

TORO ENERGY LIMITED

2020 ANNUAL REPORT





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CORPORATE DIRECTORY

Directors	Richard Homsany, Executive Chairman Richard Patricio, Non-executive Director Michel Marier, Non-executive Director
Company Secretary	Katherine Garvey
Registered Office and Principal Place of Business	60 Havelock Street, West Perth WA 6005 PO Box 584, West Perth WA 6872 Phone: +61 8 9214 2100 Fax: +61 8 9226 2958
Share Registry	Advanced Share Registry Ltd 110 Stirling Highway, Nedlands WA 6009
Auditor	Moore Australia Audit (WA) Level 15 Exchange Tower, 2 The Esplanade, Perth WA 6000
Securities Exchange Listing	Australian Securities Exchange Limited (ASX: TOE)



DIRECTORS' REPORT

The directors of Toro Energy Limited (**Toro** or the **Company**) present their report together with the financial statements of the consolidated entity, being Toro and its controlled entities (the **Group**) for the year ended 30 June 2020.

Directors' Details

The following persons were directors of Toro (**Directors**) during or since the end of the financial year:

Director	Richard Homsany, LL.B (Hons), B. Com, Grad. Dip. Fin & Inv, F Fin, MAICD, CPA
Appointment	Executive Chairman 1 January 2017 Non-executive director since 1 December 2013
Biography	Richard is a corporate lawyer and Certified Practising Accountant and is experienced in advising on corporate transactions, capital raisings, stock exchange listings, mergers & acquisitions, finance, joint ventures, divestments and governance. He was previously a corporate partner of international law firm DLA Phillips Fox (now DLA Piper). Richard has been Executive Vice President for Australia of TSX listed Mega Uranium Ltd - a Toronto-based uranium investment and development company - since April 2010. Previously he worked for North Ltd prior to its takeover by Rio Tinto Ltd. In addition to his other listed company directorships Richard is Chairman of the unlisted Health Insurance Fund of Australia Limited. Richard is a Fellow of the Financial Services Institute of Australasia (FINSIA) and a Member of the Australian Institute of Company Directors.
Other current listed company directorships	Redstone Resources Ltd Central Iron Ore Limited Galan Lithium Ltd. Brookside Energy Ltd
Former listed public company directorships (last three years)	-
Interest in ordinary shares	-
Interest in options / performance rights	15,000,000 options exercisable at \$0.05075 on or before 20 December 2022

Director	Richard Patricio, LL.B
Appointment	Non-executive director Appointed 1 December 2013
Biography	Richard is the Chief Executive Officer and President of Mega Uranium Ltd., a Toronto-based uranium investment and development company. Richard was also recently appointed (July 2020) as the President and CEO of Generic Gold Corp., an early stage gold exploration company active in northern Quebec. In addition to his legal and corporate experience, Richard has built a number of mining companies with global operations and managed Pinetree Capital Ltd. from 2005 to 2016, acting as its Vice President Legal and Corporate Affairs until 2015 and thereafter its CEO, a diversified investment company focused on the early stage resource markets. He has held senior officer and director positions in several junior mining companies listed on the TSX, TSX Venture, AIM and NASDAQ exchanges. Previously, Mr Patricio practiced law at a top tier law firm in Toronto and worked as in-house General Counsel for a senior TSX listed company. Richard received his law degree from Osgoode Hall and was called to the Ontario bar in 2000.



Other current listed company directorships	NexGen Energy Ltd ISOEnergy Inc. Latin American Minerals Ltd Hydro66 Holdings Corp
Former listed public company directorships (last three years)	Terreno Resources Corp. (resigned 1 June 2017) Kerr Mines Inc (resigned 29 March 2017) NxGold Ltd (resigned 8 May 2020)
Interest in ordinary shares	-
Interest in options / performance rights	7,500,000 options exercisable at \$0.05075 on or before 20 December 2022

Director	Michel Marier, BBA (Int'l Mgt), M.Sc (Finance)., CFA, FRM
Appointment	Non-executive director Appointed 22 December 2014
Biography	Michel is a Partner at The Sentient Group. Joining in 2009. Sentient manages over \$2.0B of investments and are a major investor in the global resources industry. Michel has diverse industry experience. Before joining Sentient, Michel worked for eight years at the Private Equity division of la Caisse de dépôt et placement du Québec (CDPQ).
Other current listed company directorships	Leadfx Limited Samco Gold
Former listed public company directorships (last three years)	Geodynamics Ltd (resigned 2015)
Interest in ordinary shares	-
Interest in options / performance rights	-

Company Secretary

Ms Katherine Garvey was appointed Company Secretary on 31 October 2017 and is also legal counsel to the Company. Ms Garvey has a Bachelor of Laws/Bachelor of Arts from the University of Notre Dame Australia and is an experienced corporate and commercial lawyer and company secretary, with significant experience acting for listed public companies.

Principal Activities

The Group is the owner of six uranium deposits in the north-eastern goldfields region of Western Australia known as Centipede, Millipede, Lake Maitland, Lake Way, Dawson Hinkler and Nowthanna. The Centipede, Millipede, Lake Maitland and Lake Way deposits collectively form the Wiluna Uranium Project (**Wiluna Uranium Project**). The Dawson Hinkler and Nowthanna deposits are regarded as advanced exploration prospects with declared JORC 2012 mineral resources.

During the year the principal activities of entities within the Group were to continue advancing the development of the Wiluna Uranium Project to enable it to be financed and brought into production with the lowest cost possible, to initiate the Yandal Gold Project within the Company's Lake Maitland tenement package (including conducting ground geophysics surveys, target generation and a first phase exploration drilling program during the period) and to explore its tenement holdings and seek other new opportunities in uranium and energy-related commodities. There was a particular focus on environmental permitting, technical studies and research and development and the reduction in non-core activities, holdings and corporate overheads.



Review of Operations and Financial Results

Wiluna Uranium Project

The Centipede and Millipede deposits within the Wiluna Uranium Project are located 30 kilometres to the south of the town of Wiluna, which is located 950 kilometres north-east of Perth (refer to **Figure 1**). The major focus of activities during the year was to undertake metallurgical and process design and research initiatives to improve the value of the Wiluna Uranium Project. All work streams are geared to ensure the Wiluna Uranium Project is capable of being financed and brought into production as and when economic conditions justify the development.



Figure 1 – Location of the Wiluna Uranium Project



Approvals and Community

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) in Western Australia.

The approval complements the federal 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) that approved the development of a uranium mine comprising the Centipede and Lake Way deposits and associated processing plant and infrastructure.

The effect of the two federal approvals is that the assessment process under the EPBC Act 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.

On 9 January 2017 the then Western Australian Minister for Environment; Heritage, the Hon. Albert Jacob MLA, approved a revised proposal for the Wiluna Uranium Project. The Minister's consent is documented in Ministerial Statement 1051.

The full State and Federal government approval documents were published as annexures to the ASX release dated 10 July 2017. Toro is considering the implementation conditions outlined in the various government approvals.

In July 2016 negotiations were finalised for a mining agreement with the Wiluna /Tarlpa Native Title Holders following seven years of negotiation. The agreement was signed and ratified by a community meeting at Wiluna on 6 July 2016. The agreement is comprehensive and provides compensation for effects of the Project on native title and cultural heritage, as well as covering a range of other important issues including environmental management and protection, liaison between Toro and the Native Title Holders, and employment and business development opportunities. The agreement also includes a detailed Cultural Heritage Management Plan. The agreement covers proposed mining at Millipede, Centipede and Lake Way as well as the project infrastructure and processing facilities.

Toro is also engaging with the Barwidjee People who claim an interest in land on which mining at Lake Maitland is proposed to be undertaken.

Technical and Research and Development Programs

During the 2019/2020 financial year the Company made continued efforts to improve the value of its Wiluna Uranium Project through research, innovation and engineering opportunities despite the subdued uranium market. The Company's efforts in this regard include proposed changes to the proposed processing flowsheet design which have resulted in potential improvements in the capital and operating costs of the Wiluna Uranium Project as well as a potential improvement in overall uranium recovery from the plant. The changes have resulted from the opportunities highlighted by the test work completed as part of the Beneficiation and Process Design studies (**Studies**) that have been ongoing since completion of the 2016 Scoping Study¹.

During the final quarter of 2019 the Company announced a Maiden Vanadium JORC (2012) Resource for the Wiluna Uranium Project (refer to **Figure 2**). The Maiden 2012 Inferred Mineral Resource for the Wiluna Uranium Project has been estimated at 53.6Mt at 0.0382% Vanadium Pentoxide (V_2O_5) comprising 68,300,000 pounds V_2O_5 using a 200ppm V_2O_5 cut-off within a previously defined U_3O_8 resource envelope for each deposit.

Test work completed by the Company established that V_2O_5 may be a valuable by-product of processing uranium ore from the proposed uranium mine on the Wiluna Uranium Project². Given the expected long-term growth in the price of V_2O_5 (see the Company's ASX announcement of 21 October 2019 for further information) and the potential future demand, including from Vanadium Redox Batteries (**VRBs**), Toro believes producing vanadium as a by-product is likely to result in a significant improvement to the feasibility and value of the Wiluna Uranium Project.

Please see the Company's ASX announcement of 21 October 2019 for further details of the vanadium resource as well as information concerning the pricing of, and demand for, vanadium.

The successful leaching and IX processes developed by Toro should allow for the recovery of vanadium into a vanadium pentoxide (V_2O_5) product for sale without any significant loss to the recovery of uranium². Due to simplification of the downstream refining process and a reduction in ion reagent cost resulting from using ion exchange instead of the previously

¹ Please refer to the Company's ASX announcement of 5 December 2016.

² Please refer to the Company's ASX announcements of 18 March 2019 and 5 September 2019 for information on the vanadium processing test-work.



proposed method (see the Company's ASX announcement of 21 October 2019 for further information), it is expected that producing V_2O_5 as a by-product will not result in any significant increase in costs to the Wiluna Uranium Project³.

Project Financing

The Company continued its active engagement with potential providers of financing for the Wiluna Uranium Project. A share purchase plan was undertaken by the Company during the period, details of which are set out below.

Tenements

Toro reduced its holdings of non-core tenements at the Project and in its broader exploration portfolio.

Exploration

During the year Toro continued to progress exploration on the Yandal Gold Project. The Yandal Gold Project tenure incorporates Toro's Lake Maitland Uranium Deposit and is located in the world class gold district, the Yandal Greenstone Belt, less than 35km NE of the multi-million ounce Bronzewing Gold Mine and 50km east of the world class Mt Keith Nickel Mine (**Figure 2**).

During the final quarter of 2019 the Company completed an exploration drilling programme of 15 reverse circulation (**RC**) drill holes for a total of 2,896m. The 2019 RC drilling programme followed up geochemistry anomalies from previous aircore drilling at Christmas, November Rain and Shadow Rock. It also incorporated two new target areas, Golden Ways and Broken Nose. Golden Ways, in the far north east of the Yandal Gold Project (**Figure 3**), has a number of historical gold prospects and drill targets and Toro believes the area to be under-explored, both along structures and at depth (refer to the Company's ASX announcement of 9 September 2019). Broken Nose, in the far south of the Yandal Gold Project, is focused around a significant NE trending structural offset in the nose of a folded ultramafic-komatiite (refer to the Company's ASX announcement of 13 November 2019). Two of the drill holes, both at the November Rain Target Area, failed to reach target depth due to difficult drilling conditions through a paleochannel.

Results of the drilling programme were progressively announced by the Company throughout the second half of 2019 and these should be referred to for further details. In brief, the late 2019 RC drilling (**Figure 3**) on the Golden Ways Project intersected significant gold anomalism at Christmas, Shadow Rock and Golden Ways Target Areas, the highest grade intersect being 1m at 3.18g/t gold in RC drill hole TERC11 from 80m downhole at the Golden Ways target area. Drilling at Golden Ways also revealed prospectivity for Volcanogenic Hosted Massive Sulphide (VHMS) mineralisation, particularly in TERC09 where 40m of disseminated sulphides were intersected from 125m downhole which included 15m @ 2.0% sulphur, 0.094% copper, 0.056% zinc and anomalous, cobalt, arsenic, tin, bismuth, cadmium, selenium and tellurium from 149m downhole.

An important result of the 2019 RC drilling program was the intersection of 1m of 'fingers' of nickel sulphide in komatiite host rock in RC drill hole TERC13 from 177m downhole. These were later proven to be the primary nickel sulphide, pentlandite, from investigations under multiple high-powered scanning electron microscopes (SEM) with a technique known as QEMSCAN. The investigation also showed that disseminated nickel sulphides grading 0.23% nickel were hosted throughout the 36m of komatiite intersected. The result was significant in that it showed that the Project had the potential for komatiite hosted nickel mineralisation despite the Yandal Greenstone Belt not previously known for nickel sulphides. The intersection location was named the Dusty Nickel-Gold Prospect.

³ Refer to the Company's ASX announcements of 18 March 2019 and 5 September 2019 for information on the vanadium processing test-work.



Figure 2 – 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 well as the world class Mt Keith Nickel Mine.

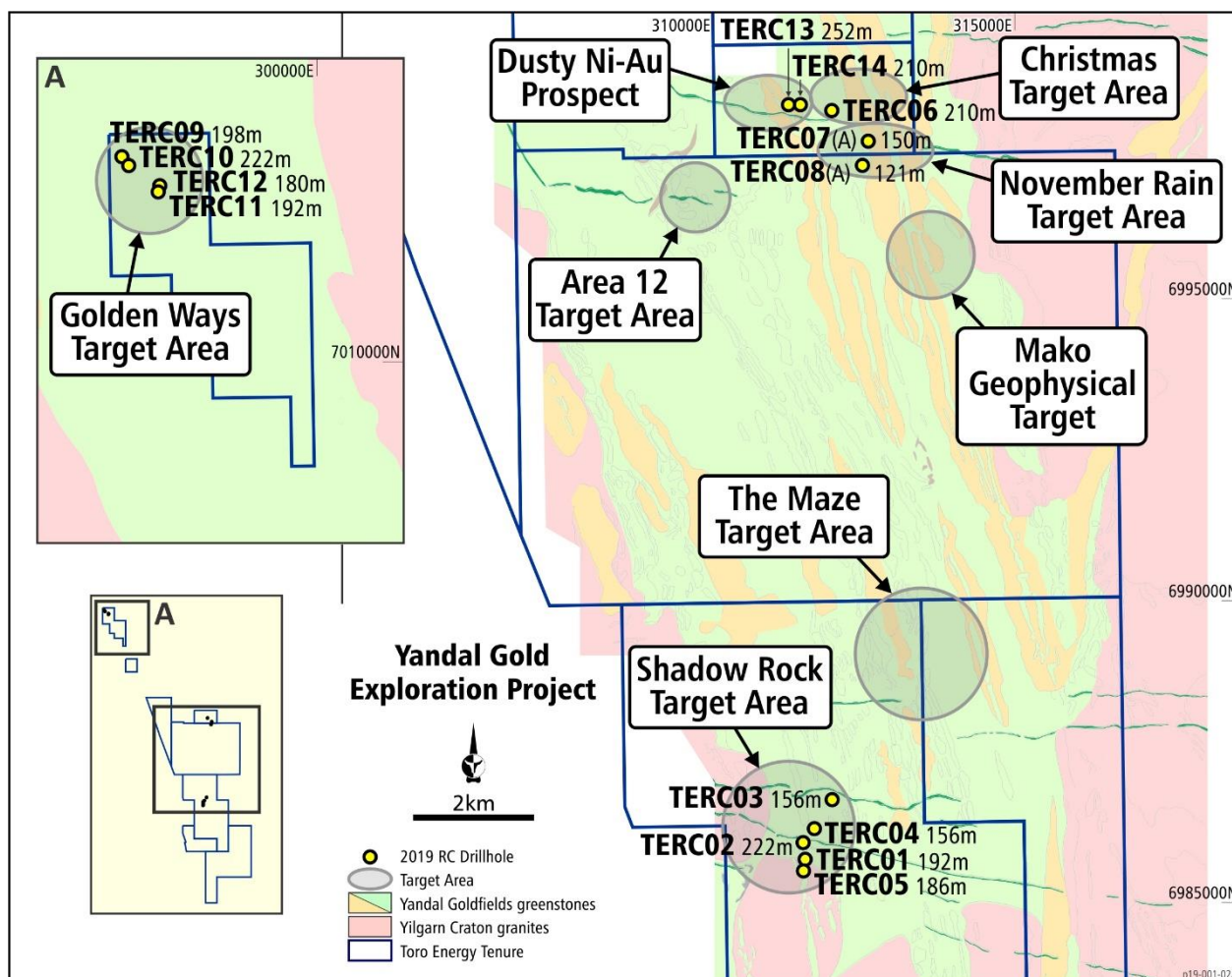


Figure 3: Location of RC drill holes completed in the final quarter of 2019 relative to the location of the target areas developed so far on the project. Background geology is a simplified version of the 1:15K Interpretation of the 2016 airborne magnetic survey by Core Geophysics. No geological information from the aircore or RC drilling to date has been added to this geology. Refer to the Company's ASX announcement of 13 November 2019 for details of the drill holes from the 2019 RC drilling campaign, those labelled on this map.

