

ASX RELEASE

20 July 2020

Yandal Gold Project Drilling Update

- **THE FOURTH DIAMOND DRILL HOLE, TED04, HAS BEEN SUCCESSFULLY COMPLETED AT THE DUSTY NICKEL-GOLD PROSPECT ON TORO'S YANDAL GOLD PROJECT.**
- **TED04 WAS AIMED AT TESTING FOR A CONTINUATION OF THE MASSIVE NICKEL SULPHIDES INTERSECTED IN TED03, 40M ALONG STRIKE TO THE SOUTHEAST, WHICH IT WAS SUCCESSFUL IN DOING WITH A THICKENING OF THE MINERALISATION TO 2.6M THICK DOWNHOLE.**
- **DRILLING HAS NOW COMMENCED ON TED05, THE FINAL HOLE IN THE PLANNED DIAMOND DRILLING PROGRAMME.**
- **TED05 IS POSITIONED SOME 4.8KM TO THE SOUTH-SOUTHWEST OF DUSTY AND SERVES A DUAL PURPOSE:**
 1. **TO PERFORM A LIMITED TEST OF THE GEOLOGY IN AN AREA OF UNKNOWN GEOLOGY AND WHICH CORRELATES TO AN INTERPRETED POTENTIAL ZONE OF LARGE SCALE STRUCTURAL INTERSECTION; AND**
 2. **TO CONSTRUCT A WATER BORE INTO A PALEOCHANNEL WHICH CAN BE TESTED FOR GROUNDWATER CHEMISTRY AND TO BE USED AS A POTENTIAL WATER SUPPLY FOR ANY FUTURE DRILLING.**
- **DRILL CORE FROM TED04 IS NOW BEING PROCESSED FOR GEOCHEMICAL SAMPLING.**

Toro Energy Limited (**ASX: TOE**) ('the **Company**' or '**Toro**') is pleased to announce the successful completion of the fourth diamond hole, TED04, and the initiation of the fifth diamond hole, TED05, in the first phase of its 2020 exploration drilling programme on the Company's 100% owned Yandal Gold Project ('the **Project**'). 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 1**).

The diamond hole TED04 was completed to a depth of 267.8m in fresh rock. It was located at the Dusty Nickel-Gold Prospect approximately 40m SE of TED03 and TERC13 (**Figure 2** and **Figure 3** with drill hole details in **Appendix 1**). The purpose of TED04 was to test for the continuation of massive nickel sulphide mineralisation along strike of the massive nickel sulphides discovered in TERC13 and confirmed in TED03 (according to hand held portable X-Ray Fluorescence analysis – refer to the Company's ASX announcement of 13 July 2020). The drill hole was successful in doing so, showing that the massive nickel sulphide mineralisation thickens 40m to the SE to 2.6m thick downhole (refer to the Company's ASX

announcement of 13 July 2020). Disseminated sulphides can be observed with a 20x magnification hand lens within the 21m of komatiite host rock stratigraphically above the massive nickel sulphide layer but further analysis is required to confirm if nickel is present in the disseminated sulphides.

The drilling of diamond drill hole TED05 is already underway. It is positioned some 4.8km to the SSW of TED04 and the Dusty Nickel-Gold Prospect in an area of unknown geology. It is the final diamond hole in the planned 2020 exploration drilling programme outside of any additional unplanned diamond drilling.

TED05 will serve a dual purpose:

1. to test the basement geology in an area of unknown geology and where two interpreted large structural zones potentially intersect; and
2. to construct and develop a bore into a paleochannel to test the ground water chemistry in the paleochannel and to be used as a water supply for any future potential drilling in the area.

