



TORO ENERGY LIMITED

ABN: 48 117 127 590

2023 ANNUAL GENERAL MEETING

NOTICE OF MEETING AND EXPLANATORY MEMORANDUM

10:30AM (WST), THURSDAY 30 NOVEMBER 2023

**LEVEL 1, 50 KINGS PARK ROAD,
WEST PERTH, WESTERN AUSTRALIA**

This Notice of Annual 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 ANNUAL GENERAL MEETING

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Notice is given that the Annual General Meeting of Toro Energy Limited will be held at Level 1, 50 Kings Park Road, West Perth Western Australia, at 10:30am (WST) on Thursday, 30 November 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 Annual 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 Annual 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

Financial, Directors' and Auditor's Report

To receive and consider the 2023 Annual Report and the reports of the Directors and the auditor to the Company thereon.

Resolution 1 – Adoption of the Remuneration Report (Non-Binding)

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 section 250R(2) of the Corporations Act, and for all other purposes, the Company adopt the Remuneration Report for the year ended 30 June 2023.”

Note: The vote on this Resolution is advisory only and does not bind the Board or the Company.

Voting Prohibition Statement

In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution and:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution but expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Resolution 2 – Re-election of Director Richard Patricio

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

“That Richard Patricio, being a Director who retires in accordance with the Constitution, and being willing and eligible for re-election, is hereby re-elected as a Director.”



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Resolution 3 – Approval of 10% Placement Capacity

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

"That, under and for the purposes of ASX Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totaling up to 10% of the number of Shares on issue (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and 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, if at the time the approval is sought the Company is proposing to make an issue of Equity Securities under ASX Listing Rule 7.1A.2, by 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 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.

Resolution 4 – Ratification of Previous Issue of Shares under Placement (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 422,410,000 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 5 – Ratification of Previous Issue of Listed Options 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 211,205,007 Listed Options 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 6 – Approval of Director Participation in Placement – Mr 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 15,000,000 Shares and 7,500,000 free attaching Listed Options pursuant to the Placement to Director Richard Homsany (and/or his nominee(s)) (on a pre-consolidation basis) 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 7 – Approval of Director Participation in Placement – Mr 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 10,000,000 Shares and 5,000,000 free attaching Listed Options pursuant to the Placement to Director Michel Marier (and/or his nominee(s)) (on a pre-consolidation basis) 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.



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Resolution 8 – Approval of Issue of Performance Rights to Director Mr Richard Homsany

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue by the Company of up to 30,000,000 Performance Rights to Mr Richard Homsany, who is a Director, and/or his nominee(s), and the issue of Shares the subject of the Performance Rights, pursuant to the Toro Energy Limited Securities Incentive Plan (2022) (on a pre-consolidation basis) 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 of this Resolution by or on behalf of any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Toro Energy Ltd Securities Incentive Plan (2022), and any 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.

Voting Prohibition Statement

In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution but expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly with the remuneration of a member of the Key Management Personnel.



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Resolution 9 – Approval of Issue of Performance Rights to Director Mr Richard Patricio

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue by the Company of up to 15,000,000 Performance Rights to Mr Richard Patricio, who is a Director, and/or his nominee(s), and the issue of Shares the subject of the Performance Rights, pursuant to the Toro Energy Limited Securities Incentive Plan (2022) (on a pre-consolidation basis) 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 of this Resolution by or on behalf of any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Toro Energy Ltd Securities Incentive Plan (2022), and any 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.

Voting Prohibition Statement

In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution but expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly with the remuneration of a member of the Key Management Personnel.



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Resolution 10 – Approval of Issue of Performance Rights to Director Mr Michel Marier

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

“That, for the purposes of ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the issue by the Company of up to 15,000,000 Performance Rights to Mr Michel Marier, who is a Director, and/or his nominee(s), and the issue of Shares the subject of the Performance Rights, pursuant to the Toro Energy Limited Securities Incentive Plan (2022) (on a pre-consolidation basis) 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 of this Resolution by or on behalf of any person referred to in ASX Listing Rule 10.14.1, 10.14.2 or 10.14.3 who is eligible to participate in the Toro Energy Ltd Securities Incentive Plan (2022), and any 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.

Voting Prohibition Statement

In accordance with sections 250BD and 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report, or a Closely Related Party of such a member.

A vote may be cast by such person if the vote is not cast on behalf of a person who is excluded from voting on this Resolution and:

- (a) the person is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy does not specify the way the proxy is to vote on this Resolution but expressly authorises the Chair to exercise the proxy even if this Resolution is connected directly with the remuneration of a member of the Key Management Personnel.



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Resolution 11 – Consolidation of ordinary shares

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

“That, pursuant to section 245H(1) of the Corporations Act, ASX Listing Rule 7.20 and for all other purposes, Shareholders approve the consolidation of the issued share capital of the Company on the basis that every fifty (50) fully paid ordinary Shares be consolidated into one (1) fully paid ordinary Share (rounded up to the next whole number of Shares), and that Options and Performance Rights on issue be adjusted in accordance with ASX Listing Rules 7.21 and 7.22 as applicable on the terms and conditions in the attached Explanatory Memorandum accompanying this Notice.”

Other Business

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

BY ORDER OF THE BOARD OF DIRECTORS

A handwritten signature in blue ink, appearing to read 'K Garvey', with a long, sweeping flourish extending to the right.

Katherine Garvey
Company Secretary
30 October 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 28 November 2023 will be taken, for the purposes of this Annual 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) 6370 4203

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 intend to appoint a Director (other than the Chair) or another member of the Key Management Personnel, or their Closely Related Parties as your proxy, you must specify how they should vote on Resolutions 1, 8, 9 and 10 by marking the appropriate box. If you don't, your proxy will not be able to exercise your vote for Resolutions 1, 8, 9 and/or 10. If the Chair is your proxy (or if they are appointed by default) but you do not direct them how to vote on a Resolution (that is, you do not mark any of the boxes "For", "Against" or "Abstain" opposite that Resolution), the Chair may then vote as they see fit on that Resolution.

If the Chair is a person referred to in the voting prohibition statement applicable to a Resolution under section 224 of the Corporations Act, the Chair will only be able to cast a vote as proxy for you on the relevant Resolution if you are entitled to vote and have specified your voting intention in the Proxy Form. Shareholders are therefore encouraged to specify their voting intention for every Resolution in the Proxy Form.

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 including Resolutions 1, 8, 9 and 10. 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 Annual General Meeting to be held at 10:30am (WST) on Thursday, 30 November 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 Financial Report, Directors' and Auditor's Report

The Corporations Act requires:

- the reports of the Directors and auditors; and
- the 2023 Annual Report,

to be laid before the Annual General Meeting. Neither the Corporations Act nor the Constitution requires a vote of Shareholders on the reports or statements. However, Shareholders at the Meeting will be given reasonable opportunity to raise questions or comments.

Reasonable opportunity will also be given to Shareholders at the Meeting to ask the Company's auditor questions relevant to the conduct of the audit, the preparation and content of the auditor's report, the accounting policies adopted by the Company in relation to the preparation of the financial statements and the independence of the auditor in relation to the conduct of the audit.

The Company will not provide a hard copy of the 2023 Annual Report to Shareholders unless specifically requested to do so. The 2023 Annual Report is available on the Company's website at www.toroenergy.com.au.

2 Resolution 1 – Adoption of the Remuneration Report (Non-Binding)

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Board or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the 2023 Annual Report.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.



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2.2 Voting consequences

While the vote does not bind the Company or the Directors, there are important consequences if there is a material 'against' vote on Resolution 1. Changes to the Corporations Act that came into effect on 1 July 2011 introduced what is referred to as the 'two strikes' rule, whereby if at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report in two consecutive annual general meetings, a company will be required to put to its shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the company (the **Spill Resolution**) at the second annual general meeting.

At the Company's previous annual general meeting, held on 28 November 2022, less than 25% of votes were cast against the remuneration report at that meeting. Accordingly the Spill Resolution is not relevant for this Annual General Meeting.

If at least 25% of the votes cast on Resolution 1 at the Annual General Meeting are voted against adoption of the Remuneration Report, this will constitute a 'first strike', and if at least 25% of the votes are cast against the 2024 Remuneration Report resolution at the Company's 2024 annual general meeting, constituting a 'second strike', then the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider a Spill Resolution.

The Board considers that the Company's remuneration arrangements as set out in the Remuneration Report are fair, reasonable and appropriate, in line with industry standards and structured in a way that the Company can attract and retain suitably qualified and experienced employees to manage the Company.

The Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

3 Resolution 2 – Re-election of Mr Richard Patricio

Rule 15.2 of the Constitution requires that at every annual general meeting of the Company, one third of Directors (after excluding a Director who is the Managing Director or any Director appointed by the Board since the date of the last annual general meeting of the Company), or if the number of Directors is not three or a multiple of three then the number nearest to but not exceeding one third, must retire from office and if eligible seek re-election in accordance with Rule 15.2 of the Constitution.

Accordingly, Mr Patricio retires by rotation and, being willing and eligible, offers himself for re-election.

The experience and qualifications of, and other information about, Mr Patricio can be found in the 2023 Annual Report.

The Directors (excluding Mr Patricio) recommend that Shareholders vote in favour of Resolution 2.

4 Resolution 3 – Approval of 10% Placement Capacity

4.1 Background

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approvals 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% (**10% Placement Capacity**).

An 'eligible entity' means an entity which is not included in the S&P/ASX 300 Index and which has a market capitalisation of \$300 million or less. The Company is an eligible entity for these purposes.

Resolution 3 seeks Shareholder approval by way of a special resolution for the Company to have the additional 10% capacity provided for in Listing Rule 7.1A to issue Equity Securities without Shareholder approval.



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If Resolution 3 is passed, the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 3 is not passed, the Company will not be able to access the additional 10% capacity to issue Equity Securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issued Equity Securities without Shareholder approval set out in Listing Rule 7.1.

Resolution 3 is a **special resolution**. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 3 for it to be passed.

The Equity Securities that may be issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities. The Company currently has one class of quoted Equity Securities on issue, being the Shares (ASX Code: TOE).

4.2 Information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 3:

(a) Minimum Price at which Equity Securities may be issued

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 10 Trading Days of the date in paragraph (a)(i) above, the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Annual General Meeting;
- (ii) the time and date of the Company's next annual general meeting; and
- (iii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking), after which date, an approval under Listing Rule 7.1A ceases to be valid,

(10% Placement Capacity Period).

(c) Risk of economic and voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 3 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.



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The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice assuming the full 10% dilution.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue	Dilution			
	Issue Price (per Share)	\$0.006 (50% decrease in issue price)	\$0.012 (Issue price)	\$0.018 (50% increase in issue price)
4,781,297,635 (As at date of Notice)	Shares issued	478,129,763	478,129,763	478,129,763
	Funds Raised	\$2,868,778	\$5,737,557	\$8,606,336
7,171,946,453 (50% increase)*	Shares issued	717,194,645	717,194,645	717,194,645
	Funds Raised	\$4,303,168	\$8,606,336	\$12,909,504
9,562,595,270 (100% increase)*	Shares issued	956,259,527	956,259,527	956,259,527
	Funds Raised	\$5,737,557	\$11,475,114	\$17,212,671

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under ASX Listing Rule 7.1.

The table above uses the following assumptions:

1. The current Shares on issue are as at the date of the Notice.
2. The issue price set out above is the closing price of the Shares on 25 October 2023 of \$0.012.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity hence the voting dilution is shown in each example as 10%.
4. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own Shareholding depending on their specific circumstances, and if necessary seek advice from their professional advisers.
5. No Options are exercised into Shares before the date of issue of the Equity Securities.
6. The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, and not dilution under the 15% placement capacity under ASX Listing Rule 7.1, under ASX Listing Rule 7.2, or Shareholder approvals under ASX Listing Rule 7.1.
7. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes listed options, it is assumed that those listed options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

Shareholders should note that there is a risk that:



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- (i) the market price for the Equity Securities to be issued may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for those Equity Securities on the date of issue.

(d) Purpose of Issue under 10% Placement Capacity

The Company may issue Equity Securities under the 10% Placement Capacity for cash consideration in and intends to use funds raised for working capital, the continued development of the Company's Wiluna Uranium Project and the exploration of the Company's Dusty Nickel Project and its Yandal Gold and Base Metal Projects.

(e) Allocation policy for issues under the 10% Placement Capacity

The allottees of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the allottees of Equity Securities will be current Shareholders or new investors (or both), but in either case will not be related parties of the Company.

The Company will determine the allottees at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

(f) Previous Approval under ASX Listing Rule 7.1A

The Company obtained approval from Shareholders pursuant to ASX Listing Rule 7.1A at its 2022 annual general meeting held on 28 November 2022 (**2022 Previous Approval**). In accordance with ASX Listing Rule 7.3A.6, during the 12 month period preceding the date of the Meeting, being on and from 28 November 2022 the Company issued 422,410,000 Shares pursuant to the 2022 Previous Approval on 15 September 2023 (representing 10% of the Company's issued capital as at the start of that 12 month period), which will be ratified at this Annual General Meeting. The Equity Securities issued pursuant to the 2022 Previous Approval during that time were as follows:

Issue date	Equity Securities	Persons issued to or basis of issue	Amount raised and use of funds
15 September 2023	422,410,000 Shares	Participants in the placement were either sophisticated and professional investors who were clients of the lead manager to the offer, Canaccord Genuity, or investors identified by the Directors. The investors	The Shares were issued at an issue price of \$0.010 per Share, to raise an amount of \$4,224,100. Funds raised by the offer will be used to fund the Lake Maitland Uranium Project scoping study extension, for further evaluation of the vanadium resource at Lake Maitland, for the planning for a pilot program as a function of the Lake Maitland Uranium Project pre-feasibility study, and for further evaluation of the Wiluna Uranium



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		were identified and selected from offer applications following Canaccord Genuity inviting its professional and sophisticated investor clients to subscribe for the offer, or from the network of professional and sophisticated investors known to the Company.	Project, and of the precious and base metals at Dusty, Yandal and Lake Maitland.
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(g) Voting exclusion statement

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder or security holder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 3.

4.3 Compliance with ASX Listing Rules 7.1A.4 and 3.105A

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it will give to ASX:

- (i) a list of recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

4.4 Directors' Recommendation

The Directors consider that the approval of the issue of the 10% Placement Capacity described above is beneficial for the Company as it provides the Company with the flexibility to issue up to the maximum number of securities permitted under ASX Listing Rule 7.1A in the next 12 months (without further Shareholder approval), should it be required. At the date of the Notice, the Company has no plans to use the 10% Placement Capacity should it be approved.

5 Resolution 4 – Ratification of Previous Issue of Shares Under Placement (ASX Listing Rule 7.1A)

5.1 Background

On 11 September 2023 the Company announced that it had received commitments for a placement of up to 450,000,000 Shares at an issue price of \$0.01 per Share, to raise up to \$4,500,000 (before costs) (**Placement**). Under the terms of the Placement the Company also agreed to issue one (1) free attaching Option (exercisable at \$0.015 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 (being Listed Options). Shareholder ratification of the issue of Shares issued under the Placement is sought pursuant to this Resolution 4, whilst Shareholder ratification of the issue of Listed Options under the Placement is sought pursuant to Resolution 5. 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 Nickel Project and the Yandal Gold and Base Metals 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.



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-
- General working capital.
 - Costs of the Placement.

As detailed in the Company's release dated 15 September 2023 the Company issued 422,410,000 Shares pursuant to the Placement (**Placement Shares**), utilising its existing ASX Listing Rule 7.1A capacity, on 15 September 2023 (**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. 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 issue of the Placement Shares does not fit within any of the applicable exceptions, and has not yet been approved by Shareholders, and so effectively uses up the Company's 10% limit under ASX Listing Rule 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under ASX Listing Rule 7.1A 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.

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 7.1A. Accordingly, Resolution 4 seeks Shareholder approval for the issue of the 422,410,000 Placement Shares issued pursuant to ASX Listing Rule 7.1A, under and for the purposes of ASX Listing Rule 7.4.

If Resolution 4 is passed, the issue of 422,410,000 Placement Shares on the Placement 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 Issue Date.

If Resolution 4 is not passed, the issue of 422,410,000 Placement Shares on the Placement 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 Issue Date.

5.2 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 422,410,000 Placement Shares were issued.

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

\$0.01 per Placement Share.

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

The Placement Shares were issued on 15 September 2023.

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



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The Placement Shares were issued to institutional, sophisticated and professional investors who are not related parties of the Company or their associates. The investors were identified by Canaccord Genuity (Australia) Limited which acted as Lead Manager 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 Nickel Project and the Yandal Gold and Base Metals 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.

