

## QUARTERLY ACTIVITIES REPORT

For period ending 30 June 2019

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### Highlights

#### Wiluna Uranium Project

- Continued efforts to improve the value of the Wiluna Uranium Project through research, innovation and engineering opportunities despite the subdued uranium market.
- Continuing to investigate the potential for Vanadium as a valuable by-product.

#### Yandal Gold Project, Western Australia

- First-pass aircore drilling program completed, with a total of 269 drill holes being drilled for 19,926m.
- A total of seven main areas were drilled, covering some 15 square kilometres of drilling area but representing just 6% of the entire project area.
- During and after the conclusion of the quarter, analysis of the drilling has revealed it has opened up six extensive target areas containing encouraging signs for gold mineralisation, including favourable geology, structures, indications of hydrothermal alteration, the presence of sulphides and large zones of anomalous gold in basement rock.
- The target areas have been named Christmas, November Rain, Area 12, Mako, the Maze and Shadow Rock.
- Three kilometre scale low-level gold anomalies were uncovered at Christmas, the Maze and Shadow Rock, the latter up to 1.7km long and open to the north and south.
- Toro considers that the 2018-19 aircore drilling program has been successful not only in defining gold exploration target areas and uncovering gold anomalies, but has validated the Yandal Gold Project's prospectivity for Yandal style gold in this world class district.

## 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.

As announced by the Company on 7 March 2019, 19 September 2018, 12 September 2018, 27 June 2018, 20 June 2018 and 12 September 2019 (amongst others) the Company has been making a continued effort to improve the value of its Wiluna Uranium Project (**Project**) through research, innovation and engineering opportunities despite the subdued uranium market. The Company's efforts in this regard include the implementation of changes to the proposed processing flowsheet design announced as part of the Company's 2016 scoping study in respect of the Project (**2016 Scoping Study**) which have consequently resulted in potential improvements in the capital and operating costs of the Project as well as a potential improvement in overall uranium recovery from the plant. The changes implemented to the processing flow sheet for the update to the 2016 Scoping Study (**2019 Scoping Study Update**) 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 Study<sup>1</sup>. Please refer to the Company's ASX releases of 30 January 2018, 20 April 2018, 20 June 2018, 27 June 2018 and 12 September 2019 for further information.

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<sup>1</sup> Please refer to the Company's ASX announcement of 5 December 2016.

