

# **Toro Energy Limited**

ACN 117 127 590

## **2022 Interim Financial Report**



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# CORPORATE INFORMATION

## Directors

Richard Homsany - Executive Chairman

Richard Patricio - Non-Executive

Michel Marier - Non-Executive

## Company Secretary

Katherine Garvey

## Registered Office

60 Havelock Street

West Perth WA 6005

Telephone: +61 8 9214 2100

## Share Registry

Advanced Share Registry Services

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

ASX code: TOE

The directors (**Directors**) of Toro Energy Limited (**Toro** or **the Company**) present their Report together with the financial statements of the Consolidated Entity, being the Company and its Controlled Entities (**the Group**) for the half-year ended 31 December 2022.

## Director details

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

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

## Company Secretary

Ms Katherine Garvey

## Review of operations and financial results

The Company's net loss after income tax was \$4,787,049 (2021: \$1,004,553). Included in the loss were non-cash impairment expenses of \$3,257,468, which were incurred during the current period. The impairment is largely due to the current subdued uranium market and nickel exploration expenditure. The Company continued to actively pursue the development of its Wiluna Uranium Project, with continued improvements being made to the value of the Wiluna Uranium Project (**Figure 1**) during the through research, innovation and engineering opportunities and the successful integration of vanadium into the Lake Maitland uranium resource. During the current period the Company also continued nickel exploration activities at its Dusty Nickel Project and gold exploration activities at its Yandal Gold Project, each within the area of its Lake Maitland Project (which are both located within the tenure of the Wiluna Uranium Project).

## Exploration

### Dusty Nickel Project

The Company's 100% owned Dusty Nickel Project is located in the Yandal Greenstone Belt, some 50km east of the world class Mt Keith Nickel Deposit (**Figure 1**). During the period the Company continued its 2022 diamond drilling campaign on the Dusty Nickel Project.

Over the course of the reporting period the Company made two further discoveries of nickel sulphide, including massive nickel sulphide, the Jumping Jack discovery intersected in diamond drill hole TED37 and the Dimma discovery intersected in diamond drill hole TED41. These discoveries were announced on 6 July 2022 and 8 August 2022 respectively, along with their successful follow-up diamond holes of TED38 and TED42 announced on 25 July 2022 and 6 September 2022 respectively. The Jumping Jack discovery is located some 500m SSE and along strike of Houli Dooley (formerly known as Dusty 2) and the Dimma discovery is located approximately 400m SSE and along strike of Jumping Jack (see **Figure 2**).

The Jumping Jack discovery intersection in TED37 is 3.4m thick (downhole) starting from 240.3m downhole in diamond hole TED37, and included a 1.4m thick lens of massive Ni-sulphide with blebby to semi-massive Ni-sulphides above the massive sulphide lens. Diamond drill hole TED38, the follow-up drill hole at the Jumping Jack discovery, intersected 2.3m of massive and semi-massive Ni-sulphide from 232.1m downhole. Multiple spot analyses using a hand-held portable X-Ray Fluorescence instrument (**hh-pXRF**) suggest local nickel concentrations within the massive sulphide of between 1.44 and 4.66% Ni in TED37 and 1.28 and 3.5% Ni in TED38. It is important to understand that 'spot' analysis of drill core by hh-pXRF should only be used as a guide, it is not a substitute for bulk geochemical analysis of drill or rock samples. Information on the results of testing the hh-pXRF method against certified reference material and all relevant drill hole details in respect of TED37 and TED38 are set out in the appendices to the Company's ASX releases of 6 July 2022 and 25 July 2022 respectively.

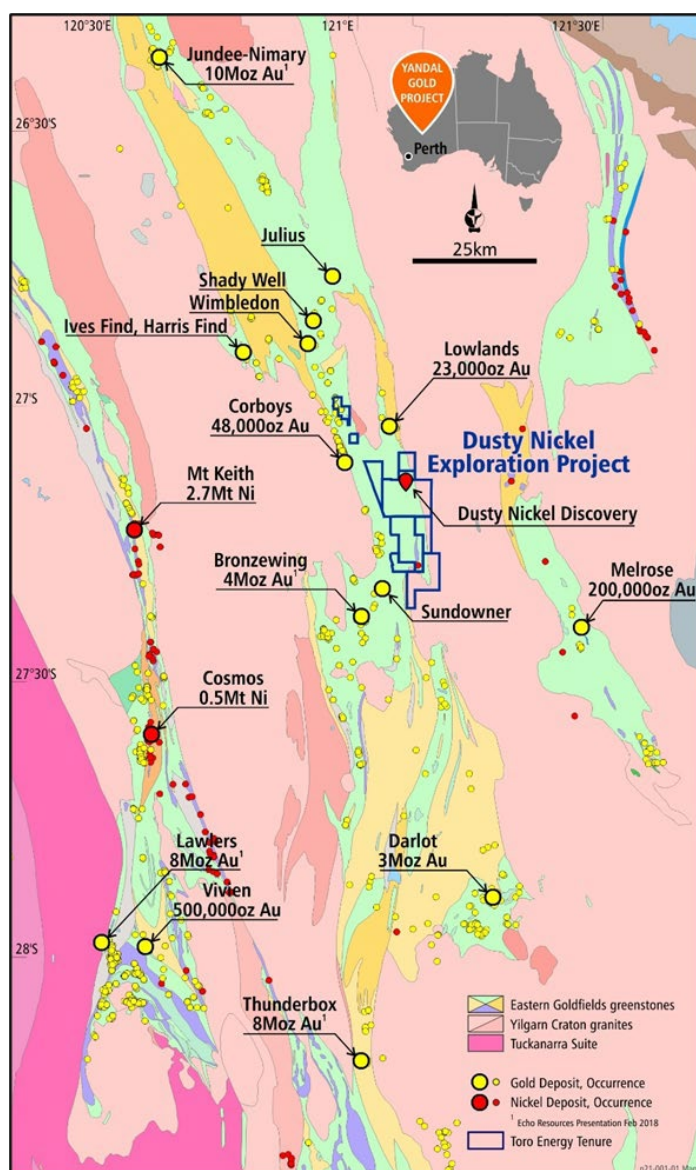
The discovery intersection at Dimma is 3.6m thick (downhole) starting from 244.1m downhole in diamond hole TED41, with almost all of the intersection being massive in nature. Another two intersections of semi-massive Ni-sulphides of approximately 20cm thick (downhole) were intersected in the hanging wall from 231 and 232.9m downhole.

