

TORO ENERGY LIMITED

2023 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
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 2023.

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 – Appointed 1 January 2017 Non-executive Director – Appointed 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. He holds a Bachelor of Commerce and Bachelor of Laws (Honours) from the University of Western Australia.
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	500,000 fully paid ordinary shares
Interest in options / performance rights	45,000,000 options exercisable at \$0.01885 on or before 20 November 2025 50,000,000 options exercisable at \$0.03335 on or before 21 January 2027 40,000,000 Performance Rights on terms and conditions set out in the Company's notice of annual general meeting dated 28 October 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.

Sterling Metals Corp.

SixtySix Capital (formerly Hydro66 Holdings Corp)

Mindset Pharma Inc.

Latitude Uranium Inc.

Former listed public
company directorships
(last three years)

Beyond Minerals Inc.

Interest in ordinary
shares

-

Interest in options /
performance rights

20,000,000 options exercisable at \$0.01885 on or before 20 November 2025

20,000,000 options exercisable at \$0.03335 on or before 21 January 2027

20,000,000 Performance Rights on terms and conditions set out in the Company's notice of annual general meeting dated 28 October 2022

Director

Michel Marier, BBA (Int'l Mgt), M.Sc (Finance)., CFA

Appointment

Non-executive Director – Appointed 22 December 2014

Biography

Michel is a co-founder and executive director of Integrated Energy Metals Pte Ltd (**IEM**), Integrated Battery Metals Pte Ltd (**IBM**) and Integrated Lithium Metals Pty Ltd (**ILM**) from early 2023. Before co-founding IEM, IBM and ILM, Mr Marier worked as an investment manager for Sentient Equity Partners/The Sentient Group for 13 years and 8 years at the Private Equity division of la Caisse de dépôt et placement du Québec. Mr Marier holds a Master's Degree in Finance from HEC Montréal.

Other current listed
company directorships

-

Former listed public
company directorships
(last three years)

Leadfx Limited (resigned 15 June 2021)

Samco Gold (resigned 6 November 2020)

Interest in ordinary
shares

-

Interest in options /
performance rights

20,000,000 Performance Rights on terms and conditions set out in the Company's notice of annual general meeting dated 28 October 2022

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 carry out exploration drilling on the Company's Dusty Nickel Project and its Yandal Gold and Base Metals Projects within the Company's Lake Maitland tenement package and to explore its tenement holdings and seek other new opportunities in uranium and energy-related commodities.

Review of Operations and Financial Results

Wiluna Uranium Project

During the year the Company finalised a Scoping Study (**Study**) for the proposed stand-alone Lake Maitland Uranium-Vanadium operation on its Wiluna Uranium Project, located approximately 105 km southeast of Wiluna township in Western Australia and 730 km NE of Perth (**Figure 1**). The Study was completed by mining engineers at SRK Consulting Australasia (**SRK**) and metallurgical and processing engineers at Strategic Metallurgy and highlights the project's potential to deliver robust financial returns.



Figure 1: Wiluna Uranium Project

The key project capital, operating and financial estimates for the Lake Maitland Uranium Deposit, which were announced by the Company after the end of the quarter on 28 October 2022 are presented in **Table 1** below.

The Scoping Study contemplates mining and processing potential uranium ore from the Lake Maitland Uranium Deposit as a stand-alone operation and producing a uranium peroxide product (yellow cake), for sale. It also contemplates stripping vanadium from the uranium processing flow stream, which is liberated from the uranium ore mineral, a potassium uranium vanadate, along with the uranium during leaching, to produce a low value sodium hexavanadate, as a by-product.

A potential stand-alone Lake Maitland Uranium (with vanadium by-product) operation was scoped for contemplation as a potential viable alternative to the already proposed greater Wiluna Uranium Project that has received state and federal environmental approval. In that project the Lake Maitland Uranium Deposit is one of three (3) uranium deposits whereby potential uranium ore is planned to be mined from the Lake Maitland Uranium Deposit and trucked some distance north to a processing plant at the Centipede-Millipede Deposit. The potential stand-alone Lake Maitland operation contemplates the potential viability of only mining potential uranium ore from the Lake Maitland Uranium Deposit and processing it in a facility directly on site, next to the mining pit. None of the other uranium deposits owned by Toro in the region would be utilised. The potential stand-alone Lake Maitland operation would also differ from the greater Wiluna Uranium Project in that it contemplates a different processing flow sheet with major changes to the processing plant and reagent volumes, and a simpler more conventional mining method. For further information concerning the results of the Scoping Study please see Table 1 below and the Company's announcement of 24 October 2022.

Subsequent to the end of the reporting period, the Company announced on 13 August 2023 that metallurgical consulting group, Strategic Metallurgy had been commissioned by Toro to undertake a detailed design of a pilot plant to further assess the new processing flowsheet for its 100% owned Wiluna Uranium Project.

RESOURCES	Life of Mine (LoM)	17.5 years
	Plant Ore Throughput	1.95Mtpa
	Run-of-Mine (RoM) Uranium Grade (Years 1-5)	1,007 ppm U ₃ O ₈
	ROM Uranium Grade (LoM)	370.7 ppm U ₃ O ₈
	Average Strip Ratio (LoM)	1.17 tonne waste/tonne ore
	Uranium Metallurgical Recovery	79.5%
	Vanadium Metallurgical Recovery	60%
PRODUCTION	Annual Uranium Production	1.3Mlbs U ₃ O ₈
	Annual Vanadium Production	0.7Mlbs V ₂ O ₅
	Total Uranium Production (LoM)	22.8Mlbs U ₃ O ₈
	Total Vanadium Production (LoM)	11.9Mlbs V ₂ O ₅
	Non-Processing and Mining Capital	A\$98.2 million
	Process Plant Capital	A\$101.6 million
	EPCM and Contingencies	A\$69.9 million
	Total Capital	A\$269.7 million
OPERATIONS	Exchange Rate A\$:US\$	0.70
	C1* Cash Operating Cost (Years 1-7)	US\$15.84/lb U ₃ O ₈
	C1* Cash Operating Cost (LoM)	US\$23.10/lb U ₃ O ₈
	AISC# Operating Cost (Years 1-7)	US\$20.32/lb U ₃ O ₈
	AISC# Operating Cost (LoM)	US\$28.02/lb U ₃ O ₈
PROJECT ECONOMICS	Uranium Price Assumption	US\$70.00/lb U ₃ O ₈
	Vanadium Price Assumption	US\$5.67/lb V ₂ O ₅
	Project NPV at 8% discount rate (pre-tax)	A\$610 million
	Project IRR (pre-tax)	41%
	Payback Period	2.5 years

Table 1: Key Lake Maitland Uranium Project capital, operating and financial estimates

Notes to Table 1:

*C1 Cash Operating Cost includes all mining, processing, maintenance, transport and administration costs plus a by-product credit for vanadium pentoxide sales revenue, but excludes royalties and sustaining capital.

#AISC is All-In Sustaining Cost, which is C1 Cash Operating Cost plus royalties and sustaining capital.

Competent Persons' Statement

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

The information presented here that relates to U₃O₈ and V₂O₅ Mineral Resources of the Centipede-Millipede, Lake Way and Lake Maitland deposits is based on information compiled by Dr Greg Shirliff 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 Shirliff takes responsibility for the integrity of the data supplied for the estimation. Dr Shirliff 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.

Exploration

Throughout the year Toro continued exploration on its Dusty Nickel Project. The Company's Dusty Nickel Project and the Yandal Gold and Base Metals Project are located in the northern goldfields region of Western Australia, some 50km east of the world class Mt Keith Nickel Deposit and 15kmNE of the world class Bronzewing and Mt McClure gold deposits of the Yandal Greenstone Belt. The tenure for both projects is shared with that of the Company's Wiluna Uranium Project (see **Figure 2**) and incorporates the Lake Maitland Uranium Deposit within its bounds.

Dusty Nickel Project

During the year the Company carried out a diamond drilling campaign on the Dusty Nickel Project, with a focus on targeted, cost effective activities that will add value to both the Wiluna Uranium Project and the Dusty Nickel Project. Geological assay results received during the year included:

- Diamond drill hole TED37 intersected 3.45m of massive Ni-sulphide grading 1.42% Ni, 0.19% copper (Cu) and 0.76 g/t platinum (Pt) plus (+) Palladium (Pd) from 240.1m downhole including 1.45m of massive Ni-sulphides grading 2.2% Ni, 0.36% Cu and 1.27 g/t Pt+Pd from 242.2m downhole.
- Diamond drill hole TED38 intersected 2.44m of massive Ni-sulphide grading 1.16% Ni, 0.2% Cu and 0.77 g/t Pt+Pd from 231.65m downhole.
- Diamond drill hole TED41 intersected 4.31m of massive Ni-sulphide grading 1.16% Ni, 0.29% Cu and 0.386 g/t Pt+Pd from 243.33m downhole.
- Diamond drill hole TED42 intersected 3.13m of massive Ni-sulphide grading 1.42% Ni, 0.17% Cu and 0.605 g/t Pt+Pd from 314m downhole.
- TED53 intersected 4.31m of massive and semi-massive Ni-sulphide grading 1.37% Ni, 0.13% Cu and 0.539 g/t Pt+Pd from 332m downhole, being twice as thick as first thought and as announced on 12 April 2023.
- TED54 intersected two zones of Ni-sulphide, a 4.6m zone of massive Ni-sulphide grading 1.61% Ni, 0.22% Cu and 0.56 g/t Pt+Pd from 194.2m downhole and second zone consisting of 9m of blebby and disseminated Ni-sulphide grading 0.79% Ni from 162m downhole, inclusive of 3m grading 1.09% Ni from 166m downhole.
- TED55 intersected 2.1m of massive Ni-sulphide grading 1.83% Ni, 0.29% Cu and 0.55 g/t Pt+Pd from 147.1m downhole.

