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TORO ENERGY LIMITED
2021 ANNUAL REPORT





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CORPORATE DIRECTORY

Directors	Richard Homsany, Executive Chairman Richard Patricio, Non-executive Director Michel Marier, Non-executive Director
Company Secretary	Katherine Garvey
Registered Office and Principal Place of Business	60 Havelock Street, West Perth WA 6005 PO Box 584, West Perth WA 6872 Phone: +61 8 9214 2100
Share Registry	Advanced Share Registry Ltd 110 Stirling Highway, Nedlands WA 6009
Auditor	Moore Australia Audit (WA) Level 15 Exchange Tower, 2 The Esplanade, Perth WA 6000
Securities Exchange Listing	Australian Securities Exchange Limited (ASX: TOE)

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DIRECTORS' REPORT

The directors of Toro Energy Limited (**Toro** or the **Company**) present their report together with the financial statements of the consolidated entity, being Toro and its controlled entities (the **Group**) for the year ended 30 June 2021.

Directors' Details

The following persons were directors of Toro (**Directors**) during or since the end of the financial year:

Director	Richard Homsany, LL.B (Hons), B. Com, Grad. Dip. Fin & Inv, F Fin, MAICD, CPA
Appointment	Executive Chairman – Appointed 1 January 2017 Non-executive Director – Appointed 1 December 2013
Biography	Richard is a corporate lawyer and Certified Practising Accountant and is experienced in advising on corporate transactions, capital raisings, stock exchange listings, mergers & acquisitions, finance, joint ventures, divestments and governance. He was previously a corporate partner of international law firm DLA Phillips Fox (now DLA Piper). Richard has been Executive Vice President for Australia of TSX listed Mega Uranium Ltd - a Toronto-based uranium investment and development company - since April 2010. Previously he worked for North Ltd prior to its takeover by Rio Tinto Ltd. In addition to his other listed company directorships Richard is Chairman of the unlisted Health Insurance Fund of Australia Limited. Richard is a Fellow of the Financial Services Institute of Australasia (FINSIA) and a Member of the Australian Institute of Company Directors.
Other current listed company directorships	Redstone Resources Ltd Central Iron Ore Limited Galan Lithium Ltd Brookside Energy Ltd
Former listed public company directorships (last three years)	-
Interest in ordinary shares	500,000 fully paid ordinary shares
Interest in options / performance rights	15,000,000 options exercisable at \$0.05075 on or before 20 December 2022 45,000,000 options exercisable at \$0.01885 on or before 20 November 2025
Director	Richard Patricio, LL.B
Appointment	Non-executive Director Appointed 1 December 2013

Biography

Richard is the Chief Executive Officer and President of Mega Uranium Ltd., a Toronto-based uranium investment and development company. Richard was also recently appointed (July 2020) as the President and CEO of Generic Gold Corp., an early stage gold exploration company active in northern Quebec.

In addition to his legal and corporate experience, Richard has built a number of mining companies with global operations and managed Pinetree Capital Ltd. from 2005 to 2016, acting as its Vice President Legal and Corporate Affairs until 2015 and thereafter its CEO, a diversified investment company focused on the early stage resource markets. He has held senior officer and director positions in several junior mining companies listed on the TSX, TSX Venture, AIM and NASDAQ exchanges. Previously, Mr. Richard practiced law at a top tier law firm in Toronto and worked as in-house General Counsel for a senior TSX listed company. Richard received his law degree from Osgoode Hall and was called to the Ontario bar in 2000.

Other current listed company directorships

NexGen Energy Ltd
 ISOEnergy Inc.
 Sterling Metals Corp.
 Hydro66 Holdings Corp
 Mindset Pharma Inc.

Former listed public company directorships (last three years)

NxGold Ltd (resigned 8 May 2020)

Interest in ordinary shares

-

Interest in options / performance rights

7,500,000 options exercisable at \$0.05075 on or before 20 December 2022
 20,000,000 options exercisable at \$0.01885 on or before 20 November 2025

Director Michel Marier, BBA (Int'l Mgt), M.Sc (Finance), CFA, FRM

Appointment

Non-executive director
 Appointed 22 December 2014

Biography

Michel is a Partner at Sentient Equity Partners. Sentient manages over \$2.0B of investments and are a major investor in the global resources industry. Michel has diverse industry experience.

Other current listed company directorships

-

Former listed public company directorships (last three years)

Leadfx Limited (resigned 15 June 2021)
 Samco Gold (resigned 6 November 2020)

Interest in ordinary shares

-

Interest in options / performance rights

-

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Company Secretary

Ms Katherine Garvey was appointed Company Secretary on 31 October 2017 and is also legal counsel to the Company. Ms Garvey has a Bachelor of Laws/Bachelor of Arts from the University of Notre Dame Australia and is an experienced corporate and commercial lawyer and company secretary, with significant experience acting for listed public companies.

Principal Activities

The Group is the owner of six uranium deposits in the north-eastern goldfields region of Western Australia known as Centipede, Millipede, Lake Maitland, Lake Way, Dawson Hinkler and Nowthanna. The Centipede, Millipede, Lake Maitland and Lake Way deposits collectively form the Wiluna Uranium Project (**Wiluna Uranium Project**). The Dawson Hinkler and Nowthanna deposits are regarded as advanced exploration prospects with declared JORC 2012 mineral resources.

During the year the principal activities of entities within the Group were to continue advancing the development of the Wiluna Uranium Project to enable it to be financed and brought into production with the lowest cost possible, to carry out exploration drilling on the Company's Dusty Nickel Project and its Yandal Gold and Base Metals Projects within the Company's Lake Maitland tenement package and to explore its tenement holdings and seek other new opportunities in uranium and energy-related commodities.

Review of Operations and Financial Results

Wiluna Uranium Project

During the year the Company continued to improve the value of its Wiluna Uranium Project located 30 kilometres to the south of the town of Wiluna, which is located 750 kilometres north-east of Perth (**Figure 1**) through research, innovation and engineering opportunities. The Company's efforts in this regard include proposed changes to the processing flowsheet design which have resulted in potential improvements in the capital and operating costs of the Wiluna Uranium Project as well as a potential improvement in overall uranium recovery from the plant. The changes have resulted from the opportunities highlighted by the test work completed as part of the Beneficiation and Process Design studies (**BPD Studies**) that have been ongoing since completion of the Company's 2016 Scoping Study.

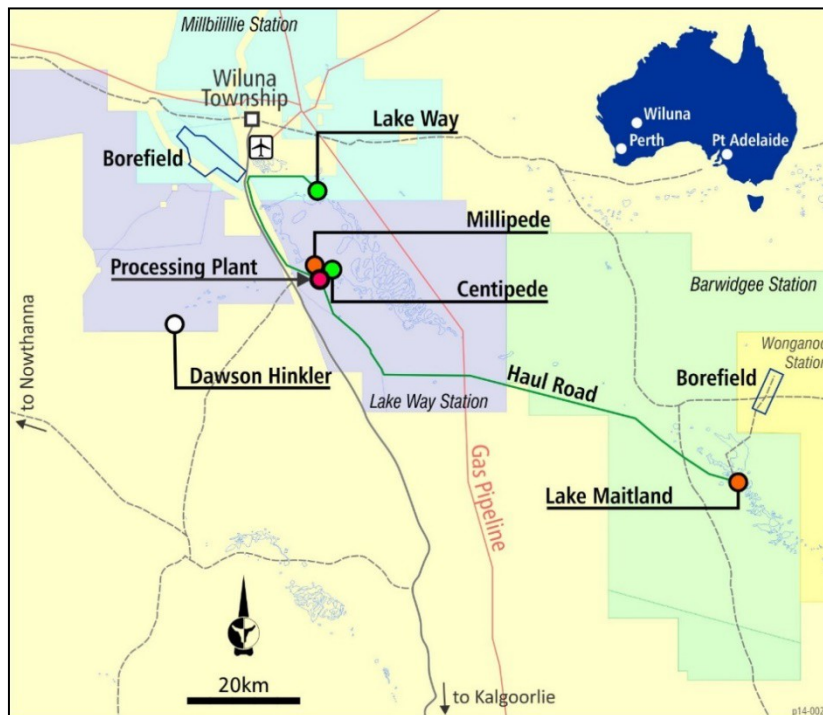


Figure 1: Wiluna Uranium Project

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During the year the Company completed engineering modelling studies for a potential stand-alone Lake Maitland operation, which showed that vanadium (as NH_4VO_3) can be produced as a by-product of processing uranium from the Lake Maitland deposit with only a marginal increase to the capital and operational cost of the proposed processing plant. The re-engineered processing plant produces 499t NH_4VO_3 as a by-product with 2.09m lbs of U_3O_8 per annum, which equates to 0.41 lbs of V_2O_5 produced for every pound of U_3O_8 annually. The operating cost of the modelled processing plant increases by only 1.8% from that of the scoping study completed previously without considering vanadium as a potential by-product, which equates to an approximate increase in operating cost of the processing plant of AU\$0.51 (US\$0.32) for every pound of V_2O_5 produced. The capital cost of the modelled processing plant increases by only 6.5% or AU\$5.7m from the AU\$87.9m in the scoping study completed previously without considering vanadium as a potential by-product.

Following completion of its engineering modelling studies the Company initiated a scoping level engineering study for the mining and processing of the Lake Maitland Uranium Deposit as a stand-alone project that will include the mining and processing of vanadium as a by-product of mining uranium. The scoping study will include a complete engineering build and operational assessment from mining of the Lake Maitland resource through beneficiation, processing and treatment, to production of a ready to transport product for both uranium and vanadium. All stages of the operation will be costed by engineers to current prices, including all non-process related activities, in order to ascertain the current capital and operating cost of mining and processing the Lake Maitland Uranium Deposit as a stand-alone operation.

The engineering will incorporate all of the changes and improvements to the processing and treatment of the potential ore from the Lake Maitland Uranium Deposit that have been proven possible by the research and development undertaken by Toro in recent years and announced to the market. This includes the most recent research demonstrating that vanadium could be successfully produced as a by-product of the leaching and treatment of the potential Lake Maitland uranium ore at a small marginal cost. For further information please refer to the Company's ASX announcements of 8 February 2021 and 6 April 2021.

The Company remains focussed on the long-term feasibility of uranium production for its shareholders from the Wiluna Uranium Project, from which it is permitted to mine up to 62 million pounds of measured or indicated uranium resources (JORC 2012). Given the Lake Maitland Uranium Deposit represents a significant proportion of the Wiluna Uranium Project's resources of both uranium and vanadium, improvements at Lake Maitland will have the greatest potential for improving the economics of the Project as a whole.

Competent Persons' Statement

Wiluna Project Mineral Resources – 2012 JORC Code Compliant Resource Estimates – U_3O_8 and V_2O_5 for Centipede-Millipede, Lake Way and Lake Maitland.

The information presented here that relates to U_3O_8 and V_2O_5 Mineral Resources of the Centipede-Millipede, Lake Way and Lake Maitland deposits is based on information compiled by Dr Greg Shirliff of Toro Energy Limited and Mr Daniel Guibal of Condor Geostats Services Pty Ltd. Mr Guibal takes overall responsibility for the Resource Estimate, and Dr Shirliff takes responsibility for the integrity of the data supplied for the estimation. Dr Shirliff is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and Mr Guibal is a Fellow of the AusIMM and they have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. The Competent Persons consent to the inclusion in this release of the matters based on the information in the form and context in which it appears.

Exploration

Throughout the year Toro continued exploration on its Dusty Nickel and Yandal Gold Projects. Both projects are located in the northern goldfields region of Western Australia, some 50km east of the world class Mt Keith Nickel Deposit and 15kmNE of the world class Bronzewing and Mt McClure gold deposits of the Yandal Greenstone Belt. The tenure for both projects is shared with that of the Company's Wiluna Uranium Project (see **Figure 2**) and incorporates the Lake Maitland Uranium Deposit within its bounds. A total of 14 diamond drill holes for 4,276m and 35 reverse circulation (RC) drill holes for 2,416m were drilled on both exploration projects in the period. A number of rock chip samples were sampled and analysed from the Golden Ways Target Area within the Yandal Gold Project. The diamond drilling confirmed the discovery of komatiite hosted massive nickel sulphides at Dusty 1 at the end of the previous reporting period and the discovery of semi-massive nickel sulphides at Dusty 2, some 400m to the south of Dusty 1 (refer to **Figure 3**). The RC drilling intersected gold mineralisation in quartz veins at shallow depths at Golden Ways. After a longer than expected scheduled break to change drilling contractors at the end of the reporting period, due to staffing delays caused by COVID-19 related state border closures, drilling will continue at the end of September.

