TORO ENERGY LIMITED

WA Mining Club

24 October 2013

TORO ENERGY:
an emerging Australian Uranium Producer

toroenergy.com.au

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Outline

- Uranium and Nuclear Energy
- The Global Uranium Market
- Uranium in Australia
- Toro Energy - an emerging uranium producer
  - Wiluna Project
- Summary

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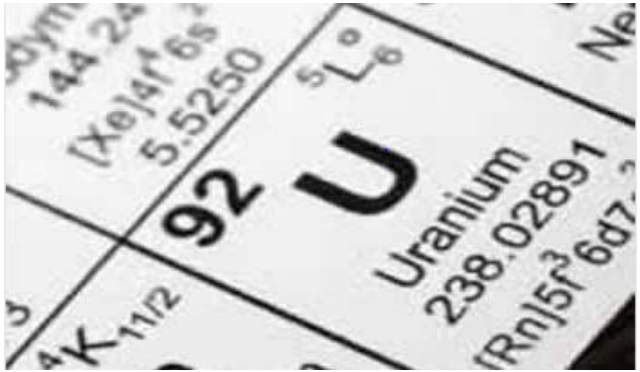
Uranium & Nuclear Energy

Uranium and Radiation

- Heaviest naturally occurring metal
- Only mildly radioactive in natural form
- 3 isotopic forms – ^{238}U ^{235}U ^{234}U
- Uranium ore =
  - ^{238}U = 99.3%
  - ^{235}U = 0.7% (fissile)
- To convert U ore to nuclear fuel requires multiple processing steps
- 1 kg U_3O_8 = 20,000 t black coal
- Sufficient energy to power an average household for 25 years



Nuclear Fuel Cycle

Uranium Mining & Milling → Conversion → Enrichment → Fuel Fabrication → Power Generation → Spent Fuel

U_3O_8 sold to utilities and traders

UF_6 to enable isotopes to be separated

Low enriched UF_6

UO_2 Fuel Rods

BWR
PWR
LWR
Gen III
Gen IV

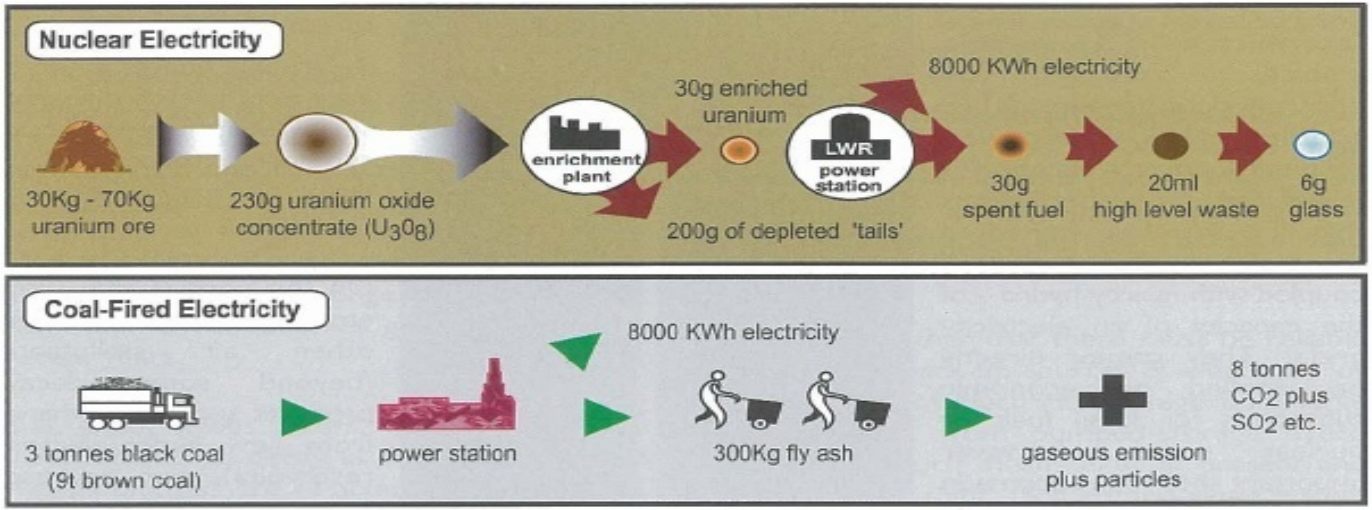
Spent Fuel

Reprocessing

Depleted UF_6

"Tails"

Nuclear Fuel and Waste



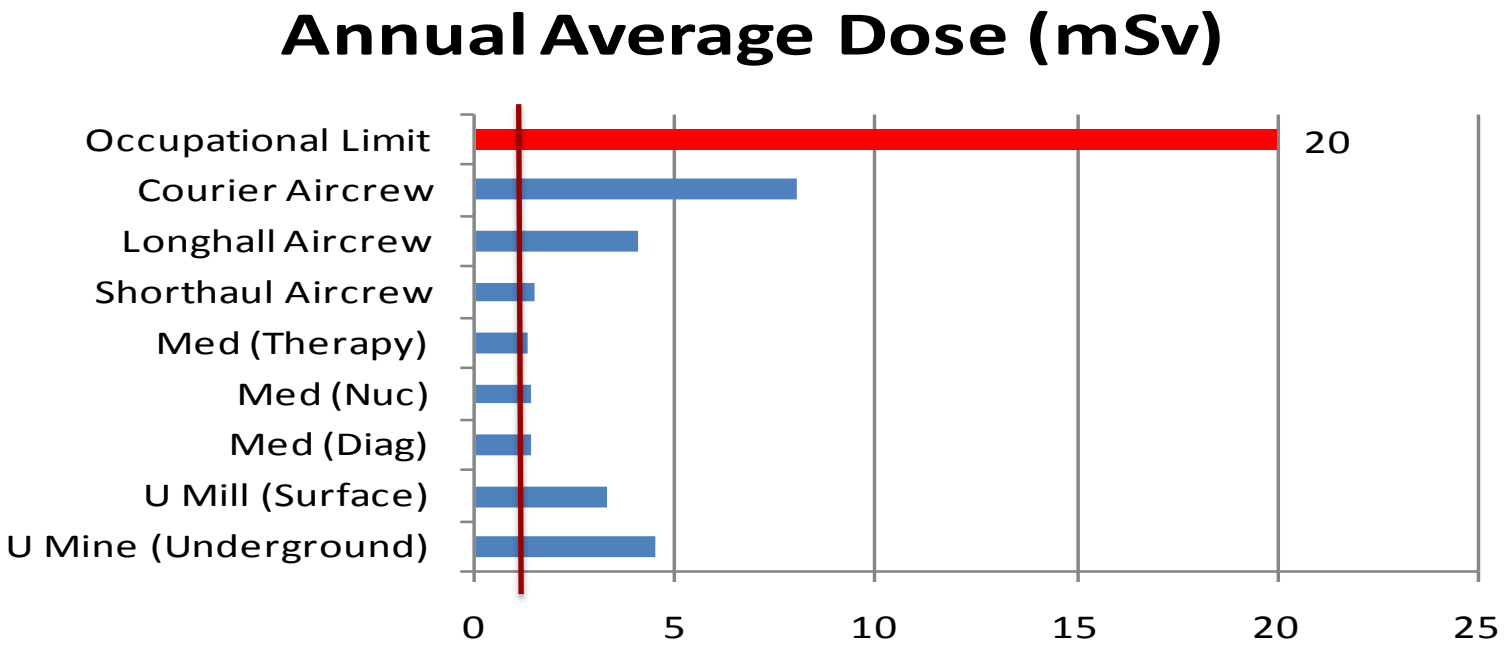
Coal produces more than 1 million times the waste (by weight of final product).

