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# NEWS

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FOR IMMEDIATE RELEASE

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### **TORO ENERGY PURCHASES OPTION TO ACQUIRE**

#### **ADVANCED NT URANIUM PROJECT**

South Australian based uranium explorer, Toro Energy Limited (ASX code: "TOE") is expanding into the Northern Territory with the farm-in and potential acquisition of a well advanced uranium exploration project northwest of Alice Springs.

After completion of a detailed agreement, Toro plans to spend more than \$2-3 million in an intensive drilling campaign on the Napperby Project over the next three years, to advance its already known uranium mineralisation to a potential mine.

The farm-in and acquisition terms have been agreed with current project owner, listed explorer, Perth-based Deep Yellow Limited. These include the issue to Deep Yellow of \$2.3 million in Toro ordinary shares, valued on a 30-day volume weighted average price, and an exploration commitment of a minimum spend of \$750,000 per annum for three years.

Toro can elect at any time to acquire 100% of the project.

"Napperby has now been well established as a calcrete hosted mineralised system through Deep Yellow's and others exploration work to date," Toro Energy's Managing Director, Mr Greg Hall, said today.

"On our own conceptual economic modelling, Napperby is now at a sufficiently advanced stage where it satisfies Toro's business strategy of acquiring uranium projects which have the potential to be progressed through resource definition and development stages to mine commissioning.

"This development exposes Toro's stated aim of exploration and acquisition through to development, including our ability to draw on support from our major shareholders.

"On current high global demand for uranium, and record price levels of around US\$75 lb, there is significant opportunity for further potentially economic mines in Australia," Mr Hall said.

He said the acquisition would give Toro a larger and more strategic project footprint across both the NT and SA.

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“These two adjoining states form one of the few uranium regions in the world where there is existing government and private sector expertise in uranium regulation, environmental controls, mine development and operation. This expertise has been built up over 30 years of start-up and operation of uranium mines,” he said.

“It significantly underpins the opportunity to advance uranium exploration and development such as Napperby as the talent pool and regulatory experience for the sector in Australia is relatively small compared to other mined commodities.”

The Napperby project comprises ELs 24246 and 24606, 150 kilometres northwest of Alice Springs. The deposit is at shallow depth with low strip ratios, favouring the mining of potentially lower grades.

“As outlined in our ASX release today, the project contains a JORC standard Inferred Mineral Resource of 1.9 million tonnes of 0.036% uranium oxide for 670 tonnes or 1.5 million pounds of contained uranium oxide over a 1 kilometre ‘strike’,” Mr Hall said.

Deep Yellow has previously reported an historic estimate for Napperby by Uranerz (1979) over a 14 kilometre ‘strike’ length of the mineralised palaeochannel system.

Mr Hall said that once a detailed agreement has been finalised, work will continue at Napperby to enlarge and re-classify resources to JORC standard.

“With the impetus of our farm-in and planned work, we are confident of achieving this objective with a view to confirming the projects potential.

“However, we are not standing still, Toro is continuing to advance its exploration programs and pursue additional advanced exploration and mine development opportunities.”

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