



QUARTERLY

ACTIVITIES REPORT

for period ending:

31 March 2014

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CORPORATE

- \$4.5 million received during the quarter pursuant to the \$10 million Subscription Agreement signed in December 2013 with South African investment fund, RealFin Capital Partners ('RealFin').
- Cash at end of the quarter was \$9.4 million.

WILUNA URANIUM PROJECT (WA)

- Completion of independent Mining Scoping Study and a Preliminary Economic Assessment¹ integrating Lake Maitland deposit into the Wiluna mining schedule, providing:
 - An initial operations life of 16+ years;
 - Average C1 cost for life of project of **US\$31.1/lb**;
 - Average annual production over the first 10 years - **2.0Mlb U3O8**; and
 - Average processing head grade of **883ppm** for the first 10 years;
- Millipede and Lake Maitland environmental approval and assessment process initiated with the Western Australian and Federal Governments;
- Tailings and geotechnical studies and resources drilling program initiated.

URANIUM MARKET

- Lead spot price indicator closed slightly down US\$0.75 down from the December 2013 quarter at US\$34.00/lb, but has retreated further during April currently trading at US\$30.75/lb.
- Limited market liquidity has led to the long term price indicator to fall US\$5.00/lb from the December 2013 quarter to US\$45.00/lb.
- During, and since the end of, the quarter, the Japanese government has confirmed its commitment to clean energy policy and the importance of nuclear.
- China's commitment to nuclear expansion continues with two units commissioned this year and a further five to be commissioned.
- CNNC's acquisition of a 25% interest in Paladin's Langer Heinrich evidence of China's strong demand for raw materials.
- South Korea announce US\$7 billion plans to build two new 1,400 MWe plants by 2020.

EXPLORATION

- Selected non-core greenfields exploration ground surrendered in WA and NT as part of rationalisation of less prospective ground; and
- JV negotiation progress over a number of other prospective Australian greenfields uranium tenements.

¹ Refer ASX release 30 January 2014 and 19 November 2013

1. Corporate

Within the terms of the RealFin Subscription Agreement², RealFin subscribed for the following shares over the period, including “ahead of time” payments:

Initial Subscription	Final Subscription Date	Amount due	Amount received	Shares issued	Price per share
Tranche 1	24 th December 2013	\$1,000,000	\$1,000,000	13,698,630	\$0.0730
Tranche 2	28 th February 2014	\$2,000,000	\$1,000,000	14,409,222	\$0.0694
			\$1,000,000	15,552,299	\$0.0643
Tranche 3	31 st May 2014	\$2,000,000	\$1,500,000	23,474,178	\$0.0639

RealFin has A\$0.5m remaining under the initial subscription agreement that will be executed on or before 31 May 2014 and a further optional subscription of \$5m that can be subscribed for by RealFin at its sole election any time up until 1st July, 2014.

As at 31 March 2014 Toro had \$9.4 million cash on hand.

2. Wiluna Uranium Project (WA)

2.1. Mining Scoping Study and Preliminary Economic Assessment

During the quarter, Toro announced the completion of an independent Mining Scoping Study and a Preliminary Economic Assessment (PEA) integrating the newly acquired Lake Maitland deposit into the Wiluna Uranium Project in Western Australia.

Based solely on mining at the already environmentally approved Centipede and Lake Way deposits and the yet to be approved Millipede and Lake Maitland deposits, the studies confirmed:

- An initial mine operations life of 16 years;
- 20.1Mt ore mined @ **799** parts per million (ppm), including 15.9Mt ore @ **907**ppm;
- Processing head grade: **883**ppm average over the first 10 years;
- Total production at life of mine recovery of 85.6% - **30.2Mlb** U3O8;
- Average annual production over the first 10 years - **2.0Mlb** U3O8; and
- Average C1 cost for life of project of **US\$31.1/lb**.

The PEA included process plant design information and capital costs from the Phase 1 Definitive Feasibility Study (DFS) completed in November 2012 and a new independent mining scoping study completed by Tetra-Tech Proteus.

The strategic acquisition of Lake Maitland, completed in November 2013, provided Wiluna with additional high grade resources to add to those at Centipede, Millipede and Lake Way. The mining study re-assessed the mining plan based on a high-grade mining scenario incorporating the Centipede, Lake Way, Millipede and Lake Maitland deposits.

2.1.1. Continuing Engineering

Engineering work over the period has focused on geotechnical and tailings work required for the DFS Phase 2.

² Refer ASX release 24 December 2013 (RealFin Subscription Agreement Terms)

A program of work to define the geotechnical parameters of the processing facility, haul roads, service infrastructure and the Millipede pit footprint has been integrated into the resource drill program which is currently underway.

