



# FIRST QUARTER ACTIVITIES REPORT

for the quarter ending:  
**30 September 2012**

**ACN: 117 127 590**

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Wiluna Uranium Project approved by WA Government Environment Minister.

Toro awaits the Federal Government environmental decision, anticipated prior to calendar year end.

One major potential financing partner undertakes Wiluna site visit and technical review.

Company targeting initial uranium resource statement on Theseus Project in December quarter.

## CORPORATE

- Toro received the WA Government environmental approval for the Wiluna Uranium Project from the WA Minister for Environment, completing the State Ministerial approval process.
- The Company anticipates a Federal Government environmental decision on the Project prior to calendar year end.
- Toro continues to receive interest from potential financing and offtake partners for the Wiluna Project, with one major group undertaking a site visit for technical review of the Project.
- Cash at end of the quarter was \$7.5 million. With major technical work complete on Projects, December quarter expenditure is forecast at \$2.8m.

## GLOBAL URANIUM MARKET

- The spot price for uranium at the end of the September quarter was US\$46.50/lb U<sub>3</sub>O<sub>8</sub> with the long term price remaining at US\$60 to \$61/lb U<sub>3</sub>O<sub>8</sub>.
- While short term market softness continues, longer term interest is increasing, with China planning the re-start of nuclear approvals, Japan refusing to rule out nuclear for future power generation, Queensland Government changing its uranium mining policy, and the Indian - Australian Government bi-lateral talks on a safeguards agreement commencing.

## WILUNA PROJECT DEVELOPMENT

- The West Australian Environment Minister has approved the Project subject to conditions which were determined following the appeals process. Toro has determined it can effectively work within these conditions.
- A geotechnical drilling program was completed to support the development of the tailings facility design.
- Phase 1 of the Definitive Feasibility Study for the Wiluna Uranium Project was completed during the quarter.
- Capital and operating cost updates are underway and will be announced to the market when complete.
- Traditional Owners have participated in archaeological surveys to enable clearance of heritage issues on key tenements. Negotiation of the mining agreement continues.

## EXPLORATION

- Core assays confirm significant positive disequilibrium at Theseus.
- Analysis and interpretation of contractor gamma and PFN results continues with the Company targeting an initial resource statement in the December quarter.
- Airborne EM survey being undertaken over the recently granted Wiso and Reynolds Range tenements in the Northern Territory (NT). The survey is being co-funded by the NT Government.

## REVIEW OF BUSINESS

### URANIUM MARKET

The spot uranium price dropped further to US\$46.50 /lb U<sub>3</sub>O<sub>8</sub> at month end, due to continuing availability of supply parcels and minimal short term demand. The short term overhang of the Japanese reactor inventory has been exacerbated by an increase in the release of uranium equivalent inventory by the US Department of Energy (DOE) of approximately 2mlbs U<sub>3</sub>O<sub>8</sub> per year. This means that approximately 7mlbs per year is being introduced into the market by the DOE, or approx 15% of US reactor requirements. While this additional material is apparently not being sold on the spot market, but rather supplied into long term contracts, it still is additional supply at a time of market weakness.

Post end of the quarter, the long term uranium price indicator remained at US\$60 to \$61/lb U<sub>3</sub>O<sub>8</sub>. The medium to longer term price outlook predicted by many analysts is still firm, however many industry reporters are indicating that higher prices will be needed to incentivise the necessary production for the anticipated 2015 onwards shortfall.

The US - Russian "Megatons to Megawatts" agreement involving the downblending of ex-military nuclear material back into nuclear power station fuel is planned to conclude at the end of 2013, with no replacement agreement being negotiated. This will reduce the availability of secondary supply material into the short term market in particular from later next year.

Toro was invited to present at the Nuclear Energy Institute's International Uranium Fuel Seminar on a producer's forum, presenting alongside Cameco, Areva, Uranium One and Paladin. All these companies (including Toro) have future pipeline uranium projects which they discussed, and all said their commitment to these projects was dependent on more supportive long term prices. Cameco had previously advised the market that the Pre-Feasibility Study for their Kintyre Project indicated that this would require a US\$67/lb U<sub>3</sub>O<sub>8</sub> uranium price.

The Australian Prime Minister's visit to India during October initiated the necessary talks which will lead to a bi-lateral safeguards agreement between the two countries in the near future. While the opening up of a new market for potential direct uranium sales is important, it also brings in another significant country interested in direct investment into the uranium industry in Australia.

Toro welcomes the Queensland Government change in uranium policy announced during October, and while it will take time for the industry to ramp up, develop and go through the approvals necessary for new projects (as in WA post the September 2008 Government and policy change), it allows the industry to advance exploration projects with more confidence.

During the quarter, public discussions and meetings were held in Japan regarding Energy Option choices and policy for the future. While the populist anti-nuclear movement were pushing for a complete phase out of nuclear by 2030, the Japanese Cabinet refused to ratify this proposal. Further analysis and discussions are taking place, and it is becoming more likely that a compromise policy will eventually be installed enabling nuclear power to continue to be part of the future energy supply. Japan continues to import additional oil, coal and gas worth approximately US\$100 million a day, to replace the power previously generated by nuclear, with fossil fuel power generation taking a toll on the country's terms of trade.

