



QUARTERLY ACTIVITIES REPORT

for quarter ending:

31 December 2013

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Toro finishes the December 2013 quarter having grown the both the scale and quality of the Resource base at the Wiluna Uranium Project and improved its working capital position by securing a significant new investor.

CORPORATE

- Completion of acquisition of Lake Maitland Uranium Project including \$1.5 million cash from Mega Uranium for consideration of 415 million shares.
- \$2.0 million in additional equity subscriptions from Oz Minerals and Pinetree Capital.
- Mr Richard Patricio and Mr Richard Homsany appointed to the Toro Board of Directors.
- Meetings held in Tokyo with the IMEA (Itochu) and JAURD - Project Partners at Lake Maitland who own an option to acquire a 35% interest in Lake Maitland for US\$39 million.
- \$10 million equity Subscription Agreement signed with RealFin Capital Partners, first tranche of \$1 million received January 2014.
- Cash at end of the quarter was \$9.2 million.

WILUNA URANIUM PROJECT

- Acquisition of Lake Maitland increases total Wiluna Resource by 42%
- 2013 drilling campaign at Centipede, Millipede, Lake Way and Dawson Hinkler results in significant improvement in Resource confidence. 80% of all regional Resources in the Project are classified as Measured or Indicated.
- All Resources at Wiluna now reported in accordance with the JORC code 2012.
- Significant upgrade of Project Resource enables higher grade mine development to be pursued:
 - 21.4Mt @ 898ppm for 42.3Mlb U₃O₈ at 500ppm cut-off;
 - 72.5Mt @ 479ppm for 76.5Mlb U₃O₈ at 200ppm cut-off.
- Resources highlight the potential for a higher grade development, to be further examined during feasibility studies in 2014.
- Tetra Tech Proteus engaged to undertake mining scoping studies integrating the Centipede, Millipede, Lake Maitland and Lake Way deposits.
- Discussions were initiated with the Western Australian and Federal Governments regarding environmental assessment of mining at Millipede and Lake Maitland.

URANIUM MARKET

- Little price movement during the quarter, spot pricing at 31st December 2013 at US\$34.75/lb.
- Long term price indicator stable at US\$50.00/lb.
- End of the Russia-US "Megatons to Megawatts" program, signalling a significant reduction in available secondary uranium supply.

- Supply disruptions at Rio Tinto's Rossing and Ranger Uranium mines, Energy Fuels shut in production at White Mesa in preference to purchasing uranium at spot to fill contracts
- Further two new reactors commenced construction in China, and one reactor commissioned during the period.

EXPLORATION

- Reconnaissance surveys carried out at the Theseus Project and other exploration properties in Northern Territory.
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1. Corporate and Finance

1.1. Completion of Lake Maitland

The Lake Maitland acquisition completed on 19th November 2013 following Foreign Investment Review Board and Toro shareholder approval in October 2013. Toro acquired the Lake Maitland Project and \$1.5M in cash from Mega Uranium for 415 million shares in Toro. At completion, each of Oz Minerals Limited and Pinetree Capital Ltd subscribed for \$1 million of new shares in Toro at 8 cents per share. Total funds raised on the acquisition of Lake Maitland were \$3.5 million.

As a result of the acquisitions and the equity financings, Mega Uranium became a 28% shareholder of Toro with Oz Minerals holding 28.5%. Subsequently in December 2013, Toro issued 7,946,777 shares to Azure Capital Ltd as part payment for professional corporate advisory services provided to Toro for the acquisition.

1.2. Lake Maitland Project Partners

In December Toro and Mega Uranium met with representatives from JAURD International Lake Maitland Project Pty Ltd (**JAURD**) and Itochu Minerals & Energy of Australia Pty Ltd (**IMEA**) who have an option to acquire a 35% interest in Lake Maitland for US\$39 million and participate in the financing and development of that deposit.

The aim of this first meeting was to formally hand over the relationship from Mega Uranium to Toro, introduce the project partners to the potential synergies of consolidating the Resources at Lake Maitland with the balance of Toro's 100% owned Wiluna Project and outline the development plans for Wiluna and Lake Maitland.

