



THIRD QUARTER ACTIVITIES REPORT

for the quarter ending:

31 March 2013

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The Federal Minister announced his decision to approve the Wiluna Project on 2 April 2013

First tranche of \$8m was drawn down from the finance facility with Macquarie Bank.

New MD commenced role in February with active investor engagement overseas

Interest in Wiluna Project from potential JV partners encouraging after Federal approval was received

CORPORATE

- Immediately post quarter close (on 2 April) Toro received the approval of the Federal Environment Minister for the Wiluna Project, completing all government assessment and approval processes.
- Encouraging engagement from potential financing and offtake partners has been received subsequent to the Federal Government approval.
- Dr Vanessa Guthrie took over as MD of Toro Energy on 9 February. Previous MD Mr Greg Hall remains on the Board.
- In March, Toro drew down the first tranche of A\$8 million from the A\$12 million convertible debt finance facility from Macquarie Bank Limited.
- Cash at end of the quarter was \$10.1 million.

GLOBAL URANIUM MARKET

- The spot price for uranium at the end of the March quarter was US\$42.00/lb U3O8 and at the time of writing US\$40.63 on small volumes with the long term price remaining steady at between US\$56 to US\$59/lb.
- Japanese government announced the nuclear safety regulations will be introduced on July 18 and has indicated that reactor re-starts may occur during the second half of 2013 as a result.

WILUNA PROJECT DEVELOPMENT

- Federal Government approval was granted on 2 April from Minister Burke, subject to 37 strict environmental conditions. Toro is confident it can comply with all conditions at a State and Federal level.
- With the Government approvals now complete the Company is focussing on activities that enhance project value. This includes completion of the DFS and improvements in resource confidence.
- Short listing of engineering consultants to complete the DFS has been finalised and drilling at Lake Way has commenced and will continue at Dawson Hinkler and Millipede over the next four months.

EXPLORATION

- Further analysis of images and data from the airborne EM survey over Wiso and Reynolds Range support large palaeochannel systems similar to Lake Mackay/Theseus.
- Northern Minerals airborne radiometrics defined various anomalies for follow-up on Browns Range JV project.

REVIEW OF BUSINESS

URANIUM MARKET

The spot uranium price at the end of the quarter was around US\$42.00/lb U₃O₈, mainly due to very small volumes of trade late in the quarter, after remaining in a range between US\$44 and US\$41 during the period. Since the end of March, small volumes of trade have moved the price marginally downward to US\$40/lb, with the spot price being tested but market trends supportive at this floor.

The long term uranium price remains around US\$57/lb U₃O₈.



Figure 1 - Spot and long term U3O8 price (Ux Consulting)

In Japan, a Japanese court rejected a petition to shut down the two currently operating Ohi reactors, rejecting a claim that the reactors sit on an active faultline and therefore do not meet the required nuclear safety standards.

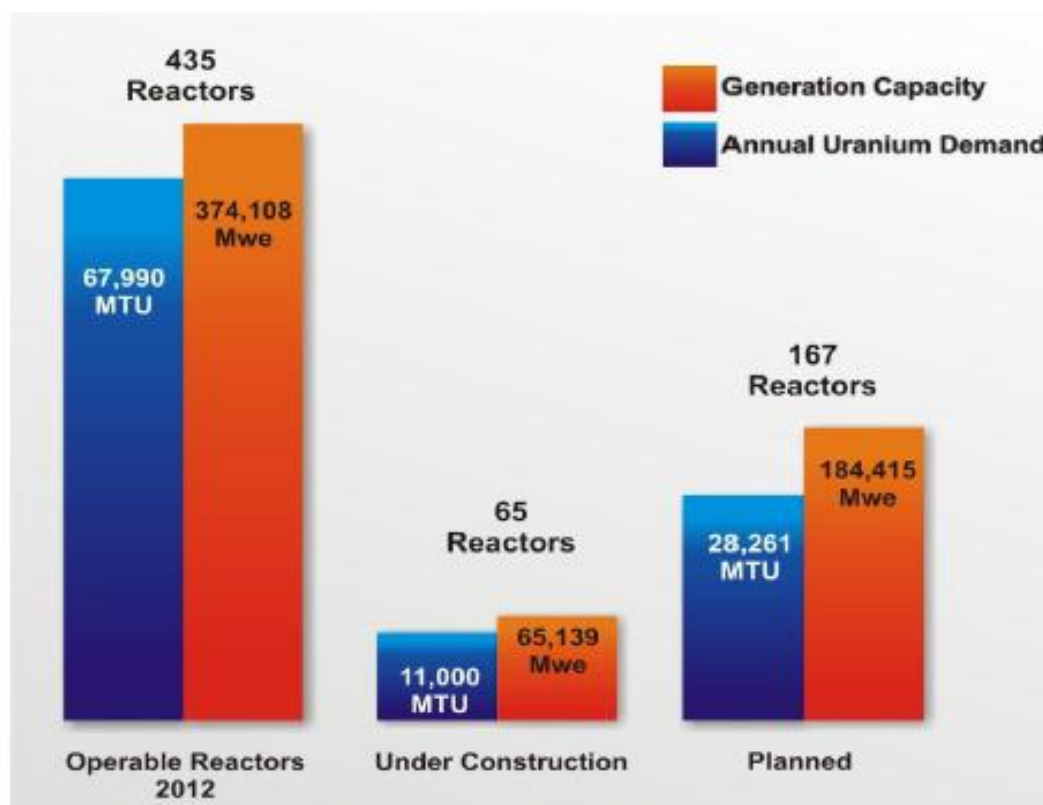
Following a speech to the Japanese Parliament in which Prime Minister Abe pledged to restart Japanese nuclear reactors in the coming 12 months, Industry Minister Motegi announced that the restart of currently idle nuclear capacity may commence in the second half of 2013 after the nuclear safeguards regulations are introduced on July 18.

