ASX RELEASE
25 October 2019

Gold Prospectivity Confirmed at Toro's Yandal Gold Project

HIGHLIGHTS

- **First drill holes into basement at Shadow Rock and Christmas confirm prospectivity for large Yilgarn greenstone terrain gold (Au) mineralising systems in both areas**
- **Shear zone geology with continuous sulphides (predominantly pyrite) intersected throughout every hole drilled at both target areas**
- **Strong overprinting alteration and quartz/carbonate veining intersected in both areas**
- **Anomalous gold assays returned from selected samples at Shadow Rock are associated with known pathfinder elements and alteration**
- **A total of 13 holes for 2,437m have been drilled to date**
- **Drilling expected to be completed by the end of the month, assay results expected by the end of November**

Toro Energy Limited (**ASX: TOE**) ('the **Company**' or '**Toro**') wishes to advise of the progress of exploration drilling on the Company's 100% owned Yandal Gold Project ('the **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 1**).

The ongoing drill program has so far completed 13 RC drill holes for a total of 2,437m as at 21 October 2019 (refer to **Appendix 1** for a table of drill hole details). This includes five drill holes for 912m in the Shadow Rock Target Area, two drill holes for 462m in the Christmas Target Area and four drill holes for 792m in the Golden Ways Target Area (**Figure 2**). Two drill holes for 271m were drilled in the November Rain Target Area (**Figure 2**), however both failed to make target depth through a paleochannel. A diamond rig will now be sourced for redrilling at November Rain, which is likely to occur in early 2020.

All RC drilling is expected to be completed by the end of October with assay results returned by the end of November. A summary of drilling inside each target area to date follows.

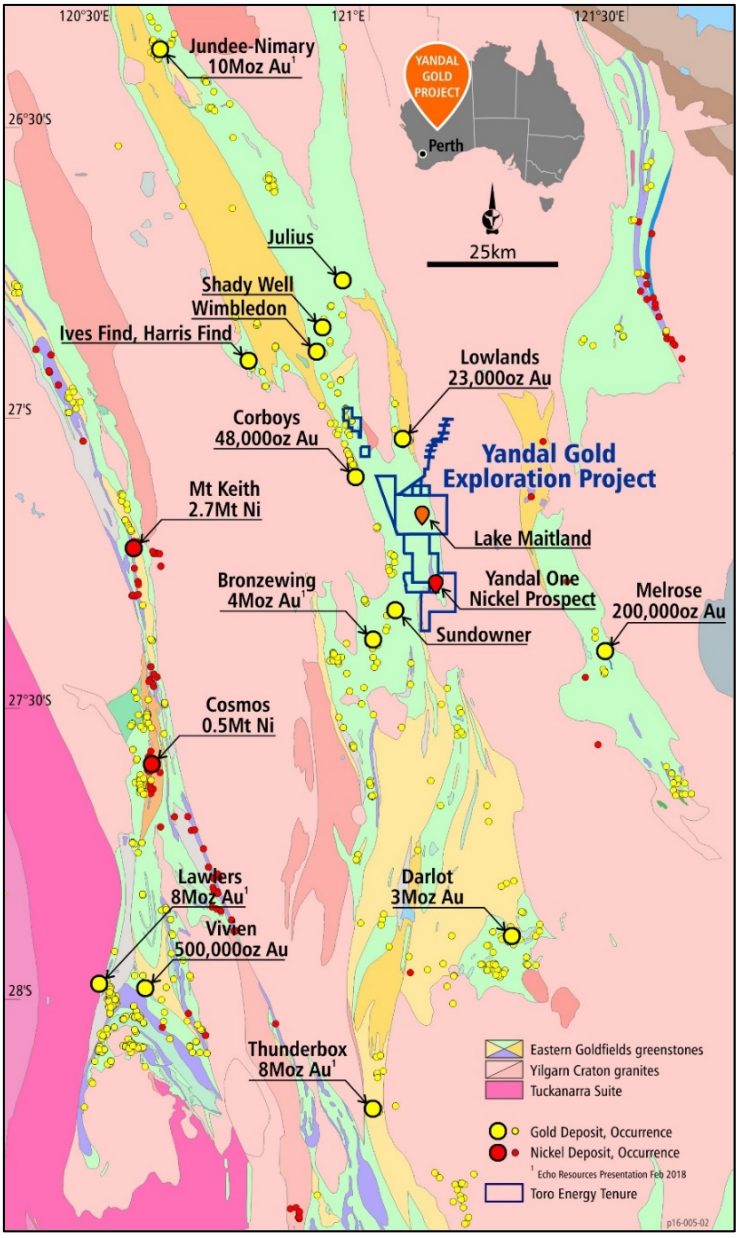

Figure 1: Location of Toro's Yandal Gold Project within the high yielding Yandal Gold District, showing the Yandal Greenstone Belt running through the project area according to state government mapping, the location of gold deposits and occurrences and the three major gold producing operating centres,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