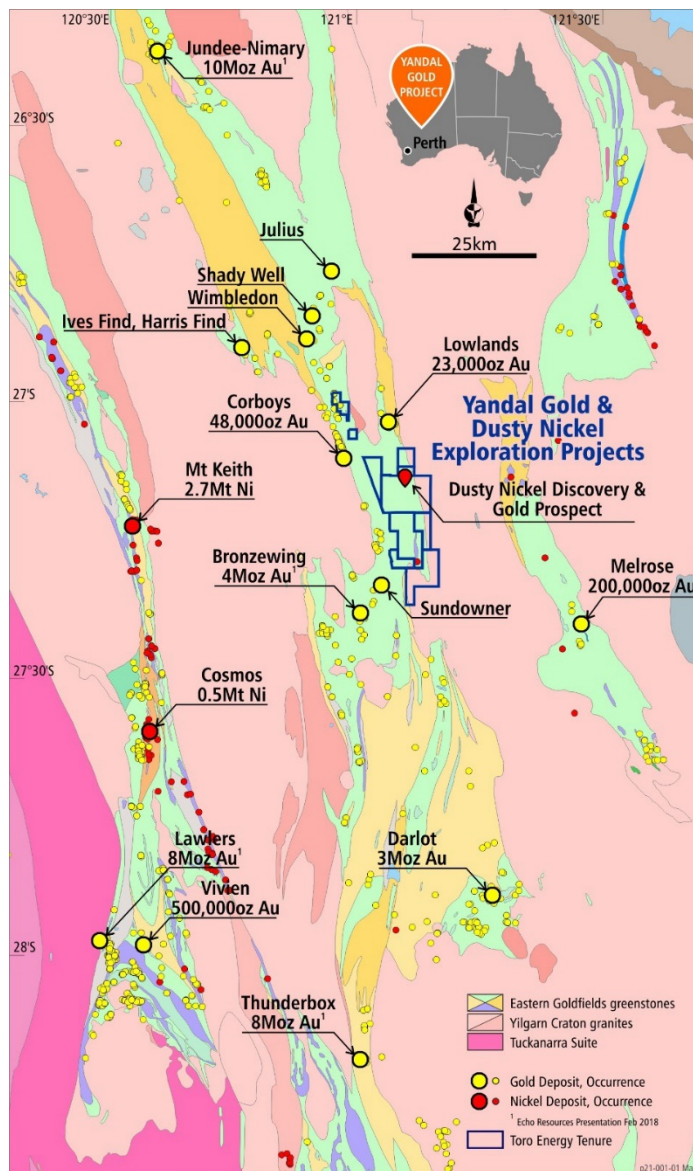


Figure 2: Location of Toro's Dusty Nickel Project and Yandal Gold Project within the Yandal Greenstone Belt. The map also shows the location of the Mt Keith and Cosmos nickel deposits on the Wiluna-Agnew greenstone belt as well as the location of gold deposits and occurrences and the three major gold producing operating centres, Jundee- Nimary, Bronzewing and Darlot.

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Dusty Nickel Project

Discovery of Massive Nickel Sulphides at Dusty 1

Massive nickel sulphides were first intersected at Dusty 1 (refer to **Figure 3**) by Toro in 2019 with Reverse Circulation (RC) drill hole TERC13 but were not confirmed until analysis of diamond drill hole TED03 in 2020, which showed that TERC13 had intersected 15cm of massive nickel sulphides (refer to the Company's ASX announcement of 13 July 2020) grading 1.86% nickel, 0.08% cobalt and 0.19% copper from 177.5m downhole (refer to the Company's ASX announcement of 1 September 2020). Significant intersections to date include (downhole depths only – please refer to tables detailing significant figures and drill hole details, as well as the relevant JORC Table 1 in the Company's ASX announcement of 1 September 2020):

- **TED04:** 2.6m at 3.45% nickel, 0.18% copper, 0.15% cobalt, and 0.388g/t platinum and palladium from 184.5m.
- **TED07:** 9m at 2.07% nickel from 250.9m including:
 - 2.0m at 4.01% nickel, 0.27% copper, 0.13% cobalt and 0.45 g/t platinum and palladium from 250.9m (refer to **Figure 4**); and
 - 2.0m at 3.85% nickel, 0.41% copper, 0.13% cobalt and 0.45 g/t platinum and palladium from 255.5m.

Two other diamond holes were drilled along an eastern dip of the mineralisation in TED04 and TED07. TED06, targeting 18m down-dip to the east of TED04, intersected 0.12m of massive nickel sulphides grading 3.19% Ni from 188.68m downhole. TED11, targeting 20m down-dip to the east of TED07, intersected 0.65m of nickel sulphides grading 1.7% Ni from 282.75m downhole. Both holes show that the massive and semi-massive sulphide in Dusty 1 thickens and thins down-dip to the east, but this could be due to a plunge angle in the thicker intersections, which will be tested in the future. The drilling along the E-W section from TED04 to TED07 also shows that mineralisation is continuous for some 136m down-dip from TED04 and is open.

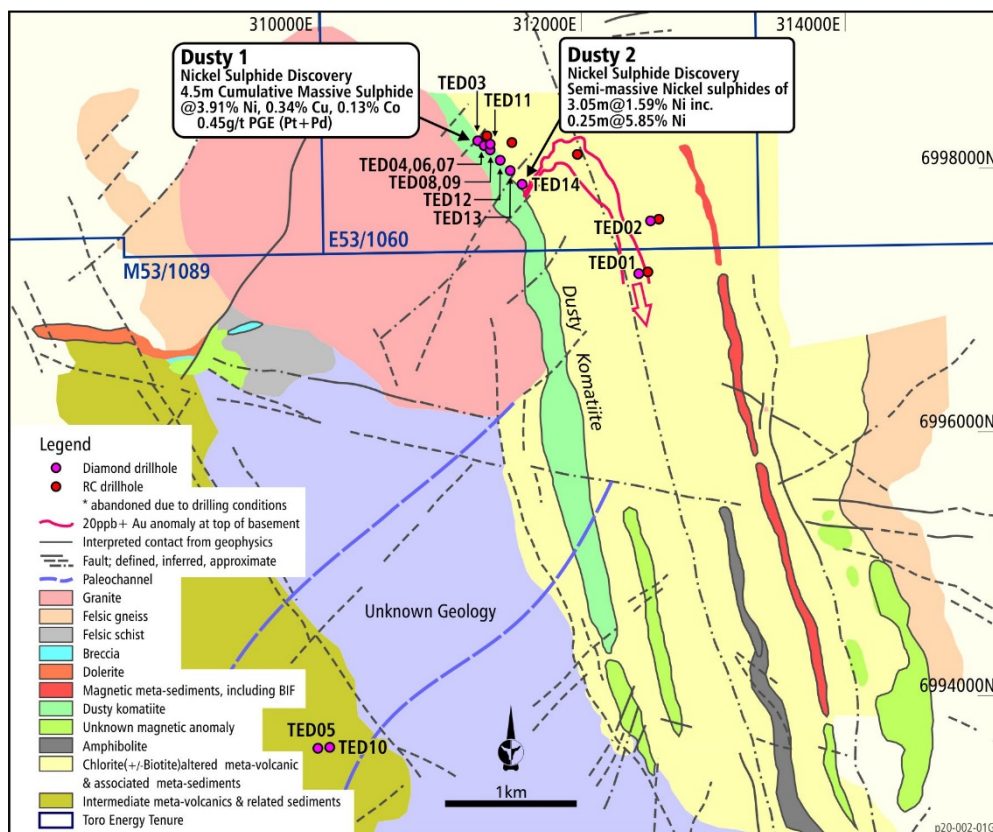


Figure 3: Location of Dusty 1 and Dusty 2 nickel sulphide discoveries within the Dusty Target Area



Figure 4: Photo of massive nickel sulphide in drill core of diamond hole TED07 at Dusty 1 – this part of the core grades 4.01% nickel.

Discovery of Semi-massive Nickel Sulphides at Dusty 2

Only one diamond drill hole, TED14, defines Dusty 2 at present with no other drilling undertaken within the vicinity as yet. TED14 intersected 3.05m of semi-massive nickel sulphide from 297.75m downhole grading 1.59% nickel (Ni), 0.06% cobalt (Co), 0.07% copper (Cu) and 0.34g/t platinum and palladium (Pt+Pd). However, this included 0.75m at 4.3% Ni, 0.15% Co, 0.1% Cu, 0.89g/t Pt+Pd from 297.75m downhole, which in turn included 0.25m at 5.85% Ni, 0.2% Co, 0.06% Cu and 0.32g/t Pt+Pd from 297.75m downhole (see **Figure 6**).

Geochemistry supports the presence of low grade disseminated nickel sulphides above the semi-massive sulphide.

Two diamond holes, TED12 (160m along strike to the SE of Dusty 1) and TED13 (250m along strike to the SE of Dusty 1, which is approximately 150m to the north of Dusty 2), have been drilled between Dusty 1 and Dusty 2. TED12 intersected 0.65m of nickel sulphide stringers at the base of the komatiite from 249.55m downhole grading 0.7% Ni. Geochemistry also suggests that disseminated nickel sulphides are present at low grade within the komatiite above the stringer zone, although this will need to be confirmed with microscopy. TED13 as the only drill hole so far drilled at the Dusty Target Area that has not intersected nickel sulphide mineralisation because the lower section of the komatiite mineralised in other holes was observed to be cut off by a late igneous intrusion.

With the exception of TED13, all drill holes so far drilled into the Dusty Komatiite have intersected nickel sulphide mineralisation. The overall strike length covered by the drilling so far is approximately 440m, and at either end are accumulations of massive and semi-massive nickel sulphide, Dusty 1 and Dusty 2 respectively. The spacing between the step-out holes TED12, 13 and 14 are wide enough to allow further accumulations of massive nickel sulphides between them. Overall, the mineralisation along the 440m strike length remains open in all directions. The position of the accumulations of nickel sulphide and semi and massive nickel sulphide in the komatiite unit suggests a mineralisation model most similar to that of komatiite hosted massive nickel sulphides not unlike many of the other nickel sulphide deposits of the Yilgarn, including Kambalda.

Toro believes the discovery of what would seem to be komatiite hosted nickel sulphides in the Dusty Komatiite is significant because:

1. Firstly, it shows that the Dusty Komatiite is fertile for nickel sulphides and that its entire 7.5km strike length is therefore a direct exploration target.
2. Secondly, it suggests that if other yet to be identified komatiite-ultramafic rock units exist within the Dusty Target Area or elsewhere on the Project, then they also must be considered potentially prospective for nickel sulphide mineralisation.
3. Thirdly, it highlights the potential prospectivity of the approximate 8km long folded komatiite-ultramafic of the Yandal One Target Area, giving credence to previous independent recommendations for further investigations in that area.

The Dusty nickel sulphide mineralisation is also significant in that it is arguably the first nickel sulphide mineralisation discovered definitively within the Yandal Greenstone Belt and therefore definitive evidence that the ultramafic rocks of the Yandal Greenstone Belt are prospective for nickel sulphides.

Yandal Gold Project

Golden Ways

In October of 2020, 35 RC drill holes for 2,416m were drilled at the Golden Ways Target Area (**Figure 5**) targeting two large intermittently outcropping quartz veins within basalt at shallow depth (within 30m from surface). Toro mapping in 2019 and 2020 showed that the northern most quartz vein targeted was at least 450m in length and striking NE, whilst the southernmost vein was at least 500m in length and striking north to NNW. Some of the more significant results for gold assays include (all downhole depths):

- 5m at 4.4 g/t from 22m (TERC24), including 2m at 9.93 g/t from 22m
- 4m at 3.3 g/t from 28m (TERC25), including 1m at 10.9 g/t from 28m
- 2m at 3.79 g/t from 10m (TERC38), including 1m at 7.33 g/t from 10m
- 3m at 1.41 g/t from 9m (TERC36), including 1m at 2.76 g/t from 10m
- 1m at 1.0 g/t from 10m (TERC35) and
- 11m at 0.3 g/t from surface (TERC28)

The veins were tested at shallow depth after a targeted vein surface sampling program conducted in the prior reporting period produced geochemical results along the veins at surface of up to 14.7 g/t gold, with 24% of all samples collected containing over 1 g/t gold (refer to Figure 5 and to the Company's ASX announcement of 17 August 2020). A previous mapping expedition not focused on vein sampling produced a sample near the northern most vein of 64 g/t gold (refer to the Company's ASX announcement of 3 April 2020).

The recent RC drilling confirms the prospectivity of the gold veins at shallow depth from surface. Given the consistency of the presence of gold in the veins it is likely that higher grade gold is present between drill holes and that the veins remain open at depth.

