

QUARTERLY ACTIVITIES REPORT

For period ending 30 June 2021

Highlights

Dusty Nickel Project, Western Australia

- 2021 diamond drilling campaign commenced, planned to consist of at least 2,600m of diamond drilling, with mud rotary collars where needed, to penetrate through the paleochannel that lies above the Dusty Nickel Discovery.
- Semi-massive nickel sulphides discovered 400m SE of Dusty Nickel Discovery in diamond drill hole TED14, with the overall intersection containing clasts and semi-massive nickel sulphide having a continuous downhole thickness of 4.5m starting from 294.73m downhole and including semi-massive nickel sulphide over 0.8m from 297.75m downhole.

Yandal Gold Project, Western Australia

- Planning for next phase of exploration at Golden Ways underway.

Wiluna Uranium Project, Western Australia

- SRK Consulting appointed to carry out scoping level engineering study for the mining and processing of the Lake Maitland Uranium Deposit, including vanadium by-product, which is now underway.

Corporate

- Transformational capital raising undertaken, with an A\$15 million institutional placement completed, led by offshore and domestic institutional investors, including some of the existing substantial shareholders.
- Legacy debt extinguished via debt to equity conversion and cash repayment, resulting in Toro now being debt-free and well-funded to add shareholder value.

Exploration during the Quarter¹

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 1**). In the first quarter of 2021 the Company commenced its 2021 diamond drilling campaign on the Dusty Nickel Project, planned to consist of at least 2,600m of diamond drilling, with mud rotary collars where needed, to penetrate through the paleochannel that lies above the Dusty Nickel Discovery. A scheduled break to change drilling contractors and as a result of staffing delays caused by COVID-19 related state border closures has temporarily halted the drilling campaign, however drilling is expected to continue as soon as logistically possible.

Discovery of Massive Nickel Sulphides at Dusty 1

Massive nickel sulphides were first intersected at **Dusty 1** by Toro in 2019 with Reverse Circulation (**RC**) drill hole TERC13 but were not confirmed until analysis of diamond drill hole TED03 in 2020, which showed that TERC13 had intersected 15cm of massive nickel sulphides (refer to the Company's ASX announcement of 13 July 2020) grading 1.86% nickel, 0.08% cobalt and 0.19% copper from 177.5m downhole (refer to the Company's ASX announcement of 1 September 2020). Significant intersections to date include (downhole depths only – please refer to tables detailing significant figures and drill hole details, as well as the relevant JORC Table 1 in the Company's ASX announcement of 1 September 2020):

- TED04: **2.6m at 3.45% nickel**, 0.18% copper, 0.15% cobalt, and 0.388g/t platinum and palladium from 184.5m.
- TED07: **9m at 2.07% nickel** from 250.9m including:
 - 2.0m at 4.01% nickel, 0.27% copper, 0.13% cobalt and 0.45 g/t platinum and palladium from 250.9m; and
 - 2.0m at 3.85% nickel, 0.41% copper, 0.13% cobalt and 0.45 g/t platinum and palladium from 255.5m.

¹ Information in this report relating to Exploration is based on information compiled by Dr Greg Shirliff, who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Shirliff 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 Shirliff consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

Discovery of Semi-massive Nickel Sulphides at Dusty 2

As announced by the Company on 22 April 2021, Toro intersected semi-massive nickel sulphide and clasts of massive nickel sulphide in diamond drill hole TED14 (**Figure 2**), some 400m SE and along strike of the Dusty Nickel Discovery. The zone of semi-massive nickel sulphide and clasts of nickel sulphide intersected in diamond drill hole TED14 is continuous over 4.5m (downhole) and starts at 294.73m downhole depth. This includes a 0.8m section of semi-massive nickel sulphide starting from 297.75m downhole.

