



**TORO ENERGY LIMITED**

**ABN: 48 117 127 590**

**GENERAL MEETING**

**NOTICE OF MEETING AND EXPLANATORY MEMORANDUM**

**11:30AM (WST), FRIDAY 23 JULY 2021**

**COUNTRY WOMEN'S ASSOCIATION OF WA (INC) HOUSE, 1176 HAY STREET  
WEST PERTH, WESTERN AUSTRALIA**

This Notice of General Meeting and Explanatory Memorandum should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser without delay.



**TORO ENERGY LIMITED**  
**ABN 48 117 127 590**  
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Notice is given that a General Meeting of Toro Energy Limited will be held at Country Women's Association of WA (Inc) House, 1176 Hay Street, West Perth Western Australia, at 11:30am (WST) on Friday, 23 July 2021.

The attached Explanatory Memorandum is provided to supply Shareholders with information to enable them to make an informed decision regarding the resolutions set out in this Notice. The business of the General Meeting affects your shareholding in the Company and your vote is important.

The Explanatory Memorandum is intended to be read in conjunction with, and forms part of, this Notice. Terms and abbreviations used in this Notice are defined in the Glossary contained in the Explanatory Memorandum.

In accordance with ASIC's recent no action statement in its media release of 29 March 2021, the Company will not be dispatching physical copies of the Notice. Instead the Notice is being made available to Shareholders electronically and can be viewed and downloaded online on the ASX Company Announcements Platform at <https://www2.asx.com.au/markets/trade-our-cash-market/historical-announcements> and by inserting the code 'TOE'.

## **AGENDA**

### **Resolution 1 – Ratification of Previous Issue of Placement Shares (Listing Rule 7.1)**

To consider and if thought fit, to pass the following resolution, with or without amendment, as an **ordinary resolution**:

*"That under and for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders hereby ratify and approve the issue by the Company of 356,787,522 Placement Shares on the terms and conditions and in the manner described in the Explanatory Memorandum."*

#### **Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or an associate of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.



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**Resolution 2 – Ratification of Previous Issue of Placement Shares (Listing Rule 7.1A)**

To consider and if thought fit, to pass the following resolution, with or without amendment, as an **ordinary resolution**:

*“That under and for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders hereby ratify and approve the issue by the Company of 295,386,391 Placement Shares on the terms and conditions and in the manner described in the Explanatory Memorandum.”*

**Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of a person who participated in the issue or an associate of those persons.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

**Resolution 3 – Ratification of Previous Issue of Broker Options**

To consider and if thought fit, to pass the following resolution, with or without amendment, as an **ordinary resolution**:

*“That under and for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders hereby ratify and approve the issue by the Company of 10,000,000 Broker Options to CG Nominees (Australia) Pty Ltd on the terms and conditions and in the manner described in the Explanatory Memorandum.”*

**Voting Exclusion Statement**

The Company will disregard any votes cast in favour of this Resolution by or on behalf of CG Nominees (Australia) Pty Ltd or any of its associates.

However, this does not apply to a vote cast in favour of this Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.



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**Resolution 4 – Approval for Issue of Shares**

To consider and if thought fit, to pass the following resolution, with or without amendment, as an ordinary resolution:

*"That under and for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue by the Company of up to 291,304,348 Shares to Sentient Executive GP IV, Limited (and/or its nominee(s)), on the terms and conditions and in the manner set out in the Explanatory Memorandum."*

**Voting Exclusion Statement**

The Company will disregard any votes cast in favour on this Resolution by or on behalf of Sentient Executive GP IV, Limited (and/or its nominee(s)) or an associate of those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair of the Meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
  - (ii) the holder votes on the Resolution in accordance with the directions given by the beneficiary to the holder to vote in that way.

**Other Business**

To deal with any other business that may be lawfully brought forward.

**BY ORDER OF THE BOARD OF DIRECTORS**

**Katherine Garvey**  
Company Secretary  
24 June 2021



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### Attendance and Voting Eligibility

The Company intends to hold a physical in-person meeting. Due to public health measures mandated by various regulatory authorities as means of combating the COVID-19 pandemic, for the health and safety of all Shareholders and Company officers Toro Energy Limited encourages Shareholders to vote by proxy, rather than attending the meeting in person.

