toro energy
AUSTRALIA'S URANIUM

ASX: TOE

Toro Energy Limited

ACN 117 127 590

2018 Interim Financial Report

CONTENTS

CORPORATE INFORMATION

Directors

Richard Homsany - Executive Chairman

Richard Patricio - Non-Executive

Michel Marier - Non-Executive

Company Secretary

Katherine Garvey

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Securities Exchange Listing

Australian Securities Exchange

ASX code: TOE

DIRECTORS' REPORT

The directors (**Directors**) of Toro Energy Limited (**Toro** or **the Company**) present their Report together with the financial statements of the Consolidated Entity, being the Company and its Controlled Entities (**the Group**) for the half-year ended 31 December 2018.

Director details

The following persons were Directors of Toro during or since the end of the financial half-year:

Mr Richard Homsany	Executive Chairman
Mr Richard Patricio	Non-Executive
Mr Michel Marier	Non-Executive

Company Secretary

Ms Katherine Garvey

Review of operations and financial results

The Company's net loss after income tax was $1,162,289 (2017: $2,760,773). Included in the loss were non-cash impairment expenses of $569,843 resulting from decisions to cease and/or reduce exploration activities on certain non-core mining tenements. The Company continued to actively pursue the development of its Wiluna Uranium Project and there has been no change in these activities during the current period. During the current period the Company also commenced gold exploration activities at its Yandal Gold Project within the area of its Lake Maitland project (which forms part of the Wiluna Uranium Project).

Wiluna Uranium Project

The Wiluna Uranium Project consists of six uranium deposits in the Wiluna region of Western Australia totalling 84Mlb U_3O_8 in Mineral Resources. The primary focus of the Company has been the development of the Centipede, Millipede, Lake Maitland and Lake Way deposits totalling 63Mlb U_3O_8.

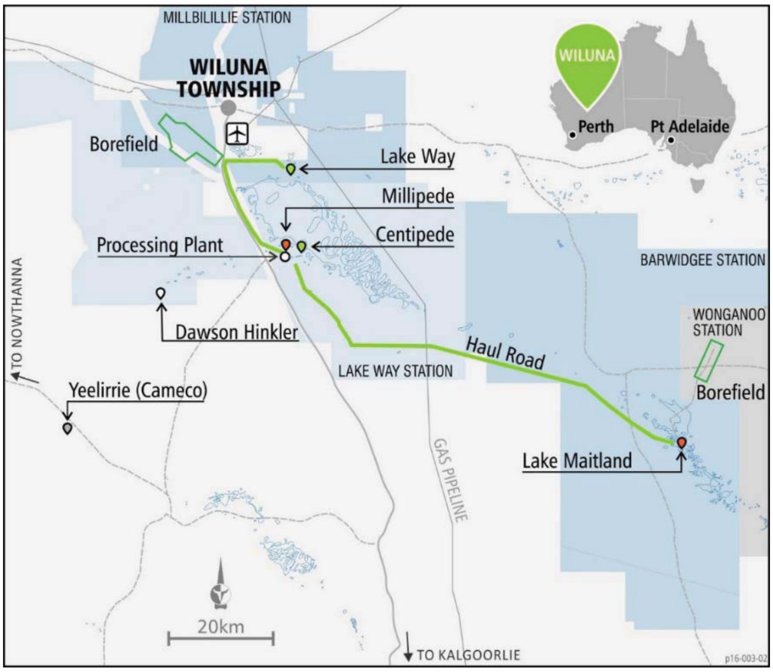

Figure 1: Wiluna Uranium Project - Location

On 7 July 2017 Toro received confirmation that the Federal government's Minister for the Environment and Energy, the Hon Josh Frydenberg, had granted environmental approval subject to implementation conditions, for the extension to the Wiluna Uranium Project (EPBC 2014/7138).

The approval complements the Federal government approval granted in April 2013 by the then Minister for the Department of Sustainability, Environment, Water, Population and Communities, the Hon Tony Burke (EPBC No. 2009/5174) which approved the development of a uranium mine comprising the Centipede and Lake Way deposits and the associated processing plant and infrastructure. The effect of the two Federal approvals is that the assessment process under the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) is complete and the Wiluna Uranium Project, being the mining of uranium at the Centipede, Lake Way, Millipede and Lake Maitland deposits, the construction of a processing facility and all mine and processing related infrastructure, tailings storage facilities and finished product transport to port, can be implemented subject to the conditions outlined in the two approval documents. The full State and Federal government approval documents were published as annexures to the Company's ASX release dated 10 July 2017.

During the period the Company continued its work with metallurgical consultants Strategic Metallurgy Pty Ltd (**Strategic**) in respect of the Wiluna Uranium Project.

As announced by the Company to ASX on 30 January 2018, 20 April 2018, 20 June 2018, 27 June 2018, 12 September 2018 and 19 September 2018 the Company has been working with Strategic to complete Beneficiation and Process Design Studies (**BPD Studies**) for the Wiluna Uranium Project. As a result of the pleasing results of those BPD Studies, which identified the potential for major cost reductions for the Wiluna Uranium Project, the Company engaged Strategic to advance to the modelling phase of the BPD Studies for the processing of Lake Maitland ore with a view to producing an updated scoping study for the Wiluna Uranium Project (the existing scoping study having been prepared for the Company by Strategic in 2016) based on processing Lake Maitland ore only.

As at the end of the period the Company and Strategic were in the process of finalising the updated scoping study however it is anticipated that the results of the BPD Studies will support an updated scoping study that will estimate and provide evidence for a reduction in the capital costs for the processing plant for the Wiluna Uranium Project as well as a reduction in the operating costs (processing) for that project. After the end of the period, on 7 March 2019, the Company made an ASX announcement concerning the updated scoping study and the potential cost reductions to the capital and operating costs of the Wiluna Uranium Project that have been highlighted by the BPD Studies.

