ASX RELEASE

1 September 2014

Positive Disequilibrium Results at the Wiluna Uranium Project

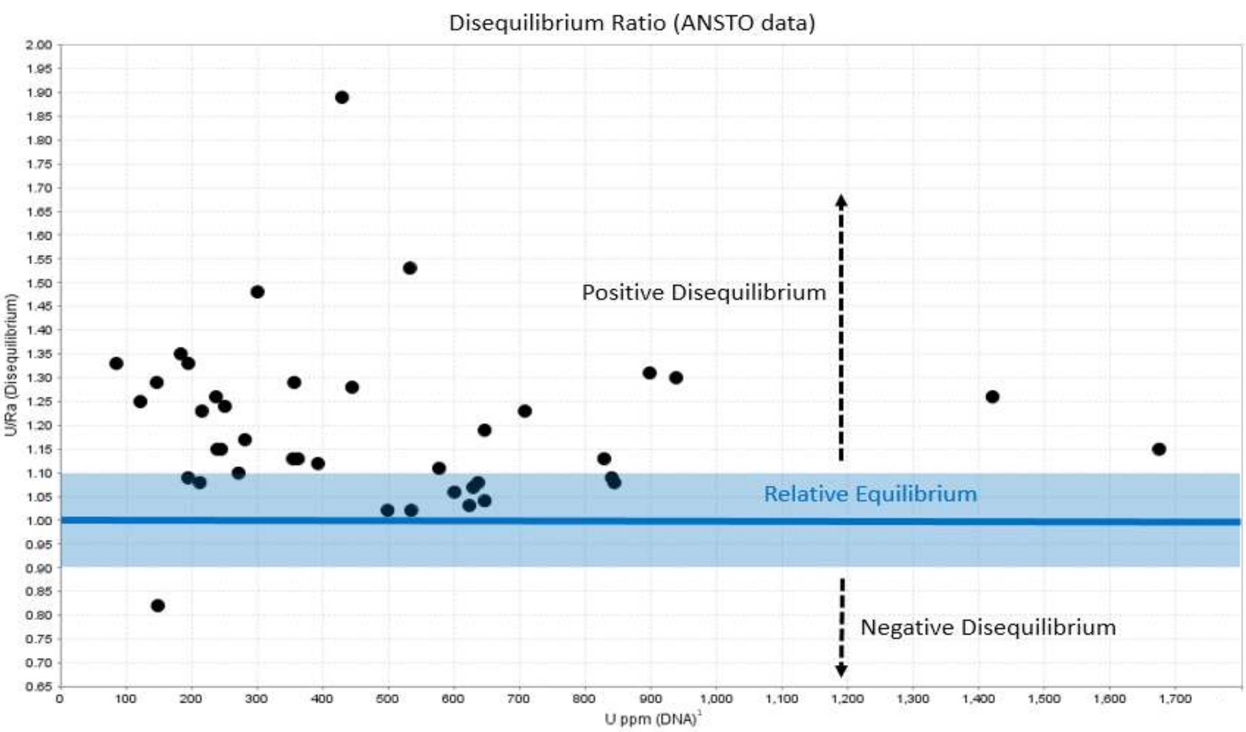
Toro Energy Limited (**ASX:TOE**) is pleased to advise that an independent analysis of uranium samples from the Wiluna Uranium Project in Western Australia by the Australian Nuclear Science and Technology Organisation (**ANSTO**) has highlighted significant levels of positive disequilibrium in three of the Wiluna deposits.

Disequilibrium analysis is a lab based analytical technique that tests the accuracy of measuring uranium via a gamma probe compared to chemical assay. The presence of disequilibrium can affect the interpretation of gamma measurements and subsequent eU3O8 estimates that result from gamma probe results. A substantial portion of the published Mineral Resources for the Wiluna Project have been based on historic samples which estimated uranium content from the results of gamma data alone.

Disequilibrium of greater than 1.1 is considered by ANSTO to be "positive disequilibrium".

The consequence of ANSTO's findings is that the existing published Mineral Resources at the Wiluna Uranium Project could be significantly understated.

ANSTO undertook disequilibrium analysis on 40 half metre full core samples, from 22 sonic holes at the Lake Way, Millipede and Dawson Hinkler deposits collected during the 2013 drilling season. Of the 40 samples tested by ANSTO, 27 returned positive disequilibrium results as shown in Figure 1.



[1] DNA = Delayed Neutron Activation

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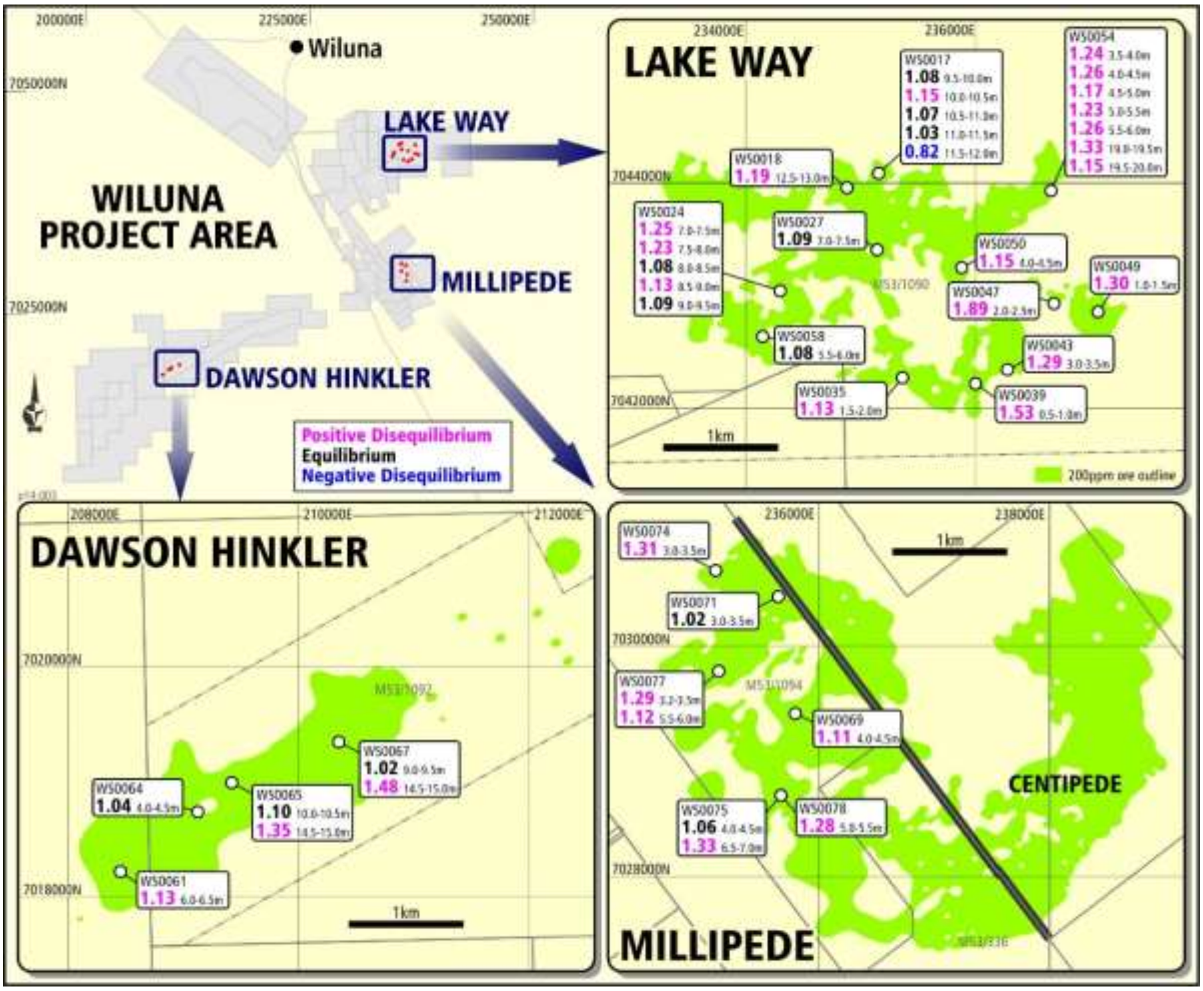
ANSTO'S results suggest that the application of a disequilibrium factor of at least 1.2 may be appropriate to gamma results used to estimate existing Mineral Resources for the Wiluna Uranium Project, with the exception of the Lake Maitland deposit. Toro acquired the Lake Maitland project in November 2013, and its Mineral Resource estimate already includes the application of a disequilibrium factor of 1.18 to gamma results. This factor was determined from previous positive disequilibrium results.

