QUARTERLY ACTIVITIES REPORT

For period ending 30 September 2020

Highlights

Yandal Gold Project, Western Australia

- **Exploration activities carried out throughout the quarter on the Yandal Gold Project continue to demonstrate the massive nickel sulphide potential of the Dusty nickel-gold prospect.**
- **Geochemical assay results from the massive nickel sulphide intersections reported in diamond holes TED03 and TED04 confirmed that both drill holes intersected komatiite hosted massive nickel sulphides at the base of a komatiite rock unit, with average nickel grades in the TED04 intersection of 2.6m @ 3.45% nickel from 184.5m downhole and 15cm @ 1.86% nickel from 177.5 downhole in TED03, some 40m to the north-west of TED04.**
- **Subsequent to the end of the quarter a further diamond drilling programme was commenced on the Dusty prospect, which includes a significant intersection of 4.5m of cumulative massive nickel sulphides over a 9m zone of sulphide mineralisation.**
- **Successful quartz vein sampling programme highlights the prospectivity of the Golden Ways Target Area for significant vein hosted gold mineralisation, with gold anomalies along two quartz veins being generated over a combined strike length of 900m.**
- **Geochemical assay results from the basement extension of water bore TED05 show very strong gold pathfinder geochemistry is associated with the gold and sulphides in that drill hole.**
- **Reverse circulation drilling programme undertaken on Golden Ways Target Area of 35 drill holes for 2,416m, aimed at testing the two main outcropping quartz veins in the target area. Assay results from the entire programme are expected to be received in November 2020.**

Wiluna Uranium Project, Western Australia

- **Continued efforts to improve the value of the Wiluna Uranium Project through research, innovation and engineering opportunities including the recovery of vanadium as a valuable by-product.**

Exploration during the Quarter[1]

During the quarter Toro Energy Limited (**Toro** or **the Company**) continued exploration of its Yandal Gold Project, including carrying out a number of drill programmes. The Yandal Gold 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 (see **Figure 1 and Figure 2**).

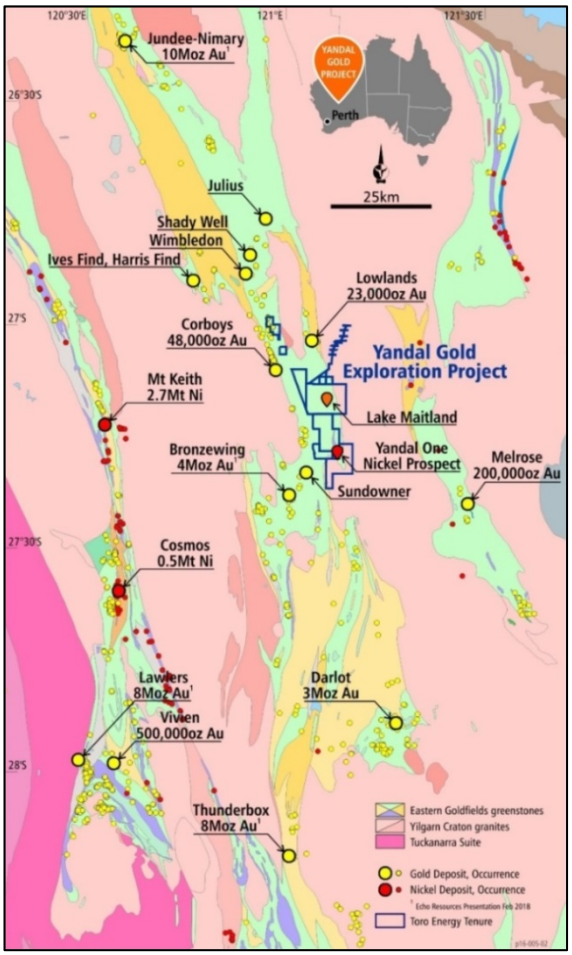

Figure 1: Location of Toro's Yandal Gold Project within the high yielding Yandal Gold District, showing the Yandal Greenstone Belt running through the project area according to state government mapping, the location of gold deposits and occurrences and the three major gold producing operating centres,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

[1] Information in this report relating to Exploration is based on information compiled by Dr Greg Shirtliff, who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Shirtliff is a full-time employee of Toro, and has sufficient experience in mineral exploration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' for the information presented here. Dr Shirtliff consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

During the quarter the Company was pleased to report results which prove the potential for massive nickel sulphides at its Yandal Gold Project. On 13 July 2020 the Company announced that its first diamond hole drilled at the Dusty Nickel-Gold Prospect, TED03 (see **Figure 3**), had intersected 15cm of massive nickel sulphides from 177.5m downhole with indications from hand held portable XRF (**pXRF**) analysis of grades between 2-4% nickel. TED03 twinned reverse circulation drill hole TERC13 to gain a better understanding of the nature of the nickel sulphide intersection in the 2019 drilling, with diamond core from TED03 showing that the intersection was massive nickel sulphides and not finger sized lenses as originally thought.

