



TORO ENERGY LIMITED

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## 2008 URANIUM RESOURCE DRILLING UNDERWAY AT NAPPERBY PROJECT IN N.T.

A new resource drilling program has commenced to add to existing uranium resources at Toro Energy Limited's ("Toro", ASX code "TOE") Napperby Project in Central Australia.

The campaign is the first this year by Toro at Napperby and, along with previous drilling, is expected to complete at least 70% of the target mineralised area by the end of the program in five months time.

The drill program is aimed to add to the Project's initial Inferred Resource of 670 contained tonnes (1.47 million lbs) of U<sub>3</sub>O<sub>8</sub> at Napperby, 150 kilometres northwest of Alice Springs.

The new drilling follows recently announced assay results from the 2007 drilling at Napperby between September and December last year, and which highlighted the increased integrity and cohesiveness of the mineralisation, prompting Toro to increase the effort of the resource drill out.

Key points of the new campaign and associated studies include:

- Two drill rigs (Sonic and Air Core) and 12 person crew on site;
- Base line environmental studies have commenced in support of the planned Scoping Study this year;
- Initial metallurgical tests and the upcoming resource update will provide important data for the Scoping Study;
- Initial regional exploration work over the extended Napperby tenements is planned.

Toro holds an option to acquire 100% of the project from Deep Yellow Limited (ASX code "DYL") on certain commercial terms (see ASX Release dated 13/12/06 for details).

Previously announced drilling results using a 200ppm U<sub>3</sub>O<sub>8</sub> cut-off have provided a weighted average grade of 469 ppm (0.05%) U<sub>3</sub>O<sub>8</sub> of all assays received.

Toro has targeted an updated resource estimate from the 2007 drilling by the end of the current June quarter.

## 2008 Napperby Resource Drilling Program - Overview

The Napperby project, situated 150 kms up the Tanami Highway north west of Alice Springs (refer Figure 1), contains a significant historical uranium mineralised area previously drilled by Uranerz in the 70's and 80's, and more recently by Deep Yellow Limited in 2005-06. It currently contains a resource of 670 t U<sub>3</sub>O<sub>8</sub> prepared in accordance with the JORC code which will be updated by Toro shortly.