Only ~4.5km of the 7.5km long Dusty Komatiite magnetic trend has been tested to date, with Toro having already discovered four zones of massive or semi-massive nickel sulphide (**Figure 3**). All four discoveries on the Dusty Nickel Project remain open at depth with Houli Dooley still yet to be tested with a successful follow-up hole. There has been no drilling between Jumping Jack and Dimma due to the current location of the Toro exploration camp and hardstand facilities, however Toro considers that this is an obvious future area for drilling going forward once those facilities have been relocated.

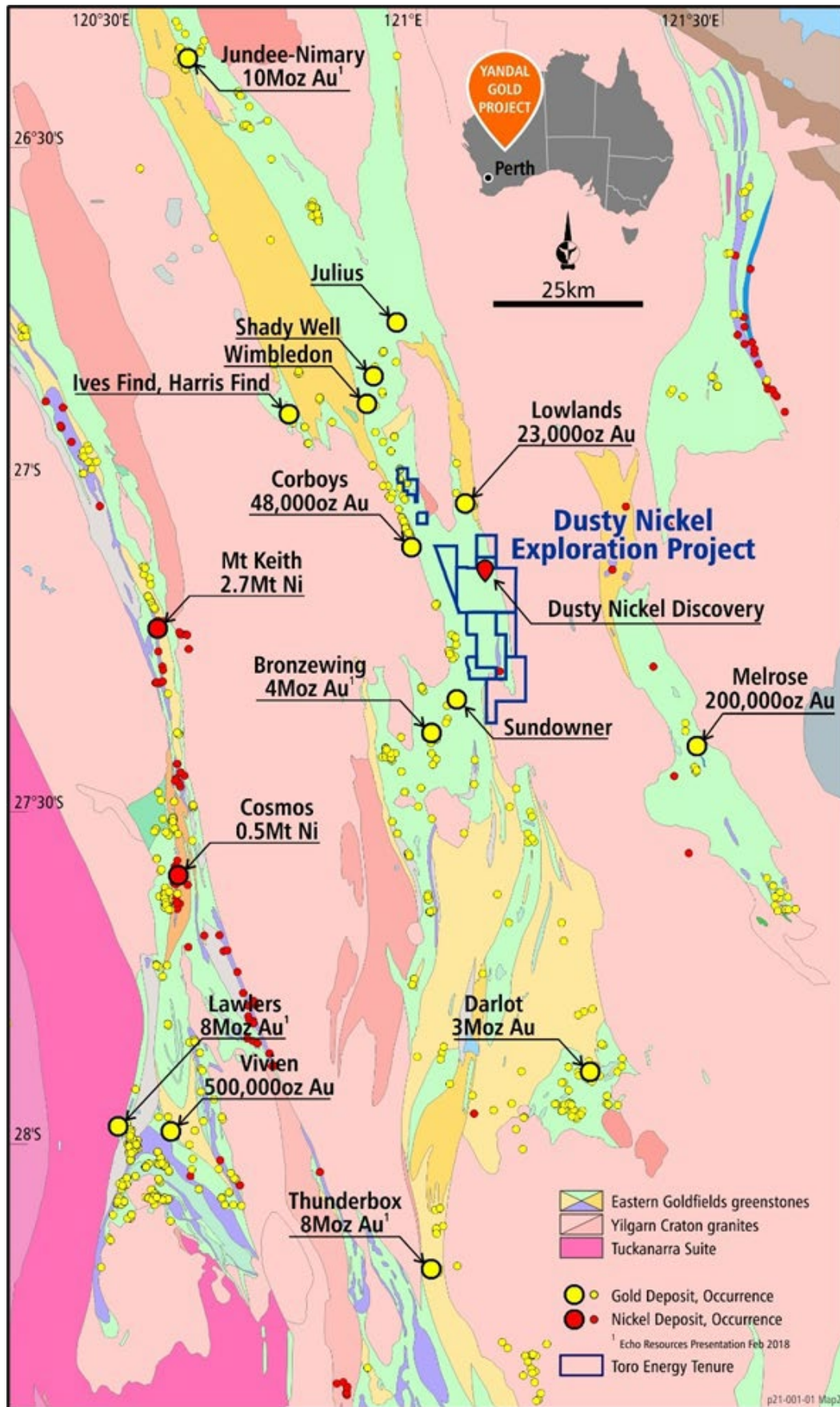


Figure 2: Location of the Dusty Nickel Project

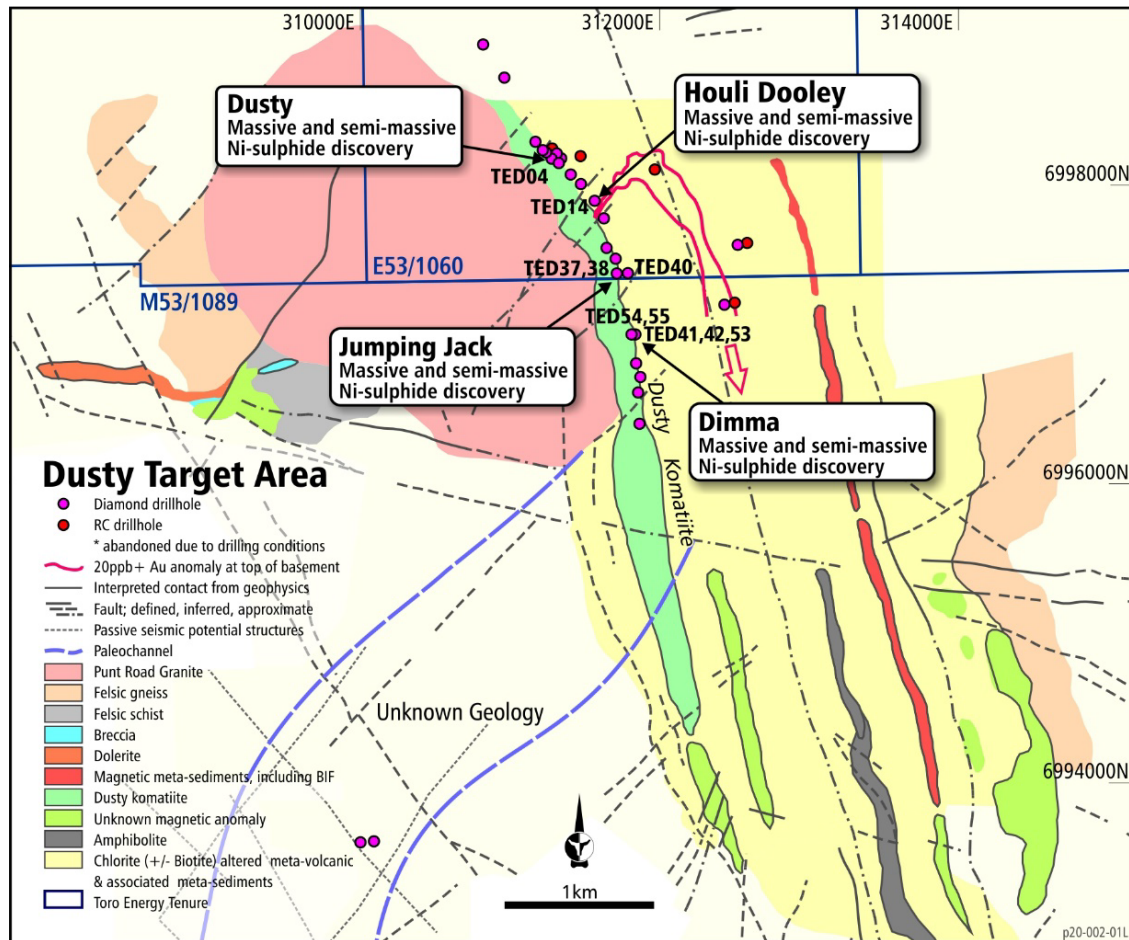


Figure 3: Location of the four nickel sulphide discoveries within the Dusty Target Area. Note the extensive strike length of the Dusty Komatiite, at least 7.5km long.

