

ASX RELEASE

31 December 2019

Yandal Gold Project Update

Anomalous Gold in Large Shear Zone Confirmed at Shadow Rock

HIGHLIGHTS

- **Geochemical assay results are currently being returned from the laboratory and processed by Toro.**
- **Final results have been processed for all drilling within the Shadow Rock Target Area.**
- **Final assay results confirm that the maiden RC drilling at Shadow Rock has intersected a large and previously unidentified sulphide bearing shear zone prospective for gold mineralisation.**
- **The previously unidentified shear zone is located in meta-volcanic greenstone geology favourable for gold mineralisation and contains indicative alteration and gold pathfinder chemistry.**
- **Toro plans to return to the Shadow Rock Target Area for further exploration in 2020.**
- **Geochemical assay results from the remainder of the 2019 maiden RC drilling programme will continue to return from the laboratory.**
- **A limited number of composited samples containing anomalous gold from the Shadow Rock drilling will be re-analysed by individual metre to better understand geochemical relationships.**

Toro Energy Limited (**ASX: TOE**) ('the **Company**' or '**Toro**') wishes to advise that all the geochemical assay results from the Company's maiden RC drilling programme within the Shadow Rock Target Area on its 100% owned Yandal Gold Project ('the **Project**', refer to **Figure 1**) have been returned from the laboratory and finalised.

Toro is pleased to announce that the final geochemistry results confirm that drilling at Shadow Rock has intersected a large, previously unidentified, sulphide bearing shear zone containing anomalous gold and in geology favourable for gold mineralisation. The Company is encouraged by these results, considering the 2019 RC drilling programme was the first ever drilling to depth into the basement geology in the Shadow Rock area (**Figure 2**).

A total of 5 RC drill holes for 912m were completed within the Shadow Rock Target Area in October-November this year (see drill hole table in the Company's ASX announcement of 25 October 2019). Four of the holes were aimed at penetrating fresh rock approximately 50m beneath a number of top-of-basement gold anomalies discovered from the aircore drilling programme completed earlier in the year (refer to the Company's ASX announcement of 30 July 2019). A fifth hole was drilled outside the plan to test if the sulphides intersected in the previous four holes dissipated away from a major NE trending regional structure further to the south, which was shown not to be the case.