The follow-up drill hole at Dimma, diamond drill hole TED42, intersected a zone of intermittent Ni-sulphide mineralisation some 20.5m thick, with dilution included, starting from 296.5m downhole. The zone included a 2.5m thick (downhole) intersection of massive Ni-sulphide at its base starting from 314.7m downhole, and a 30cm thick (downhole) intersection of semi-massive Ni-sulphide at the top from 296.5m downhole, with zones of disseminated Ni-sulphides between.

Multiple spot analyses using hh-pXRF suggest local nickel concentrations within the massive sulphide intersections at Dimma of between 1.45 and 3.66% Ni in TED41 and 1.0 and 3.1% Ni in TED42. It is important to understand that 'spot' analysis of drill core by hh-pXRF should only be used as a guide, it is not a substitute for bulk geochemical analysis of drill or rock samples. Information on the results of testing the hh-pXRF method against certified reference material and all relevant drill hole details in respect of TED41 and TED42 are set out in the appendices to the Company's ASX releases of 8 August 2022 and 6 September 2022 respectively.

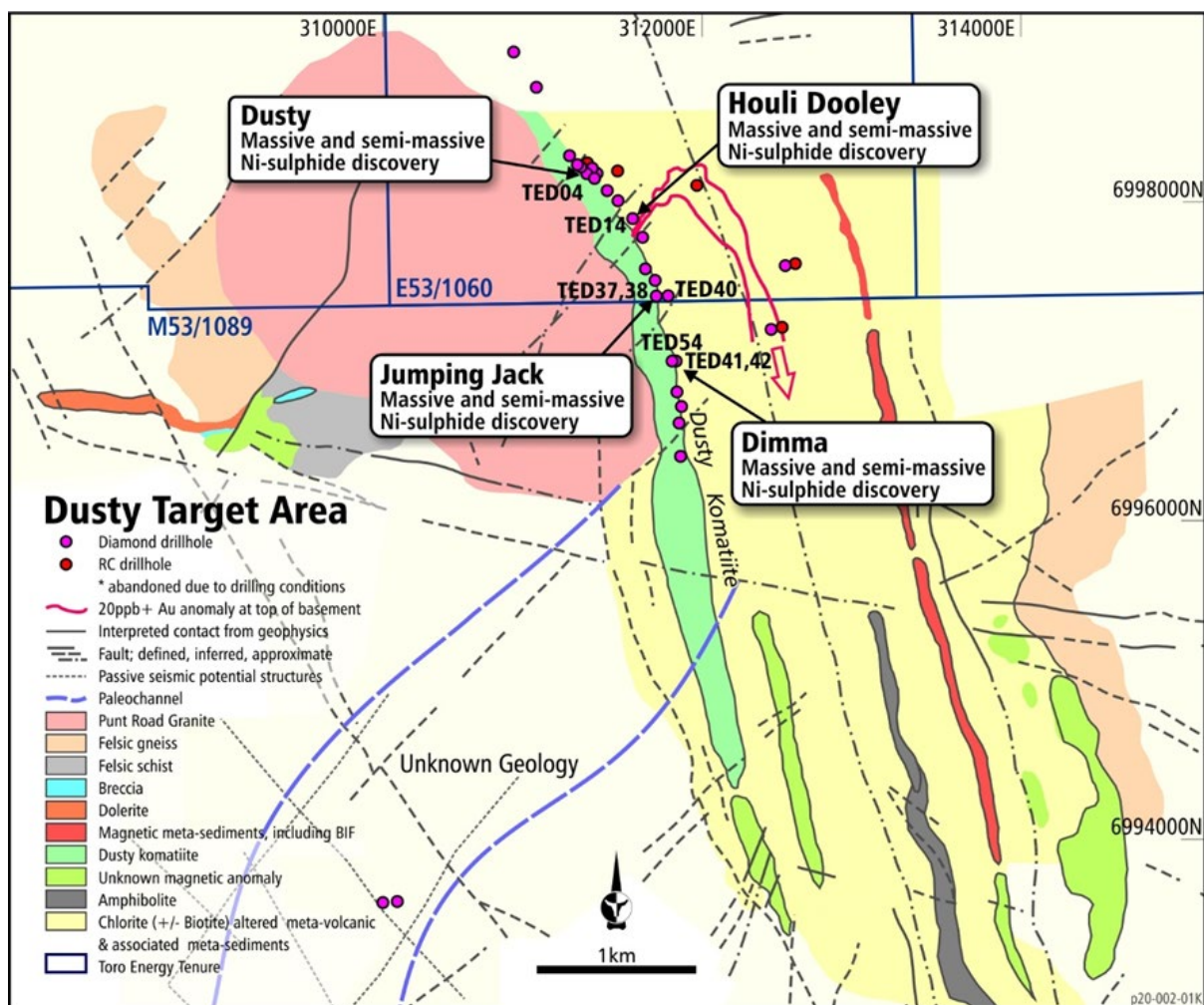
Assays received during the reporting period confirmed that gold (Au) mineralisation was intersected in diamond drill hole TED25, 80m north of the massive nickel sulphides intersected in TED04 at the Dusty nickel sulphide discovery (see **Figure 2**). The intersection of 4m at 1.4g/t Au from 188m downhole highlights the prospectivity of the Dusty Target Area for gold and base metals, adding to the anomalism intersected in a number of the exploration drill holes in the area, in particular the gold anomalism proximal to the Dusty nickel sulphide discovery zone. TED25 was drilled as part of the Company's 100% owned Dusty Nickel and Yandal Gold Projects.