High level spent fuel product from the electricity consumption of one person's lifetime would be encapsulated in a vitrified glass disc of this size.

Source: WNA

Average Radiation Exposures

What most people DON'T know about Radiation……



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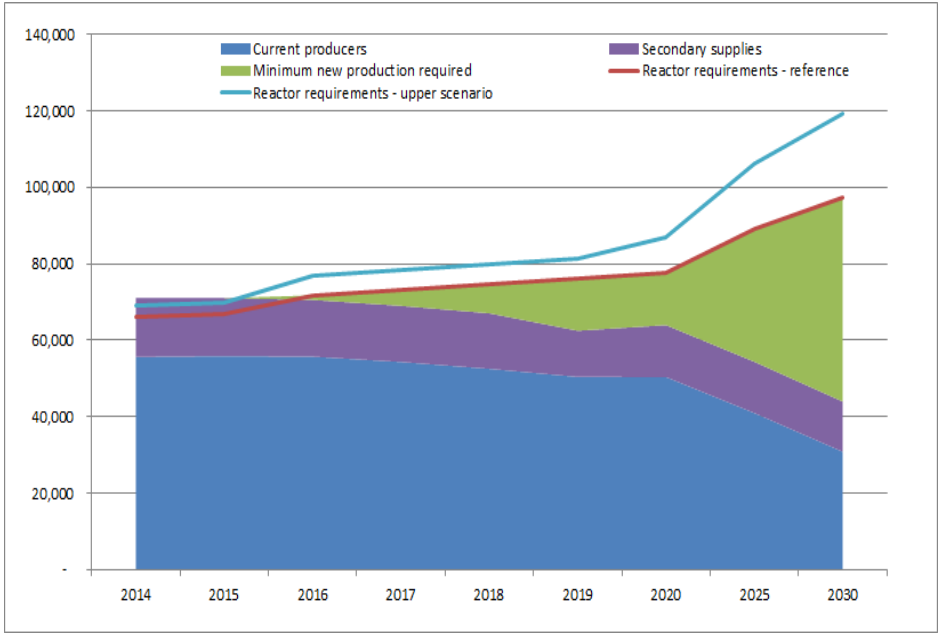
Global Uranium Market

The Global Uranium Industry

- The worlds needs new primary supply
- Less than 1/3rd of 2030 reactor demand can be met by current mines
- Existing mines are being depleted
- Secondary supplies running down
- By 2017, current mines and secondary supply will not keep pace with reactor demand
- New mine developments have been slow getting to market
  - Uranium pricing and capital markets
  - Permitting slow
  - Fukushima sentiment
- New supply now sought from stable jurisdictions: Australia is a tier 1 supplier
- Australian market share has decreased as CIS countries expand production

Supply/Demand Forecast ('000 T's U_3O_8)



Wiluna is one of only two Australian projects permitted and capable of being brought into production during the forecast supply gap

Source: Independent industry and broker reports.

Supply and Demand Drivers

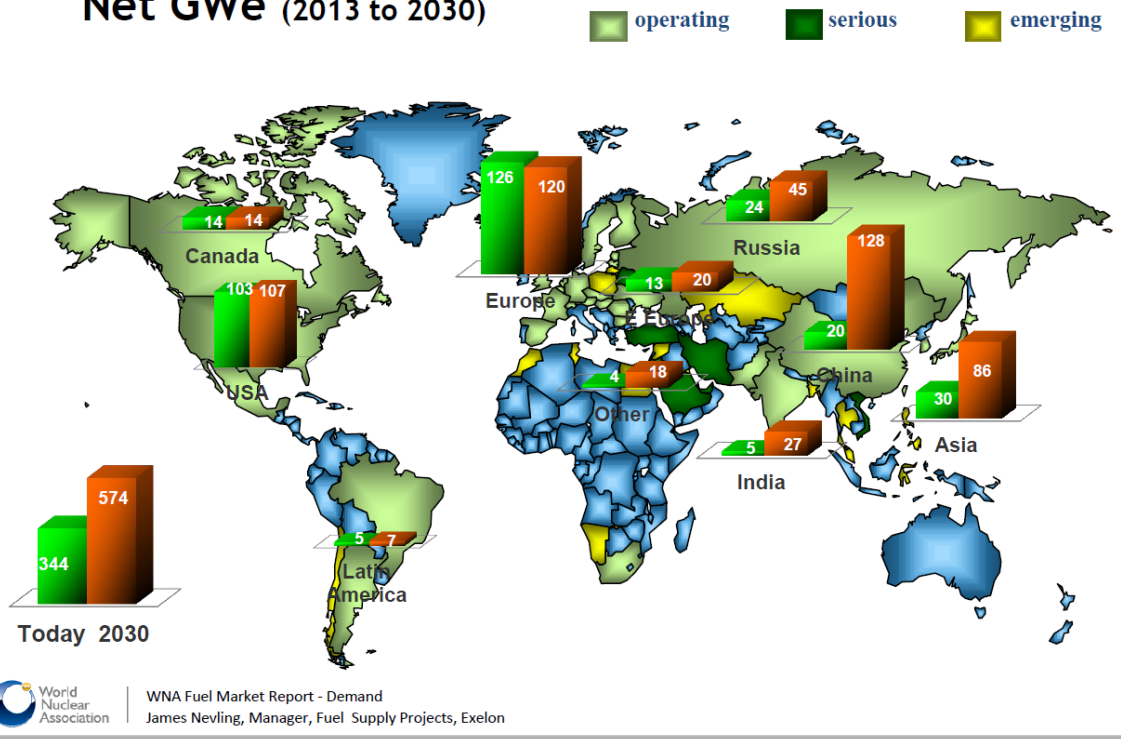
- Global nuclear power
  - 435 operating facilities
  - 65 under construction
  - 167 firmly planned
  - >300 proposed
- Japanese reactor restarts
  - 12 re-start applications
- Up to 60+ GWe in China by 2020
  (30 reactors under construction)
- India doubling nuclear power capacity by 2020
- End to HEU agreement 2013
- Delayed large projects, no expansion and no new mines

