

# MCA Minerals Week

## Environmental Approvals: A Case Study

28 May 2014

**Australia's  
Leading  
Development  
Stage Uranium  
Company**

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## Toro Energy:

**A Pure Play Uranium Company  
Positioned for the Market Recovery**

# Toro Snapshot



## STRUCTURE



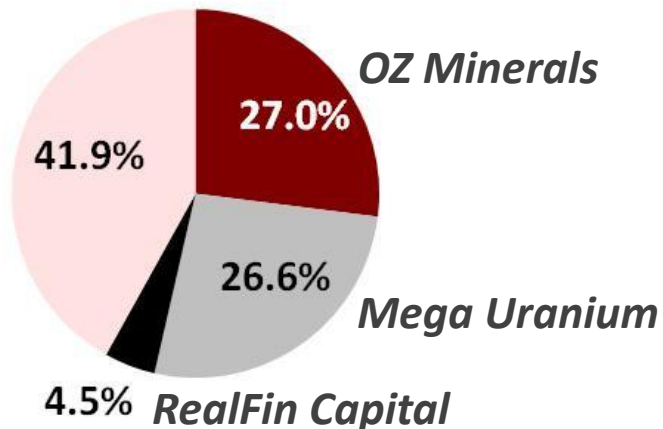
**Board & Management**  
**Extensive Uranium**  
**Experience**