5.3 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 10% of the total number of Shares on issue in any 12 month period pursuant to Listing Rule 7.1A without Shareholder approval.

6 Resolution 5 – Ratification of Previous Issue of Options Under Placement (ASX Listing Rule 7.1)

6.1 Background

As set out in Section 5.1, the Company agreed to issue one (1) free attaching Option (exercisable at \$0.015 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 (being Listed Options). 211,205,007 Listed Options will be issued pursuant to the Placement after the date of this Notice but before the date of the Meeting (anticipated to occur on 1 November 2023), utilising the Company's existing ASX Listing Rule 7.1 capacity (**Options 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 Listed Options does not fit within any of the applicable exceptions, and has not yet been approved by Shareholders, and so effectively uses up the Company's 15% limit under 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 Options 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.

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 5 seeks Shareholder approval for the issue of the 211,205,007 Listed Options issued pursuant to ASX Listing Rule 7.1, under and for the purposes of ASX Listing Rule 7.4.

If Resolution 5 is passed, the issue of 211,205,007 Listed Options on the Options Issue Date will be excluded in calculating the Company's 5% 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 Options Issue Date.

If Resolution 5 is not passed, the issue of 211,205,007 Listed Options on the 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 Options Issue Date.



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6.2 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 211,205,007 Listed Options were issued. The terms and conditions of the Listed Options are contained in **Annexure A**.

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

The Listed Options were issued as free attaching options to the Shares issued under the Placement therefore no consideration will be received by the Company for their issue.

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

The Listed Options will be issued after the date of this Notice but before the date of the Meeting, on or around 1 November 2023.

(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 Listed Options were issued to institutional, sophisticated and professional investors who participated in the Placement. The investors were identified by Canaccord Genuity (Australia) Limited which acted as Lead Manager to the Placement.

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

No funds will be raised by the issue of the Listed Options. Funds received by the Company upon exercise of the Listed Options will be used for general working capital purposes.

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

The Listed Options were not issued under an agreement.

6.3 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 5 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.

7 Resolutions 6 and 7 – Approval for Director Participation in the Placement

7.1 General

Please see Section 5.1 above for details of the Placement. Company Directors Mr Richard Homsany and Mr Michel Marier wish to participate in the Placement on the same terms as unrelated participants in the Placement (**Director Participation**), for an aggregate of 25,000,000 Shares (**Director Placement Shares**) together with 12,500,000 free attaching Listed Options (**Director Placement Options**) on the basis set out in Section 5.1. The terms and conditions of the Director Placement Options are the same as the terms and conditions of the Listed Options proposed to be issued to unrelated participants in the Placement and are set out in Annexure "A" to this Notice. As Directors Messrs Homsany and Marier are each a related party 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 6 and 7 respectively.



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Accordingly:

- (a) Resolution 6 seeks Shareholder approval for the issue of up to 15,000,000 Director Placement Shares and 7,500,000 free attaching Director Placement Options to Director Richard Homsany (and/or his nominee(s)); and
- (b) Resolution 7 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 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.

Shareholders should note that the number of Director Placement Shares and Director Placement Options in respect of the issue of which approval is sought under Resolutions 6 and 7 is calculated on a pre-consolidation basis, as it is anticipated that these issues will be completed prior to the completion of the Share consolidation if Shareholders pass Resolutions 6, 7 and 11.

7.2 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.

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.

7.3 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



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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 6 and 7 seek the required Shareholder approval for the Director Participation under and for the purposes of Listing Rule 10.11.

If Resolutions 6 and 7 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 6 and 7 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.

7.4 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 6 and 7:

- (a) the Director Placement Securities will be issued to the following persons:
 - (i) Richard Homsany (and/or his nominee(s)) pursuant to Resolution 6; and
 - (ii) Michel Marier (and/or his nominee(s)) pursuant to Resolution 7,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 6 is 15,000,000 Director Placement Shares and 7,500,000 free attaching Director Placement Options (each on a pre-consolidation basis); and
 - (ii) to Michel Marier (and/or his nominee(s)) under Resolution 7 is 10,000,000 Director Placement Shares and 5,000,000 free attaching Director Placement Options (each on a pre-consolidation basis);
- (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 terms and conditions of the Listed Options are contained in **Annexure A**;
- (e) 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);
- (f) as set out in Section 7.1 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 \$250,000 if Shareholders approve the issue of the Director Placement Securities;



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- (g) the purpose of the issue of the Director Placement Securities is to raise up to an additional \$250,000 (before costs) under the Placement, which the Company intends to use in the manner set out in Section 5.1 above;
- (h) the Director Placement Securities are not intended to remunerate or incentivise the Directors;
- (i) the Director Placement Securities are not being issued under an agreement; and
- (j) voting exclusion statements are included in Resolutions 6 and 7 of the Notice.

8 Resolutions 8 – 10 – Issue of Performance Rights to Directors

8.1 Background

The Company is proposing to issue a total of 60,000,000 Performance Rights in aggregate to Directors Richard Homsany, Richard Patricio and Michel Marier under the Company's Incentive Plan pursuant to Resolutions 8 to 10 (inclusive) respectively.

ASX Listing Rule 10.14 provides that a listed company must not permit any of the following persons to acquire equity securities under an employee incentive scheme:

- (a) a director of the company (ASX Listing Rule 10.14.1);
- (b) an associate of a director of the company (ASX Listing Rule 10.14.2); or
- (c) a person whose relation with the company or a person referred to in Listing Rules 10.14.1 or 10.14.2 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders (ASX Listing Rule 10.14.3),

unless it obtains the approval of its shareholders.

The proposed issues of Performance Rights, the subject of Resolutions 8 to 10 inclusive, to Messrs Homsany, Patricio and Marier fall within ASX Listing Rule 10.14.1 above as Messrs Homsany, Patricio and Marier are each directors of the Company.

Resolutions 8 to 10 inclusive seek the required Shareholder approval for the issue of Performance Rights to Messrs Homsany, Patricio and Marier under and for the purposes of ASX Listing Rule 10.14.

If Resolutions 8, 9 and 10 are each passed, the Company will be able to proceed to issue the respective Performance Rights to Messrs Homsany, Patricio and Marier.

If Resolutions 8, 9 and 10 are not passed, the Company will not be able to proceed to issue the respective Performance Rights to Messrs Homsany, Patricio and Marier.

The issue of Performance Rights the subject of Resolutions 8 to 10 inclusive are proposed to be made pursuant to the Company's Incentive Plan.

Shareholders should note that the number of Performance Rights in respect of the issue of which approval is sought under Resolutions 8, 9 and 10 is calculated on a pre-consolidation basis, as it is anticipated that these issues will be completed prior to the completion of the Share consolidation if Shareholders pass Resolutions 6, 7 and 11.

8.2 Terms and Conditions of the Performance Rights

The terms and conditions of the Performance Rights are summarised in **Annexure B**.

The Performance Rights will be issued for no consideration. No consideration is payable for the conversion of Performance Rights to Shares.



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The Company is cognisant of the requirement to preserve cash, while providing the principal drivers of Shareholder value with appropriate incentives. The Board considered that, assuming a share price of \$0.011 at the valuation date, a sustained and substantial target increase in the share price at 82%, 173% and 264% is not an easy target, but if the target is reached, then all Shareholders will benefit. This is an appropriate incentive for Directors.

The Performance Rights milestones will be based on adjusted share price milestone (**ASPM**) of one fully paid share in the capital of the Company. The price milestone target ascribed to each of the five performance hurdles will be the VWAP over 20 consecutive Trading Days on which Shares have actually traded adjusted to reflect the impact of any:

- Share price appreciation;
- Declared dividend;
- Capital returns;
- Cash or scrip or in specie distributions;
- Bonus issues;
- Share splits; and
- Share consolidations

For example, in the event of a declared dividend, the price milestone target will increase by the aggregate of any amount paid and the value of any associated tax credits.

The VWAP over 20 consecutive Trading Days on which Shares have actually traded price milestone target ascribed to each of the three performance hurdles is based on the share price of \$0.011 as at the valuation date of 18 October 2023 and the ASPM as noted below.

Performance Hurdles				
Hurdle Number	Share Price at Valuation Date	Adjusted Share Price Milestone (ASPM)	%Value Increase	Performance Period
H1	\$0.011	\$0.02	82%	5 years
H2	\$0.011	\$0.03	173%	5 years
H3	\$0.011	\$0.04	264%	5 years

Australian Accounting Standard 2 Share-based Payment (**AASB 2**) states in paragraph 19 that vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On the other hand, paragraph 21 states that market conditions, such as a target share price upon which vesting (or exercisability) is conditioned, shall be taken into account when estimating the fair value of the equity instruments granted.

