

**ASX RELEASE**

23 May 2018

## Ground Geophysics Surveys Completed at Toro's Yandal Gold Project

### Highlights

- **High resolution ground gravity and combined passive seismic surveys at Yandal Gold Project now completed**
- **Results and analysis of the gravity survey and the passive seismic surveys are expected to be completed by June 2018**
- **Activities and studies to advance exploration for gold to take place in second half 2018**
- **The Company encourages all investors to update their contact details to stay informed on Company news here: <http://www.ozfinancial.com.au/LP/ToroEnergy-Details.aspx>**

Toro Energy Limited (**ASX: TOE**) ('the **Company**' or '**Toro**') is pleased to advise that it has completed the ground gravity and combined passive seismic surveys undertaken on its Yandal Gold Project ('the **Project**'). Analysis and interpretation of the data acquired during the surveys is now underway and is expected to be completed this quarter.

The results from the ground gravity survey will be used in combination with existing detailed magnetic data to better delineate geological contacts for drill hole targeting within the Project area. Results from the passive seismic survey will be used to map depth to fresh bedrock, which will permit more accurate and cost-effective drill hole planning.

A first phase exploration drilling program, including extensive aircore drilling aimed at sampling the basement for gold and pathfinders, is planned to commence as soon as practicable next quarter.

The high resolution gravity survey was undertaken along 118 east-west lines at a station interval of 100m for approximately 5100 stations (marked as red on **Figure 1**). The gravity survey was conducted in conjunction with a passive seismic survey consisting of 609 stations along 29 lines (marked as blue on **Figure 1**).

Although gold is the primary target of the Project, Toro 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. A compelling opportunity has presented for the Company to survey and evaluate its assets for other high value metals whilst advancing and continuing technological studies which may enable the Company to significantly reduce production costs for the Wiluna Uranium Project.