The Company has determined, in accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), that the Shares quoted on the ASX at 5:00pm (WST) on Wednesday, 21 July 2021 shall be taken, for the purposes of the General Meeting, to be held by the persons who held them at that time. Accordingly, those persons are entitled to attend and vote (if not excluded) at the Meeting.

### Proxies

A Shareholder who is entitled to attend and vote has a right to appoint a proxy to attend and vote instead of the Shareholder. A proxy need not be a Shareholder and can be either an individual or a body corporate. If a Shareholder appoints a body corporate as a proxy that body corporate will need to ensure that it:

- appoints an individual as its corporate representative to exercise its powers at the Meeting, in accordance with section 250D of the Corporations Act; and
- provides satisfactory evidence of the appointment of its corporate representative prior to commencement of the Meeting.

If such evidence is not received before the Meeting, then the body corporate through its representative will not be permitted to act as proxy.

A Shareholder that is entitled to cast two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, each proxy may exercise half of the Shareholder's votes. If you wish to appoint a second proxy, an additional proxy form may be obtained by telephoning the Company's share registry or you may copy the enclosed proxy form. To appoint a second proxy, you must follow the instructions on the proxy form.

If the proxy has two or more appointments that specify different ways to vote on a resolution, the proxy must not vote on that resolution on a show of hands.

A Proxy Form accompanies this Notice and to be effective the Proxy Form and the power of attorney or other authority (if any) under which it is signed (or a certified copy) must be received by the Company no later than 48 hours before the commencement of the Meeting by:

- **Online:** by visiting [www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login).
- **Email:** to [admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)
- **Mail:** to Advanced Share Registry Limited, PO Box 1156, Nedlands WA 6909
- **In person:** to Advanced Share Registry Limited, 110 Stirling Highway Nedlands WA 6009.
- **Facsimile:** to Advanced Share Registry Limited on (08) 9262 3723 (International + (61 8) 9262 3723)

Further details on how to lodge your Proxy Form can be found on the reverse side of the Proxy Form.

Proxies must be received by the Company no later than 48 hours prior to the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the Meeting.

Proxies given by corporate Shareholders must be executed in accordance with their constitutions, or signed by a duly authorised attorney. A proxy may decide whether to vote on any motion, except where the proxy is required by law or the Constitution to vote, or abstain from voting, in their capacity as proxy.

The **enclosed** Proxy Form provides further details on appointing proxies and lodging Proxy Forms.



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The Chair intends to vote all undirected proxies in favour of all Resolutions.

**Powers of Attorney and Corporate Representatives**

If the Proxy Form is signed by an attorney, the power of attorney or a certified copy of it must be sent with the Proxy Form.

A body corporate member or proxy may elect to appoint a representative, rather than appoint a proxy. Where a body corporate appoints a representative, written proof of the representative's appointment must be lodged with, or presented to, the Company before the Meeting.

If you have any questions about this Notice or your Proxy Form please contact Company's share registry, Advanced Share Registry Ltd at (08) 9389 8033 or (within Australia) +61 8 9389 8033 (outside Australia).



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This Explanatory Memorandum and all attachments are important documents. They should be read carefully.

If you have any questions regarding the matters set out in this Explanatory Memorandum or the preceding Notice, please contact the Company, your stockbroker or other professional adviser.

### **General Information**

This Explanatory Memorandum has been prepared to assist Shareholders to understand the business to be put to Shareholders at the forthcoming General Meeting to be held at 11:30am (WST) on Friday, 23 July 2021.

The purpose of the Explanatory Memorandum is to provide Shareholders with information that the Board believes to be material to Shareholders in deciding whether or not to approve the above resolutions in the Notice (of which this Explanatory Memorandum forms a part).

