

THIRD QUARTER ACTIVITIES REPORT

for the quarter ending:

31 March 2012

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Wiluna Uranium Project enters final phase of Government assessment after Toro's Response to Submissions document.

Western Australian Labor Opposition allows approved mines to proceed.

Total resources at key Centipede deposit increased by 17%.

Positive extraction tests at Theseus.

Drilling at Theseus to commence in early May.

Share Purchase Plan raises \$5.3 million.

CORPORATE

- Toro completed a Share Purchase Plan raising \$5.3 million.
- The Mt Woods Tenement Access Agreement was terminated and Toro received the cash consideration of \$3.75 million.
- Toro agreed to cancel its uranium rights over certain Gawler Craton tenements held by Minotaur Exploration Limited for a cash consideration of \$0.5 million.
- A farm-in JV with TNG Limited was implemented for non-uranium minerals over a group of tenements in the Mount Peake area of Northern Territory.
- Cash at end of the quarter was \$16.1 million.

GLOBAL URANIUM MARKET

- The spot price for uranium at the end of the March quarter was US\$51.75/lb U₃O₈ with the long term price at US\$60/lb U₃O₈.
- Prices continued to be impacted by short-term over supply of uranium from the temporary closure of nuclear plants in Japan. However, the re-start of some nuclear plants is imminent.

WILUNA PROJECT DEVELOPMENT

- The assessment process for the Wiluna Project Environmental Review and Management Programme (ERMP) continues through its final phase with the West Australian and Federal Governments. Toro anticipates final Government decisions in mid 2012.

- The Project configuration has been agreed with Traditional Owners at Wiluna. Negotiations have now commenced on a mining agreement.
- Variability testwork with different ore types was completed during the quarter which indicated consistently high uranium extraction rates.
- Refining testwork was also completed. This produced 1 kg of UOC for customer evaluation and intermediate refining products for filtration testwork and equipment sizing.
- Bateman Australia commenced a definitive feasibility study for the Wiluna uranium project, based on the outcomes of the Pilot plant and the proven flowsheet and design criteria.
- A resource upgrade of the Wiluna regional resource base was completed based on infill drilling and improved bulk density analysis. The total Centipede resource is 14.4 Mlbs contained U₃O₈, which is an increase of 17% contained metal. The total Wiluna regional resource is now 53.6 Mlbs contained U₃O₈, which is an increase of 7% contained metal.

EXPLORATION

- Early extraction tests on the Theseus Project indicate very quick extractions of greater than 95% with very low acid consumption.
- Drilling to recommence at the Theseus Project in the first week of May.

REVIEW OF BUSINESS

URANIUM MARKET

The short term uranium price outlook is very much driven by the progress being made by the Japanese in restarting its nuclear reactor fleet. At the time of this report, only one of the 54 reactors in Japan was operating as they have been progressively shut down for routine maintenance and have stayed offline while they undertake additional safety checks.

The shutdown of the nuclear fleet which provides 30% of the country's electricity requirements has resulted in severe electricity shortages and disruption to industrial production.

However, the Japanese Government is making steps that will facilitate the first of the restarts of the nuclear fleet with the Government recently approving the restart of the No.3 and No.4 reactors at Kansai Electric's Ohi nuclear

power plant in Western Japan. In accordance with Japanese practice, the government is seeking the support of the local Prefecture for the re-starts, even though it is not legally required to do so.

We anticipate that the re-start of the Ohi nuclear reactors will facilitate the start of many reactors in other parts of Japan through 2012.

In the meantime, we are observing increased interest from the European and US utilities in establishing long term uranium supply contracts. This interest appears to be influenced the utilities trying to take advantage of current low uranium price and potential tightness in the uranium supply from 2013. This adds to the strong perception that the current flat uranium market has reached a bottom.

