

QUARTERLY ACTIVITIES REPORT

For period ending 31 December 2018

Highlights

Wiluna Uranium Project

- Continued work on an updated scoping study for Toro's Wiluna Uranium Project on the basis of encouraging results of the Beneficiation and Process Design Studies conducted for that project throughout 2018.
- Updated scoping study expected to demonstrate significant reductions to the forecast capital and operating costs for the Wiluna Uranium Project.

Yandal Gold Project, Western Australia

- First pass exploration drilling on Toro's Yandal Gold Project commenced and completed for the 2018 calendar year.
- Drilling to recommence in the first quarter of 2019.
- Over 136 aircore drill holes for a total of 10,170 metres completed to date.
- Yandal Greenstone basement geology confirmed.
- Geochemical and geological analysis ongoing.

Wiluna Uranium Project, Western Australia

As previously reported by Toro Energy Limited (**Toro** or **the Company**), the successful completion of environmental permitting of the Company's Wiluna Uranium Project (**Figure 1**) in 2017 is a major milestone for Toro. Several years of assessment under a bi-lateral agreement between the Federal and State governments have resulted in an environmentally and legally robust set of approvals for the Wiluna Uranium Project.

Current uranium market conditions continue to be instrumental in guiding Toro's technical and development programs for the Wiluna Uranium Project. The focus remains on pursuing studies that potentially can significantly advance the technical and financial feasibility of the Wiluna Uranium Project including to support a scoping study update.

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.

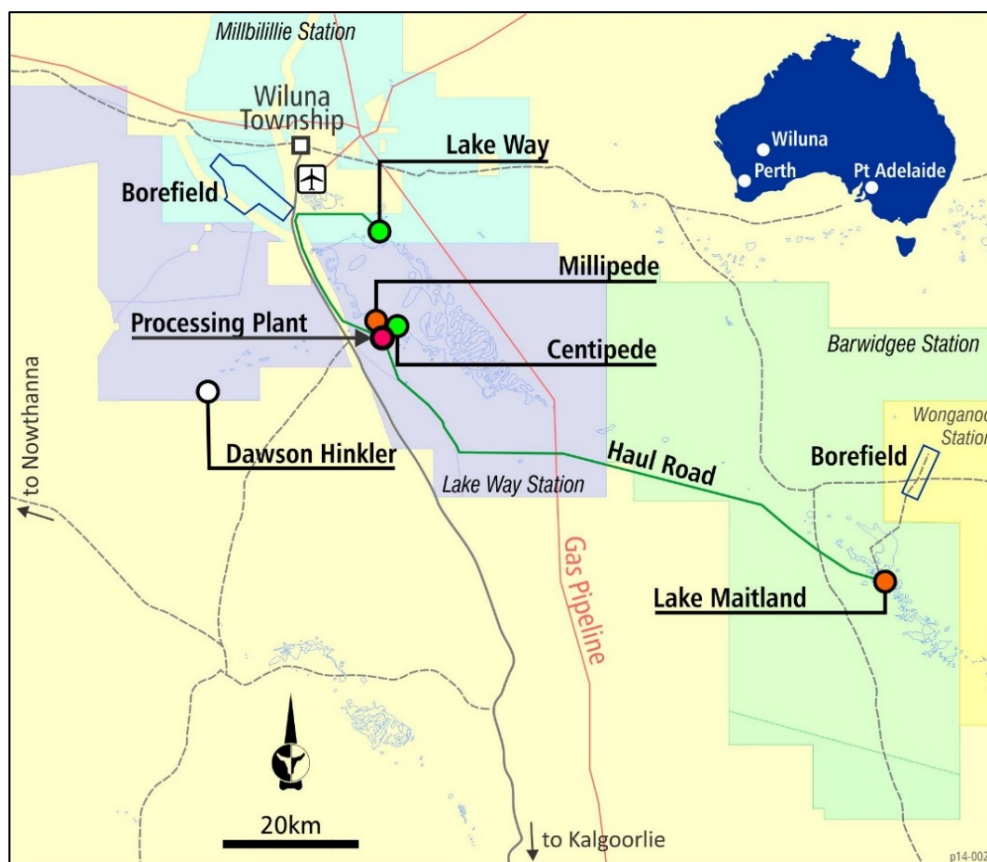


Figure 1: Wiluna Uranium Project

Project Development

During the quarter the Company continued its work with metallurgical consultants Strategic Metallurgy Pty Ltd (**Strategic**) in respect of the Wiluna Uranium Project.