Follow-up diamond drilling in the second quarter of 2020 consisted of five drill holes, two to reach target depths at November Rain where the two RC drill holes had previously failed (TED01 and TED02), two at the Dusty Nickel-Gold Prospect (TED03 and TED04) and one for a water bore into the paleochannel that makes its way through the Project (TED05) (refer to **Figure 4** for hole locations). The third diamond drill hole of the 2020 drilling programme, TED03, twinned RC drill hole TERC13 (approximately 6m to the west) to confirm the nature and orientation of the nickel mineralisation intersected. It intersected the same geology but proved that the 'fingers' of massive sulphide thought to have been intersected in TERC13 was actually a 15cm thick lens of massive nickel sulphide from 177.5m downhole (refer to the Company's ASX announcements of 13 July and 1 September 2020) which geochemistry later showed to be grading at 1.86% nickel. TED04 was then drilled 40m to the southeast of TED03 to test for a thicker intersection along strike of the komatiite, which it succeeded in doing. After the end of the period the Company announced that TED04 intersected 2.6m of massive nickel sulphides from 184.5m downhole grading at 3.45% nickel, 0.15% cobalt, 0.18% copper and 0.388g/t platinum and palladium from 184.5m downhole (**Figure 5**).

At this early stage of interpretation it would seem that the Dusty nickel intersections in TED03 and TED04 follow a generally accepted model for komatiite hosted nickel sulphides in the Yilgarn, where the TED03 intersection would represent the edge of a massive nickel sulphide 'channel' and the TED04 intersection would be positioned closer to the centre of the 'channel'.

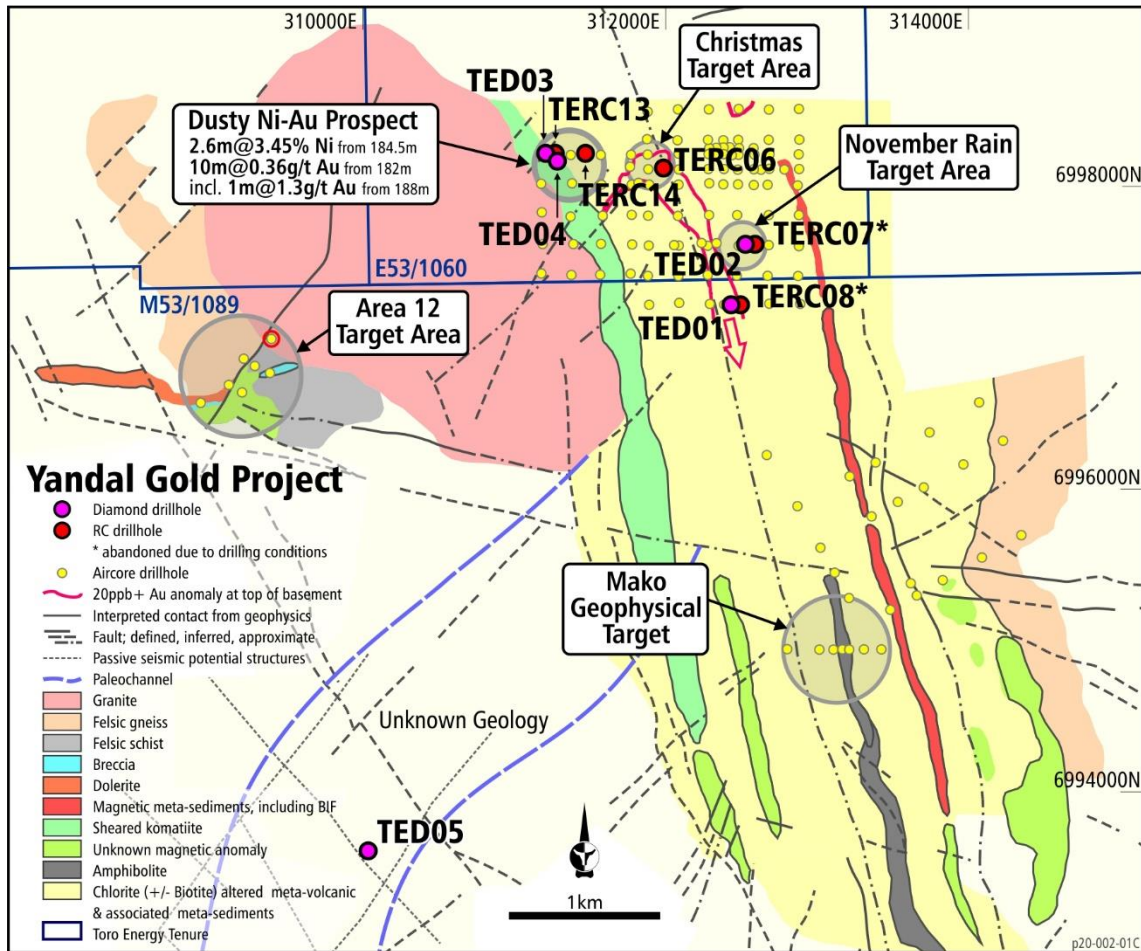


Figure 4: Location of the Dusty and diamond drill holes TED03 and TED04

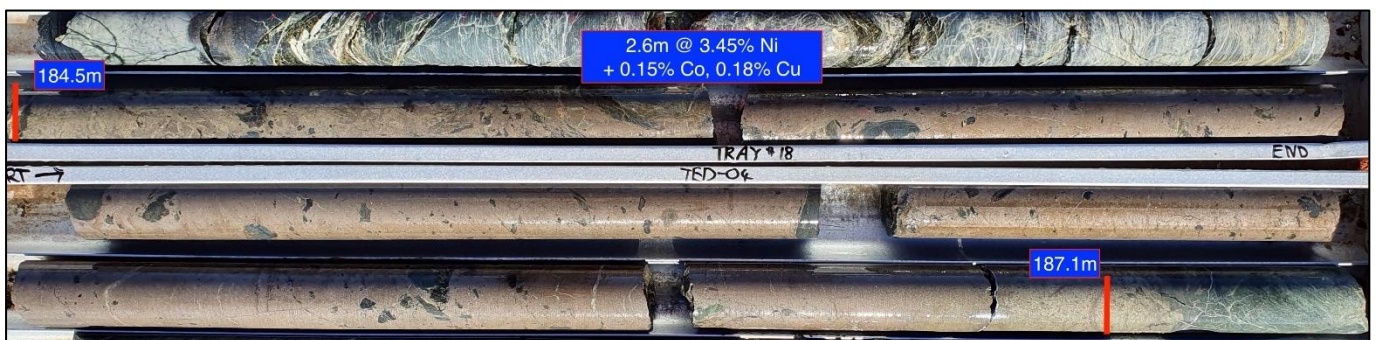


Figure 5: Photo of massive nickel sulphide intersection in diamond hole TED04, the Dusty nickel discovery.

It was also announced after the June 2020 quarter that an extension into the basement beneath the diamond hole drilled for the water bore, TED05, intersected gold and very strong gold pathfinder chemistry in a quartz and sulphide filled vein breccia (refer to the Company's ASX announcement of 6 August 2020). The two main intersections consisted of 30cm grading 1.16g/t gold, 0.74% copper, 0.28% zinc and 11 g/t silver from 154.8m downhole (true depth) (Figure 6) and 20cm grading 1.51g/t gold, 0.73% copper, 0.38% zinc and 22 g/t silver from 156.3m downhole (true depth) (Figure 7).

Due to the success of the diamond drill holes TED03, TED04 and TED05, sampling of the two diamond holes drilled at November Rain, TED01 and TED02, was delayed and results were still pending at the time of writing of this report.

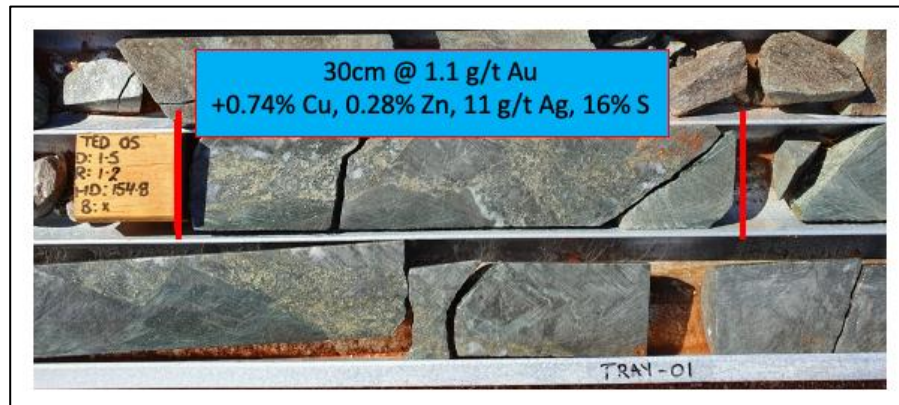


Figure 6: Photograph of drill core showing first intersection of quartz-sulphide in-fill within a silicified quartz breccia in TED05 (30cm from 154.8m downhole – true depth) associated with gold and relatively high concentrations of gold pathfinder elements. See text for further details.

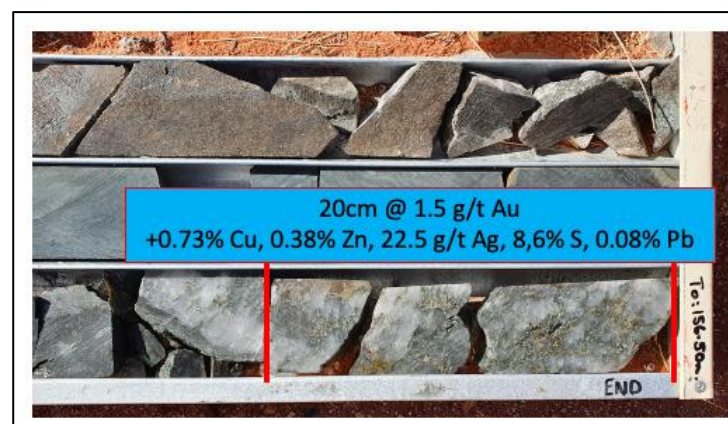


Figure 7: Photograph of drill core showing first intersection of quartz-sulphide in-fill within a silicified quartz breccia in TED05 (20cm from 156.3m downhole - true depth) associated with gold and relatively high concentrations of gold pathfinder elements. See text for further details.

During the period the Company also carried out a ground based moving loop electromagnetic survey over Dusty, a large part of the Golden Ways Target Area and the Yandal One Nickel Prospect (refer to **Figure 3** for target area locations). The results are still being assessed.

Systematic rock chip sampling along outcropping gold bearing quartz veins was also carried out at the Golden Ways prospect, prioritising large veins in the centre of the target area which outcrop at the surface for up to 500m. These veins have yielded gold values of up to 65 g/t from previous limited surface sampling, highlighting the potential to elevate average gold grades by high grade gold nuggets. As announced on 17 August 2020, assay results from this vein rock chip sampling programme showed that out of the 257 samples collected 24% of them contained greater than 1.0g/t gold and 6.6% of them contained greater than 5.0 g/t gold. The highest grade sample collected was 14.7g/t gold.

Although gold is the primary target of the Yandal Gold Project, other commodities will not be discounted in the overall exploration program. The Company remains focussed on the long-term feasibility of uranium production for its shareholders from the Wiluna Uranium Project, from which it is permitted to mine up to 62 million pounds of measured or indicated uranium resources (JORC 2012).

The Company's net loss after income tax was \$44,848,633 (2019: \$2,382,968). Included in the loss were non-cash impairment expenses of \$43,397,596 relating primarily to an assessment of the extent to which impairment triggers have impacted on the carrying value of capitalised exploration and evaluation expenses for the Wiluna Uranium Project.

Corporate

During the year the Company completed a fully underwritten share purchase plan (**2019 SPP**). Under the 2019 SPP eligible



shareholders were offered the opportunity to acquire up to \$30,000 of fully paid ordinary shares in the capital of the Company (**New Shares**) at an issue price per New Share of \$0.011 (being a 20% discount to the five (5) day volume weighted average price of shares traded on the ASX on the five (5) trading days immediately prior to the allotment date, rounded up to the nearest tenth of a cent in accordance with the terms of the 2019 SPP), being up to 2,727,273 New Shares per eligible shareholder, without incurring brokerage or other transactional charges. The 2019 SPP was fully underwritten by Patersons Securities Limited. Please see the Company's ASX announcements of 26 September 2019 for further information about the terms and conditions of the 2019 SPP.

The 2019 SPP closed on 1 November 2019. As announced to the ASX on 8 September 2019 the Company raised \$3,500,000 by the issue of 318,182,044 New Shares pursuant to the 2019 SPP. The Company received applications totalling 2,542,000 from eligible shareholders pursuant to the 2019 SPP, with the balance of \$958,000 being subscribed for by the underwriter Patersons Securities Limited. Funds raised by the Company in connection with the 2019 SPP were, or will be, applied to the completion of a 4,000m reverse circulation drill programme at the Company's 100% owned Yandal Gold Project, to advance uranium and vanadium processing studies at the Company's 100% owned Wiluna Uranium Project (including vanadium resource estimation), to retire debt and for general working capital and corporate purposes.