Hand-held spot analysis of sulphide within the individual pieces of semi-massive sulphide by a portable X-Ray Fluorescence (**hh-pXRF**) instrument suggests local nickel concentrations of between 2.45 and 10.72% nickel (refer to details of how hh-XRF analyses were undertaken and checking of the instrument accuracy in ASX announcement of 22 April 2021). This confirms the identification of nickel sulphides and, importantly, highlights the potential for high grade massive nickel sulphide if it were to occur in this new discovery location. It is important to note that these nickel concentrations do not represent the nickel grade of the drill core due to the sulphides in the drill core being semi-massive in nature and which are therefore co-existing with silicate minerals. The overall grade of the nickel sulphide intersection once assayed will be lower as a consequence. The 'spot' analysis of drill core by hh-pXRF should only be used as a guide only, and is not a substitute for bulk geochemical analysis of drill or rock samples. Please see the Company's ASX announcement of 22 April 2021 for further information.

Diamond drill hole TED14 targeted the same komatiite as that hosting the Dusty Nickel Discovery, as interpreted from magnetic data, some 400m along strike to the SE. The fact that semi-massive nickel sulphides have been intersected 400m away from the original massive sulphide discovery at Dusty proves that the fertility of the Dusty Komatiite for nickel sulphide mineralisation may be widespread along its length and at the very least, not localised to the original Dusty location. Airborne magnetic data suggests the Dusty Komatiite has a total strike length of at least 7.5km, all within Toro's 100% owned Dusty Nickel Project.

Yandal One Nickel Prospect

The Company's 2021 diamond drilling campaign on its Dusty Nickel Project will include at least one hole at the Yandal One Target Area (see **Figure 3**) to test the base of the Yandal One komatiite-ultramafic rock unit at depth after favourable geochemistry was intersected in Toro's prior drilling at Yandal One and at a relatively shallow depth, but which has not yet been followed up.