Shadow Rock Target Area – Drilling Confirms Gold Prospectivity

Drilling at Shadow Rock was aimed at testing the geology beneath the top of basement gold anomalies identified from four of the aircore holes drilled earlier in the year (refer to the Company's ASX announcement of 30 July 2019). These drill holes were aimed at passing through the rocks approximately 50m below each top of basement anomaly to check if anomalism continued at depth and to gain an understanding of the geology associated with the anomalies.

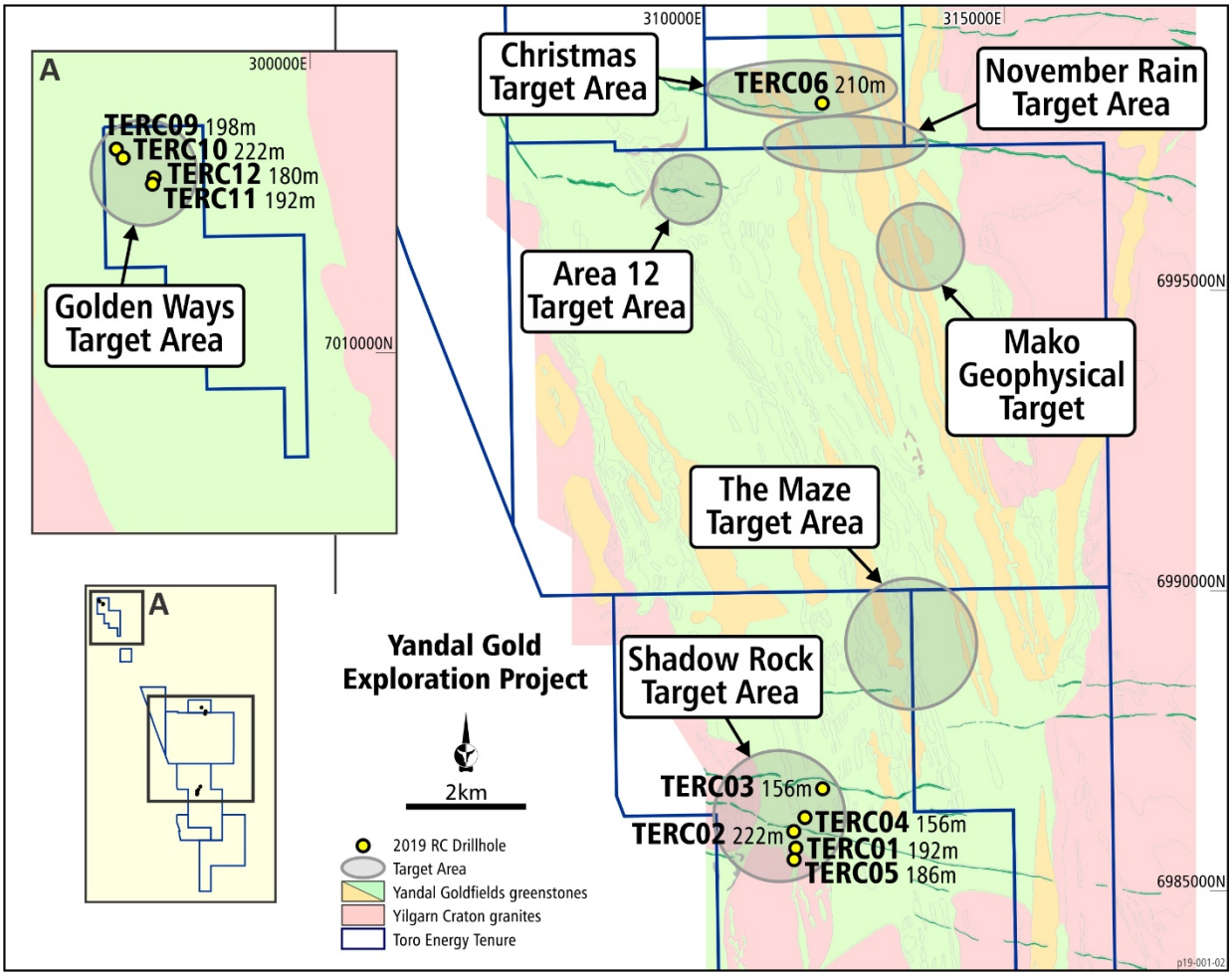

Figure 2: Location of RC drill holes completed to date in the current drilling program (see text for details), relative to the location of the target areas developed so far on the project. Background geology is a simplified version of the 1:15K Interpretation of the 2016 airborne magnetic survey by Core Geophysics. No geological information from the aircore or RC drilling to date has been added to this geology.

The Shadow Rock RC drill holes are the first ever drill holes to penetrate at depth into the basement rocks in the area making them the first ever observations of the geology at depth. All four planned holes were pushed beyond target depth due to encouraging geology. Due to the amount of sulphides intersected in these four holes a fifth hole (TERC05) was added to the original drill plan some 200m south of the most southerly hole (TERC01).

Downhole geology in drill holes TERC01, TERC02, TERC04 and TERC05 has revealed a large northerly trending shear zone containing sulphides (predominantly pyrite) in northerly trending chloritised meta-volcanics and lenses of meta-gabbro with a mafic gneiss intersected briefly on the western extent of drilling. In the area drilled, over 700m in strike length (N-S), this entire shear zone was found to contain sulphides in the shear foliation, with the sulphide bearing zone being open in all directions (**Figure 3**).

