



TORO ENERGY LIMITED

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## DOUBLING OF RESOURCE FOR TORO'S NT URANIUM PROJECT

A new estimate based on 2007 drilling and assay results has doubled the JORC-Inferred Resource estimate for the **Napperby Uranium Project**, 150 kilometres northwest of Alice Springs in the Northern Territory.

Toro Energy Limited ("Toro") released the updated inferred resource of **4.6 million tonnes at 305ppm (0.031%) U<sub>3</sub>O<sub>8</sub> for 1,420 tonnes (3.13 million pounds) of contained uranium oxide (using a 200ppm U<sub>3</sub>O<sub>8</sub> cut off)**, which is 112% more than the last Inferred estimate prepared 18 months ago by Deep Yellow Limited ("DYL")<sup>1</sup>. The new figure compares with DYL's December 2006 estimate of 1.9 million tonnes at 360ppm (0.036%) U<sub>3</sub>O<sub>8</sub> for 670 tonnes (1.48 million pounds) of contained uranium oxide using the same cut off.

Toro holds an option to acquire 100% of the project from DYL on certain commercial terms (see ASX Release dated 15/2/07 for details).

The new resource estimate was calculated by SRK Consulting for inclusion into the Napperby Scoping Study. The mineralisation remains open along the strike of the palaeochannel. The modifications to the inferred resource estimate are due to assay results from samples from the completion in 2007 of 305 holes for approximately 3,200m drilling.

Toro's current drilling program is ensuring the broad mineralisation of the deposit is captured as an inferred resource. SRK modeling suggests closer spaced drilling combined with selective mining could make significant improvements to the mined grades. A planned Scoping Study this year is targeted to refine initial extraction parameters of the shallow (<8m) deposit which lends itself to selective mining.

### Current 2008 Drilling Activity

Drilling at Napperby resumed in May this year and as at 23 July, 202 sonic holes (1800m) and 473 aircore holes (5700m) had been completed and radiometrically logged. A total of 2,800 samples have been sent off-site for assaying. Disequilibrium analysis is providing encouraging results and enabling Toro's Exploration team to apply corrections to aircore 'equivalent' gamma data to facilitate ongoing planning of sonic core holes. Assay results from this drilling will be incorporated into a further resource update planned for the fourth quarter 2008.

[Note: 500ppm = 0.050% = 0.50 kg/t U<sub>3</sub>O<sub>8</sub>]

## Total Mineral Resources

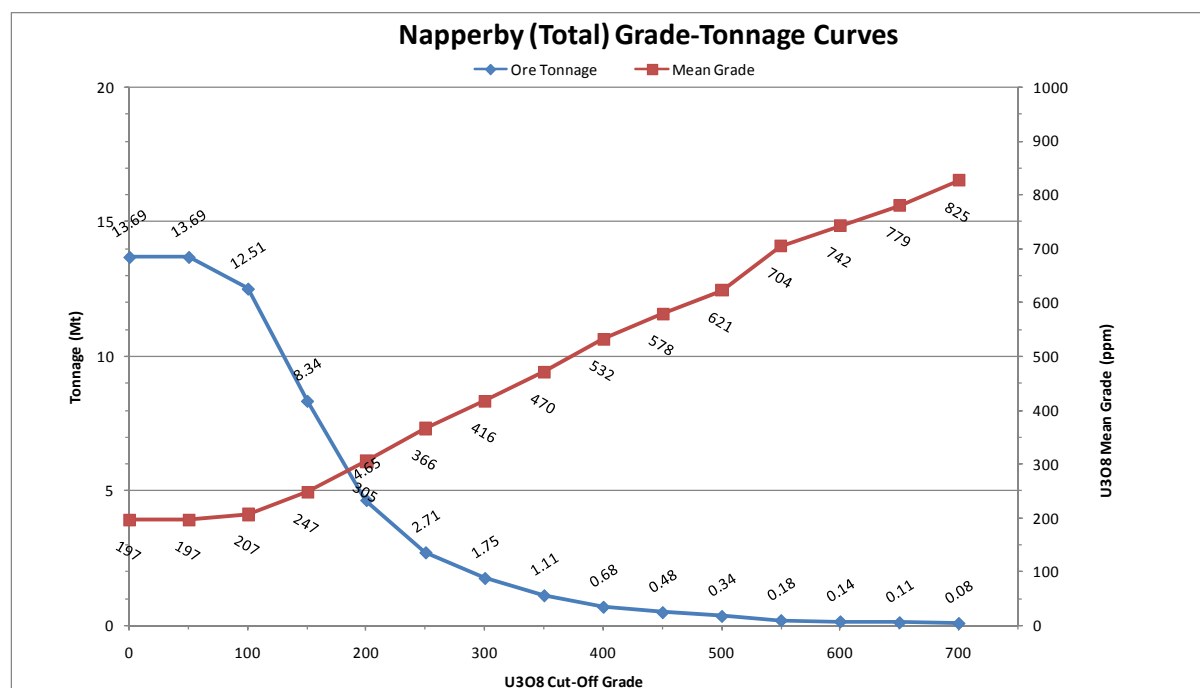
The resource specialists SRK Consulting completed a revised geostatistical interpretation and estimation of the Napperby resource<sup>2</sup> including the area previously included in the resource estimate prepared by DYL. The additional resource was derived from chemical assay data from the 2007 drilling campaign, covering an area of 2.2km<sup>2</sup> and comprising samples from both 300mm diameter auger drilling (123 holes) and sonic core drilling (182 holes).

