



31% increase in grade of Wiluna (WA) uranium resource to enhance project economics

Successful testing of direct precipitation method to offer improved Wiluna recovery and reduced unit costs

JV with Deep Yellow established to enhance Namibian exploration

WA Govt awards Toro exploration drilling grant

# FOURTH QUARTER

## ACTIVITIES REPORT

for the quarter ending:

# 30 June 2009

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### CORPORATE

- OZ Minerals Ltd shareholders approve sale of selected OZ Minerals assets to MMG, a China Minmetals owned company. Toro continues to have OZ Minerals as major shareholder.
- OZ Minerals reduces Toro shareholding to previously stated preferred position of <50% after completing an off-market crossing (new shareholding 49.9%), and re-iterates continued support for Toro's project advancement and growth plans.
- Mr Mick Myers resigns from the Toro Board, and Mr John Nitschke, Executive General Manager - Projects for OZ Minerals is appointed.

### URANIUM MARKET

- Spot uranium price lifts to US\$52 per lb by the end of the quarter on significant sales volumes over the period. Spot market purchasers were reported to be nuclear utilities (just over 50%), traders (around 30%) and producers (17%).
- Long-term price eases slightly from US\$69 to US\$65, but remains stable.

- Kazakhstan Government initiates an investigation into certain uranium property deals.
- China announces a doubling by 2020 of planned nuclear capacity to ~80GW.

### WILUNA (WA) URANIUM PROJECT DEVELOPMENT

- Completion of resource infill and extension drilling at Wiluna (WA) (Centipede and Lake Way deposits) provides new uranium resource, resulting in a 31% increase in the resource grade, from 419 parts per million (ppm)  $U_3O_8$  to 548ppm  $U_3O_8$ . This will provide a substantial enhancement to project economics, as the tonnage of ore requiring processing for the same uranium output reduces by 20%. Along with this, the Centipede resource is now 90% in the Indicated category.
- Metallurgical testing on Wiluna samples demonstrates viability of the direct precipitation of uranium from saline alkaline leach with improved recovery, providing the opportunity for further capital and operating cost savings.

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## WILUNA (WA) URANIUM PROJECT DEVELOPMENT (cont'd)

- The Lake Way mining lease application has progressed through the WA Department of Mines and Petroleum (DMP) process with no objections, and is currently being advertised under Native Title legislation.
- Capital and Operating cost re-estimates under the Optimisation Study are currently underway. As with the Pre-Feasibility, these estimates will continue to include all costs needed to advance and operate a project, including infrastructure and closure costs. The Study is due for completion early September.

## EXPLORATION

- A JV was established with Deep Yellow's Namibian subsidiary, Reptile, over Toro Energy's majority owned Namibian exploration tenements. In this, Reptile will spend A\$3.5m over the next two and a half years to earn a 65% interest. Toro will retain 25% while a black empowerment enterprise, Sixzone Investments, retains 10%.
- Airborne and magnetic / radiometric interpretation of the western end of the Lake Mackay tenements identified six targets for further follow-up via geochemical sampling and gravity data collection. Along with this, a geochemical sampling and gravity surveying program using helicopter support was completed during May and early June. Results are expected late in July followed by drilling late in August.
- Toro Energy was one of a small number of explorers to secure an award from the WA State Government of \$75,000 towards the cost of drilling two holes on IOCGU targets at Lake Mackay.

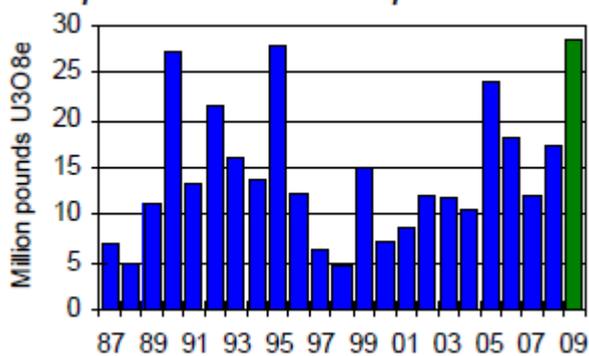
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# REVIEW OF OPERATIONS

## GLOBAL URANIUM MARKET

The uranium spot price reverted higher to US\$54 per lb U<sub>3</sub>O<sub>8</sub> during the June quarter before again showing weakness leading up to the northern hemisphere summer, ending the quarter at US\$52. According to Ux Consulting, volumes traded on the global spot market continued to be historically high, providing the highest first half trading since 1995. Nuclear utilities accounted for half the buy side volume, with traders at around a third and producers at around 17%. Much demand was discretionary in nature, reflecting the belief in the market that these pricing levels are a good buying price to purchase for future use and trading.