In February 2020 an agreement was reached with The Sentient Group (**Sentient**) to extend the date for repayment of the \$6,000,000 loan facility made available by Sentient to the Company (**Sentient Loan**) from 2 February 2020 to 31 December 2020. In consideration for the grant of this extension the Company agreed to repay \$1,000,000 of the Sentient Loan at that time, and to issue 120,388,021 fully paid ordinary shares in the capital of the Company in satisfaction of interest payable on the Sentient Loan up to the date of 2 February 2020. The Company has agreed that it will continue to pay Sentient interest on the amount outstanding under the Sentient Loan, calculated at a 10% coupon rate, calculated daily and compounding annually. Sentient has agreed that the Company may elect to satisfy the payment of any interest payable on the Sentient 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. Further details of the terms and conditions of the Sentient Loan are set out in the Company's ASX Announcement of 11 June 2015.

On 29 September 2020 an agreement was reached with Sentient to further extend the date for repayment of the Sentient Loan to 30 September 2021.

On 11 May 2020, the Company entered into a Controlled Placement Agreement (**CPA**) with Acuity Capital Investment Management Pty Ltd (**Acuity Capital**). The CPA provides the Company with up to \$5,000,000 of standby equity capital over a 27 month period. Importantly, the Company retains full control of all aspects of the placement process, having sole discretion as to whether or not to utilise the CPA, the quantum of issued shares, the minimum issue price of shares and the timing of each placement tranche (if any). There are no requirements for the Company to utilise the CPA, and the Company may terminate the CPA at any time without cost or penalty. Acuity Capital and the CPA do not place any restrictions at any time on the Company raising capital through other methods. If the Company does decide to utilise the CPA, it is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price and a 10% discount to the volume weighted average price of the Company's shares over a period of the Company's choosing (again at the sole discretion of the Company). As collateral for the CPA, the Company agreed to place 135,000,000 fully paid ordinary shares in the capital of the Company at nil consideration to Acuity Capital. The Company may at any time cancel the CPA and buy back those collateral shares for no consideration (subject to Toro shareholder approval).

As announced after the end of the period on 1 September 2020 the Company utilised the CPA, issuing 108,000,000 fully paid ordinary shares at an issue price of \$0.0111 per share for total proceeds of \$1,200,000. The funds raised by that issue will be used to finance further drilling campaigns on the Company's Yandal Gold Project.

Coronavirus (COVID-19) Pandemic

The Group has exercised judgement in considering the impacts of COVID-19 since the World Health Organisation declared the outbreak a pandemic in March 2020. As all of the Group's granted tenements are located in Western Australia there has been little impact on access to tenements.

Significant Changes in the State of Affairs

None noted.

Dividends

No dividends were paid or declared since the start of the financial period. No recommendation for payment of dividends has been made.



Events Arising Since the End of the Reporting Period

As announced after the end of the period on 1 September 2020 (and as detailed above) the Company utilised the CPA with Acuity Capital, issuing 108,000,000 fully paid ordinary shares at an issue price of \$0.0111 per share for total proceeds of \$1,200,000. The funds raised by that issue will be used to finance further drilling campaigns on the Company's Yandal Gold Project.

Likely Development, Business Strategies and Prospects

The Company intends to continue to undertake appropriate levels of exploration and evaluation of its tenement portfolio with a particular emphasis on advancing technical, research and development and financing activities for the Wiluna Uranium Project and exploration activities on its Yandal Gold Project, and to seek new project and investment opportunities.

Directors' Meetings

The number of Directors' Meetings (including meetings of Committees of Directors) held during the year and the number of meetings attended by each Director is as follows:

Director's name	Board meetings	
	Attended	Entitled to Attend
Richard Homsany	12	12
Richard Patricio	12	12
Michel Marier	12	12

Unissued Shares Under Option

Unissued ordinary shares of Toro under option at the date of this report are:

Date options granted	Expiry date	Exercise price of shares (\$)	Number of options
20 December 2017	20 December 2022	0.05075	30,000,000
31 March 2018	31 March 2021	0.045	12,750,000

No options were exercised during the year or subsequent to year end.

Performance Rights

There are no performance rights on issue at the date of this report.

Remuneration Report (Audited)

The Directors of the Group present the Remuneration Report for Non-Executive Directors, Executive Directors and other Key Management Personnel (**KMP**), prepared in accordance with the *Corporations Act 2001* and the *Corporations Regulations 2001*.

The Remuneration Report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration;
- Details of remuneration;
- Service agreements;
- Share-based remuneration;
- Bonuses included in remuneration; and
- Other information.

**a. Principles used to determine the nature and amount of remuneration**

The Board is responsible for determining remuneration policies applicable to Directors and Senior Executives of the Company. The policy is to ensure that remuneration properly reflects the individuals' duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people with appropriate skills and experience.

Key Management Personnel Remuneration, Performance Evaluation and Equity Holdings

The Company's Audit and Risk Committee was disbanded on 1 January 2018 and its responsibilities and functions absorbed by the full Board of Directors. The Board has ultimate responsibility for the following remuneration matters:

- Remuneration of Toro Group Non-Executive Directors;
- Remuneration and incentive framework for the Managing Director; and
- Incentive framework for all staff.

The Managing Director, or where the position is not filled, the Chairman, has the delegated authority to review and authorise the remuneration of executives, senior management and staff.

The policy aims to align director, executive and senior manager objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific short term and long-term incentives based on key performance areas affecting the Company's share market performance and financial position. Performance against these key performance indicators is reviewed annually.

The Non-Executive Directors and other Executives receive a superannuation guarantee contribution required by the government, which for the current 2019/20 financial year was 9.50%, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation.

All remuneration paid to Directors and Executives is expensed as incurred and to the extent that the remuneration relates to services related to exploration and evaluation activities on the Company's mineral tenements may be capitalised.

Executives are also entitled to participate in the Toro Energy Limited Securities Incentive Plan. Options are valued at the time of issue using the Black Scholes methodology. Performance Rights are valued using the Company's share price at grant date and an estimated probability of achieving the performance hurdles.

The Board policy is to remunerate Non-Executive Directors at market rates based on comparable companies for time, commitment and responsibilities. The Board determines payments to Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability.

The maximum aggregate annual remuneration which may be paid to Non-Executive Directors is \$450,000. This amount cannot be increased without the approval of the Company's shareholders.

Current Senior Executives

The Company's Executive Chairman Richard Homsany is regarded as the Company's only current Executive.

Mr Homsany serves as Executive Chairman based on a resolution of the Board of Directors effective 1 January 2017. No service agreement has yet been entered with Mr Homsany. Pursuant to a Board resolution, Mr Homsany's related entity Cardinals Corporate Pty Ltd (**Cardinals**) receives remuneration of \$20,151 per month, before GST. There are no termination benefits or notice periods stipulated in the Board resolution. Mr Homsany also receives Directors' fees pursuant to an existing services contract for \$50,000 per annum plus superannuation.



b. Details of remuneration

Details of the nature and amount of each element of the remuneration of each KMP of Toro are shown in the table below (A\$):

		Short term benefits			Post employment benefits	Long-term benefits		Share- based payments			Performance based % of remuneration
Director and other KMP	Year	Cash salary and fees	Cash bonus	Non-monetary benefits	Super	Long service leave	Termination benefits	Shares issued in lieu of cash salary	Options	Total	
Executive Directors											
Richard Homsany	2020	291,813	-	-	4,750	-	-	-	-	296,563	-
	2019	291,813	-	-	4,750	-	-	-	-	296,563	-
						-					
Sub-total	2020	291,813	-	-	4,750	-	-	-	-	296,563	-
	2019	291,813	-	-	4,750	-	-	-	-	296,563	-
Non-Executive Directors											
Richard Patricio	2020	50,000	-	-	-	-	-	-	-	50,000	-
	2019	50,000	-	-	-	-	-	-	-	50,000	-
Michel Marier	2020	50,000	-	-	-	-	-	-	-	50,000	-
	2019	50,000	-	-	-	-	-	-	-	50,000	-



The relative proportions of remuneration for current Directors and other KMP that are linked to performance and those that are fixed are as follows:

Director and other KMP	Fixed remuneration	At risk: Short Term Incentives (STI)	At risk: options / performance rights
Executive Directors			
Richard Homsany	100%	-	-
Non-Executive Directors			
Richard Patricio	100%	-	-
Michel Marier	100%	-	-

Since the long-term incentives have been provided exclusively by way of options or performance rights, the percentages disclosed also reflect the value of remuneration consisting of options, performance rights based on the value of options or performance rights expensed during the year.

c. Service agreements

Details of service agreements are outlined under section a.

d. Share-based remuneration

No securities were granted to Directors or other KMP during the financial year.

e. Bonuses included in remuneration

No bonuses were awarded to Directors or other KMP in the financial year or prior financial year.

f. Other information

None of the Directors or the Group's other KMP (including their respective related parties) held any ordinary shares in the Company during the 2020 reporting period.

The number of options in the Company held by each of the Directors and other KMP during the 2020 reporting period, including their related parties, is set out below:

	Balance at start of year or date of appointment	Granted as remuneration	Exercised	Expired	Held at the end of the reporting period or date of departure
Richard Homsany	15,000,000	-	-	-	15,000,000
Richard Patricio	7,500,000	-	-	-	7,500,000
Michel Marier ¹	-	-	-	-	-
	22,700,000	-	-	-	22,700,000

¹7,500,000 Director Options that Non-Executive Director Mr Michel Marier was entitled to be issued were issued to Mr Marier's employer, The Sentient Group, and so Mr Marier does not have a personal interest in those options. The Director Options are exercisable at \$0.05075 on or before 20 December 2022. For details of the valuation of the Director Options please refer to Note 15 – Share based payments.

No performance rights in the Company were held by the Directors or other KMP (or their related parties) during the 2020 reporting period.

Transactions with Directors or other KMP

The Company has not made any loans to Directors or other KMP during the financial year or prior financial year.

During the financial year Cardinals Corporate Pty Ltd provided legal services to the Company to a total value of \$159,695 (2019: \$96,455). Richard Homsany is the principal of Cardinals Corporate Pty Ltd. The legal services were provided on an arm's length basis in accordance with a schedule of rates agreed with the Company that is consistent with standard industry terms and conditions.



Other

The Company has not engaged external remuneration consultants to advise the Board on remuneration matters. The Company received 98.06% of 'yes' votes on its remuneration report for the 2019 financial year. The Company did not receive any specific feedback at the annual general meeting or throughout the year on its remuneration practises.

This concludes the Remuneration Report, which has been audited.

Environmental Legislation

The Company is committed to keeping its environmental impact as little as possible, and where there is any disturbance, to rehabilitate sites to accepted best practice. During the period under review the majority of work carried out was in Western Australia and the Northern Territory and the Company followed procedures and pursued objectives in line with guidelines published by the relevant State and Territory governments. These guidelines are quite detailed and encompass the impact on owners and land users, heritage, health and safety and proper restoration practices. Toro supports this approach and is confident that it properly monitors and adheres to these objectives, any local conditions applicable.

Indemnities Given to, and Insurance Premiums Paid for, Auditors and Officers

To the extent permitted by law, the Company has indemnified (fully insured) each director and the secretary of the Company for a premium of \$17,893 (2019: \$17,893). The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings (that may be brought) against the officers in their capacity as officers of the Company or a related body, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

The Company has not agreed to indemnify its auditor Moore Australia Audit (WA) against any claim by a third party.

Non-audit Services

The board of directors is satisfied that the provision of non-audit services, totalling \$28,410, performed during the year by the Company's auditors is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reason:

The nature of the services provided do not compromise the general principles relating to auditors independence as set out in APES 110 (Code of Ethics for Professional Accountants).

Auditor's Independence Declaration

The auditor's independence declaration for the year ended 30 June 2020 as required under section 307C of the *Corporations Act 2001* has been received and can be found on page 20.

Proceedings

At the date of this report there were no leave applications or proceedings brought on behalf of the Company under section 237 of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Directors

Richard Homsany
Executive Chairman
30 September 2020



Cautionary Statement

The BPD Studies are based on lower-level technical and economic assessments and are insufficient to provide certainty that the conclusions of the BPD Studies will be realised. Further, the Company cautions that there is no certainty that the forecast financial information contained in the BPD Studies will be realised. All material assumptions underpinning the forecast financial information are set out in this announcement. This forecasted financial information is deduced from an underlying mining production rate deemed possible due to the size of the Mineral Resources at Lake Maitland. Refer ASX announcement dated 1 February 2015 that shows Lake Maitland deposit has sufficient Mineral Resources to support a 2Mt/a mining operation. The estimated mineral resources underpinning the BPD Studies have been prepared by competent persons in accordance with the current JORC Code 2012 Edition and the current ASX Listing Rules. Toro has concluded it has a reasonable basis for providing the forward looking statement included in this announcement. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements and, in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF TORO ENERGY LIMITED & CONTROLLED ENTITIES**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

- a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit, and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 30th day of September 2020.



CORPORATE GOVERNANCE STATEMENT

The Board is committed to preserving and enhancing shareholder value through adhering to the highest standards of corporate governance across all of its activities. Fundamental to this commitment is transparent reporting of compliance with current guidelines.

As such, the Company has adopted the Corporate Governance Principles and Recommendations 3rd Edition which was released by the ASX Corporate Governance Council on 27 March 2014 and became effective for financial years beginning on or after 1 July 2014.

The Company's Corporate Governance Statement is current as of 29 September 2020 and it has been approved by the Board and follows. The Company's charters and policies can be found at its website at <http://www.toroenergy.com.au/corporate/corporate-governance/>.

Corporate Governance Council recommendation principles		Status
1	Lay solid foundations for management and oversight	
1.1	A listed entity should disclose: (a) The respective roles and responsibilities of its board and management; and (b) Those matters expressly reserved to the board and those delegated to management	Comply The Board is accountable to the shareholders for the performance of the Company and has overall responsibility for its operations. Day to day management of the Company's affairs and the implementation of the corporate strategy and policy initiatives are formally delegated by the Board to the Managing Director or equivalent. The key responsibilities of the Board include: • charting the strategic direction and related objectives of the Company and monitoring management performance in the achievement of these objectives; • adopting budgets and monitoring the financial performance of the Company; reviewing the performance of, and succession planning for, the Managing Director or equivalent; overseeing the establishment and maintenance of adequate internal controls and effective monitoring systems; • overseeing the implementation and management of effective safety and environmental performance systems; • ensuring all major business risks are identified and effectively managed; and • ensuring that the Company meets its legal and statutory obligations. In performing these responsibilities the Board acts in a manner designed to create and build sustainable value for all shareholders in accordance with the duties and obligations imposed upon them by the Company's Constitution and by law. For the purposes of the proper performance of their duties, the Directors are entitled to seek independent professional advice at the Company's expense, unless the Board determines otherwise. The Board schedules meetings on a regular basis and other meetings as and when required and regularly reviews the division of responsibility between the Board and management. To view the Company's Board Charter please refer the Company's website. The Company's Managing Director or equivalent and key executives are responsible for implementing the strategic objectives with appropriate reference to the risk framework as set by the Board and all aspects of the day-to-day operation of the Company.



