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EL 26827 Red Rock Final Technical Report for Period 11th February 2009 to 19th July 2010

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Operator	Toro Energy Ltd
Tenement Agent	Toro Energy Ltd (Perth)
Title	EL26827 Red Rock
Project	Sandover-Plenty
Report Title	EL26827 Red Rock Final Technical Report for period 11 th February 2009 to 19 th July 2010
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Target Commodity	Uranium
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Datum	GDA94 Zone 53
250k Mapsheets	Alice Springs SF53-14
100k Mapsheets	Burt 5651
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Summary

This Final Annual Technical Report for EL26827 Red Rock covers work carried out during the period from grant (11th February 2009) to surrender (19th July 2010). Exploration activities during the period are as follows:

- An historical data review comprising acquisition and assessment of all available open file reports and data.
- Apart from a brief reconnaissance visit in mid 2009 to determine logistics and meet the pastoralists. No on-ground exploration has been carried out.
- 1000m of aircore drilling was planned across Tertiary palaeochannel.
- MMP prepared and submitted
- An Exploration Agreement with the Traditional Owners was not forthcoming. Toro was requested by the Traditional Owners not to carry out exploration for uranium and to surrender the licence
- EL26827 was surrendered on 19/07/2010

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1 INTRODUCTION

This Final Report outlines the work conducted within the exploration tenement EL26827 during 2009-2010 by Toro Energy Limited (“Toro”; ticker code “TOE”).

EL26827 is located in the Northern Territory, some 70km north along the Stuart Highway from Alice Springs (Figure 1) and can be reached by turning east off the Stuart highway at Rodgers Dam and proceeding along the Plenty Highway which traverses the licence (see Figure 2).

Situated on the Burt Plain near the western edge of the Strangways Range, Red Rock lies within the Burt Plain bioregion. The landscape of the Burt Plain bioregion is characterised by plains and low rocky ranges. Vegetation is predominantly mulga and other acacia woodlands with short grasses and forbs, and spinifex grasslands. The predominant land use is cattle grazing, with some Aboriginal land¹. The climate of the Burt Plain bioregion is arid with predominantly summer rainfall. Spatially averaged median (1890–2005) rainfall is 243 mm (April to March).

Toro Energy considers the Central Australian Mobile Belt to be prospective for hardrock, calcrete and sandstone hosted uranium deposits. This area we believe, has potential for these style deposits, with 1600-1700 Ma radiogenic granites and Palaeoproterozoic metasediments of the Reynolds Range Group. These units have potential for magmatic or hydrothermal uranium. The area has experienced several orogenies and subsequent foreland basin development and therefore has potential for palaeochannel uranium. It also lies within the favourable climatic belt for calcrete type uranium deposits.

¹ Rangelands 2008

2 TENEMENT

Tenement	Tenement_Name	sub blocks	sq km	Tenement_Licensee	Grant Date	Surrender Date	Licence Manager
EL26827	Red Rock	34	104.7	Toro Energy Ltd	11-Feb-09	19/07/2010	Toro Energy Ltd

EL26827 was granted on 11th February 2009 to Toro Energy Ltd for a period of 6 years. This lease was in its second year of tenure, consisting of the original 34 blocks (covering a total area of 104.7 square kilometres) when it was surrendered.

