

# TORO ENERGY LIMITED

**An Emerging Australian  
Uranium Producer**

**INVESTOR PRESENTATION  
MAY 2012**





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# Corporate Overview & Uranium Market







- Principal Development Asset: **Wiluna Uranium Project**
  - May 2012 – EPA recommendation to WA Environment Minister to approve the project
  - Front-running project with Government decision imminent
  - One of the few in the world capable of production in 2014-15
  - 54mlb (24,200 tonnes)  $U_3O_8$  total regional JORC resource\*
- Principal Exploration Asset: **Theseus Uranium Project**
  - Exploration target range\* 22 - 44mlbs (20,000 tonnes)  $U_3O_8$
  - Potential for acid-based ISR extraction
  - New uranium basin unfolding through exploration

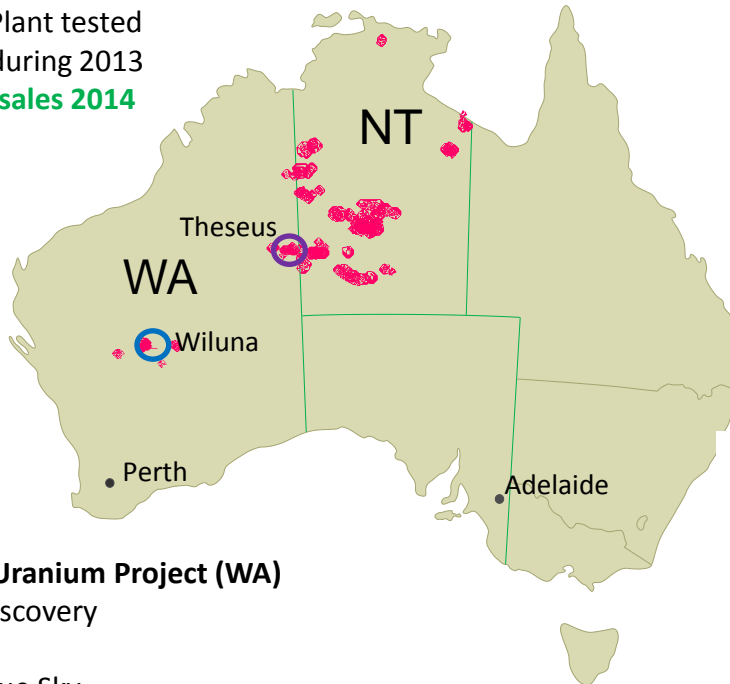


# Corporate Overview

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## 100% Wiluna Uranium Project (WA)

- 54mlb  $U_3O_8$  resource\*
- EPA positive recommendation to Minister
- Trial Mine completed
- Process Pilot Plant tested
- Construction during 2013
- **First uranium sales 2014**



## 100% Theseus Uranium Project (WA)

- Greenfield discovery
- Massive area
- Significant Blue Sky
- 22 – 44mlbs  $U_3O_8$  Exploration Target Range\*
- **Potential In-situ recovery**

### Toro's Australian Exploration Footprint

SA, NT and WA are Australian States and Territories that allow uranium mining and enclose Toro's project and exploration footprint.

## Capital Structure

- Listed on ASX
- 1042m shares on issue
- 37m unlisted options
- A\$0.080 Share Price (24May)
- ~A\$83m Market Capitalisation
- ~A\$16m cash (31 March)
- ~A\$67m Enterprise Value
- EV/lb multiple ~A\$1.24/lb

### 12 Month Share Price Graph



\* See resources statement page 30, and Exploration Target Range statement page 31



# Risk Mitigation Phases

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2010	2011	2012
Wiluna tenements and pastoral stations acquired from MMG	Wiluna Resource up 25%	Centipede Resource expands 17%
Environmental Scoping Doc Approved	Wiluna ERMP public review	Theseus Uranium Extraction >95%
Trial Mine completed	Theseus discovery confirmed	Drilling at Theseus
Dawson-Hinkler acquired	Pilot Plant process confirmed	EPA Approval Recommendation to WA Environment Minister
Millipede acquired	Wiluna Resource expands 32% to 50mlb	Discussions continue with Strategic Investors
Nowthanna acquired	WA Opposition policy shift	
	Discussions commence with Strategic Investors	