Toro remains focused on advancing its Wiluna Uranium Project in parallel with the Yandal Gold Project. Toro’s completed and ongoing research initiatives continue to demonstrate that proposed enhancements to the processing circuit have potential for consequent substantial reductions in both capital and operating costs for the Wiluna Uranium Project.

Exploration

Toro's Lake Maitland tenement portfolio (100km south of Wiluna) is located in the centre of the Yandal Greenstone belt.

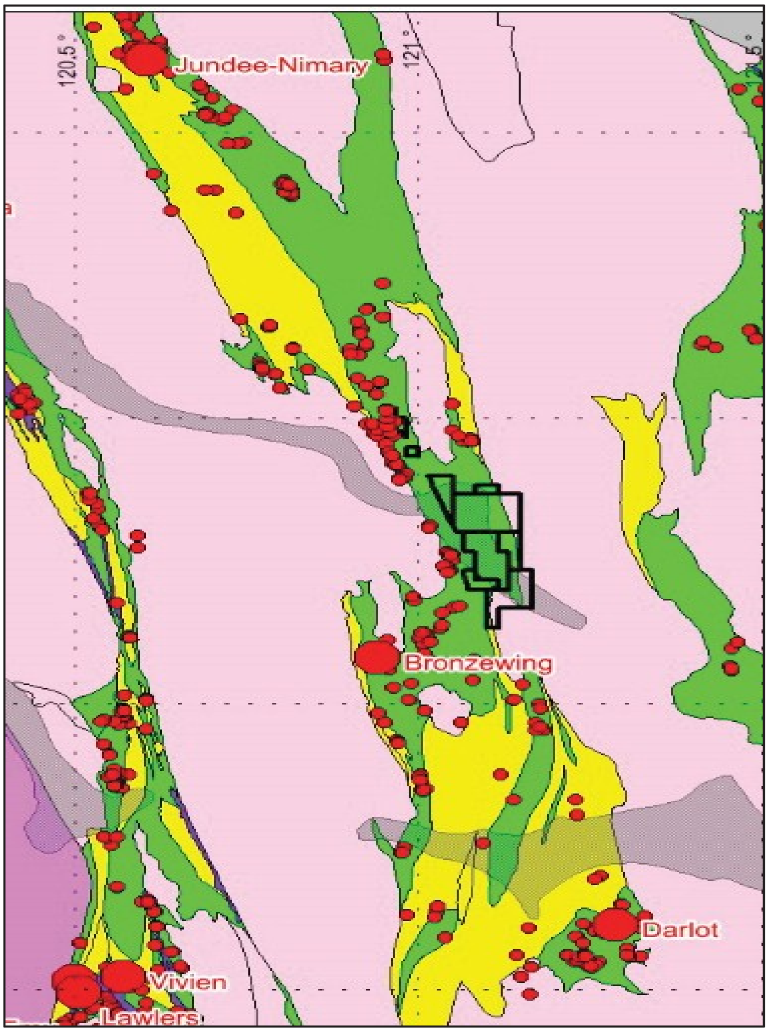

Figure 2: Yandal Greenstone belt with Lake Maitland tenements shown in black and the location of gold deposits and prospects as red circles.

During the period the Company continued to assess the non-uranium prospectivity within its Lake Maitland tenure through the exploration of its Yandal Gold Project, which comprises over 143 square kilometres of contiguous and untested yet highly prospective exploration ground in the high yielding Yandal Gold District (refer to **Figure 3**). The Yandal Greenstone Belt is one of Western Australia's most productive gold districts, hosting world class deposits such as Jundee, Bronzewing and Darlot. The Lake Maitland Project area has never been adequately explored for any mineral other than uranium, having been held by uranium companies for decades.

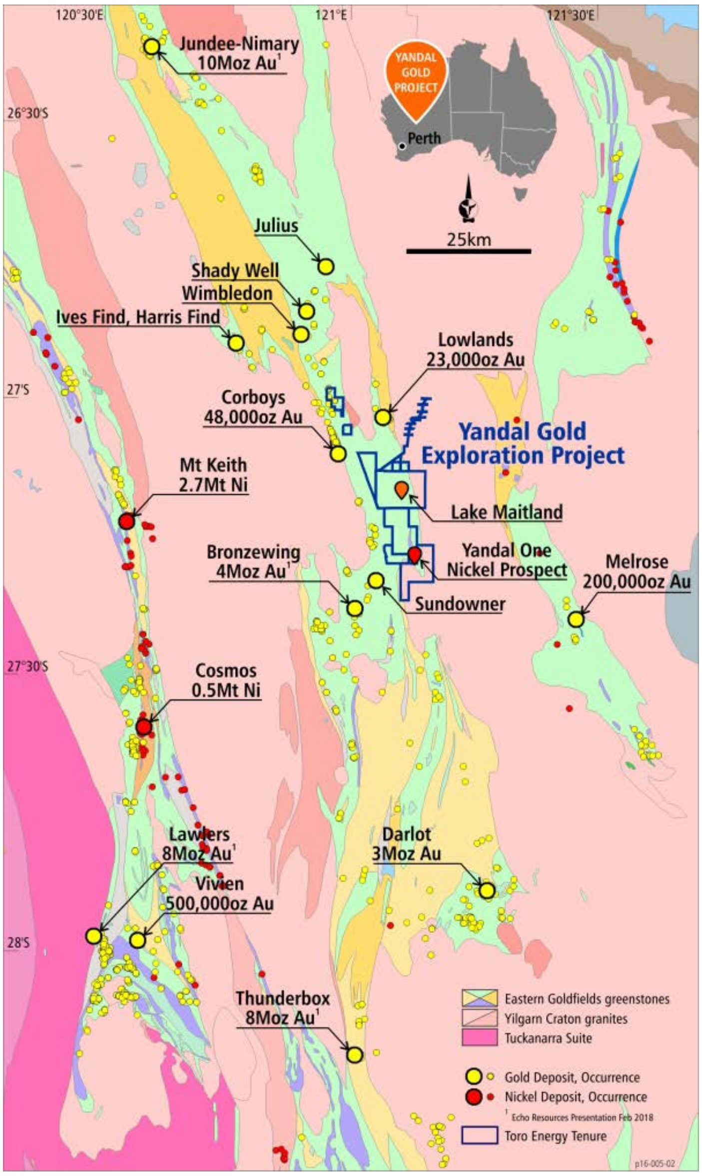

Figure 3: Location of Toro's Yandal Gold Project within the high yielding Yandal Gold District, showing the Yandal Greenstone Belt running through the project area according to state government mapping, the location of gold deposits and occurrences and the three major gold producing operating centres, Jundee-Nimary, Bronzewing and Darlot.

