

**8 April 2024**

Toro to demerge Non-Core Assets including Dusty Nickel Project and Yandal Gold Project

Highlights

- ***Strategic review of asset portfolio to maximise shareholder value***
- ***Toro anticipates an in-specie distribution to existing shareholders***
- ***Lead manager for IPO of demerged company to be finalised soon***
- ***Toro to be solely focused on uranium development opportunities***

Perth-based uranium development and exploration company Toro Energy Limited (**ASX:TOE**) (“**Toro**” or the “**Company**”) is pleased to advise its intention to demerge its portfolio of non-core assets including its nickel, gold and base metal assets in Western Australia, subject to all requisite approvals.

The strategic decision to consider the demerger follows a detailed review of its asset base in light of the strong and impressive results delivered from the Lake Maitland Scoping Study and the implications for its broader flagship Wiluna Uranium Project (“**Wiluna Uranium Project**”).

The Lake Maitland Scoping Study produced attractive financial metrics demonstrating a stand-alone project highlighted by:

- ✓ ***Pre tax NPV₈ of A\$610m, 41% IRR based on \$70/lb U₃O₈ price, \$0.70 AUD:USD***
- ✓ ***Modest capex of USD189m (including 20% contingency) with a 2.5 year payback***
- ✓ ***Low opex - Life of mine C1 costs of US\$23.10/lb U₃O₈ and AISC US\$28.02/lb U₃O₈***
- ✓ ***EBITDA of \$1,768.6M for the life of the mine***

A very significant increase in the value of Lake Maitland is an anticipated outcome of the soon to be completed update of the Lake Maitland Scoping Study,

Recent work continues to highlight strength of Uranium assets

Toro recently reported that planning was well advanced to commence a near-term drilling programme that would deliver potential ore to the pilot plant that is currently in design for the Wiluna project and that a refresh and update of the Lake Maitland Scoping Study (first completed in 2022) is currently underway to evaluate financial outcomes using the latest more favourable commodity pricing and exchange rate guidance.

In addition, the Company announced that improving uranium market dynamics have allowed Toro to lower the cut-off grade and expand the stated uranium (U₃O₈) and vanadium (V₂O₅) resources at the Lake Way and Centipede-Millipede deposits by up to 25% U₃O₈.

Given the Company’s strategic focus on the development and recent positive developments of the Wiluna Uranium Project, the value of its nickel, gold and base metal exploration assets is not

currently reflected in Toro's share price. The Board considers these assets should now logically sit in a separately listed vehicle specifically focused on progressing their exploration and development.

Management commentary

Toro's Executive Chairman, Richard Homsany said:

"With the strong financial metrics highlighted by the Lake Maitland Uranium Scoping Study, and the expected transformational increase in NPV following a soon to be completed refresh, we believe it is the right time to consider demerging our non-core projects to allow Toro to focus solely on expediting the development of our globally significant uranium assets.

Toro believes a demerger and anticipated IPO of the demerged company provides a compelling opportunity to unlock the considerable underlying value of these highly prospective nickel, gold and base metals assets, while allowing Toro to aggressively pursue the development of its world-class Wiluna Uranium Project.

The considerable amount of work completed to date by our team has demonstrated that the Lake Maitland Deposit, which is part of the Wiluna Uranium Project, is viable as a stand-alone operation with incredibly attractive financial metrics. There is significant potential upside in combining the other deposits - Lake Way, Millipede and Centipede - with Lake Maitland thereby unlocking greater value for shareholders."

NewCo strategy and proposed transaction

Toro believes an IPO of its demerged company ("**NewCo**") creates a new exploration driven, energy and base metals business with a portfolio of valuable assets located in a Tier-1 mining jurisdiction.

Any demerger is expected to be conducted by way of an equal capital reduction in Toro and an in-specie distribution of its shares in NewCo to Toro shareholders in compliance with applicable ASX Listing Rules including Rule 11.4.1(a). Upon completion of any demerger, existing Toro shareholders will have a significant interest in NewCo, which is expected to attract strong investor interest. Toro shareholders are also expected to be afforded a priority offer as part of any IPO, with an intention to seek an ASX listing for NewCo.

