



# SECOND QUARTER

## ACTIVITIES REPORT

for the quarter ending:

# 31 December 2010

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Over 6m lbs additional uranium resource at Wiluna with Dawson-Hinkler project acquisition

Active consolidation of resources continues, with additional tenement applications over extensive ground west of Dawson-Hinkler

Preparation of ERMP document well advanced for February submission

Toro Energy on track to commission the Wiluna Project in 2013

### CORPORATE

- Toro completed the agreement to purchase the Dawson-Hinkler Well uranium project from U308 Ltd, adding around 6mlbs uranium resource at Wiluna.
- Additional tenement applications were made over ground to the west of the above project, with these new tenements called the Albion Downs Project.
- Toro completed the purchase of tenement titles, pastoral leases and other assets at Wiluna from MMG, providing full land tenure security to the development of the Wiluna Project.
- Cash and net receivables at end of quarter A\$36.1m.

### GLOBAL URANIUM MARKET

- The uranium spot price increased 35% during the quarter to US\$62.50/lb  $U_3O_8$  driven by increasing short term demand coupled with continuing supply uncertainty.
- The long term price at quarter end was US\$67/lb  $U_3O_8$ .
- Both spot and long term prices continue to increase, propelled by increased purchasing of future supplies by in particular China, along with corporate M&A activity, which is restricting the availability of future potential production to the general market.

### WILUNA PROJECT DEVELOPMENT

- Work continued on drafting of the Environmental Review and Management Programme (ERMP) targeting February for first draft submission to government.
- An inspection visit to the Wiluna site was carried out by the WA EPA Board.
- Bench-scale testing for the agitated leach process is underway with a Pilot Plant process to follow. These results will provide final parameters for the Feasibility Study.
- Resource infill drilling programs were completed, with results to be incorporated into an updated resource during the third quarter.
- Traditional Owners undertook an extensive ethnographic survey to assist the preparation of a Cultural Heritage Management Plan.

### EXPLORATION

- Anomalous uranium associated with a REDOX front was intersected in aircore drilling at Reynolds Range, NT. Hole RP0027 reports assay results averaging 0.4m @ 193ppm  $eU_3O_8$  from 159m and RP0024 reports 0.34m @ 161ppm  $eU_3O_8$  from 159.13m.
- Strong alteration and minor uranium and base metal anomalism intersected at the Birrindudu Project, WA.

# REVIEW OF BUSINESS

## GLOBAL URANIUM MARKET

The uranium spot price increased by 35% to end the quarter at US\$62.50/lb U<sub>3</sub>O<sub>8</sub>, and has continued to increase to US\$69.00/lb at time of writing. Buying to secure future required supplies has increased demand, which has encouraged sellers to increase prices. This price increase has attracted financial players back into the short term market also.

The long-term price increased to US\$67/lb U<sub>3</sub>O<sub>8</sub> by the end of the quarter. An increasing number of nuclear utilities are back in the market with Requests for Proposals for uranium supply from 2014 and 2015 onwards, usually out to 2020 or so. This is the timeframe that Toro Energy is seeking sales agreements for its uranium production.

The increased buying by China and existing nuclear power utilities has been exacerbated by the locking in of future production by increased M&A activity. Essentially it is believed that every time a Chinese group purchases a project or a share of a project, that future production is removed from the general market.

Commitments to new nuclear power stations globally continue. China is hinting at increasing its planned 70GWe new reactor build plan to as high as 112GWe.

Kyushu Electric Power Company filed an application with Japan's Ministry of Economy, Trade and Industry seeking approval to construct a third reactor at the Sendai nuclear power plant. An environmental assessment has already been completed, and the utility has secured local government approval for the project. Japan currently has 55 reactors operating, two under construction and 12 under planning.

Some existing uranium producers continue to indicate shortfalls in production, which will be made up with spot purchases for contracted deliveries. This supply shortfall also supports the current price increase.

### Ux U<sub>3</sub>O<sub>8</sub> Prices

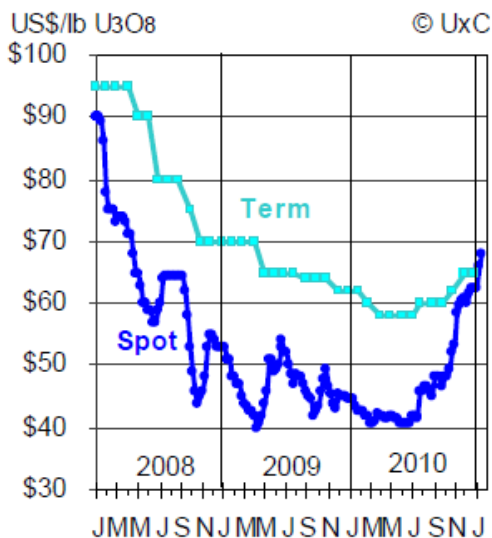


Figure 1: Spot and Long Term Uranium prices  
Source: Ux Consulting

## CORPORATE

Toro completed the agreement to purchase the Dawson-Hinkler Well uranium project from U3O8 Ltd, adding around 6mlbs uranium resource at Wiluna. This agreement added resources to a future Wiluna Project at a cost of around \$1-00 per lb U<sub>3</sub>O<sub>8</sub>, substantially below similar project acquisition costs. This brings Toro's total uranium resource in the Wiluna region to 30.6mlbs (refer to Resource Table in Appendix 1).

Additional tenement applications were made over a significant area of ground containing uranium potential to the west of the Dawson-Hinkler Well Project, and contained within the same uranium mineralised channel. These new tenements are referred to as the Albion Downs Project (refer Figure 3).

Toro completed the purchase of the tenement titles (Toro previously held uranium rights), pastoral leases and housing assets at Wiluna from MMG, providing full title and land tenure security to the development of the project.

At the end of the June 2010 quarter, the Company held cash and net receivables of A\$36.1 million.

