



TORO ENERGY LIMITED

ABN: 48 117 127 590

GENERAL MEETING

NOTICE OF MEETING AND EXPLANATORY MEMORANDUM

10:00AM (WST), TUESDAY 28 FEBRUARY 2023

LEVEL 1, 50 KINGS PARK ROAD, WEST PERTH WA 6005

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
NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Toro Energy Limited will be held at Level 1, 50 Kings Park Road, West Perth Western Australia, at 10:00am (WST) on Tuesday, 28 February 2023.

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 the *Corporations Amendment (Meetings & Documents) Act 2022* (Cth), the Company will not dispatch physical copies of the Notice of General Meeting. Instead a copy of the Notice is available to be viewed and/or downloaded on the ASX market announcements platform at <https://www2.asx.com.au/markets/trade-our-cash-market/announcements> and enter 'TOE' at the prompt.

AGENDA

Resolution 1 – Ratification of Previous Issue of Shares under Placement (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 461,545,455 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 – Approval for Issue of 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 7.1 and for all other purposes, Shareholders approve the issue by the Company of up to 230,772,736 Options under the Placement to the persons, 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 any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) 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.

Resolution 3 – Approval of Director Participation in Placement – Richard Homsany

To consider and if thought fit, to pass, with or without amendment, the following resolution as a non-binding ordinary resolution:

"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 10,000,000 Shares and 5,000,000 free attaching Options to Director Richard Homsany (and/or his nominee(s)) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Richard Homsany or his nominee(s) and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) 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 a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the 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 of Director Participation in Placement – Michel Marier

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

“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 5,000,000 Shares and 2,500,000 free attaching Options to Director Michel Marier (and/or his nominee(s)) on the terms and conditions set out in the Explanatory Memorandum.”

Voting Exclusion Statement

The Company will disregard any votes cast in favour of this Resolution by or on behalf of Michel Marier or his nominee(s) and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) 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 a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or the 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.

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
27 January 2023



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Attendance and Voting Eligibility

For the purposes of Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) the Directors have determined that the Shares quoted on the ASX at 5.00pm (WST) on 26 February 2023 will be taken, for the purposes of this 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.
- **Email:** to 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)
- **Delivery:** to the Toro Energy Ltd registered office, 60 Havelock Street, West Perth WA 6005

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



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Proxy Restrictions

Undirected and Directed Proxies

The Company encourages all Shareholders who submit proxies to direct their proxy how to vote on each Resolution.

The Company will not disregard any votes cast on a Resolution by a person if the person is the Chair voting an undirected proxy and their appointment expressly authorises the Chair to exercise the proxy.

If you intend to appoint the Chair as your proxy, you can direct him how to vote by marking the boxes for each Resolution (for example, if you wish to vote “For”, “Against” or “Abstain”). If the Chair is appointed as your proxy and you have not specified the way the Chair is to vote on any of the Resolutions, by signing and returning the Proxy Form you are considered to have provided the Chair to vote the proxy in accordance with the Chair’s intention, even if the Resolution is connected, directly or indirectly, with the remuneration of a member of the Key Management Personnel of the Company.

If you mark more than one box on an item your vote will be invalid on that item.

In accordance with the Corporations Act, any directed proxies that are not voted on a poll at the meeting will automatically default to the Chair, who is required to vote proxies as directed.

It is the Chair’s intention to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chairman 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

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 10:00am (WST) on Tuesday, 28 February 2023.

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 Resolution 1 – Ratification of Previous Issue of Shares Under Placement (ASX Listing Rule 7.1)

1.1 Background

On 9 December 2022 the Company announced that it had received commitments for a placement of up to 461,545,455 Shares at an issue price of \$0.011 per Share, to raise up to approximately \$5,000,000 (before costs) (**Placement**). Under the terms of the Placement the Company has also agreed to issue one (1) free attaching Option (exercisable at \$0.018 on or before the date that is two (2) years from the date of their issue) for every two (2) Shares subscribed for and issued under the Placement, subject to the receipt of Shareholder approval for the issue of those Options. That Shareholder approval is sought pursuant to Resolution 2. Funds raised by the Company under the Placement will primarily be used to support further development of the Company's Lake Maitland Project, the Dusty and Yandal One Projects and to provide working capital for the Company. Specifically, funds raised from the Placement will be applied to:

- The Lake Maitland Uranium Project scoping study extension.
- Further evaluation of the vanadium resource at Lake Maitland.
- Planning for a pilot program as a function of the Lake Maitland Uranium Project pre-feasibility study.
- Further evaluation of the Wiluna Uranium Project, and of the precious and base metals at Dusty, Yandal and Lake Maitland.
- General working capital.
- Costs of the Placement.

As detailed in the Company's releases dated 9 December 2022 and 16 December 2022 the Company issued 461,545,455 Shares pursuant to the Placement (**Placement Shares**), utilising its existing ASX Listing Rule 7.1 capacity, on 16 December 2022 (**Placement Issue Date**).

