QUARTERLY ACTIVITIES REPORT

For period ending 31 December 2020

Highlights

Dusty Nickel Project, Western Australia

- **Follow-up diamond drilling programme of 7 holes for 2,029.7 metres carried out, focussed on testing for extension of the massive nickel sulphides already intersected at the Dusty Nickel Discovery.**
- **As announced on 9 December 2020, geochemical assay results confirmed intersection of massive nickel sulphides within a 9m thick (downhole) zone of sulphides starting at 250.9m downhole in TED07, including 4 intersections of massive nickel sulphides with a cumulative thickness of 4.5m.**

Figure 1: Photo of massive nickel sulphide in drill core of diamond hole TED07 at the Dusty nickel discovery on Toro's 100% owned Yandal Gold Project – this part of the core grades 4.01% nickel (see text for details).

- **The massive nickel sulphide intersections in TED07 occur over a total 9m zone of significant sulphide mineralisation grading at 2.07% nickel from 250.9m downhole and include (referring to Figure 2):**
  - **2.0m of massive nickel sulphide grading 4.01% nickel, 0.27% copper, 0.13% cobalt and 0.45g/t platinum and palladium from 250.9m downhole;**
  - **0.20m of massive nickel sulphide grading 3.35% nickel, 0.46% copper, 0.11% cobalt and 0.42g/t platinum and palladium from 253.2m downhole;**
  - **2.0m of massive nickel sulphide grading 3.85% nickel, 0.41% copper, 0.13% cobalt and 0.45g/t platinum and palladium from 255.5m downhole; and**
  - **0.3m of massive nickel sulphide grading 4.03% nickel, 0.33% copper, 0.13% cobalt and 0.39g/t platinum and palladium from 259.6m downhole.**

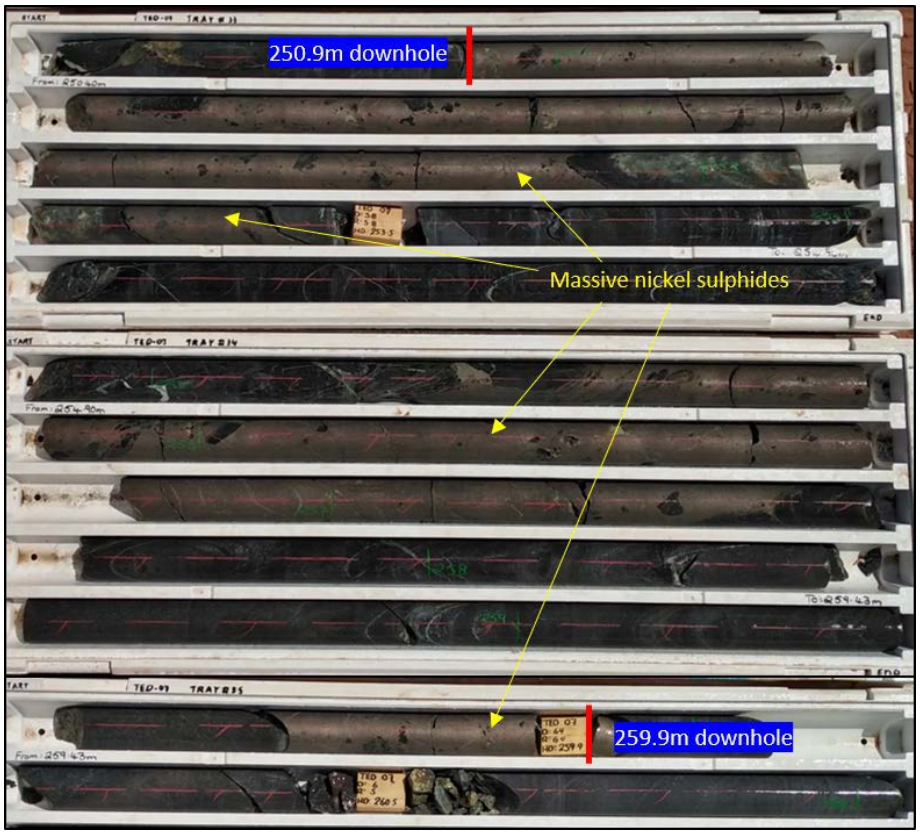


Figure 2: Photo of 9m thick (downhole) zone of nickel sulphides in drill core of diamond hole TED07 inclusive of the 4.5m cumulative over four sections of massive nickel sulphides (see text for further details).