Yandal Gold and Base Metals Project

No further drilling was carried out on the Yandal Gold and Base Metals Project during the period.

Although nickel and gold are the primary targets of the Dusty Nickel Project and the Yandal Gold and Base Metals Projects, 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).

Competent Person's Statement

The information in this document that relates to geology and exploration was authorised by Dr Greg Shirtliff, who is a full time employee of Toro Energy Limited. Dr Shirtliff is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience of relevance to the tasks with which they were employed to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Dr Shirtliff consents to the inclusion in the report of matters based on information in the form and context in which it appears.

Corporate

After the end of the period on 15 September 2023 the Company completed a placement of 422,410,000 fully paid ordinary shares (**Placement Shares**) to sophisticated and professional investors at \$0.01 per Placement Share, together with the right to receive one (1) free attaching option to subscribe for a share at \$0.015 for every two (2) Placement Shares subscribed for and issued, to raise \$4,224,100 (before costs). Canaccord Genuity (Australia) Limited acted as lead manager and bookrunner to the Placement. The Placement Shares were issued on 15 September 2023. The free attaching options to the Placement Shares will be issued at a future date under an options prospectus.

The Company's net loss after income tax was \$7,097,590 (2022: \$8,934,477). Included in the loss were non-cash impairment expenses of \$4,831,463.

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

After the end of the period on 15 September 2023 the Company completed a placement of 422,410,000 fully paid ordinary shares (**Placement Shares**) to sophisticated and professional investors at \$0.01 per Placement Share, together with the right to receive one (1) free attaching option to subscribe for a share at \$0.015 for every two (2) Placement Shares subscribed for and issued, to raise \$4,224,100 (before costs). Canaccord Genuity (Australia) Limited acted as lead manager and bookrunner to the Placement. The Placement Shares were issued on 15 September 2023. The free attaching options to the Placement Shares will be issued at a future date under an options prospectus.

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 exploration activities on its Dusty Nickel Project and its Yandal Gold and Base Metal Project, on advancing technical, research and development and financing activities for the Wiluna Uranium 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	8	8
Richard Patricio	8	8
Michel Marier	8	8

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 (\$)	Number of options
27 November 2020	20 November 2025	0.01885	186,000,000
2 June 2021	2 June 2024	0.04	10,000,000
28 January 2022	21 January 2027	0.03335	220,000,000
28 February 2023	28 February 2025	0.018	230,772,736

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

Performance Rights

As at the date of this report the Company has on issue 80,000,000 performance rights on the terms and conditions set out in the Company's notice of annual general meeting dated 28 October 2022.

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:

- a. Principles used to determine the nature and amount of remuneration;
- b. Details of remuneration;
- c. Service agreements;
- d. Share-based remuneration;
- e. Bonuses included in remuneration; and
- f. 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 2022/23 financial year was 10.5%, 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 written 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 \$40,286 per month, before GST, for the financial year. The Company can terminate the agreement on 12 months' notice and Mr Homsany can terminate the agreement on 6 months' notice. 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/ Performance Rights	Total	
Executive Directors											
Richard Homsany	2023	533,438	-	-	5,250	-	-	-	593,000	1,131,688	-
	2022	531,250	-	-	5,000	-	-	-	802,591	1,338,841	-
						-					
Non-Executive Directors											
Richard Patricio	2023	50,000	-	-	-	-	-	-	296,500	346,500	-
	2022	50,000	-	-	-	-	-	-	321,036	371,036	-
Michel Marier	2023	57,833	-	-	-	-	-	-	296,500	354,333	-
	2022	50,000	-	-	-	-	-	-	321,036 ¹	371,036	-
Total	2023	641,271	-	-	5,250	-	-	-	1,186,000	1,832,521	-
	2022	631,250	-	-	5,000	-	-	-	1,444,663	2,080,913	-

¹ Director options for Mr Marier are held by his former employer, The Sentient Group, and as such Mr Marier does not have any personal interest in those options.



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

Options 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

Director Mr Richard Homsany held 500,000 ordinary shares in the Company during the 2023 reporting period. None of the other Directors or the Group's other KMP (including their respective related parties) held any ordinary shares in the Company during the 2023 reporting period.

The number of options in the Company held by each of the Directors and other KMP during the 2023 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	110,000,000	-	-	(15,000,000)	95,000,000
Richard Patricio	47,500,000	-	-	(7,500,000)	40,000,000
Michel Marier ¹	-	-	-	-	-
	157,500,000	-	-	(22,500,000)	135,000,000

¹47,500,000 options that Non-Executive Director Mr Michel Marier was entitled to be issued were issued to Mr Marier's employer at the time, The Sentient Group, and so Mr Marier does not have a personal interest in those options. 20,000,000 of those options (granted in FY2021) are exercisable at \$0.01885 on or before 20 November 2025 and 20,000,000 (granted in FY2022) are exercisable at \$0.03335 on or before 21 January 2027). For details of the valuation of the options held by the Directors please refer to Note 15 – Share based payments.

During the 2023 reporting year, the Company issued 50,000,000 performance rights on terms and conditions set out in the Company's notice of annual general meeting dated 28 October 2022 (**Performance Rights**) to Mr Richard Homsany, 20,000,000 Performance Rights to Mr Richard Patricio and 20,000,000 Performance Rights to Mr Michel Marier.

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 did not provide legal services to the Company (2022: \$160,860). Richard Homsany is the principal of Cardinals Corporate Pty Ltd. Legal services are provided by Cardinals Corporate Pty Ltd 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 95.41% of 'yes' votes on its remuneration report for the 2022 financial year. The Company did not receive any specific feedback at the annual general meeting or throughout the year on its remuneration practices.

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 Company followed procedures and pursued objectives in line with guidelines published by the Western Australian State government. 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 \$24,760 (2022: \$24,707). 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 \$23,661, 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 these services did not compromise the external auditor's independence on the basis that the nature of the services provided does 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 2023 as required under section 307C of the *Corporations Act 2001* has been received and can be found on page 27.

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*.

Risks

Toro is an exploration company and an investment in the Company is highly speculative. Prospective investors should consult with their professional advisers before deciding whether to apply for the shares or options (**Securities**) in the Company. The risk factors set out below and others not specifically referred to below must not be taken as exhaustive of the risks faced by the Company or by investors in the Company.

These risk factors may materially affect the financial performance of the Company and the value of its Securities. Securities in the Company carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities. Some risks can be mitigated by the use of appropriate safeguards and appropriate systems and controls by the Company, however some are unpredictable and outside the control of the Company and the extent to which they can be mitigated or managed is very limited or not possible.

None of the Directors or any person associated with the Company guarantee the Company's performance, the performance of the Securities or the market price at which Securities will trade.

**Key Risks Specific to the Company****(a) Uranium Related Risk**

Unique political, technological and environmental factors affect the uranium exploration and broader nuclear industry, exposing it to the risk of public opinion, which could have a negative effect on the demand for nuclear power and increase the regulation of the nuclear power industry. An accident at a nuclear reactor anywhere in the world, for example as a result of the current Ukraine war, could affect acceptance of nuclear energy and the future prospects for nuclear generation and therefore uranium exploration.

The Company anticipates that debate on the relative dangers and benefits of uranium as an energy source will be ongoing. The mining, milling, sale and export of uranium and other radioactive substances is highly regulated, both at Commonwealth and State or Territory level. Various permits, approvals and licences would need to be obtained from both the State and Commonwealth authorities prior to the grant of a mining lease for uranium production. These processes are complex and lengthy and subject to change. There is no guarantee that required permissions will be granted. The policy settings of the current Western Australian government are not supportive of uranium mining as at the date of this report. As such the Company may be unable to obtain any further approvals it needs from regulatory bodies in Western Australia to mine uranium from its tenements, whether at all or on conditions which are reasonably acceptable to the Company.

If the Company's projects are progressed to mineral production, the revenue it will derive through the sale of product exposes the Company to uranium price and exchange rate risks. Spot uranium prices and long-term uranium contract prices are affected by many factors beyond the control of the Company. Such factors include amount of supply by primary uranium producers or from the secondary uranium market, as well as potential changes in demand arising from issues such as technological changes in the energy market (resulting in an alternative base-load low carbon emissions option).

(b) Title Risk

The Company's title to its tenements will require the Company to continue to comply with conditions of grant. The Company may lose title to, or interests in, its tenements, including (for example) if the conditions to which those tenements are subject are not satisfied, if a third party fails to fulfil its obligations under a relevant agreement in relation to those tenements, if any necessary third party contractual consents to transfers of those tenements are not able to be obtained or the obligation to obtain them waived, or if insufficient funds are available to meet expenditure commitments on the tenements. In the jurisdictions in which the Company operates or will operate in the future, both the conduct of operations and the steps involved in acquiring title to, or interests in, tenements involve compliance with numerous procedures and formalities. It is not always possible to comply with, or obtain waivers from, all such requirements, nor is it always clear whether requirements have been properly completed, or possible or practical to obtain evidence of compliance. In some cases, failure to follow such requirements or obtain relevant evidence may call into question the validity of the actions taken or cause loss of title to tenure.