Therefore, the assessments of performance hurdles 1, 2 and 3 are that they are market vesting conditions and in accordance with AASB 2, have been valued using a Monte Carlo simulation option pricing model based on the Share price of \$0.011as at the valuation date of 18 October 2023. Further information in relation to the valuation of these Performance Rights are listed in **Annexure C**.



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Distribution of Performance Rights					
Share Value	ASPM	%Value Increase	Richard Homsany	Richard Patricio	Michel Marier
\$0.011	\$0.02	82%	10,000,000	5,000,000	5,000,000
\$0.011	\$0.03	173%	10,000,000	5,000,000	5,000,000
\$0.011	\$0.04	264%	10,000,000	5,000,000	5,000,000

A summary of the general terms and conditions of the Performance Rights to be issued (subject to Shareholder approval) is set out in **Annexure B**. **Annexure C** sets out the valuation of the Performance Rights. The numbers above are each provided on a pre-consolidation basis.

8.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act prohibits the Company from giving a financial benefit (which includes the issue of Performance Rights) to a related party of the Company unless either:

- (a) the giving of the financial benefit falls within one of the nominated exceptions of Chapter 2E of the Corporations Act; or
- (b) prior Shareholder approval is obtained for the giving of the financial benefit.

For the purposes of Chapter 2E, each Director is considered to be a related party of the Company. The proposed issue of Performance Rights to Directors and/or their nominee(s) involves the provision of a financial benefit to a related party of the Company. Section 211 of the Corporations Act provides an exception to the provisions of Chapter 2E where the financial benefit is remuneration that would be reasonable given the circumstances of the Company and the related party's circumstances. The Board has determined that the proposed grant of Performance Rights to Messrs Homsany, Patricio and Marier falls within the exemption contained in section 211 of the Corporations Act as reasonable remuneration.

8.4 ASX Listing Rule Disclosure Requirements

Pursuant to and in accordance with ASX Listing Rule 10.15 the following information is provided in relation to Resolutions 8 to 10 (inclusive):

- (a) Directors Messrs Homsany, Patricio and Marier (or their nominees) are the persons to whom equity securities (being Performance Rights) will be issued if Resolutions 8 to 10 (inclusive) are passed by Shareholders.
- (b) Each of Messrs Homsany, Patricio and Marier is a Director and is therefore a related party of the Company for the purposes of ASX Listing Rule 10.14.1.
- (c) 30,000,000 Performance Rights are proposed to be issued to Mr Homsany pursuant to Resolution 8, 15,000,000 Performance Rights are proposed to be issued to Mr Patricio under Resolution 9 and 15,000,000 Performance Rights are proposed to be issued to Mr Marier under Resolution 10, each on a pre-consolidation basis.
- (d) The current remuneration packages of Messrs Homsany, Patricio and Marier are set out below:

Resolution	Director	Position	Annual remuneration including superannuation and non-cash benefits	Estimated value of Performance Rights (Annexure C)	Total (annual remuneration plus estimated value of Performance Rights)



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8	Mr Richard Homsany	Executive Chairman	\$533,438	\$301,000	\$834,438
9	Mr Richard Patricio	Non-Executive Director	\$50,000	\$150,500	\$200,500
10	Mr Michel Marier	Non-Executive Director	\$50,000	\$150,500	\$200,500

- (e) 80,000,000 Performance Rights in aggregate have previously been issued to Messrs Homsany, Patricio and Marier under the Incentive Plan, as detailed in the Company's 2022 Notice of Annual General Meeting.
- (f) The expiry date of the Performance Rights is five (5) years from the date of their grant. The other terms and conditions of the Performance Rights are set out in this Section 8 and in **Annexure B**.
- (g) A summary of the terms and conditions of the Incentive Plan is contained in **Annexure D**.
- (h) The Performance Rights will be issued within three (3) years of the date of the Meeting or such later date as the ASX Listing Rules permit (including such later date as permitted by any ASX waiver or modification of the ASX Listing Rules).
- (i) The Directors consider that the incentive represented by the issue of Performance Rights is a cost effective and efficient incentive when compared to other forms of incentive such as cash, bonuses or increased remuneration.
- (j) The Company has valued the Performance Rights. See **Annexure C** for details of the valuation. AASB 2 states in paragraph 19 that vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On the other hand, paragraph 21 states that market conditions, such as a target share price upon which vesting (or exercisability) is conditioned, shall be taken into account when estimating the fair value of the equity instruments grant. Due to the nature of the vesting conditions and the early stage nature of the Company it is possible that the vesting conditions will not be met and thus no Performance Rights will vest. Therefore, the expense attributable to the Performance Rights and the value received by Directors from them could range between nil and the Share price when the Performance Rights are granted. This valuation is not automatically the valuation for taxation purposes.
- (k) The Performance Rights are to be issued for nil consideration (ie no amount will be payable by the Directors in respect of the acquisition of the Performance Rights, if approved by Shareholders) and no amount is payable on vesting of the Performance Rights. As such no funds will be raised through the grant of the Performance Rights or on the exercise and conversion of the Performance Rights into Shares.
- (l) No loan will be made in relation to the grant of the Performance Rights.
- (m) Details of any securities issued under the Incentive Plan will be published in the annual report of the Company relating to the period in which they were issued, along with a statement that approval for the issue was obtained under Listing Rule 10.14.
- (n) Any additional persons covered by Listing Rule 10.14 who become entitled to participate in an issue of Performance Rights under the Incentive Plan after Resolutions 8 to 10 are approved and who were not named in the Notice of Meeting will not participate until approval is obtained under that rule.

8.5 Additional Information

The Board recognises that the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations states that non-executive directors should not receive performance rights as part of their



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remuneration. Notwithstanding this, the Board considers the issue of Performance Rights to the Directors is appropriate in the circumstances for the reasons set out below:

- (a) If all the Performance Rights the subject of Resolutions 8 to 10 inclusive are granted and exercised, then the Company's fully paid share capital (based on the existing number of Shares and assuming no other Company securities are exercised or converted) will be diluted by 1.24%.
- (b) The primary purpose of the grant of Performance Rights is to provide an incentive to Messrs Homsany, Patricio and Marier. Given this purpose, the Directors do not consider that there is any opportunity cost or benefit foregone to the Company in granting the Performance Rights that are the subject of Resolutions 8 to 10 inclusive (other than as set out below); and
- (c) The Board has examined the individual remuneration packages of Directors to determine the fairness and reasonableness of the remuneration package. As part of the examination, the Board has reviewed the remuneration packages of industry executives and non-executives in similar roles. The Board considers the grants to Messrs Homsany, Patricio and Marier are appropriate in the circumstances for the reasons set out below.
- (d) Based on its examination, the Board has concluded that the totality of Messrs Homsany, Patricio and Marier's remuneration packages, including the equity component of up to 60,000,000 Performance Rights now to be considered for approval by Shareholders, is fair and reasonable in the circumstances of the Company given its size and stage of development, market practice of other companies in the mineral exploration industry and given the necessity to attract and retain the highest calibre of skilled professionals to the Company whilst maintaining the Company's cash reserves, and in light of Messrs Homsany, Patricio and Marier's significant management experience and knowledge of the mineral exploration industry.
- (e) Accounting standards require that granted Performance Rights be valued and expensed. The Directors do not consider that there are any other opportunity costs to the Company or benefits forgone by the Company in respect of the proposed issue of Performance Rights pursuant to Resolutions 8 to 10 inclusive.
- (f) The last available price of Shares quoted on ASX prior to the date of this Notice of Annual General Meeting on 26 October 2023 was \$0.011. The highest price for Shares trading on ASX over the last 12 months was \$0.018 on 27 October 2022 and the lowest price in that period was \$0.008 on various dates in December 2022 and January 2023.

8.6 ASX Listing Rule 7.1

Broadly speaking, and subject to a number of exemptions, 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 shares it had on issue at the start of that period.

The issue of Performance Rights to Messrs Homsany, Patricio and Marier with Shareholder approval pursuant to ASX Listing Rule 10.14 falls within Exception 14 to ASX Listing Rule 7.1 and therefore Shareholder approval is not required under ASX Listing Rule 7.1 to issue the Performance Rights to Messrs Homsany, Patricio and Marier and/or their nominee(s) as approval is being obtained under ASX Listing Rule 10.14.