Source: Independent industry and broker reports.

Uranium Demand

Reference Case Capacity

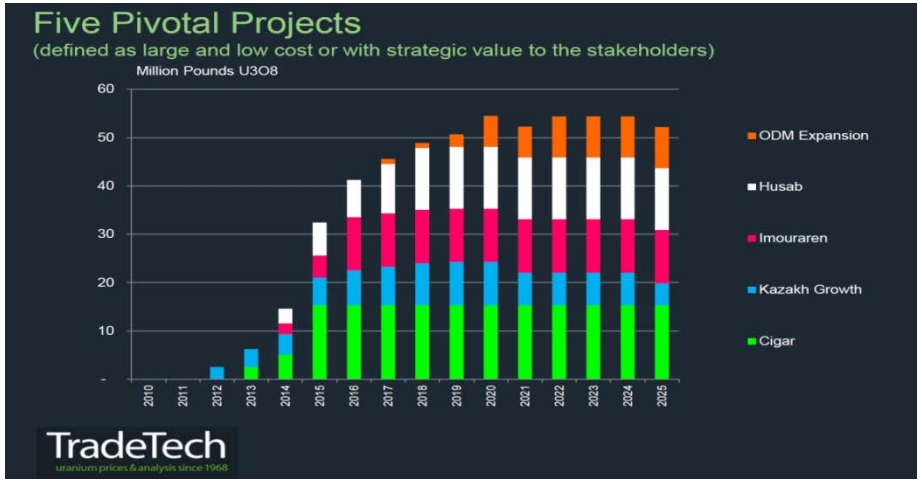
Net GWe (2013 to 2030)



		2013	2030
✘	US & Canada	117	121
✘	Europe	126	120
✓	Russia	24	45
✓	China	20	128
✓	India	5	27
✓	Asia	30	86
✓	Middle East	4	18

World Nuclear Association | WNA Fuel Market Report - Demand
James Nevling, Manager, Fuel Supply Projects, Exelon

Uranium Supply



All five pivotal projects are at risk

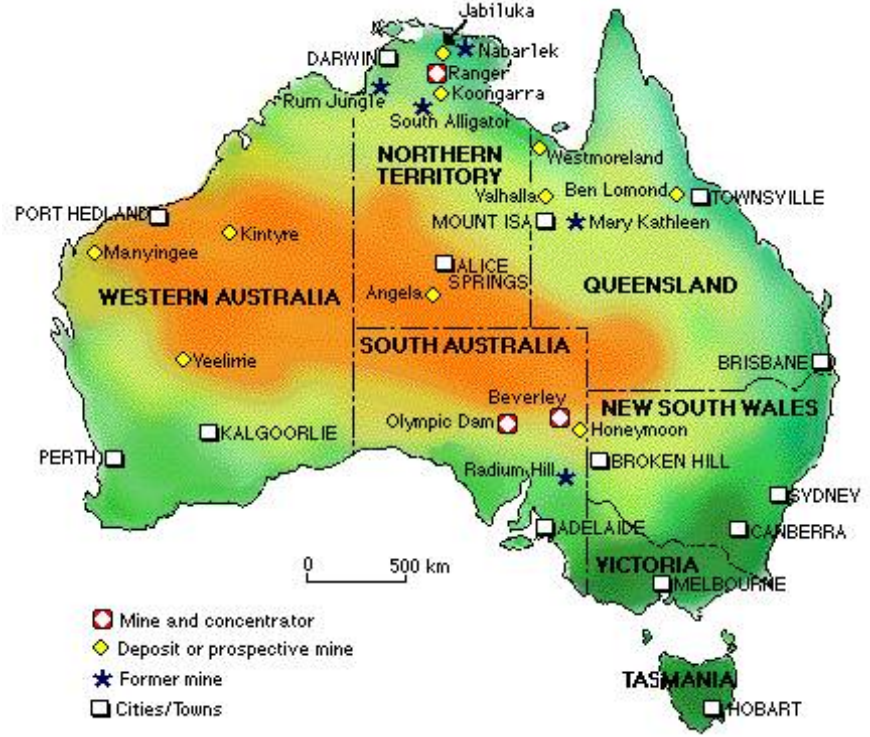
Smaller, lower risk deposits are needed to meet demand

- 80% world's primary supply from 10 current mines
- Future global supply dependent on 5 major new projects
  - Olympic Dam expansion
  - Imouranen
  - Cigar Lake Canada
  - Husab, Namibia
  - Khazakstan

Deposit	Financial risk	Technical risk	Social, political, environmental risk
Olympic Dam	✖		✖
Imouranen	✖		✖
Cigar Lake	✖	✖	
Husab	✖		✖
Khazakstan		✖	✖

Australia's Production Profile

- Australia = almost 40% world's resources BUT…
- Only 12% of world supply
- 2011/12 Australian production = 7489t valued at $679M
- Majority in U mining friendly states
- Australian production beginning to "flat line"
- No new production coming on line
- Australian contribution to global production in decline but has great potential to grow



Source: Independent industry and broker reports.