Further, tenements, once granted, are subject to periodic renewal. There is no guarantee that current or future tenement renewals will be approved. Renewal of the term of a granted tenement is at the discretion of the relevant government authority and may include additional or varied expenditure or work commitments or compulsory relinquishment of the areas comprising the Company's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of the Company. There is a risk that Tenements may not be renewed or that any additional tenements applied for from time to time by the Company may not be granted. If the Company is unable to secure the renewal or conversion of key tenements it may impact its exploration plans and may adversely impact the Company and/or the value of Securities.

(c) Exploration and Appraisal Risk

Exploration is a high-risk undertaking. The Company does not give any assurance that exploration of the projects it currently holds or any future projects the Company may acquire an interest in will result in exploration success. Exploration programmes may or may not be successful, may cause harm to employees or contractors, and may incur cost overruns if not carefully managed. There is a significant risk for the Company of the proposed exploration activity being unsuccessful and not resulting in the discovery of a viable mineral resource. Mineral exploration by its nature is a high-risk activity and there can be no guarantee of success in the project areas where the Company holds interests in tenements. Whilst the Directors will make every effort to reduce this risk, the fact remains that the discovery and development of a commercially viable resource is the exception rather than the rule.

The Company is engaged in exploration and appraisal activities. There is a risk that these activities will not result in the discovery of commercially extractable mineral deposits. Furthermore, no assurances can be given that if commercially viable mineral deposits are discovered, these will be able to be commercialised as intended, or at all. Whether positive income flows ultimately result from exploration and development expenditure incurred by the Company is dependent on many factors including successful exploration, establishment of production facilities, cost control, commodity price movements, successful contract negotiations for production and stability in the local political environment.

(d) Nature of Mineral Exploration and Mining

The business of mineral exploration, development and production is subject to a high level of risk. Mineral exploration and development requires large amounts of expenditure over extended periods of time with no guarantee of revenue, and



exploration and development activities may be impeded by circumstances and factors beyond the Company's control. There can be no assurances that exploration and development at any projects in which the Company has an interest may acquire an interest in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited. Whether a mineral deposit will be commercially viable depends on a number of factors. The combination of these factors may result in the Company expending significant resources (financial and otherwise) on tenements without receiving a return. There is no certainty that expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

The Company has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. The Company believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays or increased costs in exploring or developing its tenements.

(e) No Profit to Date and Limited Operating History

The Company has incurred operating losses since its incorporation and does not have a significant history of business operations. It is therefore not possible to evaluate the Company's prospects based on past performance. No assurance can be given that the Company will achieve commercial viability through the successful mining of its Wiluna Uranium Project, or the successful exploration and/or mining of the Dusty Nickel Project and Yandal Gold and Base Metals Project, or any tenements which are subsequently applied for or acquired by the Company. Unless and until the Company is able to realise value from its projects, it is likely to incur ongoing operating losses. There can be no certainty that the Company will achieve or sustain profitability, achieve or sustain positive cash flow from its operating activities or identify a mineral deposit which is capable of being exploited economically or which is capable of supporting production activities.

(f) Contractual Risk

The ability of the Company to achieve its business objectives will depend on the performance by the Company and counterparties of their contractual obligations. If any party defaults in the performance of its obligations under a contract, it may be necessary for either party to approach a court to seek a legal remedy, which could be costly for the Company. The operations of the Company also require the involvement of a number of third parties, including consultants, contractors and suppliers. There are risks of non-performance or breach by counterparties or by the Company (or its subsidiaries) in relation to contractual obligations and the possibility of future disputes, any of which may adversely impact the Company and the value of Shares. Financial failure, default or contractual non-compliance on the part of third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict, or protect the Company against, all such risks.

(g) Operational Risks

The operations of the Company may be affected by various factors that are beyond the control of the Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in exploration, development or mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company. These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. These factors are substantially beyond the control of the Company and, if they eventuate, may have an adverse effect on the financial performance of the Company.

(h) Native Title and Aboriginal Heritage Risk

The Company's tenements are subject to native title and may be subject to future native title applications. This may preclude or delay granting of exploration and mining tenements or the ability of the Company to explore, develop and/or commercialise the tenements. Considerable expenses may be incurred negotiating and resolving issues, including any compensation agreements reached in settling native title claims lodged over any of the mining tenements held or acquired by the Company.

In addition, determined native title holders may seek compensation under the *Native Title Act 1993* (Cth) for the impacts of acts affecting native title rights and interests after the commencement of the *Racial Discrimination Act 1975* (Cth) on 31 October 1975.

The State of Western Australia has passed liability for compensation for the impact of the grant of mining tenements under the *Mining Act 1978* (WA) (**Mining Act**) onto mining tenement holders pursuant to section 125A of the Mining Act. Outstanding compensation liability will lie with the current holder of the tenements at the time of any award of compensation pursuant to section 125A of the Mining Act or, in the event there is no holder at that time, the immediate past holder of the relevant tenement(s).

Compensation liability may be determined by the Federal Court or settled by agreement with native title holders, including



through ILUAs (which have statutory force) and common law agreements (which do not have statutory force). At this stage, the Company is not able to quantify any potential compensation payments, if any.

The presence of Aboriginal sacred sites and cultural heritage artefacts on the Tenements is protected by Western Australian and Commonwealth laws. Any destruction or harming of such sites and artefacts may result in the Company incurring significant fines and court injunctions. The existence of such sites may limit or preclude exploration or mining activities on those sites, which may cause delays and additional expenses for the Company in obtaining clearances. However, in the event that access is not obtainable at any particular location, the Company will redirect exploration expenditures to areas of the Projects where access is available.

(i) Equity Market Conditions

Securities listed on ASX, or any other securities market, and in particular securities of small companies engaged in exploration activities, can experience extreme price and volume fluctuations that are often unrelated to the operating performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These security market conditions may affect the value of the Shares regardless of the Company's operating performance.

(j) Environmental Risks and Approvals

The minerals and mining industry has become subject to increasing environmental regulations and liability. The potential for liability is an ever-present risk. The operations and proposed activities of the Company are subject to State and Federal laws, regulations and permits concerning the environment. If such laws are breached or modified, the Company could be required to cease its operations and/or incur significant liabilities including penalties, due to past or future activities. As with most exploration operations, the Company's activities are expected to have an impact on the environment. It is the Company's intention to conduct its activities to an appropriate standard of environmental obligation, including in compliance in all material respects with relevant environmental laws. Nevertheless, there are certain risks inherent in the Company's activities which could subject the Company to extensive liability. The cost and complexity in complying with the applicable environmental laws and regulations may affect the viability of potential developments of the Company's projects, and consequently the value of those projects, and the value of the Company's assets. It may be required for the Company to conduct baseline environmental studies prior to certain exploration or mining activities, so that environmental impact can be monitored and minimised wherever possible. Whilst the Company is not aware of any endangered species of flora or fauna at this point, only limited studies have been done to date, and such a discovery could prevent exploration and mining activity in certain areas.

Uranium mines typically require an extensive approvals process, which has the potential to exacerbate supply shortages over the longer term and create a baseline for structurally higher prices. The Company's greater Wiluna Uranium Project that had previously received state and federal environmental approval, however the date for the substantial commencement condition contained in the State environmental approval for the Wiluna Uranium Project, granted pursuant to Ministerial Statement 1051 (**MS 1051**), has passed. Toro considers, and has sought advice to confirm, that the environmental approval granted by MS 1051 will remain valid notwithstanding that substantial commencement did not occur by the date specified in MS 1051, and that it will be open to the Company to apply under the *Environmental Protection Act 1986* (WA) for an extension of time for that condition at a later time during the life of the approval. To proceed with the mining of Lake Maitland as a stand-alone project, as detailed in the Company's ASX release of 12 October 2022, an amendment to the proposal the subject of each environmental approval received is necessary. The Western Australian government is presently not supportive of uranium mining and are likely to decline any amendments or not refer them for assessment. Also further environmental approvals may be needed due to the extended size of the Lake Maitland pit and relocation of the processing plant from Centipede to Lake Maitland.

(k) Climate Change Risks

The activities and operations of the Company are subject to laws and regulations (and any changes to them) related to climate change mitigation efforts, specific taxation or penalties for carbon emissions or environmental damage and other possible restraints on the mining industry that may adversely impact on the Company, its financial performance and the value of Securities. There can be no guarantee that the Company will not be impacted by these matters. Climate change may also cause certain physical or environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns, incidence of extreme weather events and longer-term physical risks such as shifts in climate patterns. All of these risks associated with climate change may significantly change the mining industry in which the Company operates.

