

QUARTERLY

ACTIVITIES REPORT

for period ending:

31 March 2015

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HIGHLIGHTS

1. Toro's Managing Director appointed to the Prime Ministers' Australia-India CEO Forum while accompanying the Federal Minister for Trade and Investment, the Hon. Mr Andrew Robb to the Australia Business Week in India in January.
2. During the quarter Toro announced the completion of the Company's Board renewal strategy with the appointment of two new non-Executive Directors, Ms Fiona Harris as Chairman and Mr John Cahill as Audit & Risk Committee Chairman. The Board renewal strategy also saw the retirement of Ms Erica Smyth, the previous Company Chairman, and founding Managing Director, Mr Greg Hall.
3. Toro commits to major autumn and winter drilling program at the Centipede, Millipede and Lake Maitland uranium deposits at the Wiluna project in WA. The program will include 160 sonic drill holes for 1,600 metres and provide further information on the positive disequilibrium results announced in 2014.
4. Commencement of Wiluna project improvement works as part of the \$10M Unitisation Deed funding provided by The Sentient Group. The project work is intended to explore opportunities to enhance and optimize the process design, project configuration and operating and capital cost structure for the project.
5. The Environmental Scoping Document for an extension¹ of the Wiluna Uranium Project to include mining of the Millipede and Lake Maitland deposits was approved by the Western Australian Environmental Protection Authority.
6. Closing March 15 uranium spot price rallied back to US\$39.50 lb from the December 14 closing price of US\$35.50 lb. Long term prices holding firm at US\$49.00 lb.
7. Cash at end of the quarter was A\$22.8M.

1. Overview

Toro continues to work on delivering the advanced and wholly owned Wiluna Uranium Project in WA into financing and production as soon as the uranium market improves and subject to achieving uranium pricing conditions that support development.

The progression of the government assessment and approval process for the Millipede and Lake Maitland deposits is a key focus and was a priority during the March 2015 quarter. Toro is pursuing an approvals timetable that could see the two additional deposits approved by government in the second half of 2016.

¹ The Centipede and Lake Way deposits have been approved by federal (EPBC 2009/5174) and state government (Ministerial Statement No. 913) subject to conditions.

The Company plans the following key activities during 2015:

1. Progress the government assessment and approvals process for mining of the Millipede and Lake Maitland deposits as an extension to the approved Centipede and Lake Way deposits (refer footnote 1).
2. Finalise negotiations for a mining agreement with the Wiluna Native Title Holders.
3. Resource drilling and new Resource statement
4. Project technological improvements utilizing the \$10M Unitisation Deed funding provided by The Sentient Group.
5. Project cost review and optimization studies.

In January 2015 Toro's Managing Director was part of the 450 strong trade delegation that accompanied the Federal Minister for Trade and Investment, the Hon. Mr Andrew Robb to the Australia Business Week in India. Toro met with private enterprise, government-owned mining companies, power generators and regulators and heard directly of the importance of baseload energy to the growth of India and the increasing reliance on nuclear power as a clean energy source.

Following the signing of the Australia-India Nuclear Civil Cooperation Agreement in September 2014, the Administrative Arrangements between the two governments continued through this quarter. The negotiations are expected to be completed during 2015 as the free trade agreement between the two countries is finalised.

Prior to the Business Week, Dr Guthrie attended the Vibrant Gujarat Summit where world leaders, business and community leaders were energized by the commitment of India's Prime Minister Modi to improve the living standards of the 1.25 billion people in India, through strong commerce and investment reform.

2. Corporate and Finance

During the quarter Toro announced the completion of the Company's Board renewal strategy with the appointment of two new non-Executive Directors, Ms Fiona Harris as Chairman and Mr John Cahill as Audit & Risk Committee Chairman.

Ms Harris is a highly respected professional director with substantial experience in corporate and financial management and a longstanding interest and involvement in the energy and natural resources sector. Her current Board positions are with Infigen Energy, BWP Trust, Perron Group and Oil Search Limited.

