



2013 AGM Managing Director's Address

28 November 2013

**Australia's
Leading
Development
Stage Uranium
Company**

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Agenda



- Nuclear Market
- Toro Energy – 2013 Highlights
- Wiluna Project achievements
- The year ahead

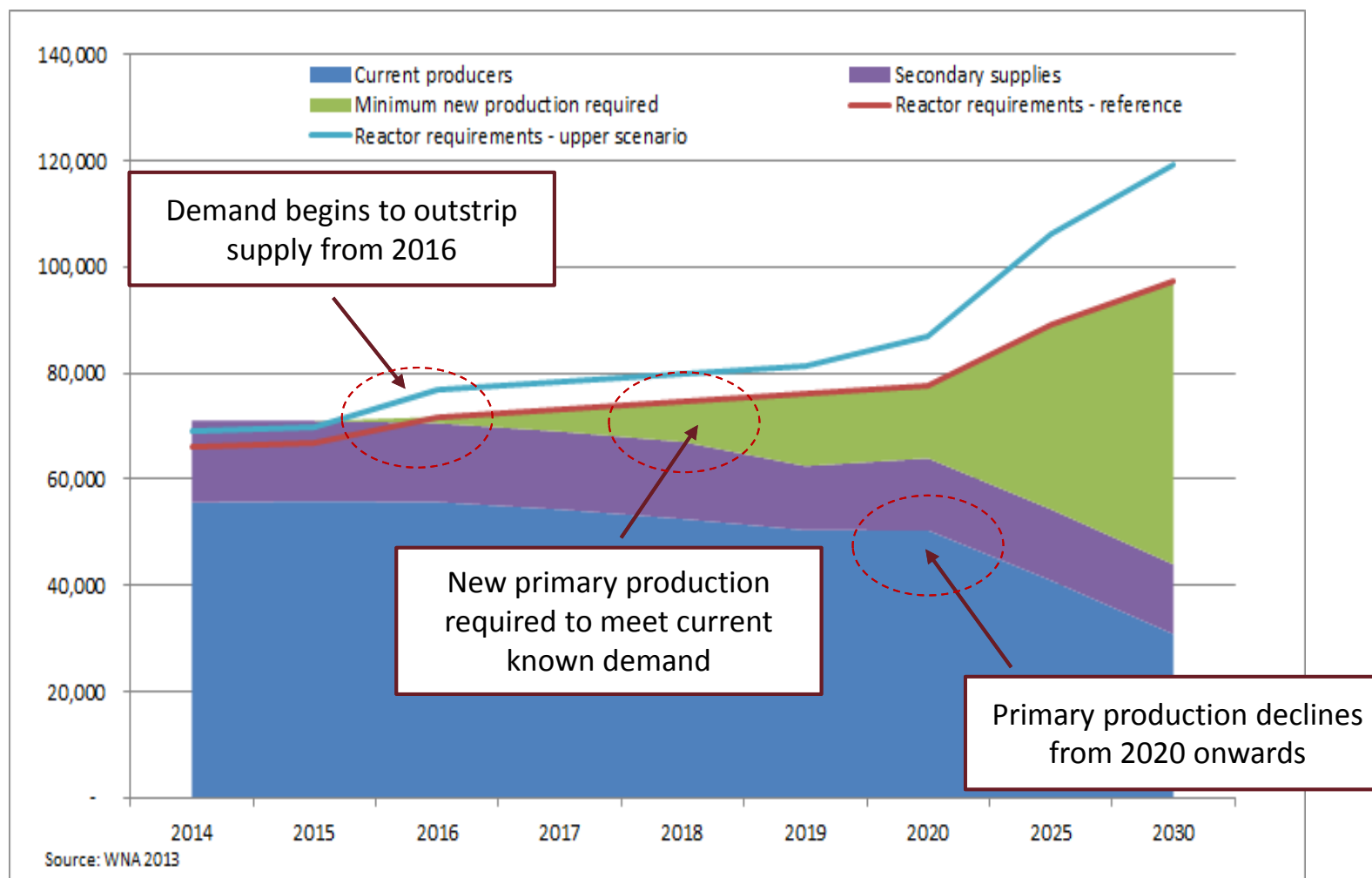


The Global Nuclear Market

Current Market Forecasts



Supply/Demand Forecast ('000 T's U₃O₈)



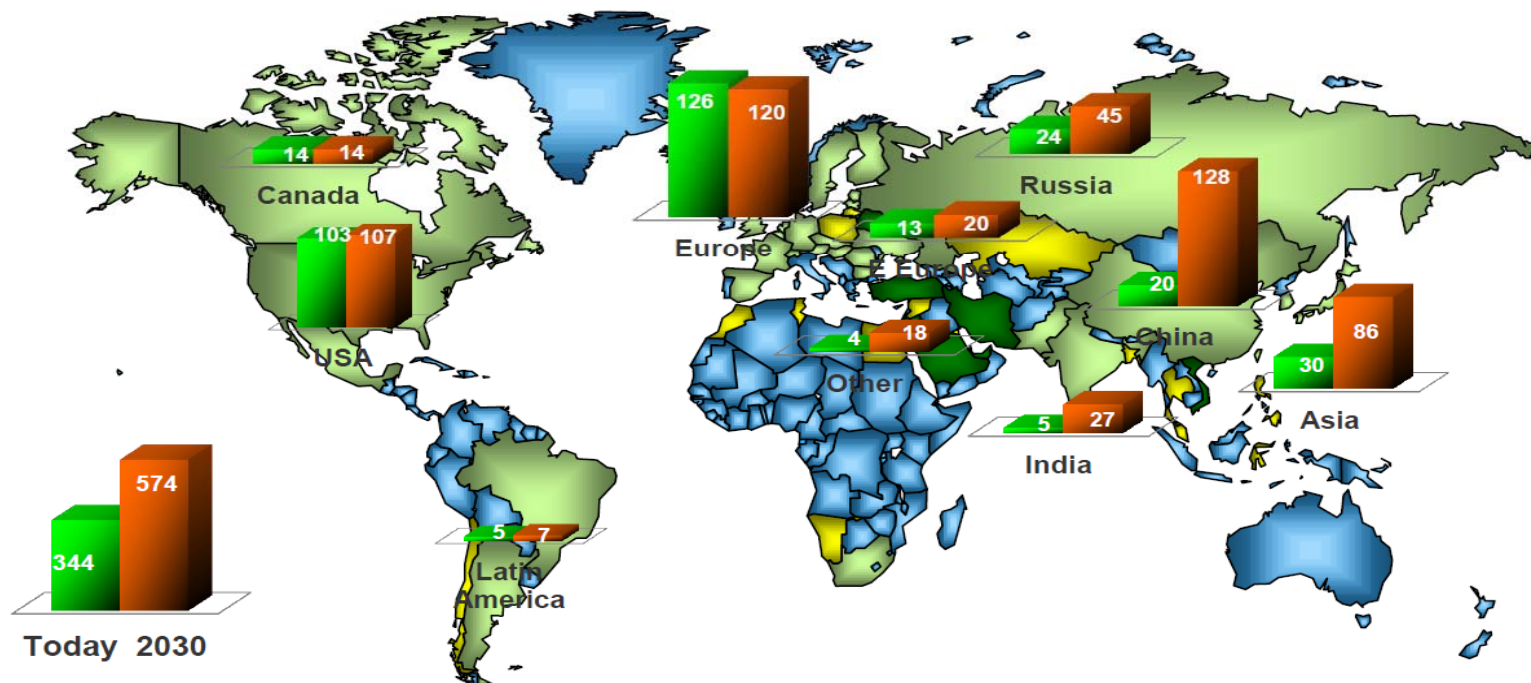
Uranium Demand is shifting from mature to emerging economies ...