Corporate Governance Council recommendation principles		Status
1.2	A listed entity should: (a) Undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a Director; and (b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.	Comply The Company has an agreed process for the selection, nomination and appointment of Directors guided by the Board. An integral part of this process requires that the Board ascertain the qualifications and experience that a potential candidate should possess prior to shortlisting candidates. Appropriate background checks are carried out on any potential candidates before a person is appointed by the Board or put forward as a candidate for election as a Director. Before each Annual General Meeting, the Board internally determines the suitability of candidates for re-election as Directors. Factors influencing this decision include the outcome of annual (or other) Board performance reviews and any other relevant matters. Sufficient background information including biographical detail, other directorships and status as independent or otherwise, is then provided in the Notice of Meeting for shareholders to inform them appropriately of potential candidates.
1.3	A listed entity should have a written agreement with each Director and senior executive setting out the terms of their appointment.	Partially comply The Company has written agreements in place with all Non-Executive Directors (which includes a signed consent to act) and key executives with the exception of the Executive Chairman who was appointed by the Board of Directors on 1 January 2017. Such agreements stipulate, amongst other items, in the case of Non-Executive Directors the time commitment envisaged, remuneration and term of appointment and confidentiality obligations. In the case of key executives additional items include the reporting structure applicable to the executive and their duties and responsibilities in the role as well as termination provisions and benefits.
1.4	The Company Secretary of a listed entity should be accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board.	Comply The Company Secretary reports directly to the Board through the Chairman on Board matters and all Directors have access to the Company Secretary. The Company Secretary's responsibilities include advising the Board on governance matters, monitoring board and committee policy and procedures, ensuring conduct at Board meetings is accurately reflected in minutes and that appropriate induction of new directors is facilitated. The Company Secretary also performs a management function and on these operational matters reports directly to the Managing Director and Chief Executive Officer where that position is filled otherwise continues to report to the Chairman.



Corporate Governance Council recommendation principles		Status
1.5	A listed entity should: (a) have a diversity policy which includes requirements for the Board or a relevant committee of the Board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them; (b) disclose that policy or a summary of it; and (c) disclose at the end of each reporting period the measurable objectives for achieving gender diversity set by the Board or a relevant committee of the Board in accordance with the entity's diversity policy and its progress towards achieving them and either: i) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executives" for these purposes); or ii) if the entity is a "relevant employer" under the Workplace Gender Equality Act, the entity's most recent "Gender Equality Indicators" as defined in and published under that Act.	Comply The Company has established a diversity policy which is available at the Company's website. The Company is cognisant of the positive impacts that diversity may bring to an organisation and as such the Company continues to assess all staff and Board appointments on their merits with consideration to diversity as a driver in decision making. The Managing Director and Chief Executive Officer or equivalent is responsible for monitoring Company progress on diversity and reports to the Nomination and Remuneration Committee or the Board directly on the effectiveness of diversity related initiatives. At the end of the reporting period the Company's Board consisted of three personnel, each of whom were male. The Company has a wide number of consultants and contractors of both genders. During the course of the current reporting period the Company had up to four female employees of a total employee count (inclusive of Directors) of ten (40%). The Company has adopted measurable objectives for the 2020 year to maintain or improve the current level of female participation across the Company and promote flexible working arrangements within the Company to encourage work place diversity.
1.6	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the Board, its committees and individual Directors, and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in accordance with that process	Comply The Company conducts board performance reviews annually. The results of each performance reviews will be documented and its achievements monitored by the Board on an ongoing basis. In relation to new appointments, induction procedures and materials outlining industry information, the Company's financial position, strategy and operations are made available to the incumbents.



Corporate Governance Council recommendation principles		Status
1.7	A listed entity should: (a) have and disclose a process for periodically evaluating the performance of its senior executives; and (b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with the process.	Comply Recognising that the performance of key executives and management is integrally linked to the performance of the Company, a performance evaluation of key executives is conducted annually in accordance with the processes outlined in the Remuneration Report. Performance of key management is reviewed annually by the Board and Managing Director or equivalent and has been conducted for the reporting period.
2	Structure the Board to add value	
2.1	The Board of a listed entity should: (a) have a nomination committee which: (i) has at least three members, a majority of whom are independent, and (ii) is chaired by an independent director; and disclose (iii) the charter of the committee, (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendance of the members at those meetings; or (b) if it does not have a nomination committee, disclose that fact and the processes it employs to address Board succession issues and to ensure that the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.	Comply All nomination related matters are discussed by the full Board. While the Board recognises this situation does not comply with the Corporate Governance Principles and Recommendations it notes that the duties of the Nominations Committee are effectively discharged by the full Board.



Corporate Governance Council recommendation principles		Status
2.2	A listed entity should have and disclose a Board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Comply The Company recognises that the adoption and disclosure of a Board skills matrix assists in providing confidence to shareholders. The Company considers that the members of its Board contribute the skills vital to the continued success of the Company and in the event that there are additional skills required these are outsourced where necessary to the Company's independent advisers. The Company has identified particular skills and attributes important to the Company at its current stage of development and with a view to its future needs. These skills are listed below: • Leadership experience • Technical and geological expertise • Finance and treasury expertise, particularly in the energy utilities sector • Legal expertise especially in the corporate and public listed entity environment • International company expertise and business acumen.
2.3	A listed entity should disclose: (a) the names of the Directors considered by the Board to be independent Directors; (b) if a Director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the Director; (c) the nature of the interest, position, association or relationship in question and an explanation of why the Board is of that opinion; and (d) the length of service of each Director.	Comply None of the current Directors of the Company are considered independent as they each are either employed by and/or are Directors or employees of major shareholders of the Company. As at 29 September 2020 the length of service of the other currently serving directors is as follows: • Mr Richard Homsany – 6 years 10 months • Mr Michel Marier – 5 years 8 months • Mr Richard Patricio – 6 years 10 months
2.4	A majority of the Board of a listed entity should be independent Directors.	Does not comply At the time of reporting there are three Directors on the Company Board, none of whom are considered independent with regards to the criteria established in the ASX Corporate Governance Councils Principles and Recommendations.
2.5	The Chair of the Board of a listed entity should be an independent Director and, in particular, should not be the same person as the CEO of the entity.	Does not comply The duties of the Executive Chairman of the Company include those ordinarily assumed by the Managing Director and Chief Executive Officer.
2.6	A listed entity should have a program for inducting new Directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	Comply The letter of appointment and induction pack provided to new Directors when appointed covers sufficient information as regards the Company's internal policies and operations as well as general requirements of Directors, for them to adequately perform their duties as Directors. Continuing professional education and opportunities for technical skill enhancement are made available to the Board at appropriate times.



Corporate Governance Council recommendation principles		Status
3	Promote ethical and responsible decision making	
3.1	A listed entity should: (a) have a code of conduct for its Directors, senior Executives and employees; and (b) disclose that code or a summary of it.	Comply The Company recognises that acting ethically and responsibly goes much further than simple compliance with governing law and regulations and that in order to retain the respect and confidence of stakeholders the Company must create a culture throughout the entity that promotes ethical and responsible behaviour. The Company has an established code of conduct for employees which outlines the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders and the responsibilities of individuals for reporting and investigating reports of unethical practices. The code of conduct is available on the Company's website.



Corporate Governance Council recommendation principles		Status
4	Safeguard integrity in corporate reporting	
4.1	The Board of a listed entity should: (a) have an audit committee which; (i) has at least three members, all of whom are Non-Executive Directors and a majority of whom are independent Directors; and (ii) is chaired by an independent Director who is not the Chair of the Board, and disclose: (iii) the charter of the committee; (iv) the relevant qualifications and experience of the members of the committee; and (v) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or (b) if it does not have an audit committee disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including that processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.	Does not comply Due to the reduction in board size the Company's Audit and Risk committee was disbanded effective 1 January 2018. All audit related matters are now discussed by the full Board. While the Board recognises this situation does not comply with the Corporate Governance Principles and Recommendations it notes that the duties of the Audit Committee are effectively discharged by the full Board. None of the current Directors of the Company are considered independent as they each are either employed by and / or are Directors or employees of major shareholders of the Company.
4.2	The Board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.	Comply The Executive Chairman and General Manager and Company Secretary have stated in writing to the Board that the Company's financial reports for the year ended 30 June 2020 present a true and fair view, in all material respects, of the Company's financial condition and operational results are in accordance with relevant accounting standards. Included in this statement was the confirmation that the Company's risk management and internal controls are operating efficiently and effectively.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its annual general meeting and is available to answer questions from security holders relevant to the audit.	Comply The Company's external auditor attends every annual general meeting and is available to answers questions relevant to the audit.



Corporate Governance Council recommendation principles		Status
5	Make timely and balance disclosure	
5.1	A listed entity should: (a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and (b) disclose that policy or a summary of it.	Comply The Company has an established continuous disclosure policy designed to ensure that all investors have equal and timely access to material information relating to the Company. The policy articulates the type of information that needs disclosure, the process of internal notification, the roles and responsibilities in the disclosure process, the process of promoting an understanding of disclosure requirements and external media and analysts communication protocols. This policy is available at the Company's website.
6	Respect the rights of security holders	
6.1	A listed entity should provide information about itself and its governance to investors via its website.	Comply The Company has a detailed website which is maintained regularly to ensure accuracy of information. Investors and stakeholders can access all ASX announcements, presentations, annual financial statements and corporate governance information on this website. Company announcements available on the website are presented in a clear and balanced way containing both positive and negative information. The Company's senior management regularly participate in investor roadshows and conferences and those presentations are uploaded to the website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	Comply The Company has an established Communications Policy that articulates how the Company will communicate with stakeholders to enhance their understanding of the Company, its business, policies, financial performance and progress. The Company website provides the opportunity for interested parties to join the mailing list to receive regular updates. The Communications Policy can be accessed at the Company's website.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Comply The Company recognises the importance of shareholder meetings as a forum for communication and has an established Communications Policy that articulates how the Company will communicate with its shareholders including attendance at shareholder meetings. The Communications Policy is available at the Company's website.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	Comply The Company utilises the services of Advanced Share Registry Ltd as its security registry and provides a link to their website from the Company's website so that security holders can obtain forms and select their method of interaction with the registry via its online portal.



Corporate Governance Council recommendation principles		Status
7	Recognise and manage risk	
7.1	The Board of a listed entity should: (a) have a committee or committees to oversee risk, each of which (i) has at least three members, a majority of whom are independent Directors, and (ii) is chaired by an independent Director; and disclose: (iii) the charter of this committee; and (iv) the members of the committee; and (v) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendance of members at those meetings; or (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.	Does not comply Due to the reduction in board size the Company's Audit and Risk committee was disbanded effective 1 January 2018. All risk related matters are now discussed by the full Board. While the Board recognises this situation does not comply with the Corporate Governance Principles and Recommendations it notes that the duties of the Audit and Risk Committee are effectively discharged by the full Board. None of the current Directors of the Company are considered independent as they each are either employed by and/or are Directors or employees of major shareholders of the Company.
7.2	The Board or a committee of the Board should: (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and (b) disclose, in relation to each reporting period, whether such a review has taken place.	Comply The identification, monitoring and, where appropriate, the reduction of significant risk to the Company is undertaken by the full Board. The Board monitors the Company's material business risks and reports are compiled and considered at regular meetings where it has been established that the internal control system is operating effectively in all material aspects.
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Comply The Company does not have an internal audit function as it considers the ongoing processes in place for assessing risk and improving the effectiveness of internal controls to be adequate when supported by the external audit function. There is a register of internal controls and a register of risks reviewed and tested which are compiled as a result of a twice yearly risk profiling exercise undertaken by the executive and supported and reviewed by the Board. At this review the Company assesses the risks, probability of occurrence, likely impact and mitigation strategies in detail.



Corporate Governance Council recommendation principles	Status
7.4 A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Comply The Company's core operations are uranium mineral exploration, acquisition and development. There are inherent risks by virtue of the nature of its business including economic, environmental and social sustainability risks. The Company has in place policies and procedures, including a risk management framework, which is developed and updated to help manage these risks. A copy of this Charter is available for download from the Company's website. The Company regularly assesses economic, environmental and social sustainability risks for their materiality and any impact on the Company's ability to create or preserve value for security holders over the short, medium or long term. "Economic sustainability" – the long term ability of the listed entity to continue operating at a particular level of economic production. The ability to fund future operations during the Company's development phase is dependent on the equity, debt and uranium market. In this regard key practices undertaken by the Board and senior executives to manage economic sustainability risk are: • Combining internal and external research to model uranium market price recovery and timing; • Alignment of working capital application with the anticipated recovery in the uranium market; • Investor relations programs designed to maintain open communication with shareholders, investors and debt providers; and • Cash management reviewed by the Board against approved budgets. "Environmental sustainability" – the long term ability of a listed entity to continue operating in a manner that does not compromise the health of the eco-systems in which it operates. Toro is aware of its responsibility to have as little impact as possible on the environment, and where there is any disturbance to rehabilitate sites. Toro's Environmental Policy and exploration practices adhere to West Australian legislative and regulatory requirements as well as following state, national and international guidelines for best practice relating to uranium companies. Toro supports these approaches and is confident that it properly monitors and adheres to these guidelines. "Social sustainability" – the long term ability of a listed entity to continue operating in a manner that meets accepted social norms and needs. In considering its material social sustainability objectives Toro has regard to its Indigenous Relations Policy, Environmental Policy and its Community Policy. Toro is a signatory to the Mineral Council of Australia's Code of Enduring Value, these values can be accessed here Toro's consultation process incorporated state, federal and local government agencies, Aboriginal people and representative organisations, and non-government organisations, and local and regional communities. Toro's community and stakeholder consultation program has adopted best practice guidelines including the Core Values for Public Participation (IAP2, 2010) and the Performance Standards and Guidelines on Impactive Stakeholder Engagement (IFC, 2006.)



Corporate Governance Council recommendation principles		Status
		A socio-economic impact assessment was commissioned to identify and understand social impacts and recommend means to maximise opportunities and benefits for communities and minimise potential adverse impacts. Bush Tucker surveys were commissioned to consider and identify plant species having value for traditional owners. Toro has been undertaking heritage surveys with the Traditional Owners since 2007 utilising the services of the Traditional Owners assisted by anthropologists and archaeologists.
8	Remunerate fair and responsibly	
8.1	The Board of a listed entity should: (a) have a remuneration committee which; (i) has at least three members, a majority of whom are independent Directors; and (ii) is chaired by an independent Director; and disclose: (iii) the charter for the committee; (iv) the members of the committee; and (v) as at the end of each reporting period the number of times the committee met throughout the period and the individual attendances of members at those meetings; or: (b) if it does not have a remuneration committee disclose that fact and the processes it employs for setting the level and composition of remuneration for Directors and senior Executives and ensuring that such remuneration is appropriate and not excessive.	Does not comply All remuneration matters are discussed by the full Board. While the Board recognises this situation does not comply with the Corporate Governance Principles and Recommendations it notes that the duties of the remuneration committee are effectively discharged by the full Board. The Board acknowledges the objectives of a remuneration policy to attract and retain high calibre employees and to reward them fairly while complying with the legal framework appropriate to remuneration.
8.2	A listed entity should separately disclose its policies and practices regarding the remuneration of Non-Executive directors and the remuneration of executive directors and other senior executives.	Comply The Company has a clearly distinguished structure of Non-Executive Directors' remuneration from that of Executive Directors and senior Executives. The Company is required to disclose in its annual report details of remuneration to directors. Please refer to the Remuneration Report for details regarding the remuneration structure of Executive and Non-Executive Directors and the Managing Director and senior Executives.
8.3	A listed entity which has an equity-based remuneration scheme should: (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and (b) disclose that policy or a summary of it.	Comply The Company has a Securities Incentive Plan (SIP) which entitles all employees to participate. Securities are granted at the discretion of the Board. A summary of the SIP. The Securities Trading policy which governs permitted trading and transactions, including in respect of employees, is available at the Company's website.