Table I Red Rock Tenement Details

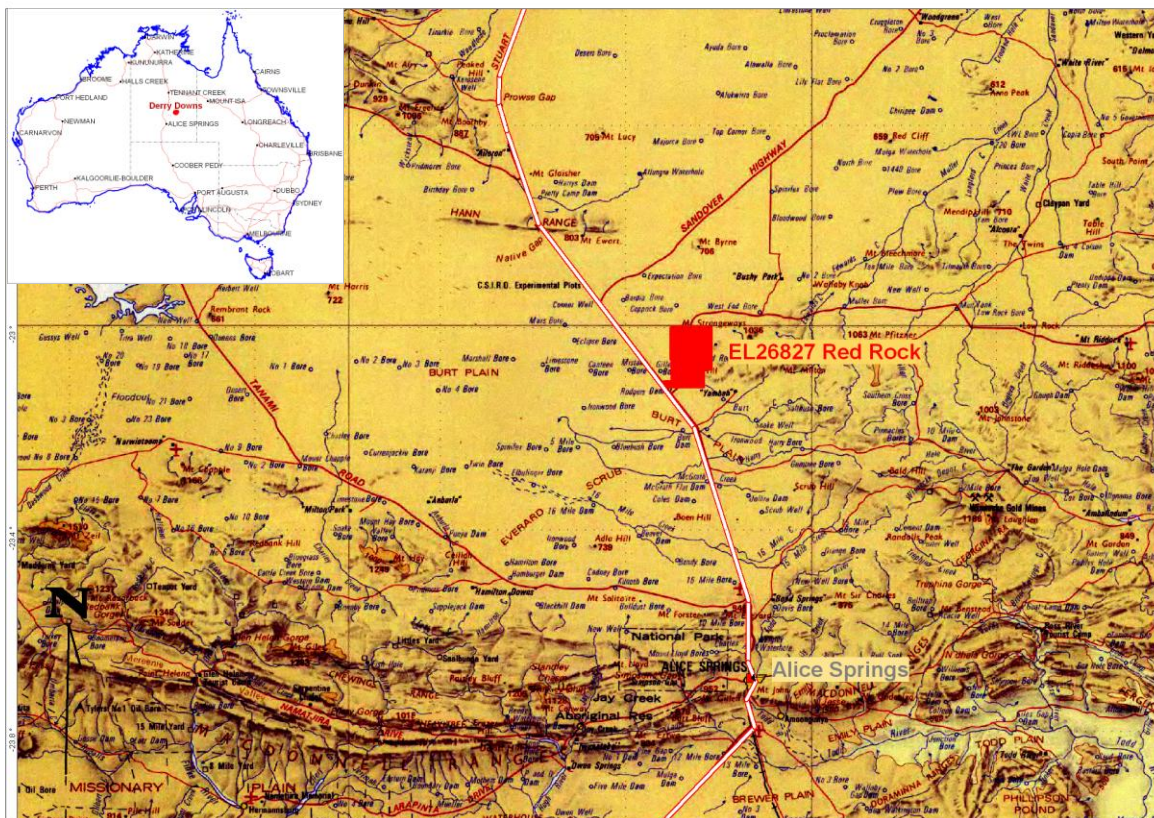


Figure I Location of EL26827 Red Rock

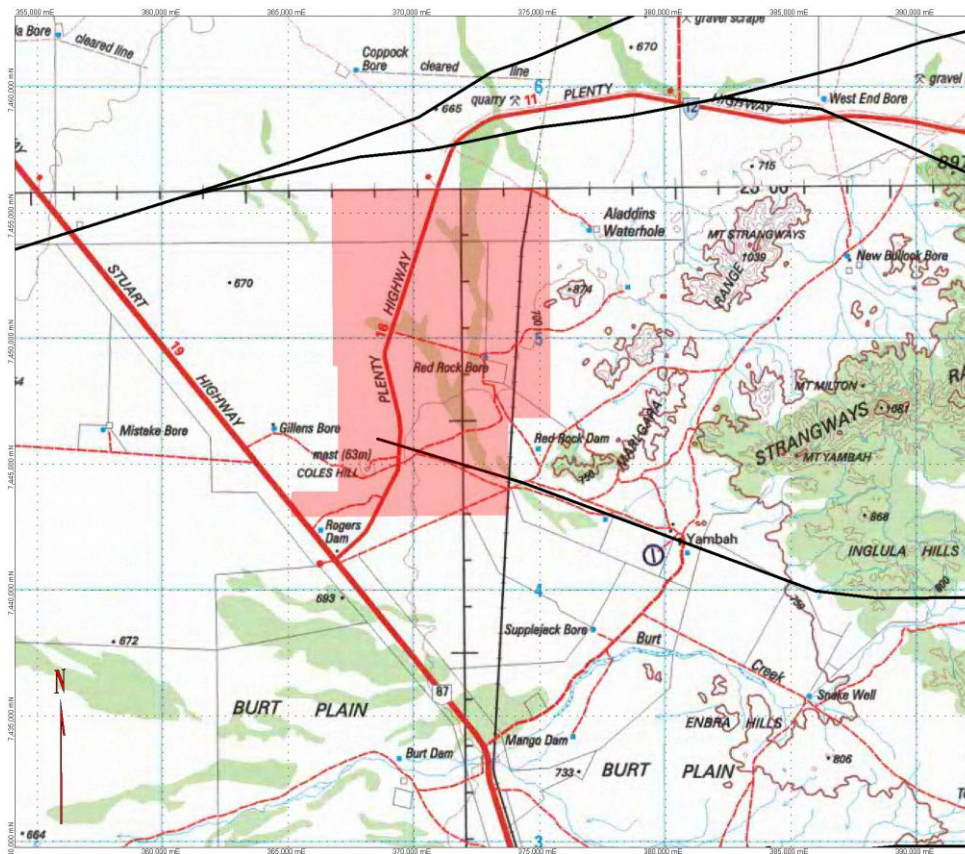


Figure 2 EL26827 location on 100K topography



Figure 3 Red Rock EL26827 tenement Location over 250k and 100k mapsheets

3 GEOLOGICAL SETTING

EL26827 lies within the Arunta (Aileron) region of the Northern Territory within the Proterozoic Strangways metamorphics, containing