Reference Case Capacity

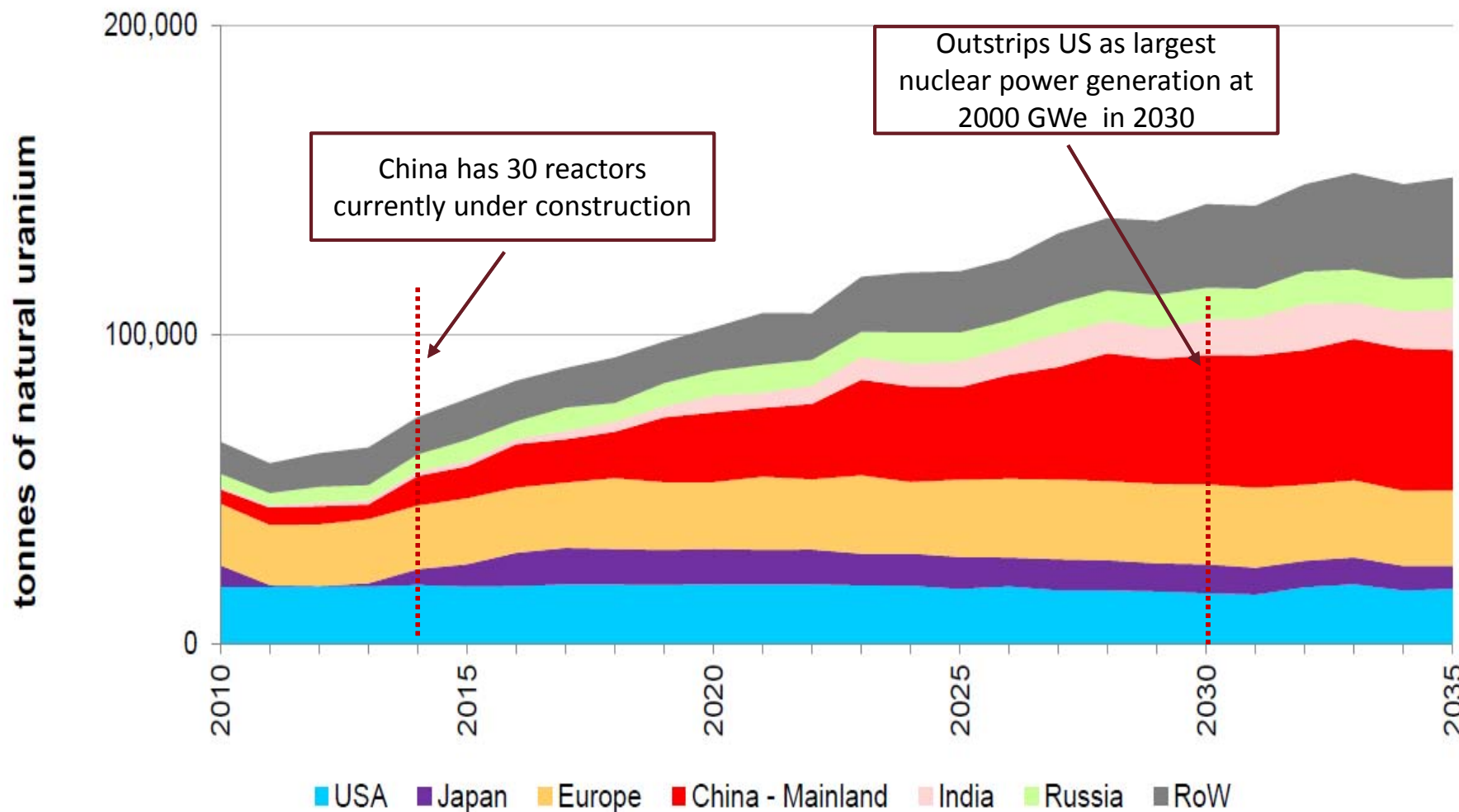
Net GWe (2013 to 2030)

operating serious emerging



WNA Fuel Market Report - Demand
James Nevling, Manager, Fuel Supply Projects, Exelon

Based on China being the new demand driver...

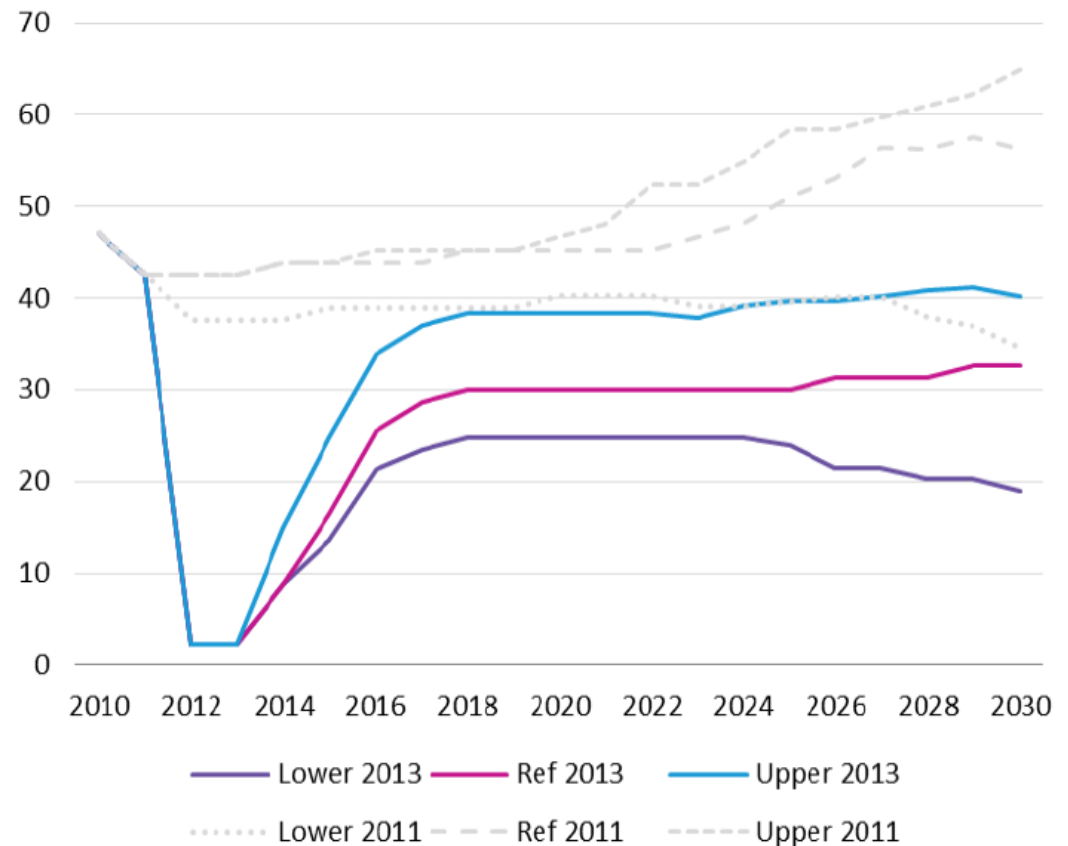


Source: CRU Data Analysis 2013

...which can overcome the effect of Fukushima and reactor shutdown



- Japanese reactor restarts likely to be based on:
 - Age
 - Size
 - Design type
 - Location
- 12 applications made
- 4 approved at Central Government level
- Predicted restart Q1 2014

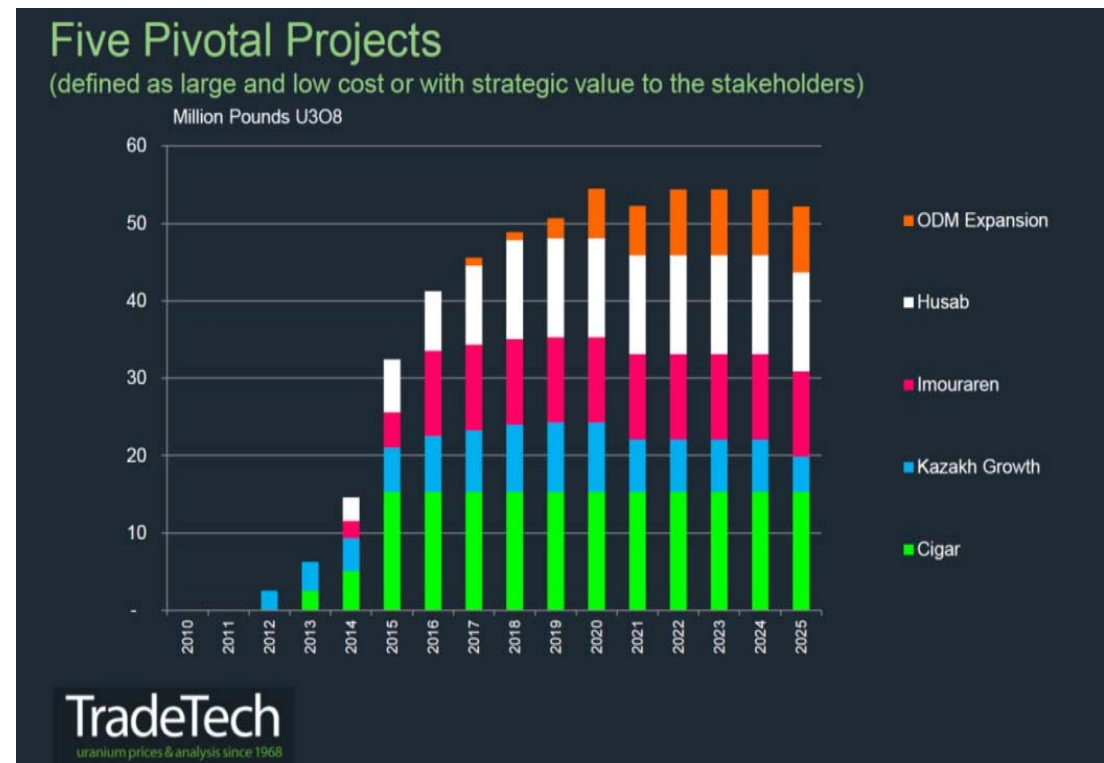


Source: WNA 2013

Future uranium supply is uncertain....



