



ASX RELEASE

13 November 2012

Toro identifies regional uranium alteration system in McArthur Basin, Northern Territory

Toro Energy Limited ('Toro', ASX Code 'TOE') is pleased to report the results of reconnaissance soil and rockchip sampling in the McArthur Basin project of the Northern Territory. This work has been focussed on establishing the characteristics of airborne radiometric anomalies and the uranium potential of breccia pipes in the region.

Key points:

- **Recognition of a large-scale geochemical alteration system in the northern part of Toro's 100% owned Karns tenement, which directly mirrors an intense airborne radiometric anomaly (Figure 1).**
- **Up to 280 ppm U_3O_8 and 1360 ppm Cu in rockchips of quartz sandstone that is elsewhere chemically 'bland' (Figure 2). Coincident anomalous Ag, As and Pd up to 10 times background.**
- **Interpreted to represent the broad surface expression of fertile breccia pipes in the underlying Gold Creek Volcanics. Analogous with the Arizona Strip Uranium Province that comprise a cluster of high grade deposits that previously supported significant mining in the USA.**
- **Running Creek-Stanton breccia pipes also show anomalous uranium at surface associated with copper mineralisation suggesting a genetic connection to the stratigraphically higher Karns system.**

Background:

Toro originally applied for the Karns (EL27429), Running Creek (EL28567) and Selby tenements (ELA29636) shown on Figure 1 in the McArthur Basin of the NT, due to the geological similarity to the Arizona Strip in the USA, where uranium has been mined from multi-commodity breccia pipes for over 50 years. The individual deposits of the Arizona Strip, whilst relatively small tonnage at less than 10 Mlb U_3O_8 , are high grade ($>0.5\% U_3O_8$) and occur in a dense cluster that is able to support sustainable mining operations.

Toro believes there is a high-probability of similar targets in the McArthur Basin because breccia pipe clusters are already well known in the region (e.g., Redbank, Running Creek and Stanton pipe sets; Figure 1) and have supported copper mining over the last 20 years. The geological and geochemical commonalities with the Arizona Strip are remarkable.

Toro flew detailed 100m-spaced magnetics and radiometrics over Karns in 2011, highlighting a number of large high-amplitude anomalies in the total count and uranium channels (Figure 2). These anomalies also dominate the regional datasets.

