

RELEASE

8 March 2016

TORO BUOYED BY HIGHER GRADES AND LOWER MINING COSTS AT WILUNA

Toro Energy Limited (**ASX: TOE**) has received highly encouraging results from the geological modelling and mine planning studies currently underway at its 100% owned Wiluna Uranium Project.

Early results have shown that Wiluna, Australia's most advanced uranium development project, can deliver an improved mining grade at significantly lower unit mining costs, leading to an improved set of project economics that could potentially accelerate mine development.

Toro's Managing Director, Dr Vanessa Guthrie, said that optimisation work currently underway would ultimately lower the overall cost base at Wiluna, making the project more competitive on the global cost curve.

"We know that Wiluna is one of the best and most advanced uranium developments in Australia, and this current phase of optimisation has shown us that there are significant opportunities to reduce the Wiluna cost base, bringing development closer as the current market recovery emerges," Dr Guthrie said.

Pit design and inventory improvements have been driven by the 20% increase in mineral resources reported in October 2015 for Centipede and Millipede, the first two deposits to be mined at Wiluna. Encouraging results from the first phase of detailed optimisation studies at Centipede/Millipede include:

- A **12% increase** in the grade of mining inventory material to above 1000ppm;
- A **31% decrease** in the waste-to-ore strip ratio; and
- A **43% reduction** in waste tonnes mined.

The mining inventory, including grades and contained U₃O₈, as well as volumes of material moved, are presented in Table 1. The increases to average mining grades, together with reductions in strip ratio and waste mined may have a material positive impact on the economics of Wiluna.

"These results show that Wiluna can produce uranium concentrate at lower overall costs," Dr Guthrie said. *"Based on these highly encouraging results we anticipate improvements in the head grade for the processing circuit leading to improved project economics. Having these results at Centipede/Millipede is particularly beneficial as these deposits are the basis of mining in the early years, which could make Wiluna even more attractive for development."*

The extensive 2015 sonic core drilling program has also provided a more definitive geological interpretation of the Wiluna deposits. The improved geological understanding has demonstrated that the higher grade material occurs in consistent and contiguous lenses extending over hundreds of metres throughout the deposits (see Figures 2 and 3). This enables mining activities to more accurately target areas for uranium recovery, thereby reducing the mining pit size.

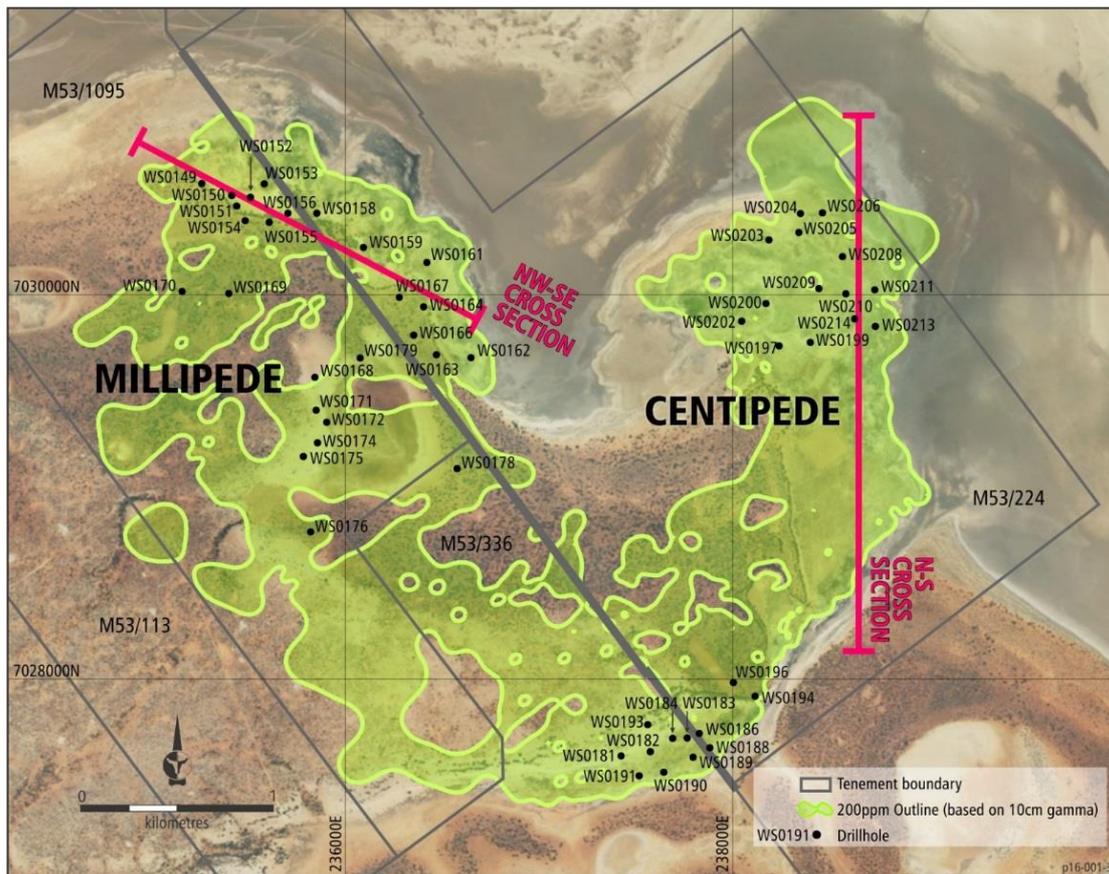
Table 1 – Centipede and Millipede High Grade Mineral Inventory ¹

