

**ASX RELEASE**

29 June 2018

## Target Generation Underway at Yandal Gold Project

### Highlights

- Exploration targeting for gold now underway at Toro's Yandal Gold Project, located in the world class gold district, the Yandal Greenstone Belt
- Detailed geological and structural interpretation of recent high resolution ground gravity survey nearing completion
- Re-interpretation of 2016 detailed airborne magnetic survey focusing on Yandal style gold mineralisation completed
- Drill hole planning expected to begin in July 2018
- First phase exploration to take place in H2 2018
- The Company encourages all investors to update their contact details to stay informed on Company news here: <http://www.toroenergy.com.au/subscribe>
- Share Purchase Plan open to eligible shareholders: <http://www.toroenergy.com.au/investors/share-purchase-plan>

Toro Energy Limited (ASX: TOE) ('the Company' or 'Toro') is pleased to advise that it has commenced the target generation phase of preparations for gold exploration on its 100% owned Yandal Gold Project ('the Project') located within the world class gold district, the Yandal Greenstone Belt and only 10km northeast of the Bronzewing Gold Mine (Figure 1).

The target generation phase will assess the geological information provided by the interpretation of the high resolution airborne magnetic and ground gravity geophysical surveys in line with research on Yandal style gold mineralisation. This will enable the Company to locate gold exploration targets and prioritise them according to prospectivity.

The geological and structural interpretation of the recently completed high resolution ground gravity survey<sup>1</sup> is nearing completion. The results are being combined with the re-interpretation of the detailed airborne magnetic survey originally flown in 2016 for Ni-sulphide exploration,<sup>2</sup> but now with a focus on Yandal style gold mineralisation. The re-interpretation of the magnetic data has been completed and based on the positive early results of the geophysics analysis Toro has initiated the target generation phase of its plan to explore for gold on the Yandal Gold Project.

It is expected that exploration targeting will be completed so that drill hole planning can begin in July 2018. 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.

<sup>1</sup> Refer to ASX announcement 23 May 2018

<sup>2</sup> Refer to ASX announcement 25 November 2016

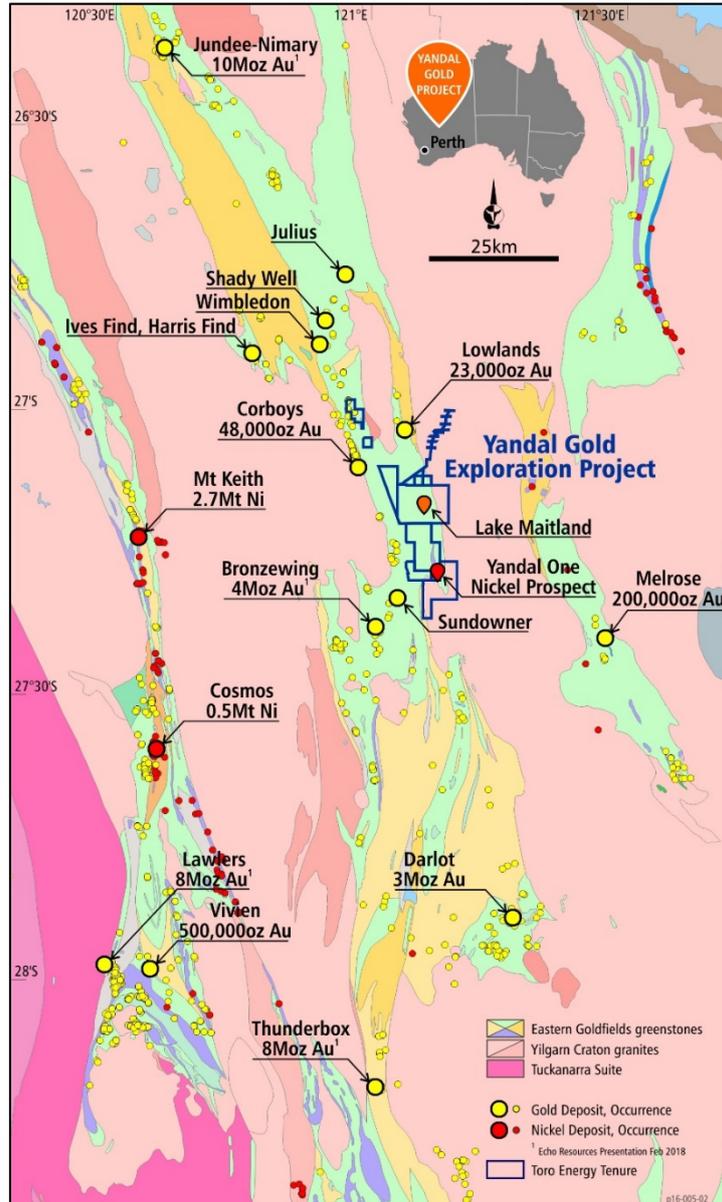


Figure 1: Location of Toro's Yandal Gold Project within the high yielding Yandal Gold District, showing the Yandal Greenstone Belt running through the project area according to state government mapping, the location of gold deposits and occurrences and the three major gold producing operating centres,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

## BACKGROUND

Toro's Yandal Gold Project, 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 1**).

### 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>3</sup> despite the first operation commencing only ten years earlier.<sup>4</sup>

- The Yandal has so far produced >14Moz of gold from three well known operations, Jundee-Nimary, Bronzewing and Darlot<sup>4,5</sup> (refer to **Figure 1**).
- 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>6</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>7</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 1**).
- 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 of exploration targeting and prioritisation – July 2018.
2. Modelling of the passive seismic survey to three dimensionally map the depth to fresh bedrock for more accurate and cost-effective drill hole planning – July 2018.
3. Drill hole planning – July-August 2018.
4. 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.
5. 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.

---

<sup>3</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>4</sup> Gold Fields Limited presentation <https://www.goldfields.com/pdf/investors/presentation/2014/australia-site-visits/darlot-gold-mine.pdf>

<sup>5</sup> According to calculations presented by Echo Resources Limited in ASX release 22 August 2017.

<sup>6</sup> Echo Resources Limited Mineral Resource and Ore Reserve Estimates, refer to ASX release 27 November 2017.

<sup>7</sup> Great Western Exploration Limited ASX release 28 November 2017.

## Share Purchase Plan Update

The Company is pleased to provide an update in relation to its Share Purchase Plan (**SPP**), details of which are contained in the Company's ASX announcements of 31 May 2018. The SPP booklet with a personalised application form was despatched to eligible shareholders around Monday 4 June 2018. If you would like to receive an electronic copy of your personalised application form this can be requested through OzFinancial Australia, the advisors assisting the management of the SPP, at <http://www.toroenergy.com.au/investors/spp-form>

The SPP offer has been extended as announced by the Company on Monday 25 June 2018 and will now close on Monday 2 July 2018. Shares issued under the SPP will rank equally with existing fully paid ordinary shares in the Company and are expected to be allotted on Thursday 5 July 2018. The Company reserves the right to vary the timetable for the SPP, including the closing date of the SPP offer.

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.toroenergy.com.au/subscribe>

### FURTHER INFORMATION:

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

### 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, project is 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.*

[www.toroenergy.com.au](http://www.toroenergy.com.au)