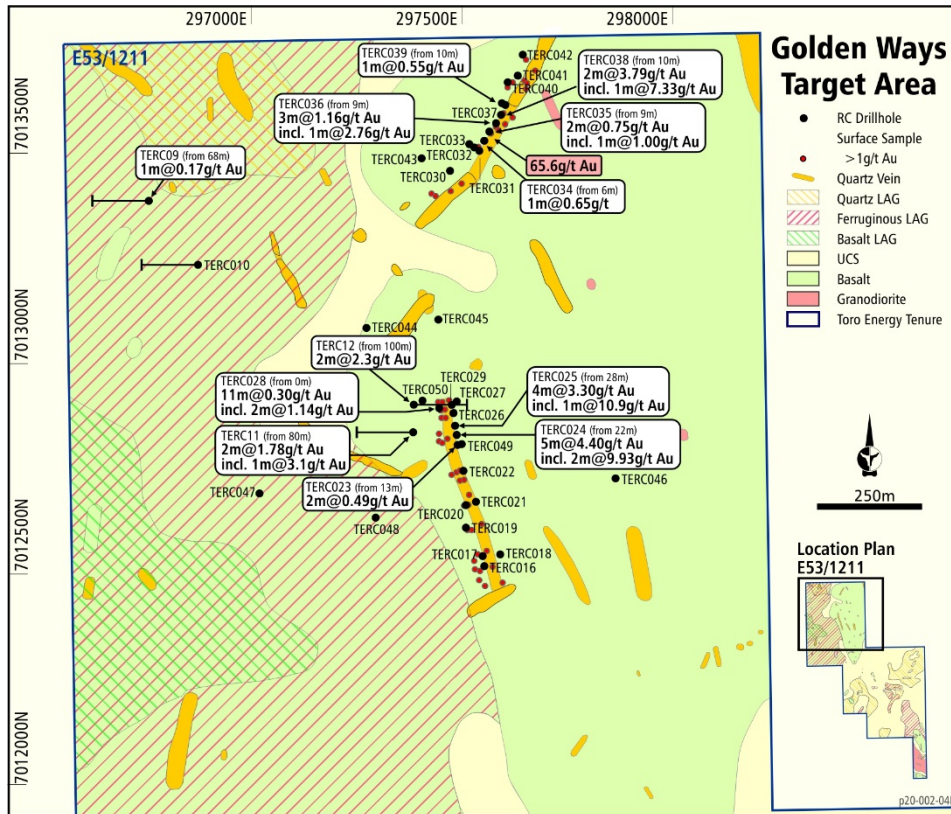


Figure 5: Map of the Golden Ways Target Area showing location of 2020 drill holes and significant gold assay results, along with significant results from the vein surface samples and previous Toro drilling.

As announced on 9 March 2021, geochemical results from rock chip samples collected during the reporting period at the Golden Ways Target Area extended the zone of interest for exploration further south to include shallow historical workings known as 'New England'. Seven in situ rock chip samples (both quartz vein and vein wall rock) were taken from around the shallow historical workings, four of which returned gold assays above 1g/t as follows:

- Sample YGP_R329 – 1.32 g/t gold
- Sample YGP_R330 – 22.4 g/t gold
- Sample YGP_R333 – 1.64 g/t gold
- Sample YGP_R334 – 7.62 g/t gold.

Significant gold assay results were also returned for geological rock chip samples collected from within Golden Ways, continuing to highlight the prospectivity of the entire area for gold mineralisation beyond the two veins recently targeted by drilling, including:

- Sample YGP_R301 – 2.22 g/t gold
- Sample YGP_R303 – 1.36 g/t gold
- Sample YGP_R349 – 1.51 g/t gold
- Sample YGP_R351 – 0.96 g/t gold
- Sample YGP_R376 – 0.88 g/t gold
- Sample YGP_R377 – 1.24 g/t gold.

Lake Maitland Central

Two diamond drill holes for 521.5m were drilled at the Lake Maitland Central (LMC) Target Area in the second half of 2020 (refer to **Figure 3**). Diamond drill hole TED10 was drilled to better understand the geology intersected beneath the paleochannel by borehole TED05. The TED05 borehole was drilled as a potential water supply for future drilling opportunities but was purposely drilled directly over a potential structural feature observed in passive seismic geophysical data as a first ever test of basement geology in the area (refer to the Company's ASX announcement of 6 August 2020).

The test was successful, showing that the passive seismic data was useful in the potential identification of geological structures in the basement rock beneath deep cover (paleochannels and weathering profiles). The test also showed that in the area of previously unknown geology, such structures were hosting sulphides with geochemical signatures of VHMS base metal and gold mineralisation. This included:

1. 0.3m at 1.16g/t gold, 0.74% copper, 0.28% zinc, 11g/t silver, 20.8 ppm bismuth and 16% sulphur from 154.8m downhole (true depth); and
2. 0.2m at 1.51g/t gold, 0.73% copper, 0.38% zinc, 0.08% lead, 22.5g/t silver, 37.7 ppm bismuth and 8.6% sulphur from 156.3m downhole (true depth).

Please refer to the Company's ASX announcement of 6 August 2020 for all related information including drill hole details and the JORC Table 1.

The geology encountered by the TED10 drill hole confirmed that the LMC area has potential for VHMS related base metal and gold mineralisation revealing favourable host rocks, structures, alteration and further signature geochemical anomalies of hydrothermal related mineralisation. Anomalous base metal and pathfinder geochemistry associated with intervals of more intensive sulphide mineralisation and hydrothermal textures was observed including a particular hydraulic fracture zone with visible galena (PbS) over 0.35m grading (see **Figure 4**) 1.95% lead, 0.86% zinc, 0.12% copper, 15.5g/t silver and 0.08g/t gold along with anomalous pathfinders such as 145g/t cadmium, 10.2g/t antimony and 3g/t bismuth and associated with 6.4% carbonate and 2.7% sulphur from 286.2m downhole.

A second round of geochemical analysis confirmed the pervasive carbonate and disseminated pyrite alteration throughout the entire hole with grades and thicknesses of up to **0.92% carbonate and 0.53% sulphur over 17m from 173m downhole** and **2.7% carbonate and 1.61% sulphur over 8m from 194m downhole**. The carbonate was found not only in veining and fracture fill but also pervasively altering minerals in the host rock throughout most of the core length. This is an important observation because although such extensive and pervasive carbonate alteration has not been well documented in the VHMS mineralisation so far discovered in the Yilgarn it has been documented as a clear large-scale feature surrounding the VHMS deposits in Tasmania and in other locations around the world.

Considering the diamond drill holes TED05 and TED10 are the first drill holes to penetrate the basement rocks in the LMC Target Area and they represent only a single location, Toro believes the results from both holes are highly encouraging for future exploration in the area. The geology and geochemistry so far suggest a geological setting very prospective for VHMS style base metal and gold mineralisation or epithermal gold and copper mineralisation from hydrothermal activity of similar derivation. Structures evident in mapping of the top of the basement by shallow seismic geophysical data together with the results in the drilling suggest that gold mineralisation related to a later remobilisation during metamorphism and structure producing geological event is also a possibility in the LMC and greater Yandal Gold Project.

Although nickel and gold are the primary targets of the Dusty Nickel Project and the Yandal Gold and Base Metals Projects, other commodities will not be discounted in the overall exploration program. The Company remains focussed on the long-term feasibility of uranium production for its shareholders from the Wiluna Uranium Project, from which it is permitted to mine up to 62 million pounds of measured or indicated uranium resources (JORC 2012).

Competent Person's Statement

The information in this document that relates to geology and exploration was authorised by Dr Greg Shirliff, who is a full time employee of Toro Energy Limited. Dr Shirliff is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience of relevance to the tasks with which they were employed to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Shirliff consents to the inclusion in the report of matters based on information in the form and context in which it appears.

Corporate

During the year the Company utilised the Controlled Placement Agreement (**CPA**) entered into between the Company and Acuity Capital Investment Management Pty Ltd (**Acuity**) as announced on 11 May 2020, on a number of occasions. On 1 September 2020 the Company announced that it had issued 108,000,000 Shares to Acuity at an issue price of \$0.0111 per Share to raise total proceeds of \$1,200,000 (before costs). On 29 October 2020 the Company completed a further placement of 100,000,000 Shares to Acuity at a price of \$0.01435 per Share to raise total proceeds of \$1,435,000 (before costs). The Company again utilised the CPA on 30 March 2021 through a set-off of approximately 135,000,000 Shares (**Set-Off Shares**) to raise \$2,125,000 (before costs), following which the CPA was terminated immediately. The Set-Off Shares offset shares that Acuity was otherwise required to return to the Company upon maturity or early termination of the CPA. For further information about the CPA please see the Company's ASX announcements of 11 May 2020 and 30 March 2021.

On 28 May 2021 the Company completed a placement of 652,173,913 Shares at an issue price of \$0.023 per Share to sophisticated, professional and institutional holders to raise \$15 million (before costs) (**May Placement**). Canaccord Genuity acted as Leader Manager and Bookrunner to the May Placement. A portion of the funds raised by the May Placement were used to repay part of the debt owed by the Company to its largest shareholder, Sentient Executive GP IV, Limited (**Sentient**) (as detailed below) with the balance of the funds raised by the May Placement used, or planned to be used, to advance the Wiluna Uranium Project, to fund exploration activities at the Dusty Nickel Project as well as at the Yandal Gold and Base Metals Projects, and for general working capital.

On 21 May 2021 the Company announced that, in addition to the May Placement, it had entered into an agreement to repay approximately A\$15.6 million owing to Sentient (**Sentient Debt**) which comprised of:

- (a) debt under the \$6,000,000 loan facility made available to the Company by Sentient details of which are contained in Note 17(ii) (**Sentient Loan**); and
- (b) the interest free funding totalling \$10,000,000 provided to the Company by Sentient to be used for research and development activities to advance and improve the value of the Wiluna Uranium Project pursuant to the unitisation deed details of which are contained in Note 17(i) (**Unitisation Deed**).

The Sentient Loan was repaid in full by the Company prior to the end of the financial year on 9 June 2021 utilising funds received under the May Placement. The Unitisation Deed was paid out in full and discharged after the end of the reporting period on 28 July 2021 by the issue of 291,304,348 Shares at a deemed issue price of \$0.023 per Share, with the balance of the debt payable under the Unitisation Deed being satisfied by cash.

The Company's net loss after income tax was \$6,507,406 (2020: \$44,848,633). Included in the loss were non-cash impairment expenses of \$4,889,315.

Coronavirus (COVID-19) Pandemic

The Group has exercised judgement in considering the impacts of COVID-19 since the World Health Organisation declared the outbreak a pandemic in March 2020. As all of the Group's granted tenements are located in Western Australia there has been little impact on access to tenements.

Significant Changes in the State of Affairs

None noted.

Dividends

No dividends were paid or declared since the start of the financial period. No recommendation for payment of dividends has been made.

Events Arising Since the End of the Reporting Period

After the end of the period on 28 July 2021 the Company issued 291,304,348 Shares to Sentient at a deemed issue price of \$0.023 per Share in partial satisfaction of the remaining balance outstanding under the Unitisation Deed detailed above, and repaid the remaining balance in cash, in full and final discharge of all amounts owing to Sentient under the Unitisation Deed following which the Sentient Debt was retired in full and the Company was debt free.

Likely Development, Business Strategies and Prospects

The Company intends to continue to undertake appropriate levels of exploration and evaluation of its tenement portfolio with a particular emphasis on exploration activities on its Dusty Nickl Project and its Yandal Gold and Base Metal Projects, on advancing technical, research and development and financing activities for the Wiluna Uranium Project and to seek new project and investment opportunities.

Directors' Meetings

The number of Directors' Meetings (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director is as follows:

Director's name	Board meetings	
	Attended	Entitled to Attend
Richard Homsany	10	10
Richard Patricio	10	10
Michel Marier	10	10

Unissued Shares Under Option

Unissued ordinary shares of Toro under option at the date of this report are:

Date options granted	Expiry date	Exercise price (\$)	Number of options
20 December 2017	20 December 2022	0.05075	30,000,000
27 November 2020	20 November 2025	0.01885	186,000,000
2 June 2021	2 June 2024	0.04	10,000,000

No options were exercised during the year or subsequent to year end.

Performance Rights

There are no performance rights on issue at the date of this report.

Remuneration Report (Audited)

The Directors of the Group present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel (KMP), prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*.

The Remuneration Report is set out under the following main headings:

- a. Principles used to determine the nature and amount of remuneration;
- b. Details of remuneration;
- c. Service agreements;
- d. Share-based remuneration;
- e. Bonuses included in remuneration; and
- f. Other information.

a. Principles used to determine the nature and amount of remuneration

The Board is responsible for determining remuneration policies applicable to Directors and Senior Executives of the Company. The policy is to ensure that remuneration properly reflects the individuals' duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people with appropriate skills and experience.

Key Management Personnel Remuneration, Performance Evaluation and Equity Holdings

The Company's Audit and Risk Committee was disbanded on 1 January 2018 and its responsibilities and functions absorbed by the full Board of Directors. The Board has ultimate responsibility for the following remuneration matters:

- Remuneration of Toro Group Non-Executive Directors;
- Remuneration and incentive framework for the Managing Director; and
- Incentive framework for all staff.

The Managing Director, or where the position is not filled, the Chairman, has the delegated authority to review and authorise the remuneration of executives, senior management and staff.

