



Toro Energy Ltd

Advancing towards uranium production

**CORPORATE UPDATE
OCTOBER 2011**



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Corporate Overview and the Uranium Market



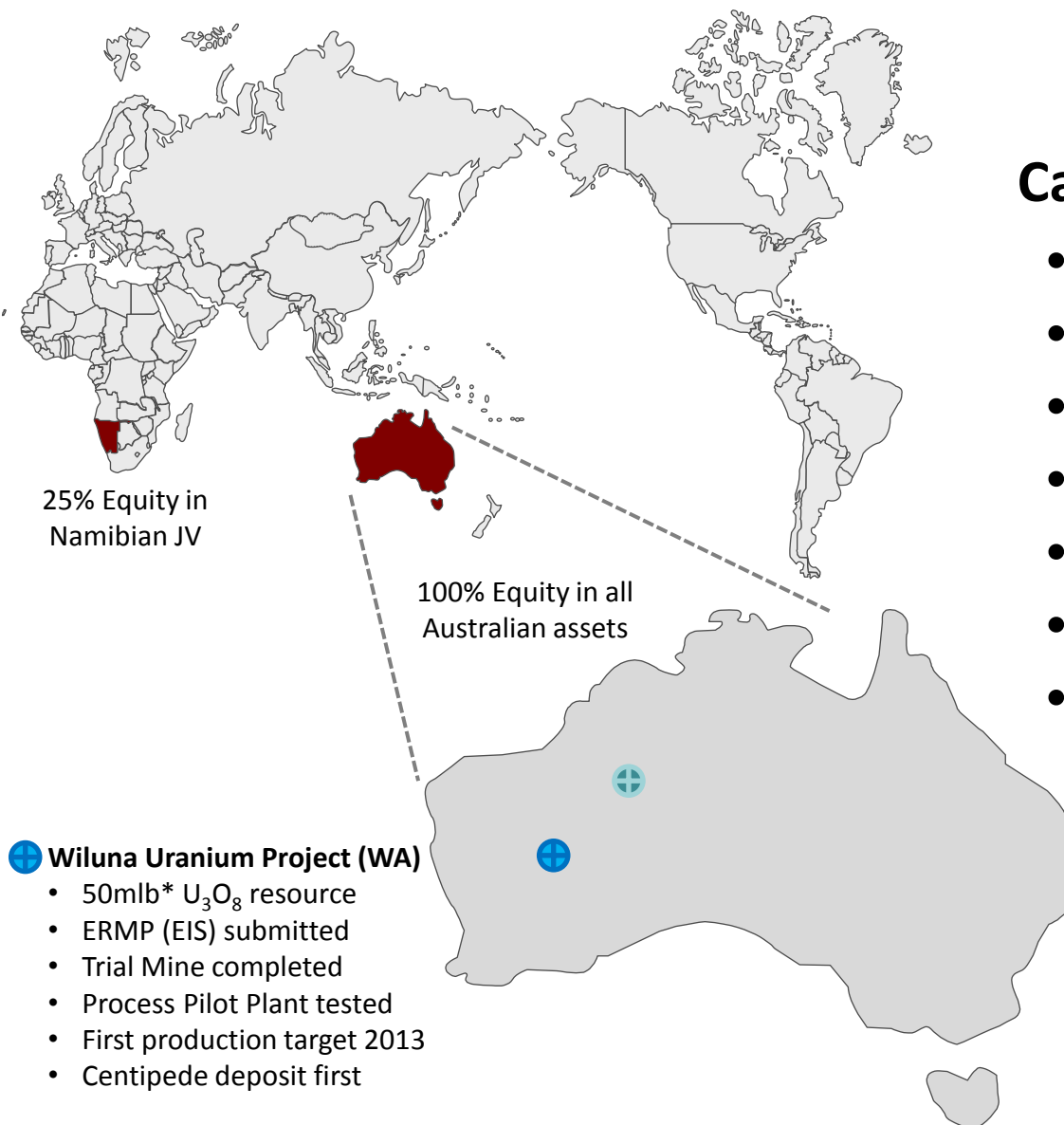


- Uranium focused ASX listed resources company
 - Well financed with highly regarded Board and management
- Principal Development Asset: Wiluna Uranium Project
 - 50mlb* U₃O₈ regional resource
 - Centipede deposit on track for first production in 2013
- Principal Exploration Asset: Theseus Uranium Project
 - Virgin greenfield discovery with significant potential scale

* See resources statement page 34.