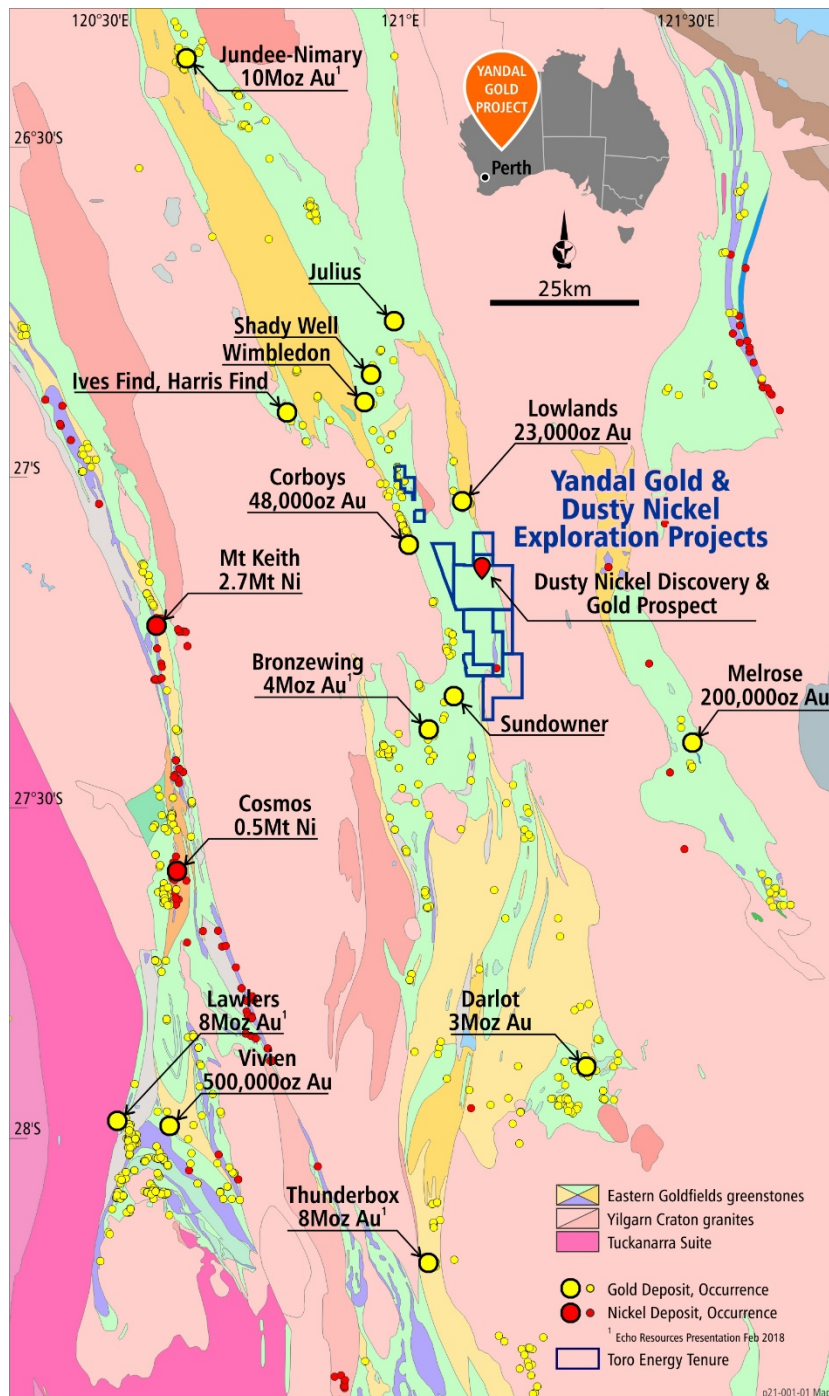


Figure 1: Location of Toro's Dusty Nickel Project and Yandal Gold Project within the Yandal Greenstone Belt. The map also shows the location of the Mt Keith and Cosmos nickel deposits on the Wiluna-Agnew greenstone belt as well as the location of gold deposits and occurrences and the three major gold producing operating centres, Jundee-Nimary, Bronzewing and Darlot.

