### Combined Annual and Final Technical Report

**For Period**

30 March 2012 to 18 February 2016

**GR285**

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<table>
<thead>
<tr>
<th>Title Holder</th>
<th>Toro Energy Ltd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operator</td>
<td>Toro Energy Ltd</td>
</tr>
<tr>
<td>Tenement Agent</td>
<td>Austwide Mining Title Management Pty Ltd</td>
</tr>
</tbody>
</table>
| Title(s)              | EL 26987 Wini Hills  
EL 27301 Viscount Bore |
| Project               | Reynolds Range North |
| Report Title          | Combined Annual and Final Technical Report for period  
30 March 2012 to 18 February 2016  
GR285 |
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| 250k Mapsheets        | Mount Peake (SF5305), Mount Theo (SF5208) |
| 100k Mapsheets        | Patricia (5255), Studholme (5355), Giles (5354), Turners Dome (5254) |
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SUMMARY

This Combined Annual and Final Technical Report for Reynolds Range North group tenements (GR285) covers work carried out by Toro Energy Ltd ("Toro", ticker code “TOE”) over the duration of tenure since grant on 30 March 2012 until surrender on 18 February 2016.

Work Conducted includes.

- Tempest AEM survey covering portions of the two tenements as follow up to anomalous drilling results on neighbouring tenement.

Reason For Surrender

- Due to the current depressed nature of the Uranium industry, Toro has elected to shift resources away from Greenfields exploration to better develop known deposits.
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1 INTRODUCTION

This report outlines the work conducted by Toro Energy Limited (“Toro”; ASX ticker code “TOE”) within the exploration tenements EL 26987 (Wini Hills) and EL 27301 (Viscount Bore) over the duration of tenure since grant on 30 March 2012.

This tenement group is located some 280km north-northwest of Alice Springs (Figure 1; Figure 2) in the Reynolds Range province on the Mt Peak and Mt Theo 1:250,000 map sheets (Figure 3). The project lies within the Pawu and Central Desert Aboriginal Land Trusts (Figure 5), both managed by the Central Land Council (CLC), with whom Toro has a registered ALRA access agreement.

The Reynolds Range region is semi-arid with monsoonal influences, with 75-80% of rainfall occurring in the summer months. Annual rainfall is generally higher in the north of the region. The mean annual rainfall for Tennant Creek (to the North) is 375 mm. Rainfall is extremely erratic.

Figure 1 Reynolds Range North tenement location

Most of the region is sand plains with minor sand dunes containing Spinifex, Acacia, Blue Gum and Mallee scrub plants. Adjacent hilly range country is covered by Spinifex (hummock grassland) and a variety of stunted vegetation. Drainage from the high-relief ranges quickly dissipates into shallow water courses and floodplains that break up the sand plains, or locally into ephemeral salt lakes. The principal geographical feature of this tenement is the Lander River and its floodplain, immediately east (Figure 4; Figure 6).

Access to the region is from either Alice Springs via the Stuart Highway, Tanami Road and station tracks or Tennant Ck via the Stuart Highway, Willowra Rd, Mt Barkly Rd and station tracks. Access within the tenements is via old station tracks, but these are few, so most exploration will take place via cross-country.
Figure 2 Original Reynolds Range North tenement location on topographic base, showing main access routes
Figure 3 Original Reynolds Range North tenements over 250k and 100k mapsheets

Figure 4 Original tenement boundaries on Google Earth image
Figure 5 Original Reynolds Range North showing land title (Aboriginal freehold leases and pastoral properties)
Figure 6 Original Reynolds Range North Tenement map on topographic base
2 TENEMENT

Exploration Licences 26987 (Wini Hills) and 27301 (Viscount Bore) were granted simultaneously on 30 March 2012 to Toro Energy Ltd for a period of 6 years. The Wini Hills and Viscount Bore leases were surrendered during their fourth year of tenure. Details of the tenements are shown in Figure 7, Figure 8 and Table 1.