Toro Energy:

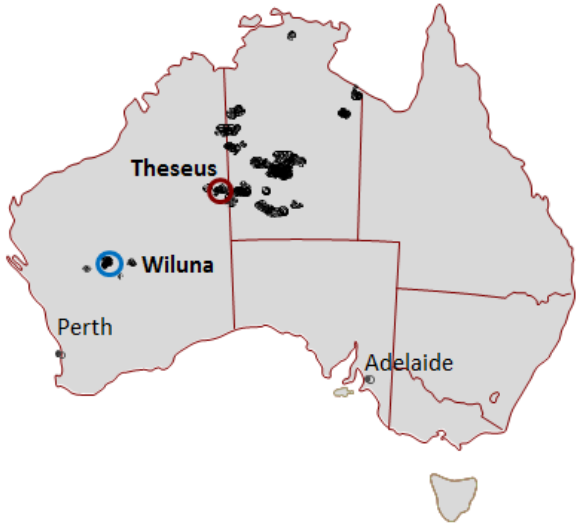
an emerging Australian uranium producer

Toro Energy

Capital Structure Post Acquisition		
ASX Code		TOE
Ordinary Shares on Issue[1]	m	1,481.9
Share Price (23 Oct)	A$/share	0.09
Undiluted Market Capitalisation	A$m	133.4
Pro-forma Cash[2]	A$m	14.7
Macquarie Bank facility	A$m	12.0
Undiluted Enterprise Value[3]	A$m	130.7

Share Price History (A$/share)

Project Location



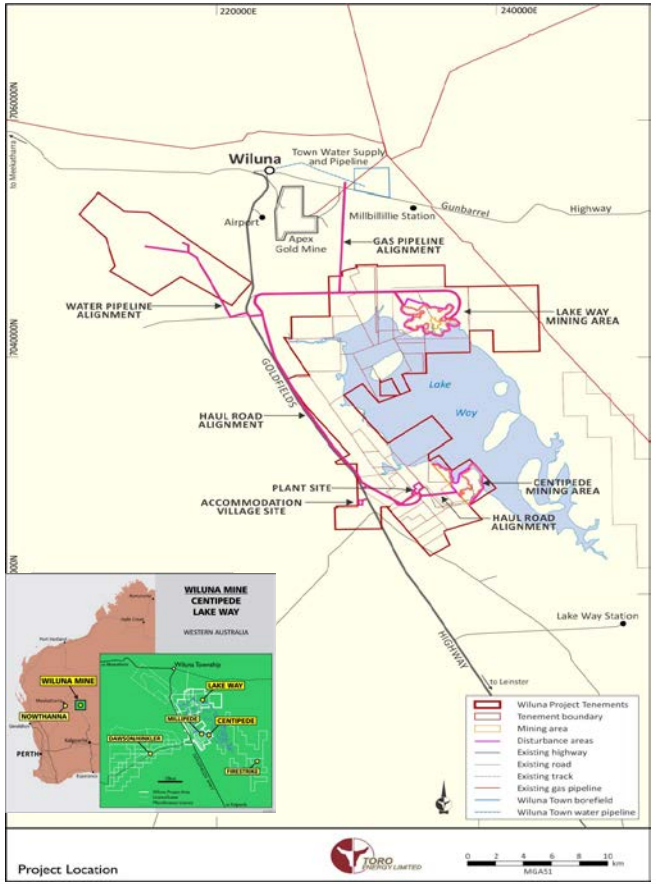
- Wiluna Uranium Project (100%)
- Theseus Uranium Project (100%)
  - (Initial resource 6.9Mlbs U_3O_8 established and follow up targets)

Notes:

1. Pro-forma for Acquisition and completion of share subscriptions from Pinetree and OZ Minerals
2. TOE cash on hand 30 June 2013 plus cash from Acquisition and A$2.0m share subscriptions associated with the Acquisition
3. Unlisted options on issue: 135.2M at various strike prices