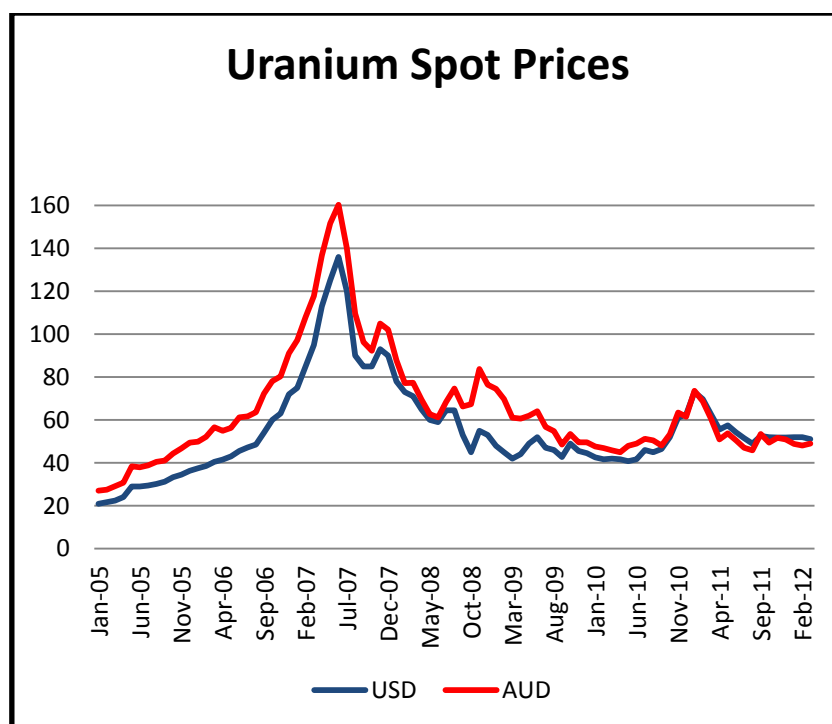


Figure 1: Spot Uranium prices | Source: Ux Consulting and Reserve Bank of Australia

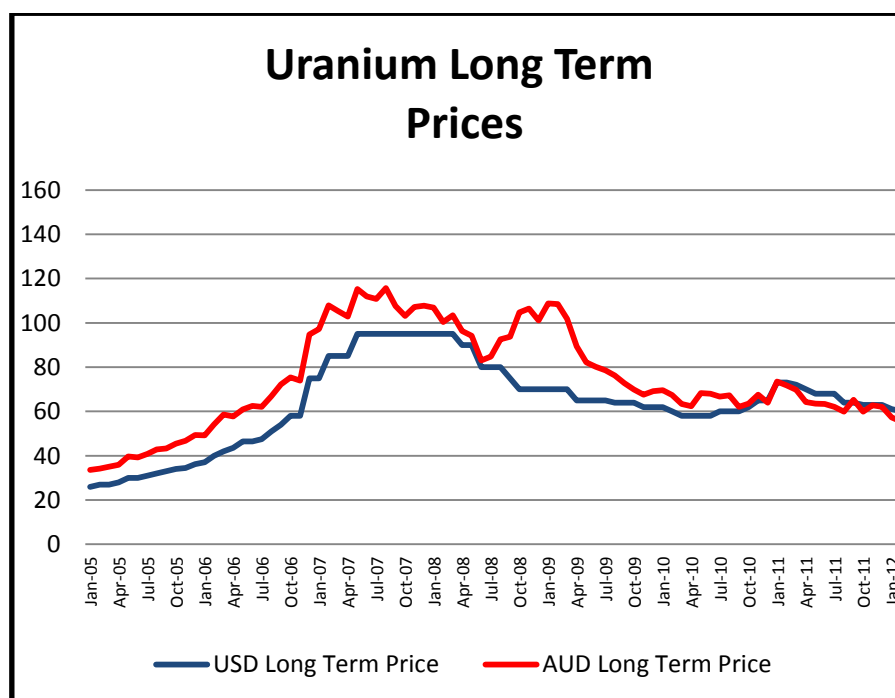


Figure 2: Long Term Uranium prices | Source: Ux Consulting and Reserve Bank of Australia

CORPORATE

Toro raised \$5.3 million at \$0.08 per share under a Share Purchase Plan (“SPP”) that was announced in early February. The proceeds of the SPP will be applied to drilling and project advancement in relation to the Theseus Project, drilling and resource development at the Wiluna Project and the ongoing working capital requirements.

