QUARTERLY ACTIVITIES REPORT

For period ending 31 December 2019

Highlights

Yandal Gold Project, Western Australia

- **Yandal Gold Project 2019 exploration drilling programme completed with 15 reverse circulation drill holes for a total of 2,896m being drilled during the programme.**
- **Reverse Circulation (RC) drill hole TERC13, drilled within the Christmas Target Area, intersected thin lenses or 'fingers' of massive sulphide containing nickel.**
- **Gold prospectivity of the Yandal Gold Project confirmed, with gold intersected beneath nickel intersection in drill hole TERC13, the main intersection being 3m at 0.788g/t from 188m downhole including 1m at 1.275g/t gold, located only 10m below (downhole) the intersection of nickel in massive sulphides announced previously[1].**
- **Final results for drilling within the Shadow Rock Target Area confirm the maiden RC drilling has intersected a large and previously unidentified sulphide bearing shear zone prospective for gold mineralisation.**

Wiluna Uranium Project, Western Australia

- **Maiden Vanadium JORC 2012 Inferred Resource of 68.3 million pounds of vanadium pentoxide announced indicates potential for production of a valuable by-product.**
- **Continued efforts to improve the value of the Wiluna Uranium Project through research, innovation and engineering opportunities despite the subdued uranium market.**
- **Flowsheet optimisation programme to extract valuable vanadium by-product undertaken.**

Corporate

- **Fully underwritten share purchase plan completed, raising $3,500,000 (before costs) by the issue of 318,182,044 fully paid ordinary shares in the capital of the Company.**

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

Exploration during the Quarter[2]

During the quarter Toro Energy Limited (**Toro** or **the Company**) completed an exploration drilling programme on the Yandal Gold Project with 15 reverse circulation (RC) drill holes for a total of 2,896m being drilled during the programme. 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 2019 RC drilling programme followed up geochemistry anomalies from previous 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 Yandal Gold 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 Yandal Gold 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).

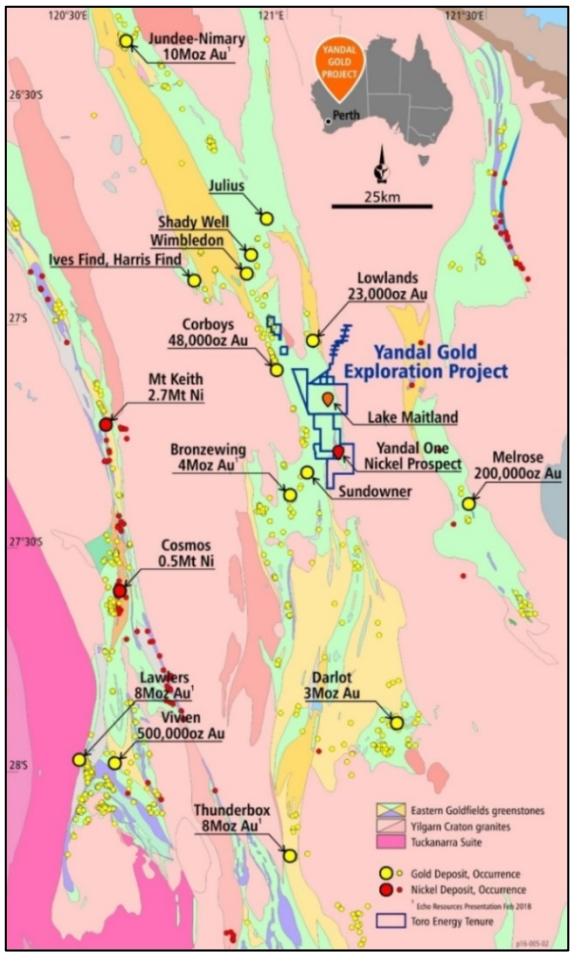

Figure 1: Location of Toro's Yandal Gold Project within the high yielding Yandal Gold District, showing the Yandal Greenstone Belt running through the project area according to state government mapping, the location of gold deposits and occurrences and the three major gold producing operating centres,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

[2] 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.