**\$9M Cash on hand**  
**\$5M placement option**

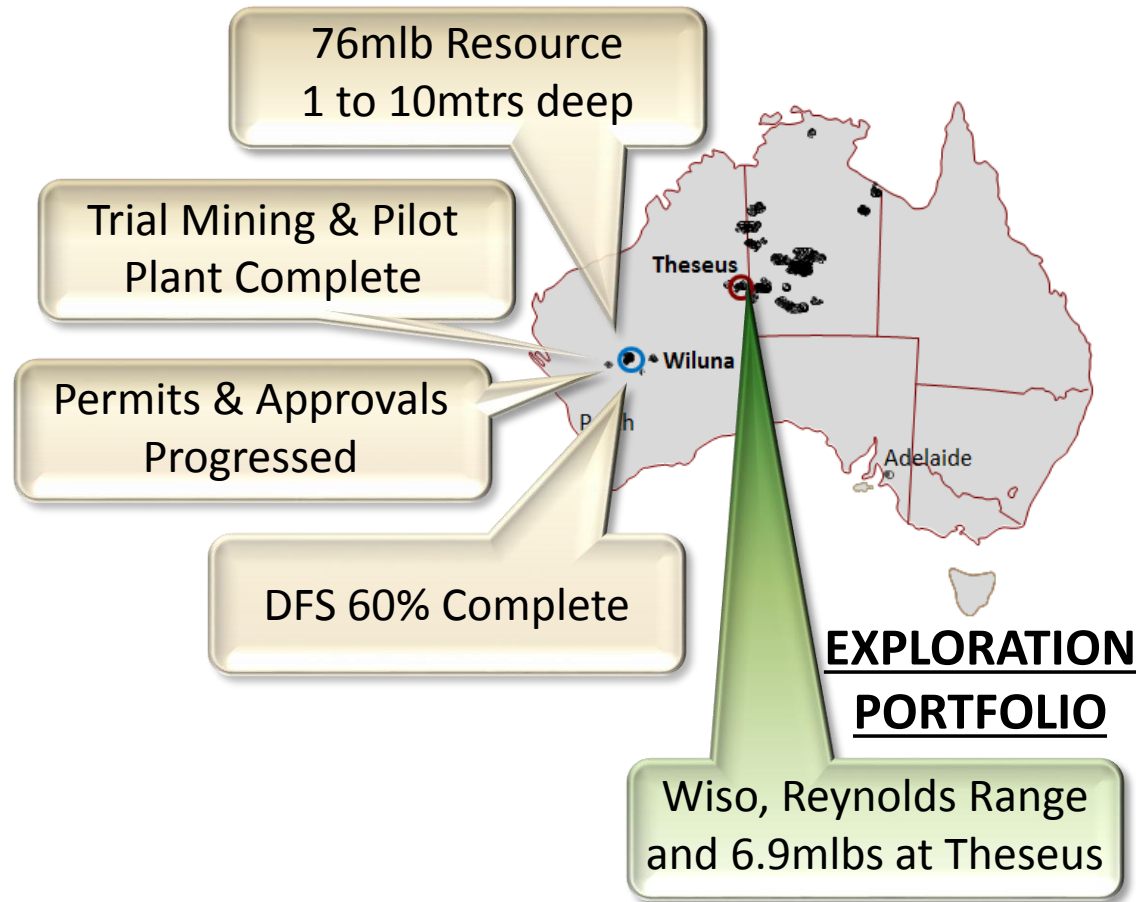


**Market Capitalisation**  
**AUD \$100M**



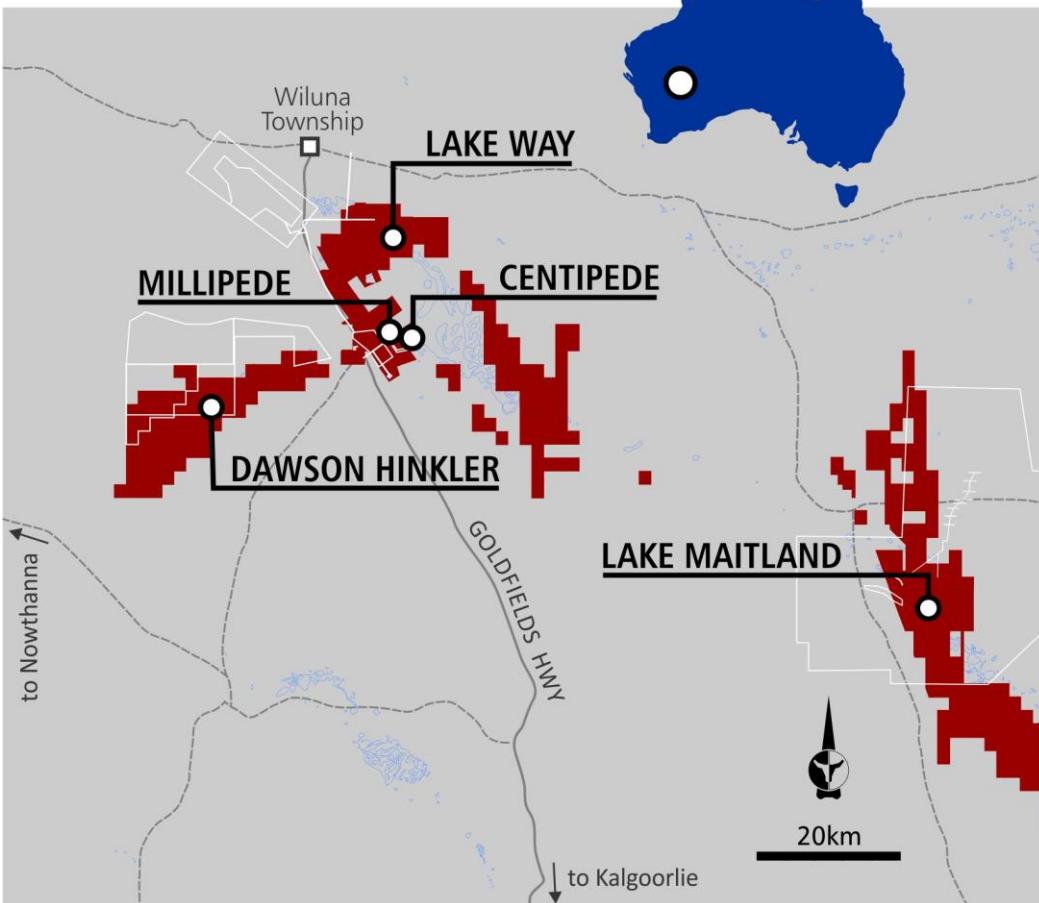
## ASSETS

### WILUNA URANIUM PROJECT



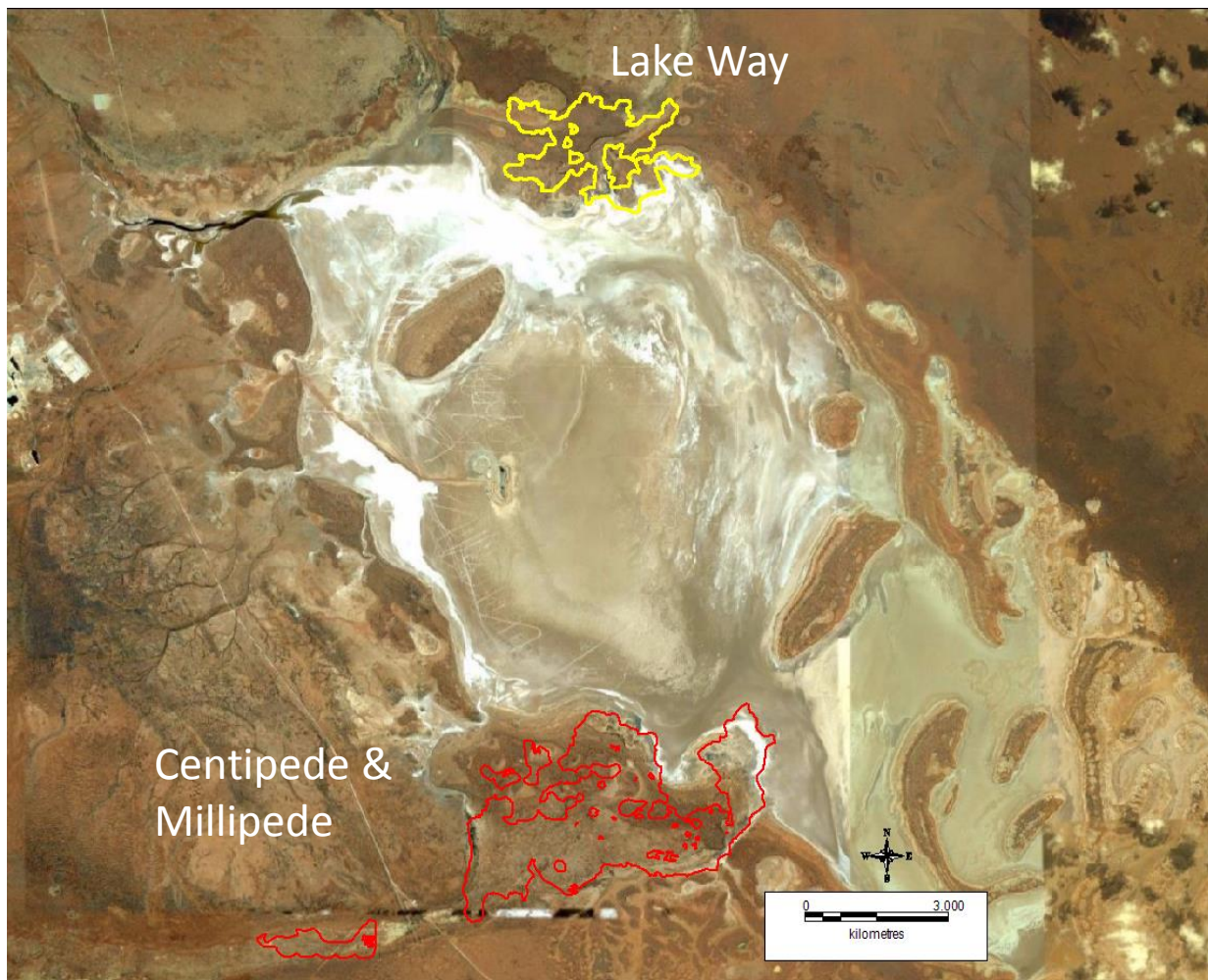


# Project Overview





# Calcrete Hosted Deposits



Parameter	January 2014 Economics
Processing Plant	1.3mtpa
Head grade	880ppm
Recovery	Ramping to 86%
C1 Cash Cost	USD \$29-31/lb
Capital Cost	AUD \$315m
Product (per annum)	1000t U <sub>3</sub> O <sub>8</sub> (2.1mlb)
Mining Duration	20+ years

