

# ASX Release

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**TORO ENERGY LIMITED**  
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## **Toro Energy signs Memorandum of Understanding for Moroccan Exploration Rights**

Toro Energy Limited ("Toro", ASX code "TOE"), is pleased to announce that it has signed a Memorandum of Understanding (MoU) with the Moroccan Government for an exclusive prospect evaluation study over regions containing historic uranium mineralisation in Morocco.

Under the terms of the agreement, Morocco's Office National des Hydrocarbures et des Mines (ONHYM) has granted Toro exclusive evaluation and review rights for a six month period, covering 30 permits in three regional areas:

1. Haute Moulouya-Ment
2. Wafaga
3. Sirwa (Zgounder)

The agreement allows Toro to review and evaluate these areas for mineral endowment, particularly uranium. Toro retains exclusive right to negotiate and enter into joint venture arrangements with ONHYM for more detailed exploration and development work.

Morocco is a developing country and the Government is encouraging foreign investment to review its mineral endowment. The Moroccan Government is keen to evaluate and develop potential uranium mineralisation within its boundaries, most of which were identified during exploration by French and Russian geologists prior to 1982.

## **Background**

During late 2006 Toro engaged Prehenita SL (a Spain based mineral services consulting group with an office in Morocco) to discuss the potential for exploration in Morocco with ONHYM. After an initial meeting between Toro and ONHYM, the MoU concept was developed and finalised today.

The move into Morocco represents Toro Energy's first overseas exploration opportunity, and is significant for a number of reasons:

- Morocco has a known historical uranium endowment, with early Russian and French exploration which ceased in 1982;
- Production of uranium is believed to have occurred from the Zgounder silver mine;
- No modern exploration techniques have been applied to the regions;
- It represents an early stage opportunity with Toro securing the rights with the Moroccan Government through Prehenita SL;
- Competitor activity in the country is currently low;
- Various tax incentives exist for exploration expenditure;
- Morocco has strong historical and business links to Spain and France;
- In terms of country risk, under various UN, OECD and Economist benchmarks, Morocco has a similar ranking to Namibia, India, and South Africa.

Toro will provide, through its experienced consulting base, search and evaluation expertise to the Moroccan project. This will involve accessing and evaluating data, reports, plans, maps diagrams and other information held by ONHYM, reviewing these with ONHYM geologists and visiting the sites.

## **Nature of the endowment**

Apart from the historical work on the areas identified by Russian and French geologists prior to 1982 there has been no significant uranium exploration since in Morocco.

The geology of the area is favourable, comprising uraniumiferous granites similar to those found in Spain and France. More than 100 uranium occurrences have been previously identified.

There are several uranium mineralisation settings within the country including palaeochannel-type, vein-type in granites and occurrences in sedimentary and metamorphic terrains. The regions in which Toro have exclusivity cover a number of these.

## **Terms of the agreement**

The MoU outlines the following basic terms:

- 6 month exclusivity over 30 permits within the three regions (broadly located in Figure 1);
- Confidentiality agreement covering information obtained;
- Access to ONHYM data and geologists;
- Toro and ONHYM geological expertise to review data and visit sites;
- Toro to cover costs of the review work to be undertaken;

- Toro to concurrently review Moroccan tax, legal, royalty, employment, working arrangements etc;
- Depending on advanced exploration opportunities identified, Toro retains an exclusive right to negotiate a JV with ONHYM for detailed access / exploration / resource definition work.

**Figure 1: Map of Morocco indicating location of Regional areas identified**



Toro Energy have commenced planning for an initial technical visit in conjunction with Prehenita to commence the review.

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 Mining and Metallurgy. Dr Hudson is employed as the Exploration Manager for Toro Energy Limited. Dr Hudson has more than five years relevant experience in the geological settings 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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