**Comparison of 1<sup>st</sup> Half Spot Volumes**



Source: Ux Weekly Report

The long-term price eased to between US\$65 to US\$69 per lb U<sub>3</sub>O<sub>8</sub> but appears to be holding steady at this level. Forward years forecast prices from the Ux Consulting Uranium Market Outlook report are still averaging around US\$75 per lb for the years 2012 to 2020, which Toro believes reflects the ongoing incentive price needed to bring on new production.

In a surprise action, the Kazakhstan Government announced firstly the dismissal and then arrest of the President of KazAtomProm, the country's uranium production company, for potential illegal sale of Kazak uranium assets, and announced that an investigation is underway. The World Nuclear Association and the Nuclear Energy Institute urged a rapid resolution to this issue to uphold the sanctity of contracts made. Major uranium producer, Cameco, stated that the arrests have added more uncertainty in transacting business in the country.

China announced it is considering doubling its previous target for installed nuclear power generating capacity to 86 gigawatts (GW) by 2020. It previously set a goal of 40 GW of nuclear power capacity by 2020.

## CORPORATE

On 11 June, OZ Minerals shareholders voted to accept the Minmetals offer for selected assets of OZ Minerals, forming a new company MMG (100% owned by Minmetals). However, the 51.7% ownership of Toro Energy remained with OZ Minerals. Towards the end of June, OZ Minerals reduced its Toro shareholding by selling 1.8% of Toro issued capital in an off-market crossing to end the financial year at 49.9%, an ownership position that is consistent with its corporate aims.

Due to the OZ Minerals and MMG announcement, Mr Mick Myers, tendered his resignation as a non-executive Director of Toro Energy, and Mr John Nitschke was appointed to the Board of Directors as a non-executive Director. The Board of Directors thanks Mr Myers for his contribution since his appointment early in November 2008, and wishes him well in his future endeavours.

A joint venture (JV) was announced between Toro's Namibian subsidiary, Nova Energy Namibia (Proprietary) Limited, and Deep Yellow Ltd's wholly owned Namibian subsidiary, Reptile Mineral Resources and Exploration (Proprietary) Limited (Reptile). The JV terms stipulate a spend of A\$3.5 million over the next two and a half years on three EPLs held by Nova Energy Namibia, with Reptile then entitled to gain a 65% share of the Joint Venture. Toro will retain 25% with Namibian Black Economic Empowerment (BEE) Company, Sixzone Investments Proprietary Limited, holding a 10% share. Since late in March, any company applying for renewal of EPLs is being informed by the Namibian Ministry of Mines and Energy of a requirement for involvement of a BEE partner before renewals will be granted.

Toro Energy is continuing discussions and evaluations regarding funding options for future project development work. Currently, none of these discussions is concluded, nor advanced to the stage where any announcement is possible. The Company will keep the market fully informed as discussions materialise further. Toro would like to point out it has received considerable interest in its Australian uranium assets from Chinese and Japanese investment groups, in line with the ambitious nuclear power industry development and expansion objectives of those two countries.

At the end of the June 2009 quarter, the Company held cash and net receivables of A\$9 million.

# PROJECT DEVELOPMENT

## WILUNA PROJECT - LAKE WAY / CENTIPEDE URANIUM DEPOSITS (WA)

(Toro Energy 100%)

### Safety

During the drilling programs completed over the past quarter, one Lost Time Injury (LTI) was recorded. An employee suffered a sprained wrist handling a water hose that was under pressure.

### Community Engagement

Meetings were held with the Central Desert Native Title group, and further updates to Wiluna claimant groups are being planned. Planning is underway for an initial Native Title agreement covering exploration and evaluation work under a Definitive Feasibility Study. A draft Indigenous Engagement Policy and Framework will be prepared in consultation with these groups and other stakeholders.

### Optimisation Study

A Mining Lease application was lodged in April over the Lake Way deposit, and has progressed through the DMP with no objections received. The application is currently being advertised under Native Title legislation. The Centipede deposit is already under Mining Lease.

The Optimisation Study being carried out on the Wiluna Project (Figure 1) is ongoing. A number of key improvement areas have been targeted, with the first target of an increased resource grade reached (Target 20% increase - Achieved 31% increase). This increased the resource grade from 419ppm  $U_3O_8$  to 548ppm  $U_3O_8$  and will provide a substantial improvement to the economics of the project (refer Table 1 for new and old resource comparison).

Additional work in the areas of metallurgical testing, revised pit optimisation and capital and operating cost re-estimates to Pre-Feasibility standard, is underway. In particular, Toro will ensure that its project costs, as with the Pre-Feasibility, include all costs needed to advance and operate the project, including all infrastructure and closure costs.

Toro believes the Company is well advanced in achieving its previously outlined improvement targets, with the full impact of this to be calculated as part of the Optimisation Study Report late in the third quarter 2009. A decision to Full Feasibility and formal Approvals is expected soon after this.