# Wiluna – a low impact project



- No discharge to surface waters
- No listed species of significance
- Re-use of all mine dewatering
- In-pit tailings storage
- CoGen power – heat and off gas recovery into processing facility
- No standing landforms post-mining
- Culturally sensitive areas excluded from mining





# Major Approval & Permitting Requirements



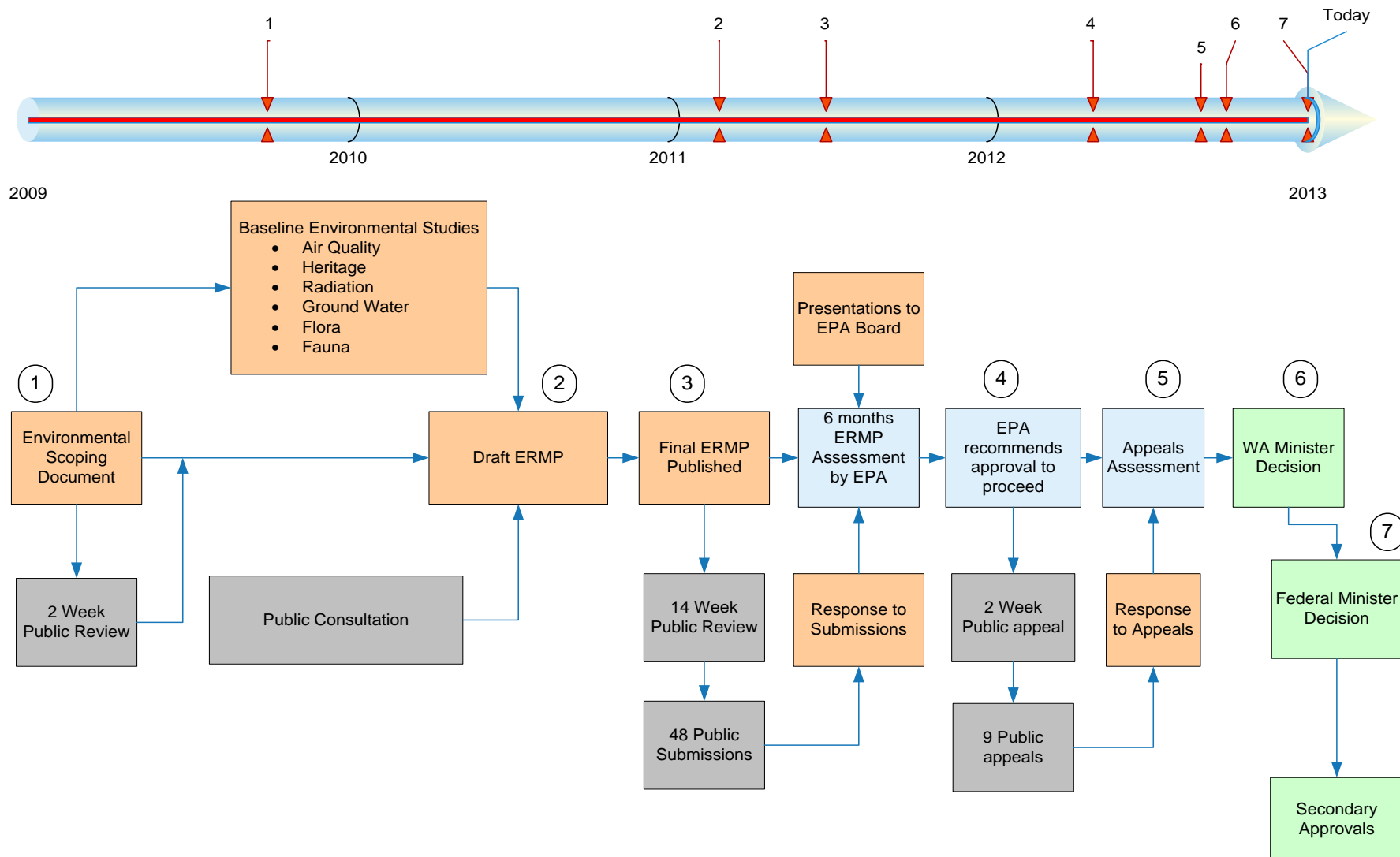
Wiluna Deposit	Government environmental approvals	Mining Leases Granted	Traditional Owner Agreement
Centipede & plant	✓	✓	2014
Lake Way	✓	Application	2014
Millipede	Application	✓	2014
Lake Maitland	Application	✓	2014
Dawson Hinkler	Post 2016	Application	Negotiations 2016
Nowthanna	Post 2016	Post 2016	Negotiations 2016