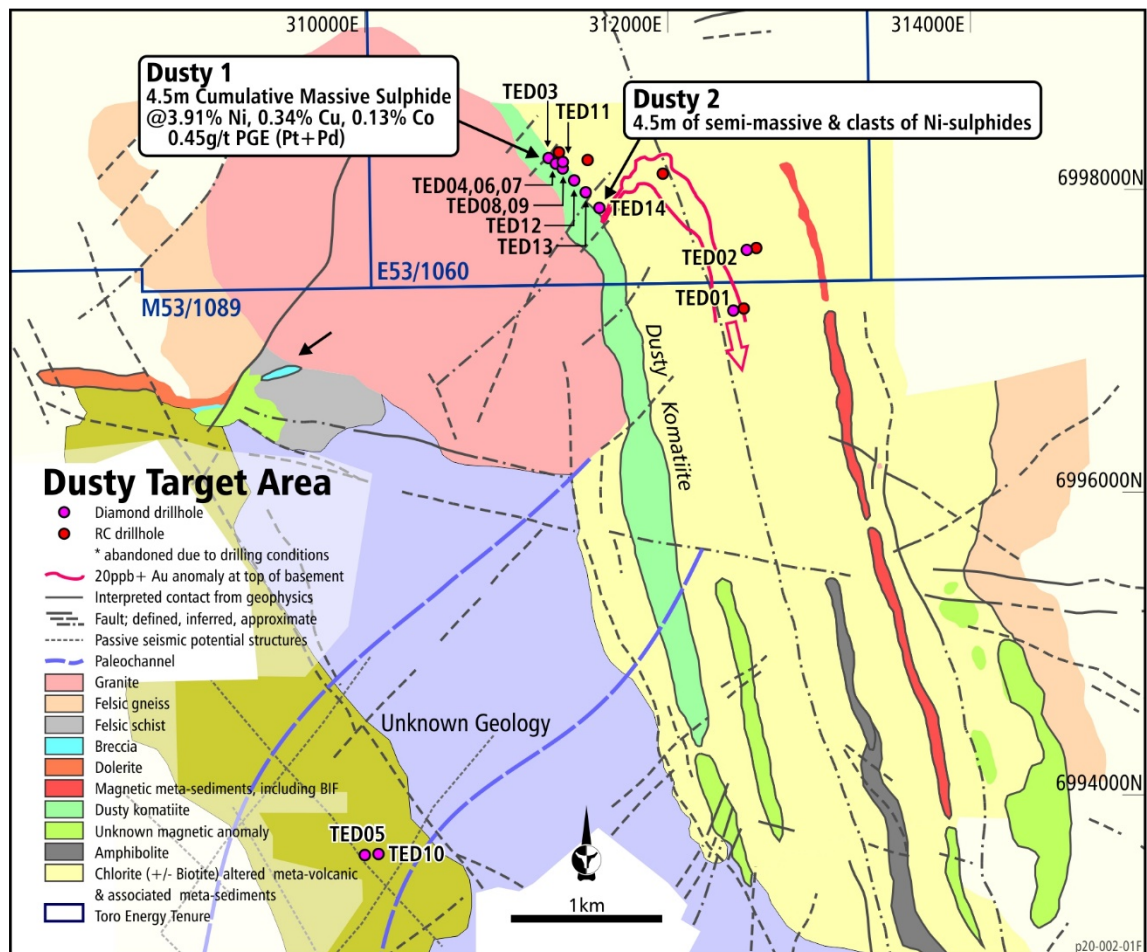


Figure 2: Location of TED14 relative the original Dusty Nickel Discovery within the Dusty Target Area.

Yandal Gold Project

Planning for next phase of exploration at the Golden Ways Target Area within the Company's Yandal Gold Project is underway. The Yandal Gold Project is located in the Yandal Greenstone Belt some 15km NE of the world class Bronzewing Gold Mine (see **Figure 1** and **Figure 3**).