The option agreement is a significant asset to the development of Lake Maitland, potentially providing construction capital to Toro and marketing arrangements for finished product.

1.3. Equity Subscription Agreement

In December 2013, Toro signed a binding Subscription Agreement with RealFin Capital Partners (**RealFin**) of South Africa for the investment of up to \$10 million in new equity in Toro.

The Subscription Agreement consists of a \$5 million equity subscription (**Initial Subscription**) and an additional \$5 million optional equity subscription that can be subscribed to at any time until 1st July 2014 (**Additional Subscription**).

The Initial Subscription is payable in three tranches. In January 2014 Toro received the first tranche of \$1 million and issued 13,698,630 shares at 7.3 cents per share. The second tranche of \$2 million is to be subscribed on or before 28th February 2014 and the final \$2 million is to be subscribed on or before 31st May 2014. The Additional Subscription can be subscribed to by RealFin or its nominees at their sole election any time up until 1st July 2014.

Tranches 2 and 3 of the Initial Subscriptions and the Additional Subscription will be priced at a 10% discount to the 30 day VWAP immediately prior to the relevant Subscription Dates.

If RealFin or its nominees dispose of any Shares issued under the Subscription Agreement before the Subscription Date for the next tranche of funding from the Initial Subscription or the exercise of the Additional Subscription, Toro can elect not to complete those further Share issues.

1.4. Corporate

Following Toro's annual general meeting on 28th November 2013, Mr Richard Patricio and Mr Richard Homsany were appointed to the Toro Board as nominees of Mega Uranium. Mr Patricio has been an Executive Vice President of Corporate Affairs at Mega Uranium since April 2006 as well as Vice President Legal, Corporate Affairs and Investor Relations at Pinetree Capital since November 2005. He has a background in law and has extensive experience in Canadian and global capital markets experience. Mr Homsany has been Executive Vice President Australia at Mega Uranium since April 2010. He is a qualified lawyer and CPA with significant resources and energy sector public company management experience.

Donald Stephens retired from the position of joint Company Secretary in November 2013.

At the end of the quarter, Toro had 1,503,582,083 ordinary shares on issue and \$9.2 million cash on hand.

2. Wiluna Uranium Project (WA)

2.1. Resources

During the quarter the Company finalized the results of the 2013 Resource drilling campaign and re-estimation at the Wiluna deposits. The drilling program was designed to improve Toro's geological understanding of the resource model, confirm existing data and lift the classification of Inferred Resources to the Measured and Indicated categories.

The program consisted of 435 holes for 8,106 metres across the Centipede, Lake Way, Millipede and Dawson-Hinkler deposits and was completed on time and on budget.

In November, the following Resources were reported in accordance with JORC 2012, at both a 200ppm and 500ppm cut-off:

Resources Table ¹ Wiluna Uranium Project							
		Measured and Indicated		Inferred		Total	
		200 ppm Cut-off	500ppm Cut-off	200 ppm Cut-off	500ppm Cut-off	200 ppm Cut-off	500ppm Cut-off
2013 Total Wiluna Project JORC 2012 ²	Ore Tonnes (Mt's)	53.5	18.5	19.0	2.9	72.5	21.3
	Grade (ppm)	519	915	365	791	479	898
	Mlb's U ₃ O ₈	61.2	37.1	15.3	5.1	76.5	42.3
2012 Total Wiluna Project JORC 2004	Ore Tonnes (Mt's)	15.0	Refer Note ³	40.2	-	55.2	-
	Grade (ppm)	527	-	408	-	441	-
	Mlb's U ₃ O ₈	17.5	-	36.2	-	53.7	-

¹ Refer ASX announcement dated 19th November 2013 for the full breakdown of 2013 Resources by deposit.

² Tonnes and pounds are quoted to one decimal place which may cause rounding errors when tabulating.

³ Resource estimates for Wiluna at a 500ppm cut-off were not published in November 2012.

Completion of Toro's drilling, re-estimation and project acquisition activities in 2013 has resulted in a 43% increase in the 200ppm cut-off Wiluna Resource to 76.5 Mlb and increased the proportion of Resources classified as Measured and Indicated to 80%.