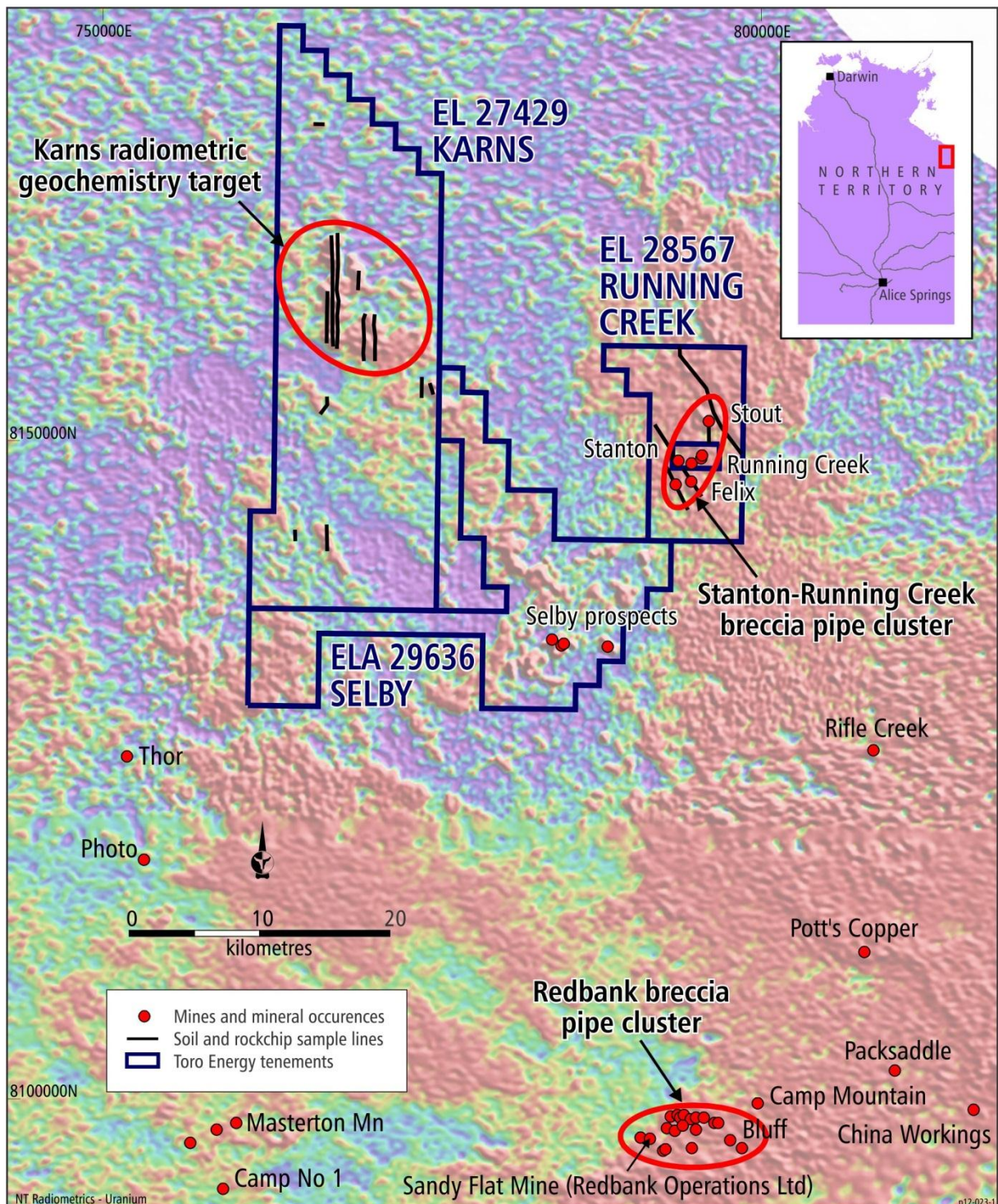


Figure 1: Toro's Karns, Selby and Running creek tenure on regional radiometrics uranium channel.

Methodology and Results:

During August 2012, Toro collected 32 rockchip, 70 lag and 112 multi-fraction soil samples along orientation lines on the Karns and Running Creek tenements. The samples were submitted to ALS Laboratories for various digestions and chemical analyses (see Appendix 1 for summary table of rockchip results). Results from rockchip samples show that U, Cu, Ag, As and Pd are consistently elevated within a large high-amplitude radiometric anomaly overlying the exposed basal sandstone of the Karns Dolomite in Toro's Karns tenement (Figure 2).

U_3O_8 is up to 280ppm (ave 80ppm) and Cu is up to 1360ppm (ave 320 ppm), whilst Ag, As and Pd are generally 10 times background. Scintillometer readings throughout the anomaly area are also uniformly 10 times background. The sandstone generally contains less than 1% P_2O_5 and over 80% SiO_2 , consistent with field observations of a sublithic to quartzose character. Secondary copper minerals are locally developed on fracture surfaces (Figure 3).

Anomalous samples were collected over a stratigraphic thickness exceeding 10m. These results are considered extremely anomalous, as beyond the radiometric anomaly this sandstone has a uniform background range of only 1-5ppm U_3O_8 and 5-10ppm Cu, consistent with oxidised sandstones globally. Rockchips also indicate that the same element suite is anomalous at the upper margins of breccia pipes sampled on Toro's Running Creek tenement (Stout, Saltlick and Felix). This suggests a close genetic connection to the stratigraphically-higher Karns system.