**Phase 1**  
Technical/ Resource Risk Mitigation

**Phase 2**  
Regulatory/ Tenure Risk Mitigation

**Phase 3**  
Financial Risk Mitigation

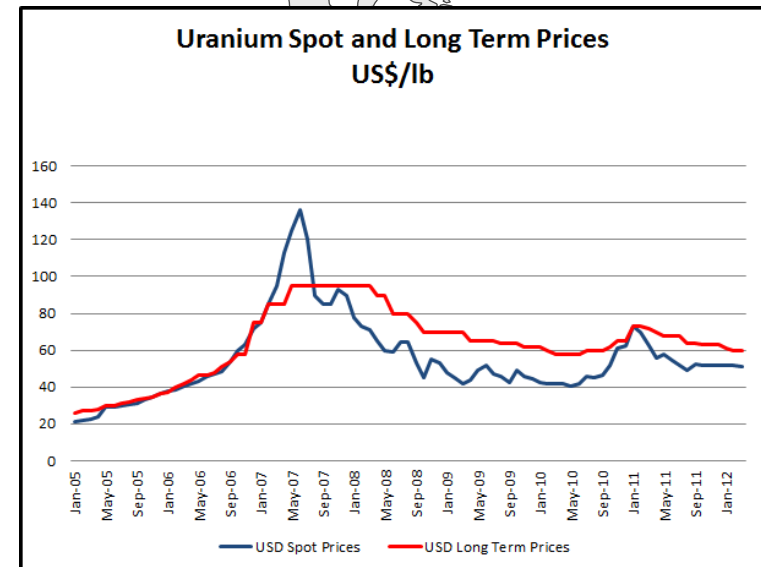
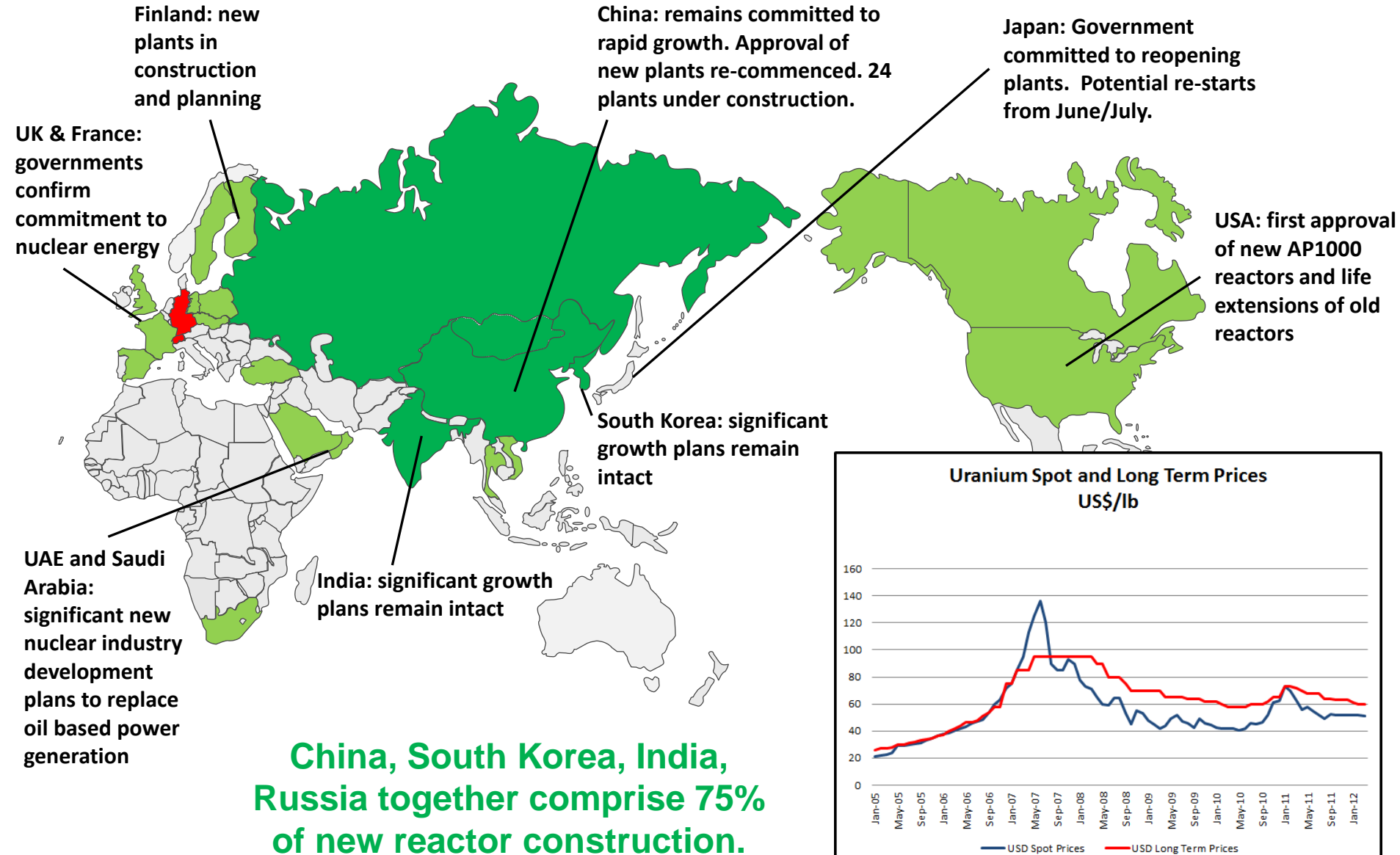
Future Additional JORC  
Resources at Theseus



# Uranium Demand



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# New Primary Uranium Supply



- Total uranium supply in 2011 was approximately 170mlb  $U_3O_8$  pa
- Forecast increase in demand to 2025 is est. +100mlb  $U_3O_8$  pa (270mlb total)
- The USA-Russia HEU deal ends in November 2013 reducing supply by ~24mlb  $U_3O_8$

Majors	Market Expectations	Risks
Kazakhstan	Production to increase to 65mlbs. p.a. by 2016.	Government <b>capping</b> production ~50mlb.
Cigar Lake	First Production late 2013, ramping up to 18mlbs p.a.	Some <b>technical risk</b> .
Olympic Dam	Additional production from 2018.	<b>Uncertainty</b> on uranium production increase.
Husab	First Production 2016, ramping up to 12mlbs. p.a.	Financing <b>delay</b> & 3 year construction period.
Yeelirrie	First Production 2016, ramping up to 7mlbs. p.a.	Project <b>deferred</b> due to further studies.
Ranger 3 Deeps	First Production late 2016	Third party <b>approvals</b> required.
Trekkopje	First Production 2016, ramping up to 7mlbs. p.a.	Project <b>suspended</b>
Immouraren	First Production 2014, ramping up to 13mlbs. p.a.	Project <b>delayed</b> to 2016.

Juniors	Market Expectations	Risks
Lost Creek	First Production 2013, ramping up to 1.1mlbs. p.a.	None (possibly regulatory)
Nichols Ranch	First production 2012, at 1.3mlbs p.s.	None
Four Mile	First production 2013, up to 3mlbs p.a.	<b>Legal issues</b>
Etango	First Production 2016, 7mlbs. p.a.	<b>Cost</b>
<b>Wiluna</b>	<b>First production 2014, 1.8mlbs p.a..</b>	



