 2002 and registered in Australia on 8 January 2024. It's registered office and principal place of business is 1202 Hay Street, West Perth WA 6000.

A description of the nature of the Group's operations and its principle activities are included in the Director's report, which is not part of the financial statements.

These consolidated financial statements were authorised for issue by the Board of Directors on 25 March 2024.

## Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### New or amended Accounting Standards and Interpretations adopted
The Group has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations has not resulted in a significant or material change to the Company's accounting policies.

### New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the reporting period ended 31 December 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations

### Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

### Historical cost convention
The financial statements have been prepared under the historical cost convention.

### Going Concern
The financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.
The Company reported a net loss of $6,625,026 for the year ended December 31, 2023 (year ended 31 December 2022 - $5,136,694) and net cash flows used in operating activities of $6,704,623 (year ended December 31, 2022 – $4,939,653). As of December 31, 2023, the Company had working capital of $1,868,300 (31 December 2022 – $4,595,241). At present, the Company has no producing properties and consequently has no current operating income or cash flows.
As the Group is expected to incur net cash outflows in the foreseeable future as a result of continued exploration expenditures, the ability of the Group to continue as a going concern is dependent on securing additional funding, most likely through an issuance of new equity. These conditions indicate the existence of a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and therefore, it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The directors believe the Group will continue as a going concern, after consideration of the following factors:
- the level of expenditure can be managed;
- the Directors are confident that the Group will be able to source sufficient future funding from equity raises; and
- the Company has historically been successful in raising further capital when required.

At the date of this report and having considered the above factors the Directors are of the opinion that the Group will be able to continue as a going concern.

## Note 2. Significant accounting policies (continued)

Should the entity not be able to continue as a going concern it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements. The financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the Group not continue as a going concern and meet its debts as and when they become due and payable.

### Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Toubani Resources Limited ("Company" or "parent entity") as at 31 December 2023 and the results of all subsidiaries for the period then ended. Toubani Resources Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

### Operating segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers (“CODM”). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

The Company has identified its operating segment based on the internal reports that are reviewed and used by the Board in assessing performance and determining the allocation of resources. Reportable segments disclosed are based on aggregating operating segments, where the segments have similar characteristics. For the current reporting period, the Company’s sole activity was mineral exploration and resource development wholly within Mali, which is its only reportable segment.

Intercompany transactions, balances, and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. However, unrealised foreign exchange gains or losses on loans between entities within the Group are not eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities, and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

### Foreign currency translation

The financial statements are presented in Australian dollars, which is Toubani Resources Limited's functional and presentation currency. For each entity, the Group determines the functional currency and items included in the financial statements of each entity are measured using that functional currency. During the period the Group changed functional currency and presentation currency to Australian dollars. Refer to Note 4 for further details.

Foreign currency transactions are translated by each entity in the Group at their respective functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity. The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

**Note 2. Significant accounting policies (continued)**

**Revenue recognition**
Interest income is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other income is recognised when the right to receive payment is established.

**Income tax**
Current income tax assets and liabilities for current and prior periods are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rights and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in other comprehensive income or equity is recognised in other comprehensive income or equity and not in profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided for using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences except to the extent that it is probable that future tax profits will be available against which deductible temporary differences and unused tax losses, or tax credits can be utilised.

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

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the financial statements and in other management reports. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted by the end of the reporting date.

**Current and non-current classification**
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

**Cash and cash equivalents**
Cash and cash equivalents in the statement of financial position comprise cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**Trade and other receivables**
Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

**Note 2. Significant accounting policies (continued)**

**Property, plant and equipment**
Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is calculated on a diminishing balance basis to write off the net cost of each item of property, plant, and equipment (excluding land) over their expected useful lives as follows:

Equipment - 30-50% diminishing balance
Computer equipment - 30% diminishing balance
Furniture and fixtures - 20% diminishing balance
Buildings - 4% diminishing balance

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

**Exploration and evaluation costs**
Pre-acquisition costs are expensed in the year in which they are incurred.

Exploration and evaluation costs include such costs as the acquisition of rights to explore; sampling and surveying costs; costs related to topography, geology, geochemistry and geophysical studies; drilling costs and costs in relation to technical feasibility and commercial feasibility of extracting a mineral resource. Exploration and evaluation costs are expensed as incurred and included in the consolidated statement of profit or loss and other comprehensive income. Once a mine development decision has been made by the Company, subsequent expenditures incurred to develop the mine are capitalized to mine development assets and included as a component of property, plant and equipment.

As the Company currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to exploration expenses.

**Trade and other payables**
These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

**Lease liabilities**
A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index, or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

**Provisions**
Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, considering the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

**Note 2. Significant accounting policies (continued)**

**Employee benefits**
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

**Share-based payments**
Equity-settled share-based payments are measured at fair value at the date of grant. Share based payments fair value is measured by use of either the Black-Scholes option pricing model or the Parisian Barrier1 Model, depending on the requirements of the terms and conditions of the underlying instruments.

At the end of each reporting period the Company revises its estimate of expected life of the options issued. The number of equity instruments expected to vest has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of equity instruments that will eventually vest.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at each reporting date. For both equities settled, and cash settled share-based payments where service conditions do not exist (or where service conditions have been subsequently removed), the entire fair value is expensed immediately.

**Issued Capital**
Issued and paid-up capital is recognised at the fair value of the consideration received by the Group, any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction in the proceeds received.

**Earnings per share**
*Basic earnings per share*
Basic earnings per share is calculated by dividing the profit attributable to the owners of Toubani Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial period, adjusted for bonus elements in ordinary shares issued during the financial period.

*Diluted earnings per share*
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to consider the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

**Goods and Services Tax ("GST") and Harmonised Sales Tax ("HST")**
Revenues, expenses, and assets are recognised net of the amount of associated GST/HST, unless the GST/HST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST/HST receivable or payable. The net amount of GST/HST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position. Cash flows are presented on a gross basis. The GST/HST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST/HST recoverable from, or payable to, the tax authority.