Yandal Gold Project, Western Australia

- **Awaiting receipt of an interpretation of results from the third quarter reverse circulation drilling campaign on the Golden Ways Target Area, where a total of 35 RC drill holes were completed for 2,416m and the follow-up diamond hole to TED05 was completed to a depth of 346.5m.**

Wiluna Uranium Project, Western Australia

- **Continued efforts to improve the value of the Wiluna Uranium Project through research, innovation and engineering opportunities including the recovery of vanadium as a valuable by-product.**

Exploration during the Quarter[1]

Dusty Nickel Project

During the quarter Toro Energy Limited (**Toro** or **the Company**) continued exploration of its Dusty Nickel Project, located in the northern goldfields region of Western Australia, some 50km east of the world class Mt Keith Nickel Deposit and lying within the tenements that comprise the Company's Wiluna Uranium Project (see **Figure 3** and **Figure 4**). To date the Company has carried out approximately 5,566.7 metres of drilling (a combination of reverse circulation and diamond drilling) on the Dusty Nickel Project inclusive of 2016 drilling.

Dusty Nickel Discovery

During the quarter the Company carried out follow-up diamond drilling at the Dusty Nickel Discovery, with 7 mud rotary/diamond holes drilled for 2,029.7 m focussed on testing for extension of the massive nickel sulphides already intersected by the Company at Dusty.

As announced by the Company on 9 December 2020, geochemical assay results confirmed that the massive nickel sulphides in TED07, the second mud rotary/diamond hole drilled in the quarter, occur within a 9m thick (downhole) zone of sulphides starting at 250.9m downhole, which includes four intersections of massive nickel sulphides that have a cumulative thickness of 4.5m. The entire 9m sulphide zone has an average nickel grade of 2.07% nickel and cumulatively, the 4.5m of massive nickel sulphides grade at 3.91% nickel, 0.34% copper, 0.13% cobalt and 0.45 g/t platinum and palladium (refer to **Figure 4**). Individually, the average nickel grades of the massive sulphide intersections are 4.01% over 2.0m from 250.9m downhole, 3.35% over 0.2m from 253.2m downhole, 3.85% over 2.0m from 255.5m downhole and 4.03% nickel over 0.3m from 259.6m downhole.

[1] Information in this report relating to Exploration is based on information compiled by Dr Greg Shirtliff, who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Shirtliff is a full-time employee of Toro, and has sufficient experience in mineral exploration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' for the information presented here. Dr Shirtliff consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

