

ASX RELEASE

26 September 2018

Toro's Yandal Gold Project to Target Structural Corridor Trending Northeast from Bronzewing Gold Deposits

Highlights

- Toro Energy Ltd has completed first phase exploration target generation on its recently announced Yandal Gold Project.
- Exploration will focus on the interpreted 'Bronzewing Structural Corridor', an intensive zone of northeast (NE) trending structures¹ forming a general NE alignment with the Mt McClure, Bronzewing and Sundowner group gold deposits within Yandal Greenstone Belt rocks.
- The intensive structural zone is centred around a major NE trending regional structure² that passes through the Toro ground from north of the Bronzewing gold deposits.
- NE trending structures have previously been found to be important for gold mineralisation at Bronzewing and across the entire Yandal Greenstone Belt³.
- The Toro gold targets are located 10 to 30km NE of the Bronzewing Gold Mine.
- This will be the first time gold exploration has ever been conducted on the ground now owned by Toro Energy.
- Drill planning around targets is underway and work programs for drilling are under application with the Western Australian Government.

Toro Energy Limited (ASX: TOE) ('the **Company**' or '**Toro**') is pleased to advise that it has completed the target generation phase in the Company's preparations for gold exploration on its 100% owned Yandal Gold Project ('the **Project**' or 'the **Yandal Gold Project**') located within the world class gold district, the Yandal Greenstone Belt only 10 to 30km northeast (NE) of the Bronzewing Gold Mine (**Figure 1**).

Exploration targets have been generated by assessing the geological interpretation of the high resolution airborne magnetic and ground gravity geophysical surveys in line with research on Yandal style gold mineralisation, in particular regarding the three world class deposits, Jundee-Nimary, Bronzewing and Darlot. The interpretation of the two detailed geophysical datasets has identified a large zone of closely spaced NE trending structures and associated fractures in Yandal Greenstone Belt rocks over the Yandal Gold Project ground (refer to **Figure 2**).

¹ Interpretation only utilising a combination of data from detailed airborne magnetic and ground gravity geophysical data. Refer to the Company's ASX announcements of 25 November 2016 and 23 May 2018 respectively for the details of these surveys.

² Interpretation only utilising data from regional and detailed airborne magnetic geophysical data. Refer to the Company's ASX announcement of 25 November 2016 for information regarding the detailed airborne magnetic survey conducted over the Yandal Gold Project tenure.

³ Vearncombe, J. R. (2000) Structural controls on gold mineralisation in the Yandal Belt: implications for exploration models, in Phillips, G. N. and Anand, R. R (eds) Yandal Greenstone Belt: Regolith, Geology and Mineralisation, CRC for Landscape Evolution and Mineral Exploration, Australian Institute of Geoscientists Bulletin No. 32, pp199

