Summary

Exploration activities during the period have involved:

- Prospectivity analysis on the entire Benmara project based on 2012/2013 data review, with the aim of identifying all uranium targets and their associated potential genetic models.
- Target ranking assessment of all Benmara targets identified relative to all other Toro exploration targets in the Northern Territory and Western Australia.
- Identification of non-uranium targets that may be of interest to JV parties.
- Attempts to JV tenements based on non-uranium targets.
- Ground prioritisation and surrenders.
- Surrender of EL28750, EL28751 and EL28806 in full at end of reporting period.
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1 INTRODUCTION

This report outlines the work conducted within the G256/12 exploration tenement group during 2013 (reporting period from 5/1/2013 to 4/1/2014 by Toro Energy Limited (“Toro”; ticker code “TOE”).

G256/12 exploration tenement group lies within Toro’s McArthur project and straddles the boundary of the Dunmarra Basin (an intracratonic basin unconformably overlying the sedimentary rocks of the Palaeo to Mesoproterozoic McArthur Basin to the north) and the Georgina Basin to the south (NTGS).

Toro’s original rationale for applying for these licences was to determine whether the Early Proterozoic Murphy tectonic ridge and associated uraniumiferous metallogeny (located to the east) extends beneath the cover sediments to the west and into this tenement area. This belt has potential for unconformity and “Westmoreland” style uranium, associated with iron- and carbon-rich basement rocks.

2 LOCATION AND ACCESS

G256/12 is located in the north eastern corner of NT approximately 120km from the QLD border on the Calvert Hills and Drummond 1:250,000 mapsheets (Figure 1 and Figure 2). Tennant Creek lies around 330km to the southwest. Access from Tennant Creek is north along the Stuart Highway for 25km and then east on to the Barkly Highway for approximately 185km, turning north at Barkly Roadhouse onto the Tablelands Highway for approximately 200 km. From this highway, turn right on the Calvert Hills Road and travel northeast for
a further 128km to the turn off to Benmara Station (Figure 3 and Figure 4). The tenement group lies on the Pastoral Properties of Benmara and Creswell Downs (Figure 5).

The Gulf region (bioregion) is characterised by gently undulating coastal plains along the southern Gulf of Carpentaria with scattered rugged areas of Proterozoic sandstones. Soils are predominantly sandy red earths and shallow gravelly sands. The climate is tropical with annual rainfall between 800 and 1200mm falling mostly between December and March; cyclones are a frequent phenomenon. Eucalyptus woodlands with grassy understory dominates the region with significant areas of tidal flats mangroves and littoral grassland. The field season generally runs from May/June to October in order to avoid monsoonal activity.
Figure 2 GR 256/12 Tenement Location over 250k and 100k mapsheets.
Figure 3 GR 256/12 Regional Location and access.
Figure 4 GR 256/12 Proximal Location.
GR 256/12 Amalgamated Annual Technical Report 2014

Figure 5  GR 256/12 location of pastoral properties.

3 TENEMENT

GR 256/12 Amalgamated Reporting was approved on 10\textsuperscript{th} September 2012 and covers the following tenements listed in Table 1.

Table 1 GR 256/12 tenement details

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Tenement_Name</th>
<th>sub blocks</th>
<th>sq km</th>
<th>Tenement_Licensee</th>
<th>Grant Date</th>
<th>Expiry Date</th>
<th>Licence Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL28054</td>
<td>Benmara</td>
<td>45</td>
<td>147</td>
<td>Toro Energy Ltd</td>
<td>7-Jan-11</td>
<td>6-Jan-17</td>
<td>Toro Energy Ltd</td>
</tr>
<tr>
<td>EL28750</td>
<td>Croanjula</td>
<td>49</td>
<td>160.2</td>
<td>Toro Energy Ltd</td>
<td>1-Nov-11</td>
<td>31-Oct-17</td>
<td>Toro Energy Ltd</td>
</tr>
<tr>
<td>EL28751</td>
<td>Creswell</td>
<td>39</td>
<td>127.5</td>
<td>Toro Energy Ltd</td>
<td>1-Nov-11</td>
<td>31-Oct-17</td>
<td>Toro Energy Ltd</td>
</tr>
<tr>
<td>EL28752</td>
<td>Pandanus</td>
<td>25</td>
<td>81.63</td>
<td>Toro Energy Ltd</td>
<td>1-Nov-11</td>
<td>31-Oct-17</td>
<td>Toro Energy Ltd</td>
</tr>
<tr>
<td>EL28806</td>
<td>Murphy</td>
<td>72</td>
<td>235.3</td>
<td>Toro Energy Ltd</td>
<td>6-Dec-11</td>
<td>5-Dec-17</td>
<td>Toro Energy Ltd</td>
</tr>
<tr>
<td>EL28840</td>
<td>Murphy East</td>
<td>129</td>
<td>421.8</td>
<td>Toro Energy Ltd</td>
<td>16-Feb-12</td>
<td>15-Feb-18</td>
<td>Toro Energy Ltd</td>
</tr>
</tbody>
</table>
4 GEOLOGICAL SETTING

