

**ASX RELEASE**

17 October 2018

## Major Structural Zone Prioritised for First Phase Drilling at Toro's Yandal Gold Project

### Highlights

- Toro Energy Ltd will prioritise a major zone of cross-structural settings considered favourable for gold mineralisation for the first phase of drilling on its recently announced Yandal Gold Project.
- The major zone of intersecting northeast (NE) and northwest (NW) structures was revealed by the recently completed detailed ground gravity survey conducted across the project<sup>1</sup>.
- The concentration of NE-NW cross-structures is situated within Toro's interpreted 'Bronzewing Structural Corridor'<sup>1</sup>, an intensive zone of northeast (NE) trending structures forming a general NE alignment with the Mt McClure, Bronzewing and Sundowner group gold deposits within Yandal Greenstone Belt rocks.
- Intersecting structures are well known as potential sites for concentrating gold in gold mineralising systems<sup>1</sup>.
- Whilst NE structures are known to be important for gold mineralisation across the Yandal Greenstone Belt research has revealed that at Bronzewing, NW trends are also important influences on the location of ore<sup>1</sup>.
- Multiple targets are evident in the cross-structural zone some of which will be accommodated in the first phase of drilling by Toro.
- This will be the first time gold exploration has ever been conducted in the area described.
- Drill planning around targets is continuing as is the submission of work programs for approval with the Western Australian Government.

Toro Energy Limited (**ASX: TOE**) ('the **Company**' or '**Toro**') wishes to advise that it will prioritise a major zone of NE-NW cross-structural settings considered to be favourable for gold mineralisation in the upcoming first phase exploration drilling program on the Company's 100% owned Yandal Gold Project ('the **Project**' or 'the **Yandal Gold Project**'). The Yandal Gold Project is located within the world class gold district, the Yandal Greenstone Belt only 10 to 30km NE of the multi-million ounce Bronzewing Gold Mine (**Figure 1**).

The extensive concentration of intersecting NE and NW structures was only recently revealed by the analysis and interpretation of the detailed ground gravity survey conducted by Toro the June quarter this year<sup>2</sup>. Whilst Toro has found that its detailed airborne magnetic data<sup>3</sup> has been beneficial for identifying the numerous NE structures and northerly trending geological boundaries, only the ground gravity data

<sup>1</sup> Refer to the Company's ASX announcement of 23 May 2018 for the details of the ground gravity survey.

<sup>2</sup> Refer to the Company's ASX announcement of 23 May 2018 for the details of the ground gravity survey.

<sup>3</sup> Refer to the Company's ASX announcement of 25 November 2016 for the details of the airborne magnetic survey.

has been able to clearly reveal a set of opposing NW structures that also run through Toro's Yandal Gold Project. This has revealed a large NW trending zone of NE-NW cross-structural settings where the NW structural trend is more closely spaced and concentrated (refer to **Figure 2**).

It is known that NE trending structures are important to gold mineralisation within the Yandal Greenstone Belt, including within the three major world class gold mines located in the region, Jundee-Nimary, Bronzewing and Darlot<sup>4</sup>. However, research conducted during mining at Bronzewing showed that clusters of mineralised zones, proximal pathfinder alteration haloes and economically mineable ore blocks followed a NW-SE trend<sup>5</sup>, which suggests that a NW trending structural/geological component was also important in controlling the overall location of gold ore at Bronzewing. Hence Toro believes that a major zone that contains a concentration of both NE and NW trending structural components should be a major focus for gold exploration on Yandal Greenstone belt geology. Further to this, the intersection of structures is a well-known location for concentrating gold in lode-gold mineralising systems<sup>6</sup>.

Importantly the zone of cross-structural settings on Toro's Yandal Gold Project intersects a major regional NE trending structure that passes the Bronzewing Gold Mine deposits to the north and continues through the greenstone terrain and granitic contact in the Yandal Gold Project tenure (refer to **Figure 3**). This regional structure is identified in regional magnetic images and is part of the Bronzewing Structural Corridor, a NE trending structural corridor interpreted by Toro 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<sup>7</sup>.

The major zone of cross-structural settings has generated multiple exploration targets too numerous for Toro to cover in its impending first phase drilling program.

Toro continues to actively plan drill holes over priority targets and to submit work programs for drilling for approval by the Western Australian State Government. 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. Drilling is expected to commence in the fourth quarter of 2018.

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

<sup>4</sup> 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.

<sup>5</sup> Eilu, P., Mikucki, E. J., and Dugdale, A. L (2001) Alteration zoning and primary geochemical dispersion at the Bronzewing lode-gold deposit, Western Australia, Mineralium Deposita, v 36, pp 13-31.