- Secondary supplies from HEU agreement now ended
- 80% world's primary supply from 10 current mines
- Future global supply dependent on 5 major new projects
 - Olympic Dam expansion (Australia)
 - Imouranen (Niger)
 - Cigar Lake (Canada)
 - Husab (Namibia)
 - Kazakhstan
- All five pivotal projects are uncertain

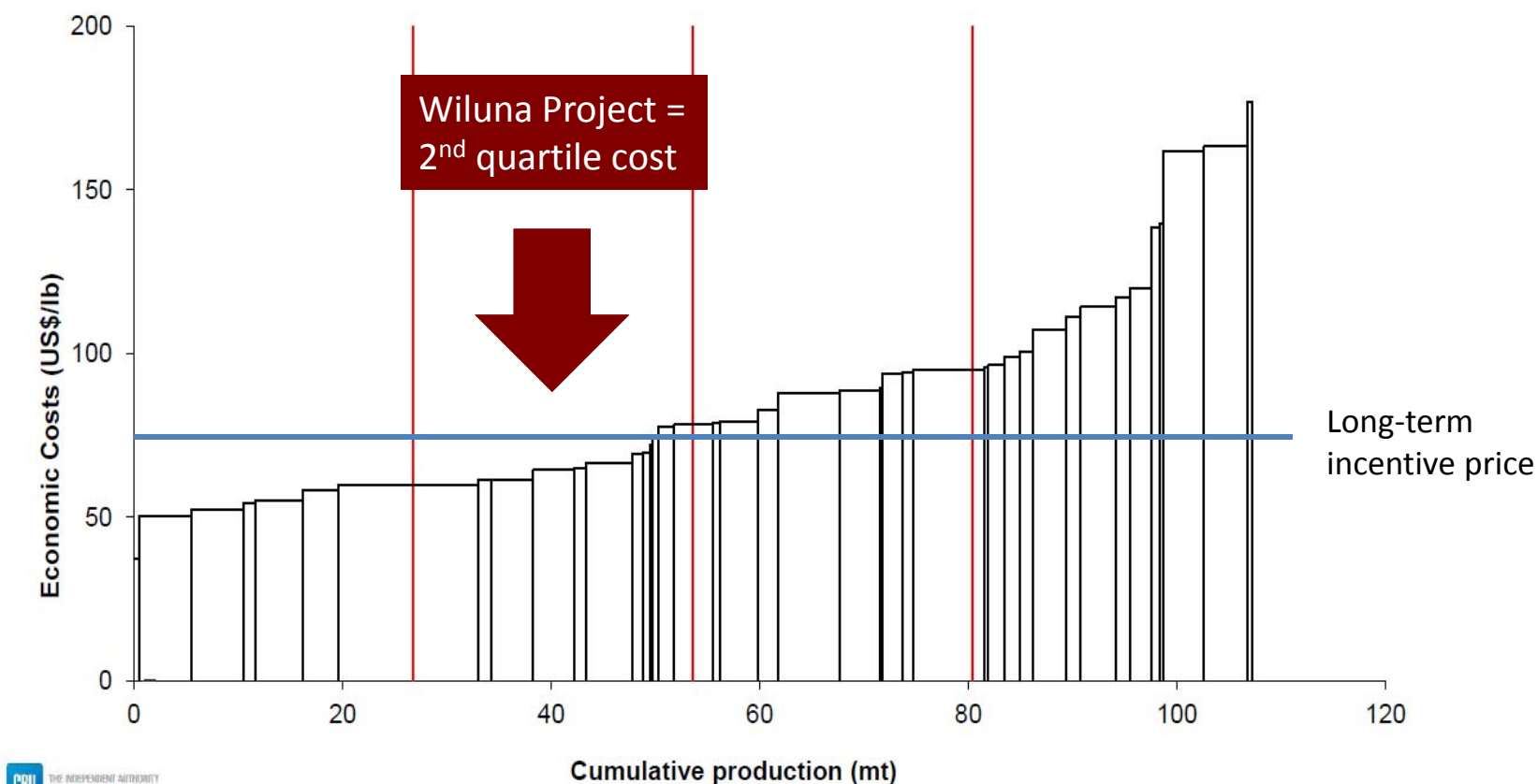


...so projects like Wiluna will be required to meet demand



- Khazakstan extension to production on hold
- Olympic Dam expansion on hold
- Cigar Lake production delayed until Q3 2104
- Last shipment of HEU Agreement secondary uranium now complete
- Water supply issues in Namibia causing delays
- Honeymoon mine on care & maintenance
- Energy Fuels closing in current production and filling contracts from spot
- Areva production in Niger facing political challenges

Incentive price of \$65 to \$75/lb is needed to bring new production to market



Toro Energy

**Australia's leading development
stage uranium company**

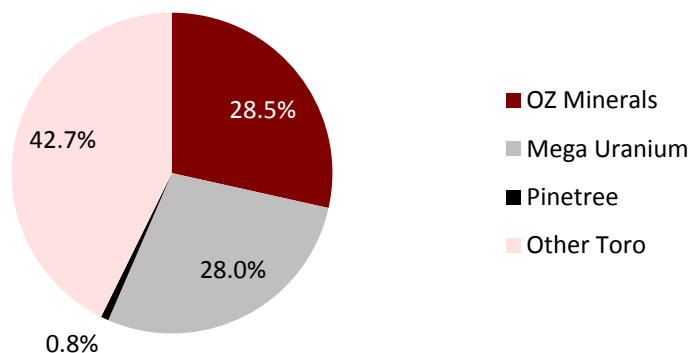
Toro Energy



Capital Structure Post Acquisition

ASX Code		TOE
Ordinary Shares on Issue	m	1,481.9
Share Price (27 Nov)	A\$/share	0.08
Undiluted Market Capitalisation	A\$m	133.4
Cash on hand	A\$m	8.8
Undiluted Enterprise Value ¹	A\$m	130.7

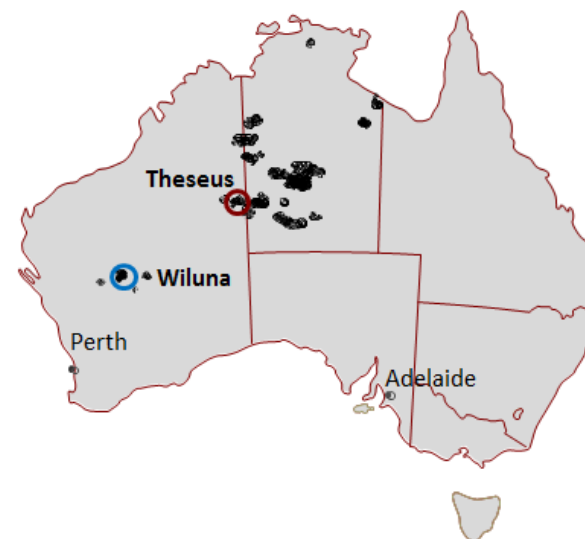
Toro Share Ownership (Pro-forma Post Acquisition)



Notes:

1. Unlisted options on issue: 135.2M at various strike prices

Asset Locations



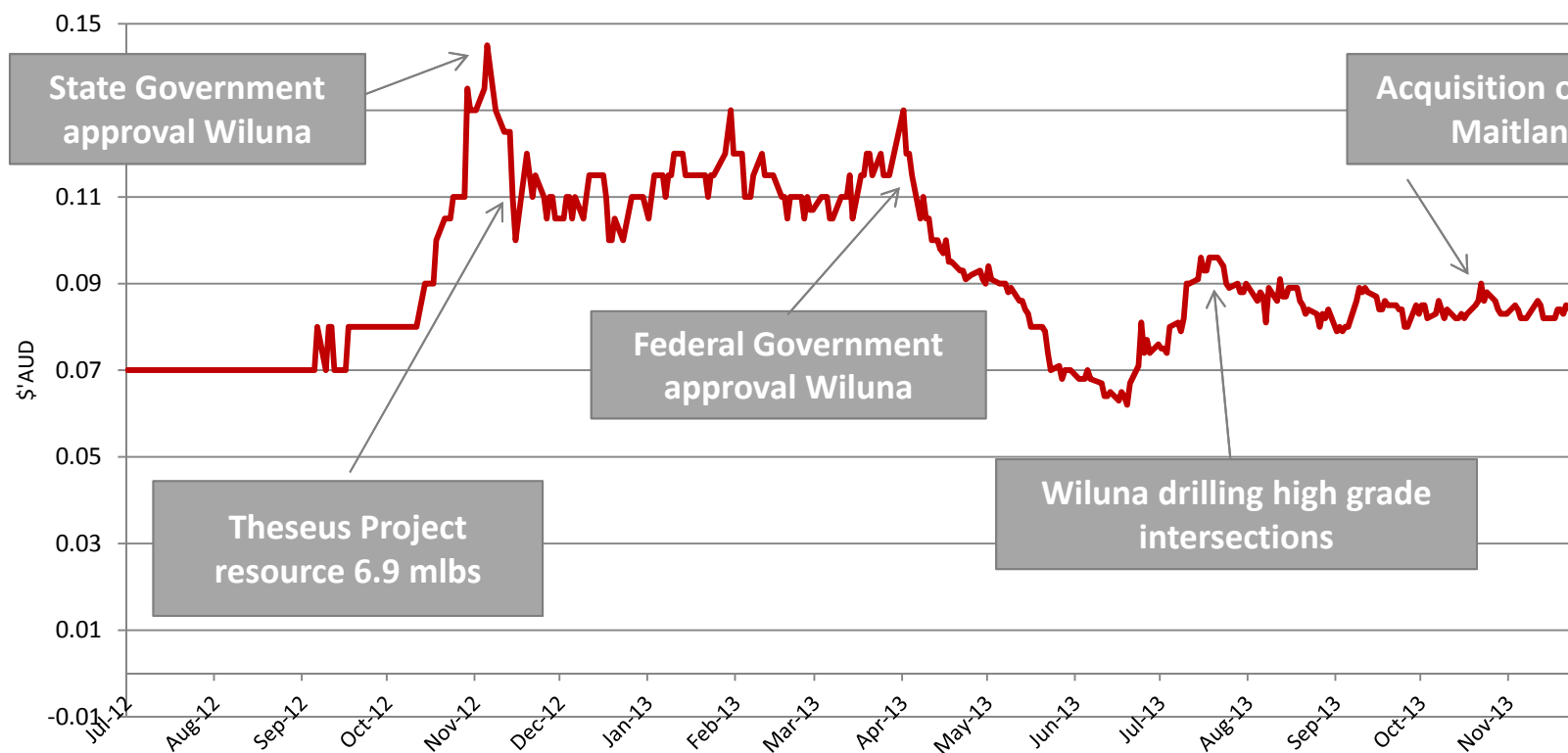
○ Wiluna Uranium Project (100%)

○ Theseus Uranium Project (100%)

2013 Highlights



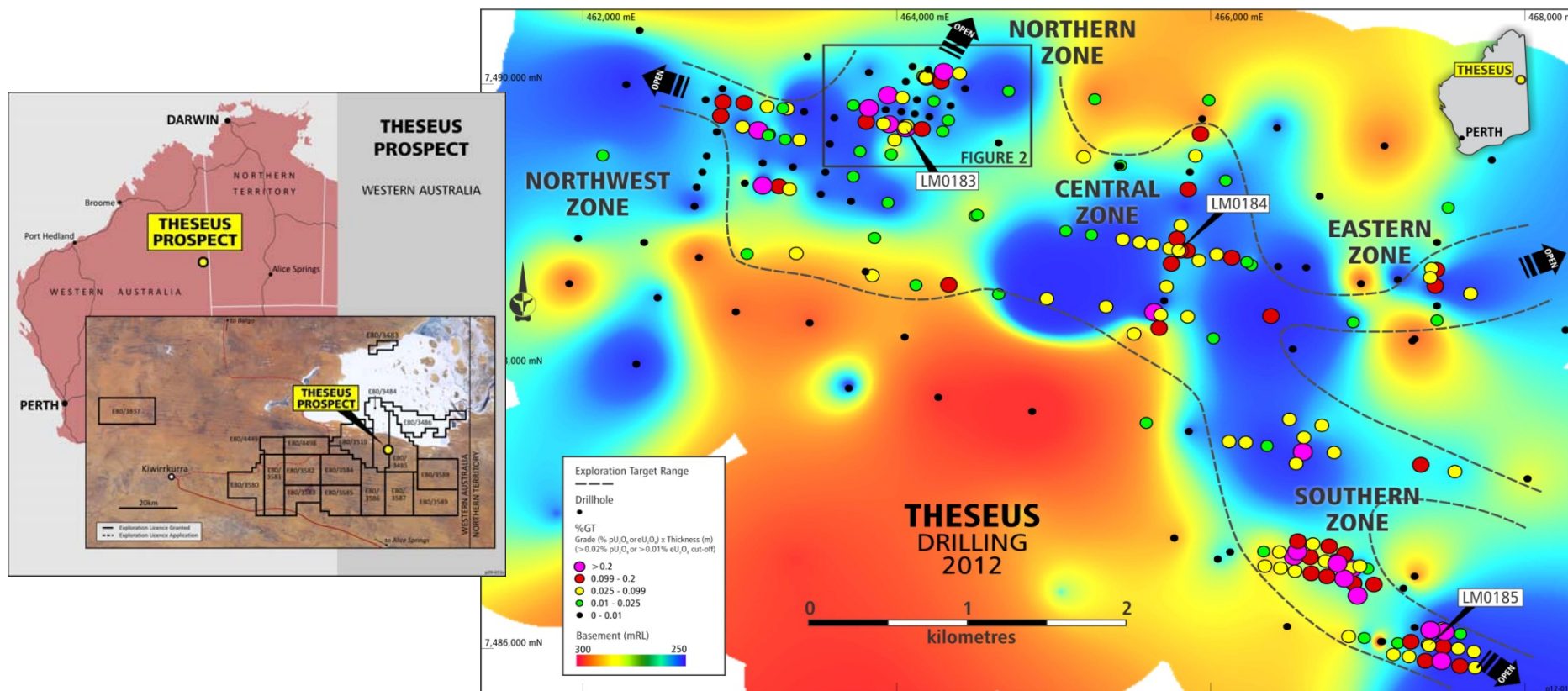
Share Price from July 2012



Theseus Project



Genuine uranium province discovery in new unexplored Tertiary basin



- 6.9 Mlbs of U₃O₈ delineated in unconfined mineralised zones.¹
- Grades of up to 1.17% over 0.79 m intersected.²
- Current drilling covers as little as 10% of the prospective sedimentary basin.