(l) Reliance on Key Personnel

Responsibility for overseeing the day-to-day operations and the strategic management of the Company depends substantially on the Company's senior management and Board. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these personnel leave the Company.

(m) Future Capital Requirements

Mineral exploration companies do not generally generate cash revenue. Accordingly, the Company may be required to raise



new equity capital or access debt funding. There can be no assurance as to the levels of future borrowings or further capital raisings that will be required to meet the aims of the Company or otherwise for the Company to undertake its business. No assurance can be given that the Company will be able to procure sufficient funding at the relevant times on terms acceptable to it. Any additional equity financing will dilute the holdings of the existing Shareholders at that time, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is no guarantee that the Company will be able to secure any additional funding or be able to secure funding on favourable terms.

(n) Commodity Prices and Exchange Rates Risks

Commodity prices (including uranium, vanadium and nickel) are influenced by physical and investment demand. Fluctuations in commodity prices relevant to the Company may influence the exploration and development activity of the Company. If the Company achieves exploration success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Fluctuating commodity prices may impact the Company's project development plans and activities, including its ability to fund those activities. The Company cannot provide any assurance as to the prices it will achieve for any mineral commodities it produces (if any). Any substantial decline in the price of those commodities or substantial rise in transport or distribution costs may have a material adverse effect on the Company and the value of the Securities.

(o) No Dividends

The Company has never paid a dividend and does not currently intend to pay any dividends while it has no income. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company. Furthermore, the Company may be subject to contractual restrictions on, or prohibitions against, the payment of dividends from time to time.

(p) Regulation Risk

Adverse changes in Western Australian or Commonwealth government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, state border access and mining and exploration activities of the Company. The current system of exploration and mining permitted in Western Australia may change resulting in impairment of rights and possibly expropriation of the Company's properties without adequate compensation. Increased royalties or any other changes to the royalty regime could result in higher operating costs for the Company and may have an adverse effect on the Company's business, results, financial condition and prospects.

(q) Litigation Risk

Legal proceedings may arise from time to time in the course of the Company's activities from parties such as suppliers, native title parties, pastoralists and other landholders, contractors, joint venture parties, customers, regulatory agencies, environmental groups and/or investors. There have been a number of cases where the rights and privileges of mining and exploration companies have been the subject of litigation. The Directors cannot preclude that such litigation may be brought against the Company or one of its subsidiaries in the future from time to time.

(r) New Projects and Acquisitions Risk

The Company may make acquisitions in the future as part of future growth plans (although no such new projects have been identified as at the date of this report). There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Shareholders. Such acquisitions may result in the use of the Company's cash resources and/or the issuance of equity securities, which will dilute Shareholdings.

General Risks

The general risks which the Directors consider are associated with an investment in the Company are:

(s) Commercial Risk

The mining industry is competitive and there is no assurance that, even if commercial quantities of minerals are discovered by the Company on the Project, or future projects it may acquire an interest in, a profitable market will exist for sales of such minerals. There can be no assurance that the quality of any such minerals will be such that they can be mined economically.

(t) Insurance Risks

Exploration for and development of minerals involves hazards and risks that could result in the Company incurring losses or liabilities that could arise from its operations. If the Company incurs losses or liabilities which are not covered by its insurance policies, the funds available for exploration and development will be reduced and the value and/or title to the Company's assets may be at risk.

The Company intends to insure its operations in accordance with industry practice. However in certain circumstances the



Company's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Company.

Insurance against all risks associated with mining exploration and production is not always available and, where available, the costs can be prohibitive or not adequate to cover all claims.

(u) Access to Infrastructure

If the Company progresses to production there is no guarantee that appropriate and affordable road, rail and or port capacity will be available, which could have an adverse effect on the Company. In the event of production the Company will also require the use of both power and water infrastructure. In the event that there is high demand for and limited access to power and water access there is a risk that the Company may not be able to procure such access which could have an adverse effect on the Company.

(v) General Economic Conditions

General economic conditions, introduction of tax reform, new legislation, the general level of activity within the resources industry, movements in interest and inflation rates and currency exchange rates may have an adverse effect. Changes in the general economic climate in which Company operates may adversely affect the financial performance of Company and on the Company's exploration, development and possible production activities, as well as on its ability to fund those activities both in Australia and overseas. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, include, but not are but not limited to:

- (i) general economic conditions;
- (ii) the general level of activity within the resources industry.
- (iii) changes in/introduction of Government policies, taxation and other laws;
- (iv) the strength of the equity and share markets in Australia and throughout the world;
- (v) movement in, or outlook on, exchange rates, interest rates and inflation rates;
- (vi) industrial disputes in Australia and overseas;
- (vii) changes in investor sentiment toward particular market sectors;
- (viii) increases in expenses (including the cost of goods and services used by the Company);
- (ix) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- (x) natural disasters, social upheaval or war.

(w) Share Market Conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) the introduction of tax reform or other new legislation (such as royalties);
- (iii) interest rates and inflation rates;
- (iv) currency fluctuations;
- (v) changes in investor sentiment toward particular market sectors in Australia and/or overseas (such as the exploration industry or uranium, vanadium and/or nickel sectors within that industry);
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

The market price of the Shares can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular, which influences are beyond the Company's control and which are unrelated to the Company's performance. Neither the Company nor the Directors warrant the future performance of the Company or the Securities and subsequently any return on an investment in the Company. Shareholders who decide to sell their Securities may not receive the entire amount of their original investment.

(x) Volatility in Global Credit and Investment Markets

Global credit, commodity and investment markets have recently experienced a high degree of uncertainty and volatility. The factors which have led to this situation have been outside the control of the Company and may continue for some time resulting in continued volatility and uncertainty in world stock markets (including the ASX). This may impact the price at which the Shares trade regardless of operating performance and affect the Company's ability to raise additional equity and/or debt to achieve its objectives, if required.

(y) Unforeseen Expenditure Risk

Expenditure may need to be incurred that has not been considered in this report. Although the Company is not aware of any such additional expenditure requirements, if such expenditure is subsequently incurred this may adversely affect the expenditure proposals and activities of the Company, as the Company may be required to reduce the scope of its operations and scale back its exploration programmes. This could have a material adverse effect on the Company's activities and the value of the Shares.



(z) Accounting Standards

Changes to any applicable accounting standards or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact the Company's financial statements, results or condition.

(aa) Taxation Risk

The acquisition and disposal of Securities will have tax consequences which will differ for each investor depending on their individual financial circumstances. All potential investors in the Company are urged to obtain independent financial advice regarding the tax and other consequences of acquiring Securities. To the maximum extent permitted by law, the Company, its officers, and its advisers accept no liability or responsibility with respect to any tax consequences of applying for Securities.

Signed in accordance with a resolution of the Directors.

Richard Homsany

Executive Chairman
26 September 2023

**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 2023, 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 26th day of September 2023.



CORPORATE GOVERNANCE STATEMENT

Toro Energy Ltd is committed to achieving and demonstrating the highest standards of corporate governance. The Company has reviewed its corporate governance practices against the Corporate Governance Principles and Recommendations (4th edition) published by the ASX Corporate Governance Council.

In accordance with ASX Listing Rule 4.10.3 the Company has elected to disclose its Corporate Governance Policies and its compliance with them during the 2023 financial year on the Company's website rather than in the Annual Report. Accordingly, information about the Company's Corporate Governance Statement is set out on the Company's website at www.toroenergy.com.au.



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Note	Consolidated	
		2023 \$	2022 \$
Other income	5(a)	282,122	1,301,911
Gain/(loss) on shares at FVTPL	5(b)	(250,488)	(636,632)
Impairment of non-current assets	5(b), 13	(4,831,463)	(4,951,349)
Depreciation expense	5(b)	(73,265)	(169,044)
Employee benefits expense	5(c)	(1,449,720)	(3,780,377)
Other expenses	5(d)	(774,776)	(698,986)
Loss before income tax expense		(7,097,590)	(8,934,477)
Income tax benefit	6	-	-
Loss for the year		(7,097,590)	(8,934,477)
Other comprehensive loss for the year net of tax		-	-
Total comprehensive loss for the year		(7,097,590)	(8,934,477)
Loss attributable to owners of the Company		(7,097,590)	(8,934,477)
Basic and diluted loss per share from continuing operations (cents per share)	7	0.17	0.23

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 2023

	Note	Consolidated	
		2023 \$	2022 \$
CURRENT ASSETS			
Cash and cash equivalents	8	1,119,352	2,049,804
Trade and other receivables	9	59,293	144,326
Other current assets	10	51,653	46,721
Financial assets	11	2,119,226	2,391,714
Total current assets		3,349,524	4,632,565
NON-CURRENT ASSETS			
Property, plant and equipment	12	468,673	521,002
Exploration and evaluation assets	13	18,000,000	18,000,000
Other non-current assets		5,000	5,000
Total non-current assets		18,473,673	18,526,002
Total assets		21,823,197	23,158,567
CURRENT LIABILITIES			
Trade and other payables	15	1,205,648	1,399,733
Provisions	16	167,173	155,846
Total current liabilities		1,372,821	1,555,579
NON-CURRENT LIABILITIES			
Provisions	16	10,035	8,855
Total non-current liabilities		10,035	8,855
Total liabilities		1,382,856	1,564,434
Net assets		20,440,341	21,594,133
EQUITY			
Issued capital	17	332,320,134	327,562,336
Reserves	18	6,896,308	5,710,308
Accumulated losses		(318,776,101)	(311,678,511)
Equity attributable to owners of the Company		20,440,341	21,594,133
Total equity		20,440,341	21,594,133