As at the end of the period Toro had drilled over 136 aircore drillholes for a total of 10,170 metres over its Yandal Gold Project as part of its first pass exploration program. Geochemical analysis is ongoing as is more detailed geological interpretations from the drilling, however Toro is very encouraged by the geology that has been intersected to date. The drilling has so far confirmed that Yandal Greenstone rocks underlie the Yandal Gold Project ground, largely validating published broad scale basement geology interpretations, which is encouraging for gold exploration in the area. Due to the encouraging geology the Company has decided to continue with the first pass aircore exploration program as soon as practicable in 2019, but after having first completed a thorough investigation of the 2018 results so as to aid further drill planning.

Significant events after the balance date

No matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years.

DIRECTORS' REPORT

Auditor independence

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is included on page 9 of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.

Richard Homsany
Executive Chairman
15 March 2019

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AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307c OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF TORO ENERGY LIMITED

As lead auditor for the review of Toro Energy Limited for the half-year ended 31 December 2018, I declare that, to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

Neil Pace

Moore Stephens

NEIL PACE
PARTNER

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 15th day of March 2019

CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

		CONSOLIDATED	
	Note	**31 DECEMBER 2018 $**	31 DECEMBER 2017 $
Other income	3 (a)	**149,497**	72,160
Present value of financial liability			
Impairment of available for sale shares		**-**	(12,672)
Impairment of exploration and evaluation assets		**(569,843)**	(423,682)
Employee benefits expense	3 (b)	**(118,534)**	(672,252)
Depreciation expense		**(48,244)**	(68,956)
Finance costs	3 (b)	**(346,456)**	(1,141,282)
Other expenses	3 (b)	**(228,709)**	(514,089)
Loss before income tax expense		**(1,162,289)**	(2,760,773)
Income tax benefit			
Loss for the year		**(1,162,289)**	(2,760,773)
Other comprehensive income Other comprehensive income for the year (net of tax)			
Total comprehensive income for the year		**(1,162,289)**	(2,760,773)
Loss attributable to:			
Owners of the Company		**(1,162,289)**	(2,760,773)
		(1,162,289)	(2,760,773)
Total comprehensive loss attributable to: Owners of the Company		**(1,162,289)**	(2,760,773)
		(1,162,289)	(2,760,773)
Loss per share		**Cents**	Cents
From continuing operations: Basic and diluted earnings per share	4	**(0.05)**	(0.14)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

		CONSOLIDATED	
	Note	31 DECEMBER 2018 $	30 JUNE 2018 $
CURRENT ASSETS			
Cash and cash equivalents	5	**7,052,854**	4,367,641
Trade and other receivables	6	**100,390**	55,139
Other current assets		**5,408**	9,772
Total current assets		**7,158,652**	4,432,552
NON CURRENT ASSETS			
Financial assets		**23,334**	21,938
Property, plant and equipment		**653,572**	689,898
Exploration and evaluation assets	7	**57,024,459**	55,771,769
Other non-current assets		**5,000**	5,000
Other receivables		**-**	1,038,000
Total non-current assets		**57,706,365**	57,526,605
Total assets		**64,865,017**	63,887,137
CURRENT LIABILITIES			
Trade and other payables	9	**671,854**	347,202
Borrowings	10	**10,000,000**	15,901,763
Provisions		**102,599**	91,899
Total current liabilities		**10,774,453**	16,340,864
NON CURRENT LIABILITIES			
Borrowings	10	**6,000,000**	-
Provisions		**441**	124
Total non current liabilities		**6,000,441**	124
Total liabilities		**16,774,894**	16,340,988
Net assets		**48,090,123**	45,618,169
EQUITY			
Issued capital	11	**297,703,150**	294,068,906
Reserves		**554,290**	1,949,290
Accumulated losses		**(250,167,317)**	(250,400,027)
Equity attributable to owners of the Company		**48,090,123**	45,618,169
Total equity		**48,090,123**	45,618,169

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

		CONSOLIDATED			
	Note	**Issued capital $**	**Share reserve $**	**Accumulated losses $**	**Attributable to owners of the parent $**
Balance at 1 July 2017		294,068,906	1,395,000	(246,101,346)	49,362,560
Loss for the year				(2,760,773)	(2,760,773)
Total comprehensive loss for the year				(2,760,773)	(2,760,773)
Director options		-	410,000	-	410,000
Balance at 31 December 2017		**294,068,906**	**1,805,000**	**(248,862,121)**	**47,011,785**
Balance at 1 July 2018		294,068,906	1,949,290	(250,400,027)	45,618,169
Loss for the year				(1,162,289)	(1,162,289)
Total comprehensive loss for the year				(1,162,289)	(1,162,289)
Expired options		-	(1,395,000)	1,395,000	-
Proceeds from shares issued		3,830,560	-	-	3,830,560
Transaction costs of issue of shares		(196,317)	-	-	(196,317)
Balance at 31 December 2018	11	**297,703,149**	**554,290**	**(250,167,316)**	**48,090,123**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