The policy aims to align director, executive and senior manager objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short term and long-term incentives based on key performance areas affecting the Company's share market performance and financial position. Performance against these key performance indicators is reviewed annually.

The Non-Executive Directors and other Executives receive a superannuation guarantee contribution required by the government, which for the current 2020/21 financial year was 9.50%, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to Directors and Executives is expensed as incurred and to the extent that the remuneration relates to services related to exploration and evaluation activities on the Company's mineral tenements may be capitalised.

Executives are also entitled to participate in the Toro Energy Limited Securities Incentive Plan. Options are valued at the time of issue using the Black Scholes methodology. Performance Rights are valued using the Company's share price at grant date and an estimated probability of achieving the performance hurdles.

The Board policy is to remunerate Non-Executive Directors at market rates based on comparable companies for time, commitment and responsibilities. The Board determines payments to Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability.

The maximum aggregate annual remuneration which may be paid to Non-Executive Directors is \$450,000. This amount cannot be increased without the approval of the Company's shareholders.

Current Senior Executives

The Company's Executive Chairman Richard Homsany is regarded as the Company's only current Executive.

Mr Homsany serves as Executive Chairman based on a resolution of the Board of Directors effective 1 January 2017. No service agreement has yet been entered with Mr Homsany. Pursuant to a Board resolution, Mr Homsany's related entity Cardinals Corporate Pty Ltd (**Cardinals**) receives remuneration of \$20,151 per month, before GST. There are no termination benefits or notice periods stipulated in the Board resolution. Mr Homsany also receives Directors' fees pursuant to an existing services contract for \$50,000 per annum plus superannuation.



b. Details of remuneration

Details of the nature and amount of each element of the remuneration of each KMP of Toro are shown in the table below (A\$):

Director and other KMP	Year	Short term benefits			Post employment benefits	Long-term benefits		Share- based payments		Total	Performance based % of remuneration
		Cash salary and fees	Cash bonus	Non-monetary benefits	Super	Long service leave	Termination benefits	Shares issued in lieu of cash salary	Options		
Executive Directors											
Richard Homsany	2021	291,813	-	-	4,750	-	-	-	358,003	654,566	-
	2020	291,813	-	-	4,750	-	-	-	-	296,563	-
Non-Executive Directors											
Richard Patricio	2021	50,000	-	-	-	-	-	-	159,112	209,112	-
	2020	50,000	-	-	-	-	-	-	-	50,000	-
Michel Marier	2021	50,000	-	-	-	-	-	-	159,112 ¹	209,112	-
	2020	50,000	-	-	-	-	-	-	-	50,000	-
Total	2021	391,813	-	-	4,750	-	-	-	676,227	1,072,790	-
	2020	391,813	-	-	4,750	-	-	-	-	296,563	-

¹ Director options for Mr Marier are held by his employer, The Sentient Group, and as such Mr Marier does not have any personal interest in those options.

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The relative proportions of remuneration for current Directors and other KMP that are linked to performance and those that are fixed are as follows:

Director and other KMP	Fixed remuneration	At risk: Short Term Incentives (STI)	At risk: options / performance rights
Executive Directors			
Richard Homsany	100%	-	-
Non-Executive Directors			
Richard Patricio	100%	-	-
Michel Marier	100%	-	-

Since the long-term incentives have been provided exclusively by way of options or performance rights, the percentages disclosed also reflect the value of remuneration consisting of options, performance rights based on the value of options or performance rights expensed during the year.

c. Service agreements

Details of service agreements are outlined under section a.

d. Share-based remuneration

Options were granted to Directors or other KMP during the financial year.

e. Bonuses included in remuneration

No bonuses were awarded to Directors or other KMP in the financial year or prior financial year.

f. Other information

Director Mr Richard Homsany held 500,000 ordinary shares in the Company during the 2021 reporting period. None of the other Directors or the Group's other KMP (including their respective related parties) held any ordinary shares in the Company during the 2021 reporting period.

The number of options in the Company held by each of the Directors and other KMP during the 2021 reporting period, including their related parties, is set out below:

	Balance at start of year or date of appointment	Granted as remuneration	Exercised	Expired	Held at the end of the reporting period or date of departure
Richard Homsany	15,000,000	45,000,000	-	-	60,000,000
Richard Patricio	7,500,000	20,000,000	-	-	27,500,000
Michel Marier ¹	-	-	-	-	-
	22,500,000	65,000,000	-	-	87,500,000

¹27,500,000 options that Non-Executive Director Mr Michel Marier was entitled to be issued were issued to Mr Marier's employer, The Sentient Group, and so Mr Marier does not have a personal interest in those options. 7,500,000 of those options (granted in FY2018) are exercisable at \$0.05075 on or before 20 December 2022 and 20,000,000 (granted in FY2021) are exercisable at \$0.01885 on or before 20 December 2022. For details of the valuation of the options held by the Directors please refer to Note 15 – Share based payments.

No performance rights in the Company were held by the Directors or other KMP (or their related parties) during the 2021 reporting period.

Transactions with Directors or other KMP

The Company has not made any loans to Directors or other KMP during the financial year or prior financial year.

During the financial year Cardinals Corporate Pty Ltd provided legal services to the Company to a total value of \$287,985 (2020: \$159,695). Richard Homsany is the principal of Cardinals Corporate Pty Ltd. The legal services were provided on an arm's length basis in accordance with a schedule of rates agreed with the Company that is consistent with standard industry terms and conditions.

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Other

The Company has not engaged external remuneration consultants to advise the Board on remuneration matters. The Company received 99.34% of 'yes' votes on its remuneration report for the 2020 financial year. The Company did not receive any specific feedback at the annual general meeting or throughout the year on its remuneration practices.

This concludes the Remuneration Report, which has been audited.

Environmental Legislation

The Company is committed to keeping its environmental impact as little as possible, and where there is any disturbance, to rehabilitate sites to accepted best practice. During the period under review the majority of work carried out was in Western Australia and the Company followed procedures and pursued objectives in line with guidelines published by the Western Australian State government. These guidelines are quite detailed and encompass the impact on owners and land users, heritage, health and safety and proper restoration practices. Toro supports this approach and is confident that it properly monitors and adheres to these objectives, any local conditions applicable.

Indemnities Given to, and Insurance Premiums Paid for, Auditors and Officers

To the extent permitted by law, the Company has indemnified (fully insured) each director and the secretary of the Company for a premium of \$22,189 (2020: \$17,893). The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings (that may be brought) against the officers in their capacity as officers of the Company or a related body, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

The Company has not agreed to indemnify its auditor Moore Australia Audit (WA) against any claim by a third party.

Non-audit Services

The board of directors is satisfied that the provision of non-audit services, totalling \$13,392, performed during the year by the Company's auditors is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that these services did not compromise the external auditor's independence on the basis that the nature of the services provided does not compromise the general principles relating to auditors independence as set out in APES 110 (Code of Ethics for Professional Accountants).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2021 as required under section 307C of the *Corporations Act 2001* has been received and can be found on page 20.

Proceedings

At the date of this report there were no leave applications or proceedings brought on behalf of the Company under section 237 of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors.

Richard Homsany
Executive Chairman
30 September 2021



Cautionary Statement

The BPD Studies are based on lower-level technical and economic assessments and are insufficient to provide certainty that the conclusions of the BPD Studies will be realised. Further, the Company cautions that there is no certainty that the forecast financial information contained in the BPD Studies will be realised. All material assumptions underpinning the forecast financial information are set out in this announcement. This forecasted financial information is deduced from an underlying mining production rate deemed possible due to the size of the Mineral Resources at Lake Maitland. Refer to the Company's ASX announcement dated 1 February 2015 that shows Lake Maitland deposit has sufficient Mineral Resources to support a 2Mt/a mining operation. The estimated mineral resources underpinning the BPD Studies have been prepared by competent persons in accordance with the current JORC Code 2012 Edition and the current ASX Listing Rules. Toro has concluded it has a reasonable basis for providing the forward looking statement included in this announcement. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

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**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF TORO ENERGY LIMITED & CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 30th day of September 2021.

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CORPORATE GOVERNANCE STATEMENT

Toro Energy Ltd is committed to achieving and demonstrating the highest standards of corporate governance. The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

In accordance with ASX Listing Rule 4.10.3 the Company has elected to disclose its Corporate Governance Policies and its compliance with them during the 2021 financial year on the Company's website rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance Statement is set out on the Company's website at www.toroenergy.com.au.

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Note	Consolidated	
		2021 \$	2020 \$
Other income	5(a)	148,699	77,903
Gain on shares at FVTPL		1,220,501	-
Impairment of non-current assets	5(b)	(4,889,315)	(43,397,596)
Depreciation expense	5(b)	(77,398)	(86,865)
Finance costs	5(b)	(490,541)	(596,735)
Employee benefits expense	5(c)	(1,737,673)	(267,243)
Share-based payments expense		(144,875)	-
Other expenses	5(d)	(536,804)	(578,097)
Loss before income tax expense		(6,507,406)	(44,848,633)
Income tax benefit	6	-	-
Loss for the year		(6,507,406)	(44,848,633)
Other comprehensive loss for the year net of tax		-	-
Total comprehensive loss for the year		(6,507,406)	(44,848,633)
Loss attributable to owners of the Company		(6,507,406)	(44,848,633)
Basic and diluted loss per share from continuing operations (cents per share)	7	0.22	1.84

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

AS AT 30 JUNE 2021

		Consolidated	
	Note	2021 \$	2020 \$
CURRENT ASSETS			
Cash and cash equivalents	8	10,379,707	3,410,913
Trade and other receivables	9	222,948	81,071
Other current assets	10	10,017	34,704
Financial assets	11	2,005,621	245,402
Total current assets		12,618,293	3,772,090
NON-CURRENT ASSETS			
Property, plant and equipment	12	534,429	591,043
Exploration and evaluation assets	13	18,000,000	18,000,000
Other non-current assets		5,000	5,000
Total non-current assets		18,539,429	18,596,043
Total assets		31,157,722	22,368,133
CURRENT LIABILITIES			
Trade and other payables	15	685,096	831,634
Provisions	16	152,531	139,511
Borrowings	17	10,000,000	10,000,000
Total current liabilities		10,837,627	10,971,145
NON-CURRENT LIABILITIES			
Provisions	16	5,824	2,252
Borrowings	17	-	5,000,000
Total non-current liabilities		5,824	5,002,252
Total liabilities		10,843,451	15,973,397
Net assets		20,314,271	6,394,736
EQUITY			
Issued capital	18	320,879,396	302,077,074
Reserves	19	2,178,909	554,290
Accumulated losses		(302,744,034)	(296,236,628)
Equity attributable to owners of the Company		20,314,271	6,394,736
Total equity		20,314,271	6,394,736

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



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

	Consolidated 2021 \$				Consolidated 2020 \$			
	Issued capital	Share reserve	Accumulated losses	Attributable to owners of the parent	Issued capital	Share reserve	Accumulated losses	Attributable to owners of the parent
	Note 18	Note 19			Note 18	Note 19		
Balance at the beginning of the year	302,077,074	554,290	(296,236,628)	6,394,736	297,982,938	554,290	(251,387,995)	47,149,233
Total comprehensive loss of the year	-	-	(6,507,406)	(6,507,406)	-	-	(44,848,633)	(44,848,633)
Proceeds from issue of shares	19,760,000	-	-	19,760,000	3,499,930	-	-	3,499,930
Transaction costs - issue of shares	(957,678)	-	-	(957,678)	(337,597)	-	-	(337,597)
Share-based payments	-	144,875	-	144,875	931,803	-	-	931,803
Options issued to Directors/Employees/Consultants	-	1,479,744	-	1,479,744	-	-	-	-
Balance at the end of the year	320,879,396	2,178,909	(302,744,034)	20,314,271	302,077,074	554,290	(296,236,628)	6,394,736

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

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**CONSOLIDATED STATEMENT OF CASH FLOWS**

FOR THE YEAR ENDED 30 JUNE 2021

		Consolidated	
	Note	2021 \$	2020 \$
Cash flows from operating activities			
Payments to suppliers and employees		(1,007,248)	(477,252)
Interest received		21,644	73,787
Government grants		130,221	12,000
Interest payments on borrowings		(631,103)	-
Net cash (used in)/ provided by operating activities	8	(1,486,486)	(391,465)
Cash flows from investing activities			
Purchase of property, plant and equipment		(20,784)	(42,138)
Purchase of equity investments		(539,718)	(110,000)
Payments for exploration and evaluation assets		(4,889,314)	(3,296,334)
Net cash used in investing activities		(5,449,817)	(3,448,472)
Cash flows from financing activities			
Proceeds from issue of shares		19,760,000	3,499,930
Transaction costs of issue of shares		(854,903)	(337,597)
Repayment of borrowings		(5,000,000)	(1,000,000)
Net cash provided by financing activities		13,905,097	2,162,333
Net (decrease) / increase in cash and cash equivalents		6,968,794	(1,677,604)
Cash at the beginning of the financial year		3,410,913	5,088,517
Cash at the end of the financial year	8	10,379,707	3,410,913

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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of operations

Toro Energy Limited and its Subsidiaries' (**Group**) principal activities include the development of the Wiluna Uranium Project, the exploration of the Yandal Gold Project, generating and investing in securities and financial instruments and new projects in uranium, though not exclusively, exploration and evaluation of its tenement holdings.