Significant progress was made on the design of a tailings test-work program. The anticipated outcomes of the program are improved water recovery from tailings which will have the benefits of increasing water recovered to the processing facility and reducing the volume of tailings to be stored.

2.1.2. Resource

Toro initiated its largest ever drilling program at Wiluna during the period. A total of 1,600 holes for 16,000 m is planned consisting of four 100x100 m grade control grids inside each of the core Wiluna deposits, Centipede, Millipede, Lake Maitland and Lake Way. Both sonic core and aircore drilling will be utilised. The aim of the program is:

- To ascertain if the current Indicated and Measured resource estimate and block model of the Centipede, Millipede, Lake Maitland and Lake Way deposits is representative of the actual grade and metal content to an accuracy that can qualify for a 2012 JORC compliant maiden Probable Reserve;
- To discover the small-scale spatial distribution and pattern of the ore body and confirm if such spatial distribution is amenable to the proposed mining methods and ultimately prove the grades to the mill in the economic model; and
- To define the optimum drill spacing for any future grade control drilling during mining, for the least possible expense without jeopardizing grades to the mill.

A Wiluna resource table has been included at Appendix 2 of this report.

2.2. Approvals and Community

The environmental approval process for mining at Millipede and Lake Maitland was initiated with the Western Australian and Federal Governments. The Western Australian Environmental Protection Authority (EPA) has set the level of assessment at Public Environmental Review (PER) and the process will be conducted under the bi-lateral agreement between the two jurisdictions. Publication of an Environmental Scoping Document (ESD) is not planned to be submitted to the EPA by the end of May. The ESD establishes the environmental studies necessary to complete the PER. The PER will be open for public review for a 12 week period and Toro is planning its publication in the first half of 2015.

Toro has initiated consultation with the Kultju people who claim an interest in Lake Maitland. At a meeting in Kalgoorlie, representatives of the Kultju were briefed on Toro's plans for developing Lake Maitland and there were also discussions about the negotiation of a mining agreement.

3. Uranium Market

The spot uranium price at the end of the quarter was US\$34.00/lb, consistent with trading levels at the end of December 2013. However the long term uranium price fell US\$5.00/lb during March to US\$45.00/lb and the spot price has fallen to US\$31.00/lb during April³. Overall current spot demand is weak with low levels of liquidity.

However the medium to long term demand outlook remains positive with the emerging economies committed to the significant growth in reactor build out programs. During the quarter, Japanese Prime Minister Abe confirmed the importance of nuclear energy within Japan's energy policy mix for the next 20 years. The nuclear restart program in Japan is drawing closer with applications made by utilities for the re-start of 17 facilities over the course of 2014 and 2015. Industry expects this to be positive for overall sentiment and a sign that inventory build-up in Japan will begin to be drawn down.

³ Trade Tech's Nuclear Market Review

In South Korea, plans for a US\$7 billion build of two new 1,400 MWe reactors by 2020 were announced. China continues its aggressive nuclear build and expansion program as it endeavours to improve its air quality and energy structure. CNNC's acquisition of a 25% interest in Paladin's Langer Heinrich project is further evidence of China's continuing need to import raw materials to support the expanding nuclear industry.

4. Exploration

The Company is focused on maintaining its highly prospective exploration portfolio whilst balancing its responsibility to preserve cash in the current market. Key exploration tenements continue to be developed however a number of non-core greenfields exploration tenements have been surrendered in both the Northern Territory and Western Australia to assist cash management and preservation.