The Benmara Group tenements (GR 256/12) lie within Toro’s McArthur project, straddling the boundary of the Dunmarra Basin, an intracratonic basin unconformably overlying the sedimentary rocks of the Palaeo to Mesoproterozoic McArthur Basin to the north and the Georgina Basin to the south (NTGS) (Figure 6 and Figure 7). The Lower Proterozoic Murphy inlier lies to the East and represents a basement high, comprising metasediments, felsic volcanics and the Nicholson granite, intruding the Murphy rocks. The Murphy metamorphics are interpreted (NTGS) as being unconformably overlain by sediments and volcanics of the Tawallah Group including the Westmoreland Conglomerate; host to the Westmoreland uranium district of the Southern McArthur Basin area of QLD. Here uranium mineralisation is associated with basal McArthur Basin sediments and the edges of mafic igneous intrusions. Other uranium occurrences are described by NTGS¹ as being associated with the Westmoreland Conglomerate and volcanic boundaries, Conglomerate and basic dykes, within the Murphy metamorphics, the basal section of the Seigal Volcanics and within faults and fractures of the Murphy Metamorphics. Several of these occurrences are associated with alteration; hematite/quartz/sericite/muscovite/chlorite. Gold is often also present.

¹ Calvert Hills 1:250,000 Metallogenic Map Series
Figure 6 GR 256/12 over NTGS Geological Regions 2500K.

Figure 7 GR 256/12 on NTGS Lithology interpretation and faults.
5 PREVIOUS EXPLORATION

Most previous exploration has focussed on diamonds, gold and base metals. Surface outcrop in the tenement area is sparse and very little drilling information is available apart from a few Ashton Mining holes in the south and some scattered water bores. Geophysical information is limited to 1000m spaced EM and 300m spaced TMI and 300m spaced radiometrics in the southern half of the licence. BHP found conductive anomalies (BW 1-7) which were interpreted to be hosted by the thin South Nicholson Group overlying Murphy metamorphics. A summary of previous explorers is included in Table 2 below.
<table>
<thead>
<tr>
<th>TENNUM</th>
<th>company</th>
<th>commodity</th>
<th>exploration_done</th>
<th>tenement overlap</th>
<th>relevancy</th>
<th>comments</th>
<th>COMPANY REPORTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>EL 6836</td>
<td>Carpentria Gold</td>
<td>Au</td>
<td>rchipseds</td>
<td>100</td>
<td>M</td>
<td>105 sseds low levels base metal</td>
<td>CR1991-0354</td>
</tr>
<tr>
<td>EL 7851</td>
<td>Ashton</td>
<td>BM Au</td>
<td>sseds</td>
<td>100</td>
<td>L</td>
<td>not prospective</td>
<td>CR1994-0039</td>
</tr>
<tr>
<td>EL 8997</td>
<td>BHP</td>
<td>BM sed h</td>
<td>mag ground EM AEM (Look)</td>
<td>5</td>
<td>M</td>
<td>STRUCTURAL sounding survey to investigate the electric</td>
<td>CR1996-0239,CR1997-0260,CR1997-0325</td>
</tr>
<tr>
<td>EL 9998</td>
<td>int. earthscan Plenty Min</td>
<td>alterati</td>
<td>landsat thematic mapper</td>
<td>adj</td>
<td>L</td>
<td>Structural geological and mineral alteration interpretation from Landsat TM satellite data</td>
<td>CR2002-0391</td>
</tr>
<tr>
<td>EL 22994</td>
<td>De Beers</td>
<td>diamonds</td>
<td>sseds</td>
<td>10</td>
<td>L</td>
<td>results were non kimberlitic</td>
<td>CR2003-0482</td>
</tr>
<tr>
<td>AP 3401</td>
<td>Esso</td>
<td>no work, desktop</td>
<td></td>
<td>30</td>
<td>L</td>
<td></td>
<td>CR1973-0103</td>
</tr>
<tr>
<td>EL 2232</td>
<td>Amoco</td>
<td>Cu Pb Zn Mc Riv</td>
<td>geochem.looking McRiv grph seds</td>
<td>adj</td>
<td>M</td>
<td>bedry Dun &amp; Sth Nic. Murphy, meta volcanics, ferrug lateritised Fe ridges. Bouger gravity target</td>
<td>CR1981-0033</td>
</tr>
<tr>
<td>EL 2111</td>
<td>Afmeco</td>
<td>U base metals</td>
<td></td>
<td>60</td>
<td>H</td>
<td>followed up several anom results discouraging.</td>
<td>CR1980-0194,CR1981-0123</td>
</tr>
<tr>
<td>EL 1339</td>
<td>Otter</td>
<td>sed U</td>
<td>13 holes,900m</td>
<td>90</td>
<td>H</td>
<td>Murphy met. follow up U in water bores. Concl wrong stratigraphy for sed U</td>
<td>CR1978-0038</td>
</tr>
<tr>
<td>EL 1235</td>
<td>Mines Admin.</td>
<td>U, Base metals</td>
<td>ground rad,drilling,perc.</td>
<td>5</td>
<td>H</td>
<td>All radioactivity so far detected is due to hematized fault breccias. Radioactivity is due to the pr</td>
<td>CR1977-0095,CR1979-0009,CR1980-0143</td>
</tr>
</tbody>
</table>