**Foreign currency transactions and translation**
The presentation currency is Australian dollar. Toubani Resources Limited has a functional currency of Australian dollars. The functional currency of the Company's remaining subsidiaries, AGG (Barbados) Limited is U.S. dollars and AGG (Mali) S.A.R.L is the West African CFA franc.

During the period the Group changed presentation currency to Australian dollars. Refer Note 4 for further details.

## Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

**Share-based payment transactions**
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Black-Scholes model or Hoardley's Parisian model considering the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

**Going Concern**

As is common with exploration companies, the Company's ability to continue its on-going and planned exploration activities and continue operations as a going concern, is dependent upon the recoverability of costs incurred to date on mineral properties, the existence of economically recoverable reserves, and the ability to obtain necessary equity financing from time to time. The factors considered by management are disclosed in Note 2.

**Title to Mineral Property Interests**

Although the Company has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

**Functional Currency**

The determination of an entity's functional currency is a key judgment based on the primary economy environment in which each entity of the Company operates. In determining the functional currency, management considers the currency that most faithfully represents the economic effects of events, conditions, future direction and investment opportunities.

## Note 4. Restatement of comparatives

*Change in functional and presentation currency*
As Toubani Resources Limited has moved management from Canada to Australia, major cash outflows are now denominated in Australian Dollars. On this basis, the parent entity has changed its functional currency to Australian Dollars, effective 1 July 2023.

The Directors elected to change the Group's presentation currency from Canadian dollars to Australian dollars. The Directors believe that as the Company was registered as an Australian company effective from 8 January 2024 and the change provides investors and other stakeholders with a clearer and more reliable understanding of the Group's global business performance as a whole and is more comparable to the Company's peers, many of which are presented in Australian dollars. The change is accounted for retrospectively and as such comparative information has been restated in Australian dollars.

The financial report has been restated to Australian dollars using the procedures below:

| **Foreign currency amount** | **Applicable exchange rate** |
|---|---|
| Income and expenses | Average rate prevailing for the relevant period |
| Assets and liabilities | Period-end rate |
| Equity | Equity Historical rate* |
| Statement of cashflows | Average rate prevailing for the relevant period |

* - Opening balances were restated based on period-end rate.

The average rate used for the current period ended was US$/A$ 1: 0.6643 (December 2022: 1: 0.6947) and the period-end exchange rate used was US$/A$ 1: 0.6643 (December 2022: 1: 0.6816).

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with period-end amounts and other disclosures.

## Note 5. Operating segments

*Identification of reportable operating segments*
The consolidated entity's operations are in one reportable business segment, being the exploration and development for gold. The Company operates in one geographical segment, being Mali.

The operating segment information is the same information as provided throughout the consolidated financial statements and therefore not duplicated. The information reported to the CODM is on a monthly basis.

## Note 6. Income tax expense

| | Consolidated | |
|---|---|---|
| | 31 December 2023 $ | Restated 31 December 2022 $ |
| *Numerical reconciliation of income tax expense and tax at the statutory rate* | | |
| Loss before income tax expense | (6,625,026) | (5,136,694) |
| Tax at the statutory tax rate of 26.5% | (1,755,632) | (1,361,224) |
| Tax effect amounts which are not deductible/(taxable) in calculating taxable income: | | |
| Share-based payments | 71,000 | (16,776) |
| Expenses not deductible for tax purposes | 200,000 | 111,000 |
| Other | 1,099,632 | 387,000 |
| Foreign currency difference | (279,000) | 1,069,000 |
| Share issuance costs | (163,000) | (167,000) |
| Difference in tax rate | - | 24,000 |
| Change in benefit of tax assets not recognised | 827,000 | (46,000) |
| Income tax expense | - | - |

| | Consolidated | |
|---|---|---|
| | 31 December 2023 $ | Restated 31 December 2022 $ |
| *Deferred tax assets not recognised* | | |
| Deferred tax assets not recognised comprises temporary differences attributable to: | | |
| Plant and equipment | 23,000 | 22,000 |
| Transaction costs arising on shares issued | 1,020,000 | 1,287,000 |
| Non-capital loss carry-forwards | 49,108,000 | 47,191,000 |
| Total deferred tax assets not recognised | 50,151,000 | 48,500,000 |

The Company expects that it will have certain tax pools available related to the exploration and evaluation properties in Mali, which has not been recognised in the temporary differences above.

As at 31 December 2023, the Company has non-capital losses in Canada of approximately $49,108,000 (2022 - $47,191,000) that are no longer available to the Company following the Company being registered in Australia on 8 January 2024.

The above potential tax benefit, which excludes tax losses, for deductible temporary differences has not been recognised in the statement of financial position as the recovery of this benefit will not occur.

## Note 7. Cash and cash equivalents

| | Consolidated | |
|---|---|---|
| | 31 December 2023 $ | Restated 31 December 2022 $ |
| *Current assets* | | |
| Cash at bank | 2,243,636 | 5,344,635 |

### Note 7. Cash and cash equivalents (continued)

Cash and cash equivalents at banks and on hand earn interest at floating interest rates based on daily deposit rates.