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 2023

	Consolidated 2023 \$				Consolidated 2022 \$			
	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 17	Note 18			Note 17	Note 18		
Balance at the beginning of the year	327,562,336	5,710,308	(311,678,511)	21,594,133	320,879,396	2,178,909	(302,744,034)	20,314,271
Total comprehensive loss of the year	-	-	(7,097,590)	(7,097,590)	-	-	(8,934,477)	(8,934,477)
Proceeds from issue of shares	5,077,000	-	-	5,077,000	-	-	-	-
Shares issued to Sentient	-	-	-	-	6,700,000	-	-	6,700,000
Transaction costs - issue of shares	(319,202)	-	-	(319,202)	(17,060)	-	-	(17,060)
Share-based payments	-	-	-	-	-	-	-	-
Performance rights	-	1,186,000	-	1,186,000	-	-	-	-
Options issued to Directors/Employees	-	-	-	-	-	3,531,399	-	3,531,399
Balance at the end of the year	332,320,134	6,896,308	(318,776,101)	20,440,341	327,562,336	5,710,308	(311,678,511)	21,594,133

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 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Research & Development concession refund		239,128	1,222,655
Payments to suppliers and employees		(1,138,418)	(184,709)
Interest received		26,185	17,783
Insurance proceeds		3,627	61,120
Net cash (used in)/ provided by operating activities	8	(869,478)	1,116,849
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(20,936)	(155,617)
Purchase of equity investments		-	(1,022,726)
Payments for exploration and evaluation assets	13	(4,831,462)	(4,951,349)
Proceeds from sale of financial assets		33,626	-
Net cash used in investing activities		(4,818,772)	(6,129,692)
Cash flows from financing activities			
Proceeds from issue of shares		5,077,000	-
Transaction costs of issue of shares		(319,202)	(17,060)
Repayment of borrowings		-	(3,300,000)
Net cash provided by financing activities		4,757,798	(3,317,060)
Net (decrease) / increase in cash and cash equivalents		(930,452)	(8,329,903)
Cash at the beginning of the financial year		2,049,804	10,379,707
Cash at the end of the financial year	8	1,119,352	2,049,804

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 Dusty Nickel Project and the Yandal Gold and Base Metals 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 2023 were approved and authorised for issue by the Board of Directors on 26 September 2023.

2.1. Changes in accounting policies

New, revised or amending accounting standards and interpretations adopted"

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the AASB that are mandatory for the current reporting period.

New, revised or amending accounting standards and interpretations not yet mandatory or early adopted"

Australian Accounting Standards and Interpretations that have recently been issued or amended, but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2023.

These standards are not expected to have an impact on the Group in the current or future reporting periods and on foreseeable future transactions.

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 2023 of \$7,097,590 (2022: \$8,934,477), has current assets of \$3,349,524 and current liabilities of \$1,372,821.

After consideration of all of the above factors and the share placement completed in September 2023, management have assessed that 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.

3.2. Basis of consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2023. 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. The Group does not have any investments in associates and Joint ventures.

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

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 asset and a corresponding lease liability is recognised by the Group where the Group is a lessee. However, all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense 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.

3.16. 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 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 Estimates- Share based payment transactions

The Group measures the cost of equity-settled transactions with key management personnel, employees and other stakeholders by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an internal valuation using a Black-Scholes or binomial option pricing model, using the assumptions detailed in Note 14.

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	
		2023 \$	2022 \$
(a) Other income			
	Research & Development concession refund	239,129	1,222,655
	Bank interest received or receivable	27,740	18,136
	Other	15,253	61,120
	Total other income	282,122	1,301,911
	Expenses		
(b) Impairment of assets			
	(Gain) / Impairment of exploration and evaluation expenditure	4,831,463	4,951,349
	Impairment of shares at FVTPL	250,488	636,632
	Total Impairment of non-current assets	5,081,951	5,587,981
	<i>Depreciation of non-current assets</i>		
	Leasehold property	291	778
	Buildings	6,074	6,556
	Plant and equipment	61,535	155,339
	Motor vehicles	5,365	6,371
	Total depreciation	73,265	169,044
(c) Employee benefits expense			
	Wages, salaries, directors fees and other remuneration expense	541,341	534,100
	Superannuation cost	48,546	46,221
	Movement in annual leave provision	29,740	30,322
	Movement in long service leave provision	11,604	4,134
	Share based payments expense	1,186,000	3,531,399
	Transfer to capitalised tenements	(367,511)	(365,799)
	Total employee benefits expense	1,449,720	3,780,377
(d) Other expenses			
	Promotion and advertising	159,791	68,769
	Travelling expenses	23,934	11,036
	Securities exchange and share registry fees	92,109	57,048
	Audit, R&D & accounting fees	71,570	90,615
	Conference expenses	14,459	1,627
	Insurance costs	50,302	18,101
	Consulting fees	146,219	181,807



Notes to the Consolidated Financial Statements

Legal fees	33,899	25,857
Subscriptions	1,748	2,386
Rent and utility expenses	16,852	29,708
Other expenses	163,893	212,032
Total other expenses	774,776	698,986

6. Income tax expense

	CONSOLIDATED	
	2023	2022
	\$	\$
The major components of current and deferred expense comprise:		
A reconciliation between tax expense/(benefit) and the product of accounting profit/(loss) before income tax multiplied by the Group's applicable income tax rate is as follows:		
Accounting loss before income tax	(7,097,590)	(8,934,477)
At Groups statutory income tax rate of 30% (2022:30%)	(2,129,277)	(2,680,343)
Add tax effect of:		
Losses not recognised	1,853,190	2,012,478
Other non-allowable items	359,353	1,085,791
Other non-assessable items	(71,738)	(357,250)
Other deferred tax balances not recognised	(11,528)	(60,676)
Total Income Tax expense/(Benefit)	-	-
Deferred tax recognised at 30% (2022:30%) (Note 1):		
Deferred tax liabilities:		
Exploration expenditure	(5,400,000)	(5,400,000)
Financial assets	(78,559)	(156,517)
Other	(1,685)	(268)
Deferred tax assets:		
Carry forward revenue losses	5,480,244	5,556,785
Net deferred tax	-	-
	2023	2023
	\$	\$
Unrecognised deferred tax assets at 30% (2022:30%) (Note 1):		
Carry forward revenue losses	49,232,004	47,300,682
Provisions and accruals	5,958,067	5,937,974
Capital raising costs	214,856	224,990
Other	-	21,487
	55,404,927	53,485,133

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 is 25% providing certain turnover thresholds and other criteria are met. All other companies are taxed at 30%. 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	
	2023 \$	2022 \$
Net loss attributable to ordinary equity holders of the Company	7,097,590	8,934,477
Weighted average number of ordinary shares for basic earnings per share	4,145,185,767	3,874,995,545
Loss per share (cents per share)	0.17	0.23

Potential shares relating to options totalling 646,772,736 (2022: 446,000,000) have not been included in determining diluted earnings per share because these are anti-dilutive.

8. Cash and cash equivalents

	Consolidated	
	2023 \$	2022 \$
Cash at bank and in hand	319,352	1,049,804
Short term deposits	800,000	1,000,000
	1,119,352	2,049,804

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 22.

	Consolidated	
	2023 \$	2022 \$
Reconciliation of net loss after tax to net cash flows from operations		
Net loss	(7,097,590)	(8,934,477)
<i>Adjustments for non-cash items:</i>		
Depreciation	73,265	169,044
Net impairment of non-current assets	5,081,951	5,587,981
Share based payments	1,186,000	3,531,399
Gain on disposal of financial assets	(11,626)	-
<i>Changes in assets and liabilities</i>		
(Increase)/Decrease in trade and other receivables	85,032	78,623
(Increase)/Decrease in other assets	(4,932)	(36,704)
Increase/(Decrease) in trade and other payables	(194,085)	714,637
Increase/(Decrease) in employee provisions	12,507	6,346
Net cash used in operating activities	(869,478)	1,116,849



9. Trade and other receivables

	Consolidated	
	2023 \$	2022 \$
Current		
Goods and services tax receivables	59,293	144,326
	59,293	144,326

Trade Receivables

As at 30 June 2023, the Company did not have any trade receivables which were outside normal trading terms (past due but not impaired).

