

ASX RELEASE

7 November 2019

Gold Intersected in Granite Contact Zone Beneath Nickel at Christmas Target Area

HIGHLIGHTS

- Expedited geochemical analysis has confirmed gold has been intersected beneath the previously announced nickel intersection in Reverse Circulation (RC) drill hole TERC13, within the Christmas Target Area.
- The main intersection, 3m at 0.788g/t from 188m downhole including 1m at 1.275g/t gold, is located only 10m below (downhole) the intersection of nickel in massive sulphides announced previously¹.
- The gold is associated with a silica rich contact zone between granite and ultramafic/komatiite that extends for some 20m (downhole) and starts directly below the nickel intersection.
- Assay results from a further eight samples selected for expedited gold analysis show that the entire granite contact zone and the granite itself may contain trace gold (>8ppb gold) throughout.
- The granite contact and the granite have disseminated pyrite throughout.
- Current gold values are from a limited number of selected samples for expedited analysis
- Further geochemistry results are expected by the end of November including for the entirety of the drill hole TERC13.

Toro Energy Limited (**ASX: TOE**) ('the **Company**' or '**Toro**') is pleased to announce that the Company has intersected gold just 10m (downhole) below the nickel in massive sulphide intersection in reverse circulation (RC) drill hole TERC13, as part of its exploration drilling at the Christmas Target Area, 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 Yandal Gold Project is also only some 50km east of the world class Mt Keith Nickel Mine.

¹ Refer to the Company's ASX announcement of 30 October 2019 for details of the intersection of nickel in massive sulphides in TERC13.

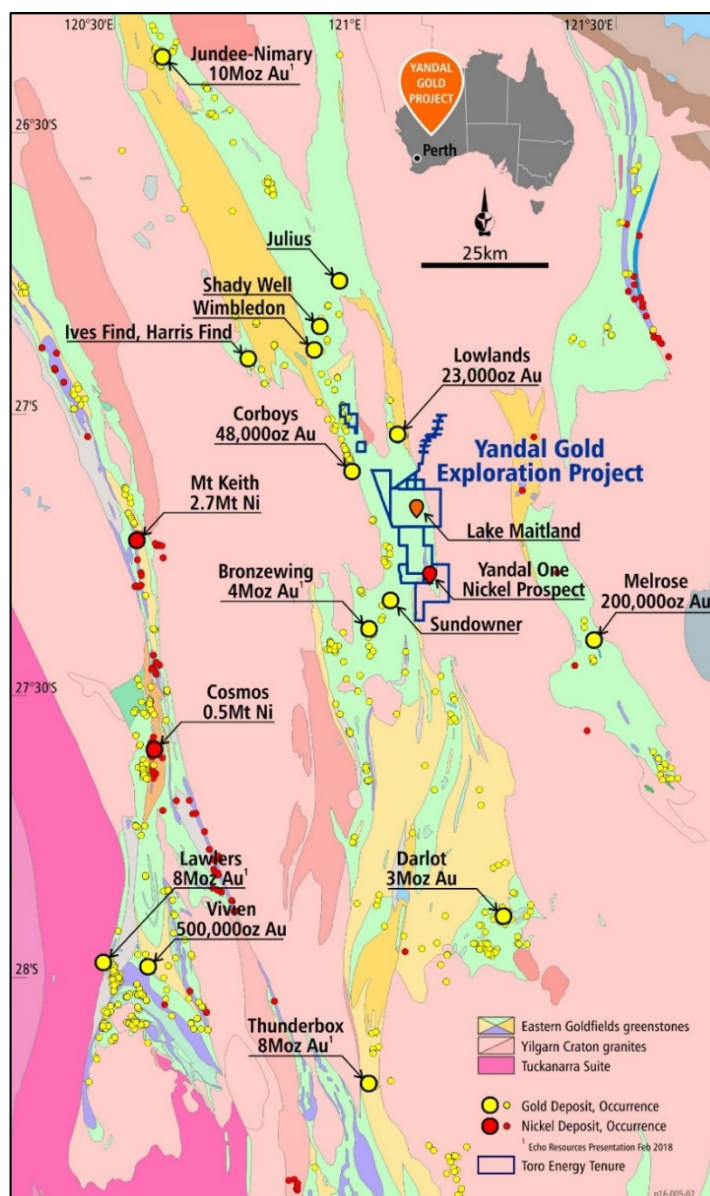


Figure 1: Location of Toro's Yandal Gold Project within the high yielding Yandal Gold District, showing the Yandal Greenstone Belt running through the project area according to state government mapping, the location of gold deposits and occurrences and the three major gold producing operating centres,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

