

**ASX RELEASE**  
25 November 2016

## Exploration drilling program with OZ Minerals commences at Yandal One Ni Prospect

Toro Energy Limited (ASX: TOE) advises the commencement of drilling under the Heads of Agreement (HoA) with OZ Minerals Ltd (ASX: OZL, 'OZ') at the Yandal One Nickel Prospect in the Northern Goldfields, Western Australia.

The first phase exploration program is being undertaken to explore for nickel on two tenements located near Toro's 100% owned Lake Maitland uranium deposit in Western Australia.

OZ's primary target is nickel sulphides on the Yandal One Nickel Prospect situated within the Yandal Greenstone Belt in Toro's exploration licence, E53/1210. One of Australia's largest nickel sulphide deposits, BHP Billiton's Mount Keith, is located less than 60 kilometres to the west of the Yandal One Nickel Prospect (see Figure 1).

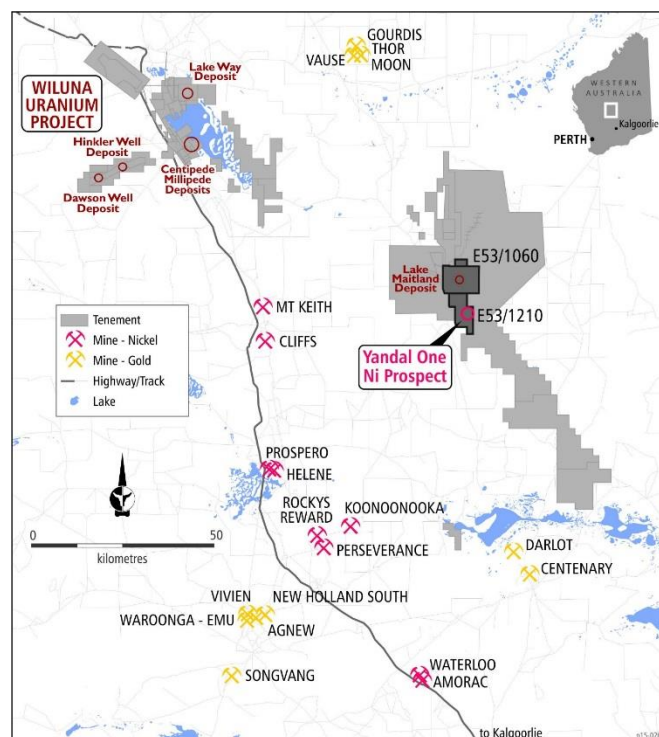


Figure 1: Location of the Yandal One Ni Prospect relative to current and historical mining within the region.

On behalf of OZ, Toro are initiating the exploration program targeting an historic magnetic anomaly which has shown strong prospectivity for nickel during shallow rotary air blast (RAB) drilling in the 1990's, where nickel grades of up to 0.45% average over 5 metres were returned from end of hole.<sup>1</sup>

Results of a more detailed magnetic survey flown in July 2016 has significantly increased the definition of the magnetic signature of the geology in the area (see Figure 2 and JORC Table 1 attached).