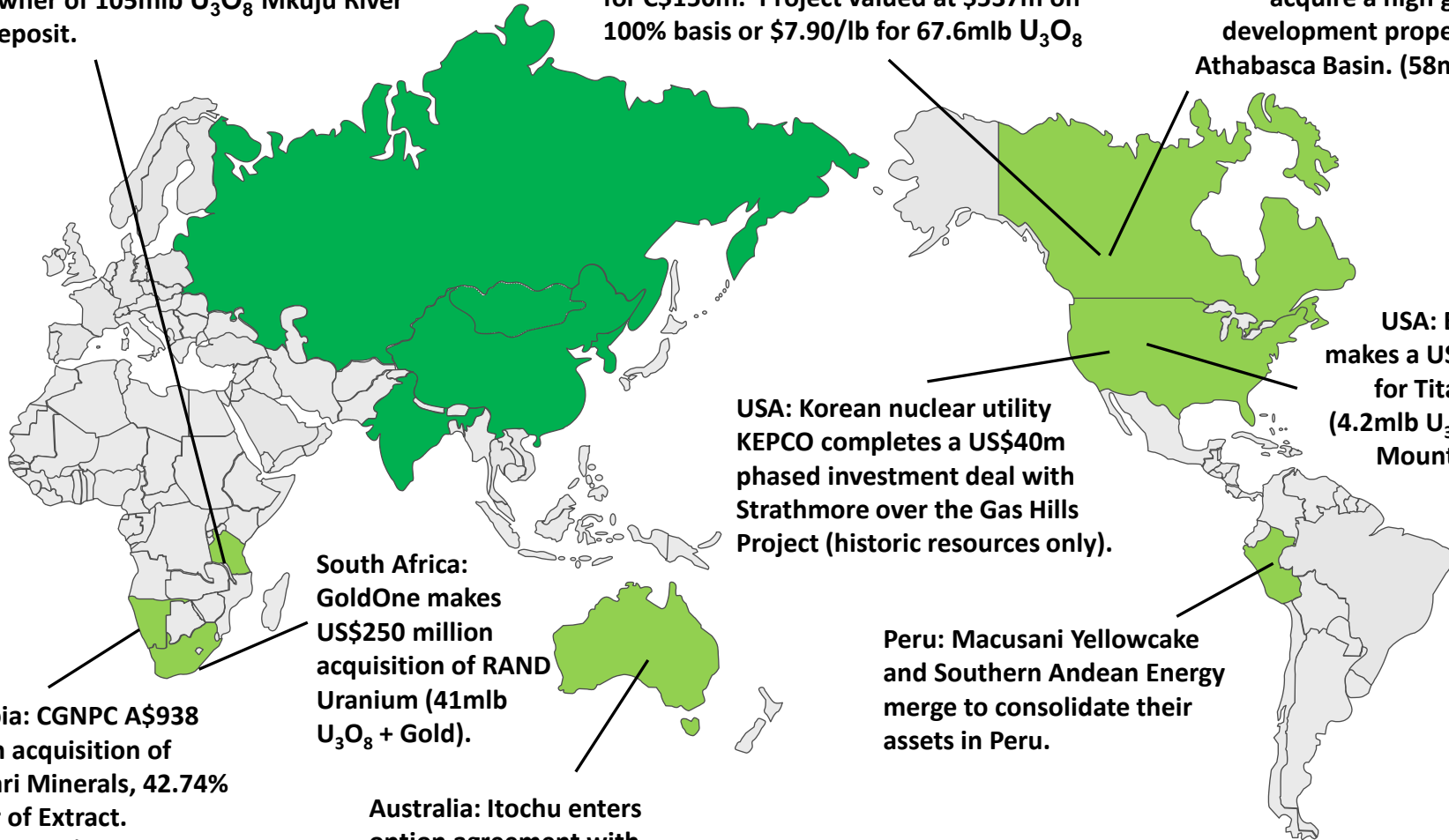
# Recent Corporate Activity



**Tanzania:** ARMZ/Uranium One make A\$1.02 billion acquisition of Mantra Resources Ltd owner of 105mlb  $U_3O_8$  Mkuju River deposit.

**Canada:** Cameco acquires AREVA's 27.94% interest in Millennium project for C\$150m. Project valued at \$537m on 100% basis or \$7.90/lb for 67.6mlb  $U_3O_8$

**Canada:** Rio outbids Cameco for Hathor. C\$623m transaction to acquire a high grade pre-development property in the Athabasca Basin. (58mlb  $U_3O_8$ )



**USA:** Korean nuclear utility KEPCO completes a US\$40m phased investment deal with Strathmore over the Gas Hills Project (historic resources only).

**USA:** Energy Fuels makes a US\$25.2m bid for Titan Uranium. (4.2mlb  $U_3O_8$  at Sheep Mountain Project)

**Peru:** Macusani Yellowcake and Southern Andean Energy merge to consolidate their assets in Peru.

**South Africa:** GoldOne makes US\$250 million acquisition of RAND Uranium (41mlb  $U_3O_8$  + Gold).

**Australia:** Itochu enters option agreement with Alliance Resources, 25% JV interest on 4 Mile project.

**Namibia:** CGNPC A\$938 million acquisition of Kalahari Minerals, 42.74% holder of Extract. Subsequent \$2.2 billion bid for Extract completed. (512mlb  $U_3O_8$  Husab project)

**China, South Korea, Russia and Canadian corporates are the active acquirers.**



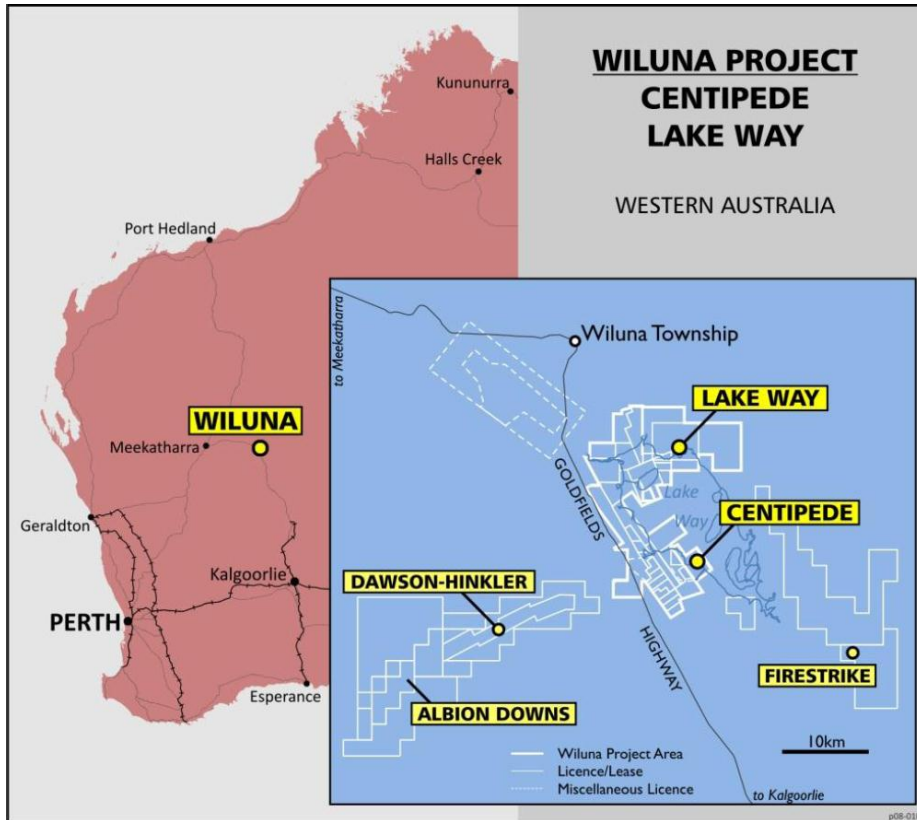
# Wiluna Uranium Project

## 100% Toro





# Project Overview



Parameter	November 2011 Economics*
Deposits	Centipede, Lake Way
Processing Plant	1.3mtpa
Head grade	~720ppm
Recovery	Ramping to 85%
C1 Cash Cost	US\$33/lb
Capital Cost	A\$280m
Product (per annum)	820t U <sub>3</sub> O <sub>8</sub> (1.8mlb)
Mining Duration	Up to 14 years