The new independent Japanese Nuclear Safety Authority has been established, and is targeting to have their initial policies in place by next April. This should enable further Japanese reactor restarts from mid next year onwards, as has been forecast in various media.

Along with the 26 reactors under construction, China is now seeking to steadily resume approval and construction of new nuclear power plants and is planning to approve a small number of new nuclear power projects by 2015. The government froze approval of new nuclear power projects and ordered a national safety scrutiny of existing plants after Japan's Fukushima disaster.

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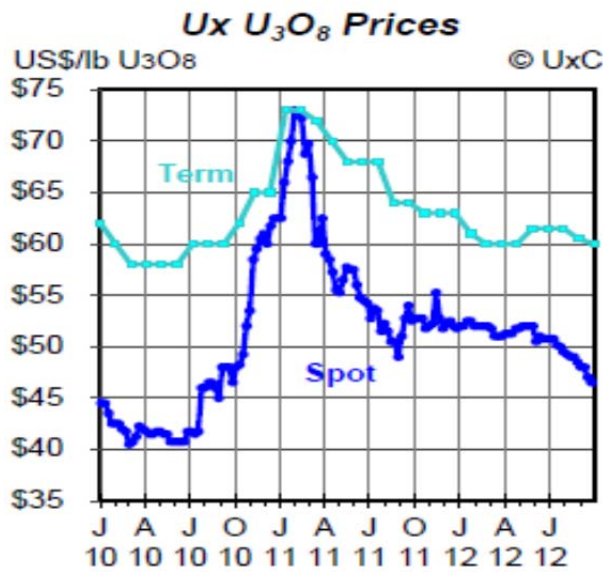


Figure 1: Spot and Long Term Uranium prices  
Source: Ux Consulting

## CORPORATE

As Toro has mentioned in these reports previously, achieving Government environmental approval for the Wiluna Uranium Project has been the prime focus of the Company, and is a necessary precursor to the financing of the Project.

We are pleased to announce that, after a rigorous environmental assessment, public review and appeal process, on Wednesday 10 October 2012 the WA Government Minister for the Environment announced the State Environmental approval for the Wiluna Project.

The Company now awaits the Federal Government environmental decision on the Project, anticipated prior to calendar year end. Under a bi-lateral agreement between Western Australia and the Federal Government, the environmental assessment process has proceeded in parallel, and hence the relevant Federal Government departments and assessing bodies have been engaged right through the assessment process since referral of the Project in October 2009.

Toro has continued to engage with potential partners interested in joint venture investment into the project, with a number of Confidentiality Agreements in place, and a dataroom open for engaged partners.

The first of these groups has now undertaken a visit to Toro's Wiluna project site and Project office in Perth over an extended period, for technical review and confirmation. The detailed technical review may or may not lead to financing discussions. Toro will continue to keep the market informed as any discussions with potential partners advance to commercial terms.

With the Process Design phase of the Definitive Feasibility Study (DFS) completed, Toro's Wiluna Project team are undertaking a Project update, which will include a capital and operating cost re-estimate. This update will be announced to the market when complete, anticipated during November.

Final detailed technical work, particularly on closed canister studies for uranium disequilibrium is anticipated to be complete during the December quarter.

Cash held at the end of the September 2012 quarter was \$7.5m. Forecast expenditure for the December quarter is \$2.8m.