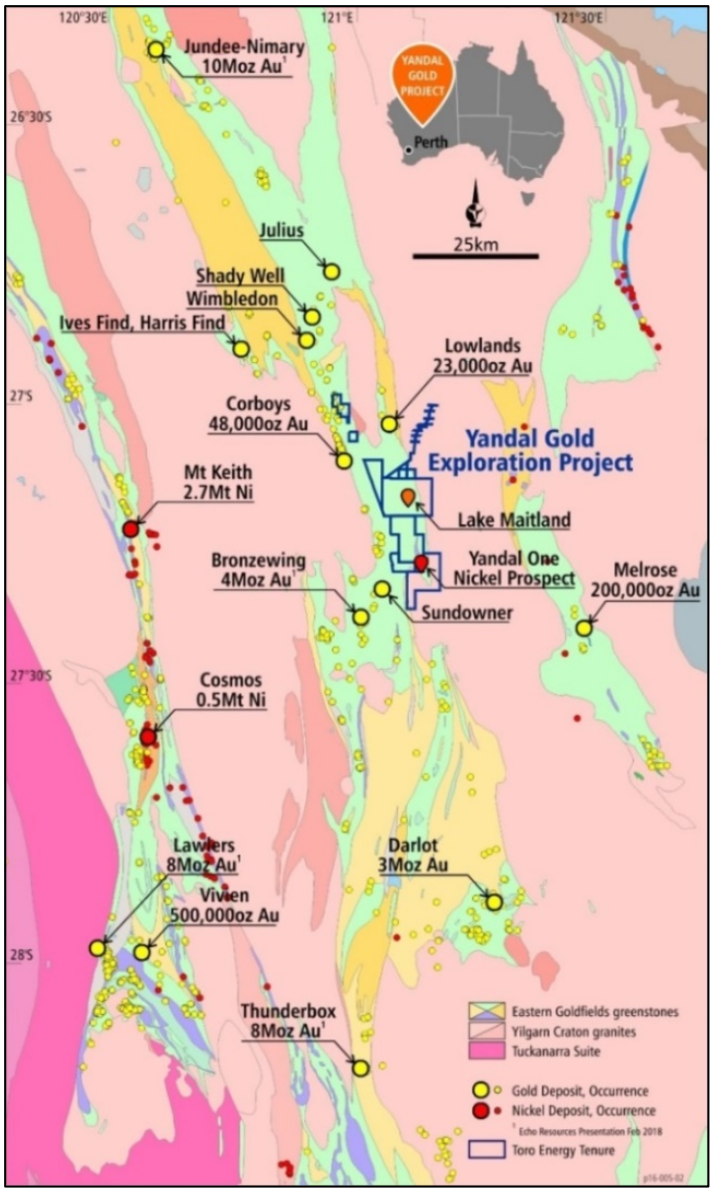


Figure 3: Location of Toro's Yandal Gold Project, within which the Dusty Nickel Project is also located. The map shows the Yandal Greenstone Belt, the location of gold deposits and occurrences and the three major gold producing operating centres, Jundee-Nimary, Bronzewing and Darlot. The map also shows the location of the Mt Keith and Cosmos nickel deposits on the Wiluna-Agnew greenstone belt to the west.

During the quarter the Company also announced that geochemical assays results revealed that diamond hole TED06, which intersected the komatiite host rock in-between the massive sulphide intersections of TED04 and TED07 (refer to **Figure 4**), also intersected a thin 12cm band (downhole) of massive nickel sulphide at the base of the komatiite rock unit. The average grade of the intersection in TED06 was 3.19% nickel, 0.28% copper, 0.13% cobalt and 0.29 g/t platinum and palladium. Although this shows that the thickness of the massive nickel sulphide may be variable down-dip, it also shows that the massive nickel sulphide is continuous over the 70m down-dip extent tested by the three drill holes TED04, TED06 and TED07.

All of the massive nickel sulphide intersected at Dusty and reported on to date (in drill holes TERC13, TED03, TED04, TED06 and TED07) occurs at the base of a magnetite bearing ultramafic rock unit interpreted to be a komatiite flow/intrusion, which overlies a siliceous metasedimentary unit on top of a felsic granite. The hanging wall to the komatiite is a thick mafic intrusive (dolerite) or a high magnesium intrusive rock at depth (refer to **Figure 4**). The dominant mineralogy of the massive nickel sulphide intersects includes pyrite, pyrrhotite, pentlandite and chalcopyrite.

The evidence to date suggests that the Dusty Nickel Discovery is one of komatiite hosted massive nickel mineralisation similar to most of the massive nickel sulphide deposits exploited in the Yilgarn of Western Australia.

Given the continued success of the diamond drilling campaign on the Dusty Nickel Prospect, the mud-rotary/diamond drilling programme was extended to 3,000m, double that originally planned. This program had not been completed by the end of the quarter and is therefore planned to be continued and completed by the end of the next quarter subject to rig availability. The Dusty nickel sulphide mineralisation remains open in all directions. The elongated magnetic anomaly interpreted to represent the Dusty Komatiite stretches over a 7km strike length. All of the drill holes at Dusty to date (see **Figure 4**) have indications of disseminated nickel sulphides throughout the komatiite rock unit, which if proved to be the case with detailed mineralogical analysis, showing that the Dusty Komatiite has been sulphidised and hence is a target for massive nickel sulphides all along its 7km length.

Yandal One Nickel Prospect

The Yandal One Nickel Prospect is located some 20km south of the Dusty Discovery (refer to **Figure 3**) and incorporates a large folded Komatiite ultramafic rock unit uncovered by Toro Energy by RC drilling a magnetic target in 2016. Planning is currently underway to revisit this drilling with some extensional diamond drilling in 2021.