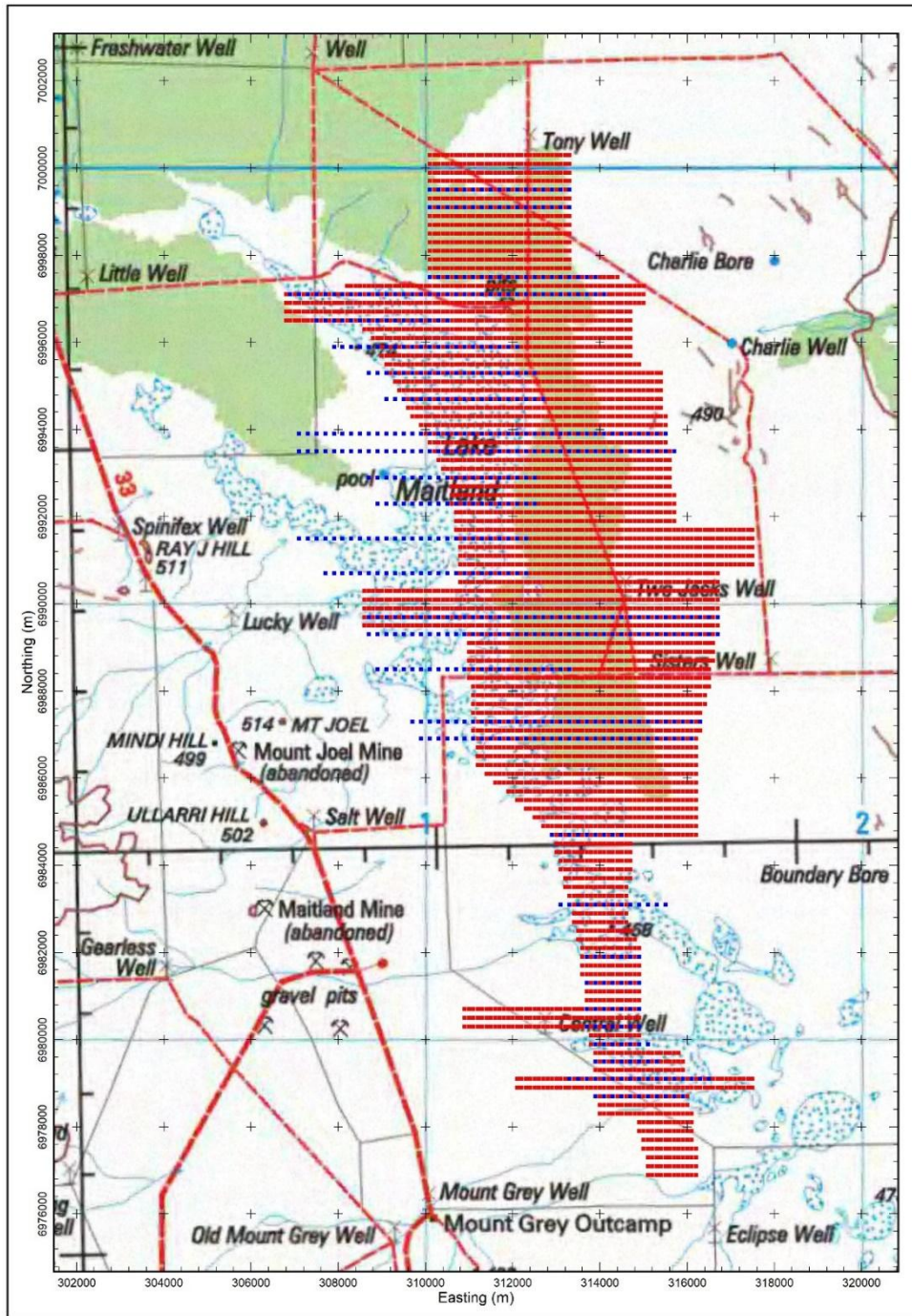


Figure 1: Completed plan for high resolution ground gravity survey (red lines) and passive seismic survey (blue perforated lines) over the Yandal Gold Project.

**BACKGROUND**

Toro's Yandal Gold Project (**Yandal**), located on its 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 2**).

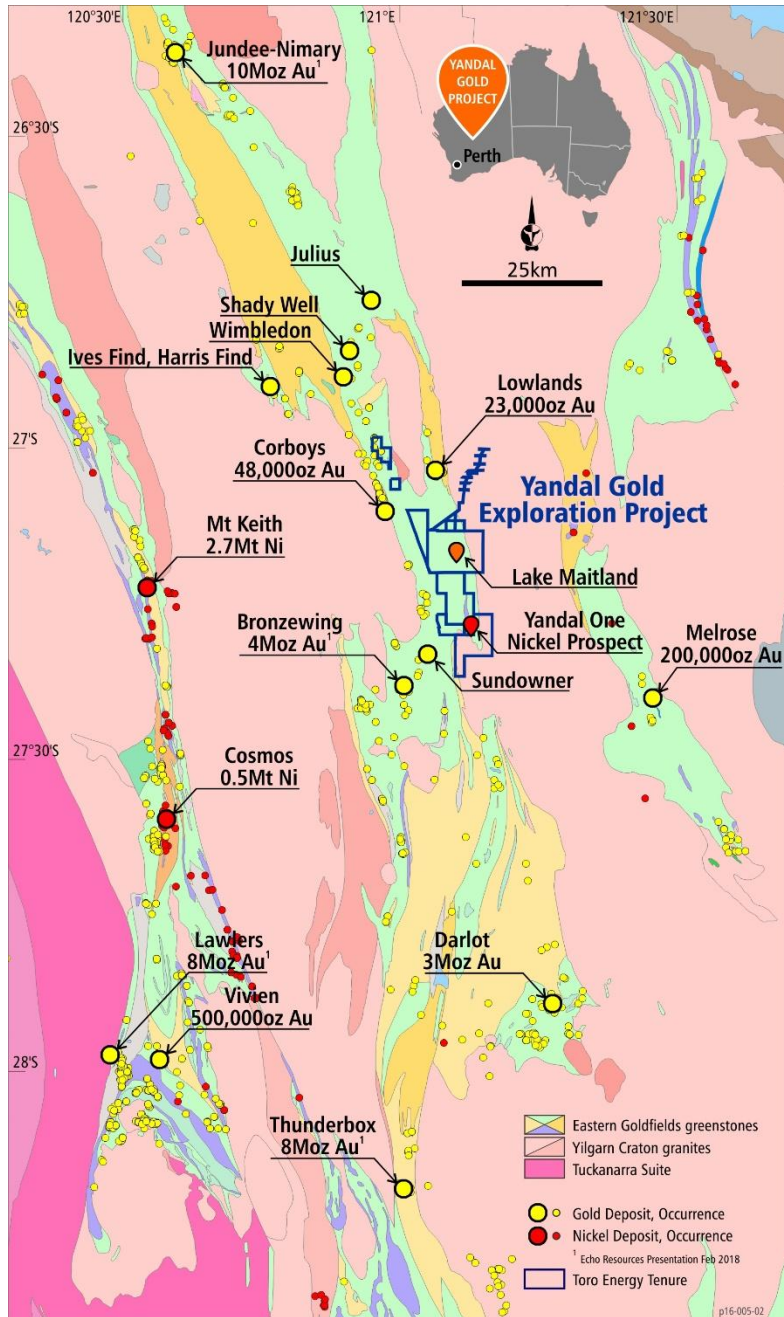


Figure 2: Location of Toro's Yandal Gold Project within the high yielding Yandal Gold District, showing the Yandal Greenstone Belt running through the project area according to state government mapping, the location of gold deposits and occurrences and the three major gold producing operating centres, Jundee-Nimary, Bronzewing and Darlot.

For personal use only

## 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's<sup>1</sup>, despite the first operation commencing only ten years earlier<sup>2</sup>.
- The Yandal has so far produced >14Moz of gold from three well known operations, Jundee-Nimary, Bronzewing and Darlot<sup>3</sup> (refer to **Figure 2**).
- Echo Resources Limited is currently actively exploring ground surrounding Toro's Yandal Gold Project and has so far accumulated a Mineral Resource of 1.7M ounces and Ore Reserves of 856,000 ounces of gold<sup>4</sup>.
- Greenfields gold discoveries are still being made within the Yandal gold district such as Great Western Exploration Limited's discovery of a potential large gold system on its Yandal West project in November 2017<sup>5</sup>.