<sup>6</sup> For instance see Witt, W. K., Hagemann, S, and Miller, J. (2013) Tectonic and structural controls on lode-gold deposits: Continental to deposit scale, abstract, Australian Institute of Geoscientists (AIG) Conference, 2013, Kalgoorlie.

<sup>7</sup> For further details of the 'Bronzewing Structural Corridor' refer to the Company's ASX announcement of 26 September 2018.

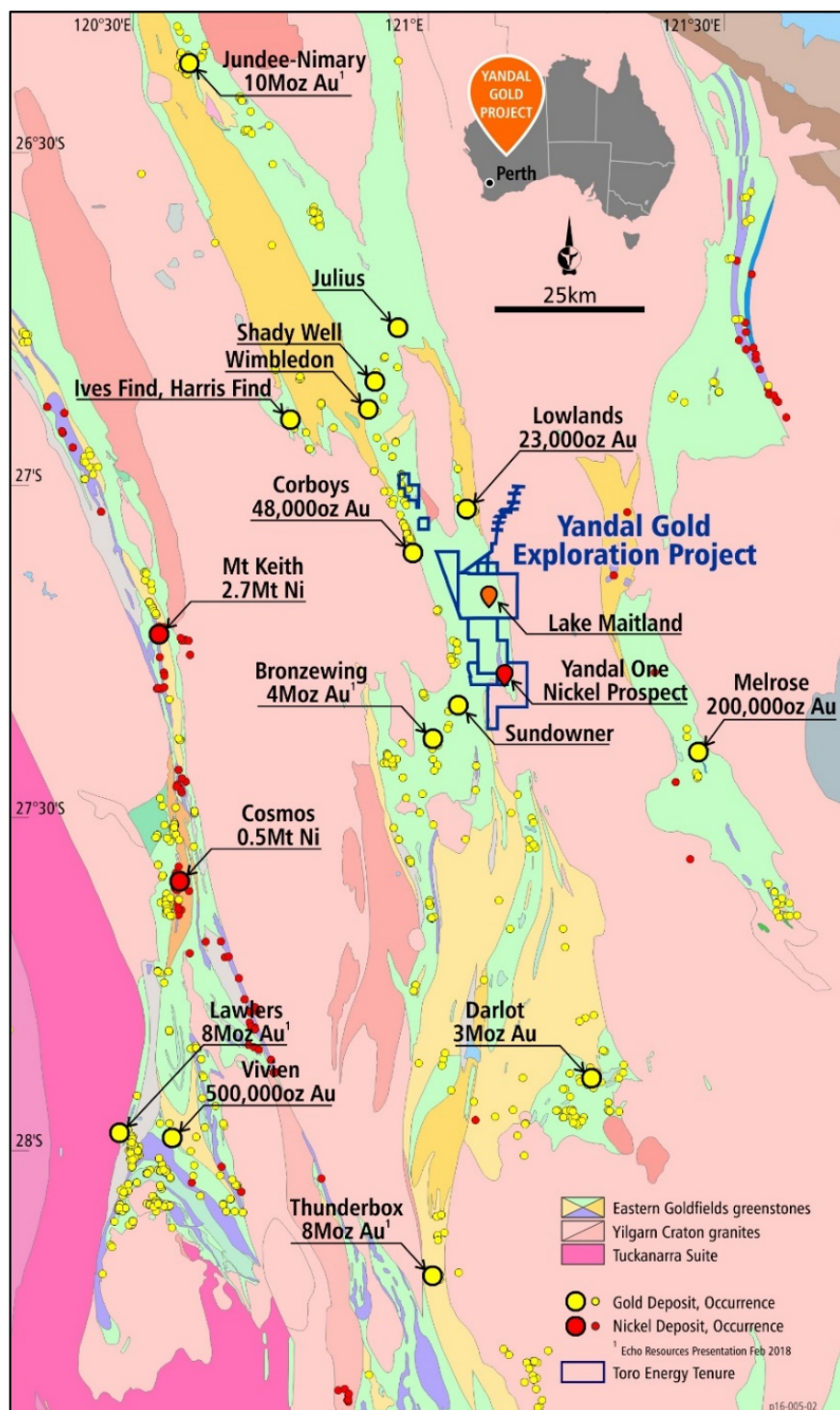


Figure 1: Location of Toro's Yandal Gold Project within the high yielding Yandal Gold District, showing the Yandal Greenstone Belt running through the project area according to state government mapping, the location of gold deposits and occurrences and the three major gold producing operating centres,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