### Note 8. Other Current Assets

| | Consolidated | |
|---|---|---|
| | **31 December 2023 $** | **Restated 31 December 2022 $** |
| *Current assets* | | |
| Prepayments | 197,064 | 128,062 |

### Note 9. Property and equipment

| | Consolidated | |
|---|---|---|
| | **31 December 2023 $** | **Restated 31 December 2022 $** |
| *Non-current assets* | | |
| Buildings - at cost | 467,859 | 452,843 |
| Less: Accumulated depreciation | (69,834) | (49,478) |
| | 398,025 | 403,365 |
| Plant and equipment - at cost | 137,883 | 99,265 |
| Less: Accumulated depreciation | (78,983) | (64,550) |
| | 58,900 | 34,715 |
| | 456,925 | 438,080 |

*Reconciliations*
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

| **Consolidated** | Buildings $ | Plant and Equipment $ | Total $ |
|---|---|---|---|
| Balance at 1 January 2022 | 372,368 | 42,136 | 414,504 |
| Additions | 22,581 | 2,133 | 24,714 |
| Exchange differences | 24,436 | 2,559 | 26,995 |
| Depreciation expense | (16,020) | (12,113) | (28,133) |
| Balance at 31 December 2022 | 403,365 | 34,715 | 438,080 |
| Additions | - | 35,458 | 35,458 |
| Exchange differences | 13,449 | 1,066 | 14,515 |
| Depreciation expense | (18,788) | (12,340) | (31,128) |
| Balance at 31 December 2023 | 398,026 | 58,899 | 456,925 |

## Note 10. Accounts payable and accrued liabilities

| | Consolidated | |
|---|---|---|
| | 31 December 2023 $ | Restated 31 December 2022 $ |
| *Current liabilities* | | |
| Trade payables | 389,671 | 523,800 |
| Accrued Expenses | 193,059 | 375,010 |
| | 582,730 | 898,810 |

Liabilities are not secured over the assets of the Group. Refer to note 17 for further information on financial instruments and risk management.

## Note 11. Issued capital

| | Consolidated | | | |
|---|---|---|---|---|
| | 31 December 2023 Shares | Restated 31 December 2022 Shares | 31 December 2023 $ | Restated 31 December 2022 $ |
| Share capital | 133,865,666 | 102,198,999 | 107,437,660 | 103,875,289 |

*Movements in ordinary share capital*

| Details | Date | Shares | Issue price | $ |
|---|---|---|---|---|
| Balance | 1 January 2022 | 72,198,999 | | 98,594,710 |
| Prospectus offering | 13 June 2022 | 30,000,000 | $0.20 | 6,000,000 |
| Share issuance costs | | - | $0.00 | (719,421) |
| Balance | 31 December 2022 | 102,198,999 | | 103,875,289 |
| Placement | 7 September 2023 | 15,329,849 | $0.12 | 1,839,582 |
| Placement | 30 October 2023 | 16,336,818 | $0.12 | 1,960,418 |
| Share issuance costs | | - | $0.00 | (237,629) |
| Balance | 31 December 2023 | 133,865,666 | | 107,437,660 |

*Ordinary Shares*
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held.

*Capital risk management*
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**Note 12. Reserves**

| | Consolidated 31 December 2023 $ | Restated 31 December 2022 $ |
|---|---|---|
| Foreign currency reserve | 96,735 | (8,402,076) |
| Share-based payments reserve | 3,380,439 | 5,019,583 |
| | 3,477,174 | (3,382,493) |

*Foreign currency reserve*
The reserve is used to recognise exchange differences arising from the translation of the financial statements of foreign operations to Australian dollars. It is also used to recognise gains and losses on hedges of the net investments in foreign operations.

*Share-based payments reserve*
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

*Movements in reserves*
Movements in each class of reserve during the current and previous financial year are set out below:

| | Foreign currency translation reserve $ | Share based payments reserve $ | Total $ |
|---|---|---|---|
| Balance at 1 January 2022 | (8,293,230) | 10,273,438 | 1,980,208 |
| Foreign currency translation | (108,846) | - | (108,846) |
| Share issue costs - broker warrants | - | 300,255 | 300,255 |
| Expiry of warrants | - | (4,836,040) | (4,836,040) |
| Expiry of options | - | (652,653) | (652,653) |
| Share based payments | - | (65,417) | (65,417) |
| Balance at 31 December 2022 | (8,402,076) | 5,019,583 | (3,382,493) |
| Foreign currency translation | 96,735 | - | 96,735 |
| Transfer to accumulated losses | 8,402,076 | - | 8,402,076 |
| Expiry of warrants | - | (1,905,718) | (1,905,718) |
| Share based payments | - | 266,574 | 266,574 |
| Balance at 31 December 2023 | 96,735 | 3,380,439 | 3,477,174 |

**Options**

| Movement in Options | 31 December 2023 # | Weight average exercise price ($) | 31 December 2022 # | Weight average exercise price ($) |
|---|---|---|---|---|
| Opening balance | 4,825,543 | 0.71 | 5,257,759 | 0.76 |
| Granted | 3,950,000 | 0.39 | 482,221 | 0.33 |
| Expired | (333,333) | 0.50 | (914,437) | 0.81 |
| | 8,442,210 | 0.56 | 4,825,543 | 0.71 |

**Note 12. Reserves (continued)**

The following table represents the Company's outstanding balance of options as at 31 December 2023:

| Grant date | Expiry date | Exercise price | Number on issue | Number vested |
|---|---|---|---|---|
| 03/06/2019 | 03/06/2024 | CAD 0.68 | 224,442 | 224,442 |
| 07/08/2019 | 07/08/2024 | CAD 0.75 | 33,333 | 33,333 |
| 13/08/2019 | 13/08/2019 | CAD 0.75 | 333,333 | 333,333 |
| 02/03/2020 | 02/03/2025 | CAD 0.60 | 400,000 | 400,000 |
| 10/08/2020 | 10/08/2025 | CAD 0.84 | 1,918,886 | 1,918,886 |
| 31/03/2021 | 31/03/2026 | CAD 0.45 | 933,329 | 933,329 |
| 14/12/2021 | 14/12/2026 | CAD 0.42 | 166,666 | 166,666 |
| 04/05/2022 | 04/05/2027 | CAD 0.30 | 482,221 | 482,221 |
| 09/01/2023 | 09/01/2026 | AUD 0.35 | 1,000,000 | - |
| 09/01/2023 | 09/01/2026 | AUD 0.50 | 1,000,000 | - |
| 15/02/2023 | 15/02/2026 | AUD 0.35 | 1,000,000 | 1,000,000 |
| 01/09/2023 | 06/09/2026 | AUD 0.35 | 950,000 | 950,000 |
| | | | 8,442,210 | 6,442,210 |