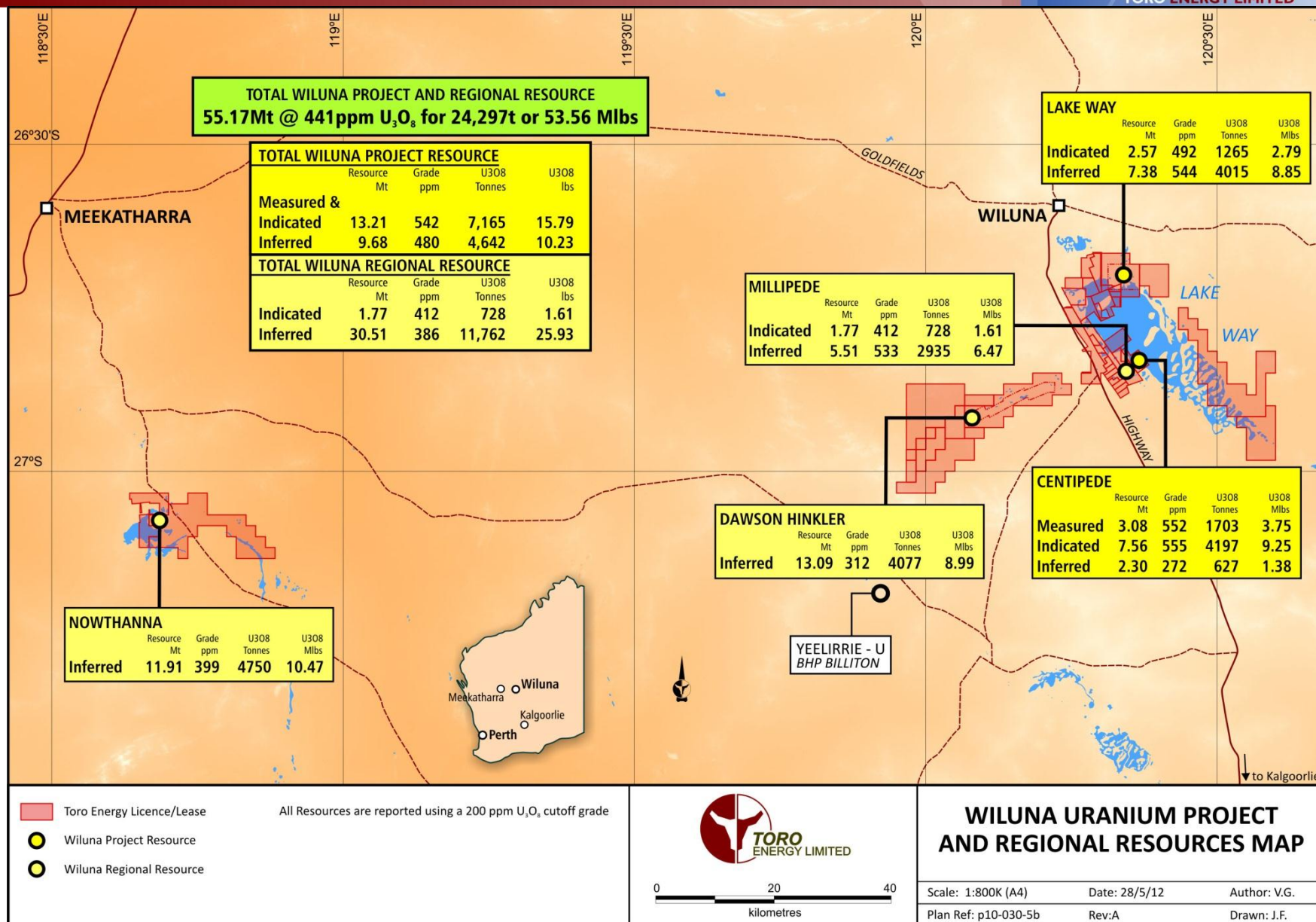
- Shallow open pit mining (<10m), strip 3.8:1, mining to a 250ppm U<sub>3</sub>O<sub>8</sub> cut-off
- Processing 1.3 mtpa ore, processing to a 500ppm U<sub>3</sub>O<sub>8</sub> cut-off (720ppm head grade)
- Alkaline tank leach with direct precipitation
- In-pit tailings storage, progressive rehabilitation, similar to sand mining operation



