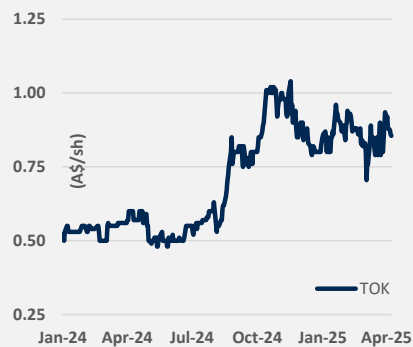


## Mining Research

Exchange	ASX
Ticker	TOK
Price (A\$/sh)	0.82
Target price (A\$/sh)	2.00
Return to target	144%
52-week high/low	1.07/0.47

Shares in issue (m)	166.9
Shares FD (m)	183.1
Market cap (A\$m)	137
B/S cash Dec '24 (A\$m)	16.7
Net debt/-cash (A\$m)	-12.6
Enterprise value (A\$m)	124

Commodities	Gold
Country	PNG



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# Tolu Minerals Ltd

## Mt Penck gets a prospectivity boost / 1<sup>st</sup> gold from gravity plant

Tolu has received the Airborne MT results for its Mt. Penck tenement on New Britain Island, near PNG. The cutting-edge geophysical technique has identified 8 new porphyry Cu-Au targets in addition to the existing Mt Penck Cu-Au system which is now assessed to be part of a much larger porphyry district. Consequently, Tolu has upgraded the prospectivity of the Mt. Penck project and applied for an additional adjacent licence which if granted, would triple Tolu's exploration footprint in the area. Over at Tolukuma, 1st gold has been produced from the new gravity plant.

**Now Mt. Penck gets the MT treatment.** Following on from the successful deployment of MT geophysics over at Tolu's flagship Tolukuma project in PNG, the results are now back from the survey flown over Tolu's 100%-owned Mt. Penck project on the Island of New Britain. The Mt. Penck area is accessible by road 56km from the existing deep-water port at the provincial capital of Kimbe. The MT survey and lineament analysis at Tolukuma (see press release 24-2-2025) identified 38 porphyry and epithermal targets including feeder zones, extensions to known mineralisation and new regional targets and the results at Mt Penck are equally as impressive.

**Footprint expanded.** Based on the interpretation of the Airborne MT data in conjunction with historical results, Tolu has applied for an additional c.201km<sup>2</sup> Exploration Licence (ELA2866) to the South and West of the existing Mt. Penck tenement. If this additional licence is granted it will almost triple Tolu's exploration footprint in the Mt. Penck area from 102km<sup>2</sup> to c.300km<sup>2</sup>.