### **AGENDA**

## **1 Resolutions 1 and 2– Approval of the Issue of Placement Shares (ASX Listing Rule 7.1 – Resolution 1 and ASX Listing Rule 7.1A – Resolution 2)**

### **1.1 Background**

On 21 May 2021 the Company announced that it received commitments to raise A\$15 million (before costs) via a Share placement to institutional, sophisticated and professional investors at A\$0.023 per Share. The issue of 652,173,913 Shares (**Placement Shares**) under that placement was completed on 28 May 2021 (**Placement Shares Issue Date**). 356,787,522 Placement Shares were issued without prior Shareholder approval out of the Company's 15% annual placement capacity under Listing Rule 7.1 and are the subject of the ratification sought in Resolution 1, and 295,386,391 Placement Shares were issued without prior Shareholder approval out of the Company's 10% annual placement capacity under Listing Rule 7.1A and are the subject of the ratification sought under Resolution 2.

The proceeds raised by the issue of the Placement Shares were, or will be, used to fund the following:

- Advance the Wiluna Uranium Project.
- To repay a portion of the debt owing under a loan agreement with one of the Company's largest shareholders, Sentient Executive GP IV, Limited.
- Exploration activities at the Company's Dusty Nickel Project.
- Exploration activities at the Yandal Gold and Base Metal Projects.
- General working capital.

Resolution 1 and Resolution 2 together seek Shareholder approval and ratification pursuant to ASX Listing Rule 7.4 for the prior issue of the 652,173,913 Placement Shares.

### **1.2 ASX Listing Rule 7.4**

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period. Under Listing Rule 7.1A, however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%. The Company sought and obtained such approval at its annual general meeting on 27 November 2020. The issue of the Placement Shares does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the Company's 15% limit in ASX Listing Rule 7.1 and its 10% limit in ASX Listing Rule 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A for the 12 month period following the Placement Shares Issue Date.



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ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX Listing Rule 7.1 will be treated as having been made with Shareholder approval for the purposes of those Listing Rules if shareholders subsequently approve it and the issue did not breach ASX Listing Rule 7.1, and so does not reduce the entity's capacity to issue further equity securities without shareholder approval under that Listing Rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1. Accordingly, Resolutions 1 and 2 together seek Shareholder approval for the issue of the 652,173,913 Placement Shares under and for the purposes of ASX Listing Rule 7.4.

If Resolution 1 is passed, the issue of 356,787,522 Placement Shares on the Placement Shares Issue Date will be excluded in calculating the Company's 15% limit under ASX Listing Rule 7.1 effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the Placement Shares Issue Date.

If Resolution 1 is not passed, the issue of 356,787,522 Placement Shares on the Placement Shares Issue Date will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the Placement Shares Issue Date.

If Resolution 2 is passed, the issue of 295,386,391 Placement Shares on the Placement Shares Issue Date will be excluded in calculating the Company's 10% limit under ASX Listing Rule 7.1A effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the Placement Shares Issue Date.

If Resolution 2 is not passed, the issue of 295,386,391 Placement Shares on the Placement Shares Issue Date will be included in calculating the Company's 10% limit in ASX Listing Rule 7.1A, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the Placement Shares Issue Date.

### **1.3 ASX Listing Rule Disclosure Requirements**

The following information is provided for the purpose of ASX Listing Rule 7.5:

*(a) Number and class of securities issued*

A total of 652,173,913 Placement Shares were issued as follows:

- (i) 356,787,522 Placement Shares were issued using the Company's 15% limit under ASX Listing Rule 7.1 and are the subject of Resolution 1; and
- (ii) 295,386,391 Placement Shares were issued using the Company's 10% limit under ASX Listing Rule 7.1A and are the subject of Resolution 2.

The Placement Shares are fully paid ordinary shares and rank *pari passu* in all respects with the Company's other Shares on issue and are listed on the ASX.

*(b) The price or other consideration the entity has received or will receive for the issue*

The Placement Shares were issued at a price of \$0.023 per Share.

*(c) The date or dates on which the securities were issued*

The Placement Shares were issued on 28 May 2021.





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- (d) *The name of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*

The Placement Shares were issued to sophisticated or professional investors who were not related parties of the Company or their associates. The investors were identified by Canaccord Genuity, which acted as Lead Manager and Bookrunner to the Placement.