# Uranium Resources

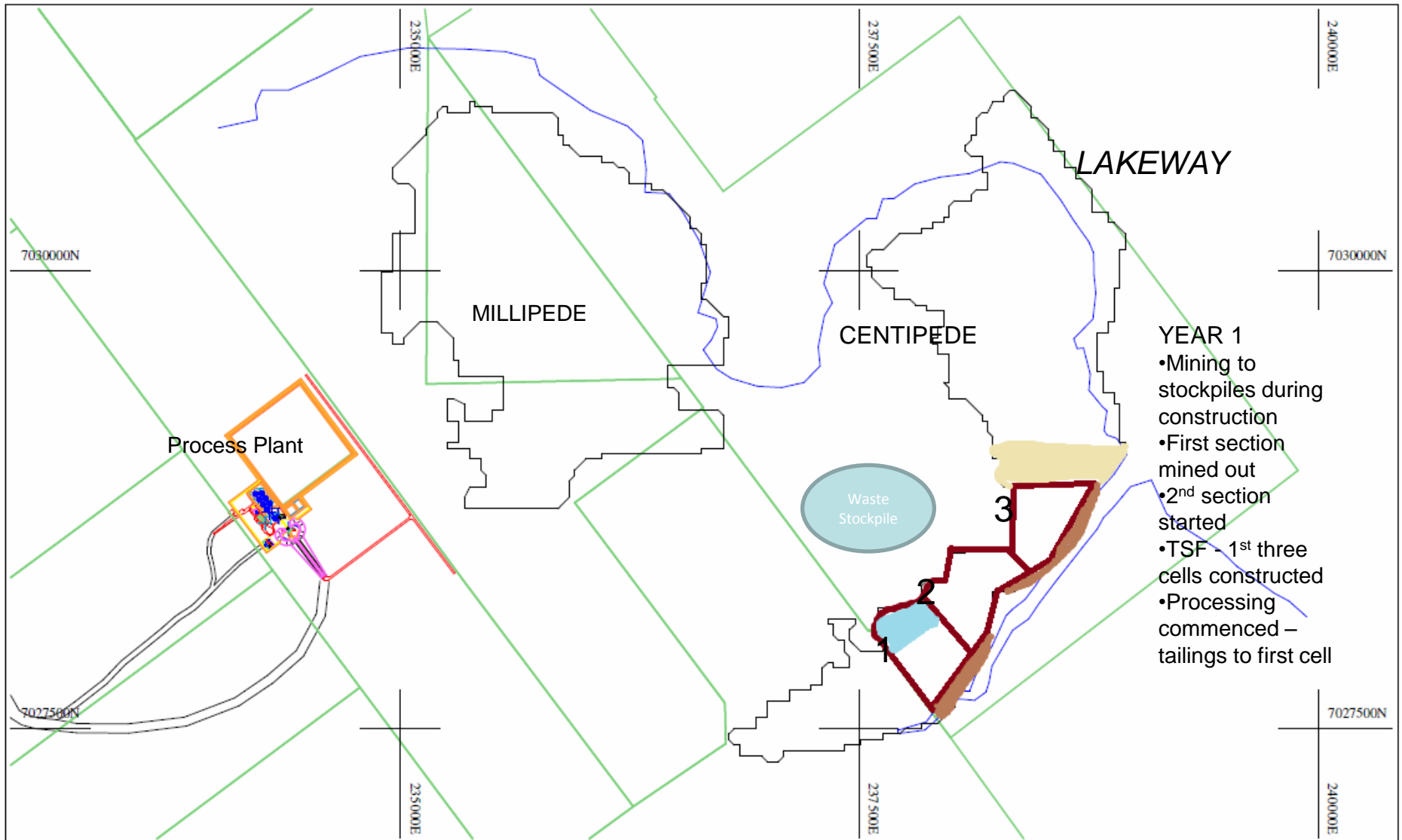


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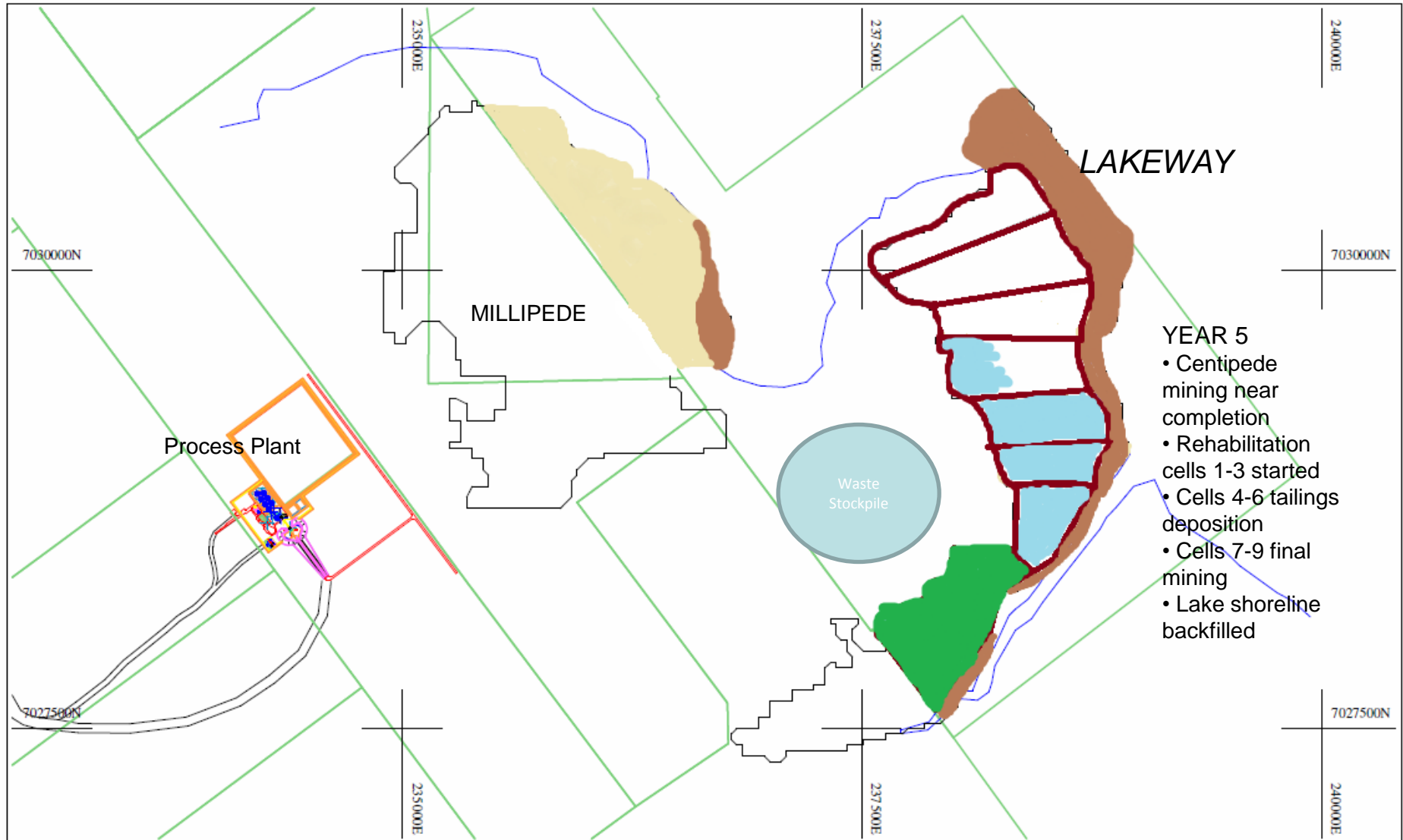


# Mine Development Sequence: Year 1





# Mine Development Sequence: Year 5



- YEAR 5**
- Centipede mining near completion
  - Rehabilitation cells 1-3 started
  - Cells 4-6 tailings deposition
  - Cells 7-9 final mining
  - Lake shoreline backfilled



# Trial Mining & Pilot Plant



## Trial mining confirms selective mining process

- Vermeer continuous miner cutting 25cm bench
- GPS/gamma logger for pit floor grade mapping
- ✓ Ability to map and select higher grade confirmed
- ✓ Continuous miner confirmed efficient method
- ✓ In pit tailings deposition and full rehabilitation



## Pilot plant confirms Toro's proposed process

- Fully integrated continuous hydrometallurgical circuit
- Utilised 15 tonne ore sample from trial mining
- 40 tonne of site groundwater used in process
- Two types of ore tested (Calcrete and clay dominant)
- ✓ Economic processing and recovery proven (~85%)
- ✓ Saline water used for processing
- ✓ Sample uranium to be sent to uranium converters
- ✓ Savings from coarser grind & lower leach temperature







## The Approval Process

- After a 2.5 year process WA EPA recommended approval May 2012
- Western Australian Environment Minister makes formal decision
- Federal Environment Minister makes formal decision following WA

.....Government decisions anticipated by **Q3 2012.**

*"WA Opposition Leader Mark McGowan said if he won the 2013 election, any [uranium] mines that were approved before that time would remain operational..."*

AAP Report January 24, 2012

## Indigenous Agreement and Community Relations

- WA Wiluna Shire Council continued support for Project
- Broader regional consultation and information days held
- Contracts already provided to local and regional businesses
- Indigenous employees engaged during technical site works
- Negotiations on mining agreement with traditional owners commenced



# Project Timeline



## Creating Future Project Value

- 🚧 Government Decisions (2012 q3)
- 🚧 Definitive Feasibility Study (2012 q4)
- 🚧 Financing (2012 q4)

	2009			2010			2011			2012			2013			2014		
Approvals											🚧							
Definitive Feasibility												🚧						
Indigenous Agreement												🚧						
Financing												🚧						
Decision to Construct												🚧						
Design and Construct																		
Commissioning /Ramp																		
Production																		