Currently two to three reactors are predicted to come back on line in 2013 and the ramp up of the remainder of the fleet is likely to take 3-4 years, with between half and two-thirds of the original fleet being re-started. The re-start of Japanese reactors is widely seen as the key indicator of a return of confidence to the uranium market.

China announced a projected doubling in nuclear power capacity by the end of 2013 during the quarter. The power production is anticipated to climb to 70 GWe by 2020, based on the re-start of environmental approvals for new construction projects during March. The first major nuclear power construction project - Unit 1 at Hongyanhe - started up in late February, increasing the country's nuclear power generating capacity by 1GW. New reactor designs have shifted to the "advanced passive" model, which includes a passive fail-safe cooling system. China is projected to increase its nuclear

power capacity to become the world's biggest producer by 2035. Currently, China has 16 nuclear power stations in operation and some 28 under construction.

The current amount of nuclear generation now under construction throughout the world, as well as the number of new reactors now being built, is the highest ever since the inception of the commercial nuclear power industry. In the next decade, world nuclear generation capacity is forecast to go from today's 374 GWe to approximately 623 GWe.



Source: World Nuclear Association; International Atomic Energy Agency.

Figure 2 - Estimates of nuclear power generating capacity and current and proposed new construction

In other global nuclear news: The UK Government approved the construction of a new nuclear power station at Hinkley Point in Somerset, operated by EDF. This is the first new construction in the UK nuclear power industry since 1995, signalling an ongoing commitment to nuclear power in that country. France, South Korea, China and

Russia have been actively progressing discussions for the export of nuclear technology to emerging nuclear power countries including the United Arab Emirates, Saudi Arabia, Turkey, Egypt, Pakistan and the Czech Republic. China is also continuing to actively pursue investments in uranium particularly in Namibia and Niger.

CORPORATE

Immediately post quarter close (on 2 April 2013) the Federal Minister for Sustainability, Environment, Water, Population and Communities, the Hon Tony Burke, advised his decision to approve the Wiluna Uranium Project subject to a number of additional environmental conditions. This completed the Federal and State government assessment and approval process, the Western Australian Government having given its approval in October 2012. The Federal decision provides regulatory certainty for the mine to proceed to a Final Investment Decision once project financing is secured.

To achieve this approval, Toro submitted additional information to the Federal Department of Sustainability, Environment, Water, Population and Communities during the quarter addressing specific aspects of the Project as requested by the Minister. On approval, the Federal Minister imposed 36 conditions further to the WA State approval conditions. Toro is confident it can comply with all conditions.

The assessment and approval process lasted three and a half years during which members of the public had four separate opportunities to review Toro's proposals.

During the quarter, extensive investor briefings and strategic project partner discussions were held throughout Europe, Asia and North America. Toro received encouraging signs that the Wiluna Project is generating high interest and Toro is continuing to engage with potential JV partner groups interested in buying into the project and assisting to finance the mine's construction, in return for a long term uranium offtake arrangement. The number of interested parties engaged in the data room continues to increase, with confidentiality agreements in place and data room access granted to a number of parties.

In March, Toro drew down the first tranche of A\$8 million from the A\$12 million convertible debt finance facility from Macquarie Bank Limited. The A\$8m drawdown maintains Toro's strong working capital position and enables continued project development and financing momentum.

Cash held at the end of the March 2013 quarter was \$10.1m.