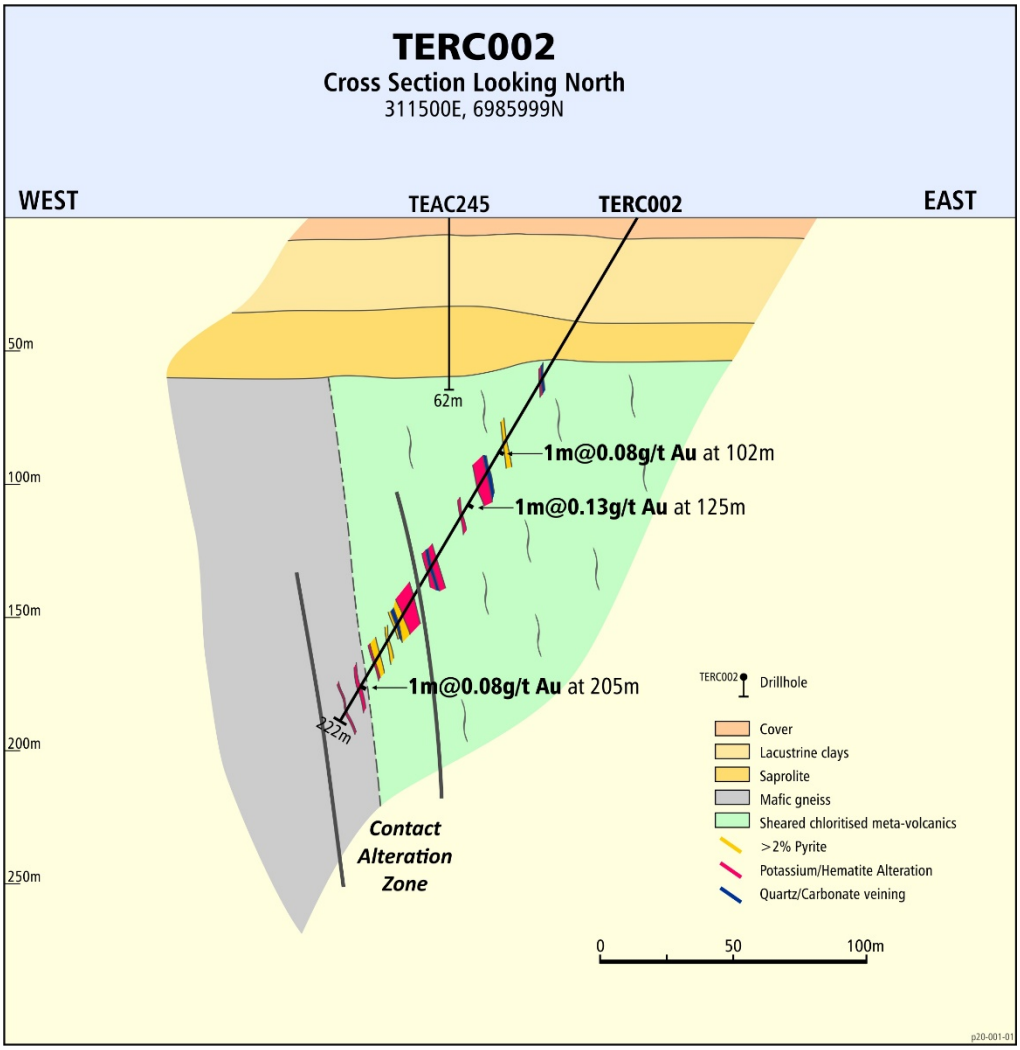

Figure 3: Cross-section through TERC02 as representative also of TERC01, TERC04 and TERC05, showing large northerly trending shear zone through northerly trending meta-volcanic unit with pyrite in shear planes throughout hole. More intensive pyrite alteration (.2% by observation) along with quartz/carbonate veining and potassic-hematite alteration increases towards western contact with mafic gneiss. Anomalous gold > 0.05g/t also shown. Note that not all of drill hole has been sampled, the gold values are from a limited amount of selected samples for quick turn-around gold analysis. These are not considered as representative of down hole geochemistry as samples from the drill rig; they have not been duplicated and therefore no total error can be calculated. Downhole geochemistry is still pending.

Drill hole TERC03, positioned further to the NE, has confirmed the presence of the major NE trending regional structure interpreted in the geophysics (airborne magnetics and ground gravity) with silica flooding throughout the hole overprinting what is likely a sheared gneiss (although the original texture was difficult to see).

Sulphides, predominantly pyrite, were intersected throughout every hole with higher concentrations (up to 8% by hand lens observation) in intersections within the meta-volcanics that were also associated with quartz/carbonate veining/alteration. Silicification was a prominent feature throughout the meta-volcanics and in some intersections potassic-hematite alteration was also present (refer to **Figure 3**).

A limited number of 1m grab samples from RC chip piles were taken as representative geology for quick turn-around gold assay (73 x 1m samples), with 11 of these also analysed for full multi-element geochemistry (**Appendix 2** contains a list of the assay results reported here along with further details about their analysis). Anomalous gold was found to have been intersected throughout the four holes that drilled