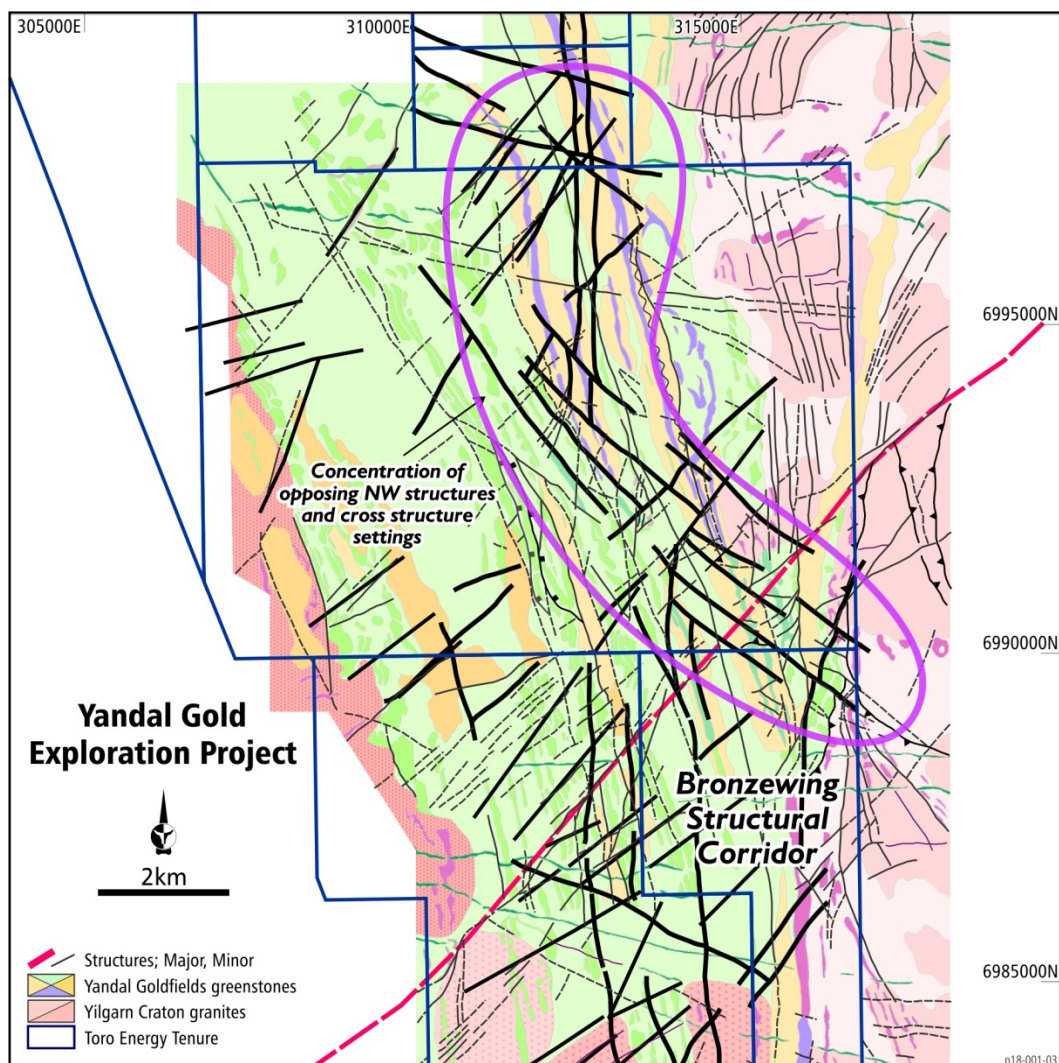


Figure 2: Major geological and structural features from the interpretation of the detailed airborne magnetic (2016) and ground gravity survey (2018) data and highlighting the NW trending zone characterised by a concentration of NE-NW cross-structures. See text for further details