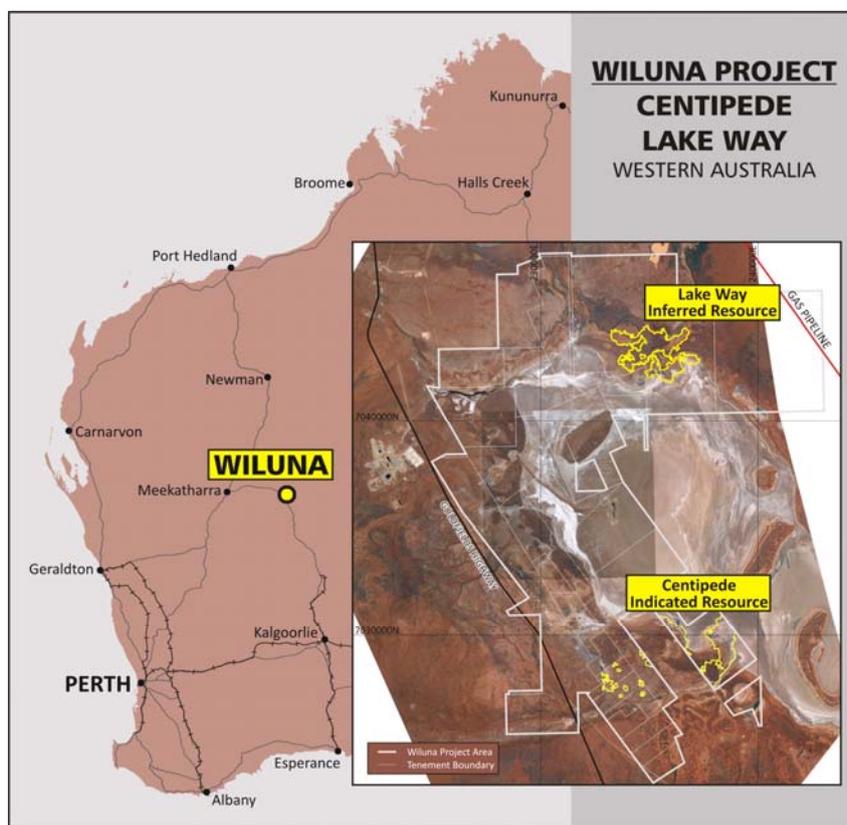


Figure 1: Wiluna Project Location

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## Wiluna Drilling

A sonic drilling program was completed over the Centipede deposit with 20 holes for 181m being drilled. This program provided core samples for chemical assay to verify gamma based grade estimates. This sonic core along with the aircore drilling previously undertaken also provided samples for metallurgical testing. The drilling at Centipede was successful in extending the known mineralisation and showed good continuity of mineralisation (Figure 2).

To improve and upgrade the resource estimates at the Lake Way deposit, an aircore drilling program was completed with 61 holes and 803m being drilled. This program included 25 holes in the 25m x 25m close spaced drill pattern to investigate the short-range variability of the resource. This drilling was successful in extending the resource in some areas and the detailed drilling showed very good continuity of mineralisation (Figure 3) in that area. Results also indicated that where previous drilling had returned null assay values, the gamma data showed anomalous, but generally low grade and/or narrow zones of mineralisation.