Diamond drill hole TED25 was drilled to test for northern extension of the Dusty nickel discovery, being drilled some 40m north of what are now known as the Dusty discovery holes of TERC13 (a reverse circulation drill hole) and TED03 and 80m north of the first definitive massive nickel sulphides intersected at the Dusty discovery within TED04. The intersection consisted of 4m at 1.4g/t Au from 188m downhole and included 2m at 2.2g/t from 188m downhole. The gold is hosted within a 5m thick (downhole) chlorite altered shear zone incorporating footwall metasediments directly between the overlying Dusty komatiite and underlying granite. The gold intersection in TED25 confirms the prospectivity of the Dusty area for gold, with gold anomalism also intersected in drill holes TERC13, TED03, TED23, TED24, TED04, and TED06 (in order of north to south from TED25), all within the Dusty nickel discovery zone.



**Figure 1: Location of the Dusty Nickel Project.**





**Figure 2: Location of the four Ni-sulphide Discoveries within the Dusty Target Area. Note the extensive strike length of the Dusty Komatiite, at least 7.5km long.**

## Yandal Gold Project

As announced by the Company on 9 November 2022, high grade gold (Au) assay results from rock chip samples collected at the New England Target Area, directly south of the Golden Ways Target Area on the Company's 100% owned Yandal Gold Project (**Figure 3**), including one sample of 70g/t Au (**Figure 4**). These results expand the already highly prospective Golden Ways Target Area some 2km to the south and once again confirm the significant gold prospectivity of the entire area.

Key assay results greater than 1 g/t Au from New England include:

- Sample YGP\_R413 – 70.4 g/t Au
- Sample YGP\_R492 – 27.8 g/t Au
- Sample YGP\_R330 – 22.4 g/t Au
- Sample YGP\_R427 – 12.4 g/t Au
- Sample YGP\_R429 – 8.75 g/t Au
- Sample YGP\_R334 – 7.62 g/t Au
- Sample YGP\_R496 – 6.8 g/t Au
- Sample YGP\_R497 – 2.51 g/t Au
- Sample YGP\_R502 – 1.98 g/t Au
- Sample YGP\_R333 – 1.64 g/t Au
- Sample YGP\_R303 – 1.32 g/t Au
- Sample YGP\_R515 – 1.2 g/t Au.

Of the 85 rock specimens collected from the field work exercise in the New England Target Area, 13 samples returned gold concentrations greater than 0.1g/t (100ppb) Au and a further 17 samples returned anomalous gold concentrations greater than 0.01g/t (10ppb) Au. The rock chip sampling program has successfully opened up the New England Target Area and extended the highly prospective gold exploration area of Golden Ways some 2km further south.