Fair value for Incentive options granted during the current financial year has been determined by using the Black-Scholes model. The valuation model inputs used to determine the fair value at the grant date, are as follows:

| | 9 January 2023 $0.35 Options | 9 January 2023 $0.50 Options | 15 February 2023 $0.35 Options | 1 September 2023 $0.35 Options |
|---|---|---|---|---|
| Fair value of option | 0.0617 | 0.0479 | 0.0906 | 0.0447 |
| Exercise price | $0.35 | $0.50 | $0.35 | $0.35 |
| Valuation date | 9 January 2023 | 9 January 2023 | 15 February 2023 | 1 September 2023 |
| Vesting Date | 9 January 2024 | 9 January 2025 | 15 February 2023 | 6 September 2023 |
| Expiry date | 9 January 2026 | 9 January 2026 | 15 February 2026 | 6 September 2026 |
| Number of options | 1,000,000 | 1,000,000 | 1,000,000 | 950,000 |
| Expense during the year | - | - | - | - |
| Expected volatility (%) [1] | 80 | 80 | 93.63 | 80 |
| Risk-free interest rate (%) | 3.66 | 3.66 | 3.87 | 3.73 |
| Expected life of options (years) | 3 | 3 | 3 | 3 |
| Model used | Black-Scholes | Black-Scholes | Black-Scholes | Black-Scholes |

1 - Expected future volatility has been estimated with reference to Toubani's historical share price data or based on Hoadley's GARCH long-run forecast and Exponentially Weighted Moving Average volatility models using Toubani's historical share price data.

Total share-based payment expense recognised during the year was $266,574 (31 December 2022: ($65,417)).

**Warrants**

| Movement in warrants | 31 December 2023 # | 31 December 2023 Weighted average exercise price ($) | 31 December 2022 # | 31 December 2022 Weighted average exercise price ($) |
|---|---|---|---|---|
| Opening balance | 14,843,167 | 0.72 | 24,194,130 | 0.96 |
| Granted | - | - | 2,972,383 | 0.28 |
| Expired | (11,870,784) | 0.83 | (12,323,346) | 1.13 |
| Closing Balance | 2,972,383 | 0.28 | 14,843,167 | 0.72 |

## Note 12. Reserves (continued)

The Company has warrants outstanding entitling the holder to purchase one common share with each warrant exercisable per the terms below:

| Date of issuance | Warrants | Exercise Price ($) | Expiry Date | Remaining life in years | |
|---|---|---|---|---|---|
| 21/11/2022 | 990,795 | $0.26 | 21/11/2025 | 1.89 | 990,795 |
| 21/11/2022 | 990,794 | $0.28 | 21/11/2025 | 1.89 | 990,794 |
| 21/11/2022 | 990,794 | $0.30 | 21/11/2025 | 1.89 | 990,794 |

### Performance rights

Performance rights are awarded to the recipient at no cost, subject to achievement of certain performance conditions. The valuation of the performance rights was done using a combination of Hoadley's Barrier1 Model and Hoadley's Parisian Model (the combination of the two models to be referred to as the 'Parisian Barrier1 Model'). Hoadley's Parisian Model was first used to generate an implied barrier price that factors in the number of
consecutive calendar days for which the underlying asset price must remain above or below the barrier. The implied barrier price (usually higher than the price target for 'up' barrier options) is then input into Hoadley's Barrier1 Model to calculate the value of the performance rights or options.

The share-based payment expense is recognized in the consolidated statements of loss and comprehensive loss, with the related credit to Reserve – Share Based Payments.

Fair value for performance rights granted during the current financial year has been determined by using the Hoadley's Barrier1 Model. The valuation model inputs used to determine the fair value at the grant date, are as follows:

| Performance Rights | $0.35 share price milestone | $0.50 share price milestone | $0.80 share price milestone | $1.20 share price milestone |
|---|---|---|---|---|
| Number of performance rights issued | 1,000,000 | 1,500,000 | 2,000,000 | 4,000,000 |
| VWAP target for at least 10 consecutive days | $0.35 | $0.50 | $0.80 | $1.20 |
| Implied barrier price (calculated from Hoadley's Parisian Model) | $0.4513 | $0.6447 | $1.0315 | $1.5472 |
| Years to expiry | 5 | 5 | 5 | 5 |
| Volatility (%) | 78 | 78 | 78 | 78 |
| Risk free rate (%) | 3.68 | 3.68 | 3.68 | 3.68 |
| Dividend yield (%) | - | - | - | - |
| Date of grant | 01/09/2023 | 01/09/2023 | 01/09/2023 | 01/09/2023 |
| Estimated vesting date | 06/09/2028 | 06/09/2028 | 06/9/2028 | 06/09/2028 |

## Note 13. Related party transactions

Transactions with Directors during the year are disclosed at Note 18 – Key Management Personnel.

*Parent entity*
Toubani Resources Limited (formerly Toubani Resources Inc.) is the parent entity.

*Receivable from and payable to related parties*
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

## Note 13. Related party transactions (continued)

*Loans to/from related parties*
The following balances are outstanding at the reporting date in relation to loans with related parties:

| | 31 December 2023 $ | Restated 31 December 2022 $ |
|---|---|---|
| Non-current receivables: | | |
| Loan to subsidiaries | 3,175,424 | - |

*Subsidiaries*
Interests in subsidiaries are set out in note 21.