2. General information and statement of compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**). Toro is a for-profit entity for the purpose of preparing the financial statements. Toro Energy Limited is the Group's Ultimate Parent Company. Toro is a Public Company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is 60 Havelock Street West Perth WA 6005. The consolidated financial statements for the year ended 30 June 2021 were approved and authorised for issue by the Board of Directors on 30 September 2021.

2.1. Changes in accounting policies

New, revised or amending accounting standards and interpretations adopted"

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

New, revised or amending 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 annual reporting period ended 30 June 2021.

These standards are not expected to have an impact on the Group in the current or future reporting periods and on foreseeable future transactions.

3. Summary of accounting policies

3.1. Going concern

The consolidated financial statements have been prepared using the significant accounting policies and measurement basis summarised below.

The consolidated financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group incurred a net loss for the financial year ended 30 June 2021 of \$6,507,406 (2020: \$44,848,633), has current assets of \$12,618,293 and current liabilities of 10,837,627. Within current liabilities is an amount of \$10,000,000 due to Sentient pursuant to the Unitisation Deed which can be satisfied by either cash or new ordinary shares in the Company any time after 22 December 2017 at the Company's election (refer Note 17(i) for more information). The Sentient Loan was paid out in full and discharged on 9 June 2021 utilising funds received under the May Placement. The Unitisation Deed was paid out in full and discharged after the end of the reporting period on 28 July 2021 by the issue of 291,304,348 Shares at a deemed issue price of \$0.023 per Share, with the balance of the debt payable under the Unitisation Deed being satisfied by cash.

After consideration of all of the above factors, management have assessed that it is appropriate to prepare the financial statements on a going concern basis, which contemplates continuity of a significant portion of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

3.2. Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2021. The parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group. Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Non-controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.



3.3. Business combination

Not applicable

3.4. Investments in associates and joint arrangements

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in associates and joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising the Group's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly). Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment. The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

3.5. Functional currency translation

The consolidated financial statements are presented in Australian Dollars (\$AUD), which is also the functional currency of the Parent Company and all of its subsidiaries. The consolidated entity does not hold any foreign currency and does not have any assets or liabilities denominated in foreign currencies.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, except where deferred in other comprehensive income as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period, where this approximates the rate at the transaction date; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period in which the operation is disposed.

The consolidated entity does not hold any foreign currency and does not have any assets or liabilities denominated in foreign currencies.

3.6. Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

All revenue is stated net of the amount of goods and services tax (GST).



Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

3.7. Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

3.8. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption being recognised in the profit or loss over the period of the borrowings on an effective interest basis. Fees paid on the establishment of loan facilities which are not an incremental cost relating to the actual drawdown of the facility, are recognised as a reduction in borrowings and amortised on a straight-line basis over the term of the facility.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

3.9. Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

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

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

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

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

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred 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 (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.



Research and development

From 1 July 2011, the Australian Government has provided a tax incentive for eligible research and development expenditure. Management has assessed its research and development activities and expenditures to determine which are likely to be eligible under the scheme.

The Group records the benefit of this credit only when all qualifying research has been performed and the Group has obtained sufficient evidence from the relevant government authority that the credit will be granted.

Tax consolidation

The Company and its Australian wholly-owned entities are part of a tax-consolidated group under Australian taxation law. The head entity within the tax-consolidation group for the purposes of the tax consolidation system is Toro Energy Limited.

Toro Energy Limited and each of its own wholly-owned controlled entities recognise the current and deferred tax assets and deferred tax liabilities applicable to the transactions undertaken by it, after elimination of intra-group transactions. Toro Energy Limited recognises the entire tax-consolidated group's retained tax losses.

Amounts receivable from the Australian Tax Office in respect of research and development tax concession claims are recognised as a tax benefit at the time that the claim is lodged with the Australia Tax Office.

3.10. Goods and Service Tax

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

3.11. Cash and cash equivalents

Cash and short-term deposits in the Statement of Financial Position comprise cash at bank, cash in hand and short term deposits with an original maturity of one day to six months and where there is an insignificant risk of changes in value.

For the purposes of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

3.12. Trade and other receivables

Trade receivables, which generally have 30-90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

3.13. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities

Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.



A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair values (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with AASB 9.3.25.3; and
- the amount initially recognised less the accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;



The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3: Business Combinations applies, the Group made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Derivative financial instruments

The Group enters into various derivative financial instruments (ie foreign exchange forward contracts and interest rate swaps) to manage its exposure to interest rate and foreign exchange rate risks.

Derivative financial instruments are initially and subsequently measured at fair value. All gains and losses subsequent to the initial recognition are recognised in profit or loss.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach;



- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- a lender granting to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- high probability that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Group assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Group applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.



3.14. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Depreciation is calculated on either a straight-line (SL) basis or diminishing value (DV) basis over the estimated useful life of the assets. The useful life of the assets is as follows:

Asset class	Depreciation method	Useful life
Buildings	DV	20 years
Plant and equipment and furniture and fittings	DV	2-100 years
Information technology	SL	4 years
Motor vehicles	DV	8-20 years
Leasehold property	DV	4-20 years

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their recent value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value. An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the profit or loss.

3.15. Leases

AASB 16 Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating lease on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.



The Group as lessor

Upon entering into each contract as a lessor, the Group assesses if the lease is a finance or operating lease

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Group's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Group applies AASB 15 to allocate the consideration under the contract to each component.

3.16. Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest. Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

3.17. Impairment of non-financial assets

At each reporting date, the Group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Any excess of the asset's carrying value over its recoverable amount is expensed to the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3.18. Trade and other payables

Trade and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

3.19. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

3.20. Employee benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employee services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave



The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by the employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wages and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Share-based payment transactions

The Company provides benefits to employees of the Group in the form of share-based payments, whereby employees receive options incentives (equity-settled transactions). The Company has established the SIP which provides benefits to employees. The cost of these equity-settled transactions with employees are measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black-Scholes option pricing model. The cost of equity-settled transactions is recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income, together with a corresponding increase in the share option reserve, when the options are issued. However, where options have vesting terms attached, the cost of the transaction is amortised over the vesting period. Upon the exercise of options, the balance of share based payments reserve relating to those options is transferred to share capital.

3.21. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

3.22. Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

3.23. Critical accounting estimates and judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key estimates — Exploration and evaluation

The Group's policy for exploration and evaluation is discussed in Note 3.16. The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploration, then the relevant capitalised amount will be written off through the Statement of Profit or Loss and Other Comprehensive Income (also refer to Note 13).

Key estimates – Impairment of financial assets

The Group assesses impairment of its financial assets at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Key estimates – Fair value of financial instruments

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information.

Key Estimates- Share based payment transactions

The Group measures the cost of equity-settled transactions with key management personnel, employees and other stakeholders by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes or binomial option pricing model, using the assumptions detailed in Note 14.

Key Judgment - Coronavirus (COVID-19) pandemic

Judgment has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as

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a result of the Coronavirus (COVID-19) pandemic.

4. Segment reporting

The Consolidated Group has adopted AASB 8 Operating Segments with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Consolidated Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Consolidated Group operates in one operating segment and one geographical segment, being mineral exploration in Australia. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Group.

5. Revenue and expenses

		Consolidated	
		2021 \$	2020 \$
(a)	Other income		
	Bank interest received or receivable	18,478	65,903
	Government grants income	130,221	12,000
	Other	-	-
	Total other income	148,699	77,903
	Expenses		
(b)	Impairment of assets		
	(Gain) / Impairment of exploration and evaluation expenditure	4,889,315	43,373,522
	Impairment of shares at FVTPL	(1,220,501)	24,074
	Total Impairment of non-current assets	3,668,814	43,397,596
	<i>Depreciation of non-current assets</i>		
	Leasehold property	2,086	5,583
	Buildings	7,078	7,640
	Plant and equipment	61,006	65,141
	Motor vehicles	7,228	8,501
	Total depreciation	77,398	86,865
		Consolidated	
		2021 \$	2020 \$
	Interest on Sentient Loan at 10%	490,541	596,735
	Total finance expenses	490,541	596,735
(c)	Employee benefits expense		
	Wages, salaries, directors fees and other remuneration expense	564,129	558,093
	Superannuation cost	46,051	42,917
	Movement in annual leave provision	30,240	32,176
	Movement in long service leave provision	6,972	6,140
	Options based payments expense	1,479,744	-
	Transfer to capitalised tenements	(389,463)	(372,083)
	Total employee benefits expense	1,737,673	267,243
(d)	Other expenses		
	Promotion and advertising	25,009	66,625
	Travelling expenses	8,425	10,301
	Securities exchange and share registry fees	62,708	94,500
	Audit, R&D & accounting fees	77,910	117,930



Conference expenses	18,269	2,430
Insurance costs	68,331	41,831
Consulting fees	84,046	103,592
Legal fees	38,378	36,537
Subscriptions	2,516	1,969
Rent and utility expenses	25,821	18,301
Other expenses	125,391	84,081
Total other expenses	536,804	578,097

6. Income tax expense

	CONSOLIDATED	
	2021	2020
	\$	\$
The major components of current and deferred expense comprise:		
A reconciliation between tax expense/(benefit) and the product of accounting profit/(loss) before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting loss before income tax	(6,507,406)	(44,848,633)
At Groups statutory income tax rate of 26% (2020:30%)	(1,691,926)	(13,454,590)
Add tax effect of:		
Losses not recognised	1,411,964	13,565,889
Other non-allowable items	430,097	-
Other non-assessable items	(26,837)	-
Other deferred tax balances not recognised	(123,298)	(111,299)
Total Income Tax expense/(Benefit)	-	-
Deferred tax recognised at 25% (2020:30%) (Note 1):		
Deferred tax liabilities:		
Exploration expenditure	(4,500,000)	(5,400,000)
Financial assets	(283,605)	-
Other	(135)	(1,112)
Deferred tax assets:		
Carry forward revenue losses	4,783,740	5,401,112
Net deferred tax	-	-
	2021	2020
	\$	\$
Unrecognised deferred tax assets at 25% (2020:30%) (Note 1):		
Carry forward revenue losses	37,931,370	43,932,937
Provisions and accruals	4,942,171	6,001,146
Capital raising costs	261,328	115,499
Other	17,906	21,883
	43,152,775	50,071,465

The tax benefits of the above deferred tax assets will only be obtained if:

- (a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;

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- (b) the Company continues to comply with the conditions for deductibility imposed by law; and
(c) no changes in income tax legislation adversely affect the Company in utilising the benefits.

Note 1 - the corporate tax rate for eligible companies will reduce from 30% to 25% by 30 June 2022 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.

Note 2 - Tax Consolidation

For the purpose of income taxation, the Company and its 100% Australian controlled entities have formed a tax consolidated group.

7. Loss per share

The following reflects the loss and share data used in the basic and diluted loss per share computations:

	Consolidated	
	2021 \$	2020 \$
Net loss attributable to ordinary equity holders of the Company	6,507,406	44,848,633
Weighted average number of ordinary shares for basic earnings per share	2,961,035,807	2,435,820,889
Loss per share (cents per share)	0.22	1.84

Potential shares relating to options totalling 226,000,000 (2020: 42,750,000) have not been included in determining diluted earnings per share because these are anti-dilutive.

8. Cash and cash equivalents

	Consolidated	
	2021 \$	2020 \$
Cash at bank and in hand	8,379,707	660,913
Short term deposits	2,000,000	2,750,000
	10,379,707	3,410,913

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and six months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. There is insignificant risk of changes in the value of such deposits. Refer to Note 23.

	Consolidated	
	2021 \$	2020 \$
Reconciliation of net loss after tax to net cash flows from operations		
Net loss	(6,507,406)	(44,848,633)
<i>Adjustments for non-cash items:</i>		
Depreciation	77,398	86,865
Net impairment of non-current assets	3,668,814	43,397,596
Share based payments	1,624,619	931,803
<i>Changes in assets and liabilities</i>		
(Increase)/Decrease in trade and other receivables	(141,877)	14,100
(Increase)/Decrease in other assets	24,687	8,383
Increase/(Decrease) in trade and other payables	(249,314)	(14,232)
Increase/(Decrease) in employee provisions	16,592	32,653
Net cash used in operating activities	(1,486,486)	(391,465)



9. Trade and other receivables

	Consolidated	
	2021 \$	2020 \$
Current		
Senior secured loan – Strateco	3,250,202	3,250,202
Provision for impairment – Strateco loan	(3,250,202)	(3,250,202)
Convertible Note – Strateco	15,291,482	15,291,482
Provision for impairment – Strateco convertible note	(15,291,482)	(15,291,482)
Goods and services tax receivables	222,948	81,071
	222,948	81,071

Senior Secured Loan - Strateco

On 22 December 2014, Toro acquired a C\$3M senior secured loan receivable in Strateco from Sentient. The loan has been recorded at its fair value plus acquisition costs. Subsequently the loan was tested for impairment and due to the current financial standing of Strateco a provision to impair the full amount of the receivable was taken to account. The loan is secured over Strateco and its assets, namely the Matoush Uranium Project located in Quebec, Canada.