into the sheared meta-volcanics, with the highest grades of up to 0.13g/t (single 1m grab sample from 124-125m in drill hole TERC02) associated with areas of increased sulphide concentrations and quartz/carbonate veining (refer to **Figure 3**). The full geochemistry revealed that higher gold values were associated with the elevated pathfinder elements bismuth (Bi), arsenic (As) and copper (Cu) signalling the possibility of a fertile system nearby.

Toro believes that the geological setting and geochemistry uncovered at Shadow Rock is consistent with large gold mineralising systems elsewhere in the Yilgarn Greenstone terrains where large northerly trending sulphur bearing shear zones have brought gold, which is also concentrated in cross-cutting structures. Anomalous gold with strong pathfinder association and gold system alteration suggests economic gold mineralising systems in the Shadow Rock area are a possibility. Carbonate alteration with as low as 4ppb gold is considered a halo for the Bronzewing mineralising system. Toro is planning advanced follow-up exploration drilling at Shadow Rock.

Christmas Target Area – Drilling Confirms Gold Prospectivity

RC drilling at Christmas was aimed at testing the geology 50m beneath the top of basement samples collected from aircore holes drilled earlier in the year. Two RC holes for 462m have been drilled as of 21 October 2019, one of these (TERC06) aimed at testing beneath a gold anomaly and the other (TERC013) testing below a low level nickel (Ni), chrome (Cr), platinum (Pt) and palladium (Pd) anomaly, but more specifically aimed at testing for a contact between a potential ultramafic (based on aircore geochemistry) and granite (revealed in aircore drilling further south). The latter of these holes has only recently been completed and is being further assessed.

TERC06 is only the second hole to penetrate at depth into the basement rocks in the area with the first, some 500m to the E-NE, having been drilled by Toro in December 2016.

