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27 November 2012

Dear Toro Shareholder

### **Environmental Assessment of the Wiluna Project**

Completion of the government assessment of your Company's Wiluna Uranium Project is imminent, and I want to share with you our pride in the work Toro has undertaken during the past three years to reach this major milestone.

The Western Australian Minister for Environment gave his final approval of the Project in October and the Federal Government's decision is anticipated prior to year end. Because this is a uranium project, it requires the approval of both levels of government after a very rigorous assessment which has included four opportunities for the public to make comment to government about Toro's proposals.

Toro's work to reach this stage has included:

- Preparation of an Environmental Scoping Document for government assessment;
- Commissioning of major baseline studies on major aspects including surface and groundwater; tailings management; vegetation; flora and fauna; radiation;
- Extensive Aboriginal Heritage surveys with Traditional Owners;
- A major social impact study;
- Submission to government of an Environmental Review and Management Programme (ERMP) and a series of study reports and environmental management plans;
- The conduct of a 14 week public exhibition period for the ERMP, including public information days in Kalgoorlie, Menzies, Leonora and Wiluna as part of a very extensive programme of public consultation;
- The preparation of a Response to Submissions to deal with more than 300 issues raised in 48 submissions by government agencies, groups and individuals during the public exhibition period;
- Attendance at six meetings of the Board of the Western Australian Environmental Protection Authority (EPA) to discuss various aspects of Toro's proposals;
- Completion of an Appeals process following the EPA's report and recommendations to the Minister.

As the first uranium project proponent to reach this stage since the State Government's policy change in late 2008, Toro has received more scrutiny than many much larger projects. We have been treated no differently from a major resource company in the extent to which our proposals have been assessed by government.

We have been able to pursue our approvals with a much smaller team than a major would use, comprising our highly dedicated, very experienced and professional employees supported by some expert consultants and the full backing of your Board.

As you would expect for Western Australia's first uranium project, there have been some opponents. We have shown them respect by providing site visits, meetings and information. Unfortunately, they have not reciprocated in some of the unsubstantiated claims they continue to make about our professionalism and our proposals. No doubt as the State Election approaches in Western Australia, they will continue their campaigning but it will not deter your Company from continuing to advocate the safety and sustainability of the Wiluna uranium Project – a benchmark confirmed by the Western Australian Government's environmental approval.

When Toro embarked on this journey by acquiring the Wiluna Project in 2007, I advised our shareholders that it would be a long journey. Some other project proponents at the time tended to be glib about timelines, implying approvals and project progress could be achieved quickly. Toro has always tried to be realistic with its forecasts, and our projections have been proven by the duration of this assessment process.

Of course, securing environmental approvals is only part of the journey. We now continue our work by seeking the financing necessary to execute the Project, and we have been heartened by the responses received so far from potential joint venture partners, despite the continuing market challenges. The reputation of your Company as one which "does what it says it will do" is growing in the industry, the international markets, and community circles.

I hope you will share my pride in the progress achieved so far and my confidence that the continuing journey will be a successful one for you and your Company.

Yours sincerely

A handwritten signature in black ink, appearing to read "G. Hall", written in a cursive style.

Greg Hall  
Managing Director