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11 September 2009

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Attached is a release relating to a signed Heads of Agreement with Cameco Corporation for Toro Energy to farm into the Birrindudu uranium project in Western Australia.

Due to the timing of execution of the Heads of Agreement, Toro Energy is obliged under the continuous disclosure rules of the Corporations Act and the ASX listing rules to release this information to the market.

Despite the timing of this announcement it does not have any connection to the Trading Halt requested on 9 September 2009.

Yours sincerely

A handwritten signature in black ink that reads "Donald Stephens".

Donald Stephens  
**Company Secretary**



TORO ENERGY LIMITED

# ASX Release

11 September 2009

ASX Code: TOE

ACN 117 127 590

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## Toro farm into WA uranium project with world major - Cameco

Toro Energy Ltd (ASX – TOE - “Toro”) is to move into its third uranium project in Western Australia under a Heads of Agreement announced today with Cameco Australia Ltd (“Cameco”) – part of the world-wide Cameco uranium group.

The proposed Toro-Cameco joint venture plans to explore and develop the highly-prospective Birrindudu project in the Tanami region just inside Western Australia’s border with the Northern Territory.

Cameco is one of the world’s largest uranium producers, accounting for 15% of global output from its mines in Canada and the United States.

Toro is already developing the advanced Wiluna uranium project in the same state.

The proposed Cameco JV announced today provides Toro access to an unconformity-style uranium project with an exploration agreement already in place with the Kimberley Land Council and a work clearance meeting being scheduled. As operator, Toro has the opportunity to utilise excellent baseline electromagnetic (“EM”) and radiometric datasets along with Cameco’s expertise. Exploration targets and leads are already identified.

Most of the high grade uranium deposits in the world (Ranger in the Northern Territory and McArthur River in Canada) are unconformity style deposits, which Cameco has been targeting in exploration programs in the NT, WA and SA.

### Terms of Agreement

The terms of the Heads of Agreement with Cameco require Toro to drill a minimum of four diamond drill holes and expend a minimum of A\$1.0 million during the initial two year earn in period to acquire a 50.1% equity in Birrindudu. All exploration, feasibility and development beyond this point will be pro-rata funded.

Toro Energy’s Managing Director, Mr Greg Hall, said: “Toro has continued its consistent exploration spend of approximately A\$2.5 million per year, both on brownfields and significant new greenfield uranium opportunities. Birrindudu is also an ideal fit for our existing exploration assets, diversifying our underlying discovery and operational risk, particularly in WA and the NT, where we are advancing the Napperby project northwest of Alice Springs.”

**Background**

The Birrindudu tenement package covers 1760 km<sup>2</sup> and lies approximately 250km southeast of Halls Creek in northeast WA, adjacent to the NT border (refer Figure 1 below). The project area encompasses Palaeoproterozoic metasedimentary Tanami Group that is unconformably overlain by the intracratonic platform sandstones Birrindudu Basin, analogous to the Alligator River Uranium Field, where there are established world-class deposits at Ranger, Jabiluka, Koongarra and Nabarlek.

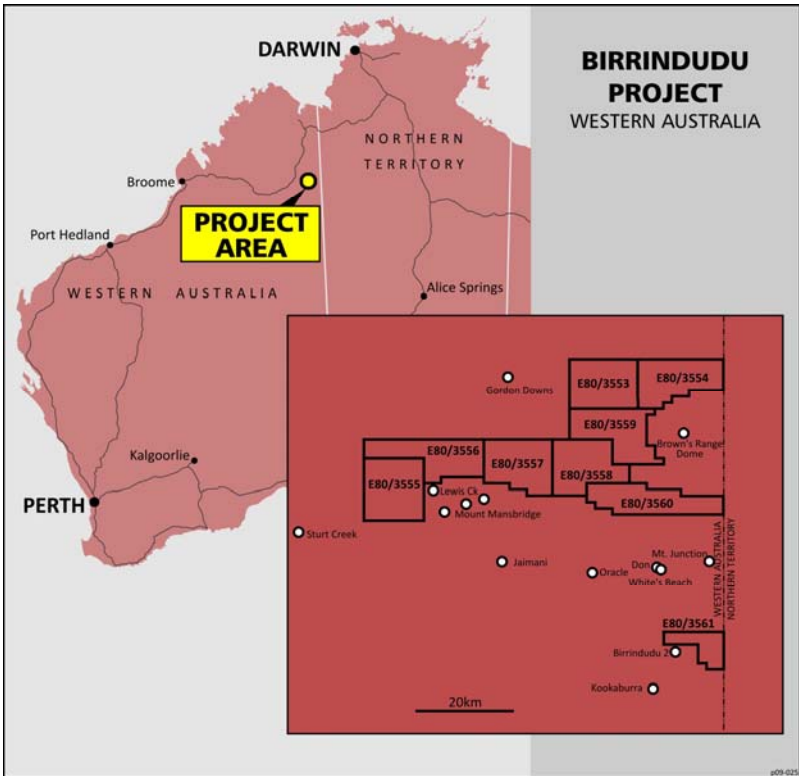


Figure 1: Location of Birrindudu Project

Deposits of unconformity style are characteristically high grade with large tonnage of contained uranium metal. They generally have high in-ground value and current world operations are low cost and are relatively insensitive to uranium prices and economic climate.