<table>
<thead>
<tr>
<th>Tenement</th>
<th>Name</th>
<th>Status</th>
<th>Blocks</th>
<th>(\text{km}^2)</th>
<th>Land type</th>
<th>Cessation date</th>
</tr>
</thead>
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<tr>
<td>EL26987</td>
<td>Wini Hills</td>
<td>Surrendered</td>
<td>218</td>
<td>696.2</td>
<td>ALRA</td>
<td>18/02/2016</td>
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<tr>
<td>EL27301</td>
<td>Viscount Bore</td>
<td>Surrendered</td>
<td>129</td>
<td>378.6</td>
<td>ALRA</td>
<td>18/02/2016</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>Total</strong></td>
<td><strong>Total</strong></td>
<td><strong>347</strong></td>
<td><strong>1074.8</strong></td>
<td><strong>ALRA</strong></td>
<td><strong>18/02/2016</strong></td>
</tr>
</tbody>
</table>

Table 1 Tenement details
Figure 7: Tenement EL27301 before surrender
Figure 8: Tenement EL26987 before surrender
3 GEOLOGICAL SETTING

The Reynolds Range North project area lies within the Arunta-Georgina region of the Northern Territory (Figure 9; Figure 10). Basement is comprised of Palaeoproterozoic to Mesoproterozoic metasedimentary and granitic rocks assigned to the Aileron Province, of the Arunta Complex. These include metasedimentary units of the Lander rock beds, and granites and orthogneisses of various age ranges. The latter are notably highly-radiogenic, hosting numerous veins and pegmatites with anomalous uranium and thorium beyond the project area. These rocks are overlain by Neoproterozoic to Devonian sediments of the Georgina Basin, although in the project area these are poorly understood in terms of age and thickness. For a large part of the project area, the basement rocks are overlain by a veneer of Tertiary to Recent clastic sequences, derived by erosion of the radiogenic granites in the Reynolds Range to the south.

Uranium mineralisation is known in the region and is restricted (thus far) to the Proterozoic Aileron Province and Carboniferous Ngalia Basin to the south of the project area (Figure 12). Uranium at Nolans Bore (Arafura Resources), to the southeast, occurs in phosphatic and REE-enriched metasomatic pods and veins within the high-metamorphic-grade Lander Rock beds. This deposit is subject of ongoing feasibility studies. Uranium is also present in high grades at Bigrlyi (Energy Metals-Paladin JV) to the west, within carbonaceous sandstones of the Mt Eclipse Sandstone. The deposit is a roll-front style formed during uplift and deformation of the basin in the Carboniferous.

The project area itself is 100% regolith covered (Figure 10), so interpretations of the bedrock are based largely on geophysics, since there is very little historic drilling. Based on geophysics (Figure 11) and extrapolation of the exposed geology adjacent, the underlying geology comprises folded greenschist to amphibolite facies metaturbidites, sodic granites, gneisses and minor amphibolites, and basic and metabasic intrusions. Major northwest shears cut the sequence and are associated with barren quartz intrusion.

The survey area also appears to be largely underlain by a previously-unknown thick sub-basin of the Georgina Basin. Although the Georgina Basin has been mapped in this area by the NTGS, it has been presumed to be a thin remnant of Neoproterozoic Arumbera Sandstone. However, the magnetic data (Figure 11) suggest it is quite thick and is intruded by NW-trending magnetic dykes of a young generation, perhaps correlating to the Antrim Volcanics to the northwest. This Georgina sub-basin will likely contain a greater diversity of Georgina stratigraphy, as this is typical of other Centralian Superbasin-aged sub-basins. This stratigraphy possibly includes hydrocarbon source rocks equivalent to the Arthur Creek Formation to the east. This sub-basin is disconnected from the Georgina Basin to the southeast and may be somewhat tectonised.
Figure 9 Original Reynolds Range North tenements over major geological units

Figure 10 Original Reynolds Range Tenements over Local 250k geology
Tertiary to recent cover comprising lateritic sands and clays, calcrete and ferricrete is common throughout the project area and exhibits depths in the order of 70m in historic drilling, but during Toro’s 2010 drilling program to the south in Mt Denison was found to be at least 200m thick in places. These sediments, which constitute the Tertiary Lake Lewis Basin, are poorly understood compared to other areas of the NT, largely because the basin has not attracted the attention of explorers for its mineral economic potential. Some calcrete shows replacement by chalcedonic silica and this silcrete has been demonstrated to be uraniferous, with a chip sample grading 500ppm in the region.