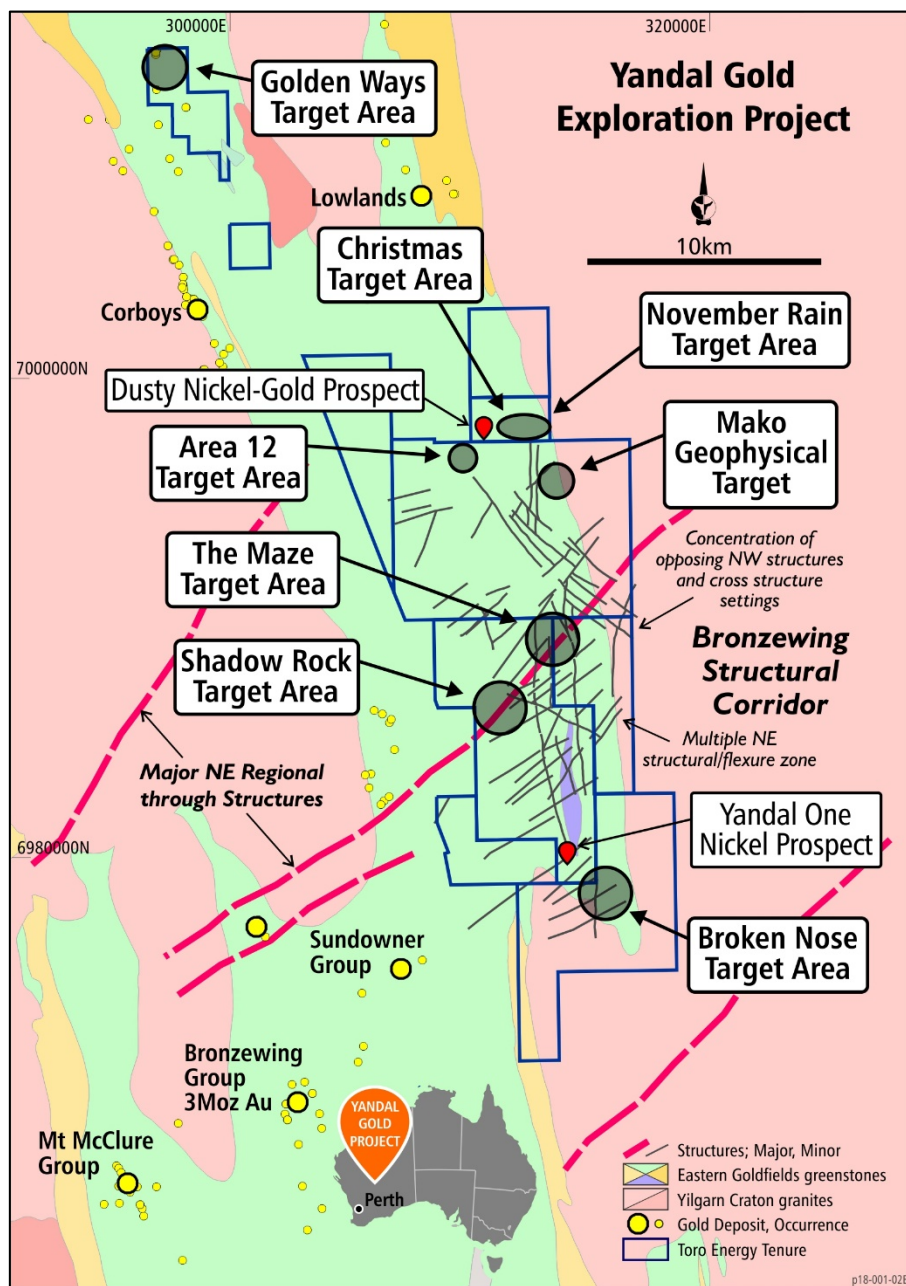


Figure 3: Close up map of the entire Yandal Gold Project showing the location of the Golden Ways Target Area relative to all target areas so far developed on the Project. Background geology is a simplified version of the 1:15K Interpretation of the 2016 airborne magnetic survey by Core Geophysics. No geological information from Toro drilling to date has been added to this geology.

Wiluna Uranium Project, Western Australia

The Company continues to improve the value of its Wiluna Uranium Project (**Figure 4**) through research, innovation and engineering opportunities. 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 Study².

During the quarter the Company commenced a scoping level engineering study for the mining and processing of the Lake Maitland Uranium Deposit as a stand-alone project that will include the mining and processing of vanadium as a by-product of mining uranium. SRK Consulting has been engaged by the Company to carry out these works. The scoping study will include a complete engineering build and operational assessment from mining of the Lake Maitland resource through beneficiation, processing and treatment, to production of a ready to transport product for both uranium and vanadium. All stages of the operation will be costed by engineers to current prices, including all non-process related activities, in order to ascertain the current capital and operating cost of mining and processing the Lake Maitland Uranium Deposit as a stand-alone operation.

The engineering will incorporate all of the changes and improvements to the processing and treatment of the potential ore from the Lake Maitland Uranium Deposit that have been proven possible by the research and development undertaken by Toro in recent years and announced to the market. This includes the most recent research demonstrating that vanadium could be successfully produced as a by-product of the leaching and treatment of the potential Lake Maitland uranium ore at a small marginal cost. Toro considers that a stand-alone Lake Maitland operation provides the Company a substantial amount of optionality with its significant uranium and vanadium resources. The successful scoping level research and improvements achieved at Lake Maitland to date also highlight opportunities within the broader Wiluna Uranium Project given the potential improved economics at Lake Maitland. The Lake Maitland studies also act as a testing ground for methods that may have the potential to be applied to the entire Wiluna Uranium Project. For further information please refer to the Company's ASX announcements of 8 February 2021, 6 April 2021 and 15 June 2021.

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). Given the Lake Maitland Uranium Deposit represents a significant proportion of the Wiluna Uranium Project's resources of both uranium and vanadium, improvements at Lake Maitland will have the greatest potential for improving the economics of the Project as a whole. Please see the Competent Person's Statement at the end of this release for information about the reporting of the resource.

² Please refer to the Company's ASX announcement of 5 December 2016.