PROJECT DEVELOPMENT

WILUNA PROJECT (WA)

(Toro Energy 100%)

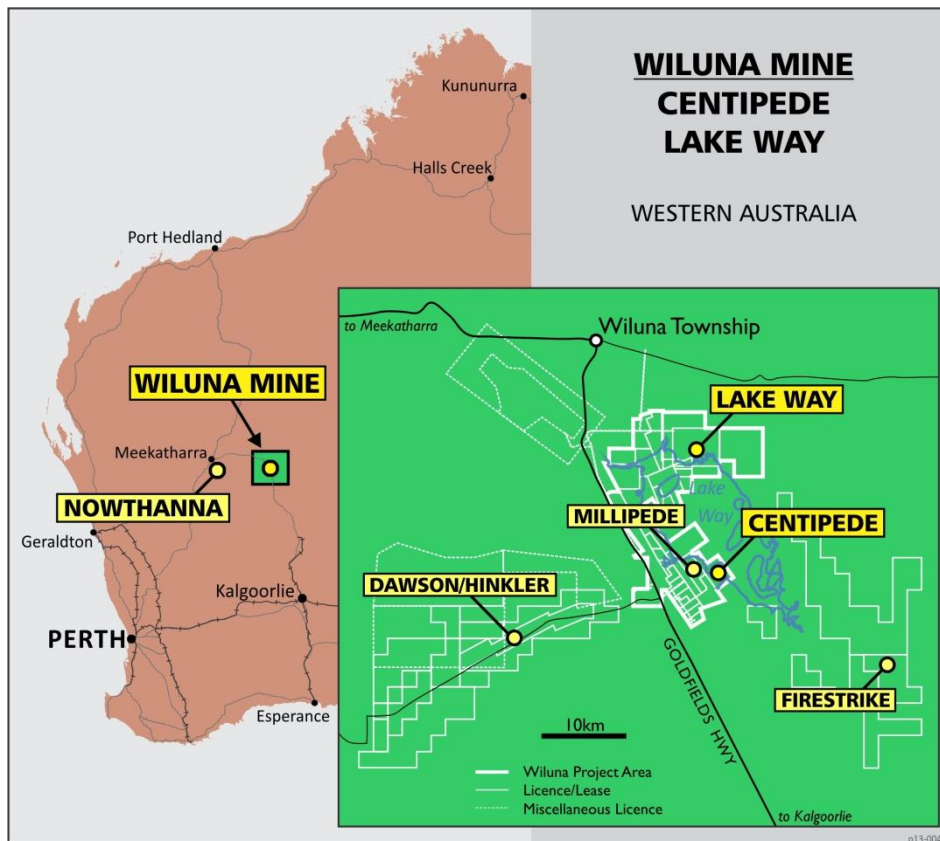


Figure 3: Wiluna Project and Regional Deposits

Project Progress

Detailed drill planning based on current geological models was completed to establish the targets for the 2013 drilling program. The drilling campaign is focussed on Lake Way, Millipede and Dawson Hinkler deposits and is scheduled to commence in April 2013 with a forecast duration of four months.

Heritage surveys were conducted in February to approve the 2013 drill plan at Lake Way and Millipede deposits. Discussions are continuing with CDNTS on the negotiation of a mining agreement.

Expressions of interest for DFS Phase 2 have been received from 12 engineering consultants and the selection process is underway. This engineering package will include all necessary project infrastructure and will deliver the definitive costs and an execution plan for the project.

The Mining Proposal which provides for detailed design for the integration of the mine dewatering, mining engineering and tailings storage facility components of the project is being prepared. The Mining Proposal will also be integrated into the DFS Phase 2.

With Federal approval now in hand, Final Investment Decision is targeted before the end of 2013, subject to market conditions and project financing success. First sales are anticipated by the end of 2015.

The dataroom for the project remains open and there are currently eight interested parties actively reviewing the contents.

Tenement Matters

Tenement summary statistics are given in Table 1. Tenement locations are also shown on Figure 7.

Toro Tenure Area Stats (km2)				Comment
	Granted	Application	Commitment	
Western Australia	906	360	\$1,826,580	
TOTAL	906	360	\$1,826,580	

Table 1: Toro Tenement area statistics as at 31 March 2013

New Tenements, Withdrawals, Relinquishments & Renewals

Applications:

Nil

Granted:

E53/1687 - 36.68 Km2 (12 blocks)
 E53/1688 - 9.18 Km2 (3 blocks)
 E53/1696 - 3.06 Km2 (1 block)

Relinquishments:

E53/1254 - Compulsory Surrender (Section 65) 31.05 Km2 (10 blocks)
 E53.1287 - Deferral from Partial surrender (Section 65) Granted for 1 year
 E53.1288 - Deferral from Partial surrender (Section 65) Granted for 1 year

Renewals & Extension of Term:

E53/1287 - Extension of term granted for 5 years
 E53/1288 - Extension of term granted for 5 years
 E53/1296 - Extension of term granted for 5 years

EXPLORATION

WESTERN AUSTRALIA

Lake Mackay and Theseus Projects

E80/3483, 3484, 3485, 3486, 3519, 3580, 3581, 3582, 3583, 3584, 3585, 3586, 3587, 3588, 3589, 3837, 4449, 4498, 4606, 4607, 4664 and EA80/4747

