

QUARTERLY ACTIVITIES REPORT

For period ending 31 March 2019

Highlights

Wiluna Uranium Project

- **2019 Scoping Study Update confirms beneficiation and process design development test work has resulted in further improvements to the potential capital and operating costs of the Wiluna Uranium Project¹.**
- **Potential capital cost of beneficiation and hydrometallurgical processing plant reduced to \$87.9M from the \$91.6M in the 2016 Scoping Study (inclusive of power plant and steam and cooling water)².**
- **Potential operating cost of beneficiation and hydrometallurgical processing plant reduced to \$14.59 per pound U₃O₈ from \$16.08 per pound U₃O₈ in the 2016 Scoping Study, as a result of changes to the processing flow sheet from opportunities highlighted in the recent test work outcomes³.**
- **Overall uranium recovery has potentially improved to 82.77% from the 80.25% disclosed in the 2016 Scoping Study.**
- **Vanadium potential at the Wiluna Uranium Project to be evaluated after recent test work (including leach tests) conducted for the Lake Maitland deposit on uranium processing improvements has shown potential to extract vanadium at the same time as uranium in the leach circuit.**

Yandal Gold Project, Western Australia

- **Exploration drilling on Toro's Yandal Gold Project recommenced during the quarter due to the encouraging geology intersected in the 2018 drilling.**
- **Yandal Greenstone basement geology confirmed, geochemical and geological analysis ongoing.**

¹ Using Lake Maitland Clay80 Ore only as in the previous 2016 Scoping Study. Refer to the Company's ASX announcement of 5 December 2016 ASX concerning the release of the 2016 Scoping Study.

² The capital cost of the beneficiation and processing plant previously stated in the Company's ASX announcement of 5 December 2016 of \$78.5M did not include the cost of the power plant or steam/cooling water. Not including these two items results in the capital cost amounting to \$72.3M, considerably lower than the 2016 Scoping Study cost estimate.

³ Please refer to the Company's ASX announcements of 30 January 2018, 20 April 2018, 20 June 2018, 27 June 2018 and 12 September 2018 for further information.

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.