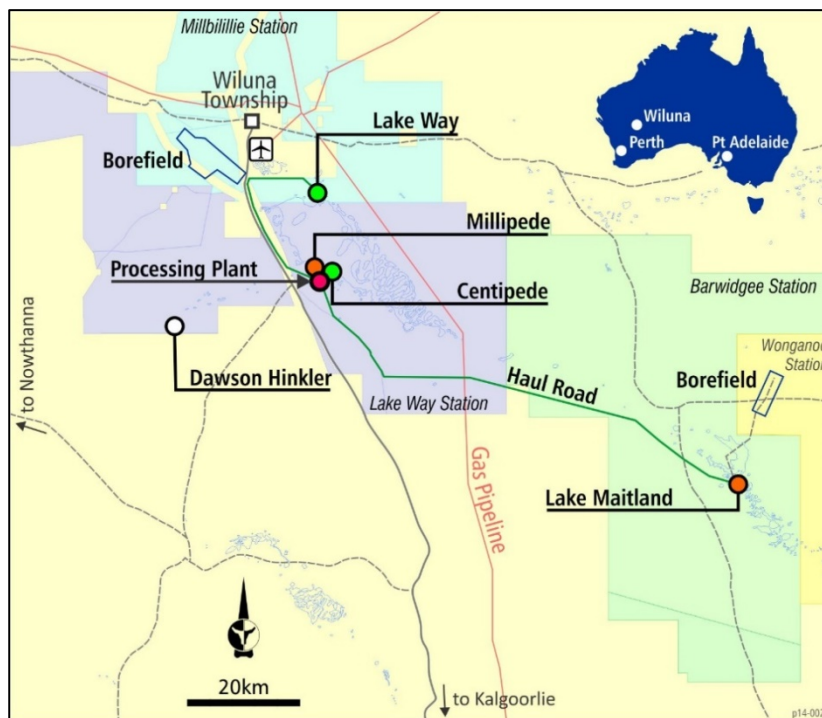


Figure 4: Wiluna Uranium Project

Corporate

During the second quarter of 2021 the Company completed a transformational capital raising, raising A\$15 million (before costs) via a share placement to institutional, sophisticated and professional investors at A\$0.023 per share by the issue of 652.1 million new fully paid ordinary shares. Please see the Company's announcements of 21 May 2021 and 28 May 2021 for further information in respect of the placement.

In addition to the May 2021 placement, during the quarter the Company entered into an agreement to repay all amounts owing to its largest shareholder, Sentient Executive GP, IV Limited (being an amount of approximately A\$15.6 million) (**Sentient Debt**). During the quarter approximately A\$8.9 million was repaid to Sentient in cash from the proceeds of the May 2021 placement. After the end of the quarter, on 28 July 2021, the balance of the Sentient Debt then outstanding of approximately A\$6.7 million was repaid in full by the issue of 291,304,348 fully paid ordinary shares in the capital of the Company (as approved by the Company's shareholders at its general meeting of 23 July 2021) and the payment of the remaining balance in cash. Following the repayment of the Sentient Debt the Company is now debt free, strengthening the Company's balance sheet significantly and positioning the Company well to maximise Shareholder value from the Company's current and planned exploration, evaluation and development activities.

The Company confirms that the amount disclosed in its Appendix 5B under section 6 – Payments to related parties of the entity and their associates – relates solely to payments made during the quarter of remuneration and consulting fees to Directors in the amount of \$148,000.

Tenement Movements

During the quarter three new exploration licences were applied for within the Lake Maitland area, after an investigation of the recently released results of an Australia-wide airborne EM survey by Geoscience Australia, Australia's national geological survey organisation. One of the survey lines flown, crossed the area south of the southern extent of the Dusty Komatiite and the results showed potential conductivity at depth to the east of the Project. The ground was applied for to cover a number of different mineralisation scenarios for gold and nickel (refer to image C within **Appendix 1**).

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.