Importantly, those efforts have also translated into the identification and first publication of a significant high grade Resource. At a 500ppm cut-off, the project consists of 21.3 Mt @ 898ppm for 42.3 Mlb. Of this, 17.9 Mt @ 930 ppm for 36.7 Mlbs is based at the mine development properties of Centipede, Millipede, Lake Maitland and Lake Way and 98% of these Resources are classified as Measured or Indicated.

These findings highlight the potential for a higher grade development at Wiluna, to be further examined during feasibility studies in 2014.

2.2. Mining

Toro engaged Tetra Tech-Proteus to complete a mining scoping study to provide preliminary mining schedules for the Centipede, Millipede, Lake Maitland and Lake Way deposits. The work included reviewing and defining the mining approach, fleet requirements and conducting whittle pit shell optimisations based on revenue and cost criteria provided by Toro. The work will provide the basis for project financial modelling, cost estimation and indicative mine design to be examined in more detail in 2014.

2.3. Approvals and Community

Discussions were initiated with the Western Australian Environmental Protection Authority and the Federal Department of Environment regarding environmental assessment of mining at Millipede and Lake Maitland. Toro plans to refer both projects in early 2014 to commence the government assessment and approval process.

At a meeting in December, a draft framework mining agreement in respect of Centipede, Millipede and Lake Way deposits and processing facility was presented by the Wiluna Native Title Holders for Toro's consideration. Negotiation of the mining agreement will continue during 2014.

In October Toro met representatives of the Yugunga-Nya people and the Yamatji Marlpa Aboriginal Corporation at Meekatharra to initiate discussions about an exploration programme on its Nowthanna tenements south of Meekatharra.

2.4. Tenements

Toro's land package increased significantly during the quarter due to the acquisition of the Lake Maitland Uranium Project. Refer section 5 for a summary of tenements.

3. Uranium Market

The spot uranium price at the end of the quarter was US\$34.50/lb U₃O₈, consistent with trading levels at the end of September 2013. The long term uranium price remained at approximately US\$50.00/lb during the quarter⁴.

There have been no material changes to demand outlook during the quarter with the emerging economies committed to the significant growth in reactor build out programs. Further, in the UK the government announced that France's EDF Energy will lead a consortium, which includes Chinese investors, to build the Hinkley Point C plant in Somerset.

Supply side disruptions deepened during the quarter. December saw the end of the secondary uranium "Megatons to Megawatts" program between Russian and the United States. The program was a steady and major component of predictable secondary supply for 20 years and accordingly is believed to have had an adverse effect on new primary uranium supply activities and uranium price.

⁴ Trade Tech's Nuclear Market Review

In 2013, it is estimated that approximately 10% of global uranium supply was derived from highly enriched uranium under this program which, combined with the downturn in Japanese consumption, has caused a supply overhang in the last 2 years.

Supply disruptions occurred at Rio Tinto's Rossing (Namibia) and Ranger (Australia) Uranium mines due to failure of processing plant equipment, while Energy Fuels shut in production at White Mesa in preference to purchasing uranium at spot to fill contracts. The Honeymoon mine in South Australia was also placed on care and maintenance at the end of the period.

