ASX RELEASE
28 October 2019

Gold Intersected at Toro's Yandal Gold Project

HIGHLIGHTS

- **Gold mineralisation has been intersected in three of the four reverse circulation (RC) exploration holes drilled at the Golden Ways Target Area on Toro's Yandal Gold Project**
- **Up to 1m at 4.35g/t intersected from 80m downhole depth in a highly altered quartz vein in drill hole TERC11**
- **Up to 5m at 0.94g/t including 2m at 2.2g/t intersected from 97m downhole depth in a large 10m thick quartz vein in drill hole TERC12**
- **Up to 1m at 0.66g/t intersected from 41m downhole depth in the weathered zone of drill hole TERC10**
- **Quartz vein intersected in TERC12 sub-crops at surface where it extends for some 500m along strike – recent detailed vein mapping in the area by Toro shows significant potential for further vein mineralisation**
- **Higher grade gold intersected in TERC11 has no surface expression, highlighting the potential for gold mineralisation between vein sets exposed at surface**
- **Golden Ways Target Area has been proven highly prospective for gold mineralisation in hydrothermal quartz vein and oxide gold settings**
- **Current gold values are from limited selective sampling for quick turnaround analyses – more geochemistry is expected in November**
- **Drilling is ongoing in other areas of the Yandal Gold Project – the program is expected to be completed by the end of the month with geochemical assays returned by the end of November**

Toro Energy Limited (**ASX: TOE**) ('the **Company**' or '**Toro**') is pleased to announce recent gold (Au) intersects from its 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**).

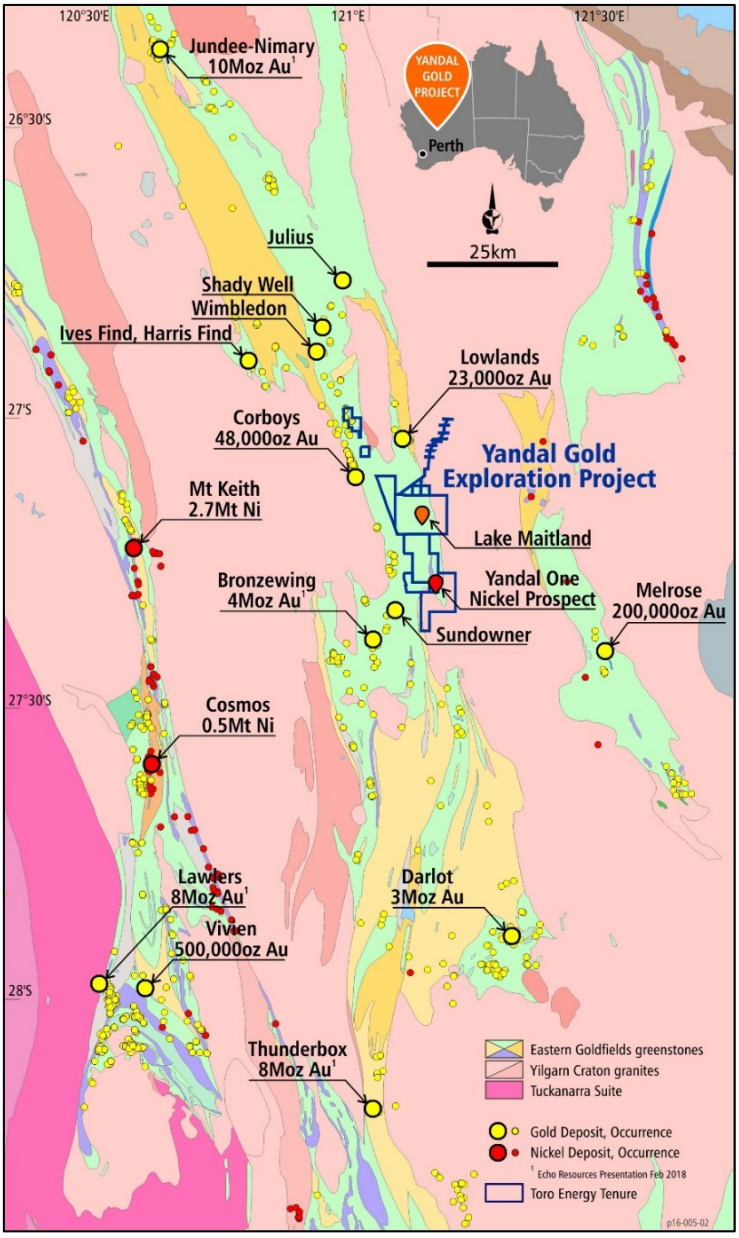

Figure 1: Location of Toro's Yandal Gold Project within the high yielding Yandal Gold District, showing the Yandal Greenstone Belt running through the project area according to state government mapping, the location of gold deposits and occurrences and the three major gold producing operating centres,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