Corporate Overview

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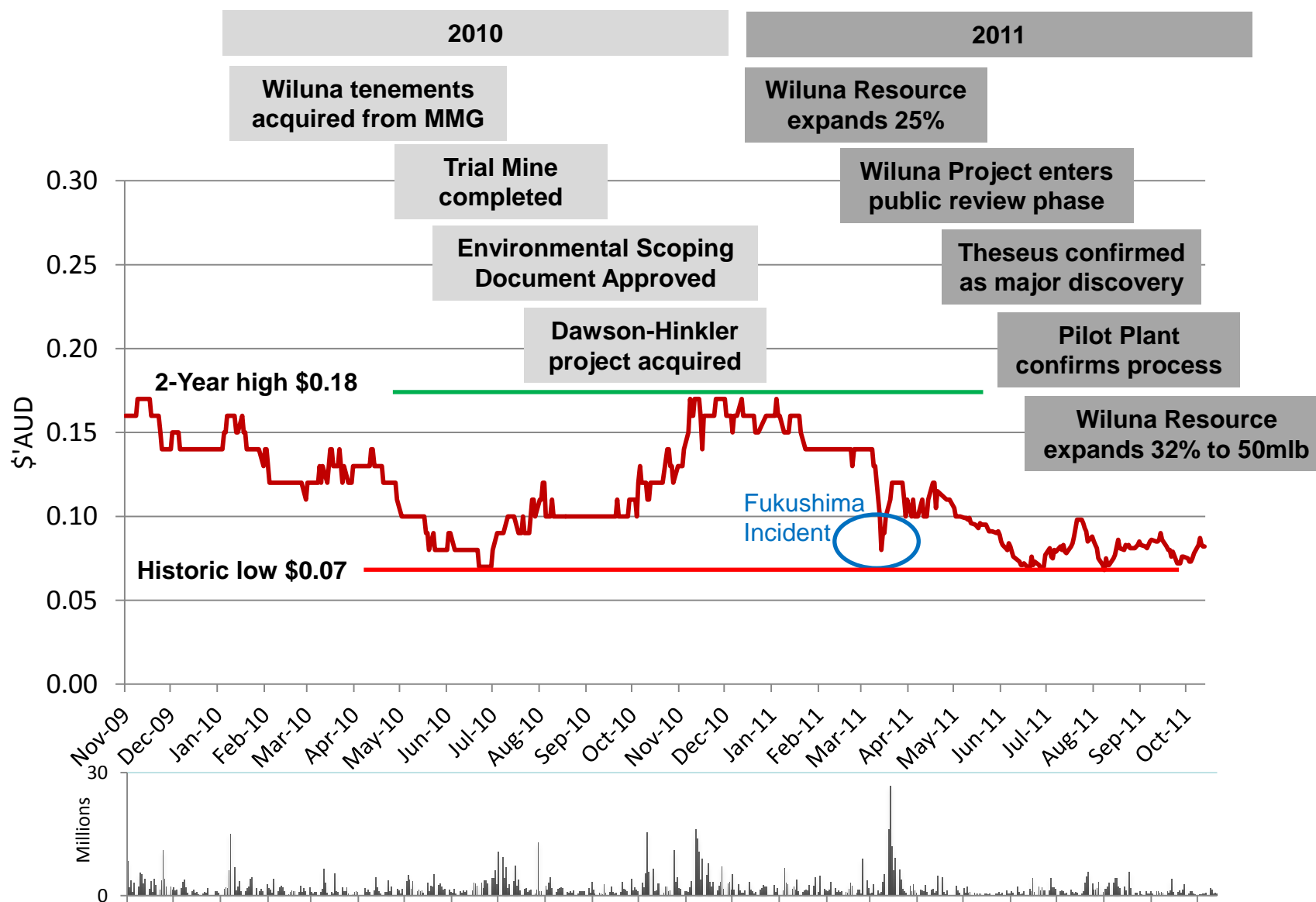


Capital Structure

- Listed on ASX
- 975.44m shares on issue
- 32.78m unlisted options
- \$0.08 Share Price (17/10/11)
- \$78m Market Capitalisation
- ~\$18m Cash (30/09/11)
- ~\$60m Enterprise Value

Toro Share Price

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Uranium Demand Post Fukushima



	Net Nuclear Capacity, gw			Change in Capacity, 2020 v 2010	
	2010	2015	2020	%	gw
United States	101.1	103.4	109.0	8	7.9
France	63.3	64.8	66.4	5	3.2
Japan	46.8	45.0	44.7	-5	-2.1
Russia	22.7	29.7	41.0	81	18.3
Germany	20.5	11.7	9.0	-56	-11.5
South Korea	18.7	24.2	28.1	50	9.4
Ukraine	13.1	13.1	16.2	23	3.1
Canada	12.6	12.6	15.0	19	2.4
United Kingdom	11.0	9.6	12.7	16	1.7
China	10.1	37.1	63.1	527	53.0
Total	319.8	351.2	405.2	27	85.3

* Source: Economist Intelligence Unit

Uranium Demand Post Fukushima



Poland and Czech Republic:
New ambitious nuclear
power growth plans

China: remains committed
to rapid growth

Japan: new Prime Minister
committed to re-starting
reactors

USA: proceeding
with approvals of
new reactors and
life extensions of
old reactors

South Korea:
significant
growth plans
remain intact

Middle East:
significant new
nuclear industry
development plans to
replace oil based
power generation

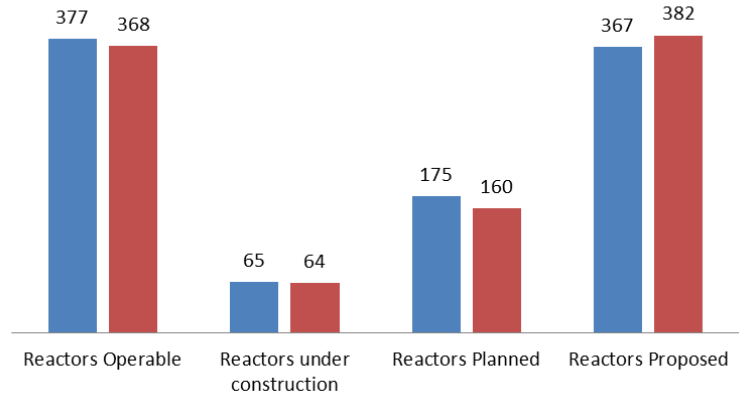
India: significant growth
plans remain intact

Switzerland: considering
replacement of old reactors with
new "safer" nuclear technology

UK & France:
governments
confirm
commitment to
nuclear energy

WNA Reactor Data (GWe)