Theseus core samples are being prepared for analysis of grain size, permeability and porosity testing, which will provide baseline physical data to advance assessment of the project's amenability for in situ recovery ('ISR') techniques. This work will be carried out by the National Centre for Groundwater Research and Training ('NCGRT') and Australian Centre for Sustainable Mining

Practices ('ACSMP') at the University of NSW. This facility offers state-of-the-art equipment and techniques that are tailored toward mining of sensitive commodities in complex subsurface groundwater environments. Toro is keen to develop a research partnership that will facilitate cutting-edge assessment and development of ISR projects in Australian conditions.

Toro is advancing negotiations to joint venture non-core commodities within the Lake Mackay Project tenement package, including potash, base metals and gold. These joint ventures will provide Toro with the ability to focus efforts on advancing the uranium asset at Theseus and making new discoveries in this exciting new province.

NORTHERN TERRITORY

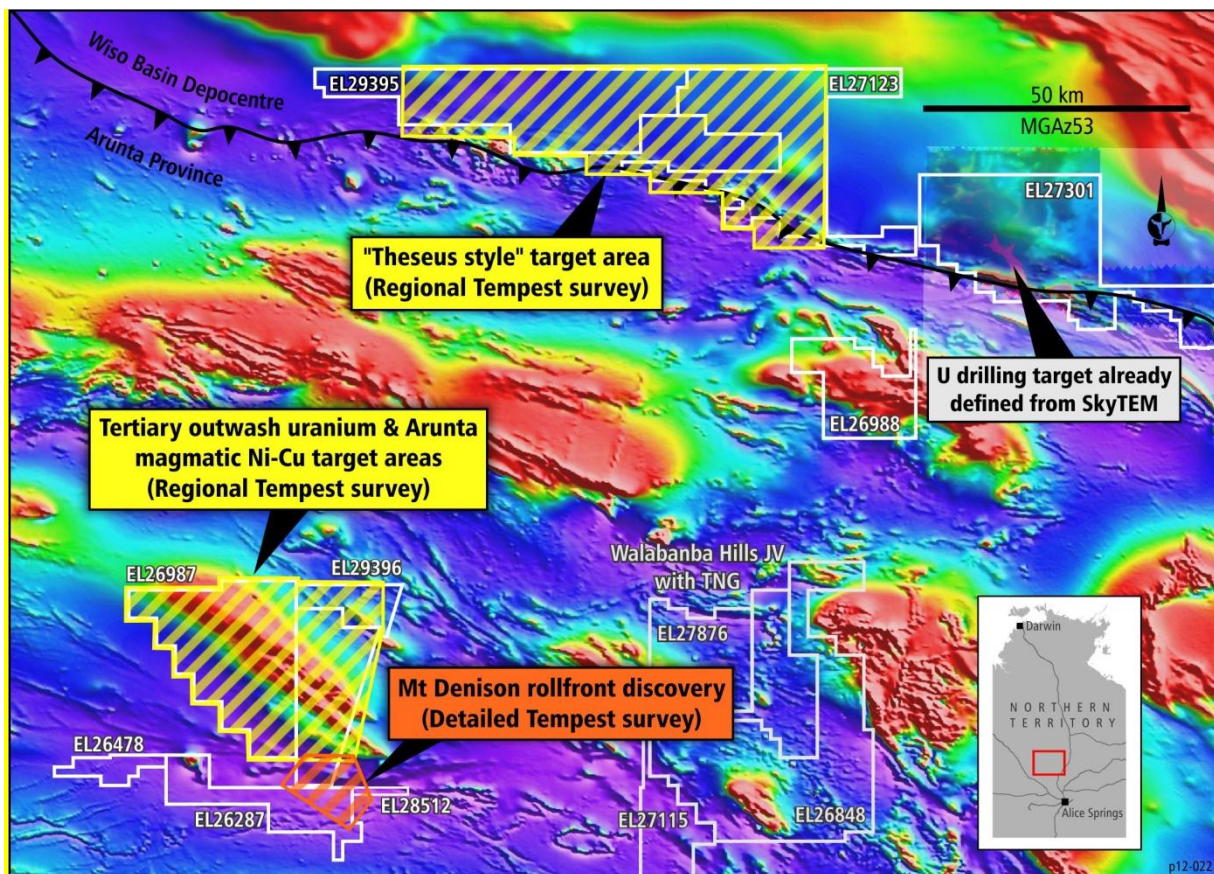


Figure 4: Airborne EM survey locations over TMI on Toro NT tenements

Wiso Project

EL's 26988, 27123, 27138 and 29395

Preliminary images from the three regional airborne electromagnetic surveys in Toro's central Australian projects (Figure 4) show some exciting features that support Toro's predictive model for ISR uranium in central Australia and vindicates the projects the company has secured. Advanced processing to visualise palaeochannel or groundwater architecture in detail will now be undertaken.