Following the receipt of the approval of shareholders at a General Meeting held on 13 February 2012, Toro and OZ Minerals Ltd terminated the Mt Woods Tenement Access Agreement and Toro received the cash consideration of \$3.75 million (plus GST).

Toro has agreed to cancel its uranium rights over Gawler Craton tenements EL3761, EL3762 and EL4745 which are held by Minotaur Exploration Limited for a cash consideration of \$0.5 million (plus GST).

Toro executed a Heads of Agreement with TNG Limited to initiate a new joint venture entitling TNG to explore for non-uranium minerals on three of Toro’s 100%-owned tenements in the Mt Peake region of the Northern Territory.

The Agreement allows TNG to earn up to 80% interest in non-uranium minerals in the tenements over a five year period, with a first stage expenditure by TNG of \$0.5 million to earn a 51% interest, and a second stage option to spend an additional \$1.5 million to increase its interest to 80%. Finally, Toro has the right to convert its remaining 20% interest to a 2% Net Smelter Royalty.

Toro continues to be in discussions with a number of Asian-based investor groups interested in entering into a strategic partnership with Toro through a cornerstone equity investment or joint venture development of the Wiluna Uranium Project. Negotiations regarding the investments at this stage are incomplete and inconclusive and may, if successful, take further time to complete. These negotiations will continue and the market will be updated again in due course.

Cash held at the end of the March 2012 quarter was \$16.1m.

PROJECT DEVELOPMENT

WILUNA PROJECT - LAKE WAY/CENTIPEDE URANIUM DEPOSITS (WA) (Toro Energy 100%)

Tenement Matters

Tenement summary statistics are given in Table 1. Tenement locations are also shown on Figure 3.

Toro Tenure Area Stats (km2)				Comment
	Granted	Application	Commitment	
Western Australia	922	114	\$1,622,880	
TOTAL	922	114	\$1,622,880	