The area where TED05 is located has never been drilled before and so the geology is completely unknown. Magnetic geophysics data from the Toro flown magnetic survey in 2016 (refer to the Company's ASX announcement of 25 November 2016) is not clear in the area and so does not aid in the interpretation of any geological boundaries or structures. Data from the ground gravity survey completed in 2018 (refer to the Company's ASX announcement of 23 May 2018) suggests there may be some NNE and NW trending structures in the area but the interpretation cannot be definitive. However, data from a passive seismic survey over the area completed at the same time as the gravity survey in 2018 shows a potential wide paleochannel or abrupt change in the thickness of a weathering profile that can be interpreted to suggest two large structural zones, one trending NE and the other NW. TED05 is positioned close to where these two structural zones could be interpreted to meet (refer to **Figure 5**) and in line with structural interpretation of the gravity data.

The drill core from TED05 is currently being processed for geochemical sampling and analysis.

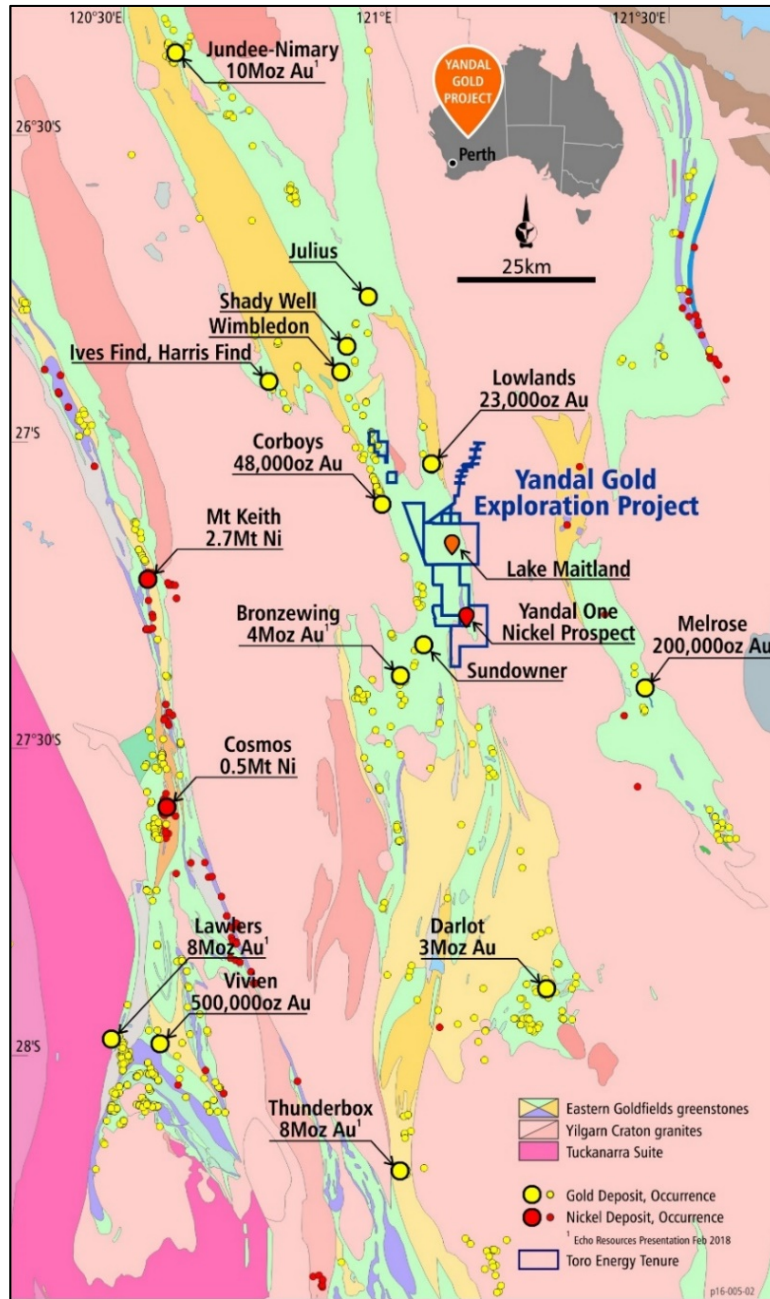


Figure 1: Location of Toro's Yandal Gold Project.