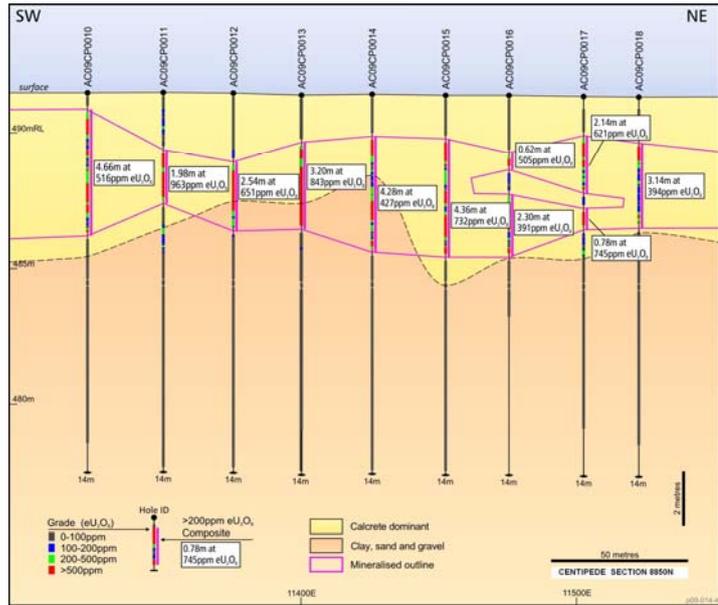


Figure 2: Cross section 8850N – detailed drilling of the Centipede Resource

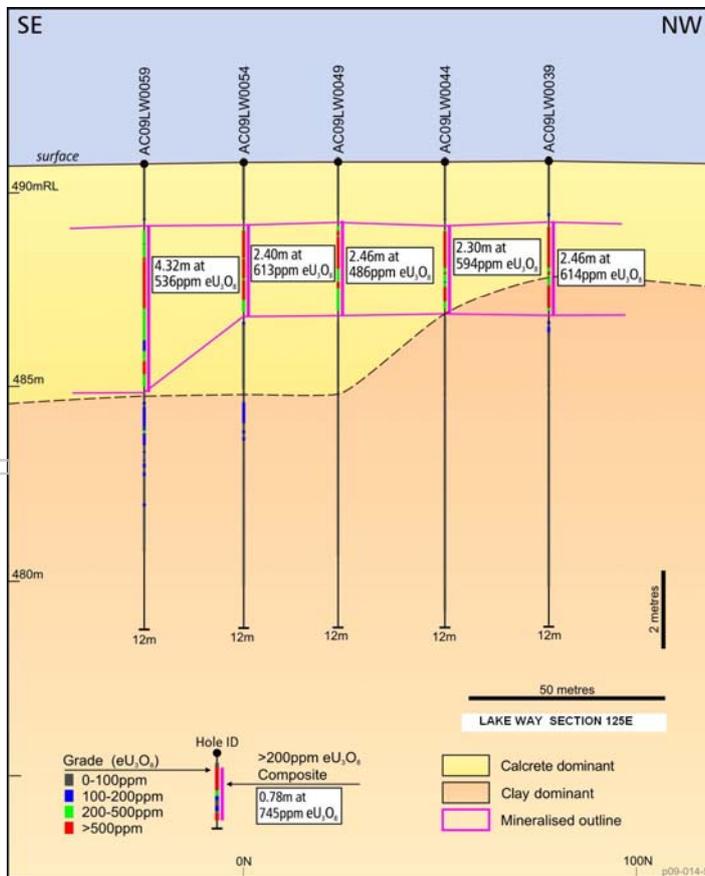


Figure 3: Cross section 125E – detailed drilling of the Lake Way Resource

Disequilibrium studies at both Centipede and Lake Way confirm previous work with only minor disequilibrium at Centipede (0-4%) and at Lake Way, a disequilibrium factor between 10-15%. In both cases, the average assays typically report higher than the gamma equivalent.

## Wiluna Resource Upgrade

A JORC compliant update of the Wiluna Resources was completed by SRK Consulting (Table 1). This update included new data from the recent aircore and sonic drilling programs. The parameters used for the updated resource modeling are provided in Table 2. The updated resource estimate has indicated an overall 31% increase in the average grade of the total Wiluna Uranium Project along with a 2% higher metal content.

Wiluna's new total resource has increased to 20.21 million tonnes at 548ppm U<sub>3</sub>O<sub>8</sub> for 11,070 tonnes (24.4 million pounds) of contained uranium oxide compared to the previously reported resource of 25.83 million tonnes @ 419ppm U<sub>3</sub>O<sub>8</sub> for 10,835 tonnes (23.89 million pounds), both at 200ppm cut-off grade.

Prospect	Category	Jun-09				May-08			
		Resource Million Tonnes	Grade U <sub>3</sub> O <sub>8</sub> ppm	Contained U <sub>3</sub> O <sub>8</sub> Tonnes	Contained U <sub>3</sub> O <sub>8</sub> Mlb	Resource Million Tonnes	Grade U <sub>3</sub> O <sub>8</sub> ppm	Contained U <sub>3</sub> O <sub>8</sub> Tonnes	Contained U <sub>3</sub> O <sub>8</sub> Mlb
<b>200ppm U<sub>3</sub>O<sub>8</sub> cut-off</b>						<b>200ppm U<sub>3</sub>O<sub>8</sub> cut-off</b>			
Centipede	Measured	0.30	588	177	0.39				
Centipede	Indicated	7.68	619	4,754	10.48	9.92	458	4,542	10.01
Centipede	Inferred	1.69	251	424	0.94	1.61	312	502	1.11
Lake Way	Inferred	10.53	543	5,714	12.60	14.30	404	5,791	12.77
<b>Total</b>		<b>20.21</b>	<b>548</b>	<b>11,070</b>	<b>24.40</b>	<b>25.83</b>	<b>419</b>	<b>10,835</b>	<b>23.89</b>

Table 1: Current Wiluna Uranium Resource compliant under JORC compared to previous Resource

Modelling Parameters	Centipede	Lake Way
Mineralised envelope cutoff	70ppm U <sub>3</sub> O <sub>8</sub>	80ppm U <sub>3</sub> O <sub>8</sub>
Data used	All gamma data (0.02m or 0.05m intervals)	Mostly assay data (0.3m or 1.0m intervals), minor gamma data (0.02m intervals)
Composite lengths	0.25m	0.50m
Parent Block Size	50m x 50m x 0.25m	30m x 30m x 0.5m
Selective Mining Unit (SMU) Size	10m x 10m x 0.25m	10m x 10m x 0.5m
Estimation methodology	Ordinary Kriging in parent blocks then applying Uniform Conditioning to the SMU	Ordinary Kriging in parent blocks then applying Uniform Conditioning to the SMU

Table 2: Modelling parameters used for updating the Resource Models

With the project's across-the-board increase in uranium grade estimates, the tonnage of ore requiring processing for the same uranium production output will reduce by around 20%.