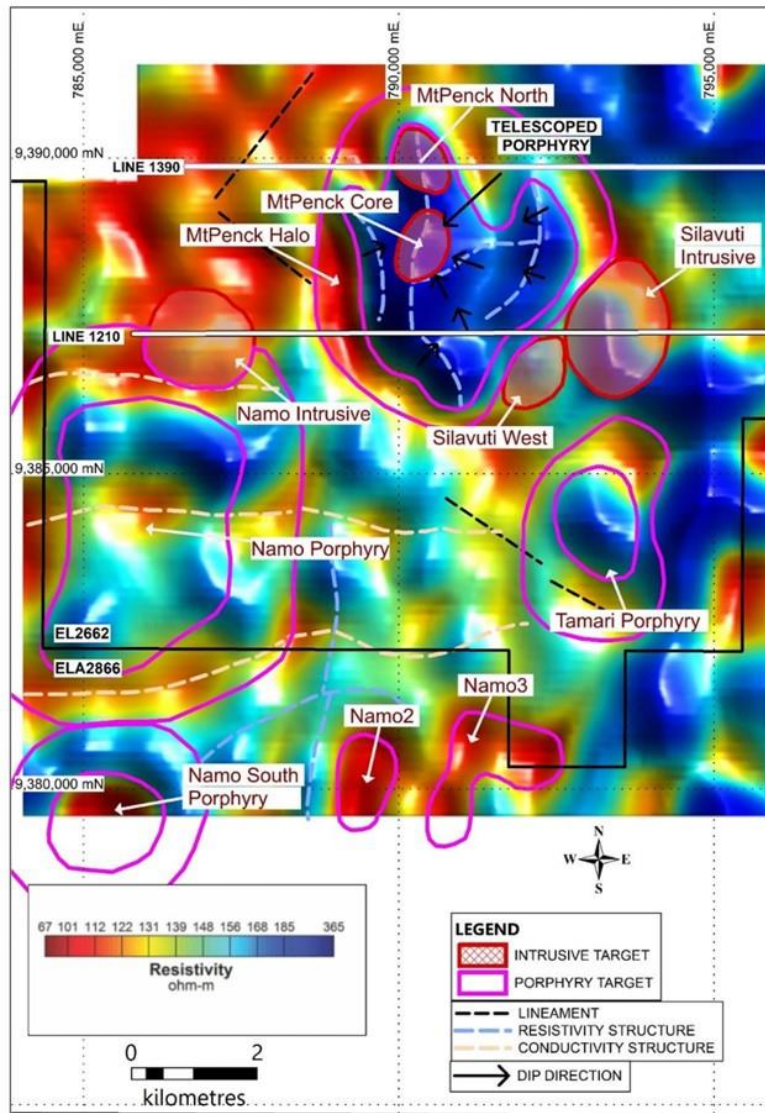
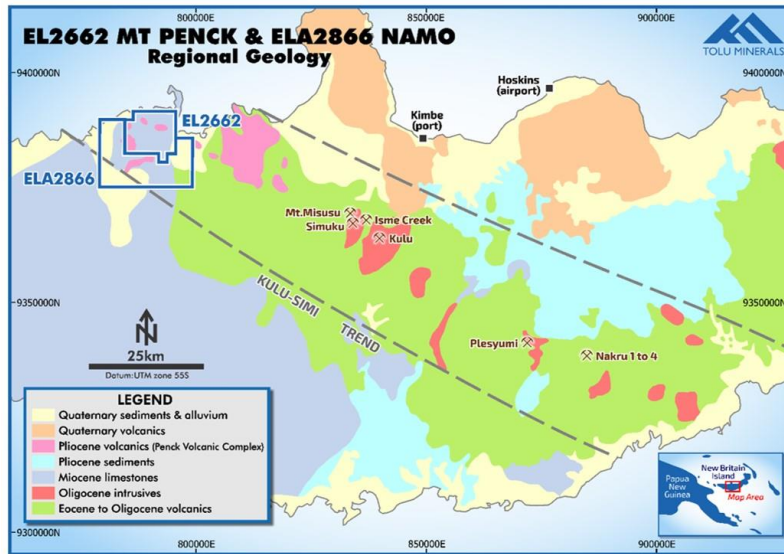
**8 new targets.** The recently flown Airborne MT survey has identified 8 new porphyry and intrusive style geophysical signatures prompting Tolu to upgrade the prospectivity of Mt. Penck which is now being viewed as a large under-explored district with potential for "blind" porphyry and intrusive style targets in addition to the already known higher-level epithermal Au-Cu style mineralisation. Tolu will now reprioritise and rank targets within the expanded landholding for further exploration work and ultimately, drilling if warranted. Several of the new target areas coincide with historical geochemical anomalies from rock chips and stream sediment samples. This sets the scene for a potentially large multi-kilometre district that could host several different deposit types. *See figure overleaf.*

**The MT advantage.** Airborne MT (Magneto Telluric) is a state of the art geophysics technique providing high-resolution, deep resistivity/conductivity 3D mapping to about 1.5km depth. It is a highly effective 3D targeting tool that provides a wealth of information and data on bedrock lithology and structure and in particular it is very good at identifying intrusive bodies, and responses from sulphides and alteration zones which are often strongly correlated with mineralisation. This provides a quicker and cheaper alternative to standard exploration and can vector directly to drill targets, especially where "blind" deposits are obscured by vegetation and overburden. Tolu's Executive Group Geologist, Dr Chris Muller is an expert practitioner in MT geophysics, a technique that has been used to great effect by PNG peer K92 Mining (TSX:KNT, Mkt Cap C\$2.8bn).

**1st gold produced.** Over at Tolukuma, 1<sup>st</sup> gold has been produced from the commissioning phase of the new modular gravity plant which is expected to be completed during April. Throughput will be ramped up during the year as the Tolukuma Gold Mine returns to production with an initial target to achieve a production rate of c.1,600 oz Au/month by the end of 2025 (19.2koz annualised run-rate). Tolu reports that the Geotube tailings decant system to temporarily store tailings (for eventual reprocessing in the refurbished leaching plant) is proving effective. The plant will generate revenue and allow processing testwork to guide the revamp of the existing plant. *See our initiation note 26-2-2025 "Building a mid-tier gold producer in the land of giants."*

**Mt. Penck is rapidly becoming an interesting project in its own right with the numerous targets identified by the MT results raising the possibility that this could a substantial standalone district play. 1<sup>st</sup> gold from the commissioning of the gravity plant at Tolukuma represents a major milestone for the company, especially given gold price strength. We maintain our A\$2.00/sh target price.**

Figure 1 - Mt Penck location (top) and Airborne MT Resistivity and Targets (bottom)



Source: Tolu Minerals

Figure 2 - Modular gravity plant at Tolukuma (top) and Gold Room: Table showing first gold (bottom)



Source: Tolu Minerals

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