Wiluna Project

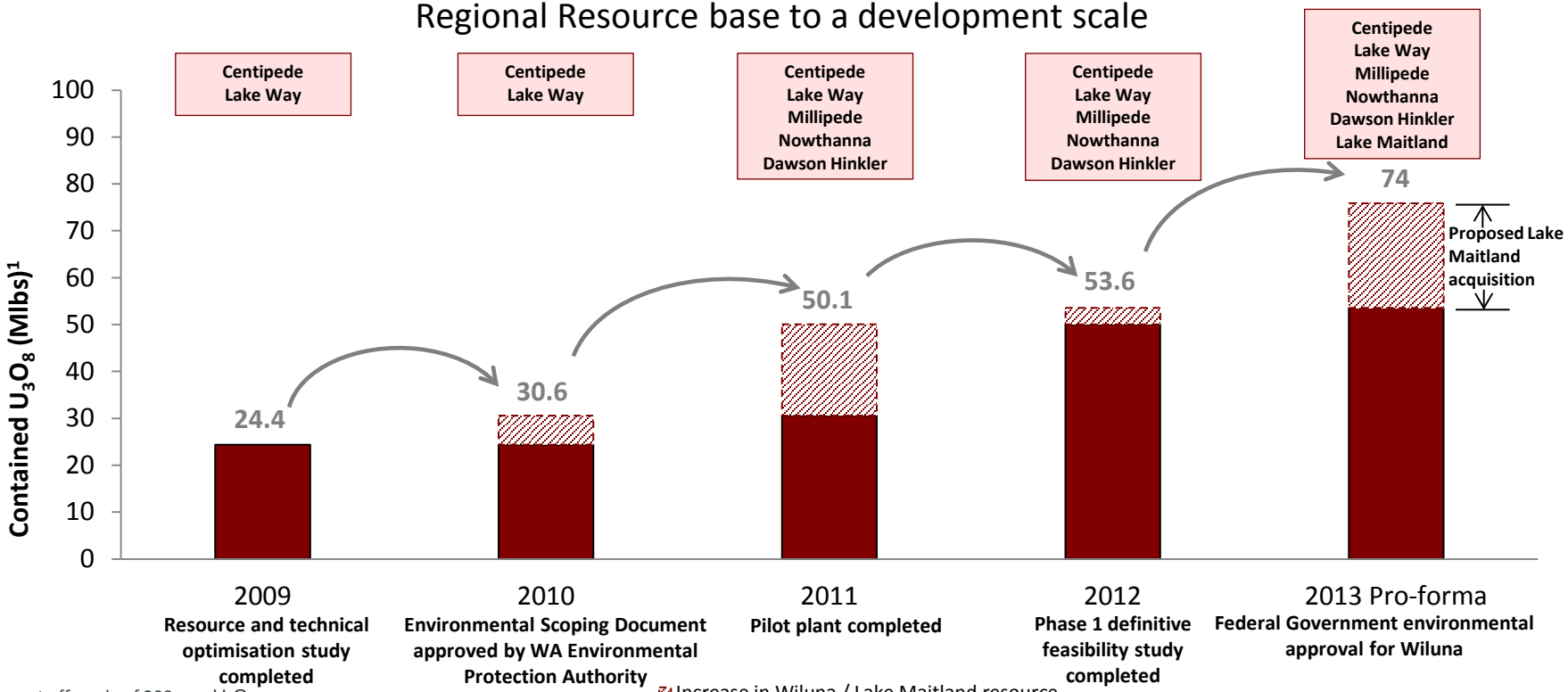
Location	➢	520 km north of Kalgoorlie and 30 km south of Wiluna
Highlights	➢	74 Mlb JORC Resource
	➢	6 shallow calcrete-hosted carnotite deposits
	➢	Centipede, Lake Way, Millipede, Nowthanna, Dawson Hinkler and now Lake Maitland
	➢	First class mining jurisdiction; 100+ years of mining history
	➢	Infrastructure and services available – power, gas, transport, people
	➢	Major environmental approvals to commence mining in place
	➢	2013-2014: complete final feasibility studies and arrange project finance
Status	➢	State & Federal Environmental approvals granted for Centipede and Lake Way
	➢	Pilot Plant completed 2011
	➢	PFS and Phase 1 DFS Engineering complete
	➢	Trial mining completed
	➢	Low technical risk – simple open cut mining and proven process flow sheet



Refer: 8 October 2013 ASX Release

Strategically Growing Wiluna Resources

Exploration and strategic acquisitions have grown the Wiluna Regional Resource base to a development scale



1. Based on cut off grade of 200ppm U_3O_8

Technical De-Risking – Trial Mining

- Ability to map and select higher grade confirmed
- Continuous miner confirmed efficient method
- In pit tailings deposition and full rehabilitation
- Groundwater control through water barriers

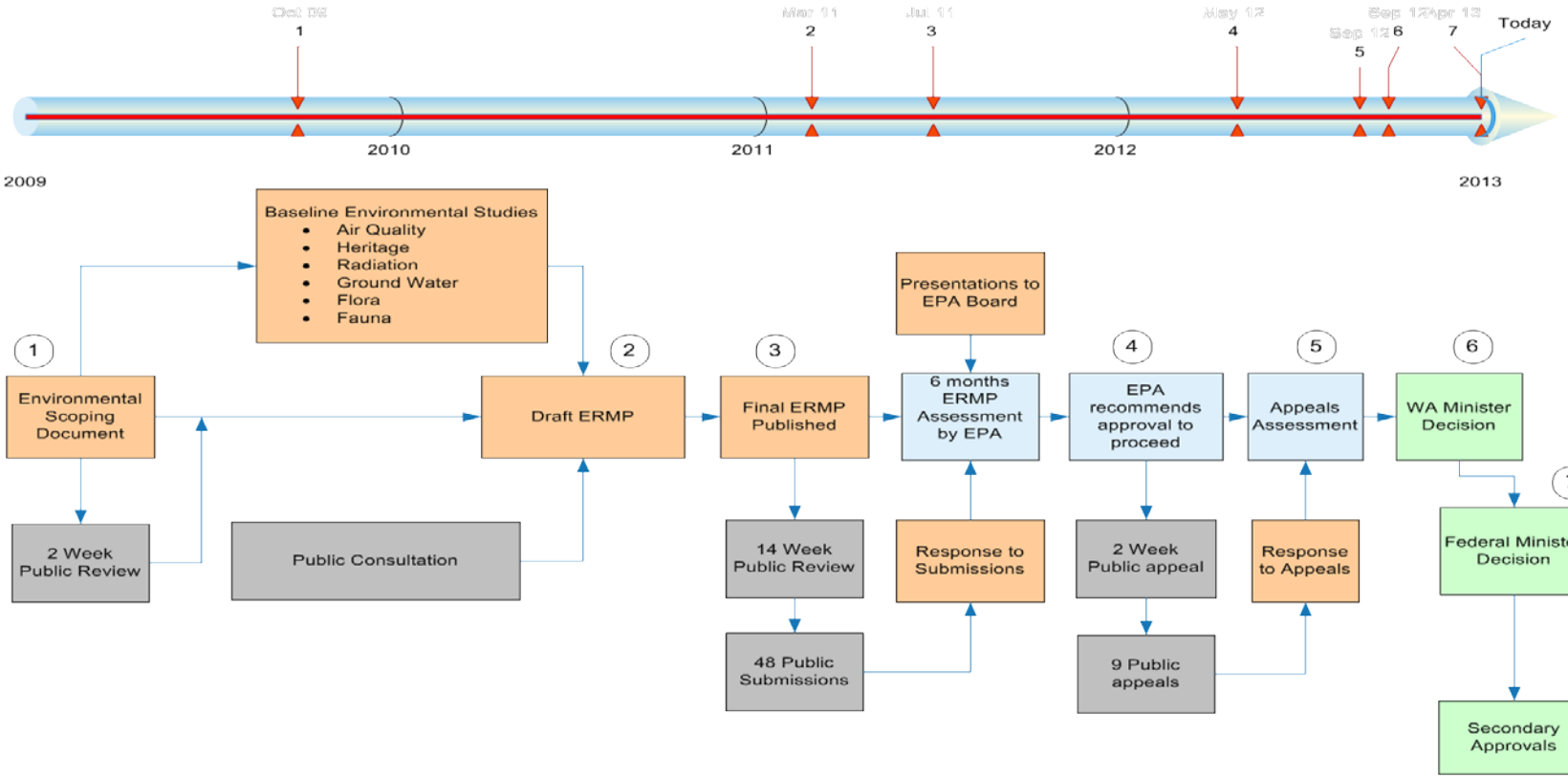
Trial mining confirmed selective mining process