# PROJECT DEVELOPMENT

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

(Toro Energy 100%)

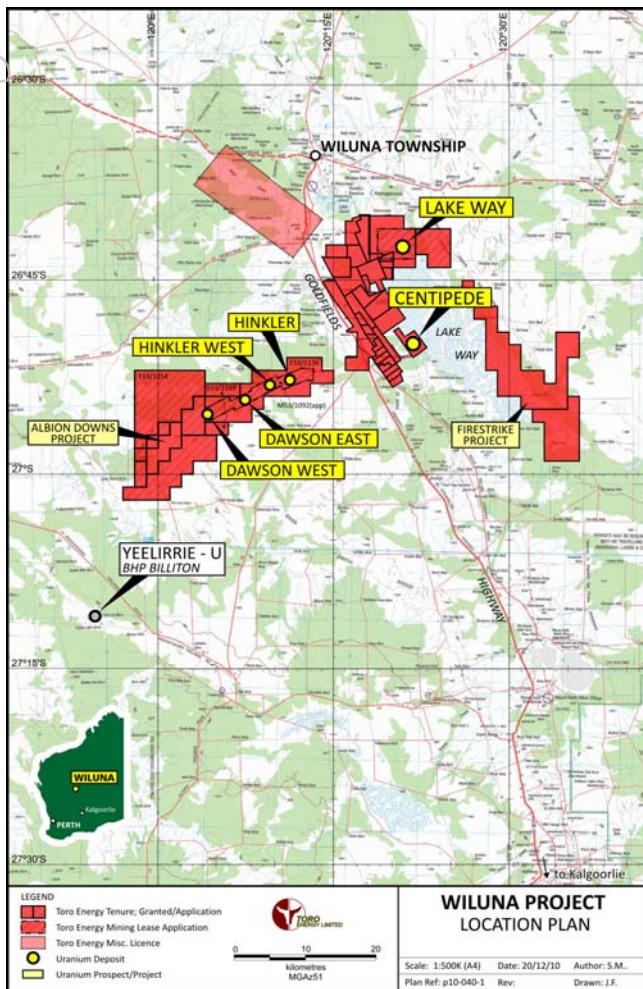


Figure 2: Wiluna Project Location

Wiluna Project activity was focused on compilation and drafting of the Environmental Review and Management Programme (ERMP) document, which Toro plans to submit to the WA EPA by the end of February 2011. Review of drilling results from the 2010 resource drilling program, metallurgical testing on trial pit samples, along with new project acquisition work is ongoing.

### Project Progress

Based on the Environmental Scoping Document approved by the EPA during the previous quarter, work has continued on the preparation of the ERMP. This work remains on schedule for submission of the first draft to the EPA.

A program of bench testwork for the agitated leach processing option commenced in November and continues into the New Year. Subject to the results of this work a Pilot Plant test program will follow using approximately 15 tonnes of the mineralised material extracted from the trial pit. This Pilot Plant process is planned for March.

The resource test pit program was completed during the quarter, and the excavation was backfilled and initial rehabilitation completed. Final rehabilitation will be undertaken following the return of material from further testwork and as conditions permit. Bulk samples are now in Perth awaiting the pilot process testing.

Hole Number	From (m)	Anomalous interval thickness (m)	Average grade eU <sub>3</sub> O <sub>8</sub> (ppm)
ACI0CPW001	1.35	0.64	306
ACI0CPW012	6.26	1.44	232
ACI0CPW016	3.45	0.54	234
ACI0CPW029	5.88	0.66	295
ACI0CPW032	3.82	0.7	280
ACI0CPW036	0.64	0.9	488

Table 1: Selected drilling results from Centipede West as at Dec 2010. These are outside the existing planned mining envelope, and hence indicate extensions to planned mining zones

## Wiluna Project Progress (Cont'd)

The infill resource drilling program which commenced in July on the Centipede and Centipede West tenements was completed. Drill results from Centipede West confirm uranium mineralisation to the west of the present mining envelope. Selected best results are summarised in Table 1 for results >200ppm with a full drill summary given in Appendix 2.

The sonic resource definition drilling program on both the Centipede and Lake Way tenements was also completed successfully. A full resource update of the Wiluna Project resource is now being undertaken.

## Wiluna Community

During October, under arrangements made with Central Desert Native Services (CDNTS), cultural mapping was undertaken of the Project Area. This involved Traditional Owners undertaking an extensive ethnographic survey of the Lake Way and Centipede deposits and proposed infrastructure locations and corridors. This work will support the development of a Cultural Heritage Management Plan.

The Indigenous training and employment program continued with two trainees and a mentor employed in work associated with rehabilitation of the Resource Test Pit and previously disturbed monitoring sites.

The Board of the WA EPA inspected the Lake Way and Centipede deposits during a site visit in early November. An information visit was also provided to the Conservation Council of Western Australia.

## NAPPERBY URANIUM PROJECT (NT)

The final inspection by the NT Department of Resources was completed in early November. Toro has received the final sign-off for the rehabilitation work completed.

## EXPLORATION

The second quarter drill hole information with anomalous gamma results is summarised in Appendix 2 with Wiluna aircore drilling at Centipede West and Far West also included.

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 2010, are shown on Figure 7 and are summarised in Table 2.

### New Tenements and Applications

- Applications EA80/4449 and E80/4498, shown on Figure 3, adjacent to the Lake Mackay Project area were made covering an extension of the large structure bounding the northern margin of the Amadeus Basin, analogous with Theseus Prospect to the east.
- Toro has applied for vacant ground; E53/1593, E53/1594, E53/1595, E53/1596, E53/1597 and E53/1598, surrounding the recently acquired U308 Ltd (ASX: 'UTO') Dawson-Hinkler Well Project near Wiluna (*refer Toro's ASX release, 13 Dec 2010*). This project, now named "Albion Downs Project", lies about 35km to the west of the Centipede deposit, part of Toro's Wiluna Uranium Project (*refer Figure 2 for details*).
- EPL's 3668, 3669 and 3670 in Namibia were renewed until November 2011, during the quarter.

