



ASX RELEASE

Tuesday, 6 December 2011

Heads of Agreement Executed with Northern Minerals on Tanami tenements, Northern Territory

Uranium developer, Toro Energy Limited ("Toro", ASX code "TOE") has today executed a Heads of Agreement ("HoA" or "Agreement") with Northern Minerals Limited ("Northern", ASX Code "NTU") to initiate a new Joint Venture entitling Northern to explore for non-uranium minerals on seven of Toro's 100%-owned tenements in the Tanami region of the Northern Territory.

In summary:

- The Agreement allows Northern to earn up to 80% interest in non-uranium minerals in the tenements over a five year period in various stages;
- In the first stage, Northern has agreed to spend \$4 million on exploration over the first three years to earn a 51% interest;
- In the second stage, Northern has the option to increase its interest to 70% by spending an additional \$2 million over the following two years; and
- Finally, Northern has the option to complete a Bankable or Definitive Feasibility Study and lift its equity position in non-uranium minerals to 80% if Toro chooses not to contribute.

Northern intends to focus on the Heavy Rare Earth Element prospectivity as part of its Browns Range project while Toro retains 100% of all uranium rights throughout the Joint Venture.

The HoA covers seven tenement applications in the Tanami region of the Northern Territory over a total area of approximately 1400km² (EL27590, EL26635, EL26286, EL26270, EL26271, EL27000 and EL27001). Conclusion of a final legal agreement is subject to due diligence by Northern and the securing of all necessary third-party approvals.

The tenements lie around the southern margin of the Browns Range Dome and, in particular, have substantial potential for unconformity style uranium. The single previous explorer, Japanese company, PNC Ltd, had identified a 20km long belt of geology that is directly analogous with that of the Alligator River Uranium Field, which hosts the Ranger and Jabiluka uranium deposits. PNC created a sizable dataset that will enable Toro to fast-track its own uranium exploration in the area. This dataset will also assist in the exploration for other commodities by the Joint Venture partners.

The tenements lie within Aboriginal Land Rights Act ("ALRA") land and are covered by an exploration and mining deed that has been negotiated by Toro over the course of the past four years. Toro acknowledges the support of Traditional Owners to explore in this area and the Central Land Council's important contribution to finalising of the land access agreement.

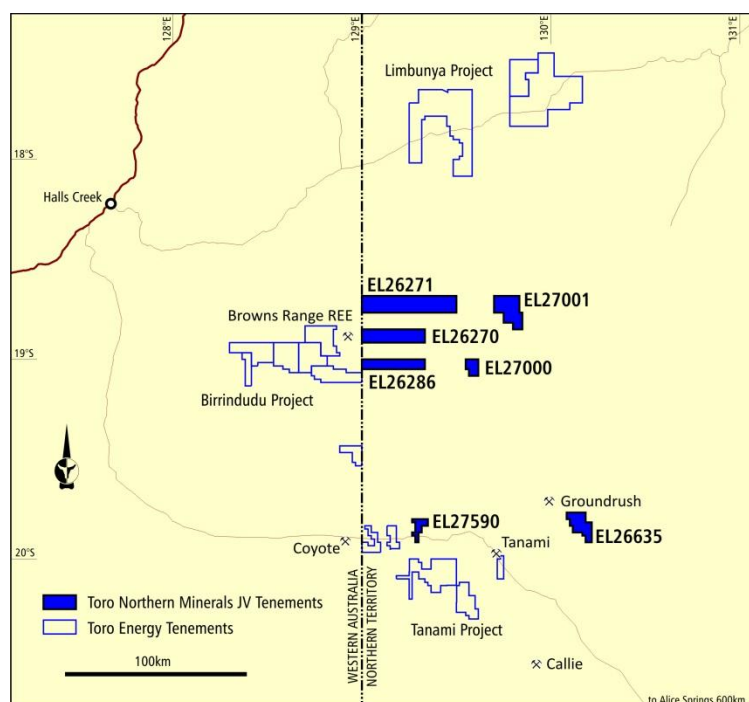


Figure 1: Map identifying Joint Venture tenements

Toro's Managing Director, Mr Greg Hall:

"We are very pleased to have Northern Minerals as a joint venture partner in the Tanami region and look forward to working together to progress this underexplored region. Toro believes there is great opportunity not only for Rare Earths but also gold and uranium and we hope this joint venture will help drive additional fresh exploration in the region."

Greg Hall
Managing Director

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Toro Energy is a modern Australian uranium company with progressive project development, acquisition and growth. The company is based in Adelaide, South Australia with a project office in Perth, Western Australia.

Toro's flagship and wholly-owned Wiluna uranium project (includes existing mining lease) is 30 kilometres southeast of Wiluna in Central Western Australia.

Wiluna contains two shallow calcrete deposits, Lake Way and Centipede, with prefeasibility and optimisation studies completed and technical work leading to a definitive feasibility study underway. Toro has advanced the Approvals process targeting the Company's first uranium production late 2013.

Toro has three other exploration and development projects in Western Australia, and owns uranium assets in Northern Territory, South Australia and in Namibia, Africa.

www.toroenergy.com.au