Mr Cahill has more than 25 years' experience working within treasury and finance for the energy utility sector. He is the past Chief Executive Officer of Alinta Infrastructure Holdings and past Chief Financial Officer of national gas and electricity retailer, Alinta Limited.

The Board renewal strategy also saw the retirement of Ms Erica Smyth, the previous Company Chairman, and Mr Greg Hall.

Ms Smyth played a pivotal role in the merger of Toro with Nova Energy and since that time helped establish Toro as one of Australia's most successful and advanced uranium explorers and developers.

Mr Hall's contributions in the role of Managing Director from February 2006 to February 2013 and subsequently as a non-Executive Director were fundamental in the commencement of Toro and growing it from a new small cap listing in 2006 into a significant potential uranium developer.

Cash at end of the quarter was \$22.8M.

3. Uranium Market

Closing March 2015 uranium spot price rallied back to US\$39.50 lb from the December 2014 closing price of US\$35.50 lb. Long term prices remain firm at US\$49.00 lb. Spot volumes of 15.2Mlbs were traded for the March 2015 quarter compared to 9Mlbs in the March 2014 quarter.

Key market events over the quarter included:

- Japanese Reactor Restarts: Sendai 1 & 2 reactor restarts providing momentum and confidence in a program of multiple restarts offset by District Court restart injunction for Kansai Electric’s Takahama reactors despite Japanese Nuclear Regulatory Authority approval;
- China approving the first new reactor build project since the post Fukushima freeze with CGN receiving the go ahead for 2x1000 MWe reactors;
- French Senate voted in favour of removing nuclear reduction deadlines and allowing EDF to keep Fessenheim reactor open;
- Merger of China’s China Power Investment and State Nuclear Power Technology announced. Newly merged company to focus on overseas development opportunities;
- Russia’s Rosatom advised foreign deals for nuclear construction tripled over last three years including deals for new nuclear construction in Jordan (Mar15), Egypt (Feb15), Finland (Dec14) and Hungary (Jan14);
- US-China agreement on Climate Change: agreement clearly identifies the need for nuclear power in China as part of the contribution to low carbon emissions environment;
- South Australia initiating a Royal Commission into the role of nuclear power with focus on power generation, conversion and enrichment, and waste storage.



Figure 4 Historical and Forecast India Nuclear Capacity and Uranium Requirements, 2012 – 2020
Source: TradeTech



Figure 5 Forecast Reactor Restarts & Uranium Requirements, Japan
Source: TradeTech

4. Wiluna Uranium Project (WA)

4.1. Approvals and Community

The Environmental Scoping Document (ESD) for government assessment of mining at Millipede and Lake Maitland was approved by the Western Australian Environmental Protection Authority (EPA) following a two-week public review period during which 27 submissions were received by the EPA. Toro responded to all submissions prior to the EPA Board final approval.

The ESD identifies key environmental factors and issues to be addressed during the continuing environmental assessment of mining at Millipede and Lake Maitland. The assessment will continue through Toro’s preparation of a Public Environmental Review (PER) which will be open for a 12 week public review period later this year.

The environmental work undertaken during the quarter has focused on the studies required to finalise the PER document. Following drilling in fourth quarter 2014, water reinjection trials were undertaken at Lake Maitland to investigate the feasibility of disposing of mine pit water from the Lake Maitland deposit by injecting back into the same aquifer downstream. At Millipede studies focused on identifying the cumulative impacts of mine dewatering at both Millipede and the neighbouring Centipede deposit. The results of these studies will be included in the PER.

Additional flora and fauna studies also occurred during the quarter, including general flora and fauna assessments over the project area, as well as targeted searches for potential priority species.

Cumulative impact assessment work is also being finalised, making use of all the study information gathered to date. The assessment will identify any potential cumulative impacts that the extended Wiluna Uranium Project, plus potential other mines in the area, might create.

Negotiation of a mining agreement with the Wiluna Native Title Holders continued during the quarter. All parties are aiming to complete the negotiations by mid-2015.