This is expected to generate significant improvement in the economics of the Wiluna Project, as outlined in the Pre-feasibility study announced last September and highlighted in the Optimisation Study targets (Table 3).

	<b>Prefeasibility Range</b>	<b>Optimisation Work</b>	<b>Targeted Improvement</b>	<b>Status</b>
<b>Head Grade</b>	472-503ppm	Close spaced drilling	+20%	+31%
<b>Capital Cost</b>	A\$195-A\$247m	Met testing, water quality	-10%	pending
<b>Operating Cost</b>	US\$39-\$41/lb	Grade, Recovery	-US\$6/lb	pending
<b>Recovery</b>	70%-83%	Column leach testing	+2% to +5%	pending
<b>Mine Life</b>	10-12 years	Resource Consolidation	+5 years	pending
<b>NPV</b>	\$74-\$78m		A\$165m	pending

Table 3: Wiluna Project Pre-Feasibility Results and Optimisation Study Targets

### Metallurgical Testing

Test work on the Direct Precipitation method of extracting uranium from a saline alkaline leach solution was successful, with an improvement in recovery. Trials to separate Vanadium from the resulting precipitate are indicating the concept is working, with further test work ongoing. The success of these tests will result in reduced capital and operating cost due to removal of the requirement to wash chlorides from the ore.

Three additional bulk samples from the sonic and aircore drilling program have been delivered to AMMTEC laboratories in Perth and have been prepared for testing. These include:

- a large blended sample (taken from aircore samples representative of the total resource),
- a calcrete dominant sample, and
- a clay dominant sample

The metallurgical tests being conducted on these samples as part of the Optimisation Study include:

- Beneficiation and scrubbing tests
- Communion tests
- Conventional leach tests
- Settling tests
- Rheology
- Mineralogy
- Heap leach tests

### Resource Evaluation Pit

Planning to excavate a costean in the area of close-spaced drilling at Centipede awaits regulatory approvals, expected during the September 2009 quarter. Following a short-term constant rate pump test, further planning is underway to develop and test various strategies for managing water inflow.

The original planned excavation which will test the resource estimate, mining methodologies and grade control processes will be postponed to be part of the definitive feasibility study. However, trenching work and costeans for sampling and groundwater management tests are planned to be undertaken shortly.

### NAPPERBY URANIUM PROJECT (NW Alice Springs, NT)

#### Napperby Scoping Study

The final draft of the URS Napperby Scoping Study has been received. The Scoping Study evaluated a number of processing alternatives, of which two were considered suitable for more detailed study being alkaline heap leach and alkaline agitated tank leach.

This report is now being reviewed and financial modelling based on the outcomes of this report undertaken. Differing sized project alternatives are also being assessed. Outcomes from the Scoping Study will be released to the market on conclusion of the review, expected shortly.

Final rehabilitation and cleanup on site after the previous drilling programs was completed.

# EXPLORATION

The Australian and Namibian exploration licences and applications held by Toro, or subject to uranium access and joint venture rights, as at 30 June 2009 are shown on Figure 3.

Tenure Area Stats (km <sup>2</sup> )	June 30/09	
	Granted	Application
South Australia	8610	
Northern Territory	7820	16340
Western Australia	3210	680
Namibia	1330	
<b>TOTAL</b>	<b>20970</b>	<b>17020</b>
		<b>37990</b>

Table 4: Toro Tenement area statistics

## South Australia Palaeochannel and IOCG Targets

### Warrior Project

*Tarcoola Joint Venture - Uranium only - ELs 3040, 3107 and 3698 - Range River 100% - Toro earning 75%*

*Stellar Joint Venture - ELs 3372 and 3369W - Stellar Resources 100% - Toro earning up to 70% for all minerals*

As announced on 9 June, Toro Energy has withdrawn from the two joint ventures covering the Warrior and Warrior South projects. Final rehabilitation checks are complete.

### Radium Hill Project

*Minotaur Uranium Access Agreement - EL3521 Bonython Hill*

No anomalous uranium results were reported from the 120 samples submitted for analysis. Minor gold and base metals results are being evaluated by Minotaur Exploration. No further uranium exploration is proposed for this tenement.

