



## ASX RELEASE

17 July 2012

# Toro confirms high grade uranium zones in drilling at Theseus, WA

Toro Energy Limited ("Toro" ASX: TOE) is pleased to announce the completion of the recent drilling program at its 100% owned Theseus Uranium Project in WA. In 2012, a total of 122 mud rotary holes were completed for approximately 16,000m during the months of May and June.

The highly successful 2012 drilling campaign shows that Theseus is developing into a major uranium discovery potentially mineable with low cost In-Situ Recovery ("ISR") technology. Toro has now defined 5 kilometre-scale mineralised zones which are open in four directions at the regional scale. Key highlights from this latest drilling programme include:

- Confirmation of high-grade uranium zones within the Theseus Project envelope as currently defined, including 0.79m @ 1.17% pU<sub>3</sub>O<sub>8</sub> from 124.32m in LM0175 **[0.92%GT]**;
- Development of predictive "tools" to elucidate higher-grade mineralisation at the "nose" of individual roll-fronts. This is evidenced by the success of two specifically targeted drillholes (shown on Figure 2):
  - LM168 reporting: 3.34m @ 0.08% pU<sub>3</sub>O<sub>8</sub> from 106.47m **[0.27%GT]**;
  - LM170 reporting: 1.09m @ 0.11% pU<sub>3</sub>O<sub>8</sub> from 101.34m **[0.12%GT]**.

This targeting success gives Toro added confidence that future drilling will be able to target other high-grade uranium zones in the project area and so reduce exploration and resource drilling costs;

- Extending the southern mineralised zone to a strike length of at least 2.5km, remaining open to the southeast beyond LM174 that reports stacked mineralised lenses: 1.5m @ 0.09% pU<sub>3</sub>O<sub>8</sub> from a depth of 123.7m **[0.13%GT]** and 2.63m @ 0.04% pU<sub>3</sub>O<sub>8</sub> from a depth of 146.79m **[0.10%GT]**;
- The northern mineralised zone (Figure 2, "Northern Roll Front Zone"), which can now be traced over a strike length of 1,400m, ranges between 100m to 150m wide and averages 2.5m thickness at an average grade of 0.09% pU<sub>3</sub>O<sub>8</sub>, is still open in two directions;
- The mineralised envelope at Theseus, defined by greater than 0.5m thickness at 0.01% eU<sub>3</sub>O<sub>8</sub> intersections, now covers a contiguous area of at least 6km by 1km that is open to the east, southeast, north and northwest.

In three holes, LM183, LM184 and LM185, located across the prospect area, core was extracted from uranium mineralised zones. Assays from this core will provide a comparison between core assay, PFN and gamma data and help to confirm the disequilibrium factor to be applied for all downhole gamma data. Investigations of the porosity and density of the sediments will also provide further information for use in the maiden resource estimation, to be prepared in accordance with the JORC code, and expected to be completed in August

A summary of drill locations and mineralised zones for the full drilling program is given in Appendix I and drillhole locations are shown on Figure I.

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 1000bbm U<sub>3</sub>O<sub>8</sub>.

An Emerging Australian Uranium Producer

[www.toroenergy.com.au](http://www.toroenergy.com.au)

Toro Energy Limited ABN 48 117 127 590 ACN 117 127 590 ASX TOE  
ADDRESS 3 Boskenna Avenue, Norwood, South Australia, 5067

TEL +618 8132 5600 FAX +618 8362 6655 EMAIL [info@toroenergy.com.au](mailto:info@toroenergy.com.au)