4.2. Resource

Toro has committed to a major autumn and winter drilling program at the Centipede, Millipede and Lake Maitland deposits. The planned program consists of 160 sonic drill holes for 1,600 metres and will provide further information to determine why downhole gamma probe uranium measurements are mostly biased low compared to uranium values from geochemical analysis, particularly at high grades. The effect of this on the resource across the Centipede, Millipede and Lake Maitland deposits will also be determined. This work follows the 2013 and 2014 drilling campaigns where the underestimate bias was first identified and confirmed.

4.3. Engineering

Toro commenced project improvement studies as part of the \$10M Unitisation Deed funding provided by The Sentient Group. The funding is intended to explore opportunities to enhance and optimize the process design, project configuration and operating and capital cost structure for the project.

The scope of the fund includes the resource drilling work described above that is testing the estimation technique for uranium mineral resources. Programs were also initiated with CSIRO and ANSTO during the quarter into improved uranium extraction technology in a carbonate environment. The Company continued with the U-grade™ beneficiation assessment program with the completion of mineral liberation analysis work. This work demonstrated that the majority of uranium was associated with carbonate minerals in the sample obtained from the Centipede deposit. Subsequent mineral separation testwork is currently underway.

5. Exploration

Toro continued to consolidate its ground holdings in the Northern Territory and is actively seeking JV partners on some of its main exploration projects.

Areva Australia has commenced final preparations for exploration drilling on the Wiso Project. Drilling is expected to commence late in May.

Rum Jungle Resources has earned 51% on the Lake Mackay Potash JV and has notified Toro of its intentions to spend to earn a further 29%. Toro now holds a 49% share of the 13 million tonne potash resource at Lake Mackay.