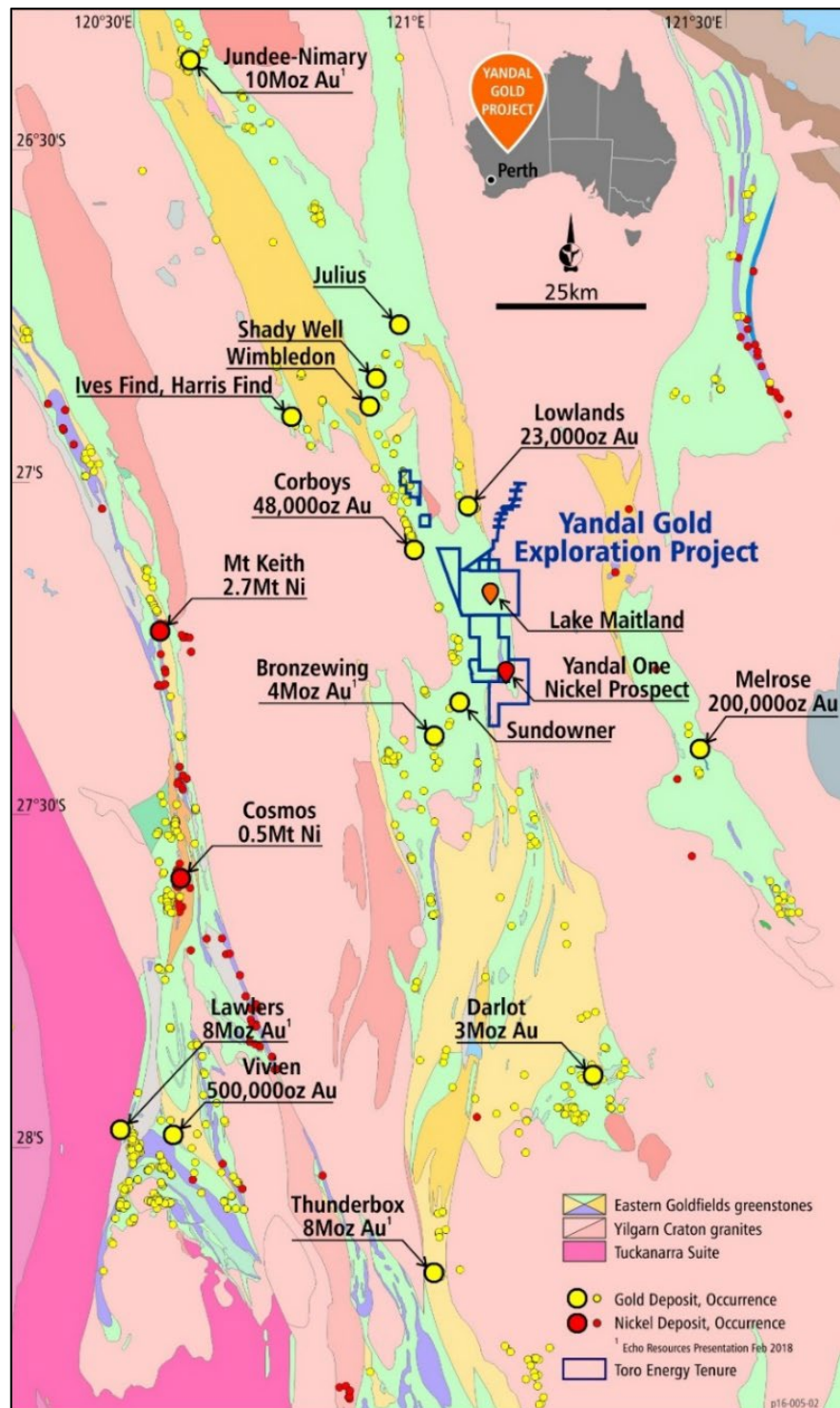


Figure 3: Location of Toro's Yandal Gold Project within the high yielding Yandal Gold District.



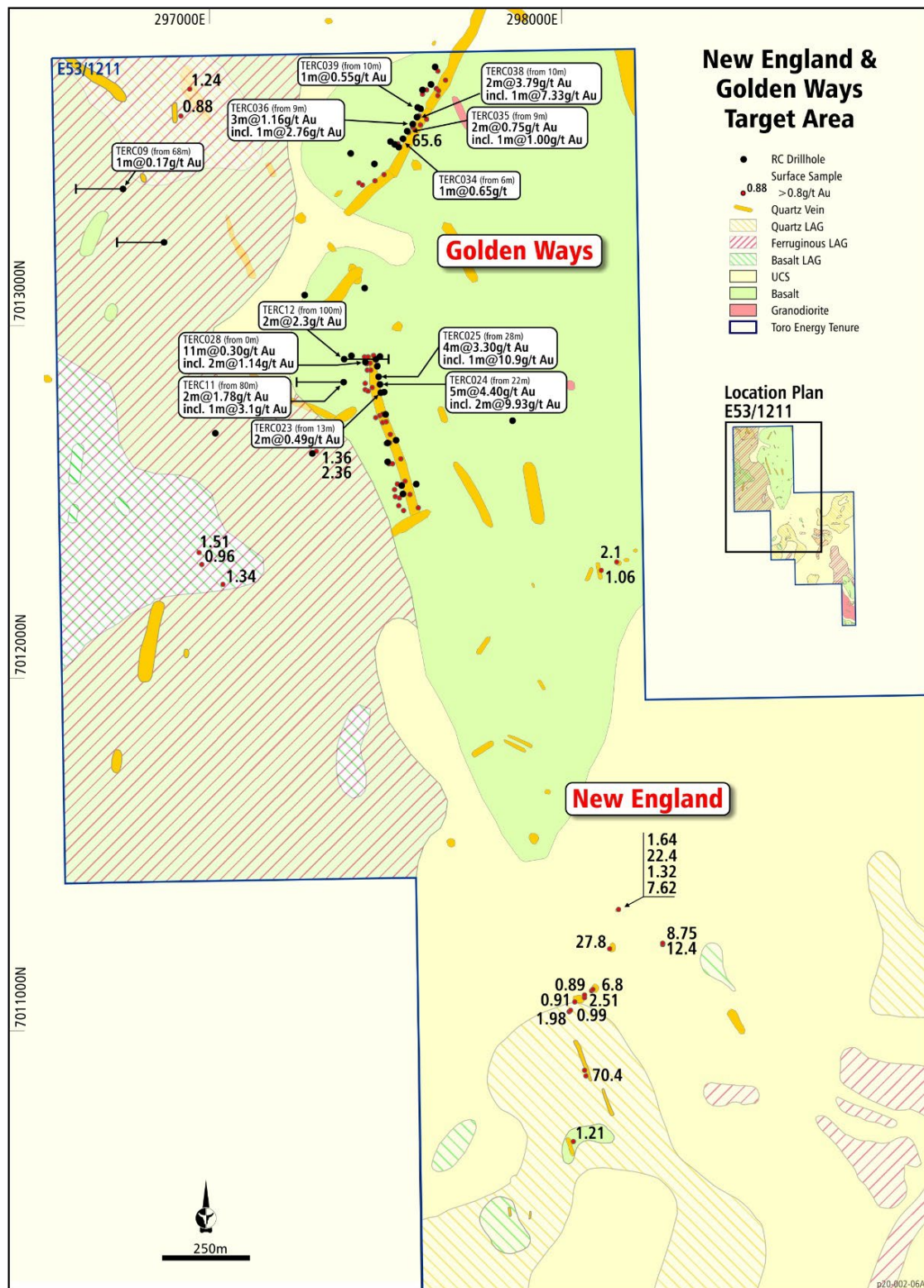


Figure 4: Location of the rock chip samples with significant gold assay results >1g/t Au in the new target area, New England, directly south of the Golden Ways Target Area on Toro's Yandal Gold Project. The locations of rock chip samples with significant gold assay results >1g/t Au collected from the Golden Ways Target Area during the same field work program have also been included.



## Wiluna Uranium Project

Toro's 100% owned Wiluna Uranium Project consists of the Lake Maitland, Lake Way, and Centipede- Millipede Deposits (see **Figure 1**). Together, these deposits of the Wiluna Uranium Project contain some 52 Mt grading 548ppm  $U_3O_8$  for 62.7 Mlbs of contained  $U_3O_8$  at a 200ppm  $U_3O_8$  cut-off (JORC 2012 – refer to ASX announcements of 15 October 2015, 1 February 2016, 21 October 2019 and 30 November 2021), together with the vanadium resource of 96.3Mt grading 322ppm  $V_2O_5$  for 68.3Mlbs of contained  $V_2O_5$  at a 200ppm  $V_2O_5$  cut-off as referred to above (JORC 2012 – Inferred – refer to the Company's ASX announcement of 21 October 2019).