- (e) *The purpose of the issue, including the use (or intended use) of funds raised*

Funds raised by the issue of the Placement Shares were, or will be, used:

- To advance the Wiluna Uranium Project.
- To repay a portion of the debt owing under a loan agreement with the Company's largest shareholder, Sentient Executive GP IV, Limited.
- For exploration activities at the Company's Dusty Nickel Project.
- For exploration activities at the Yandal Gold and Base Metal Projects.
- For general working capital.

#### **1.4 Directors' Recommendation**

The Board recommends Shareholders vote in favour of Resolution 1 as it allows the Company greater flexibility to issue further Equity Securities representing up to 15% (under ASX Listing Rule 7.1) of the total number of Shares on issue in any 12 month period without Shareholder approval.

The Board recommends Shareholders vote in favour of Resolution 2 as it allows the Company greater flexibility to issue further Equity Securities representing up to 10% (under ASX Listing Rule 7.1A) of the total number of Shares on issue in any 12 month period without Shareholder approval.

## **2 Resolution 3 - Ratification of Previous Issue of Broker Options**

### **2.1 Background**

As announced by the Company on 28 May 2021, Canaccord Genuity (Australia) Limited (**Canaccord**) agreed to act as Lead Manager and Bookrunner to the Placement pursuant to a mandate agreement entered into between the Company and Canaccord (**Canaccord Mandate**). Under the terms of the Canaccord Mandate, Canaccord agreed to provide services to the Company in connection with lead managing, marketing and managing the Placement, and identifying suitable potential investors to participate in the Placement, on an exclusive basis. The Canaccord Mandate did not constitute an underwriting agreement, or a commitment on the part of Canaccord to subscribe for securities under the Placement. In accordance with the terms of the Canaccord Mandate, Canaccord received a fee equal to 1% of gross proceeds raised under the Placement plus a capital raising fee of 5% of the gross proceeds raised under the Placement which were received from investors introduced to the Company by it, and was issued 10,000,000 Options (exercisable at \$0.04 within three years from the date of their issue) on the terms and conditions set out in Annexure A (**Broker Options**) as a discretionary incentive fee, as consideration for services provided to the Company. The Company also agreed to reimburse Canaccord for all reasonable out-of-pocket expenses incurred by Canaccord in connection with the Placement. The Canaccord Mandate contained terms and conditions, including warranties and undertakings, ordinarily found in an agreement of its type. The Broker Options were issued on 2 June 2021 (**Broker Options Issue Date**) to Canaccord's nominee CG Nominees (Australia) Pty Ltd.

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period. The issue of the Broker Options does not fit within any of these exceptions and, as it has not yet been approved by Shareholders, it effectively uses up part of the Company's 15% limit in ASX Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under ASX Listing Rule 7.1 for the 12 month period following the Broker Options Issue Date.



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ASX Listing Rule 7.4 provides that an issue of securities made without approval under ASX Listing Rule 7.1 will be treated as having been made with Shareholder approval for the purposes of those Listing Rules if shareholders subsequently approve it and the issue did not breach ASX Listing Rule 7.1, and so does not reduce the entity's capacity to issue further equity securities without shareholder approval under that Listing Rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities in the future without having to obtain Shareholder approval for such issues under ASX Listing Rule 7.1. Accordingly, Resolutions 3 seeks Shareholder approval for the issue of the 10,000,000 Broker Options under and for the purposes of ASX Listing Rule 7.4.

If Resolution 3 is passed, the issue of 10,000,000 Broker Options on the Broker Options Issue Date will be excluded in calculating the Company's 15% limit under ASX Listing Rule 7.1 effectively increasing the number of Equity Securities it can issue without shareholder approval over the 12 month period following the Broker Options Issue Date.

If Resolution 3 is not passed, the issue of 10,000,000 Broker Options on the Broker Options Issue Date will be included in calculating the Company's 15% limit in ASX Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the Broker Options Issue Date.