Table I and Figure I below show the resource at various cut-off grades, and comparison with the previously published resource estimate.

**Table 1 Napperby Resource Estimate at 200ppm U<sub>3</sub>O<sub>8</sub> cut-off**

Prospect Area	Category	Jul-08				Dec-06			
		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>			
Napperby 2006 drilling	Inferred	2.29	322	737	1.62	1.9	360	670	1.5
Napperby 2007 drilling	Inferred	2.36	289	683	1.51				
<b>Total</b>	<b>Inferred</b>	<b>4.65</b>	<b>305</b>	<b>1,420</b>	<b>3.13</b>	<b>1.9</b>	<b>360</b>	<b>670</b>	<b>1.5</b>

The numbers in this table are rounded to reflect the accuracy of estimates and as a consequence exhibit rounding errors. Both Contained U<sub>3</sub>O<sub>8</sub> tonnes and Contained U<sub>3</sub>O<sub>8</sub> Pounds are based on contained metal in the ground and do not consider any mining, metallurgical or economic parameters at this stage.



**Figure 1: Global Resource Tonnes and Grade for the Napperby Inferred Resource**

DYL's December 2006 estimate for the area drilled in 2006 was 1.9 million tonnes at 360ppm containing 670 tonnes  $U_3O_8$ , whereas Toro's estimate for the same area is 2.29 million tonnes at 322ppm containing 737 tonnes  $U_3O_8$ . These differences can be attributed to five additional sonic drill holes added by Toro in 2007 and different size blocks used for the estimate. The DYL estimate was based on 25x25x1m blocks and the SRK estimate is based on 50x50x1m blocks. The large blocks cover a slightly larger area and hence an increase in tonnes, but include a greater level of smoothing, resulting in lower grades when kriging is used for the block estimate.

From August to November 2007, Toro undertook its inaugural drilling and sampling campaign at the Napperby Project. As previously reported, the sonic core drilling rig was trialled for the first time, and proven to be highly successful. This drilling method enables excellent core recovery in all unconsolidated ground types, with no introduction of external air or fluids, and retention of ambient pore water. Core texture preservation is also excellent, providing good geological controls.

An auger drilling program was effective in generating larger samples to establish heterogeneity characteristics of the deposit. Cores and auger spoils were split as required and samples were analysed for various elements by ICP-MS and XRF methods.

The new inferred resource covers an expanded area to the northeast of the previous resource (Figure 2). The cut-off grade chosen (200ppm  $U_3O_8$ ) reflects the long term uranium price and processing of carnotite mineralisation. Current drilling is relatively wide spaced to capture the broad mineralised area and results in a resource estimate at the inferred confidence level. SRK modeling however suggests closer spaced drilling and the application of selective mining could result in a significant improvement in the grade without any loss of contained metal.