For personal use only

For personal use only

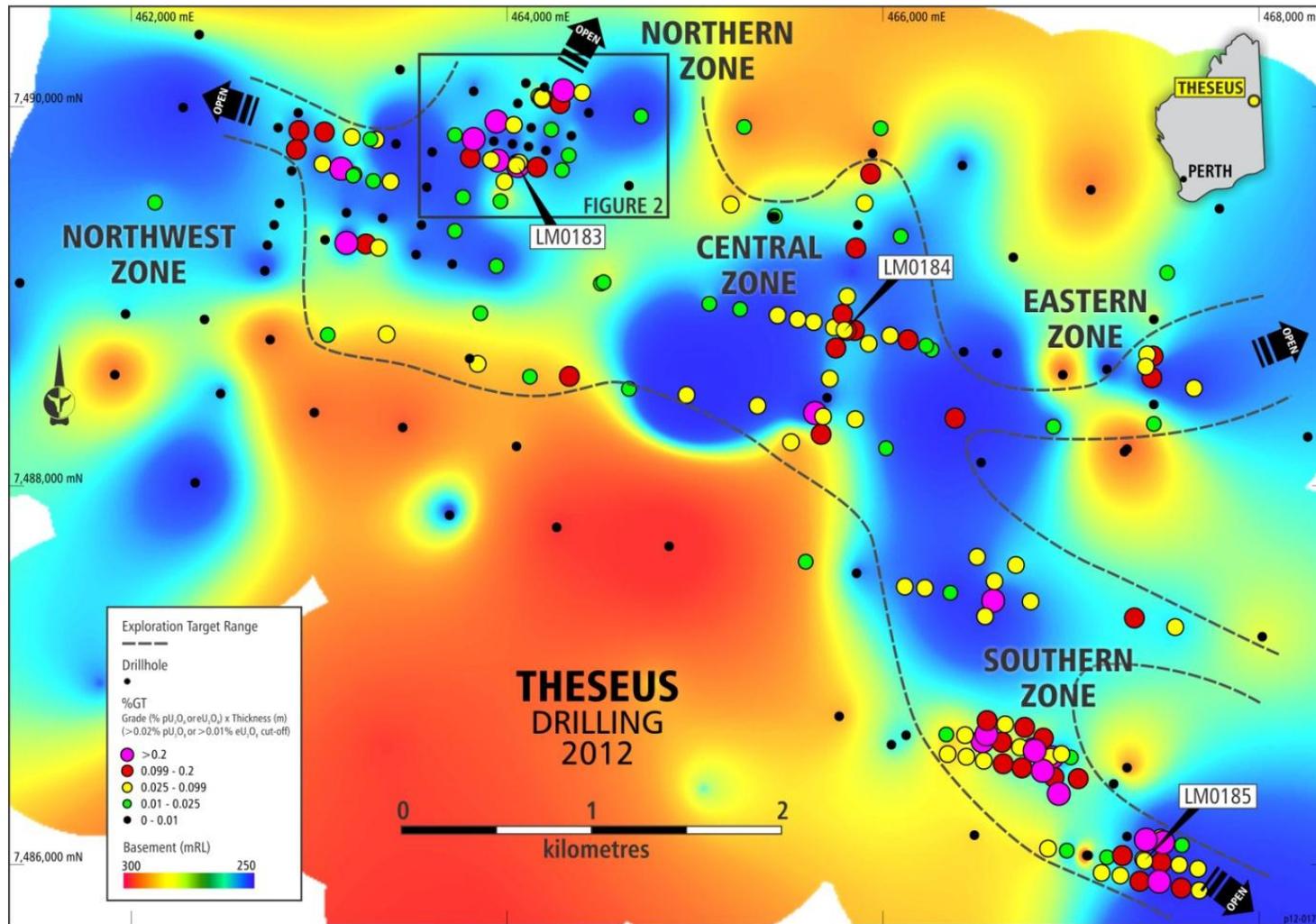


Figure 1: Drill plan of the Theseus Prospect showing drillhole collars ranked by %GT, and updated mineralised footprint

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>.