During 2013 and the first half of 2014, Toro undertook the most significant drilling campaign at the Wiluna Uranium Project since consolidation of the ownership of the six deposits. A total of 2,074 air core and sonic drill holes for nearly 24,500 metres was drilled in this period. The purpose of the drilling campaigns was to provide further information on the continuity of uranium mineralization and facilitate Ore Reserve calculations as part of the project definitive feasibility study when that study is commenced. Early indications from the 2014 drilling program geochemical and gamma results support the positive difference shown by the ANSTO results.

Toro will now evaluate the magnitude and extent of the positive disequilibrium, and assess how to incorporate the findings into the Mineral Resource estimation process.



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COMPETENT / QUALIFIED PERSONS' STATEMENTS

The information presented here that relates to secular disequilibrium is based on analytical results provided by the Australian Nuclear Science and Technology Organisation (ANSTO) after testing for secular disequilibrium on pulverised drill core samples from the Lake Way, Millipede and Dawson Hinkler deposits. Dr Greg Shirtliff of Toro Energy Limited takes responsibility for the integrity of the samples provided to ANSTO. 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 Shirtliff 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 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.

Toro Energy is a uranium development and exploration stage mining company based in Perth, Western Australia.

Toro's flagship asset is the 100% owned Wiluna Uranium Project, consisting of six calcrete hosted uranium deposits. The project is located 30 kilometres southwest of Wiluna in Central Western Australia. The Centipede and Lake Way deposits have received full government approval for mining providing the Wiluna Project with the opportunity to be Western Australia's first uranium mine.

Toro also owns a highly prospective suits of exploration properties highlighted by Toro's own discovery at the Theseus Project. The Company also owns uranium assets in the Northern Territory and in Namibia, Africa.

Toro is also pursuing growth opportunities through accretive uranium project acquisitions.

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APPENDIX 1: Table of Results: ANSTO secular disequilibrium analysis

		U-238 Decay Chain			$^{238}U/^{226}Ra$
		DNA[1]		Gamma	
Hole_ID	**Sample ID**	^{238}U		^{226}Ra	
		ppm	*Bq/g*	*Bq/g*	
WS0017	TW00745	213	2.6	2.4	**1.08**
WS0017	TW00746	1675	20.7	18	**1.15**
WS0017	TW00747	629	7.8	7.3	**1.07**
WS0017	TW00748	623	7.7	7.5	**1.03**
WS0017	TW00749	148	1.8	2.2	**0.82**
WS0054	TW01072	1420	17.6	14	**1.26**
WS0054	TW01078	245	3	2.6	**1.15**
WS0054	TW01071	251	3.1	2.5	**1.24**
WS0054	TW01073	281	3.5	3	**1.17**
WS0054	TW01074	708	8.7	7.1	**1.23**
WS0054	TW01075	237	2.9	2.3	**1.26**
WS0054	TW01077	85	1.1	0.83	**1.33**
WS0024	TW00853	122	1.5	1.2	**1.25**
WS0024	TW00854	215	2.7	2.2	**1.23**
WS0024	TW00855	844	10.4	9.6	**1.08**
WS0024	TW00856	362	4.5	4	**1.13**
WS0024	TW00857	840	10.4	9.5	**1.09**
WS0049	TW00969	938	11.6	8.9	**1.30**
WS0039	TW00912	532	6.6	4.3	**1.53**
WS0047	TW00955	429	5.3	2.8	**1.89**
WS0058	TW01806	636	7.9	7.3	**1.08**
WS0018	TW00776	647	8	6.7	**1.19**
WS0043	TW00936	357	4.4	3.4	**1.29**
WS0027	TW00876	194	2.4	2.2	**1.09**
WS0035	TW00899	828	10.2	9	**1.13**
WS0050	TW01016	239	3	2.6	**1.15**
WS0067	TW01143	534	6.6	6.5	**1.02**
WS0067	TW01155	300	3.7	2.5	**1.48**
WS0064	TW01496	647	8	7.7	**1.04**
WS0065	TW01482	184	2.3	1.7	**1.35**
WS0065	TW01472	271	3.3	3	**1.10**
WS0061	TW01585	355	4.4	3.9	**1.13**
WS0069	TW01087	577	7.1	6.4	**1.11**
WS0071	TW01303	499	6.2	6.1	**1.02**
WS0074	TW01396	898	11.1	8.5	**1.31**
WS0077	TW01196	147	1.8	1.4	**1.29**
WS0077	TW01202	392	4.8	4.3	**1.12**
WS0078	TW01227	444	5.5	4.3	**1.28**
WS0075	TW01278	601	7.4	7	**1.06**
WS0075	TW01284	195	2.4	1.8	**1.33**

A ratio of 0.9 to 1.1 assumes secular equilibrium, based on the gamma counting error of ± 10%.