Christmas Target Area

During the quarter the Company announced that it had intersected 'fingers' of massive sulphide containing nickel in reverse circulation (RC) drill hole TERC13, as part of its exploration drilling at the Christmas Target Area. The thin lenses of massive sulphide containing nickel are concentrated over 1m from 177m downhole in TERC13, which was drilled on the western side of the Christmas Target Area, some 730m west northwest of TERC06 (**Figure 2**). They are hosted in ultramafic/komatiite near to a basement contact with granite. The intersection highlights the prospectivity of the extensive ultramafic rock package that exists on the Yandal Gold Project. Please refer to the Company's ASX announcement of 30 October 2019 for further information about this nickel intersection including the preliminary assay results from a limited number of samples chosen for expedited analysis.

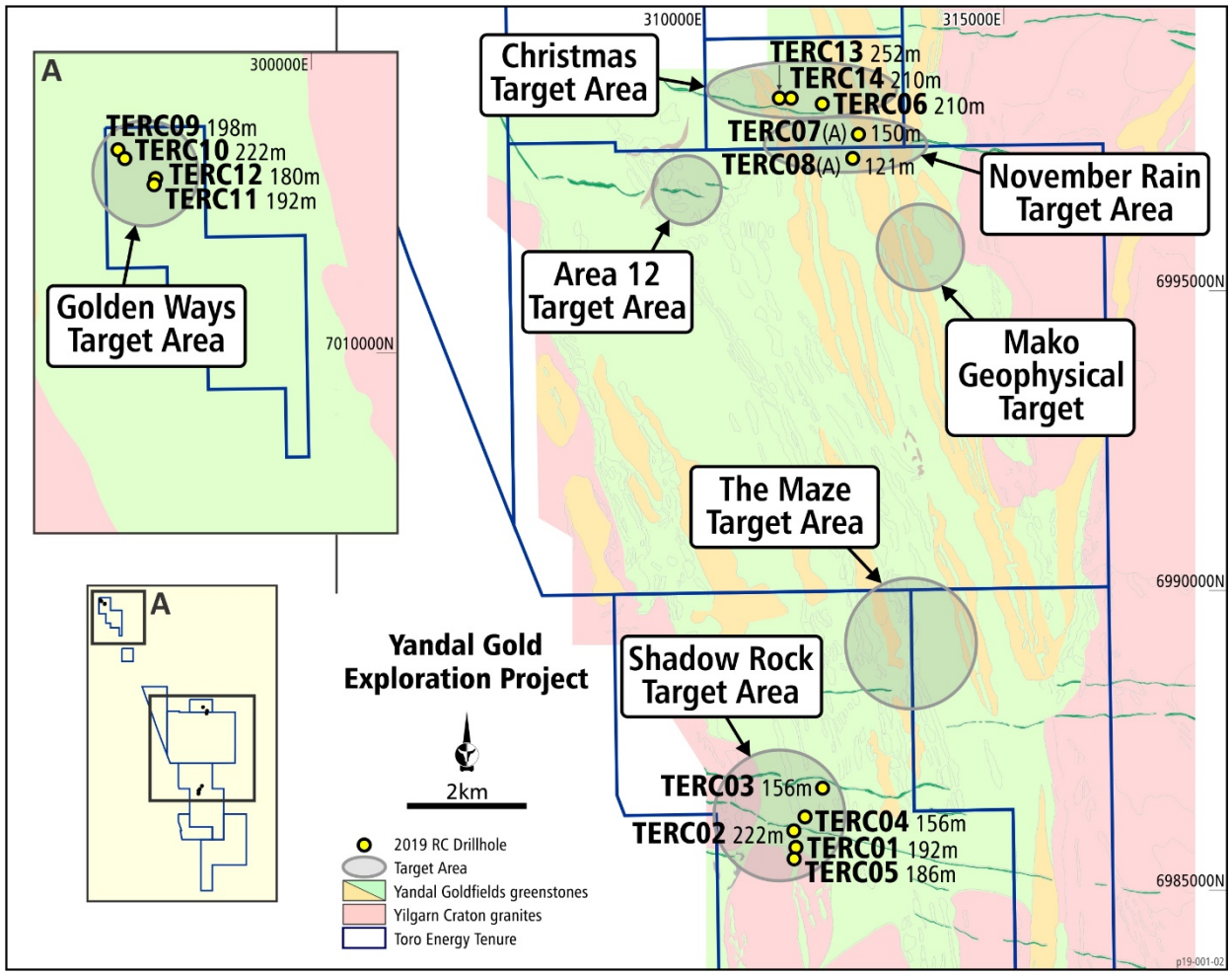

Figure 2: Location of RC drill holes completed in the latest 2019 drilling programme (see text for details), relative to the location of the target areas developed so far on the project. Background geology is a simplified version of the 1:15K Interpretation of the 2016 airborne magnetic survey by Core Geophysics. No geological information from the aircore or RC drilling to date has been added to this geology. Note that TERC07 and TERC08 did not reach target depth due to difficult drilling conditions through a paleochannel.