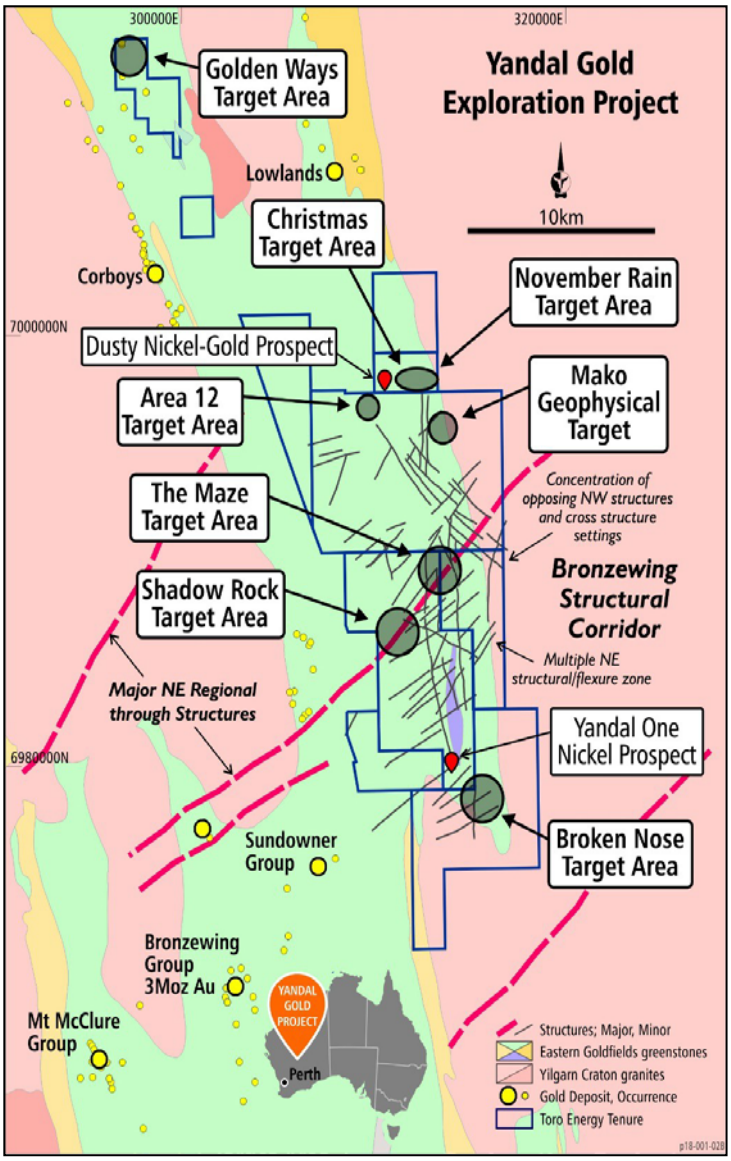

Figure 2: Close up map of the Yandal Gold Project showing all major target areas and prospects so far

On 16 July 2020 the Company announced that the second diamond drill hole drilled at the Dusty prospect, TED04 (see **Figure 3** and **Figure 4**), had intersected 2.6m of massive nickel sulphides from 184.5m downhole with potential grades of between 2 to 6% nickel according to hand held pXRF analysis. The massive nickel sulphides at Dusty are hosted in komatiite rock similar to most of the massive nickel sulphide deposits in the Yilgarn. Both massive nickel sulphide intersections are hosted at the base of a komatiite rock unit consistent with many of the massive nickel sulphide occurrences in the Yilgarn of Western Australia.