Convertible Note - Strateco

On 22 December 2014 Toro also acquired convertible notes in Strateco with a face value of C\$14.1M maturing on 27 February 2016 from Sentient. At the time of acquisition the convertible notes were accounted for as a loan receivable. The receivable was tested for impairment and due to the current financial standing of Strateco a provision to impair the full amount receivable has been taken to account. The convertible notes are also secured over Strateco and its assets.

Strateco is pursuing a law suit against the Quebec government. On 21 June 2017 Strateco advised that the Honourable Denis Jacques JCS rendered his decision in connection with the lawsuit against the Attorney General of Quebec on behalf of the Government of Quebec and the Minister of the Environment. Strateco's claim of C\$182.7M for the loss of its investment in the Matoush Uranium Project and an additional C\$10M in punitive damages was rejected. Strateco had indicated an intention to appeal the decision, however the proceedings were terminated in April 2021.

During the reporting period the Company received a notification that a sale process would be initiated for Strateco, which is expected to return a nil or marginal value. As such Toro does not expect to receive any funds in respect of the Strateco investment.

Trade Receivables

As at 30 June 2021, the Company did not have any trade receivables which were outside normal trading terms (past due but not impaired).

10. Other current assets

	Consolidated	
	2021 \$	2020 \$
Accrued interest income	539	3,705
Prepayments	9,478	30,999
	10,017	34,704



11. Financial Assets

	Consolidated	
	2021 \$	2020 \$
Azarga Metals Corp - Shares	27,381	21,744
Galan Lithium Limited - Shares	1,310,435	213,658
Oakajee Corporation Limited - Shares	18,750	7,500
Oakajee Corporation Limited - Options	5,000	2,500
Rex Minerals Limited - Shares	402,555	-
Redstone - Shares	227,500	-
Golden State Mining - Shares	14,000	-
	2,005,621	245,402

The shares acquired in Strateco, SeqUr Exploration and European Uranium Resources in December 2014 were recorded at fair value at the time of acquisition and recorded as financial assets available for sale. Shares in SeqUr are not traded in an active market and as a result of SeqUr surrendering their interest in their sole exploration asset the book value of \$63,822 was fully impaired in the 30 June 2015 financial year. Strateco was declared insolvent in June 2015 and as such the Company's interest in Strateco shares valued at \$966,589 was fully impaired in the 30 June 2015 financial year. On 31 May 2016 European Uranium Resources changed its name to Azarga Metals Corp and shares in European Uranium Resources were consolidated on a 10 old for 1 new basis. Toro owns 204,108 shares in Azarga Metals Corp.

During the year Toro acquired:

- 17,500,000 Redstone Resources Limited (ASX:RDS) (**Redstone**) shares at an average price of \$0.019 per share. The closing price of Redstone shares on 30 June 2021 was \$0.013 and the fair value for the 17,500,000 Redstone shares was \$227,500.
- 100,000 Golden State Mining Limited (ASX:GSM) (**Golden State**) shares at an average price of \$0.125 per share. The closing price of Golden State shares on 30 June 2021 was \$0.14 and the fair value for the 100,000 Golden State shares was \$14,000.
- 1,150,156 Rex Minerals Limited (ASX:RXM) (**Rex**) shares at an average price of \$0.165 per share. The closing price of Rex shares on 30 June 2021 was \$0.35 and the fair value for the 1,150,156 Rex shares was \$402,555.

12. Property, plant and equipment

	Consolidated				
	Plant and equipment \$	Motor vehicles \$	Leasehold property \$	Buildings \$	Total \$
30 June 2021					
<i>At cost</i>					
Opening balance	1,400,730	302,787	2,290,830	200,000	4,194,347
Additions	17,626	3,157	-	-	20,784
Disposals	-	-	-	-	-
Closing balance	1,418,356	305,944	2,290,830	200,000	4,215,131
<i>Accumulated depreciation</i>					
Opening balance	955,987	255,987	2,287,502	103,828	3,603,304
Depreciation	61,006	7,228	2,086	7,078	77,398
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Closing balance	1,016,993	263,215	2,289,588	110,906	3,680,702
<i>Summary</i>					
At cost	1,418,356	305,944	2,290,830	200,000	4,215,131



Accumulated depreciation	(1,016,993)	(263,215)	(2,289,588)	(110,906)	(3,680,702)
Net carrying amount	401,363	42,729	1,242	89,094	534,429

30 June 2020

<i>At cost</i>					
Opening balance	1,358,591	302,787	2,290,830	200,000	4,152,208
Additions	42,139	-	-	-	42,139

	Consolidated				
	Plant and equipment \$	Motor vehicles \$	Leasehold property \$	Buildings \$	Total \$
Disposals	-	-	-	-	-
Closing balance	1,400,730	302,787	2,290,830	200,000	4,194,347
<i>Accumulated depreciation</i>					
Opening balance	890,846	247,486	2,281,919	96,188	3,516,439
Depreciation	65,141	8,501	5,583	7,640	86,865
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Closing balance	955,987	255,987	2,287,502	103,828	3,603,304
<i>Summary</i>					
At cost	1,400,730	302,787	2,290,830	200,000	4,194,347
Accumulated depreciation	(955,987)	(255,987)	(2,287,502)	(103,828)	(3,603,304)
Net carrying amount	444,743	46,800	3,328	96,172	591,043

13. Exploration and evaluation assets

	Consolidated	
	2021 \$	2020 \$
Balance at beginning of financial year	18,000,000	58,077,189
Expenditure incurred during the year	4,889,315	3,296,333
Impairment of exploration and evaluation assets	(4,889,315)	(43,373,522)
	18,000,000	18,000,000

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas.

In March 2017 the Western Australian Labor Party won the Western Australian state government election. Soon after their election the government announced it would not allow uranium to be mined on all future granted mining leases. However the government announced that it would not prevent those projects that had received State Ministerial approvals from progressing. Each of the Centipede, Millipede, Lake Maitland and Lake Way deposits are included in the Company's State Ministerial Consent 1051 issued in January 2017. Accordingly, the Company has impaired, in full, all of its tenements that do not have State Ministerial approval to proceed. In addition the Company has impaired in full the expenditure on the Lake Way deposit on the basis that it would likely be the final of the four approved deposits to be mined and that its development remains many years into the future.

During the financial year, core and non-core tenements were impaired for a total amount of \$4,889,315 and the balance of the exploration and evaluation assets is \$18,000,000 as at 30 June 2021.

In the prior financial year the Company recognised a total impairment of \$43,373,522 against the Wiluna Uranium Project and a number of the Company's exploration properties. The impairment recorded reflected costs capitalised against mineral properties that were non-core to the Wiluna Uranium Project and or were considered earlier stage exploration properties that the Company did not have plans to undertake further exploration activities or assessment of.

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14. Share based payments

Securities Incentive Plan

The Company has an established SIP. All employees (full and part time and including an executive director), non-executive directors, contractors and casual employees, and such other people as the Board determines, will be eligible to participate in the SIP. Securities are granted under the SIP at the discretion of the Board and on the terms and conditions approved by the Board and if permitted by the Board, may be issued to an eligible participant's nominee. The main purpose of the SIP is to give an additional reward to Directors, employees and consultants of the Company to provide dedicated and ongoing commitment and effort to the Company, and for the Company to reward its Directors, employees and consultants for their efforts. The SIP is a reward plan designed to increase the motivation of personnel and create a stronger link between increasing Shareholder value and personnel reward. Shares issued pursuant to the exercise of SIP convertible securities will rank pari passu in all respects with the Company's existing Shares. Application will not be made for official quotation on the ASX of the securities issued under the SIP.

The expense recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in relation to share-based payments is disclosed in Note 5(c).

The following table illustrates the number and weighted average exercise prices and movements in securities issued during the year:

	2021 Number	2021 Weighted average exercise price	2020 Number	2020 Weighted average exercise price
Outstanding at the beginning of the year	42,750,000	\$0.05	42,750,000	\$0.05
Granted during the year	196,000,000	\$0.02	-	-
Lapsed / expired during the year	(12,750,000)	\$0.045	-	-
Outstanding at the end of the year	226,000,000	\$0.02	42,750,000	\$0.05
Exercisable at the end of the year	226,000,000	\$0.02	42,750,000	\$0.05

The weighted average remaining contractual life for the share options outstanding as at 30 June 2021 is 3.94 years (2020: 1.96 years).

The range of exercise prices for options outstanding at the end of the year was \$0.01885 – \$0.05075. 196,000,000 options were issued during the financial year (2020: Nil) and 12,750,000 options lapsed (2020: Nil). The weighted average fair value of options granted during the year ending 30 June 2021 was \$0.02.

The fair value of the equity-settled share options granted under the options plan is estimated as at the date of grant using a Black-Scholes model taking into account the terms and conditions upon which the options were granted. The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

15. Trade and other payables

	Consolidated	
	2021 \$	2020 \$
Trade payables	413,701	572,767
Other payables	261,395	37,182
Accrued interest expense	10,000	221,685
	685,096	831,634

Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables are non-interest bearing and are normally settled within 30 – 90 days. Information regarding the credit risk of current payables is set out in Note 23.



16. Provisions

	Consolidated	
	2021 \$	2020 \$
Current		
Annual leave	115,576	105,956
Long service leave	36,955	33,555
	152,531	139,511
Non-current		
Long service leave provision	5,824	2,252
	5,824	2,252

17. Borrowings

	Consolidated	
	2021 \$	2020 \$
Current		
Unitisation Deed (refer Note 17(i))	10,000,000	10,000,000
Less: present value discount of Sentient loan	(2,882,198)	(2,882,198)
Add: unwinding of present value discount	2,882,198	2,882,198
Less: transaction costs	(114,098)	(114,098)
Add: amortised transaction costs	114,098	114,098
Total Unitisation Deed	10,000,000	10,000,000
Non-Current		
Sentient loan (refer Note 17(ii))	5,000,000	6,000,000
Less: present value discount of Sentient loan	(1,729,318)	(1,729,318)
Add: unwinding of present value discount	1,729,318	1,729,318
Less: transaction costs	(1,607,958)	(1,607,958)
Add: amortised transaction costs	1,607,958	1,607,958
Loan repayment	(5,000,000)	(1,000,000)
Total Sentient Loan	-	5,000,000
Total borrowings	10,000,000	15,000,000

(i) **Unitisation Deed**

In December 2014 the Company entered into a Unitisation Deed with the Sentient Group.

Sentient provided Toro with interest free funding totalling \$10,000,000 to be used for research and development activities to advance and improve the value of the Wiluna Uranium Project. Toro has granted Sentient the right to receive a unitisation fee valued at 2.5% of the gross proceeds from the production of uranium from the Wiluna Uranium Project.

The Unitisation Deed can be terminated by either party at any point in time after three years (or earlier in certain circumstances, including a change in control of Toro). Upon termination, the unitisation fee is to be bought back by Toro at the higher of \$10,000,000 less amounts paid under the Unitisation Deed and the independently assessed fair market value of the unitisation fee at or around the time of termination. Toro may elect at its discretion to satisfy the consideration payable on termination in cash or Toro Shares irrespective of which party terminates the Unitisation Deed. Where consideration is paid in shares the share price is determined by a 7.5% discount to a 30 day volume weighted average price.

The option to settle the debt in shares is a derivative that gives right to an asset or liability and therefore needs to be valued (AASB 132 para 26 and 27). The derivative is to be fair valued at each reporting date. In valuing the derivative, the approach is to determine the number of shares to be issued (based on the 30 day

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WVAP discounted for 7.5%) and then to value those shares using the current market price of a Toro Energy Ltd share.

The calculation is as follows:

- 30 Day VWAP at 30 June 2021 reporting date = \$0.02166
- Discounted at 7.5% = \$0.02004
- Number of shares issued if terminated (10,000,000/0.02004) = 499,104,437
- Value of loan at 30 June 2021 (499,104,437*0.021 (31 June share price)) = \$10,481,193

If the loan was terminated at 30 June 2021 the value of equity issued to settle the debt would be approx. \$481,193 higher than current book value. The ultimate value attributed to the shares to be issued to settle the debt will fluctuate based on the 30-day VWAP compared to the Company's share price at termination date. Given the potential for significant fluctuations in the value of the derivative the directors consider it appropriate not to book the movement.

The Unitisation Deed was paid out in full and discharged after the end of the reporting period on 28 July 2021 by the issue of 291,304,348 Shares at a deemed issue price of \$0.023 per Share, with the balance of the debt payable under the Unitisation Deed being satisfied by cash.