During the period the Company continued work with SRK Consulting Australasia on a scoping study for a stand-alone operation at the Lake Maitland Uranium Deposit within the Wiluna Uranium Project. The key project capital, operating and financial estimates for the Lake Maitland Uranium Deposit, which were announced by the Company on 24 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.

<b>RESOURCES</b>	Life of Mine (LoM)	17.5 years
	Plant Ore Throughput	1.95Mtpa
	Run-of-Mine (RoM) Uranium Grade (Years 1-5)	1,007 ppm $U_3O_8$
	ROM Uranium Grade (LoM)	370.7 ppm $U_3O_8$
	Average Strip Ratio (LoM)	1.17 tonne waste/tonne ore
	Uranium Metallurgical Recovery	79.5%
	Vanadium Metallurgical Recovery	60%
<b>PRODUCTION</b>	Annual Uranium Production	1.3Mlbs $U_3O_8$
	Annual Vanadium Production	0.7Mlbs $V_2O_5$
	Total Uranium Production (LoM)	22.8Mlbs $U_3O_8$
	Total Vanadium Production (LoM)	11.9Mlbs $V_2O_5$
	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 <sub>3</sub> O <sub>8</sub>
	C1* Cash Operating Cost (LoM)	US\$23.10/lb U <sub>3</sub> O <sub>8</sub>
	AISC# Operating Cost (Years 1-7)	US\$20.32/lb U <sub>3</sub> O <sub>8</sub>
	AISC# Operating Cost (LoM)	US\$28.02/lb U <sub>3</sub> O <sub>8</sub>
PROJECT ECONOMICS	Uranium Price Assumption	US\$70.00/lb U <sub>3</sub> O <sub>8</sub>
	Vanadium Price Assumption	US\$5.67/lb V <sub>2</sub> O <sub>5</sub>
	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.

The Company continues to progress the Wiluna Uranium Project so that it is capable of being financed and brought into production as and when economic conditions justify the development. The Company remains focused 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). Please see the Competent Person's Statement at the end of this report for information about the reporting of the resource.

## Corporate

During the reporting period, Toro issued 461,545,455 fully paid ordinary shares at an issue price of \$0.011 per share to raise \$5,077,000 before costs, under a placement to sophisticated, institutional and professional investors (**Placement**).

The Placement funds will primarily support further development of the Lake Maitland Project, the Dusty and Yandal One Projects and provide working capital for the Company. Specifically, funds raised from the Placement will be applied to:

- The Lake Maitland Uranium Project scoping study extension.
- Further evaluation of the vanadium resource at Lake Maitland.
- Planning for a pilot program as a function of the Lake Maitland Uranium Project pre-feasibility study.
- Further evaluation of the Wiluna Uranium Project, and precious and base metals at Dusty, Yandal and Lake Maitland.
- General working capital.
- Costs of the Placement.

Canaccord Genuity (Australia) Limited and Petra Capital Pty Ltd acted as Joint Lead Managers and Bookrunners to the Placement.

Participants in the Placement also received one free-attaching unlisted option with an exercise price of \$0.018 and a term of 24 months from the date of issue (**Option**) on the basis of one (1) Option for every two (2) Shares subscribed for and issued. The Options were issued after the end of the reporting period following the receipt of Shareholder approval for their issue at an extraordinary general meeting of 28 February 2023. The Placement Shares were issued within the Company's existing placement capacity under ASX Listing Rule 7.1.

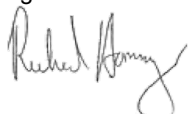
## Significant events after the balance date

After the balance date the Company issued 230,772,736 options to subscribe for Shares at an issue price of \$0.018 on or before 28 January 2025 to in the Placement detailed above, as free attaching options to the shares issued under that placement on a one (1) for two (2) basis. The issue of those options was approved at the Company's General Meeting of 28 February 2023. No other matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years.

## Auditor independence

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is included on page 12 of this financial report and forms part of this Directors' Report.

Signed in accordance with a resolution of the Directors.



**Richard Homsany**  
Executive Chairman  
14 March 2023

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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2022, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.



NEIL PACE  
PARTNER



MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 14<sup>th</sup> day of March 2023.



# CONSOLIDATED STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

		CONSOLIDATED	
	Note	31 DECEMBER 2022 \$	31 DECEMBER 2021 \$
Other income	3 (a)	259,870	621,785
Gain on shares at FVTPL		59,067	1,231,017
Impairment of exploration and evaluation assets	7	(3,257,468)	(2,335,937)
Employee benefits expense	3 (b)	(1,323,689)	(134,693)
Depreciation expense		(38,884)	(37,013)
Other expenses	3 (b)	(485,945)	(349,712)
<b>Loss before income tax expense</b>		<b>(4,787,049)</b>	<b>(1,004,553)</b>
Income tax benefit		-	-
<b>Loss for the year</b>		<b>(4,787,049)</b>	<b>(1,004,553)</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the year (net of tax)		-	-
<b>Total comprehensive income for the year</b>		<b>(4,787,049)</b>	<b>(1,004,553)</b>
Loss attributable to:			
Owners of the Company		(4,787,049)	(1,004,553)
		(4,787,049)	(1,004,553)
Total comprehensive income attributable to: Owners of the Company		(4,787,049)	(1,004,553)
		(4,787,049)	(1,004,553)
<b>Loss per share</b>		<b>Cents</b>	<b>Cents</b>
From continuing operations:			
Basic and diluted earnings per share	4	(0.12)	(0.03)