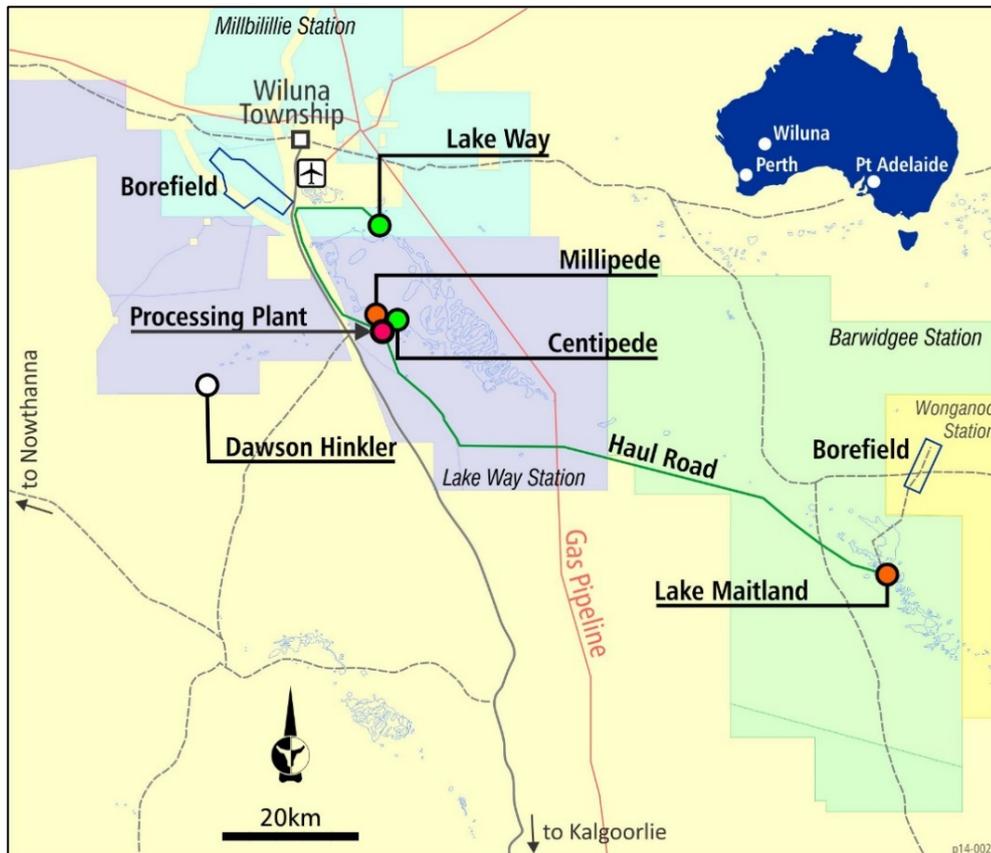


Figure 1: Wiluna Uranium Project

Project Development

During the quarter the Company continued its work with metallurgical consultants Strategic Metallurgy Pty Ltd (**Strategic**) in respect of the Company's 100% owned Wiluna Uranium Project.

As announced to the ASX on 7 March 2019, during the quarter the Company released an update to its 2016 scoping study in respect of the Wiluna Uranium Project (**2016 Scoping Study**) on the basis of opportunities highlighted by the test work completed by Strategic as part of the Beneficiation and Process Design studies (**Studies**) that have been ongoing since completion of the 2016 Scoping Study⁴. The update to the 2016 Scoping Study (**2019 Scoping Study Update**) includes the implementation of changes to the proposed processing flowsheet design announced as part of the 2016 Scoping Study, which have consequently resulted in potential improvements in the capital and operating cost of the project as well as a potential improvement in overall uranium recovery from the plant.

These results show the continued effort Toro is making to improve the value of its Wiluna Uranium Project through research, innovation and engineering opportunities despite the subdued uranium market. Toro is committed to ensuring the Wiluna Uranium Project is ready to take the early advantage in any future uranium price recovery.

As with the 2016 Scoping Study, the 2019 Scoping Study Update assumes the treatment of the Lake Maitland deposit Clay80 ore⁵ at an ore feed rate to the beneficiation plant of 2 Mtpa. The average grade of the ore feed was 567 ppm U₃O₈.

The key outcomes of the 2019 Scoping Study Update are a potential reduction in the operating costs of the beneficiation and processing plant to \$14.59 per pound U₃O₈, down from \$16.08 per pound U₃O₈ in the 2016 Scoping Study, as well as a potential reduction in the capital cost of the beneficiation and hydrometallurgical processing plant to \$87.9M, down from \$91.6M in the 2016 Scoping Study. There has also been a potential improvement in the overall uranium recovery from the plant to 82.77%, up from the 80.25% recovery achieved in the 2016 Scoping Study. For further information concerning the 2019 Scoping Study, including the changes to the process flowsheet from the 2016 Scoping Study and a break-down of the differences in the capital and operating costs between the 2016 Scoping Study and the 2019 Scoping Study Update, please see the Company's ASX announcement of 7 March 2019.

Cautionary Statement

The Studies are based on lower-level technical and economic assessments and are insufficient to provide certainty that the conclusions of the Studies will be realised. Further, the Company cautions that there is no certainty that the forecast financial information contained in the Studies will be realised. All material assumptions underpinning the forecast financial information are set out in this announcement. This forecasted financial information is deduced from an underlying mining production rate deemed possible due to the size of the Mineral Resources at Lake Maitland. Refer ASX announcement dated 1 February 2015 that shows Lake Maitland deposit has sufficient Mineral Resources to support a 2Mt/a mining operation.

⁴ Please refer to the Company's ASX announcement of 5 December 2016.

⁵ Please refer to the Company's ASX announcement of 29 August 2016 and conference presentation release of 8 March 2017.

During the quarter the Company announced its plans to test the feasibility of extracting and recovering both uranium and vanadium concurrently (dual processing) at the Wiluna Uranium Project. Given the expected growth in the vanadium price and the potential future demand from Vanadium Redox Batteries (VRBs) Toro believes dual processing vanadium with uranium has the potential to result in a significant improvement to the feasibility and value of the Wiluna Uranium Project. In the leach testing undertaken during the Company's recent Studies it was noticed that a significant amount of vanadium had been extracted and remained present in the pregnant leach solution (**PLS**) post leach. Prior to the recent Studies the vanadium in the PLS could not be recovered efficiently. However, the potential use of ion exchange (**IX**) in the Wiluna Uranium Project's proposed processing plant (after the success of those Studies)⁶ provides an opportunity to potentially recover vanadium efficiently via IX separate to, but at the same time as, uranium.