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated	
		2020 \$	2019 \$
Other income	5(a)	77,903	218,944
Impairment of non-current assets	5(b)	(43,397,596)	(1,156,426)
Depreciation expense	5(b)	(86,865)	(93,576)
Finance costs	5(b)	(596,735)	(643,991)
Employee benefits expense	5(c)	(267,243)	(225,790)
Other expenses	5(d)	(578,097)	(482,129)
Loss before income tax expense		(44,848,633)	(2,382,968)
Income tax benefit	6	-	-
Loss for the year		(44,848,633)	(2,382,968)
Other comprehensive loss for the year net of tax		-	-
Total comprehensive loss for the year		(44,848,633)	(2,382,968)
Loss attributable to owners of the Company		(44,848,633)	(2,382,968)
Basic and diluted loss per share from continuing operations (cents per share)	7	1.84	0.11

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 30 JUNE 2020

	Note	Consolidated	
		2020 \$	2019 \$
CURRENT ASSETS			
Cash and cash equivalents	8	3,410,913	5,088,517
Trade and other receivables	9	81,071	95,171
Other current assets	10	34,704	43,087
Financial assets	11	245,402	159,476
Total current assets		3,772,090	5,386,251
NON-CURRENT ASSETS			
Property, plant and equipment	12	591,043	635,769
Exploration and evaluation assets	13	18,000,000	58,077,189
Other non-current assets		5,000	5,000
Other receivables	9	-	-
Total non-current assets		18,596,043	58,717,958
Total assets		22,368,133	64,104,209
CURRENT LIABILITIES			
Trade and other payables	15	831,634	845,866
Provisions	16	139,511	108,272
Borrowings	17	10,000,000	10,000,000
Total current liabilities		10,971,145	10,954,138
NON-CURRENT LIABILITIES			
Provisions	16	2,252	838
Borrowings	17	5,000,000	6,000,000
Total non-current liabilities		5,002,252	6,000,838
Total liabilities		15,973,397	16,954,976
Net assets		6,394,736	47,149,233
EQUITY			
Issued capital	18	302,077,074	297,982,939
Reserves	19	554,290	554,290
Accumulated losses		(296,236,628)	(251,387,996)
Equity attributable to owners of the Company		6,394,736	47,149,233
Total equity		6,394,736	47,149,233

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



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2020

	Consolidated 2020 \$				Consolidated 2019 \$			
	Issued capital	Share reserve	Accumulated losses	Attributable to owners of the parent	Issued capital	Share reserve	Accumulated losses	Attributable to owners of the parent
	Note 18	Note 19			Note 18	Note 19		
Balance at the beginning of the year	297,982,938	554,290	(251,387,995)	47,149,233	294,068,906	1,949,290	(250,400,027)	45,618,169
Total comprehensive loss of the year	-	-	(44,848,633)	(44,848,633)	-	-	(2,382,968)	(2,382,968)
Proceeds from issue of shares	3,499,930	-	-	3,499,930	4,105,560	-	-	4,105,560
Transaction costs - issue of shares	(337,597)	-	-	(337,597)	(191,528)	-	-	(191,528)
Share-based payments	931,803	-	-	931,803	-	-	-	-
Expired options	-	-	-	-	-	(1,395,000)	1,395,000	-
Balance at the end of the year	302,077,074	554,290	(296,236,628)	6,394,736	297,982,938	554,290	(251,387,995)	47,149,233

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



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2020

	Note	Consolidated	
		2020 \$	2019 \$
Cash flows from operating activities			
Payments to suppliers and employees		(477,252)	(809,451)
Interest received		73,787	144,375
Government grants		12,000	1,107,290
Net cash (used in)/ provided by operating activities	8	(391,465)	442,214
Cash flows from investing activities			
Purchase of property, plant and equipment		(42,138)	(39,447)
Purchase of equity investments		(110,000)	(194,103)
Payments for exploration and evaluation assets		(3,296,334)	(3,401,820)
Net cash used in investing activities		(3,448,472)	(3,635,370)
Cash flows from financing activities			
Proceeds from issue of shares		3,499,930	4,105,560
Transaction costs of issue of shares		(337,597)	(191,528)
Repayment of borrowings		(1,000,000)	-
Net cash provided by financing activities		2,162,333	3,914,032
Net (decrease) / increase in cash and cash equivalents		(1,677,604)	720,876
Cash at the beginning of the financial year		5,088,517	4,367,641
Cash at the end of the financial year	8	3,410,913	5,088,517

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



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Nature of operations

Toro Energy Limited and its Subsidiaries' (**Group**) principal activities include the development of the Wiluna Uranium Project, the exploration of the Yandal Gold Project, generating and investing in securities and financial instruments and new projects in uranium, though not exclusively, exploration and evaluation of its tenement holdings.

2. General information and statement of compliance

The consolidated general purpose financial statements of the Group have been prepared in accordance with the requirements of the *Corporations Act 2001* (Cth), Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board (**AASB**). Compliance with Australian Accounting Standards results in full compliance with the International Financial Reporting Standards (**IFRS**) as issued by the International Accounting Standards Board (**IASB**). Toro is a for-profit entity for the purpose of preparing the financial statements. Toro Energy Limited is the Group's Ultimate Parent Company. Toro is a Public Company incorporated and domiciled in Australia. The address of its registered office and its principal place of business is 60 Havelock Street West Perth WA 6005. The consolidated financial statements for the year ended 30 June 2020 were approved and authorised for issue by the Board of Directors on 30 September 2020.

2.1. Changes in accounting policies

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australia Accounting Standards Board (AASB) that are relevant to its operations and effective for the current reporting period.

New standards which have become effective for the financial period beginning 1 July 2019 are as follows:

- AASB 16 Leases.

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 16 Leases has resulted in the following amendments to the Group accounting policies:

AASB 16 Leases

The Group as lessee

At inception of a contract, the Group assesses if the contract contains or is a lease. If there is a lease present, a right-of-use corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating lease on a straight-line basis over the term of the lease.

Initially, the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- lease payments under extension options if lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest.

Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.



The Group as lessor

Upon entering into each contract as a lessor, the Group assesses if the lease is a finance or operating lease

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases.

Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (eg legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Rental income due under finance leases are recognised as receivables at the amount of the Group's net investment in the leases.

When a contract is determined to include lease and non-lease components, the Group applies AASB 15 to allocate the consideration under the contract to each component.

3. Summary of accounting policies

3.1. Going concern

The consolidated financial statements have been prepared using the significant accounting policies and measurement basis 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 financial year ended 30 June 2020 of \$44,848,633 (2019: \$2,382,968), has current assets of \$3,772,090 and current liabilities of \$10,971,145. Within current liabilities is an amount 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 at the Company's election (refer Note 17(i)) for more information. Within non-current liabilities is a loan due to Sentient with a face value of \$5,000,000 (**Sentient Loan**) (refer Note 17(ii) for more information). In February 2020 an agreement was reached with Sentient to extend the date for repayment of the Sentient Loan to 31 December 2020. In consideration for the grant of this extension the Company repaid \$1,000,000 of the Sentient Loan at that time, and issued 120,388,021 fully paid ordinary shares in the capital of the Company in satisfaction of interest payable on the Sentient Loan up to the date of 2 February 2020. The Company has agreed that it will continue pay Sentient interest on the amount outstanding under the Sentient Loan, calculated at a 10% coupon rate, calculated daily and compounding annually. Sentient has agreed that the Company may elect to satisfy the payment of any interest payable on the Sentient Loan by the issue of fully paid ordinary shares in the capital of the Company (**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**). On 29 September 2020 an agreement was reached with Sentient to further extend the date for repayment of the Sentient Loan to 30 September 2021. 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.

After consideration of all of the above factors, management have assessed that, while uncertainty exists in relation to the Group's ability to continue all operations in their current form, it is appropriate to prepare the financial statements on a going concern basis, which contemplates continuity of a significant portion of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

The financial statements do not include adjustments relating to the recoverability and classification of recorded asset amounts, nor the amounts and classification of liabilities that might be necessary should the entity not continue as a going concern.

3.2. Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2020. 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 Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. 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 Group. 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 Group. The Group 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.

3.3. Business combination

Not applicable

3.4. Investments in associates and joint arrangements

Associates are those entities over which the Group is able to exert significant influence but which are not subsidiaries.

A joint venture is an arrangement that the Group controls jointly with one or more other investors, and over which the Group has rights to a share of the arrangement's net assets rather than direct rights to underlying assets and obligations for underlying liabilities. A joint arrangement in which the Group has direct rights to underlying assets and obligations for underlying liabilities is classified as a joint operation.

Investments in associates and joint ventures are accounted for using the equity method. Interests in joint operations are accounted for by recognising the Group's assets (including its share of any assets held jointly), its liabilities (including its share of any liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly). Any goodwill or fair value adjustment attributable to the Group's share in the associate or joint venture is not recognised separately and is included in the amount recognised as investment. The carrying amount of the investment in associates and joint ventures is increased or decreased to recognise the Group's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Group. Unrealised gains and losses on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in those entities. Where unrealised losses are eliminated, the underlying asset is also tested for impairment.

3.5. Functional currency translation

The consolidated financial statements are presented in Australian Dollars (\$AUD), which is also the functional currency of the Parent Company and all of its subsidiaries. The consolidated entity does not hold any foreign currency and does not have any assets or liabilities denominated in foreign currencies.

Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, except where deferred in other comprehensive income as a qualifying cash flow or net investment hedge.

Exchange difference arising on the translation of non-monetary items are recognised directly in other comprehensive income to the extent that the gain or loss is directly recognised in other comprehensive income, otherwise the exchange difference is recognised in the profit or loss.

Group companies

The financial results and position of foreign operations whose functional currency is different from the Company's presentation currency are translated as follows:

- Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;
- Income and expenses are translated at average exchange rates for the period, where this approximates the rate at the transaction date; and
- Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the Group's foreign currency translation reserve in the statement of financial position. These differences are recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in the period in which the operation is disposed.

The consolidated entity does not hold any foreign currency and does not have any assets or liabilities denominated in foreign currencies.



3.6. Revenue

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 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. Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

3.7. Operating expenses

Operating expenses are recognised in profit or loss upon utilisation of the service or at the date of their origin.

3.8. Borrowing 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 profit or loss 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 profit or loss in the period in which they are incurred.

3.9. Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.



Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Research and development

From 1 July 2011, the Australian Government has provided a tax incentive for eligible research and development expenditure. Management has assessed its research and development activities and expenditures to determine which are likely to be eligible under the scheme.

The Group records the benefit of this credit only when all qualifying research has been performed and the Group has obtained sufficient evidence from the relevant government authority that the credit will be granted.

Tax consolidation

The Company and its Australian wholly-owned entities are part of a tax-consolidated group under Australian taxation law. The head entity within the tax-consolidation group for the purposes of the tax consolidation system is Toro Energy Limited.

Toro Energy Limited and each of its own wholly-owned controlled entities recognise the current and deferred tax assets and deferred tax liabilities applicable to the transactions undertaken by it, after elimination of intra-group transactions. Toro Energy Limited recognises the entire tax-consolidated group's retained tax losses.

Amounts receivable from the Australian Tax Office in respect of research and development tax concession claims are recognised as a tax benefit at the time that the claim is lodged with the Australia Tax Office.

3.10. Goods and Service Tax

Revenues, expenses and assets are recognised net of the amount of GST except when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

3.11. 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 one day to six months and where there is an insignificant risk of changes in value.

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

3.12. 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. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect the debts. Bad debts are written off when identified.

3.13. Financial instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Group commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB 15.63.

Classification and subsequent measurement

Financial liabilities



Financial instruments are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit and loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB 3: Business Combinations applies;
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in profit or loss over the relevant period. The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if:

- it is incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship are recognised in profit or loss.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and are not subsequently reclassified to profit or loss. Instead, they are transferred to retained earnings upon derecognition of the financial liability. If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are initially measured at fair values (and if not designated as at fair value through profit or loss and do not arise from a transfer of a financial asset) and subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with AASB 9.3.25.3; and
- the amount initially recognised less the accumulative amount of income recognised in accordance with the revenue recognition policies.

Financial assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured at fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates;
- the business model for managing the financial assets comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The Group initially designates a financial instrument as measured at fair value through profit or loss if:



- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as “accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases;
- it is in accordance with the documented risk management or investment strategy, and information about the groupings was documented appropriately, so that the performance of the financial liability that was part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis;

The initial designation of the financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading and not a contingent consideration recognised by an acquirer in a business combination to which AASB 3:Business Combinations applies, the Group made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Group's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All of the following criteria need to be satisfied for derecognition of financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the Group no longer controls the asset (i.e. the Group has no practical ability to make a unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as at fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which was elected to be classified under fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Derivative financial instruments

The Group enters into various derivative financial instruments (ie foreign exchange forward contracts and interest rate swaps) to manage its exposure to interest rate and foreign exchange rate risks.

Derivative financial instruments are initially and subsequently measured at fair value. All gains and losses subsequent to the initial recognition are recognised in profit or loss.

Impairment

The Group recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets (e.g. amounts due from customers under construction contracts);
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or



- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the probability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The Group uses the following approaches to impairment, as applicable under AASB 9: Financial Instruments:

- the general approach;
- the simplified approach;
- the purchased or originated credit impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the Group assesses whether the financial instruments are credit-impaired, and if:

- the credit risk of the financial instrument has increased significantly since initial recognition, the Group measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; or
- there is no significant increase in credit risk since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times. This approach is applicable to:

- trade receivables or contract assets that result from transactions within the scope of AASB 15: Revenue from Contracts with Customers and which do not contain a significant financing component; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables was used taking into consideration various data to get to an expected credit loss (ie diversity of customer base, appropriate groupings of historical loss experience, etc).

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (eg default or past due event);
- a lender granting to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- high probability that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the Group assumes that the credit risk has not increased significantly since initial recognition and accordingly it can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the Group applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has strong capacity to meet its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term may, but not necessarily will, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

A financial asset is not considered to carry low credit risk merely due to existence of collateral, or because a borrower has a risk of default lower than the risk inherent in the financial assets, or lower than the credit risk of the jurisdiction in which it operates.

Recognition of expected credit losses in financial statements

At each reporting date, the Group recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit or loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value, with changes in fair value recognised in other comprehensive income. Amounts in relation to change in credit risk are transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (eg loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.



3.14. Property, plant and equipment

Property, 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 either a straight-line (SL) basis or diminishing value (DV) basis over the estimated useful life of the assets. The useful life of the assets is as follows:

Asset class	Depreciation method	Useful life
Buildings	DV	20 years
Plant and equipment and furniture and fittings	DV	2-100 years
Information technology	SL	4 years
Motor vehicles	DV	8-20 years
Leasehold property	DV	4-20 years

Impairment

The carrying values of plant and equipment are reviewed for impairment at each reporting date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired. The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their recent value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value. An impairment exists when the carrying value of an asset or cash-generating unit exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount. For plant and equipment, impairment losses are recognised in the profit or loss.