■ Jan-11 ■ Sep-11



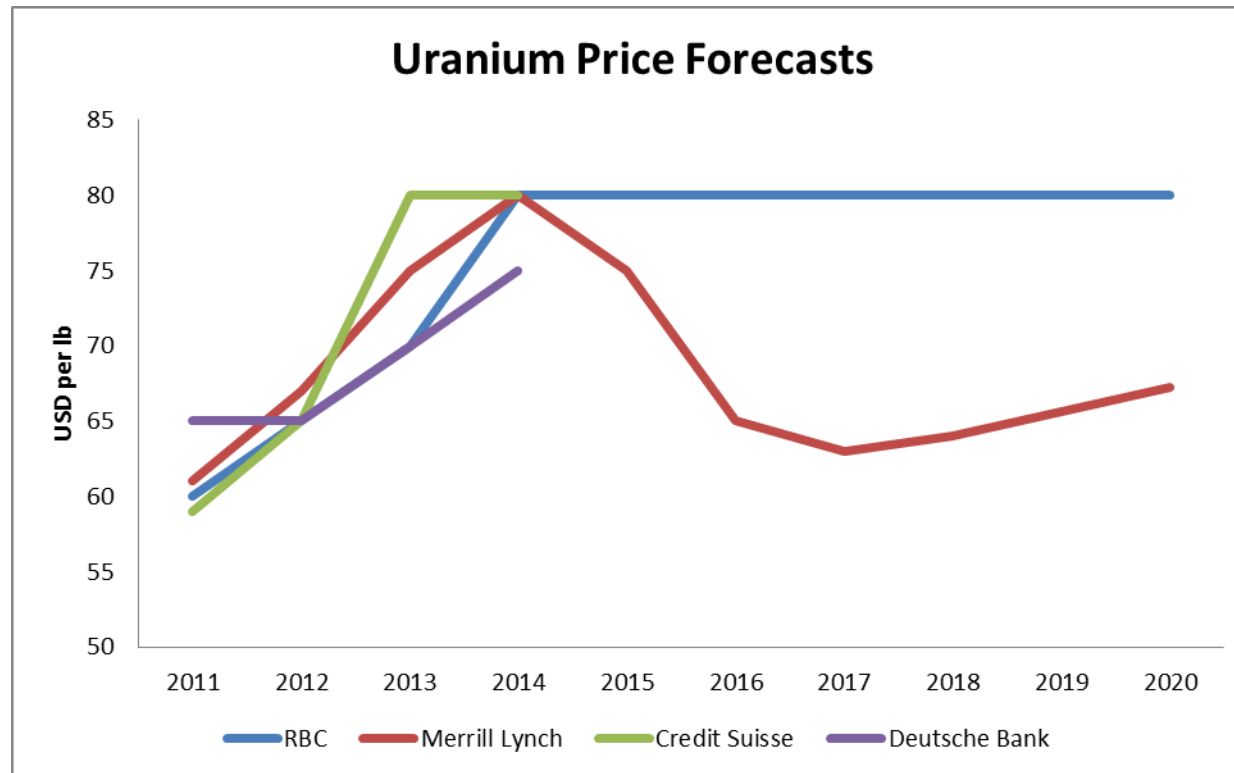
* Source: UxC and TradeTech press reports. Reactor data from WNA.

Uranium Supply Post Fukushima



- Industry analysts are forecasting approximately 100mlb U_3O_8 increase in annual demand by 2025
- 7 new projects are predicted to satisfy 70% of this 100mlb U_3O_8
 - Cigar Lake proceeding but subject to high technical risk
 - Husab corporate activity may delay financing, 3 year construction
 - Olympic Dam not until 2018 at earliest, uranium production levels uncertain
 - Ranger Deeps no project commitment to date, only exploration
 - Yeelirrie project currently suspended/delayed
 - Imouraren security issues continue to disrupt project
 - Trekkopje project suspended, investor /partner search
- Toro believes that the ability of the uranium industry to quickly deploy new uranium mining projects is being overestimated
- With uranium miners competing for capital in an international resources business, projects must make equity style returns to be funded by the market
- This will require uranium price support sufficient to demonstrate these risk-adjusted returns

Where to Uranium Prices?



Most analysts predict a lift in uranium pricing during the next few years.

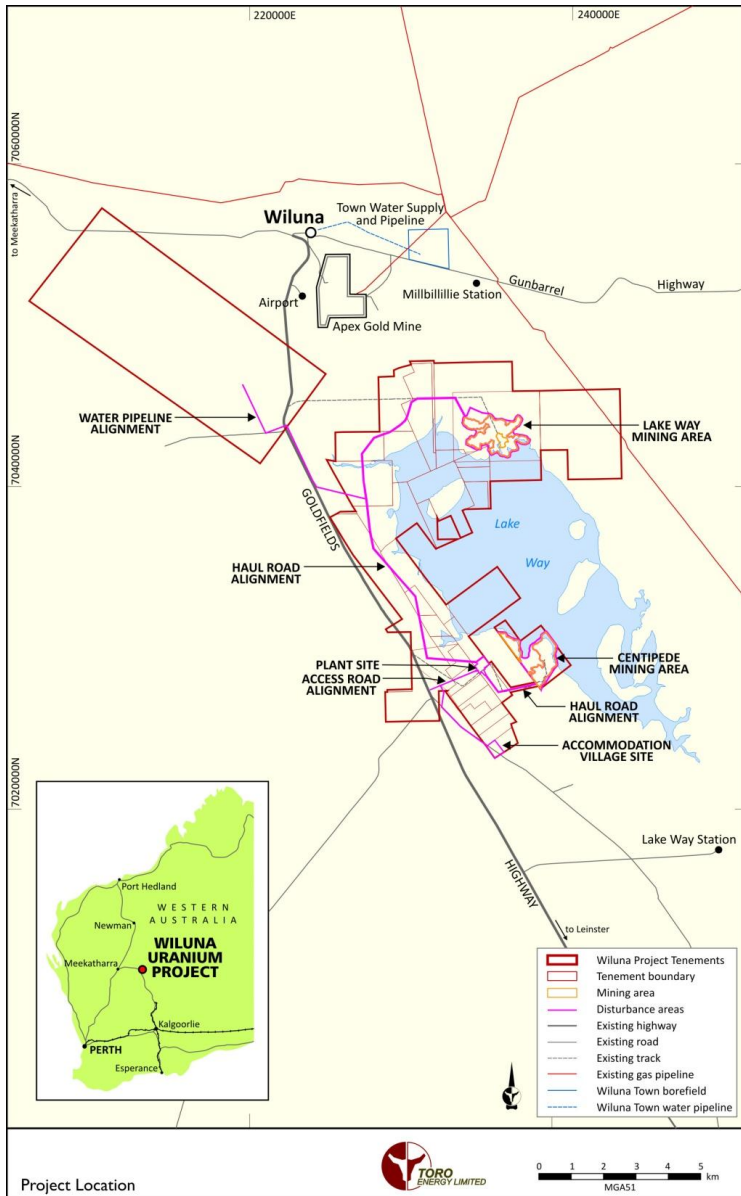
Toro expects long term uranium prices to trend to US\$75/lb U_3O_8 and the Australian dollar to trade sub parity, or US\$0.90 in medium term.