Investors are cautioned that although the application for admission of NewCo to the official list of ASX is intended to occur after the implementation of any demerger, there can be no certainty as to the timing of when such application will be made or that any such application will be successful. Any application by NewCo to admission of the official list of ASX will be subject to satisfying the requirements of ASX. Investors are further cautioned that due to the early-stage nature of the intended demerger no information about the structure of the demerged entity is as yet concluded or available.

Background details of the demerged assets

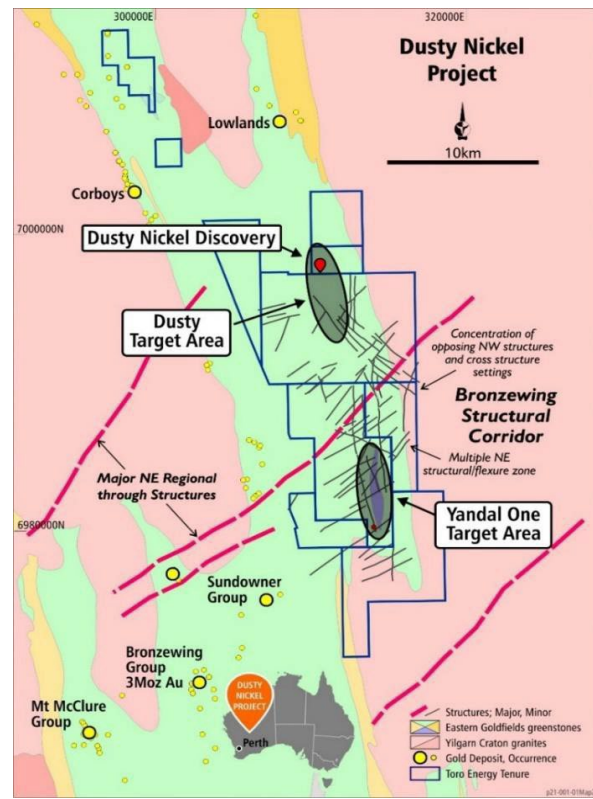
Dusty Nickel Project (100% Toro)

The Dusty Nickel Project, 100% owned by subsidiary Toro Exploration Pty Ltd, is located some 50km to the east of the town of Wiluna in Western Australia's northern goldfields. It is in close proximity to BHP's world class Mt Keith Nickel Project.

It is primarily focused on two (2) main target areas being Dusty and Yandal One. Drilling results have confirmed that the Dusty Target Area and Yandal One Target Area incorporate over 15km strike length of komatiite-ultramafic target rock for massive nickel sulphides.

Despite the Dusty Nickel Discovery being in very early stages of exploration, with only 4.5 kilometres so far tested at a single depth along a 7.5 kilometre magnetic trend and already four (4) discovery locations of massive and semi-massive nickel sulphides being:

- i. **Dusty**
- ii. **Houli Dooley**
- iii. **Jumping Jack; and**
- iv. **Dimma**



Dusty Nickel Project Overview Map

The four discovery locations are demonstrated in Figure 1 of the appendix to this announcement.

Yandal Gold and Base Metal Project (100%)

The Yandal Gold and Base Metal Project, 100% owned by subsidiary Toro Exploration Pty Ltd is located South-East locality of Wiluna in Western Australia's northern goldfields. It is located some 20km NE of the world class Bronzewing Gold Mine and the Mt McClure, Bronzewing and Sundowner group gold deposits.

It is a unique exploration opportunity - comprising some 243 square kilometres of the mature world class gold district, the Yandal Greenstone Belt. A detailed airborne magnetic survey combined with an extensive ground gravity survey and passive seismic survey has highlighted well over 70 target zones based on structural relationships with physical properties alone.

First pass aircore drilling with limited reverse circulation drilling and geochemical signatures in diamond core has confirmed prospective greenstone geology for gold and base metal exploration. At least 10 separate target areas so far defined despite only very limited coverage of the project to date.

The Yandal Gold and Base Metal Project target areas are demonstrated in **Figure 2** of the appendix to this announcement.