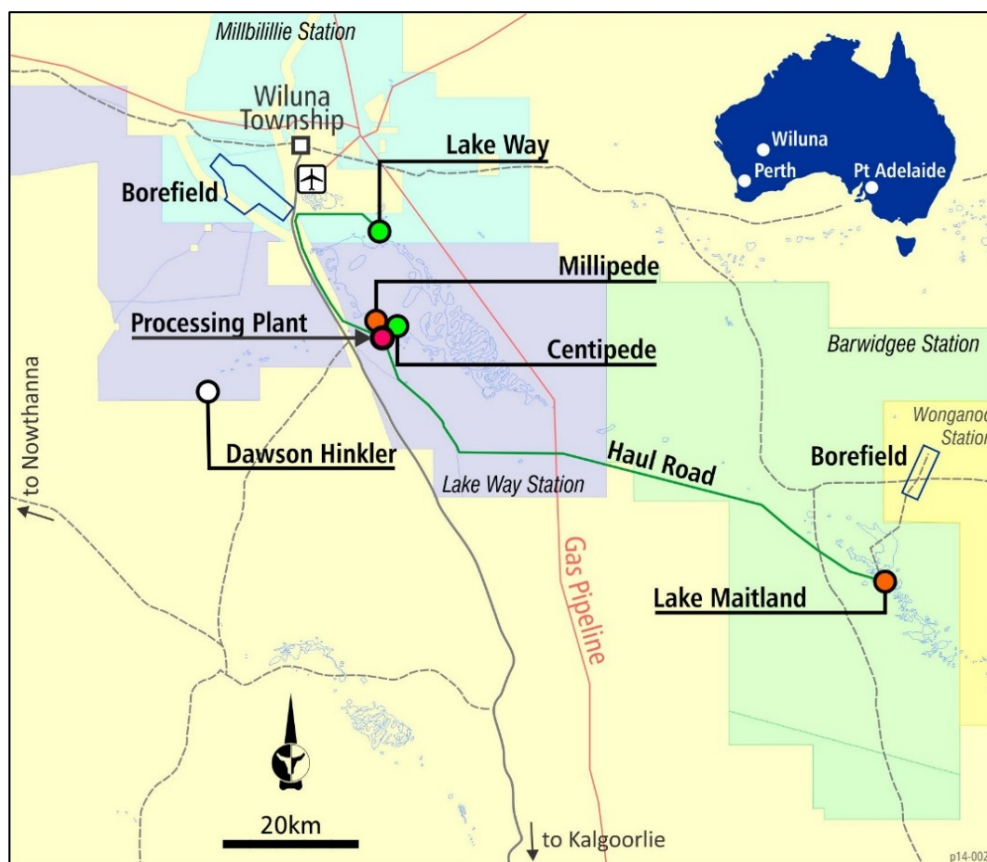


Figure 1: Wiluna Uranium Project

## Exploration <sup>2</sup>

As announced to the ASX on 28 May 2019, during the quarter the Company completed the first-pass aircore drilling program on its 100% owned Yandal Gold Project. A total of 269 drill holes for 19,926.5m were drilled in the program. 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**).

<sup>2</sup> 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.

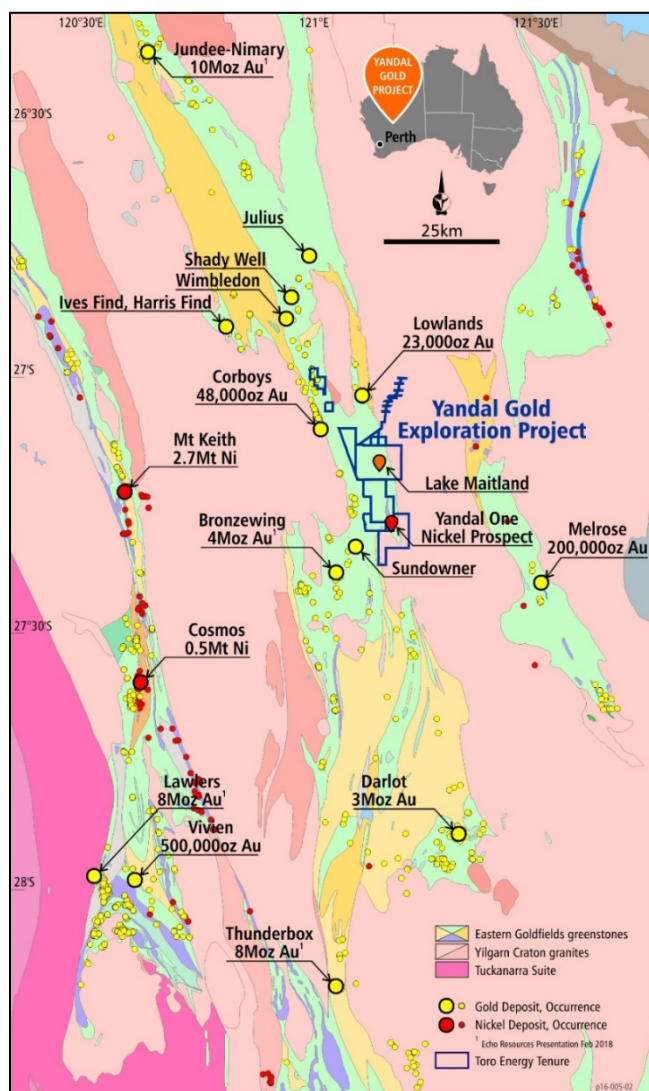


Figure 2: Location of Toro's Yandal Gold Project within the high yielding Yandal Gold District, showing the Yandal Greenstone Belt running through the project area according to state government mapping, the location of gold deposits and occurrences and the three major gold producing operating centres,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

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.