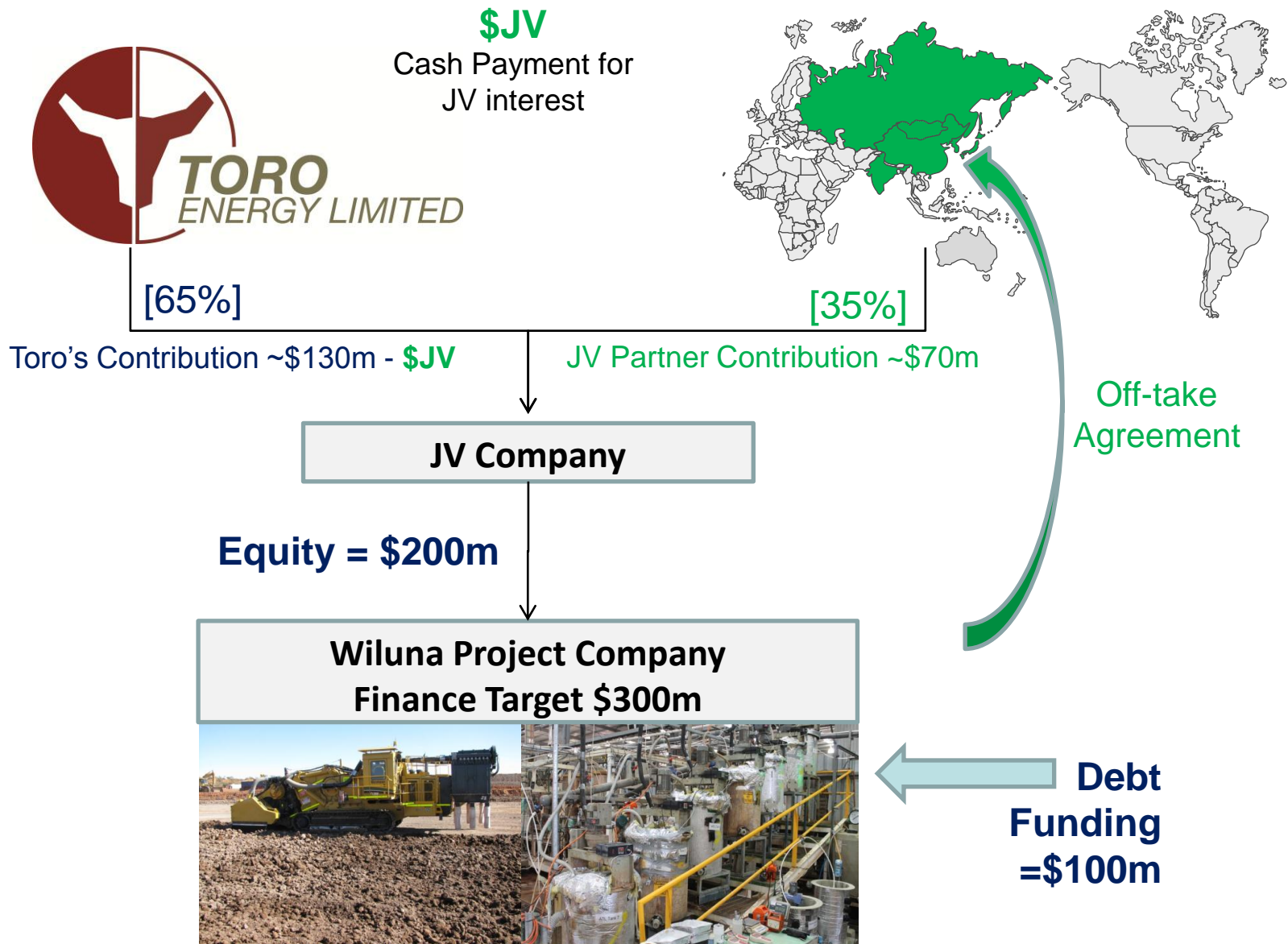
*...Final Government decisions anticipated q3 2012*