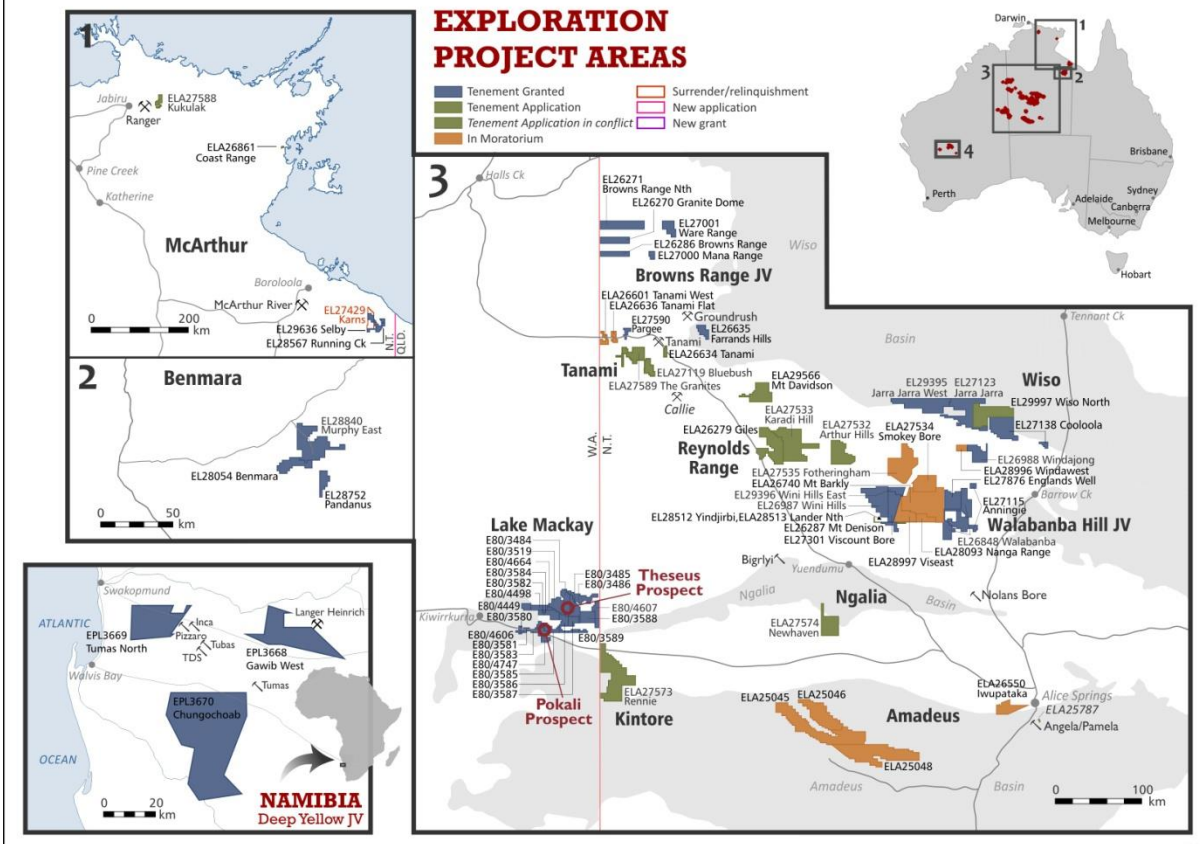
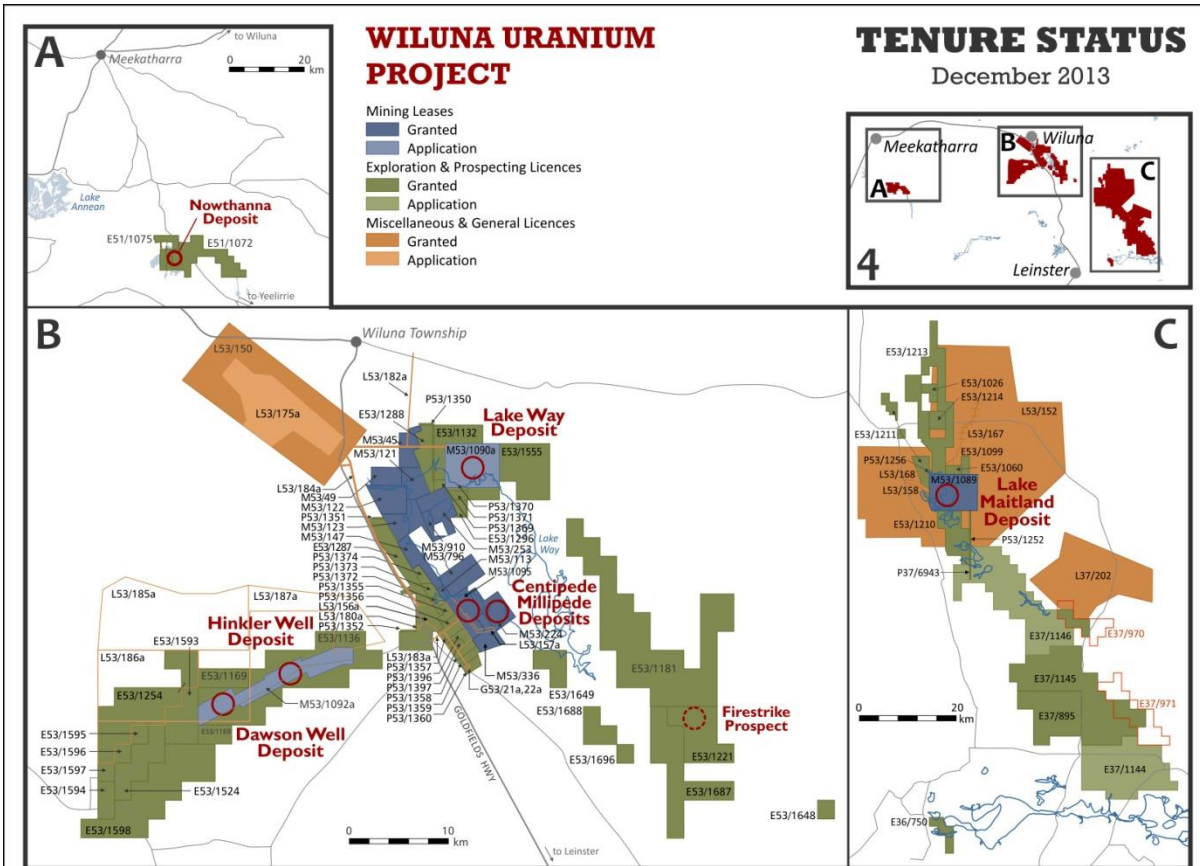
4. Exploration