As announced by the Company on 7 November 2019, gold was subsequently intersected just 10m (downhole) below the nickel in massive sulphide intersection drill hole TERC13. 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 the Company's ASX announcement of 7 November 2019 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 has been returned and is currently being analysed.

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 and geology interpreted from the previous aircore drilling program suggests it may extend for a number of kilometres. Granite-ultramafic and granite-meta-volcanic contacts are extensive within the Yandal Gold 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 year[3]. On the basis of the results received to date Toro believes that the entire region around Area 12, Christmas and November Rain, some 20 square kilometres, is highly prospective for gold mineralisation.

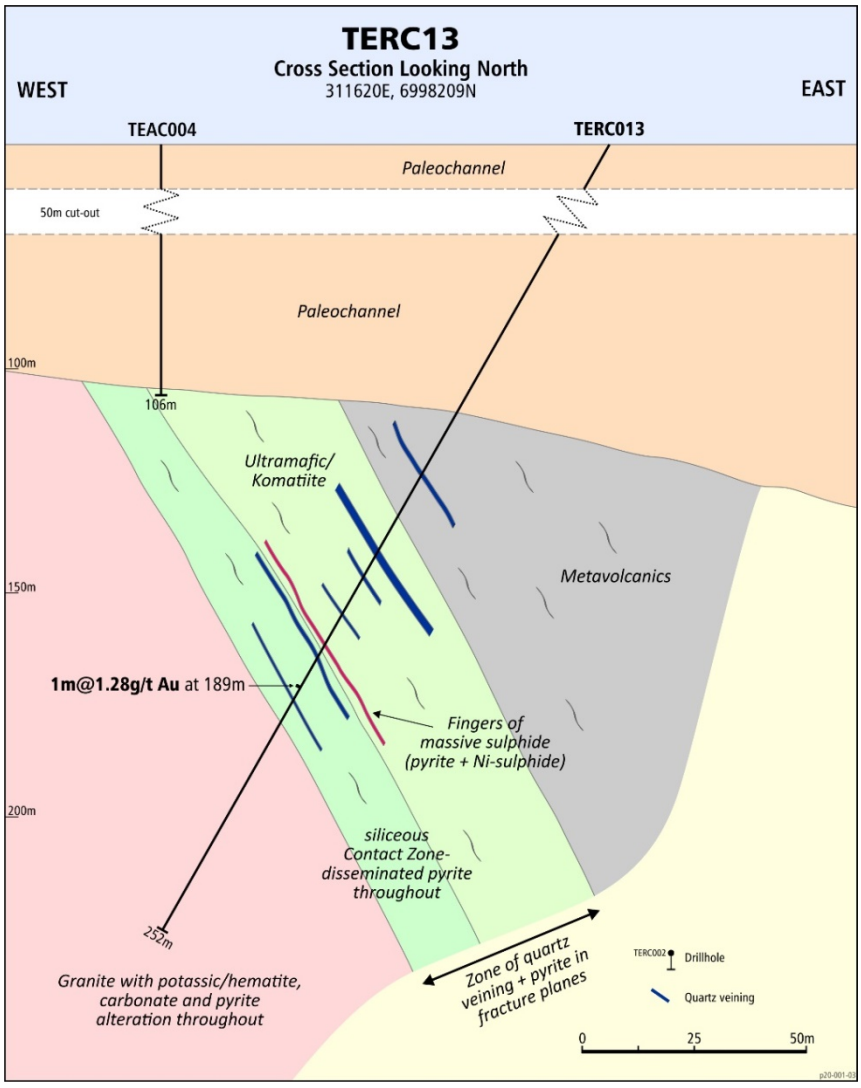

Figure 3: Cross-section through TERC13, showing location of the intersection of massive sulphides containing nickel as well as the general geology throughout the hole, consisting of chloritised and silicified meta-volcanics (east), sheared ultramafic/komatiite (centre) and granite (west). See text for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

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

Shadow Rock Target Area

As announced to the ASX on 31 December 2019, final geochemistry results received by the Company from its maiden RC drilling programme within the Shadow Rock Target Area on the Yandal Gold Project confirm the intersection of 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.