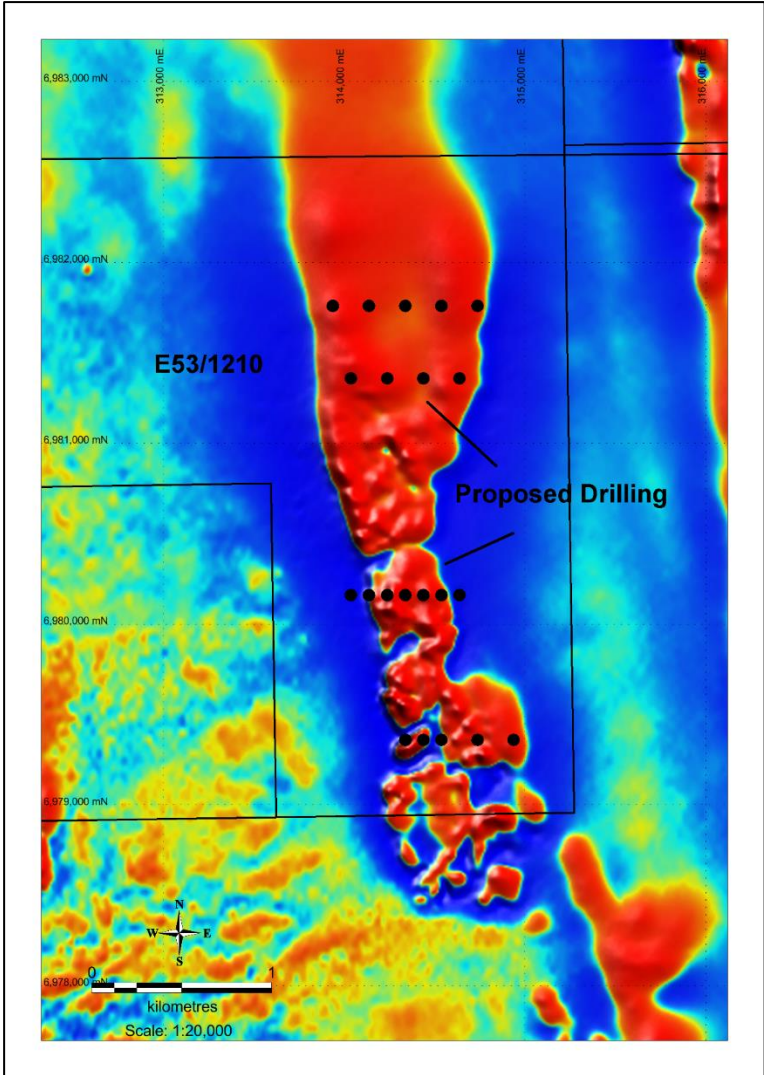


Figure 2: First phase exploration over magnetic targets at the Yandal One Ni Prospect.

<sup>1</sup> See ASX release of 10<sup>th</sup> December 2015 at <http://www.toroenergy.com.au/wp-content/uploads/2015/12/151124-Oz-JV-v13.pdf>

The drill program involves approximately 4,000m of reverse circulation (RC) drilling concentrating on four cross-sections across the target geological formation.

On completion of this first phase of exploration and depending on results, OZ Minerals will have the option to spend up to a further A\$4.5 million to earn up to a 70 per cent interest in the non-uranium rights of the two tenements.

**ENDS**

**FURTHER INFORMATION:**

|                 |                |              |
|-----------------|----------------|--------------|
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*Toro Energy's vision is to be Australia's next uranium producer. Toro will maximise shareholder returns through responsible mine development and asset growth.*

*Toro's flagship asset is the 100% owned Wiluna Uranium Project, consisting of six calcrete hosted uranium deposits. The project is located 30 kilometres southwest of Wiluna in Central Western Australia. The Centipede and Lake Way deposits have received government approval for mining, and the Lake Maitland and Millipede deposits have been recommended for approval, providing the Wiluna Project with the opportunity to become Western Australia's first uranium mine.*

*Toro is also pursuing growth opportunities through accretive uranium project acquisitions.*