1 DNA = Delayed Neutron Activation

JORC Code, 2012 Edition – Table 1 report – Wiluna Uranium Project – Toro Energy Limited

Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• U_3O_8 values are calculated from U values derived from both geochemistry and down-hole gamma radiation measurements. • **Geochemistry (Lake Maitland excluded) –** Toro's geochemical samples on all of the Wiluna deposits, inclusive of Dawson Hinkler but exclusive of Lake Maitland, represent 0.5m half core lengths (prior to 2013) or full core lengths (2013 and planned into the future) of 100mm sonic drill core. Full core samples provide an 8-10kg sample to the lab, half core samples are half this weight approximately. After crushing the lab splits a 2.5 kg sub-sample for milling (pulverizing) to 90% passing 75micron, before taking an aliquot for U analysis by 4 acid digest ICPMS (prior to 2013) or fusion-ICPMS (2013 and into the future). • In the case of half core samples field duplicates of the core are taken to ensure sample representivity, these field duplicates are the other half of the core that has been sampled. In the case of full core samples, duplicates are taken at the first sample split at the lab, directly after the initial crush, these duplicates are taken with a rotary splitter after pushing the sample back through the crusher after the initial split. It should be noted that due to the size of the sample supplied to the lab, the initial crushing is a two-step process, a primary crush to 10mm and a secondary crush to 3mm. Both these duplicates are taken at a rate of 1 in 20 or 5% of all non-standard samples. Differences in U concentrations between the duplicates and their corresponding samples are used to produce a mean standard sampling error. • Lab duplicates are taken at every stage of the sub-sampling process prior to analysis at the rate of 1 in 20. • Geochemical samples are taken through the ore zones as determined by hand-held scintillometers and if available at the time of sampling, down-hole gamma measurements. The half metre intervals are

Criteria	JORC Code explanation	Commentary
		determined from marking up half metre intervals down the full length of the core from the surface. This is completed at the rig so that any drilling issues can be observed and the geologist can have direct communication 'on the spot' with the driller. To gain geochemical and mineralogical information of waste material or for metallurgical purposes etc, often the entire hole is sampled for geochemistry and a larger suite of elements are analysed for, some having to employ different analytical techniques. • Depth corrections are made to geochemistry samples where appropriate, these are based on comparing the down-hole geochemistry to the down-hole gamma U values and assuming the down-hole depth as measured by the gamma probe during probing is correct. Winch cable stretch is not considered an issue in the Wiluna drilling due to the shallow depth of almost all drilling (maximum depth of approximately 25m). • **Gamma derived eU_3O_8 (Lake Maitland excluded) –** Toro uses Auslog natural gamma probes, either in-house or from external contractors, to measure down-hole gamma radiation on all of the Wiluna deposits, inclusive of Dawson Hinkler but exclusive of Lake Maitland,. Measurements are made every 2 cm with a logging speed of 3.5m per minute. • The gamma probes are used on all holes, which include sonic holes also used for geochemical sampling and air core holes drilled specifically for gamma probe measurements. 100mm sonic core holes are usually 150mm in diameter and air core holes are usually 100mm in diameter. Approximately 95% of all holes are aircore. • Prior to the drilling program all gamma probes are calibrated at the Adelaide Calibration Model pits in Adelaide, South Australia. During probing operations every 10^{th} hole is logged twice as a duplicate log. Selected holes across the deposits are used as reference holes for relogging to detect drift in the instrument during each program. In 2013 over 50% of all holes drilled at Dawson Hinkler were re-logged with a different probe (from the same contractor) over 3 months after they were drilled to confirm results (results were confirmed). • As protection from hole collapse and to protect the probe, all logging is done inside 40mm or 50mm PVC pipe (unless larger diameter has been used for water bores) with an average wall thickness of 1.9 mm.

Criteria	JORC Code explanation	Commentary
		• Gamma measurements are converted to equivalent U_3O_8 values (eU_3O_8) by an algorithm that takes into account the probe and crystal used, density, hole diameter, ground water where applicable and PVC pipe thickness. • Down-hole gamma probe data is also deconvolved to more accurately reflect what would be expected in nature for down-hole response (gamma curves). • All gamma data is compared with geochemistry data both via down-hole comparisons and overall populations bivariate analysis, and distribution analysis to check for potential error or disequilibrium. To adequately compare with geochemistry gamma probe data is composited into half metre composites at the same intervals represented by the corresponding geochemical samples. • • **Geochemistry (Lake Maitland only) –** Mega's geochemical samples on the Lake Maitland deposits represent 0.25 m full core lengths of 83 mm diamond drill core (PQ3). Weights of the geochemical samples range from 2-5 kg approximately. Intervals are determined during core mark-up and identified with plastic core blocks. Samples are dried at 110 °C before weighing and then crushing. After crushing a sub-sample is split using a rotary splitter for milling (pulverizing) to 90% passing 75 micron, before taking an aliquot for U analysis by 4 acid digest ICPMS. All samples with ICPMS results for U above 500 ppm were then re-analysed by fused disc XRF so that all U_3O_8 values from the extensive 2011 drilling program used in the estimation were from fused disc -XRF if at or above 500 ppm or 4 acid digest ICPMS if below 500 ppm. • Due to full core sampling no duplicates are needed to measure in-field sampling error. Duplicates are instead taken at the first sample split at the lab, directly after the initial crush, these duplicates are taken with a rotary splitter after pushing the sample back through the crusher after the initial split at a rate of 1 in 20 or 5% of all non- standard samples. Differences in U concentrations between the duplicates and their corresponding samples are used to produce a mean standard sampling error (results from 2011 are below 10% error). • Lab duplicates are taken at every stage of the sub-sampling process prior to analysis at the rate of 1 in 20. • Geochemical samples are taken through the entire length of each drill hole. The 0.25 m intervals are determined from marking up 0.25 m intervals down the full length of the core from the surface.