### Tenement Withdrawals & Relinquishments

- Toro has withdrawn from EL 25049 and EL 27183 "Amadeus Project" in the NT. Toro was unable to reach agreement with the traditional owners for exploration to go ahead in these areas.

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Toro Tenure Area Stats (km2)			Comment
	Granted	Application	
South Australia	5,830		Uranium rights only
Northern Territory	9,261	19,240	
Western Australia	5,497	403	Includes Wiluna Project
Namibia	1,323		25% share
<b>TOTAL</b>	<b>21,911</b>	<b>19,643</b>	

Table 2: Toro Tenement area statistics as at end of December 2010

## Western Australia

### Lake Mackay Project

100% Toro - ELs 80/3483, 3484, 3485, 3486, 3519, 3580, 3581, 3582, 3583, 3584, 3585, 3586, 3587, 3588 and 3589; and 3837 and applications E80/4449 and E80/4498

Rehabilitation of the 2010 aircore and mud rotary program was completed on 1 December 2010.

Toro contracted Haines Surveys in early October to collect detailed gravity data over three areas of the Lake Mackay Project shown on Figure 3.

The results from this survey are summarised in the Exploration Update (refer ASX Release: 21 December 2010).

Toro presented to the traditional owners at Kiwirrkurra on the 2010 exploration program.

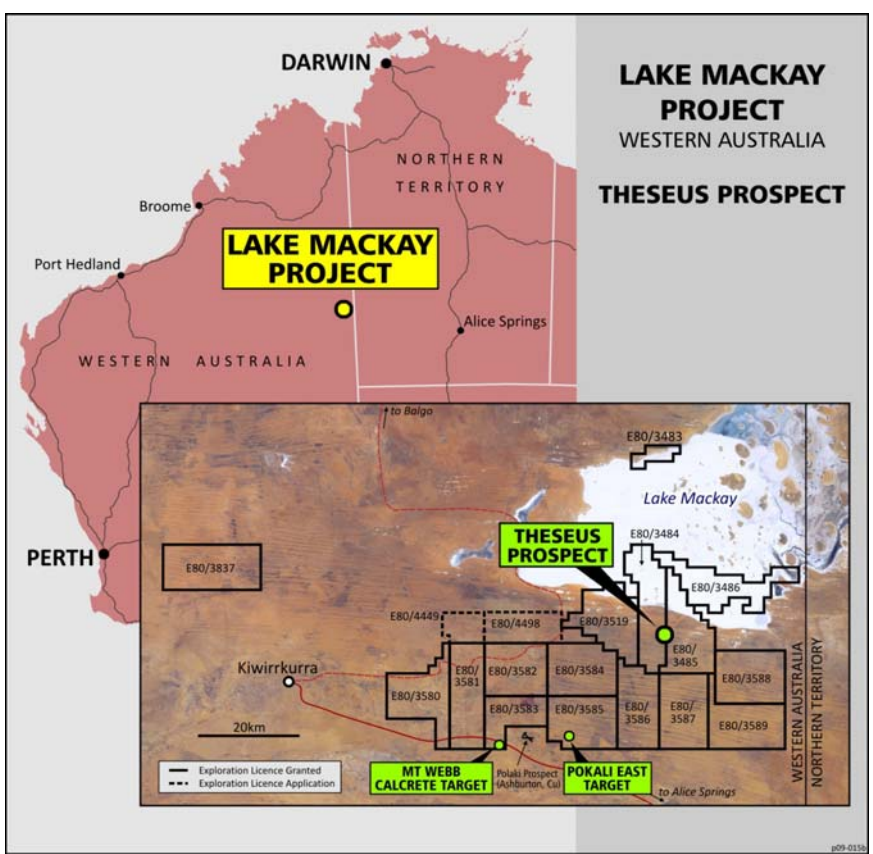


Figure 3: Lake Mackay location diagram

## Birrindudu JV

*JV Toro earning 50.01% from Cameco on ELs 80/3551, 3553, 3554, 3555, 3556, 3557, 3558, 3559 and 3560*

Toro undertook Reverse Circulation (RC) drilling of unconformity targets in the eastern and central parts of the project area (Ringer Soak and Ventura respectively) during the quarter, shown on Figure 4. A total of five holes for 804m were drilled. The most encouraging results were from drill holes BR0001 and BR0003 at the Ventura Prospect.

Dark grey, sulphidic and graphitic alteration was intersected in Gardiner Sandstone over a 30m interval at approximately 45m depth in both holes. This zone is interpreted to be an alteration plume from a deeper source, perhaps at or near the unconformity.

RC drilling at Ringer Soak was only partially completed due to start of the wet season rains.

Toro has advised Cameco that it has completed the Earn-In expenditure of \$1m.