** Forecasts were post-Fukushima during June-July 2011*

Wiluna Uranium Project



Wiluna Project - Highlights



- Shallow open pit mining (<10m), strip 3.8:1
- Processing 1.3-1.8mtpa ore
- Alkaline tank leach with direct precipitation
- Producing ~700-1000tpa U_3O_8 equivalent
- In-pit tailings storage, progressive rehabilitation



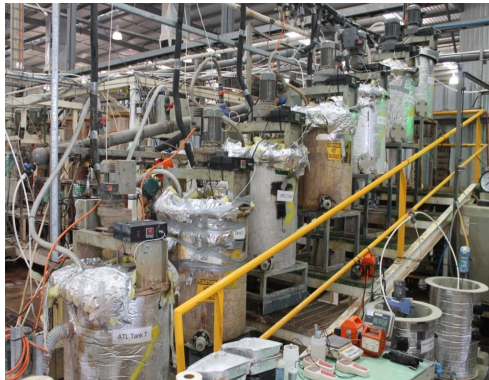
Recent Value Creation



- Regional resource consolidation at $<A\$1/lb\ U_3O_8$
 - ✓ Consolidated now regional resource 50mlb U_3O_8
 - ✓ Potential for ~20 years mining in region



- Trial mining confirms selective mining process
 - ✓ Ability to map and select higher grade confirmed
 - ✓ Continuous miner confirmed efficient method

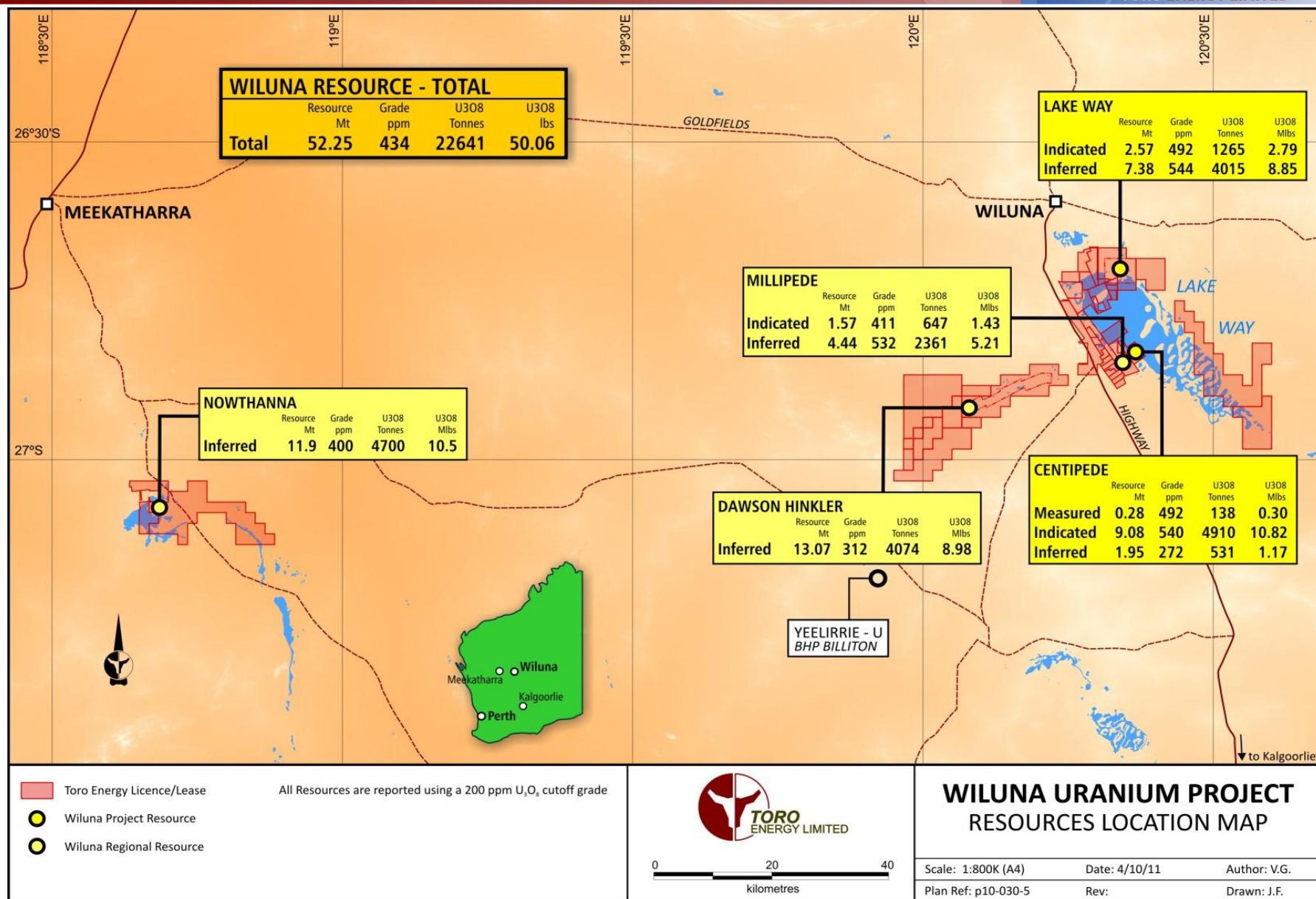


- Pilot plant confirms Toro's proposed process
 - ✓ Saline water tested OK, improving water economics
 - ✓ Sample uranium product to be sent to uranium converters

Uranium Resources



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Trial Mining



Gamma + GPS Logging Vehicle



Vermeer Continuous Miner

- Water pump control and barrier requirements determined
- Gamma + GPS logger maps pit floor for selective grade control
- Vermeer continuous miner demonstrated rapid mining advance on ~30cm “benches” with cyclone controlled dust
- Bulk sample obtained for benchscale and pilot plant testing

Key Results:

- Grade control/ selective mining confirmed
- Rapid mining advance demonstrated
- Additional work on water management
- Dust control system very effective

Pilot Plant



Pilot plant facility



Close up of atmospheric leach circuit.