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

CONSOLIDATED			
	Note	31 DECEMBER 2022 \$	30 JUNE 2022 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	3,395,675	2,049,804
Trade and other receivables	6	179,921	144,326
Other current assets		20,831	46,721
Financial Assets		2,428,782	2,391,714
<b>Total current assets</b>		<b>6,025,209</b>	<b>4,632,565</b>
<b>NON CURRENT ASSETS</b>			
Property, plant and equipment		495,635	521,002
Exploration and evaluation assets	7	18,000,000	18,000,000
Other non-current assets		5,000	5,000
<b>Total non-current assets</b>		<b>18,500,635</b>	<b>18,526,002</b>
<b>Total assets</b>		<b>24,525,844</b>	<b>23,158,567</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	1,595,064	1,399,733
Provisions		167,937	155,846
<b>Total current liabilities</b>		<b>1,763,001</b>	<b>1,555,579</b>
<b>NON CURRENT LIABILITIES</b>			
Provisions		11,961	8,855
<b>Total non current liabilities</b>		<b>11,961</b>	<b>8,855</b>
<b>Total liabilities</b>		<b>1,774,962</b>	<b>1,564,434</b>
<b>Net assets</b>		<b>22,750,882</b>	<b>21,594,133</b>
<b>EQUITY</b>			
Issued capital	10	332,320,134	327,562,336
Reserves		6,896,308	5,710,308
Accumulated losses		(316,465,560)	(311,678,511)
Equity attributable to owners of the Company		22,750,882	21,594,133
<b>Total equity</b>		<b>22,750,882</b>	<b>21,594,133</b>

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

CONSOLIDATED				
	Issued capital	Share reserve	Accumulated losses	Attributable to owners of the parent
Note	\$	\$	\$	\$
<b>Balance at 1 July 2021</b>	320,879,396	2,178,909	(302,744,034)	20,314,271
Loss for the year	-	-	(1,004,553)	(1,004,553)
Total comprehensive loss for the year			(1,004,553)	(1,004,553)
Shares issued to Sentient	6,700,000	-	-	6,700,000
Transaction costs – share issue	(17,060)	-	-	(17,060)
<b>Balance at 31 December 2021</b>	<b>327,562,336</b>	<b>2,178,909</b>	<b>(303,748,587)</b>	<b>25,992,658</b>
<b>Balance at 1 July 2022</b>	327,562,336	5,710,308	(311,678,511)	21,594,133
Loss for the year	-	-	(4,787,049)	(4,787,049)
Total comprehensive loss for the year			(4,787,049)	(4,787,049)
Performance rights	-	1,186,000	-	1,186,000
Proceeds from issue of shares	5,077,000	-		5,077,000
Transaction costs – share issue	(319,202)	-	-	(319,202)
<b>Balance at 31 December 2022</b>	<b>332,320,134</b>	<b>6,896,308</b>	<b>(316,465,560)</b>	<b>22,750,882</b>

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

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

		CONSOLIDATED	
	Note	31 DECEMBER 2022 \$	31 DECEMBER 2021 \$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(422,811)	(249,759)
Interest received		5,488	12,108
Insurance proceeds		3,627	42,093
Government grants		239,128	567,453
<b>Net cash (used in)/ provided by operating activities</b>		<b>(174,568)</b>	<b>371,895</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(13,517)	(142,073)
Purchase of equity investments		-	(928,736)
Proceeds from sale of financial assets		33,626	-
Payments for exploration & evaluation activities		(3,257,468)	(2,335,937)
<b>Net cash (used in)/ provided by investing activities</b>		<b>(3,237,359)</b>	<b>(3,406,746)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares		5,077,000	-
Transaction costs of issue of shares		(319,202)	(17,060)
Repayment of Sentient Unitisation Deed		-	(3,300,000)
<b>Net cash (used in)/ provided by financing activities</b>		<b>4,757,798</b>	<b>(3,317,060)</b>
Net increase/(decrease) in cash and cash equivalents		1,345,871	(6,351,911)
Cash at the beginning of the financial year		2,049,804	10,379,707
<b>Cash at the end of the financial year</b>	5	<b>3,395,675</b>	<b>4,027,796</b>

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



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

## 1 Statement of significant accounting policies

The half year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* (Cth) and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half year financial report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual financial report as at and for the year ended 30 June 2022.

The interim financial statements were authorised for issue by the Directors on 14 March 2023.

### Basis of preparation

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

Accounting policies adopted in the preparation of the half year financial report are consistent with those adopted and disclosed in the Group's annual financial report for the financial year ended 30 June 2022 except as described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

### Application of New and Revised Accounting Standards

The Group has considered the implications of new or amended Accounting Standards which have become applicable for the current financial reporting period and has determined that their application to the financial statements is either not relevant or not material.

### Going Concern

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

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

The Group incurred a net loss for the half year ended 31 December 2022 of \$4,787,049 (2021: \$1,004,553), has current assets of \$6,025,209 and current liabilities of \$1,763,001.

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

## 2 Segment information

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

## 3 Revenue and expenses

CONSOLIDATED		
	31 DECEMBER 2022 \$	31 DECEMBER 2021 \$
(a) <b>Other income</b>		
Bank interest received or receivable	5,488	12,239
Government grants income	239,129	567,453
Insurance refund	3,627	42,093
Gain on disposal of financial assets	11,626	-
	259,870	621,785
(b) <b>Expenses</b>		
<b>Employee benefits expense</b>		
Wages, salaries, directors fees and other remuneration expenses	321,845	317,928
Share based payments expense	1,186,000	-
Transfer to capitalised tenements	(184,156)	(183,235)
Total employee benefits expenses	1,323,689	134,693
<b>Other expenses</b>		
Conferences	5,631	-
Promotion and advertising	118,461	2,500
Subscriptions	530	927
Travelling expenses	8,474	6,323
Accounting and audit fees	54,315	41,537
Consulting fees	77,926	96,963
Legal fees	23,201	20,381
Rent and utility expenses	14,532	14,501
Insurance costs	24,998	(5,463)
AGM, annual report, ASX and share registry	43,117	100,016
Other expenses	114,760	72,027
Total other expenses	485,945	349,712