Toro believes that the dual processing of vanadium with uranium has the potential to add significant value to the Wiluna Uranium Project and to move the Wiluna Uranium Project closer to a situation where it may not be as economically dependent on the uranium price. It is for this reason that Toro will embark on research into the technical viability of dual processing uranium and vanadium. The initial tests will focus on optimising the leach conditions needed to efficiently extract both uranium and vanadium at the same time. This initial testing is expected to commence during Q2 2019.

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 ⁷

As announced to the ASX on 6 November 2018 and 10 November 2018 during the final quarter of 2018 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, less than 35km NE of the multi-million ounce Bronzewing Gold Mine (**Figure 2**). The tenure has been owned by uranium companies since the discovery of the Lake Maitland Uranium Deposit in the early 1970s therefore this is the first time exploration for gold has occurred in the area described and encompassed by the Yandal Gold Project. 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 21

⁶ Please refer to the Company's ASX announcement of 19 September 2018.

⁷ 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.

March 2019 the first phase gold exploration drilling was continued in Q1 2019 due to the encouraging geology intersected in the 2018 drilling.

The 2019 drilling is focused on a large regional NE trending structure that runs through the Yandal Gold Project ground and forms an important part of the Bronzewing Structural Corridor (**Figure 3**)⁸. The drilling aims to test the central parts of the structure and those areas of structural disruption immediately adjacent for geological, mineralogical and geochemical evidence of gold bearing hydrothermal solutions and in doing so gain an understanding of the prospectivity of the numerous structural targets in the greater project area for gold mineralisation. The drilling will also extend Toro's knowledge of the geology in the area as it acts as an E-W drilling traverse through the northerly trending geology across the middle of the entire project (**Figure 3**). 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.

After the end of the quarter, on 9 April 2019, the Company announced to ASX that it had upgraded a target area interpreted from geophysics to have a favourable structural setting to prospect status, known as the Christmas gold prospect, after first pass aircore drilling over the area on the Yandal Gold Project. Planning of follow-up drilling at Christmas will occur during Q2 2019 with Toro awaiting approval of the planned works by the Western Australian government. The follow-up drilling will aim to extend the coverage of aircore drilling at Christmas to the north, south and west to test for further anomalism as well as test gold anomalism in the prospect at depth with RC drilling.

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.

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.

⁸ Refer to ASX release of 26 September 2018.