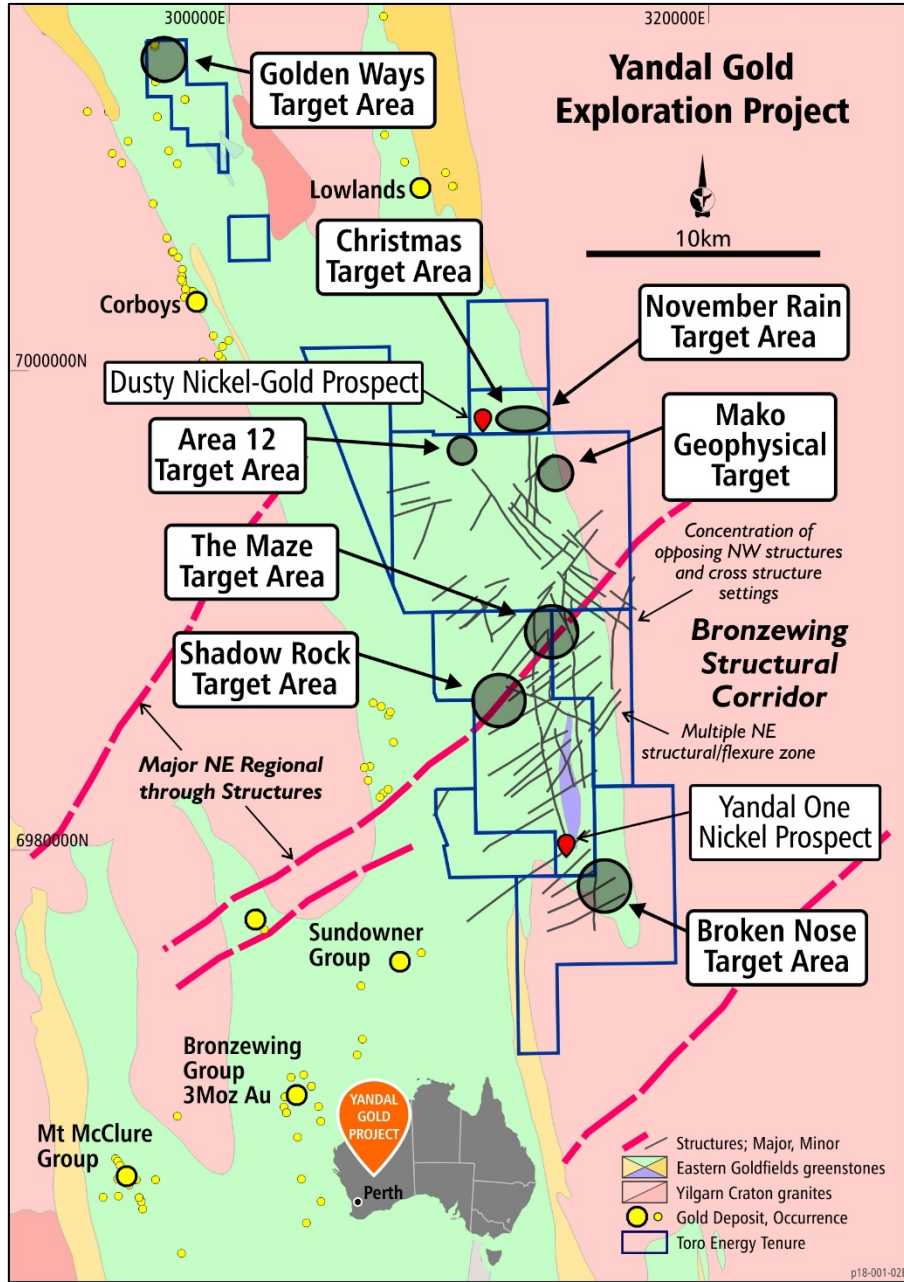


Figure 2: Close up map of the Yandal Gold Project.