A total of 5 RC drill holes for 912m were completed within the Shadow Rock Target Area in October-November 2019 (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.

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 (see **Figure 3**) 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.

Golden Ways Target Area

As announced to the ASX on 28 October 2019, Toro intersected significant gold mineralisation in three of the four RC holes drilled at the Golden Ways Target Area (**Figure 4**, refer to **Figure 2** for location of drilling within the Yandal Gold Project). 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 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. Significant gold intercepts included 1m at 4.35g/t from 80m downhole depth in TERC11 (**Figure 4**), 5m at 0.94g/t including 2m at 2.15g/t from 97m downhole depth in TERC12 (**Figure 4**) and 1m at 0.66g/t from 41m downhole depth in TERC10.

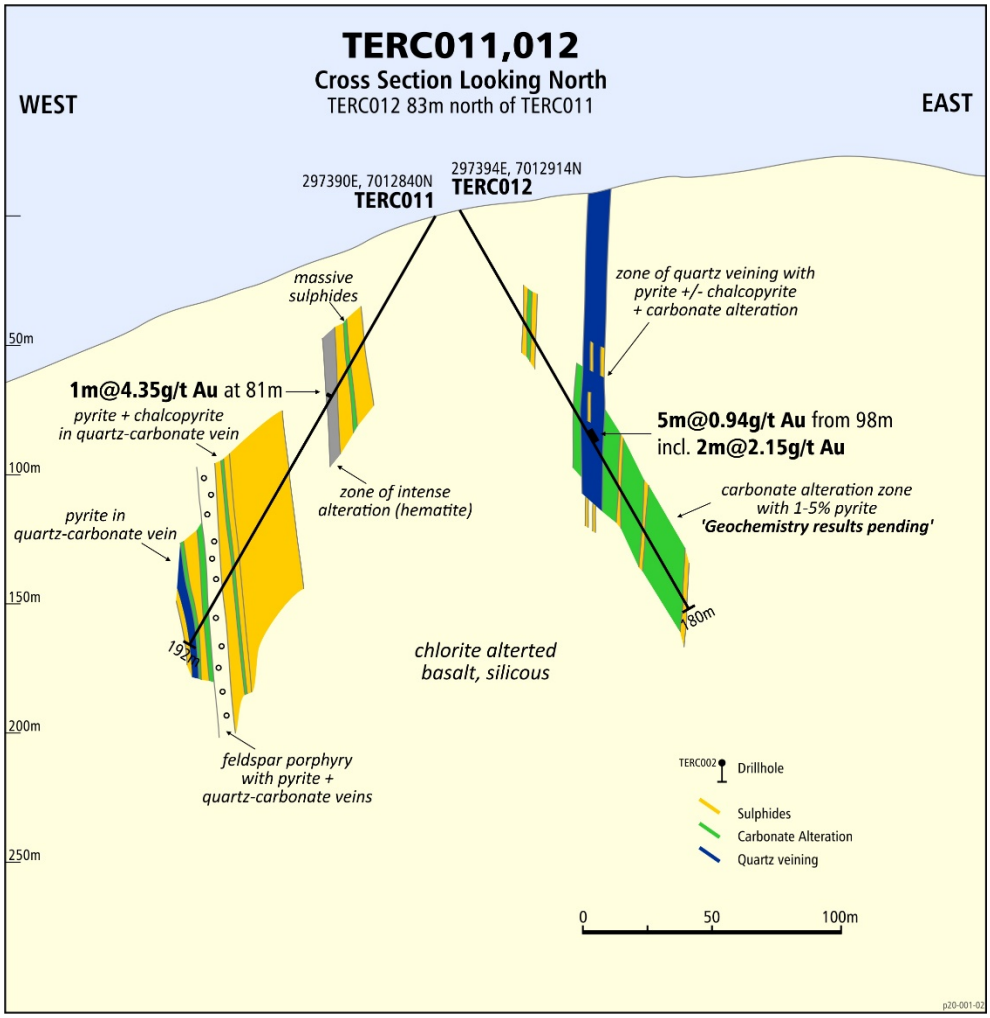

Figure 4: Cross-section through TERC11 and TERC12, showing geology of hill where drilled, consisting of chloritised and silicified meta-basalt which is relatively undeformed. See text for further details. Note also that not all of drill hole has been sampled, the gold values are from a limited amount 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 the Company's ASX announcement of 28 October 2019 for more information.