3.15. Leases

The accounting policies relating to leases were amended during the period as described above under the heading 'Changes in accounting policies' and are described in detail under the sub-heading AASB 16.

3.16. 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.

3.17. Impairment of non-financial assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. Any excess of the asset's carrying value over its recoverable amount is expensed to the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

3.18. 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.



3.19. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Profit or Loss and Other Comprehensive Income net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability.

3.20. Employee benefits

Wages, salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in respect of employee services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by the employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wages and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows.

Share-based payment transactions

The Company provides benefits to employees of the Group in the form of share-based payments, whereby employees receive options incentives (equity-settled transactions). The Company has established the SIP which provides benefits to employees. The cost of these equity-settled transactions with employees are measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black-Scholes option pricing model. The cost of equity-settled transactions is recognised as an expense in the Statement of Profit or Loss and Other Comprehensive Income, together with a corresponding increase in the share option reserve, when the options are issued. However, where options have vesting terms attached, the cost of the transaction is amortised over the vesting period. Upon the exercise of options, the balance of share based payments reserve relating to those options is transferred to share capital.

3.21. 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.

3.22. 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.

3.23. 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 3.16. 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 (also refer to Note 13).

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.

Key Judgment - Coronavirus (COVID-19) pandemic

Judgment has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Group based on known information. This consideration extends to the nature of the products and services offered, customers, staffing and geographic regions in which the Group operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

4. Segment reporting

The Consolidated Group has adopted AASB 8 Operating Segments with effect from 1 July 2009. AASB 8 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.

5. Revenue and expenses

		Consolidated	
		2020 \$	2019 \$
(a) Other income			
Bank interest received or receivable		65,903	146,192
Government grants income		12,000	69,290
Other		-	3,462
Total other income		77,903	218,944
Expenses			
(b) Impairment of assets			
Impairment of exploration and evaluation expenditure		43,373,522	1,096,400
Impairment of available for sale shares		24,074	60,026
Total Impairment of non-current assets		43,397,596	1,156,426
<i>Depreciation of non-current assets</i>			
Leasehold property		5,583	14,950
Buildings		7,640	8,246
Plant and equipment		65,141	60,297
Motor vehicles		8,501	10,083
Total depreciation		86,865	93,576
<i>Finance expenses</i>			
Amortisation of Unitisation Deed Borrowing Costs		-	-
Unwinding of Unitisation Deed Present Value discount		-	-
Amortisation of Sentient Loan Borrowing Costs		-	44,666
Unwinding of Sentient Loan Present Value discount		-	53,571
Amortisation of Sentient Loan Option Costs		-	-



		Consolidated	
		2020 \$	2019 \$
	Interest on Sentient Loan at 10%	596,735	545,754
	Total finance expenses	596,735	643,991
(c)	Employee benefits expense		
	Wages, salaries, directors fees and other remuneration expense	558,093	597,911
	Superannuation cost	42,917	39,098
	Payroll tax	-	-
	Redundancies	-	-
	Movement in annual leave provision	32,176	11,478
	Movement in long service leave provision	6,140	9,301
	Options based payments expense	-	-
	Transfer to capitalised tenements	(372,083)	(431,998)
	Total employee benefits expense	267,243	225,790
(d)	Other expenses		
	Promotion and advertising	66,625	12,000
	Travelling expenses	10,301	13,932
	Securities exchange and share registry fees	94,500	135,217
	Audit, R&D & accounting fees	117,930	165,347
	Conference expenses	2,430	3,184
	Insurance costs	41,831	-
	Consulting fees	103,592	67,849
	Legal fees	36,537	-
	Subscriptions	1,969	-
	Rent and utility expenses	18,301	18,301
	Other expenses	84,081	66,299
	Total other expenses	578,097	482,129



6. Income tax expense

	CONSOLIDATED	
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2020
\$

2019
\$

The major components of current and deferred expense comprise:

A reconciliation between tax expense and the product of accounting profit before income tax multiplied by the Group's applicable income tax rate is as follows:

Accounting loss before income tax	(44,848,633)	(2,382,968)
At Groups statutory income tax rate of 30% (2019:30%)	(13,454,590)	(714,890)
Add tax effect of:		
Losses not recognised	13,565,889	509,129
Other non-allowable items	-	21,388
Other deferred tax balances not recognised	(111,299)	184,373
Total Income Tax expense/(Benefit)	-	-

Deferred tax recognised at 30% (2019:30%) (Note 1):

Deferred tax liabilities:

Exploration expenditure	(5,400,000)	(17,423,157)
Other	(1,112)	(22,596)

Deferred tax assets:

Carry forward revenue losses	5,401,112	17,445,753
Net deferred tax	-	-

2020
\$

2019
\$

Unrecognised deferred tax assets at 30% (2019:30%) (Note 1):

Carry forward revenue losses	43,932,937	30,360,184
Provisions and accruals	6,001,146	6,083,296
Capital raising costs	115,499	45,967
Other	21,883	20,141
	50,071,465	36,509,588

The tax benefits of the above deferred tax assets will only be obtained if:

- the Company derives future assessable income of a nature and of an amount sufficient to enable the benefits to be utilised;
- the Company continues to comply with the conditions for deductibility imposed by law; and
- no changes in income tax legislation adversely affect the Company in utilising the benefits.

Note 1 - the corporate tax rate for eligible companies will reduce from 30% to 25% by 30 June 2022 providing certain turnover thresholds and other criteria are met. Deferred tax assets and liabilities are required to be measured at the tax rate that is expected to apply in the future income year when the asset is realised or the liability is settled. The Directors have determined that the deferred tax balances be measured at the tax rates stated.



Note 2 - Tax Consolidation

For the purpose of income taxation, the Company and its 100% Australian controlled entities have formed a tax consolidated group.

7. Loss per share

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

	Consolidated	
	2020 \$	2019 \$
Net loss attributable to ordinary equity holders of the Company	44,848,633	2,382,968
Weighted average number of ordinary shares for basic earnings per share	2,435,820,889	2,161,005,266
Loss per share (cents per share)	1.84	0.11

Potential shares relating to options totalling 42,750,000 (2019: 42,750,000) have not been included in determining diluted earnings per share because these are anti-dilutive.

8. Cash and cash equivalents

	Consolidated	
	2020 \$	2019 \$
Cash at bank and in hand	660,913	1,088,517
Short term deposits	2,750,000	4,000,000
	3,410,913	5,088,517

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. There is insignificant risk of changes in the value of such deposits. Refer to Note 23.

	Consolidated	
	2020 \$	2019 \$
Reconciliation of net loss after tax to net cash flows from operations		
Net loss	(44,848,633)	(2,382,968)
<i>Adjustments for non-cash items:</i>		
Depreciation	86,865	93,576
Amortisation of Sentient Loan Borrowing Costs	-	44,666
Unwinding of Sentient Loan Present Value discount	-	53,571
Impairment of non-current assets	43,397,596	1,156,426
Unrealised FX Gain		(3,461)
Share based payments	931,803	-
<i>Changes in assets and liabilities</i>		
(Increase)/Decrease in trade and other receivables	14,100	997,968
(Increase)/Decrease in other assets	8,383	(33,315)
Increase/(Decrease) in trade and other payables	(14,232)	498,664
Increase/(Decrease) in employee provisions	32,653	17,087
Net cash used in operating activities	(391,465)	442,214



9. Trade and other receivables

	Consolidated	
	2020 \$	2019 \$
Current		
Senior secured loan – Strateco	3,250,202	3,250,202
Provision for impairment – Strateco loan	(3,250,202)	(3,250,202)
Convertible Note – Strateco	15,291,482	15,291,482
Provision for impairment – Strateco convertible note	(15,291,482)	(15,291,482)
Trade receivables	-	-
R&D receivable	-	-
Goods and services tax receivables	81,071	95,171
	81,071	95,171

Senior Secured Loan - Strateco

On 22 December 2014, Toro acquired a C\$3M senior secured loan receivable in Strateco from Sentient. 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 was taken to account. The loan is secured over Strateco and its assets, namely the Matoush Uranium Project located in Quebec, Canada.

Convertible Note - Strateco

On 22 December 2014 Toro also acquired convertible notes in Strateco with a face value of C\$14.1M maturing on 27 February 2016 from Sentient. At the time of acquisition the convertible notes were accounted for as a loan receivable. 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. The convertible notes are also secured over Strateco and its assets.

Strateco is pursuing a law suit against the Quebec government. On 21 June 2017 Strateco advised that the Honourable Denis Jacques JCS rendered his decision in connection with the lawsuit against the Attorney General of Quebec on behalf of the Government of Quebec and the Minister of the Environment. Strateco's claim of C\$182.7M for the loss of its investment in the Matoush Uranium Project and an additional C\$10M in punitive damages was rejected. Strateco is appealing the decision and expects the appeal to be heard in late 2020.

Trade Receivables

As at 30 June 2020, the Company did not have any trade receivables which were outside normal trading terms (past due but not impaired).

10. Other current assets

	Consolidated	
	2020 \$	2019 \$
Accrued interest income	3,705	11,589
Prepayments	30,999	31,498
	34,704	43,087



11. Financial Assets

	Consolidated	
	2020 \$	2019 \$
Azarga Metals Corp - Shares	21,744	18,885
Galan Lithium Limited - Shares	213,658	121,091
Galan Lithium Limited – Unlisted options	-	-
Oakajee Corporation Limited - Shares	7,500	15,000
Oakajee Corporation Limited - Options	2,500	4,500
	245,402	159,476

The shares acquired in Strateco, SeqUr Exploration and European Uranium Resources in December 2014 were recorded at fair value at the time of acquisition and recorded as financial assets available for sale. Shares in SeqUr are not traded in an active market and as a result of SeqUr surrendering their interest in their sole exploration asset the book value of \$63,822 was fully impaired in the 30 June 2015 financial year. Strateco was declared insolvent in June 2015 and as such the Company's interest in Strateco shares valued at \$966,589 was fully impaired in the 30 June 2015 financial year. On 31 May 2016 European Uranium Resources changed its name to Azarga Metals Corp and shares in European Uranium Resources were consolidated on a 10 old for 1 new basis. Toro owns 204,108 shares in Azarga Metals Corp.

During the year Toro Energy Limited acquired 769,841 Galan Lithium Limited (ASX:GLN) shares together with 27,777 free attaching unlisted options at an average price of \$0.142 per share. The closing price of GLN shares on 30 June 2020 was \$0.15 and the fair value for the 769,841 Galan Lithium Limited shares was \$213,658 and the free attaching unlisted options having nil value.

12. Property, plant and equipment

	Consolidated				
	Plant and equipment \$	Motor vehicles \$	Leasehold property \$	Buildings \$	Total \$
30 June 2020					
<i>At cost</i>					
Opening balance	1,358,591	302,787	2,290,830	200,000	4,152,208
Additions	42,139	-	-	-	42,139
Disposals	-	-	-	-	-
Closing balance	1,400,730	302,787	2,290,830	200,000	4,194,347
<i>Accumulated depreciation</i>					
Opening balance	890,846	247,486	2,281,919	96,188	3,516,439
Expense	65,141	8,501	5,583	7,640	86,865
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Closing balance	955,987	255,987	2,287,502	103,828	3,603,304
<i>Summary</i>					
At cost	1,400,730	302,787	2,290,830	200,000	4,194,347
Accumulated depreciation	(955,987)	(255,987)	(2,287,502)	(103,828)	(3,603,304)
Net carrying amount	444,743	46,800	3,328	96,172	591,043
30 June 2019					
<i>At cost</i>					
Opening balance	1,321,417	300,514	2,290,830	200,000	4,112,761
Additions	37,174	2,273	-	-	39,447



	Consolidated				
	Plant and equipment \$	Motor vehicles \$	Leasehold property \$	Buildings \$	Total \$
Disposals	-	-	-	-	-
Closing balance	1,358,591	302,787	2,290,830	200,000	4,152,208
<i>Accumulated depreciation</i>					
Opening balance	830,549	237,403	2,266,969	87,942	3,422,863
Expense	60,297	10,083	14,950	8,246	93,576
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Closing balance	890,846	247,486	2,281,919	96,188	3,516,439
<i>Summary</i>					
At cost	1,358,591	302,787	2,290,830	200,000	4,152,208
Accumulated depreciation	(890,846)	(247,486)	(2,281,919)	(96,188)	(3,516,439)
Net carrying amount	467,745	55,301	8,911	103,812	635,769

13. Exploration and evaluation assets

	Consolidated	
	2020 \$	2019 \$
Balance at beginning of financial year	58,077,189	55,771,769
Expenditure incurred during the year	3,296,333	3,401,820
Impairment of exploration and evaluation assets	(43,373,522)	(1,096,400)
	18,000,000	58,077,189

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 March 2017 the Western Australian Labor Party won the Western Australian state government election. Soon after their election the government announced it would not allow uranium to be mined on all future granted mining leases. However the government announced that it would not prevent those projects that had received State Ministerial approvals from progressing. Each of the Centipede, Millipede, Lake Maitland and Lake Way deposits are included in the Company's State Ministerial Consent 1051 issued in January 2017. Accordingly, the Company has impaired, in full, all of its tenements that do not have State Ministerial approval to proceed. In addition the Company has impaired in full the expenditure on the Lake Way deposit on the basis that it would likely be the final of the four approved deposits to be mined and that its development remains many years into the future.

During the financial year, core and non-core tenements were impaired for a total amount of \$43,373,522 and the balance of the exploration and evaluation assets is \$18,000,000 as at 30 June 2020.

In the prior financial year the Company recognised a total impairment of \$1,096,400 against the Wiluna Uranium Project and a number of the Company's exploration properties. The impairment recorded reflected costs capitalised against mineral properties that were non-core to the Wiluna Uranium Project and or were considered earlier stage exploration properties that the Company did not have plans to undertake further exploration activities or assessment of.

14. Share based payments

Securities Incentive Plan

The Company has an established SIP. All employees (full and part time and including an executive director), non-executive directors, contractors and casual employees, and such other people as the Board determines, will be eligible to participate in the SIP. Securities are granted under the SIP at the discretion of the Board and on the terms and conditions approved by the Board and if permitted by the Board, may be issued to an eligible participant's nominee. The main purpose of the SIP is to give an additional reward to Directors, employees and consultants of the Company to provide dedicated and ongoing commitment and effort to the Company, and for the Company to reward its Directors, employees and consultants for their efforts. The SIP is a reward plan designed to increase the motivation of personnel and create a stronger link between increasing Shareholder value and personnel reward. Shares issued pursuant to the exercise of SIP convertible securities will



rank pari passu in all respects with the Company's existing Shares. Application will not be made for official quotation on the ASX of the securities issued under the SIP.

The expense recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income in relation to share-based payments is disclosed in Note 5(c).