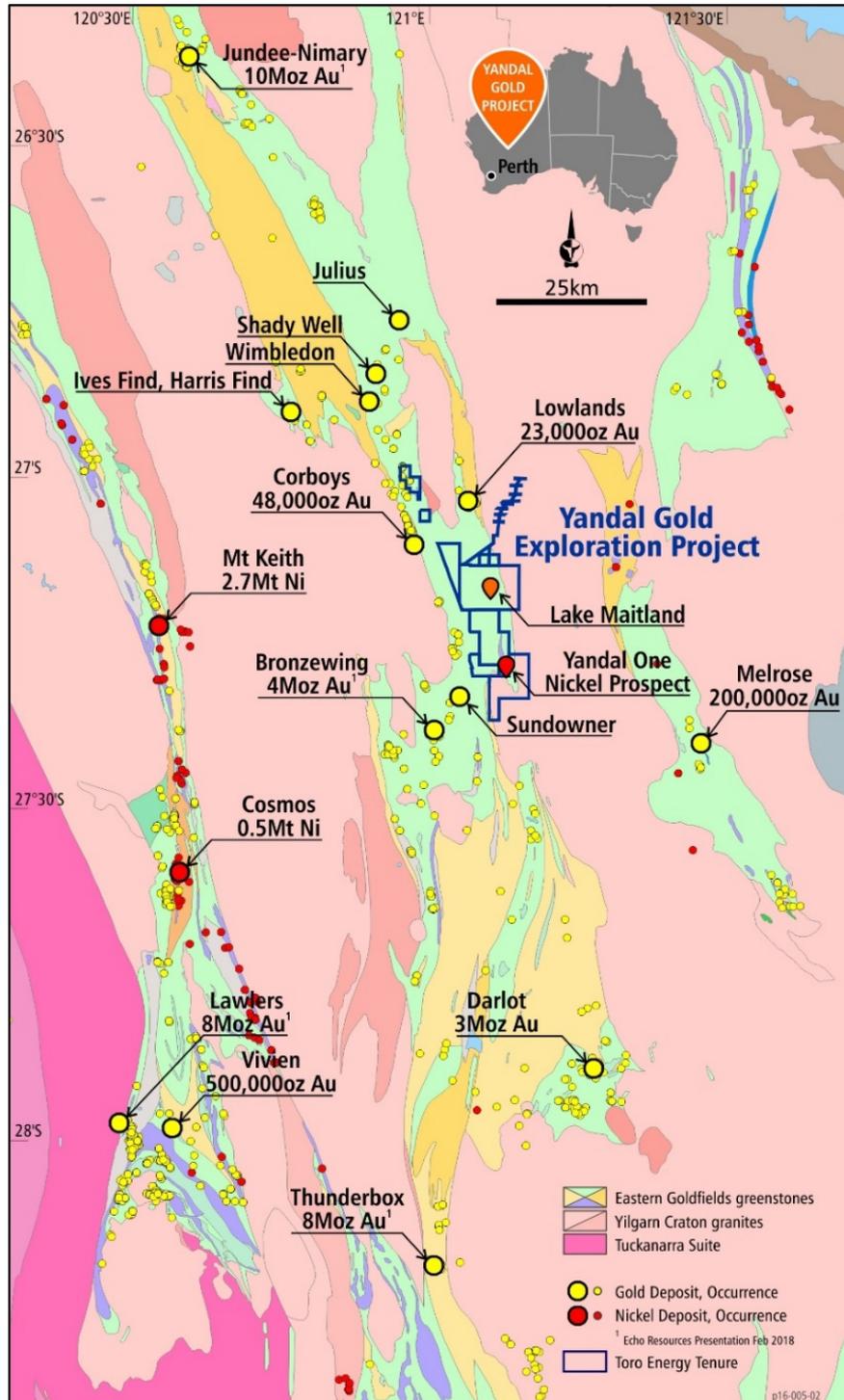


Figure 2: Location of Toro's Yandal Gold Project within the high yielding Yandal Gold District, showing the Yandal Greenstone Belt running through the project area according to state government mapping, the location of gold deposits and occurrences and the three major gold producing operating centres,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

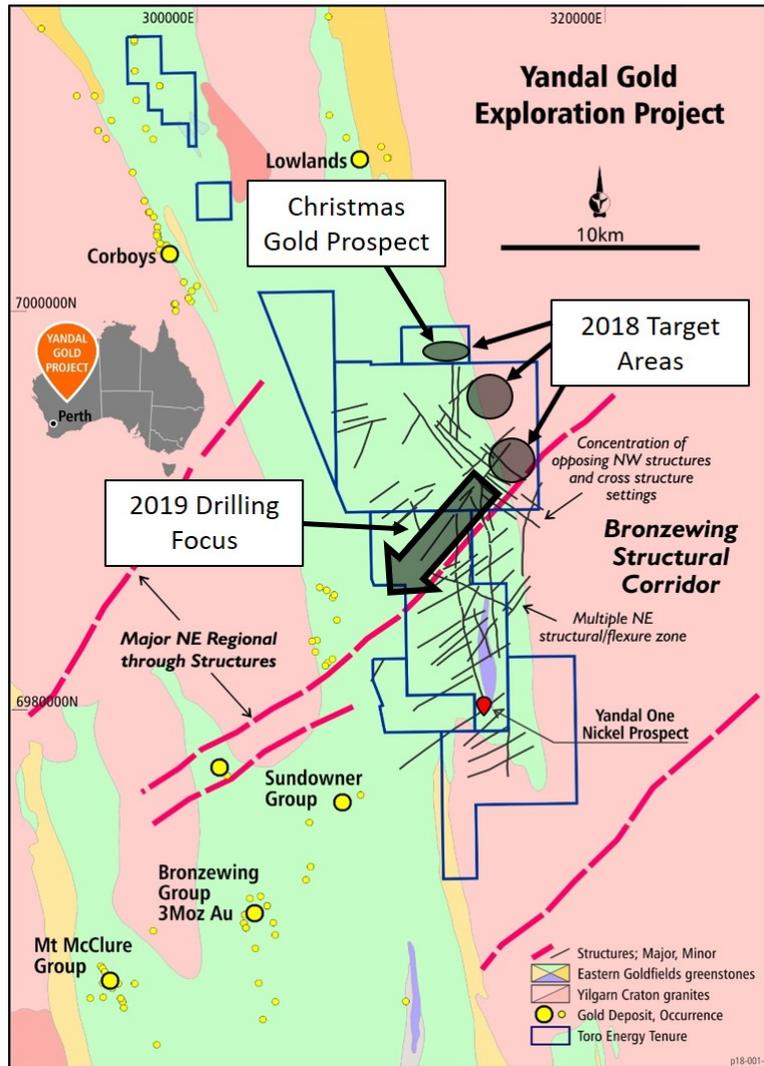


Figure 3: Location of the Christmas gold prospect in relation to the target areas and focus of the first phase exploration aircore drill program on Toro’s Yandal Gold Project. The map also shows the Interpreted Bronzewing Structural Corridor with main regional structures identified from regional magnetic 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.