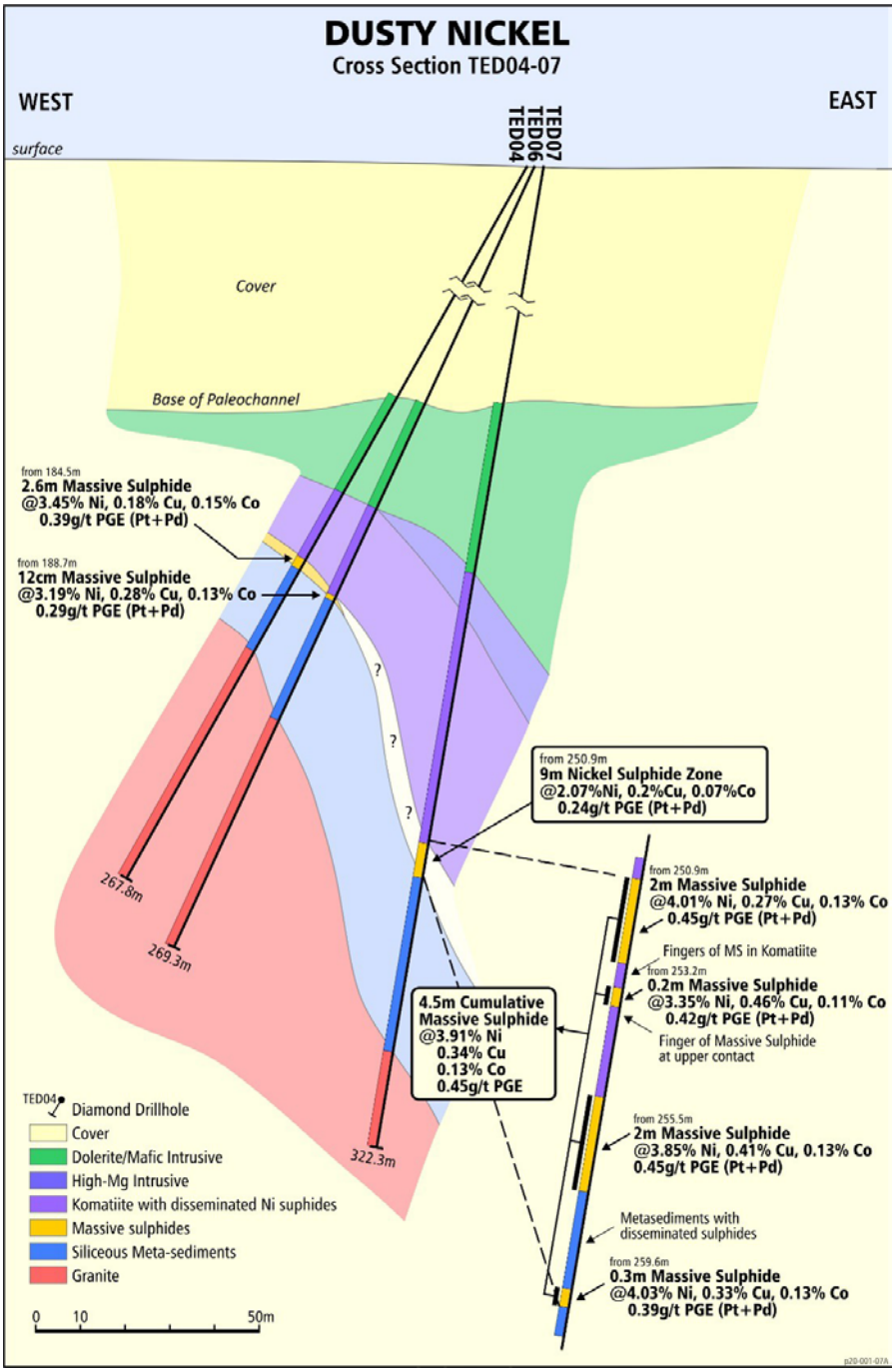


Figure 4: Geological E-W cross-section of Dusty looking north with information from drill holes TED04, 06 and 07. Inset shows the break-down of the 9m section of sulphide mineralisation intersected in TED07, which includes four intersects of massive nickel sulphide. See text for further details.

Yandal Gold Project

As announced at the end of the third quarter of 2020, the Company completed a reverse circulation drilling campaign on the Golden Ways Target Area within the Company's 100% owned Yandal Gold Project, which is located in the Yandal Greenstone Belt some 15km NE of the world class Bronzewing Gold Mine (see **Figure 3** and **Figure 5**). A total of 35 reverse circulation drill holes for 2,416m were completed over the Golden Ways Target Area in the quarter. As at the date of this report the Company is awaiting receipt of an interpretation of the results of that drilling campaign.