The intersection of gold was identified in three consecutive samples selected for expedited geochemical analysis representing a 3m section of RC drill hole TERC13 (refer to **Figure 2** and **Appendix 1** for drill hole details). The results show that 3m at 0.788g/t gold was intersected from 188m downhole including 1m at 1.275g/t gold from 189m downhole (refer to **Figure 3**). It is important to recognise that samples were not selected immediately either side of the 3m interval. The geochemistry for the remainder of the drill hole is pending.

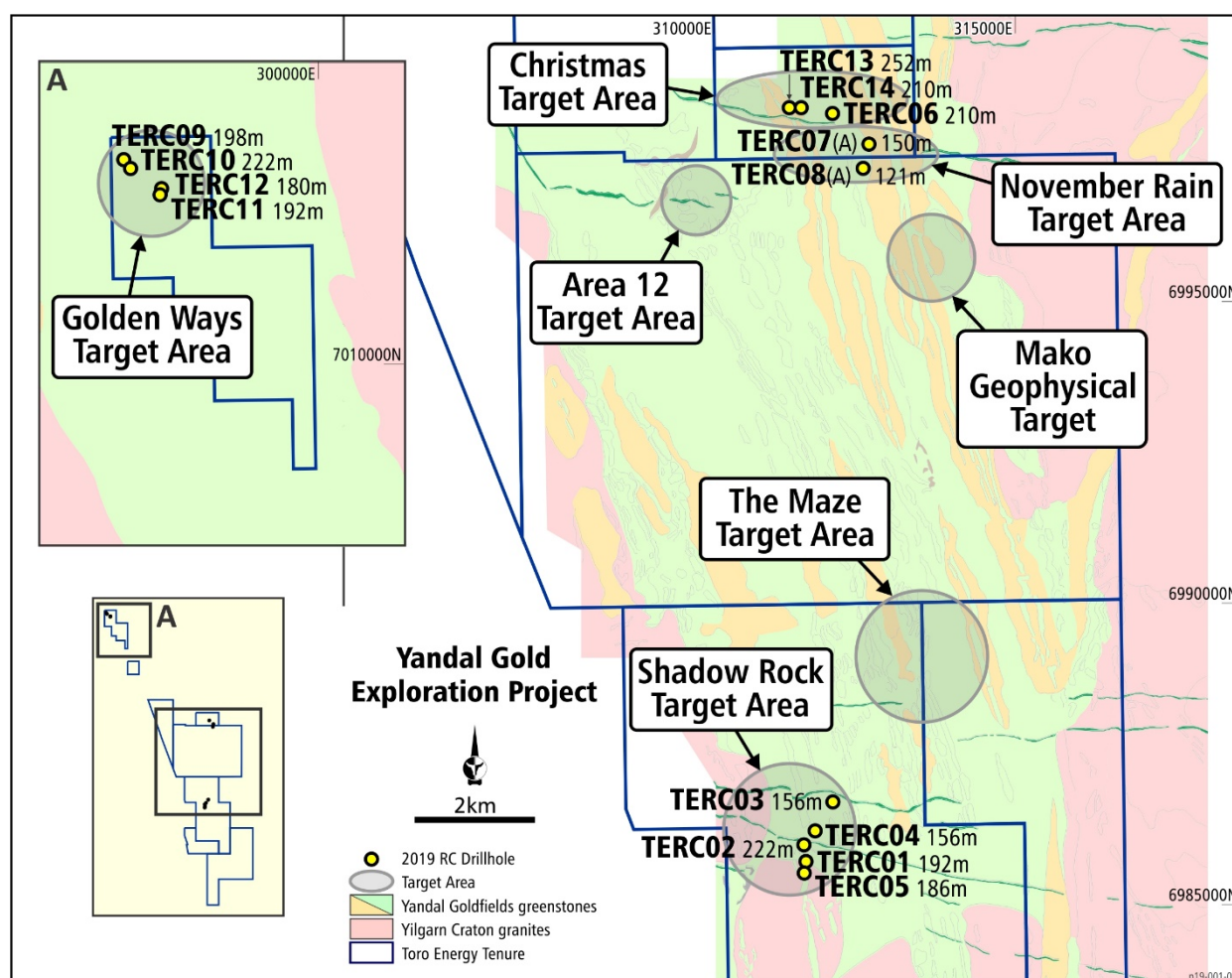


Figure 2: Location of RC drill holes completed to date in the current drilling program (see text for details), relative to the location of the target areas developed so far on the project. Background geology is a simplified version of the 1:15K Interpretation of the 2016 airborne magnetic survey by Core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

The gold is associated with a quartz rich interval within a siliceous contact zone between granite and ultramafic/komatiite (**Figure 3**). The contact zone is approximately 20m thick starting at 181m downhole, just 3m below the intersection of nickel in massive sulphides previously announced². The entire contact zone and the granite had disseminated pyrite throughout to end of hole at 252m, as well as intermittent bands of potassic-hematite, carbonate and chlorite alteration.

² Refer to the Company's ASX announcement of 30 October 2019 for details of the intersection of nickel in massive sulphides in TERC13.

