

# ASX Release

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**TORO ENERGY LIMITED**  
**ACN 117 127 590**

## **DRILLING COMMENCES ON EALBARA PROJECT**

Toro Energy Limited ("Toro", ASX code "TOE"), is pleased to announce that drilling will commence on Friday 6th July in the Ealbara Project within EL's 3045, 3134 and 3608.

The Ealbara Project is located 40 kilometres north of Tarcoola and 50 kilometres north east of the Warrior Project in the northern Gawler Craton of South Australia.

A minimum of 60 aircore holes for in excess of 4,800 metres will be drilled in seven target areas within Tertiary palaeochannels as defined by airborne electromagnetic (AEM) surveys. Some additional drilling to evaluate previous anomalous results is also planned.

The AEM surveys, conducted late last year, have provided excellent definition of ancient palaeochannels and the complexity within them, that has enabled much more precise targeting of drilling than was possible by earlier explorers.

The Ealbara area was explored for uranium in the period 1978 to 1986 by a number of companies including PNC Exploration Australia Pty Ltd ("PNC") who reported 120 ppm uranium in association with a reduction/oxidation interface in Eocene palaeochannel sediments.

Exploration Licence 3134 is subject to the Minotaur Uranium Access Agreement, EL 3045 is under the Bulgunnia Joint Venture with Dominion Gold Operations Pty Ltd and Resolute Resources Pty Ltd, Toro earning up to 80%, and EL 3608, in the Gibraltar Joint Venture with Resource and Capital Management, Toro earning up to 70%.

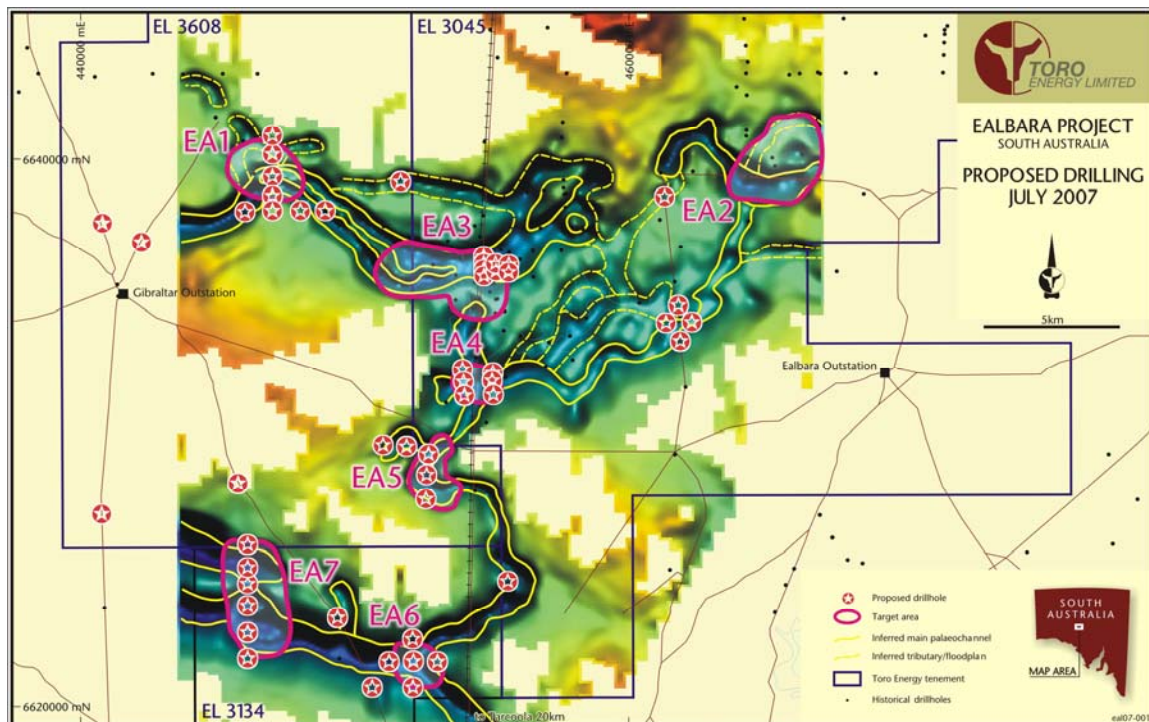


Figure 1 – Ealbara Project location map

## Historic Work

PNC explored for uranium in the area to the north of Tarcoola in both Tertiary sediments and the Precambrian basement from 1982 to 1986. Some of this work covered the project area, however with modern geophysics Toro will be able to more accurately pinpoint its drilling.

Following airborne and ground geophysical surveys, PNC drilled 29 open holes, which intersected lignite-bearing Eocene palaeochannel sediments. Several holes yielded radiometric anomalies associated with an oxidation-reduction (redox) interface. One hole (EE 11) intersected minor uranium mineralization assaying 120 ppm uranium. A further 25 open holes, testing the northern tributary of the Ealbara Channel near hole EE 11, identified two branches, which contained high energy fluvial sands and a redox interface. Enrichment of uranium, selenium, arsenic, molybdenum and vanadium at the redox interface was considered evidence for the presence of roll front uranium mineralisation. A further 14 holes followed up the anticipated downstream terminal roll front deposit, without discovering any terminal or lateral roll fronts.

## Native Title Agreements and Clearances

A Heritage Agreement under Part 9B of the South Australian Mining Act was concluded with the Antakarinja Matu-Yankunytjatjara Native Title Claimants for the area north of the Trans Continental Railway line near Tarcoola during 2006. This agreement covers the whole of the Ealbara Project area. A clearance survey was completed in April 2007, allowing access to the required exploration areas.

All other necessary statutory clearances and approvals have been obtained in readiness for the drilling program to commence on Friday 6th July.

## Geophysical Survey

A detailed airborne electromagnetic (AEM) survey using the Fugro Tempest system was undertaken and processed during 2006. The 400m spaced flight lines over the Ealbara Project area provided unprecedented clarity of the location and character of the palaeochannel system (Figure 1). This has enabled a drilling program to be designed that is focused on evaluating those parts of the channels that have complex geometry considered more favourable for the localization of uranium mineralization.

## Drilling Program

A minimum program of 60 air-core holes for an estimated 4,800m is planned as indicated on Figure 1 and will test the palaeochannel in seven areas defined by the AEM survey as well as several holes to test for the extension of the palaeochannels beyond the survey area, and to evaluate past drilling.

It is predicted from past exploration that the zone of interest lies at about 65 metres, and it is anticipated that the average depth of drilling will be of the order of 80 metres. All holes will be gamma logged, and sampled for later chemical analysis for uranium and other elements. Follow-up drilling programs will be considered after an assessment of the results of the current program.

Yours faithfully



**Greg Hall**  
Managing Director

*The information in this report that relates to Exploration Results is based on information compiled by Dr Geoff Hudson who is a Fellow of the Australasian Institute of Mining and Metallurgy. Dr Hudson is employed as Exploration Manager by Toro Energy Limited and has more than five years relevant experience in the types of deposit and style of mineralisation under consideration and consents to inclusion of the information in this report and context in which it appears. He qualifies as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for reporting of Exploration Results, Mineral Resources and Ore Reserves'.*

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