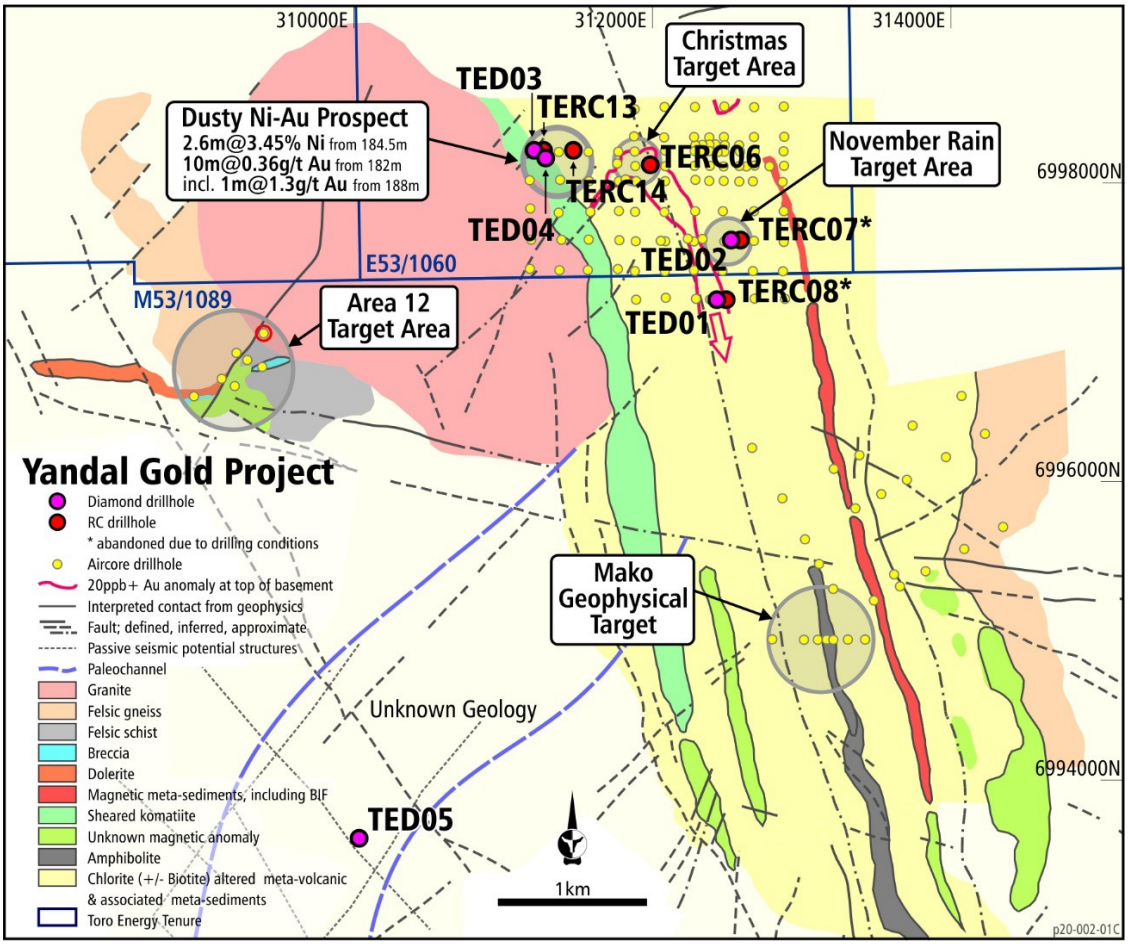

Figure 3: Location of the Dusty and diamond drill holes TED03 and TED04

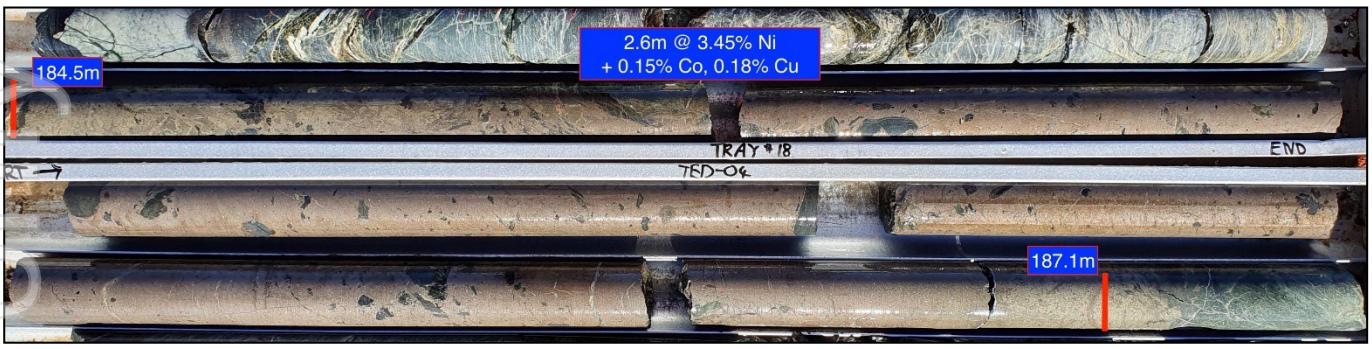

Figure 4: Photo of massive nickel sulphide intersection in diamond hole TED04, the second diamond hole drilled at the Dusty Nickel-Gold Prospect.