## **2.2 ASX Listing Rule Disclosure Requirements**

The following information is provided for the purpose of ASX Listing Rule 7.5:

- (a) *Number and class of securities issued*  
10,000,000 Broker Options were issued.
- (b) *The price or other consideration the entity has received or will receive for the issue*  
The Broker Options were issued in consideration for services provided to the Company.
- (c) *The date or dates on which the securities were issued*  
The Broker Options were issued on 2 June 2021.
- (d) *The name of the persons to whom the entity issued the securities or the basis on which those persons were identified or selected*  
The Broker Options were issued to CG Nominees (Australia) Pty Ltd.
- (e) *The purpose of the issue, including the use (or intended use) of funds raised*  
No funds were raised by the issue of the Broker Options as they were issued in consideration for services provided to the Company.
- (f) *If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement*  
A summary of the material terms of the Canaccord Mandate pursuant to which the Broker Options were agreed to be issued is set out in section 2.1 above.

## **2.3 Directors' Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 3 as it allows the Company greater flexibility to issue further securities representing up to 15% of the total number of Shares on issue in any 12 month period pursuant to Listing Rule 7.1 without Shareholder approval.



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### **3 Resolution 4 – Approval for the Issue of Shares**

#### **3.1 Background**

On 21 May 2021 the Company announced that, in addition to the Placement, it had entered into an agreement to repay approximately A\$15.6 million (**Sentient Liability**) owing to its largest shareholder, Sentient Executive GP IV, Limited (**Sentient**), by way of converting approximately A\$6.7 million of the Sentient Liability via the issue of approximately 291,304,348 New Shares at a deemed issue price of \$0.023 per Share (**Liability Conversion**) and to pay the balance of approximately A\$8.9 million in cash from the proceeds of the Placement. The completion of the Liability Conversion is subject to Shareholder approval, which is being sought pursuant to Resolution 4.

The Sentient Liability arises (1) under a unitisation deed entered into by the Company with Sentient in December 2014 under which Sentient provided the Company with interest free funding totaling \$10,000,000 to be used for research and development activities to advance and improve the value of the Wiluna Uranium Project (**Unitisation Deed**), and (2) under a loan agreement entered into in November 2015 (as amended) by Sentient and the Company and its subsidiary Nova Energy Pty Ltd, under which Sentient provided the Company with a \$6,000,000 loan facility (of which \$1,000,000 had already been repaid by the Company) (**Loan Agreement**). Further details of the Unitisation Deed and the Loan Agreement can be found in the Company's 2020 Interim Financial Report dated 12 March 2021.

Resolution 4 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue and allotment of up to 291,304,348 Shares to Sentient Executive GP IV, Limited (and/or its nominee(s)) to complete the Liability Conversion and therefore enable the Company to discharge all of the Sentient Liability.

Broadly speaking, and subject to a number of exceptions, ASX Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that period.

The Liability Conversion does not fall within any of these exceptions and exceeds the Company's capacity under ASX Listing Rule 7.1 and ASX Listing Rule 7.1A as at the date of this Notice. It therefore requires the approval of Shareholders under ASX Listing Rule 7.1. Resolution 4 seeks the required Shareholder approval to the Liability Conversion under and for the purposes of ASX Listing Rule 7.1.

If Resolution 4 is passed, the Company will be able to proceed with the Liability Conversion. In addition, the Liability Conversion will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under ASX Listing Rule 7.1.

If Resolution 4 is not passed, and the Company has the requisite capacity under ASX Listing Rules 7.1 and/or 7.1A, the issue of up to 291,304,348 Shares under the Liability Conversion will reduce to the extent the Company's capacity to issue equity securities without Shareholder approval under ASX Listing Rule 7.1 for 12 months following the issue of up to 291,304,348 Shares under the Liability Conversion. If Resolution 4 is not passed, and if the Company does not have the requisite capacity under ASX Listing Rules 7.1 and/or 7.1A to complete the Liability Conversion, the Company will need to satisfy the repayment of the balance of the Sentient Liability represented by the Liability Conversion in cash or renegotiate its repayment.

#### **3.2 ASX Listing Rule 7.3 Disclosure Requirements**

The following information is provided for Resolution 4 in accordance with ASX Listing Rule 7.3:

- (a) *The name of the persons to whom the entity will issue the securities or the basis on which those persons were or will be identified or selected*

The Shares will be issued to Sentient Executive GP IV, Limited (and/or its nominee(s)).



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*(b) Number and class of securities that the entity will issue*

A maximum of 291,304,348 Shares will be issued.