Shareholders should note that the issue of securities to Messrs Homsany, Patricio and Marier and/or their nominee(s) will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

8.7 Directors' Recommendation

Mr Richard Homsany declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution. The Directors (other than Mr Richard Homsany) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 8.



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Mr Richard Patricio declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution. The Directors (other than Mr Richard Patricio) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 9.

Mr Michel Marier declines to make a recommendation to Shareholders in relation to Resolution 10 due to his material personal interest in the outcome of the Resolution. The Directors (other than Mr Michel Marier) recommend that, for the reasons set out above, Shareholders vote in favour of Resolution 10.

10 Resolution 11 – Consolidation of Share Capital

10.1 General

Resolution 11 seeks shareholder approval to undertake a consolidation of the number of Shares on issue on the basis that every fifty (50) Shares held be consolidated into one (1) (**Consolidation**). Similarly, the number of Options and Performance Rights on issue will be consolidated on the basis that every fifty (50) Options and Performance Rights held will be consolidated into one (1) Option and Performance Right. The exercise price of the Options and Performance Rights will be amended in inverse proportion to the consolidation ratio.

10.2 Regulatory requirements

(a) Purpose of proposed resolution

The Directors have proposed the Consolidation for the following reasons:

- (i) the Company currently has 4,781,297,635 Shares on issue which represents a relatively large number when compared to its listed peer group;
- (ii) the Directors consider that the Consolidation will assist in reducing the volatility of the Company's share price and enable a more consistent valuation of the Company; and
- (iii) the Consolidation is also expected to assist in positioning the Company for long term growth by making an investment in the Company's securities more attractive to institutional and other investors.

(b) Legal requirements

Section 254H of the Corporations Act provides that a company may, by resolution passed at a general meeting, convert all or any of its shares into a larger or smaller number.

ASX Listing Rule 7.20 provides that where an entity proposes to reorganise its capital it must tell shareholders:

- (i) the effect of the proposal on the number of securities and the amount paid (if any) on securities;
- (ii) the proposed treatment of any fractional entitlements; and
- (iii) the proposed treatment of any convertible securities on issue.

ASX Listing Rule 7.21 provides that a listed entity which has convertible securities (except options) on issue may only reorganise its capital if, in respect of the convertible securities, the number of its convertible securities or the conversion price, or both, is reorganised so that the holder of the convertible securities will not receive a benefit that holders of ordinary securities do not receive.

ASX Listing Rule 7.22.1 requires that where a listed entity with options undertakes a consolidation of its capital, the number of its options must be consolidated in the same ratio as the ordinary capital and the exercise price must be amended in inverse proportion to that ratio.

(c) Effect of Consolidation



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The result of the Consolidation is that each security holding will be reduced by 50 times its current level.

As the Consolidation applies equally to all Shareholders, individual shareholdings will be reduced in the same ratio as the total number of Shares (subject to rounding). Accordingly, assuming no other market movements or impacts occur, the Consolidation will have no effect on the percentage interest in the Company of each shareholder.

The Consolidation will not result in any change to the substantive rights and obligations of existing Shareholders.

The change in capital structure of the Company following Consolidation, subject to adjustment for rounding, is as follows:

Shares

	Number*
Shares currently on issue	4,781,297,635
Shares on issue after consolidation	95,625,953

* Assumes no Options or Performance Rights are exercised prior to consolidation

Options

	Pre Consolidation Number*	Post Consolidation Number*	Pre Consolidation Exercise Price*	Post Consolidation Exercise Price*
Options expiring 20 November 2025	186,000,000	3,720,000	\$0.01855	\$0.9285
Options expiring 2 June 2024	10,000,000	200,000	\$0.04	\$2.00
Options expiring 21 January 2027	220,000,000	4,400,000	\$0.03335	\$1.6675
Options expiring 28 February 2025	230,772,736	4,615,455	\$0.018	\$0.90
Total Options	646,772,736	12,935,455		

* assumes no options or performance rights exercise prior to consolidation

Performance Rights

Performance Rights[^] on Issue	Pre Consolidated Number*	Post Consolidated Number on a 1:50 basis**	Pre Consolidated VWAP Milestone*	Post Consolidated Number*
Tranche 1 2022 Performance Rights	30,000,000	600,000	\$0.030	\$1.50
Tranche 2 2022 Performance Rights	30,000,000	600,000	\$0.035	\$1.75
Tranche 3 2022 Performance Rights	20,000,000	400,000	\$0.050	\$2.50



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Total Performance Rights	80,000,000	1,600,000		
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^ All Performance Rights have Nil price to Exercise, and are subject to the achievement of VWAP based share price milestones being achieved to trigger a vesting event

** Assumes no Performance Rights vest prior to Consolidation

(d) Fractional Entitlements

Where the Consolidation results in an entitlement to a fraction of a Share, Option or Performance Right, that fraction will be rounded up to the nearest whole dollar of Shares, Options or Performance Rights.

(e) Holding statements

Taking effect from the date of the Consolidation, all existing holding statements will cease to have any effect, except as evidence of entitlement to a certain number of securities on a post-consolidation basis. New holding statements will be issued to security holders, who are encouraged to check holdings after the Consolidation.

(e) Taxation

The Consolidation should not result in a capital gains tax event for Australian tax residents. The cost base of the Shares held after Consolidation will be the sum of the cost bases of the original Shares pre-consolidation. The acquisition date of Shares held after the Consolidation will be the same as the date on which the original Shares were acquired.

This Explanatory Statement does not however consider the tax implications in respect of Shares or other securities held on revenue account, as trading stock or by non-resident Shareholders. Shareholders should consider their own circumstances and seek their own professional advice in relation to their tax position. Neither the Company nor any of its officers or employees assumes any liability or responsibility for advising Shareholders or other security holders about the tax consequences of the proposed Consolidation.

10.3 Timetable

An indicative timetable, assuming Shareholder approval is obtained will be as follows:

Date	Event
28 November 2023	Announcement of Consolidation and issue of Appendix 3A.3 notice
29 November 2023	Meeting held with resolution to approve consolidation Company notifies ASX that consolidation is approved
1 December 2023	Effective date of Consolidation
4 December 2023	Last day for trading pre-consolidation securities.
5 December 2023	Trading in recognised securities on a deferred settlement basis starts.
6 December 2023	Record date for Consolidation. Last day for Company to register transfers on a pre consolidation basis.
13 December 2023	Registration of securities on a post-consolidation basis. First day for the Company to send notice to each security holder and for dispatch of new holding statements. In the case of Options or Performance Rights, first day for the Company to issue new certificates.
13 December 2023	Deferred settlement trading ends. Last day for Company to send notice to all Shareholders. Last day for securities to be entered into the holders' security holdings.
14 December 2023	Normal trading in reorganised securities starts

10.4 Directors' Recommendation

The Directors recommend that Shareholders vote in favour of Resolution 11.



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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 Annual General Meeting:

2023 Remuneration Report means that section of the Directors' report contained in the 2023 Annual Report, under the heading 'Remuneration Report', prepared in accordance with Section 300A of the Corporations Act.

2023 Annual Report means the annual report of the Company including the reports of the Directors and auditor and the financial statements of the Company for the financial year ended 30 June 2023, which can be downloaded from the ASX announcements platform.

\$ 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.

Closely Related Party is defined in respect of a member of Key Management Personnel as:

- a spouse or child of the member;
- a child of the member's spouse;
- a dependent of the member or the member's spouse;
- anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- a company the member controls; or
- a person prescribed by regulations that may be made for this purpose.

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.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the A&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

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.



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Key Management Personnel has the same meaning given in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

Listed Option means an Option issued on the terms and conditions set out in **Annexure A**.

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

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

Option means an option to acquire a Share.

Placement is defined in Section 5.1 of the Explanatory Memorandum.

Plan or **Incentive Plan** means the 2022 Toro Energy Limited Securities Incentive Plan, terms and conditions of which were summarised in the Company's 2022 Notice of Annual General Meeting.

Proxy Form means the proxy form attached to the Notice.

Remuneration Report means that section of the Directors' report contained in the 2023 Annual Report, under the heading 'Remuneration Report', prepared in accordance with Section 300A of the Corporations Act.

Resolution means a resolution contained in the Notice.

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 Listed Options

Terms and Conditions of the Listed Options

The terms and conditions of the Listed Options are as follows:

(a) Entitlement

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

(b) Exercise Price

Subject to paragraph (i), the amount payable upon exercise of each Listed Option will be \$0.015 (**Exercise Price**).