		CONSOLIDATED	
	Note	31 DECEMBER 2018 $	31 DECEMBER 2017 $
Cash flows from operating activities			
Payments to suppliers and employees		**(305,042)**	(545,483)
Interest received		**83,174**	60,935
R&D tax concession refund		**1,107,290**	-
Net cash used in operating activities		**885,422**	(484,548)
Cash flows from investing activities			
Purchase of property, plant and equipment		**(11,918)**	(13,739)
Security bond		**-**	(5,000)
Payments for exploration& evaluation activities		**(1,822,534)**	(948,378)
Net cash used in investing activities		**(1,834,452)**	(967,117)
Cash flows from financing activities			
Proceeds from issue of shares		3,830,560	-
Transaction costs of issue of shares		(196,317)	-
Net cash used/provided by financing activities		**3,634,243**	-
Net increase in cash and cash equivalents		**2,685,213**	(1,451,665)
Cash at the beginning of the financial year		**4,367,641**	6,629,739
Cash at the end of the financial year	5	**7,052,854**	5,178,074

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

1 Statement of significant accounting policies

The half year financial report is a general purpose financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report as at and for the year ended 30 June 2018.

The interim financial statements were authorised for issue by the Directors on 15 March 2019.

Basis of preparation

The condensed financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars.

Accounting policies adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the financial year ended 30 June 2018 except as described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

Application of New and Revised Accounting Standards

Standards and Interpretations applicable to the 31 December 2018 Interim Period

In the half year ended 31 December 2018, the Directors have reviewed all the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the half year reporting periods beginning on or after 1 July 2018.

New standards which have become effective for the financial period beginning 1 July 2018 are as follows:

- AASB 15 *Revenue from Contracts with Customers;* and
- AASB 9 *Financial Instruments.*

As a result of their review, the Directors have determined that there is no material impact of the new and revised Standards and Interpretations on the presented financial statements of the Company. Accordingly, no retrospective adjustments were required as a result of adopting these new accounting standards.

The adoption of AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments* has resulted in the following amendments to the Group accounting policies:

AASB 15

Revenue Recognition

There have been no significant changes to Group accounting policies in respect of revenue recognition.

AASB 9

Non-derivative financial liabilities

Interest bearing liabilities

All loans and borrowings are initially recognised at fair value, being the amount received less attributable transaction costs. After initial recognition, interest bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of profit or loss over the period of the borrowings on an effective interest basis.

Trade and other payables

Liabilities are recognised for amounts to be paid for goods or services received. Trade payables are settled on terms aligned with the normal commercial terms in the Group's operation.

Non-derivative financial assets

(i) Classification

From 1 July 2018, the Group classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- Those to be measured at amortised cost.

The classification depends on the Group's business model for managing financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income. The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of the financial assets carried at fair value through profit or loss are expensed in profit or loss. Measurement of cash and cash equivalents and trade and other receivables, including contract assets, remain at amortised cost consistent with the comparative period.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using effective interest rate method.
- Fair value through other comprehensive income (**FVOCI**): Assets that are held for collecting contractual cash flows and through sale on specified dates. A gain or loss on a debt investment that is subsequently measured at FVOCI is recognised in other comprehensive income.
- Fair value through profit or loss (**FVPL**): Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented

net in the statement of profit or loss within other gains/(losses) in the period in which it arises.

Equity Investments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other expenses in the statement of profit or loss as applicable.

(i) Impairment

The Group assesses on a forward-looking basis the expected credit loss associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, contract assets and lease receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Standards and Interpretations issued but not yet adopted by the Group

The Directors have also reviewed all of the new and revised Standards and Interpretations Issued but not yet adopted that are relevant to the Company and effective for the half year reporting periods beginning on or after 1 January 2019.

Those which may have a significant impact to the Group are set out below. The Group does not plan to adopt these standards early.

AASB 16 Leases

AASB 16 replaces the current AASB 17 Leases standard. AASB 16 removes the classification of leases as either operating leases or finance leases- for the lessee - effectively treating all leases as finance leases. Most leases will be capitalised on the balance sheet by recognising a 'right-of-use' asset and a lease liability for the present value obligation. This will result in an increase in the recognised assets and liabilities in the statement of financial position as well as a change in expense recognition, with interest and deprecation replacing operating lease expense.

Lessor accounting remains similar to current practice, i.e. lessors continue to classify leases as finance and operating leases.

The standard is mandatory for first interim periods within annual reporting periods beginning on or after 1 January 2019. The Company is currently assessing the financial impact of this standard but does not expect it to be significant.

Statement of Compliance

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

a. Basis of consolidation

The financial statements consolidate those of Toro Energy Limited and all of its subsidiaries as of 31 December 2018. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between controlled entities are eliminated on consolidation, including unrealised gains and losses resulting from intra group transactions. Where unrealised losses on intra group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Company.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non controlling interests, presented as part of equity, represent the portion of a subsidiary's profit or loss and net assets that is not held by the Company. The Company attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non controlling interests based on their respective ownership interests.

b. Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

All revenue is stated net of the amount of goods and services tax (**GST**).

Interest income

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

c. Borrowings costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use of sale.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between cost and redemption being recognised in the Statement of Profit or Loss and Other Comprehensive Income over the period of the borrowings on an effective interest basis. Fees paid on the establishment of loan facilities which are not an incremental cost relating to the actual drawdown of the facility, are recognised as a reduction in borrowings and amortised on a straight line basis over the term of the facility.

All other borrowing costs are recognised in the Statement of

Profit or Loss and Other Comprehensive Income in the period in which they are incurred.

d. Cash and cash equivalents

Cash and short term deposits in the Statement of Financial Position comprise cash at bank, cash in hand and short term deposits with an original maturity of two to six months.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

e. Trade and other receivables

Trade receivables, which generally have 30 90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

The Company assesses on a forward looking basis the expected credit loss associated with its trade and other receivables.

f. Financial Instruments

The accounting policies relating to financial instruments were amended during the period as described above under the heading of 'Application of New and Revised Accounting Standards' and are described in detail under the sub-heading AASB 9.

g. Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred.