Criteria	JORC Code explanation	Commentary
		• Other elements analysed include Ba, Th, Al, Ca, Fe, K, Mg, Mn, S, Sr, Ti and V. • Depth corrections are made to geochemistry samples where appropriate, these are based on comparing the down-hole geochemistry to the down-hole gamma U values and assuming the down-hole depth as measured by the gamma probe during probing is correct. Winch cable stretch is not considered an issue at Lake Maitland drilling due to the shallow depth of (3-9 m on average).No depth corrections were deemed necessary in the most recent and extensive drilling program (2011). • **Gamma derived eU_3O_8 (Lake Maitland only) –** Mega uses a 33 mm Auslog natural gamma probe (S691) 'in-house', to measure down-hole gamma radiation. Measurements are made every 1 or 2 cm with a logging speed of approximately 2 m per minute. • The gamma probes are used on all drill holes, diamond, sonic and aircore. • Prior to the drilling program all gamma probes are calibrated at the Adelaide Calibration Model pits in Adelaide, South Australia. During probing operations selected holes are logged twice as a duplicate log. Some selected holes across the deposits are used as reference holes for re-logging to detect drift in the instrument during each program. • Probing is done as close as practicable after drilling. • Gamma measurements are converted to equivalent U_3O_8 values (eU_3O_8) by an algorithm that takes into account the probe and crystal used, density, hole diameter, ground water where applicable and PVC pipe thickness. • Down-hole gamma probe data is also de-convolved to more accurately reflect what would be expected in nature for down-hole response (gamma curves). • All gamma data is compared with geochemistry data both via down-hole comparisons and overall populations in bivariate analysis, and distribution analysis to check for potential error or disequilibrium. To adequately compare with geochemistry gamma probe data is composited into 0.25 m composites at the same intervals represented by the corresponding geochemical samples.

Criteria	JORC Code explanation	Commentary
		Significant differences between gamma derived eU_3O_8 and geochemical U_3O_8 have been noted in 2011 and historically. Disequilibrium analysis by an independent consultant group (On Site Technology Pty. Ltd.) found a global positive disequilibrium across the entire deposit of 1.18 (average). This factor that was confirmed by the comparison of assays to eU values has been applied to all eU_3O_8 used in the estimation.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	**All Wiluna deposits excluding Lake Maitland** • Both sonic and aircore drilling techniques are utilized on the Wiluna Project. • The sonic drilling utilizes a 100mm core barrel (inside diameter) with outside casing where needed, producing a 150mm hole diameter and 100mm core. Depending on the ground conditions and thus quality of core being produced, core is retrieved from the 3m barrel in either 1 to 3m length, 1m at a time. Upon exiting the barrel, core is transferred into tubular plastic bags that fit the core before being placed in core trays. • Aircore drilling is conventional with a 72mm bit producing an approximate 100mm diameter hole. **Lake Maitland only** • Diamond, sonic, auger core and air core drilling techniques have all been utilized on the Lake Maitland deposit. • The sonic drilling utilizes a 100mm core barrel (inside diameter) with outside casing where needed, producing a 150mm hole diameter and 100mm core. Depending on the ground conditions and thus quality of core being produced, core is retrieved from the 3m barrel in either 1 to 3m length, 1m at a time. Upon exiting the barrel, core is transferred into tubular plastic bags that fit the core before being placed in core trays. On occasions where the sonic core was being used for density measurements a hard plastic (clear) cylinder that fits the core was used instead to ensure lasting core integrity. • Aircore drilling is conventional with a 72mm bit producing an approximate 100mm diameter hole.

Criteria	JORC Code explanation	Commentary
		Diamond drilling is PQ3, which utilizes an 83.18 mm core barrel (inside diameter) and produces an 83 mm diameter core with an approximate 123 mm diameter hole.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	**All Wiluna deposits excluding Lake Maitland** • Chip sample recoveries are not recorded as the chips are not used for any systematic analysis of uranium concentrations. • Sonic core recoveries are estimated based on the drillers direction to definitive lost core, observations made on quality of sample during geological logging and sample weight comparisons to average weights and rock type. It should be noted that precise core recovery estimation on sonic drillcore in the Wiluna deposits is inherently difficult due to expansion and contraction of soft sediments during drilling and during recovery of core from the barrel. • Core loss is minimized by 'casing as we drill' through all ore zones or any zone where the geological information is critical such as for geotechnical purposes. • There is no correlation between estimated core loss and grade • Grade in geochemical samples is also checked against composited gamma derived grades (see above), which acts as another check on errors in the geochemistry that may (or may not) be due to core recovery. **Lake Maitland only** • Sonic core recoveries are estimated based on the drillers direction to definitive lost core, observations made on quality of sample during geological logging and sample weight comparisons to average weights and rock type. It should be noted that precise core recovery estimation on sonic drillcore at Lake Maitland is inherently difficult due to expansion and contraction of soft sediments during drilling and during recovery of core from the barrel. • Historically, chip sample recoveries have not been recorded in the database. • Diamond core recoveries have been determined by conventional techniques of identification of loss core by driller and geologist at the rig and during core mark up and measure. Core trays are also weighed without and then with core to estimate core recovery based on

Criteria	JORC Code explanation	Commentary
		assumed SG for particular lithology. • During sonic core drilling core loss is minimized by 'casing as we drill' through all ore zones or any zone where the geological information is critical such as for geotechnical purposes. • To date Toro cannot find any correlation between estimated core loss and grade in the Lake Maitland data. • Grade in geochemical samples is also checked against composited gamma derived grades (see above), which acts as another check on errors in the geochemistry that may (or may not) be due to core recovery.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• Geology is not used in the resource estimation process, the reasons for this are explained in more detail below, however, basically the deposit has been found to be correlated more to groundwater and depth from the surface than to any geological unit. Thus the geological logging is adequate for resource estimation. • Current geological logging (all Toro, 2013 onwards at Dawson Hinkler) is considered to be adequate for the stage of mine planning that Toro is currently at on the Wiluna Project. Further work is considered necessary to amalgamate or align historical geology logs and geology to current. • Current logging is both qualitative (subjective geological opinion of rock type and colour and in the case of Lake Maitland, also by limited mineral identification by spectral analysis) and quantitive (recording specific depth intervals and percentages of grain sizes, or in the case of Lake Maitland inclusive of limited quantification of mineralogy by spectral analysis via Hy-logger). Core photographs are taken for each individual metre (prior to 2013) and half metre (2013) after core has been split down the middle for logging and so as to see sedimentological features for logging (avoiding clay smear on outer surface of core made by drill rods). IN the case of Lake Maitland, core photographs have been taken for the entire 2011 drilling program, which consists of a total of 201 holes and is spread across the entirety of the deposit.