The Shares issued will be fully paid ordinary shares and will rank equally in all respects with all other ordinary shares in the capital of the Company.

*(c) The date or dates on or by which the entity will issue the securities.*

The Shares will be issued by no later than three (3) months after the date of this Meeting or such later date as may be approved by ASX (including such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).

*(d) The price or other consideration the entity will receive for the securities*

The Shares will be issued in satisfaction of a debt payable by the Company in lieu of a cash payment. The deemed issue price of the Shares will be \$0.023 per Share.

*(e) The purpose of the issue, including the intended use of funds raised*

No funds will be raised by the issue of the Shares as they are being issued in satisfaction of a debt payable by the Company in lieu of a cash payment.

*(f) If the securities are being issued under an agreement, a summary of any other material terms of the agreement*

A summary of the material terms of the agreement between the Company and Sentient pursuant to which the Sentient Liability was agreed to be repaid and the Shares were agreed to be issued, is set out in section 3.1 above.

### **3.3 Directors' Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 4 as it allows the Company greater flexibility to issue further securities representing up to 15% of the total number of Shares on issue in any 12 month period pursuant to Listing Rule 7.1 without Shareholder approval.

### **Enquiries**

Shareholders are invited to contact the Company Secretary, Katherine Garvey on +61 8 9214 2100 if they have any queries in respect of the matters set out in this Notice.



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**GLOSSARY**

In this Explanatory Memorandum and Notice of General Meeting:

**\$** means Australian dollars.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) and the market operated by it, as the context requires.

**ASX Listing Rules** or **Listing Rules** means the official listing rules of ASX and any other rules of ASX which are applicable while the Company is admitted to the official list of ASX, each as amended or replaced from time to time except to the extent of any express written waiver by ASX.

**Board** means the board of Directors.

**Broker Options** is defined in Section 2.1 of the Explanatory Memorandum.

**Broker Options Issue Date** is defined in Section 2.1 of the Explanatory Memorandum.

**Business Day** means Monday to Friday inclusive, except New Years' Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

**Chair** means the chairperson of the Meeting.

**Company** or **Toro** means Toro Energy Limited (ABN 42 090 169 154).

**Constitution** means the constitution of the Company.

**Corporations Act** means the *Corporations Act 2001* (Cth) and any regulations made under it, each as amended from time to time.

**Director** means a director of the Company.

**Equity Securities** includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an equity security.

**Explanatory Memorandum** means the explanatory memorandum that accompanies and forms part of the Notice.

**Liability Conversion** is defined in Section 3.1 of the Explanatory Memorandum.

**Meeting** or **General Meeting** means the meeting convened by this Notice.

**Notice** or **Notice of Meeting** means the notice of General Meeting accompanying this Explanatory Memorandum.

**Option** means an option to acquire a Share.

**Placement** means the placement of Shares described in Section 1.1 of the Explanatory Memorandum.

**Placement Shares** is defined in Section 1.1 of the Explanatory Memorandum.

**Placement Shares Issue Date** is defined in Section 1.1 of the Explanatory Memorandum.

**Proxy Form** means the proxy form attached to the Notice.



**TORO ENERGY LIMITED**  
**ABN 48 117 127 590**  
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**Resolution** means a resolution contained in the Notice.

**Sentient Liability** is defined in Section 3.1 of the Explanatory Memorandum.

**Share** means an ordinary fully paid share in the capital of the Company.

**Shareholder** means the holder of a Share.

**Trading Day** means a day determined by ASX to be a trading day and notified to market participants being:

- (a) a day other than:
  - (i) a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day; and
  - (ii) any other day which ASX declares and publishes is not a trading day; and
- (b) notwithstanding (a), a day which for the purposes of settlement, ASX declares is a trading day notwithstanding that dealings between market participants are suspended on that day.

**WST** means Western Standard Time, as observed in Perth, Western Australia.

Where a word or phrase is given a defined meaning, another part of speech or other grammatical form in respect of that word or phrase has a corresponding meaning.



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## **Annexure A – Terms and Conditions of Broker Options**

Each Broker Option entitles the holder to subscribe for Shares on the following terms and conditions:

**1. Entitlement**

Each Broker Option entitles the holder to subscribe for one Share upon exercise of each Broker Option.