At Wiso West, two large oxidised-saline groundwater discharge systems (yellow lines in Figure 4) trend northward, crossing the steep faulted edge of the depocentre of the Wiso Basin (black line) and braiding/dissipating northward across that basin. Blue resistive areas are interpreted as

“untouched” in-situ reduced sediments of the 100-200m thick Tertiary section. A redox “roll front” is predicted to occur at the boundary between the two, and secondary roll fronts can develop where faults in the Wiso Basin feed mobile reductant upward into the highly oxidised Tertiary. This directly mirrors the situation at Theseus, 500 km to the west, where Toro has identified a frontier uranium province and a small uranium deposit within a larger low-grade uranium system (see ASX Quarterly for December 2012). The eastern discharge system in Figure 5 is three times the size of the system defined in the previous Wiso East AEM survey (ASX Quarterly for September 2010), which Toro has already advanced to be drill-ready. Importantly, Toro is first mover in the Wiso Basin and currently holds most of the prospective tenure.

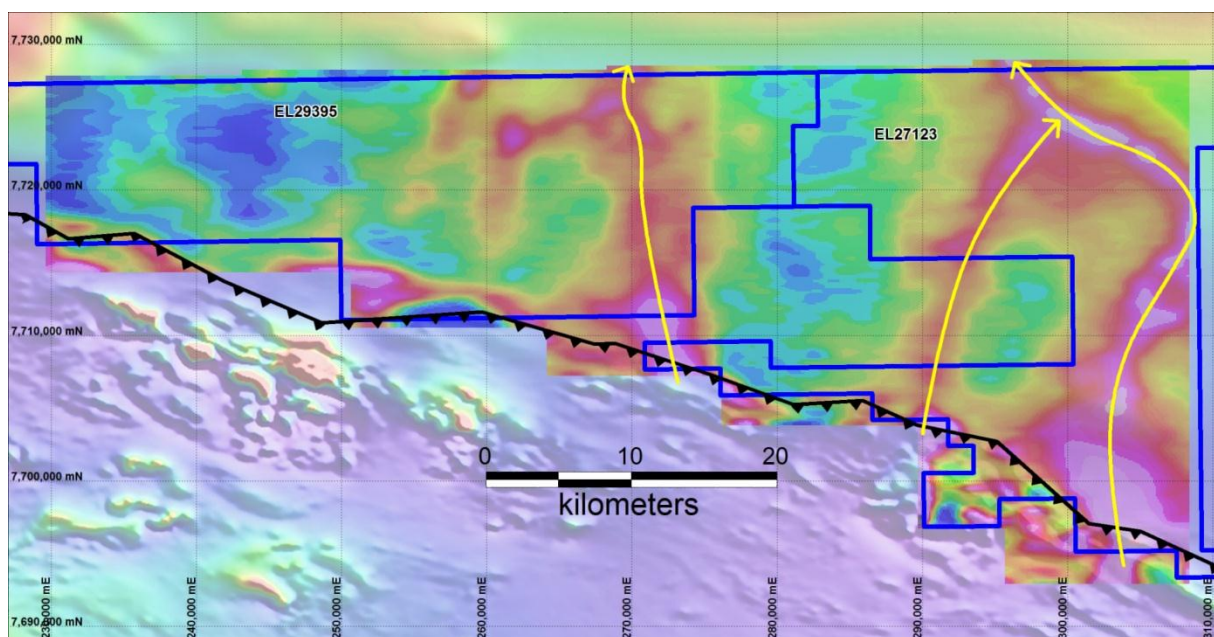


Figure 5: Airborne EM image over TMI for Wiso West project tenements.

Reynolds Range Project

EL's 26287, 26987, 27301, 28512, 29396 and ELA 28513

Preliminary images from the Reynolds Range show a single large conductivity trend (magenta colours in Figure 6) that maps saline groundwater migrating along a palaeochannel of more permeable sand or along a structure within a sand blanket.

The image is highly encouraging, as the boundary between conductive and resistive sediments correlates to anomalous uranium intersections made by Toro at Mount Denison in 2010 (including 0.6m at 151 ppm eU_3O_8 ; ASX Release 21 December 2010). The drilling showed that there is a redox “roll front” roughly at the position of the boundary between conductive and resistive domains. This opens up an enormous area of prospectivity within Toro-held tenements.

Reynolds Range Project (Cont'd)

Toro also made some advancement in the geological understanding of the AEM survey area, which is devoid of any outcrop. Interpretation of airborne magnetics and discussions with staff of the Northern territory Geological Survey suggest the survey area is underlain by a previously-unknown thick sub-basin of the Georgina Basin.

