ASX RELEASE
16 July 2020

2.6m of Massive Nickel Sulphides Intersected in Second Diamond Hole at Dusty

- **THE SECOND DIAMOND HOLE DRILLED AT THE DUSTY NICKEL-GOLD PROSPECT, TED04, INTERSECTED 2.6M OF MASSIVE NICKEL SULPHIDES FROM 184.5M DOWNHOLE (FIGURE 1).**

- **HAND HELD PORTABLE XRF ANALYSIS SUGGESTS GRADES OF BETWEEN 2-6% NICKEL.**

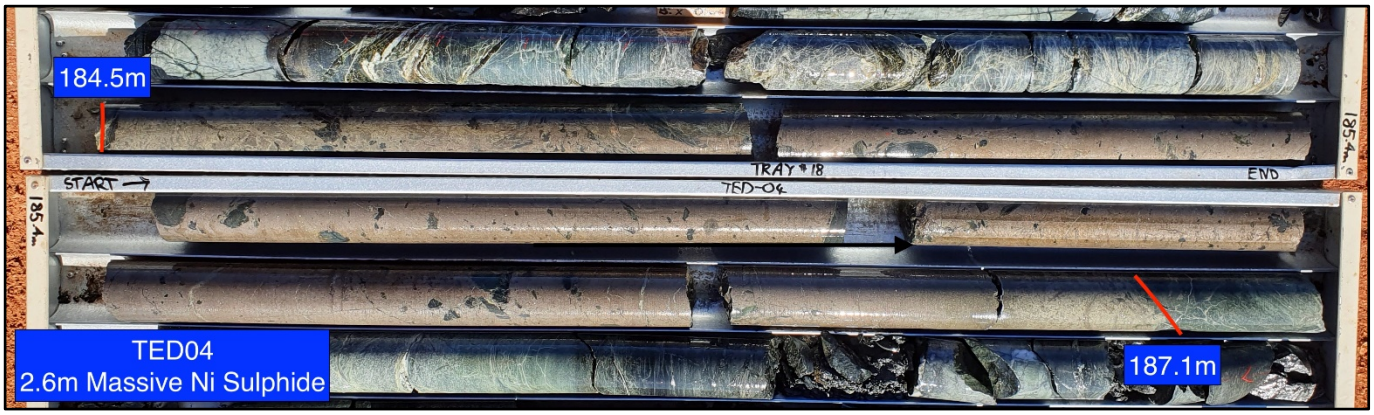

Figure 1: Photo of massive nickel sulphide intersection in diamond hole TED04, the second diamond hole drilled at the Dusty Nickel-Gold Prospect.

- **TED04 WAS DRILLED 40M TO THE SOUTHEAST OF TED03, WHICH INTERSECTED 15CM OF MASSIVE NICKEL SULPHIDES.**

- **THE MASSIVE NICKEL SULPHIDES AT DUSTY ARE HOSTED IN KOMATIITE ROCK SIMILAR TO MOST OF THE MASSIVE NICKEL SULPHIDE DEPOSITS IN THE YILGARN.**

- **THE KOMATIITE ROCK UNIT HOSTING THE MASSIVE NICKEL SULPHIDES AT DUSTY REMAINS UNTESTED FOR APPROXIMATELY 6KM TO THE SOUTH ACCORDING TO INTERPRETATION OF MAGNETIC GEOPHYSICS.**

- **CORE FROM TED03 IS CURRENTLY BEING PROCESSED FOR GEOCHEMICAL SAMPLING AND ANALYSIS.**

Commenting on the excellent result Toro Executive Chairman, Mr Richard Homsany, said:

> *"We are delighted to report this result which proves the potential for mineralisation at our Yandal Project. Intersecting 2.6m of massive sulphide potentially grading between 2 and 6% (as suggested by hand held portable xrf) is an excellent result. However when combined with the fact that this intersection is only approximately 40m southeast of diamond drill hole TED03, which also intersected massive nickel sulphide, and given that it bears the same orientation, it underscores that Toro has discovered an exciting nickel prospect. This should provide investors confidence in our strategy at Yandal.*
>
> *The excellent work of our exploration team led by Dr Greg Shirtliff is increasingly upgrading and unlocking the potential that exists on Toro's tenure. We look forward to providing further updates as our drilling campaign progresses."*