Depreciation is calculated on a straight line basis for in house software, and diminishing value basis for all other assets, over the estimated useful life of the assets.

The useful life of the assets is as follows:

Buildings 20 years
Plant and equipment 2.5 - 20 years
Motor vehicles 8 - 20 years
Leasehold property 3 - 5 years

h. Exploration and Evaluation Expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

i. Trade and other payables

Trade and other payables are carried at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

j. Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

k. Earnings per share

Basic earnings per share is calculated as net profit attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit attributable to members of the parent divided by the weighted average number of ordinary shares and dilutive potential ordinary shares.

l. Critical Accounting Estimates and Judgments

The directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Estimates — Exploration and evaluation

The Group's policy for exploration and evaluation is discussed in note 1(h). The application of this policy requires management to make certain assumptions as to future events and circumstances. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised exploration and evaluation expenditure, management concludes that the capitalised expenditure is unlikely to be recovered by future sale or exploration, then the relevant capitalised amount will be written off through the Statement of Profit or Loss and Other Comprehensive Income.

Key Estimates – Impairment of Financial Assets

The Group assesses impairment of its financial assets at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

Key Estimates – Fair value of financial instruments

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

i. Comparative figures

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation in the current financial year.

j. Going Concern

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

The consolidated financial statements have been prepared on the going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group incurred a net loss for the half year ended 31 December 2018 of $1,162,289 (2017: $2,760,773), has current assets of $7,158,652 and current liabilities of $10,774,453.

Within current liabilities are amounts of $10,000,000 due to The Sentient Group (**Sentient**) which can be satisfied by either cash or new ordinary shares in the Company any time after 22 December 2017 and at the Company's election (refer Note 10(i)) for more information. Sentient provided Toro with interest free funding totalling $10,000,000 to be used for research and development activities to advance and improve the value of the Wiluna Uranium Project. Toro has granted Sentient the right to receive a unitisation fee valued at 2.5% of the gross proceeds from the production of uranium from the Wiluna Uranium Project. The Unitisation Deed can be terminated by either party at any point in time after three years (or earlier in certain circumstances, including a change in control of Toro). Toro may elect at its discretion to satisfy the consideration payable on termination in cash or Toro shares irrespective of which party terminates the Unitisation Deed. Where consideration is paid in shares the share price is determined by a 7.5% discount to a 30 day volume weighted average price. As it is now after 22 December 2017, Sentient and Toro are each entitled to terminate the Unitisation Deed and require repayment. Toro has no present intention to terminate the Unitisation Deed. If Sentient decides to terminate the Unitisation Deed and call upon the loan in the next 12 months, then Toro will elect to repay the amount owing in Toro shares. The Unitisation Deed does not compel that the repayment be in cash.

Within non - current liabilities is a loan due to Sentient with a face value of $6,000,000 which was originally interest free and due for repayment by 3 August 2018 (refer Note 10(ii) for more information).

On 31 July 2018 an agreement was reached with Sentient to extend the date for repayment of the loan facility made available to the Company from 3 August 2018 to 2 February 2020. In consideration for the grant of this extension the Company has agreed that it will pay Sentient interest on the amount outstanding under that loan, calculated at a 10% coupon rate, calculated daily and compounding annually, effective on and from 3 August 2018. Sentient has agreed that the Company may elect to satisfy the payment of any interest payable on the loan by the issue of Toro shares rather than in cash. The number of Toro shares to be issued in satisfaction of interest payable will be calculated based on the 30 day volume weighted average closing price for Toro shares traded on the ASX for the 30 days prior to the relevant repayment date (**30 Day VWAP**).

In the event that the 30 Day VWAP at the relevant date is 50% or more below the closing price of Toro shares traded on ASX on 2 August 2018, Sentient may require that the Company pay the amount of interest payable in cash in full rather than by the issue of Toro shares. Accrued interest has been calculated on a pro rata basis and is disclosed in note 3(b).

The Company has determined that it will be able to settle its other debts as and when they fall due through a combination of research and development grants received from government and prudent cash management. Notwithstanding this, the ability of the Group to continue as a going concern is dependent upon the Group being able to raise additional funds as required from time to time to meet exploration and evaluation programs on its mining interests and for working capital. The Directors believe that the Group will be able to raise additional capital as required based on its track record of doing so in the past, the underlying value attributable to the Group's main undertaking in the Wiluna Uranium Project, the Company's strong shareholder base, the Directors' medium to long term views of the uranium markets and the competitive advantage the Wiluna Uranium Project has amongst development stage properties in Australia.

2 Segment information

The Consolidated Group has adopted AASB 8 Operating Segments with effect from 1 July 2009. AASB 8 which requires operating segments to be identified on the basis of internal reports about components of the Consolidated Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The Consolidated Group operates in one operating segment and one geographical segment, being mineral exploration in Australia. This is the basis on which internal reports are provided to the Directors for assessing performance and determining the allocation of resources within the Consolidated Group.