The present static watertable is significantly below the base of calcrete in drilling and thus is older than the present hydrogeological scheme. This is likely to have an influence on both the preservation and appropriate media of trap sites for secondary uranium mineralisation and the recognition of palaeo flow directions and source rocks.
Figure 12: Known mineralisation occurrences
4 PREVIOUS EXPLORATION

There is no company-sponsored airborne geophysical data over the project area, but there are two NTGS surveys as per Table 2.

<table>
<thead>
<tr>
<th>Name</th>
<th>Overlap (%)</th>
<th>Type</th>
<th>Contractor</th>
<th>Aircraft</th>
<th>Positioning</th>
<th>Date</th>
<th>Orientation</th>
<th>Spacing(m)</th>
<th>Height(m)</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mount Peake</td>
<td>90</td>
<td>TMI, Radio metrics</td>
<td>Kevro</td>
<td>Fixed wing Rockwell Aero commander</td>
<td>Real time DGP S</td>
<td>1995</td>
<td>180</td>
<td>500</td>
<td>100</td>
<td>Caesium Vapour Scintrex</td>
</tr>
<tr>
<td>Mount Theo-Highland Rocks</td>
<td>10</td>
<td>TMI, Radiometrics, DTM</td>
<td>AGSO</td>
<td>Fixed Wing Rockwell Aerocommander Shrike 500S VH-BGE</td>
<td>Real time DGP S</td>
<td>1993</td>
<td>180</td>
<td>500</td>
<td>90</td>
<td>NaI(Tl)</td>
</tr>
</tbody>
</table>

Table 2 Historic geophysical data from the survey area.

Figure 13 Project area with historical tenements, soil sample locations (brown dots), Alcoa drillhole collars (red stars), stream sediment samples (light blue), other drilling (black stars), rock chips (purple diamonds).

Limited historic exploration in the Reynolds Range region has been focussed on the uranium (cover) and gold (basement) systems to the south of the project area near the Reynolds Range. Uranium explorer, Alcoa, drilled south and east of the project area, but not within it (Figure 13).
Their program consisted of numerous widely-spaced regional stratigraphic mud rotary boreholes aimed at palaeochannel uranium. However, their program suffered from a lack of baseline data with which to plan drilling. Essentially, the drillholes were planned on a regional grid to cover vast areas of tenure, and as a result did not establish any discrete roll fronts, but noted differences in redox state between wide-spaced holes. Roll fronts have a narrow surface expression and require close spaced drilling in numerous campaigns. A single regional campaign simply establishes the “framework” for the sedimentary environment and the propensity of the sediments to host mineralisation somewhere. The majority of the drilling within the project area consists of shallow aircore and RAB holes designed to establish basement depth and geology (Normandy, North Flinders) (see Figure 13 and refer to Table 4). Uranium was not considered in their exploration model and was not analysed for.