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

## 4 Loss per share

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

CONSOLIDATED		
	31 DECEMBER 2022	31 DECEMBER 2021
Net loss attributable to ordinary equity holders of the Company	<b>(\$4,787,049)</b>	(\$1,004,553)
Weighted average number of ordinary shares for basic earnings per share	<b>3,934,968,168</b>	<b>3,853,013,257</b>
Loss per share	<b>(0.12c)</b>	(0.03c)

## 5 Cash and cash equivalents

CONSOLIDATED		
	31 DECEMBER 2022 \$	30 JUNE 2022 \$
Cash at bank and in hand	<b>3,395,675</b>	1,049,804
Short term deposits	-	1,000,000
	<b>3,395,675</b>	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.

## 6 Trade and other receivables

CONSOLIDATED		
	31 DECEMBER 2022 \$	30 JUNE 2022 \$
Senior secured loan - Strateco	<b>3,250,202</b>	3,250,202
Provision for impairment - loan	<b>(3,250,202)</b>	(3,250,202)
Convertible Note - Strateco	<b>15,291,482</b>	15,291,482
Provision for impairment - note	<b>(15,291,482)</b>	(15,291,482)
Goods and services tax receivable	<b>179,921</b>	144,326
	<b>179,921</b>	144,326

### Senior Secured Loan Strateco

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

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

It is noted however that the C\$3M loan is secured over the Strateco company and assets.

During the 2020/2021 financial year, the Company received notification that a sale process would be initiated for Strateco, which is expected to return a nil or marginal value. As such Toro does not expect to receive any funds in respect of the Strateco investment.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

## Convertible Note Strateco

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

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

In line with AASB 9 the receivable was tested for impairment and due to the current financial standing of Strateco a provision to impair the full amount receivable has been taken to account.

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

During the 2020/2021 financial year, the Company received notification that a sale process would be initiated for Strateco, which is expected to return a nil or marginal value. As such Toro does not expect to receive any funds in respect of the Strateco investment.

## 7 Exploration and evaluation assets

	CONSOLIDATED	
	31 DECEMBER	30 JUNE
	2022	2022
	\$	\$
Balance at beginning of financial year	18,000,000	18,000,000
Impairment of exploration expenditure <sup>(i)</sup>	(3,257,468)	(4,951,349)
Other expenditure during the year	3,257,468	4,951,349
	18,000,000	18,000,000

<sup>(i)</sup> Impairment as a result of expenditure on exploration tenements or surrendered tenements. Due to the current subdued uranium market, the Company has taken a conservative approach in impairing its exploration and evaluation assets.

## 8 Share based payments

### Toro Energy Limited Securities Incentive Plan

The Company adopted, by shareholder resolution at the Company's 2020 Annual General Meeting, the Toro Energy Limited Securities Incentive Plan (**Plan**). A summary of the rules of the Plan are set out below.

- Employees (whether full time, part time or casual and including executive directors), non executive directors, contractors and such other persons as the Board determines, are eligible to participate in the Plan from time to time.
- The Board may from time to time determine that an eligible participant may participate in the Plan and make an invitation to that eligible participant to apply for securities in the Company on such terms and conditions as the Board decides.
- On receipt of an invitation an eligible participant may apply for the securities the subject of the invitation in whole or in part.
- The Board may determine that convertible securities issued under the Plan are subject to vesting conditions, which will be set out in the invitation and which may be waived by the Board.
- Where a person who holds convertible securities issued under the Plan ceases to be an eligible participant or becomes insolvent, all unvested convertible securities held by that person will automatically be forfeited, unless the Board otherwise determines in its discretion to permit some or all of the convertible securities to vest.
- If a change of control event occurs in relation to the Company, or the Board determines that such an event is likely to occur, the Board may in its discretion determine the manner in which any or all of the participant's convertible securities issued under the Plan will be dealt with, including, without limitation, in a manner that allows the participant to participate in and/or benefit from any transaction arising from or in connection with the change of control event.
- All Toro shares issued under the Plan, or issued or transferred to a participant upon the valid exercise of a convertible security issued under the Plan (**Plan Shares**) will rank pari passu in all respects with the Shares of the same class. A participant will be entitled to any dividends declared and distributed by the Company on the Plan Shares and may participate in any dividend reinvestment plan operated by the Company in respect of Plan Shares. A participant may exercise any voting rights attaching to Plan Shares.



# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

## 8 Share based payments (continued)

- If there is a reorganisation of the issued share capital of the Company (including any subdivision, consolidation, reduction, return or cancellation of such issued capital of the Company), the rights of each participant holding convertible securities issued under the Plan will be changed to the extent necessary to comply with the Listing Rules applicable to a reorganisation of capital at the time of the reorganisation.
- If Shares are issued by the Company by way of bonus issue (other than an issue in lieu of dividends or by way of dividend reinvestment), the holder of convertible securities issued under the Plan is entitled, upon exercise of the convertible securities, to receive an allotment of as many additional Shares as would have been issued to the holder if the holder held Shares equal in number to the Shares in respect of which the convertible securities are exercised.
- Unless otherwise determined by the Board, a holder of convertible securities issued under the Plan does not have the right to participate in a pro rata issue of Shares made by the Company or sell renounceable rights.
- There are no participation rights or entitlements inherent in the convertible securities issued under the Plan and holders are not entitled to participate in any new issue of Shares of the Company during the currency of the convertible securities issued under the Plan without exercising the convertible securities.