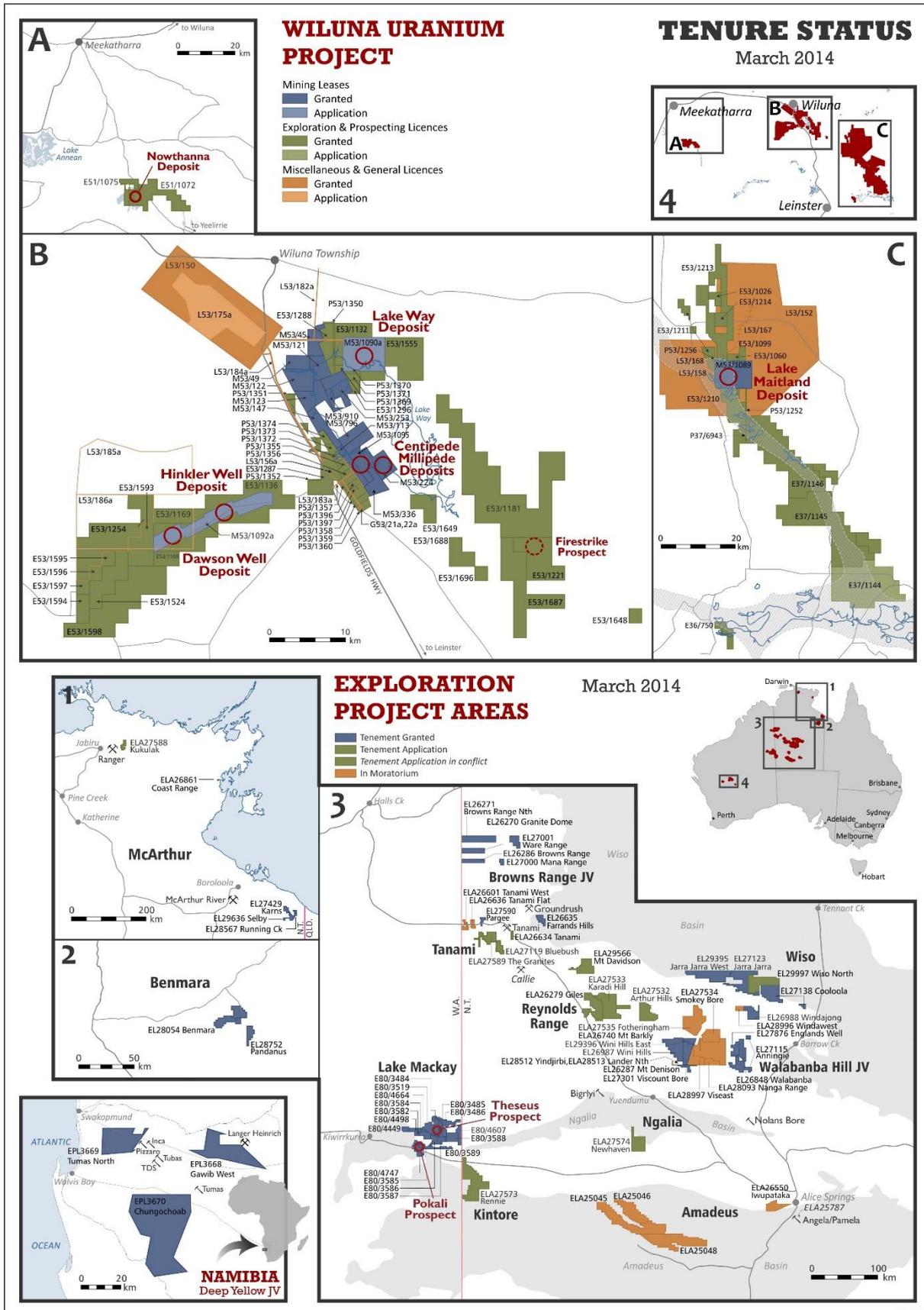
Significant progress has been made regarding negotiations to secure JV partners over a number of the Company's greenfields tenements in Australia.

5. Tenement Movements

An updated tenement status map is attached at Appendix 1.

Tenement movement details are included in Appendix 5B attached to this report.

APPENDIX I: Tenement Status Map



APPENDIX 2: Wiluna Resource Table⁴

Current Resources Table Wiluna Uranium Project In accordance with JORC 2012							
		Measured and Indicated		Inferred		Total	
		200 ppm Cut-off	500ppm Cut-off	200 ppm Cut-off	500ppm Cut-off	200 ppm Cut-off	500ppm Cut-off
Centipede, Millipede, Lake Maitland, Lake Way	Tonnes (Mt's)	45.1	17.6	1.9	0.4	47.0	17.9
	Grade (ppm)	553	930	382	887	546	930
	Mlb's U ₃ O ₈	55.0	36.0	1.6	0.7	56.6	36.7
Dawson Hinkler, Nowthanna	Tonnes (Mt's)	8.4	0.9	17.1	2.6	25.5	3.4
	Grade (ppm)	336	596	364	779	354	732
	Mlb's U ₃ O ₈	6.2	1.1	13.7	4.4	19.9	5.5
Total Wiluna Project	Tonnes (Mt's)	53.5	18.5	19.0	2.9	72.5	21.3
	Grade (ppm)	519	915	365	791	479	898
	Mlb's U ₃ O ₈	61.2	37.1	15.3	5.1	76.5	42.3

⁴ Refer ASX release 19 November 2013

APPENDIX 5B
Mining exploration entity quarterly report

TORO ENERGY LTD

ABN. 48 117 127 590

Quarter ended

March 2014

Consolidated statement of cash flows (Note 6.0)