Table 2 Exploration history summary


Located to the east of Toro’s GR 256/12 lies a linear magnetic ridge with a ENE trend. This ridge coincides with what has been mapped at surface as Murphy Metamorphics by NTGS. Some 40km to the east (Figure 8) lies two uranium occurrences discovered by Mines Administration. Secondary uranium minerals are associated with dilated faulted contact between the Lower Proterozoic Murphy Metamorphics and its intrusive counterpart; the Nicholson Granite. One sample recorded 2500cps on the scintillometer in a highly weathered brecciated and sheared metamorphics. Petrography on this specimen described kaolinisation and hematisation of chert granophyres and rhyolite(?). Radioactivity was contained within veins within the kaolinite. Scans indicated secondary minerals including Carnotite and Torbenite as well as Brannerite.

Uranium mineralisation has also been reported by Amoco in 1981 approximately 30km to the southwest. Volcanics of the Murphy Metamorphic Ridge were reported and the unconformity between the Basement and Upper Proterozoic was examined with a scintillometer. Minor carnitote was found associated with pyritic shales and tuffs. The tenement was abandoned due to lack of McArthur Group sediments but acknowledged a potential for Cu and U. Bottom hole lithologies from historical drilling within GR 256/12 reveal both Proterozoic meta sediments, porphyritic volcanics and granites. Thus the opportunity for favourable uranium depositional sites could well exist.
6 PREVIOUS TORO EXPLORATION

A detailed desk top study of previous exploration was carried out by Toro at the beginning of tenure providing a basis for further exploration activities. A summary of the activities which were detailed in the 2012/2013 combined annual report (Rawlings, 2013) is as follows:

1. 2011 - Toro commissioned Thompson Aviation to carry out 1788 line kilometres (150 sq km) of magnetic/radiometrics (Thompson Aviation). Survey Details and data was submitted with Rawlings and Sullivan, 2012 (see References), area displayed in figure 9.
2. 2011 - An AAPA clearance was carried out for low and high impact exploration activities.

3. 2012 - historic drill core from the Mines Admin anomaly was inspected at the Darwin core facility to quickly and inexpensively assess the uranium potential of these areas, and ensure that base metal assays conducted by the sponsoring companies reflect the true composition of the rocks intersected. Selected samples were collected and assayed from BDH4 and BDH5 (Figure 10) via 4A_ICPMS at ALS (Table 3) (see Appendices for data).

Figure 9 Benmara Group tenements on NT magnetics and Toro-flown TMI
Results of the above examination and analysis of the core from the Darwin core facility included the following:

- Minor uranium anomalism was identified in the Mine Admin core (max 332 ppm), within the thermal aureole of a Nicholson Granite pluton, confirming historic assay results. U is likely refractory skarn type and not of great interest as a genuine target.

- Granite observed is undeformed megacrystic quartz-rich granite, typical of Nicholson Granite (Figure 11). Granite is homogenous pink (oxic) and clearly the source of the uranium.

- Murphy Metamorphics is homogenous brown quartz-lithic wackestone or psammopelite, metamorphosed to greenschist facies, and overprinted by thermal metamorphism associated with the granite (ie hornfels). There is very little evidence of mass fluid infiltration or metasomatism/skarn development.

- The boundary between granite and hornfels is likely to be a reactivated “passive” intrusive contact (Figure 11).