## Note 14. Earnings per share

| | Consolidated | |
|---|---|---|
| | 31 December 2023 $ | Restated 31 December 2022 $ |
| Loss after income tax attributable to the owners of Toubani Resources Limited (formerly Toubani Resources Inc.) | (6,625,026) | (5,136,694) |
| | **Number** | **Number** |
| Weighted average number of ordinary shares used in calculating basic earnings per share | 109,824,865 | 75,486,670 |
| Weighted average number of ordinary shares used in calculating diluted earnings per share | 109,824,865 | 75,486,670 |
| | **Cents** | **Cents** |
| Basic earnings per share | (6.03) | (6.80) |
| Diluted earnings per share | (6.03) | (6.80) |

Diluted loss per share, which reflects the maximum possible dilution from the potential exercise of outstanding stock options, warrants and broker options is the same as basic loss per share. For the 2023 and 2022 years presented, the conversion of stock options, warrants and broker options was not included in the diluted loss per share calculation because the calculation would be anti-dilutive. The potentially dilutive shares excluded from the loss per share calculation due to anti-dilution are as follows:

## Note 15. Accumulated losses

| | Consolidated | |
|---|---|---|
| | 31 December 2023 $ | Restated 31 December 2022 $ |
| Accumulated losses at the beginning of the financial year | (95,459,475) | (95,811,474) |
| Loss after income tax expense for the year | (6,625,026) | (5,136,694) |
| Transfer from foreign currency reserve | (8,402,076) | - |
| Transfer from share based payments reserve | 1,905,718 | 5,488,693 |
| Accumulated losses at the end of the financial year | (108,580,859) | (95,459,475) |

## Note 16. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

## Note 17. Financial instruments and risk management

### General Objectives, Policies and Processes

The Board of Directors has overall responsibility for the determination of the Company's risk management objectives and policies. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below.

The Company is exposed through its operations to the following financial risks:

- Market Risk
- Credit Risk
- Liquidity risk

### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices are comprised of three types of risk: foreign currency risk, interest rate risk and commodity price risk.

**Foreign currency risk**
The consolidated entity undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The carrying amount of the consolidated entity's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

| | Assets | | Liabilities | |
|---|---|---|---|---|
| Consolidated | 31 December 2023 $ | Restated 31 December 2022 $ | 31 December 2023 $ | Restated 31 December 2022 $ |
| US dollars - Cash at bank | 2,382 | 583,558 | - | - |
| US dollars - Trade and other payables | - | - | 59,859 | 583,673 |
| Canadian dollars - Cash at bank | 2,755 | 325,209 | - | - |
| Canadian dollars - Trade and other payables | - | - | 15,718 | 97,526 |
| Euro - Trade and other payables | - | - | 237,748 | - |
| West African CFA franc - Cash at bank | 10,935 | 8,814 | - | - |
| West African CFA franc - Trade and other payables | - | - | - | 123,576 |
| Great British pound - Trade and other payables | - | - | 10,900 | 11,389 |
| | 16,072 | 917,581 | 324,225 | 816,164 |

**Note 17. Financial instruments and risk management (continued)**

The consolidated entity had net liabilities denominated in foreign currencies of $308,153 (assets of $16,072 less liabilities of $324,225) as at 31 December 2023 (31 December 2022: net assets of $102,417 (assets of $918,581 less liabilities of $816,164)). Based on this exposure, had the Australian dollars weakened by 10%/strengthened by 10% (31 December 2022: weakened by 10%/strengthened by 10%) against these foreign currencies with all other variables held constant, the consolidated entity's profit before tax for the year would have been $30,815 lower/$30,815 higher (31 December 2022: $10,242 higher/$10,242 lower) and equity would have been $30,815 lower/$30,815 higher (31 December 2023: $10,242 higher/$10,242 lower). The percentage change is the expected overall volatility of the significant currencies, which is based on management's assessment of reasonable possible fluctuations taking into consideration movements and the spot rate at each reporting date. The actual foreign exchange loss for the year ended 31 December 2023 was $3,234 (31 December 2022: loss of $173,885).

**Commodity Price Risk**
The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of precious metals. The Company closely monitors commodity prices to determine the appropriate course of action to be taken. Based on management's knowledge and expertise of the financial markets, the Company believes that commodity price risk is remote as the Company is not a producing entity.

**Interest rate risk**
Interest rate risk is the risk that future cash flows will fluctuate as a result of changes in market interest rates. The Company does not have any borrowings. Interest rate risk is limited to potential decreases on the interest rate offered on cash and cash equivalents held with financial institutions. Sensitivity to a plus or minus 1% change in the interest rates would have no significant impact on the net loss due to the immateriality of the interest earned.

**Liquidity risk**
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The key to success in managing liquidity is the degree of certainty in the cash flow projections. If future cash flows are fairly uncertain, the liquidity risk increases.

On 31 December 2023, the consolidated entity had a cash and cash equivalents balance of $2,243,636 (Restated 31 December 2022 - $ 5,344,635 ) and current liabilities of $596,508 (Restated 31 December 2022- $898,810). As outlined in Note 2, the consolidated entity may be required to obtain additional financing for working capital and continued exploration and development of its properties.

**Fair value of financial instruments**
The consolidated statements of financial position carrying amounts for cash and cash equivalents, receivables, and accounts payable and accrued liabilities approximate fair value due to their short-term nature.

**Note 18. Key management personnel disclosures**

Refer to the Remuneration Report contained in the Directors' Report for additional details of the remuneration paid or payable to each member of the KMP for the period ended 31 December 2023.

## Note 18. Key management personnel disclosures (continued)

*Compensation*
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

| | Consolidated | |
|---|---|---|
| | 31 December 2023 $ | Restated 31 December 2022 $ |
| Short-term employee benefits | 493,787 | 886,551 |
| Post-employment benefits | 39,001 | - |
| Long-term benefits | 13,778 | - |
| Termination benefits | - | 1,080,093 |
| Share-based payments (refer to Note 12) | 176,156 | 136,972 |
| | 722,722 | 2,103,616 |

Key management personnel ("KMP") are any people having authority and responsibility for planning, controlling and directing the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise). The Company has determined that the KMP are the Directors and executives as set out in the Remuneration report.