felsic and mafic gneiss, metavolcanics, metapelite. These granites and orthogneisses are notably highly-radiogenic within the Reynolds and Strangways Ranges, hosting numerous veins and pegmatites with anomalous uranium and thorium. Locally, the Aileron Province rocks are overlain by a veneer of Tertiary to Recent clastic sequences.

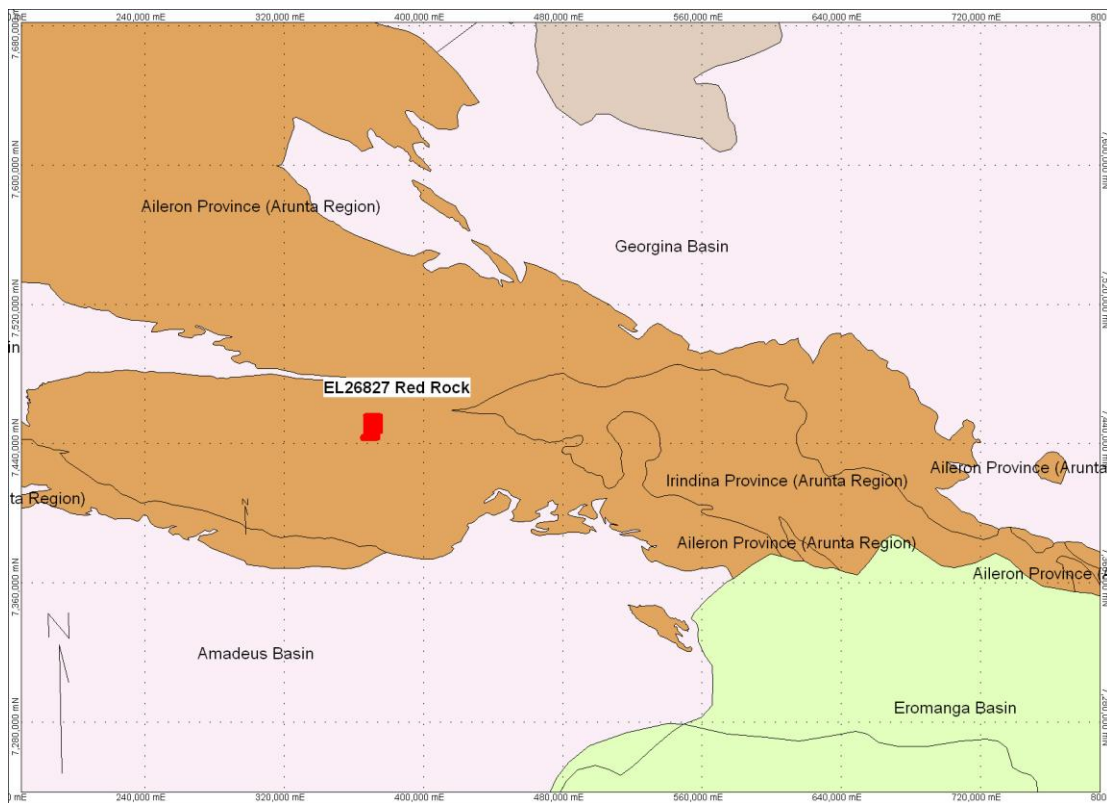


Figure 4 EL26827 over regional geology (NT geology regions)