TERC06 revealed that Christmas is also a prospective setting for large gold deposits found throughout the Archean Yilgarn greenstone terrain. After penetrating through a paleochannel at 130m downhole TERC06 continued through some 80m of chloritised and silicified meta-volcanics with sulphide (predominantly pyrite) throughout before being terminated. A 48m thick zone of carbonate veining with significantly stronger pyrite alteration (>2% sulphide by observation) bounded by two zones of quartz veining was intersected from 158m downhole. A limited number of grab samples from RC drill chip piles (7 x 1m samples) for quick turn-around gold assays showed that this alteration zone included a number of gold anomalies including 1m at 0.1g/t associated with >2% pyrite at 185-186m downhole and 0.14g/t associated with >2% pyrite and quartz veining at 202-203m down hole.

TERC013 will be assessed and reported on in the near future. However, even without this assessment it is apparent that the Christmas Target Area requires advanced follow-up drilling.

November Rain Target Area

Three holes were planned at November Rain aimed at testing the geology 50m beneath the top of basement samples collected from aircore holes drilled earlier in the year. Two of these were targeting the area beneath the 1.3km long Christmas-November Rain gold anomaly (refer to the Company's ASX announcement of 28 May 2019 for further details) and one beneath a Ni, Cr, Pt, Pd and Au anomaly.

The November Rain area proved difficult for RC drilling, with approximately 30m of unconsolidated and saturated collapsing sands at the base of the 120m deep paleochannel. After failing to reach target depth in two of these holes (TERC07 and TERC08) despite 271m of drilling, the area was abandoned temporarily, to be revisited in 2020 with a mud rotary/diamond combination drilling technique.

Golden Ways Target Area

Drilling at Golden Ways was aimed at confirming the presence of vein gold and gold alteration systems at depth near historical workings on E53/1211, the northern-most tenement in the Yandal Gold Project. TERC09, TERC10, TERC11 and TERC12 have been completed and are currently being assessed.

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[1], despite the first operation commencing only ten years earlier[2].

- The Yandal has so far produced >14Moz of gold from three well known operations, Jundee-Nimary, Bronzewing and Darlot (refer to **Figure 1**).[1, 2, 3]

- 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.[3]

[1] Gold Fields Limited presentation https://www.goldfields.com/pdf/investors/presentation/2014/australia-site-visits/darlot-gold-mine.pdf
[2] 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.
[3] Echo Resources Limited Mineral Resource and Ore Reserve Estimates, refer to ASX release of 27 November 2017.

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.

FURTHER INFORMATION:

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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, 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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APPENDIX 1

Drill hole summary table - Reverse Circulation - As at 23rd October 2019 drilling								
Actual Hole ID	Target Area	Easting	Northing	Elevation	Azimuth	Dip	Actual Depth	Status
TERC001	Shadow Rock	311530	6985722	468.609	270	60	192	Completed
TERC002	Shadow Rock	311500	6985999	468.7649	270	60	222	Completed
TERC003	Shadow Rock	311982	6986698	469.6847	315	60	156	Completed
TERC004	Shadow Rock	311686	6986219	468.9165	270	60	156	Completed
TERC005	Shadow Rock	311510	6985521		270	60	186	Completed
TERC006	Christmas	311977	6998113	471.8948	270	60	210	Completed
TERC007	Christmas	312583	6997607	472.0643	270	60	150	Abandoned
TERC008	Christmas	312488	6997206	471.9751	270	60	121	Abandoned
TERC009	Golden Way	296767	7013392		270	60	198	Completed
TERC010	Golden Way	296884	7013244		270	60	222	Completed
TERC011	Golden Way	297390	7012840		270	60	192	Completed
TERC012	Golden Way	297394	7012914		90	60	180	Completed
TERC013	Christmas	311260	6998210		270	60	252	Completed
TERC014	Christmas	311460	6998210		270	60	210	Completed

Table of drill hole details for all drill holes so far completed and reported on in this ASX release. All holes are reverse circulation (RC).

APPENDIX 2

Table of significant Au assays reported in ASX release				
Drill hole	From	To	Assay Au (g/t)	Lab duplicate
TERC02	101	102	0.08	NA
TERC02	124	125	0.13	NA
TERC02	204	205	0.08	NA
TERC06	185	186	0.1	NA
TERC06	202	203	0.14	NA

Table of assay results reported on in this ASX release. It is important to note that these samples were grab samples from drill chip piles on the ground only and have therefore have not been subject to Toro's normal QAQC procedures such as field duplicate sampling. Thus, the total error cannot be calculated for these samples and therefore Toro cannot guarantee their accuracy.