Toro continued its review of exploration land holdings to ensure that key exploration ground that meets the Company's strategic goals is maintained. During the quarter, reconnaissance surveys and field work was carried out at Theseus Project in WA and on other Northern Territory holdings.

5. Tenement Status

Toro's Exploration tenements are shown in the following figure and the current status is outlined in the table below:

Toro Tenure Status - December 2013									
		Total Area (km ²)				Total Commitment (\$) - ex. council rates			
		Granted	Application	Moratorium	All	Granted	Application	Moratorium	All
WA	Toro only	182,335.57	36,074.91	0.00	218,410.48	5,432,285.20	770,238.20	0.00	6,202,523.40
	JV	176.40	0.00	0.00	176.40	187,299.50	0.00	0.00	187,299.50
	All	182,511.97	36,074.91	0.00	218,586.88	5,619,584.70	770,238.20	0.00	6,389,822.90
NT	Toro only	5,875.20	7,185.60	8,992.80	22,053.60	749,167.00	495,268.00	587,134.00	1,831,569.00
	JV	2,883.60	0.00	0.00	2,883.60	718,553.00	0.00	0.00	718,553.00
	All	8,758.80	7,185.60	8,992.80	24,937.20	1,467,720.00	495,268.00	587,134.00	2,550,122.00
TOTAL	Toro only	188,210.77	43,260.51	8,992.80	240,464.08	6,181,452.20	1,265,506.20	587,134.00	8,034,092.40
	JV	3,060.00	0.00	0.00	3,060.00	905,852.50	0.00	0.00	905,852.50
	All	191,270.77	43,260.51	8,992.80	243,524.08	7,087,304.70	1,265,506.20	587,134.00	8,939,944.90



APPENDIX I: COMPETENT / QUALIFIED PERSONS' STATEMENTS

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 Shirliff of Toro Energy Limited (with the aid of Mega Uranium Limited geologists Mr Stewart Parker and Mr Robin Cox in the case of Lake Maitland) and Mr Robin Simpson and Mr Daniel Guibal of SRK Consulting (Australasia) Pty Ltd. Mr Guibal takes overall responsibility for the Resource Estimate, and Dr Shirliff takes responsibility for the integrity of the data supplied for the estimation. Dr Shirliff is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM), Mr Guibal is a Fellow of the AusIMM and Mr Simpson is a Member of the Australian Institute of Geoscientists (AIG) 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.