

**Toubani Resources Limited
(formerly Toubani Resources Inc.)
ABN 80 661 435**

Full Year Statutory Accounts

31 December 2023

ASX:TRE

info@toubaniresources.com

1202 Hay Street
West Perth, WA 6005

toubaniresources.com



Toubani Resources Limited (formerly Toubani Resources Inc.)

Contents

31 December 2023

Corporate directory	2
Directors' report	3
Auditor's independence declaration	16
Statement of profit or loss and other comprehensive income	17
Statement of financial position	18
Statement of changes in equity	19
Statement of cash flows	20
Notes to the financial statements	21
Directors' declaration	40
Independent auditor's report to the members of Toubani Resources Limited (formerly Toubani Resources Inc.)	41

Toubani Resources Limited (formerly Toubani Resources Inc.)

Corporate directory

31 December 2023

Directors	Phil Russo (Executive Director and Chief Executive Officer) Danny Callow (Non-Executive Chairman) Tim Kestell (Non-Executive Director) 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 Level 5, 191 St Georges Terrace Perth, WA 6000
Auditor	BDO Audit Pty Ltd Level 9, Mia Yellagonga Tower 2 5 Spring Street Perth WA 6000
Solicitors	Thomson Geer Level 29, Central Park Tower 152-158 St Georges Terrace Perth WA 6000
Stock exchange listing	Toubani Resources Limited (formerly Toubani Resources Inc.) shares are listed on the Australian Securities Exchange (ASX code: TRE)

Toubani Resources Limited (formerly Toubani Resources Inc.)

Directors' report

31 December 2023

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.

Toubani Resources Limited (formerly Toubani Resources Inc.)**Directors' report****31 December 2023****Information on directors**

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 18-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 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 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 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 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 through 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 1,000,000 Options – Exercisable at C\$0.84 and expiring 10 August 2025 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 250,000 Options – Exercisable at C\$0.30 and expiring 4 May 2027

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

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

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

'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

Toubani Resources Limited (formerly Toubani Resources Inc.)

Directors' report

31 December 2023

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.

Toubani Resources Limited (formerly Toubani Resources Inc.)**Directors' report****31 December 2023***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 significant 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	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled		Total
31 December 2023	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
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
<i>Executive Directors:</i>								
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

Toubani Resources Limited (formerly Toubani Resources Inc.)

Directors' report

31 December 2023

- 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	
	Cash salary and fees	Cash bonus	Non-monetary	Super-annuation	Long service leave	Equity-settled		Total
Restated 31 December 2022	\$	\$	\$	\$	\$	\$	\$	\$
<i>Non-Executive Directors:</i>								
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
<i>Executive Directors:</i>								
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
- Health & 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

	Maximum potential STI bonus ¹	% achieved	Total STI bonus achieved ¹
STI Period Ended	\$		\$
31 December 2023	50,000	75%	37,500

1 - excluding superannuation guarantee

Toubani Resources Limited (formerly Toubani Resources Inc.)

Directors' report

31 December 2023

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	31 December 2023	Restated 31 December 2022	31 December 2023	Restated 31 December 2022	31 December 2023	Restated 31 December 2022
<i>Non-Executive Directors:</i>						
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 Terminated by notice: Mr Russo notice period – 3 months; and 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.

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

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 \$	2022 Restated \$	2021 Restated \$	2020 Restated \$	2019 Restated \$
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
	<u>6,674,904</u>	<u>-</u>	<u>3,398,555</u>	<u>-</u>	<u>10,073,459</u>

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

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

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:

<i>Options over ordinary shares</i>	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
	<u>2,964,283</u>	<u>2,950,000</u>	<u>-</u>	<u>(714,285)</u>	<u>5,199,998</u>	<u>3,199,998</u>

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

Toubani Resources Limited (formerly Toubani Resources Inc.)**Directors' report****31 December 2023****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
			<u>8,500,000</u>

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.