(c) Expiry Date

Each Listed Option will expire at 5:00pm (WST) on 23 October 2025 (**Expiry Date**). A Listed Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Listed Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Listed Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Listed Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Listed Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Listed Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Listed Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Listed Options.

(h) Shares issued on exercise



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

(i) Reconstruction, bonus issues, rights issues etc.

- (i) If at any time the issued share capital of the Company is reconstructed (including by way of consolidation or share-split), then, subject to the Corporations Act and the ASX Listing Rules, the Listed Options shall be reconstructed (including by way of consolidation or option-split) on the same basis so that the Listed Option holder is not prejudiced by such reconstruction of the Company's issued share capital.
- (ii) If the Company conducts a pro rata issue (except a bonus issue) of securities to its shareholders after the date of issue of the Listed Options, the exercise price of the Listed Options will be reduced in accordance with the formula set out in ASX Listing Rule 6.22.2. This clause is only applicable if the Company's shares are quoted on the ASX.
- (iii) If the Company conducts a bonus issue of securities to its Shareholders after the date of issue of the Listed Options, the number of securities over which a Listed Option is exercisable will be increased by the number of securities which the Listed Option holder would have received if the Listed Option had been exercised before the record date for the bonus issue. This clause is only applicable if the Company's Shares are quoted on the ASX.

(j) Participation in new issues

There are no participation rights or entitlements inherent in the Listed Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Listed Options without exercising the Listed Options.

(k) Change in exercise price

A Listed Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Listed Option can be exercised.

(l) Transferability

The Listed Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

(m) Quotation

The Company will apply for quotation of the Listed Options on the ASX.



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**Annexure B – Summary of the General Terms and Conditions of the Performance Rights
(Resolutions 8 to 10 inclusive)**

Performance Rights are being considered for approval by Shareholders at the General Meeting. The performance milestones for these Performance Rights are share price milestones set out elsewhere in this Notice and specified in this Annexure B. A summary of their general terms and conditions is set out below:

- (a) **(Tax):** Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth), as amended from time to time applies to the terms and conditions of the Performance Rights including to all Shares that issued upon exercise of a Performance Right.

Despite any other provision of the Performance Rights terms and conditions no Participant is entitled to be issued Performance Rights if before or immediately after that person is issued with the Performance Rights:

- (i) the person and their associates holds a beneficial interest in more than 10% of the total Shares on issue or that would be on issue if all Performance Rights and other convertible securities issued by the Company were exercised into Shares; and
- (ii) the person and their associates are in a position to cast, or to control the casting of, more than 10% of the maximum number of votes that might be cast at a general meeting of the Company if all Performance Rights and other convertible securities issued by the Company were exercised into Shares.
- (b) **(Purpose):** The purpose of the issue of Performance Rights is to:
- (i) assist in the reward, retention and motivation of recipients of the Performance Rights (“Participants”);
- (ii) establish a method by which Participants can participate in the future growth and profitability of the Company;
- (iii) link the reward of Participants to Shareholder value creation;
- (iv) align the interests of Participants with shareholders of the Group (being the Company and each of its associated bodies corporate), by providing an opportunity to Participants to receive an equity interest in the Company in the form of Securities; and
- (v) attract and retain a high standard of managerial and technical personnel for the benefit of the Company.
- (c) **(Administration):** The terms and conditions of the Performance Rights will be administered by the Board. The Board may exercise any power or discretion conferred on it by the terms and conditions in its sole and absolute discretion. The Board may delegate its powers and discretion.
- (d) **(Eligibility, invitation and application):** The Board may from time to time make an invitation to a Participant to apply for Performance Rights on such terms and conditions as the Board decides. On receipt of an Invitation, a Participant may apply for the Performance Right the subject of the invitation by sending a completed application form to the Company. The Board may accept an application from a Participant in whole or in part. If a Participant is permitted in the invitation, the Participant may, by notice in writing to the Board, nominate a party in whose favour the Participant wishes to renounce the invitation.
- (e) **(Grant of Performance Rights):** The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Performance Rights subject to the terms and conditions set out in the invitation and any ancillary documentation required.



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- (f) **(Terms of Performance Rights):** Each Performance Right represents a right to acquire one Share, subject to the terms and conditions of the Performance Right which include a performance condition. Prior to a Performance Right being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Performance Right by virtue of holding the Performance Right. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Performance Right that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Performance Right that has been granted to them.
- (g) **(Vesting of Performance Rights):** Any performance conditions applicable to the grant of Performance Rights will be described in the invitation. If all the performance conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Performance Rights are entitled to be converted into Shares. Unless and until the vesting notice is issued by the Company, the Performance Rights will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Performance Right are not satisfied and/or otherwise waived by the Board, that Performance Right will lapse.
- (h) **(Exercise of Performance Rights):** To exercise a Performance Right after a vesting notice is issued by the Company, the Participant must deliver a signed notice of exercise within 15 years from the date of issue of the Performance Right. More than one signed Notice of Exercise can be delivered by a Participant in relation to a holding of Performance Rights from the date of a vesting notice until the date that is 15 years from the date of issue of the Performance Right.

A Performance Right may not be exercised unless and until that Performance Right has vested in accordance with the terms and conditions of the Performance Right, or such earlier date as set out in the terms and conditions of the Performance Right.

- (i) **(Delivery of Shares on exercise of Performance Rights):** As soon as practicable after the valid exercise of a Performance Right by a Participant and by no later than 10 Business Days, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled and issue a substitute certificate for any remaining unexercised Performance Rights held by that Participant.
- (j) **(Forfeiture or non forfeiture of Performance Rights):** Where a Participant who holds Performance Rights ceases to be an employee, director, contractor or consultant of the Company, all unvested Performance Rights will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Performance Rights to vest or remain non forfeited.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Performance Rights held by that Participant to have been forfeited. Unless the Board otherwise determines, or as otherwise set out in the terms and conditions of the Performance Right:

- (i) any Performance Rights which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met; and
- (ii) any Performance Rights which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.

Good Leaver Where a Participant (who, or whose nominated party, holds Performance Rights) becomes a Good Leaver, unless the Board determines otherwise vested Performance Rights that have not been exercised will continue in force and remain exercisable until the Expiry Date and unvested Performance Rights will be forfeited unless the Board determines otherwise. A Good Leaver means a Participant (who, or whose nominated party, holds Performance Rights) who ceases employment, office or engagement with any Group Company ceases and who is not a Bad Leaver, and includes where a Participant's employment, office or engagement ceases due to death, permanent incapacity, mental incapacity, redundancy, resignation, retirement or any other reason the Board decides.



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A Bad Leaver Unless the Board determines otherwise, where a Participant (who, or whose nominated party, holds Performance Rights) becomes a Bad Leaver unvested Performance Rights will be forfeited and vested Performance Rights that have not been exercised will be forfeited on the date of the cessation of employment or office of such Participant in accordance with clause 10. A Bad Leaver means a Participant (who, or whose nominated party, holds Performance Rights) whose employment, office or engagement with a Group Company ceases in any of the following circumstances: (i) the Participant's employment or engagement is terminated, or the Participant is dismissed from office, due to serious and wilful misconduct; a material breach of the terms of any contract of employment, engagement or office entered into by a Group Company and the Participant; gross negligence; or any other conduct justifying termination of employment, engagement or office without notice either under the Participant's contract of employment or engagement or office, or at common law; (ii) the Participant ceases his or her employment or engagement or office for any reason, and breaches a post-termination restriction contained in the Participant's employment contract; or (iii) the Participant becomes ineligible to hold his or her office for the purposes of Part 2D.6 (disqualification from managing corporations) of the Corporations Act.

Board Discretion If the circumstances for a forfeiture of Performance Rights exist, the Board may decide (on any conditions which it thinks fit) that some or all of the Participant's Performance Rights will not be forfeited at that time, but will be forfeited at the time and subject to the conditions it may specify by written notice to the Participant.