- Fully integrated continuous hydrometallurgical circuit producing SDU (sodium diuranate)
- Utilised 15 tonne ore sample from trial mining exercise and 40 tonne site water
- Two types of ore tested
 - Calcrete dominant
 - Clay dominant
- Various flow sheet sample points (Appendix)
- Produced $\text{UO}_4 \cdot 2\text{H}_2\text{O}$ for sample submission to converter acceptance testing

Key Results:

- Proposed extraction process confirmed
- Saline groundwater useable in process
- Overall recovery in range of 83%-85%
- No “red flags”



Completed Stages

- ✓ Referral Documents October 2009
- ✓ Level of Assessment set at ERMP January 2010
- ✓ Scoping Document Agreed September 2010
- ✓ ERMP Draft submitted March 2011
- ✓ ERMP public review begun 25 July 2011 (concludes 31 October)

The Process from here...

- 🔄 Submission of final ERMP December 2011
- 🔄 WA EPA completes report with recommendation to Environment Minister
- 🔄 Western Australian Government makes formal decision
- 🔄 Federal Environment Minister makes formal decision

....Government approval anticipated for mid 2012.



Project Timeline

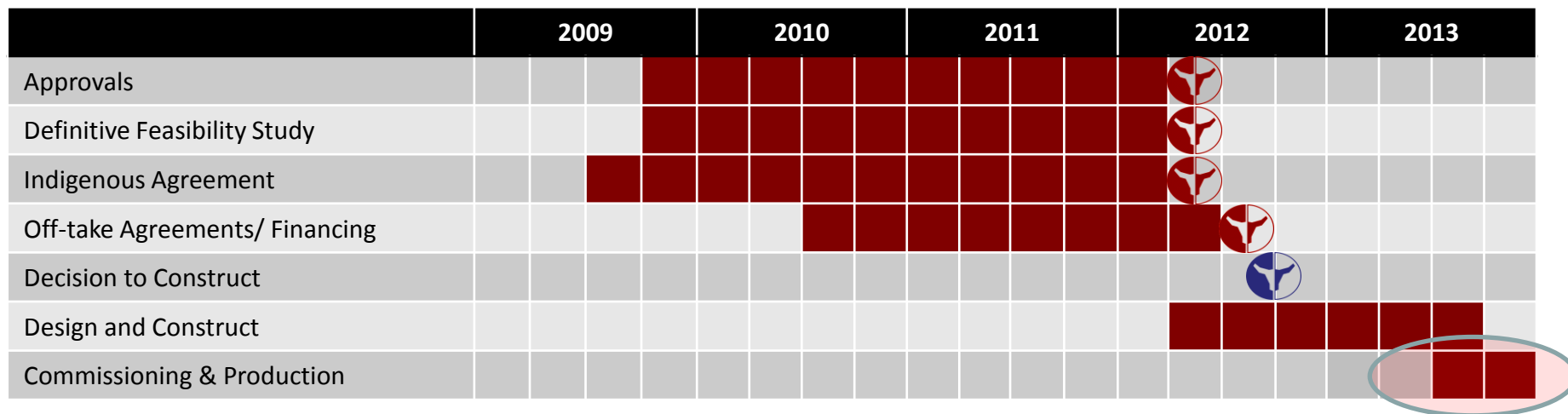


Completed

- ✓ Trial Mining and Pilot Plant
- ✓ ERMP Submission
- ✓ Regional Resource Consolidation
- ✓ JORC Resource Update

Creating Future Project Value

- 🚀 Definitive Feasibility Study (2012 q2)
- 🚀 Approval (mid 2012)
- 🚀 Offtake Agreements (mid 2012)
- 🚀 Financing (2012 q3)