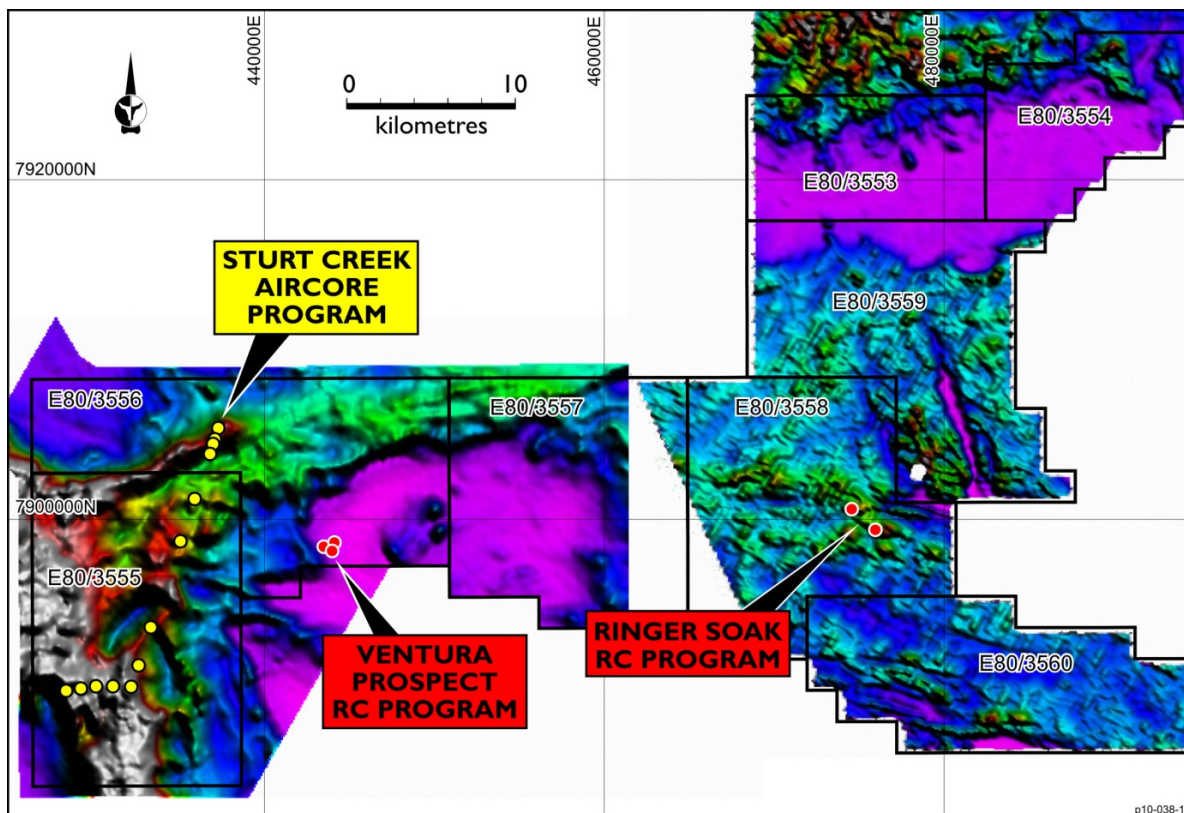


Figure 4 : Airborne EM image of the Birrindudu Project area with 2010 drill locations

## Northern Territory

### Reynolds Range Project

*100% Toro - ELs 26265, 26287, 26438, 26478, 26704, 27115, 26848, 27138 and 26542; Various ELA's shown on map*

Toro Energy undertook an aircore drilling program over granted parts of the Reynolds Range project area during the quarter where there is existing airborne electromagnetic coverage. A total of 39 aircore holes were completed for 3,501m.

During this program, Toro discovered distinctive redox interfaces and moderate uranium mineralisation in Tertiary unconsolidated sands and clays in the NE corner of Toro's Mt Denison tenements. Figure 5 shows the location of the anomalous uranium intersections.

Heavy rainfall disrupted the drilling program and completion of the program is now planned for Q2 2011.

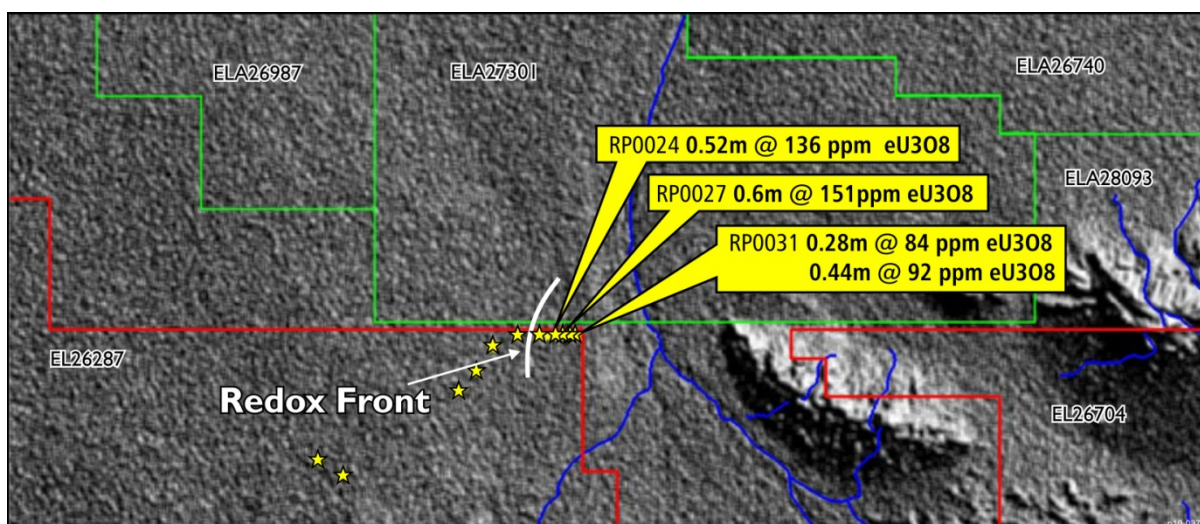


Figure 5: Area of immediate interest situated in the NE corner of the Mt Denison tenements

## Sandover Project

100% Toro - ELs 26542, 26545, 27052, 27531 and ELA 26600

In total, 47 holes for 3,314m aircore holes were drilled, all of which were radiometrically probed and assayed. These proved to be unsuccessful in defining significant sand units in the expected cover sequence, and no significant uranium anomalies were identified. Most radiometric anomalies relate to thorium, possibly in the form of detrital monazite in the sediments.

## South Australia IOCGU Targets (Uranium access rights only)

### Mount Woods Project

Oxiana (now OZ Minerals) Uranium Access Agreement- ELs 4132, 4025, 4283 and 4390 - held 100% by OZ Minerals Limited

Toro continues to review OZ Minerals exploration information provided for these tenements under the uranium access agreement.

## Roxby-Acropolis Project

Minotaur Exploration Uranium Access Agreement- ELs 3761 and 3762

A second hole (AS10D04) shown on Figure 6 was drilled at the Aphrodite gravity anomaly located 13 kilometres southeast of the Wirrda Well Prospect and 35 kilometres southeast of the Olympic Dam mine and the target was IOCG-style mineralisation. The hole intersected basement lithologies from 655.5 metres to total depth of 828.8 metres consisting predominantly of foliated and mylonitised porphyritic granite (Donington Granitoid Suite), but lacking any significant IOCG-style alteration and mineralisation. The granite has an average density of ~2.77 g/cc and is not sufficiently dense to account for the gravity anomaly, the source of which remains enigmatic.