Similarly, orientation soil samples indicate common geochemical trends in both tenements, utilising both partial digest and full digest techniques. Uranium is 5-10 times background, as are elements such as Ag, Au, As, Cu, Co, Mo, Pt and Pd. Additionally, the ratio of pathfinder isotopes Pb^{208}/Pb^{206} and Pb^{207}/Pb^{206} indicate a radiogenic source of Pb in the system, consistent with a buried uranium parent source. Heavy versus light rare earth elements ("REEs") display a zonation typical of hydrothermal alteration systems. This has encouraged Toro to submit a further set of 97 partial digest soil samples from Karns for analysis, covering outlying radiometric anomalies, including a small P-U-Zn occurrence in the south.

Interpretation:

The distribution of anomalous uranium and other pathfinder elements in rockchips and soil samples at Karns faithfully mirrors the spatial signature of the airborne radiometrics (Figure 2). Toro is therefore confident that the large (11 km²) radiometric anomaly in the northern part of the Karns tenement reflects a broad alteration halo associated with breccia pipes in the underlying fertile Gold Creek Volcanics. Based on the physical dimensions and concentration of uranium in rockchips, the alteration halo has a substantial inventory of uranium in itself, more than sufficient to potentially promote formation of economic uranium mineralisation. Further 'plumes' are interpreted over similar large radiometric anomalies in eastern Karns and within the recently acquired Selby tenement (ELA29636; Figure 1), which incorporates the historic Selby P-U-Cu-REE prospects. Grades at these prospects reach 1120ppm U_3O_8 and 0.81% Cu, hosted within phosphatic sandstone. The Karns Dolomite also hosts a number of base metals occurrences in the area, including the 'Mississippi Valley style' Thor prospect (Zn-Pb-Ag).

Based on the vertical zonation of metals in the Arizona Strip model, Toro predict that uranium should be concentrated stratigraphically above base metals within the McArthur breccia pipes. On this basis, it appears that this model has not yet been tested in the region, as drilling has concentrated on the exposed lower parts of the breccia pipes where there is obvious copper mineralisation at Redbank and Stanton.

