



ASX RELEASE

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TORO HALVES DEBT IN \$12M DEAL WITH MAJOR SHAREHOLDER, THE SENTIENT GROUP

Uranium developer, Toro Energy Limited (ASX: "TOE", 'Toro') is pleased to announce the signing of a binding terms sheet with major company shareholder, The Sentient Group ('Sentient') that will enable Toro to repay in full its current A\$12 million debt facility provided by Macquarie Bank ('Macquarie').

Toro will repay in full the \$12M Macquarie debt with funds sourced from:

- **\$6.0M secured, interest free loan from Sentient, maturing in 3 years;**
- **\$2.5M placement to Sentient of 31.2M shares at \$0.08 per share as part of the transaction announced on 3 November 2014 (2014 Sentient Transaction);**
- **\$3.0M released from the \$10M Unitisation funds received from Sentient under the 2014 Sentient Transaction; and**
- **\$0.5M of existing working capital.**

The deal halves the Company's current \$12 million debt, converting it to a \$6 million secured, interest free loan owed to Sentient on better terms than the existing Macquarie facility. Sentient will be issued 75M options in connection with the Loan. The options are exercisable at \$0.08 and expire at maturity of the Loan in three years (or earlier in certain circumstances).

The agreement also concludes the transaction by Toro with Sentient announced on 3 November, 2014, with the issue to Sentient of 31.2 million deferred subscription shares at \$0.08 per share for \$2.5 million and a further issue of 59.1 million shares to complete the acquisition from Sentient of various assets of Canadian-based Strateco Resources ("Strateco"), including secured loans. Strateco is the owner of the Matoush Uranium Project in Quebec.

The Company became aware on 8 June 2015 that Strateco notified the Superior Court of Montreal that it had become insolvent and subsequently on 9 June 2015 filed for an initial order under the Canadian Companies' Creditors Arrangement Act. Toro's secured loans in Strateco are protected by a first ranking security over their assets, including the Matoush Uranium Project.

On completion of the transactions announced today, and pending no other new corporate developments, Sentient will be an 18.3% shareholder of Toro (currently 14.4%).

Toro Managing Director, Dr Vanessa Guthrie, said today the new financial structure strengthens Toro's position as the Company enters the new 2015-16 financial year, and enables Toro to fund further project optimisation studies and the definitive feasibility study for its advanced Wiluna Uranium project in Western Australia.

A summary of the key terms of the agreement with The Sentient Group is attached.

Toro is looking to bring Wiluna to market to coincide with the predicted uplift in global uranium demand in the second half of this decade.

Toro already has the approval of the Western Australian and Federal Governments to establish a processing facility and commence mining of two of Wiluna's deposits, Centipede and Lake Way, and the Company is currently undergoing the government environmental assessment and approval processes to mine two additional deposits at Wiluna, Millipede and Lake Maitland.

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Toro Energy is a uranium development and exploration stage mining company based in Perth, Western Australia.

Toro's flagship asset is the 100% owned Wiluna Uranium Project, consisting of six calcrete hosted uranium deposits. The project is located 30 kilometres southwest of Wiluna in Central Western Australia. The Centipede and Lake Way deposits have received government environmental approval providing the Wiluna Project with the opportunity to be Western Australia's first uranium mine.

Toro also owns a highly prospective suite of exploration properties highlighted by Toro's own discovery at the Theseus Project. The Company also has investments in Canadian and Namibian uranium assets.

Toro is also pursuing growth opportunities through accretive uranium project acquisitions.

www.toroenergy.com.au

TOE - A member of the All Ordinaries Index

Summary of key terms from the Binding Term Sheet

\$12M loan from Macquarie Bank Limited to be repaid in full. Funds sourced as follows:

\$6.0M	0% interest secured loan from Sentient maturing in 3 years
\$2.5M	Placement at \$0.08 to Sentient (completion of Sentient deferred subscription. Refer <i>ASX announcement 3 November 2014</i>)
\$3.0M	Released from \$10M Unitisation Fund (under the Unitisation Agreement, see <i>ASX announcement 3 November 2014</i>)
\$0.5M	Existing working capital

Secured Loan

Amount:	\$6.0M
Term:	3 years
Interest:	0.0%
Facility Fee:	0.0%
Options Granted:	75M with \$0.08 strike price Options expire at the earlier of 60 days after debt repayment or loan term expiry (subject to any extension required to obtain approval should that be required under Corporations Law – up to 6 months)
Conditions:	The Loan and issue of options are conditional on the Sentient Group obtaining FIRB approval, first ranking security being provided, full form loan documents being completed, the issue of the deferred consideration and subscription shares (see <i>ASX announcement 3 November 2014</i>) and grant by ASX of a waiver from LR 10.1 to enable the grant of security for the Loan without shareholder approval.
Security & Negative Undertakings:	First ranking security and negative undertakings provided to Sentient as customary for facilities of this nature.

Placement

The \$2.5M placement to Sentient of 31.2M shares at \$0.08 per share being the completion of the final tranche of the transaction announced on 3 November 2014.
Toro will also issue 59.1M shares as the final tranche of consideration for acquisition of various Canadian based uranium assets of Sentient announced on 3 November 2014.

Unitisation funds

Sentient has agreed to release \$3M from the \$10M of the funds received under the Unitisation Agreement (which were to be used for R&D purposes) to be used in the repayment of the \$12m Macquarie debt.

Working capital

Toro will contribute \$0.5M of its existing working capital to the \$12M Macquarie debt repayment. Toro's total cash and cash equivalents as at 31 March 2015 were \$22.8M.