Laboratory based geochemical analysis of both intersections from TED03 and TED04 confirmed the massive nickel sulphides discovery with 2.6m of massive nickel sulphide grading at 3.45% nickel from 184.5m downhole in TED04 and 15cm of massive nickel sulphide grading 1.86% nickel from 177.5m downhole in TED03. The geochemistry also shows that the massive nickel sulphides have the potential for by-product metal value, with the TED04 nickel intersection containing 0.15% cobalt, 0.18% copper and 0.388g/t PGE (platinum and palladium) and the TED03 intersection containing 0.08% cobalt, 0.19% copper and 0.255g/t PGE (platinum and palladium). Please refer to the Company's ASX announcement of 1 September 2020 for further details.

A subsequent diamond drilling programme was commenced at the Dusty Nickel-Gold Prospect subsequent to the end of the quarter, from which the Company announced some very pleasing further results with 4.5m cumulative of massive nickel sulphides intersected over a 9m zone of sulphide mineralisation in diamond drill hole TED07 and 250.9m downhole. Toro is waiting on laboratory geochemical assay results to confirm the average nickel grades of the TED07 intersection.

The drilling conducted to date at Dusty represents only one location along a 6.5 – 7.5km long magnetic trend likely to represent the continuation of the Dusty komatiite. A further 3km stretch of magnetic trend in the south directly east of the Dusty komatiite may also be komatiite. The discovery of nickel sulphides at Dusty would suggest that the Dusty komatiite is potentially fertile host rock, and the Company is currently preparing drill targets along the Dusty komatiite magnetic trend outside of the Dusty discovery to further investigate this theory. Further information will be provided as these targets are outlined.

During the quarter the Company announced that a water bore mud rotary drill hole, TED05, had intersected gold in a bottom of hole extension in an area of previously unknown geology on the Yandal Gold Project. The nature of the silicification and brecciation, combined with the intensity of sulphide mineralisation associated with gold, suggests the proximity of a structure setting prospective for significant gold mineralisation. The results of geochemical assays from the basement extension show that very strong gold pathfinder geochemistry is associated with the gold and sulphides in the bore hole extension. The gold pathfinder elements of copper, zinc, lead, arsenic, silver, bismuth and

molybdenum are all significantly elevated in conjunction with gold. Detailed downhole geochemistry shows TED05 intersected a 3m thick (downhole) zone of sulphides in quartz breccia grading at 0.28G/T gold, 0.22% copper, 0.1% zinc, 5G/T silver and 6.4% sulphur from 154m downhole (true depth). Toro considers the geology and gold mineralisation intersected in TED05 to be very significant for the Yandal Gold Project's prospectivity for gold exploration and will now prioritise the area around TED05 and along the related features in the passive seismic data for future geological testing and gold exploration.

Results received during the quarter from a sampling programme along two major outcropping veins in the Golden Ways target area generated gold anomalies along those two quartz veins over a combined strike length of 900m. Individual rock chip samples from that programme returned gold assays of up to 14.7G/T. Of the 257 rock chip samples collected, 24% yielded gold assays greater than 1.0G/T and 58% yielded gold assays greater than 0.1G/T. These results confirm the prospectivity for vein hosted mineralisation at Golden Ways, adding to the 65.6G/T gold assay from the same outcropping vein collected in 2019. The sampling programme only focussed on two of the main outcropping quartz veins on the property, however many others have been identified in the 2020 mapping programme (refer to the Company's ASX announcement of 3 April 2020) which have yet to be sampled adequately.

At the end of the quarter the Company completed a reverse circulation drilling programme on the Golden Ways Target Area, being of 35 drill holes for 2,416m. The drilling was aimed at testing the two main outcropping quarter veins in the area. Geochemical assessment of the drill program is underway, with full results expected to be received in November 2020.

Although gold is the primary target of the Yandal Gold Project, other commodities will not be discounted in the overall exploration program. The Company 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.

Wiluna Uranium Project, Western Australia

As previously reported by Toro, the successful completion of environmental permitting of the Company's Wiluna Uranium Project (**Figure 5**) in 2017 is a major milestone for Toro.

The Company continues to progress the Wiluna Uranium Project so that it is capable of being financed and brought into production as and when economic conditions justify the development.