	31 Dec 18 $			31 Dec 17 $		
	Evaluation	Exploration	Total	Evaluation	Exploration	Total
Segment impairment expense	(19,280)	(550,563)	(569,843)	(12,672)	(423,682)	(436,354)
Segment depreciation expense	(48,244)	-	(48,244)	(68,956)	-	(68,956)
Segment operating loss	(67,524)	(550,563)	(618,087)	(81,628)	(423,682)	(505,310)
	31 Dec 18 $			30 Jun 18 $		
	Evaluation	Exploration	Total	Evaluation	Exploration	Total
Segment assets	57,678,031	-	57,678,031	56,461,667	1,038,000	57,499,667

3 Revenue and expenses

		CONSOLIDATED	
		31 DECEMBER 2018 $	**31 DECEMBER 2017 $**
(a)	**Other income**		
	Bank interest received or receivable	**78,810**	69,562
	Government grants income	**69,290**	-
	Other income	**1,397**	2,598
		149,497	72,160
(b)	**Expenses**		
	Finance expenses		
	Amortisation of Unitisation Deed Borrowing Costs	**-**	19,016
	Unwinding of Unitisation Deed Present Value discount	**-**	535,714
	Amortisation of Sentient Loan Borrowing Costs	**-**	35,493
	Unwinding of Sentient Loan Present Value discount	**53,571**	318,559
	Amortisation of Sentient Loan Option Costs	**44,666**	232,500
	Pro-rata accrued interest on $6m Sentient Loan	**248,219**	-
	Total finance expenses	**346,456**	1,141,282
	Employee benefits expense		
	Wages, salaries, directors fees and other remuneration expenses	**325,185**	378,804
	Share based payments expense	**-**	410,000
	Transfer to capitalised tenements	**(206,651)**	(116,552)
	Total employee benefits expenses	**118,534**	672,252
	Other expenses		
	Conferences	**700**	6,792
	Subscriptions	**323**	5,003
	Travelling expenses	**4,122**	21,553
	Accounting, secretarial support and audit fees	**39,923**	29,548
	Consulting fees	**38,003**	196,281
	Legal fees	**-**	2,459
	Rent and utility expenses	**15,264**	58,702
	AGM, annual report, ASX and share registry	**112,549**	90,647
	Other expenses	**17,825**	103,104
	Total other expenses	**228,709**	514,089

4 Loss per share

The following reflects the income and share data used in the basic and diluted loss per share computations:

	CONSOLIDATED	
	31 DECEMBER 2018	**31 DECEMBER 2017**
Net loss attributable to ordinary equity holders of the Company	**($1,162,289)**	($2,760,773)
Weighted average number of ordinary shares for basic earnings per share	**2,156,297,471**	2,008,071,437
Loss per share	**(0.05c)**	(0.14c)

5 Cash and cash equivalents

	CONSOLIDATED	
	31 DECEMBER 2018 $	**30 JUNE 2018 $**
Cash at bank and in hand	**1,052,854**	867,641
Short term deposits	**6,000,000**	3,500,000
	7,052,854	4,367,641

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and six months, depending on the immediate cash requirements of the Company, and earn interest at the respective short term deposit rates.

6 Trade and other receivables

	CONSOLIDATED	
	31 DECEMBER 2018 $	**30 JUNE 2018 $**
Senior secured loan - Strateco	**3,250,202**	3,250,202
Provision for impairment - loan	**(3,250,202)**	(3,250,202)
Convertible Note - Strateco	**15,291,482**	15,291,482
Provision for impairment - note	**(15,291,482)**	(15,291,482)
Trade receivables	**-**	-
Government grant receivable	**-**	1,038,000
Goods and services tax receivable	**100,390**	55,139
	100,390	1,093,139

Senior Secured Loan Strateco

On 22 December 2014, Toro acquired from the Sentient Group (**Sentient**) a C$3M senior secured loan receivable from Strateco. Consistent with the requirements of AASB 9 the loan has been recorded at its fair value plus acquisition costs.

Subsequently the loan was tested for impairment and due to the current financial standing of Strateco a provision to impair the full amount of the receivable has been taken to account.

It is noted however that the C$3M loan is secured over the Strateco company and assets, namely the Matoush Uranium project located in Quebec, Canada and that Toro continues its dialogue with Strateco concerning that company's future direction and financial position.

Convertible Note Strateco

As part of the Sentient transaction Toro also acquired C$14.1M of convertible notes in Strateco that matured on 27 February 2016.

At the time of acquisition the C$14.1m convertible notes were accounted for under AASB 139 as a loan and receivable.

In line with AASB 139 the receivable was tested for impairment and due to the current financial standing of Strateco a provision to impair the full amount receivable has been taken to account.

As mentioned above for the loan, the C$14.1M convertible note is also secured over the Strateco company and assets.

Concerning both the senior secured loan and the convertible note Strateco applied and received a stay of proceedings concerning debt recovery actions whilst it pursues litigation against the Quebec Government for C$200M. As the date of this report a judgment has been delivered in favour of the Quebec Government, which has now been appealed by Strateco. No judgment has yet been delivered in respect of that appeal as at the date of this report.

Trade Receivables

An allowance for doubtful debts is made when there is objective evidence that a trade receivable is impaired. As at 31 December 2018 the Company did not have any trade receivables which were outside normal trading terms (past due but not impaired).

Sundry Receivables

Sundry receivables are non interest bearing and generally have 30 90 day payment terms. For 31 December 2018 sundry receivables were nil (2017: $1,038,000).

7 Exploration and evaluation assets

	CONSOLIDATED	
	31 DECEMBER 2018 $	**30 JUNE 2018 $**
Balance at beginning of financial year	**55,771,769**	54,907,446
Impairment of exploration expenditure [(i)]	**(569,843)**	(661,596)
Other expenditure during the year	**1,822,533**	1,525,919
	57,024,459	55,771,769

[(i)] Impairment as a result of expenditure on exploration tenements or surrendered tenements.

The ultimate recoupment of costs carried forward for exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective mining areas. In light of the current uranium market conditions the Company has targeted a reduction in its annual land holding costs by maintaining only those tenements and other licenses key to the Wiluna Uranium Project or having upside resource potential. As such a number of non core tenements and licenses have been surrendered impacting the size of the impairment charge to these accounts.

8 Share based payments

Toro Energy Limited Securities Incentive Plan

The Company adopted, by shareholder resolution at the Company's 2017 Annual General Meeting, the Toro Energy Limited Securities Incentive Plan (**Plan**). A summary of the rules of the Plan are set out below.