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 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, 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 Placement Issue Date.

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.



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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, Resolution 1 seeks Shareholder approval for the issue of the 461,545,455 Placement Shares issued pursuant to ASX Listing Rule 7.1, under and for the purposes of ASX Listing Rule 7.4.

If Resolution 1 is passed, the issue of 461,545,455 Placement Shares on the Placement 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 Issue Date.

If Resolution 1 is not passed, the issue of 461,545,455 Placement Shares on the Placement 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 Issue Date.

1.2 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

A total of 461,545,455 Placement Shares were issued.

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

\$0.011 per Share.

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

The Placement Shares were issued on 16 December 2022.

(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 and professional investors who are not related parties of the Company or their associates. The investors were identified by Canaccord Genuity (Australia) Limited and Petra Capital Pty Ltd, which acted as Joint Lead Managers to the Placement.

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

Funds raised by the Company under the Placement will primarily be used to support further development of the Company's Lake Maitland Project, the Dusty and Yandal One Projects and to provide working capital for the Company.

(f) If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement

The Placement Shares were not issued under an agreement.

1.3 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 1 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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2 Resolution 2 – Approval for the Issue of Options

2.1 Background

Please see Section 1.1 above for details of the Placement. The Options the subject of Resolution 2 are proposed to be issued as free attaching Options to the Shares issued pursuant to the Placement on the basis of one (1) Option for every two (2) Shares subscribed for and issued. The Options will be exercisable at \$0.018 on or before the date that is two (2) years from the date of their issue.

Resolution 2 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue and allotment of up to 230,772,736 Options on the basis outlined in Section 1.1 and on the terms and conditions set out in Annexure A (**Placement Options**).

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 proposed issue of the Placement Options does not fall within any of these exceptions and exceeds the Company's capacity under ASX Listing Rule 7.1 as at the date of this Notice. It therefore requires the approval of Shareholders under ASX Listing Rule 7.1. Resolution 2 seeks the required Shareholder approval to the issue of the Options under and for the purposes of ASX Listing Rule 7.1.

If Resolution 2 is passed, the Company will be able to proceed with the issue of the Placement Options. In addition, the Placement Options 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 2 is not passed, and the Company has the requisite capacity under ASX Listing Rule 7.1, the issue of up to 230,772,736 Placement Options 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 the Placement Options. If Resolution 2 is not passed, and if the Company does not have the requisite capacity under ASX Listing Rule 7.1, the Company will not be able to proceed with the issue of the Placement Options.

2.2 ASX Listing Rule 7.3 Disclosure Requirements

The following information is provided for Resolution 2 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 Placement Options will be issued to the participants in the Placement, details of whom are set out in Section 1.2(d).

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

A maximum of 230,772,736 Placement Options will be issued.

Shares issued upon exercise of the Placement Options 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 Placement Options 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*



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The Placement Options will be issued as free attaching options to the Placement Shares referred to in Section 1.1 pursuant to the terms of the Placement. As such the Company will not receive any consideration for their issue.

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

No funds will be raised by the issue of the Placement Options as they are being issued as free attaching Options to the Placement Shares the subject of Resolution 1 on the basis of one (1) free Placement Option for every two (2) Placement Shares issued.

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

The Placement Options are not being issued under an agreement.

2.3 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 2 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.

3 Resolutions 3 & 4 – Approval for Director Participation in the Placement

3.1 General

Please see Section 1.1 above for details of the Placement. Company Directors Richard Homsany and Michel Marier wish to participate in the Placement on the same terms as unrelated participants in the Placement (**Director Participation**), for an aggregate of up to 15,000,000 Shares (**Director Placement Shares**) together with up to 7,500,000 free attaching Options (**Director Placement Options**) on the basis set out in Section 1.1. The terms and conditions of the Director Placement Options are the same as the terms and conditions of the Options proposed to be issued to unrelated participants in the Placement and are set out in Annexure “A” to this Notice. As Messrs Homsany and Marier are related parties of the Company, the issue of the Director Placement Shares and the Director Placement Options is subject to Shareholder approval under ASX Listing Rule 10.11, which is sought pursuant to Resolutions 3 and 4.

Accordingly:

- (a) Resolution 3 seeks Shareholder approval for the issue of up to 10,000,000 Director Placement Shares and 5,000,000 free attaching Director Placement Options to Director Richard Homsany (and/or his nominee(s)); and
- (b) Resolution 4 seeks Shareholder approval for the issue of up to 5,000,000 Director Placement Shares and 2,500,000 free attaching Director Placement Options to Director Michel Marier (and/or his nominee(s)),

(together, the **Director Placement Securities**) as a result of the Director Participation on the terms set out below.

2.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company’s members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.



