



ASX RELEASE

21 May 2013

Toro farms out potash stake in Lake Mackay region of WA

Uranium developer, Toro Energy Limited ("Toro", ASX Code "TOE") is pleased to announce the Company has signed a binding Heads of Agreement ("HoA") with Rum Jungle Resources Ltd ("Rum") in which Rum will farm into Toro's rights for potash and related evaporite minerals over Lake Mackay, on the Northern Territory-Western Australia border.

The agreement covers the lake surface within four primarily uranium prospective Exploration Licenses (E80/3484, 3485, 3486 and 3519), covering 420 square kilometres (Figure 1).

Toro's previous shallow drilling has confirmed the presence of brine in the lake subsurface, with potassium, magnesium and sulphur concentrations similar to other potash brine systems in central Australia and overseas. Rum's objective is to drill deeper to assess the potential for a sustainable potash resource.

The key terms of the farm out as set out in a formal HoA are:

- **Rum to spend a minimum of \$250,000 in Year 1, drilling the lake to earn a 51% interest in Lake Mackay's potash and other evaporite minerals. Toro can then elect to contribute pro rata to further exploration or;**
- **Rum to spend a further \$750,000 in Years 2 and 3 to increase its interest to 80%, at which point Toro can elect to maintain its 20% interest and contribute to further expenditure.**
- **If either party dilutes below 5%, their interest will be converted to a 2% royalty.**
- **Toro will retain all other mineral rights, including uranium.**
- **The agreement is subject to execution of formal joint venture agreements and carrying out due diligence.**

Toro Managing Director, Dr Vanessa Guthrie, said today the HoA would allow the exploration momentum to be continued at Lake Mackay in a manner which provided some capital efficiency to Toro over the tenements. This is consistent with Toro's strategy of developing a pipeline of highly prospective uranium exploration tenements to support the company's growth strategy.

Vanessa Guthrie
Managing Director

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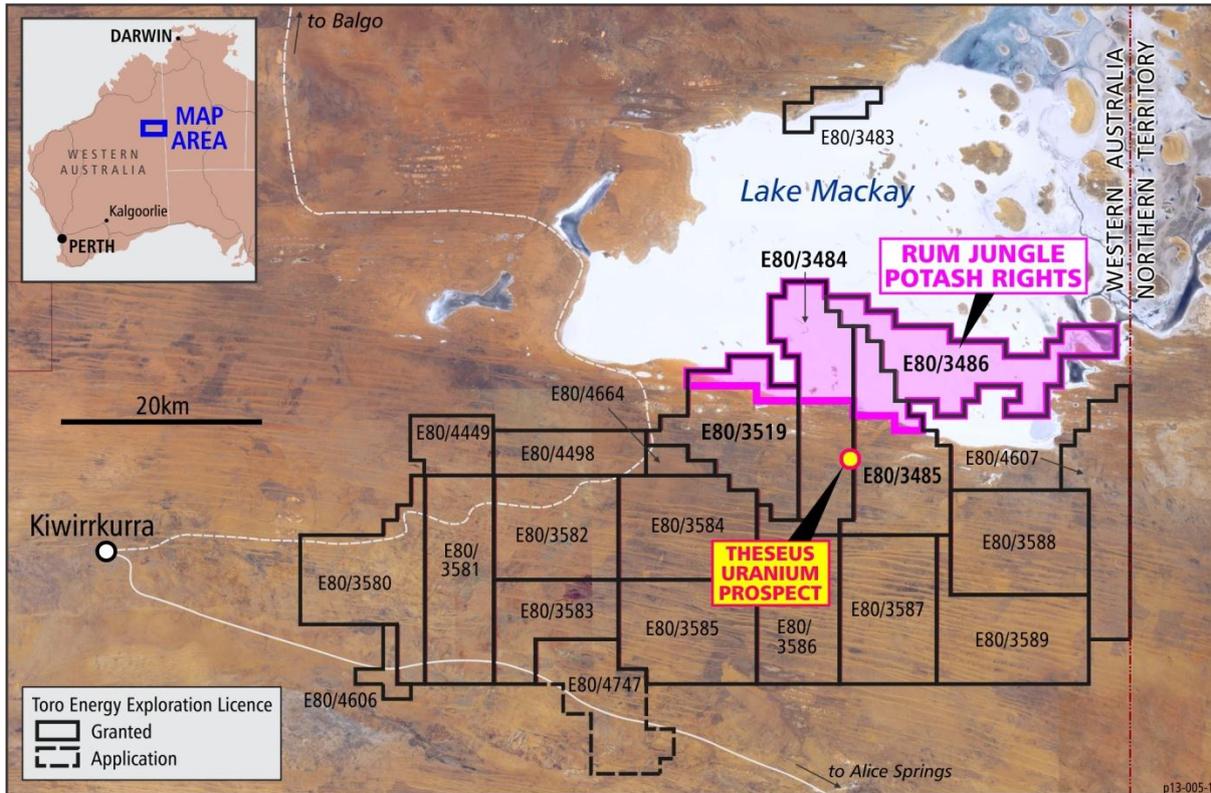


Figure 1: Lake Mackay potash farm-out area

Information in this report is based on information compiled by Dr David Rawlings, who is a Member of the Australasian Institute of Mining and Metallurgy. 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.

Toro Energy is a modern Australian uranium company with progressive project development, acquisition and growth. The company is based in Adelaide, South Australia with a project office in Perth, Western Australia.

Toro's flagship and wholly-owned Wiluna uranium project is 30 kilometres southeast of Wiluna in Central Western Australia.

Updated prefeasibility estimates and the Process Engineering phase of the definitive feasibility study are complete for mining of two shallow calcrete deposits, Lake Way and Centipede, for which all government environmental approvals have been received. Development of Project financing through potential JV partners is underway, and subject to the successful completion of this and Toro Board final decision, Toro is targeting an investment decision in second half of 2013, with first production and uranium sales during 2015. Toro has three other deposits in its Wiluna regional resource, Millipede, Dawson/Hinkler and Firestrike, which it is continuing to evaluate.

Toro's wholly owned Theseus Project is a recent discovery with results to date indicating the potential for a high grade mineralised system. The Company also owns uranium assets in the Northern Territory and in Namibia, Africa.