Table 1: Toro Tenement area statistics as at 31 March 2012

New Tenements, Withdrawals & Relinquishments

Nil

Acquisitions

Nil

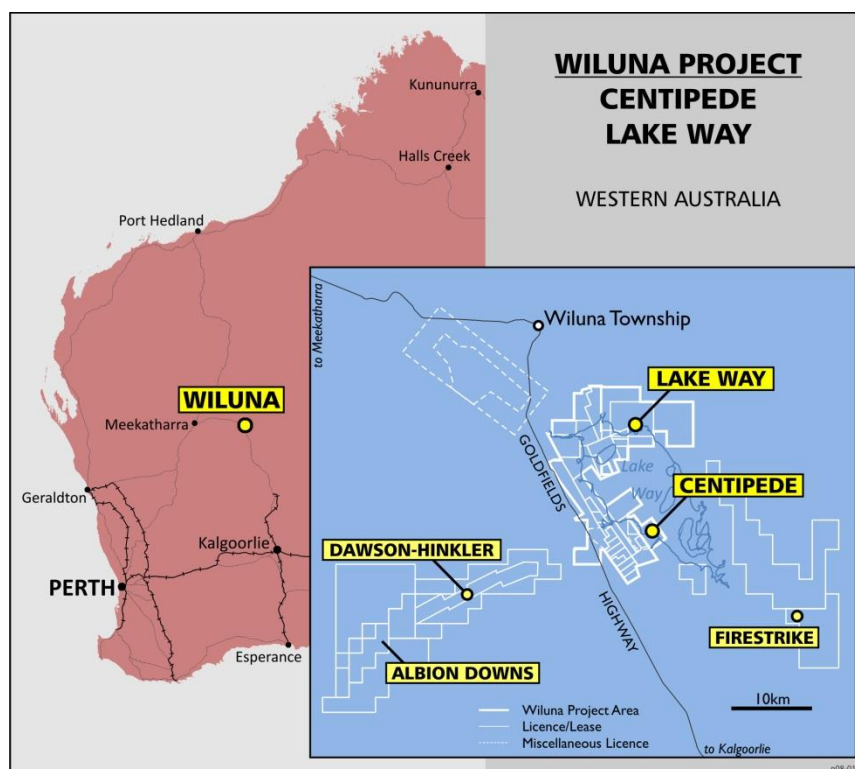


Figure 3: Wiluna Project and Regional Resources

The Environmental Protection Authority of Western Australia (EPA) is continuing with assessment of the Response to Submissions for the Environmental Review and Management Program (ERMP). During this period, Toro has attended meetings with the EPA Board to present on the environmental issues raised during the 14 week public consultation period. Toro has also

participated in discussions in Canberra with Federal Government assessors.

The EPA is now preparing a report and recommendations to the WA Minister for Environment. Final government decisions on the Project are anticipated by mid 2012.

Project Progress

A resource update was completed during the quarter using data from infill drilling at Centipede and an updated bulk density value of 1.8 g/cm³. Minor adjustments to Dawson Hinkler and Nowthanna Inferred Resources as reported in February 2012 have been made based on the final SRK report. The total Centipede resource (Measured, Indicated and Inferred) is 14.4 Mlbs contained U₃O₈, (12.9 Mt @ 505 ppm at 200 ppm U₃O₈ cut off) which is an increase of 17% contained metal. The average grade for the Measured Resource at Centipede increased 12% from 492 ppm U₃O₈ to 552 ppm U₃O₈, and the contained metal increased to 3.75 Mlbs. The total Wiluna regional resource is now 53.6 Mlbs contained U₃O₈ (55.2 Mt @ 441 ppm at 200 ppm U₃O₈ cut off), which is an increase of 7% contained metal.

Metallurgy testwork evaluating variability of differing ore types from Centipede and Lake Way was completed during the quarter. The testwork results indicated consistently high uranium extraction rates, and a strong correlation between soda consumption and sulphur content of the ore. Refining testwork was physically completed and assays are outstanding before the performance of the refining stages can be finalised. This program also generated 1 kg of UOC that can be made available for customer evaluation.

Bateman Engineering commenced the DFS engineering activities, including an energy supply options study, during the quarter. The next phase of the DFS is based on the proven process flow sheet from the pilot plant and will deliver the process design criteria, engineering design of the processing plant and major equipment lists. This phase of the DFS work is anticipated to be completed in July 2012, with engineering design and costing to follow from this.

Wiluna Community

Toro hosted two further site visits for Traditional Owners during the quarter to finalise project configuration matters. The full project configuration including the mining footprint and location and alignment of infrastructure between the Lake Way and Centipede deposits to support the project has now been agreed. The Traditional Owners have advised Toro that their two threshold issues relating to the project - protection of cultural heritage and radiation management and protection - have now been satisfactorily addressed by the company.

Toro has now commenced negotiations with the representative body for the Traditional Owners, Central Desert Native Title Services, on the nature and content of a mining agreement.

EXPLORATION

The Australian and Namibian (African) exploration licenses and applications held by Toro, or subject to uranium access and joint venture rights, as at 31 December 2011, are shown on Figure 5 and are summarised in Table 2.

Toro Tenure Area Stats (km2)			Comment
	Granted	Application	
South Australia	815	0	Uranium rights only
Northern Territory	13,265	13,412	
Namibia	1,323	0	25% share of Nova Energy Namibia
Western Australia	3,838	25	
TOTAL	19,241	13,437	

Table 2: Toro Exploration area statistics as 31 March 2012

Tenement Activity

Table 3 summarises the tenements granted in the period January 1 to March 31 2012. The granted tenements are shown on Figure 4.