(ii) **Sentient Group Loan**

In November 2015 Sentient and Toro entered into a \$6,000,000 loan agreement. The loan is interest free and had matured on 2 August 2018. The Company issued of 75,000,000 options to Sentient with an exercise price of \$0.08 per share, on the inception date of the loan, and have since expired at maturity of the loan.

On 31 July 2018 an agreement was reached with Sentient to extend the date for repayment of the loan facility made available to the Company from 3 August 2018 to 2 February 2020. In February 2020 an agreement was reached to further extend the date for repayment to 31 December 2020. In consideration for the grant of this extension the Company repaid \$1,000,000 of the loan to Sentient, and issued 120,388,021 fully paid ordinary shares in the capital of the Company in satisfaction of interest payable on the Sentient Loan up to the date of 2 February 2020. The Company has agreed that it will continue to pay Sentient interest on the amount outstanding under that loan, calculated at a 10% coupon rate, calculated daily and compounding annually. Sentient has agreed that the Company may elect to satisfy the payment of any interest payable on the loan by the issue of Shares rather than in cash. The number of Shares to be issued in satisfaction of interest payable will be calculated based on the 30 day volume weighted average closing price for Shares traded on the ASX for the 30 days prior to the relevant repayment date (**30 Day VWAP**).

The Sentient Loan was paid out in full and discharged on 9 June 2021, utilising funds raised under the May Placement.

18. Issued capital

	Consolidated	
	2021 \$	2020 \$
Value as at end of the year	320,879,396	302,077,074
	Number of ordinary shares	\$
Balance at the beginning of the year	2,745,863,919	302,077,074
Proceeds from Securities issued to Acuity Capital Investment Management Pty Ltd (Acuity)	208,000,000	4,760,000
Share payment to Sentient for loan repayment at \$0.023	291,304,348	6,700,000
Share Placement	360,869,565	8,300,000
Costs of capital raising	-	(957,676)
Balance at the end of the year	3,606,037,832	320,879,398

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

During the year the Company utilised the CPA entered into between itself and Acuity, as announced on 11 May 2020, on a number of occasions. On 1 September 2020 the Company announced that it had issued 108,000,000 Shares to Acuity at an issue price of \$0.0111 per Share to raise total proceeds of \$1,200,000 (before costs). On 29 October 2020 the Company completed a further placement of 100,000,000 Shares to Acuity at a price of \$0.01435 per Share to raise total proceeds of \$1,435,000 (before costs). The Company again utilised the CPA on 30 March 2021 through a set-off of approximately 135,000,000 Shares (**Set-Off Shares**) to raise \$2,125,000 (before costs), following which the CPA was terminated immediately. The Set-Off Shares offset shares that Acuity was otherwise required to return to the Company upon maturity or early termination of the CPA. For further information about the CPA

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please see the Company's ASX announcements of 11 May 2020 and 30 March 2021.

On 28 May 2021 the Company completed a placement of 652,173,913 Shares at an issue price of \$0.023 per Share to sophisticated, professional and institutional holders to raise \$15 million (before costs) (**May Placement**). Canaccord Genuity acted as Leader Manager and Bookrunner to the May Placement. A portion of the funds raised by the May Placement were used to repay part of the debt owed by the Company to its largest shareholder, Sentient (as detailed below) with the balance of the funds raised by the May Placement used, or planned to be used, to advance the Wiluna Uranium Project, to fund exploration activities at the Dusty Nickel Project as well as at the Yandal Gold and Base Metals Projects, and for general working capital.

On 21 May 2021 the Company announced that, in addition to the May Placement, it had entered into an agreement to repay approximately A\$15.6 million owing to Sentient (**Sentient Debt**) which comprised of:

- (a) debt under the \$6,000,000 loan facility made available to the Company by Sentient details of which are contained in Note 17(ii) (**Sentient Loan**); and
- (b) the interest free funding totalling \$10,000,000 provided to the Company by Sentient to be used for research and development activities to advance and improve the value of the Wiluna Uranium Project pursuant to the unitisation deed details of which are contained in Note 17(i) (**Unitisation Deed**)).

The Sentient Loan was repaid in full by the Company prior to the end of the financial year on 9 June 2021 utilising funds received under the May Placement.

After the end of the period on 28 July 2021 the Company issued 291,304,348 Shares to Sentient in partial satisfaction of the remaining balance outstanding under the Unitisation Deed detailed above, and repaid the remaining balance in cash, in full and final discharge of all amounts owing to Sentient under the Unitisation Deed following which the Sentient Debt was retired in full and the Company was debt free.

19. Reserves

	Consolidated	
	2021 \$	2020 \$
Balance at the beginning of the year	554,290	554,290
Share based payments	144,875	-
Options issued	1,479,744	-
Balance at the end of the year	2,178,909	554,290

The nature and purpose of the share reserve is to record values of options and performance rights provided to directors, employees and third parties as part of remuneration or other transactions consideration.

20. Commitments

	Consolidated	
	2021 \$	2020 \$
Operating leases		
No longer than one year	39,555	40,990
Longer than one year and not longer than five years	-	350
Balance at the end of the year	39,555	41,340

As at 30 June 2021 the consolidated entity is the registered owner of approximately 30 granted mineral tenements. The rental and rates required to maintain these tenements are estimated at \$1,559,400 within one year and \$6,237,600 between two and five years. The consolidated entity does not have any bank guarantees in place as collateral over tenements which it is the registered holder of.

21. Auditors remuneration

	Consolidated	
	2021 \$	2020 \$
Audit and half yearly review of the financial report	41,495	40,225
Other professional services	13,392	28,410
Total	54,887	68,635



22. Controlled entities

	Ownership interest	
	2021	2020
Parent entity		
Toro Energy Limited		
Subsidiaries		
Toro Energy Exploration Pty Ltd	100%	100%
Toro Energy Canada Pty Ltd	100%	100%
Nova Energy Pty Ltd	100%	100%
Nova Energy (Africa) Pty Ltd	100%	100%
Redport Exploration Pty Ltd	100%	100%
Mega Lake Maitland Pty Ltd	100%	100%
Mega Stations Holdings Pty Ltd	100%	100%

Toro is the head entity within the tax consolidated group. All subsidiaries listed are members of the tax consolidated group. All members of the consolidated entity are incorporated in Australia.

23. Financial instruments

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The three Levels of a fair value hierarchy are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

30 June 2021 \$				
	Level 1	Level 2	Level 3	Total
Financial Assets				
Shares at FVTPL	2,005,621	-	-	2,005,621
	2,005,621	-	-	2,005,621
Financial Liabilities				
Borrowings	-	-	(10,000,000)	(10,000,000)
	-	-	(10,000,000)	(10,000,000)



30 June 2020 \$

	Level 1	Level 2	Level 3	Total
Financial Assets				
Shares at FVTPL	245,402	-	-	245,402
	245,402	-	-	245,402
Financial Liabilities				
Borrowings	-	-	(15,000,000)	(15,000,000)
	-	-	(15,000,000)	(15,000,000)

Financial risk management policies

The Board of Directors are responsible for monitoring and managing financial risk exposures of the Group. The main risks the Group are exposed to involve credit risk, interest rate risk and liquidity risk.

Categories of financial instruments

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and leases.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2021 \$	2020 \$
Financial assets		
Cash and cash equivalents	10,379,707	3,410,913
Trade and other receivables	222,948	81,071
Shares at FVTPL	2,005,621	245,402
Financial liabilities		
Trade and other payables	685,096	831,634
Borrowings	10,000,000	10,000,000

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties as a means of mitigating the risk of financial loss from activities.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders.

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The capital structure of the Group consists of cash and cash equivalents, borrowings and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses as disclosed in the statement of changes in equity.

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Company's net loss would increase or decrease by approximately \$51,898 (2020: \$17,055) which is attributable to the Group's exposure to interest rates on its variable bank deposits.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and investing surplus cash only in major financial institutions.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Consolidated		
	< 1 year \$	>1-<5 years \$	Total \$
Year ended 30 June 2021			
Financial liabilities			
Fixed rate	10,685,096	-	10,685,096
Weighted average effective interest rate	-	-	-
Fixed rate	-	-	-
Weighted average effective interest rate	-	-	-
Year ended 30 June 2020			
Financial liabilities			
Fixed rate	10,831,634	-	10,831,634
Weighted average effective interest rate	-	-	-
Fixed rate	-	5,000,000	5,000,000
Weighted average effective interest rate	-	0.10	-

The following table details the Group's expected maturity for its non-derivative financial assets. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period.

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	Consolidated		
	< 1 year \$	>1-<5 years \$	Total \$
Year ended 30 June 2021			
Financial assets			
Fixed rate	2,000,000	-	2,000,000
Weighted average effective interest rate	0.29%	-	-
Floating rate – cash assets	8,379,707	-	8,379,707
Weighted average effective interest rate	0.05%	-	-
Year ended 30 June 2020			
Financial assets			
Fixed rate	2,750,000	-	2,750,000
Weighted average effective interest rate	1.00%	-	-
Floating rate – cash assets	660,913	-	660,913
Weighted average effective interest rate	0.05%	-	-

24. Related party disclosures and KMP remuneration

Details of the ownership interests between Toro and the entities within the Group are outlined in Note 22. Transactions between Toro and its subsidiaries during the year consisted of loans advanced by Toro to fund exploration and evaluation of tenements. The closing value of all loans to wholly owned members of the Group is contained within the statement of financial position under non-current assets at Note 25.

During the year Cardinals Corporate Pty Ltd (**Cardinals**) provided legal and professional advice to the Group amounting to \$287,985 (2020: \$159,695). Richard Homsany, a director of Toro throughout the year is the owner of Cardinals. The legal services were provided pursuant to a schedule of rates and were provided on arm's length basis.

Key management of the Group are the members of the Board of Directors and key management. Key management personnel expenses include the following expenses:

	2021 \$	2020 \$
Short term employee benefits		
Salaries including bonuses	391,813	391,813
Shares issued in lieu of salary	-	-
Post-employment benefits		
Superannuation	4,750	4,750
Long term employee benefits		
Termination benefits	-	-
Share based payments	676,227	-
Total remuneration	1,072,790	396,563

25. Parent entity information

Financial statements and notes for Toro, the legal parent entity, are provided below:

	Parent	
	2021 \$	2020 \$
Financial position		
Current assets	12,590,903	3,750,337
Non-current assets	18,838,905	18,775,843

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Total assets	31,429,808	22,526,180
Current liabilities	10,837,627	15,971,145
Non-current liabilities	5,824	2,252
Total liabilities	10,843,451	15,973,397
Shareholders' equity		
Issued capital	460,659,570	441,857,248
Share option reserve	2,178,909	554,290
Accumulated losses	(435,858,755)	(435,858,755)
Total equity	26,979,724	6,552,783
Financial performance		
Loss for the year	(6,393,367)	(44,795,293)
Other comprehensive income	-	-
Total comprehensive loss	(6,393,367)	(44,795,293)

26. Events after the balance sheet date

After the end of the period on 28 July 2021 the Company issued 291,304,348 Shares to Sentient at a deemed issue price of \$0.023 per Share in partial satisfaction of the remaining balance outstanding under the Unitisation Deed detailed above, and repaid the remaining balance in cash, in full and final discharge of all amounts owing to Sentient under the Unitisation Deed following which the Sentient Debt was retired in full and the Company was debt free.

Other than the above no other matters or circumstances have arisen since the end of the financial reporting year that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Toro Energy Limited:

1. In the opinion of the directors of Toro Energy Limited:
 - a. The consolidated financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of its financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
 - ii. Complying with Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulations 2001*; and
 - b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The directors have been given declarations required by Section 295A of the *Corporations Act 2001* from the Executive Chairman and Company Secretary for the financial year ended 30 June 2021.
 - a. Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.

Richard Homsany
Executive Chairman

Signed this 30th day of September 2021

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TORO ENERGY LIMITED****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Toro Energy Limited (the "Company") and its subsidiaries (the "Group") which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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 30 June 2021 and of its financial performance for the year then ended; 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & 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.

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 year. 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TORO ENERGY LIMITED (CONTINUED)**

Key Audit Matters (continued)

Carrying value of Exploration and Evaluation assets

Refer to Notes 3.16 and 13

At 30 June 2021 the carrying value of Exploration and Evaluation assets was \$18 million.

In accordance with AASB6 *Exploration for and Evaluation of Mineral Resources*, the Group is required to report at each reporting date if there are any indicators of impairment which may suggest the carrying value is in excess of the estimated recoverable value.

The process undertaken by management to assess whether there are any indicators of impairment in relation to each area of interest requires considerable judgement on their part.

This area is a key audit matter because of the significant value attributed to the asset in the accounts and the significant management judgement involved in determining if impairment indicators exist at reporting date.