10. Other current assets

	Consolidated	
	2023 \$	2022 \$
Accrued interest income	2,447	892
Prepayments	49,206	45,829
	51,653	46,721

11. Financial Assets

	Consolidated	
	2023 \$	2022 \$
Azarga Metals Corp - Shares	23,141	3,445
Galan Lithium Limited - Shares	1,239,216	1,552,581
Oakajee Corporation Limited - Shares	3,750	8,500
Rex Minerals Limited - Shares	264,536	155,271
Redstone Resources Ltd - Shares	122,500	122,500
Golden State Mining Ltd - Shares	4,500	4,000
Burley Minerals Ltd - Shares	115,000	42,500
Brookside Energy Limited - Shares	173,333	226,667
Equinox Resources Limited - Shares	27,500	33,750
Lithium Australia Limited - Shares	132,000	204,000
TG Metals Ltd - Shares	13,750	16,500
Aerison Group Ltd - Shares	-	22,000
	2,119,226	2,391,714

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 sold 200,000 Aerison Group Ltd shares at \$0.17 per share for \$33,626 after costs. No shares were acquired during the financial year.



12. Property, plant and equipment

	Consolidated				
	Plant and equipment \$	Motor vehicles \$	Leasehold property \$	Buildings \$	Total \$
30 June 2023					
<i>At cost</i>					
Opening balance	1,573,973	305,944	2,290,830	200,000	4,370,747
Additions	20,936	-	-	-	20,936
Disposals	-	-	-	-	-
Closing balance	1,594,909	305,944	2,290,830	200,000	4,391,684
<i>Accumulated depreciation</i>					
Opening balance	1,172,332	269,586	2,290,366	117,462	3,849,746
Depreciation	61,535	5,365	291	6,074	73,265
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Closing balance	1,233,867	274,951	2,290,657	123,536	3,923,011
<i>Summary</i>					
At cost	1,594,909	305,944	2,290,830	200,000	4,391,684
Accumulated depreciation	(1,233,867)	(274,951)	(2,290,657)	(123,536)	(3,923,011)
Net carrying amount	361,043	30,993	173	76,464	468,673
30 June 2022					
<i>At cost</i>					
Opening balance	1,418,356	305,944	2,290,830	200,000	4,215,131
Additions	155,617	-	-	-	155,617
Disposals	-	-	-	-	-
Closing balance	1,573,973	305,944	2,290,830	200,000	4,370,748
<i>Accumulated depreciation</i>					
Opening balance	1,016,993	263,215	2,289,588	110,906	3,680,702
Depreciation	155,339	6,371	778	6,556	169,044
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
Closing balance	1,172,332	269,586	2,290,366	117,462	3,849,746
<i>Summary</i>					
At cost	1,573,973	305,944	2,290,830	200,000	4,370,748
Accumulated depreciation	(1,172,332)	(269,586)	(2,290,366)	(117,462)	(3,849,746)
Net carrying amount	401,641	36,358	464	82,538	521,002



13. Exploration and evaluation assets

	Consolidated	
	2023 \$	2022 \$
Balance at beginning of financial year	18,000,000	18,000,000
Expenditure incurred during the year	4,831,462	4,951,349
Impairment of exploration and evaluation assets	(4,831,462)	(4,951,349)
	18,000,000	18,000,000

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 \$4,831,462 and the balance of the exploration and evaluation assets is \$18,000,000 as at 30 June 2023.

In the prior financial year the Company recognised a total impairment of \$4,951,349 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:

	2023 Number	2023 Weighted average exercise price	2022 Number	2022 Weighted average exercise price
Outstanding at the beginning of the year	446,000,000	\$0.03	226,000,000	\$0.02
Granted during the year	-	-	220,000,000	\$0.03
Lapsed / expired during the year	(30,000,000)	\$0.05	-	-
Outstanding at the end of the year	416,000,000	\$0.03	446,000,000	\$0.03
Exercisable at the end of the year	416,000,000	\$0.03	446,000,000	\$0.03



The weighted average remaining contractual life for the share options outstanding as at 30 June 2023 is 2.98 years (2022: 3.74 years).

The range of exercise prices for options outstanding at the end of the year was \$0.01885 – \$0.04. 230,772,736 options were issued during the financial year as part of a placement undertaken by the Company in December 2022 (2022: 220,000,000). The weighted average fair value of options granted during the year ending 30 June 2023 was \$0.03.

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.

Performance Rights

During the year 80,000,000 performance rights were issued to the directors of the Company following shareholder approval obtained at the Company's Annual General Meeting held on 28 November 2022.

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

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

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

Hurdle number	Share Price at value date	ASPM	% Value Increase	Performance Period
H1	\$0.016	\$0.03	76%	5 years
H2	\$0.016	\$0.035	106%	5 years
H3	\$0.016	\$0.050	194%	5 years

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

Therefore, the assessments of performance hurdles relating to the issue of 80,000,000 performance rights are that they are market vesting conditions and in accordance with AASB 2, have been valued using a barrier up-and-in trinomial pricing model based with a Parisian Barrier adjustment on the Share Price as at the valuation date of 24 October 2022 of \$0.016. See the table below which lists the variables used as the basis for the valuation. There is no exercise price paid for the Performance Rights.



Performance Rights (continued)

Valuation Summary Table			
Item	Performance Rights		
	H1	H2	H3
Valuation date	24-Oct-22	24-Oct-22	24-Oct-22
Underlying Security spot price	\$0.016	\$0.016	\$0.016
VWAP barrier	\$0.030	\$0.035	\$0.050
Exercise price	Nil	Nil	Nil
Commencement of performance period	24-Oct-22	24-Oct-22	24-Oct-22
End of performance period	24-Oct-27	24-Oct-27	24-Oct-27
Performance period (years)	5.0	5.0	5.0
Expiry date	24-Oct-27	24-Oct-27	24-Oct-27
Life (years)	5.0	5.0	5.0
Volatility	110%	110%	110%
Risk -free rate	3.790%	3.790%	3.790%
Dividend yield	Nil	Nil	Nil
Valuation per Right	\$0.1515	\$0.0149	\$0.0149
No. of Rights	30,000,000	30,000,000	20,000,000
Total Value	\$453,000	\$447,000	\$286,000

15. Trade and other payables

	Consolidated	
	2023 \$	2022 \$
Trade payables	1,129,868	1,176,612
Other payables	75,780	63,254
Accruals	-	159,867
	1,205,648	1,399,733

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 22.



16. Provisions

	Consolidated	
	2023 \$	2022 \$
Current		
Annual leave	118,690	117,787
Long service leave	48,483	38,059
	167,173	155,846
Non-current		
Long service leave provision	10,035	8,855
	10,035	8,855

17. Issued capital

	Consolidated	
	2023 \$	2022 \$
Value as at end of the year	332,320,134	327,562,336

	Number of ordinary shares	\$
Balance at the beginning of the year	3,897,342,180	327,562,336
Share placement	461,545,455	5,077,000
Costs of capital raising	-	(319,202)
Balance at the end of the year	4,358,887,635	332,320,134

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

18. Reserves

	Consolidated	
	2023 \$	2022 \$
Balance at the beginning of the year	5,710,308	2,178,909
Performance Rights	1,186,000	-
Options issued	-	3,531,399
Balance at the end of the year	6,896,308	5,710,308

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.

19. Commitments

	Consolidated	
	2023 \$	2022 \$
Operating leases		
No longer than one year	10,405	39,161
Longer than one year and not longer than five years	-	-
Balance at the end of the year	10,405	39,161

As at 30 June 2023 the consolidated entity is the registered owner of approximately 26 granted mineral tenements. The minimum expenditure required to maintain these tenements is estimated at \$1,609,400 within one year and \$6,437,600 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.



20. Auditors' remuneration

	Consolidated	
	2023 \$	2022 \$
Audit and half yearly review of the financial report	45,909	42,895
Other professional services	23,661	23,269
Total	69,570	66,164

21. Controlled entities

	Ownership interest	
	2023	2022
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.

22. 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 2023 \$				
	Level 1	Level 2	Level 3	Total
Financial Assets				
Shares at FVTPL	2,119,226	-	-	2,119,226
	2,119,226	-	-	2,119,226


30 June 2022 \$

	Level 1	Level 2	Level 3	Total
Financial Assets				
Shares at FVTPL	2,391,714	-	-	2,391,714
	2,391,714	-	-	2,391,714

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:

	2023 \$	2022 \$
Financial assets		
Cash and cash equivalents	1,119,352	2,049,804
Trade and other receivables	59,293	144,326
Shares at FVTPL	2,119,226	2,391,714
Financial liabilities		
Trade and other payables	1,205,648	1,399,733

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 \$5,597 (2022: \$10,249) 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 2023			
Financial liabilities			
Interest free	1,205,648	-	1,205,648
Weighted average effective interest rate	-	-	-
Fixed rate	-	-	-
Weighted average effective interest rate	-	-	-
Year ended 30 June 2022			
Financial liabilities			
Interest free	1,399,733	-	1,399,733
Weighted average effective interest rate	-	-	-
Fixed rate	-	-	-
Weighted average effective interest rate	-	-	-

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 2023			
Financial assets			
Fixed rate	800,000	-	800,000
Weighted average effective interest rate	3.85%	-	-
Floating rate – cash assets	319,343	-	319,343
Weighted average effective interest rate	1.80%	-	-
Year ended 30 June 2022			
Financial assets			
Fixed rate	1,000,000	-	1,000,000
Weighted average effective interest rate	1.05%	-	-
Floating rate – cash assets	1,049,804	-	1,049,804
Weighted average effective interest rate	0.70%	-	-

23. Related party disclosures and KMP remuneration

Details of the ownership interests between Toro and the entities within the Group are outlined in Note 21. 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 24.