PROJECT	Tenement Name	EL No.
Browns Range JV	Granite Dome	EL26270
Browns Range JV	Browns Range Nth	EL26271
Browns Range JV	Browns Range	EL26286
Browns Range JV	Farrands Hill	EL26635
Browns Range JV	Mana Range	EL27000
Browns Range JV	Ware Range	EL27001
Browns Range JV	Pargee	EL27590
Benmara	Murphy East	EL28840
Lake Mackay		E80/4606
Lake Mackay		E80/4607
Reynolds Range	Wini Hills	EL26987
Wiso	Windajong	EL26988
Wiso	Jarra Jarra	EL27123
Reynolds Range	Viscount Bore	EL27301
Wiso	Jarra Jarra West	EL29395
Reynolds Range	Wini Hills East	EL29396

Table 3: Granted tenements to 31 March 2012

Western Australia

Theseus Uranium Project

Selected Theseus drillhole samples were submitted for palynology (pollen analysis) in the previous quarter. The results show that correlates of the Namba and (lower) Eyre Formation in the Callabonna Sub-basin, SA occur within the Cainozoic sedimentary sequence. This confirms that the Theseus Project is located in a very similar aged, sedimentary environment to the Beverley and Honeymoon deposits in SA. This is a major advance in Toro's geological understanding for Theseus and the Lake Mackay basin.

Bottle roll uranium extraction tests were conducted by ALS Ammtech in Adelaide on a composite sample of Theseus, aircore and mud rotary samples. The majority of bottle roll tests report greater than 95% extraction after 48 hours, using either alkaline or acid leach and with or without oxidants. The results for the thirteen extraction tests are shown on Figure 4. Uranium extraction is rapid, mostly completed in less than four hours. Interestingly test 12 just using tap water with no oxidant recovers about 1.5% uranium. The conclusion from this is that uranium is in solution in ground water.