Toro Energy Limited (**ASX: TOE**) ('the **Company**' or '**Toro**') is very pleased to announce that the second diamond hole drilled at the Dusty Nickel-Gold Prospect, TED04, on the Company's 100% owned Yandal Gold Project ('the **Project**') has intersected 2.6m of massive nickel sulphide from 184.5m downhole with potential grades of between 2 and 6% nickel according to hand held portable x-ray fluorescence ('**pXRF**') analysis (refer to **Figures 2** and **3** and **Appendix 1** for details on the hand held pXRF analysis). These grades will be verified by geochemical analysis. A JORC Table 1 Report for the Project is contained in **Appendix 3**.

The Project is located in the Yandal Greenstone Belt, some 50km east of the world class Mt Keith Nickel Deposit and 15km NE of the world class Bronzewing Gold Mine (**Figure 2**). The location of the Dusty Nickel-Gold Prospect within the Project is shown in **Figure 3**.

This intersection of massive nickel sulphides is particularly significant for nickel exploration because the Yandal Greenstone Belt is not known for nickel sulphides. This is despite it being adjacent to (to the east of) one of the most productive greenstone belts in the Yilgarn nickel province, the Wiluna-Agnew Greenstone Belt (refer to **Figure 2**).

The diamond hole TED04 was positioned approximately 40m southeast of diamond drill hole TED03 (**Figure 4**), which intersected 15cm of massive nickel sulphide as previously stated in the Company's recent ASX announcement of 13 July 2020, and having the same orientation as TED03 (refer to **Appendix 2** for drill hole details). The purpose of TED04 was to test the rock unit hosting the 15cm massive nickel sulphide intersection in TED03 for a thicker intersection along strike to the southeast, which it succeeded in doing.

The massive nickel sulphides intersected in TERC13, TED03 (which twinned TERC13) and TED04 are hosted in the base of a komatiite rock unit, consistent with many of the massive nickel sulphide deposits of the Yilgarn of Western Australia. Locally, TERC13, TED03 and TED04 are the first drill holes drilled into the Dusty komatiite unit and so according to Toro's current interpretation of the magnetic geophysical data,

the Dusty komatiite rock unit remains untested for some 6km to the south (refer to **Figure 4**). Locally, the massive nickel sulphides are also untested at depth as well as above the intersections in TED03 and TED04.

TERC13, the reverse circulation (RC) drill hole that was twinned by TED03 (refer to the Company's ASX announcement of 13 July 2020) was shown to have disseminated nickel sulphides for some 35m downhole, stratigraphically above what TED03 has proved to be a 15cm intersection of massive sulphides (refer to the Company's ASX announcements of 9 June 2020 and 13 July 2020). Observations in the field suggest disseminated sulphides may also be present stratigraphically above the 2.6m massive nickel sulphide intersection in TED04, however whether these sulphides also contain nickel as in TERC13 will need to be verified by geochemical analysis.

The drill core from TED04 is currently being processed for geochemical sampling and analysis.