Notes:

1 and 2 Refer CP statements and resource table on pages 29 and 30

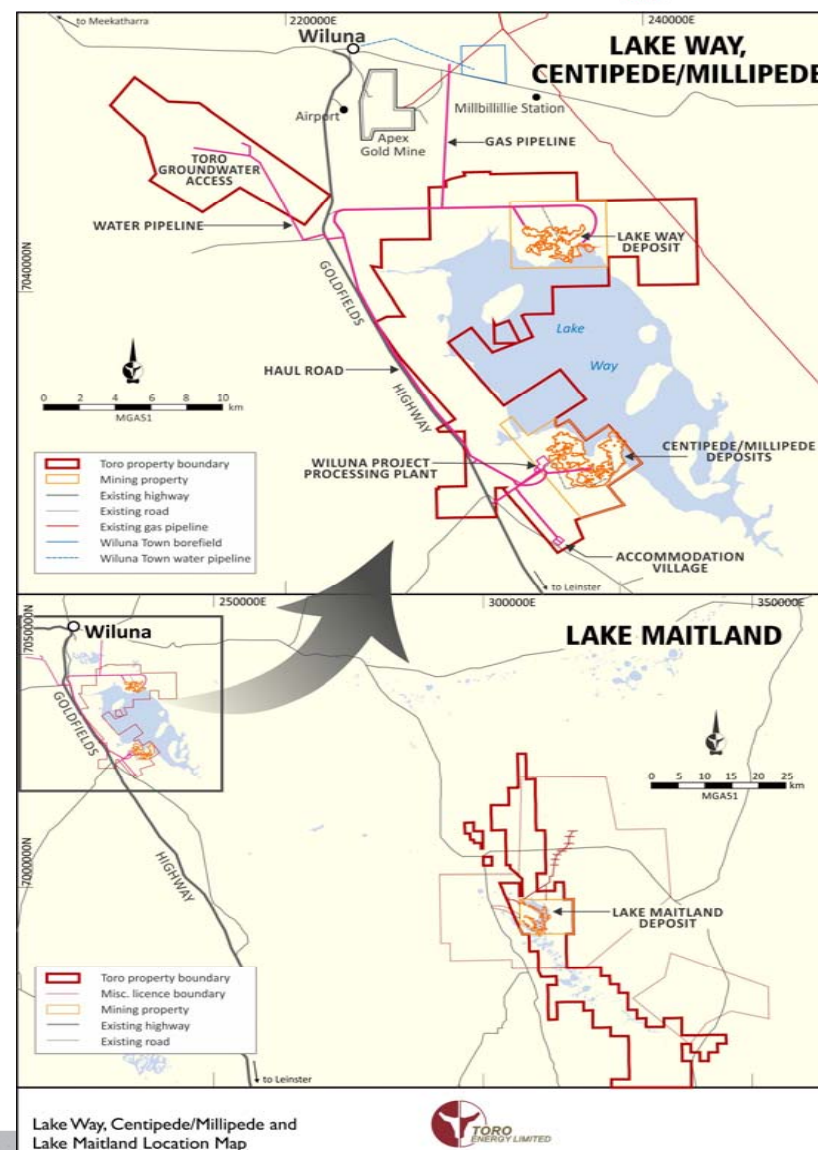
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Wiluna Project



Project Overview

Resource	<ul style="list-style-type: none"> 76.5 Mlb in 6 deposits¹ 36.7 Mlb @ 930 ppm average grade
Permits	<ul style="list-style-type: none"> Centipede and Lakeway State and Federal government approvals in place
Mining	<ul style="list-style-type: none"> Trial mining confirmed selective mining process and equipment Vermeer continuous miner cutting 25cm bench GPS/gamma logger for pit floor grade mapping Groundwater control systems Higher grade selective mining with multiple pits In pit tailings deposition and full rehabilitation
Metallurgy and Process Design	<ul style="list-style-type: none"> Pilot plant confirms Toro's proposed process Fully integrated continuous hydrometallurgical circuit Utilised 15 tonne sample from trial mining 40 tonne of site groundwater used in process Calcrete and clay dominant processes tested Economic processing and recovery proven (~85%) Saline water used for processing Phase 1 DFS – Engineering of processing plant completed



Notes:

¹ Refer ASX release 19 November 2013 for JORC 2012 resource statement



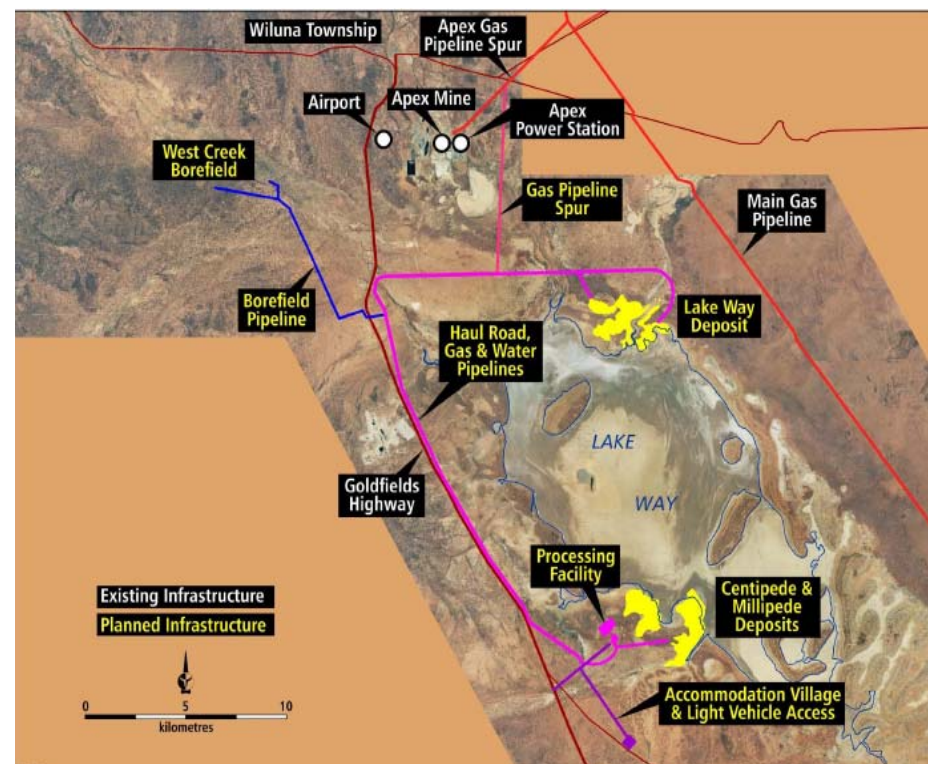
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Wiluna Project significantly de-risked...