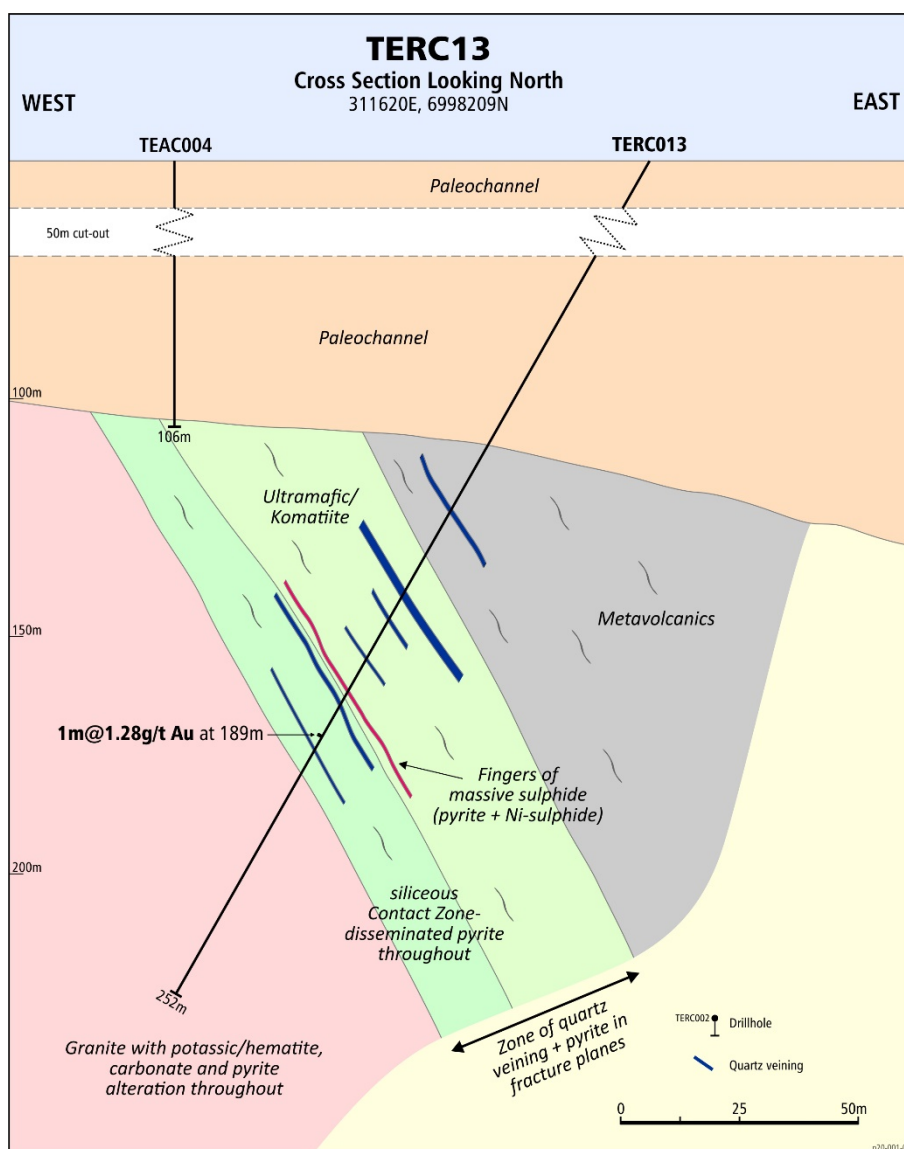


Figure 3: Cross-section through TERC13, showing location of the intersection of massive sulphides containing nickel as well as the general geology throughout the hole, consisting of chloritised and silicified meta-volcanics (east), sheared ultramafic/komatiite (centre) and granite (west). See text for further details.

Another eight samples were selected for expedited geochemical analysis within the contact zone and granite and all of these samples returned gold assays above 10ppb gold, including 0.16g/t (over 1m) at the top of the contact zone from 181m (refer to table of gold assays in **Appendix 2**).

This suggests that the entire contact zone and granite intersected by drill hole TERC13 is anomalous in gold and contains gold in at least trace amounts.

The gold mineralisation in the granite-ultramafic contact is open to the north, south and at depth as TERC13 is the first hole drilled to any significant depth into the basement rock in the area (western side of the Christmas Target Area). The extent of the contact is therefore unknown, however geophysics suggests it extends for at least 2km to the north and 500m to the south. Granite-ultramafic and granite-

meta-volcanic contacts are extensive within the Project, including one uncovered at Area 12, just 2.1km to the southwest of TERC13, which was shown to have a gold anomaly at the top of the basement rock by aircore drilling earlier in the year³³.

Geophysics suggests that the Area 12 granite-metavolcanic contact may represent the western side of the same granite rock body intersected by TERC13.

Given this, and considering the gold anomalism throughout Christmas and November Rain, Toro believe that the entire region around Area12, Christmas and November Rain, some 20 square kilometres, is highly prospective for gold mineralisation.