As announced by the Company to ASX on 30 January 2018, 20 April 2018, 20 June 2018, 27 June 2018, 12 September 2018 and 19 September 2018 the Company has been working with Strategic to complete Beneficiation and Process Design Studies (**BPD Studies**) for the Wiluna Uranium Project. During the quarter as a result of the pleasing results of those BPD Studies, which identified the potential for major cost reductions for the Wiluna Uranium Project, the Company engaged Strategic to advance to the modelling phase of the BPD Studies for the processing of Lake Maitland ore with a view to producing an updated scoping study for the Wiluna Uranium Project (the existing scoping study having been prepared for the Company by Strategic in 2016) based on processing Lake Maitland ore only.

As at the end of the quarter the Company and Strategic were in the process of finalising that updated scoping study however it is anticipated that the results of the BPD Studies will support an updated scoping study that will estimate and provide evidence for a reduction in the capital costs for the processing plant for the Wiluna Uranium Project as well as a reduction in the operating costs (processing) for that project. The Company will make an announcement to ASX to update shareholders on the findings of that updated scoping study once it is finalised.

Toro remains focused on advancing its Wiluna Uranium Project in parallel with the Yandal Gold Project. Toro's completed and ongoing research initiatives continue to demonstrate that proposed enhancements to the processing circuit have potential for consequent substantial reductions in both capital and operating costs for the Wiluna Uranium Project.

Exploration ¹

As announced to the ASX on 6 November 2018 and 10 November 2018 during the quarter the Company initiated field preparations for, and subsequently commenced, the first phase gold exploration drilling on the Company's 100% owned 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 2**).

The first phase drilling program will consist of at least 20,000 metres of aircore drilling and is targeting basement rocks around interpreted structural settings considered favourable for gold mineralisation. The drilling is aimed at collecting samples from unweathered basement rock, the base of paleochannels and parts of the weathering profile for geochemical signatures of gold mineralisation as well as for intersecting oxide gold mineralisation in the regolith above targets.

As announced to the ASX on 24 December 2018 during the quarter Toro drilled over 136 aircore drillholes for a total of 10,170 metres over the Yandal Gold Project within tenements E53/1060 and M53/1089. Due to the encouraging geology so far intersected, this first pass aircore exploration drilling will be continued, recommencing in the first quarter of 2019.

Geochemical analysis is ongoing as are more detailed geological interpretations from the drilling, however Toro is very encouraged by the geology that has been intersected to date. The drilling has so far confirmed that Yandal Greenstone rocks underlie the Yandal Gold Project ground, largely validating published broad scale basement geology interpretations, which is encouraging for gold exploration in the area.

Due to the encouraging geology Toro has decided to continue with the first pass aircore exploration program as soon as practicable in the first quarter of 2019, but after having first completed a thorough investigation of the 2018 results so as to aid further drill planning. This is especially important since this is the first time exploration for gold has occurred in the area described and 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.

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.