**[www.toroenergy.com.au](http://www.toroenergy.com.au)**  
TOE - A member of the All Ordinaries Index

## Appendix

### JORC Code, 2012 Edition – Table 1 report template

#### Section 1 Sampling Techniques and Data

NOT APPLICABLE – REPORTING ON EXPLORATION GEOPHYSICS SURVEY ONLY

#### Section 2 Reporting of Exploration Results

| Criteria                                       | JORC Code explanation   | Commentary   |
|--|---|--|
| <i>Mineral tenement and land tenure status</i> | <ul style="list-style-type: none"> <li>• <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li>• <i>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.</i></li> </ul>          | <ul style="list-style-type: none"> <li>• The airborne magnetic survey referenced in this ASX release refers to exploration license E53/1210.</li> <li>• E53/1210 is 100% owned by Redport Exploration Pty- Ltd, which is a wholly owned subsidiary of Toro Energy Limited. JAUD and ITOCHU own an option to earn up to a 35% interest in the tenement. Redport has assigned the non-uranium rights on the tenement to Toro Exploration Pty Ltd, a 100% owned subsidiary of Toro Energy Limited. Toro Exploration has entered into a heads of agreement for a joint venture with Oz Minerals whereby Oz Minerals can earn up to a 70% Interest in all non-uranium mineral rights held by Toro Exploration on the tenement for a total of \$5 million (Australian dollars) of exploration expenditure.</li> <li>• The tenement is in good standing.</li> </ul> |
| <i>Exploration done by other parties</i>       | <ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>  | <ul style="list-style-type: none"> <li>• A very limited aircore drilling program was completed in the area in November 1992 by Dominion (operator, owned by Newmont).</li> </ul>   |
| <i>Geology</i>                                 | <ul style="list-style-type: none"> <li>• <i>Deposit type, geological setting and style of mineralisation.</i></li> </ul>  | <ul style="list-style-type: none"> <li>• Target mineralization and geology is Ni sulfides (disseminated or massive) in Archean ultramafics.</li> </ul>   |
| <i>Drill hole Information</i>                  | <ul style="list-style-type: none"> <li>• <i>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:</i> <ul style="list-style-type: none"> <li>○ <i>easting and northing of the drill hole collar</i></li> <li>○ <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i></li> <li>○ <i>dip and azimuth of the hole</i></li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Not applicable – no drilling</li> </ul>   |

| Criteria   | JORC Code explanation   | Commentary   |
|--|---|--|
|  | <ul style="list-style-type: none"> <li>○ down hole length and interception depth</li> <li>○ hole length.</li> <li>● If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>  |  |
| Data aggregation methods   | <ul style="list-style-type: none"> <li>● In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>● Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>● The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul> | <ul style="list-style-type: none"> <li>● Not applicable – no drilling</li> </ul>   |
| Relationship between mineralisation widths and intercept lengths | <ul style="list-style-type: none"> <li>● These relationships are particularly important in the reporting of Exploration Results.</li> <li>● If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>● If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').</li> </ul>   | <ul style="list-style-type: none"> <li>● Not applicable – no drilling</li> </ul>   |
| Diagrams   | <ul style="list-style-type: none"> <li>● Appropriate maps and sections (with scales) and 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 and appropriate sectional views.</li> </ul>   | <ul style="list-style-type: none"> <li>● Not applicable – no drilling</li> </ul>   |
| Balanced reporting   | <ul style="list-style-type: none"> <li>● Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>   | <ul style="list-style-type: none"> <li>● Not applicable – no drilling</li> </ul>   |
| Other substantive exploration data                               | <ul style="list-style-type: none"> <li>● Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test</li> </ul>   | <ul style="list-style-type: none"> <li>● This ASX release reports on a new airborne magnetic survey completed over the target area. The results of the Total Magnetic Intensity First Vertical Derivative are shown (image in the ASX release). The survey was completed by Magspec</li> </ul> |

| Criteria            | JORC Code explanation   | Commentary   |
|---------------------|---|--|
|                     | <i>results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>  | Airborne Surveys Pty. Ltd. in June 2016. The traverse line was East-West with a 400m tie line spacing and the sensor height was kept at approximately 25m above the surface. The magnetometer was a 3-axis fluxgate single sensor with a sample rate of up to 20 Hz (at approximately 3.5m). |
| <i>Further work</i> | <ul style="list-style-type: none"> <li><i>The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></li> <li><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></li> </ul> | <ul style="list-style-type: none"> <li>No further work, beyond what is described in this ASX release, is planned at this stage.</li> </ul>   |

### Section 3 Estimation and Reporting of Mineral Resources

NOT APPLICABLE – REPORTING ON EXPLORATION GEOPHYSICS SURVEY ONLY

### Section 4 Estimation and Reporting of Ore Reserves

(NOT APPLICABLE – REPORTING ON EXPLORATION GEOPHYSICS SURVEY ONLY)

### Section 5 Estimation and Reporting of Diamonds and Other Gemstones

(NOT APPLICABLE – REPORTING ON EXPLORATION GEOPHYSICS SURVEY ONLY)