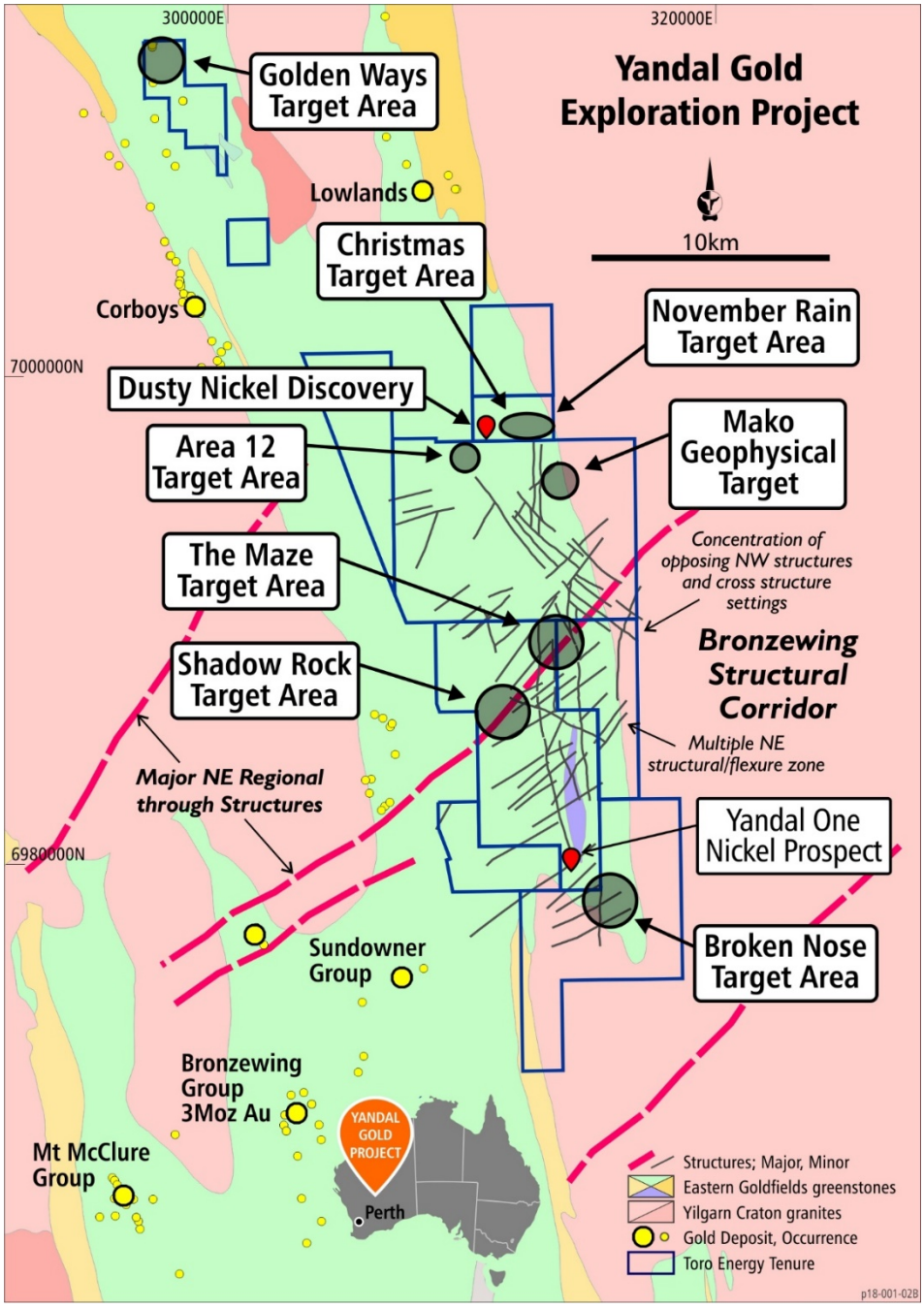


Figure 5: Close up map of the entire Yandal Gold Project showing the location of the Golden Ways Target Area relative to all target areas so far developed on the Project.

Wiluna Uranium Project, Western Australia

As previously reported by Toro, the successful completion of environmental permitting of the Company's Wiluna Uranium Project (**Figure 6**) in 2017 is a major milestone for Toro.

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 has been making a continued effort to improve the value of its Wiluna Uranium Project through research, innovation and engineering opportunities despite the subdued uranium market. The Company's efforts in this regard include proposed changes to the proposed processing flowsheet design which have resulted in potential improvements in the capital and operating costs of the Wiluna Uranium Project as well as a potential improvement in overall uranium recovery from the plant. The changes have resulted from the opportunities highlighted by the test work completed as part of the Beneficiation and Process Design studies (**Studies**) that have been ongoing since completion of the 2016 Scoping Study[2].

