

**ASX RELEASE**

21 May 2021

*Not for release to US wire services or distribution in the United States***Transformational Capital Raising**

- **A\$15.0 million institutional placement led by offshore and domestic institutional investors**
- **Legacy debt extinguished via debt to equity conversion and cash repayment**
- **Toro to emerge debt-free and well-funded to add shareholder value**

Toro Energy Limited (**ASX: TOE**) ('the **Company**' or '**Toro**') is pleased to announce that it has received firm commitments to raise A\$15.0 million (before costs) via a share placement to institutional, sophisticated and professional investors at A\$0.023 per share ('**Offer Price**') with 652.1 million new fully paid ordinary shares to be issued ('**Placement**').

In addition to the Placement, the Company has entered into an agreement to repay approximately A\$15.6 million owing to its largest shareholder, Sentient Executive GP IV, Limited ('**Sentient Debt**'), by way of converting approximately A\$6.7 million of the Sentient Debt via the issue of approximately 291.3 million new Shares at the Offer Price ('**Debt Conversion**') and to repay the balance of approximately A\$8.9 million in cash from the proceeds of the Placement. The Debt Conversion will be subject to shareholder approval at an extraordinary general meeting ('**EGM**') to be held in approximately mid-July 2021.

Executive Chairman, Richard Homsany, commented:

*"Today's capital raising represents a pivotal moment in Toro's corporate history as it emerges debt free and well-funded at a time when the uranium market is entering a new phase of growth. Toro decided to take proactive action to strengthen its balance sheet to maximise shareholder value. The Company's flagship Wiluna Uranium Project is one of Western Australia's only advanced uranium projects with environmental approval from the state and federal governments. On behalf of the board, we would like to thank all new and existing investors who supported the transaction."*

Canaccord Genuity acted as Lead Manager and Bookrunner to the Placement.

**Placement**

Toro received strong support from several high-quality institutional investors for the Placement. Mega Uranium Ltd (MGA.TSX), Toro's third largest shareholder, has participated in the Placement for A\$1.5 million.

The new shares will be issued under the Company's existing placement capacity under ASX Listing Rules 7.1 (443,079,587) and ASX Listing Rule 7.1A (295,386,391). Settlement of the Placement is expected to occur on Thursday, 27 May 2021 and the new shares will rank equally with the Company's existing shares on issue. The issue price represents a 20.7% discount to the last closing, a 14.3% discount to the 15 day VWAP and a 10.3% discount to the 30 day VWAP.

The proceeds of the Placement will be used to fund the following:

- Advance the Wiluna Uranium Project;
- Cash Repayment Component of the Sentient Debt;
- Exploration activities at the Dusty Nickel Project;
- Exploration activities at the Yandal Gold and Base Metal Projects; and
- General working capital.

Canaccord Genuity will receive a fee equal to 6% of funds raised under the Placement, and will be issued 10,000,000 unlisted options exercisable at \$0.04 within three years of the date of their issue, as consideration for services provided.

### **Sentient Debt**

In addition to the Placement, the Company has entered into an agreement to repay approximately A\$15.6 million owing to its largest shareholder, Sentient Executive GP IV, Limited, by way of converting approximately A\$6.7 million of the Sentient Debt via the issue of approximately 291.3 million New Shares at the Offer Price and to repay the balance of approximately A\$8.9 million in cash from the proceeds of the Placement. The Debt Conversion will be subject to shareholder approval at an EGM to be held in approximately mid-July 2021.

### **Uranium Market Update**

Uranium market dynamics have improved considerably in recent months with nuclear energy poised to play a key role in providing green baseload power required to support the new electric economy. Unlike traditional sources of baseload power such as coal, nuclear energy delivers emission-free energy. In the United States, the Democrat Party has voiced its support of nuclear energy for the first time in 48 years as part of its “technology neutral” approach to reduce reliance on fossil fuels whilst recent COVID related supply cutbacks have led to a global supply reduction with the supply gap expected to grow in the coming period.

### **Forward Looking Statements**

Any forward-looking information contained in this report is based on numerous assumptions and is subject to all of the risks and uncertainties inherent in the Company's business, including risks inherent in mineral exploration and development. As a result, actual results may vary materially from those described in the forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.

### **Not an offer in the United States**

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

This announcement was authorised for issue by the board of Toro Energy Limited.

Katherine Garvey  
Legal Counsel and Company Secretary, Toro Energy Limited.  
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### **FURTHER INFORMATION:**

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*Toro's flagship asset is the 100% owned Wiluna Uranium Project, located 30 kilometres southwest of Wiluna in Central Western Australia. The Wiluna Uranium Project has received environmental approval from the state and federal governments providing the Project with the opportunity to become Western Australia's first uranium mine. Toro will maximise shareholder returns through responsible mine development and asset growth including evaluating the prospectivity of its asset portfolio for minerals other than uranium and increasing their value.*

**[www.toroenergy.com.au](http://www.toroenergy.com.au)**