Technical De-Risking – Pilot Plant

- Proven economic processing and recovery (~85%)
- Saline groundwater used for processing
- Sample uranium quality suitable for uranium converters
- Engineering savings from coarser grind & lower leach temperature

Pilot plant confirms Toro's proposed process

Regulatory Approvals Process



Approvals Granted

MEDIA RELEASE
Monday, 21 May 2012

EPA recommends approval for Toro's Wiluna Uranium Project in WA to proceed

Toro Energy Limited (ASX:TOE, "Toro") has been advised by the Western Australian Environmental Protection Authority (EPA) that the EPA is recommending approval for its Wiluna Uranium Project in Western Australia to proceed.

The EPA has presented a report and recommendations to WA's Minister for Environment.

The EPA decision is now open to public appeal for a two week period.

"This is an important milestone for Toro and for the Western Australian uranium industry," Toro's Managing Director, Mr Greg Hall, said today.

"While the Toro team members have significant experience within other uranium and mining operations, Wiluna is Toro's first project and the first uranium project to receive a positive EPA recommendation in Western Australia since the change

"Toro is confident that its extensive technical and environmental assessment undertaken by the EPA will ensure a safe and

"The Wiluna project is one of the few in the world po production in the critical 2014/15 period when the nuclear f supplies."

The project was referred for assessment to the Western Au in October 2009.

An Environmental Review and Management Programme fo public consultation over a 14 week period from July 2011.

During that time, 40 submissions were made to the EPA. T

Government of Western Australia
Department of the Premier and Cabinet

Hon. Bill Marmion MLA
Minister for Environment

MEDIA STATEMENT

10/10/12

Environmental approval granted for Toro

: Environment Minister reaches agreement with decision making authorities
Toro Energy Limited's proposed uranium mine given strict conditions

Environment Minister Bill Marmion today announced the granting of final environmental approval, subject to a number of strict conditions, for Toro Energy Limited's proposed uranium

s decision followed three weeks' consultation with other decision-making
g the Minister for Mines and Petroleum and the Minister for Indigenous

reement I took into account comments made by agencies, including the ronment and Conservation, resulting in even tighter conditions - he said.

s are strengthen protection of stygofauna and groundwater-dependent g Tectonostra samphires, and better address surface water flows, dust rehabilitation.

quired to research the water requirements of groundwater-dependent e closely monitor stygofauna in the three calcrete ecosystems to be g the proposal.

toughened up the environmental conditions, so if this project does go nent will be adequately monitored and protected.

e Government is committed to ensuring that uranium mining in WA will be unty provisions and world's best practice safety and environmental

y Limited proposed to produce up to 1,200 tonnes per year of uranium oxide over an anticipated mine life of 10 years, from the Centipede and Lake Way deposits, which are located approximately 370km south and 150km south-east of Wiluna.

one Knox - 6552 6600 or 0419 323 434

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The Hon Tony Burke MP
Minister for Sustainability, Environment, Water, Population and Communities

Wiluna Uranium Project Approved

Media release
2 April 2013

Federal environment minister Tony Burke has approved, with 36 strict conditions, the Wiluna uranium project in Western Australia.

Mr Burke said with the conditions in place he is satisfied that the Wiluna project can go ahead without unacceptable impacts on the environment both during mining operations and beyond the life of the mine.

"My decision comes after a rigorous environmental assessment," Mr Burke said.

"In considering the proposal I received expert advice from Geoscience Australia, the Australian Radiation Protection and Nuclear Safety Agency, and the Supervising Scientist.

"These expert agencies provided advice to ensure that the proposal meets world's best practice environmental standards for uranium mining, and that the risks to the environment, including risks from radiation and to groundwater and surface water, can be acceptably managed.

"I have also considered public comments made throughout the assessment process in making my decision.

"The 36 strict conditions I have put in place will guard against any negative impacts from radiation or to groundwater and surface water; and include precautions to ensure that once the mine is closed, the site is safe for humans and animals, and is non-polluting.

"The measures that the company will use to achieve these requirements must all be detailed in an extensive and thorough environmental management plan which I must be satisfied with and approve before substantial works on the project can begin.

"The plan must describe how compliance with conditions will be achieved, and what action will be taken if conservative thresholds are exceeded."

Mr Burke said the Australian and Western Australian governments had worked together to share expertise and ensure conditions provide a high level of environmental protection.

EPA recommends approval for Toro's Wiluna Uranium Project in WA to proceed.

Paul Vogel, EPA Chair; 21 May 2012

"The Liberal-National Government is committed to ensuring that uranium mining in WA will be subject to strict security provisions and world's best practice safety and environmental standards."

WA Government Minister Marmion; 10 October 2012

"My decision comes after a rigorous environmental assessment."

Australian Government Minister Burke; 2 April 2013

Traditional Owner's View

CENTRAL DESERT NATIVE TITLE SERVICES

28th May 2012

MEDIA STATEMENT

The Wiluna 'Martu' People are the traditional owners of the land on which Toro Energy Ltd's **(Toro)** proposed Wiluna Uranium Mine **(Wiluna Uranium Mine)** is situated.

They issue this media statement to outline their position on Toro's proposed Wiluna Uranium Mine.

Background

Toro's Wiluna Uranium Mine is situated on the traditional lands of the Wiluna based 'Martu' People. There are two complementary native title claims that seek to have those traditional lands recognised under the Native Title Act: the Wiluna Native Title Claim and the Tarlpa Native Title Claim **(Native Title Claims)**. These Native Title Claims are at an advanced stage towards a consent determination of native title.