The Company has announced a Maiden Vanadium JORC (2012) Resource for the Wiluna Uranium Project. The Maiden 2012 Inferred Mineral Resource for the Wiluna Uranium Project has been estimated at **53.6Mt at 0.0382% Vanadium Pentoxide** (V_2O_5) comprising **68,300,000 pounds V_2O_5** using a cut-off grade of 200ppm V_2O_5 within a previously defined U_3O_8 resource envelope for each of the deposits. Test work completed by the Company has established that V_2O_5 may be a valuable by-product of processing uranium ore from the proposed uranium mine on the Wiluna Uranium Project[3]. Given the expected long-term growth in the price of V_2O_5 (see the Company's ASX announcement of 21 October 2019 for further information) and the potential future demand, including from Vanadium Redox Batteries (**VRBs**), Toro believes producing vanadium as a by-product is likely to result in a significant improvement to the feasibility and value of the Wiluna Uranium Project. Please see the Company's ASX announcement of 21 October 2019 for further details of the vanadium resource as well as information concerning the pricing of, and demand for, vanadium.

The successful leaching and IX processes developed by Toro should allow for the recovery of vanadium into a vanadium pentoxide (V_2O_5) product for sale without any significant loss to the recovery of uranium[4]. Due to simplification of the downstream refining process and a reduction in ion reagent cost resulting from using ion exchange instead of the previously proposed method (see the Company's ASX announcement of 21 October 2019 for further information), it is expected that producing V_2O_5 as a by-product will not result in any significant increase in costs to the Wiluna Uranium Project[4].

---

[2] Please refer to the Company's ASX announcement of 5 December 2016.
[3] Please refer to the Company's ASX announcements of 18 March 2019 and 5 September 2019 for information on the vanadium processing test-work.
[4] Refer to the Company's ASX announcements of 18 March 2019 and 5 September 2019 for information on the vanadium processing test-work.

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). Please see the Competent Person's Statement at the end of this release for information about the reporting of the resource.

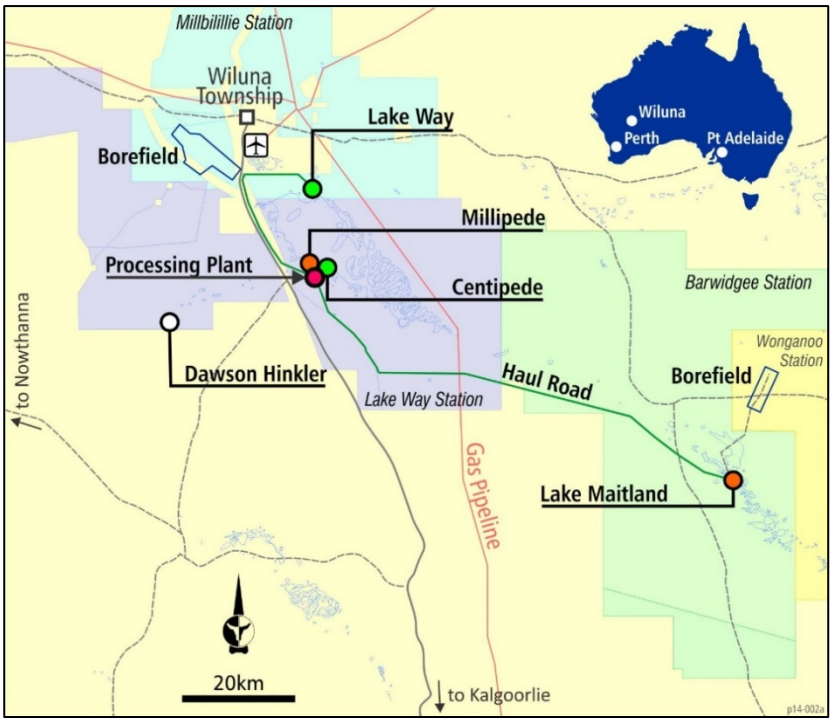


Figure 6: Wiluna Uranium Project

Corporate

During the quarter the Company utilised the Controlled Placement Agreement (**CPA**) entered into with Acuity Capital Investment Management Pty Ltd (**Acuity Capital**) as announced on 11 May 2020. On 29 October 2020 the Company also completed a placement of 100,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) to Acuity Capital at an issue price of $0.01435 per Share to raise total proceeds of $1,435,000. Funds raised by that issue were used to finance drilling campaigns or will be used to finance further drilling campaigns on both the Dusty Nickel Project and Yandal Gold Project as well as for working capital. During the quarter the Company and Acuity Capital also agreed to increase the maximum amount of capital available under the CPA to $15 million. As at the end of the quarter the Company had utilised the CPA to raise a total of $2,635,000 and the remaining standby equity capital available under the CPA at the end of the quarter was $12,365,000.