Further analytical work such as detailed mineralogy and mineral chemistry, is currently being planned to better understand the gold mineralisation and nickel mineralisation intersected in TERC13 and so as to better plan for future exploration on the Project.

It should be understood that the assay results reported here have been from a limited number of selected sampled for expedited geochemical analysis. The full geochemistry of TERC13 is expected at the end of November.

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's⁴, despite the first operation commencing only ten years earlier⁵.
- The Yandal has so far produced >14Moz of gold from three well known operations, Jundee-Nimary, Bronzewing and Darlot (refer to **Figure 1**)^{4, 5, 6}.
- 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 gold⁶.

³³ Refer to the Company's ASX announcement of 11 June 2019 for details of aircore drilling results at Area 12.

⁴ Gold Fields Limited presentation <https://www.goldfields.com/pdf/investors/presentation/2014/australia-site-visits/darlot-gold-mine.pdf>

⁵ 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.

⁶ 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
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 ASX release				
Drill hole	From	To	Assay Au (g/t)	Lab duplicate
TERC13	181	182	0.16	NA
TERC13	188	189	0.677	NA
TERC13	189	190	1.275	1.15
TERC13	190	191	0.412	NA
TERC13	192	193	0.049	0.056
TERC13	205	206	0.025	NA
TERC13	219	220	0.013	NA
TERC13	227	228	0.01	NA
TERC13	242	243	0.011	NA
TERC13	248	249	0.011	NA
TERC13	251	252	0.012	NA

Table of assay results reported on in this ASX release. Note that these results have not yet been subject to Toro's normal QAQC procedures such as checking for total sampling error by comparing the original sample with the field duplicate. Thus, the total error cannot be calculated for these samples and therefore Toro cannot guarantee their accuracy.