Golden Ways Target Area – Gold (Au) Intersected – Area Highly Prospective

Drilling at Golden Ways was aimed at confirming the presence of vein gold and Au alteration systems at depth near historical workings on E53/1211, the northern-most tenement in the Yandal Gold Project. Four reverse circulation (RC) drill holes, TERC09, TERC10, TERC11 and TERC12, were completed in the area for a total of 792m (**Figure 2**). A limited selection of 1m grab samples were collected from drill chip piles and sent to the laboratory for expedited gold analysis.

Toro confirms that significant gold mineralisation was intersected in three of the four holes drilled (refer to **Appendix 1** for table of drill hole details and **Appendix 2** for table of assay results and details about

them reported in this ASX release). This included 1m at 4.35g/t from 80m downhole depth in TERC11 (**Figure 3**), 5m at 0.94g/t including 2m at 2.15g/t from 97m downhole depth in TERC12 (**Figure 3**) and 1m at 0.66g/t from 41m downhole depth in TERC10.

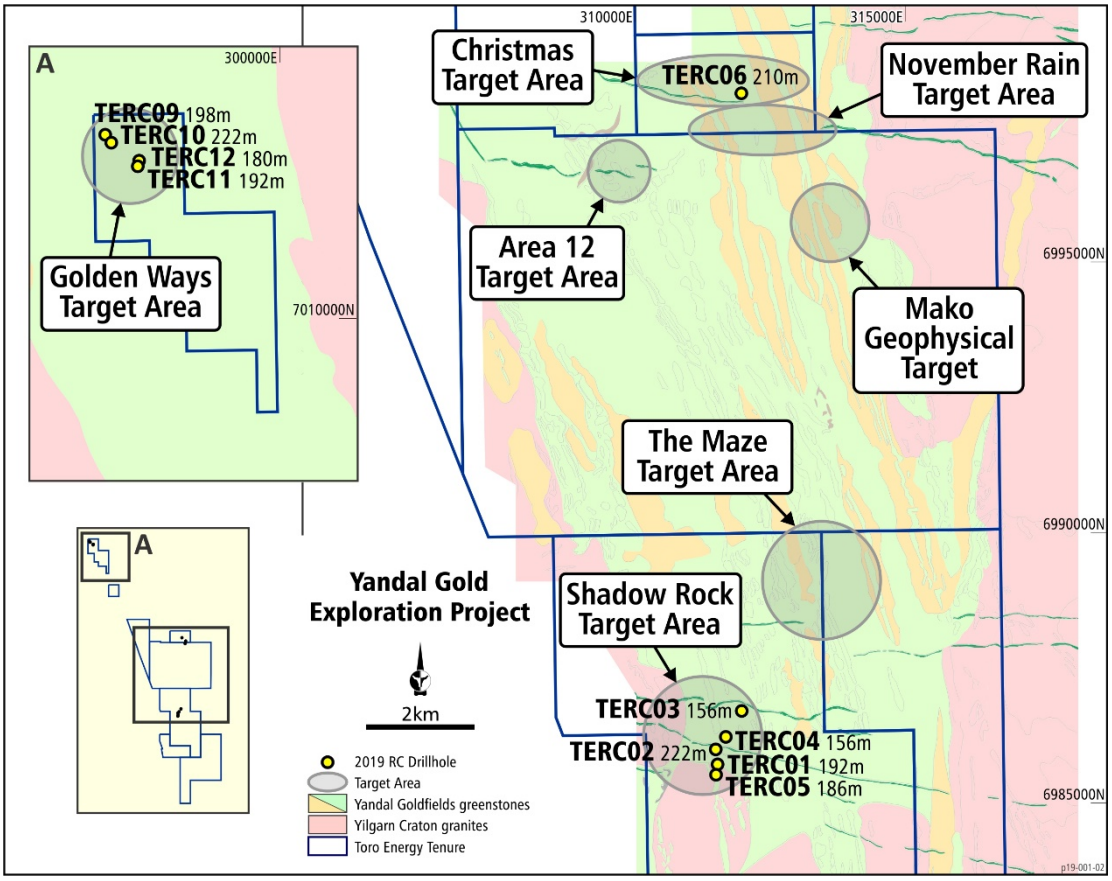

Figure 2: Location of RC drill holes completed to date in the current drilling program (see text for details), relative to the location of the target areas developed so far on the project. Background geology is a simplified version of the 1:15K Interpretation of the 2016 airborne magnetic survey by Core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