During the quarter the Company received notification that a sale process would be initiated for Strateco Inc (**Strateco**), in which the Company holds equity and debt, 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.

Tenement Movements

There were no tenement movements on the Wiluna Project, the Yandal Nickel Project or the Yandal Gold Project during the quarter (refer to **Appendix 2**).

A tenement status map is attached at Appendix 1 and Appendix 2. Attached at Appendix 3 is the Wiluna Uranium Project resource table.

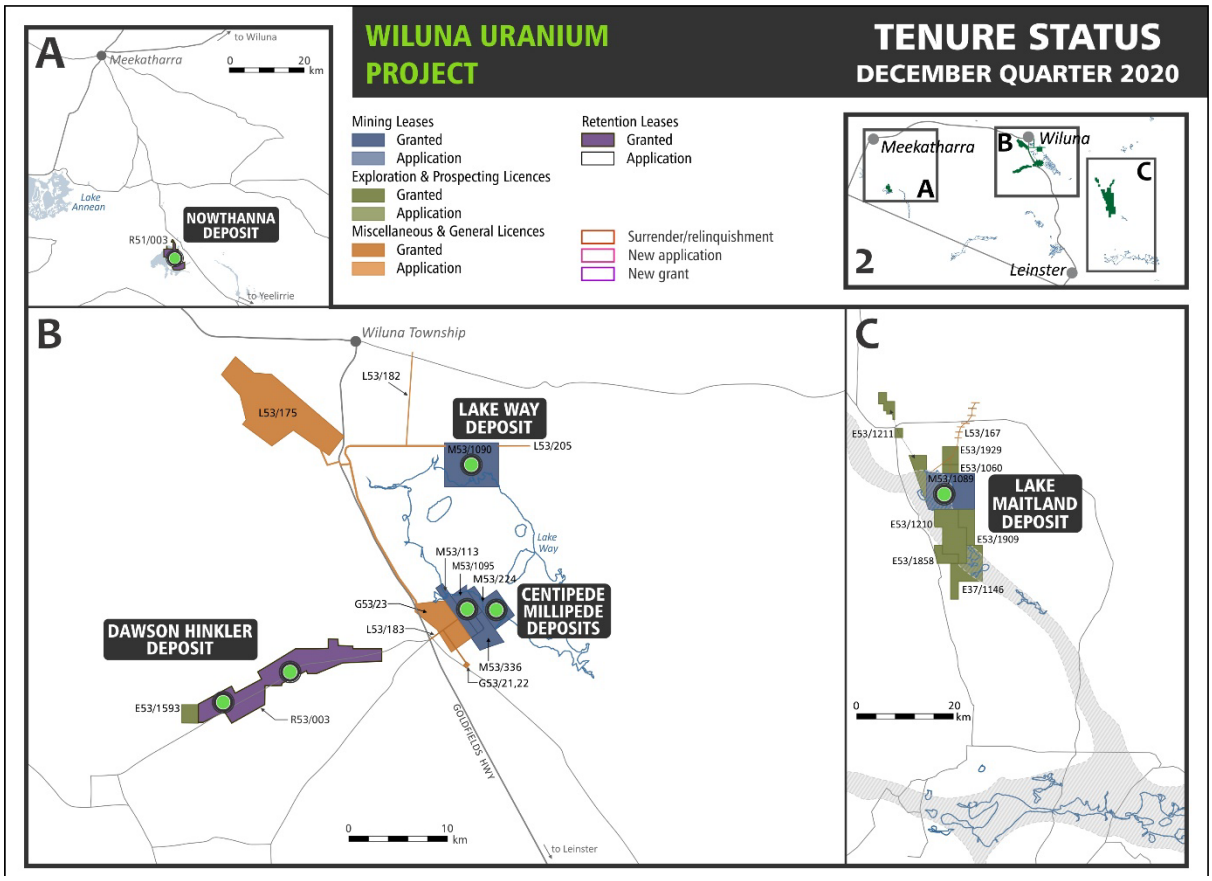
This announcement was authorised for issue by the board of Toro Energy Limited.