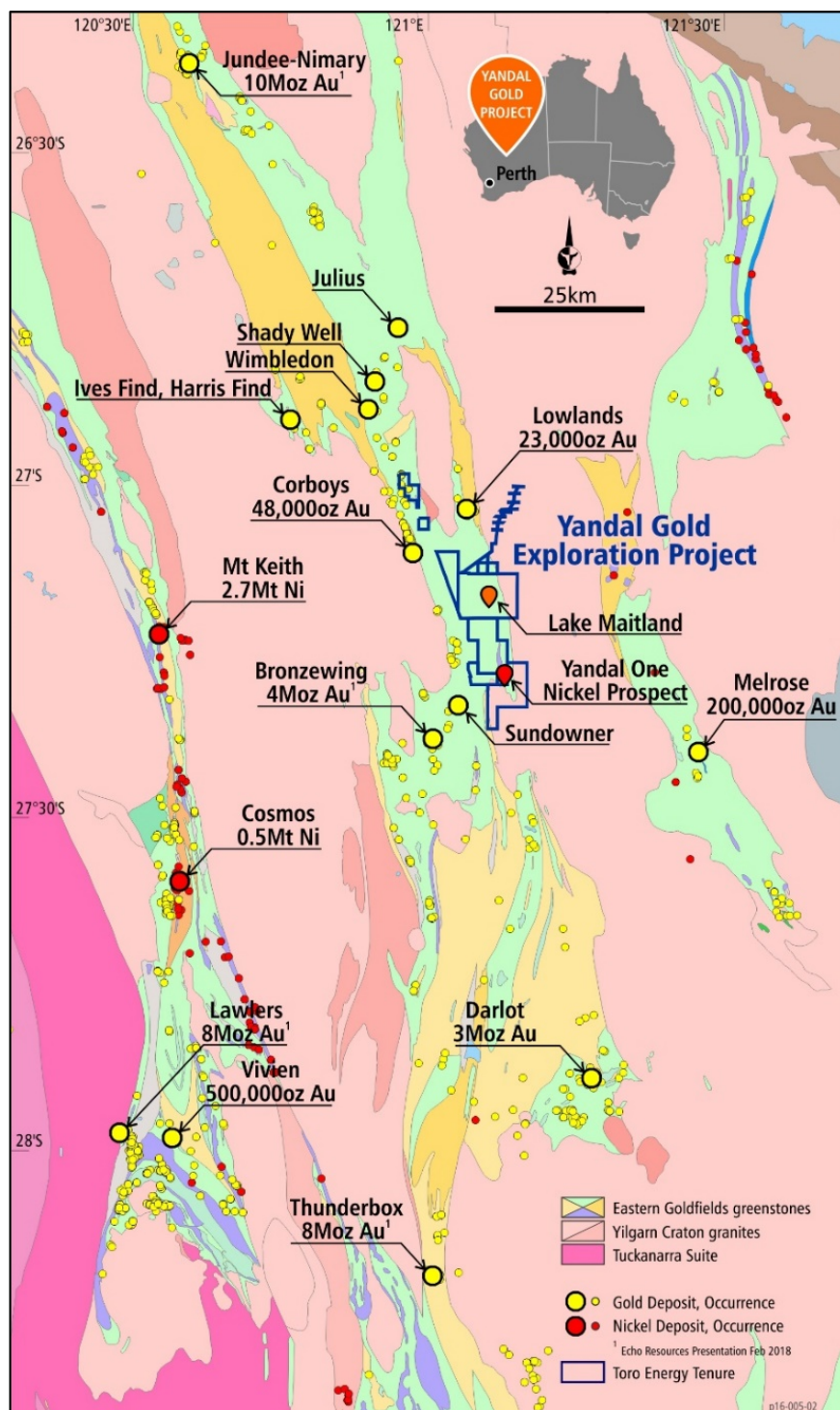


Figure 1: Location of Toro's Yandal Gold Project within the high yielding Yandal Gold District, showing the Yandal Greenstone Belt running through the project area according to state government mapping, the location of gold deposits and occurrences and the three major gold producing operating centres, Jundee-Nimary, Bronzewing and Darlot.

The zone of closely spaced NE structures is centred around a major NE trending regional structure that passes the Bronzewing Gold Mine deposits to the north and continues through the greenstone terrain and granitic contact in the Toro Gold Project tenure (refer to **Figure 2**). This regional structure is identified in regional magnetic images and is accompanied by another two, although seemingly less continuous, regional structures north and south of the central one (refer to **Figure 2**). Toro believes this regional zone of geological structure can be interpreted as a NE trending structural corridor that could include the Mt McClure, Bronzewing and Sundowner Group gold deposits as well as a number of smaller deposits and occurrences to their north. Toro now refers to this as the Bronzewing Structural Corridor and it will be a major focus of Toro's gold exploration going forward. The Yandal Gold Project is only 10 to 20km from the Bronzewing Gold Mine.