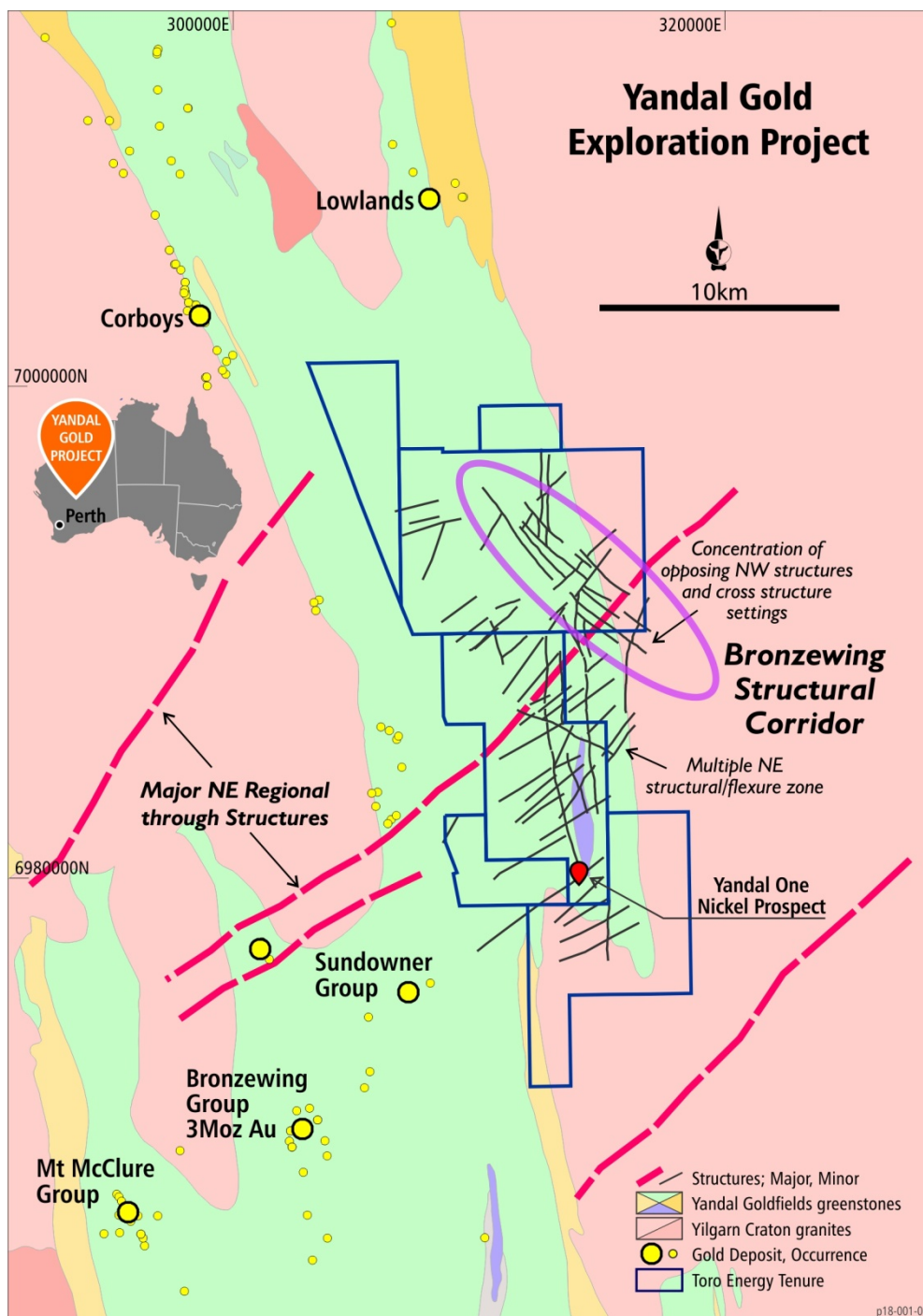


Figure 3: Interpreted Bronzewing Structural Corridor with main regional structures identified from regional magnetic imagery as well as the main NE structures identified in the large zone of closely spaced NE trending structures and associated fractures within the Yandal Gold Project tenure identified 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's<sup>8</sup>, despite the first operation commencing only ten years earlier<sup>9</sup>.
- The Yandal has so far produced >14Moz of gold from three well known operations, Jundee-Nimary, Bronzewing and Darlot<sup>9, 10</sup> (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 gold<sup>11</sup>.
- 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 2017<sup>12</sup>.

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:

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<sup>8</sup> Gold Fields Limited presentation <https://www.goldfields.com/pdf/investors/presentation/2014/australia-site-visits/darlot-gold-mine.pdf>

<sup>9</sup> 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.

<sup>10</sup> Echo Resources Limited Mineral Resource and Ore Reserve Estimates, refer to ASX release of 27 November 2017.

<sup>11</sup> Echo Resources Limited Mineral Resource and Ore Reserve Estimates, refer to ASX release of 27 November 2017.

<sup>12</sup> Great Western Exploration Limited ASX release of 28 November 2017.

### Competent Persons Statement

The information in this document that relates to geology and exploration was authorised by Dr Greg Shirtliff, who is a full time employee of Toro Energy Limited. Dr Shirtliff 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 Shirtliff 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.*

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