# PROJECT DEVELOPMENT

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

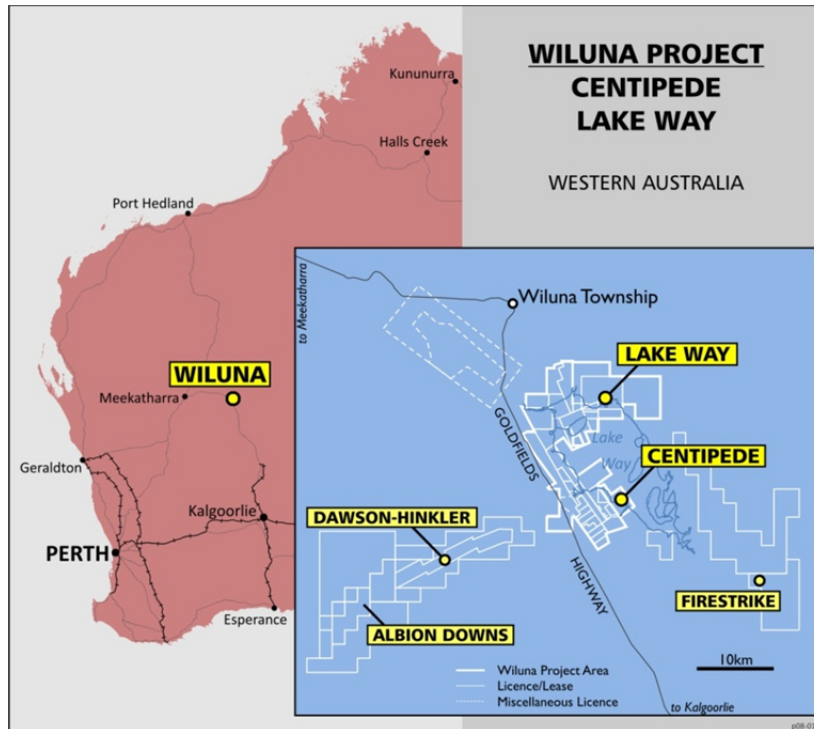


Figure 2: Wiluna Project and Regional Resources

The WA Environment Minister has approved the Project subject to 11 Ministerial conditions following consideration of the public appeals by an Appeals Committee. Nine appeals were received and 21 grounds for appeal were investigated. Thirteen of these grounds were dismissed and eight were allowed in part such that the Ministerial conditions were extended to address these concerns. No further appeal process can be pursued in WA.

The Federal Environment Minister will now consider his decision under the EPBC Act. The Federal Government assessment process has been undertaken under a bilateral agreement with the WA Environmental Protection Authority, and the Minister's decision is expected to be completed during the fourth quarter.

### Project Progress

A site visit to the Project area was undertaken by a major USA nuclear energy corporation as part of their Australian uranium operations tour. The purpose of the visit was to familiarise themselves with the Project as a potential supplier of uranium concentrates should approvals and financing of the project allow it to proceed.

Wiluna Project has now developed a confidential dataroom for the Project, to enable interested potential project partners to access information under confidentiality. The first potential partner's technical assessment was recently completed with a visit to Toro's Wiluna Project site and Project office in Perth over an extended period.

## Project Progress (Cont'd)

3-D lithological modelling and grade shells for Lake Way, Centipede, Millipede, Dawson Hinkler and Nowthanna were finalised during the quarter. These models are now incorporated into the 2013 drilling program which will target improving confidence in the current deposits as well as targeting deposit extensions.

A short drill program was completed during the quarter focussing on defining the foundation and geotechnical conditions underlying the tailings storage facility area at Centipede. These data will form the basis of the in-pit tailings facility design which is expected to be developed during the next two quarters.

Bateman Engineering completed Phase 1 of the DFS engineering activities, including the process flow sheet and process design criteria, mass balance and metallurgical model and engineering design of the processing plant and major equipment lists.

Work is being completed on a full Wiluna Project update, which will incorporate updated project capital and operating cost estimates to be completed at a PFS level.

Clearances are being sought to enable full access to all key tenements for the Project for drilling in 2013. This has included heritage, archaeological and ethnographic surveys, and applications for supporting infrastructure tenements. All tenements remain in good standing.

## Wiluna Community

Toro continued discussions with Central Desert Native Title Services, as the representative body for the Traditional Owners, on a mining agreement. A proposal has been presented to the senior lawmen as the basis for the commercial negotiations, which is expected to be discussed during a meeting in Wiluna during the fourth quarter. Spokespeople for the Senior Lawmen continue to indicate that Toro's approach to negotiations is acceptable.

## Tenement Matters

Tenement summary statistics are given in Table 1. Tenement locations are also shown on Figure 4.

Toro Tenure Area Stats (km2)				Comment
	Granted	Application	Commitment	
Western Australia	910	183	\$1,697,880	
<b>TOTAL</b>	<b>910</b>	<b>172</b>	<b>\$1,657,880</b>	

Table 1: Toro Tenement area statistics as at 24 September 2012

## New Tenements, Withdrawals & Relinquishments

**Applications:**

- L53/180 Wiluna Village
- L53/182 Wiluna Pipeline
- L53/183 Access Road
- M53/1095 Millipede Re-Grant Application over M53/590 & M53/693
- G53/21 Accommodation Village 1
- G53/22 Accommodation Village 2

**Withdrawals:** L53/181 Wiluna Haul Road - to be replaced

# EXPLORATION

## WESTERN AUSTRALIA

### Theseus

As previously reported in ASX release of 28 August 2012, drill core assays were received from ALS Perth for the three core holes, LM183 to LM185, drilled at Theseus in June. The averaged assay results are shown against the corresponding gamma averages and Prompt Fission Neutron (PFN) for the same interval.

Table 4 in Appendix 2 shows the drillhole summary details, while actual assays for the core intercepts are shown in Table 2. The location of the three core holes is shown on Figure 3.

Selected check assays of sample pulp were assayed by Bureau Veritas using XRF pressed powder and fusion methods. They match the original core intercepts, as previously reported and are included in Table 5 in Appendix 2.