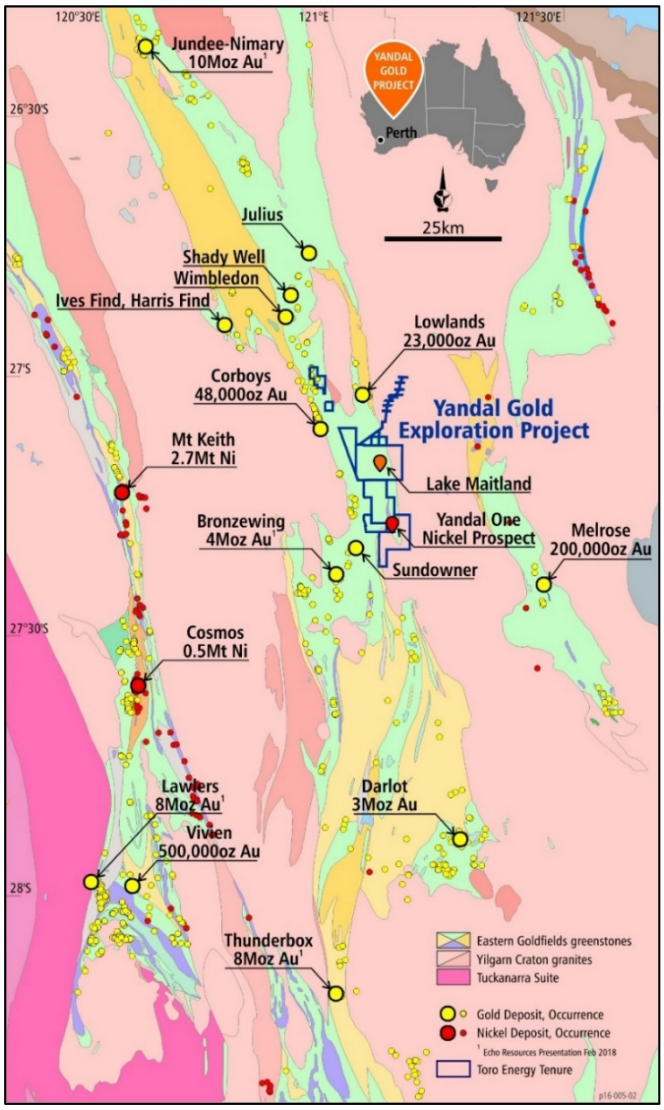

Figure 2: Location of Toro's Yandal Gold Project.