Criteria	JORC Code explanation	Commentary
		• All drilling intersections have been logged geologically • Toro has not costeaned at Dawson Hinkler.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.*	• As described above, geochemical samples represent 0.5m half core lengths (prior to 2013) or full core lengths (2013 and planned into the future) of 100mm sonic drill core. Aircore chips were not sampled for geochemistry. At Lake Maitland geochemical samples represent 0.25 m full core lengths of 100mm sonic drill core or 83mm diamond core.
	• *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• Sample preparation has been described above under 'sampling techniques, it is considered that all sub-sampling and lab preparations are consistent with other laboratories in Australia and overseas and are satisfactory for the intended purpose.
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.*	• Lab duplicates are taken by the lab to test their own sub-sampling techniques, for full core geochemical samples the lab duplicate taken at the first split after the initial crush (sampled with a rotary splitter) is used by Toro to calculate the sampling error.
	• *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.*	• Total sampling errors calculated from half core field duplicates typically range from ±10-20%. Total sampling errors for the first split at the lab in case of full core sampling typically range from ±1-5%.
	• *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• The laboratory used for Toro's geochemical analysis bases all crushing grain sizes and subsequent sub-sampling weights on being inside accepted Gy safety lines for sample representivity. These grains sizes and sub-sample weights have been described above under 'sampling techniques'.
Quality of assay data and	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	**All Wiluna deposits excluding Lake Maitland** • Prior to 2013 a four acid digest followed by ICPMS was employed for analysis for geochemistry on the other Wiluna deposits – this was

Criteria	JORC Code explanation	Commentary
laboratory tests	• *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	assumed to be an almost total rock digest technique although with recognition that highly resistant minerals are sometimes not entirely digested. In 2012 a test was done to compare four acid digest/ICPMS with sodium peroxide fusion followed by ICPMS with fused glass XRF. Analysis of a number of standards suggested that the Fusion/ICPMS was the most accurate. So in 2013, fusion/ICPMS has been used as the bases for all U analyses, however on a number of samples four acid digest/ICPMS and fused glass XRF are still used for comparative purposes. Performance against standards is excellent. • Historical geochemistry data is almost entirely XRF. • Down-hole gamma tools are used as explained above. All tools are Auslog natural gamma probes calibrated at the Adelaide Calibration Model pits in Adelaide, South Australia. • Certified matrix matched standards are used to check analyses at the lab at a rate of 5% or 1 in 20 samples. • Coarse quartz sand is used as blanks and are used at a rate of 5% or 1 in 20 samples as well as being strategically placed in front of and behind samples expected to have high concentrations of U so that thresholds for potential cross-contamination within preparations can be obtained. • Duplicates are used as already explained in detail above. • Limited laboratory checks have been made – in 2013 these represented approximately 3% of all samples. **Lake Maitland only** • In the extensive 2011 diamond drilling program a four acid digest followed by ICPMS was employed for analysis for U geochemistry (ALS laboratories, Perth)– this was assumed to be an almost total rock digest technique although with recognition that highly resistant minerals are sometimes not entirely digested. Due to these

Criteria	JORC Code explanation	Commentary
		potential issue and the fact that ICPMS has in earlier times had issues dealing with high U concentrations due to dilution factors (etc), the Mega geologists decided to re-analyse all samples with ICPMS results for U of greater than 500 ppm utilizing the XRF technique at the same laboratory (ALS, Perth), regarded by Mega geologists as a better whole rock technique. Performance against standards is acceptable. • Historical geochemistry data is almost entirely XRF. • Down-hole gamma tools are used as explained above. All tools are Auslog natural gamma probes calibrated at the Adelaide Calibration Model pits in Adelaide, South Australia. • “Off the shelf’ OREAS U standards are used to check analyses at the lab at a rate of 2% or 1 in 50 samples. • Coarse quartz sand is used as blanks and are used at a rate of 2% or 1 in 50 samples. • Lab duplicates are used as already explained in detail above, from the primary crush stage and every other sub-sampling stage. Limited laboratory checks have been made – from the most recent drilling (2011) a total of 138 samples were re-analysed for U by 4 acid digest ICPMS by a different commercial laboratory (Genalysis, Perth). The samples were chosen as representative of the following U_3O_8 concentrations – 10% between 100 and 200 ppm U_3O_8, 40% from between 200 and 500 ppm U_3O_8, and 50% from above 500 ppm U_3O_8. Differences between the labs were satisfactory, the largest being approximately 5% on average higher values from the XRF derived U_3O_8 by ALS over the ICPMS U_3O_8 by Genalysis, this was taken into consideration during estimations.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.*	• Limited interlab geochemistry analytical checks are completed for each drilling campaign, the last interlab check represented 3% of all the geochemical samples. Toro has a calibrated (at the Adelaide Calibration Model pits in Adelaide, South Australia) Auslog gamma probe to check the probing results achieved by external contractors.

Criteria	JORC Code explanation	Commentary
	• *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Hole twinning has not been practiced on the Dawson Hinkler deposit by Toro thus far, rather infill drilling between historical holes. At Lake Maitland, a limited number of holes have been twinned - these include twinned holes drilled by both sonic and diamond core methods. A large proportion (approximately 10%) of the holes at Lake Way have been twinned to compare historical data. • All primary data (gamma log las files, geochemical sample lists, final collar files, geological logs, core photographs, electronic geochemical results, drillers plods, probing plods, deconvolved gamma files, gamma gamma density logs, disequilibrium analysis results etc) are stored on the company server in the appropriate drive and folders. Any hardcopy data, such as official geochemistry results or any paper copy geological logs, are kept in hardcopy in folders and archives as well as being scanned and kept on the company server in the appropriate drives and folders. • Data entry procedures are described in some detail below in section 3 under 'data integrity'. • To date, there has been no significant adjustments made to geochemical assay U_3O_8 data (or to any other elements). Slight adjustments are made to some geochemical assay data to account for depth corrections if an interval error is discovered, this is rare and always restricted to the near surface above mineralized zones. **Secular Disequilibrium and associated adjustments to gamma derived eU_3O_8** • Current practice on all drilling programs is to send the processed

Criteria	JORC Code explanation	Commentary
		sample pulp from the laboratory to the Australian Nuclear Science and Technology Organisation (ANSTO) to test for secular disequilibrium across all deposits drilled. • Based on the findings from a disequilibrium analysis by On Site Technologies Pty Ltd in 2011 all gamma data used in the estimation has been multiplied by 1.18, the average positive disequilibrium found across the deposit. It is important to note that this has not been applied to the eU_3O_8 data within the database, it has only been applied to data during the estimation process. • Adjustments have also been made at Dawson Hinkler based on consistent differences between geochemistry and gamma derived uranium values. All gamma data within the region covered by the 2013 drilling program (which represents a single domain in the resource estimation) has been multiplied by a factor of 1.2 according to the consistent difference found between geochemistry and gamma, further explanation follows - The 2013 drilling was targeted at a single domain within the Dawson Hinkler deposit. The results from the 2013 drilling show a marked difference of some 20% (conservative approximation) between geochemistry and gamma suggesting a positive disequilibrium. QAQC of geochemistry (see above) confirmed the geochemistry results from the 2013 drilling. Re-logging over 50% of the 2013 drill holes with a different probe (same make and model) from an external contractor confirmed the gamma results from the recent drilling. Examination of historical drill data within the same domain revealed a similar difference between gamma and geochemistry. Examination of historical drill data from outside the domain within the rest of the deposit revealed an even greater difference between geochemistry and gamma derived eU_3O_8 values (geochemistry greater than gamma). As a result it was concluded that gamma derived eU_3O_8 values are consistently under-estimating U_3O_8 in the ground and so a factor needed to be applied to the gamma derived values. However, to be conservative, only data within the region where the recent 2013 drilling could confirm this underestimation was multiplied by the factor, and so historical results was not relied upon. Therefore, the factor applied was that found within the domain drilled only (and not the greater factor found outside) and that factor was 1.2, to represent the 20% greater geochemistry derived values over the gamma derived values. • Slight adjustments are made to some geochemical assay data to