### Mount Woods Project

*Uranium Access rights to ELs 3056, 3079, 3162 and 3229 - held 100% by OZ Minerals Limited*

*Minotaur Uranium Access Agreement - EL3229*

*Uranium Access rights to EL3302 - held 100% by Minotaur*

OZ Minerals has retained the exploration rights for the Mt Woods Project, in which Toro Energy holds the uranium rights. Further exploration is now being planned.

### Roxby Acropolis Project

*Minotaur Uranium Access Agreement - Minotaur and Toro 100% - JOGMEC earning 51% for all minerals ELs 3761 and 3762*

Japan Oil, Gas and Metals National Corporation (JOGMEC) has formally announced that it has withdrawn from further exploration in the Roxby-Acropolis project area.

Minotaur, together with Toro Energy, which has rights to uranium on these tenements, are planning infill gravity surveys to assist in future drill targeting around the Aphrodite Gravity Target.



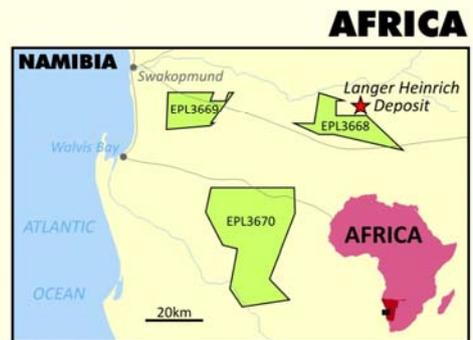
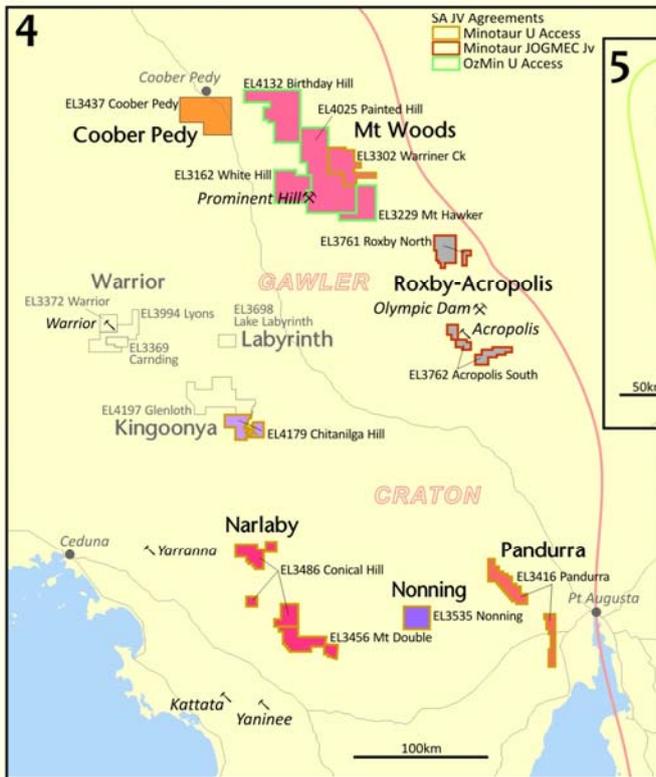
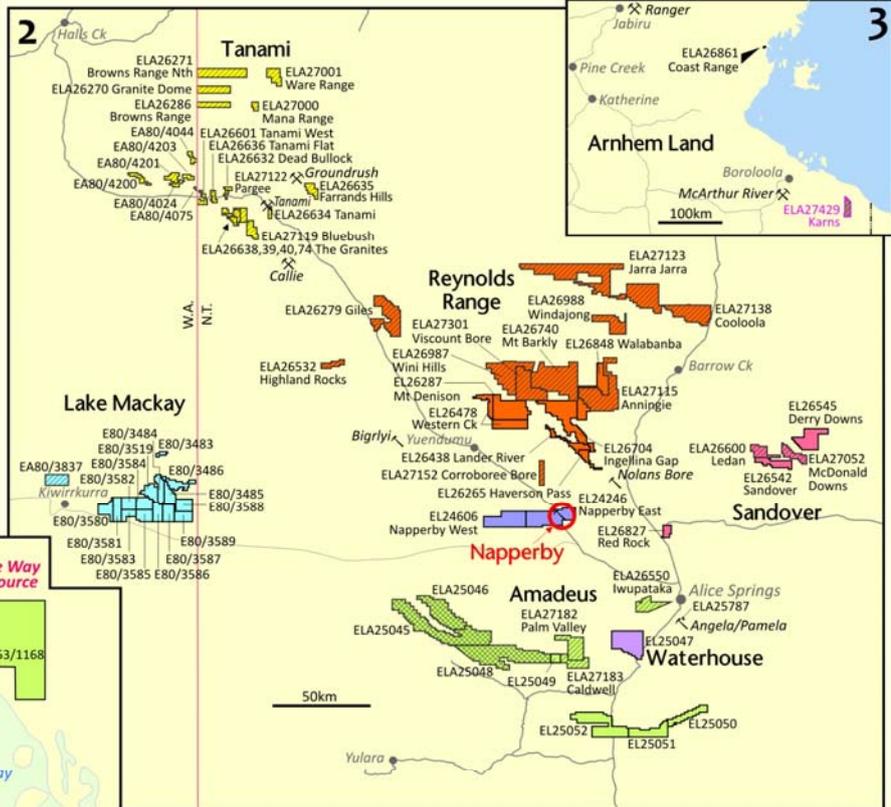
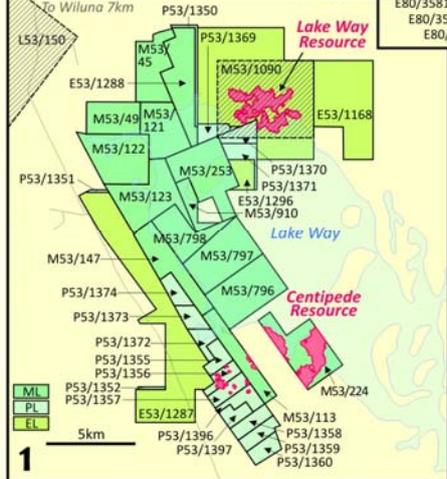
# EXPLORATION PROJECT AREAS AUSTRALIA AFRICA

