



MEDIA RELEASE

3 November 2014

TORO SECURES FUNDING AND URANIUM ASSETS FROM THE SENTIENT GROUP

Leading global resource investor The Sentient Group is to inject A\$10 million cash into Australia's Toro Energy Limited (ASX: "TOE") with a further \$10M funding into its advanced Wiluna uranium project in Western Australia under final stages of negotiation, as part of a broader funding and asset package announced today.

The cash boost is a cornerstone of the total deal, delivering Perth-based Toro – one of Australia's most advanced uranium developers – with a cash-in-bank cushion of at least four years.

The deal announced today involves new and significant backing from The Sentient Group, which globally manages more than US\$2.7 billion in investments in the resources sector.

Sentient's cash injection, is part of a wider deal that comprises a A\$10 million placement into Toro, with a further \$10 million direct funding contribution in the final stages of negotiation for R&D and engineering studies to improve Wiluna project and bring it to a Final Investment Decision as the uranium market recovers.

The second part of the package involves Toro acquiring Sentient's Canadian-based uranium assets, in a transaction valued at approximately A\$18.9 million.

This will give Toro its first international exposure to leveraging its project development pipeline and technical and permitting skills to assets in other jurisdictions, as improvements in the uranium price are forecast over the next two years.

The Canadian assets include the high quality Matoush uranium exploration and development project in northern Quebec.

More than C\$125 million in development funds has been spent on Matoush by its owner Strateco in the past eight years. The project remains on care and maintenance pending resolution of permitting and regulatory issues with the regional government.

Wiluna will remain Toro's priority, with the Company determined to deliver Western Australia's first and Australia's sixth uranium mine as and when the uranium market recovers.

Under today's transactions, Sentient will become a major shareholder in Toro, with an 18.9% stake, just behind the two largest, Oz Minerals (21.9%) and Mega Uranium (21.5%).

Subject to approvals, Toro anticipates all transactions being completed by mid-December.

Toro Managing Director, Dr Vanessa Guthrie:

"Toro is pleased to have secured the Company's financial position for the medium term and emerge with an expanded global uranium investments portfolio supported by a major new shareholder in Sentient," Managing Director, Dr Vanessa Guthrie, said today. *"The transaction gives Toro a much strengthened strategic investor presence on our share register, increases our asset base, and enhances our financial position so we can focus on improving our Wiluna Project through targeted research and development and engineering studies.*

"This enables us to focus on bringing Wiluna into production in the expected emerging market supply gap and promoting the potential of the Wiluna uranium province. Strategically, we also now have our first opportunity, when conditions prevail, to develop an expanded global uranium portfolio, with Canadian and North American markets support for the potential for uranium market growth in rising nuclear energy demand around the globe."

"We welcome Sentient as a new significant shareholder in Toro, and look forward to working with its management to both improve the Wiluna Project as well as developing our global uranium portfolio aspirations."

Sentient commented that it is pleased to become a significant investor and partner in Toro.

"Sentient is pleased to partner with Toro to shape the Wiluna Uranium Project as a strategic asset in the heart of Western a premier undeveloped uranium province in Western Australia. We have a track record in mine and processing technology innovation and assisting corporates through final stages of feasibility and project financing. We look forward to assisting Toro to bring the Wiluna Project through the final stages of its feasibility over the coming years."

Sentient investment manager, Mr Michel Marier, will join the Toro Board of the Australian company as a nominee of Sentient.

The Sentient transactions require approval by the Foreign Investment Review Board (FIRB), which is expected by mid-December 2014.

Toro plans to produce around 2mlbs U₃O₈ per year from its 100%-owned Wiluna project over a 16 year mine life. Toro already has the approval of the Western Australian and Federal Governments to establish a processing facility and commence mining of two of Wiluna's

deposits, Centipede and Lake Way, and the Company is currently undergoing the government environmental assessment and approval processes to mine two additional deposits at Wiluna, Millipede and Lake Maitland.

Toro has also appointed BBY Ltd supported by RealFin Capital Partners and Aetas Global Capital brokers to advise the Company on a placement to institutional investors and a Share Purchase Plan for shareholders.

Details of the individual components of the Sentient agreements are detailed overleaf.

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

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

www.toroenergy.com.au

TORO-SENTIENT AGREEMENTS

The terms of the binding two part financing and commercial arrangements between Sentient and Toro comprise:

Subscription and Securities Sale Agreement:

Under a Subscription and Securities Sale Agreement (SSSA), Sentient has subscribed for 125M new fully paid ordinary shares in Toro at a subscription price of \$0.08 per share to raise \$10 million. The subscription will be payable in two tranches:

- 93.75 million new fully paid ordinary shares for \$7.5m conditional upon FIRB approval,
- 31.25 million new fully paid ordinary shares for \$2.5m, deferred, subject to agreed conditions, expected to be met in 2015, and
- 3% placement fee to Sentient payable in shares.

If the issue price under the proposed working capital raising is less than \$0.08 per share, Sentient is entitled to receive additional shares in relation to the Sentient subscription. The transactions are conditional upon finalisation of legal documentation for the Unitisation Agreement.

Unitisation Agreement:

Under a non-dilutive Unitisation Agreement currently under final stages of negotiation, Sentient will invest a further \$10 million cash for research and development work at the Wiluna Uranium Project in return for a payment equal to 2.5% of the gross revenue Toro receives from any future production from a Wiluna uranium mine. The work will seek to enhance and optimise the process design, project configuration and operating and capital cost structure for the project. The Agreement is expected to be finalised in the coming days.

The Unitisation Agreement can be terminated by either party after three years for the fair market value of those gross proceeds as determined by an independent assessor. That amount would be payable in cash or Toro ordinary shares, at either's election. Sentient will not be taking any direct interest in the Wiluna Project.

Acquisition by Toro of Sentient's Canadian uranium assets:

Toro acquires the following debt and equity-based uranium interests held by Sentient in TSX-listed Canadian uranium explorer, Strateco Resources Limited:

- 19.8% equity interest in Strateco;
- C\$14.1m of senior secured first ranking convertible note receivable in Strateco;
- C\$3m senior secured first ranking loan receivable in Strateco;
- 5 million common shares in Strateco's private subsidiary, SeqUr Exploration Ltd (SeqUr), representing a 25% direct interest in SeqUr; and
- 2 million shares in TSX-listed European Uranium Ltd, representing less than 5% of the common shares on issue in that company.

Toro shares under this transaction will be paid in two tranches:

- 177.4 million upon FIRB approval; and
- 59.1 million deferred subject to agreed conditions being met.

Toro has funded the acquisition, which values the investments and receivables in Strateco at about \$18.9 million, via the issue of 236.5 million new Toro ordinary shares to Sentient.

The main asset for Strateco is its high quality Matoush Uranium Project, located in the Otish Mountains of northern Quebec, 275km north of Chibougamau. Matoush has four main high grade deposits with a total NI43-101 resource as of December 2012 estimated at 27Mlb.