*....Final Investment Decision late 2012/ early 2013*

*..... First uranium sales targeted for 2014*



# Financing Concept: Equity & Debt





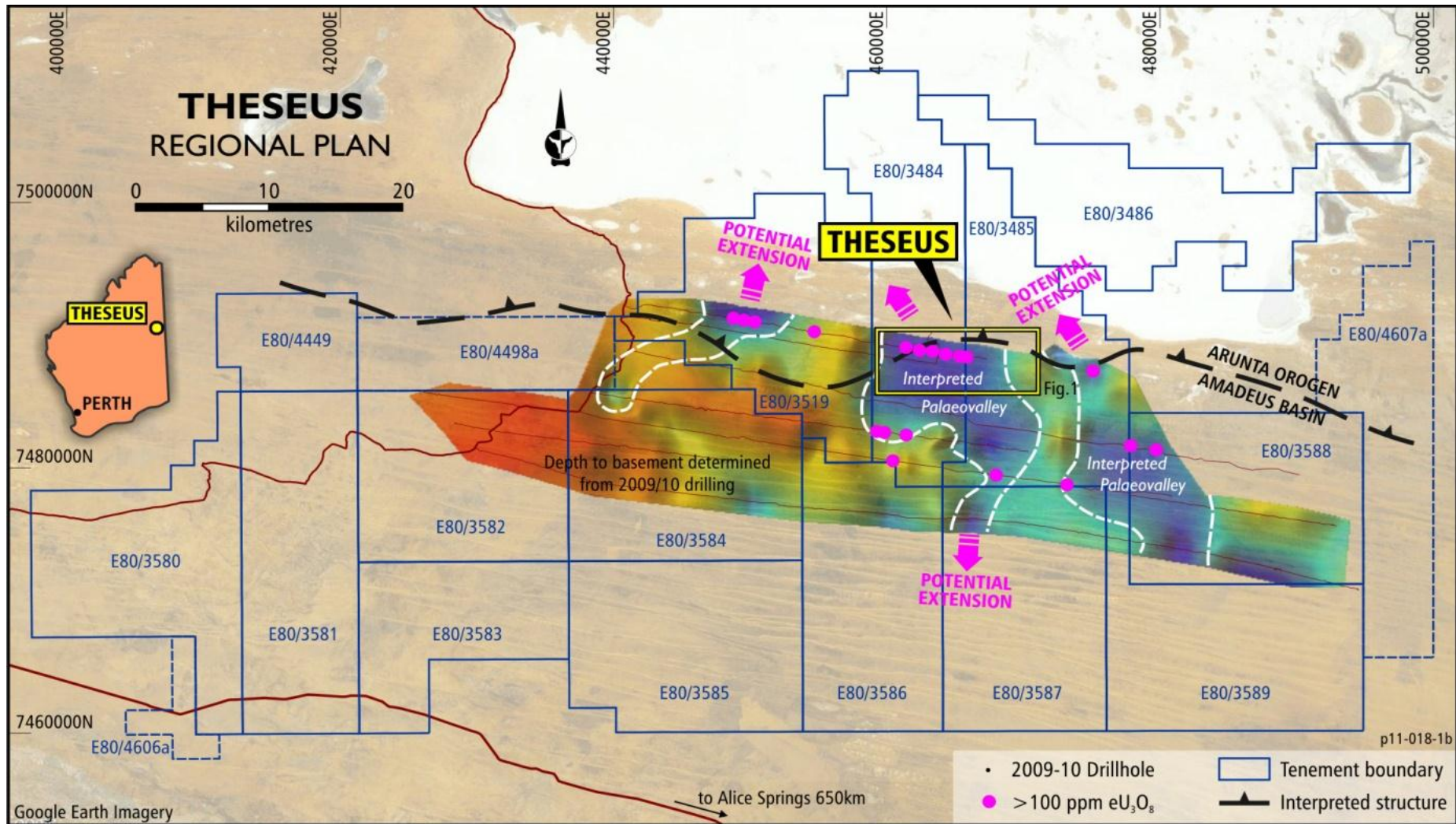
# Theseus Uranium Project

## 100% Toro





# Location & Scale



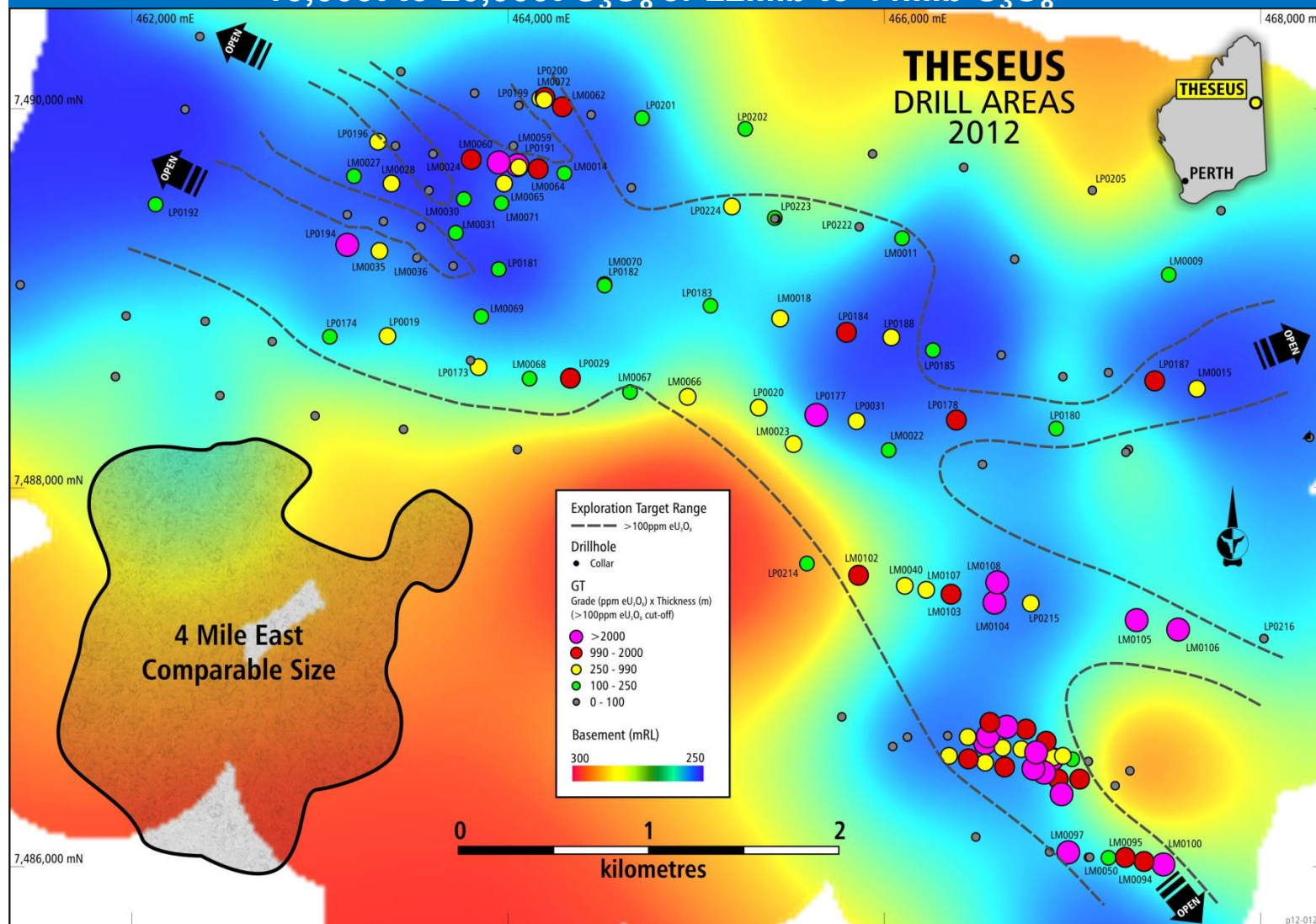


# Exploration Target Range



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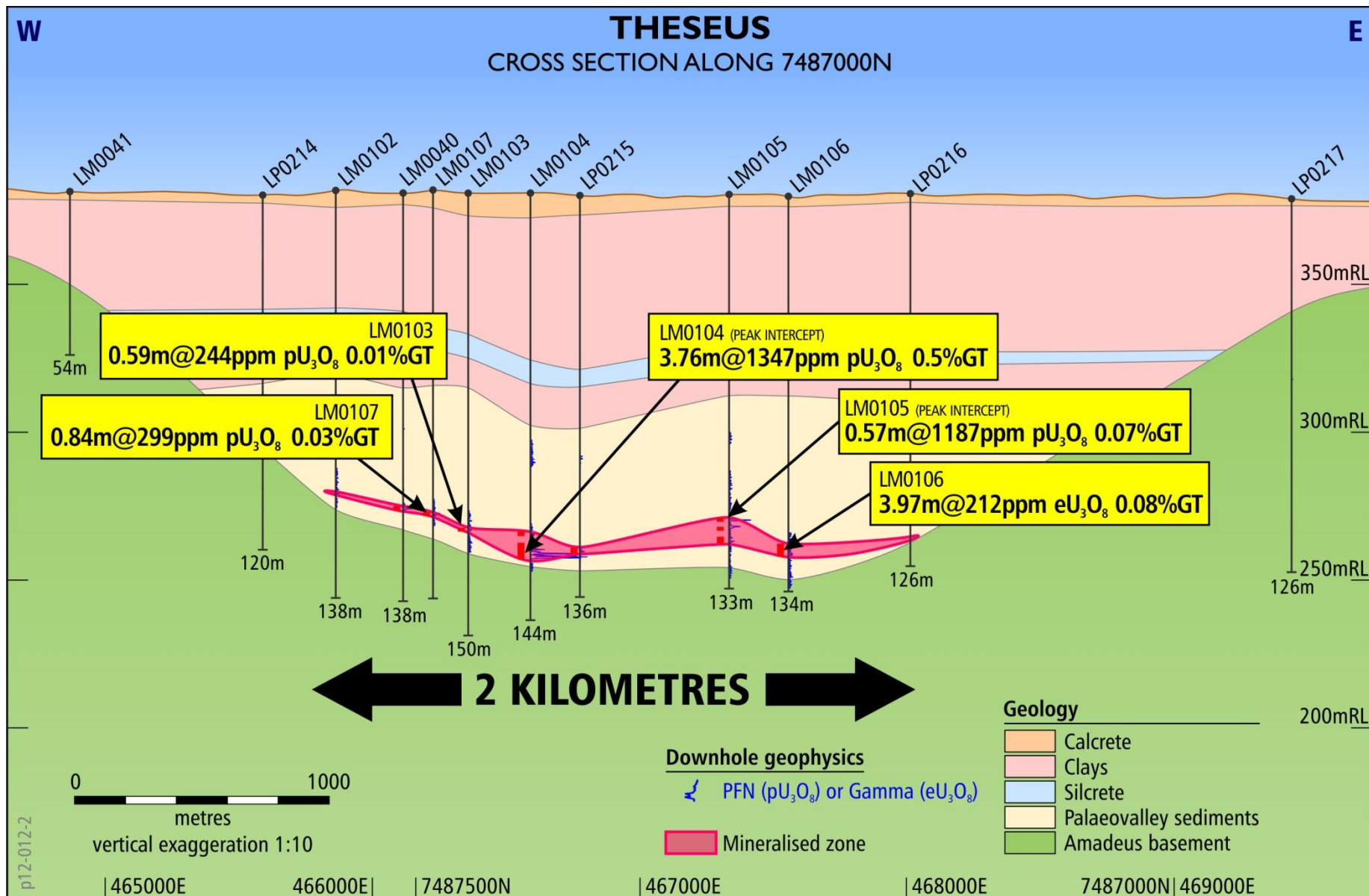
20Mt to 40Mt @ approx. 400 to 500 parts per million (ppm)  $U_3O_8$   
10,000t to 20,000t  $U_3O_8$  or 22Mlb to 44Mlb  $U_3O_8$  #