Criteria	JORC Code explanation	Commentary
		account for depth corrections if an interval error is discovered, this is rare and always restricted to the near surface above mineralized zones.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All drill hole collars are pegged to the planned collar location using a differential GPS (DGPS) with base station (currently an Austech ProMark500 and ProFlex500). At the end of the drilling campaigns all collars a picked up using the same DGPS equipment for the final collar locations that are entered into the database. Accuracy of the DGPS is approximately to 100mm in the vertical and 50mm on the horizontal. • Due to all drill holes being shallow (maximum depth of 25m) and vertical no down-hole surveying is required. • The grid system used on the Wiluna Project is Geocentric Datum of Australia (GDA) 94, zone 51. • Topographic control is largely achieved by the DGPS with base station. As stated above, all Toro drill holes are accurate to approximately 100mm on the vertical. At Dawson Hinkler and Lake Maitland all drill holes have been 'pinned' to a topographic surface created from current drill hole collars surveyed in a with a DGPS and base station.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• No exploration results, resource drilling only • The data spacing and distribution has been considered appropriate for the Mineral Resource estimation procedures and classifications applied by the external consultant doing the resource and is based mainly on variography and continuity shown in the statistical analysis of the data. See below in resource section for further information. • Centipede/Millipede: Measured resources drilled at 25-35m x 25-35m. Indicated Resources 50m x 50m to 100 m x 100 m drill spacing, with good cover of sonic drilling. Inferred Resources: all other holes within mineralization envelope, greater than 100 x 100m. • Lake Way: all Indicated (75m x 75m drilling, with good sonic drilling cover).

Criteria	JORC Code explanation	Commentary
		• Dawson Hinkler: No Measured resource; Indicated resources 100 x 100 m with some limited 100 m x 200 m drill spacing; Inferred resources greater than 100 x 200 m drill spacing. • Lake Maitland: No Measured resource, drilling grids on average of 100m x 100 m and in some places as close as 5 m x 5 m. • At the Wiluna deposits (excluding Lake Maitland) sample compositing to 0.5m composites has been applied to the 2cm interval eU3O8 data to match the 0.5m geochemical core samples. At Lake Maitland, compositing to 0.25 m composites has been applied to the 1 and 2 cm interval eU3O8 data to match the 0.25 m geochemical core samples.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Sampling is non-subjective down-hole sampling from the surface, either at 1 cm or 2cm intervals in the case of gamma probe data or 0.5m samples in the case of geochemistry. Historical geochemistry represents a similar non-bias down-hole process. The sampling orientation employed provides no bias to the groundwater related distribution of mineralization. • No bias suspected, ore lenses are horizontal and drilling is vertical, cutting mineralization at an approximate right angle (90 degrees).
Sample security	• *The measures taken to ensure sample security.*	**All Wiluna deposits excluding Lake Maitland** • Sampling of drill core for geochemistry is achieved in the field directly after drilling at the drill site. All samples are bagged firstly in plastic and then again in calico (double bagged). A unique non-descript identifier number is used to number each sample that bares no relation to the deposit or the drill hole. All sample details are entered into a fixed format file ready for later import into the database. Samples are immediately transported by utility to the field camp where they are weighed before being packed into steal 44 gallon drums with lock-down lids and tested for radiation for transport classification. The drums are then fitted on timber pallets and transported to the local transport dock at Wiluna for delivery to Perth. Approximate time between sampling and transport to the laboratory is 4 weeks.

Criteria	JORC Code explanation	Commentary
		• Sampling of gamma derived measurements is achieved by a single contractor using a gamma probe (see sampling techniques above). Raw gamma probe data is converted into a las file and sent to a Perth based office on a daily basis by email. This data is then packaged and sent to the Toro Energy Database Manager, who sends it to the analyst (consultant) for calculation into U concentrations and deconvolution. **Lake Maitland Deposit only** • Core length is measured by drillers and blocks are put in at the end of runs. The core is then picked up by the geologist at the end of hole and taken to the core shed where it is divided into 25cm whole samples and allocated a sample ID tag, this is done by the geologist and field assistant. The core is then logged and core loss is recorded. Core, in the core trays, is then stacked on to pallets (approximately 3 holes per pallet). For sample security, steel lids are used on the top row of trays before the entire pallet is plastic wrapped and steel strapped. Core was then picked up at site and delivered to ALS Perth, where it underwent spectral logging, weighing and assay. • Additionally, upon transfer of the database from Mega to Toro for estimation, all data was converted to raw text files and delivered directly to SRK for the data review prior to estimation so as to avoid any loss of information by converting files into different database formats (Toro and Mega use different databases and database structures).
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• An internal review of geochemical sampling techniques in 2012 lead to a change in practice from non-selective half-core sampling to full core sampling so as to reduce total sampling error. This recommendation was followed in 2013 and has satisfactorily reduced sampling error to below ±10%. • A review by Toro geologists of the Mega drill core sampling techniques (both for geochemistry and gamma measurements [gamma gamma for

Criteria	JORC Code explanation	Commentary
		density and gamma for eU_3O_8 calculations) for the 2011 drilling program found no errors that would affect the resource estimate in any significant way. The spectral analysis based geological model, which has been used to assign density in the block model was found to be highly predictive across the deposit with a limited amount of drill holes, however given the nature of the deposit as shown in a review of multi-element geochemistry (by Toro geologists) and Toro's experience with all of the similar style Wiluna deposits, the model is considered by Toro to be a reasonable interpretation of Lake Maitland geology and in fact in most circumstances a more accurate representation of the geology and geological relationships. • SRK reviewed the database that was to be used for the resource estimation and excluded any errors from the estimation. The number of exclusions was considered too small to have affected the estimation.

