

News Release:
22nd July 2016, Guernsey

Mako Gold Project – Mining Concession Award

Toro Gold Ltd (“Toro Gold” or the “Company”) is pleased to announce the award of a Mining Concession in respect of its wholly owned Mako Gold Project (the “Project”), situated in the Kedougou region of Eastern Senegal. After constructive and successful negotiations with the Government of Senegal in respect of the technical, environmental and social and fiscal aspects of the Project during late 2015 and the first half of 2016, a presidential decree was signed on 14th July 2016 awarding a 15 year mining concession to the Project.

Based on the award, Toro Gold will now finalise the raising of development funding through a combination of a US\$100m secured loan facility and a US\$77m equity placement to leave the Company fully funded to first gold production inclusive of construction cost contingency, development cost overrun support, working capital and corporate costs. Further, the Company will move to commence construction activities through the appointment of construction contracting groups within a short time frame with production of first gold targeted for the first quarter of 2018.

Martin Horgan, Chief Executive Officer and Director of Toro Gold, commented:

“We are delighted to have reached this significant milestone in the development of the Project after the successful conclusion of discussions and negotiations with our partners in the Government of Senegal. Since establishing the Company in 2009, Toro Gold has been active in Senegal and made the greenfields discovery at Mako in 2011. In spite of the difficulties faced by the junior mining sector over this period, Toro Gold has been able to progress the Project based on its robust forecast returns and the attractiveness of Senegal as a stable and supportive jurisdiction for international investors. We would like to thank all our stakeholders in the Project for their support which has enabled the Company to arrive at the start of construction in this short space of time since the initial discovery only 5 years ago. We look forward to commencing construction activities in the immediate short term and updating you in due course.”

Project Overview

The Project is developing a + 1 million ounce reserve, at an average grade of 2.25g/t, which is planned to be extracted over an 8 year operating life after an initial 18 month construction period. Extraction of reserves will be via an open pit mine employing a contract mining approach resulting in an average life of mine strip ratio of 5.1t_(waste) : 1.0t_(ore). The mining operations will provide mill feed for a 1.8 mtpa CIL plant which utilises a primary crushing / SAG Mill circuit which averages ~90% recoveries over the life of mine. Other infrastructure includes a 14MW diesel powered power station, an integrated waste rock dump and tailings management facility, a 130 man camp and a ~1 million cubic meter water storage dam.

The Project is forecast to produce an average of 137,000 ounces of gold per annum over the first 6 years of production at an average grade in excess of 2.5g/t. When combined with the moderate stripping ratio this leads to an AISC of below US\$750/oz for the same 6 year period which places the Project competitively on the operating cost curve.

There remains excellent potential to extend the resource and reserve base of the Project both from within the existing mining concession area and within a 25km radius of the Project where satellite deposits could form the basis of truckable mill feed.

The Project configuration has been completed with significant consideration of both the social and environmental setting of the project location. While noting that the Project footprint lies outside the Niokola-Koba National Park (“NKNP”) and its associated buffer zone, the infrastructure design is seeking to minimise the footprint and utilises the local topography to ensure a sympathetic infrastructure layout that meets the needs of both local communities and the surrounding environmental conditions. The Project has been designed to be constructed, operated and closed in line with both Senegalese and international regulatory requirements in respect of its environmental and social performance.

Award of the mining concession has been underpinned by the development of a comprehensive environmental and social management plan that spans all stages of the Project’s life and specifically recognises the environmental sensitivity of the Project development area arising from its proximity to the NKNP and the Gambia River. To this end, a detailed Biodiversity Action Plan was developed by the Company which outlines the strategy for mitigating Project-related impacts and offsetting residual impacts to achieve at least a No Net Loss of biodiversity. The Company has already commenced a biodiversity offset programme comprising landscape level conservation actions covering areas both within and outside the NKNP. The Company has put in place an independent Advisory Panel comprised of eminent national and international conservationists to guide the development of the offset programme. We believe that this will help to deliver a forward thinking, constructive engagement model for conservation management in Senegal.

The Project has been designed to avoid the need for physical displacement (resettlement), however there will be some unavoidable impacts on lands that will result in a partial loss of livelihood for some families. The Company has worked closely with affected communities to understand the extent of the livelihood impacts and reach agreement on appropriate compensation and mitigation measures. A negotiated agreement for land acquisition and livelihood restoration was finalised in June 2016.

An independent review of our work conducted in March 2016 concluded: *‘Social License to operate is excellent, with community relationships built up through a multi-layered engagement process over several years, resulting in strong perceptions of transparent, collaborative working relationships in a partnership arrangement’.*

Cautionary Note Regarding Forward Looking Statements

This Press Release may contain statements which constitute “forward-looking”, including statements regarding the plans, intentions, beliefs and current expectations of the Company, and its directors, or officers with respect to the future business activities and operating performance of the Company. The words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” and similar expressions or the negative thereof, as they relate to the Company, or its management, are intended to identify such forward-looking statements.

Investors are cautioned that any such forward-looking statements are not guarantees of future business activities or performance and involve risks and uncertainties, and that the Company’s future business activities may differ materially from those in the forward-looking statements as a result of various factors.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. These forward-looking statements speak only as at the date of this press release. Although the Company has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update these forward-looking statements.