# Next Steps



## Significant drilling program in 2012

- Mainly mud rotary drilling – 30,000m May to July
- Diamond core for geological control and samples for testwork – May
- Use of PFN tool (due to positive uranium disequilibrium) – May/June
- Water bore drilling for water aquifer characterisation / flow tests – July
- Metallurgical testwork on core samples – July

## Prime Objectives for 2012

- Maiden uranium resource defined in accordance with JORC code – August/Sept
- Testing of anomalous areas for further deposits
- Preliminary testwork and project scoping study for high level economics



# Summary

**Toro's aim is to become  
Australia's next uranium  
producer focusing on  
developing a top tier  
exploration and production  
profile in the global  
uranium mining sector.**







## Wiluna Project

- Q3 Government decision anticipated
- Q3 Further Drilling (classification improvements)
- Q4 Definitive Feasibility Study
- Q4 Uranium customer & JV finance

## Exploration

- Q2/Q3 New exploration JV initiatives
- Q3 Theseus maiden uranium resource





## **The Wiluna Project:**

- is nearing final government decisions, one of the few in Australia to do so, and is on track to start commissioning in late 2013 and first uranium sales in 2014;
- economics are being improved off the back of detailed technical studies, including trial mining and pilot plant testwork, and with the resource expansion beyond 50mlb.

## **The Theseus Project:**

- provides the company with significant blue sky and the potential for a second project in the medium term;
- Indicates the potential evolution of a new uranium basin with significant upside.





# Toro Energy Limited



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Managing Director

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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 of Toro Energy Limited, 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 and bulk density results. Dr Karner, 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 Fellow 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.*





# Uranium Resources Table



Project Name	Category	Resource M Tonnes	Grade U <sub>3</sub> O <sub>8</sub>	Contained U <sub>3</sub> O <sub>8</sub> , tonnes	Contained U <sub>3</sub> O <sub>8</sub> , Mlb
Centipede	Measured	3.08	552	1,703	3.75
Centipede	Indicated	7.56	555	4,197	9.25
Centipede	Inferred	2.30	272	627	1.38
Lake Way	Indicated	2.57	492	1,265	2.79
Lake Way	Inferred	7.38	544	4,015	8.85
<b>Total Wiluna Project</b>		<b>22.89</b>	<b>516</b>	<b>11,807</b>	<b>26.02</b>
Millipede	Indicated	1.77	412	728	1.61
Millipede	Inferred	5.51	533	2,935	6.47
Dawson Hinkler Well	Inferred	13.09	312	4,077	8.99
Nowthanna	Inferred	11.91	399	4,750	10.47
<b>Total Wiluna Regional</b>		<b>32.28</b>	<b>387</b>	<b>12,490</b>	<b>27.54</b>
<b>Total Wiluna Project &amp; Regional</b>		<b>55.17</b>	<b>441</b>	<b>24,297</b>	<b>53.56</b>

*All resources quoted on a 200ppm U<sub>3</sub>O<sub>8</sub> cut-off.*



# Theseus Project Target Exploration Range



**20Mt to 40Mt @ approx 400 to 500 parts per million (ppm)  $U_3O_8$ ,  
for 10,000t to 20,000t  $U_3O_8$  or 22Mlb to 44Mlb  $U_3O_8$ #.**

## **# CAUTIONARY STATEMENT**

The Exploration Target Range (ETR) is conceptual in nature and there has been insufficient exploration completed to define this material as a Mineral Resource. There is no certainty that the further work referred to herein will result in the determination of a Mineral Resource.

*Information in this report is based on information compiled by Mr Mark McGeough, who is a Fellow 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.*

*Information in this report relating to Deconvolved Gamma Results, is based on information compiled by Mr David Wilson BSc MSc who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Wilson is a full-time employee of 3D Exploration Ltd, a consultant to 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 Wilson consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.*

*\* Downhole gamma logging of drill holes provides a powerful tool for uranium companies to explore for and evaluate uranium deposits. Such a method measures the natural gamma rays emitted from material surrounding a drill hole. Gamma radiation is measured from a volume surrounding the drill hole that has a radius of approximately 35cm. The gamma probe is therefore capable of sampling a much larger volume than the geological samples recovered from any normal drill hole.*

*Gamma ray measurements are used to estimate uranium concentrations with the commonly accepted initial assumption being that the uranium is in (secular) equilibrium with its daughter products (or radio-nuclides) which are the principal gamma ray emitters. If uranium is not in equilibrium (viz. in disequilibrium), as a result of the redistribution (depletion or enhancement) of uranium and/or its daughter products, then the true uranium concentration in the holes logged using the gamma probe will be higher or lower than those reported in this announcement.*

*The logging of aircore was undertaken by Toro Energy Ltd utilising an Auslog Logging System. The gamma tools were calibrated in Adelaide at the Department of Water in calibration pits constructed under the supervision of CSIRO. Toro Energy carries out regular recalibration checks to validate the accuracy of gamma probe data.*

*The gamma ray data was converted from counts per second to eU3O8 using calibration factors obtained from measurements made at the calibration pits. The eU3O8 data was also adjusted by an attenuation factor, determined onsite, due to logging in drill rods. These factors also take into account differences in drill hole size and water content. The eU3O8 data has been filtered (deconvolved) to more closely reproduce the true grades and thicknesses where thin narrow zones are encountered.*

*The various calibration factors and deconvolution parameters were calculated by David Wilson BSc MSc MAusIMM from 3D Exploration Ltd based in Perth, Western Australia.*

*Bore Hole Geophysical Services based in Perth, WA collected down-hole gamma measurements along with density and resistivity measurements in mud rotary holes.*

*Downhole gamma and PFN measurements in hole LM0054 and LM0055 were collected by GAA Wireline of Mt Barker SA. For further information on the use and calibration of the PFN readers are directed to the GAA Wireline website [www.gaawireline.com](http://www.gaawireline.com)*



# The Toro Board

TORO ENERGY LIMITED



**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



# Management Team



Todd Alder

**Company Secretary &  
General Manager,  
Finance & Corporate**

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



Vanessa Guthrie

**Executive General Manager,  
Wiluna Project**

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



Martin Janes

**General Manager,  
Marketing  
& Project Finance**

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



Mark McGeough

**General Manager,  
Exploration**

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



Simon Mitchell

**General Manager,  
Business Development**

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



Richard Yeeles

**Approvals and Community  
Director -Wiluna**

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