CORE DEPOSITS



# Wiluna Uranium Project: an environmental approvals case study

# 2009 – 2013 Approvals Process



# The Bilateral Assessment



- Assessed under a bilateral agreement:
  - EPA (lead agency)
  - DEC                      • SEWPAC
  - DoW                     • DRET
  - DMP                    • OSS
  - DIA                     • Geoscience Australia
  - DMR                    • ARPANSA
  - WA Radiological Council
  - Local Councils
- 4000 pages of documentation
- 4 opportunities for public consultation
- 6 meetings with EPA Board
- Approval NOT under bilateral process

## Risk-based assessment on key environmental factors:

- Groundwater
- Tailings
- Mine Closure
- Flora and Fauna
- Surface water
- Radiation
- Cultural Heritage



# Outcome – Eight Month Delay



## ➤ 8 EPA recommended conditions

- EPBC “stop the clock” triggered
- WA Appeals Committee

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

Paul Vogel, EPA Chair; 21 May 2012



## ➤ 11 WA Ministerial conditions

- EPBC “stop the clock” triggered

*“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



## ➤ 36 Commonwealth Ministerial conditions

- EPBC “stop the clock” triggered
- 3 extensions of time
- Further information required repeated assessment process

*“My decision comes after a rigorous environmental assessment.”*

Australian Government Minister Burke; 2 April 2013



## ➤ No Federal Court Appeals



10 June 2013

# Impact



- \$5M extra project holding costs over 8 months
- Share price impact
  - 20% drop on Ministerial extension announcement to 31 March
- Increased uncertainty for strategic project partners
  - Asian investment partners reduced project interests due to “high sovereign risk”
- Extra conditions and operating costs
  - Duplication of conditions
  - Duplication of management plans
  - Duplication of 60+ secondary approvals

# Lessons to Learn



- One-Stop Shop
  - Assessment bilateral agreement
  - Approvals bilateral agreement
- One set of outcomes based conditions
  - Based on science and risk assessment
  - No duplication with Commonwealth
  - Coordination of State agency requirements
- Clarification of “stop the clock” provisions
- State-based regulation of operations



**Dr Vanessa Guthrie**

Managing Director

**Toro Energy Limited**

L3 33 Richardson St

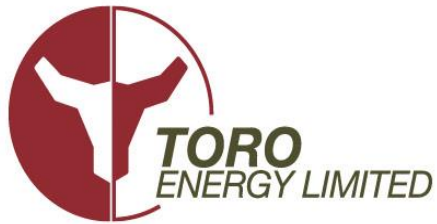
WEST PERTH WA 6005

Telephone: +61 8 9214 2100

Email: [info@toroenergy.com.au](mailto:info@toroenergy.com.au)

Website: [www.toroenergy.com.au](http://www.toroenergy.com.au)





# Appendix

**Australia's  
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# Competent Person's Statement



*The information in this report that relates to Mineral Resources is based on information compiled by Dr Katrin Karner of Toro Energy Limited, Mr Robin Simpson and Mr Daniel Guibal of SRK Consulting (Australasia) Pty Ltd. Daniel Guibal takes overall responsibility for the Resource Estimate, and Dr Karner takes responsibility for the integrity of the drilling and bulk density results. Dr Karner, Mr Simpson and Mr Guibal are Members of the Australasian Institute of Mining and Metallurgy (AusIMM), and 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.*

*Information in this report relating to Exploration results is based on information compiled by Mr Mark McGeough who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr McGeough 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'. Mr McGeough consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.*

*Information in this report relating to Deconvolved Gamma Results, is based on information compiled by Mr David Wilson BSc MSc who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Wilson is a full-time employee of 3D Exploration Ltd, a consultant to 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'. Mr Wilson consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.*