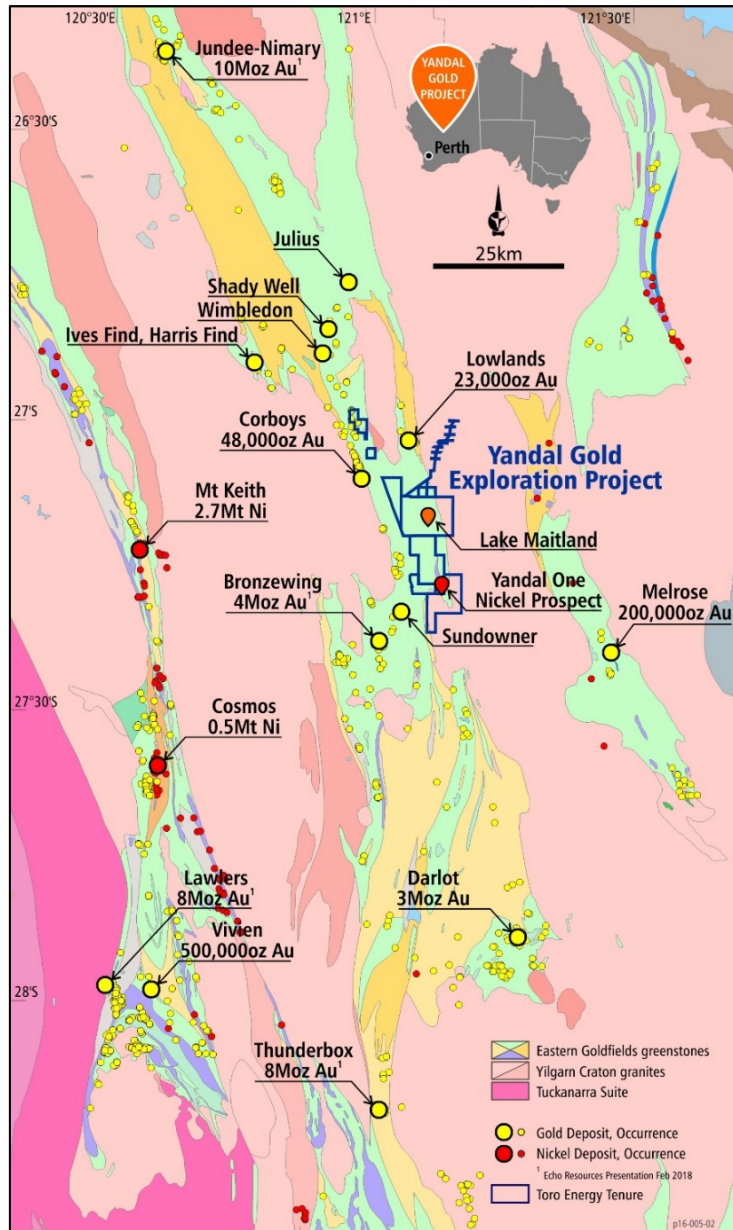


Figure 1: Location of Toro's Yandal Gold Project within the high yielding Yandal Gold District, showing the Yandal Greenstone Belt running through the project area according to state government mapping, the location of gold deposits and occurrences and the three major gold producing operating centres,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

The finalised geochemistry has confirmed the geology, gold anomalism and associated chemistry previously announced by the Company on 25 October 2019 after the results of the limited number of quick turn-around geochemical samples were returned from the laboratory. Drill holes TERC01, TERC02, TERC04 and TERC05 all intersected anomalous gold (highest value of 0.13g/t over 1m from 124m downhole in TERC02) at different depths and at concentrations greater than that of the top of basement anomalies originally targeted (refer to previously presented tables in the Company's ASX announcement of 25 October 2019). Low level gold anomalism thickens in the southern-most drill hole, TERC05, with an average of 15.9ppb gold (0.016g/t) over 52m downhole from 91m. This is significant considering carbonate alteration with as low as 4ppb gold is considered a halo for the Bronzewing mineralising system.

The gold anomalism at Shadow Rock is associated with a previously unidentified N-S shear zone containing sulphides, predominantly pyrite, in foliation planes of foliated biotite schist, (heavily chloritised and silicified) meta-volcanics and less common lenses of meta-gabbro and mafic gneiss. Sulphide concentrations are relatively high with total sulphur (S) commonly greater than 1% (weight percent total sulphur), especially in hole TERC04 which averaged 1.81% total sulphur over 77m downhole from 79m. Sulphide bearing quartz and carbonate veining as well as potassic/hematite alteration is also associated with the gold bearing geology. The gold pathfinder element bismuth (Bi) is elevated in the gold bearing zones as on occasions are copper (Cu) and arsenic (As).

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. The shear zone is at least 700m long in the area drilled but geophysics suggests that it may extend north and south to an overall length of at least 4-5km. Toro is planning follow-up exploration at Shadow Rock in 2020.