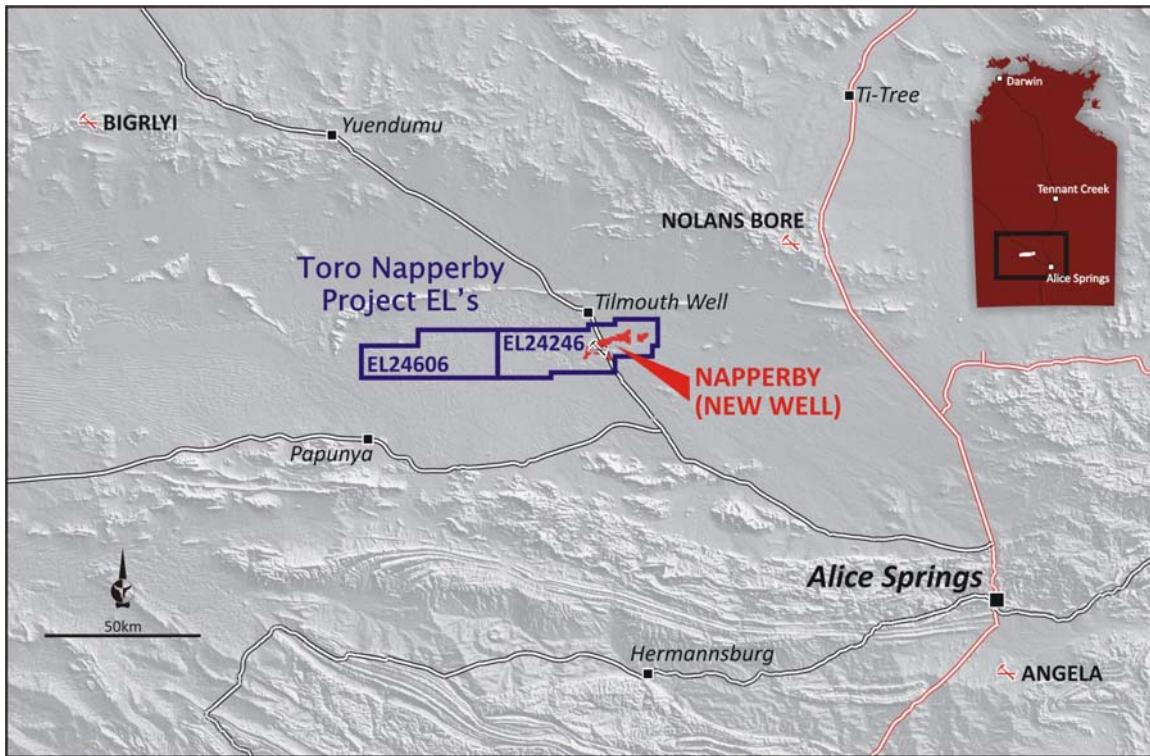


Figure 1: Napperby Project location and tenements

The mainly carnotite mineralisation is hosted in calcrete and semi-consolidated sediments close to the surface, generally between 3m and 8m depth, and has exhibited good mineralisation integrity and cohesiveness after the 2007 drilling program.

The 2008 resource drilling program is designed to extend the existing resource and mineralisation to a much broader areal extent (refer Figure 2). Along with this the first regional exploration is planned over the Napperby tenements. EL 24606 in particular was acquired by DYL in December 2005 and has not been actively explored on the ground since.

A Mine Management Plan ("MMP") for the full program has been submitted to the NT Department of Primary Industries, Fisheries and Mines and the Central Land Council ("CLC"). The CLC are continuing to facilitate clearances over planned drilling areas with the Traditional Owners.

The proposed work area clearance for the 2008 program has been greatly increased (shown in pink box in Figure 2) over the previous 2007 drilling area (yellow).