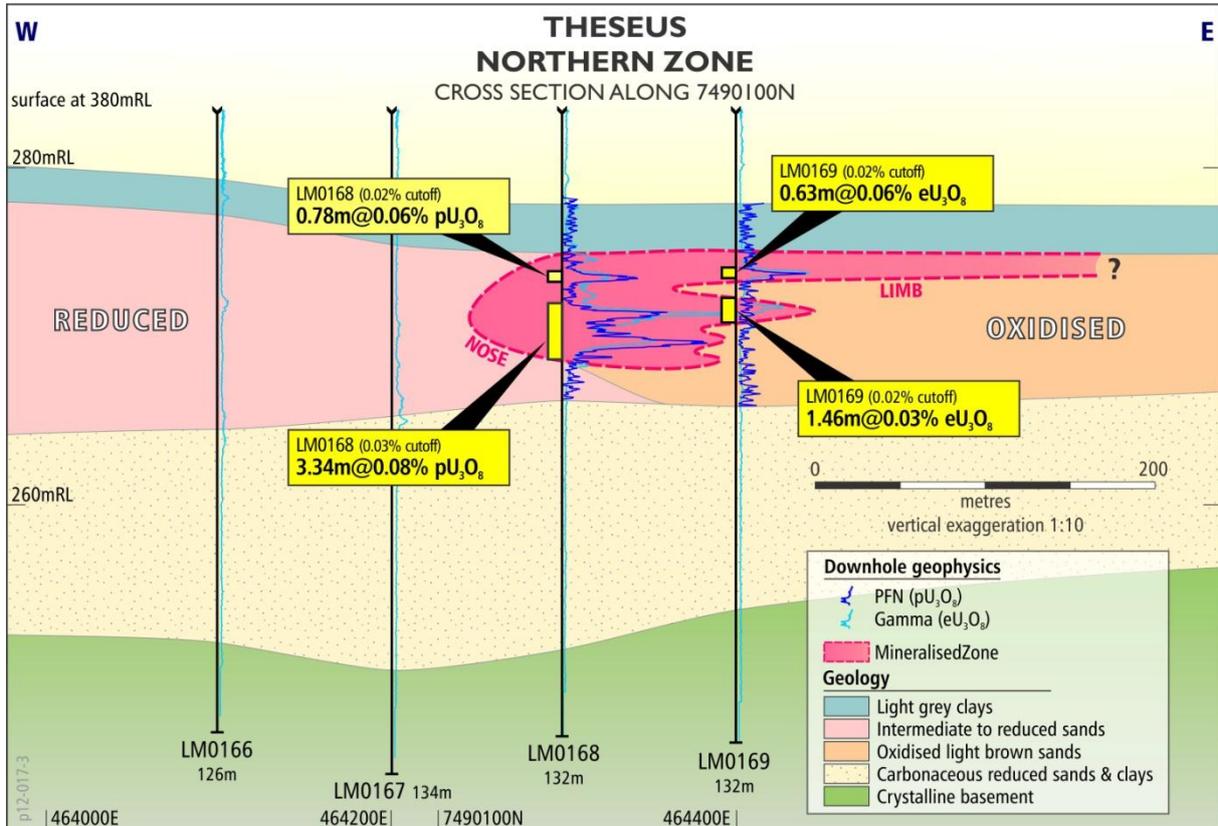


Figure 3: Interpretive cross-section of Northern Roll Front Zone

The Northern Roll Front Zone, given its higher grade tenor, should lift the global grade when included in the upcoming resource estimation, and significantly improve economic scoping studies for any future potential ISR operation.

### Core Program

Core through uranium mineralised zones was extracted from three mud rotary holes: LM183, LM184 and LM185. Figure 1 shows the location of these cored holes. This core is currently being processed and sampled for assay and geotechnical assessment.

Drillhole LM183 was drilled next to a gamma calibration hole to be used in the future as a PFN calibration hole. Drill core recovery in this hole was about 70%.

Drillhole LM184, was drilled as a twin of LM184 (2011 aircore drilling) and reports: 3.63m @ 0.07% eU<sub>3</sub>O<sub>8</sub> [**0.24%GT**] compared to the original 2.68m @ 0.05% eU<sub>3</sub>O<sub>8</sub> [**0.12%GT**]. This confirmation of the original gamma data gives Toro confidence in the gamma data collected in 2009 to 2011 and the equivalent uranium grades. Drillhole recovery was about 50%.

Drillhole LM185 was drilled in the Southern Zone with the aim of providing lithological control between a lower grade mineralised zone and a high grade zone around LM175. The mineralised interval in core (Figure 4) is a medium to dark brown silty fine sand. Drillhole recovery was 70%.

Unfortunately core was not able to be extracted from the twin of LM175 when the core bit and last rod broke free and was left at the bottom of the hole. This will be a priority hole for the next drilling campaign at Theseus.