The higher grade gold mineralisation in TERC11 was associated with intensive hanging wall clay alteration against a quartz vein shoot in chloritised but competent meta-basalt. The quartz vein shoot showed a strong halo of alteration both in the hanging and footwall with the quartz vein itself also containing gold (1m at 0.22g/t from 81m). Leading into the hydrothermal vein was over 20m of pyrite alteration with some intermittent carbonate and epidote alteration. This zone was also associated with just under 1m of part oxidised massive sulphide which returned only detection limit gold (0.01g/t). The significance of this massive sulphide for gold exploration or for other commodities is currently being investigated with detailed geochemistry pending. The higher grade gold vein shoot cannot be observed at the surface.

The lower grade but thicker mineralisation in TERC12 was intersected in a 10m thick zone of quartz veining that extends to the surface where it is seen sub-cropping and following a northerly strike. At the surface, this sub-cropping quartz vein zone can be traced for up to 500m suggesting there is potential for a localised gold mineralising system up to 4-5m thick, 500m long and at least 80m deep. In some areas

the quartz vein has been accessed by significant but shallow 1-2m wide historical shafts, which suggests there may be opportunity for higher grade pods of gold throughout the system. The footwall of the quartz vein zone is sheared at the contact and dominated by carbonate alteration with intermittent zones of pyrite. Full geochemistry for this zone is pending.

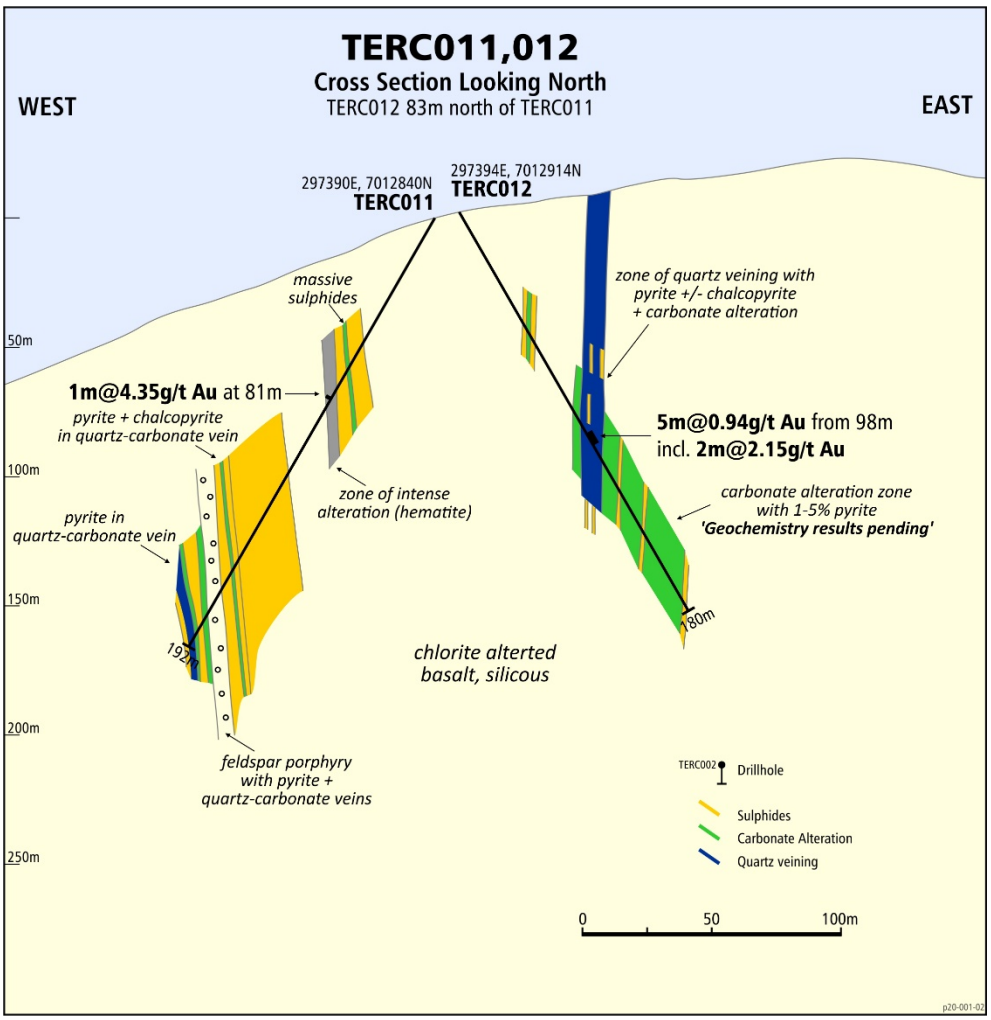

Figure 3: Cross-section through TERC11 and TERC12, showing geology of hill where drilled, consisting of chloritised and silicified meta-basalt which is relatively undeformed. See text for further details. Note also that not all of drill hole has been sampled, the gold values are from a limited amount of selected samples for expedited 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 pending. Refer to Appendix 2 for table of assay results reported in this ASX release.