- Employees (whether full time, part time or casual and including executive directors), non executive directors, contractors and such other persons as the Board determines, are eligible to participate in the Plan from time to time.
- 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 in the Company 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 in whole or in part.
- The Board may determine that convertible securities issued under the Plan are subject to vesting conditions, which will be set out in the invitation and which may be waived by the Board.
- Where a person who holds convertible securities issued under the Plan ceases to be an eligible participant or becomes insolvent, all unvested convertible securities held by that person will automatically be forfeited, unless the Board otherwise determines in its discretion to permit some or all of the convertible securities to vest.
- 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 issued under the Plan 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.
- All Toro shares issued under the Plan, or issued or transferred to a participant upon the valid exercise of a convertible security issued under the Plan (**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.
- 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 rights of each participant holding convertible securities issued under the Plan 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.

8 Share based payments (continued)

- 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 issued under the Plan 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 issued under the Plan does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.
- There are no participation rights or entitlements inherent in the convertible securities issued under the Plan and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the convertible securities issued under the Plan without exercising the convertible securities.

Upon adoption of the Plan the Company ceased to rely on its previous Employee Share Option Plan. Details of securities issued under the new Plan are set out below.

The expense recognised in the Statement of Profit or Loss and Other Comprehensive Income in relation to share based payments is disclosed in Note 3(b).

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) and movements in share options issued during the year.

	31 DECEMBER 2018 No.	31 DECEMBER 2018 WAEP	30 JUNE 2018 No.	30 JUNE 2018 WAEP
Outstanding at the beginning of the year	**117,750,000**	**$0.07**	75,000,000	$0.08
Granted during the year	**-**	**-**	42,750,000	$0.05
Lapsed / expired during the year	**(75,000,000)**	**$0.08**	-	-
Outstanding at the end of the year	**42,750,000**	**$0.05**	117,750,000	$0.07
Exercisable at the end of the year	**42,750,000**	**$0.05**	117,750,000	$0.07

The weighted average remaining contractual life for the share options outstanding as at 31 December 2018 is 3.46 years (June 2018: 1.5 years).

The exercise price for options outstanding at the end of the period was $0.05 (June 2018: $0.45 – $0.08).

The fair value of the equity settled share options granted under the option plan is estimated as at the date of grant using a Black Scholes model taking into account the terms and conditions upon which the options were granted.

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2018

9 Trade and other payables

	CONSOLIDATED	
	31 DECEMBER 2018 $	**30 JUNE 2018 $**
Trade payables (i)	**328,954**	328,720
Other payables (ii)	**63,181**	18,482
Accrued expenses	**279,719**	-
	671,854	347,202

(i) Trade payables are non interest bearing and are normally settled on 30 day terms.
(ii) Other payables are non interest bearing and are normally settled within 30 - 90 days.

10 Borrowings

			CONSOLIDATED	
	Interest Rate	Maturity	**31 DECEMBER 2018 $**	**30 JUNE 2018 $**
BORROWINGS				
A$10m Unitisation Deed		22 Dec 17	**10,000,000**	10,000,000
Less: Present value discount of Unitisation Agreement			**(2,882,198)**	(2,882,198)
Add: Unwinding of present value discount			**2,882,198**	2,882,198
Less: Transaction costs			**(114,098)**	(114,098)
Add: Amortised transaction costs			**114,098**	114,098
Total Current			**10,000,000**	10,000,000
A$6m Sentient Group Loan		2 Feb 20	**6,000,000**	6,000,000
Less: Present value discount of Sentient Group Loan			**(1,729,318)**	(1,729,318)
Add: Unwinding of present value discount			**1,729,318**	1,675,747
Less: Transaction costs			**(1,607,958)**	(1,607,958)
Add: Amortised transaction costs			**1,607,958**	1,563,292
Total – Non-current			**6,000,000**	5,901,763
Total borrowings			**16,000,000**	15,901,763

10 Borrowings (continued)

(i) Unitisation Deed

Under the Unitisation Deed Sentient has provided Toro $10M interest free to be used for research and development activities for the Wiluna Project in return for a fee of a 2.5% of the gross proceeds from production of uranium on Toro's Wiluna Project tenements.

The Unitisation Deed can be terminated by either party after three years (or earlier in certain circumstances, including a change in control of Toro). Upon termination, the unitisation fee is to be bought back by Toro at the higher of $10M less amounts paid under the Unitisation Deed and the independently assessed fair market value of the unitisation fee at or around the time of termination. Toro may elect at its discretion to satisfy the consideration payable on termination in cash or Toro Shares. Where consideration is paid in shares the share price is determined by a 7.5% discount to a 30 day volume weighted average price.

Despite the Company's ability to satisfy the consideration payable on maturity or termination by the issue of Toro shares the accounting standards require the funds received under the Unitisation Deed to be treated as a financial liability as the quantum of shares required to satisfy the repayment cannot be quantified at this point in time.

(ii) Sentient Group Loan

In November 2015 the Company repaid $6M of Macquarie Bank's $12M Debt Facility and refinanced the remaining $6M with a 3 year interest free loan from Sentient. The Company issued of 75M options to Sentient with an exercise price of $0.08 per share, which have expired without being exercised during the year on the maturity of the loan (2 August 2018).

During the year on 31 July 2018 an agreement was reached with Sentient to extend the date for repayment of the loan facility made available to the Company from 3 August 2018 to 2 February 2020. In consideration for the grant of this extension the Company has agreed that it will pay Sentient interest on the amount outstanding under that loan, calculated at a 10% coupon rate, calculated daily and compounding annually, effective on and from 3 August 2018. Sentient has agreed that the Company may elect to satisfy the payment of any interest payable on the loan by the issue of Shares rather than in cash. The number of Shares to be issued in satisfaction of interest payable will be calculated based on the 30 day volume weighted average closing price for Shares traded on the ASX for the 30 days prior to the relevant repayment date (**30 Day VWAP**). In the event that the 30 Day VWAP at the relevant date is 50% or more below the closing price of Shares traded on ASX on 2 August 2018, Sentient may require that the Company pay the amount of interest payable in cash in full rather than by the issue of Shares. Accrued interest has been calculated on a pro rata basis and is disclosed in note 3(b).