Our procedures included, amongst others:

- Review of management's records of capitalised exploration and evaluation expenditure, by area of interest, and reconciling to the general ledger.
- Ensuring that capitalised exploration and evaluation expenditure has been properly recorded in respect of each area of interest in accordance with requirements set out in AASB 6.
- Carrying out a review of management's assessment of impairment indicators in accordance with AASB 6 including:
 - Confirming that rights of tenure continue to exist in relation to exploration projects;
 - Discussing with management their ongoing exploration and evaluation plans in respect of significant areas of interest including budgeted expenditure over the next 12 months;
 - Understanding whether any information exists (such as exploration results, completed commercialisation studies, etc) that may indicate that exploration and evaluation assets are unlikely to be recovered through development or sale;
- Assessing the accuracy and adequacy of any impairments recorded in respect of the year ended 30 June 2021; and
- Assessing the appropriateness of disclosures in respect of impairments made in the financial statements.

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TORO ENERGY LIMITED (CONTINUED)**

Key Audit Matters (continued)

Group's ability to continue as a going concern

Refer to Note 3.1

The financial statements are prepared on a going concern basis in accordance with AASB 101 *Presentation of Financial Statements*. The Group continues to incur significant operating losses in its ongoing efforts to explore and advance the commercialisation and development of its major assets. As the directors' assessment of the Group's ability to continue as a going concern is subject to significant judgement, we identified going concern as a significant risk requiring special audit consideration.

Our audit procedures included, amongst others, the following:

- An evaluation of the directors' assessment of the Group's ability to continue as a going concern. In particular, we reviewed budgets and cashflow forecasts for at least the next 12 months and reviewed and challenged the directors' assumptions.
- Consideration of repayment terms of the Group's debt facilities including the ability to make repayments via means other than by cash or cash equivalents.
- Reviewed plans by the directors to secure additional funding through either the issue of further shares and/or debt funding or a combination thereof.
- An evaluation of the directors plans for future operations and actions in relation to its going concern assessment, taking into account any relevant events subsequent to the year end, through discussion with the directors.
- Review of disclosure in the financial statements to ensure appropriate.

Based on the work done, we agree with the director's assessment that the going concern basis of preparation is appropriate.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly 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 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, 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.

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TORO ENERGY LIMITED (CONTINUED)****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 Company 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 Company 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 on 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 as included in the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Ultima United Limited, for the year ended 30 June 2021 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.



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 30th day of September 2021.



ASX ADDITIONAL INFORMATION

Additional information required by the ASX Listing Rules and not shown elsewhere in this report is as follows. The information is current as at 28 September 2021.

The Company has used all its cash and cash equivalents for the purpose of carrying out its stated business objectives.

A total of 3,860,236,074 ordinary shares are on issue and held by 10,715 individual shareholders. All ordinary shares carry one vote per share.

The following unlisted options are on issue:

- (a) 30,000,000 unlisted options over ordinary shares exercisable at \$0.05075 per share before 20 December 2022.
- (b) 186,000,000 options exercisable at \$0.01885 on or before 20 November 2025.
- (c) 10,000,000 options exercisable at \$0.04 on or before 2 June 2024.

There are no performance rights on issue.

Substantial shareholders

Holder	Number	%
The Sentient Group	775,995,089	19.91%
Mega Uranium Ltd	460,312,778	11.81%
OZ Minerals Limited	355,701,464	9.13%

Distribution of equity security holders

Range	Total holders	Units	% Units
1 – 1,000	944	273,127	0.01
1,001 – 5,000	1,263	3,949,171	0.10
5,001 – 10,000	1,303	10,546,385	0.27
10,001 -100,000	4,583	193,526,909	4.97
100,001 and over	2,622	3,689,046,588	94.65
	10,715	3,897,342,180	100.00

Unmarketable parcels

Unmarketable parcels	Minimum parcel size	Holders	Units
Minimum \$500 parcel at \$0.033 per unit	15,151	4,106	22,422,860

Voting rights

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

Options / Performance Rights: No voting rights.



Twenty largest holders of quoted equity securities

Holder	Number of fully paid ordinary shares	% of issued capital
Sentient Executive GP IV Limited	594,242,748	15.25
HSBC Custody Nominees (Australia) Limited	563,507,736	14.46
OZ Minerals Limited	355,701,464	9.13
Sentient Executive GP III Limited	181,752,341	4.66
Citicorp Nominees Pty Limited	106,934,076	2.74
Mega Redport Pty Ltd	65,217,391	1.67
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP>	62,136,599	1.19
BNP Paribas Nominees Pty Ltd <ACF Clearstream>	41,222,346	1.06
CS Fourth Nominees Pty limited	33,967,905	0.87
HSBC Custody Nominees (Australia) Limited – A/C 2	30,462,483	0.78
BNP Paribas Nominees Pty Ltd Six Sis Ltd <DRP A/C>	29,923,687	0.77
Hongmen Pty Ltd	21,000,000	0.54
Ms Chunyan Niu	17,000,000	0.44
Mr William Thomas John	15,000,000	0.38
Merrill Lynch (Australia) Nominees Pty Limited	14,483,432	0.37
Polymill Pty Ltd	14,000,000	0.36
Ferguson Superannuation Pty Ltd	14,000,000	0.36
S & M Taylor Pty Ltd	13,270,000	0.34
Marty Heng Lau	13,000,000	0.33
Comsec Nominees Pty Limited	12,735,025	0.33
Top 20 holders of TOE ordinary shares	2,199,557,233	56.44
Total remaining holders balance	1,697,784,947	43.56

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**CURRENT TENEMENT LIST**

Tenement	Owner	Area	Project	Status	Location
M53/113	Nova Energy Pty Ltd	486 ha	Centipede, Wiluna Uranium Project	Granted	WA
M53/224	Nova Energy Pty Ltd	873 ha	Centipede, Wiluna Uranium Project	Granted	WA
M53/1090	Nova Energy Pty Ltd	2,321 ha	Lake Way, Wiluna Uranium Project	Granted	WA
G53/021	Nova Energy Pty Ltd	9 ha	Centipede, Wiluna Uranium Project	Granted	WA
G53/022	Nova Energy Pty Ltd	9 ha	Centipede, Wiluna Uranium Project	Granted	WA
G53/023	Nova Energy Pty Ltd	1,320 ha	Centipede, Wiluna Uranium Project	Granted	WA
L53/175	Nova Energy Pty Ltd	4,865 ha	Centipede, Wiluna Uranium Project	Granted	WA
L53/182	Nova Energy Pty Ltd	47 ha	Centipede, Wiluna Uranium Project	Granted	WA
L53/183	Nova Energy Pty Ltd	38 ha	Centipede, Wiluna Uranium Project	Granted	WA
L53/184	Nova Energy Pty Ltd	174 ha	Centipede, Wiluna Uranium Project	Granted	WA
L53/205	Nova Energy Pty Ltd	18 ha	Centipede, Wiluna Uranium Project	Granted	WA
M53/336	Nova Energy Pty Ltd	567 ha	Millipede, Wiluna Uranium Project	Granted	WA
M53/1095	Nova Energy Pty Ltd	610 ha	Millipede, Wiluna Uranium Project	Granted	WA
M53/1089	Redport Exploration Pty Ltd	7,334 ha	Lake Maitland, Wiluna Uranium Project	Granted	WA
L53/167	Redport Exploration Pty Ltd	278 ha	Lake Maitland, Wiluna Uranium Project	Granted	WA



Tenement	Owner	Area	Project	Status	Location
E53/1060	Redport Exploration Pty Ltd	2 blocks	Lake Maitland, Wiluna Uranium Project	Granted	WA
E53/1146	Redport Exploration Pty Ltd	14 blocks	Lake Maitland, Wiluna Uranium Project	Granted	WA
E53/1210	Redport Exploration Pty Ltd	16 blocks	Lake Maitland, Wiluna Uranium Project	Granted	WA
E53/1211	Redport Exploration Pty Ltd	15 blocks	Lake Maitland, Wiluna Uranium Project	Granted	WA
R53/003	Nova Energy Pty Ltd	4,127 ha	Dawson Hinkler, Wiluna Uranium Project	Granted	WA
R51/003	Nova Energy Pty Ltd	1,781 ha	Nowthanna, Wiluna Uranium Project	Granted	WA
R80/001	Nova Energy Pty Ltd	3,049 ha	Theseus Uranium Project	Granted	WA
E53/1858	Toro Energy Exploration Pty Ltd	4 blocks	Exploration	Granted	WA
E53/1909	Toro Energy Exploration Pty Ltd	6 blocks	Exploration	Granted	WA
E53/1929	Toro Energy Exploration Pty Ltd	4 blocks	Exploration	Granted	WA
E53/1593	Toro Energy Exploration Pty Ltd	1 block	Exploration	Granted	WA
E37/1448	Toro Energy Exploration Pty Ltd	8 blocks	Exploration	Application	WA
E37/1449	Toro Energy Exploration Pty Ltd	21 blocks	Exploration	Application	WA
E53/2181	Toro Energy Exploration Pty Ltd	13 blocks	Exploration	Application	WA



Tenement	Owner	Area	Project	Status	Location
EL25787	Toro Energy Ltd	3 blocks	Exploration	Application	NT
EL28093	Toro Energy Ltd	53 blocks	Exploration	Application	NT
EL28997	Toro Energy Ltd	120 blocks	Exploration	Application	NT
EL32067	Toro Energy Ltd	161 blocks	Exploration	Application	NT
EL32068	Toro Energy Ltd	95 blocks	Exploration	Application	NT
EL32069	Toro Energy Ltd	68 blocks	Exploration	Application	NT

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JORC TABLES

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Wiluna Uranium Project Resources Table (JORC 2012)									
At 200ppm cut-offs inside U ₃ O ₈ resource envelopes for each deposit - Proposed Mine Only									
		Measured		Indicated		Inferred		Total	
		U ₃ O ₈	V ₂ O ₅	U ₃ O ₈	V ₂ O ₅	U ₃ O ₈	V ₂ O ₅	U ₃ O ₈	V ₂ O ₅
Centipede / Millipede	Ore Mt	4.9	-	12.1	-	2.7	53.6	19.7	53.6
	Grade ppm	579	-	582	-	382	327	553	327
	Oxide Mlb	6.2	-	15.5	-	2.3	38.6	24	38.6
Lake Maitland	Ore Mt	-	-	22	-	-	27	22	27
	Grade ppm	-	-	545	-	-	303	545	303
	Oxide Mlb	-	-	26.4	-	-	18	26.4	18
Lake Way	Ore Mt	-	-	10.3	-	-	15.7	10.3	15.7
	Grade ppm	-	-	545	-	-	335	545	335
	Oxide Mlb	-	-	12.3	-	-	11.6	12.3	11.6
Total	Ore Mt	4.9	-	44.3	-	2.7	96.3	52	96.3
	Grade ppm	579	-	555	-	382	322	548	322
	Mlb	6.2	-	54.2	-	2.3	68.3	62.7	68.3



Competent Persons' Statement

Wiluna Project Mineral Resources – 2012 JORC Code Compliant Resource Estimates – V2O5 for Centipede-Millipede, Lake Way and Lake Maitland.

The information presented here that relates to V₂O₅ Mineral Resources of the Centipede-Millipede, Lake Way and Lake Maitland deposits is based on information compiled by Dr Greg Shirtliff of Toro Energy Limited and Mr Daniel Guibal of Condor Geostats Services Pty Ltd. Mr Guibal takes overall responsibility for the Resource Estimate, and Dr Shirtliff takes responsibility for the integrity of the data supplied for the estimation. Dr Shirtliff is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and Mr Guibal is a Fellow of the AusIMM and they have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. The Competent Persons consent to the inclusion in this release of the matters based on the information in the form and context in which it appears.

Theseus Uranium Project								
Mineral Resources Table (JORC 2012) 200ppm U ₃ O ₈ cut-off								
Measured and Indicated			Inferred			Total		
Ore Mts	Grade ppm	U3O8 Mlbs	Ore Mts	Grade ppm	U3O8 Mlbs	Ore Mts	Grade ppm	U3O8 Mlbs
-	-	-	6.3	493	6.9	6.3	493	6.3
-	-	-	-	-	-	493	-	493
-	-	-	-	-	-	6.9	-	6.9

- (1) Refer to Competent Persons Statement below and the JORC table 1 presented in ASX release of 2 February 2016 for details on how these Mineral Resources are estimated. Governance and internal controls relevant to the integrity of the Mineral Resource estimate can be found in the competent / qualified persons statements in the JORC table 1 submitted with the ASX announcement of 2 February 2016.
- (2) Tonnes and pounds are quoted to one decimal place which may cause rounding errors when tabulating.
- (3) There were no material changes in the Mineral Resources estimate in the financial year.

Competent / Qualified Persons Statement

The information presented here that relates to Mineral Resources of the Theseus Uranium Project is based on work supervised by Michael Andrew, who is a member of the Australian Institute of Mining and Metallurgy of the Australian Institute of Geoscientists. Mr Andrew is a full time employee of Optiro, and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity he is undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Andrew consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

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