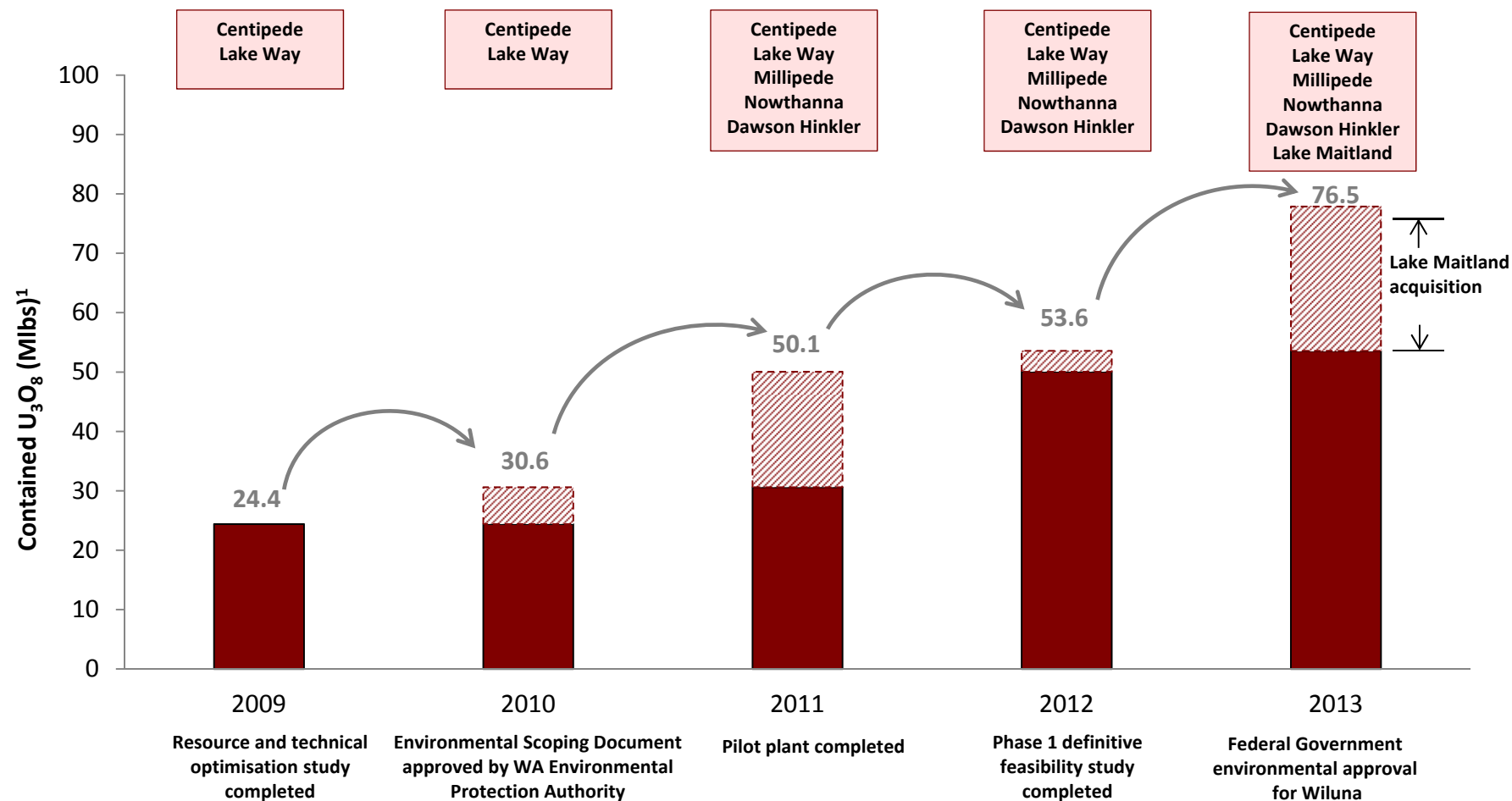


- First class mining jurisdiction
- Political support across State and Federal Governments
- Infrastructure and services available – power, gas, transport, people
- Low technical risk – simple open cut mining and proven process flow sheet
- First stage engineering studies at DFS completed
- First government approvals granted to commence construction and mining at Centipede and Lake Way
- Local community support including Traditional Owners
- Market/financial risk now being addressed

Wiluna Local Infrastructure



...with improved economics through strategic acquisition of resources



1. Based on cut off grade of 200ppm U₃O₈. Refer ASX release 19 November 2013 for JORC 2012 resource statement.

Lake Maitland acquisition brings scale and quality to the Wiluna Project

The Wiluna Project is now 76.5 million pounds U3O8, with over 42 million pounds of high grade resource¹ – a prospect which transforms the development opportunities for the Project

Tenure

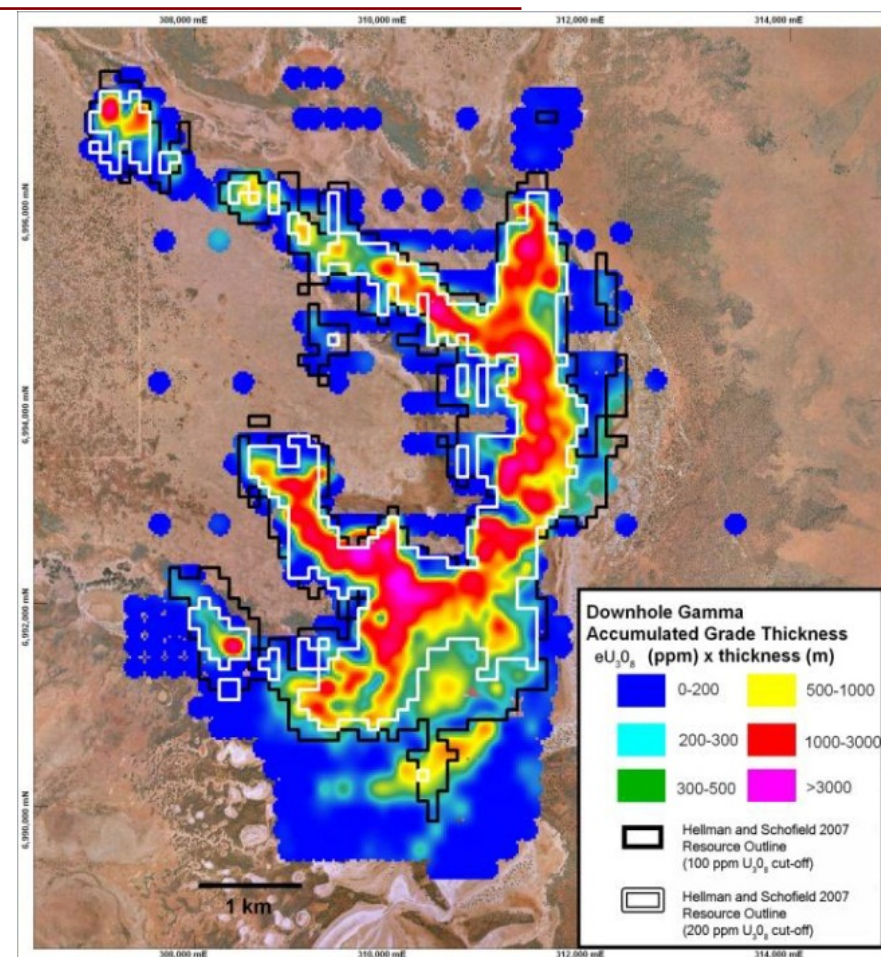
- Granted mining lease and licences to search for water as well as infrastructure for site access road
- Comprises 13 exploration licences, 3 prospecting licences and 3 miscellaneous licences covering a total area of approximately 2,560km²

Metallurgy and Process Design

- Significant amount of test work completed to date
- Processing flowsheet developed for Lake Maitland is similar to the processing facility design that has been progressed for Wiluna

Environment and Community

- Environmental Scoping Document approved in October 2010
- Environmental Review and Management Programme is at an advanced stage of preparation
- There are no registered Aboriginal heritage sites inside the Lake Maitland mining lease



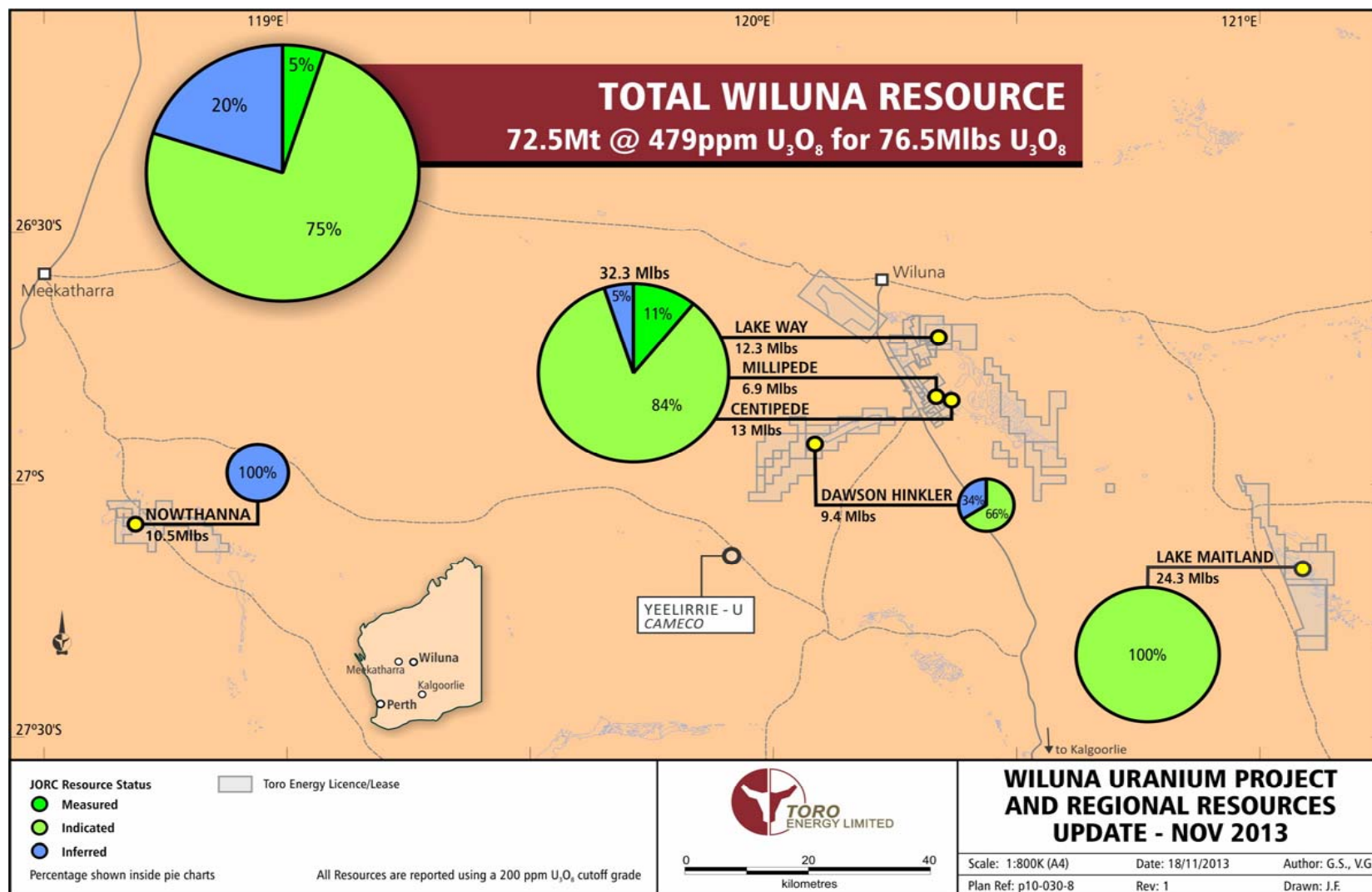
Lake Maitland Downhole Gamma

Notes:

¹ Refer ASX release 19 November 2013 for JORC 2012 resource statement

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Wiluna resource is now high confidence and good grades



Notes:

Refer ASX release 19 November 2013 for JORC 2012 resource statement

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Benefits of the Lake Maitland extend beyond resource alone



Resource base	<ul style="list-style-type: none"> increased by 42% from 54Mlb of U3O8 to 76.5Mlb of U3O8¹ 20 year project life at Wiluna
Improvement in grade and potential to support Wiluna capacity expansion	<ul style="list-style-type: none"> high grade material comprising 36.7Mlb @ 930ppm (500ppm cut-off) which improves the overall blended head grade from the first 4 Wiluna deposits The increased resources provide an opportunity to investigate an expansion to the planned Wiluna project, subject to government approvals
Potential to improve Wiluna Project economics	<ul style="list-style-type: none"> significant improvement to the overall project economics, in particular through decreased operating costs in the first 10 years of operations
Benefit from pre-existing strategic partner relationship	<ul style="list-style-type: none"> Toro inherits the significant strategic and financial benefits of the existing relationship with JAURD and IMEA Project Partners on Lake Maitland
A\$3.5 million of additional capital committed with the transaction	<ul style="list-style-type: none"> A\$1.5 million of cash reserves are included in the Lake Maitland assets A\$1.0 million of cash from OZ Minerals Limited and Pinetree Capital Ltd. in equity subscriptions to provide further financial flexibility to meet transaction and ongoing costs

Notes:

1 Refer ASX release 19 November 2013 for JORC 2012 resource statement

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...including potential to improve Project economics



Parameter	November 2012 Wiluna Economics ¹	Lake Maitland impact
Processing Plant	1.3mtpa	Opportunity to increase capacity (over time and subject to government approvals)
Head Grade	716 ppmU ₃ O ₈	Increase with Lake Maitland higher grade
Recovery	Ramping to 86%	No material impact as similar resource characteristics
C1 Cash Cost	US\$37/lb ^{1,2}	Reduction in C1 cash costs
Capital cost	A\$269m	No change to up-front capital ³
Product (per annum)	780t U ₃ O ₈ (1.7mlb)	Increase from grade uplift and potential increase in processing rates, subject to existing approvals
Mining Duration	10-14 years	Increase to 20+ years

1. First 10 years of production.

2. Figures based on an exchange rate of AUD/USD: 0.90

3. Subject to throughput considerations.

The year ahead...

Lake Maitland will now be integrated into Wiluna Project

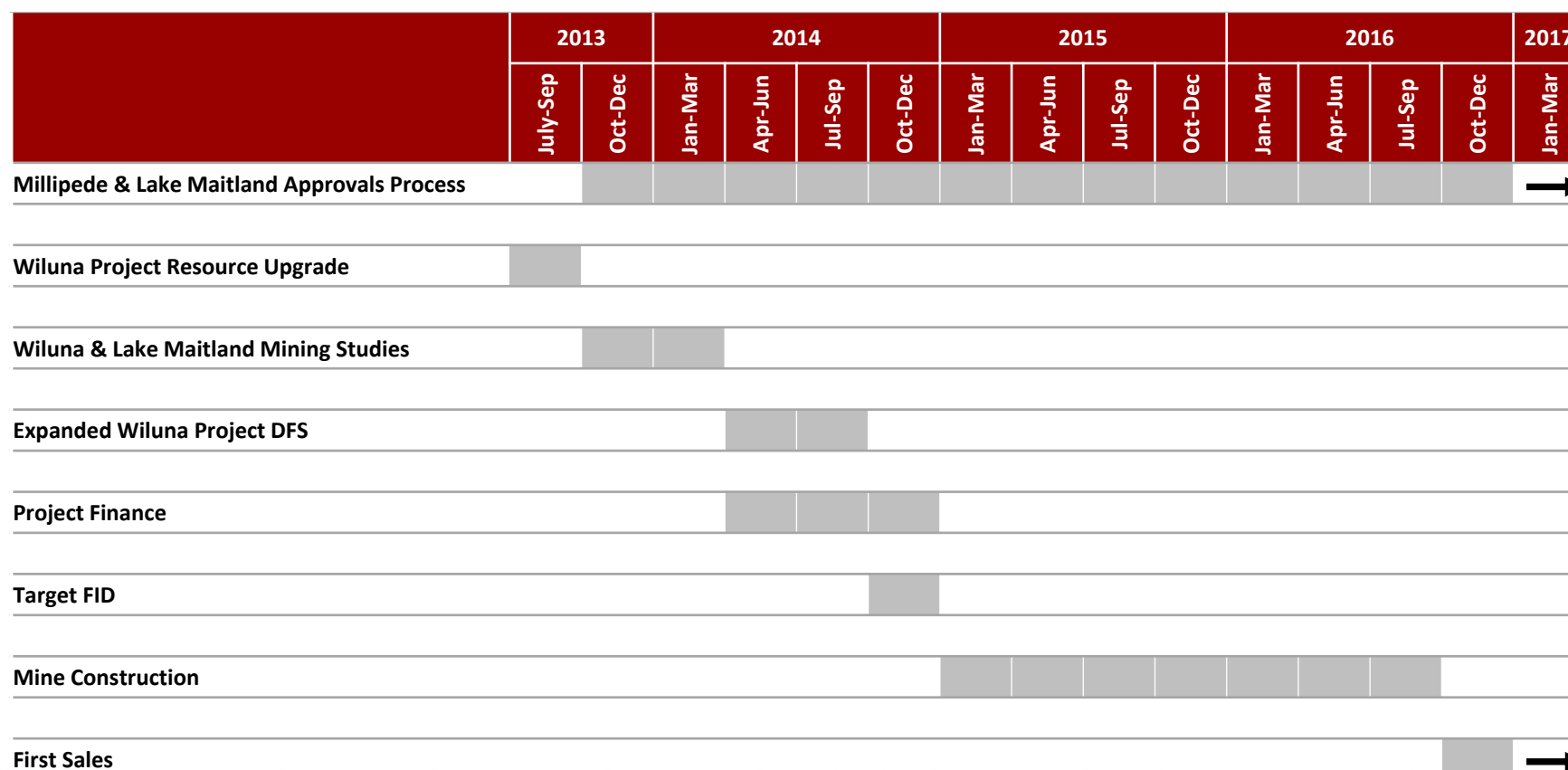


Lake Maitland Permitting	<ul style="list-style-type: none">▪ Toro will develop a strategy for completing the government assessment of mining at Lake Maitland based on established Environmental Scoping Document
Resource	<ul style="list-style-type: none">▪ Toro is preparing a revised Resource estimate for the Wiluna Project following drilling in the first half of 2013 at Lake Way, Millipede, and Dawson Hinkler▪ Results expected Q3 2013
Mining Studies	<ul style="list-style-type: none">▪ It is anticipated that the Lake Maitland resource could be mined and transported to the proposed Wiluna mill through existing roads / construction of a dedicated haul road or piping▪ Mine optimization, scheduling and design studies to be initiated on the combined Wiluna and Lake Maitland resources▪ Reserve statement
Definitive Feasibility Study	<ul style="list-style-type: none">▪ The definitive feasibility study (“DFS”) for Wiluna will now include Lake Maitland▪ The DFS is scheduled to commence in early 2014, subject to the securing of additional funds, and should be completed to allow a final investment decision on Wiluna in late 2014
Project Financing	<ul style="list-style-type: none">▪ Toro expects the enlarged Wiluna Project to deliver significant economic benefit to the development model, increasing the attractiveness of the project to a debt or equity investor▪ Discussions with IMEA / JAURD are expected over how to expand their interest into a broader uranium development beyond Lake Maitland

2013-2014 Development Plans



- Finalise engineering studies of the expanded Wiluna Project
- Financing activities targeted to allow decision in late 2014
- Market conditions will influence start up date



Project Funding Strategy



A number of options exist for securing project finance.