The following table illustrates the number and weighted average exercise prices and movements in securities issued during the year:

	2020 Number	2020 Weighted average exercise price	2019 Number	2019 Weighted average exercise price
Outstanding at the beginning of the year	42,750,000	\$0.05	117,750,000	\$0.07
Granted during the year	-	-	-	-
Lapsed / expired during the year	-	-	(75,000,000)	\$0.08
Outstanding at the end of the year	42,750,000	\$0.05	42,750,000	\$0.05
Exercisable at the end of the year	42,750,000	\$0.05	42,750,000	\$0.05

The weighted average remaining contractual life for the share options outstanding as at 30 June 2020 is 1.96 years (2019: 2.96 years).

The range of exercise prices for options outstanding at the end of the year was \$0.045 – \$0.05075. No options were issued during the financial year (2019: Nil). The weighted average fair value of options granted during the year ending 30 June 2020 was \$0.05

The fair value of the equity-settled share options granted under the options 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.

15. Trade and other payables

	Consolidated	
	2020 \$	2019 \$
Trade payables	572,767	275,781
Other payables	37,182	24,332
Accrued interest expense	221,685	545,753
	831,634	845,866

Trade payables are non-interest bearing and are normally settled on 30-day terms. Other payables are non-interest bearing and are normally settled within 30 – 90 days. Information regarding the credit risk of current payables is set out in Note 23.

16. Provisions

	Consolidated	
	2020 \$	2019 \$
Current		
Annual leave	105,956	79,443
Long service leave	33,555	28,829
	139,511	108,272
Non-current		
Long service leave provision	2,252	838
	2,252	838



17. Borrowings

	Consolidated	
	2020 \$	2019 \$
Current		
Unitisation Deed (refer Note 17(i))	10,000,000	10,000,000
Less: present value discount of Sentient loan	(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 Unitisation Deed	10,000,000	10,000,000
Non-Current		
Sentient loan (refer Note 17(ii))	6,000,000	6,000,000
Less: present value discount of Sentient loan	(1,729,318)	(1,729,318)
Add: unwinding of present value discount	1,729,318	1,729,318
Less: transaction costs	(1,607,958)	(1,607,958)
Add: amortised transaction costs	1,607,958	1,607,958
Loan repayment (26 February 2020)	(1,000,000)	-
Total Sentient Loan	5,000,000	6,000,000
Total borrowings	15,000,000	16,000,000

(i) Unitisation Deed

In December 2014 the Company entered into a Unitisation Deed with the Sentient Group.

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). Upon termination, the unitisation fee is to be bought back by Toro at the higher of \$10,000,000 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 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.

The option to settle the debt in shares is a derivative that gives right to an asset or liability and therefore needs to be valued (AASB 132 para 26 and 27). The derivative is to be fair valued at each reporting date. In valuing the derivative, the approach is to determine the number of shares to be issued (based on the 30 day VWAP discounted for 7.5%) and then to value those shares using the current market price of a Toro Energy Ltd share.

The calculation is as follows:

- 30 Day VWAP at 30 June 2020 reporting date = \$0.0008843
- Discounted at 7.5% = \$0.00818
- Number of shares issued if terminated (10,000,000/0.00818) = 1,222,527,515
- Value of loan at 30 June 2020 (1,222,527,515*0.009 (30 June share price)) = \$11,002,748

If the loan was terminated at 30 June 2020 the value of equity issued to settle the debt would be approx. \$1,002,748 higher than current book value. The ultimate value attributed to the shares to be issued to settle the debt will fluctuate based on the 30-day VWAP compared to the Company's share price at termination date. Given the potential for significant fluctuations in the value of the derivative the directors consider it appropriate not to book the movement.



(ii) Sentient Group Loan

In November 2015 Sentient and Toro entered into a \$6,000,000 loan agreement. The loan is interest free and had matured on 2 August 2018. The Company issued of 75,000,000 options to Sentient with an exercise price of \$0.08 per share, on the inception date of the loan, and have since expired at maturity of the loan.

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 February 2020 an agreement was reached to further extend the date for repayment to 31 December 2020. In consideration for the grant of this extension the Company repaid \$1,000,000 of the loan to Sentient, and issued 120,388,021 fully paid ordinary shares in the capital of the Company in satisfaction of interest payable on the Sentient Loan up to the date of 2 February 2020. The Company has agreed that it will continue to pay Sentient interest on the amount outstanding under that loan, calculated at a 10% coupon rate, calculated daily and compounding annually. 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**).

On 29 September 2020 Sentient agreed to further extend the maturity date for the loan facility to 30 September 2021 thus the loan has been classified as non-current.

Accrued interest has been calculated on a pro rata basis and is disclosed in note 15. As consistent with the Utilisation deed the option to settle the interest in shares is a derivative that gives right to an asset or liability and therefore needs to be valued (AASB 132 para 26 and 27).

The calculation is as follows:

- 30 Day VWAP at 30 June 2020 reporting date = \$0.008843
- Discounted at 7.5% = \$0.00818
- Number of shares issued if interest was paid in shares (210,685/0.00818) = 25,756,112
- Value of interest at 30 June 2020 (25,756,112*0.009 (30 June share price)) = \$231,805

If the interest was paid in shares at 30 June 2020 the value of equity issued to settle the interest would be approx. \$21,120 higher than the interest recorded. Given the potential for significant fluctuations in the value of the derivative the directors consider it appropriate not to book the movement.

18. Issued capital

	Consolidated	
	2020 \$	2019 \$
Value as at end of the year	302,077,074	297,982,939
	Number of ordinary shares	\$
Balance at the beginning of the year	2,172,293,854	297,982,939
Shares issued - Share Purchase Plan – 8 November 2019 318,182,044 @ \$0.011	318,182,044	3,499,929
Shares issued - 120,388,021 Share payment to Sentient for loan Interest charges at \$0.00774	120,388,021	931,803
Collateral shares issued to Acuity Capital	135,000,000	-
Costs of capital raising	-	(337,597)
Balance at the end of the year	2,745,863,919	302,077,074

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

During the financial year the Company completed a share purchase plan (**2019 SPP**). Under the 2019 SPP eligible shareholders were offered the opportunity to acquire up to \$30,000 of fully paid ordinary shares in the capital of the Company (**New Shares**) at an issue price of \$0.011 (being a price equal to a 20% discount to the volume weighted average trading price of Shares traded on the ASX during the 5 days immediately prior to the issue date of the New Shares), being up to 2,727,272 New Shares per eligible shareholder, without incurring brokerage or other transactional charges.

The 2019 SPP closed on 1 November 2019. As announced to the ASX on 8 September 2019 the Company raised in \$3,500,000 by the issue of 318,182,044 New Shares pursuant to the 2019 SPP. The Company received applications totalling 2,542,000 from eligible shareholders pursuant to the 2019 SPP, with the balance of \$958,000 being subscribed for by the underwriter Patersons Securities



Limited. Funds raised by the Company in connection with the 2019 SPP were, or will be, applied to the completion of a 4,000m reverse circulation drill programme at the Company's 100% owned Yandal Gold Project, to advance uranium and vanadium processing studies at the Company's 100% owned Wiluna Uranium Project (including vanadium resource estimation), to retire debt and for general working capital and corporate purposes.

On 11 May 2020, the Company entered into the CPA with Acuity Capital, as detailed above. The CPA provides the Company with up to \$5,000,000 of standby equity capital over a 27 month period. Importantly, the Company retains full control of all aspects of the placement process, having sole discretion as to whether or not to utilise the CPA, the quantum of issued shares, the minimum issue price of shares and the timing of each placement tranche (if any). There are no requirements for the Company to utilise the CPA, and the Company may terminate the CPA at any time without cost or penalty. Acuity Capital and the CPA do not place any restrictions at any time on the Company raising capital through other methods. If the Company does decide to utilise the CPA, it is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price and a 10% discount to the volume weighted average price of the Company's shares over a period of the Company's choosing (again at the sole discretion of the Company). As collateral for the CPA, the Company agreed to place 135,000,000 fully paid ordinary shares in the capital of the Company at nil consideration to Acuity Capital. The Company may at any time cancel the CPA and buy back those collateral shares for no consideration (subject to Toro shareholder approval).

As announced after the end of the period on 1 September 2020 the Company utilised the CPA, issuing 108,000,000 fully paid ordinary shares at an issue price of \$0.0111 per share for total proceeds of \$1,200,000. The funds raised by that issue will be used to finance further drilling campaigns on the Company's Yandal Gold Project.

19. Reserves

	Consolidated	
	2020 \$	2019 \$
Balance at the beginning of the year	554,290	1,949,290
Options issued	-	-
Options expired	-	(1,395,000)
Balance at the end of the year	554,290	554,290

The nature and purpose of the share reserve is to record values of options and performance rights provided to directors, employees and third parties as part of remuneration or other transactions consideration.

20. Commitments

	Consolidated	
	2020 \$	2019 \$
Operating leases		
No longer than one year	40,990	55,759
Longer than one year and not longer than five years	350	11,490
Balance at the end of the year	41,340	67,249

As at 30 June 2020 the consolidated entity is the registered owner of approximately 30 granted mineral tenements. The rental and rates required to maintain these tenements are estimated at \$1,524,400 within one year and \$6,097,600 between two and five years. The consolidated entity does not have any bank guarantees in place as collateral over tenements which it is the registered holder of.

21. Auditors remuneration

	Consolidated	
	2020 \$	2019 \$
Audit and half yearly review of the financial report	40,225	42,294
Other professional services	28,410	16,300
Total	68,635	58,594



22. Controlled entities

	Ownership interest	
	2020	2019
Parent entity		
Toro Energy Limited		
Subsidiaries		
Toro Energy Exploration Pty Ltd	100%	100%
Toro Energy Canada Pty Ltd	100%	100%
Nova Energy Pty Ltd	100%	100%
Nova Energy (Africa) Pty Ltd	100%	100%
Redport Exploration Pty Ltd	100%	100%
Mega Lake Maitland Pty Ltd	100%	100%
Mega Stations Holdings Pty Ltd	100%	100%

Toro is the head entity within the tax consolidated group. All subsidiaries listed are members of the tax consolidated group. All members of the consolidated entity are incorporated in Australia.

23. Financial instruments

Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The three Levels of a fair value hierarchy are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

30 June 2020 \$				
	Level 1	Level 2	Level 3	Total
Financial Assets				
Shares recorded at FVTPL	245,402	-	-	245,402
	245,402	-	-	245,402
Financial Liabilities				
Borrowings	-	-	(15,000,000)	(15,000,000)
	-	-	(15,000,000)	(15,000,000)


30 June 2019 \$

	Level 1	Level 2	Level 3	Total
Financial Assets				
Shares recorded at FVTPL	159,476	-	-	159,476
	159,476	-	-	159,476
Financial Liabilities				
Borrowings	-	-	(16,000,000)	(16,000,000)
	-	-	(16,000,000)	(16,000,000)

Financial risk management policies

The Board of Directors are responsible for monitoring and managing financial risk exposures of the Group. The main risks the Group are exposed to involve credit risk, interest rate risk and liquidity risk.

Categories of financial instruments

The Group's financial instruments consist mainly of deposits with banks, accounts receivable and payable and leases.

The totals for each category of financial instruments, measured in accordance with AASB 9 as detailed in the accounting policies to these financial statements, are as follows:

	2020 \$	2019 \$
Financial assets		
Cash and cash equivalents	3,410,913	5,088,517
Trade and other receivables	81,071	95,171
Shares recorded at FVTPL	245,402	159,476
Financial liabilities		
Trade and other payables	831,634	845,866
Borrowings	15,000,000	16,000,000

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with credit worthy counterparties as a means of mitigating the risk of financial loss from activities.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk.

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders.



The capital structure of the Group consists of cash and cash equivalents, borrowings and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses as disclosed in the statement of changes in equity.

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

At reporting date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, the Company's net loss would increase or decrease by approximately \$17,055 (2019: \$25,443) which is attributable to the Group's exposure to interest rates on its variable bank deposits.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves and investing surplus cash only in major financial institutions.

Liquidity and interest risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

	Consolidated		
	< 1 year \$	>1-<5 years \$	Total \$
Year ended 30 June 2020			
Financial liabilities			
Fixed rate	10,831,634	-	10,831,634
Weighted average effective interest rate	-		
Fixed rate	-	5,000,000	5,000,000
Weighted average effective interest rate	-	0.10	-
Year ended 30 June 2019			
Financial liabilities	-	-	-
Fixed rate	10,845,866	6,000,000	16,845,866
Weighted average effective interest rate	-	0.10	-

The following table details the Group's expected maturity for its non-derivative financial assets. The table below has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the Group anticipates that the cash flow will occur in a different period.



	Consolidated		
	< 1 year \$	>1-<5 years \$	Total \$
Year ended 30 June 2020			
Financial assets			
Fixed rate	2,750,000	-	2,750,000
Weighted average effective interest rate	1.00%	-	-
Floating rate – cash assets	660,913	-	660,913
Weighted average effective interest rate	0.05%	-	-
Year ended 30 June 2019			
Financial assets			
Fixed rate	4,095,171	-	4,095,171
Weighted average effective interest rate	2.35%	-	-
Floating rate – cash assets	1,084,561	-	1,084,561
Weighted average effective interest rate	0.50%	-	-

24. Related party disclosures and KMP remuneration

Details of the ownership interests between Toro and the entities within the Group are outlined in Note 22. Transactions between Toro and its subsidiaries during the year consisted of loans advanced by Toro to fund exploration and evaluation of tenements. The closing value of all loans to wholly owned members of the Group is contained within the statement of financial position under non-current assets at Note 25.

During the year Cardinals Corporate Pty Ltd (**Cardinals**) provided legal advice to the Group amounting to \$159,695 (2019: \$96,455). Richard Homsany, a director of Toro throughout the year is the owner of Cardinals. The legal services were provided pursuant to a schedule of rates and were provided on arm's length basis.



Key management of the Group are the executive members of the Board of Directors and management. Key management personnel expenses include the following expenses:

	2020 \$	2019 \$
Short term employee benefits		
Salaries including bonuses	391,813	391,813
Shares issued in lieu of salary	-	-
Post-employment benefits		
Superannuation	4,750	4,750
Long term employee benefits		
Termination benefits	-	-
Share based payments	-	-
Total remuneration	396,563	396,563

25. Parent entity information

Financial statements and notes for Toro, the legal parent entity, are provided below:

	Parent	
	2020 \$	2019 \$
Financial position		
Current assets	3,750,337	5,367,357
Non-current assets	18,775,843	58,841,560
Total assets	22,526,180	64,208,917
Current liabilities	15,971,145	10,954,138
Non-current liabilities	2,252	6,000,838
Total liabilities	15,973,397	16,954,976
Shareholders' equity		
Issued capital	441,857,248	437,763,112
Share option reserve	554,290	554,290
Accumulated losses	(435,858,755)	(391,063,461)
Total equity	6,552,783	47,253,941
Financial performance		
Loss for the year	(44,795,293)	(2,242,438)
Other comprehensive income	-	-
Total comprehensive loss	(44,795,293)	(2,242,438)

26. Events after the balance sheet date

On 11 May 2020, the Company entered into the CPA with Acuity Capital, as detailed above. The CPA provides the Company with up to \$5,000,000 of standby equity capital over a 27 month period. Importantly, the Company retains full control of all aspects of the placement process, having sole discretion as to whether or not to utilise the CPA, the quantum of issued shares, the minimum issue price of shares and the timing of each placement tranche (if any). There are no requirements for the Company to utilise the CPA, and the Company may terminate the CPA at any time without cost or penalty. Acuity Capital and the CPA do not place any restrictions at any time on the Company raising capital through other methods. If the Company does decide to utilise the CPA, it is able to set a floor price (at its sole discretion) and the final issue price will be calculated as the greater of that floor price and a 10% discount to the volume weighted average price of the Company's shares over a period of the Company's choosing (again at the sole discretion of the



Company). As collateral for the CPA, the Company agreed to place 135,000,000 fully paid ordinary shares in the capital of the Company at nil consideration to Acuity Capital. The Company may at any time cancel the CPA and buy back those collateral shares for no consideration (subject to Toro shareholder approval).