	Total	Waste	Strip ratio ²	HG inventory	Grade	Metal
	Mt	Mt		Mt	ppm	Mlb U ₃ O ₈
March 2016 model	23.7	15.9	2.0	5.5	1,005	12.1
January 2014 model	37.3	27.9	3.0	6.1	895	12.0

Pit optimisation and mine inventory studies are continuing for the Lake Maitland deposit, following an increase in mineral resources reported on 1 February 2016.

This improved knowledge of the deposits will now feed into the next phase of the optimisation studies which includes a reassessment of process flow sheet design, targeting potential improvements in beneficiation, uranium recovery and water and tailings management, uranium processing and recovery. Further optimisation results are expected to be delivered during the coming months.

Figure 1: Mineralisation Envelope - Centipede and Millipede



¹ At 500 ppm cut-off, includes 5% mining dilution and 5% ore loss

² Strip ratio includes low grade inventory

Figure 2: Centipede cross section

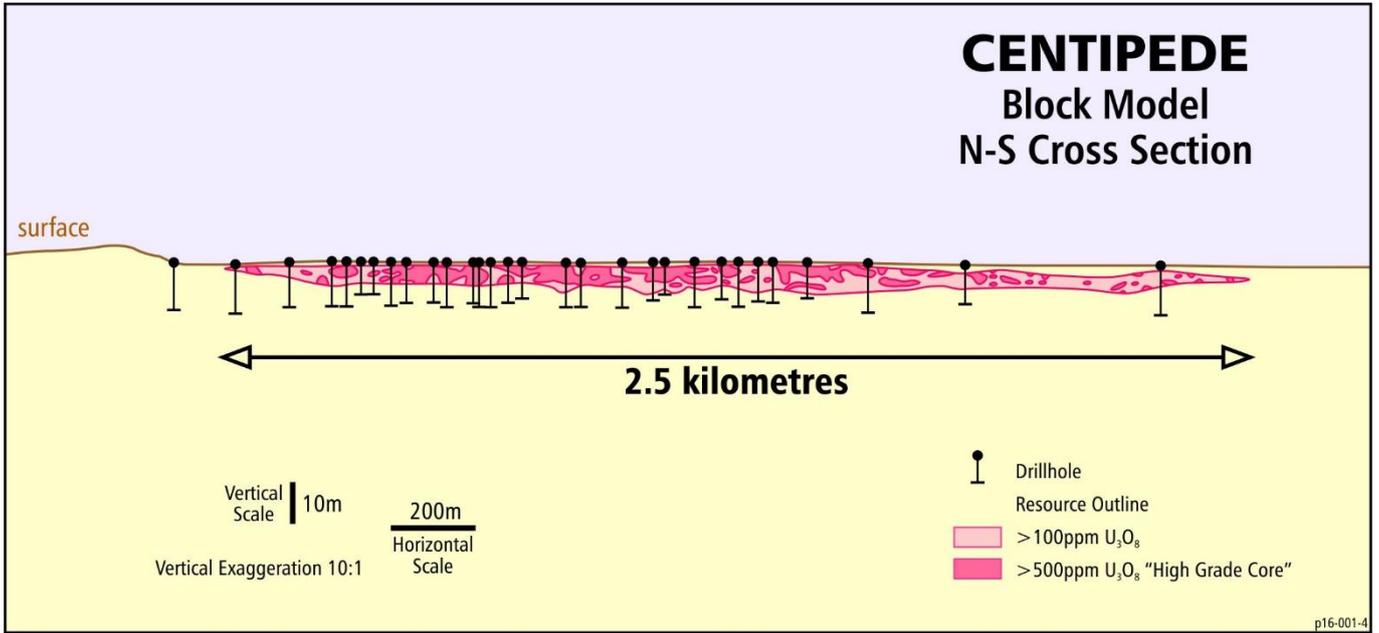
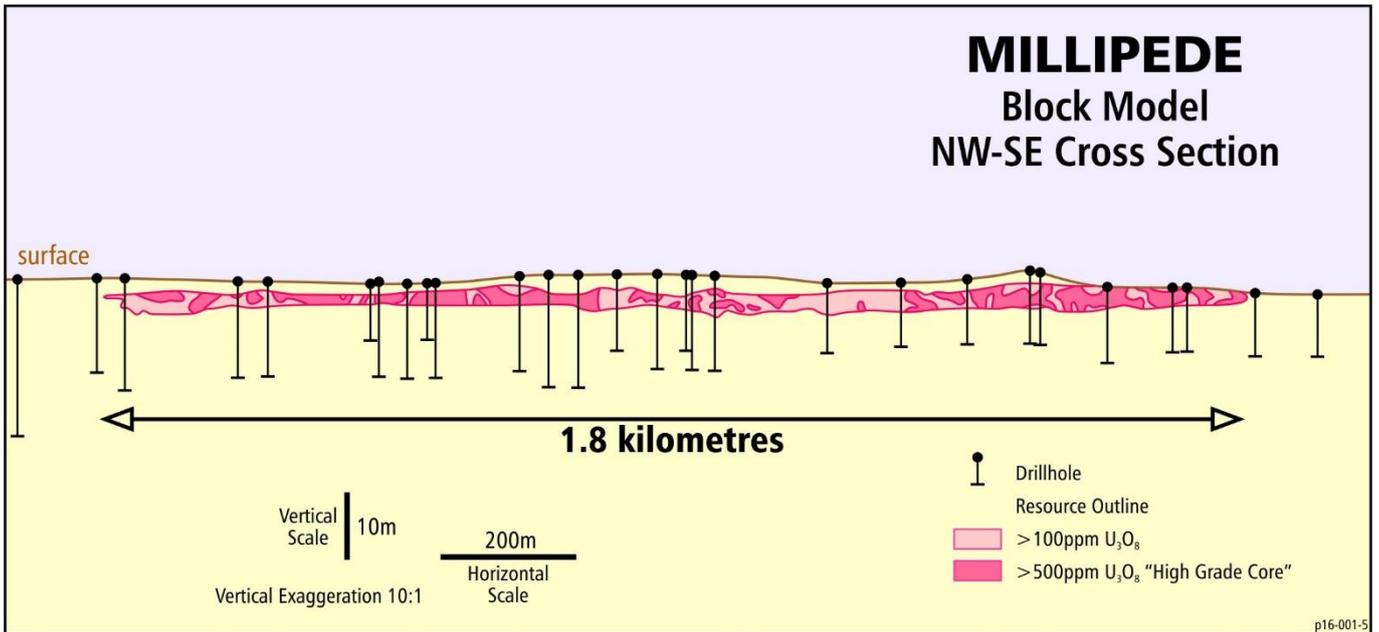