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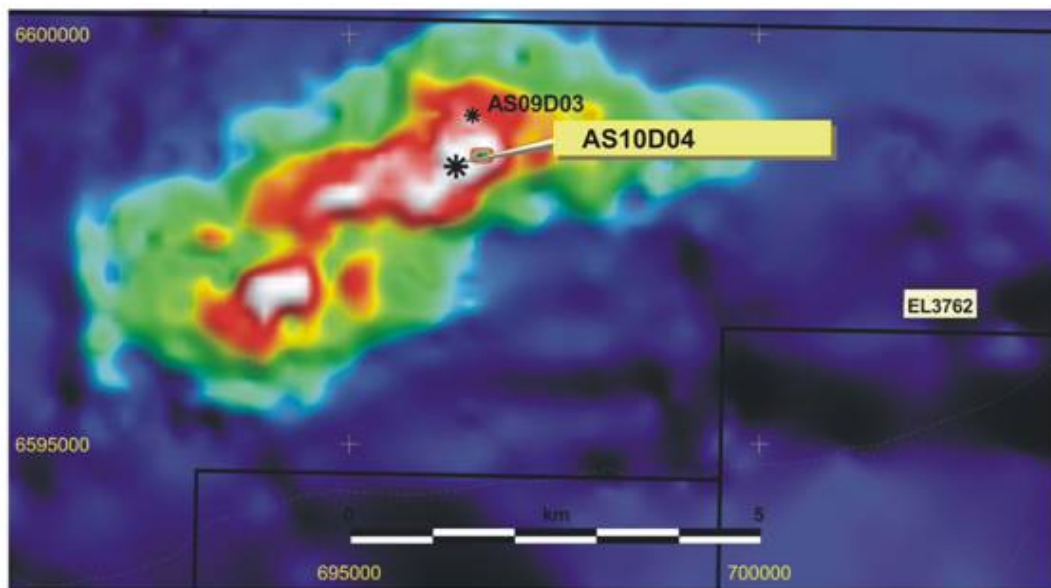


Figure 6: Residual gravity image of Aphrodite Target showing location of Minotaur drillholes

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**EXPLORATION  
PROJECT AREAS  
AUSTRALIA  
AFRICA**

EOM December 2010

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

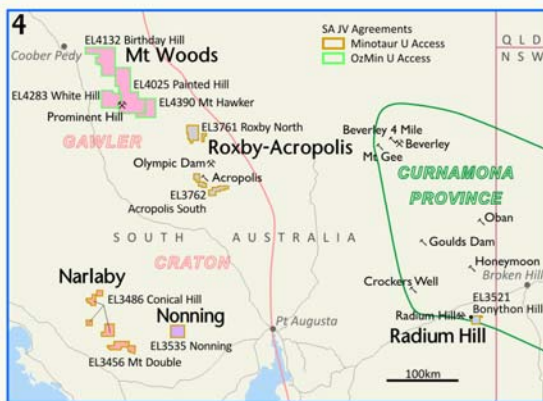
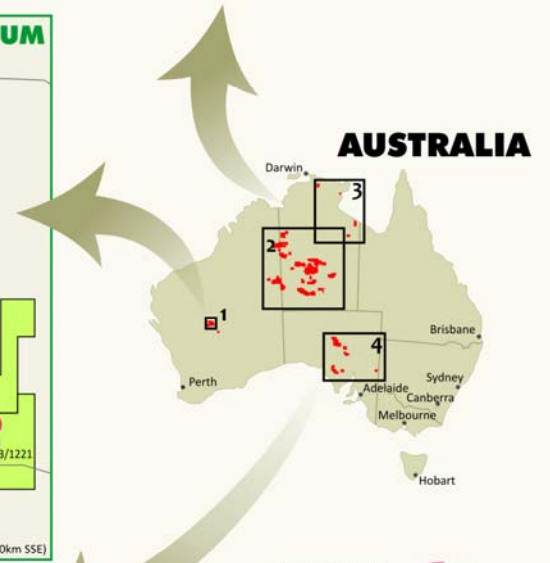
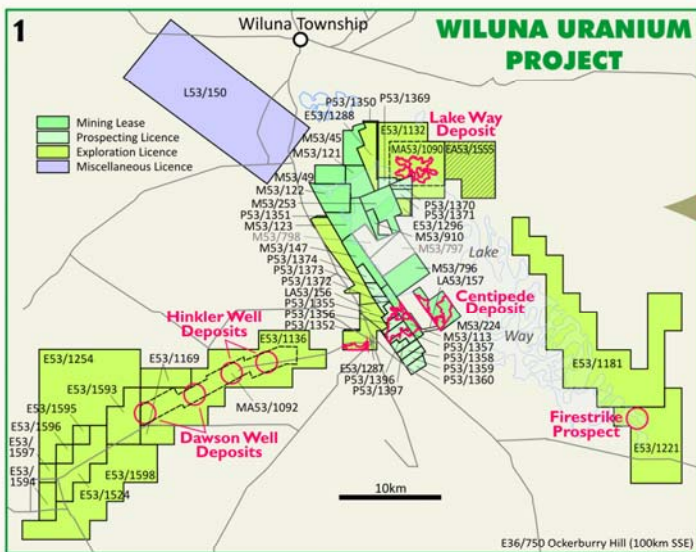
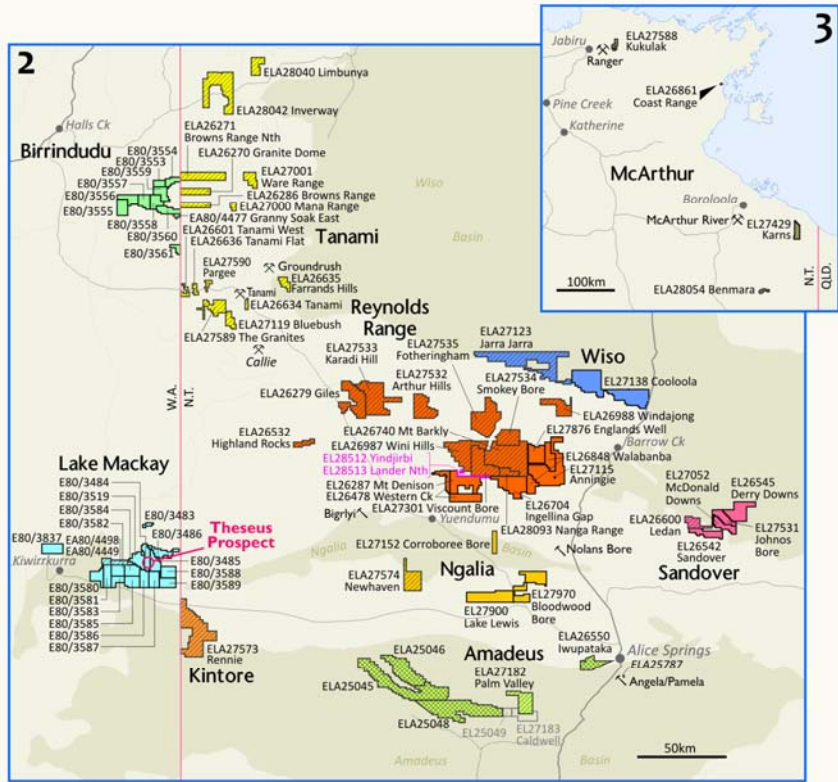