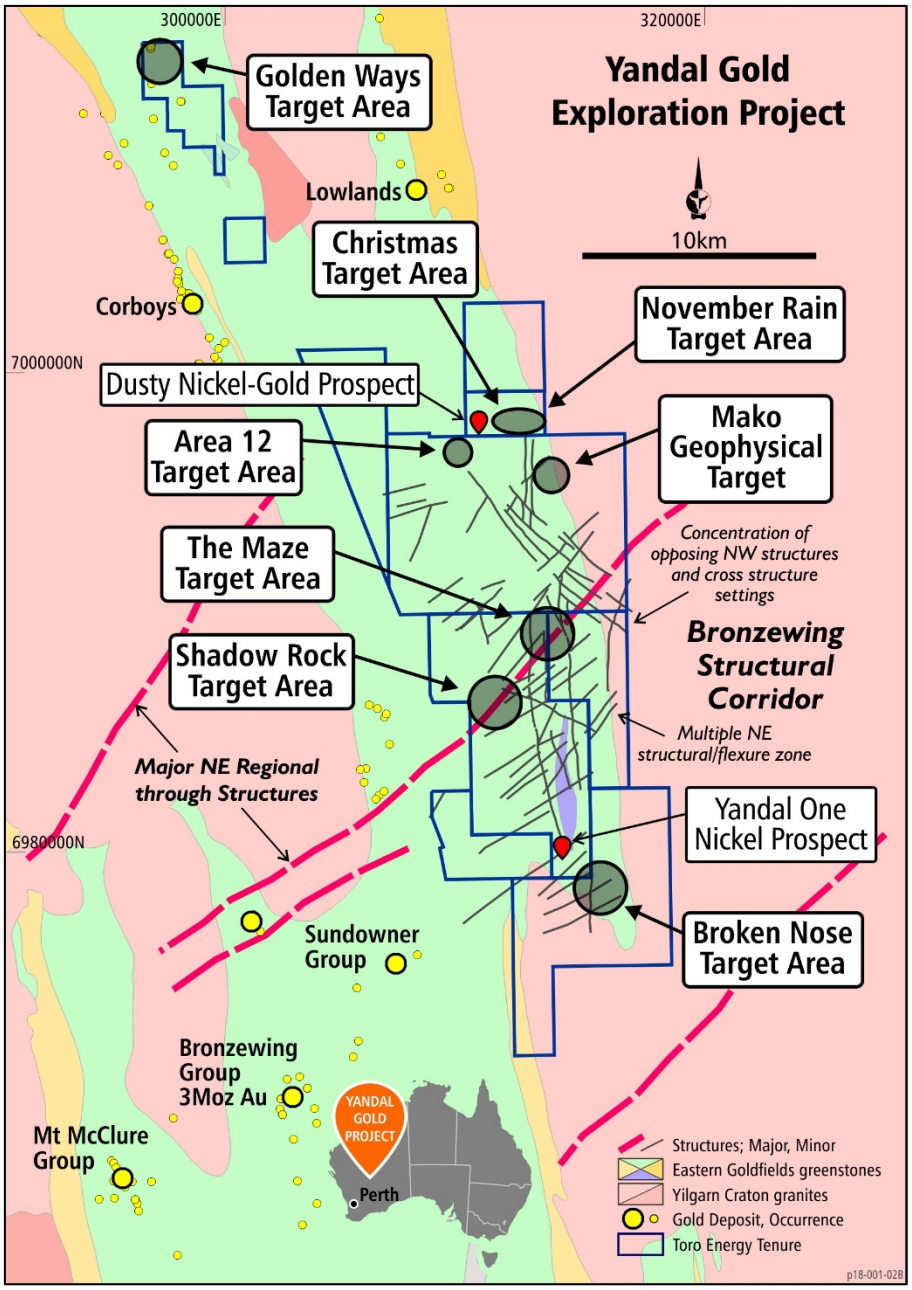

Figure 3: Close up map of the Yandal Gold Project showing all major target areas and prospects so far.

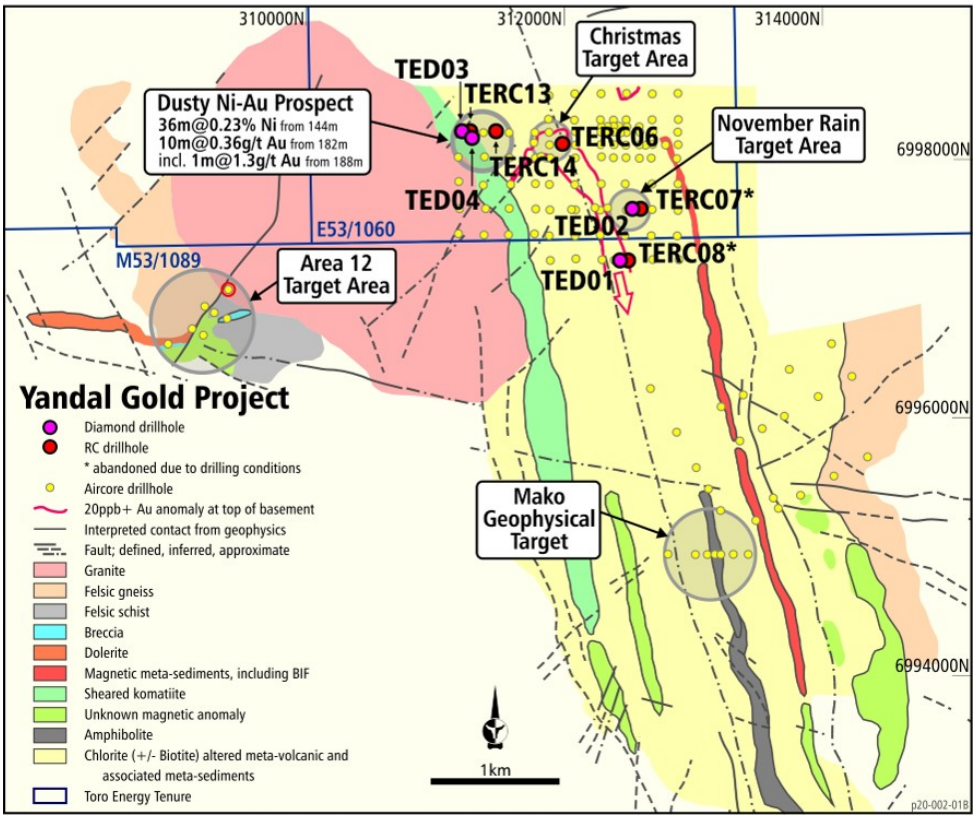

Figure 4: Geological interpretation from drilling data with relative location of gold target areas to the Dusty Ni-Au Prospect and recent drilling, inclusive of the recently completed diamond drill hole, TED04, drilled at the Dusty Nickel-Gold Prospect.

This announcement was authorised for issue by the board of Toro Energy Limited.