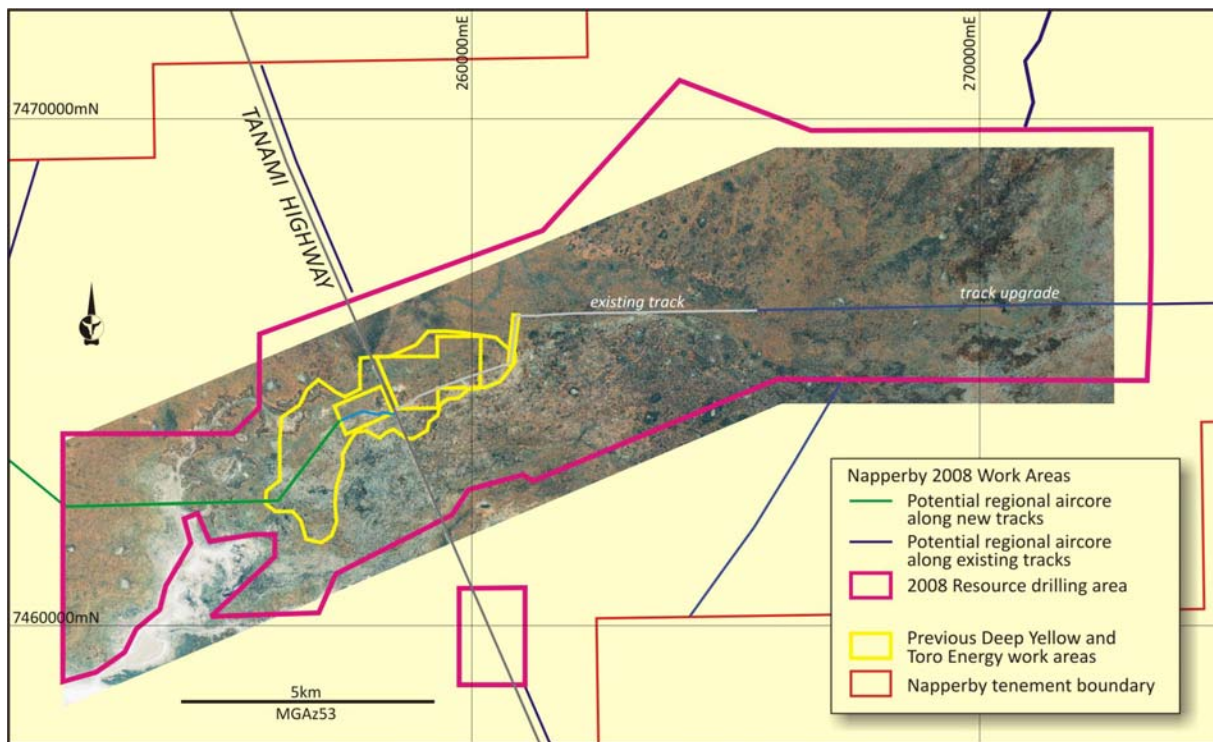


Figure 2: Detailed work area map for 2008 program

## 2008 Napperby Resource Drilling Program - Details

Key points of the planned work program include:

- Drilling of up to 1,800 aircore holes (~20,000m) on initial 200m and 100m grids over the historical mineralised area, to both gather accurate gamma data and direct the Sonic drilling for core extraction and assay. Some holes will be deepened to test mineralisation potential at lower horizons.
- Drilling of up to 300 Sonic core holes (~3,000m) where mineralisation has been defined by the gamma probe data. Some Sonic holes will be deepened if gamma results from the aircore drilling indicate deeper mineralisation
- Up to 200 regional exploration air core holes beyond the historic mineralised zone to test for mineralisation extensions.
- Open hole geophysical logging of aircore and Sonic holes.
- Sampling and assay of all designated Sonic core, and some sampling of aircore spoils where test-work warrants this.
- Further biogeochemical sampling within the mineralised envelope.
- Preliminary environmental baseline field studies, including flora, fauna, aquatic and subterranean ecology and soils.
- Preliminary baseline radiation assessment.
- Preliminary baseline social impact assessment
- Continuing metallurgical testing of core materials at offsite facilities.
- Continuing community and stakeholder engagement.

The use of rapid aircore drilling to define the mineralised zone ahead of the Sonic core drilling (with associated sampling and assay) will mean that a significant part of the mineralised area will be drilled during this program. It is estimated that 70% of the mineralised area could be drilled by the end of this program.

Testing of samples for uranium / gamma disequilibrium is underway. Depending on results the detailed quality controlled gamma data collected from the current and previous drilling programs may be able to be used for resource definition work. However this is not being assumed at this stage. Toro places the utmost importance on its quality assurance and quality control programs and will conduct the drilling and sampling work on this basis.

A Scoping Study is proposed to be commenced once the updated resource from the 2007 drilling program is available. This study will make key assumptions about the ultimate size of the resource, use latest information from similar studies, and provide initial high level capital, infrastructure and operating cost estimates. Given Toro is close to finalisation of the pre-feasibility study at its Lake Way / Centipede calcrete deposit, the Company will be well placed to leverage this study for analysis of the geologically similar Napperby project.

The Northern Territory continues to be a favourable jurisdiction for new uranium development opportunities, with the Northern Territory Government supporting new exploration and development initiatives.

Yours faithfully



**Greg Hall**  
Managing Director

*The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by:*

- *Mr Ashley Jones who is a Member of the Australian Institute of Mining and Metallurgy and a full time employee of Toro Energy Limited, and has sufficient exploration experience for the various styles of uranium mineralisation under consideration. 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'.*
- *Mr. Malcolm Titley who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr. Titley is a Director and Principal Consultant of FinOre Mining Consultants, who undertook the resource calculation for Deep Yellow Ltd in 2006. Mr Titley has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'.*

*Mr Jones and Mr Titley consent to the inclusion of the information in this report in the form and context in which it appears.*

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