Figure 3: Millipede cross section



FURTHER INFORMATION:

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Toro Energy's vision is to be Australia's next uranium producer. Toro will maximise shareholder returns through responsible mine development and asset growth.

Toro's flagship asset is the 100% owned Wiluna Uranium Project, the most advanced uranium development project in Australia. Located 30 kilometres southwest of Wiluna in Central Western Australia, Wiluna is a high quality resource with State and Federal environmental approvals in place for the Lake Way and Centipede deposits, putting it in a prime position to be Western Australia's first uranium mine.

Toro also owns a number of tenements in the highly prospective Lake Mackay region on the Western Australian/Northern Territory border which includes Toro's own discovery at the Theseus Prospect.

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Wiluna Uranium Project
Resources Table (JORC 2012)

		Measured		Indicated		Inferred		Total	
		200ppm	500ppm	200ppm	500ppm	200ppm	500ppm	200ppm	500ppm
Centipede / Millipede	Ore Mt's	4.9	1.9	12.1	4.5	2.7	0.4	19.7	6.8
	Grade ppm	579	972	582	1,045	382	887	553	1,021
	U ₃ O ₈ Mlb's	6.2	4.2	15.5	10.3	2.3	0.9	24.0	15.3
Lake Maitland	Ore Mt's	-	-	22.0	8.2	-	-	22.0	8.2
	Grade ppm	-	-	545	929	-	-	545	929
	U ₃ O ₈ Mlb's	-	-	26.4	16.9	-	-	26.4	16.9
Lake Way	Ore Mt's	-	-	10.3	4.2	-	-	10.3	4.2
	Grade ppm	-	-	545	883	-	-	545	883
	U ₃ O ₈ Mlb's	-	-	12.3	8.2	-	-	12.3	8.2
Sub-total	Ore Mt's	4.9	1.9	44.3	16.9	2.7	0.4	52.0	19.2
	Grade ppm	579	972	555	948	382	887	548	951
	U ₃ O ₈ Mlb's	6.2	4.2	54.2	35.3	2.3	0.9	62.7	40.4
Dawson Hinkler	Ore Mt's	-	-	8.4	0.9	5.2	0.3	13.6	1.1
	Grade ppm	-	-	336	596	282	628	315	603
	U ₃ O ₈ Mlb's	-	-	6.2	1.1	3.2	0.4	9.4	1.5
Nowthanna	Ore Mt's	-	-	-	-	13.5	2.6	13.5	2.6
	Grade ppm	-	-	-	-	399	794	399	794
	U ₃ O ₈ Mlb's	-	-	-	-	11.9	4.6	11.9	4.6
Total	Ore Mt's	4.9	1.9	52.7	17.8	21.4	3.3	79.0	23.0
	Grade ppm	579	972	520	931	368	765	482	916
	U ₃ O ₈ Mlb's	6.2	4.2	60.4	36.4	17.4	5.5	84.0	46.4

Competent Persons' Statement

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 and Mr Sebastian Kneer of Toro Energy Limited 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) and Mr Guibal is a Fellow of the AusIMM 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.