June 2009

- Tenement Granted
- Tenement Application
- In Moratorium
- Monthly surrenders/relinquishments
- New applications/granted

ELA26789

## WILUNA PROJECT AREA



109-0011

Figure 4: Areas under exploration or JV in Australia or Namibia

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## Northern Territory

### Napperby Deeps Project

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*EL's 24246 and 24606 (DYL 100% - Toro Energy Limited Option to Purchase, 50%/50% on Deeps JV)*

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Three magnetic targets were evaluated by gravity during May. The results from this survey are being assessed but initial interpretations indicate minor gravity anomalies associated with two of the magnetic anomalies. Consideration is being given to drill testing the targets in August-September.

### Reynolds Range Project

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*100% Toro - ELs 26265, 26287, 26438 and 26478 and 26542; ELAs 26740, 26848 and 26704*

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Negotiations with traditional owners and the Central Land Council have continued with a meeting held on 14 May at Mt Barkly.

Toro is in discussions with airborne EM contracting companies and nearby explorers about designing a cost efficient survey over this area. The survey will be used to define major palaeochannels draining from a hinterland with a high radiometric response. Flying is expected to take place early in the September 2009 quarter.

## Western Australia

### Lake Mackay

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*100% Toro - ELs 80/3483, 3484, 3485, 3486, 3519, 3580, 3581, 3582, 3583, 3584, 3585, 3586, 3587, 3588 and 3589; and ELA 80/3837*

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A structural interpretation was completed of the 100m-spaced, airborne magnetic/radiometric survey over the western part of the tenement. This highlighted two stages of magnetite alteration. An early alteration associated with the known mineralisation intersected at Pokali South (Ashburton Minerals ASX 14 November 2008) and a later alteration that overprints major regional structures. Six magnetic targets were recommended for further follow up geochemical sampling and gravity data collection.

A three week geochemical sampling and gravity surveying program using helicopter support was completed during May and early June. A total of 1449 soil samples were collected including 15 that were sieved for size fractions as orientation samples. A further 118 rock chip samples and 178 calcrete samples were also collected. One auger hole penetrating to eight metres was completed in the southern edge of Lake Mackay. Results are expected late in July or early August. A minor radiometric response was noted in a roadside borrow pit to the north of Kiwirrkurra.

An application was made to the WA Department of Mines and Petroleum, Exploration Incentive Scheme, to drill two Reverse Circulation (RC) /Diamond holes to test two magnetic/gravity anomalies defined in the regional airborne magnetic data. Toro Energy was one of a small number to receive an award of \$75,000 towards the cost of drilling the two holes. This drilling is being planned for early September.

## Africa

The restructure of the African tenements is now complete with only three tenements in Namibia being retained.

## Namibia

*90% Toro (through Nova Energy (Namibia) Pty Ltd) - EPL applications 3668, 3669 and 3670, Sixzone 10% (Deep Yellow through Reptile Mineral Resources and Exploration (Proprietary) Limited earning 65%)*

A joint venture, the first between the two companies in Africa, will see DYL (through its wholly owned Namibian subsidiary, Reptile Mineral Resources and Exploration (Proprietary) Limited (Reptile)), spend A\$3.5 million over the next two and a half years on three Exclusive Prospecting Licences (EPLs) held by Toro's Namibian subsidiary, Nova Energy Namibia (Proprietary) Limited (Nova). Reptile will then be entitled to a 65% share of the Joint Venture.