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. 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.

Drill hole TERC11 also intersected approximately 1m of massive sulphide. The significance of this massive sulphide for gold exploration or for other commodities is currently being investigated with detailed geochemistry pending.

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 exploration target generation for follow-up drilling.

November Rain Target Area

As outlined to the ASX on 25 October 2019, three holes were planned at November Rain aimed at testing the geology 50m beneath the southern end of 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 due to collapsing sands in an unconsolidated and saturated paleochannel; as a result drilling in the area was abandoned to be revisited in 2020 with a mud rotary/diamond combination drilling technique.

Although gold is the primary target of the Yandal Gold Project, other commodities will not be discounted in the overall exploration program. 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.

Wiluna Uranium Project, Western Australia

As previously reported by Toro, the successful completion of environmental permitting of the Company's Wiluna Uranium Project (**Figure 1**) in 2017 is a major milestone for Toro.

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.

The Company has been making a continued effort to improve the value of its Wiluna Uranium Project through research, innovation and engineering opportunities despite the subdued uranium market. The Company's efforts in this regard include proposed changes to the proposed processing flowsheet design which have 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 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[4].

During the quarter the Company announced a Maiden Vanadium JORC (2012) Resource for the Wiluna Uranium Project (refer to **Figure 1**). The Maiden 2012 Inferred Mineral Resource for the Wiluna Uranium Project has been estimated at **53.6Mt at 0.0382% Vanadium Pentoxide** (V_2O_5) comprising **68,300,000 pounds V_2O_5** using a cut-off grade of 200ppm U_3O_8.

Test work has completed by the Company established that V_2O_5 may be a valuable by-product of processing uranium ore from the proposed uranium mine on the Wiluna Uranium Project[5]. Given the expected long-term growth in the price of V_2O_5 (see the Company's ASX announcement of 21 October 2019 for further information) and the potential future demand, including from Vanadium Redox Batteries (VRBs), Toro believes producing vanadium as a by-product is likely to result in a significant improvement to the feasibility and value of the Wiluna Uranium Project.

Please see the Company's ASX announcement of 21 October 2019 for further details of the vanadium resource as well as information concerning the pricing of, and demand for, vanadium.

The successful leaching and IX processes developed by Toro should allow for the recovery of vanadium into a vanadium pentoxide (V_2O_5) product for sale without any significant loss to the recovery of uranium[2]. Due to simplification of the downstream refining process and a reduction in ion reagent cost resulting from using ion exchange instead of the previously proposed method (see the Company's ASX announcement of 21 October 2019 for further information), it is expected that producing V_2O_5 as a by-product will not result in any significant increase in costs to the Wiluna Uranium Project[6].

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[4] Please refer to the Company's ASX announcement of 5 December 2016.
[5] Please refer to the Company's ASX announcements of 18 March 2019 and 5 September 2019 for information on the vanadium processing test-work.
[6] Refer to the Company's ASX announcements of 18 March 2019 and 5 September 2019 for information on the vanadium processing test-work.