This sub-basin likely contains hydrocarbon source rocks, an important component of the exploration model derived from the Kazakhstan ISR uranium province.

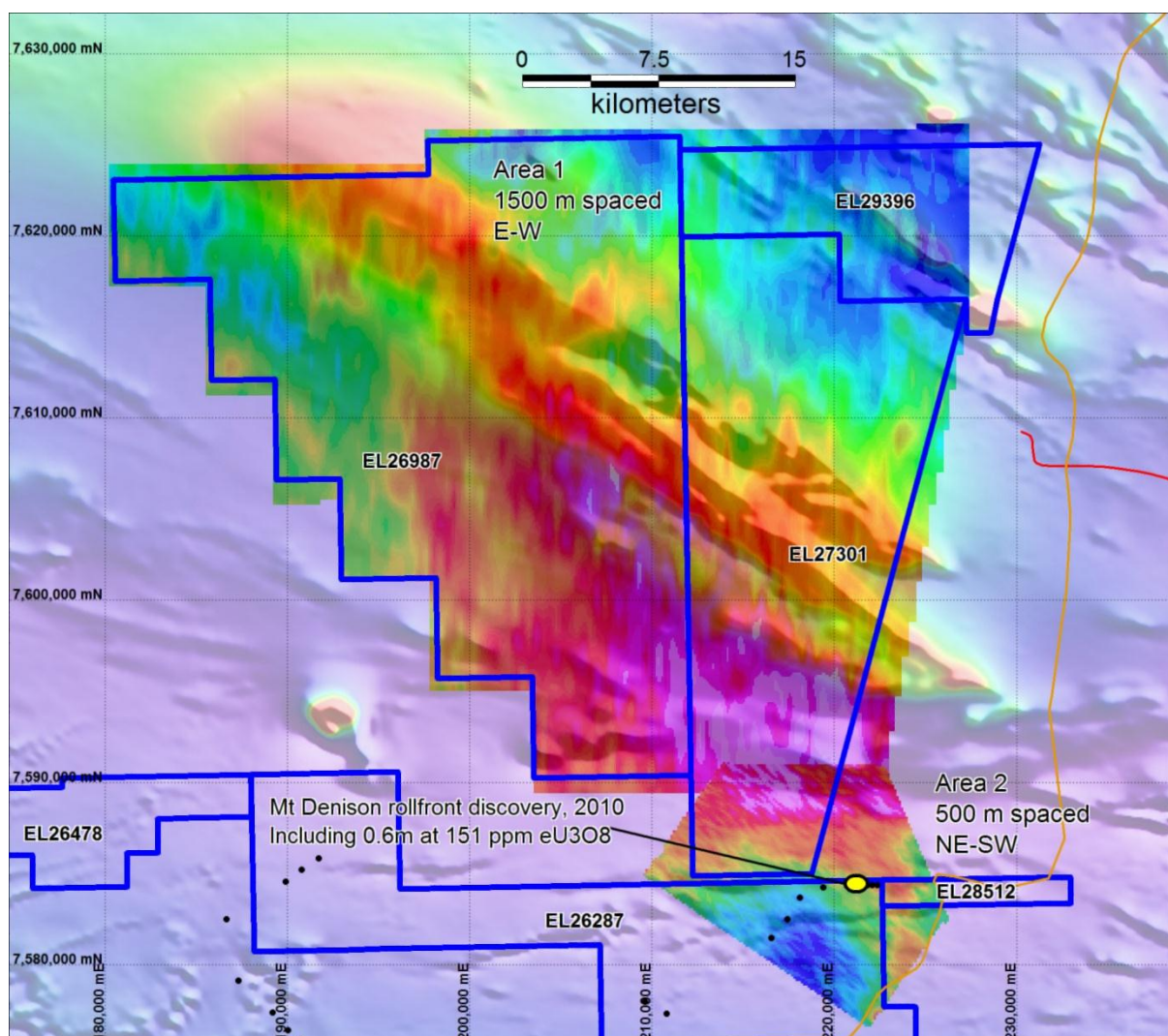


Figure 6: Airborne EM image over TMI for Reynolds Range project tenements.

McArthur Project

EL's 27429 and ELA's 27588, 29636

No further work was carried out on EL27429 during the quarter. Toro is planning a low impact ground program for Q3 2013, once the wet season has passed and the area is dry enough to access.

Benmara Project

EL's 28054, 28750, 28751, 28752, 28806, 28840 and 29476

No further work was carried out in these tenements during the quarter. Toro is planning a low impact ground program for Q3 2013, once the wet season has passed and the area is dry enough to access.

Walabanba Hills JV

(TNG Limited earning 51%)

EL's 26848, 27115 and 27876

No work was carried out during the quarter, but TNG is encouraged by the results of airborne electromagnetics from 2012.