Toro will retain 25% with Namibian Black Economic Empowerment (BEE) Company, Sixzone Investments Proprietary Limited, holding a 10% share. Since late in March, any company applying for renewal of EPLs is being informed by the Ministry of Mines and Energy (MME) of a requirement for involvement of a BEE partner before renewals will be granted.

Reptile has a substantial exploration base at Swakopmund, close to the exploration areas and a Namibian exploration team with a proven record of uranium discovery. The Namibian company is now able to commence work following the grant of renewals for the three Toro-held EPLs, (3668, 3669 and 3670) by the Ministry for Minerals and Energy and the approval of the joint venture arrangement by the Minister.



**Greg Hall**  
Managing Director  
Toro Energy Limited

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

- 1) The information in this report that relates to Mineral Resources is based on information compiled by SRK Consulting by Mr Daniel Guibal who is a Fellow (CP) of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Guibal is a full-time employee of SRK Consulting 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'. Mr Guibal consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.*
- 2) Information in this report relating to Exploration Results from the Napperby Project 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.*
- 3) Information in this report relating to Disequilibrium Results from the Napperby Project is based on information compiled by Mr David Wilson BSc MSc who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Wilson is a full-time employee of 3D Exploration Ltd, a consultant to 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'. Mr Wilson consents to the inclusion in this release of the matters based on his information in the form and context in which it appears.*
- 4) Information in this report relating to Exploration is based on information compiled by Mr Mark McGeough BSc who is a Member 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.*

For other enquiries contact:  
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**APPENDIX 5B**  
**Mining exploration entity quarterly report**

**TORO ENERGY LTD**

ABN. 48 117 127 590

Quarter ended  
**June 2009**

**Consolidated statement of cash flows (Note 6.0)**

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(1,427)	(6,598)
(b) development	-	-
(c) production	-	-
(d) administration	(636)	(2,500)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	146	998
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(1,917)</b>	<b>(8,100)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(19)	(50)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - WA Stamp Duty (Nova Acquisition)	-	(7,998)
<b>Net Investing cash flows</b>	<b>(19)</b>	<b>(8,048)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(1,936)</b>	<b>(16,148)</b>
1.13 Total operating and investing cash flows (brought forward)	(1,936)	(16,148)
<b>Cash flows related to financing activities</b>		
1.14 Proceeds from issues of shares, options, etc	-	12,218
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 (Rights issue costs)	-	(440)
<b>Net financing cash flows</b>	<b>-</b>	<b>11,778</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,936)</b>	<b>(4,370)</b>
1.20 Cash at beginning of quarter / year to date	10,951	13,385
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 <b>Cash at end of quarter</b>	<b>9,015</b>	<b>9,015</b>

<b>Payments to directors of the entity and associates of the directors</b>		Current quarter \$A'000
<b>Payments to related entities of the entity and associates of the related entities</b>		
1.23	Aggregate amount of payments to the parties included in item 1.2	169
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	
<b>Non-cash financing and investing activities</b>		
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	

<b>Financing facilities available</b>	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

<b>Estimated cash outflows for next quarter</b>	\$A'000
4.1 Exploration and evaluation	2,300
4.2 Development	-
4.3 Administration	520
<b>Total</b>	<b>2,820</b>

<b>Reconciliation of cash</b>	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	133	51
5.2 Deposits at call	8,882	10,900
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>9,015</b>	<b>10,951</b>

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	<b>Preference securities</b> <i>(description)</i>			
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	<b>Ordinary securities</b>	555,757,795	Fully paid	Fully paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs			
7.5	<b>Convertible debt securities</b> <i>(description)</i>			
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted			
7.7	<b>Options</b> <i>(description and conversion factor)</i>		<u>Excise Price</u>	<u>Expiry Date</u>
	4,000,000		\$0.40	23/03/2011
	2,000,000		\$0.35	31/03/2011
	1,000,000		\$0.45	31/03/2012
	500,000		\$0.65	26/09/2011
	440,000		\$0.88	11/12/2011
	200,000		\$1.15	18/03/2012
	100,000		\$1.21	09/04/2012
	20,000		\$1.21	18/02/2012
	100,000		\$1.21	02/07/2012
	860,000		\$0.61	13/12/2012
	500,000		\$0.73	18/11/2012
	3,000,000		\$0.73	19/11/2012
	850,000		\$0.55	06/08/2013
	1,665,000		\$0.25	17/12/2013
7.8	Issued during quarter			

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7.9	Exercised during quarter				
7.10	Cancelled during quarter				
7.11	<b>Debentures</b> (totals only)				
7.12	<b>Unsecured notes</b> (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.

*Donald Stephens*

Sign here:.....  
Company Secretary

Date: 28 Jul 2009

Print name: DONALD STEPHENS .....

### 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.

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