

The Manager
Company Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

31 May 2018

Toro Energy Limited Share Purchase Plan

The Directors of Toro Energy Limited (**Company**) are pleased to announce details of a Share Purchase Plan (**Plan**) which will be offered to eligible shareholders on Thursday 31 May 2018.

The record date to establish entitlement to the Plan for eligible shareholders is Wednesday 30 May 2018.

Under the Plan eligible shareholders will be offered the opportunity to acquire up to \$15,000 of fully paid ordinary shares in the capital of the Company (**New Shares**) at an issue price of \$0.025 per New Share, being up to 600,000 New Shares per eligible shareholder, without incurring brokerage or other transactional charges (**Offer**). The issue price of \$0.025 per New Share is equal to the 52 week low price for fully paid ordinary shares in the Company (**Shares**) traded on ASX and represents a 17% discount to the 90 day volume weighted average Share price. The Offer has been attractively priced for the benefit of existing eligible shareholders.

Participation in the Plan is optional and is open to all shareholders other than shareholders who have registered addresses in countries outside Australia or New Zealand where in the reasonable opinion of the Company participation by a shareholder in that country is unlawful or impracticable.

Shareholders can request an online application form to subscribe for New Shares under the Offer here: <http://www.toroenergy.com.au/investors/spp-form>

The Company has engaged OzFinancial Australia to assist with investor communications and with the management of the Offer. If you have any questions or need any further assistance, they can be contacted on (03) 8080 5795 or admin@ozfinancial.com.au. Alternatively you can contact the Company on (08) 9214 2100 or info@toroenergy.com.au.

Company Background

Toro is permitted to mine up to 62 million pounds of measured or indicated uranium (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. The uranium market has been subdued in recent years, however in that time Toro has advanced and is continuing technological studies which may enable the Company to significantly reduce production costs for the Wiluna Uranium Project. Securing both State and Federal approvals for the Wiluna Uranium Project has been a significant and valuable milestone for the Company, positioning it well to promptly advance its Wiluna Uranium Project when appropriate market conditions prevail for a decision to mine.

Toro remains focused on the long-term feasibility of uranium production for its shareholders, however the Company has an opportunity to further develop 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. The tenure also remains untested for Yilgarn style nickel and base metals. Some 20 million ounces of gold

have now been discovered in the Yandal, which has included three world class gold mines, Jundee, Bronzewing and Darlot.

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.

The Lake Maitland deposit has already attracted international interest and investment with JAURD International Lake Maitland Project Pty Ltd (**JAURD**) and Itochu Minerals and Energy of Australia Pty Ltd (**ITOCHU**) together having the right to farm-in and acquire up to a 35% interest in the Lake Maitland Project in return for further aggregate payments of US\$39M and to participate in the financing and development of that Project.

While Toro develops 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. The Company remains focused on advancing its Wiluna Uranium Project in parallel with the Yandal Gold Project.

Use of funds

Funds raised by the Company in connection with the Offer will be applied to:

- Technological advancements to reduce the capital and operating expenses in the uranium process flow sheet for the Wiluna Uranium Project, by undertaking further beneficiation and process studies, as detailed below.
- Activities and studies to advance exploration for gold on the Company's Yandal Gold Project, located within the world class Yandal gold district, as detailed below.
- General working capital.

Wiluna Uranium Project

The results received to date from the Company's beneficiation and process design studies, which are ongoing, demonstrate the potential for significant reductions in the capital and operational costs of the proposed hydrometallurgical plant for the Wiluna Uranium Project as a result of a re-design of the process flow sheet. The success of the beneficiation and process design studies to date is based on the improved understanding of the different lithologies and uranium mineral associations of the Wiluna deposits, and the novel application of conventional technologies to the processing flow sheet. For further information about the results of the beneficiation and process design studies and the ongoing test work please see the Company's ASX announcements of 30 January 2018 and 20 April 2018.

Yandal Gold Project

The Company's Yandal Gold Project is located on its Lake Maitland tenure and comprises over 143 square kilometres of contiguous and untested yet highly prospective exploration ground in the high yielding Yandal Gold District, one of Australia's most prolific gold producing belts. The tenure 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 exploration and gold discoveries of the 1990's. The Yandal Gold Project's underlying geology therefore remains completely untested for Yandal style gold mineralisation. For further information about the Yandal Gold Project please see the Company's ASX announcements of 23 April 2018 and 3 May 2018.

The terms and conditions of the Plan and a personalised application form will be distributed to all eligible shareholders. If you would like to receive an electronic copy of your personalised application form this can be requested through OzFinancial Australia at <http://www.toroenergy.com.au/investors/spp-form>

The offer to subscribe for New Shares under the Plan will close on Monday 25 June 2018. New Shares issued under the Plan will rank equally with existing Shares and are expected to be allotted on Thursday 28 June 2018. The Company reserves the right to vary the timetable for the Offer, including the closing date of the Offer

Yours sincerely



Richard Homsany
Executive Chairman
Toro Energy Limited

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.