Tenement Movements

There were no tenement movements during the quarter. A tenement status map is attached at Appendix 1 and Appendix 2. Attached at Appendix 3 is the Wiluna Uranium Project resource table.

Corporate

As announced to the ASX on 20 March 2019 the Company changed its share registry from Computershare Investor Services Pty Ltd to Advanced Share Registry Limited, effective 1 April 2019. Contact details for Advanced Share Registry Limited can be found in the Company’s ASX announcement of 20 March 2019.

ENDS

For further information contact:

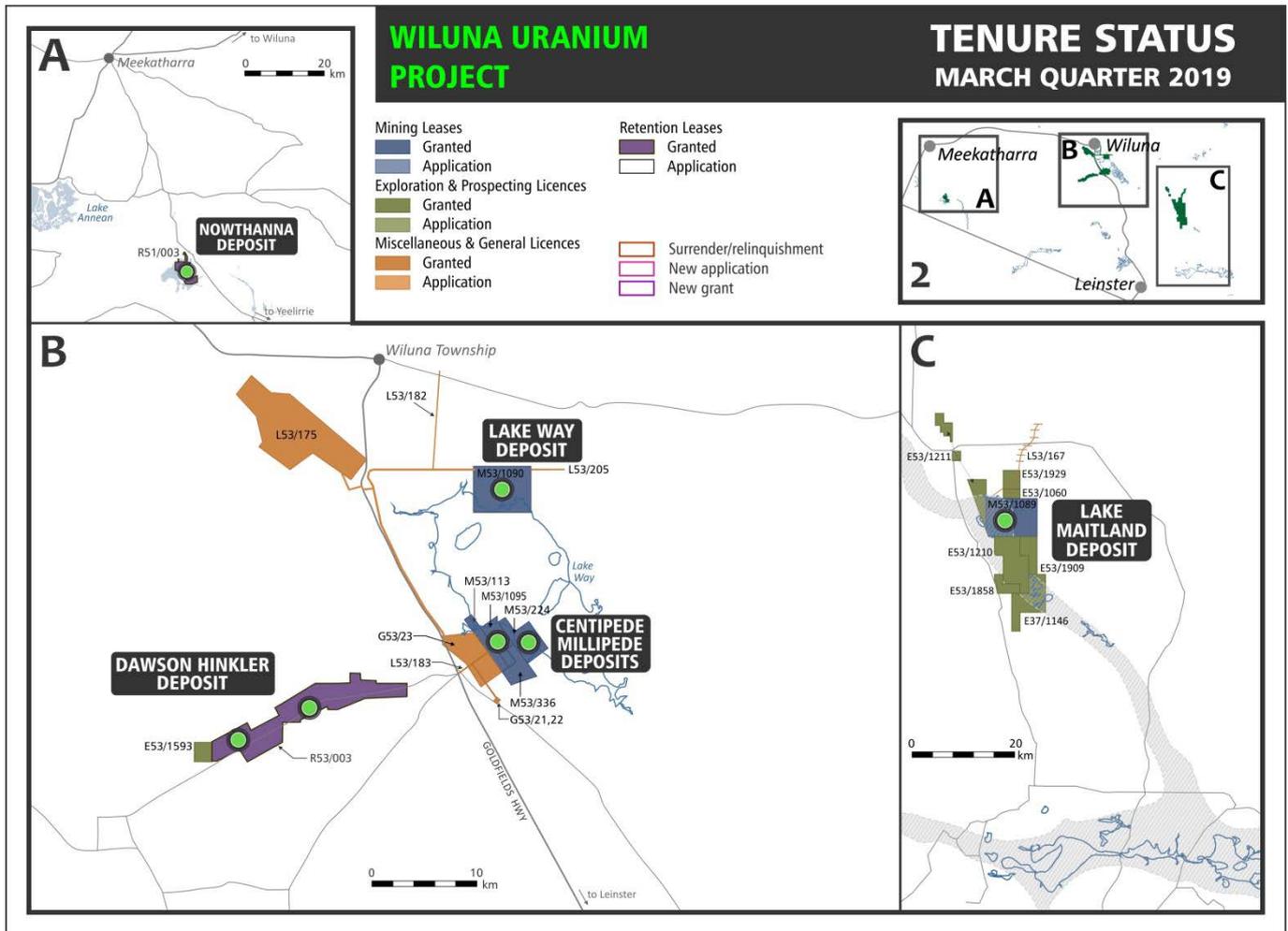
Richard Homsany

Executive Chairman

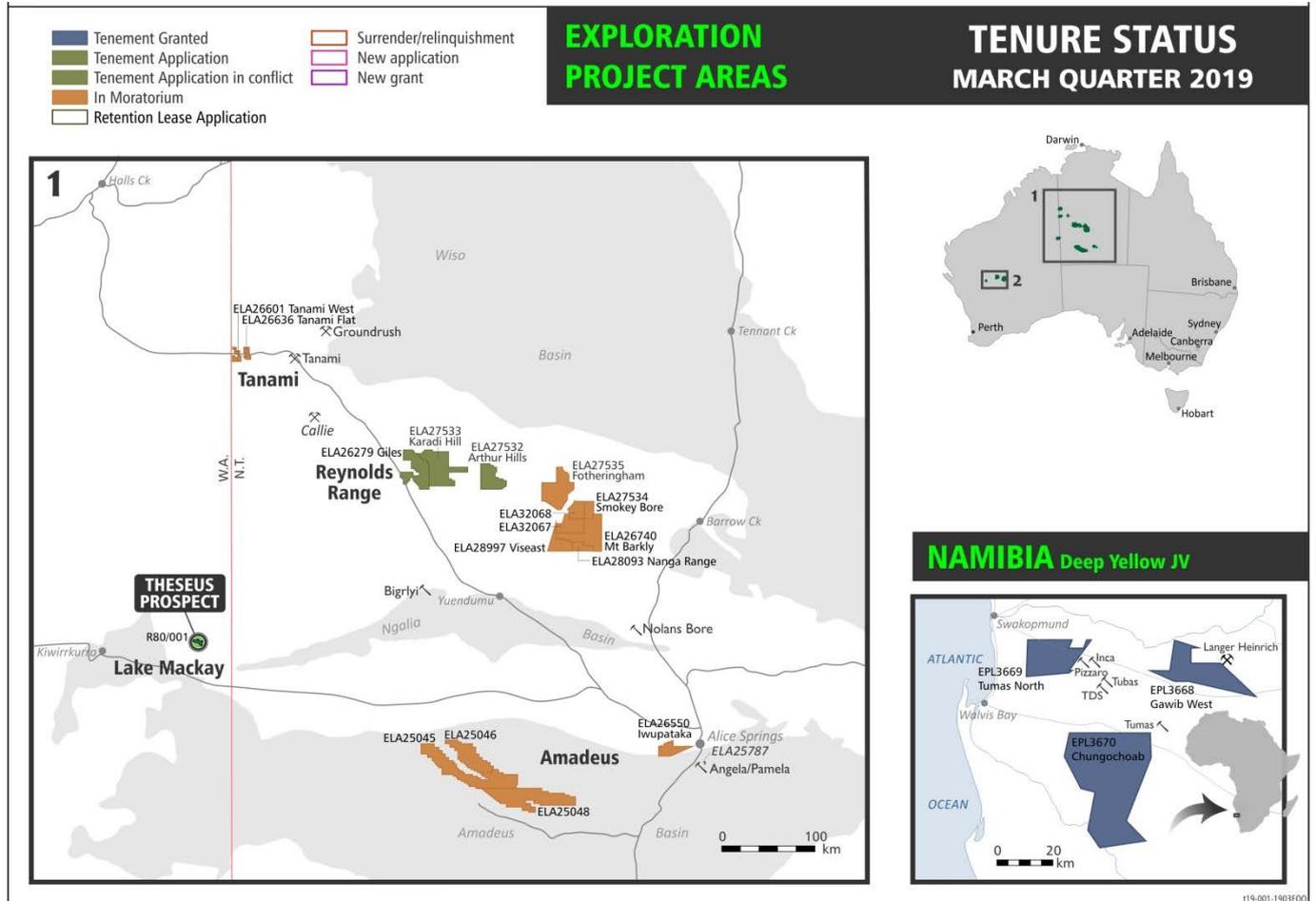
Toro Energy Limited

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APPENDIX 1: MARCH 2019



APPENDIX 2: MARCH 2019



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.