- (k) **(Change of control):** If a change of control event occurs in relation to the Company or a subsidiary, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Performance Rights will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event. This includes allowing a Performance Right to vest without the corresponding performance condition having been met.
- (l) **(Rights attaching to New Shares):** All Shares issued under the Performance Rights, or issued or transferred to a Participant upon the valid exercise of a Performance Right, **(New Shares)** will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the New Shares and may participate in any dividend reinvestment plan operated by the Company in respect of New Shares. A Participant may exercise any voting rights attaching to New Shares.
- (m) **(Disposal restrictions on New Shares):** If the invitation provides that any Performance Right subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Performance Right is subject to any such disposal restrictions, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Performance Right; or
 - (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (n) **(Adjustment of Performance Rights):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the basis for adjustment of the conversion of Performance Rights into Shares will be reconstructed in the same proportion as the issued capital of the Company is reconstructed and in a manner which will not result in any additional benefits being conferred on the Participant which are not conferred on the shareholders of the Company, (subject to the same provisions with respect to rounding of entitlements as sanctioned by the meeting of shareholders approving the reconstruction of capital) but in all other respects the terms for conversion of the Performance Rights will remain unchanged and with the intention that no detriment will be caused to the holder of a Performance Right.



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If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Performance Rights is entitled, upon exercise of the Performance Rights, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Performance Rights are exercised or the number of Performance Rights held by a Participant shall be increased by the same number as the number of bonus shares that would have been received by the Participant had the Performance Rights been Shares.

Unless otherwise determined by the Board, a holder of Performance Rights does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights. In the case of general rights issues to Shareholders there will be no adjustment to the Performance Rights. However, the Board may consider issuing options:

- (i) of a number up to the number of Shares to which the Participant would have been entitled had the Performance Rights been Shares; and
 - (ii) the exercise price of such options will be equal to the amount payable by Shareholders to exercise a right to acquire a Share.
- (o) **(Participation in new issues)**: There are no participation rights or entitlements inherent in the Performance Rights and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Performance Rights (such as bonus issues or entitlement issues) without exercising the Performance Rights into Shares.
- (p) **(Amendment of Performance Rights Rules)**: Subject to the following paragraph and to the extent allowed under applicable laws, the Board may at any time amend any provisions of the Performance Rights rules, including (without limitation) the terms and conditions upon which any Performance Rights have been issued and determine that any amendments to the Performance Rights rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Performance Rights rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (q) **(Cancellation)**: If a Participant and the Company (acting by the Board) agree in writing that some or all of the Performance Rights granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Performance Rights may be cancelled in the manner agreed between the Company and the Participant.
- (r) **(Expiry)**: A Performance Right will expire on the date that is 5 years from its date of issue.
- (s) **(Consideration)**: The Performance Rights will be granted for nil cash consideration and no consideration will be payable upon the issue of Shares upon the vesting and exercise of the Performance Rights.
- (t) **(Exercise Price)**: The Exercise Price of each vested Performance Right is nil.
- (u) **(No return of capital rights)**: A Performance Right does not confer any right to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (v) **(No rights on winding up)**: A Performance Right has no right to participate in the surplus profits or assets of the Company upon a winding up of the Company.
- (w) **(No voting rights)**: The Performance Rights do not confer on the holder an entitlement to vote at general meetings of the Company.



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- (x) **(No dividend rights):** The Performance Rights do not confer on the holder an entitlement to receive dividends, whether fixed or at the discretion of the directors.
- (y) **(Shares issued on exercise):** Shares issued upon conversion of the Performance Rights will rank pari passu with the Company's existing Shares on issue in all respects.
- (z) **(Entitlement):** Subject to satisfaction of the performance condition of the Performance Right, each Performance Right referred to in this Notice, once vested, entitles the holder, on exercise, to one share. If the performance condition of the Performance Right is not satisfied or waived, the Performance Right will lapse without being exercised into a Share.
- (aa) **(Takeover Provisions):** If the conversion of Performance Rights under these terms and conditions would result in any person being in contravention of section 606(1) of the Corporations Act then the conversion of Performance Rights that would cause the contravention will be deferred until such time or times thereafter that the conversion would not result in a contravention of section 606(1).



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Annexure C – Valuation of Performance Rights (Resolutions 8 to 10 inclusive)

The Performance Rights milestones will be based on adjusted share price milestone (**ASPM**) of one fully paid share in the capital of the Company. The price milestone target ascribed to each of the five performance hurdles will be the VWAP over 20 consecutive Trading Days on which Shares have actually traded adjusted for:

- Share price appreciation,
- Declared dividend,
- Capital returns,
- Demergers,
- Cash or scrip or in specie distributions,
- Bonus issues,
- Share splits, and
- Share consolidations.

The VWAP over 20 consecutive Trading Days on which Shares have actually traded AP price milestone target ascribed to each of the performance hurdles are noted below:

Hurdle number	Share Price at value date	ASPM	% Value Increase	Performance Period
H1	\$0.011	\$0.020	82%	5 years
H2	\$0.011	\$0.030	173%	5 years
H3	\$0.011	\$0.040	264%	5 years

Australian Accounting Standard 2 Share-based Payment (**AASB 2**) states in paragraph 19 that vesting conditions, other than market conditions, shall not be taken into account when estimating the fair value of the shares or share options at the measurement date. Instead, vesting conditions shall be taken into account by adjusting the number of equity instruments included in the measurement of the transaction amount so that, ultimately, the amount recognised for goods or services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On the other hand, paragraph 21 states that market conditions, such as a target share price upon which vesting (or exercisability) is conditioned, shall be taken into account when estimating the fair value of the equity instruments granted.

Therefore, our assessments of performance hurdles relating to the proposed issue of 60,000,000 performance rights are that they are market vesting conditions and in accordance with AASB 2, have been valued using a barrier up-and-in trinomial pricing model based with a Parisian Barrier adjustment on the Share Price as at the valuation date of 18 October 2023 of \$0.011. See the table below which lists the variables used as the basis for the valuation. There is no exercise price paid for the Performance Rights.



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Valuation Summary Table

Item	Performance Rights		
	H1	H2	H3
Valuation date	18-Oct-23	18-Oct-23	18-Oct-23
Underlying security spot price	\$0.011	\$0.011	\$0.011
VWAP barrier	\$0.020	\$0.030	\$0.040
Exercise price	Nil	Nil	Nil
Commencement of performance period	18-Oct-23	18-Oct-23	18-Oct-23
End of performance period	18-Oct-28	18-Oct-28	18-Oct-28
Performance period (years)	5.0	5.0	5.0
Expiry date	18-Oct-28	18-Oct-28	18-Oct-28
Life (years)	5.0	5.0	5.0
Volatility	110%	110%	110%
Risk-free rate	4.280%	4.280%	4.280%
Dividend yield	Nil	Nil	Nil
Valuation per Right	\$0.0104	\$0.0100	\$0.0097
No of Rights	20,000,000	20,000,000	20,000,000
Total Value	\$208,000	\$200,000	\$194,000



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Annexure D – Summary of the Key Terms and Conditions of the Toro Energy Limited Securities Incentive Plan (2022)

The Toro Energy Limited Securities Incentive Plan (2022) (**Plan** or **Incentive Plan**) is being considered for approval by Shareholders at the Annual General Meeting. The full terms of the Plan may be inspected at the registered office of the Company during normal business hours. A summary of the terms of the Plan is set out below:

- (a) (**Eligible Participant**): Eligible Participant means a person that:
- (i) is an "ESS participant" (as that term is defined in Division 1A of Part 7.12 of the Corporations Act) in relation to the Company; and
 - (ii) has been determined by the Board to be eligible to participate in the Plan from time to time.
- (b) (**Purpose**): The purpose of the Plan is to:
- (i) assist in the reward, retention and motivation of Eligible Participants;
 - (ii) link the reward of Eligible Participants to Shareholder value creation; and
 - (iii) align the interests of Eligible Participants with shareholders of the Group (being the Company and each of its Associated Bodies Corporate), by providing an opportunity to Eligible Participants to receive an equity interest in the Company in the form of Securities.

- (c) (**Plan administration**): The Plan will be administered by the Board. The Board may exercise any power or discretion conferred on it by the Plan rules in its sole and absolute discretion. The Board may delegate its powers and discretion.

- (d) (**Eligibility, invitation and application**): The Board may from time to time determine that an Eligible Participant may participate in the Plan and make an invitation to that Eligible Participant to apply for Securities on such terms and conditions as the Board decides.

On receipt of an Invitation, an Eligible Participant may apply for the Securities the subject of the invitation by sending a completed application form to the Company.

The Board may accept an application from an Eligible Participant in whole or in part.

If an Eligible Participant is permitted in the invitation, the Eligible Participant may, by notice in writing to the Board, nominate a party in whose favour the Eligible Participant wishes to renounce the invitation.