The planned 2008 Scoping Study will include initial selective mine designs to confirm the selective mining potential of the shallow Napperby deposit (all mineralisation <8m depth) and provide an initial indication of mining grades, which are expected to be higher than the inferred resource grade.

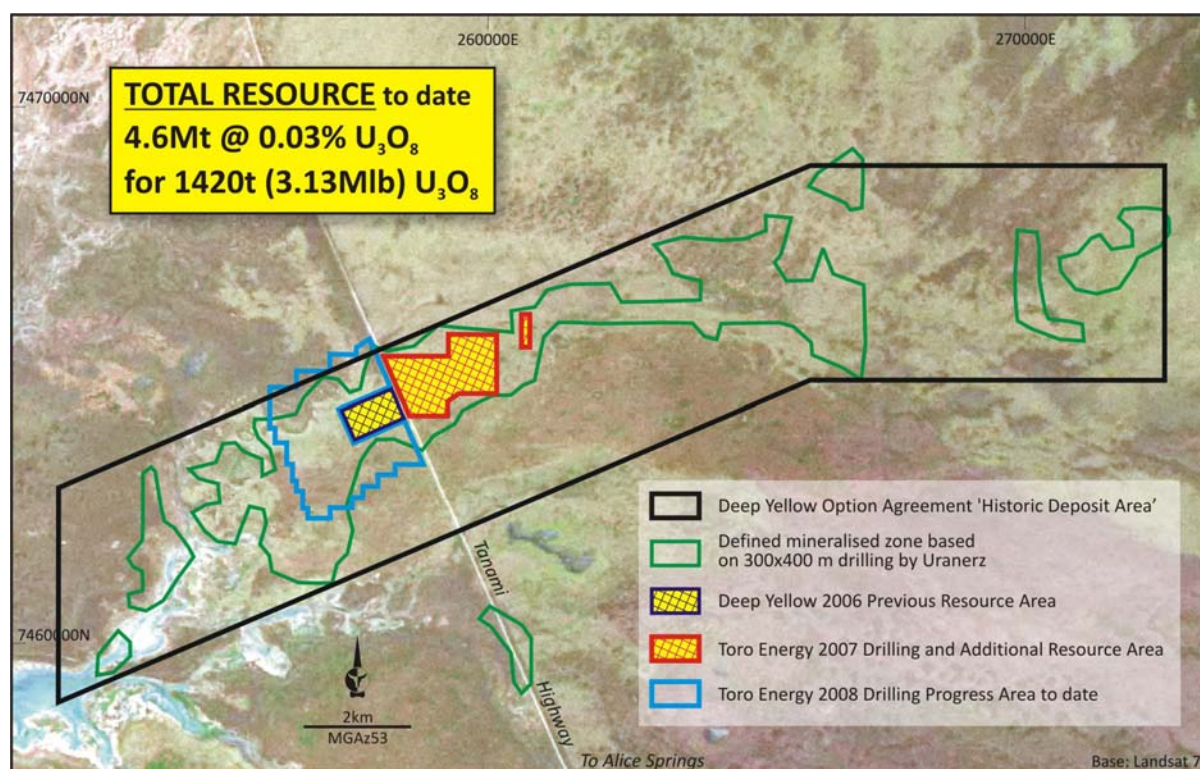


Figure 2: Plan of July 2008 Resource compared to December 2006 Resource

A significant exploration and resource evaluation team has been mobilised by Toro for the 2008 drilling program, including metallurgical tests, environmental and baseline work. This commenced in May this year, and should be completed during September. These results will feed into the Scoping Study, planned for completion by November 2008. An update of the 2008 drilling will be released shortly.

Yours faithfully

**Greg Hall**  
Managing Director

- 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 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 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.*

Notes:

1. From FinOre resource report Dec 2006, as reported by Deep Yellow Limited to the ASX on 13 December 2006.
2. SRK Consulting has not validated the data and has acted as the competent person with respect the JORC code on the interpretation and the estimations for the deposits. The responsibility for the QAQC procedures, control and accuracy of drill data pertaining to the Napperby deposit was managed by Toro and their consultants, Geos Mining.

