



ASX RELEASE

Wednesday, 26 May 2010

Toro Energy commences uranium resource test pit at Wiluna, Western Australia

Toro Energy Limited ('Toro') has commenced work on a uranium resource test pit in Western Australia.

The test pit, being developed by Toro over the next eight weeks at its wholly owned Wiluna uranium project just south of Wiluna, 500 kilometres north of Kalgoorlie, is a key component of the project's current Bankable Feasibility Study (BFS).

The WA Government has approved the test pit which has also received clearance by Native Title claimants.

The Wiluna project is planned to come on stream by 2013, subject to Federal and Western Australian Government assessment and a final decision by the Toro Energy Board to proceed.

The onsite test pit work will involve the movement of approximately 45,000 tonnes of barren and ore material for sampling, with all material then returned to the pit to allow for full site rehabilitation.

Preliminary work involving a ground water barrier trial is nearing completion. Lines of closely spaced drill holes incorporating an inserted geopolymer barrier have been installed around the pit perimeter to temporarily limit any inflow of saline groundwater during pit operations (refer following photographs). A successful trial of this technique will reduce planned water management costs for any eventual mine.

Mobilisation of plant and equipment for the pit excavation is underway.

Results from the resource test pit will:

- Provide a better geological understanding of Wiluna's uranium mineralisation and underlying clays;
- Validate mineral resource grade estimates, test selective mining methods, and develop mining parameters to convert more of Wiluna's uranium mineral resource to ore reserve;
- Provide samples for optimal processing flowsheet design from metallurgical characterisation and metallurgical testing;
- Assist to develop an operational and environmental management strategy for mine groundwater.

A surface continuous miner is being mobilised to site to trial selective mining to achieve and improve on the ~650 ppm U₃O₈ mill feed grade currently estimated in the Optimisation Study (refer ASX release 1 September 2009).

Toro Energy continues to view the long-term global uranium market as positive, due to increased contracting of long-term uranium sales, the current construction of 53 new nuclear plants world-wide, and the limited number of new uranium mines commencing.



Figure 1: Wiluna Project test pit site



Figure 2: Drill rig drilling water barrier lines



Figure 3: Applying the geopolimer to the drill holes

The selective mining technique to be trialled will involve the use of a surface continuous miner to cut a horizontal 25cm deep sample over the pit area, the surface of which will be mapped in detail to select ore and barren zones. This level of detailed grade control will maximise the estimated ore grade into the planned process plant.



Figure 4: Resource Test Pit surface continuous miner

Toro has previously advised it is considering two processing options for the Wiluna project, being:

1. Heap Leach with direct precipitation
2. Agitated (tank) leach with direct precipitation

Heap leach offers lower upfront capital costs, but with lower recovery and shorter mine life. Agitated leach offers a higher recovery and extended mine life, albeit with higher upfront capital costs. Both process routes are included at this stage in the WA and Federal Government assessment process, with a final decision to be based on technical work outcomes and overall project economics. This work will be completed later this year.



Figure 5: Column leach testwork underway at laboratory testing facility

Leach testing for the heap leach process to date has indicated better than expected leaching rates, but at a lower solution tenor than planned. This may impact solution volumes and hence required water volumes. This testing and evaluation work is continuing.

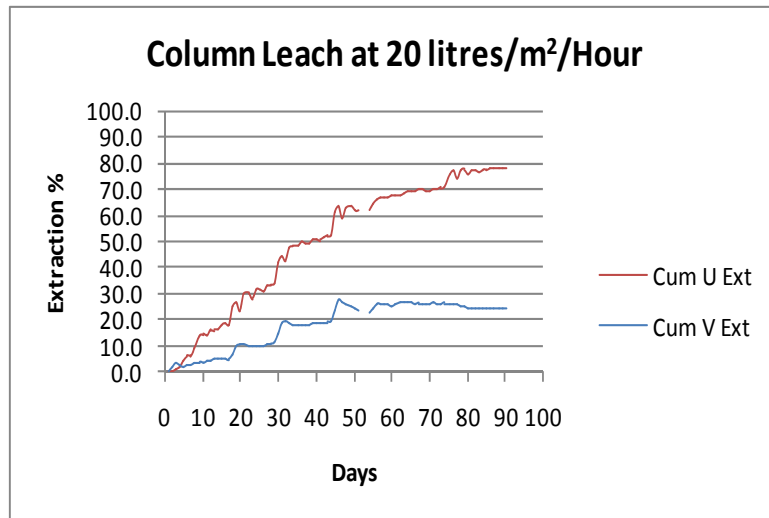


Figure 6: Column leach test results indicating good leach rates and recovery, albeit at lower than expected leach solution tenors

Agitated leach testing has continued to indicate good overall recoveries in line with the previously announced Optimisation Study (~85%), with work continuing on process optimisation and disposal aspects for tailings.

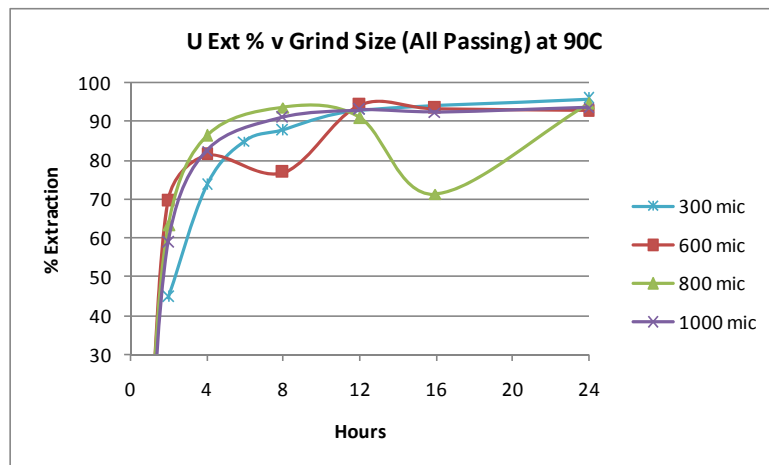


Figure 7: Wiluna Project testwork on agitated (tank) leach at various grind sizes

Toro continues to engage with local traditional owners and communities regarding the project status, including information sessions on uranium and radiation, and a visit to other mining operations by representatives of the traditional owners.

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Toro Energy is a modern Australian uranium company with progressive project development, acquisition and growth. The company is based in Adelaide, South Australia with a project office in Perth, Western Australia.

Toro's flagship and wholly-owned Wiluna uranium project (includes existing mining lease) is 30 kilometres southeast of Wiluna in Central Western Australia.

Wiluna contains two shallow calcrete deposits, Lake Way and Centipede, with prefeasibility and optimisation studies completed and a definitive feasibility study underway. Toro has commenced the Approvals process targeting the Company's first uranium production by late 2012/early 2013.

Toro has three other exploration and development projects in Western Australia, and owns uranium assets in Northern Territory, South Australia and in Namibia, Africa. Toro is well funded with a supportive major shareholder in OZ Minerals.

www.toroenergy.com.au