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

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

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

	31 DECEMBER 2022 No.	31 DECEMBER 2022 WAEP	30 JUNE 2022 No.	30 JUNE 2022 WAEP
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 31 December 2022 is 3.47 years (June 2022: 3.74 years).

The exercise price for options outstanding at the end of the period was \$0.03 (June 2022: \$0.03).

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

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

There were no options issued during the period.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

## 8 Share based payments (continued)

### Performance Rights

During the half 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 five performance hurdles will be the VWAP over 20 consecutive Trading Days on which Shares have actually traded adjusted for:

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

The VWAP over 20 consecutive Trading Days on which Shares have actually traded AP price milestone target ascribed to each of the 3 performance hurdles below:

Hurdle number	Share Price at value date	APSM	% 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.

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

## 8 Share based payments (continued)

### Performance Rights (continued)

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

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2022

## 9 Trade and other payables

	CONSOLIDATED	
	31 DECEMBER 2022 \$	30 JUNE 2022 \$
Trade payables (i)	<b>1,546,827</b>	1,176,612
Other payables (ii)	<b>44,070</b>	63,254
Accrued expenses	<b>4,167</b>	159,867
	<b>1,595,064</b>	1,399,733

(i) Trade payables are non interest bearing and are normally settled on 30 day terms.

(ii) Other payables are non interest bearing and are normally settled within 30 - 90 days.

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# NOTES TO THE FINANCIAL STATEMENTS

FOR THE HALF YEAR ENDED 31 DECEMBER 2021

## 10 Issued capital

CONSOLIDATED		
	31 DECEMBER 2022 \$	30 JUNE 2022 \$
Ordinary Shares	<b>332,320,134</b>	327,562,336

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

During the half year the Company issued 461,545,455 fully paid ordinary shares to raise \$5,077,000 before costs.

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

\* Under AASB 3 the acquisition of Nova Energy Ltd in 2007 was deemed a 'reverse acquisition' and Toro Energy's legal subsidiary Nova Energy Pty Ltd is considered the parent for accounting consolidation purposes. As shares in Nova Energy are not listed or publicly traded the consolidated view does not detail the volume of shares relative to transactions subsequent to the acquisition. The legal parent entity of Toro Energy Limited has been included to provide details of the volume of shares on issue at 31 December 2022.

## 11 Events after the balance sheet date

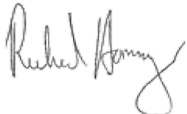
After the balance date the Company issued 230,772,736 options to subscribe for Shares at an issue price of \$0.018 on or before 28 January 2025 to sophisticated, institutional and professional investors who participated in the placement undertaken by the Company in December 2022 as free attaching options to the shares issued under that placement on a one (1) for two (2) basis. The issue of those options was approved at the Company's General Meeting of 28 February 2023. No other matters or circumstances have arisen since the end of the half year which significantly affect or may significantly affect the operations of the Group, the results of those operations, or the state of affairs in future years.

# DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 13 to 25 are in accordance with the *Corporations Act 2001* (Cth), including:
  - a. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and the performance for the half year ended on that date; and
  - b. Complying with the Accounting Standard AASB 134: Interim Financial Reporting, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts and when they fall due and payable.

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



Richard Homsany

Executive Chairman

Signed this 14<sup>th</sup> day of March 2023

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

### **Report on the Half-Year Financial Report**

#### **Conclusion**

We have reviewed the accompanying half-year financial report of Toro Energy Limited (the company) and its controlled entities (the consolidated entity or group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of comprehensive income, consolidated statement of changes in equity, the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

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

- i. giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- ii. complying with Accounting Standard *AASB 134: Interim Financial Reporting and the Corporations Regulations 2001*.

#### **Basis for Conclusion**

We conducted our review in accordance with Auditing Standards on Review Engagements *ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

#### **Responsibility of the Directors for the Half-Year Financial Report**

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

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

**Auditor's Responsibility for the Review of the Financial Report**

Our responsibility is to express a conclusion on the financial report based on our review. ASRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the financial report is not in accordance with the *Corporations Act 2001* including:

- i. giving a true and fair view of the Company's financial position as at 31 December 2022 and its performance for the half-year ended on that date; and
- ii. complying with *Accounting Standard AASB 134: Interim Financial Reporting* and the *Corporations Regulations 2001*.

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



NEIL PACE  
PARTNER



MOORE AUSTRALIA AUDIT (WA)  
CHARTERED ACCOUNTANTS

Signed at Perth this 14<sup>th</sup> day of March 2023.

# APPENDIX 1

## Wiluna Uranium Project Resources Table (JORC 2012)

At 200ppm cut-offs inside U<sub>3</sub>O<sub>8</sub> resource envelopes for each deposit - Proposed Mine Only

		Measured		Indicated		Inferred		Total	
		U <sub>3</sub> O <sub>8</sub>	V <sub>2</sub> O <sub>5</sub>	U <sub>3</sub> O <sub>8</sub>	V <sub>2</sub> O <sub>5</sub>	U <sub>3</sub> O <sub>8</sub>	V <sub>2</sub> O <sub>5</sub>	U <sub>3</sub> O <sub>8</sub>	V <sub>2</sub> O <sub>5</sub>
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 MIb	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 MIb	-	-	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 MIb	-	-	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
	MIb	6.2	-	54.2	-	2.3	68.3	62.7	68.3

## Competent Persons' Statements

### Competent Persons' Statement

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

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

### Competent Person's Statement

#### Theseus Uranium Project Mineral Resources – 2012 JORC Code Compliant Resource Estimates

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.

### **Competent Persons' Statement**

#### **Wiluna Project Mineral Resources – 2012 JORC Code Compliant Resource Estimates – V<sub>2</sub>O<sub>5</sub> for Centipede-Millipede, Lake Way and Lake Maitland.**

The information presented here that relates to V<sub>2</sub>O<sub>5</sub> 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.