| TenNum | Cover-age (%) | Company           | Reports | Commodity | Granted | Ceased   | Exploration                                                                 | Comments                                                      | Relevance 1 to 5 | Report Numbers         |
|--------|---------------|-------------------|---------|-----------|---------|---------|-------------------------------------------------------------------------------|                                                              |                  |                        |
| EL767  | 5%            | Tanganyka Holdings| 1       | U, Au, base metals | 24/2/73| 23/2/74 | Ground rese, radiometric readings                                             | A number of U anomalous zones with values up to 660ppm U obtained from shears | 2                  | CR1974-0019               |
| AP3171 | 5%            | Tanganyka Holdings| 1       | U, Au, base metals | 30/5/71| 30/8/72 | Ground rese, radiometric readings                                             | A number of U anomalous zones with values up to 660ppm U obtained from shears | 2                  | CR1973-0005               |
| EL2687 | 30%           | ALCOA of Australia| 1       | U         | 17/11/83| 16/11/81| Ground resistivity surveying, rotary mud drilling                             | Drilling outlined over 200m of Tertiary sediments. All holes gamma logged with anomalous peaks in 12 of the 36 holes logged. | 5                  | CR1982-0012               |

Table 3 Historical Exploration
EL 9560 and EL9561

Normandy NFM explored both EL9560 and EL9561 for Au from 1999 to 2002. During the 2nd year of tenure lag and rock chip samples identified the Silver Fox prospect with peak Au values of up to 11.3ppb with elevated arsenic.

EL 8473

Normandy NFM aircore drilled for Au targeting ground magnetic anomalies. No anomalous Au assays with maximum As value of 18ppm and 3ppm Bi.

EL 2687

Alcoa of Australia Ltd Rotary Mud Drilling in 1981 outlined over 200m of Tertiary sediments. All holes were gamma logged with anomalous peaks in 12 of the 36 holes logged. Anomalous U values of 12 -14ppm were recorded in two holes. No significant geochemical anomalies were obtained in any of the other elements analysed. Assaying did not match the U values in the gamma logs indicating disequilibrium in the area. Maximum 40ppm U value from an assay in the area was recorded by CRAE in 1972.
AP 3171 and EL767

Tanganyika Holdings Pty Ltd in 1972 reported that "A number of uranium mineralised shears exist within the area." One rock sample in the area assayed 660ppm U. They reported other mineral occurrences including Cu, Tungsten, Pb, Tantalum, Sn and Au. An AMDEL report CR19740019 indicated elevated U values in the samples ie higher than typical background but that overall values were quite low. Highest values occur in holes drilled where limestone or calcrete is visible at the surface.

EL7633

Sons of Gwalia explored EL7633 from 31/12/93 to 23/11/98 for Au. A total of 1,624 holes were drilled during the period of tenure. Several low level Au and base metal anomalies were discovered with the most significant being a zone of elevated Cu and Au in the SE part of EL7632. Best results of 0.8% Cu and 68 ppb Au were returned.

Toro’s Exploration on Mt Denison (Reynolds Range South Project)

In 2010, Toro undertook an aircore drilling program over granted parts of the Reynolds Range South project area where there was existing electromagnetic coverage, south of Reynolds Range North Project. During this program, Toro discovered distinctive redox interfaces and moderate uranium mineralisation in Tertiary unconsolidated sands and clays in the NE corner of Toro's Mt Denison tenements (refer Table 4; Figure 14). A total of 39 aircore holes were completed for 3,501m.
Figure 14: Area of immediate interest situated in the NE corner of the Mt Denison tenements.

<table>
<thead>
<tr>
<th>Hole Number</th>
<th>Anomalous interval thickness (m)</th>
<th>Start (m)</th>
<th>Average grade eU₃O₈ (ppm)</th>
<th>Peak eU₃O₈ Result (ppm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RP00024</td>
<td>0.52</td>
<td>159.13</td>
<td>136</td>
<td>194</td>
</tr>
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<td>RP00026</td>
<td>0.26</td>
<td>150.56</td>
<td>79</td>
<td>100</td>
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<td>RP00027</td>
<td>0.6</td>
<td>159.00</td>
<td>151</td>
<td>350</td>
</tr>
<tr>
<td>RP00031</td>
<td>0.28</td>
<td>139.03</td>
<td>84</td>
<td>100</td>
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<tr>
<td>And</td>
<td>0.44</td>
<td>141.31</td>
<td>92</td>
<td>137</td>
</tr>
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</table>

Table 4 Significant gamma-derived uranium intersections from aircore drilling in the Reynolds Range project (using a 75ppm eU₃O₈ cut off).

