



Tolu Minerals Limited
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ASX Announcement

20 January 2025

Update on Key Projects

The directors and management of Tolu Minerals Limited (“**Tolu**” or “**the Company**”) are pleased to provide updates to significant advancements for the Tolukuma mine and services as the Company prepares for a major ramp up on a number of fronts during 2025.

Highlights:

- **Cold commissioning completed on the new gravity mill**
- **Strategic engineering changes made on road optimisation, long term reliability and efficiencies**
- **Hydropower strategy targeting significant savings**

Gold plant and first stage gold production

Construction of the new Appropriate Process Technologies (“APT”) gravity plant was completed in mid-December. Cold commissioning was completed in late December with the next step being to feed the plant with run of mine ore in order to confirm that operational specifications are met before final handover. The process of final commissioning will be run in parallel with the office of the Inspector of Mines final approval protocol and full production will commence immediately on that event.

APT’s engineering commissioning teams are on site ready to complete the gravity plant commissioning which will be undertaken on lower grade stockpiled material to enable optimisation before processing higher grade ores for normal production.

Tolu has ore stockpiles in place for processing on commissioning.

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APT modular gravity plant installation, Dec 2024

Access road delays and optimisation

Tolu has previously announced delays experienced on the road construction due to an extended rainy season and an ongoing wet, dry season that has resulted in the occurrence of numerous land slips on the roadway, both at the construction areas and in the back areas that have necessitated ongoing remedial engineering to stabilise slopes.

In late 2024, Tolu undertook a critical analysis of the impact of these delays on the long term maintenance and optimisation of the road's long term performance.

A number of options were identified through this review that were subsequently examined further through both aerial assessment and ground reconnaissance. The optimal route was then staked out and surveyed over the Christmas period resulting in the adoption of a new engineering design utilising the mountain ridges rather than a side of mountain track approach mitigating land slip risks and optimising long term maintenance.

Although this increases the length of new road construction, it reduces the overall length of the total road from the Tapini Highway to the mine providing for long term operational benefits.

While the current road has been largely constructed following the old mission station horse track that was well surveyed for gradient, it has proven to be less optimal for the wider road surface required for trucking. The new optimised route now tends to follow the ridge lines offering benefits including less exposure to steep side slopes and the associated landslide risks, fewer creek crossings and

associated storm water risk management, less hairpins and village crossings providing long term safety and operating benefits.

As part of this rerouting process the respective landowners were engaged and their approval secured. Environmental assessment, supported by the Department of Forestry and Mineral Resources Authority was also undertaken.

Although this optimisation pushes out the completion date to mid-2025, the redesigned road ensures a higher level of long term operational reliability and higher confidence in the remaining construction schedule.

Through this process Tolu has engaged with the contractor Tunnel Engineering (“TE”) to reduce execution risk and TE has subsequently increased the equipment fleet, enhanced engineering and logistics support and strengthened management to enable 24 hour operations for the balance of construction.

Tolu and TE are in negotiation on amended contract terms.

Hydropower station

Tolu has nearly completed its strategy for the refurbishment of the Company’s hydroelectric power infrastructure.

Tolu has engaged with one of the leading Independent Power Producers (“IPP”) in PNG to investigate the feasibility of an alternative approach based on incorporating a new Special Purpose Vehicle (“SPV”) that will build, own and operate the power station, providing power for Tolu under a long term power purchase agreement, as well as reestablish the local grid to the community.

The IPP is currently undertaking a feasibility study that will determine the techno-economic parameters of the project and are preparing a commercial proposal for Tolu.

We look forward to providing further updates to the market in due course as we continue to pursue our strategy of becoming a leading PNG mining explorer and producer.

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

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TOLU MINERALS LIMITED

Competent Person Statement:

The information in this report that relates to Exploration, Exploration Results, Mineral Resources and overall construction updates is based on information compiled by or compiled under the supervision of Peter Swiridiuk - Member of the Aust. Inst. of Geoscientists. Peter Swiridiuk is a Technical Consultant and member of the Tolu Minerals Ltd. Advisory Board. Peter Swiridiuk has sufficient experience which is relevant to the type of mineralisation and type of deposit under consideration to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code of Reporting Exploration Results, Mineral Resources

and Ore Resources. Peter Swiridiuk consents to the inclusion in the report of the matters based on the information in the form and context in which it appears. Additionally, Mr Swiridiuk confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report.

Tolu Exploration Licence Information held at 20 January 2025

License Number	Type of License	Tolu Ownership	Sub-blocks	Area * (km ²)	Grant Date	Expiry Date
ML104	Mining Lease	100%	N/A	7.71	01-Sep-21	28-Aug-32
EL2531	Exploration License	100%	32.73	110.60	25-Feb-19	24-Feb-25 [#]
EL2385	Exploration License	100%	58	197.78	26-May-16	25-May24 [#]
EL2535	Exploration License	100%	8	27.28	26-Jan-22	25-Jan24 [#]
EL2536	Exploration License	100%	30	102.30	26-Jan-22	25-Jan-24 [#]
EL2538	Exploration License	100%	14	47.74	26-Jan22	25-Jan24 [#]
EL2539	Exploration License	100%	29	98.89	26-Jan22	25-Jan-24 [#]
EL2723	Exploration License	100%	54	183.30	08-Nov22	07-Nov-24 [#]
EL2662	Exploration License	100%	30	102.60	26-Oct-21	25-Oct-23 [#]
ELA2780	EL Application	100%	116	395.56	Pending	N/A
ELA2859	EL Application	100%	27	92.07	Pending	N/A
ELA2860	EL Application	100%	20	67.91	Pending	N/A
Total			418.73	1,433.74		

*1 sub-block approximately 3.41 sq.km

Pending MRA Renewal for a further two-year term

Notes:

The PNG Mining Act-1992 stipulates that Exploration Licenses (ELs) are granted for a renewable 2-year term (subject to satisfying work and expenditure commitments) and the PNG Government maintains the right to purchase up to 30% project equity at "Sunk Cost" if/when a Mining Lease (ML) is granted.

EL2531, EL2385, EL2535, EL2536, EL2538, EL2539, EL2723 and EL2662 are currently subject to an extension renewal process. The tenements remain in force until determinations of renewal are made by the Mining Advisory Council.

ELA 2780 has been reviewed by the MAC and is awaiting final Ministerial approval

ELA 2859 and ELA 2860 have been received by MRA and are in process.