History of uranium exploration in the Wiluna region

The Martu People have been dealing with uranium exploration in the Wiluna region since the 1970's: both on their traditional hunting grounds and in areas close to where traditional owners and other Martu families resided at the old Wiluna Nganggananawili mission. This early uranium exploration was conducted without any consultation with the traditional owners and with little government regulatory supervision.

The Wiluna Martu People's previous experience with uranium exploration in the Wiluna region has left them with serious and genuine concerns about the health effects of radiation. It also raised questions for them about the government's capacity to properly regulate uranium exploration and mining on their traditional lands.

Since the recommencement of uranium exploration in the Wiluna region in 2005, the Wiluna Martu People have raised their concerns about the state regulatory regime and radiation safety with the government of Western Australia.

The Native Title Claimants have in particular been seeking for the right to negotiate directly with uranium explorers so that their unique concerns as traditional owners and traditional land users can be properly recognised and their native title rights protected.

"… for the first time, a mining company has come to talk to the mob about their concerns. This is good and the old men are happy that Toro will keep away from their sites.

There is a long way to go, but at least the men who are responsible for that area have been able to sit down and talk about that country on behalf of all the Wiluna mob and be listened to and be involved in decisions about that country. This hasn't happened before."

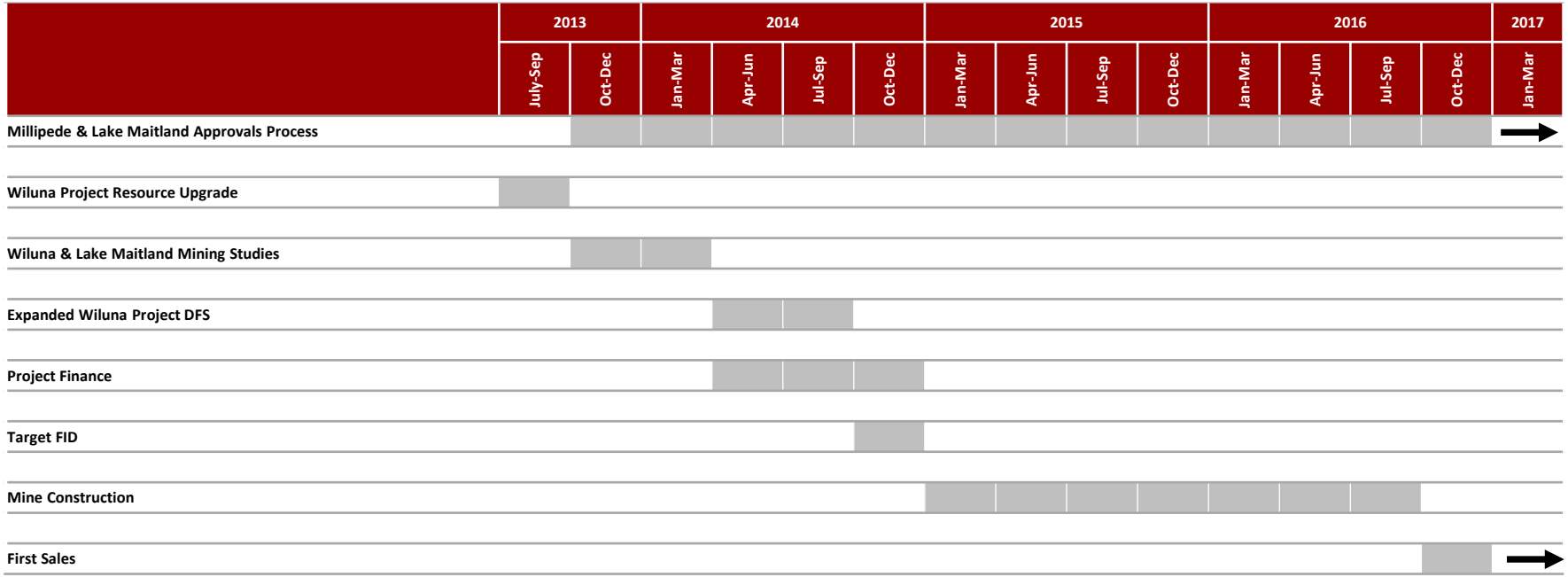
Spokesman for Senior Lawmen
Darren Farmer

Anti-Nuclear – How real is it?

- Wide community engagement
  - 4 times over 3 years
  - No legal challenge – June 2013
- Rejection by local TO of NGO position
- Small groups, highly vocal opponents
- Little influence or traction
- Base of opposition not proven
  - No environmental grounds
- Good corporate practices on CSR aspects