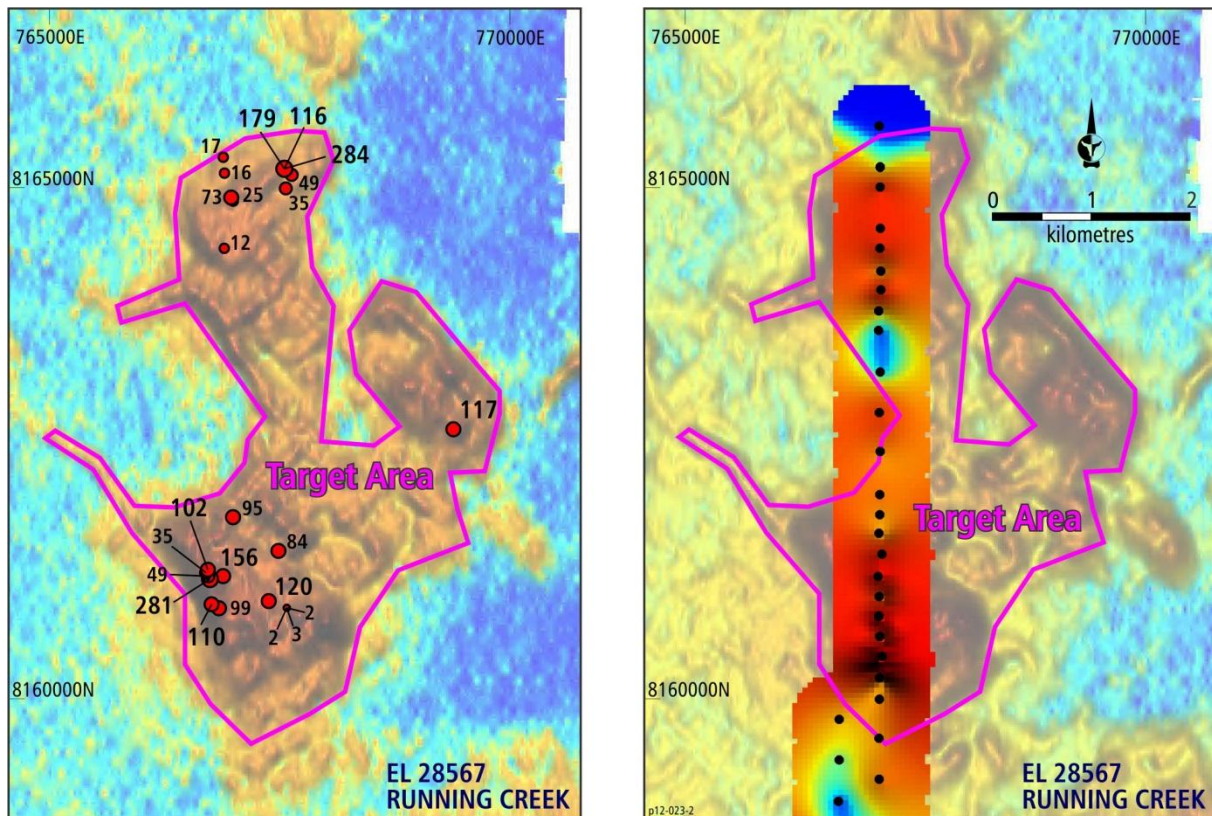


Figure 2: LEFT: Airborne U₂/Th radiometrics grid over Karns target showing the location of anomalous rockchip samples, labelled with ppm U₃O₈. RIGHT: Uranium partial-digest soil geochemistry grid draped on U radiometrics grid, showing close spatial match. Red is high, blue is low.



Figure 3: LEFT: Typical outcrop of basal Karns sandstone, where scintillometer readings are uniformly 10 times background. RIGHT: The secondary copper mineral malachite on a fracture surface in sandstone.

Toro proposes to undertake further soil and rockchips sampling at Karns and, when granted, the Selby tenement. Ground electromagnetics has been used successfully in the Arizona Strip to identify individual breccia pipes under cover and Toro believes it will also be successful in the McArthur Basin in defining drill targets. The development of further geophysics and an initial reconnaissance drilling program will be considered after this work.

Greg Hall
Managing Director

Information in this report is based on information compiled by Dr David Rawlings, who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Rawlings is a full-time employee of Toro, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Rawlings consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.

MEDIA CONTACT:

Greg Hall	Toro Energy	08 8132 5600
Kevin Skinner	Field Public Relations	08 8234 9555 / 0414 822 631

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 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 a definitive feasibility study underway. Subject to Federal Government approval, financing outcomes and Toro Board decisions, Toro anticipates construction through 2013 and 2014, and first uranium sales in the 2014/15 fiscal year.

Toro's wholly owned Theseus Project is a recent discovery with results to date indicating the potential for a high grade mineralised system. The Company also owns uranium assets in the Northern Territory and in Namibia, Africa.