During and after the conclusion of the quarter analysis of the drilling and geochemical assay results revealed that the drilling has opened up six extensive exploration target areas for gold within its Yandal Gold Project including the Christmas prospect (see the Company's ASX releases of 9 April 2019 and 9 July 2019), the November Rain target area (see the Company's ASX release of 28 May 2019), Area 12 (see the Company's ASX release of 11 June 2019), the Mako geophysical target (see the Company's ASX release of 26 June 2019), the Maze target area (see the Company's ASX release of 25 July 2019) and Shadow Rock (see the Company's ASX release of 30 July 2019). The geochemistry revealed that kilometre scale low-level gold anomalies were uncovered at three of these target areas, being Christmas, the Maze and Shadow Rock.

The Christmas gold prospect, as it is now referred to, was the first area targeted by Toro in its first phase exploration drilling program on the Yandal Gold Project. The area is located just to the north of Lake Maitland on exploration licence E53/1060 (**Figure 3**).

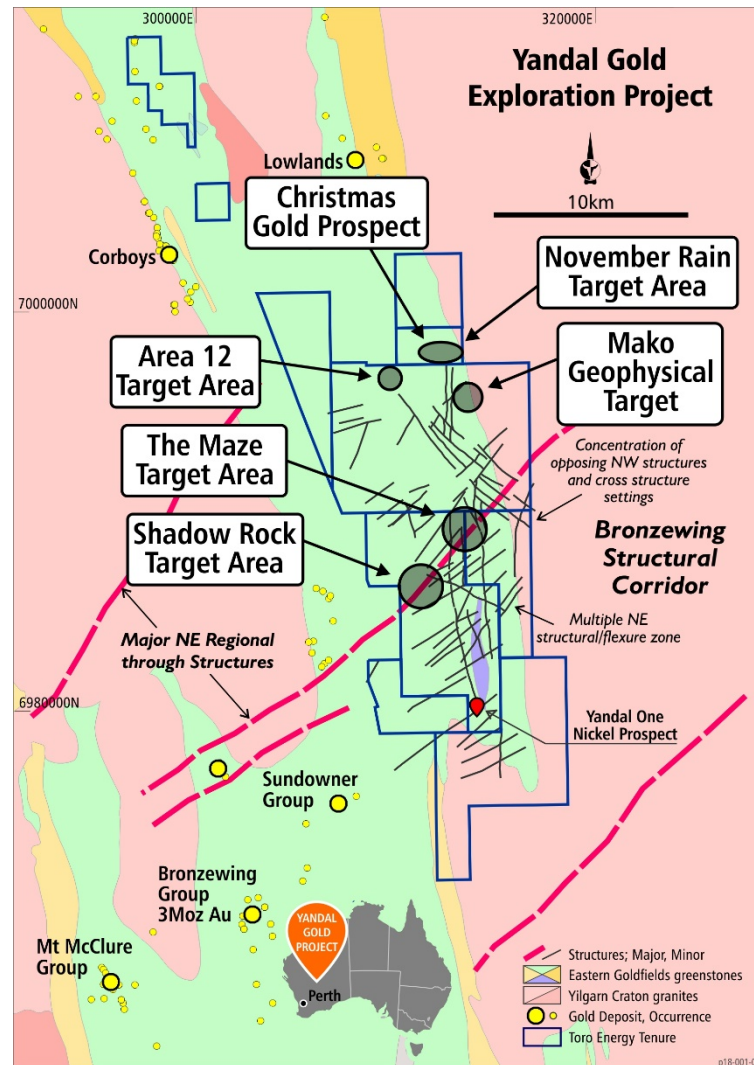


Figure 3: Main focus areas of the first-pass aircore drilling program for the Yandal Gold Project. The map also shows the Interpreted Bronzewing Structural Corridor with main regional structures identified from regional magnetic imagery as well as the main NE structures identified in the large zone of 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.

The area centres around a single unbroken anomaly of gold in the top of the basement rock that stretches along strike for some 1.3km. The gold anomalism reaches grades of up to 0.12 g/t gold (please refer to the Company's ASX release of 9 July 2019 for details of these results and the JORC Table 1) and it remains open along strike to the south where more elevated gold values suggest further extension is possible. A large zone of sericite-illite± pyrite alteration, up to 700m wide, is associated with the gold anomaly along its entire length, which suggests the presence of a significant hydrothermal system within the area.