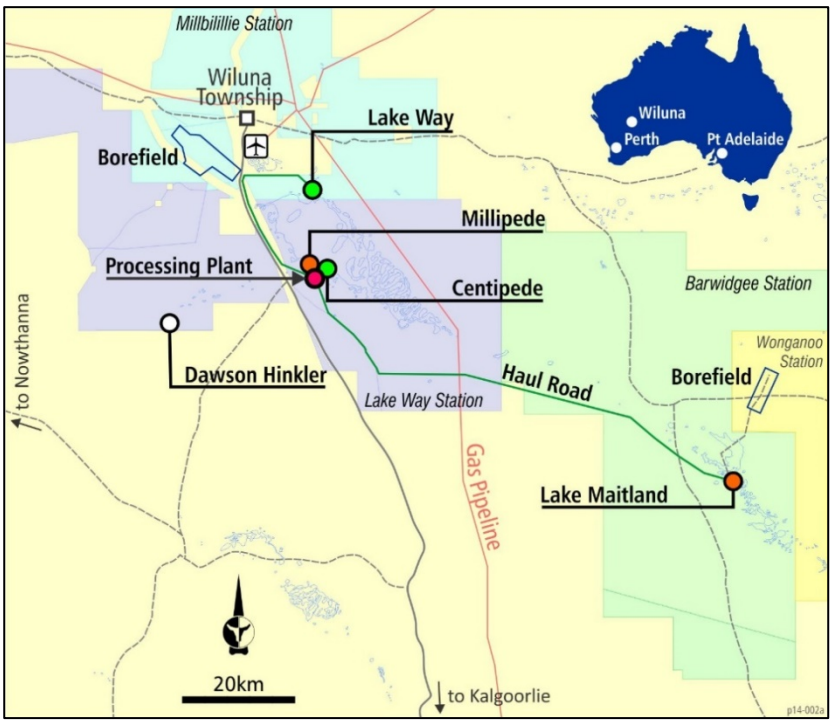

Figure 5: Wiluna Uranium Project

Corporate

During the quarter the Company completed a share purchase plan (**SPP**). The Company received applications totalling $2,542,000 from eligible shareholders pursuant to the SPP. The SPP was fully underwritten by Patersons Securities Limited (**Patersons**) to the value of $3,500,000. Nominees of Patersons subscribed for the remaining $958,000 of the underwritten amount, bringing the total amount raised by the Company under the SPP to $3,500,000.

The price for shares issued under the SPP was calculated as $0.011 per share, being the price equal to a 20% discount to the five (5) day volume weighted average price of shares traded on ASX over the five (5) trading days immediately before the allotment date of 8 November 2019, rounded up to the nearest tenth of a cent in accordance with the terms of the SPP.

As announced to the ASX on 13 December 2019, negotiations are currently underway with The Sentient Group (**Sentient**) to extend the maturity date of a $6,000,000 loan made available to the Company by Sentient (**Sentient Loan**). In exchange for repaying $1,000,000 Sentient has agreed in principle to extend the maturity date of the Sentient Loan by at least 12 months from February 2020.

Sentient is a long time substantial shareholder in the Company and supports the Company's current strategy of extracting additional value from the Company's ground by exploring for commodities other than uranium whilst the uranium market awaits a recovery.

Further details of the revised terms and conditions of the Sentient Loan will be announced once negotiations are complete.

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.

This announcement was authorised for issue by Toro Energy Limited.