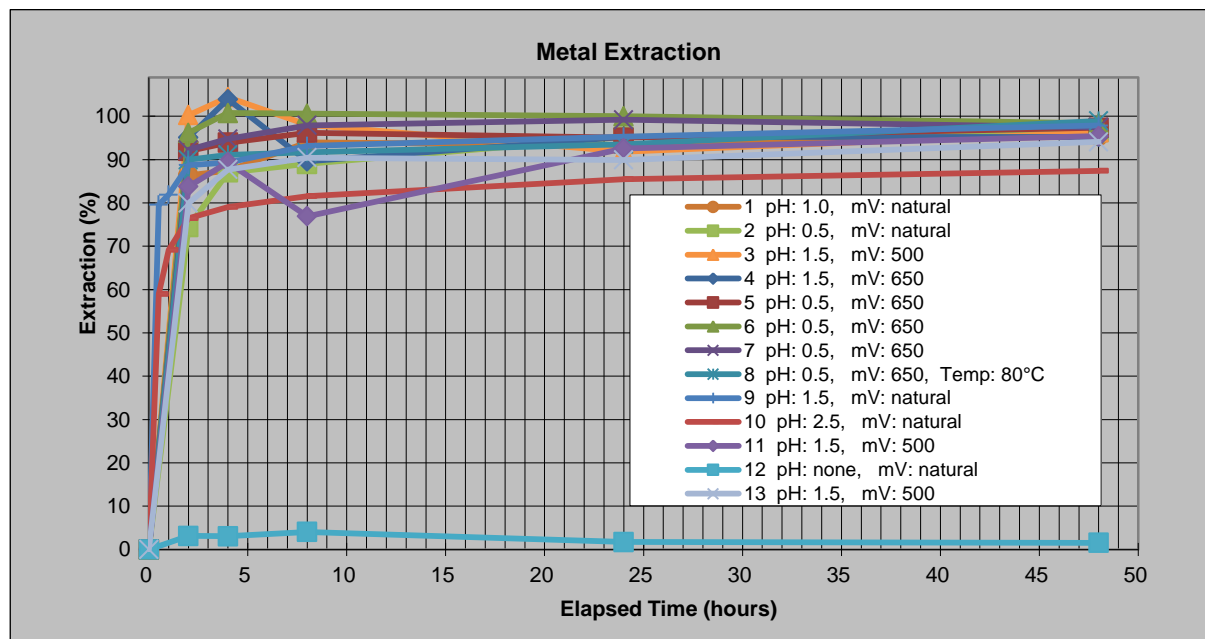


Figure 4: Extraction results from Theseus

Theseus Uranium Project (cont'd)

As part of the metallurgical test-work, QEMSCAN (Quantitative Electron Microscope Scan) was carried out on one sample.

The key points from the QEMSCAN report include:

- Leaching performance suggests there is very fine uraninite coating rutile and clays. This accounts for about 85% of the total uranium minerals present with coffinite reporting about 9%.
- Approximately 82% of the uranium minerals are exposed (available for leaching). This figure of the uranium minerals being available for leaching matches other ISR deposits in Australia.
- The sample has very low carbonate and sulphides, again a very good feature for potential ISR type mining. Chalcopyrite is the main sulphide identified.



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Toro Energy Limited

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Drilling at Theseus using a Thompson Drilling mud rotary rig is expected to commence early in May. About 30,000m of drilling is planned to evaluate mineralised areas at Theseus and develop a JORC resource, with one other anomalous area approximately 15km to the west also to be evaluated.

Birrindudu JV

JV Toro 50.01% Cameco 49.99% on ELs 80/3556 and 3560

Results for selected core samples submitted for Pb isotope analysis were received. The 206Pb/204Pb ratio's indicated a minor positive trend in drillhole BR0006 from the Ventura Prospect. No further fieldwork is planned.