www.toroenergy.com.au

SampleID	Orig_East	Orig_North	Lease_ID	Ag_ppm	As_ppm	Co_ppm	Cu_ppm	Fe_%	Ni_ppm	P2O5_%	SiO2_%	Th_ppm	U3O8_ppm	Zn_ppm	Au_ppm	Pt_ppm
137935	767141	8160887	EL27429	0.47	77.7	9.5	1140	3.8	7.2	0.83		13	99	13	0.002	0.0042
137936	767069	8160926	EL27429	1.45	56.2	7.1	355	1.6	9.7	2.77	85.1	11.2	110	17	0.001	<0.0005
137937	767181	8161202	EL27429	1.64	168	19.8	813	2.1	14	2.13	85.3	14	156	14	0.001	0.0009
137938	767054	8161173	EL27429	1.18	107	13.8	617	2.4	18.1	0.75	85.8	13.5	281	18	0.012	0.0087
137939	767037	8161201	EL27429	0.64	87.1	11.3	585	2.1	16.8	1.27		14.6	49	14	0.002	0.0020
137940	767015	8161236	EL27429	0.49	99	11.5	683	2.7	18	0.81		12.2	35	17	0.001	0.0008
137941	767032	8161264	EL27429	0.87	110	19.1	492	1.3	12.1	1.55		14.4	102	9	0.005	0.0044
137942	767280	8161782	EL27429	1.78	142	28.3	312	1.8	22.6	1.59		15.8	95	7	0.001	0.0016
137943	767727	8161449	EL27429	1.54	87.3	22.5	178	2	21.9	1.29		15.4	84	17	0.002	0.0024
137944	767630	8160957	EL27429	1.5	17.1	10.3	123	1.6	15.7	2.06	81.4	15.5	120	19	0.001	0.0030
137945	767808	8160890	EL27429	0.13	3.4	6.2	16.7	0.7	4.2	0.05		3.7	3	4	0.001	0.0009
137946	767808	8160890	EL27429	0.11	1.3	5.7	23.3	1.3	10	0.04		3.5	2	14	0.001	0.0006
137947	767808	8160890	EL27429	0.12	1.2	2.8	14.1	0.7	4.9	0.02		3.7	2	6	0.001	<0.0005
137948	764612	8142631	EL27429	0.16	7	10.6	97.1	2.3	17.1	13.6	56.9	5	25	148	0.001	0.0006
137949	764612	8142631	EL27429	0.15	7	29.4	314	2.7	26.4	23.1	29	3.3	45	1140	0.001	0.0018
137950	769446	8162646	EL27429	1.78	58.4	8.1	1360	1.9	10.4	1.29		15	117	22	0.002	0.0022
144951	767798	8165014	EL27429	0.5	78.6	21.6	87.2	2	16.9	0.75		22.4	35	12	0.001	<0.0005
144952	767857	8165146	EL27429	0.13	3	3.9	32.8	0.9	6.3	0.99		14.9	49	10	0.001	0.0008
144953	767785	8165207	EL27429	2.06	46.8	6.8	243	1.5	8	0.38		12.6	116	14	0.001	0.0005
144954	767785	8165207	EL27429	2.73	25.3	6.1	188	1.1	7.7	0.24		12.1	284	13	0.002	0.0006
144955	767785	8165207	EL27429	3.08	66.2	7.5	575	1.4	7.9	0.48		11.3	179	16	0.002	0.0005
144956	767183	8165320	EL27429	0.11	1.9	7.7	26.2	0.9	10.2	1.37		17	17	11	0.001	0.0011
144957	767195	8165163	EL27429	0.13	1.7	7.7	27.5	1.1	8.8	2.43	82.7	18.1	16	12	0.001	0.0006
144958	767281	8164888	EL27429	0.2	1.5	7.8	25.9	1.1	7.2	1.13		6.5	25	10	0.001	0.0015
144959	767262	8164923	EL27429	0.46	1.8	9.2	188	1.8	15.7	2.94	82.3	17.6	73	26	0.001	0.0101
144960	767193	8164425	EL27429	0.16	2	19.3	21.6	1.1	10.7	0.39		15	12	9	0.001	0.0013
144961	774865	8154046	EL27429	0.41	6.2	19	71.8	3.5	16.7	0.40		15.9	10	20	0.001	0.0012
144966	792448	8150172	EL28567	0.13	43.6	23.8	599	42	20.6	0.20		2.7	12	16	0.001	0.0007
144968	794229	8147647	EL28567	0.76	8.1	18.2	133	1.9	12.9	0.64		13.9	34	19	0.001	<0.0005
144969	795162	8146117	EL28567	0.49	4.9	13	84	2.3	15.9	3.68	54.6	50.4	47	29	0.008	0.0024
144970	795162	8146117	EL28567	0.26	2	9.6	59.5	2.3	16.2	0.53		14.8	15	24	0.002	0.0015
144971	796034	8151187	EL28567	0.2	2.3	13.2	134	6.7	13.8	0.13		6.2	4	22	0.002	0.0172

Appendix I: Rockchip analyses for McArthur Basin reconnaissance sampling. Only significant elements are shown.