Section 2 Reporting of Exploration Results

NOT APPLICABLE TO THIS RESOURCE UPDATE

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*	**All Wiluna deposits excluding Lake Maitland** • Logging and sampling data is entered into a template with fixed formatting and fixed lithological choices (selected from fixed drop-down lists) by the geologist responsible for logging each hole. The template is formatted so that it can be imported directly into a DataShed database. All importing and exporting into and from the database is achieved by a single point of entry/exit responsible for the database (database manager), access for such tasks is restricted to the database manager. All files are transferred from the field to the database manager using a secure commercial based DropBox folder system with automatic back-up and error correction functions. Data files for resource estimation are transferred in a single zip file to the

Criteria	JORC Code explanation	Commentary
	• *Data validation procedures used.*	resource consultant, direct from the database manager. • All geological interval and gamma data is validated via a systematic check of down-hole gamma to down-hole scintillometer readings (made for each lithological unit) for every hole (both sonic and aircore). A secondary check on actual lithology logging is made by examining core and chip photographs cross-referenced to the geological logs. All historical data is validated in ISATIS against the same data used in previous estimations. **Lake Maitland Only** • All geological logging and sampling is entered into a Toughbook laptop with an offline aQuire data entry program, which contains fixed lithological codes, carry over sample ID's, fixed core lengths and recorded core loss intervals. The program does not allow errors such as overlaps, or sample miss match. At the end of each day (whether for gamma data from probing or geological logging) all data is extracted and sent to the Perth office where it is automatically entered to the sequel server database. This can only be accessed by the externally based database manager, Dusan Dammer of Advanced Data Care Pty. Ltd. or the Mega geologist in charge of Lake Maitland. • All data has undergone a thorough 2 week long validation and integrity check by SRK in consultation with Toro Energy prior to data preparation for resource estimation, including all U_3O_8 and eU_3O_8 values, density values, lithology and lithology models (Vector files etc) and geospatial information (drill hole collars etc).
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• The competent person responsible for the resource estimate, Daniel Guibal, has not had a visit to site. It is considered that a site visit is not necessary given Mr Guibal's experience with Toro's Wiluna uranium deposits, some 6 years, including numerous estimations, as well as experience elsewhere with calcrete associated surficial uranium deposits.

Criteria	JORC Code explanation	Commentary
Geological interpretation	• *The use of geology in guiding and controlling Mineral Resource estimation.* • *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.*	• The geological model is not used in the resource estimate since it has been found that mineralization is not necessarily correlated to any particular rock type, despite being often associated with carbonate or carbonated sediments. The mineralization has been found to be associated with the water table and so is more correlated to depth from the surface than any given lithology, maintaining grade across different lithologies. Thus the geological model for estimation is a simple mineralization envelope based on a concentration of U that represents that concentration where the background population of U ends and the U mineralization exists (in a classic bimodal distribution). In the Wiluna deposits this is 70 ppm U_3O_8 for the Centipede and Millipede deposits and 80 ppm U_3O_8 for the Lake Way, Dawson Hinkler and Nowthanna deposits. At Lake Maitland, this has been determined to be 100 ppm U_3O_8. • Examination of 3D LeapFrog models of different grade shells of the resource give a high level of confidence to the above interpretation of a ground water controlled deposit. • No geological data used in estimation, all data used is based on U values from de-convolved gamma derived equivalents and geochemistry. U geochemistry is mostly 4 acid digest ICPMS, and fused disc XRF or peroxide fusion digest with ICPMS finish. A large number of cored drill holes (diamond and sonic) have been used to test the validity of the gamma measurements (via geochemistry) – for example all of the 2011 drilling at Lake Maitland, some 201 diamond holes. Where there is geochemistry data available it is given priority over gamma derived equivalents in the resource estimation. Prior to estimation all de-convolved gamma derived data has been multiplied by 1.18 at Lake Maitland and 1.2 in a single domain at Dawson Hinkler (described above) according to the average positive disequilibrium found by independent research and differences between geochemical analysis and down-hole gamma measurements (see above for further details). • The advantage of using a mineralization envelope based on U concentrations only (both chemistry and de-convolved gamma derived equivalents) is that there are no assumptions made. Domains are based on variance within the data and so in effect, real changes in the behaviour of the data and data distribution, there is no forcing statistical

Criteria	JORC Code explanation	Commentary
	• *The factors affecting continuity both of grade and geology.*	predictions into domains based on lithology that is not necessarily correlated spatially at all times. • A minimum of 5% of all drill holes are required to test the validity of gamma and to introduce into the estimation. • Density values used in the resource estimates at Lake Way, Centipede, Millipede, Dawson Hinkler and Nowthanna are single values representing average densities for the entire mineralization envelope. At Lake Maitland density values used in the resource estimate are derived from gamma gamma probe measurements calibrated to real wet and dry density measurements of reference sonic hole cores. The densities are averaged to the different main lithologies in the geological model and applied to the block model according to within the boundaries of each lithological unit (acting as density domains). Further information below under 'bulk density'. • A different geological interpretation, if used in the resource estimate, may affect the results of the resource estimate slightly, however, since geology is not used in estimations a change in geological interpretations would make no difference. • Grade Continuity can be affected by numerous factors, including drilling density which varies from 5m x 5m to 100m x 200m,, nugget effect, itself linked to the type of measurement (geochemical data are more variable than radiometric deconvolved radiometric data), uncertainties on the data themselves due to calibration problems or/and disequilibrium for the radiometric values, sampling/assaying issues for the geochemical measurements (controlled by QA/QC), and geological continuity, which is reasonably established at Wiluna and Lake Maitland. Geology has been controlled by recent to Quaternary sediment deposition with overprinting calcretisation being controlled by the ground water flow.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Wiluna deposits are surficial with a vertical thickness of a few meters at most. Occasionally deeper (15 to 25m below surface) mineralization exists, but its continuity is not proved, because of the lack of deep drilling

Criteria	JORC Code explanation	Commentary
Estimation and modeling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.* • *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.*	• Estimation technique is Uniform Conditioning followed by Localised Uniform Conditioning using the specialised geostatistical software, Isatis. The various steps of the estimation are the following: (1) Use of combined radiometric and geochemical data, with priority given to geochemistry. As discussed above the 2013 gamma data in the westernmost zone of Dawson Hinkler was corrected by a 1.2 factor to account for a systematic discrepancy between geochemical and gamma derived data and at Lake Maitland, a correction factor of 1.8 has been applied to take into account the average secular disequilibrium as found from research (see above). . (2) Creation of a mineralisation envelope using Leapfrog 3D at the cut-offs detailed above were created prior to factoring of the 2013 data. (3) Compositing to 0.5m. (4) Domaining by zones of reasonably consistent grade, or in the case of Lake Maitland, essentially by the strike orientation: NS, NE and NW (5) Top-cuts used at the various deposits include 5000 ppm, 4500 ppm, 2000 ppm, 700 ppm and 500 ppm as well as no top-cut at all depending on the various domains. It has been found that the top-cut has very little impact on mean grade (less than 1%) and variance. No top-cuts at all applied to Lake Maitland and Lake Way. (6) Block model based on 30m x 30m x 0.5m panels for Centipede, Millipede and Lake Way, 50m x 100m x 0.5m for Nowthanna, 200m x 100m x 0.5m for Dawson-Hinkler and 50m x 50m x 0.5m panels for Lake Maitland. The panel sizes are chosen from the average drilling density. (7) Ordinary Kriging estimation of panels, after neighbourhood analysis to optimise quality of Kriging. (8) Validation of Kriging results through statistics and swath plots (9) Uniform conditioning (UC) for 10m x 10m x 0.5m Selective Mining Units (SMU), which is a realistic assumption for a future operation where grade control using radiometric information will be possible.