Uranium Exploration Assets

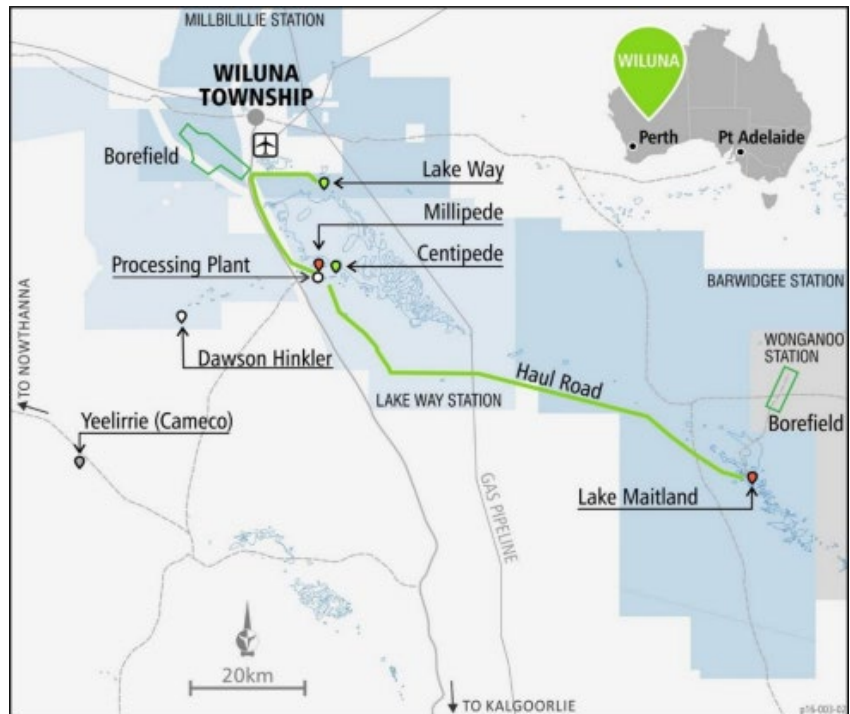
Toro will assess its uranium exploration assets and consider whether any or all of these should form part of the demerger.

Background on Wiluna Uranium Project

The Wiluna Uranium Project is located 30km to the south of the town of Wiluna in Western Australia's northern goldfields. The Project consists of the Centipede, Millipede, Lake Maitland, Lake Way uranium deposits.

Ideally located within an established mining centre with access to water, power and services and a mine life of 17.5 years based on the Lake Maitland Deposit as a stand-alone project.

All federal and state government environmental approvals have been received with all tenements secured, mining leases granted and mining agreement in place with the Wiluna people.



Wiluna Uranium Project Overview Map

Key characteristics of the project include:

- **Simple mining mineralisation from surface to 15m- average 1:17 strip ratio.**
- **52Mlt @ 548ppm for 62.7M pounds U₃O₈ within JORC 2012 Mineral Resources total of 90.9M pounds U₃O₈ (200ppm cut-off) across the various projects.**
- **V₂O₅ JORC 2012 Resource of 68.3Mlbs.**

ASX Listing Rule 5.19.2

The Company confirms that all material assumptions underpinning the production target and the derived forecast financial information disclosed in the Lake Maitland Scoping Study announced by the Company on 24 October 2022 continue to apply and have not materially changed.

– Ends –

This announcement was authorised for release to the ASX by the Board of Toro Energy Limited.

For further information contact

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About Toro

Toro Energy Limited (ASX:TOE) is an ASX listed uranium development and exploration company with projects in Western Australia. Toro's tenure in Western Australia is also prospective for gold and base metals. Toro is committed to building an energy metals business with the flagship Wiluna Uranium Project as the centrepiece. The Wiluna Uranium Project consists of the Centipede, Millipede, Lake Maitland, Lake Way uranium deposits 30km to the south of the town of Wiluna in Western Australia's northern goldfields.

Please visit www.toroenergy.com.au for further information.

Additional Information

Qualified and Competent Persons Statement:

Geology and Exploration

The information in this document that relates to geology and exploration was authorised by Dr Greg Shirtliff, who is a full-time employee of Toro Energy Limited.