- (e) (**Grant of Securities**): The Company will, to the extent that it has accepted a duly completed application, grant the Participant the relevant number of Securities subject to the terms and conditions set out in the invitation, the Plan rules and any ancillary documentation required.
- (f) (**Terms of Convertible Securities**): Each 'Convertible Security' represents a right to acquire one or more Shares (for example, under an option or performance right), subject to the terms and conditions of the Plan.

Prior to a Convertible Security being exercised a Participant does not have any interest (legal, equitable or otherwise) in any Share the subject of the Convertible Security by virtue of holding the Convertible Security. A Participant may not sell, assign, transfer, grant a security interest over or otherwise deal with a Convertible Security that has been granted to them. A Participant must not enter into any arrangement for the purpose of hedging their economic exposure to a Convertible Security that has been granted to them.

- (g) (**Vesting of Convertible Securities**): Any vesting conditions applicable to the grant of Convertible Securities will be described in the invitation. If all the vesting conditions are satisfied and/or otherwise waived by the Board, a vesting notice will be sent to the Participant by the Company informing them that the relevant Convertible Securities have vested. Unless and until the vesting notice is issued by the Company, the Convertible Securities will not be considered to have vested. For the avoidance of doubt, if the vesting conditions relevant to a Convertible Security are not satisfied and/or otherwise waived by the Board, that Convertible Security will lapse.

- (h) (**Exercise of Convertible Securities and cashless exercise**): To exercise a Convertible Security, the Participant must deliver a signed notice of exercise and, subject to a cashless exercise of Convertible Securities (see



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below), pay the exercise price (if any) to or as directed by the Company, at any time prior to the earlier of any date specified in the vesting notice and the expiry date as set out in the invitation.

An invitation may specify that at the time of exercise of the Convertible Securities, the Participant may elect not to be required to provide payment of the exercise price for the number of Convertible Securities specified in a notice of exercise, but that on exercise of those Convertible Securities the Company will transfer or issue to the Participant that number of Shares equal in value to the positive difference between the Market Value of the Shares at the time of exercise and the exercise price that would otherwise be payable to exercise those Convertible Securities.

Market Value means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) Trading Days immediately preceding that given date, unless otherwise specified in an invitation. A Convertible Security may not be exercised unless and until that Convertible Security has vested in accordance with the Plan rules, or such earlier date as set out in the Plan rules.

- (i) **(Delivery of Shares on exercise of Convertible Securities):** As soon as practicable after the valid exercise of a Convertible Security by a Participant, the Company will issue or cause to be transferred to that Participant the number of Shares to which the Participant is entitled under the Plan rules and issue a substitute certificate for any remaining unexercised Convertible Securities held by that Participant.
- (j) **(Forfeiture of Convertible Securities):** Where a Participant who holds Convertible Securities ceases to be an Eligible Participant or becomes insolvent, all unvested Convertible Securities will automatically be forfeited by the Participant, unless the Board otherwise determines in its discretion to permit some or all of the Convertible Securities to vest.

Where the Board determines that a Participant has acted fraudulently or dishonestly, or wilfully breached his or her duties to the Group, the Board may in its discretion deem all unvested Convertible Securities held by that Participant to have been forfeited.

Unless the Board otherwise determines, or as otherwise set out in the Plan rules:

- (i) any Convertible Securities which have not yet vested will be forfeited immediately on the date that the Board determines (acting reasonably and in good faith) that any applicable vesting conditions have not been met or cannot be met by the relevant date; and
 - (ii) any Convertible Securities which have not yet vested will be automatically forfeited on the expiry date specified in the invitation.
- (k) **(Change of control):** If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the Participant's Convertible Securities will be dealt with, including, without limitation, in a manner that allows the Participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
 - (l) **(Rights attaching to Plan Shares):** All Shares issued under the Plan, or issued or transferred to a Participant upon the valid exercise of a Convertible Security, (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A Participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A Participant may exercise any voting rights attaching to Plan Shares.
 - (m) **(Disposal restrictions on Plan Shares):** If the invitation provides that any Plan Shares are subject to any restrictions as to the disposal or other dealing by a Participant for a period, the Board may implement any procedure it deems appropriate to ensure the compliance by the Participant with this restriction.

For so long as a Plan Share is subject to any disposal restrictions under the Plan, the Participant will not:

- (i) transfer, encumber or otherwise dispose of, or have a security interest granted over that Plan Share; or
 - (ii) take any action or permit another person to take any action to remove or circumvent the disposal restrictions without the express written consent of the Company.
- (n) **(Adjustment of Convertible Securities):** If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the



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Company), the rights of each Participant holding Convertible Securities will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.

If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of Convertible Securities is entitled, upon exercise of the Convertible Securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the Convertible Securities are exercised.

Unless otherwise determined by the Board, a holder of Convertible Securities does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.

- (o) **(Participation in new issues):** There are no participation rights or entitlements inherent in the Convertible Securities and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the Convertible Securities without exercising the Convertible Securities.
- (p) **(Amendment of Plan):** Subject to the following paragraph, the Board may at any time amend any provisions of the Plan rules, including (without limitation) the terms and conditions upon which any Securities have been granted under the Plan and determine that any amendments to the Plan rules be given retrospective effect, immediate effect or future effect.

No amendment to any provision of the Plan rules may be made if the amendment materially reduces the rights of any Participant as they existed before the date of the amendment, other than an amendment introduced primarily for the purpose of complying with legislation or to correct manifest error or mistake, amongst other things, or is agreed to in writing by all Participants.

- (q) **(Plan duration):** The Plan continues in operation until the Board decides to end it. The Board may from time to time suspend the operation of the Plan for a fixed period or indefinitely, and may end any suspension. If the Plan is terminated or suspended for any reason, that termination or suspension must not prejudice the accrued rights of the Participants.
- (r) **(Board powers and discretion):** Any power or discretion which is conferred on the Board by these Rules may be exercised in its sole and absolute discretion except to the extent that it prevents the Company relying on the deferred tax concessions under Subdivision 83A-C of the *Income Tax Assessment Act 1997* (Cth). Any decision by the Board regarding the interpretation, effect or application of these Rules, is final, conclusive and binding. The Board does not, in exercising any power or discretion under these Rules, owe any fiduciary or other obligations to any Eligible Participant or Participant.

Compliance with Applicable Laws

Notwithstanding these Rules or any terms of a Security, no Security may be offered, granted, vested or exercised, and no Share may be issued or transferred, if to do so would contravene any Applicable Laws.

Where monetary consideration is payable by the Eligible Participant for a Security, and in respect of Convertible Securities where the Exercise Price on exercise of those Convertible Securities is greater than zero, the Company must have reasonable grounds to believe, when making an invitation:

- (i) the total number of Plan Shares that are, or are covered by the Securities that may be issued under an invitation; or
- (ii) the total number of Plan Shares that are, or are covered by the Securities that may be issued, or could have been issued in connection with the Plan in reliance on Division 1A of Part 7.12 of the Corporations Act at any time during the previous 3 year period prior to the date the invitation is made,

does not exceed:

- (i) if the Constitution specifies an issue cap percentage, that percentage; or
- (ii) 5% (or such other maximum permitted under any Applicable Law),



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of the total number of Shares on issue at the date of the Invitation. The issue cap percentage is set by the Company's Constitution at 20%.

If a Participant and the Company (acting by the Board) agree in writing that some or all of the Securities granted to that Participant are to be cancelled on a specified date or on the occurrence of a particular event, then those Securities may be cancelled in the manner agreed between the Company and the Participant.



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.

ANNUAL 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 Annual General Meeting of the Company to be held **at Level 1, 50 Kings Park Road, West Perth Western Australia on Thursday, 30 November 2023 at 10:30 am (WST)** and at any adjournment or postponement of that Meeting.

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

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 8, 9 & 10 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

VOTING DIRECTIONS

Resolutions

		For	Against	Abstain*
1	Adoption of the Remuneration Report (Non-Binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Director Richard Patricio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Ratification of Previous Issue of Shares under Placement (Listing Rule 7.1A)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Ratification of Previous Issue of Listed Options under Placement (Listing Rule 7.1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6	Approval of Director Participation in Placement – Mr Richard Homsany	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7	Approval of Director Participation in Placement – Mr Michel Marier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8	Approval of Issue of Performance Rights to Director Mr Richard Homsany	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9	Approval of Issue of Performance Rights to Director Mr Richard Patricio	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10	Approval of Issue of Performance Rights to Director Mr Michel Marier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11	Consolidation of ordinary 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.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolutions 1, 8, 9 & 10, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolutions 1, 8, 9 & 10.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them 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 they see 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 10:30 am (WST) on 28 November 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