The Company has been making a continued effort to improve the value of its Wiluna Uranium Project through research, innovation and engineering opportunities despite the subdued uranium market. The Company's efforts in this regard include proposed changes to the proposed processing flowsheet design which have resulted in potential improvements in the capital and operating costs of the Wiluna Uranium Project as well as a potential improvement in overall uranium recovery from the plant. The changes have resulted from the opportunities highlighted by the test work completed as part of the Beneficiation and Process Design studies (**Studies**) that have been ongoing since completion of the 2016 Scoping Study[2].

The Company has announced a Maiden Vanadium JORC (2012) Resource for the Wiluna Uranium Project. The Maiden 2012 Inferred Mineral Resource for the Wiluna Uranium Project has been estimated at **53.6Mt at 0.0382% Vanadium Pentoxide** (V_2O_5) comprising **68,300,000 pounds V_2O_5** using a cut-off grade of 200ppm V_2O_5 inside within a previously defined U_3O_8 resource envelope for each of the deposits. Test work completed by the Company has established that V_2O_5 may be a valuable by-product of processing uranium ore from the proposed uranium mine on the Wiluna Uranium Project[3]. Given the expected long-term growth in the price of V_2O_5 (see the Company's ASX announcement of 21 October 2019 for further information) and the potential future demand, including from Vanadium Redox Batteries (**VRBs**), Toro believes producing vanadium as a by-product is likely to result in a significant improvement to the feasibility and value of the Wiluna Uranium Project. Please see the Company's ASX announcement of 21 October 2019 for further details of the vanadium resource as well as information concerning the pricing of, and demand for, vanadium.

The successful leaching and IX processes developed by Toro should allow for the recovery of vanadium into a vanadium pentoxide (V_2O_5) product for sale without any significant loss to the recovery of uranium[4]. Due to simplification of the downstream refining process and a reduction in ion reagent cost resulting from using ion exchange instead of the previously proposed method (see the Company's ASX announcement of 21 October 2019 for further information), it is expected that producing V_2O_5 as a by-product will not result in any significant increase in costs to the Wiluna Uranium Project[4].

[2] Please refer to the Company's ASX announcement of 5 December 2016.
[3] Please refer to the Company's ASX announcements of 18 March 2019 and 5 September 2019 for information on the vanadium processing test-work.
[4] Refer to the Company's ASX announcements of 18 March 2019 and 5 September 2019 for information on the vanadium processing test-work.

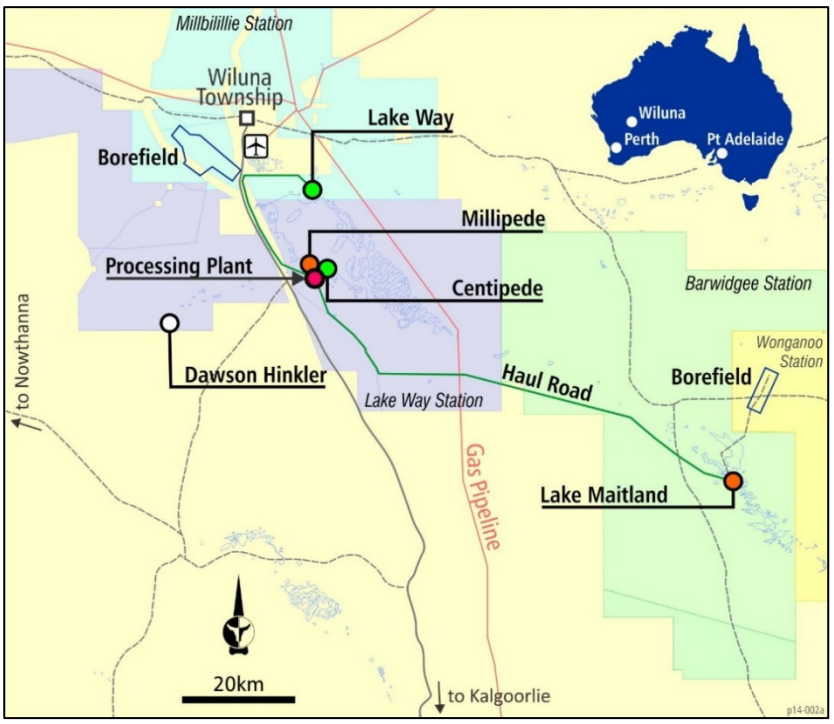

Figure 5: Wiluna Uranium Project

Corporate

During the quarter the Company utilised the Controlled Placement Agreement (**CPA**) entered into with Acuity Capital Investment Management Pty Ltd (**Acuity Capital**) as announced on 11 May 2020. On 1 September 2020 the Company also completed a placement of 108,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) to Acuity Capital at an issue price of $0.0111 per Share to raise total proceeds of $1,200,000. Funds raised by that issue were or will be used to finance further drilling campaigns at the Project.