Stanton JV

(Auminco Limited earning 51%)

EL 28567

No work was carried out during the quarter. Auminco recently announced plans to float in the latter part of 2013.

Browns Range JV

(Northern Minerals Limited earning 51%)

EL's 26286, 26635, 27000, 27001, 27270, 27271 and 27590

In late 2012, Northern Minerals commenced first pass exploration across its recently granted tenements in the Northern Territory side of the Browns Range Dome. The exploration program featured airborne magnetic, radiometric and hyperspectral

surveys across a number of new tenements, including a number under the Toro Energy Joint Venture, and also around the previously identified Boulder Ridge HRE prospect. Exploration results have recently identified a number of radiometric anomalies across the region, including some that have uranium-only prospectivity. These anomalies are currently being prioritised for future examination by Northern Minerals. A Heritage Survey is expected to be undertaken this month, and ground work is planned for later in the year.

Toro will part-take in the ground program to elucidate uranium occurrences in this frontier terrain. The airborne survey results confirm the significant potential on the eastern side of the Browns Range Dome, which comprises over 2,000km² but has been largely untested to date. Historical rock chip samples collected by PNC Exploration in the 1980s include several anomalous yttrium values greater than 400ppm in the vicinity of the BRD.

Toro Tenure Area Stats (km2)	31-Mar-13		Comment
	Granted	Application	
Northern Territory	9,650	13,280	\$1,401,000
Namibia	1,323	0	
Western Australia	3,672	167	\$1,710,500
TOTAL	14,645	13,448	\$3,111,500

Table 2: Toro Exploration Tenement area statistics as at 31 March 2013

New Tenements, Withdrawals, Relinquishments & Renewals

Exploration tenement summary statistics are given in Table 2 with locations shown on Figure 7.

Applications:

Nil

Granted:

Nil

Relinquishments:

EL26287 - Relinquished 185.7 Km2 (64 blocks)



Vanessa Guthrie
Managing Director
Toro Energy Limited

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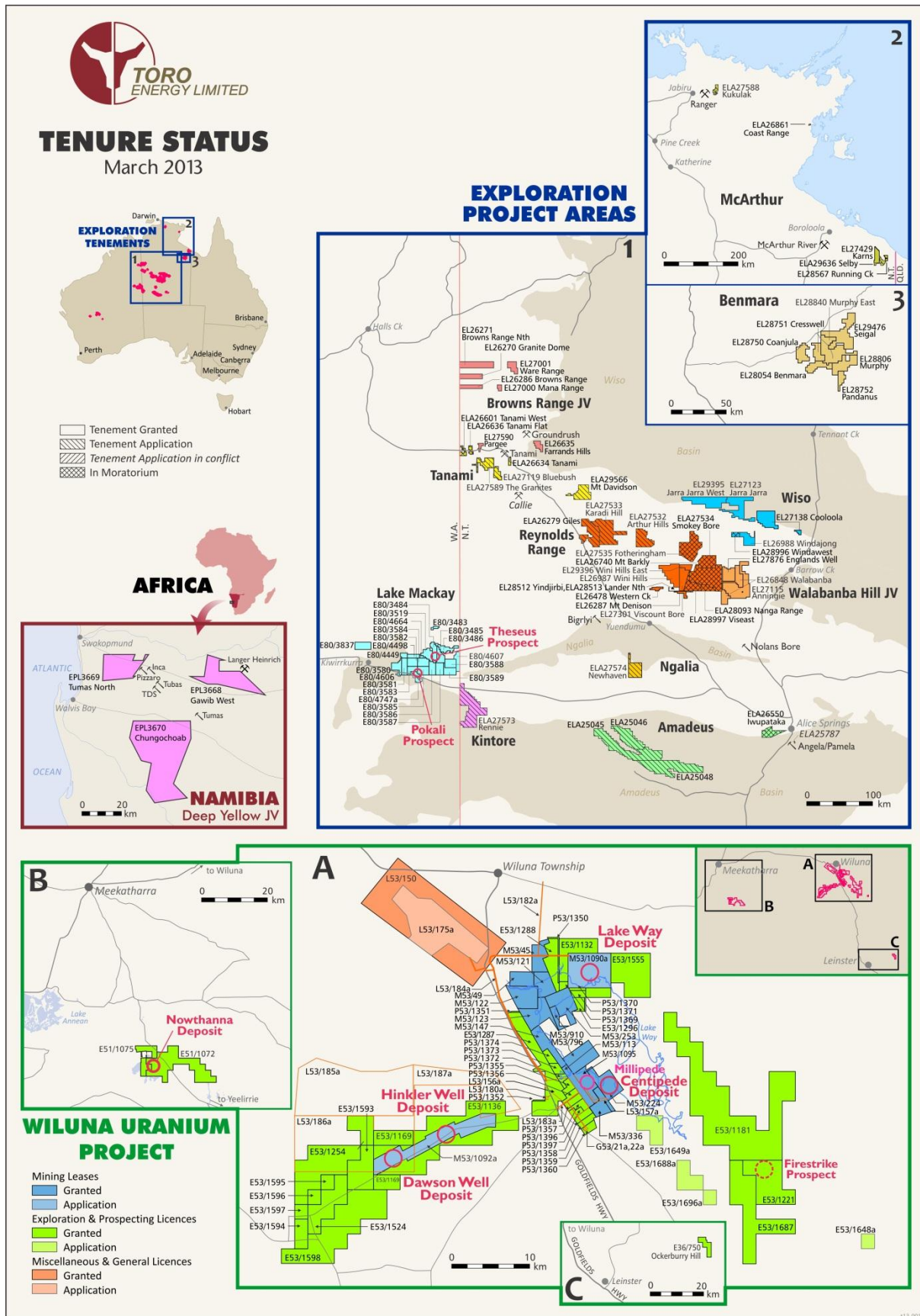