The November Rain target area is located some 750m to the SE of the original location of the Christmas Gold Prospect on exploration licence 53/1060 (see **Figure 3**), but now sits beside the Christmas gold anomaly (described above) since the extension of this anomaly in the 2019 drilling. Elevated gold values and proximity to the Christmas Prospect suggest that November Rain could be part of the same potential gold mineralising system as Christmas, however assay results from the drilling campaign reveal relatively different geochemistry. Due to this, November Rain is now targeted for that different chemistry, which includes elevated concentration of nickel, copper, zinc, chrome, platinum and palladium. Further gold anomalies have been discovered outside the main Christmas anomaly suggesting the entire 4km<sup>2</sup> area around both Christmas and November Rain is prospective for gold. Please see the Company's ASX announcement of 28 May 2019 for further information in respect of the assay results from the drilling campaign over the November Rain target area.

As announced by the Company on 11 June 2019 the Company's geological review confirmed that the 2019 drilling intersected a major NE trending structure and general region of structural disruption and silicification in basement rock in a location known as Area 12 that will require further investigation for potential follow-up exploration. The area is only 2.8km SW of the recently announced Christmas gold prospect and the November Rain target area. Detailed airborne magnetic survey data suggests that the structure trends NE near and into the vicinity of these recently described areas also designated for follow-up exploration. Please see the Company's ASX release of 11 June 2019 for further information.

As announced by the Company on 26 June 2019, the first pass aircore drilling at the Yandal Gold Project has also confirmed that a dual gravity and magnetic geophysical anomaly, located some 2.3km south of November Rain<sup>3</sup> is favourable greenstone target geology for gold exploration. The Mako geophysical target (or Mako), as it is now referred to, is a prominent high density feature in the recently completed ground gravity survey data<sup>4</sup>, some 3.4km long and approximately 500m wide (see **Figure 3**). In the centre of the high density ground gravity anomaly, at its northern end, is a 1.2km long magnetic anomaly from the Toro flown airborne magnetic survey data<sup>6</sup>. A limited number of aircore drill holes recently completed across the Mako anomaly have confirmed it represents a sequence of metamorphosed volcanic related greenstone rocks that are considered favourable for hosting gold mineralisation. Confirmation of favourable greenstone geology at Mako suggests that the favourable geology already confirmed at the Christmas gold prospect extends for at least 10km from the NE of the Yandal Gold Project through Christmas to Mako.

The Maze target area, announced by the Company on 25 July 2019, is a four square kilometre zone of prospective geology centred around the NE extent of a major regional structure that cross-cuts the entire central area of the Yandal Gold Project. It is located some 7.5km south of Christmas and November Rain. The zone incorporates a number of gold anomalies including a 1km diameter anomaly situated just off the main structure. A zone of pyrite alteration with a diameter of approximately 300m was uncovered within the main structure adjacent the main gold anomaly and potassic-hematite alteration is widespread in the area, all signs of hydrothermal alteration that

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<sup>3</sup> Refer to the ASX announcements of 9 April 2019 for details on the Christmas Gold Prospect and 29 May 2019 for details on the November Rain Target Area.

<sup>4</sup> Refer to the ASX announcements of 23 May 2018 for details on the ground gravity survey and 25 November 2016 for details on the airborne magnetic survey.

could be related to gold mineralisation. Of further interest is a low level, over 600m wide, arsenic anomaly, a key gold pathfinder element, that stretches for over 3km proximal to the Maze.

On 30 July 2019, the Company announced that the 2019 drilling had also uncovered a 1.7km long, 500m wide gold anomaly of up to 0.08g/t over 3m (please refer to the [Company's ASX release of 30 July 2019](#) for details of these results and the JORC Table 1) at the target area referred to as Shadow Rock, located some 11.7km to the south of Christmas and November Rain. The gold anomaly is centred around the same major regional structure as that of the Maze target area, some 2.5km to the NE, and thus highlights the prospectivity of this main structure and all related structures for gold. Bismuth (Bi), one of the main pathfinder elements for gold, is associated with the Shadow Rock gold anomaly as are indications of hydrothermal alteration often associated with ore deposits such as illite-sericite alteration, potassic-hematite alteration and relatively high concentrations of pyrite. The sulphide alteration stretches along the main structure for some 1.5km with sulphur (S) concentrations reaching as high as 2.3% (by weight);

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.