Katherine Garvey
Legal Counsel and Company Secretary, Toro Energy Limited.
60 Havelock Street, West Perth WA 6005

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: Description of Hand Held Portable XRF Method of Analysis and Instrument Check Against Certified Standards

All Portable X-Ray Fluorescence (**pXRF**) analysis that has been reported in this ASX release was done held in the hand (hand held) on an Olympus Delta X portable XRF instrument using a 60 second analysis on the 'geochemistry' function. The analysis was of the massive sulphide was performed on the curved surface of uncut NQ2 diamond core. The core was washed and dried prior to analysis. To gain an understanding of the potential grade of the interval discussed in this ASX announcement multiple pXRF analyses were taken at various points along and around the core within the interval, hence the range given.

The table below shows the performance of the hh_pXRF analysis against two certified standard powders at two end member values, one low (OREAS45e at 0.0454 wt% Ni) and one high (OREAS76b at 7.78 wt% Ni) at the time of analysis of the samples reported on in this ASX announcement. The results of the standards check shows the instrument was within 10% of the certified value for each standard, which is considered adequate for the measurements reported in this ASX announcement. It should be noted that the reporting of the results in the ASX announcement is a range of general nature only.

Standard	Nickel (Ni) Certified Value (wt%)	hh-pXRF Result (Ni - wt%)	Error (% from certified value)
OREAS45e Lateritic Soil	0.0454	0.046	1.30
OREAS 76b Ni-sulphide Ore	7.78	8.21	5.50

Appendix 2: Summary Table of drill hole details for drill holes referenced in this ASX announcement.

Actual Hole ID	Easting	Northing	Method	Azimuth	Azimuth Method	Dip	Final Depth (m)
TERC13	311260	6998210	GPS	270	Magnetic	60	252
TED03	311254	6998211	GPS	274	Grid	60	222.7
TED04	311288	6998180	GPS	270	Grid	60	267.8

The collar location references are using the GDA94 Zone 51 datum system via a hand held GPS.

Appendix 3: JORC Table 1 Report

JORC Code, 2012 Edition – Table 1 report Yandal Gold Project

Section 1 Sampling Techniques & Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature & quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity & the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.*	• Geochemical sampling has yet to occur at the time of writing this ASX release. This section of the JORC Table will be updated when this has occurred and geochemical assays are returned. • The hand held portable XRF method used to ascertain very approximate ranges of transition element concentrations (in this case nickel) has been explained in Appendix 1 of this ASX release.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) & details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented & if so, by what method, etc.).*	• All drilling related to drill holes discussed in this ASX release utilised a combination of mud-rotary (MR), to first drill through the paleochannel, followed by Diamond drilling in the basement rock. The diamond drilling was used to collect NQ2 core (50.6mm diameter) from the drill hole. No geochemical sampling has taken place at the time of writing this ASX release.
Drill sample recovery	• *Method of recording & assessing core & chip sample recoveries & results assessed.*	• Recovery was not recorded for the MR drilling. Core loss was recorded buy the driller and checked by the geologist when measuring up the core. Core loss was marked in the core storage trays with core blocks.

Criteria	JORC Code explanation	Commentary
	• *Measures taken to maximise sample recovery & ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery & grade & whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• To minimise core loss the driller was notified of any known difficult ground conditions and the depths at which they may be encountered to ensure the driller could adjust his drilling technique prior to intersecting them. • No geochemistry has been performed as yet on the drill core discussed in this ASX announcement and so no sample bias was observed according to recovery.
Logging	• *Whether core & chip samples have been geologically & geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies & metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.* • *The total length & percentage of the relevant intersections logged.*	• Logging of soft sediment MR drilling samples of the paleochannel is on a metre by metre or 2 metre basis. Given the paleochannel is not the target geology, the geology is only recorded where no drilling has occurred in the location already. • Logging of diamond core is achieved both at the drill rig and at the exploration camp on portable core racking prior to sample selection and core cutting. • Both geology and structures/veins are logged throughout the core. Alpha and beta angles are used for structural orientation relative to the core axis and then converted to true orientation after consideration of the dip and azimuth of the drill hole at the particular downhole depths. • All geological intervals are logged to the closest 10cm. • Hand held pXRF analysis is used to aid in the identification of major rock types, in particular for ascertaining potential protoliths through areas of intensive alteration. • All core is measured and checked to the drillers log for depth correction and oriented with a core axis line drawn for bottom of core. • Geological logging is qualitative and quantitative in nature. • Visual estimations of sulphides and geological interpretations are based on examination of drill core using the naked eye and a 20x hand lens during drilling operations. • It should be noted that whilst % mineral proportions are based on standards as set out by JORC, they are estimation only and can be subjective to individual geologists to some degree.