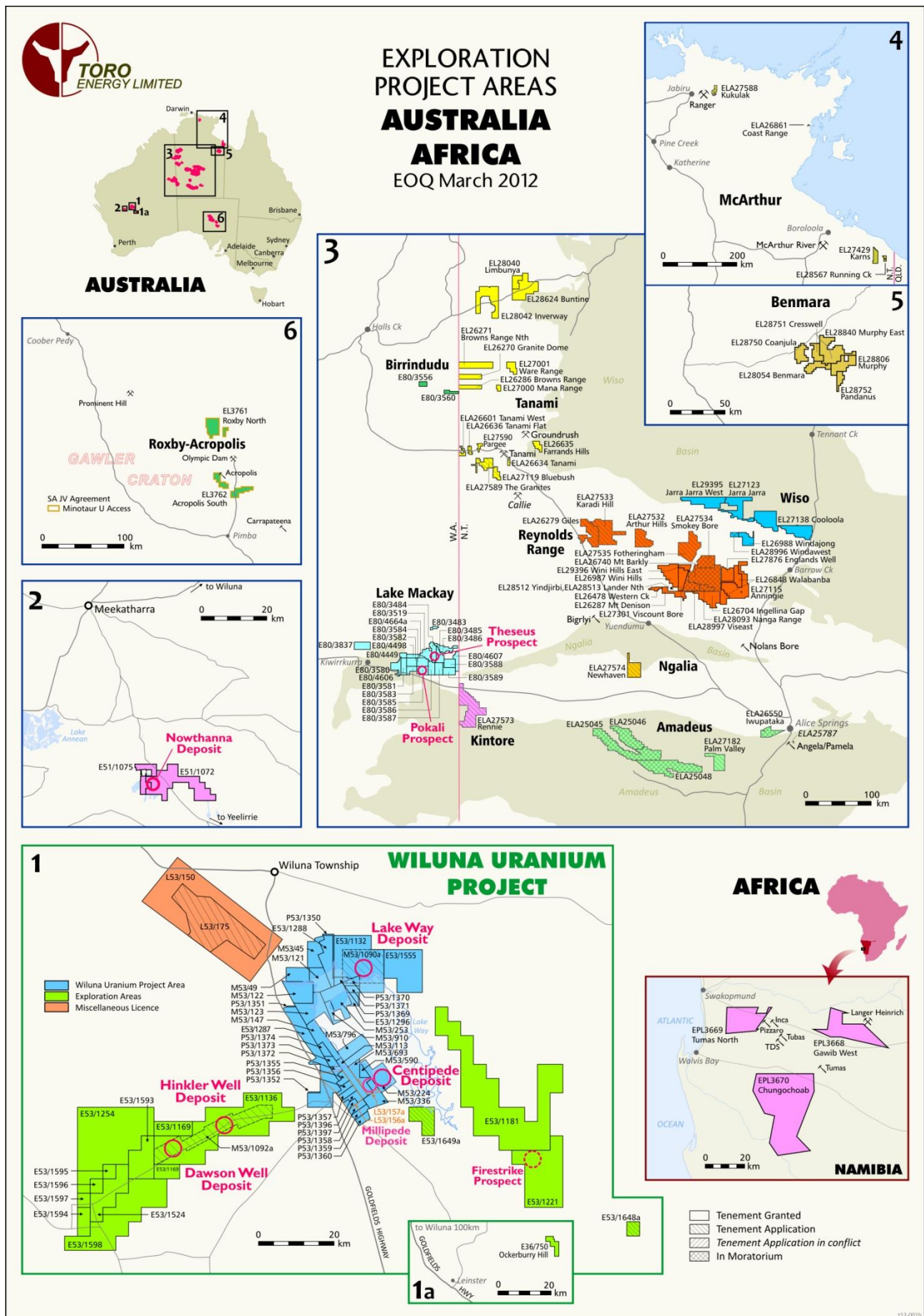


Figure 5: Wiluna district and exploration tenements in Australia or Namibia

APPENDIX I: COMPETENT PERSON'S STATEMENT AND RESOURCE TABLE

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by:

- 1) Information in this report relating to Exploration is based on information compiled by Mr Mark McGeough BSc who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr McGeough is a full-time employee Toro Energy and has sufficient experience which is relevant to the styles of mineralisation and types of deposits 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.

Project Name	Category	Resource M Tonnes	Grade U ₃ O ₈	Contained U ₃ O ₈ tonnes	Contained U ₃ O ₈ Mlb
Centipede	Measured	3.08	552	1,703	3.75
Centipede	Indicated	7.56	555	4,197	9.25
Centipede	Inferred	2.30	272	627	1.38
Lake Way	Indicated	2.57	492	1,265	2.79
Lake Way	Inferred	7.38	544	4,015	8.85
Sub Total	Measured & Indicated	13.21	542	7,165	15.79
Wiluna Project	Inferred	9.68	480	4,642	10.23
Millipede	Indicated	1.77	412	728	1.61
Millipede	Inferred	5.51	533	2,935	6.47
Dawson Hinkler Well	Inferred	13.09	312	4,077	8.99
Nowthanna *	Inferred	11.91	399	4,750	10.47
Sub Total	Indicated	1.77	412	728	1.61
Wiluna Regional	Inferred	30.51	386	11,762	25.93
Total Wiluna Resources	Measured, Indicated & Inferred	55.17	441	24,297	53.56

All Resources are reported using a 200 ppm U₃O₈ cutoff grade

*Note: Toro owns 100% of two tenements which comprise the major portion of the Nowthanna deposit – Toro's resource shown here.

Table 4: Toro's total uranium resource base in the Wiluna area.