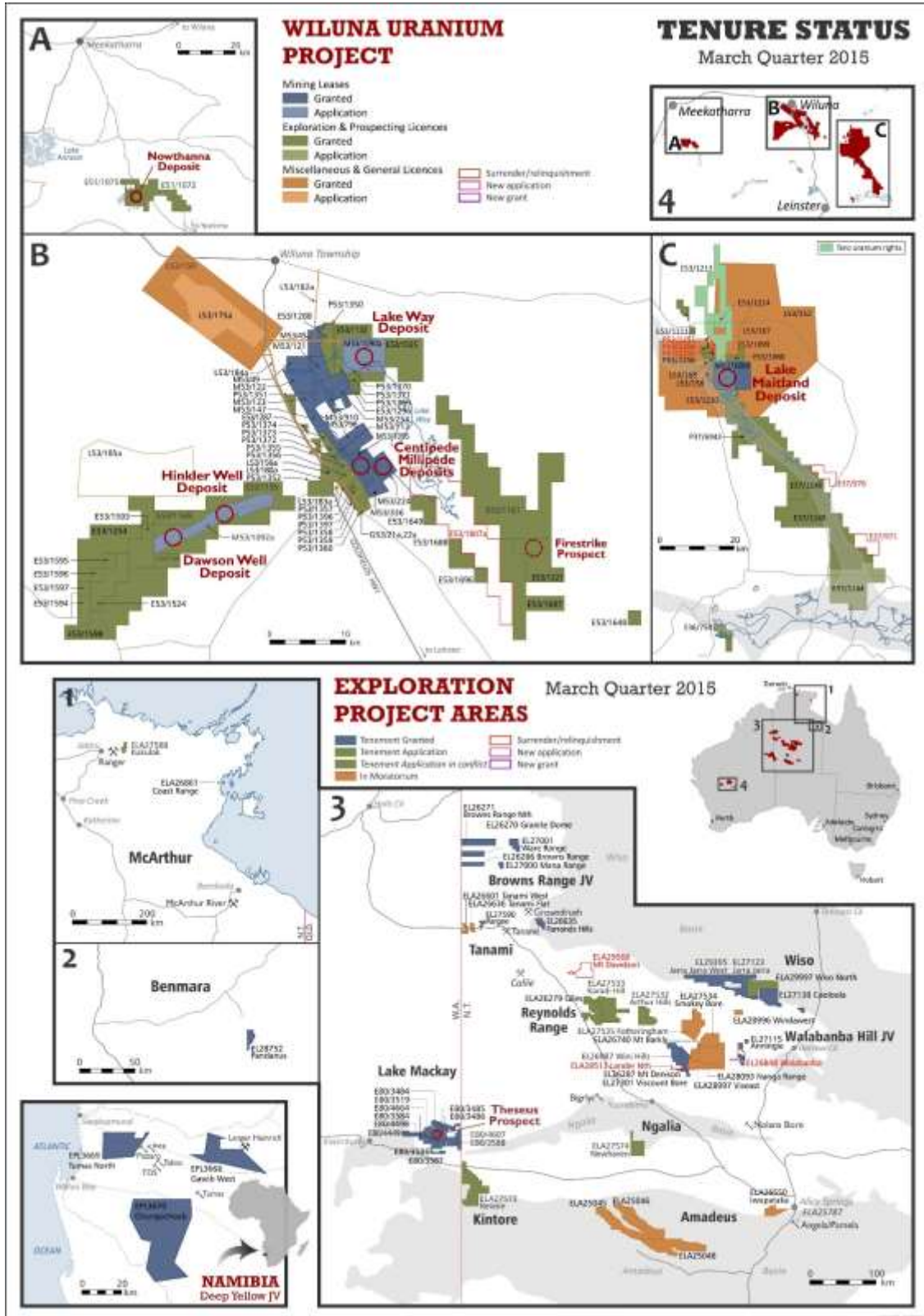
6. Tenement Movements

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 Uranium Project Resource Table – JORC 2012^{2, 3}

Deposit	Measure	Measured		Indicated		Total Measured and Indicated		Inferred		Total	
		200 ppm	500 ppm	200 ppm	500 ppm	200 ppm	500 ppm	200 ppm	500 ppm	200 ppm	500 ppm
Centipede	Mt's	2.9	1.2	7.5	3.1	10.4	4.3	0.0	0.0	10.4	4.3
	Grade ppm	551	872	572	943	566	923	0	0	566	923
	Mlb's U ₃ O ₈	3.5	2.3	9.5	6.4	13.0	8.8	0.0	0.0	13.0	8.8
Lake Way	Mt's	0.0	0.0	10.3	4.2	10.3	4.2	0.0	0.0	10.3	4.2
	Grade ppm	0	0	545	883	545	883	0	0	545	883
	Mlb's U ₃ O ₈	0.0	0.0	12.4	8.2	12.4	8.2	0.0	0.0	12.4	8.2
Millipede	Mt's	0.0	0.0	4.5	1.6	4.5	1.6	1.9	0.4	6.4	2.0
	Grade ppm	0	0	530	956	530	956	382	887	486	942
	Mlb's U ₃ O ₈	0.0	0.0	5.3	3.4	5.3	3.4	1.6	0.8	6.9	4.2
Lake Maitland	Mt's	0.0	0.0	19.9	7.5	19.9	7.5	0.0	0.0	19.9	7.5
	Grade ppm	0	0	555	956	555	956	0	0	555	956
	Mlb's U ₃ O ₈	0.0	0.0	24.3	15.8	24.3	15.8	0.0	0.0	24.3	15.8
Sub-total	Mt's	2.9	1.2	42.2	16.4	45.1	17.6	1.9	0.4	47.0	18.0
	Grade ppm	551	872	553	935	553	931	382	887	546	930
	Mlb's U₃O₈	3.5	2.3	51.4	33.8	55.0	36.1	1.6	0.8	56.6	36.9
Dawson Hinkler	Mt's	0.0	0.0	8.4	0.9	8.4	0.9	5.2	0.3	13.6	1.2
	Grade ppm	0	0	336	596	336	596	282	628	315	604
	Mlb's U ₃ O ₈	0.0	0.0	6.2	1.2	6.2	1.2	3.2	0.4	9.5	1.6
Nowthanna	Mt's	0.0	0.0	0.0	0.0	0.0	0.0	11.9	2.3	11.9	2.3
	Grade ppm	0	0	0	0	0	0	399	794	399	794
	Mlb's U ₃ O ₈	0.0	0.0	0.0	0.0	0.0	0.0	10.5	4.0	10.5	4.0
Total Wiluna Regional Resource	Mt's	2.9	1.2	50.6	17.3	53.5	18.5	19.0	3.0	72.5	21.5
	Grade ppm	551	872	517	917	519	914	365	790	479	897
	Mlb's U₃O₈	3.5	2.3	57.7	35.0	61.2	37.3	15.3	5.2	76.5	42.5