11 Issued capital

	CONSOLIDATED	
	31 DECEMBER 2018 $	**30 JUNE 2018 $**
Ordinary Shares	**297,703,150**	294,068,906

	Number*	**$**
Ordinary shares		
Balance at beginning of financial year	2,008,071,437	294,068,906
Share Purchase Plan - 6 July 2018 153,222,417 @ 2.5c	153,222,417	3,830,560
Costs of capital raising		(196,316)
Balance at end of period	**2,161,293,854**	297,703,150

	LEGAL PARENT ENTITY 2018	
	Number*	**$**
Ordinary shares		
Balance at beginning of financial year	**2,008,071,437**	433,849,080
Share Purchase Plan - 6 July 2018 153,222,417 @ 2.5c	**153,222,417**	3,830,560
Costs of capital raising	**-**	(196,316)
Balance at end of the period	**2,161,293,854**	437,483,324

Fully paid ordinary shares carry one vote per share and carry the right to dividends (in the event such a dividend was declared).

* Under AASB 3 the acquisition of Nova Energy Ltd in 2007 was deemed a 'reverse acquisition' and Toro Energy's legal subsidiary Nova Energy Pty Ltd is considered the parent for accounting consolidation purposes. As shares in Nova Energy are not listed or publically traded the consolidated view does not detail the volume of shares relative to transactions subsequent to the acquisition. The legal parent entity of Toro Energy Limited has been included to provide details of the volume of shares on issue at 31 December 2018.

11 Events after the balance sheet date

No matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years.

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 10 to 26 are in accordance with the Corporations Act 2001, including:
    a. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and the performance for the half year ended on that date; and
    b. Complying with the Accounting Standard AASB 134: Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts and when they fall due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Richard Homsany

Executive Chairman

Signed this 15th day of March 2019

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INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF TORO ENERGY LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Toro Energy Limited (the company) and its controlled entities (the consolidated entity), which comprises the consolidated statement of financial position as at 31 December 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the company is not in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standards on Review Engagements ASRE 2410: *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including:

a. giving a true and fair view of the company's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and

b. complying with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*.

MOORE STEPHENS

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF TORO ENERGY LIMITED (CONTINUED)

As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the company, would be in the same terms if provided to the directors as at the time of this auditor's review report.

Neil Pace

NEIL PACE
PARTNER

Moore Stephens

MOORE STEPHENS
CHARTERED ACCOUNTANTS

Signed at Perth this 15th day of March 2019

APPENDIX 1

Wiluna Uranium Project [1] Mineral Resources Table (JORC 2012)									
		Measured		Indicated		Inferred		Total	
		200ppm	500ppm	200ppm	500ppm	200ppm	500ppm	200ppm	500ppm
Centipede / Millipede	Ore Mt	4.9	1.9	12.1	4.5	2.7	0.4	19.7	6.8
	Grade ppm	579	972	582	1,045	382	986	553	1,021
	U_3O_8 Mlb	6.2	4.2	15.5	10.3	2.3	0.9	24.0	15.3
Lake Maitland	Ore Mt	-	-	22.0	8.2	-	-	22.0	8.2
	Grade ppm	-	-	545	929	-	-	545	929
	U_3O_8 Mlb	-	-	26.4	16.9	-	-	26.4	16.9
Lake Way	Ore Mt	-	-	10.3	4.2	-	-	10.3	4.2
	Grade ppm	-	-	545	883	-	-	545	883
	U_3O_8 Mlb	-	-	12.3	8.2	-	-	12.3	8.2
Sub-total	Ore Mt	**4.9**	**1.9**	**44.3**	**16.9**	**2.7**	**0.4**	**52.0**	**19.2**
	Grade ppm	**579**	**972**	**555**	**948**	**382**	**986**	**548**	**951**
	U_3O_8 Mlb	**6.2**	**4.2**	**54.2**	**35.3**	**2.3**	**0.9**	**62.7**	**40.4**
Dawson Hinkler	Ore Mt	-	-	8.4	0.9	5.2	0.3	13.6	1.1
	Grade ppm	-	-	336	596	282	628	315	603
	U_3O_8 Mlb	-	-	6.2	1.1	3.2	0.4	9.4	1.5
Nowthanna	Ore Mt	-	-	-	-	13.5	2.6	13.5	2.6
	Grade ppm	-	-	-	-	399	794	399	794
	U_3O_8 Mlb	-	-	-	-	11.9	4.6	11.9	4.6
Total	Ore Mt	4.9	1.9	52.7	17.8	21.4	3.3	79.0	23.0
	Grade ppm	579	972	520	931	368	765	482	916
	U_3O_8 Mlb	6.2	4.2	60.4	36.4	17.4	5.5	84.0	46.4

Competent Persons' Statement

Wiluna Project Mineral Resources – 2012 JORC Code Compliant Resource Estimates – Centipede, Millipede, Lake Way, Lake Maitland, Dawson Hinkler and Nowthanna Deposits

The information presented here that relates to Mineral Resources of the Centipede, Millipede, Lake Way, Lake Maitland, Dawson Hinkler and Nowthanna deposits is based on information compiled by Dr Greg Shirtliff of Toro Energy Limited, Mr Sebastian Kneer formerly of Toro Energy Limited and Mr Daniel Guibal of SRK Consulting (Australasia) 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.

[1] Refer JORC Table 1 in ASX release dated 2 February 2016 for details on how these Mineral Resources are estimated.