Figure 7: Wiluna District and Exploration tenements in Australia or Namibia as at 31 January 2013

APPENDIX I: COMPETENT PERSON'S STATEMENT

- 1) *Information in this report relating to the Exploration Results is based on work by Dr David Rawlings, who is a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Dr Rawlings is a full-time employee of Toro Energy 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.*

- 2) *All drill holes are vertical and all intersections are considered to be true widths*

APPENDIX 5B
Mining exploration entity quarterly report

TORO ENERGY LTD

ABN. 48 117 127 590	Quarter ended March 2013	
Consolidated statement of cash flows (Note 6.0)		
Cash flows related to operating activities	Current quarter	Year to date (9 months)
	\$A'000	\$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(1,442)	(8,032)
(b) development	-	-
(c) production	-	-
(d) administration	(726)	(2,513)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	17	276
1.5 Interest and other costs of finance paid	(356)	(356)
1.6 Income taxes paid	-	-
1.7 Other	-	-
Net Operating Cash Flows	(2,507)	(10,625)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(17)	(33)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	9	32
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other	-	-
Net Investing cash flows	(8)	(1)
1.13 Total operating and investing cash flows (carried forward)	(2,515)	(10,626)
1.13 Total operating and investing cash flows (brought forward)	(2,515)	(10,626)
Cash flows related to financing activities		
1.14 Proceeds from issues of shares, options, etc	-	-
1.15 Proceeds from sale of forfeited shares	-	-
1.16 Proceeds from borrowings	8,000	8,000
1.17 Repayment of borrowings	-	-
1.18 Dividends paid	-	-
1.19 Other	-	-
Net financing cash flows	8,000	8,000
Net increase (decrease) in cash held	5,485	(2,626)
1.20 Cash at beginning of quarter / year to date	4,698	12,809
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 Cash at end of quarter	10,183	10,183

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	140
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		
Non-cash option expense relating to the 66,643,765 share options issued to Macquarie bank in line with the facility execution and initial drawdown conditions. Non-cash option expense of \$2,961,961 calculated using Black Scholes model.		
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 (A\$12m debt facility)	4,000	8,000
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter	\$A'000
4.1 Exploration and evaluation:	2,896
4.2 Development	-
4.3 Production	-
4.4 Administration	889
Total	3,785

Reconciliation of cash	Current quarter \$A'000	Previous quarter \$A'000
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.		
5.1 Cash on hand and at bank	283	798
5.2 Deposits at call	9,900	3,900
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	10,183	4,698

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		

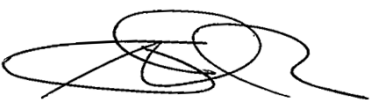
Issued and quoted securities at end of current quarter

	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 Preference securities <i>(description)</i>				
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				
7.5 Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>			<u>Excise Price</u>	<u>Expiry Date</u>
	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
	24,390,244		\$0.12	1/11/2015
	42,253,521		\$0.14	4/03/2016
7.8 Issued during quarter	42,253,521		\$0.14	4/03/2016

7.9	Exercised during quarter				
7.10	Cancelled during quarter				
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: 30 Apr 2013

Print name: TODD ALDER

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>Western Australia</u>		
E53/1688	Granted - Mt Way	0%	100%
E53/1696	Granted - Mt Way 2	0%	100%
E53/1687	Granted - Mona Vale	0%	100%
E53/1254	Compulsory partial surrender 10 blocks - Albion Downs West	100%	100%
	<u>Northern Territory</u>		
EL26287	Partial surrender - Mt Denison (270.3km ² to 84.6km ²)	100%	100%

*Note: Percentage interests relate to Toro's equity interest in the tenements which may be nil due to uranium rights being held or joint venture earn-in arrangements not yet crystallising.