The interpretation of a major zone of multiple closely spaced NE trending structures associated with a similarly oriented regional structure within greenstone and greenstone-granite contacts and seemingly in a NE alignment with the major deposits of the region, inclusive of the multi-million ounce Bronzewing Gold Mine, is very important for the prospectivity of the Yandal Gold Project. Northeast structures are known to be important for gold mineralisation in the Yandal Greenstone Belt, including at Bronzewing and the two other world class gold mines within the Yandal Gold Belt, Jundee-Nimary and Darlot)⁴.

Toro is now actively planning drill holes over priority targets and submitting work programs for drilling with the Western Australian State Government for approval, in preparation for drilling anticipated to commence in October 2018. The first phase exploration drilling program will incorporate aircore drilling over targets in order to sample the base of paleochannels and unweathered basement rock for geochemical signatures of gold mineralisation as well as for intersecting oxide gold mineralisation in the regolith above targets.

This will be the first time exploration for gold has occurred on the ground now encompassed by the Yandal Gold Project. The tenure has been owned by uranium companies since the discovery of the Lake Maitland Uranium Deposit in the early 1970s.

⁴ Vearncombe, J. R. (2000) Structural controls on gold mineralisation in the Yandal Belt: implications for exploration models, in Phillips, G. N. and Anand, R. R (eds) Yandal Greenstone Belt: Regolith, Geology and Mineralisation, CRC for Landscape Evolution and Mineral Exploration, Australian Institute of Geoscientists Bulletin No. 32, pp199.