Drill Hole	From-To (m)	Assay Result (cU <sub>3</sub> O <sub>8</sub> )	cGT (m%)	Density Tool Gamma Result Deconvolved (eU <sub>3</sub> O <sub>8</sub> )	eGT (m%)	PFN Result (pU <sub>3</sub> O <sub>8</sub> )	pGT (m%)	Implied disequilibrium Ratio (cGT/eGT)
LM183	103.74 - 104.64	<b>0.9m @ 0.06%</b>	<b>0.05</b>	0.9m @ 0.06%	0.06	0.9m @ 0.03%	0.02	0.92
LM184	108 - 108.85	<b>0.85m @ 0.23%<sup>#</sup></b>	<b>0.2</b>	0.85m @ 0.12%	0.13	0.85m @ 0.09 %	0.08	1.93
LM184	108 - 108.85	<b>0.85m @ 0.31%</b>	<b>0.27</b>	0.85m @ 0.16%	0.13	0.85m @ 0.09 %	0.08	2.73
LM185	122.7 - 123.18	<b>0.48m @ 0.21%</b>	<b>0.10</b>	0.48m @ 0.06%	0.03	0.48m @ 0.06%	0.03	3.73

Table 2: Mineralised intervals comparing chemical assays, averaged from two laboratories with gamma and PFN values.

<sup>#</sup> The assay calculated for the interval marked LM184<sup>#</sup> includes internal dilution (due to core loss of 0.25m) that is assigned a value of zero. If the average grade of the cored interval is extrapolated onto the lost-core interval, the resulting intercept is shown in the row below. Toro believe this is still a conservative approach.

PFN results are reported using a 300ppm cut off and designated as pU<sub>3</sub>O<sub>8</sub> with Natural Gamma data using a 200ppm cut off reported as eU<sub>3</sub>O<sub>8</sub>. All results are reported as %. 0.1% is equal to 1000ppm U<sub>3</sub>O<sub>8</sub>.

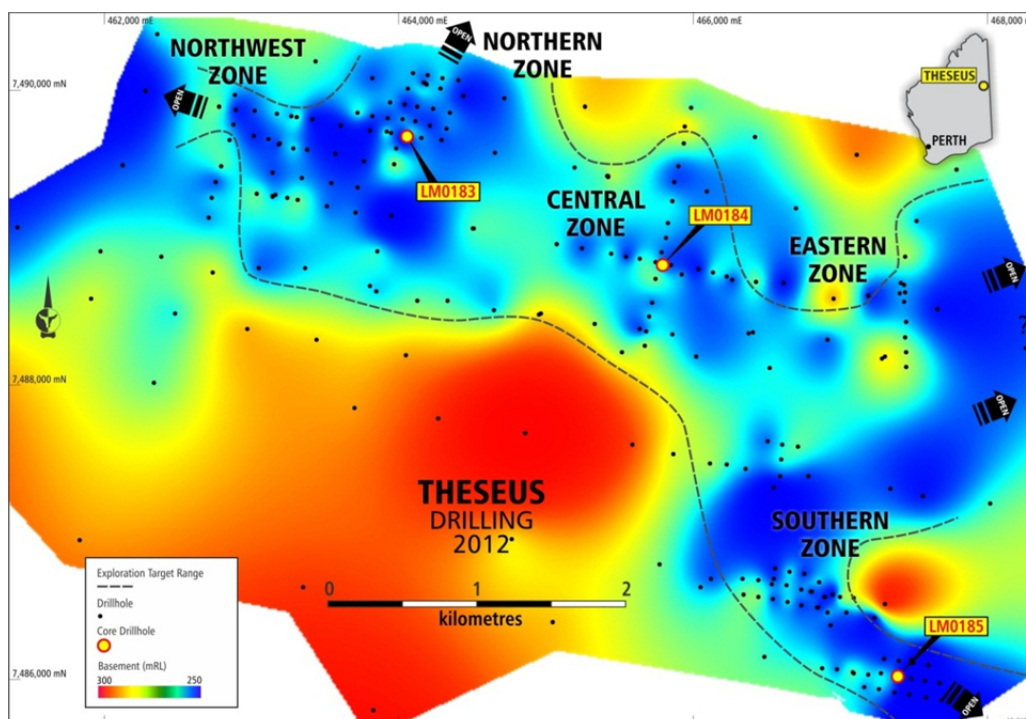


Figure 3: Drillhole plan of the Theseus Prospect showing the location of the three core holes

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## Theseus (Cont'd)

For each core hole, two runs of the PFN were completed, with gamma measured on four different tools.

The comparison of core intercepts and downhole geophysical logging are significant because:

- They demonstrate that over these three mineralised intervals, from different locations at Theseus, the PFN tool has reported significantly lower  $U_3O_8$  values compared to both assays and gamma. It is therefore difficult to validate the PFN tool's effectiveness in the Theseus environment.
- For two of the holes, LM184 and LM185, where higher grade mineralisation is present, the average assay for the mineralised intercept compared to gamma-derived grade indicates that uranium is substantially in positive disequilibrium (ratio range 1.93 to 3.73).
- The core intercept in the lower-grade LM183 indicates that moderately negative disequilibrium (0.92) is present, because the average gamma grade is marginally higher than the average assay for the same intercept.
- **It provides independent support for the recent findings of a closed canister disequilibrium study, as released to ASX on 13 June 2012, which suggested a conservative average disequilibrium ratio of 1.4 based on samples with an average grade of 495 ppm. Both studies indicate a trend toward more strongly positive disequilibrium in higher assay grades, and neutral to moderately negative disequilibrium in lower grade or sub-200 ppm mineralisation.**

As reported in the previous quarterly, a review was being undertaken of the GAA gamma data supplied to Toro. The main gamma data collecting tool known as the Multi Survey Tool (MST) reported a major difference in calibration factors in the Adelaide pits post the drilling program. Gamma collected on other downhole tools, however, did not show this variation.