Figure 7: Areas under exploration or JV in Australia or Namibia

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## APPENDIX I: COMPETENT PERSONS 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 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.
- 2) Information in this report relating to Deconvolved Gamma Results composited to 0.5m, 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.

Project Name	Category	Resource Tonnes	Grade U <sub>3</sub> O <sub>8</sub>	Contained U <sub>3</sub> O <sub>8</sub> , tonnes	Contained U <sub>3</sub> O <sub>8</sub> , mlb
Centipede	Measured	0.3	588	177	0.39
Centipede	Indicated	7.68	619	4,754	10.48
Centipede	Inferred	1.69	251	424	0.94
Lake Way	Inferred	10.53	543	5,714	12.60
<b>Total Wiluna Project</b>		<b>20.21</b>	<b>548</b>	<b>11,070</b>	<b>24.40</b>
Dawson-Hinkler Well	Inferred	9.50	293	2,800	6.20
<b>Total</b>		<b>29.71</b>	<b>467</b>	<b>13,870</b>	<b>30.60</b>

Prepared at a 200ppm U<sub>3</sub>O<sub>8</sub> cut-off grade

*Toro's total uranium resource base in the Wiluna area, upon completion of the transaction*

- 3) The information in this report that relates to Mineral Resources at the Dawson-Hinkler Well Project is based on information compiled by S. Mann MAusIMM, S. Gatehouse MAIG and A. van der Heyden MAusIMM. Messrs Mann, Gatehouse and van der Heyden have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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 Mann is a full-time employee of U3O8 Limited. Messrs Gatehouse and van der Heyden are employees of Hellman & Schofield Pty Ltd. Each of the above named consents to the inclusion of the information in this announcement in the form and context in which it appears.
- 4) The information in this report that relates to Mineral Resources, other than for the Dawson-Hinkler Well Project, is based on information compiled by Mr Daniel Guibal who is a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Guibal is a fulltime 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 Persons 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.

## APPENDIX 2: EXPLORATION AND WILUNA DRILL HOLE INFORMATION

Hole Number	Type	Easting	Northing	Zone MGA94	End of Hole (m)	Anomalous Interval Thickness (m)	Ave grade eU3O8 (ppm)	Start (m)	Peak grade eU3O8 (ppm)
<b>BIRRINDUDU</b>									
BP00001	AC	431074	7890144	52	80	NSR			
BP00002	AC	430104	7890161	52	18	NSR			
BP00003	AC	429183	7890008	52	24	NSR			
BP00004	AC	428321	7889880	52	52	NSR			
BP00005	AC	432149	7890126	52	98	NSR			
BP00006	AC	432585	7891418	52	80	NSR			
BP00007	AC	437252	7905400	52	76	NSR			
BP00008	AC	437023	7904702	52	24	NSR			
BP00009	AC	436935	7904444	52	106	NSR			
BP00010	AC	436737	7903849	52	80	NSR			
BP00011	RC	433332	7893649	52	114	NSR			
BP00012	RC	435027	7898722	52	108	NSR			
BP00013	RC	435864	7901234	52	90	NSR			
BR00001	RC	443733	7898315	52	114	NSR			
BR00002	RC	444021	7898506	52	253	NSR			
BR00003	RC	443951	7898162	52	76.5	NSR			
BR00004	RC	475950	7899399	52	114	NSR			
BR00005	RC	474569	7900605	52	246	NSR			
<b>SANDOVER</b>									
SP0001	AC	506968	7528897	53	81	NSR			
SP0002	AC	505126	7529302	53	59	NSR			
SP0003	AC	503319	7529735	53	54	NSR			
SP0004	AC	501190	7530419	53	84	NSR			
SP0005	AC	498651	7531238	53	165	NSR			
SP0006	AC	498184	7531356	53	45	NSR			
SP0007	AC	497088	7531789	53	50	NSR			
SP0008	AC	495765	7531309	53	7	NSR			
SP0009	AC	495907	7532243	53	99	NSR			
SP0010	AC	499411	7530981	53	42	NSR			
SP0011	AC	496088	7533217	53	167	NSR			
SP0012	AC	496314	7534510	53	100	NSR			
SP0013	AC	496441	7535185	53	94	NSR			
SP0014	AC	496629	7536218	53	99	NSR			
SP0015	AC	496835	7537514	53	57.2	NSR			
SP0016	AC	496155	7539141	53	97	NSR			
SP0017	AC	497537	7541768	53	76	0.12	99	61.36	107
SP0018	AC	497933	7542209	53	64	NSR			
SP0019	AC	493965	7541057	53	109	NSR			
SP0020	AC	488121	7543690	53	35	NSR			