- 2) 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

APPENDIX 5B
Mining exploration entity quarterly report

TORO ENERGY LTD

ABN. 48 117 127 590

Quarter ended

March 2012

Consolidated statement of cash flows (Note 6.0)

	Current quarter \$A'000	Year to date (9months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(2,773)	(14,537)
(b) development	-	-
(c) production	-	-
(d) administration	(671)	(2,692)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	114	958
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(3,330)	(16,271)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	(110)	(6,234)
(b) equity investments	-	-
(c) other fixed assets	(15)	(106)
1.9 Proceeds from sale of: (a) prospects	3,750	3,750
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - Purchase of Pastoral Lease	-	-
Net Investing cash flows	3,625	(2,590)
1.13 Total operating and investing cash flows (carried forward)	295	(18,861)
1.13 Total operating and investing cash flows (brought forward)	295	(18,861)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc	5,320	5,320
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	-	-
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other	-	-
Net financing cash flows	5,320	5,320
Net increase (decrease) in cash held	5,615	(13,541)
1.20 Cash at beginning of quarter / year to date	10,507	29,663
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	16,122	16,122

Payments to directors of the entity and associates of the directors			
Payments to 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	170	
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		
	Nil		
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	-	-
3.2	Credit standby arrangements	-	-
Estimated cash outflows for next quarter		\$A'000	
4.1	Exploration and evaluation: <i>Includes \$1.3m for the acquisition of the Nowthanna tenements E51/1072 and E51/1075</i>	5,059	
4.2	Development	-	
4.3	Production	-	
4.4	Administration	521	
Total		5,580	
Reconciliation of cash			
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.		Current quarter \$A'000	Previous quarter \$A'000
5.1	Cash on hand and at bank	2,102	807
5.2	Deposits at call	14,020	9,700
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		16,122	10,507

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 (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 Ordinary securities	1,041,936,676	1,041,936,676	Fully paid	Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	66,500,000	66,500,000	\$0.08	Fully paid
7.5 Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)			<u>Excise Price</u>	<u>Expiry Date</u>
	100,000		\$1.21	9/04/2012
	100,000		\$1.21	2/07/2012
	760,000		\$0.61	13/12/2012
	500,000		\$0.73	18/11/2012
	3,000,000		\$0.73	19/11/2012
	850,000		\$0.55	6/08/2013
	1,665,000		\$0.25	17/12/2013
	1,000,000		\$0.25	19/03/2014
	5,555,000		\$0.22	2/02/2015
	4,270,000		\$0.22	3/01/2016
	5,000,000		\$0.22	11/01/2016
	1,000,000		\$0.30	11/01/2016
	250,000		\$0.15	26/05/2016
	250,000		\$0.22	26/05/2016
	750,000		\$0.11	30/06/2016
	500,000		\$0.22	30/06/2016
	750,000		\$0.25	30/06/2016
	10,300,000		\$0.13	31/07/2016
	525,000		\$0.13	25/08/2016
7.8 Issued during quarter (Directors options approved at 30/11/11 AGM)				

7.9	Exercised during quarter				
7.10	Cancelled during quarter	1,000,000 200,000 20,000		\$0.45 \$1.15 \$1.21	31/03/2012 18/03/2012 18/02/2012
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

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: 26 Apr 2012

DONALD STEPHENS

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
	<u>Northern Territory</u>		
EL26270	Granted - Granite Dome	0%	100%
EL26271	Granted - Browns Range North	0%	100%
EL26286	Granted - Browns Range	0%	100%
EL26635	Granted - Farrands Hill	0%	100%
EL27000	Granted - Mana Range	0%	100%
EL27001	Granted - Ware Range	0%	100%
EL27590	Granted - Pargee	0%	100%
EL28840	Granted - Murphy East	0%	100%
EL26987	Granted - Wini Hills	0%	100%
EL26988	Granted - Windajong	0%	100%
EL27123	Granted - Jarra Jarra	0%	100%
EL27301	Granted - Viscount Bore	0%	100%
EL29395	Granted - Jarra Jarra 2	0%	100%
EL29396	Granted - Wini Hills East	0%	100%
	<u>Western Australia</u>		
E80/4606	Granted - Lake McKay	0%	100%
E80/4607	Granted - Lake McKay	0%	100%