Criteria	JORC Code explanation	Commentary
		• Details of the sulphides, type, nature of occurrence and general % proportion estimation are found within the text of the release if reported at all.
Sub-sampling techniques & sample preparation	• *If core, whether cut or sawn & whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc.& whether sampled wet or dry.* • *For all sample types, the nature, quality & appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• This is not relevant to this ASX announcement as geochemical sampling has not yet taken place. No geochemical analysis is reported in this ASX announcement.
Quality of assay data & laboratory tests	• *The nature, quality & appropriateness of the assaying & laboratory procedures used & whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make & model, reading times, calibrations factors applied & their derivation, etc.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) & whether acceptable levels of accuracy (i.e. lack of bias) & precision have been established.*	• No geochemical analysis or sampling for geochemical analysis has taken place at the time of writing this ASX announcement. No geochemical analysis is reported in this ASX announcement. The pXRF analysis is described in Appendix 1.
Verification of sampling & assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical & electronic) protocols.* • *Discuss any adjustment to assay data.*	• No geochemical analysis or sampling for geochemical analysis has taken place at the time of writing this ASX announcement. No geochemical analysis is reported in this ASX announcement. The pXRF analysis is described in Appendix 1. • Diamond hole TED03 twinned TERC13 in order to gain an understanding of the nature and orientation of the nickel mineralisation intersected in RC hole

Criteria	JORC Code explanation	Commentary
		TERC13. This is explained within the text of this ASX announcement.
Location of data points	• *Accuracy & quality of surveys used to locate drill holes (collar & down-hole surveys), trenches, mine workings & other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality & adequacy of topographic control.*	• All drill hole collars referenced in this ASX release have been surveyed for easting, northing & elevation using handheld GPS at this stage only. At the end of the drilling campaign a DGPS with 10cm horizontal and vertical accuracy will be used to survey in the drill hole collars.
Data spacing & distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing & distribution is sufficient to establish the degree of geological & grade continuity appropriate for the Mineral Resource & Ore Reserve estimation procedure(s)&classifications applied.* • *Whether sample compositing has been applied.*	• Drilling has been for exploration only, spacing varies between targets. A map of all drill hole locations referenced in this ASX announcement has been provided in Figure 4 and the drill hole collar table was provided in Appendix 2.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures & the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation & the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed & reported if material.*	• Drill angle details are given in Appendix 2 of this ASX announcement. Orientation of the drill hole is according to the exploration target. • No sampling has yet to take place at the time of writing this ASX announcement.
Sample security	• *The measures taken to ensure sample security.*	• No sampling has yet to take place at the time of writing this ASX announcement.
Audits or reviews	• *The results of any audits or reviews of sampling techniques & data.*	• Not applicable

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement &	• *Type, reference name/number, location & ownership including agreements or material issues with third parties such as joint ventures,*	• The Yandal Gold Project is located approximately 770km km NE of Perth and less than 35km NE of the Bronzewing Gold