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Hole Number	Type	Easting	Northing	Zone MGA94	End of Hole (m)	Anomalous Interval Thickness (m)	Ave grade eU3O8 (ppm)	Start (m)	Peak grade eU3O8 (ppm)
SP0021	AC	488095	7542385	53	101	NSR			
SP0022	AC	488105	7540580	53	86	NSR			
SP0023	AC	488100	7538382	53	83	NSR			
SP0024	AC	494086	7539644	53	49	NSR			
SP0025	AC	498667	7542521	53	49	NSR			
SP0026	AC	493070	7537886	53	96	NSR			
SP0027	AC	492997	7536993	53	49	NSR			
SP0028	AC	492914	7536370	53	100	NSR			
SP0029	AC	492328	7534931	53	39	NSR			
SP0030	AC	494238	7533038	53	106	NSR			
SP0031	AC	515462	7527696	53	88	NSR			
SP0032	AC	515477	7528423	53	50	NSR			
SP0033	AC	515434	7526305	53	44	NSR			
SP0034	AC	515406	7525293	53	130	1.9	76	95.76	108
						0.1	90	101.46	105
						0.38	97	110.82	153
SP0035	AC	515373	7524187	53	69	NSR			
SP0036	AC	515339	7523189	53	65	NSR			
SP0037	AC	515278	7521347	53	27	NSR			
SP0038	AC	508465	7527979	53	65	NSR			
SP0039	AC	508081	7526793	53	126	NSR			
SP0040	AC	508925	7529139	53	79	NSR			
SP0041	AC	497980	7537886	53	22	NSR			
SP0042	AC	499706	7536304	53	14	NSR			
SP0043	AC	501241	7534734	53	43	NSR			
SP0044	AC	502826	7533357	53	21	NSR			
SP0045	AC	504540	7532435	53	43	NSR			
SP0046	AC	509320	7531756	53	10	NSR			
SP0047	AC	508720	7530390	53	76	NSR			
<b>REYNOLDS RANGE</b>									
RP00001	AC	191421	7571204	53	54	NSR			
RP00002	AC	192147	7569953	53	60	NSR			
RP00003	AC	192239	7568088	53	48	NSR			
RP00004	AC	191749	7567875	53	62	NSR			
RP00005	AC	190833	7567518	53	54	NSR			
RP00006	AC	189263	7566930	53	36	NSR			
RP00007	AC	187949	7566431	53	36	NSR			
RP00008	AC	186917	7566036	53	84	NSR			
RP00009	AC	187056	7565204	53	66	NSR			
RP00010	AC	191485	7573065	53	54	NSR			

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Hole Number	Type	Easting	Northing	Zone MGA94	End of Hole (m)	Anomalous Interval Thickness (m)	Ave grade eU3O8 (ppm)	Start (m)	Peak grade eU3O8 (ppm)
RP00011	AC	193542	7575267	53	60	NSR			
RP00012	AC	192348	7574732	53	60	NSR			
RP00013	AC	191727	7574965	53	54	NSR			
RP00014	AC	191291	7575369	53	54	NSR			
RP00015	AC	190731	7575872	53	66	NSR			
RP00016	AC	187317	7579109	53	48	NSR			
RP00017	AC	189181	7577384	53	30	NSR			
RP00018	AC	190043	7576397	53	42	NSR			
RP00019	AC	192840	7568023	53	48	NSR			
RP00020	AC	194318	7564662	53	6	NSR			
RP00021	AC	194784	7563205	53	66	NSR			
RP00022	AC	222357	7584355	53	192	NSR			
RP00023	AC	220883	7584307	53	179	NSR			
RP00024	AC	221611	7584327	53	183	0.52	136	159.13	194
RP00025	AC	221413	7584325	53	173	NSR			
RP00026	AC	219393	7584249	53	162	0.26	79	150.56	100
RP00027	AC	221832	7584352	53	192	0.6	151	159	350
RP00028	AC	218097	7583674	53	168	NSR			
RP00029	AC	217413	7582489	53	168	NSR			
RP00030	AC	216553	7581472	53	144	NSR			
RP00031	AC	222063	7584370	53	182	0.28	84	139.05	100
and	AC					0.44	92	141.31	137
RP00032	AC	210833	7577268	53	111	NSR			
RP00033	AC	209606	7577975	53	78	NSR			
RP00034	AC	186651	7582475	53	8	NSR			
RP00035	AC	189904	7584564	53	54	NSR			
RP00036	AC	190794	7585210	53	70	NSR			
RP00037	AC	191717	7585832	53	72	NSR			
RP00038	AC	283678	7585562	53	186	NSR			
RP00039	AC	285810	7585581	53	171	NSR			

### Centipede West and Far West Aircore Drilling Data

Hole ID	Type	Easting	Northing	Zone MGA94	End of Hole (m)	Original RL (m)	Lease ID
AC10CPFW001	AC	230050	7025650	51	11	499	E53/1287
AC10CPFW002	AC	229850	7025450	51	11	498	E53/1287
AC10CPFW003	AC	229650	7025650	51	11	498	E53/1287
AC10CPFW004	AC	229250	7025650	51	11	503	E53/1287
AC10CPFW005	AC	228850	7025650	51	11	499	E53/1287
AC10CPFW006	AC	229050	7025450	51	11	496	E53/1287
AC10CPFW007	AC	229450	7025450	51	11	492	E53/1287
AC10CPFW008	AC	230250	7025450	51	11	492	E53/1287
AC10CPFW009	AC	230650	7025550	51	11	498	E53/1287