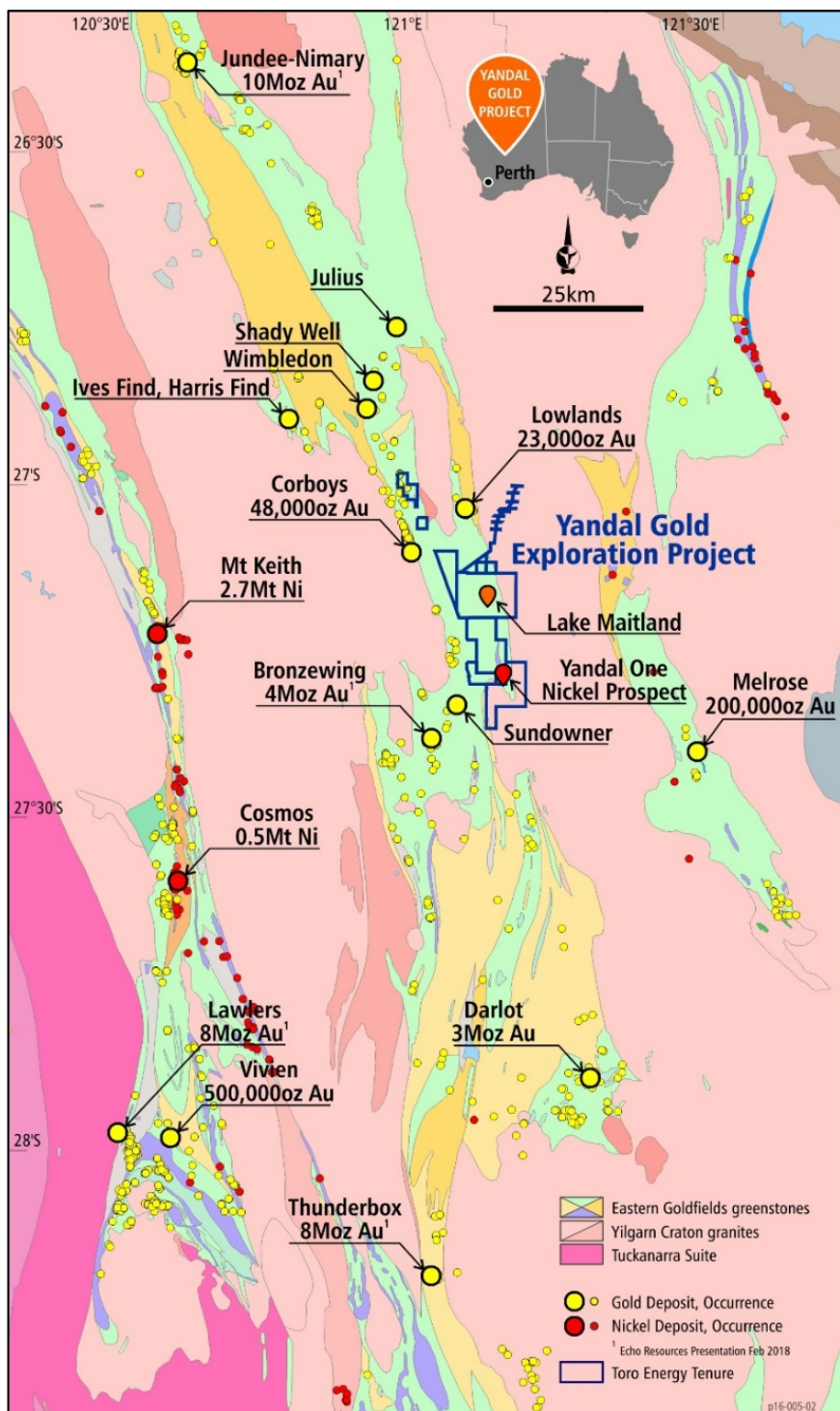


Figure 2: Location of Toro's Yandal Gold Project within the high yielding Yandal Gold District, showing the Yandal Greenstone Belt running through the project area according to state government mapping, the location of gold deposits and occurrences and the three major gold producing operating centres, Jundee-Nimary, Bronzewing and Darlot.

Please refer to the Company's ASX announcements of 26 September 2018 and 17 October 2018 for further information about the geological setting of the Yandal Gold Project. The major zone of cross-structural settings has generated multiple exploration targets too numerous for Toro to cover in its first phase drilling program.

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Although gold is the primary target of the Yandal Gold Project, other commodities will not be discounted in the overall exploration program. Toro would also like to re-affirm that 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.

Tenement Movements

During the quarter the Company's application for retention licence 80/1 over the area of the Company's Theseus Project was granted. The underlying exploration licences, exploration licences 80/3484 and 80/3485, automatically expired upon the grant of retention licence 80/1, which covers all of the area of those exploration licences.