In this area, the joint venture is exploring through up to 200 metres of Birrindudu Group sediments for buried or “blind” mineralisation. Airborne electromagnetics is the key dataset, having proved pivotal for 30 years in discovering uranium mineral deposits in the Athabasca Basin of Canada, including McArthur River and Cigar Lake. Detailed airborne surveys of VTEM and Tempest systems have been completed by Cameco over the full extent of the Birrindudu project. Conductive features, interpreted as stratigraphic graphitic horizons and alteration zones, have been identified in several parts of the project area. Together with through-going structures, these have been used to generate high priority drilling targets for 2010. In addition, the EM data defines previously-unknown palaeochannels that may also be prospective for uranium.

The Birrindudu-Tanami region has a number of established uranium occurrences, as shown on the accompanying map (Figure 2). These were discovered during a brief period of exploration in the late 1970s and early 1980s. Since that time, there has been no uranium exploration in the region. Recently however, Northern Uranium Ltd and its partner, nuclear-giant Areva, renewed exploration in adjacent tenements, including the drilling of first pass targets.

**Initial Birrindudu work program**

The JV partners have agreed upon an initial work program that entails heritage site clearance, helicopter-assisted geological mapping and sampling and possible ground geophysics (EM) to determine the position and depth to conductors. This will be followed up by the drilling of four or more diamond holes and possible expanded ground exploration.

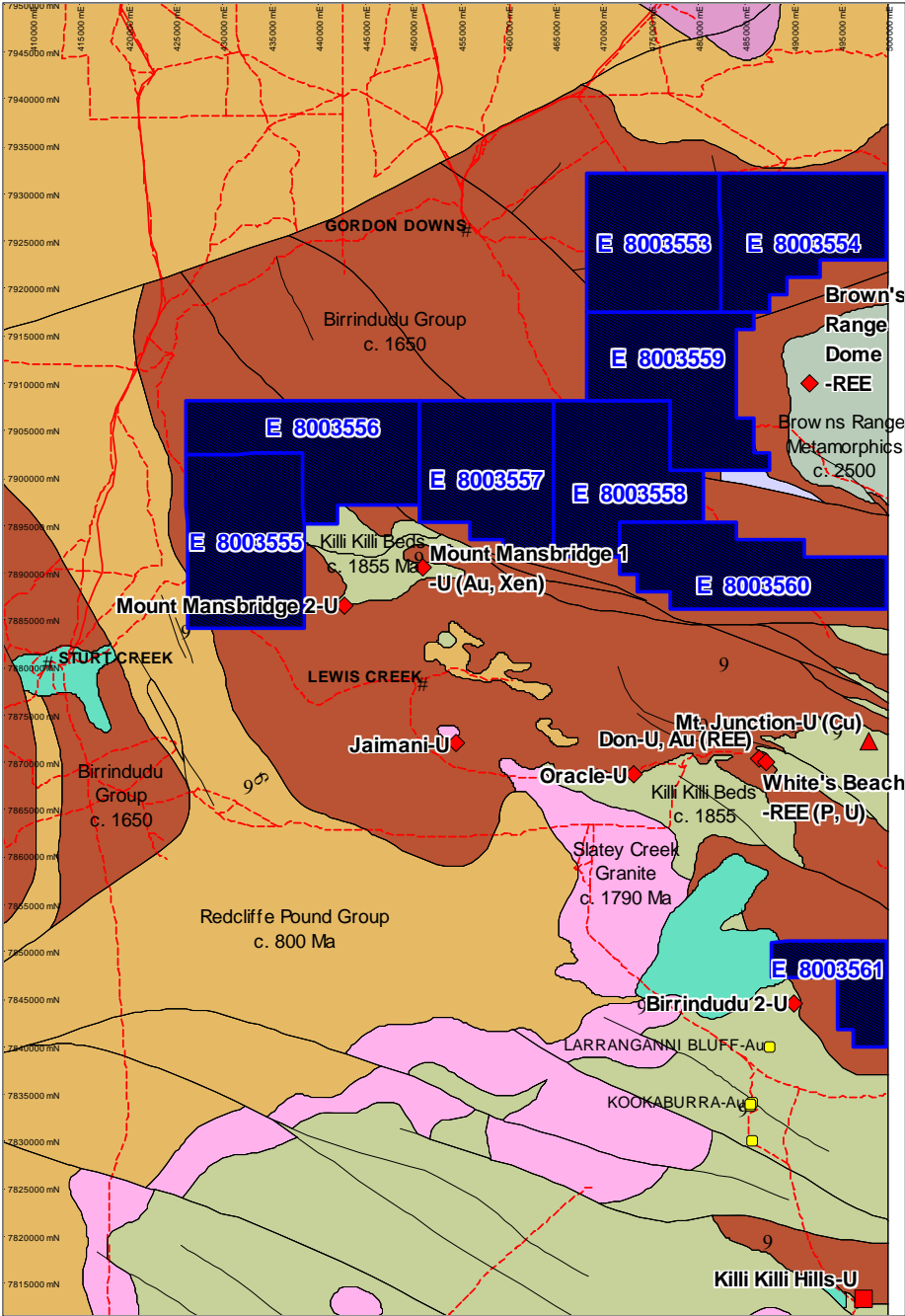


Figure 2: Birrindudu project area showing regional geology and mineral occurrences.

**Greg Hall**  
Managing Director

*Information in this report is based on a compilation by Dr David Rawlings who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Rawlings is a full-time employee of Toro, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity 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'. Dr Rawlings consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.*

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