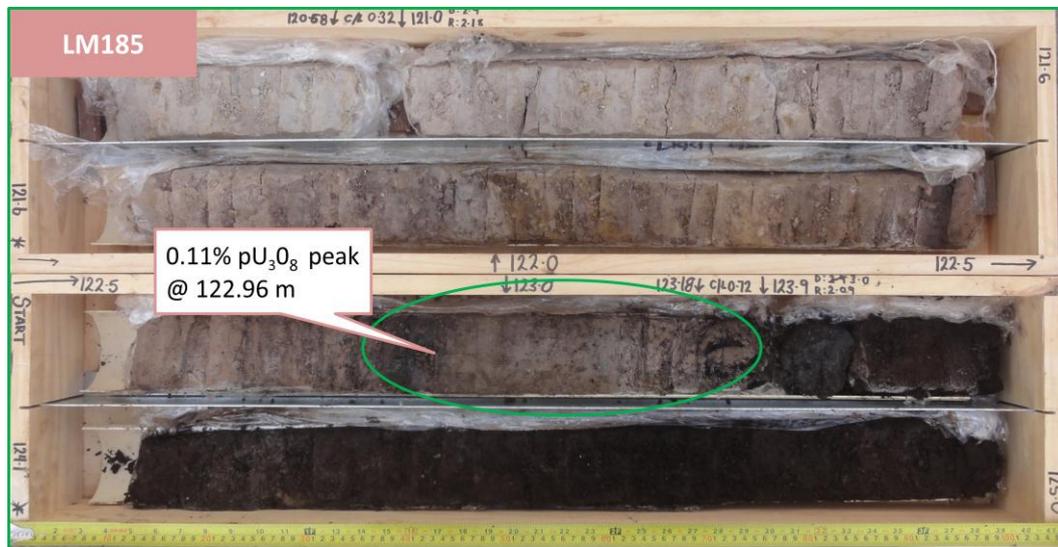


Figure 4: LMI85 core showing silty fine sands, mineralised in a redox zone

Assay results from the core holes will be used to confirm uranium mineralisation values and add confidence to technical work done so far that indicates a disequilibrium factor of 1.4 for gamma data obtained from closed canister work (see ASX release 13 June 2012).

### Southern Zone

Drilling around the high grade drill hole 0.79m @ 1.17% pU<sub>3</sub>O<sub>8</sub> from 124.32m in LM0175 [0.92%GT]; (see ASX release 20 June 2012) has confirmed mineralisation at two horizons: the first at a depth of 124m to 126m and the other at 146m:

- LM179 drilled 100m to the west reports: 1.97m @ 0.13% pU<sub>3</sub>O<sub>8</sub> from 124.32m [0.25%GT];
- LM174 drilled 200m to the south reports: 1.5m @ 0.09% pU<sub>3</sub>O<sub>8</sub> from 123.7m [0.13%GT] and 2.63m @ 0.04% from 146.79m [0.10%GT];

The depth to basement in this area extends down below 150m **and increases the potential for multiple mineralised zones extending to the southeast.**

Toro is presently compiling all relevant geophysical and geological data and completing a comprehensive QA/QC review program designed to assist with producing an Inferred Resource estimation for Theseus in August.

Toro Managing Director, Mr Greg Hall said: "Drilling in 2012 has further strengthened Toro's belief that the Theseus greenfields discovery could develop into a potential ISR operation in the future. Toro is very encouraged by the confirmation in core of uranium mineralisation being associated with fine silty sands."

**Greg Hall**  
Managing Director

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>.

**MEDIA CONTACT:**

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

Toro Energy is a modern Australian uranium company with progressive project development, acquisition and growth. The company is based in Adelaide, South Australia with a project office in Perth, Western Australia.

Toro's flagship and wholly-owned Wiluna uranium project (includes existing mining lease) is 30 kilometres southeast of Wiluna in Central Western Australia.

Wiluna contains two shallow calcrete deposits, Lake Way and Centipede, with prefeasibility and optimisation studies completed and a definitive feasibility study underway. Toro has advanced the approvals process with an anticipated decision date of late 2012, construction through 2013 and 2014, and first uranium sales in late 2014.

Toro's wholly owned Theseus Project is a recent discovery, indicating a high grade ISR potential mineralised system, with an initial JORC resource being evaluated for release. The Company also owns uranium assets in the Northern Territory and in Namibia, Africa.