...first production targeted for 2013H2

Further Optimisation Targets

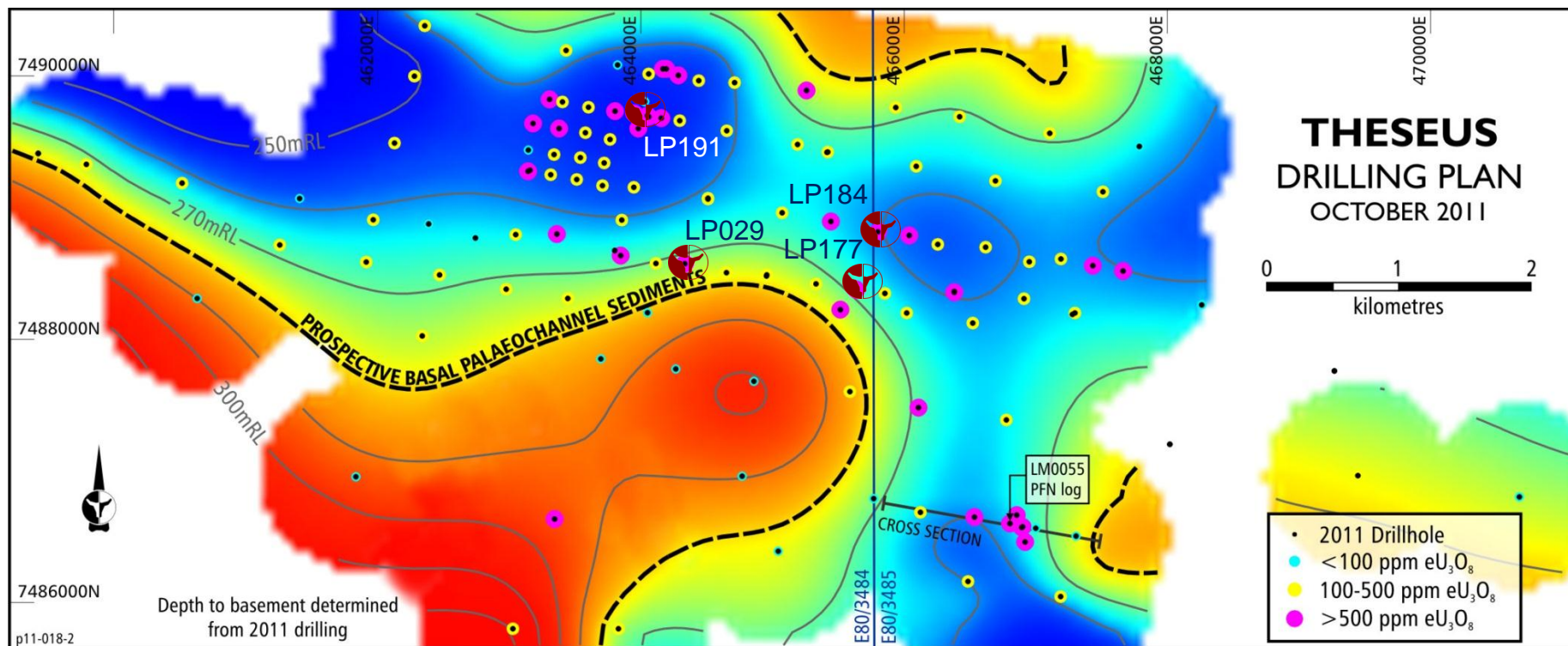


Parameter	Optimisation Study September 2009	Economic Enhancement
Processing Plant	1.6mtpa – 2.0mtpa	1.0mtpa – 1.3mtpa
Head grade	668ppm U_3O_8	700 - 800ppm initially
Recovery	86%	~85% LOM
C1 Cash Cost	~A\$40/lb	<A\$40/lb
Capital Cost	~A\$264m	<A\$250m
Product	700-1000t U_3O_8	700-800t U_3O_8
Regional Mining Potential	8-10 years	Up to 20 years