As announced after the end of the period on 1 September 2020 the Company utilised the CPA, issuing 108,000,000 fully paid ordinary shares at an issue price of \$0.0111 per share for total proceeds of \$1,200,000. The funds raised by that issue will be used to finance further drilling campaigns on the Company's Yandal Gold Project.

Other than the above no other matters or circumstances have arisen since the end of the financial reporting year that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group in future financial years.



DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Toro Energy Limited:

1. In the opinion of the directors of Toro Energy Limited:
 - a. The consolidated financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
 - i. Giving a true and fair view of its financial position as at 30 June 2020 and of its performance for the financial year ended on that date; and
 - ii. Complying with Accounting Standards (including the Australian Accounting Interpretations) and *Corporations Regulations 2001*; and
 - b. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The directors have been given declarations required by Section 295A of the *Corporations Act 2001* from the Executive Chairman and Company Secretary for the financial year ended 30 June 2020.
 - a. Note 2 confirms that the consolidated financial statements also comply with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors.

Richard Homsany
Executive Chairman

Signed this 30th day of September 2020

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF TORO ENERGY LIMITED****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Toro Energy Limited (the "Company") and its subsidiaries (the "Group") which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- i. giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year then ended; and
- ii. complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the "Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Key Audit Matters (continued)

Carrying value of Exploration and Evaluation assets	
Refer to Notes 3.16 and 13	
At 30 June 2020 the carrying value of Exploration and Evaluation assets was \$18 million. In accordance with AASB6 Exploration for and Evaluation of Mineral Resources, the Group is required to report at each reporting date if there are any indicators of impairment which may suggest the carrying value is in excess of the estimated recoverable value. The process undertaken by management to assess whether there are any indicators of impairment in relation to each area of interest requires considerable judgement on their part. This area is a key audit matter because of the significant value attributed to the asset in the accounts and the significant management judgement involved in determining if impairment indicators exist at reporting date.	Our procedures included, amongst others: • Review of management's records of capitalised exploration and evaluation expenditure, by area of interest, and reconciling to the general ledger. • Ensuring that capitalised exploration and evaluation expenditure has been properly recorded in respect of each area of interest in accordance with requirements set out in AASB6. • Carrying out a review of management's assessment of impairment indicators in accordance with AASB 6 including – Confirming that rights of tenure continue to exist in relation to exploration projects; – Discussing with management their ongoing exploration and evaluation plans in respect of significant areas of interest including budgeted expenditure over the next 12 months; – Understanding whether any information exists (such as exploration results, completed commercialisation studies, etc) that may indicate that exploration and evaluation assets are unlikely to be recovered through development or sale; • Assessing the accuracy and adequacy of any impairments recorded in respect of the year ended 30 June 2020; and • Assessing the appropriateness of disclosures in respect of impairments made in the financial statements.

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

Key Audit Matters (continued)

Group's ability to continue as a going concern	
Refer to Note 3.1	
The financial statements are prepared on a going concern basis in accordance with AASB 101 Presentation of Financial Statements. The Group continues to incur significant operating losses in its ongoing efforts to explore and advance the commercialisation and development of its major assets. As the directors' assessment of the Group's ability to continue as a going concern is subject to significant judgement, we identified going concern as a significant risk requiring special audit consideration.	Our audit procedures included, amongst others, the following:: • An evaluation of the directors' assessment of the Group's ability to continue as a going concern. In particular, we reviewed budgets and cashflow forecasts for at least the next 12 months and reviewed and challenged the directors' assumptions. • Consideration of repayment terms of the Group's debt facilities including the ability to make repayments via means other than by cash or cash equivalents. • Reviewed plans by the directors to secure additional funding through either the issue of further shares and/or debt funding or a combination thereof. • An evaluation of the directors plans for future operations and actions in relation to its going concern assessment, taking into account any relevant events subsequent to the year end, through discussion with the directors. • Review of disclosure in the financial statements to ensure appropriate. Based on the work done, we agree with the director's assessment that the going concern basis of preparation is appropriate.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2020 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Responsibilities of the Directors for the Financial Report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report as included in the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Ultima United Limited, for the year ended 30 June 2020 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



NEIL PACE
PARTNER



MOORE AUSTRALIA AUDIT (WA)
CHARTERED ACCOUNTANTS

Signed at Perth this 30th day of September 2020.



ASX ADDITIONAL INFORMATION

Additional information required by the ASX Listing Rules and not shown elsewhere in this report is as follows. The information is current as at 29 September 2020.

The Company has used all its cash and cash equivalents for the purpose of carrying out its stated business objectives.

A total of 2,853,863,919 ordinary shares are on issue and held by 9,243 individual shareholders. All ordinary shares carry one vote per share.

A total of 30,000,000 unlisted options over ordinary shares exercisable at \$0.05075 per share before 20 December 2022 and 12,750,000 unlisted options over ordinary shares exercisable at \$0.045 per share before 31 March 2021 are on issue. There are no performance rights on issue.

Substantial shareholders

Holder	Number	%
Oz Minerals Ltd	422,759,378	14.81%
Mega Uranium Ltd	395,095,387	13.84%
The Sentient Group	364,302,720	16.99%

Distribution of equity security holders

Range	Total holders	Units	% Units
1 – 1,000	935	278,790	0.01
1,001 – 5,000	1,309	4,111,994	0.14
5,001 – 10,000	1,349	10,890,659	0.38
10,001 -100,000	3,647	147,021,945	5.15
100,001 and over	2,003	2,691,560,531	94.31
	9,243	2,853,863,919	100.00

Unmarketable parcels

Unmarketable parcels	Minimum parcel size	Holders	Units
Minimum \$500 parcel at \$0.013 per unit	38,461	5,684	61,547,571

Voting rights

Ordinary shares: On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share have one vote.

Options / Performance Rights: No voting rights.



Twenty largest holders of quoted equity securities

Holder	Number of fully paid ordinary shares	% of issued capital
OZ Minerals Limited	422,759,378	14.81
HSBC Custody Nominees (Australia) Limited	412,714,834	14.46
Sentient Executive GP IV Limited	302,938,400	10.62
Sentient Executive GP III Limited	181,752,341	6.37
Acuity Capital Investment Management Pty Ltd	91,939,958	3.22
Citicorp Nominees Pty Limited	71,412,525	2.50
J P Morgan Nominees Australia Limited	34,089,474	1.19
BNP Paribas Nominees Pty Ltd	33,949,784	1.19
Hongmen Pty Ltd	30,727,273	1.08
Mr William Thomas John	13,000,000	0.46
Mr Kien Tuong Ta	11,869,000	0.42
Mrs Marguerite Irene Moyes	10,421,931	0.37
Cap Rock Investments Pty Ltd	9,161,518	0.32
Mr Peter Murray Nicholas	7,500,000	0.26
Mr Kevin John Cairns & Mrs Catherine Valerie Cairns	7,500,000	0.26
Mr Peter Palan & Mrs Clare Palan	7,414,773	0.26
Mr Bartholomew Riordan	6,800,000	0.24
Mr Peter Kelly	6,727,273	0.24
Zephyr Professional Pty Ltd	6,722,945	0.24
Mr Daniel Gerard Love & Mrs Julie Leanne Love	6,064,139	0.21
Top 20 holders of TOE ordinary shares	1,681,221,657	58.92
Total remaining holders balance	1,172,642,262	41.08



CURRENT TENEMENT LIST

Tenement	Owner	Area	Project	Status	Location	Comments
M53/113	Nova Energy Pty Ltd	486 ha	Centipede, Wiluna Uranium Project	Granted	WA	
M53/224	Nova Energy Pty Ltd	873 ha	Centipede, Wiluna Uranium Project	Granted	WA	
M53/1090	Nova Energy Pty Ltd	2,321 ha	Lake Way, Wiluna Uranium Project	Granted	WA	
G53/021	Nova Energy Pty Ltd	9 ha	Centipede, Wiluna Uranium Project	Granted	WA	
G53/022	Nova Energy Pty Ltd	9 ha	Centipede, Wiluna Uranium Project	Granted	WA	
G53/023	Nova Energy Pty Ltd	1,320 ha	Centipede, Wiluna Uranium Project	Granted	WA	
L53/175	Nova Energy Pty Ltd	4,865 ha	Centipede, Wiluna Uranium Project	Granted	WA	
L53/182	Nova Energy Pty Ltd	47 ha	Centipede, Wiluna Uranium Project	Granted	WA	
L53/183	Nova Energy Pty Ltd	38 ha	Centipede, Wiluna Uranium Project	Granted	WA	
L53/184	Nova Energy Pty Ltd	174 ha	Centipede, Wiluna Uranium Project	Granted	WA	
L53/205	Nova Energy Pty Ltd	18 ha	Centipede, Wiluna Uranium Project	Granted	WA	



Tenement	Owner	Area	Project	Status	Location	Comments
M53/336	Nova Energy Pty Ltd	567 ha	Millipede, Wiluna Uranium Project	Granted	WA	
M53/1095	Nova Energy Pty Ltd	610 ha	Millipede, Wiluna Uranium Project	Granted	WA	
M53/1089	Redport Exploration Pty Ltd	7,334 ha	Lake Maitland, Wiluna Uranium Project	Granted	WA	
L53/167	Redport Exploration Pty Ltd	278 ha	Lake Maitland, Wiluna Uranium Project	Granted	WA	
E53/1060	Redport Exploration Pty Ltd	2 blocks	Lake Maitland, Wiluna Uranium Project	Granted	WA	
E53/1146	Redport Exploration Pty Ltd	14 blocks	Lake Maitland, Wiluna Uranium Project	Granted	WA	
E53/1210	Redport Exploration Pty Ltd	16 blocks	Lake Maitland, Wiluna Uranium Project	Granted	WA	
E53/1211	Redport Exploration Pty Ltd	15 blocks	Lake Maitland, Wiluna Uranium Project	Granted	WA	
R53/003	Nova Energy Pty Ltd	4,127 ha	Dawson Hinkler, Wiluna Uranium Project	Granted	WA	
R51/003	Nova Energy Pty Ltd	1,781 ha	Nowthanna, Wiluna Uranium Project	Granted	WA	
R80/001	Nova Energy Pty Ltd	3,049 ha	Theseus Uranium Project	Granted	WA	



Tenement	Owner	Area	Project	Status	Location	Comments
E53/1858	Toro Exploration Pty Ltd	4 blocks	Exploration	Granted	WA	
E53/1909	Toro Exploration Pty Ltd	6 blocks	Exploration	Granted	WA	
E53/1929	Toro Exploration Pty Ltd	4 blocks	Exploration	Granted	WA	
E53/1593	Toro Exploration Pty Ltd	1 block	Exploration	Granted	WA	
EL25048	Nova Energy Pty Ltd	476 blocks	Exploration	Application	NT	
EL25787	Toro Energy Ltd	3 blocks	Exploration	Application	NT	
EL26601	Toro Energy Ltd	25 blocks	Exploration	Application	NT	
EL26636	Toro Energy Ltd	20 blocks	Exploration	Application	NT	
EL26740	Toro Energy Ltd	321 blocks	Exploration	Application	NT	
EL27534	Toro Energy Ltd	68 blocks	Exploration	Application	NT	
EL27535	Toro Energy Ltd	248 blocks	Exploration	Application	NT	
EL28093	Toro Energy Ltd	53 blocks	Exploration	Application	NT	



Current Tenement List

EL28997	Toro Energy Ltd	120 blocks	Exploration	Application	NT	
Tenement	Owner	Area	Project	Status	Location	Comments
EL32067	Toro Energy Ltd	161 blocks	Exploration	Application	NT	
EL32068	Toro Energy Ltd	95 blocks	Exploration	Application	NT	
EL32069	Toro Energy Ltd	68 blocks	Exploration	Application	NT	



JORC TABLES

Wiluna Uranium Project Resources Table (JORC 2012) At 200ppm cut-offs inside U₃O₈ resource envelopes for each deposit - Proposed Mine Only									
		Measured		Indicated		Inferred		Total	
		U ₃ O ₈	V ₂ O ₅	U ₃ O ₈	V ₂ O ₅	U ₃ O ₈	V ₂ O ₅	U ₃ O ₈	V ₂ O ₅
Centipede / Millipede	Ore Mt	4.9	-	12.1	-	2.7	53.6	19.7	53.6
	Grade ppm	579	-	582	-	382	327	553	327
	Oxide Mlb	6.2	-	15.5	-	2.3	38.6	24	38.6
Lake Maitland	Ore Mt	-	-	22	-	-	27	22	27
	Grade ppm	-	-	545	-	-	303	545	303
	Oxide Mlb	-	-	26.4	-	-	18	26.4	18
Lake Way	Ore Mt	-	-	10.3	-	-	15.7	10.3	15.7
	Grade ppm	-	-	545	-	-	335	545	335
	Oxide Mlb	-	-	12.3	-	-	11.6	12.3	11.6
Total	Ore Mt	4.9	-	44.3	-	2.7	96.3	52	96.3
	Grade ppm	579	-	555	-	382	322	548	322
	Mlb	6.2	-	54.2	-	2.3	68.3	62.7	68.3



Competent Persons' Statement

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

The information presented here that relates to 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.

Theseus Uranium Project								
Mineral Resources Table (JORC 2012) 200ppm U ₃ O ₈ cut-off								
Measured and Indicated			Inferred			Total		
Ore Mts	Grade ppm	U3O8 Mlbs	Ore Mts	Grade ppm	U3O8 Mlbs	Ore Mts	Grade ppm	U3O8 Mlbs
-	-	-	6.3	493	6.9	6.3	493	6.3
-	-	-		-		493		493
-	-	-		-		6.9		6.9

- (1) Refer to Competent Persons Statement below and the JORC table 1 presented in ASX release of 2 February 2016 for details on how these Mineral Resources are estimated. Governance and internal controls relevant to the integrity of the Mineral Resource estimate can be found in the competent / qualified persons statements in the JORC table 1 submitted with the ASX announcement of 2 February 2016.
- (2) Tonnes and pounds are quoted to one decimal place which may cause rounding errors when tabulating.
- (3) There were no material changes in the Mineral Resources estimate in the financial year.

Competent / Qualified Persons Statement

The information presented here that relates to Mineral Resources of the Theseus Uranium Project is based on work supervised by Michael Andrew, who is a member of the Australian Institute of Mining and Metallurgy of the Australian Institute of Geoscientists. Mr Andrew is a full time employee of Optiro, and has sufficient experience which is relevant to the style of mineralisation and type of deposits under consideration and to the activity he is undertaking to qualify as a Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Andrew consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.