[www.toroenergy.com.au](http://www.toroenergy.com.au)

*Information in this report is based on information collated 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.*

*Downhole gamma and PFN measurements in 2012 drillholes 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 down-hole PFN logging tool directly measures the amount of the isotope  $U^{235}$  that is present in all natural uranium. This is considered to give a reliable estimate of the grade of uranium for uranium results with a cut off at or above 0.5m @ 300ppm and are shown as  $pU_3O_8$ .*

*Gamma logging is a common method used to estimate uranium grade where the radiation contribution from thorium and potassium is very small. Sandstone and calcrete hosted deposits are usually of this type. Gamma logging does not differentiate for energy derived from thorium and potassium and thus the result is expressed as an equivalent value or  $eU_3O_8$ . A cut off of less than 0.5m @ 200ppm is applied for natural gamma results shown in Appendix I.*

*Density and porosity data is also measured and the data is used to correlate lithological units.*

*No deconvolved gamma data is available at this time for this ASX release.*

*GT is an estimation presented as m %  $U_3O_8$ . It is calculated by multiplying the interval (metres width) by the average grade of the interval and presenting as a % figure. A GT figure >0.1% is considered as a minimum cut off for many operating ISR mines around the World.*

For personal use only

## APPENDIX I: Drill Summary showing PFN data only

Hole ID	GDA94 Easting	GDA94 Northing	Interval From (m)	Interval To (m)	Grade pU3O8 (%)	Interval Width (m)	Grade Thickness m%
LM0160	464208	7489766			No PFN data		
LM0161	464325	7489745			No significant PFN Response		
LM0162	464126	7489889			No PFN data		
LM0163	464234	7489878			No significant PFN Response		
LM0164	464344	7489846			No PFN data		
LM0165	464039	7489904	106.69	107.19	0.07	0.5	0.03
LM0166	464099	7490122			No PFN data		
LM0167	464200	7490103			No PFN data		
LM0168	464297	7490083	106.47	109.81	0.08	3.34	<b>0.27</b>
LM0169	464400	7490071	104.02	104.58	0.05	0.56	0.03
LM0170	463940	7489919	101.34	102.43	0.11	1.09	<b>0.12</b>
			106.1	106.97	0.06	0.87	0.05
LM0171	467163	7485956	122.8	123.34	0.07	0.54	0.04
LM0172	467261	7485944			No PFN data		
LM0173	467366	7485917			No significant PFN Response		
LM0174	467463	7485908	123.7	125.2	0.09	1.5	<b>0.13</b>
LM0174			140.03	141.83	0.03	1.8	0.06
LM0174			146.79	149.42	0.04	2.63	<b>0.10</b>
LM0175	467492	7486119	124.32	125.11	1.17	0.79	<b>0.92</b>
LM0175			132.15	133.47	0.05	1.32	0.07
LM0176	467592	7486103			No significant PFN Response		
LM0177	467574	7486000	135.61	136.44	0.08	0.83	0.06
LM0178	467675	7485982			No significant PFN Response		
LM0179	467395	7486132	126.62	128.59	0.13	1.97	<b>0.25</b>
LM0180	466604	7487598			No PFN or Gamma data collected		
LM0181	466503	7487624	105.39	106.94	0.04	1.55	0.06
LM0182	466709	7487585			No PFN data		
<b>LM0183</b>	<b>464051</b>	<b>7489688</b>			<b>No significant PFN Response</b>		
<b>LM0184</b>	<b>465793</b>	<b>7488818</b>	<b>108.01</b>	<b>108.67</b>	<b>0.14</b>	<b>0.66</b>	<b>0.09</b>
<b>LM0185</b>	<b>467390</b>	<b>7486024</b>			<b>No significant PFN Response</b>		
LM0186	467481	7486118			Precollar for abandoned core hole no data		
LM0187	467581	7485881			No PFN data		
LM0188	467687	7485868	132.05	132.58	0.04	0.53	0.02
LM0189	467297	7486150			No PFN data		
LM0190	467433	7488681			No PFN data		
LM0191	467438	7488877			No significant PFN Response		
LM0192	467407	7488694	103.19	103.81	0.04	0.62	0.03
LM0193	467398	7488625	100.64	101.2	0.04	0.56	0.02
LM0194	467478	7486140	131.78	132.28	0.06	0.5	0.03

Table 1: 2012 Drillhole summary information for LM160 to LM194 showing significant intersections with PFN>0.5m @ 300ppm pU<sub>3</sub>O<sub>8</sub>. The gamma data for all holes is currently being evaluated and is not presented at this time. Core holes highlighted in bold. All drill holes are vertical and all intersections are considered to be true widths.

For personal use only