Data from the PFN tool is also being reviewed in light of the core assay results, shown on Table 2. The reasons for the poor PFN response are still being investigated, as this would impact significantly on resource estimations where PFN values are used. Although hypersaline groundwater is likely to have been a large contributory factor to suppressing the PFN signal over the entire program, Toro suspects that the PFN tool did not otherwise perform reliably for 20 to 50% of holes logged at Theseus, including the core holes. The tool was replaced on a number of occasions during the program where performance had noticeably dropped, largely upon recognition of random variations in thermal and epithermal values reported from the tool. Toro had hoped that the PFN tool would provide an excellent discriminator for disequilibrium. To date however, 14 holes logged with the PFN tool are excluded from the Toro database due to erroneous values while a further 14 holes (including double runs in the core holes) are considered of dubious value for resource estimation.

A total of 31 samples from core have been despatched to ANSTO for further disequilibrium studies with a smaller sub-set to be assayed by the delayed neutron activation method. If ANSTO disequilibrium studies confirm the previous closed canister studies (refer ASX release on 13 June 2012) then Toro will be able to more confidently apply a disequilibrium factor to gamma data and may disregard the majority of the PFN data.

Resource estimation work has been prolonged while QA/QC is being completed with the Company now targeting an initial resource estimation in the December quarter.

## NORTHERN TERRITORY

### McArthur Project

During the quarter, the Toro exploration team carried out regional rockchip and soil sampling in the Benmara, Karns and Running Creek tenements. These areas are prospective for hardrock uranium, stratiform phosphate and breccia-hosted Cu-Co-Ni of the "Redbank style". Results of the program are not yet available and will be reported in due course.

Toro has entered into an option agreement with Auminco Coal Pty Ltd, for a consideration of \$50,000 on EL28567 (Running Creek). Auminco can then opt to spend \$500,000 to obtain 51% of all minerals except uranium in Stage 1 with further expenditure of \$1.5m to obtain 70% and then elect to complete a Bankable Feasibility Study to obtain 80% of all minerals except uranium.

Toro has strengthened its land position in the Karns-Running Creek area with the recent successful application for the Selby tenement, EL29636. The tenement covers a 100 km<sup>2</sup> radiometric feature contiguous with that on the Karns tenement, which is prospective for phosphate-hosted uranium-copper-Rare Earth Elements (REE). The application area contains a number of established historic prospects (the Selby group of prospects) that contain up to 32% P<sub>2</sub>O<sub>5</sub>, 950ppm U and 0.8% Cu at surface. Whilst historic drilling to identify a near-surficial stratiform deposit has failed to replicate the surface anomalism, Toro believes this is a regional-scale alteration plume, and is aiming to test deeper structural targets akin to the Redbank and Stanton/Running Creek breccia pipes, 30 km to the south and 20 km to the east respectively.

### Wisio and Reynolds Range Projects

Preparations are being made to fly two large regional-scale and one detailed-scale airborne Tempest EM surveys over Aboriginal Freehold Land recently granted in the Wisio and Reynolds Range projects. The regional surveys are being co-funded by the Northern Territory Government as part of the Geophysics and Drilling Collaboration - Bringing Forward Discovery Initiative. Commencement of the surveys will be reported in the coming weeks. The detailed part of the survey will cover the Mt Denison uranium discovery.

### Walabanba Hills Project (TNG Limited/Toro Energy JV)

EL's 26848, 27115, 27876

During the Quarter a HELITEM (time-domain electromagnetic system) program was flown over portions of the Walabanba project area.

The survey was flown by Fugro Airborne Surveys between 14th and 27th July 2012. It comprised four blocks and a number of line transects (131 line kilometres), for a total of 849 line kilometres. The survey was flown at a nominal 35m elevation above ground level and collected both magnetics and HELITEM signals. The HELITEM 30 channel system used a 708 square metre loop slung below the helicopter to receive X, Y, and Z signal at 10 samples/second. A Scintrex CS-3 Cesium vapour magnetometer sensor was used and positional data generated from post processed DGPS. Fugro provided field, raw and processed data to TNG and a consulting geophysicist has completed further post-processing.

The survey was designed to test for conductors, both massive sulphide bodies (gold and base metals) and magnetite bodies (similar to the V-Ti magnetite discovered by TNG Limited at Mount Peake to the east of Walabanba). Full interpretation of the survey was incomplete at the end of the period and will be reported in the coming Quarter. It is expected targets generated from this survey will be ground checked in October/November.