## Corporate

As announced to the ASX on 17 April 2019, during the quarter the Company completed a placement of 11,000,000 fully paid ordinary shares in the capital of Toro (**Shares**) at a price of \$0.025 per Share (being equal to the last traded price of Shares on ASX on that date), to the Company's sixth biggest shareholder and to another sophisticated investor procured by that shareholder. Funds of \$275,000 were raised under the placement and have been, or will be, used to assist the Company to further advance the technical studies in respect of its Wiluna Uranium Project and for working capital.

## 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.

**ENDS**

**For further information contact:**

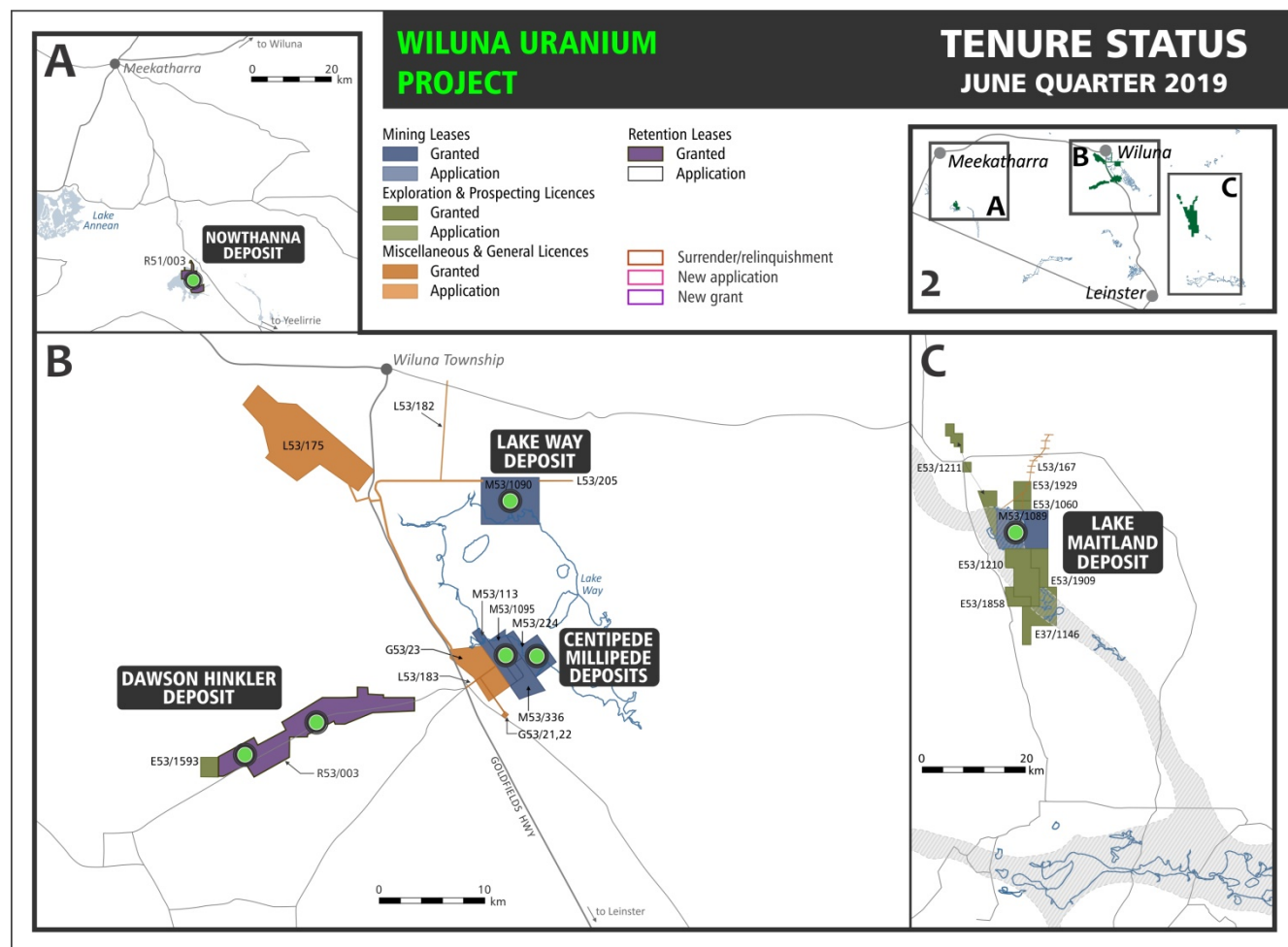
**Richard Homsany**

Executive Chairman

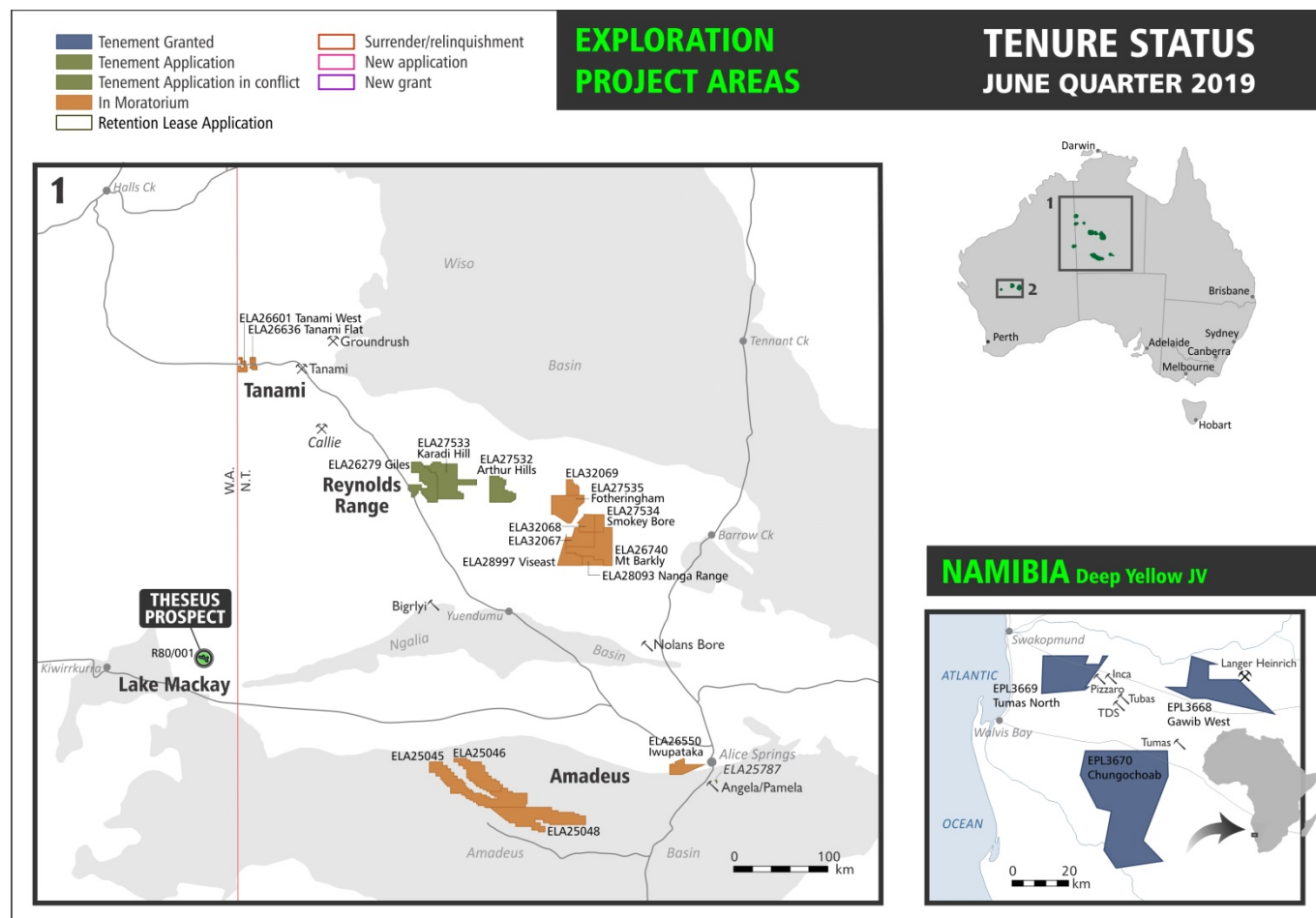
Toro Energy Limited

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## APPENDIX 1: JUNE 2019



## APPENDIX 2: JUNE 2019



### APPENDIX 3: Wiluna Uranium Project Resource Table – JORC 2012

| Wiluna Uranium Project<br>Resources Table (JORC 2012) |                                   |            |            |             |             |             |            |             |             |
|---|-----------------------------------|------------|------------|-------------|-------------|-------------|------------|-------------|-------------|
|   |                                   | Measured   |            | Indicated   |             | Inferred    |            | Total       |             |
|   |                                   | 200ppm     | 500ppm     | 200ppm      | 500ppm      | 200ppm      | 500ppm     | 200ppm      | 500ppm      |