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### Appendix I - Napperby Project, NT – Background

The Napperby Project is an historic mineralised zone discovered and explored by CRA Exploration and Uranerz in the late 70's early 80's. The project comprises an extensive, consistent mineralised zone within 3 to 7 m depth from surface in semi-consolidated and unconsolidated sediments. The project is close to infrastructure, being 150km NW of Alice Springs along the sealed section of the Tanami Highway (Figure 3), within 20km the Alice Springs to Darwin gas pipeline, and with access to the main N-S railway through Alice Springs.

Toro Energy has an Option Agreement with Deep Yellow Ltd over the Napperby Project which allows 100% purchase of the project at a capped price per resource pound (lb) basis at any stage over a 3 year period.

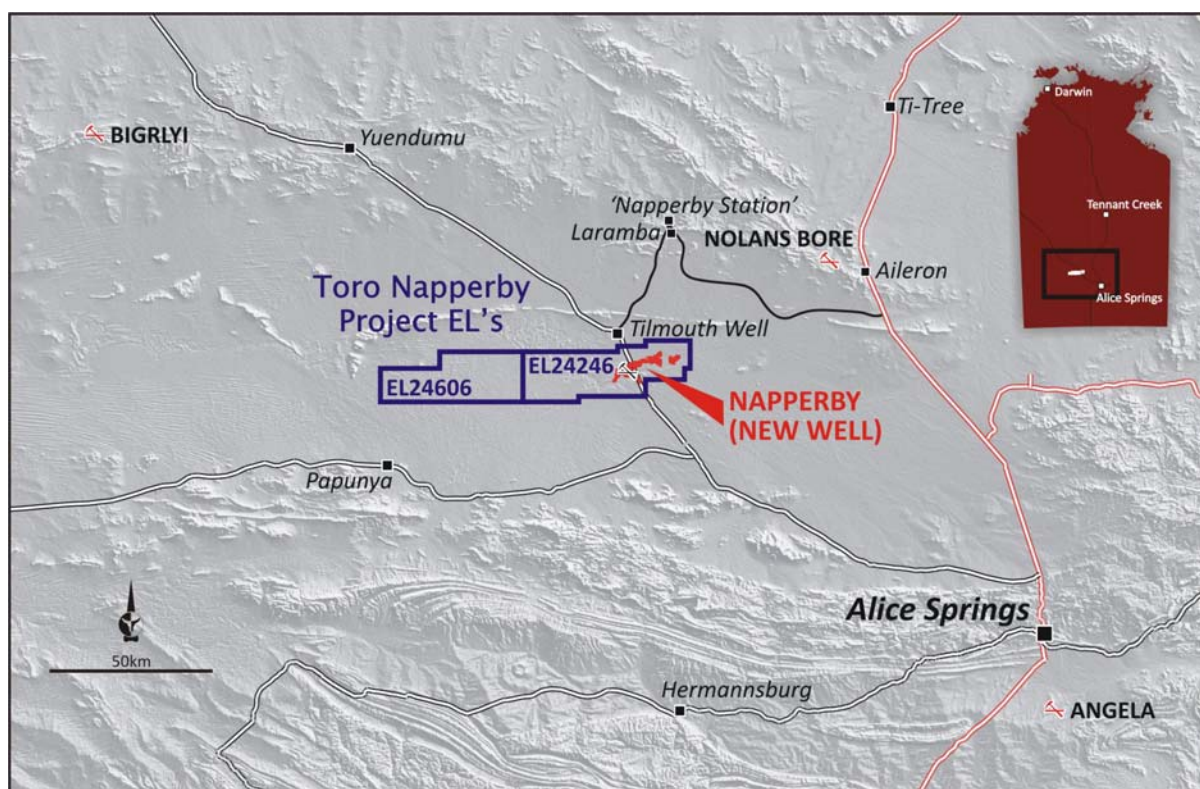


Figure 3: Napperby Project Location Plan

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