Criteria	JORC Code explanation	Commentary
land tenure status	*partnerships, overriding royalties, native title interests, historical sites, wilderness or national park & environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	Mine operations. The project includes the tenements M53/1089, E53/1211, E53/1060, E53/1210 and E37/1146 which are 100% owned by Redport Exploration Pty Ltd (subject to the agreements referred to below), as well as E53/1858, E53/1929 and E53/1909, which are 100% owned by Toro Exploration Pty Ltd. Redport Exploration Pty Ltd and Toro Exploration Pty Ltd are both wholly owned subsidiaries of Toro Energy Ltd. • All tenements are granted. • A heritage agreement has been entered into with the traditional owners of the land the subject of the Yandal Gold Project. • M53/1089 is subject to agreements with JAURD International Lake Maitland Project Pty Ltd (**JAURD**) and ITOCHU Minerals and Energy of Australia Pty Ltd (**IMEA**) under which JAURD and IMEA can acquire a 35% interest inM53/1089 and certain associated assets. • The agreements with JAURD and ITOCHU may also be extended, at JAURD and IMEA's election, to uranium rights only on E53/1211, E53/1060, E53/1210 and E37/1146. • Toro Exploration Pty Ltd has rights to all minerals on E53/1858, E53/1909 and E53/1929. • Toro has agreed to pay JAURD and IMEA net smelter return royalty on non-uranium minerals produced from E53/1211, E53/1060, E53/1210 and E37/1146. The exact percentage of that royalty will depend on Toro's interest in the non-uranium rights at the time and will range from 2% to 6.67%. • E53/1060 is subject to a 1% gross royalty on all minerals produced and sold from that tenement. M53/1089 is subject to a 1% net smelter return royalty on gold and on all other metals derived from that tenement, in addition to a 1% gross royalty on all minerals produced and sold from a discrete area within that tenement.
Exploration done by other parties	• *Acknowledgment & appraisal of exploration by other parties.*	• Almost all drilling on the Yandal Gold Project exploration ground has targeted carbonate associated shallow groundwater uranium deposits. As such, prior to 2016 there was no

Criteria	JORC Code explanation	Commentary
		drilling that penetrated the basement. The only exploration targeting gold or other metals in the basement rocks of the project area was 19 RC holes drilled by Toro targeting nickel in November-December 2016. A total of 18 holes were drilled into the southern part of the project area in E53/1210 and one hole was drilled into the area presented in this release (Christmas gold prospect) on E53/1060. The former holes were unsuccessful but the latter hole found a trace of gold that has contributed to the targeting of the area represented by the Christmas gold prospect.
Geology	• *Deposit type, geological setting & style of mineralisation.*	• Target mineralisation is Yandal style gold, that is gold in veins and fractures, often associated with sulphides and related to late NE and NW structures over Archaean greenstone and granitoid geology oriented sub-vertically in a N-S lineament. Gold is concentrated in the greenstones but can be found in granitoid near to greenstone-granitoid contact zones. However, TERC13 was targeting a Ni and chrome (Cr) anomaly at the top of basement discovered in the 2018-19 aircore drilling campaign (refer to text in this ASX announcement). TED03 followed up the successful intersection of nickel sulphides by TERC13 and TED04 was drilled in a strategic location based on the results of TED03.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *Easting & northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip & azimuth of the hole* o *down hole length & interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material & this exclusion does not detract from the understanding of the report, the Competent*	• All the information relevant to the drill holes referenced in this ASX announcement is contained in Appendix 2. Elevations are not given due to the known problems of hand held GPS devices to give accurate elevations.

Criteria	JORC Code explanation	Commentary
	Person should clearly explain why this is the case.	
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades)&cut-off grades are usually Material & should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results & longer lengths of low grade results, the procedure used for such aggregation should be stated & some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• No geochemistry has yet to be undertaken at the time of writing this ASX announcement. • pXRF methods are given in Appendix 1 of this ASX announcement.
Relationship between mineralisation widths & intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known & only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').*	• No true widths have been stated in this ASX release, all relate to downhole intercept lengths. This has been adequately reported in the text of the announcement.
Diagrams	• *Appropriate maps & sections (with scales)&tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations & appropriate sectional views.*	• All provided above within the ASX announcement.
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low & high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All relevant information is provided in the text of this ASX announcement.
Other substantive exploration data	• *Other exploration data, if meaningful & material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size & method of treatment; metallurgical test results; bulk density, groundwater, geotechnical & rock characteristics; potential deleterious or contaminating substances.*	• No other exploration data collected is considered material to this announcement.
Further work	• *The nature & scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).*	• The details of the nature of future work around TED04 has yet to be determined.

Criteria	JORC Code explanation	Commentary
	• *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations & future drilling areas, provided this information is not commercially sensitive.*	

Section 3 Estimation & Reporting of Mineral Resources

NOT APPLICABLE