Figure 15 is a drill section from the uranium anomalous area of the Mt Denison tenement and illustrates the lateral change in redox conditions observed, grading over several kilometres from reduced interbedded sands and clays in the east, to an oxidised sequence in the west. This is typical of a sedimentary redox front where uranium is likely to be concentrated. The orientation and continuity of the redox front is unknown.
Geophysics

In November-December 2012 Toro Energy conducted two Tempest airborne electromagnetic (AEM) surveys covering EL26287, EL26987, EL27301, EL29396, EL28512, ELA28512 and ELA28997 (moratorium), the “Reynolds Range tenements”, covering a total of 1,396 km² approximately 290 km northwest of Alice Springs. These comprised a regional survey and a detailed survey, as per Table 1. The regional survey was awarded funding under the collaborative geophysical program of the NT Department of Mines and Energy and involved the acquisition, processing and interpretation of approximately 911 line kilometres (1500m line spacing) of aircraft-borne electromagnetic data.

Table 5 AEM survey statistics, Reynolds Range, 2012

<table>
<thead>
<tr>
<th>Survey area</th>
<th>Name</th>
<th>line km</th>
<th>area km²</th>
<th>line spacing</th>
<th>orientation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Reynolds regional</td>
<td>911</td>
<td>1247</td>
<td>1500m</td>
<td>East-west</td>
</tr>
<tr>
<td>3</td>
<td>Reynolds detailed</td>
<td>313</td>
<td>149</td>
<td>500m</td>
<td>035°</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>1224</strong></td>
<td><strong>1396</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Figure 16 Location of co-funding survey areas in NT, on regional magnetic image.

Figure 17 Tempest survey grid for Reynolds Range, on regional TMI.
Tempest conductivity grids and Conductivity Depth Images show that:

- A large palaeodrainage network (magenta and red colours in Figure 19) is evident as a broad sinuous conductive "plume", which emanates southeast of the survey area in the Reynolds Ranges, and propagates northward across the flat landscape overlying the Georgina Basin and Arunta Complex.
- This palaeochannel is approximately 15-20 km across and 200 m thick, increasing in thickness to the north and apparently decreasing marginally in gross conductivity.
- This palaeochannel was probably deposited in the Tertiary and is now providing a conduit for northward dispersion of saline (uranium-bearing?) groundwater.
- The surrounding sand plain is much less conductive (blue to orange colours in Figure 19) and is interpreted to be a similar thickness sequence as the palaeochannel, but comprised of less permeable sands with fresher groundwater.
- Below this drainage system, within the Georgina Basin, there appears to be a series of linear northwest oriented faults that may have controlled deposition and subsequent basin inversion and possibly hydrocarbon leakage.
- The modern drainage systems, including the Lander River, are not reflected in the subsurface electromagnetic data, indicating that the underlying palaeochannels are of an older generation when the depositional environment and setting were different to today.
- The boundary between interpreted conductive and resistive sediments correlates to anomalous uranium intersections made by Toro at Mount Denison in 2010 (Figure 20).
5 EXPLORATION COMPLETED IN THE FINAL REPORTING PERIOD

During the final reporting period no on-ground exploration activities were undertaken across any of the tenements included in this report.

A downturn in the uranium market forced Toro to re-assess its company operating strategy and commodity focus and Toro undertook a detailed prospectivity analysis to identify targets, both uranium and non-uranium.

As a result of the prospectivity analysis Toro surrendered EL26987 and EL27301. These tenements were determined to be of low priority for exploration and have been surrendered accordingly.

6 EXPLORATION EXPENDITURE

Refer to individual licence expenditure reports for details of expenditure over the life of the tenements.

7 CONCLUSIONS

Main results and conclusions:

- No on-ground work undertaken during the final reporting period
- Geological interpretation of data concluded
- Both tenements were surrendered in full
8 REFERENCES