On 29 September 2020 an agreement was reached with The Sentient Group (**Sentient**) to extend the date for repayment of the loan facility made available to the Company by Sentient, to 30 September 2021.

After the end of the quarter on 29 October 2020 the Company completed a further placement of Shares to Acuity Capital, being a placement of 100,000,000 Shares at an issue price of $0.01435 per Share to raise total proceeds of $1,435,000. Funds raised by that issue will be used to finance further drilling campaigns at the Project and for working capital.

Tenement Movements

There were no tenement movements on the Wiluna Project or Yandal Gold Project during the quarter (refer to **Appendix 2**).

A tenement status map is attached at Appendix 1 and Appendix 2. Attached at Appendix 3 is the Wiluna Uranium Project resource table.

This announcement was authorised for issue by the board of Toro Energy Limited.

Katherine Garvey
Legal Counsel and Company Secretary, Toro Energy Limited.
60 Havelock Street, West Perth WA 6005

ENDS

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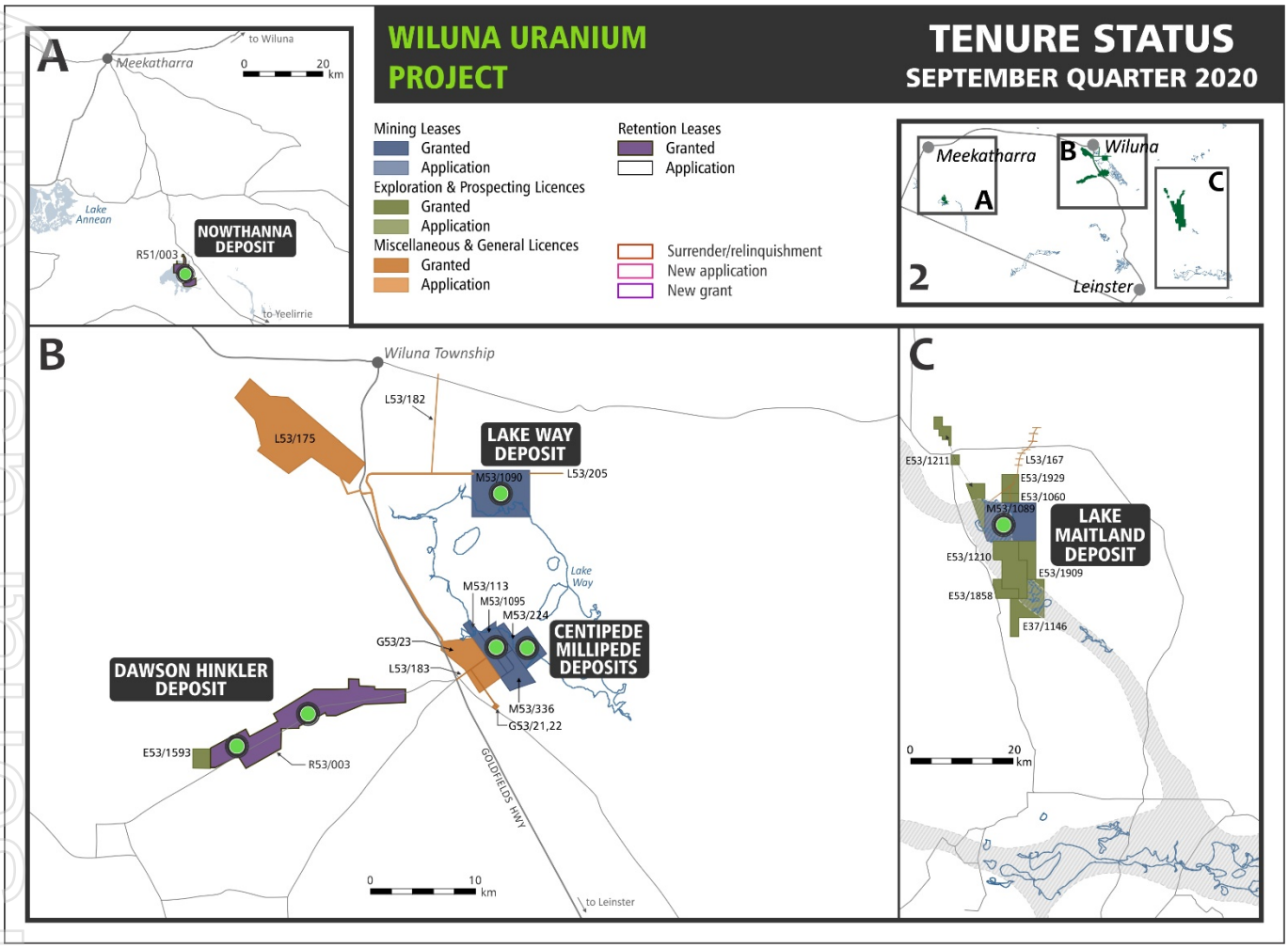
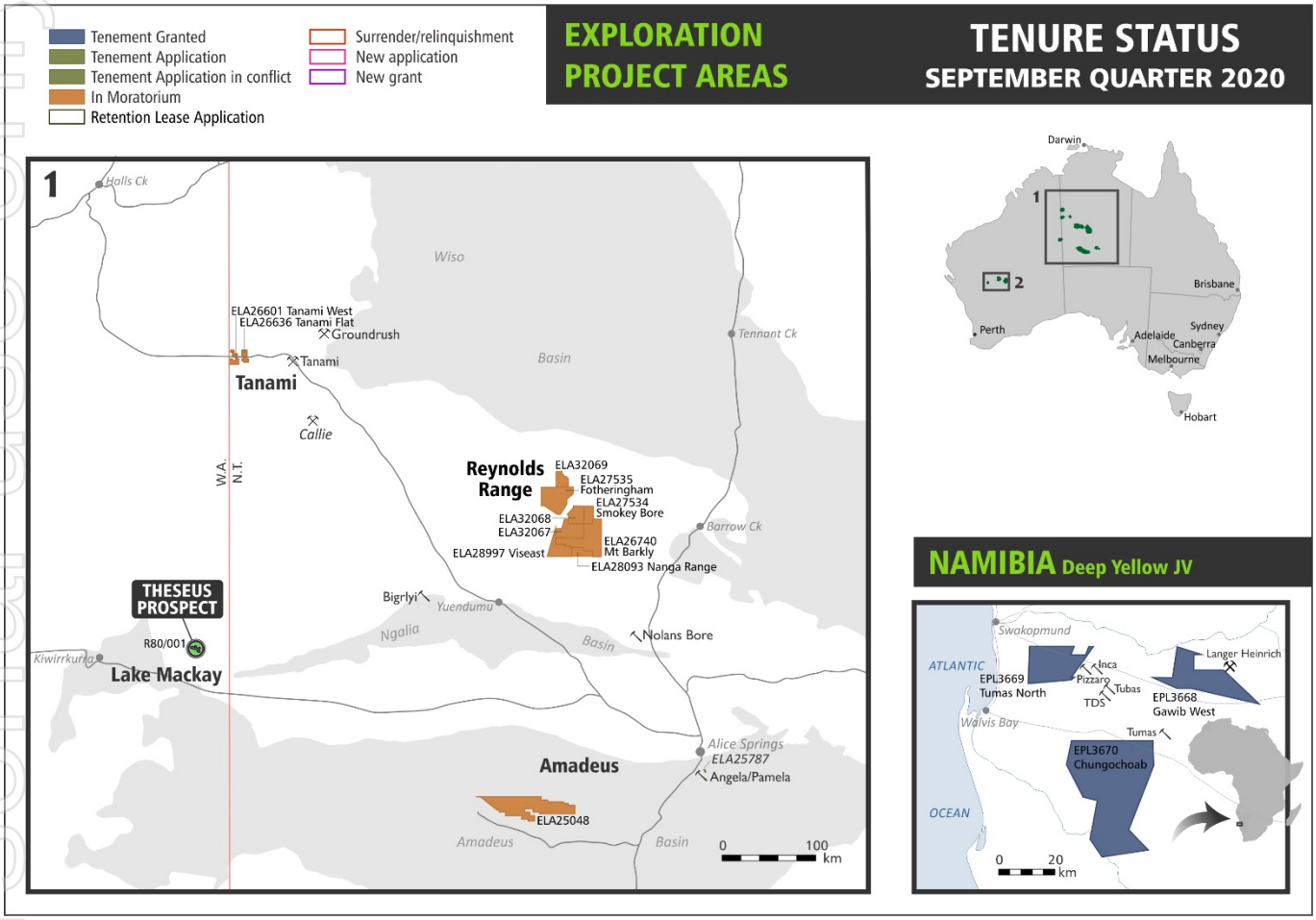
APPENDIX 1: SEPTEMBER 2020