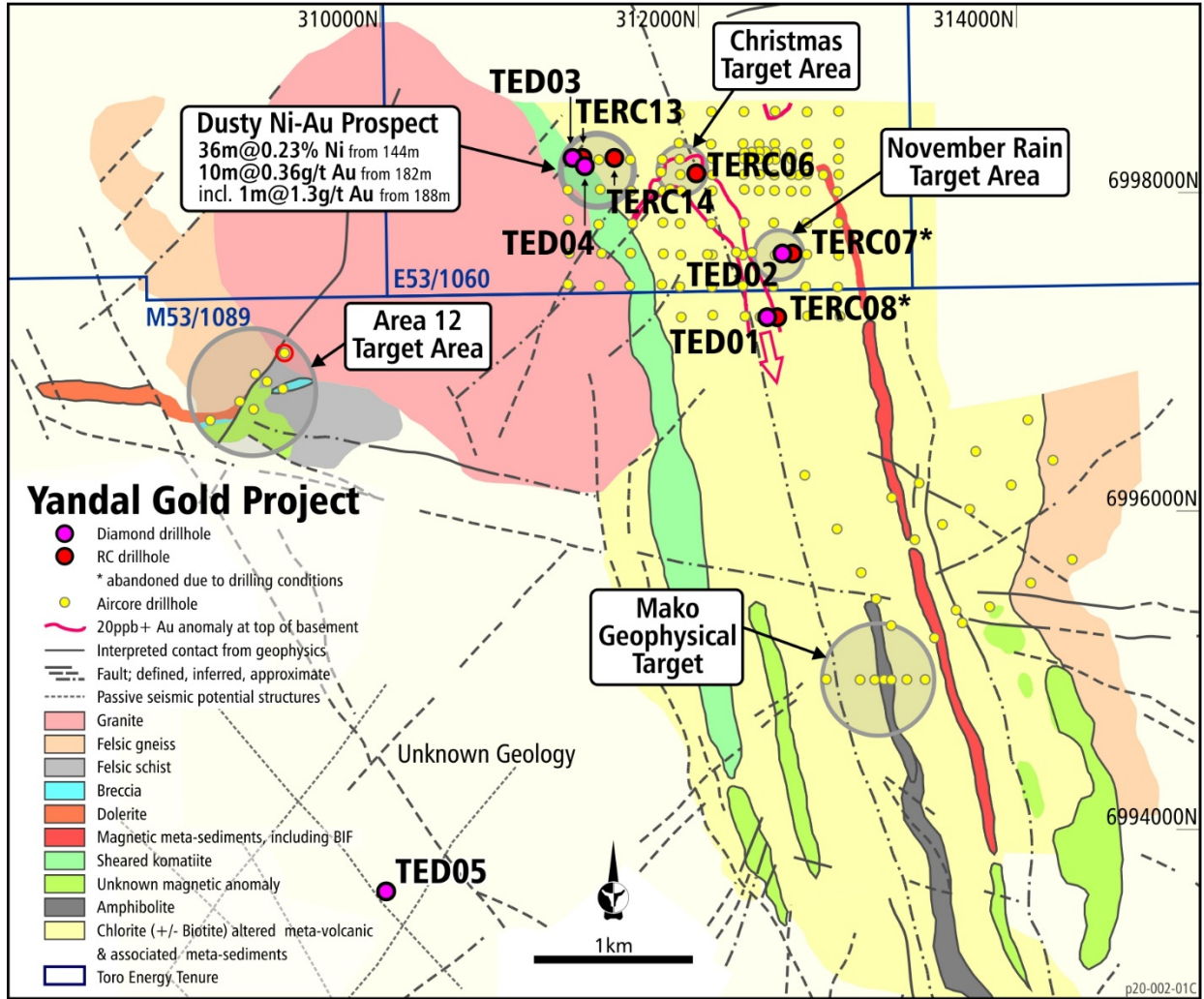


Figure 3: Geological interpretation from drilling data with relative location of gold target areas to the Dusty Ni-Au Prospect and recent drilling, inclusive of the recently completed diamond drill holes, TED01, TED02, TED03 and TED04 and the location of the current drill hole, TED05.

This announcement was authorised for issue by the board of 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 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: Summary Table of drill hole details for drill holes referenced in this ASX announcement. Details of TED05 will be given when the drill hole is completed.

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.