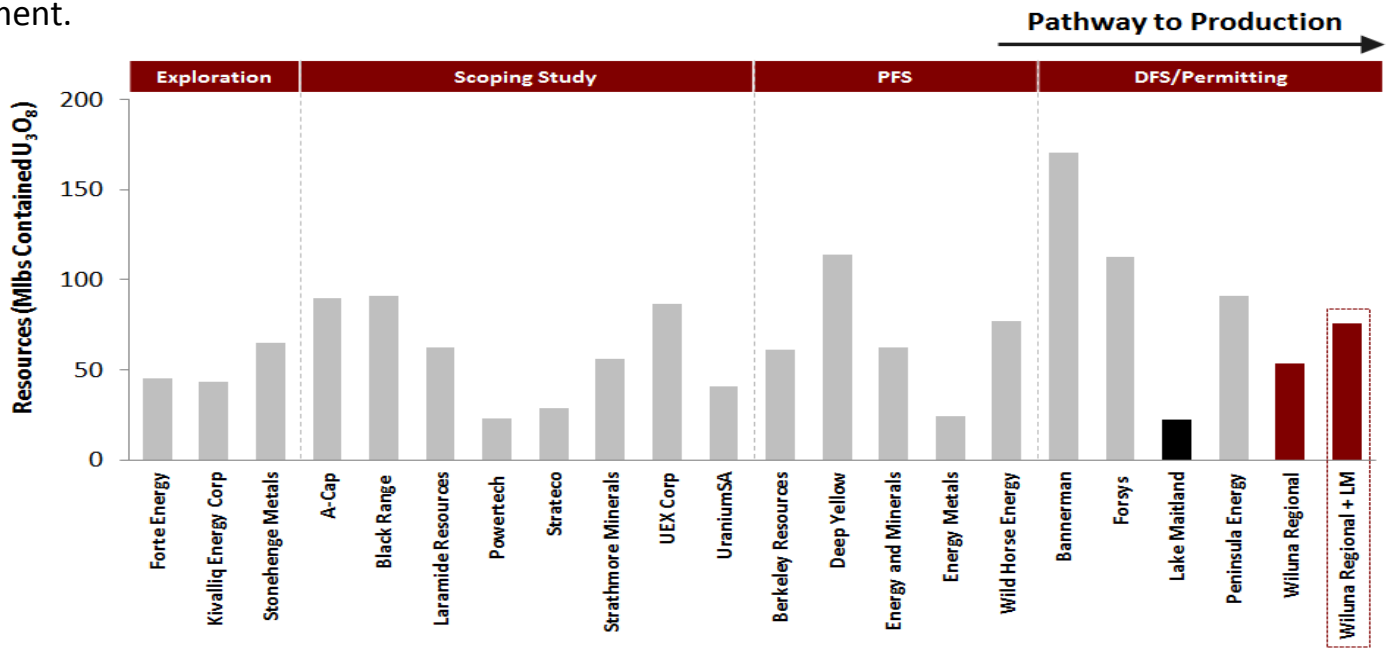
2013-2014 Toro's Development Plans

- Implementing the approved Wiluna Project
- Integrating Lake Maitland and optimisation of economics
- Financing activities targeted to allow construction start late 2014



Wiluna – the next Australia Uranium Mine

Toro's Wiluna project is one of the most progressed undeveloped, independent, uranium-only projects globally. Wiluna has secured all major environmental approvals for mining and now in the process of finalising its DFS ready for development.



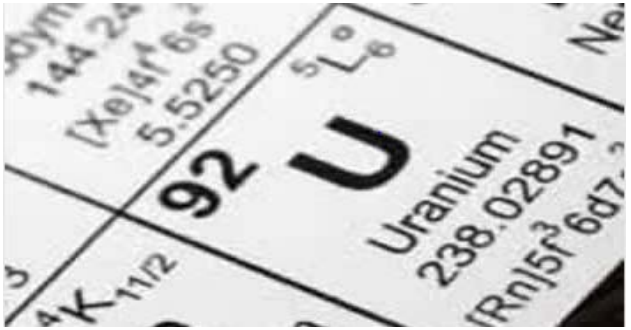
Notes:

1. Uranium Peers selected based on uranium only deposits (or with other commodities as by-products), resources greater than 20Mlbs U_3O_8 (and less than 200Mlbs U_3O_8)
2. Presented on an equity basis

Source: Company announcements

Summary

- Uranium mining is safe and highly regulated
- Global market demand/supply imbalance after 2016
- Australia = significant resources, but under-represented as a supplier
- Toro Energy = an emerging uranium producer
- Wiluna Project = one of the few projects capable of bringing new production to market



Appendix 1: Competent Persons' Statements

CP1: Wiluna Project Mineral Resources – 2012 JORC code compliant resource estimates – Centipede, Millipede, Lake Way and Nowthanna deposits

The information presented here that relates to Mineral Resources of the Centipede, Lake Way, Millipede and Nowthanna deposits is based on information compiled by Dr Greg Shirtliff of Toro Energy Limited and Mr Robin Simpson and Mr Daniel Guibal of SRK Consulting (Australasia) Pty Ltd. Mr Guibal takes overall responsibility for the Resource Estimate, and Dr Shirtliff takes responsibility for the integrity of the data supplied for the estimation. Dr Shirtliff is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM), Mr Guibal is a Fellow of the AusIMM and Mr Simpson is a Member of the Australian Institute of Geoscientists (AIG) and they have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. The Competent Persons consent to the inclusion in this release of the matters based on the information in the form and context in which it appears.

CP2: Wiluna Project Mineral Resources – Historical 2004 JORC code compliant resource estimate – Dawson Hinkler deposit

The information presented here that relates to Mineral Resources of the Dawson-Hinkler deposit is based on information compiled by Dr Katrin Karner of Reptile Uranium Namibia Pty. Ltd. (formerly of Toro Energy Limited at the time of the estimation) and Mr Robin Simpson and Mr Daniel Guibal of SRK Consulting (Australasia) Pty Ltd. Mr Guibal takes overall responsibility for the Resource Estimate, and Dr Karner takes responsibility for the integrity of the data supplied for the estimation. Mr Guibal is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), Dr Karner is a Member and CP (Geo) of the AusIMM and Mr Simpson is a Member of the Australian Institute of Geoscientists (AIG) and they have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004)'. The Competent Persons consent to the inclusion in this release of the matters based on the information in the form and context in which it appears.

CP3: Wiluna Project Mineral Resources – Historical 2004 JORC code compliant resource estimate – Lake Maitland deposit

The information presented here that relates to Mineral Resources of the Lake Maitland Deposit is based on information compiled by Mr Stewart Taylor and Mr Matthew Wheeler of Mega Uranium Limited, and Mr Peter Gleeson and Mr Daniel Guibal of SRK Consulting (Australasia) Pty Ltd. Mr Guibal takes overall responsibility for the Resource Estimate, and Mr Taylor and Mr Wheeler take responsibility for the integrity of the data supplied for the estimation. Mr Taylor is a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM), Mr Guibal is a Member of the AusIMM and Mr Wheeler and Mr Gleeson are Members of the Australian Institute of Geoscientists (AIG), all have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as qualified persons as defined by the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004). The Qualified Persons consent to the inclusion in this release of the matters based on the information in the form and context in which it appears.

CP4: Theseus Project – 2004 JORC code compliant resource estimate

Information in this report relating to the Theseus Resource Estimate is based on work supervised by Michael Andrew, who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Andrew is a full-time employee of Optiro, 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'. Mr Andrew consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

CP5: Theseus Project – Target range and exploration results in accordance with the 2004 JORC code

Information in this report relating to the Theseus Exploration Target Range and Exploration Results is based on information compiled 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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