## Note 19. Remuneration of auditors

Subsequent to the financial year BDO Audit Pty Ltd was appointed auditor and the following fees are payable for services to be provided by BDO Audit Pty Ltd, the auditor of the company, and its network firms:

| | Consolidated | |
|---|---|---|
| | 31 December 2023 $ | Restated 31 December 2022 $ |
| *Audit services - BDO Audit Pty Ltd* | | |
| Audit or review of the financial statements | 29,000 | - |
| *Audit services - network firms* | | |
| Opening balances review | 5,546 | - |
| *Audit services - McGovern Hurley LLC* | | |
| Audit or review of the financial statements | 2,219 | 78,830 |
| *Other services - McGovern Hurley LLC* | | |
| Preparation of the tax return | - | 8,115 |
| | 2,219 | 86,945 |

## Note 20. Commitments

### Environmental commitments

The Company's exploration and evaluation activities are subject to laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its activities are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

**Note 20. Commitments (continued)**

The Group must meet tenement expenditure commitments to maintain its tenements in good standing. These commitments are not provided for in the financial statements and are as follows:

| | Consolidated | |
|---|---|---|
| | **31 December 2023 $** | **Restated 31 December 2022 $** |
| Committed at the reporting date but not recognised as liabilities, payable: | | |
| Within one year | 780,000 | 1,325,000 |
| One to five years | - | 780,000 |
| More than five years | - | - |
| | 780,000 | 2,105,000 |

There are no other contractual commitments or contingent liabilities at 31 December 2023 (Restated 31 December 2022: none).

**Note 21. Interests in subsidiaries**

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

| | | Ownership interest | |
|---|---|---|---|
| **Name** | **Principal place of business / Country of incorporation** | **31 December 2023 %** | **Restated 31 December 2022 %** |
| AGG (Barbados) Limited | Barbados | 100.00% | 100.00% |
| Toubani Resources (Mali) SARL | Mali | 100.00% | 100.00% |
| Mines de Koboda SA* | Mali | 100.00% | 100.00% |

* Dormant

**Note 22. Events after the reporting period**

Toubani Resources was registered as an Australian company effective from 8 January 2024. The Company’s name has also changed to Toubani Resources Limited.

The tax consequences of this re-domiciliation, including the completion of the tax return for the year ended 31 December 2023 and the stub period from 1 January 2024 to 7 January 2024, are currently being finalised. As such, the financial statements do not reflect the impact of these tax consequences, if any, and adjustments may be required in future periods.

Mr Mark Strizek resigned as a Non-Executive Director of the Company on 13 February 2024.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

## Note 23. Reconciliation of loss after income tax to net cash used in operating activities

| | Consolidated | |
|---|---|---|
| | 31 December 2023 $ | Restated 31 December 2022 $ |
| Loss after income tax expense for the year | (6,625,026) | (5,136,694) |
| Adjustments for: | | |
| Depreciation and amortisation | 32,378 | 28,133 |
| Share-based payments | 266,574 | (65,417) |
| Foreign exchange differences | (4,394) | (35,794) |
| Change in operating assets and liabilities: | | |
| Decrease/(increase) in trade and other receivables | (2,751) | 4,608 |
| Increase in other current assets | (69,002) | (48,650) |
| Increase/(decrease) in accounts payable and accrued liabilities | (316,180) | 314,161 |
| Increase in provisions | 13,778 | - |
| Net cash used in operating activities | (6,704,623) | (4,939,653) |

## Note 24. Parent entity information

| | Parent | |
|---|---|---|
| | 31 December 2023 $ | Restated 31 December 2022 $ |
| Loss after income tax | 4,257,488 | 3,506,198 |

| | Parent | |
|---|---|---|
| | 31 December 2023 $ | Restated 31 December 2022 $ |
| Total current assets | 2,409,531 | 5,381,081 |
| Total assets | 4,961,775 | 5,800,630 |
| Total current liabilities | 587,512 | 767,309 |
| Total liabilities | 587,512 | 767,309 |
| **Equity** | - | - |
| Share capital | 107,437,660 | 103,875,289 |
| Foreign currency reserve | (8,570,355) | (7,642,430) |
| Share-based payments reserve | 4,077,850 | 5,019,583 |
| Accumulated losses | (98,570,892) | (96,219,121) |

*Guarantees entered into by the parent entity in relation to the debts of its subsidiaries*
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 31 December 2023 and 31 December 2022.

*Contingent liabilities*
The parent entity had no contingent liabilities as at 31 December 2023 and 31 December 2022.

*Capital commitments - Property, plant and equipment*
The parent entity had no capital commitments for property, plant and equipment as at 31 December 2023 and 31 December 2022.

**Toubani Resources Limited (formerly Toubani Resources Inc.)**
**Directors' declaration**
**31 December 2023**

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Danny Callow
Chairman

25 March 2024

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# INDEPENDENT AUDITOR'S REPORT

To the members of Toubani Resources Limited

## Report on the Audit of the Financial Report

### Opinion

We have audited the financial report of Toubani Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including material accounting policy information and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Material uncertainty related to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the group's ability to continue as a going concern and therefore the group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

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## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

### Accounting for Share Based Payments

| Key audit matter | How the matter was addressed in our audit |
|---|---|
| As disclosed in Note 12 to the Financial Report, during the financial year ended 31 December 2023, the Group agreed to issue rights and options to key management personnel, which have been accounted for as share-based payments as disclosed in Note 12 to the Financial Report.<br><br>Refer to Note 2 to the Financial Report for a description of the accounting policy and significant estimates and judgments applied to these arrangements.<br><br>Share-based payments are a complex accounting area and due to the complex and judgmental estimates used in determining the fair value of the share-based payments, we consider the accounting for share-based payments to be a key audit matter. | Our procedures included, but were not limited to the following:<br><br>• Reviewing the relevant agreements to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements;<br><br>• Holding discussions with management to understand the share-based payment transactions in place;<br><br>• Reviewing management's determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation methodology used;<br><br>• Testing key fair value inputs, using internal specialists where required and including reviewing fair value inputs which have been reviewed by management's external valuation specialist;<br><br>• Assessing the reasonableness of the share-based payment in equity;<br><br>• Assessing the allocation of the share-based payment expense over the relevant vesting period; and<br><br>• Assessing the adequacy of the related disclosures in Note 2 and 12 to the Financial Report. |

**Other information**

The directors are responsible for the other information. The other information comprises the information contained in directors' report for the year ended 31 December 2023, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

**Other matter**

The financial report of Toubani Resources Limited, for the year ended 31 December 2022 was audited by another auditor who expressed an unmodified opinion on that report on 28 March 2023.