Importantly the gold intersects in TERC11 and TERC12 are within 140m of each other suggesting that the area around these two drill holes has potential to produce gold of economic quantity if the mineralisation within the veins can be expanded or upgraded or if further mineralising veins can be defined. This is considered likely as the area is dominated by prospective chloritised and silicified meta-basalt geology and both drill holes, but in particular TERC11, show strong signs of sulphide and carbonate alteration, also prospective signs for gold mineralisation. Two RC drill holes previously drilled in the area by Newmont in the same orientation as TERC11 failed to intersect the mineralisation

intersected in TERC11, which suggests a possible alternate trending vein set not penetrating to surface that has not been properly identified and therefore considered.

The lower grade gold in TERC10 was intersected in red-brown clay within the weathering profile some 800m to the NW of TERC11 and TERC12. TERC10 is proximal to two historical RC holes drilled by Newmont in 2003, which intersected gold at shallow depths (maximum grade of 4m at 2.52g/t from 40m – Newmont Hole No. NEWBEMC0034, DMP Annual Report Number A-68334). Toro believes that TERC10 is not only an indication that the entire Golden Ways Target Area is prospective for gold but also that shallow oxide gold should be an exploration target in the valleys and creek lines where the weathering profile is at its deepest.

Toro believes Golden Ways is highly prospective for hydrothermal vein and oxide gold mineralisation of economic grade and volume and has therefore instigated detailed vein and geological mapping for immediate exploration target generation for follow-up drilling.

Drilling Progress

The ongoing drill program has so far completed 14 RC drill holes for a total of 2,647m as at 23 October 2019 (refer to **Appendix 1** for table of drill hole details). Since the last drilling update, this includes one extra RC hole drilled on the western extent of Christmas (**Figure 2**), TERC14. This hole was aimed at testing the geology 50m beneath the top of basement samples collected from an aircore hole drilled earlier in the year which had nickel (Ni), platinum (Pt), palladium (Pd) and low-level gold anomalies. TERC14 was also aimed at giving some lateral extent to TERC13, drilled 200m directly to the west of TERC14 and TERC06, drilled 500m to the E-SE of TERC14. Both TERC13 and TERC14 are still being assessed. TERC14 had difficulty drilling though the paleochannel and although it did intersect basement, eventually had to be terminated early at 210m. Mud rotary/diamond combination drilling techniques are being planned for future drilling through the paleochannel. Both TERC13 and TERC14 are still 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].

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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[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.

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
TERC01	Shadow Rock	311530	6985722	468.609	270	60	192	Completed
TERC02	Shadow Rock	311500	6985999	468.7649	270	60	222	Completed
TERC03	Shadow Rock	311982	6986698	469.6847	315	60	156	Completed
TERC04	Shadow Rock	311686	6986219	468.9165	270	60	156	Completed
TERC05	Shadow Rock	311510	6985521		270	60	186	Completed
TERC06	Christmas	311977	6998113	471.8948	270	60	210	Completed
TERC07	Christmas	312583	6997607	472.0643	270	60	150	Abandoned
TERC08	Christmas	312488	6997206	471.9751	270	60	121	Abandoned
TERC09	Golden Way	296767	7013392		270	60	198	Completed
TERC10	Golden Way	296884	7013244		270	60	222	Completed
TERC11	Golden Way	297390	7012840		270	60	192	Completed
TERC12	Golden Way	297394	7012914		90	60	180	Completed
TERC13	Christmas	311260	6998210		270	60	252	Completed
TERC14	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 this ASX Release				
Drill hole	From (m)	To (m)	Assay Au (g/t)	Lab Duplicate
TERC10	541	42	0.66	NA
TERC11	67	68	0.01	0.02
TERC11	80	81	4.35	NA
TERC11	81	82	0.22	NA
TERC12	97	98	0.12	NA
TERC12	98	99	0.13	NA
TERC12	99	100	0.16	NA
TERC12	100	101	2.46	NA
TERC12	101	102	1.85	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 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.