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Hole ID	Type	Easting	Northing	Zone MGA94	End of Hole (m)	Original RL (m)	Lease ID
AC10CPFW010	AC	230850	7025650	51	11	496	E53/1287
AC10CPFW011	AC	230450	7025650	51	11	501	E53/1287
AC10CPW001	AC	233213	7028887	51	20	493	P53/1355
AC10CPW002	AC	233395	7028823	51	20	497	P53/1355
AC10CPW003	AC	233339	7028996	51	20	497	P53/1355
AC10CPW004	AC	233523	7027913	51	20	499	P53/1356
AC10CPW005	AC	233642	7028000	51	20	495	P53/1356
AC10CPW006	AC	233555	7028199	51	20	492	P53/1356
AC10CPW007	AC	234177	7028656	51	20	494	M53/113
AC10CPW008	AC	233998	7028518	51	11	496	P53/1356
AC10CPW009	AC	234252	7028445	51	11	497	M53/113
AC10CPW010	AC	234416	7028316	51	11	500	M53/113
AC10CPW011	AC	234533	7028412	51	11	499	M53/113
AC10CPW012	AC	234654	7028265	51	11	500	M53/113
AC10CPW013	AC	234789	7028373	51	11	498	M53/113
AC10CPW014	AC	235011	7028262	51	11	491	M53/113
AC10CPW015	AC	234846	7028646	51	11	497	M53/113
AC10CPW016	AC	233646	7027725	51	11	501	P53/1357
AC10CPW017	AC	234031	7027767	51	11	500	P53/1357
AC10CPW018	AC	234277	7027731	51	11	500	P53/1357
AC10CPW019	AC	234131	7027605	51	11	501	P53/1357
AC10CPW020	AC	234000	7027509	51	11	500	P53/1357
AC10CPW021	AC	233798	7027359	51	11	501	P53/1357
AC10CPW022	AC	234094	7027327	51	11	501	P53/1357
AC10CPW023	AC	234263	7027458	51	11	495	P53/1357
AC10CPW024	AC	234351	7027298	51	11	495	P53/1396
AC10CPW025	AC	234813	7027372	51	11	495	P53/1396
AC10CPW026	AC	234995	7027757	51	11	497	M53/113
AC10CPW027	AC	235041	7028029	51	11	495	M53/113
AC10CPW028	AC	234755	7028085	51	13	494	M53/113
AC10CPW029	AC	234599	7027963	51	11	498	P53/1357
AC10CPW030	AC	234421	7027880	51	11	501	P53/1357
AC10CPW031	AC	234310	7028011	51	11	501	P53/1357
AC10CPW032	AC	234087	7028131	51	11	504	P53/1357
AC10CPW033	AC	234090	7028076	51	11	503	P53/1357
AC10CPW034	AC	234044	7027054	51	11	497	P53/1396
AC10CPW035	AC	233773	7027084	51	11	794	P53/1357
AC10CPW036	AC	233474	7027141	51	11	496	P53/1357
AC10CPW037	AC	233477	7026870	51	11	494	P53/1357
AC10CPW038	AC	233888	7026945	51	11	493	P53/1396
AC10CPW039	AC	234518	7027161	51	11	498	P53/1396
AC10CPW040	AC	234967	7026865	51	11	503	P53/1396
AC10CPW041	AC	235131	7026944	51	11	498	P53/1396
AC10CPW042	AC	233291	7027498	51	11	499	P53/1357

**APPENDIX 5B**  
**Mining exploration entity quarterly report**

**TORO ENERGY LTD**

ABN. 48 117 127 590

Quarter ended

October 2010

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

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(4,348)	(9,768)
(b) development	-	-
(c) production	-	-
(d) administration	(1,170)	(1,914)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	443	1,854
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(5,075)</b>	<b>(9,828)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	(7,250)	(7,250)
(b) equity investments	-	-
(c) other fixed assets	(686)	(891)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	15
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - Purchase of Pastoral Lease	(1,200)	(1,200)
<b>Net Investing cash flows</b>	<b>(9,136)</b>	<b>(9,326)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(14,211)</b>	<b>(19,154)</b>
1.13 Total operating and investing cash flows (brought forward)	<b>(14,211)</b>	<b>(19,154)</b>
<b>Cash flows related to financing activities</b>		
1.14 Proceeds from issues of shares, options, etc	-	-
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 (Placement & SPP costs)	-	-
<b>Net financing cash flows</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>(14,211)</b>	<b>(19,154)</b>
1.20 Cash at beginning of quarter / year to date	49,568	54,511
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 <b>Cash at end of quarter</b>	<b>35,357</b>	<b>35,357</b>

<b>Payments to directors of the entity and associates of the directors</b>			
<b>Payments to related entities of the entity and associates of the related entities</b>		Current quarter \$A'000	
1.23	Aggregate amount of payments to the parties included in item 1.2	155	
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	2,800	
4.2	Development	-	
4.3	Production	-	
4.4	Administration	850	
Total		3,650	
<b>Reconciliation of cash</b>			
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	264	1,430
5.2	Deposits at call	35,093	48,138
5.3	Bank overdraft		
5.4	Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>		35,357	49,568



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>	964,936,676	964,936,676	Fully paid	Fully paid
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 <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
	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	06/08/2013
	1,665,000		\$0.25	17/12/2013
	1,000,000		\$0.25	19/03/2014
	5,555,000		\$0.22	02/02/2015
7.8 Issued during quarter				

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

**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:..... Date: 25 Jan 2011  
 Company Secretary

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.

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**ANNEXURE 1**

## Changes in interest in mining tenments

Tenement reference	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
	<u>Northern Territory</u>		
EL25049	Surrendered - Amadeus	100%	0%
EL27183	Surrendered - Amadeus	100%	0%
EL28040	Granted - Tanami	0%	100%
	<u>Western Australia</u>		
E53/1136	Granted - Wiluna Tenement	0%	100%
E53/1169	Granted - Wiluna Tenement	0%	100%
E53/1254	Granted - Wiluna Tenement	0%	100%

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