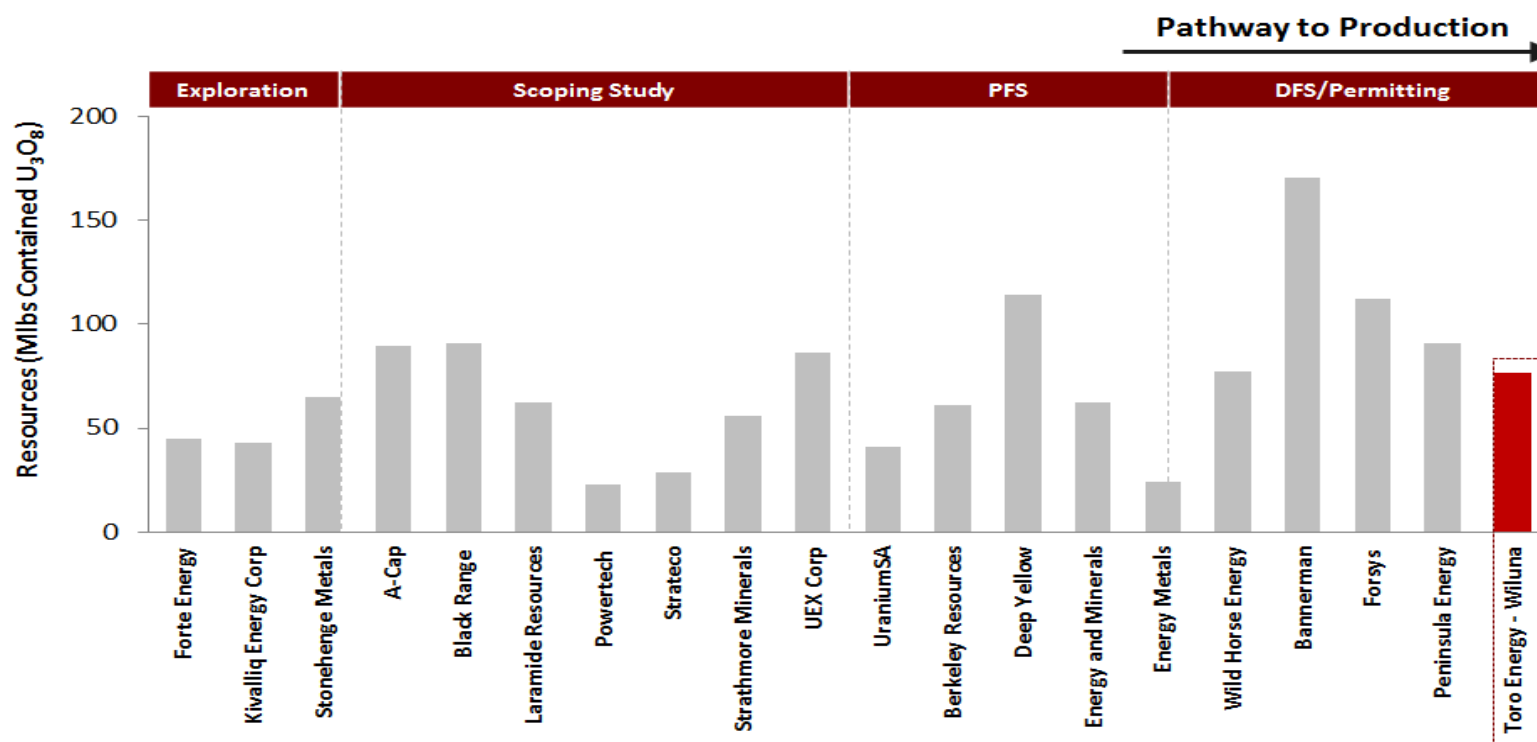
Project Financing

- Project funding will remain an ongoing workstream in parallel with the completion on the DFS
- Strategic uranium players with longer term interests remain keenly interested in emerging and reliable sources of U_3O_8 supply
- Discussions ongoing with a number of strategic parties - existing environmental approvals is a key differentiator
- Adding the Lake Maitland resources should lead to increased investor interest by further improving project economics and project scale
- Some Lake Maitland offtake may be available to IMEA / JAURD if it exercises its option to buy 35% of Lake Maitland, but the remainder of Wiluna's offtake remains unallocated
- Local and offshore debt financiers also remain interested in supporting development
- Post acquisition, Toro's pro-forma market capitalisation of A\$134.8 million should support any residual Toro equity funding requirement

Wiluna – the next Australian Uranium Mine



Toro's Wiluna project is one of the most progressed undeveloped, independent, uranium-only projects globally. Wiluna has secured government approvals for initial mining and now in the process of finalising its DFS ready for development.



Notes:

1. Uranium Peers selected based on uranium only deposits (or with other commodities as by-products), resources greater than 20Mlbs U_3O_8 (and less than 200Mlbs U_3O_8)
2. Presented on an equity basis

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Wiluna resource based on resources as announced on 18 November 2013

Toro Board



Erica Smyth
(Non-Executive
Chairman)

- 30+ years experience in the mineral and petroleum industries
- Director of Australian Nuclear Science and Technology Organization



Dr Vanessa Guthrie
(Managing Director)

- PhD in Geology, Environment
- Extensive executive & management experience in sustainability, environment, government & approvals, mine operations, community & indigenous in Western Australia



Greg Hall
(Non-Executive
Director)

- Mining engineer & founding director of Toro
- 30+ years resource sector experience, including 21 years managing Ranger, Jabiluka & Olympic Dam and uranium marketing with Rio Tinto



Peter Lester
(Non-Executive
Director)

- Bachelor of Engineering, Mining (Hons)
- Extensive experience in senior operating, development and corporate roles with Newcrest, North, CRA and MIM



Andrew Coles
(Non-Executive
Director)

- Bachelor of Economics (Hons) , MBA, CPA
- CFO of OZ Minerals Ltd
- Extensive career in mining finance with Rio Tinto, ExxonMobil , Zinifex and Oxiana



Richard Patricio
(Non-Executive
Director)

- Executive Vice President Corporate Affairs of Mega Uranium
- Lawyer qualified to practice in the Province of Ontario



Richard Homsany
(Non-Executive
Director)

- Executive Vice President, Australia or Mega Uranium
- Extensive experience in the resources industry, including working for North Ltd., which was acquired by Rio Tinto Ltd. in 2001, and board experience with publicly listed resource companies in Australia

Competent Persons' Statements



Wiluna Project Mineral Resources – 2012 JORC code compliant resource estimates – Centipede, Millipede, Lake Way, Lake Maitland, Dawson Hinkler and Nowthanna deposits

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 Shirtliff 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 Shirtliff takes responsibility for the integrity of the data supplied for the estimation. Dr Shirtliff 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.

Theseus Project – 2004 JORC code compliant resource estimate

Information presented here relating to the Theseus Resource Estimate is based on work supervised by Michael Andrew, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM) and the Australian Institute of Geoscientists (AIG). Mr Andrew is a full-time employee of Optiro, 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 Andrew consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

Competent Persons' Statements



Theseus Project – Target range and exploration results in accordance with the 2004 JORC code

Information presented here relating to the Theseus Exploration Target Range and Exploration Results is based on information compiled by Dr David Rawlings, who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Dr Rawlings 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'. Dr Rawlings consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

Theseus Resource Table (JORC 2004)

Inferred Mineral Resource	(ppm)	Tonnage (t)	U ₃ O ₈ (ppm)	Metal U ₃ O ₈	
				(t)	(Mlb)
Grade Cut-off	200	6,339,611	493	3,126	6.9

Refer CP statement page 29

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