During the year Cardinals Corporate Pty Ltd (**Cardinals**) did not provide legal and professional advice to the Group (2022: \$160,860). Richard Homsany, a director of Toro throughout the year is the owner of Cardinals. Cardinals Corporate Pty Ltd provides legal services to the Company pursuant to a schedule of rates on an arm's length basis.

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

	2023 \$	2022 \$
Short term employee benefits		
Salaries including bonuses	641,271	631,250
Shares issued in lieu of salary	-	-
Post-employment benefits		
Superannuation	5,250	5,000
Long term employee benefits		
Termination benefits	-	-
Share based payments	1,186,000	1,444,663
Total remuneration	1,832,521	2,080,913



24. Parent entity information

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

	Parent	
	2023 \$	2022 \$
Financial position		
Current assets	3,326,374	4,629,111
Non-current assets	19,024,849	18,906,712
Total assets	22,351,223	23,535,823
Current liabilities	1,372,822	1,555,581
Non-current liabilities	10,035	8,855
Total liabilities	1,382,857	1,564,436
Shareholders' equity		
Issued capital	472,100,308	467,342,510
Share option reserve	6,896,308	5,710,308
Accumulated losses	(458,028,250)	(451,081,430)
Total equity	20,968,366	21,971,387
Financial performance		
Loss for the year	(6,946,820)	(8,829,308)
Other comprehensive income	-	-
Total comprehensive loss	(6,946,820)	(8,829,308)

25. Events after the balance sheet date

After the end of the period on 15 September 2023 the Company completed a placement of 422,410,000 fully paid ordinary shares (**Placement Shares**) to sophisticated and professional investors at \$0.01 per Placement Share, together with the right to receive one (1) free attaching option to subscribe for a share at \$0.015 for every two (2) Placement Shares subscribed for and issued, to raise \$4,224,100 (before costs). Canaccord Genuity (Australia) Limited acted as lead manager and bookrunner to the Placement. The Placement Shares were issued on 15 September 2023. The free attaching options to the Placement Shares will be issued at a future date under an options prospectus.

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 2023 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 2023.
 - 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 26th day of September 2023

**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 "Group") and its subsidiaries (the "Group") which comprises the statement of financial position as at 30 June 2023, 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 acGrouping 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 2023 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 Group 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	
<p>At 30 June 2023 the carrying value of Exploration and Evaluation assets was \$18 million.</p> <p>In accordance with AASB 6 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.</p> <p>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.</p> <p>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.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> • 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 AASB 6. • Carrying out a review of management's assessment of impairment indicators in accordance with AASB 6 including <ul style="list-style-type: none"> – 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 2023; 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	
<p>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.</p>	<p>Our audit procedures included, amongst others, the following:</p> <ul style="list-style-type: none"> • 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. • 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. <p>Based on the work done, we agree with the director's assessment that the going concern basis of preparation is appropriate.</p>

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023 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 Group 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 Group 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 Group 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 2023.

In our opinion, the Remuneration Report of Toro Energy Limited, for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Group 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 26th day of September 2023.



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 19 September 2023.

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

A total of 4,781,297,635 ordinary shares are on issue and held by 10,618 individual shareholders. All ordinary shares carry one vote per share.

The following unlisted options are on issue:

- (a) 186,000,000 options exercisable at \$0.01885 on or before 20 November 2025.
- (b) 10,000,000 options exercisable at \$0.04 on or before 2 June 2024.
- (c) 220,000,000 options exercisable at \$0.03335 on or before 21 January 2027.
- (d) 230,772,736 options exercisable at \$0.018 on or before 28 February 2025.

The Company also has 80,000,000 performance rights on issue to the directors of the Company, on the terms and conditions set out in the notice of meeting for the Company's 2022 Annual General Meeting.

No securities are subject to escrow.

Substantial shareholders

Holder	Number	%
The Sentient Group	775,995,089	16.22%
Mega Uranium Ltd	460,312,778	9.63%

Distribution of equity security holders

Range	Total holders	Units	% Units
1 – 1,000	938	270,624	0.006
1,001 – 5,000	1,180	3,666,421	0.077
5,001 – 10,000	1,185	9,570,643	0.200
10,001 -100,000	4,372	192,337,876	4.023
100,001 and over	2,943	4,575,452,071	95.695
	10,618	4,781,297,635	100.0

Details of Unlisted Securities

Class of Security	Holders	Units
Unlisted options exercisable at \$0.05075 before 20 December 2022	3	30,000,000
Unlisted options exercisable at \$0.01885 before 20 November 2025	9	186,000,000
Unlisted options exercisable at \$0.04 before 2 June 2024	1	10,000,000
Unlisted options exercisable at \$0.03335 before 21 January 2027	9	220,000,000
Unlisted options exercisable at \$0.018 before 28 February 2025	42	230,772,736

Unquoted Securities > 20% Holders

Holder	Class of Securities	Units
CG Nominees (Australia) Pty Ltd	Unlisted options exercisable at \$0.04 before 2 June 2024	10,000,000

**Unmarketable parcels**

Unmarketable parcels	Minimum parcel size	Holders	Units
Minimum \$500 parcel at \$0.010 per unit	50,000	6,032	84,356,733

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
HSBC Custody Nominees (Australia) Limited	772,089,413	16.148
Sentient Executive GP IV Limited	594,242,748	12.428
Sentient Executive GP III Limited	181,752,341	3.801
Citicorp Nominees Pty Limited	163,864,648	3.427
BNP Paribas Nominees Pty Ltd <IB AU Noms Retail Client DRP>	106,549,486	2.228
HSBC Custody Nominees (Australia) Limited <GSCO Customers A/C>	91,114,091	1.906
BNP Paribas Noms Pty Ltd <DRP>	74,623,828	1.561
Mega Redport Pty Ltd	66,217,391	1.385
JP Morgan Nominees Australia Pty Limited	54,836,829	1.147
Tierra De Suenos SA	39,000,000	0.816
Rookharp Capital Pty Ltd	31,818,128	0.665
BNP Paribas Nominees Pty Ltd ACF Clearstream	31,726,365	0.664
Bilgola Nominees Pty Limited	29,458,692	0.616
HSBC Custody Nominees (Australia) Limited – A/C 2	28,347,792	0.593
Ferguson Superannuation Pty Ltd <Ferguson Superfund A/C>	27,500,000	0.575
Muhlbauer Investments Pty Ltd <Muhlbauer Family A/C>	25,000,000	0.523
Hawksburn Capital Pte Ltd <Methuselah Strategic Fnd A/C>	21,021,906	0.440
Yucaja Pty Ltd <The Yoegiar Family A/C>	20,000,000	0.418
Morgan Stanley Australia Securities (Nominee) Pty Limited <No 1 Account>	18,729,319	0.392
Polymill Pty Ltd <Polybill SF A/C>	17,100,000	0.358
Top 20 holders of TOE ordinary shares	2,394,993,031	50.091
Total remaining holders balance	2,386,304,604	49.909



CURRENT TENEMENT LIST

Tenement	Owner	Area	Project	Status	Location
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
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



Tenement	Owner	Area	Project	Status	Location
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
E53/1858	Toro Energy Exploration Pty Ltd	4 blocks	Exploration	Granted	WA
E53/1909	Toro Energy Exploration Pty Ltd	6 blocks	Exploration	Granted	WA
E53/1929	Toro Energy Exploration Pty Ltd	4 blocks	Exploration	Granted	WA
E53/1593	Toro Energy Exploration Pty Ltd	1 block	Exploration	Granted	WA
E37/1448	Toro Energy Exploration Pty Ltd	8 blocks	Exploration	Application	WA
E37/1449	Toro Energy Exploration Pty Ltd	21 blocks	Exploration	Application	WA
E53/2181	Toro Energy Exploration Pty Ltd	13 blocks	Exploration	Application	WA



Tenement	Owner	Area	Project	Status	Location
EL25787	Toro Energy Ltd	3 blocks	Exploration	Application	NT
EL28093	Toro Energy Ltd	53 blocks	Exploration	Application	NT
EL28997	Toro Energy Ltd	120 blocks	Exploration	Application	NT
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.