**2. Exercise Price**

The exercise price of each Broker Option is \$0.04.

**3. Expiry Date**

Each Broker Option has an expiry date of 2 June 2024.

**4. Exercise Period**

Each Broker Option is exercisable at any time on or before the Expiry Date.

**5. Notice of Exercise**

Each Broker Option may be exercised by notice in writing to the Company. Any notice of exercise of Broker Options received by the Company will be deemed to be a notice of the exercise of the Broker Option as at the date of receipt.

**6. Timing of issue of Shares**

After a Broker Option is validly exercised, the Company must as soon as possible:

- (a) issue and allot the Share; and
- (b) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 5 days from the date of exercise of the Broker Option.

**7. Shares issued on exercise**

Shares issued on exercise of the Broker Options rank equally with the then shares of the Company.

**8. Transfer**

The Broker Options are fully transferrable.

**9. Quotation of Shares on exercise**

Application will be made by the Company to ASX for Official Quotation of the Shares issued upon the exercise of the Broker Options. No application will be made to ASX for Official Quotation of the Broker Options.

**10. Participation in new issues**

There are no participation rights or entitlements inherent in the Broker Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Broker Options.

However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least three business days after the issue is announced. This will give holders of Broker Options the opportunity to exercise their Broker Options prior to the date for determining entitlements to participate in any such issue.



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**11. Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of a Broker Option will be increased by the number of Shares which the Broker Option holder would have received if the Broker Option holder had exercised the Broker Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

**12. Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Broker Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P - (S + D)]}{N + 1}$$

Where:

- O = the old Exercise Price of the Broker Option.
- E = the number of underlying Shares into which one Broker Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 Trading Days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

**13. Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Broker Option holders will be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

**14. Lodgement Instructions**

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the options with the appropriate remittance should be lodged with the Company Secretary, at the Company's registered office.





## LODGE YOUR PROXY APPOINTMENT ONLINE



### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



### MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

## 2021 EXTRAORDINARY GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Toro Energy Limited and entitled to attend and vote hereby:

### APPOINT A PROXY



The Chair of the Meeting

OR



**PLEASE NOTE:** If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) are named, the Chair of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Extraordinary General Meeting of the Company to be held **at Country Women's Association of WA (Inc) House, 1176 Hay Street West Perth, WA on 23 July 2021 at 11:30am (WST)** and at any adjournment or postponement of that Meeting.

### CHAIR'S VOTING INTENTION IN RELATION TO UNDIRECTED PROXIES:

The Chair intends to vote undirected proxies in favour of all Resolutions. In exceptional circumstances the Chair may change his/her voting intention on any Resolution. In the event this occurs an ASX announcement will be made immediately disclosing the reasons for the change.

### VOTING DIRECTIONS

#### Resolutions

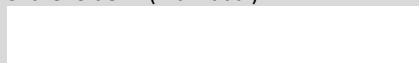
		For	Against	Abstain*
1	Ratification of Previous Issue of Placement Shares (Listing Rule 7.1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Ratification of Previous Issue of Placement Shares (Listing Rule 7.1A)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Ratification of Previous Issue of Broker Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Approval of Issue of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



\* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

### CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

### APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

### DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

### VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each resolution of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any resolution by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given resolution, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on a resolution, your vote on that resolution will be invalid.

**PLEASE NOTE:** If you appoint the Chair as your proxy (or if he is appointed by default) but do not direct him how to vote on a resolution (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that resolution), the Chair may vote as he sees fit on that resolution.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### COMPLIANCE WITH LISTING RULE 14.11

In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities or you are a trustee, nominee, custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to receive written confirmation from the person or entity providing the voting instruction to you and you must vote in accordance with the instruction provided.

By lodging your proxy votes, you confirm to the company that you are in compliance with Listing Rule 14.11.

### CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

Where the holding is in one name, the security holder must sign.

#### Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

#### Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

#### Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

### LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11:30am (WST) on 21 July 2021, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



#### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009; or  
PO Box 1156, Nedlands WA 6909



#### BY FAX

+61 8 6370 4203



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033