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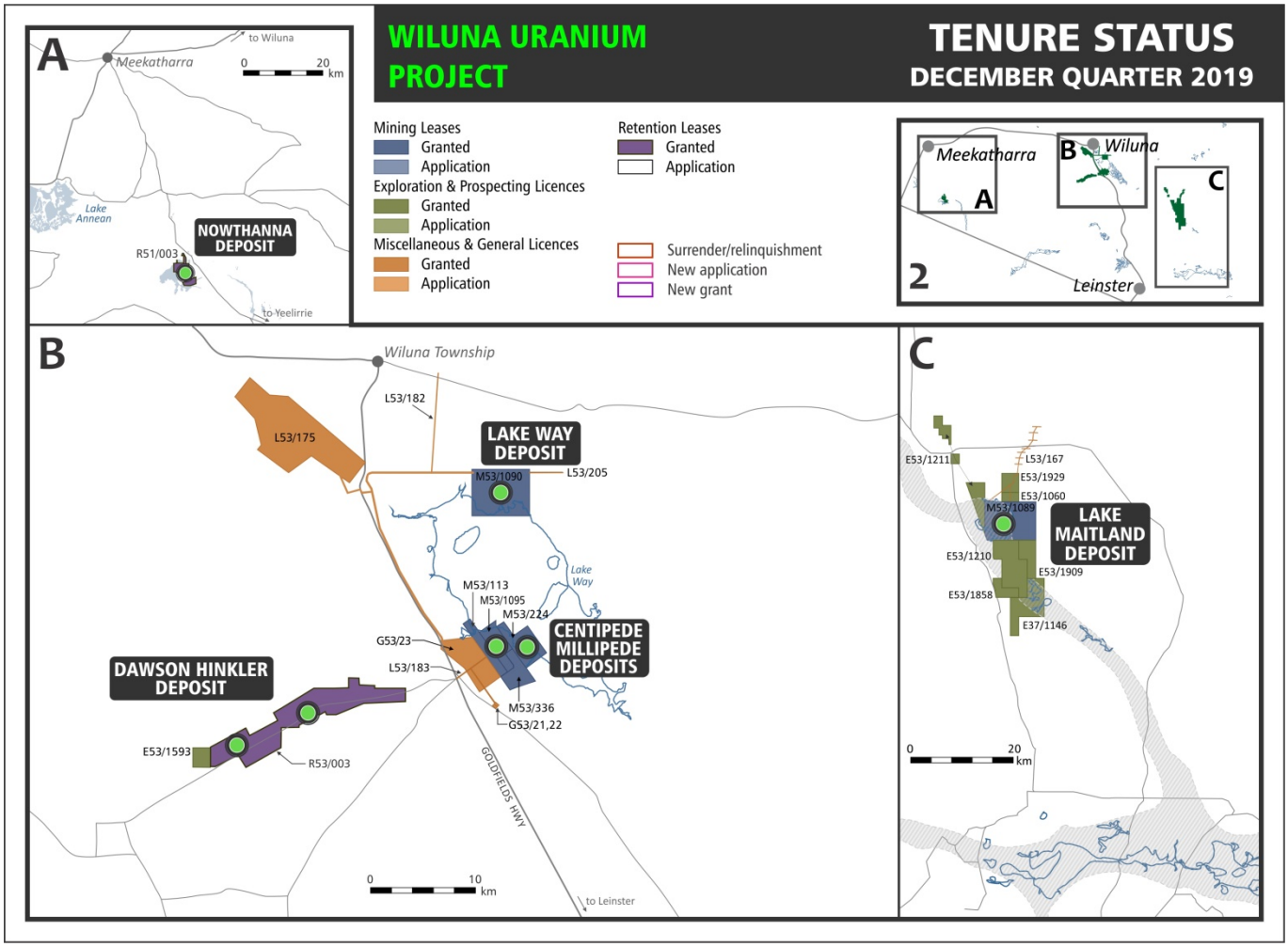
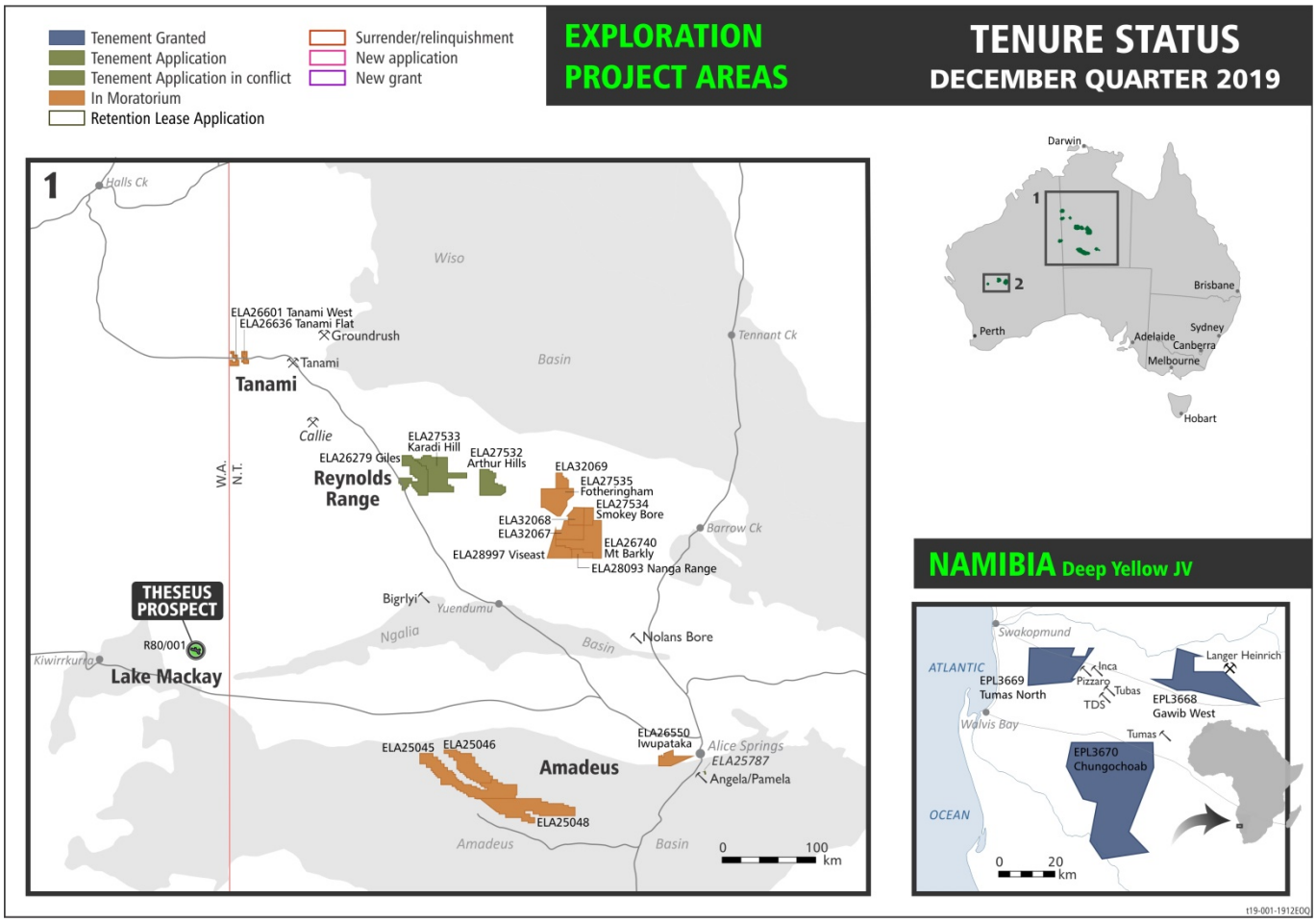
APPENDIX 1: DECEMBER 2019