Criteria	JORC Code explanation	Commentary
	• *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.* • *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	(10) Localised Uniform Conditioning: creation of a 10m x 10m x 0.5m block model based on the results of UC at Centipede, Millipede, Lake Way, Dawson Hinkler and Lake Maitland. (11) The tonnage are estimated using a constant dry density as detailed elsewhere in this table. • Previous resource estimates (prepared for a number of years by SRK and Mr Daniel Guibal) are available and are considered in all current estimations. • No by-products are assumed to be recovered nor are any planned to be recovered. • Currently there are no geostatistical estimations made on deleterious elements, however, such elements have been included in the analysis of drill core samples in 2013 and so such estimations will be able to be accomplished in the future as more coverage across the deposits is achieved. Current analysis of drill core geochemistry and Metallurgical samples strongly suggests there are no significant economic issues related to deleterious elements. • See above • See above • No assumptions • See above – no geological control in any of the 2012 JORC compliant resources. • See above • See above

Criteria	JORC Code explanation	Commentary
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages are dry tonnages
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• Grade-tonnage curve are provided for a range of cut-offs. Optimal cut-off will be determined from the mining studies.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• The Lake Maitland deposit will be incorporated into Toro Energy's greater Wiluna Project, which includes the Centipede, Millipede, Lake Way, Dawson Hinkler and Nowthanna deposits. The proposed mining methods, metallurgy/processing and environmental management/factors will be the same as those publically outlined by Toro for the Wiluna Project. • Mining technique has been tested successfully on site, the main points follow. • Shallow strip mining to 15m maximum depth (approximately 8 m at Maitland) using a combination of a Vermeer surface miner, loader and articulated trucks. • 25-50cm benches • De-watering of pits for process water • In-pit tailings disposal below natural ground surface in lined pits, progressive compartmental mining, tailings and rehabilitation • Current - strip 3.8:1, using 250ppm cut-off • Up to a 14 year life of mine, regional resources increase to 20+ years dependent on future approvals • 5 years at Centipede followed by Millipede, Lake Maitland, Lake Way and Dawson Hinkler.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• Laboratory scale pilot plant has been successfully trialled that includes all of the currently proposed process from crushing/grinding to product – actual product produced. Every part of the processing circuit has been tested and/or had research associated with it. Main factors follow. • Alkaline tank leach with direct precipitation. • Target production is 780 tpa U_3O_8 • Processing 1.3 Mtpa at a head grade of 716ppm U_3O_8 • Processing plant is planned to be located on the Centipede deposit related tenements.

Criteria	JORC Code explanation	Commentary
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• Two of the Wiluna deposits have been approved for mining by the West Australian EPA as part of the Wiluna Uranium Project and thus the project has gone through the Environmental Review and Management Programme process (The ERMP and all of the associated documents can be found on the Toro Energy website at http://www.toroenergy.com.au/sustainability/health-safety/environmental-review-and-management-programme-ermp/ Main factors follow. • Shallow open pit mining • In-pit tailings disposal below natural ground surface in lined pits, progressive compartmental mining, tailings and rehabilitation – no tailings disposal planned for Dawson Hinkler deposit site. • Tailings integrity modelled for 10,000 years • Mining footprint returned as close as possible to natural land surface level • No standing landforms remain post closure
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.* • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	**All Wiluna deposits excluding Lake Maitland** • Density has been averaged so that a single density is applied to across the block model. • Density derived by consensus from surrounding deposits for Dawson Hinkler. **Lake Maitland only** • Density determined by calibrated gamma gamma probe measurements down drill holes from across the entirety of the deposit (predominantly the 2011 drilling campaigns). Gamma gamma probe calibrated directly with reference sonic core holes whereby both dry and wet density measurements were obtained. Gamma gamma measurements were found to be matching wet density and so all measurements were re-calibrated to a dry density using both the wet and dry density determinations on the sonic core. Density was then averaged over geological units (determined as explained above) so that each geological domain within the block model had a single average dry density.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.*	• The classification is based on the consideration of drill spacing, existence of geochemical data in such numbers that the radiometric data are well supported and finally the quality of the estimation as

Criteria	JORC Code explanation	Commentary
	• *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	measured by Kriging slope of regression. • • Lake Way: all Indicated (75m x 75m drilling, with good sonic drilling cover). • Dawson Hinkler: No Measured resource; Indicated resources 100 x 100 m with some limited 100 m x 200 m drill spacing; Inferred resources greater than 100 x 200 m drill spacing. • Lake Maitland: No Measured resource, drilling grids on average of 100m x 100 m and in some places as close as 5 m x 5 m.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• There has been no audit of the resources reporting material change within this ASX release, other than internal Toro assessment and geological interpretation.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• As mentioned, the classification is partly based on the quality of Kriging. In addition, since 2009, various drilling campaigns took place at Wiluna in particular and there has been a good consistency of the estimates. • There is clearly more uncertainty at the individual panel level. Other factors having an impact on the estimation are: Disequilibrium: current measurements (2011) suggest that a significant positive disequilibrium exists. This has been established at 1.186 by consultant On Site Technologies and confirmed by further Golder Associates analysis of downhole gamma work compared with laboratory analysis of diamond core. • The relationship between radiometric values and geochemical data can be variable at the local scale. • The assaying methods, as there are indications that XRF tends to overestimate grades by about 5% (by comparison to 4 acid digest ICPMS). The cut-off grades: due to the estimation method (UC), the high cut-off grades (over 500 ppm) which depend on the modelling of the tail of the grade distributions are more uncertain at local level • No production statistics available – not an operating mine

Section 4 Estimation and Reporting of Ore Reserves

NOT APPLICABLE – NO RESERVES REPORTED

Section 5 Estimation and Reporting of Diamonds and Other Gemstones

NOT APPLICABLE – URANIUM ONLY