² Refer to Competent Persons' Statement in this report. It can be confirmed that there has been no material change to resources of the Wiluna Project since the last reporting of the Wiluna Project's resources on the 20 November 2013.

³ Tonnes and pounds are quoted to one decimal place which may cause rounding errors when tabulating.

Competent / Qualified Persons' Statements

It is important to note that there has been no material change to the resources of the Wiluna Uranium Project since the last reporting of the Wiluna Uranium Project's resources on the 20th November 2013. As such the competent/qualified persons' statement for stated resources on the Wiluna Uranium Project remains as follows:

The information presented here that relates to Mineral Resources of the Centipede, Millipede, Lake Way, Lake Maitland, Dawson Hinkler and Nowthanna deposits is based on information compiled by Dr Greg Shirliff of Toro Energy Limited (with the aid of Mega Uranium Limited geologists Mr Stewart Parker and Mr Robin Cox in the case of Lake Maitland) 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 Shirliff takes responsibility for the integrity of the data supplied for the estimation. Dr Shirliff 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.

APPENDIX 5B
Mining exploration entity quarterly report

TORO ENERGY LTD

ABN. 48 117 127 590

Quarter ended
March 2015

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	(1,894)	(4,332)
(b) development	-	-
(c) production	-	-
(d) administration	(921)	(1,311)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	76	184
1.5 Interest and other costs of finance paid	(276)	(876)
1.6 Income taxes paid	-	-
1.7 Other - R&D refund	567	567
Net Operating Cash Flows	(2,448)	(5,768)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	(39)
(c) other fixed assets	(4)	(500)
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	(4)	(539)
1.13 Total operating and investing cash flows (carried forward)	(2,452)	(6,307)
1.13 Total operating and investing cash flows (brought forward)	(2,452)	(6,307)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc	-	12,404
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	10,000
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other (Costs of share issue and Unitisation deed)	-	(447)
Net financing cash flows	-	21,957
Net increase (decrease) in cash held	(2,452)	15,650
1.20 Cash at beginning of quarter / year to date	25,253	7,151
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	22,801	22,801

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
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		
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 MBL debt facility)	0
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter	\$A'000
4.1 Exploration and evaluation:	2,276
4.2 Development	-
4.3 Production	-
4.4 Administration	1,310
Total	3,586

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	801	553
5.2 Deposits at call	22,000	24,700
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	22,801	25,253

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		

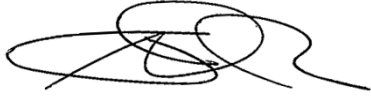
Issued and quoted securities at end of current quarter

		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	1,903,769,581	1,903,769,581	Fully paid	Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
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>
		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
	Performance Rights	8,335,492		\$0.00	30/09/2016
		2,778,868		\$0.00	1/07/2015
7.8	Issued during quarter Performance Rights				

7.9	Exercised during quarter Performance Rights				
7.10	Cancelled during quarter Expired Options	4,120,000		\$0.22	02/02/2015
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

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 2015

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
EL29566	Withdrawn	100%	0%
EL28752	Surrendered in full	100%	0%
E37/0971	Surrendered in full	100%	0%
E37/0970	Surrendered in full	100%	0%
P53/1252	Expired	100%	0%