APPENDIX 2: DECEMBER 2019



APPENDIX 3: Wiluna Uranium Project Resource Table – JORC 2012

Wiluna Uranium Project Resources Table (JORC 2012)									
		Measured		Indicated		Inferred		Total	
		200ppm	500ppm	200ppm	500ppm	200ppm	500ppm	200ppm	500ppm
Centipede / Millipede	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_3O_8 Mlb	6.2	4.2	15.5	10.3	2.3	0.9	24.0	15.3
Lake Maitland	Ore Mt	-	-	22.0	8.2	-	-	22.0	8.2
	Grade ppm	-	-	545	929	-	-	545	929
	U_3O_8 Mlb	-	-	26.4	16.9	-	-	26.4	16.9
Lake Way	Ore Mt	-	-	10.3	4.2	-	-	10.3	4.2
	Grade ppm	-	-	545	883	-	-	545	883
	U_3O_8 Mlb	-	-	12.3	8.2	-	-	12.3	8.2
Sub-total	Ore Mt	**4.9**	**1.9**	**44.3**	**16.9**	**2.7**	**0.4**	**52.0**	**19.2**
	Grade ppm	**579**	**972**	**555**	**948**	**382**	**986**	**548**	**951**
	U_3O_8 Mlb	**6.2**	**4.2**	**54.2**	**35.3**	**2.3**	**0.9**	**62.7**	**40.4**
Dawson Hinkler	Ore Mt	-	-	8.4	0.9	5.2	0.3	13.6	1.1
	Grade ppm	-	-	336	596	282	628	315	603
	U_3O_8 Mlb	-	-	6.2	1.1	3.2	0.4	9.4	1.5
Nowthanna	Ore Mt	-	-	-	-	13.5	2.6	13.5	2.6
	Grade ppm	-	-	-	-	399	794	399	794
	U_3O_8 Mlb	-	-	-	-	11.9	4.6	11.9	4.6
Total	Ore Mt	**4.9**	**1.9**	**52.7**	**17.8**	**21.4**	**3.3**	**79.0**	**23.0**
	Grade ppm	**579**	**972**	**520**	**931**	**368**	**765**	**482**	**916**
	U_3O_8 Mlb	**6.2**	**4.2**	**60.4**	**36.4**	**17.4**	**5.5**	**84.0**	**46.4**

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 Shirtliff 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 Shirtliff takes responsibility for the integrity of the data supplied for the estimation. Dr Shirtliff 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.