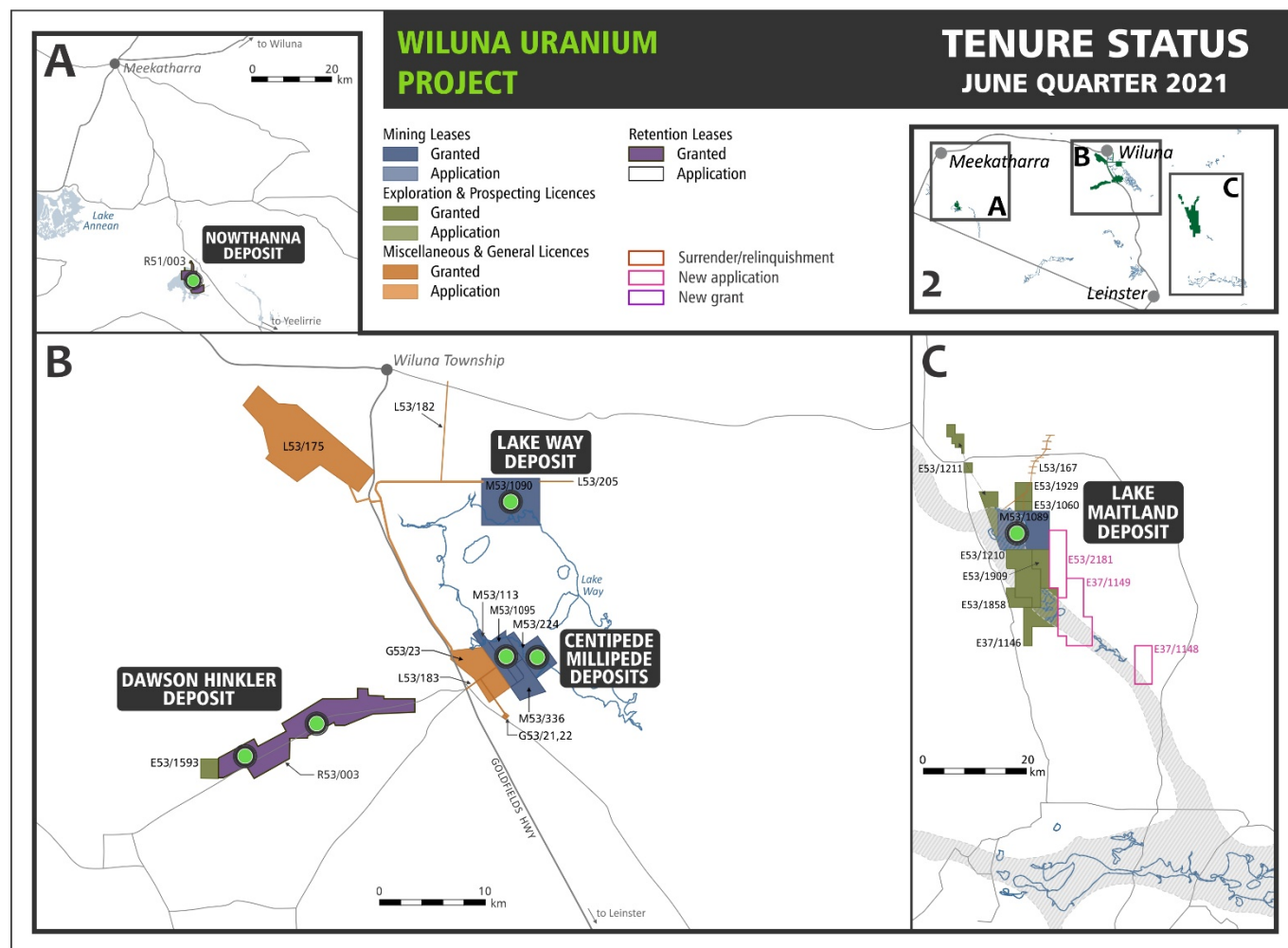
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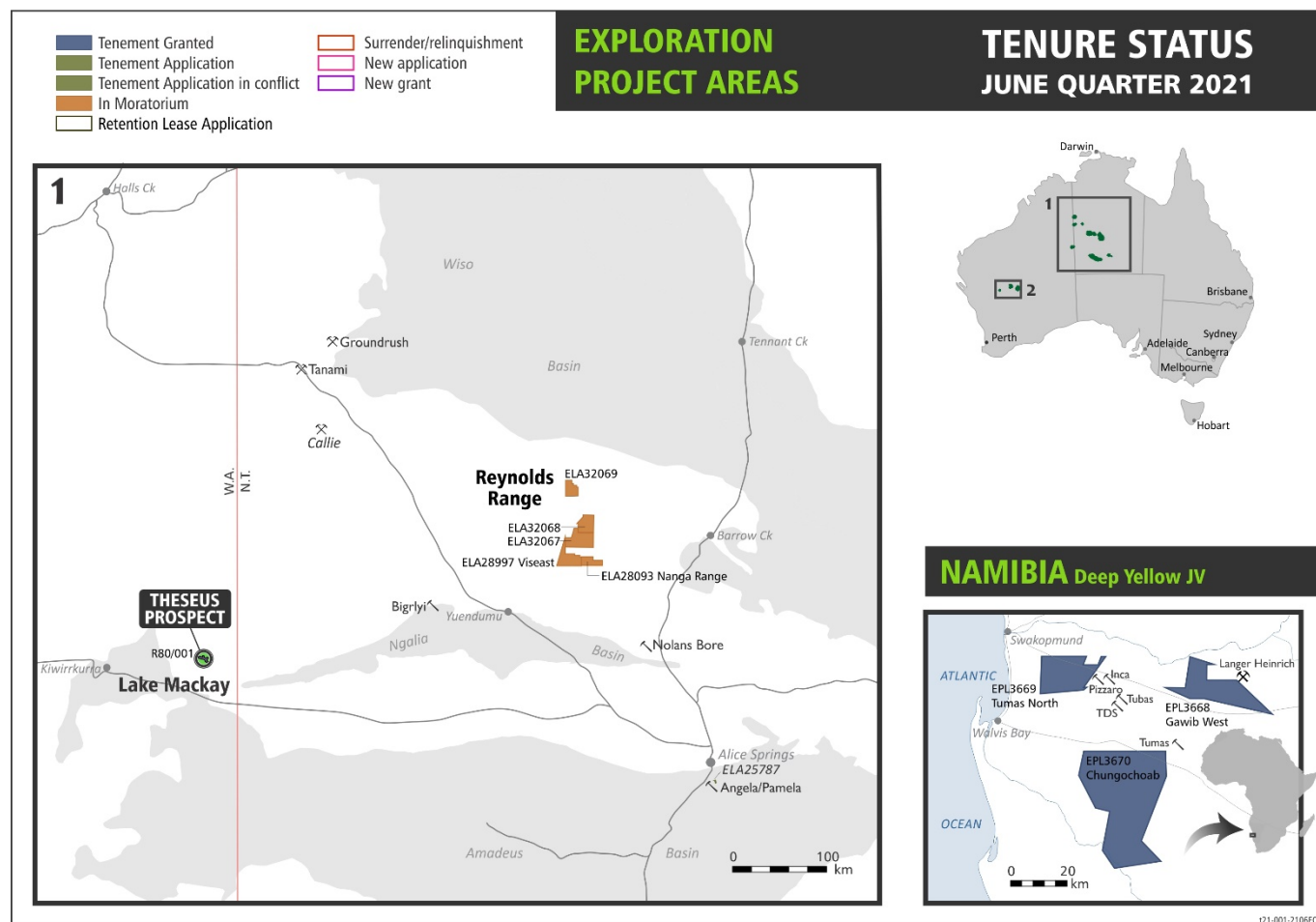
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APPENDIX 1: JUNE 2021



APPENDIX 2: JUNE 2021



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 ₃ O 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 ₃ O 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 ₃ O 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 ₃ O 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 ₃ O 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 ₃ O 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 ₃ O 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.