APPENDIX 2: SEPTEMBER 2020



APPENDIX 3: Wiluna Uranium Project Resource Table – JORC 2012

Wiluna Uranium Project Resources Table (JORC 2012)									
		Measured		Indicated		Inferred		Total	
		200ppm	500ppm	200ppm	500ppm	200ppm	500ppm	200ppm	500ppm
Centipede / Millipede	Ore Mt	4.9	1.9	12.1	4.5	2.7	0.4	19.7	6.8
	Grade ppm	579	972	582	1,045	382	986	553	1,021
	U_3O_8 Mlb	6.2	4.2	15.5	10.3	2.3	0.9	24.0	15.3
Lake Maitland	Ore Mt	-	-	22.0	8.2	-	-	22.0	8.2
	Grade ppm	-	-	545	929	-	-	545	929
	U_3O_8 Mlb	-	-	26.4	16.9	-	-	26.4	16.9
Lake Way	Ore Mt	-	-	10.3	4.2	-	-	10.3	4.2
	Grade ppm	-	-	545	883	-	-	545	883
	U_3O_8 Mlb	-	-	12.3	8.2	-	-	12.3	8.2
Sub-total	Ore Mt	**4.9**	**1.9**	**44.3**	**16.9**	**2.7**	**0.4**	**52.0**	**19.2**
	Grade ppm	**579**	**972**	**555**	**948**	**382**	**986**	**548**	**951**
	U_3O_8 Mlb	**6.2**	**4.2**	**54.2**	**35.3**	**2.3**	**0.9**	**62.7**	**40.4**
Dawson Hinkler	Ore Mt	-	-	8.4	0.9	5.2	0.3	13.6	1.1
	Grade ppm	-	-	336	596	282	628	315	603
	U_3O_8 Mlb	-	-	6.2	1.1	3.2	0.4	9.4	1.5
Nowthanna	Ore Mt	-	-	-	-	13.5	2.6	13.5	2.6
	Grade ppm	-	-	-	-	399	794	399	794
	U_3O_8 Mlb	-	-	-	-	11.9	4.6	11.9	4.6
Total	Ore Mt	**4.9**	**1.9**	**52.7**	**17.8**	**21.4**	**3.3**	**79.0**	**23.0**
	Grade ppm	**579**	**972**	**520**	**931**	**368**	**765**	**482**	**916**
	U_3O_8 Mlb	**6.2**	**4.2**	**60.4**	**36.4**	**17.4**	**5.5**	**84.0**	**46.4**

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 Shirtliff 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 Shirtliff takes responsibility for the integrity of the data supplied for the estimation. Dr Shirtliff 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.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity	
Toro Energy Limited	
ABN	**Quarter ended ("current quarter")**
48 117 127 590	30 September 2020

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (3 months) $A'000**
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(51)	(51)
	(e) administration and corporate costs	(280)	(280)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	8	8
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (provide details if material)	109	109
1.9	**Net cash from / (used in) operating activities**	**(215)**	**(215)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(10)	(10)
	(d) exploration & evaluation (if capitalised)	(1,581)	(1,581)
	(e) investments	(190)	(190)
	(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	**Net cash from / (used in) investing activities**	**(1,781)**	**(1,781)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	1,200	1,200
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	**Net cash from / (used in) financing activities**	**1,200**	**1,200**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	3,411	3,411
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(215)	(215)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,781)	(1,781)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1,200	1,200

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**2,615**	**2,615**

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	615	661
5.2	Call deposits	2,000	2,750
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**2,615**	**3,411**

6.	Payments to related parties of the entity and their associates	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	150
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

Item 1 payments to related parties and their associates includes directors' fees, consulting fees and superannuation

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	5,000	5,000
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

The loan is secured, subject to interest at a coupon rate of 10% (calculated daily and compounding annually effective on and from 3 August 2018), due in September 2021 and is owed to The Sentient Group which owns approximately 16.98% of the issued capital of the Company as at the end of the quarter.

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(215)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(1,581)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(1,797)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	2,615
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	2,615
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	1.5

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: Yes

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: On 29 October 2020, the Company issued a total of 100,000,000 fully paid ordinary shares in the capital of the Company pursuant to a controlled placement agreement dated 11 May 2020 between the Company and Acuity Capital Investment Management Pty Ltd at a price of $0.01435 per share to raise $1,435,000.

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes, the Company is funded to meet its exploration and working capital objectives. The September quarter is the period during which a higher amount of tenement outgoings is due and paid by the Company compared to other quarters.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 31 October 2020

Authorised by: The Board of Directors, Toro Energy Limited
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.