Katherine Garvey
Legal Counsel and Company Secretary, Toro Energy Limited.
60 Havelock Street, West Perth WA 6005

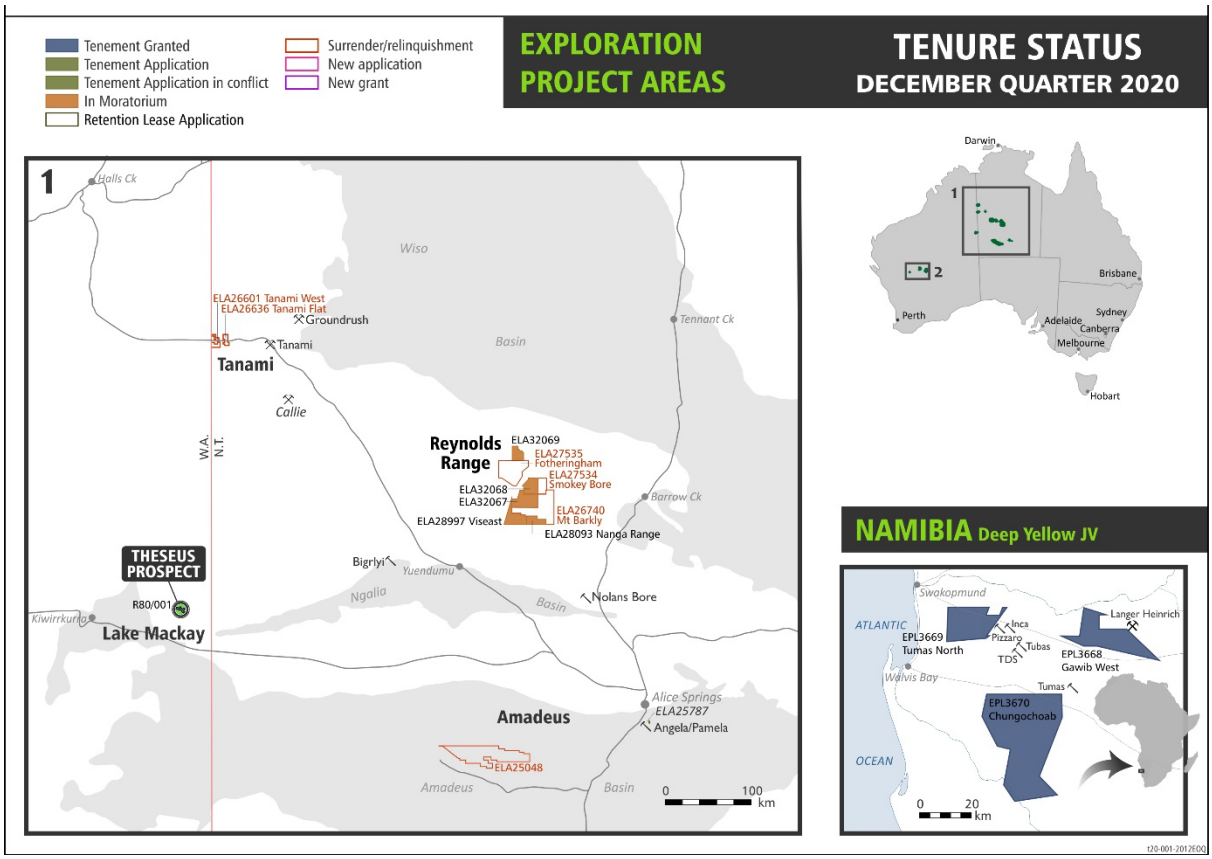
ENDS

For further information contact:
Richard Homsany
Executive Chairman
Toro Energy Limited
+61 8 9214 2100

APPENDIX 1: DECEMBER 2020



APPENDIX 2: DECEMBER 2020



APPENDIX 3: Wiluna Uranium Project Resource Table – JORC 2012

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

Competent Person's Statement

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

The information presented here that relates to Mineral Resources of the Centipede, Millipede, Lake Way, Lake Maitland, Dawson Hinkler and Nowthanna deposits is based on information compiled by Dr Greg Shirtliff of Toro Energy Limited, Mr Sebastian Kneer formerly of Toro Energy Limited and Mr Daniel Guibal of SRK Consulting (Australasia) Pty Ltd. Mr Guibal takes overall responsibility for the Resource Estimate and Dr Shirtliff takes responsibility for the integrity of the data supplied for the estimation. Dr Shirtliff is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and Mr Guibal is a Fellow of the AusIMM and they have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. The Competent Persons consent to the inclusion in this release of the matters based on the information in the form and context in which it appears.