Exploration

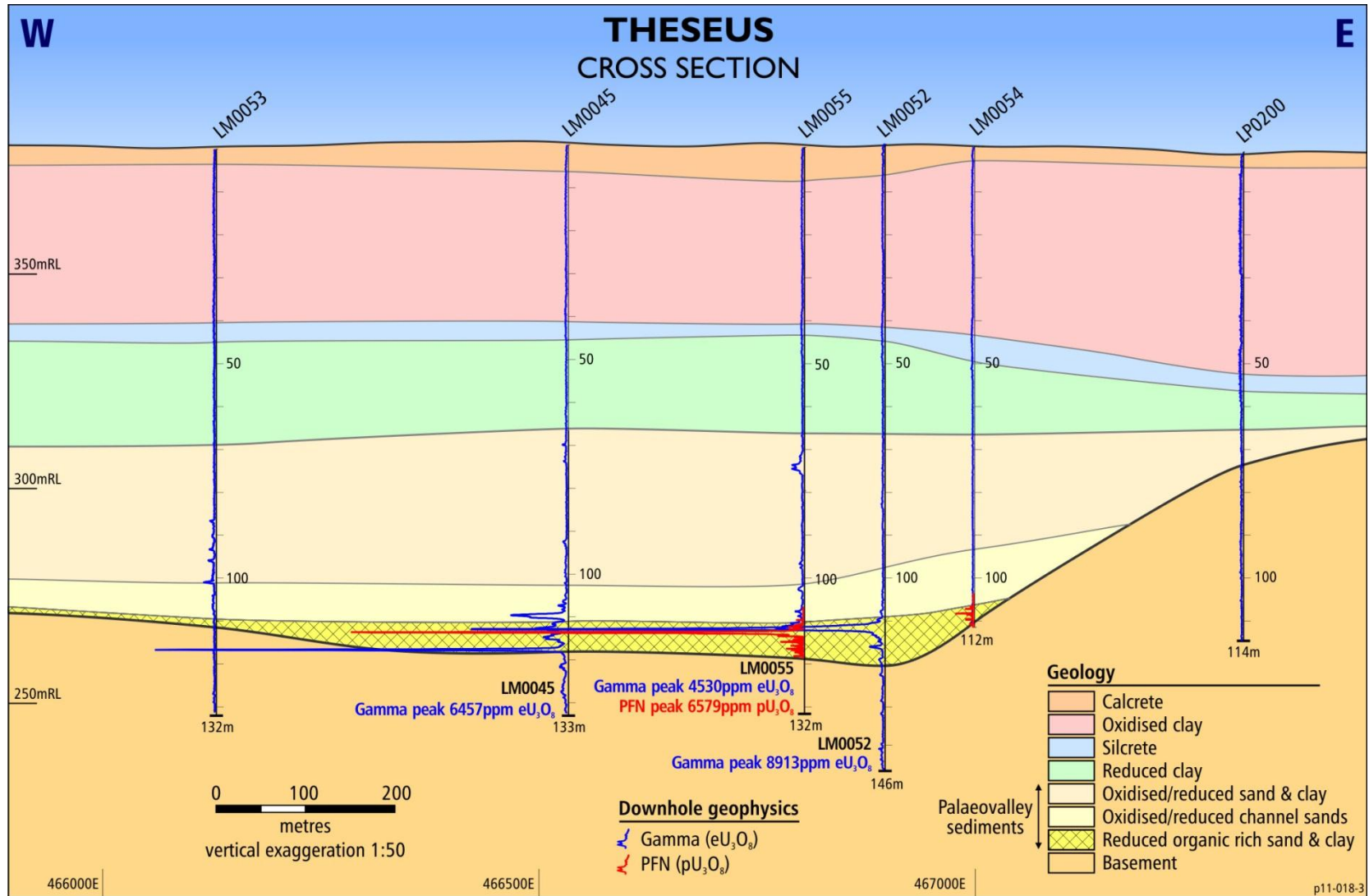


Theseus Discovery



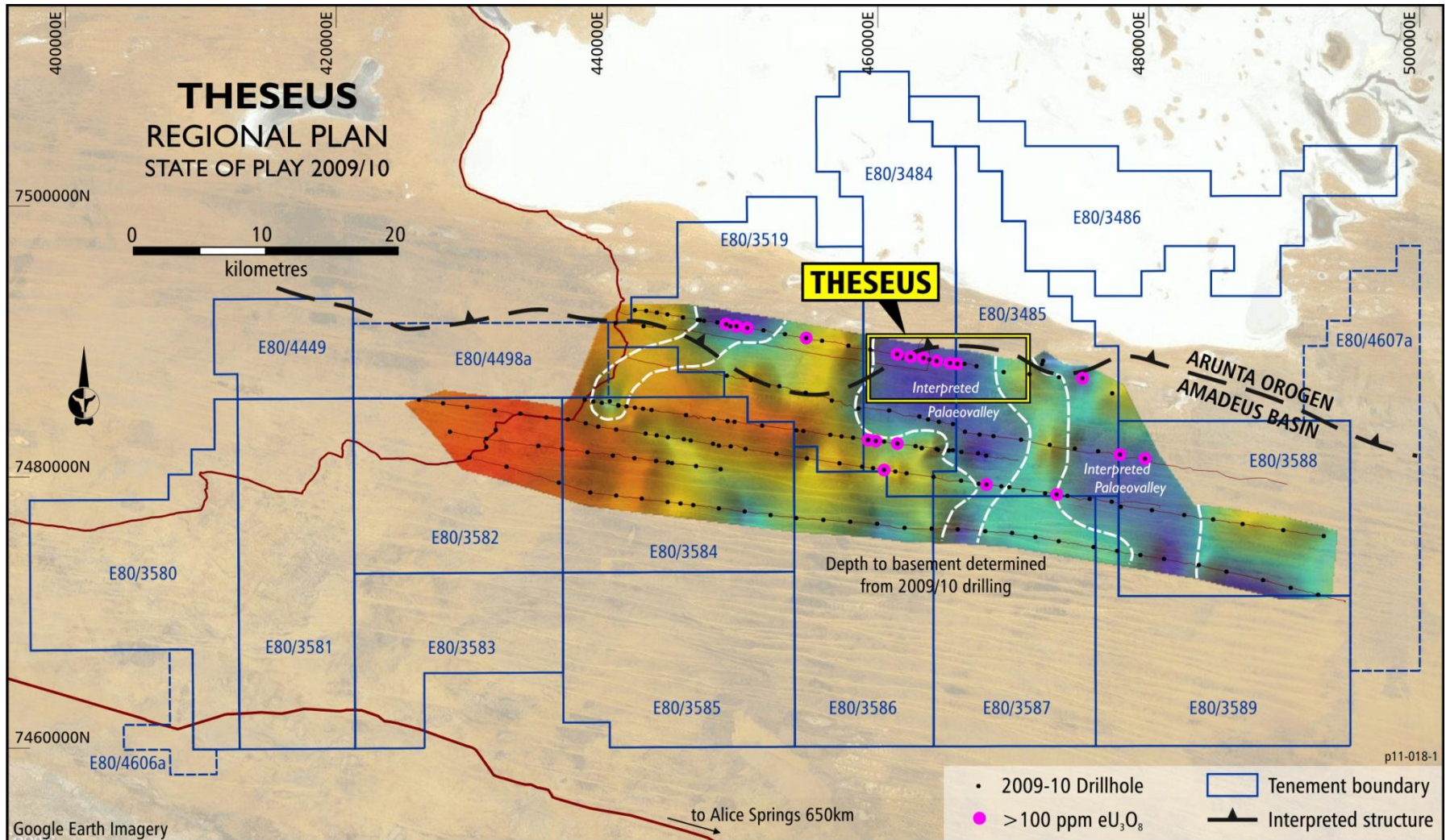
Example intersections (@100 and 500ppm cut respectively)

- LP029: 2.76m@ 610ppm eU_3O_8 incl. 1.44m @ 899ppm eU_3O_8 (GT 0.13%)
- LP177: 4.84m@ 829ppm eU_3O_8 incl. 1.56m @ 2010ppm eU_3O_8 (GT 0.31%)
- LP184: 3.52m@ 381ppm eU_3O_8 incl. 0.44m @ 1473ppm eU_3O_8 (GT 0.06%)
- LP191: 9.06m@ 620ppm eU_3O_8 incl. 2.92m @ 1497ppm eU_3O_8 (GT 0.44%)



✓ Trial PFN results indicate positive disequilibrium: uranium actually 50% higher than measured with gamma.

Theseus : Regional Scale



- ✓ Similarities with Frome Embayment in South Australia (hosts “Beverley” & “4 Mile” deposits)
- ✓ See last page of appendix for details

Theseus: Next Steps



- Collation of results from 2011 program
- Estimation of exploration target range
- Significant drilling program required in 2012
 - Water bore drilling for water aquifer characterisation/ flow tests
 - Diamond drilling required for geological control and samples for testwork
 - Mainly mud rotary drilling
 - Use of PFN tool (due to positive uranium disequilibrium)

Prime Objectives for 2012

- Maiden uranium resource defined in accordance with the JORC code
- Preliminary testwork and project scoping work for high level economics

Summary



Where is Toro Heading?



“Toro’s strategy is to become a significant sustainable uranium mining company focusing on developing a top tier exploration and production profile in the global uranium mining sector generating superior shareholder returns.”

“Significant”

- production of greater than 2.2mlb (1,000t) U_3O_8 pa by 2015
- production of greater than 5.5mlb (2,500t) U_3O_8 pa by 2020

“Sustainable”

- a JORC Resource greater than 100mlb (45,000t) U_3O_8 by 2015
- a JORC Resource greater than 220mlb (100,000t) U_3O_8 by 2020



2011

- Final ERMP Submission for Wiluna Project
- Wiluna economic enhancements
- Drill results for Theseus exploration project
- Exploration range announced for Theseus uranium project
- Other exploration results

2012

- Definitive Feasibility Study concluded
- Potential cornerstone investor/ customer
- Government approval of Wiluna Project
- Maiden uranium resource at Theseus exploration project
- Board development approval of Wiluna Project

Key Takeaways



- The Wiluna Project is nearing regulatory approval, one of the few in Australia to do so, and is on track for production in late 2013;
- The project economics are being refined off the back of detailed technical studies, including trial mining and pilot plant testwork;
- The ongoing regional development opportunity is expected to improve significantly off the back of an expanded resource base;
- The Theseus exploration project provides the company with significant blue sky and the potential for a second project in the medium term.