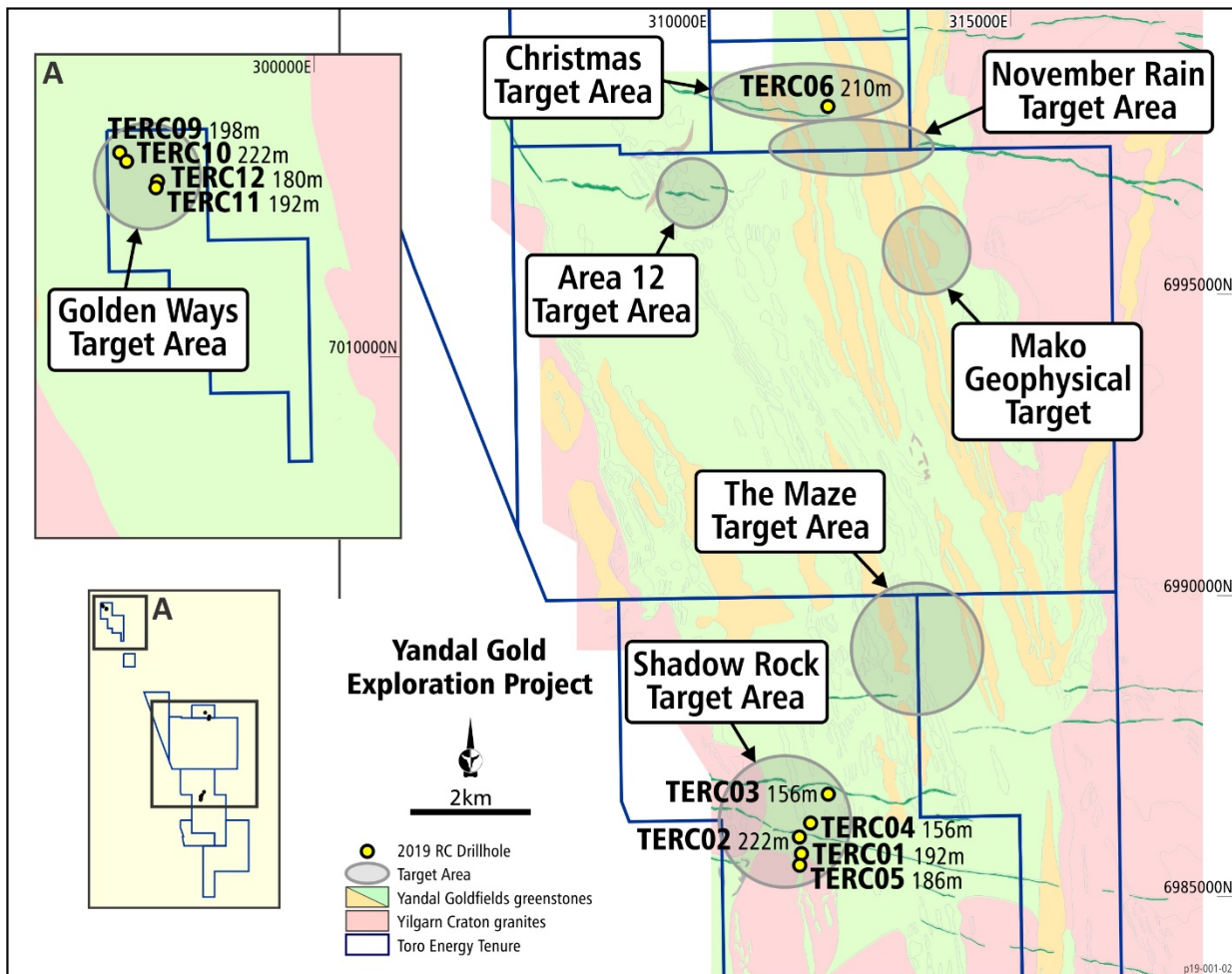


Figure 2: Location of RC drill holes completed to date in the current drilling programme (see text for details), relative to the location of the target areas developed so far on the project. Background geology is a simplified version of the 1:15K Interpretation of the 2016 airborne magnetic survey by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

BACKGROUND

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.

The Project is considered by the Company to be a rare opportunity for potential greenfields discoveries within a mature gold district. Aggressive gold exploration operations are currently being undertaken by other companies on adjacent ground, such as those of Echo Resources Ltd and Yandal Resources Ltd. Toro acknowledges the prospectivity of greenstone belts for other metals and so although the main focus of exploration on the Project will be gold, findings favourable for the discovery of other metals will also be considered in exploration planning.

Toro sees the Project as an opportunity to build additional value in the company's ground whilst the uranium market remains subdued, however, the Company remains focused on advancing its Wiluna Uranium Project in parallel with the exploration for other commodities.

Interpretation of a detailed airborne magnetic survey completed in 2016 in combination with a ground gravity survey completed in early 2018 identified well over 70 structural settings within the Project that may be favourable for gold mineralisation.

An extensive aircore drilling campaign conducted over late 2018 and early 2019 that incorporated only a few of these structural targets (refer to the Company's ASX announcement of 17 October 2018) identified six main target areas for gold exploration, including a number of gold and nickel-copper-platinum group element (PGE) geochemical anomalies in top-of-basement rock. These target areas are now known as Christmas (gold and gold-nickel-copper-PGE anomalies over structural targets), November Rain (gold and gold-nickel-copper-PGE anomalies over structural targets), Area 12 (gold over structural target), Mako (magnetic and gravity geophysical target), The Maze (gold anomalies over structural targets) and Shadow Rock (gold anomalies over structural targets) (**Figure 2**).

The recently completed RC drilling campaign of 15 drill holes for 2,896m followed up geochemistry anomalies from the aircore drilling at Christmas, November Rain and Shadow Rock. It also incorporated two new target areas, Golden Ways and Broken Nose. Golden Ways, in the far north east of the Project, has a number of historical gold prospects and drill targets and Toro believes the area to be under-explored, both along structures and at depth (refer to the Company's ASX announcement of 9 September 2019). Broken Nose, in the far south of the Project, is focused around a significant NE trending structural offset in the nose of a folded ultramafic-komatiite (refer to the Company's ASX announcement of 13 November 2019).

This announcement was authorised for issue by Toro Energy Limited.

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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 Shirliff, who is a full time employee of Toro Energy Limited. Dr Shirliff 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 Shirliff 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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