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The Director Participation will result in the issue of the Director Placement Securities which constitutes giving a financial benefit and Richard Homsany and Michel Marier are related parties of the Company by virtue of being Directors.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Director Participation because the Director Placement Securities will be issued on the same terms as the Shares issued to non-related party participants in the Placement, and as such the giving of the financial benefit to the Directors is on arm's length terms and the exception in section 210 of the Corporations Act applies.

2.3 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- (a) a related party (Listing Rule 10.11.1);
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company (Listing Rule 10.11.2);
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so (Listing Rule 10.11.3);
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3 (Listing Rule 10.11.4); or
- (e) a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (Listing Rule 10.11.5),

unless it obtains the approval of its shareholders.

The Director Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 3 and 4 seek the required Shareholder approval for the Director Participation under and for the purposes of Listing Rule 10.11.

If Resolutions 3 and 4 are passed, the Company will be able to proceed with the issue of the Director Placement Securities under the Director Participation within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules). As approval pursuant to Listing Rule 7.1 is not required for the issue of the Director Placement Securities (because approval is being obtained under Listing Rule 10.11), the issue of the Director Placement Securities will not use up any of the Company's 15% annual placement capacity.

If Resolutions 3 and 4 are not passed, the Company will not be able to proceed with the issue of the relevant Director Participation Securities and the corresponding Placement funds will not be raised by the Company.

2.4 Technical Information required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to Resolutions 3 and 4:

- (a) the Director Placement Securities will be issued to the following persons:
 - (i) Richard Homsany (and/or his nominee(s)) pursuant to Resolution 3; and
 - (ii) Michel Marier (and/or his nominee(s)) pursuant to Resolution 4,



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- each of whom falls within the category set out in Listing Rule 10.11.1 by virtue of being a Director;
- (b) the maximum number of Director Placement Securities to be issued:
- (i) to Richard Homsany (and/or his nominee(s)) under Resolution 3 is 10,000,000 Director Placement Shares and 5,000,000 free attaching Director Placement Options; and
 - (ii) to Michel Marier (and/or his nominee(s)) under Resolution 4 is 5,000,000 Director Placement Shares and 2,500,000 free attaching Director Placement Options;
- (c) the Director Placement Shares, and Shares issued upon the exercise of Director Placement Options, will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Director Placement Securities will be issued no later than one (1) month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (e) as set out in Section 1.1 above, the issue price for the Director Placement Shares is the same issue price as all other Shares issued to other participants in the Placement. The Director Placement Options are proposed to be issued as free attaching options on the same basis as offered to participants in the Placement. As such the Company will receive funds of up to \$165,000 if Shareholders approve the issue of the Director Placement Securities;
- (f) the purpose of the issue of the Director Placement Securities is to raise up to an additional \$165,000 (before costs) under the Placement, which the Company intends to use in the manner set out in Section 1.1 above;
- (g) the Director Placement Securities are not intended to remunerate or incentivise the Directors;
- (h) the Director Placement Securities are not being issued under an agreement; and
- (i) voting exclusion statements are included in Resolutions 3 and 4 of the Notice.

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.

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.

Director Placement Options is defined in Section 3.1.

Director Placement Securities is defined in Section 3.1.

Director Placement Shares is defined in Section 3.1.

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.

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 on the terms and conditions set out in Annexure "A" to this Notice.

Placement is defined in Section 1.1.

Placement Options is defined in Section 2.1.

Placement Shares is defined in Section 1.1.

Proxy Form means the proxy form attached to the Notice.

Resolution means a resolution contained in the Notice.



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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.



Annexure A – Terms and Conditions of Options

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

1. Entitlement

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

2. Exercise Price

The exercise price of each Option is \$0.018.

3. Expiry Date

Each Option has an expiry date of that is two (2) years from the date of their issue.

4. Exercise Period

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

5. Notice of Exercise

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

6. Timing of issue of Shares

After an 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 business days from the date of exercise of the Option.

7. Shares issued on exercise

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

8. Transfer

The 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 Options. No application will be made to ASX for Official Quotation of the Options.

10. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the 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 Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

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):



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- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the 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 an 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 Option.
- E = the number of underlying Shares into which one 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 Option holders will be varied to comply with the ASX Listing Rules which apply to the reconstruction at the time of the reconstruction.

14. Lodgment 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



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.

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) 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 General Meeting of the Company to be held at **Level 1, 50 Kings Park Road, West Perth WA 6005 on 28 February 2023 at 10:00am (WST)** and at any adjournment or postponement of that Meeting.

Chair's voting intentions in relation to undirected proxies: The Chair's intention to vote all undirected proxies in favour of all Resolutions. In exceptional circumstances, the Chairman 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 Shares under Placement (Listing Rule 7.1)

☐☐☐

2 Approval for Issue of Options

☐☐☐

3 Approval of Director Participation in Placement – Richard Homsany

☐☐☐

4 Approval of Director Participation in Placement – Michel Marier

☐☐☐

* 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:

- (a) 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
- (b) 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 10.00 am (WST) on 26 February 2023, 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



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



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033