| <b>Centipede /<br/>Millipede</b>                      | 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 <sub>3</sub> O <sub>8</sub> Mlb | 6.2        | 4.2        | 15.5        | 10.3        | 2.3         | 0.9        | 24.0        | 15.3        |
| <b>Lake Maitland</b>                                  | Ore Mt                            | -          | -          | 22.0        | 8.2         | -           | -          | 22.0        | 8.2         |
|   | Grade ppm                         | -          | -          | 545         | 929         | -           | -          | 545         | 929         |
|   | U <sub>3</sub> O <sub>8</sub> Mlb | -          | -          | 26.4        | 16.9        | -           | -          | 26.4        | 16.9        |
| <b>Lake Way</b>                                       | Ore Mt                            | -          | -          | 10.3        | 4.2         | -           | -          | 10.3        | 4.2         |
|   | Grade ppm                         | -          | -          | 545         | 883         | -           | -          | 545         | 883         |
|   | U <sub>3</sub> O <sub>8</sub> Mlb | -          | -          | 12.3        | 8.2         | -           | -          | 12.3        | 8.2         |
| <b>Sub-total</b>                                      | Ore Mt                            | <b>4.9</b> | <b>1.9</b> | <b>44.3</b> | <b>16.9</b> | <b>2.7</b>  | <b>0.4</b> | <b>52.0</b> | <b>19.2</b> |
|   | Grade ppm                         | <b>579</b> | <b>972</b> | <b>555</b>  | <b>948</b>  | <b>382</b>  | <b>986</b> | <b>548</b>  | <b>951</b>  |