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for		
(a) exploration and evaluation	(3,237)	(5,971)
(b) development	-	-
(c) production	-	-
(d) administration	(770)	(1,587)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	75	256
1.5 Interest and other costs of finance paid	(368)	(842)
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(4,300)	(8,144)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	(1,466)
(b) equity investments	-	-
(c) other fixed assets	(41)	(74)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net Investing cash flows	(41)	(1,540)
1.13 Total operating and investing cash flows (carried forward)	(4,341)	(9,684)
1.13 Total operating and investing cash flows (brought forward)	(4,341)	(9,684)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc	4,500	7,821
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other (Costs of share issue)	(14)	(21)
Net financing cash flows	4,486	7,800
Net increase (decrease) in cash held	145	(1,884)
1.20 Cash at beginning of quarter / year to date	9,215	11,244
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	9,360	9,360

Payments to directors of the entity and associates of the directors related entities of the entity and associates of the related entities		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	124
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Directors' fees, wages, expenses and superannuation for the quarter	
Non-cash financing and investing activities		
2.1	Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows	
	Nil	
2.2	Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest	
	Nil	

Financing facilities available	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities (A\$12m debt facility)	-	12,000
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter	\$A'000
4.1 Exploration and evaluation:	2,670
4.2 Development	-
4.3 Production	-
4.4 Administration	1,068
Total	3,738

Reconciliation of cash	Current quarter \$A'000	Previous quarter \$A'000
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		
5.1 Cash on hand and at bank	1,260	2,581
5.2 Deposits at call	8,100	6,634
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	9,360	9,215

Changes in interests in mining tenements					
		Tenement reference	Nature of interest (note 2)	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed				
6.2	Interests in mining tenements acquired or increased		See Annexure 1		

Issued and quoted securities at end of current quarter

		Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1	Preference securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	Ordinary securities	1,557,017,582	1,557,017,582	Fully paid	Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	13,698,630 14,409,222 23,474,178 15,552,099	13,698,630 14,409,222 23,474,178 15,552,099	\$0.073 \$0.069 \$0.064 \$0.064	\$0.073 \$0.069 \$0.064 \$0.064
7.5	Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>			<u>Exercise Price</u>	<u>Expiry Date</u>
		4,120,000		\$0.22	2/02/2015
		24,390,244		\$0.12	1/11/2015
		3,680,000		\$0.22	3/01/2016
		5,000,000		\$0.22	11/01/2016
		1,000,000		\$0.30	11/01/2016
		35,714,286		\$0.08	7/03/2016
		42,253,521		\$0.14	7/03/2016
		250,000		\$0.15	25/05/2016
		250,000		\$0.22	25/05/2016
		750,000		\$0.11	30/06/2016
		500,000		\$0.22	30/06/2016
		750,000		\$0.25	30/06/2016
		9,300,000		\$0.13	31/07/2016
		225,000		\$0.13	25/08/2016
		5,750,000		\$0.11	16/01/2017
7.8	Issued during quarter	5,750,000		\$0.11	16/01/2017

7.9	Exercised during quarter			
7.10	Cancelled during quarter (expired)	1,000,000	\$0.25	19/03/2014
7.11	Debentures (totals only)			
7.12	Unsecured notes (totals only)			

Compliance statement

- 1.0 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2.0 This statement does give a true and fair view of the matters disclosed.


 Sign here:.....
 Company Secretary

Date: 30 Apr 2014

TODD ALDER

Print name:

Notes

- 1.0 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2.0 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3.0 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4.0 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5.0 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

ANNEXURE 1

Changes in interest in mining tenements

Tenement reference	Nature of interest	Interest at beginning of quarter*	Interest at end of quarter
E53/1287 - partial	Partial Surrender, 6 blocks surrendered - 10 remaining	100%	100%
L37/202	Surrendered in full	100%	0%
L53/187	Surrendered in full	100%	0%
L53/180	Surrendered in full	100%	0%
L53/157	Surrendered in full	100%	0%
E37/895	Not renewed	100%	0%
E37/1144	Excised during renewal	100%	100%
E80/4606	Surrendered in full	100%	0%
E80/3580	Surrendered in full	100%	0%
E80/3581	Surrendered in full	100%	0%
E80/3583	Surrendered in full	100%	0%
EL28840 - partial	Partial Surrender, 89 blocks surrendered - 40 blocks remaining	100%	100%
EL26848 - partial	Partial Surrender, 93 blocks surrendered - 90 blocks remaining	100%	100%