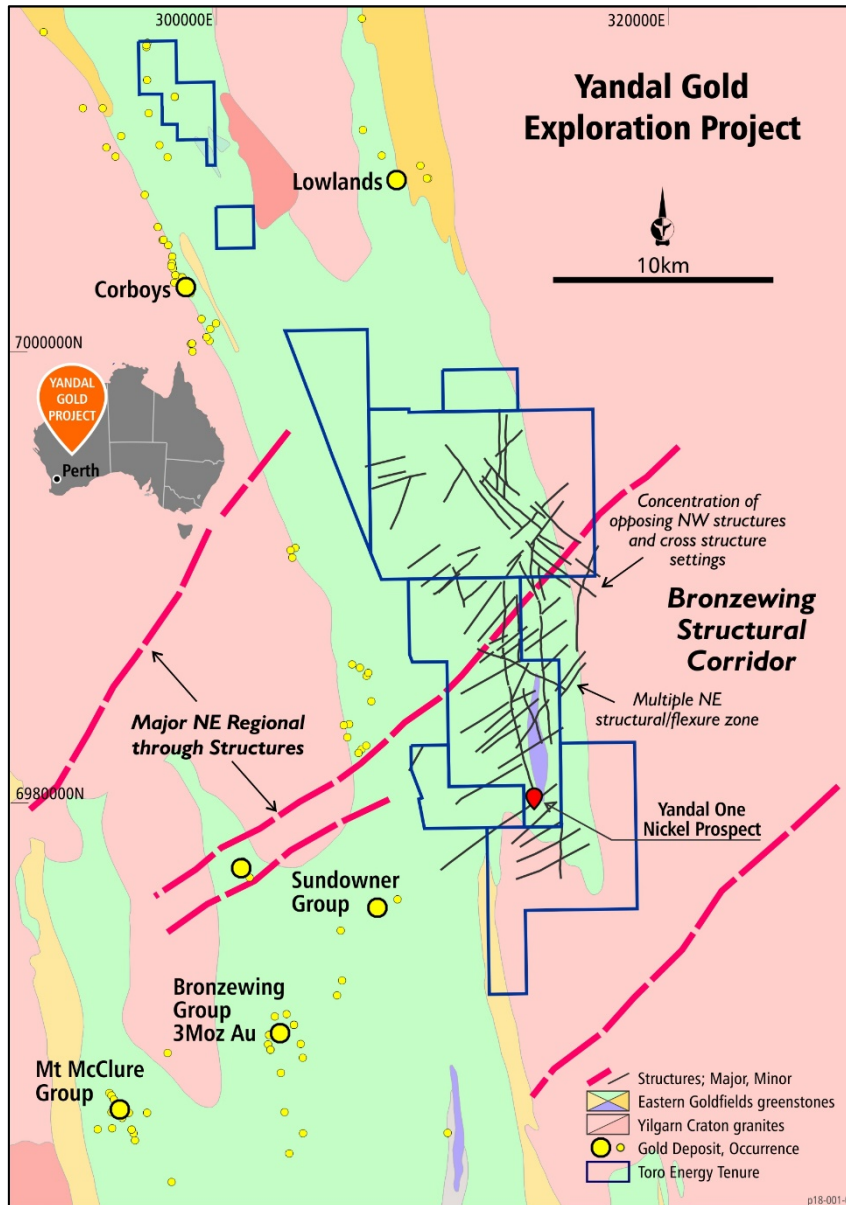


Figure 2: Interpreted Bronzewing Structural Corridor with main regional structures identified from regional magnetic imagery as well as the main NE structures identified in the large zone of closely spaced NE trending structures and associated fractures within the Yandal Gold Project tenure identified from detailed airborne magnetics and ground gravity geophysical data. State government regional geological mapping has been used for the background geology.

BACKGROUND

The Yandal Gold Project, located on Toro's Lake Maitland tenure, comprises over 143 square kilometres of contiguous and untested yet highly prospective exploration ground, in the high yielding Yandal Gold District (refer to **Figure 1**).

Why is the Yandal Greenstone Belt such a good location to explore for gold?

- The northerly trending Yandal greenstone belt is only 300km long (approximately) and has been one of Australia's most prolific gold producing belts, accounting for around 10% of Australia's

entire gold production at the end of the 1990's⁵, despite the first operation commencing only ten years earlier⁶.

- The Yandal has so far produced >14Moz of gold from three well known operations, Jundee-Nimary, Bronzewing and Darlot^{6, 7} (refer to **Figure 1**).
- Echo Resources Limited is currently actively exploring ground surrounding the Yandal Gold Project and has so far accumulated a Mineral Resource of 1.7M ounces and Ore Reserves of 856,000 ounces of gold⁷.
- Greenfields gold discoveries are still being made within the Yandal gold district such as Great Western Exploration Limited's discovery of a potential large gold system on its Yandal West project in November 2017⁸.

Although gold will be the primary target of the exploration project, Toro acknowledges the prospectivity of greenstone belts for other metals and may therefore investigate and follow-up any corresponding anomalies.

Toro has engaged OzFinancial to assist with investor communications and encourages all Shareholders to update their contact details to stay informed on Company news here:

<http://www.toroenergy.com.au/subscribe/>

FURTHER INFORMATION:

Richard Homsany	Toro Energy	08 9214 2100
Greg Shirliff	Toro Energy	08 9214 2100

Competent Persons Statement

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

Toro's flagship asset is the 100% owned Wiluna Uranium Project, project is located 30 kilometres southwest of Wiluna in Central Western Australia. The Wiluna Uranium Project has received environmental approval from the state and federal governments providing the Project with the opportunity to become Western Australia's first uranium mine. Toro will maximise shareholder returns through responsible mine development and asset growth including evaluating the prospectivity of its asset portfolio for minerals other than uranium and increasing their value.

www.toroenergy.com.au

⁵ Gold Fields Limited presentation <https://www.goldfields.com/pdf/investors/presentation/2014/australia-site-visits/darlot-gold-mine.pdf>

⁶ Phillips, G. N, and Anand, R. R. (2000) Importance of the Yandal greenstone belt, In Yandal Greenstone Belt Regolith, Geology and Mineralisation, (eds) Phillips, G. N, and Anand, R. R., CRC for Landscape Evolution and Mineral Exploration, AIG Bulletin No. 32, July 2000.

⁷ Echo Resources Limited Mineral Resource and Ore Reserve Estimates, refer to ASX release of 27 November 2017.

⁸ Great Western Exploration Limited ASX release of 28 November 2017.