Dr Shirtliff is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience of relevance to the tasks with which he was employed to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves.

Dr Shirtliff consents to the inclusion in the report of matters based on information in the form and context in which it appears.

Wiluna Project Mineral Resources – 2012 JORC Code Compliant Resource Estimates – U₃O₈ and V₂O₅ for Centipede-Millipede, Lake Way and Lake Maitland.

The information presented here that relates to U₃O₈ and V₂O₅ Mineral Resources of the Centipede-Millipede, Lake Way and Lake Maitland deposits is based on information compiled by Dr Greg Shirtliff of Toro Energy Limited and Mr Daniel Guibal of Condor Geostats Services Pty Ltd.

Mr Guibal takes overall responsibility for the Resource Estimate, and Dr Shirtliff takes responsibility for the integrity of the data supplied for the estimation. Dr Shirtliff is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and Mr Guibal is a Fellow of the AusIMM and they have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'.

The Competent Persons consent to the inclusion in this release of the matters based on the information in the form and context in which it appears.

Forward Looking Statements

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

Appendix

Figure 1. Dusty Nickel Discoveries

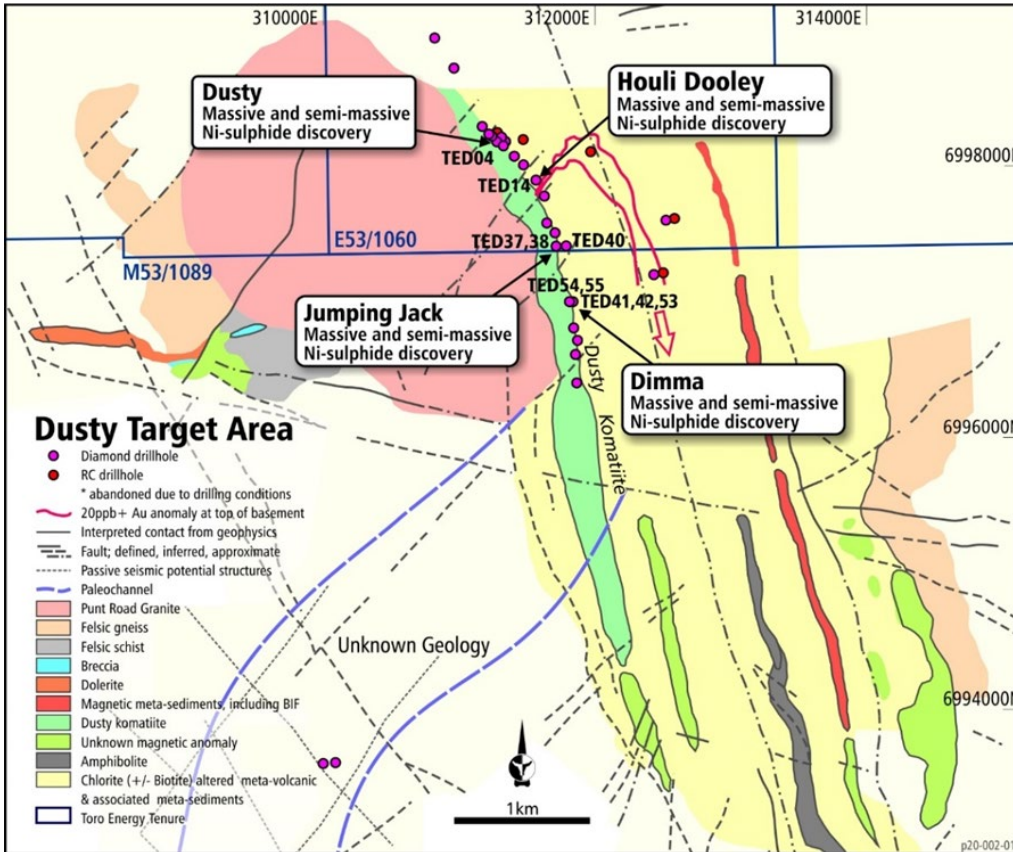


Figure 2. Yandal Gold and Base Metal Project