- Historic downhole gamma spikes occur at the intrusive contact, which is likely to be quite narrow. Only one of the historic spikes could be reproduced by hand held scintillometer (3 times background).

- Quartz-carbonate-sulphide veins occur throughout the unit and are not necessarily associated with gamma spikes (Figure 12).

- Poor core recovery explains the absence of uranium in core sample material. RC holes had better analytical results because of 100% recovery.

- The best assay result in the Benmara historic core is 332 ppm U over 0.7 m, in BDH5. This is accompanied by elevated phosphate.

- U will likely be in a refractory form (e.g., as Brannerite) and therefore is metallurgically “difficult”.

Figure 10  Map showing the location of drill core samples and rock chips samples collected during the reporting period.

Figure 11  Core photographs from Benmara. Left: Porphyritic Nicholson Granite. Right: passive contact between granite (pink) and hornfels (brown). BDH5.
4. 2012 - A reconnaissance visit was undertaken to determine ground conditions and access to proposed drill lines/targets.

5. 2012 - Coanjula Diamond Project corestack that resided within the licenses was visited by Toro staff and a rough inventory was completed; details were sent to the NTGS for their appraisal of what to do with the valuable resource.

2012 - Rock chips were collected from three sites within the project area (Figure 10; Figure 10; Figure 10;
6. Table 4). There were no anomalies in the dataset.

<table>
<thead>
<tr>
<th>DataSet</th>
<th>SampleID</th>
<th>Hole_ID</th>
<th>mFrom</th>
<th>mTo</th>
<th>Sample_Type</th>
<th>Sample_Method</th>
<th>Date_Sampled</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>McArthur 137931</td>
<td>BDH4</td>
<td>57.5</td>
<td>59.5</td>
<td>CORE</td>
<td>GRAB</td>
<td>23-Jul-12</td>
<td>hornfels where there is a downhole increase in cps - nothing on scint.</td>
<td></td>
</tr>
<tr>
<td>McArthur 137930</td>
<td>BDH5</td>
<td>48.5</td>
<td>49.2</td>
<td>CORE</td>
<td>GRAB</td>
<td>23-Jul-12</td>
<td>300cps on scint.in red altered hornfels</td>
<td></td>
</tr>
</tbody>
</table>
Table 4 Rock chips samples Benmara 2012

<table>
<thead>
<tr>
<th>SampleID</th>
<th>Orig_East</th>
<th>Orig_North</th>
<th>Lease_ID</th>
<th>Project</th>
<th>CPS_GR110</th>
</tr>
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<tr>
<td>137932</td>
<td>704508</td>
<td>8005217</td>
<td>EL28806</td>
<td>Benmara</td>
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<td>137933</td>
<td>705648</td>
<td>8005205</td>
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<td>Benmara</td>
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<tr>
<td>137934</td>
<td>708788</td>
<td>8015457</td>
<td>EL28806</td>
<td>Benmara</td>
<td>110</td>
</tr>
</tbody>
</table>

7. 2012 - Recommendations for drilling targets and a general way forward for exploration in the area were made that included 250 shallow aircore holes on tenements EL28054, EL28806, EL28750, EL28751 and EL28840.

7 TORO EXPLORATION IN THE REPORTING YEAR

A downturn in the uranium market forced Toro into immediately putting on hold any of the planned exploration drilling for 2013 on the Benmara Project and re-assessing its company operating strategy and commodity focus. In 2013 Toro undertook a detailed prospectivity analysis to identify targets, both uranium and non-uranium. Non-uranium targets were then used to interest potential JV partners, however no JV interest was generated.

Uranium targets were then assessed and prioritised relative to all other uranium targets on Toro held ground within the Northern Territory and Western Australia. Using this assessment, Toro then identified exploration ground with no to only low ranked priority uranium targets to be surrendered. By late 2013 these decisions had been made and EL28750, EL28751 and EL28806 were surrendered from the Benmara Project tenure.

8 EXPENDITURE

For expenditure incurred during the previous year of leases, please refer to associated individual Reports.
9 CONCLUSIONS AND RECOMMENDATIONS

Work during 2013 culminated in Toro surrendering in full EL28750, EL28751 and EL28806. It is recommended that Toro re-assesses the remaining ground for prospectivity again in early 2014 to further reduce Toro’s tenure and commitment to the area. Only ground with high priority uranium targets relative to all other uranium targets that Toro has on other ground in both the Northern Territory and Western Australia should be maintained in the current economic climate and uranium market.

10 REFERENCES


Rawlings, D.J. (2012), Report on core analysis of open file drill core gathered from historic drill holes on EL29476 (Seigal) and EL28040 (Limbunya) in NT, July, 2012. NTGS.