## Why is Toro's ground considered highly prospective for Yandal style gold mineralisation?

- With its southern portions only 10km to the east of the multi-million ounce Bronzewing Mine, government mapping of the basement geology largely based on magnetic geophysics and historical drilling, shows the highly productive Yandal greenstone gold target geology continues into and through Toro's Yandal Gold Project property (as shown in **Figure 2**).
- The Company's Lake Maitland tenure on which the Yandal Gold Project is located has been held by uranium companies since the discovery of the Lake Maitland Uranium Deposit in the 1970's and therefore bypassed the wave of gold exploration and gold discoveries in the 1990's. The Yandal Gold Project's underlying geology therefore remains completely untested for Yandal style gold mineralisation.

## Next Steps – Cost Effective First Phase Exploration for 2018

1. Completion and interpretation of the high resolution ground gravity survey which, in combination with the existing magnetic data, will better delineate geological contacts for drill hole targeting – 2Q 2018.
2. Completion and modelling of the passive seismic survey to three dimensionally map the depth to fresh bedrock for more accurate and cost-effective drill hole planning – 2Q 2018.

<sup>1</sup> 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.

<sup>2</sup> Gold Fields Limited presentation <https://www.goldfields.com/pdf/investors/presentation/2014/australia-site-visits/darlot-gold-mine.pdf>

<sup>3</sup> According to calculations presented by Echo Resources Limited in ASX release 22 August 2017.

<sup>4</sup> Echo Resources Limited Mineral Resource and Ore Reserve Estimates, refer to ASX release 27 November 2017.

<sup>5</sup> Great Western Exploration Limited ASX release 28 November 2017.

3. Extensive aircore drilling aimed at sampling the basement for gold and pathfinders in areas considered to have the right exploration criteria from examination of the geophysics – 3Q 2018.
4. Limited follow-up RC drilling, targeting anomalies discovered by the aircore drilling and basement sample geochemistry – 3Q & 4Q 2018.

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.

### **Company Background**

Toro is permitted to mine up to 62 million pounds of measured or indicated uranium resource (JORC 2012) from its Wiluna Uranium Project. Please see the Competent Person's Statement at the end of this release for information about the reporting of the resource. Toro has advanced and is continuing technological studies which may enable the Company to significantly reduce production costs for the Wiluna Uranium Project.

Toro remains focused on the long-term feasibility of uranium production for its shareholders, however the Company has an opportunity to further advance the Lake Maitland tenure within the Wiluna Uranium Project, by undertaking activities and studies to advance exploration for gold on that area, which is located in the highly prospective Yandal Greenstone Belt. This tenure has been owned by uranium companies since the 1970s, and therefore was not explored for gold during the Yandal gold rush in the 1990s. Some 20 million ounces of gold have now been discovered in the Yandal, which has included three world class gold mines, Jundee, Darlot and Bronzewing.

In 2016, Toro conducted an aerial survey of the Lake Maitland area which confirmed the existence of target criteria needed for large Yandal-style gold deposits. In 2018 the Company announced its intention to explore the area for gold, with that project being known as the Yandal Gold Project.

Whilst Toro advances the Yandal Gold Project, it will continue working on beneficiation and process design studies for its Wiluna Uranium Project in preparation for a final investment decision when the appropriate market conditions prevail. According to the World Nuclear Association, as of February 2018 there were 448 operable civil nuclear reactors globally with another 57 under construction, 158 planned and 351 proposed which highlights growing demand for nuclear power.

Toro has engaged OzFinancial to assist with investor communications and encourages all Shareholders to update their contact details to stay informed on Company news here:  
<http://www.ozfinancial.com.au/LP/ToroEnergy-Details.aspx>

### **FURTHER INFORMATION:**

Richard Homsany	Toro Energy	08 9214 2100
Greg Shirtliff	Toro Energy	08 9214 2100

## FORWARD LOOKING AND CAUTIONARY STATEMENTS

### Forward Looking Statements

This announcement may contain certain “forward-looking statements” which may not have been based solely on historical facts, but rather may be based on the Company’s current expectations about future events and results. Where the Company expresses or implies an expectation of belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward looking statements are subject to risks, uncertainties, assumptions and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements. Such risks include, but are not limited to Resource risk, metals price volatility, currency fluctuations, increased production costs and variances in ore grade or recovery rates from those assumed in mining plans, as well as political and operational risks in the Countries and States in which we operate or sell product to, and governmental regulation and judicial outcomes. For a more detailed discussion of such risks and other factors, see the Company’s Annual Reports, as well as the Company’s other filings. Readers should not place undue reliance on forward looking information. The Company does not undertake any obligation to release publically any revisions to any “forward looking statement” to reflect events or circumstances after the date of this announcement, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.

### 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 Shirliff 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 Shirliff takes responsibility for the integrity of the data supplied for the estimation. Dr Shirliff 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.