**Responsibilities of the directors for the Financial Report**

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

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:

https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 21 of the directors' report for the year ended 31 December 2023.

In our opinion, the Remuneration Report of Toubani Resources Limited, for the year ended 31 December 2023, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**BDO Audit Pty Ltd**

BDO

**Dean Just**

**Director**

Perth, 25 March 2024

**Toubani Resources Limited (formerly Toubani Resources Inc.)**
**Shareholder information**
**31 December 2023**

The shareholder information set out below was applicable as at 19 April 2024.

**Distribution of equitable securities**
Analysis of number of equitable security holders by size of holding:

| | Ordinary shares Number of holders | % of total shares issued |
|---|---|---|
| 1 to 1,000 | 32 | - |
| 1,001 to 5,000 | 30 | 0.08 |
| 5,001 to 10,000 | 44 | 0.28 |
| 10,001 to 100,000 | 180 | 6.40 |
| 100,001 and over | 130 | 93.24 |
| | 416 | 100.00 |
| Holding less than a marketable parcel | 48 | 0.05 |

**Equity security holders**

*Twenty largest quoted equity security holders*
The names of the twenty largest security holders of quoted equity securities are listed below:

| | Ordinary shares Number held | % of total shares issued |
|---|---|---|
| CITICORP NOMINEES PTY LIMITED | 17,046,594 | 12.73 |
| TREASURY SERVICES GROUP PTY LTD [NERO RESOURCE FUND A/C] | 15,155,868 | 11.32 |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 15,151,228 | 11.32 |
| BNP PARIBAS NOMS PTY LTD | 9,267,748 | 6.92 |
| BNP PARIBAS NOMINEES PTY LTD ACF CLEARSTREAM | 3,565,355 | 2.66 |
| HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2 | 3,058,466 | 2.28 |
| TREASURY SERVICES GROUP PTY LTD [NERO RESOURCE FUND A/C] | 2,783,029 | 2.08 |
| BNP PARIBAS NOMINEES PTY LTD [IB AU NOMS RETAILCLIENT] | 2,755,754 | 2.06 |
| ARALAD MANAGEMENT PTY LTD [THE TRK SUPER FUND A/C] | 2,595,834 | 1.94 |
| LAURENTIAN BANK SECURITIES INC | 2,279,482 | 1.70 |
| TREASURY SERVICES GROUP PTY LTD [NERO RESOURCE FUND A/C] | 2,216,972 | 1.66 |
| MR SCOTT GRAEME PERRY | 2,083,334 | 1.56 |
| NETWEALTH INVESTMENTS LIMITED [WRAP SERVICES A/C] | 1,808,489 | 1.35 |
| JETOSEA PTY LTD | 1,750,000 | 1.31 |
| PALM BEACH NOMINEES PTY LIMITED | 1,747,620 | 1.31 |
| OLD BLOOD AND GUTS PTY LTD | 1,595,238 | 1.19 |
| MR ROBERT JOHN WITTENOOM | 1,587,373 | 1.19 |
| GREENSEA INVESTMENTS PTY LTD | 1,500,000 | 1.12 |
| US BANK NATIONAL ASSOCIATION | 1,300,000 | 0.97 |
| MR COLIN MORGAN & MRS MONIQUE MORGAN [MORGAN SUPER FUND A/C] | 1,000,000 | 0.75 |
| | 90,248,384 | 67.42 |

**Toubani Resources Limited (formerly Toubani Resources Inc.)**
**Shareholder information**
**31 December 2023**

*Unquoted equity securities*

| | Number on issue | Number of holders |
|---|---|---|
| Options exercisable at C$0.675 and expiring 3 June 2026 | 224,442 | 4 |
| Options exercisable at C0.75 and expiring 7 August 2024 | 33,333 | 1 |
| Options exercisable at C$0.75 and expiring 13 August 2024 | 666,666 | 1 |
| Options exercisable at C$0.60 and expiring 2 March 2025 | 400,000 | 1 |
| Options exercisable at C$0.84 and expiring 10 August 2025 | 1,918,886 | 9 |
| Options exercisable at C$0.45 and expiring 31 March 2026 | 933,329 | 9 |
| Options exercisable at C$0.42 and expiring 14 December 2026 | 166,666 | 1 |
| Options exercisable at C$0.30 and expiring 4 May 2027 | 482,221 | 2 |
| Options exercisable at A$0.35 and expiring 6 September 2026 | 950,000 | 3 |
| Options exercisable at A$0.35 and expiring 9 January 2026 | 1,000,000 | 1 |
| Options exercisable at A$0.50 and expiring 9 January 2026 | 1,000,000 | 1 |
| Options exercisable at A$0.35 and expiring 15 February 2026 | 1,000,000 | 2 |
| Warrants exercisable at A$0.26 and expiring 21 November 2025 | 990,794 | 1 |
| Warrants exercisable at A$0.28 and expiring 21 November 2025 | 990,794 | 1 |
| Warrants exercisable at A$0.30 and expiring 21 November 2025 | 990,794 | 1 |
| Performance Rights vesting upon of the VWAP on ASX of the Shares being at least A$0.35 for 10 consecutive trading days expiring 6 September 2028 | 1,000,000 | 1 |
| Performance Rights vesting upon of the VWAP on ASX of the Shares being at least A$0.50 for 10 consecutive trading days expiring 6 September 2028 | 1,500,000 | 1 |
| Performance Rights vesting upon of the VWAP on ASX of the Shares being at least A$0.80 for 10 consecutive trading days expiring 6 September 2028 | 2,000,000 | 1 |
| Performance Rights vesting upon of the VWAP on ASX of the Shares being at least A$1.20 for 10 consecutive trading days expiring 6 September 2028 | 4,000,000 | 1 |