## New Tenements, Withdrawals & Relinquishments

Exploration tenement summary statistics are given in Table 3 with locations shown on Figure 4.

Toro Tenure Area Stats (km <sup>2</sup> )	Application		Comment
	Granted		
Northern Territory	11,542	13,725	
Namibia	1,323	0	25% share of Nova Energy Namibia
Western Australia	3,647	25	
<b>TOTAL</b>	<b>16,512</b>	<b>13,750</b>	

Table 3: Toro Exploration Tenement area statistics as at 30 September 2012

A new application, ELA29636 "Selby", was made covering 269km<sup>2</sup> adjacent to the Karns tenement in the McArthur Basin.

Toro has withdrawn from the joint venture with Cameco on the Birrindudu Project and the last two tenements E80/3556 and E/803560 were surrendered.

One NT tenement, EL26704 "Ingellina Gap", was relinquished from the Reynolds Range Project. The tenement is no longer considered prospective for Tertiary sandstone hosted uranium, and has been sufficiently tested for surficial hard-rock uranium during its tenure.



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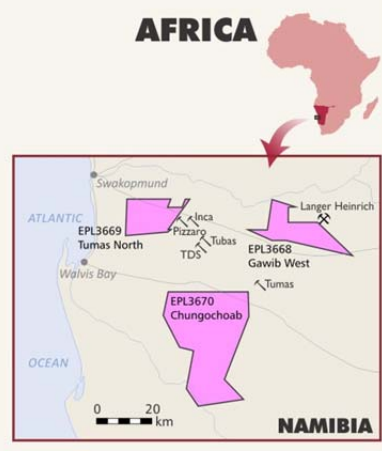
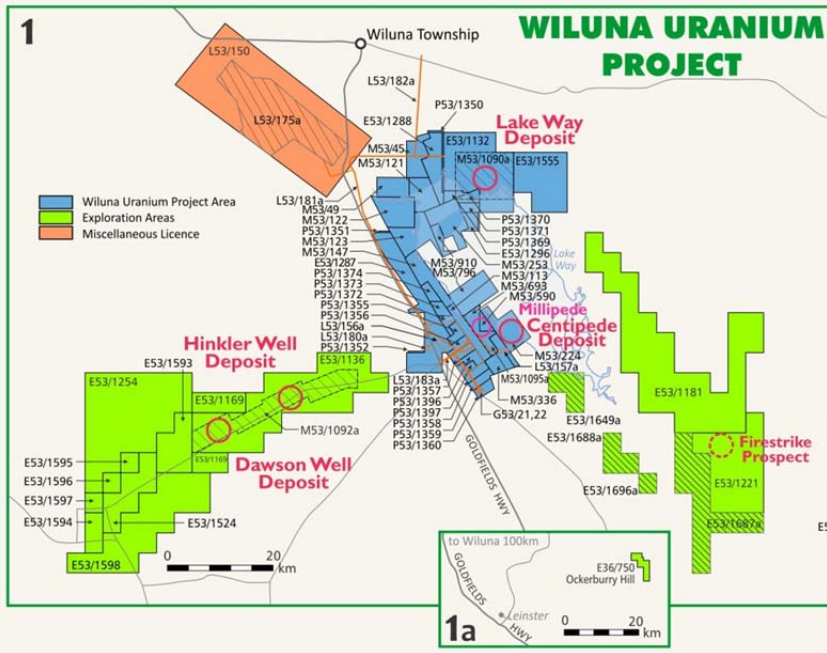
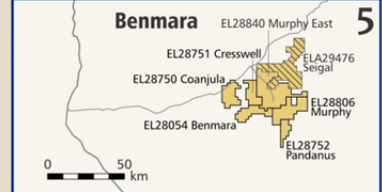
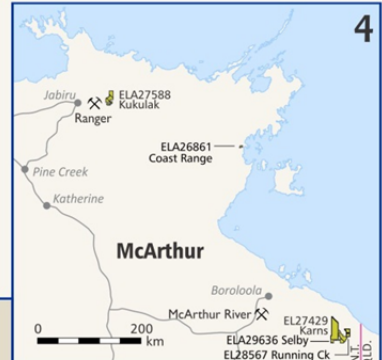
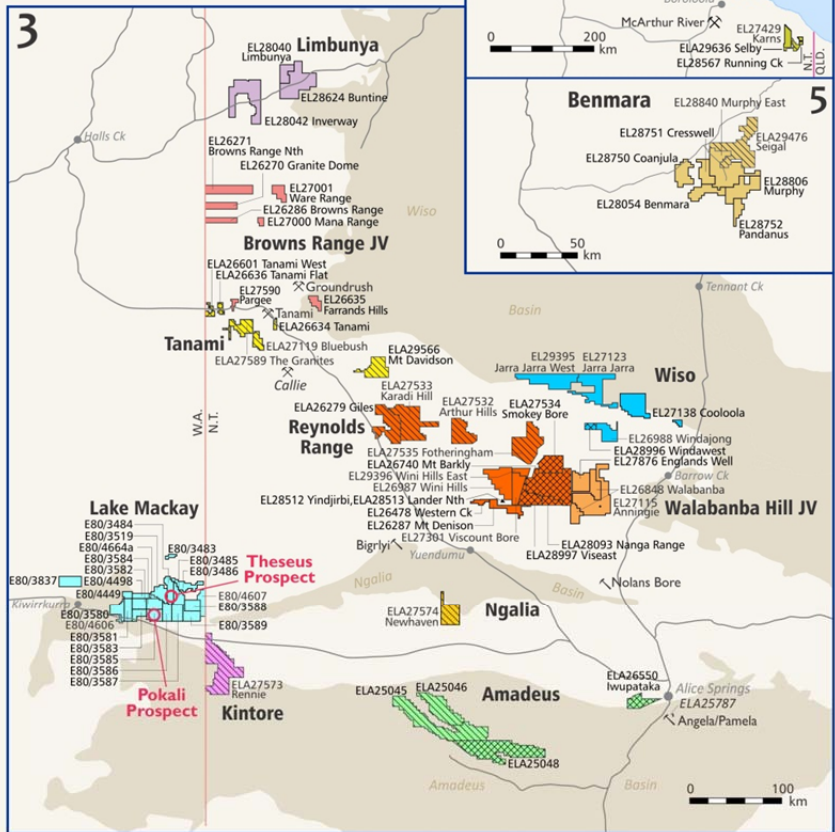
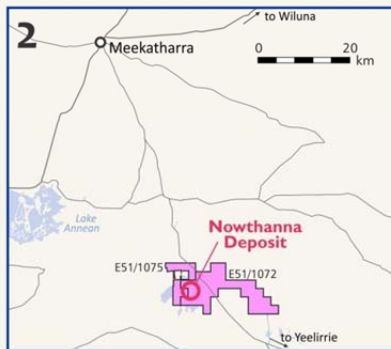