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

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

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

		Consolidated	Restated 31
	Note	31 December	December
		2023	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			
<i>Items that may be reclassified subsequently to profit or loss</i>			
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.)		<u>(6,528,291)</u>	<u>(5,245,540)</u>
		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

		31 December	Consolidated Restated 31 December	Restated 31 December
	Note	2023	2022	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		<u>2,464,808</u>	<u>5,494,051</u>	<u>4,933,590</u>
Non-current assets				
Property and equipment	9	456,925	438,080	414,504
Intangibles		8,750	-	-
Total non-current assets		<u>465,675</u>	<u>438,080</u>	<u>414,504</u>
Total assets		<u>2,930,483</u>	<u>5,932,131</u>	<u>5,348,094</u>
Liabilities				
Current liabilities				
Trade and other payables	10	582,730	898,810	584,650
Provisions		13,778	-	-
Total current liabilities		<u>596,508</u>	<u>898,810</u>	<u>584,650</u>
Total liabilities		<u>596,508</u>	<u>898,810</u>	<u>584,650</u>
Net assets		<u>2,333,975</u>	<u>5,033,321</u>	<u>4,763,444</u>
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		<u>2,333,975</u>	<u>5,033,321</u>	<u>4,763,444</u>

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	<u>103,875,289</u>	<u>(3,382,493)</u>	<u>(95,459,475)</u>	<u>5,033,321</u>
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	<u>107,437,660</u>	<u>3,477,174</u>	<u>(108,580,859)</u>	<u>2,333,975</u>

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

		Consolidated	Restated 31
	Note	31 December	December
		2023	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	<u>(6,704,623)</u>	<u>(4,939,653)</u>
Cash flows from investing activities			
Payments for property, plant and equipment	9	<u>(45,458)</u>	<u>(24,714)</u>
Net cash used in investing activities		<u>(45,458)</u>	<u>(24,714)</u>
Cash flows from financing activities			
Proceeds from the issue of equity securities	11	3,800,000	6,000,000
Share issue costs		<u>(237,629)</u>	<u>(440,871)</u>
Net cash from financing activities		<u>3,562,371</u>	<u>5,559,129</u>
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		<u>86,711</u>	<u>(78,343)</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>2,243,636</u></u>	<u><u>5,344,635</u></u>

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

Toubani Resources Limited (formerly Toubani Resources Inc.)
Notes to the financial statements
31 December 2023

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 Hoadley'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.

Toubani Resources Limited (formerly Toubani Resources Inc.)
Notes to the financial statements
31 December 2023

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.

Toubani Resources Limited (formerly Toubani Resources Inc.)
Notes to the financial statements
31 December 2023

Note 6. Income tax expense

	Consolidated	Restated 31
	31 December	December
	2023	2022
	\$	\$
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
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	Restated 31
	31 December	December
	2023	2022
	\$	\$
<i>Deferred tax assets not recognised</i>		
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	Restated 31
	31 December	December
	2023	2022
	\$	\$
<i>Current assets</i>		
Cash at bank	2,243,636	5,344,635

Toubani Resources Limited (formerly Toubani Resources Inc.)
Notes to the financial statements
31 December 2023

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	Restated 31
	31 December	December
	2023	2022
	\$	\$
<i>Current assets</i>		
Prepayments	197,064	128,062

Note 9. Property and equipment

	Consolidated	Restated 31
	31 December	December
	2023	2022
	\$	\$
<i>Non-current assets</i>		
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:

	Buildings	Plant and	Total
	\$	Equipment	\$
	\$	\$	\$
Consolidated			
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

Toubani Resources Limited (formerly Toubani Resources Inc.)
Notes to the financial statements
31 December 2023

Note 10. Accounts payable and accrued liabilities

	Consolidated 31 December 2023 \$	Restated 31 December 2022 \$
<i>Current liabilities</i>		
Trade payables	389,671	523,800
Accrued Expenses	193,059	375,010
	<u>582,730</u>	<u>898,810</u>

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	Consolidated 31 December 2023 \$	Restated 31 December 2022 \$
Share capital	<u>133,865,666</u>	<u>102,198,999</u>	<u>107,437,660</u>	<u>103,875,289</u>

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	<u>133,865,666</u>		<u>107,437,660</u>

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.