**Substantial holders**
Substantial holders in the company are set out below:

| | Ordinary shares | |
|---|---|---|
| | Number held | % of total shares issued |
| Treasury Services Group Pty Ltd ATF Nero Resource Fund | 20,155,869 | 15.06 |
| Perennial Value Management Limited | 6,793,148 | 5.07 |

**Voting rights**
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

**Toubani Resources Limited (formerly Toubani Resources Inc.)**
**Tenement Listing**
**31 December 2023**

**Schedule of mining tenements**

| Licence | Status | Location | Expiry Date | Interest % |
|---|---|---|---|---|
| Faraba Research / Exploration Permit | Granted | Mali | 06/04/2027 | 100% |
| Kobada Est Research / Exploration Permit | Granted | Mali | 16/08/2027 | 100% |
| Kobada Operating Permit [1] | Granted | Mali | 31/07/2045 | 100% |

1 - Pursuant to Malian law, the Mali Government is entitled to a free carried 10% equity interest in MaliCo (the operating entity and the holder of the Kobada Operating Permit), together with an option to acquire an additional 10% equity interest under the MaliCo Option (the Mali Government's option, under the applicable Malian law, to acquire a 10% equity interest in MaliCo). As at the date of this report, the Mali Government is yet to acquire its initial 10% free carried interest in MaliCo. The Company is not yet aware whether the Mali Government will exercise the MaliCo Option. If the Mali Government exercises the MaliCo Option, the interests of the Company in the Kobada Permit will be diluted to ultimately 80% ownership interest.

## ANNUAL MINERAL RESOURCE STATEMENT

The Company's Mineral Resource Statement has been compiled in accordance with the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code 2012) and Chapter 5 of the ASX Listing Rules and ASX Guidance Note 31. The Company had no Ore Reserve estimates at the date of this report.

The Company governs its activities in accordance with industry best-practice. The resource reports and supporting data were subjected to internal analysis and peer-review before release.

**<u>Mineral Resources</u>**
The Company's Mineral Resource Estimate (MRE) at its Kobada Gold Project ("Kobada Project") in Mali is shown as at 31 December 2023 in Table 1.

During the year Entech Pty Ltd ("Entech"), a well-respected international mining consultancy with extensive experience in resource estimation, was engaged to review and update the MRE in conjunction with personnel from the Company. The MRE was reported in accordance with the JORC Code 2012. The material changes to the resource estimate are presented in Table 2.

**Table 1 - Mineral Resources for the Kobada Project**

| **Material** | | **Indicated** | | | **Inferred** | | | **Total** | |
|---|---|---|---|---|---|---|---|---|---|
| | Tonnes (Mt) | Grade (g/t) | Ounces (Moz) | Tonnes (Mt) | Grade (g/t) | Ounces (Moz) | Tonnes (Mt) | Grade (g/t) | Ounces (Moz) |
| Oxide[1] | 38 | 0.80 | 0.96 | 17 | 0.93 | 0.51 | 55 | 0.84 | 1.48 |
| Fresh[2] | 22 | 0.79 | 0.57 | 9 | 1.16 | 0.35 | 32 | 0.90 | 0.92 |
| | 60 | 0.79 | 1.53 | 26 | 1.01 | 0.86 | 87 | 0.86 | 2.39 |

Tonnages are dry metric tonnes. Minor discrepancies may occur due to rounding.
[1] Oxide refers to Laterite, Saprolite and Transitional material as detailed in Appendix 1. Oxide resources quoted above 0.25g/t.
[2] Fresh rock resources quoted above 0.3g/t.

**Table 2 - Comparison of Mineral Resources for the Kobada Project**

| Material | Current Model[1] Contained Ounces (Moz) | Current Model[1] Grade (g/t) | Previous Model[2] Contained Ounces (Moz) | Previous Model[2] Grade (g/t) | Difference Contained Ounces (Moz) | Difference Contained Ounces % |
|---|---|---|---|---|---|---|
| Oxide | 1.48 | 0.84 | 1.62 | 0.96 | (0.14) | (9%) |
| Fresh | 0.92 | 0.90 | 1.53 | 0.93 | (0.61) | (40%) |
| **Total** | **2.39** | **0.86** | **3.14** | **0.94** | **(0.75)** | **(24%)** |

1 - As at 31 December 2023
2 - As at 31 December 2022

Key differences are largely the result of different approaches utilised by Entech for domaining mineralisation, estimation, and classification, which account for these variations to the historical Mineral Resources.

**Competent Person's Statement**

This Resources Statement as a whole has been approved by Mr. Kerry Griffin. Mr Griffin is a consultant to the Company and participates in the Company's Employee Incentive Plan . Mr Griffin a Member of the Australian Institute of Geoscientists, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined by the 2012 Edition of the JORC Code. Mr Griffin consents to the inclusion in the Annual Report of the matters based on his information in the form and context in which it appears.

Where the Company refers to historical Mineral Resources in this announcement (referencing previous releases made to the ASX), it confirms that it is not aware of any new information or data that materially affects the information included in that original market announcement and all material assumptions and technical parameters underpinning the Mineral Resource estimate within the original market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Persons findings are presented have not materially changed from the original market announcement.

TOUBANI RESOURCES

www.toubaniresources.com