# EXPLORATION PROJECT AREAS

## AUSTRALIA

## AFRICA

EOQ September 2012



- Tenement Granted
- Tenement Application
- Tenement Application in conflict
- In Moratorium

Figure 4: Wiluna district and exploration tenements in Australia or Namibia as at 30 September 2012

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## APPENDIX I: COMPETENT PERSON'S STATEMENT

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

- 1) Information in this report is based on information compiled by Mr Mark McGeough, who is a Fellow of the Australasian Institute of Mining and Metallurgy.  
Mr McGeough 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'. 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, 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.
- 3) All drill holes are vertical and all intersections are considered to be true widths.
- 4) Downhole gamma and PFN measurements in 2012 were collected by GAA Wireline of Mt Barker SA. For further information on the use and calibration of the PFN readers are directed to the GAA Wireline website [www.gaawireline.com](http://www.gaawireline.com).

The information in this report that relates to Mineral Resources is based on information compiled by Dr Katrin Karner of Toro Energy Limited, Mr Robin Simpson and Mr Daniel Guibal of SRK Consulting (Australasia) Pty Ltd. Daniel Guibal takes overall responsibility for the Resource Estimate, and Dr Karner takes responsibility for the integrity of the drilling and bulk density results. Dr Karner, Mr Simpson and Mr Guibal are Members of the Australasian Institute of Mining and Metallurgy (AusIMM), and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2004)'. The Competent Persons consent to the inclusion in this release of the matters based on the information in the form and context in which it appears

Project Name	Category	Resource M 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	3.08	552	1,703	3.75
Centipede	Indicated	7.56	555	4,197	9.25
Centipede	Inferred	2.30	272	627	1.38
Lake Way	Indicated	2.57	492	1,265	2.79
Lake Way	Inferred	7.38	544	4,015	8.85
<b>Total Wiluna Project</b>		<b>22.89</b>	<b>516</b>	<b>11,807</b>	<b>26.02</b>
Millipede	Indicated	1.77	412	728	1.61
Millipede	Inferred	5.51	533	2,935	6.47
Dawson Hinkler Well	Inferred	13.09	312	4,077	8.99
Nowthanna	Inferred	11.91	399	4,750	10.47
<b>Total Wiluna Regional</b>		<b>32.28</b>	<b>387</b>	<b>12,490</b>	<b>27.54</b>
<b>Total Wiluna Project &amp; Regional</b>		<b>55.17</b>	<b>441</b>	<b>24,297</b>	<b>53.56</b>

## APPENDIX 2: DRILL SUMMARY

Hole ID	GDA 94 Easting	GDA 94 Northing	Max Depth
LM0183	464051	7489688	122.34
LM0184	465793	7488818	113
LM0185	467390	7486024	127.4

Table 4: Drillhole summary details of the three core holes.