|   | U <sub>3</sub> O <sub>8</sub> Mlb | <b>6.2</b> | <b>4.2</b> | <b>54.2</b> | <b>35.3</b> | <b>2.3</b>  | <b>0.9</b> | <b>62.7</b> | <b>40.4</b> |
| <b>Dawson<br/>Hinkler</b>                             | Ore Mt                            | -          | -          | 8.4         | 0.9         | 5.2         | 0.3        | 13.6        | 1.1         |
|   | Grade ppm                         | -          | -          | 336         | 596         | 282         | 628        | 315         | 603         |
|   | U <sub>3</sub> O <sub>8</sub> Mlb | -          | -          | 6.2         | 1.1         | 3.2         | 0.4        | 9.4         | 1.5         |
| <b>Nowthanna</b>                                      | Ore Mt                            | -          | -          | -           | -           | 13.5        | 2.6        | 13.5        | 2.6         |
|   | Grade ppm                         | -          | -          | -           | -           | 399         | 794        | 399         | 794         |
|   | U <sub>3</sub> O <sub>8</sub> Mlb | -          | -          | -           | -           | 11.9        | 4.6        | 11.9        | 4.6         |
| <b>Total</b>  | Ore Mt                            | <b>4.9</b> | <b>1.9</b> | <b>52.7</b> | <b>17.8</b> | <b>21.4</b> | <b>3.3</b> | <b>79.0</b> | <b>23.0</b> |
|   | Grade ppm                         | <b>579</b> | <b>972</b> | <b>520</b>  | <b>931</b>  | <b>368</b>  | <b>765</b> | <b>482</b>  | <b>916</b>  |
|   | U <sub>3</sub> O <sub>8</sub> Mlb | <b>6.2</b> | <b>4.2</b> | <b>60.4</b> | <b>36.4</b> | <b>17.4</b> | <b>5.5</b> | <b>84.0</b> | <b>46.4</b> |

#### 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.