Investment Opportunities: Contact



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Competent Person Statement



The information in this report that relates to Mineral Resources is based on information compiled by Dr Katrin Karner, consultant for Toro Energy Ltd, Mr Craig Gwatkin former employee of Toro Energy Limited, and Mr Robin Simpson and Mr Daniel Guibal of SRK Consulting (Australasia) Pty Ltd. Daniel Guibal takes overall responsibility for the Resource Estimate, and Dr Karner takes responsibility for the integrity of the drilling results. Dr Karner, Mr Gwatkin, Mr Simpson and Mr Guibal are Members of the Australasian Institute of Mining and Metallurgy (AusIMM), and 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004)'. 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.

Information in this report is based on Exploration Results compiled by Mr Mark McGeough who is a Member of the Australasian Institute of Mining and Metallurgy. Mr McGeough is a full-time employee of Toro, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr McGeough consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

Appendix



People: The Toro Board



Dr Erica Smyth
**Non-Executive
Chairman**

30+ years experience in
the mineral and
petroleum industries



Greg Hall
Managing Director

30+ years resource sector
experience, including 21
years uranium (Ranger,
Jabiluka & Olympic Dam)
and uranium marketing
(ERA North America)



Peter Lester
**Non-Executive
Director**

Extensive experience in
senior operating,
development and
corporate roles with
Newcrest, North, CRA
and MIM



Derek Carter
**Non-Executive
Director**

Geologist with
over 30 years
experience in
corporate
management,
exploration and
mining



John Nitschke
**Non-Executive
Director**

Mining engineer with
35+ years experience
in the resources
industry in mining
operations and
project management



Andrew Coles
Non-Executive Director

Currently CFO of OZ
Minerals Ltd,
previously Treasury
roles at Esso, Exxon
Mobile and Zinifex

People: Management Team



[Simon Mitchell](#)

**General Manager,
Business Development**

20+ years international resource development expertise including 10 years as an exploration/development geologist



[Greg Hall](#)

Managing Director

30+ years resource sector experience, including 21 years uranium (Ranger, Jabiluka & Olympic Dam) and uranium marketing (ERA North America)



[Vanessa Guthrie](#)

**Executive General Manager,
Wiluna Project**

Extensive executive & management experience in sustainability, environment, government & approvals, mine operations, community & indigenous in Western Australia.



[Mark McGeough](#)

**General Manager,
Exploration**

25+ years geological & exploration expertise, including uranium. Fellow of the AusIMM.



[Martin Janes](#)

**General Manager,
Marketing
& Project Finance**

Economist with 20+ years experience in Finance and Marketing within Resources and Banking



[Richard Dossor](#)

**Project Director,
Wiluna Project**

Extensive experience in design, procurement construction of development projects



[Todd Alder](#)

**General Manager,
Finance & Corporate**

16+ years financial management experience within the Mining, Energy and Steel Manufacturing industries



[Richard Yeeles](#)

**Approvals and Community
Director -Wiluna**

Extensive management experience in government/ community relations, ex-BHPB Olympic Dam Expansion

Uranium Resources Table



Project Name	Category	Resource M Tonnes	Grade U ₃ O ₈	Contained U ₃ O ₈ , tonnes	Contained U ₃ O ₈ , Mlb
Centipede	Measured	0.28	492	138	0.30
Centipede	Indicated	9.08	540	4,910	10.82
Centipede	Inferred	1.95	272	531	1.17
Lake Way	Indicated	2.57	492	1,265	2.79
Lake Way	Inferred	7.38	544	4,015	8.85
Total Wiluna Project		21.27	510	10,859	23.94
Millipede	Indicated	1.57	411	647	1.43
Millipede	Inferred	4.44	532	2,361	5.21
Dawson Hinkler Well	Inferred	13.07	312	4,074	8.98
Nowthanna	Inferred	11.90	400	4,700	10.50
Total Wiluna Regional		30.98	382	11,782	26.12
Total Wiluna Project and Regional		52.25	434	22,641	50.06

All resources quoted on a 200ppm U₃O₈ cut-off.

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Theseus: Right Architecture



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From Embayment Palaeochannel Uranium Systems	Theseus Palaeochannel System	Significance
Host palaeochannel sediments of Tertiary (Eocene and Miocene) age - thought to be a time of humid climate characterized by deposition of river and lake sediments	✓ Preliminary pollen analysis indicates mineralized interval is of mid-Eocene to mid-Pliocene age	OPTIMAL GEOLOGICAL SETTING
Palaeochannel sediments deposited in river and lake environments and include organic rich sediments	✓ Palaeochannel sediments comprise river and lake sands and clays. Organic-rich and pyritic sediments up to 18 m thick lower part of the palaeochannel fill	
Palaeochannels drain weathered igneous and metamorphic hinterland of anomalously high uranium content	✓ Palaeochannel drains Arunta Orogen igneous and metamorphic rocks – some of the most radioactive rocks in Australia	URANIUM SOURCE
Spatial association of mineralization with active basin and basement structures (e.g. Beverley, Four Mile)	✓ Fault zone between Arunta Orogen and Amadeus Basin rocks lies beneath the Theseus prospect area	
Porous and permeable sandy sediments permit oxidizing groundwater and dissolved uranium to flow from hinterland (source) into reduced palaeochannel sediments (trap)	✓ Oxidized sands in palaeochannel fill indicate intrusion of oxidizing ground water into palaeochannel sediments	URANIUM TRANSPORT PATH
Uranium precipitated along the boundaries between oxidised and reduced sediments	✓ Main mineralized zone associated with transition between oxidized and reduced (i.e. organic-rich) sediments in the lower part of the palaeochannel sequence	URANIUM TRAP
Host sediments bounded by clay units and buried by up to 110 m of Namba Clay	✓ Host sediments are bounded by clay and overlain by up to 100 m of clay-dominant sediments	URANIUM EXTRACTION