Toubani Resources Limited (formerly Toubani Resources Inc.)
Notes to the financial statements
31 December 2023

Note 12. Reserves

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

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	<u>96,735</u>	<u>3,380,439</u>	<u>3,477,174</u>

Options

	31 December 2023		31 December 2022	
	#	Weight average exercise price (\$)	#	Weight average exercise price (\$)
Movement in Options				
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

Toubani Resources Limited (formerly Toubani Resources Inc.)
Notes to the financial statements
31 December 2023

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
			<u>8,442,210</u>	<u>6,442,210</u>

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

	31 December 2023	31 December 2023 Weighted average exercise price (\$)	31 December 2022	31 December 2022 Weighted average exercise price (\$)
Movement in warrants	#		#	
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

Toubani Resources Limited (formerly Toubani Resources Inc.)
Notes to the financial statements
31 December 2023

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:

	\$0.35 share price milestone	\$0.50 share price milestone	\$0.80 share price milestone	\$1.20 share price milestone
Performance Rights				
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	06/09/2028	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.

Toubani Resources Limited (formerly Toubani Resources Inc.)
Notes to the financial statements
31 December 2023

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.)	<u>(6,625,026)</u>	<u>(5,136,694)</u>
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	<u>109,824,865</u>	<u>75,486,670</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share	<u>109,824,865</u>	<u>75,486,670</u>
	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	<u>1,905,718</u>	<u>5,488,693</u>
Accumulated losses at the end of the financial year	<u>(108,580,859)</u>	<u>(95,459,475)</u>

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	
	31 December	Restated 31	31 December	Restated 31
Consolidated	2023	December	2023	December
	\$	2022	\$	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
	<u>16,072</u>	<u>917,581</u>	<u>324,225</u>	<u>816,164</u>

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.

Toubani Resources Limited (formerly Toubani Resources Inc.)
Notes to the financial statements
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
	<u>722,722</u>	<u>2,103,616</u>

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 \$
<i>Audit services - BDO Audit Pty Ltd</i>		
Audit or review of the financial statements	<u>29,000</u>	<u>-</u>
<i>Audit services - network firms</i>		
Opening balances review	<u>5,546</u>	<u>-</u>
<i>Audit services - McGovern Hurley LLC</i>		
Audit or review of the financial statements	<u>2,219</u>	<u>78,830</u>
<i>Other services - McGovern Hurley LLC</i>		
Preparation of the tax return	<u>-</u>	<u>8,115</u>
	<u>2,219</u>	<u>86,945</u>

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.

Toubani Resources Limited (formerly Toubani Resources Inc.)
Notes to the financial statements
31 December 2023

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	Restated 31
	31 December	December
	2023	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	-	-
	<u>780,000</u>	<u>2,105,000</u>

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	Restated 31
		31 December	December
Name	Principal place of business / Country of incorporation	2023	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.

Toubani Resources Limited (formerly Toubani Resources Inc.)
Notes to the financial statements
31 December 2023

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

	Consolidated	Restated 31
	31 December	December
	2023	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	<u>(6,704,623)</u>	<u>(4,939,653)</u>

Note 24. Parent entity information

	Parent	Restated 31
	31 December	December
	2023	2022
	\$	\$
Loss after income tax	<u>4,257,488</u>	<u>3,506,198</u>

	Parent	Restated 31
	31 December	December
	2023	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

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.

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. Refer to Note 2 to the Financial Report for a description of the accounting policy and significant estimates and judgments applied to these arrangements. 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: • Reviewing the relevant agreements to obtain an understanding of the contractual nature and terms and conditions of the share-based payment arrangements; • Holding discussions with management to understand the share-based payment transactions in place; • Reviewing management's determination of the fair value of the share-based payments granted, considering the appropriateness of the valuation methodology used; • 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; • Assessing the reasonableness of the share-based payment in equity; • Assessing the allocation of the share-based payment expense over the relevant vesting period; and • 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 7 to 13 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

A handwritten signature in black ink, appearing to read 'Dean Just', is written over a faint, stylized 'BDO' logo.

Dean Just

Director

Perth, 25 March 2024