Hole ID	From	To	XRF Original Assay U <sub>3</sub> O <sub>8</sub> (ppm)	XRF Repeated Assay U <sub>3</sub> O <sub>8</sub> (ppm)	Difference (ppm)	Difference %
LM0183	103.74	103.84	506	578	72	14.2
LM0183	103.84	103.94	625	654	29	4.7
LM0183	103.94	104.04	176	183	7	4.0
LM0183	104.04	104.14	2420	2479	59	2.4
LM0183	104.14	104.24	633	336	-297	-46.9
LM0183	104.24	104.34	150	165	15	10.2
LM0183	104.34	104.44	146	136	-11	-7.3
LM0183	104.44	104.54	356	383	27	7.6
LM0183	104.54	104.64	163	177	14	8.7
LM0184	108	108.1	16447	16347	100	-0.6
LM0184	108.1	108.2	5023	4628	-395	-7.9
LM0184	108.45	108.55	1089	1144	54	5.0
LM0184	108.55	108.65	360	377	18	4.9
LM0184	108.65	108.75	180	189	9	4.6
LM0184	108.75	108.85	166	177	11	6.4
LM0185	122.7	122.8	1645	1839	195	11.8
LM0185	122.8	122.9	5093	4734	-360	7.1
LM0185	122.9	123	275	283	8	3.0
LM0185	123	123.18	931	843	-88	9.5
LM0185	123.9	124	2175	2152	-24	-1.1
LM0185	124.3	124.4	253	218	-35	-14.0
LM0185	124.4	124.5	599	643	44	7.3
LM0185	124.5	124.6	130	136	6	4.5
LM0185	124.6	124.7	140	141	1	0.8

Table 5: Comparison of XRF chemical assays for mineralised intervals from two labs for LM183 to LM185

PFN results are reported using a 300ppm cut off and designated as pU<sub>3</sub>O<sub>8</sub> with Natural Gamma data using a 200ppm cut off reported as eU<sub>3</sub>O<sub>8</sub>. All results are reported as %. 0.1% is equal to 1000ppm U<sub>3</sub>O<sub>8</sub>.

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

**TORO ENERGY LTD**

ABN. 48 117 127 590

Quarter ended

September 2012

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

<b>Cash flows related to operating activities</b>	Current quarter \$A'000	Year to date (3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(4,498)	(4,498)
(b) development	-	-
(c) production	-	-
(d) administration	(931)	(931)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	156	156
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(5,273)</b>	<b>(5,273)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(16)	(16)
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	-	-
<b>Net Investing cash flows</b>	<b>(16)</b>	<b>(16)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(5,289)</b>	<b>(5,289)</b>
1.13 Total operating and investing cash flows (brought forward)	<b>(5,289)</b>	<b>(5,289)</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	-	-
<b>Net financing cash flows</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>	<b>(5,289)</b>	<b>(5,289)</b>
1.20 Cash at beginning of quarter / year to date	12,809	12,809
1.21 Exchange rate adjustments to item 1.20	-	-
1.22 <b>Cash at end of quarter</b>	<b>7,520</b>	<b>7,520</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	161	
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:	1,980	
4.2	Development	-	
4.3	Production	-	
4.4	Administration	858	
Total		2,838	
<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	1,400	2,589
5.2	Deposits at call	6,120	10,220
5.3	Bank overdraft		
5.4	Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>		7,520	12,809

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

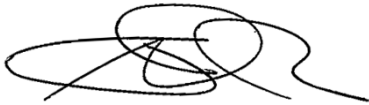
	Total number	Number quoted	Issue price per security (cents)	Amount paid up per security (cents)
7.1 <b>Preference securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>Ordinary securities</b>	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 <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>
	760,000		\$0.61	13/12/2012
	500,000		\$0.73	18/11/2012
	3,000,000		\$0.73	19/11/2012
	850,000		\$0.55	6/08/2013
	1,665,000		\$0.25	17/12/2013
	1,000,000		\$0.25	19/03/2014
	5,555,000		\$0.22	2/02/2015
	4,270,000		\$0.22	3/01/2016
	5,000,000		\$0.22	11/01/2016
	1,000,000		\$0.30	11/01/2016
	250,000		\$0.15	26/05/2016
	250,000		\$0.22	26/05/2016
	750,000		\$0.11	30/06/2016
	500,000		\$0.22	30/06/2016
	750,000		\$0.25	30/06/2016
	10,300,000		\$0.13	31/07/2016
	525,000		\$0.13	25/08/2016
7.8 Issued during quarter				

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7.9	Exercised during quarter				
7.10	Cancelled during quarter	100,000		\$1.21	2/07/2012
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:.....  
Company Secretary

Date: 30 Oct 2012

TODD ALDER

Print name: .....

### Notes

- 1.0 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2.0 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3.0 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4.0 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5.0 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.



**ANNEXURE 1**

## Changes in interest in mining tenements

Tenement reference	Nature of interest	Interest at beginning of quarter*	Interest at end of quarter
E80/3556	<u>Western Australia</u> Surrendered - Tanami Desert	100%	0%
E80/3560	Surrendered - Mt Brophy Spring	100%	0%
EL26704	<u>Northern Territory</u> Surrendered - Ingellina Gap	100%	0%
EL27138	Partial surrender - Cooloola (1525km <sup>2</sup> to 692.24km <sup>2</sup> )	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.

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