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

ENDS

For further information contact:

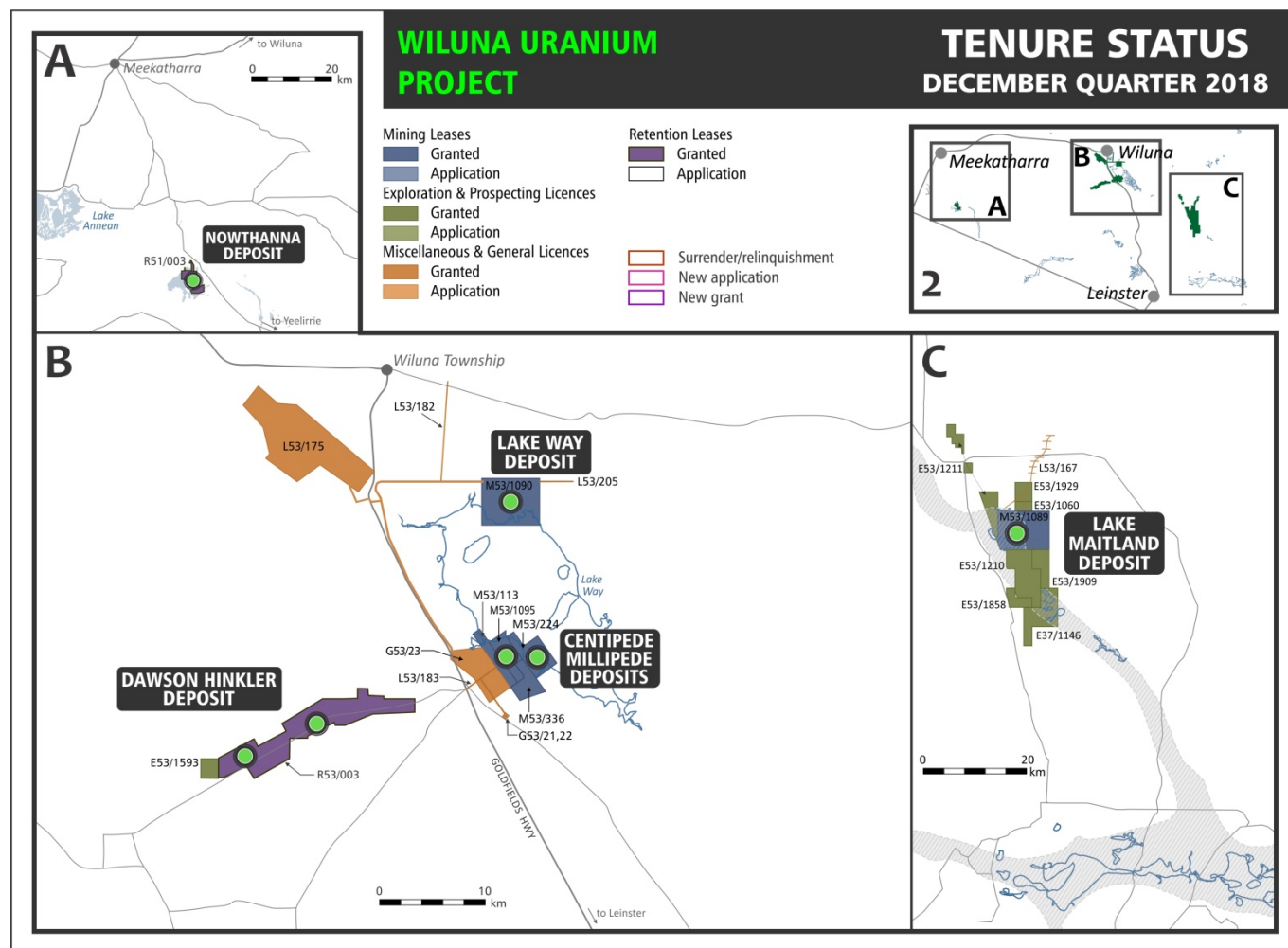
Richard Homsany

Executive Chairman

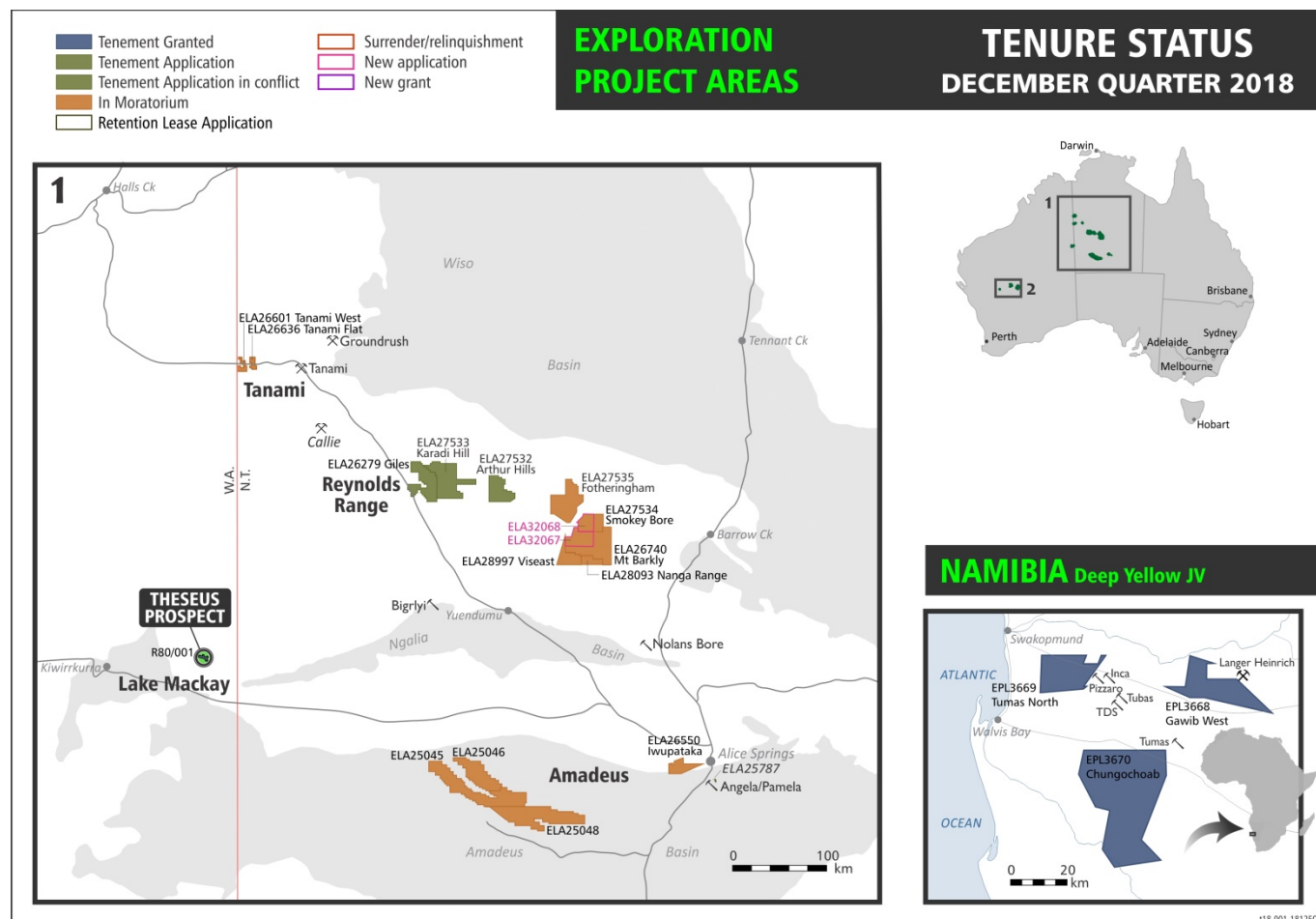
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APPENDIX 1: DECEMBER 2018



APPENDIX 2: DECEMBER 2018



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 Shirliff 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 Shirliff takes responsibility for the integrity of the data supplied for the estimation. Dr Shirliff 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.