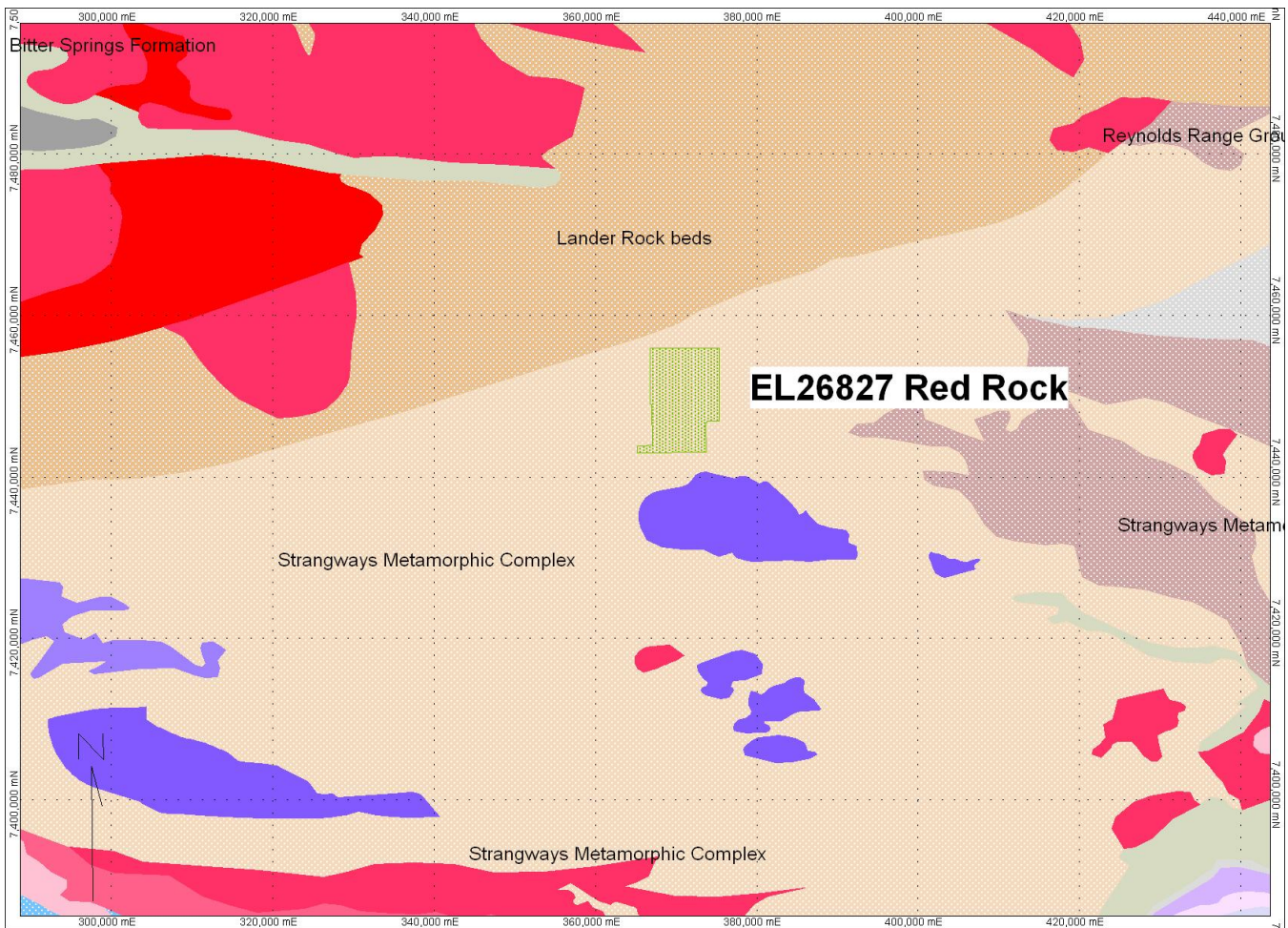


Figure 5 Location of EL26827 over NT_Lithinterp_2500K interpreted geology

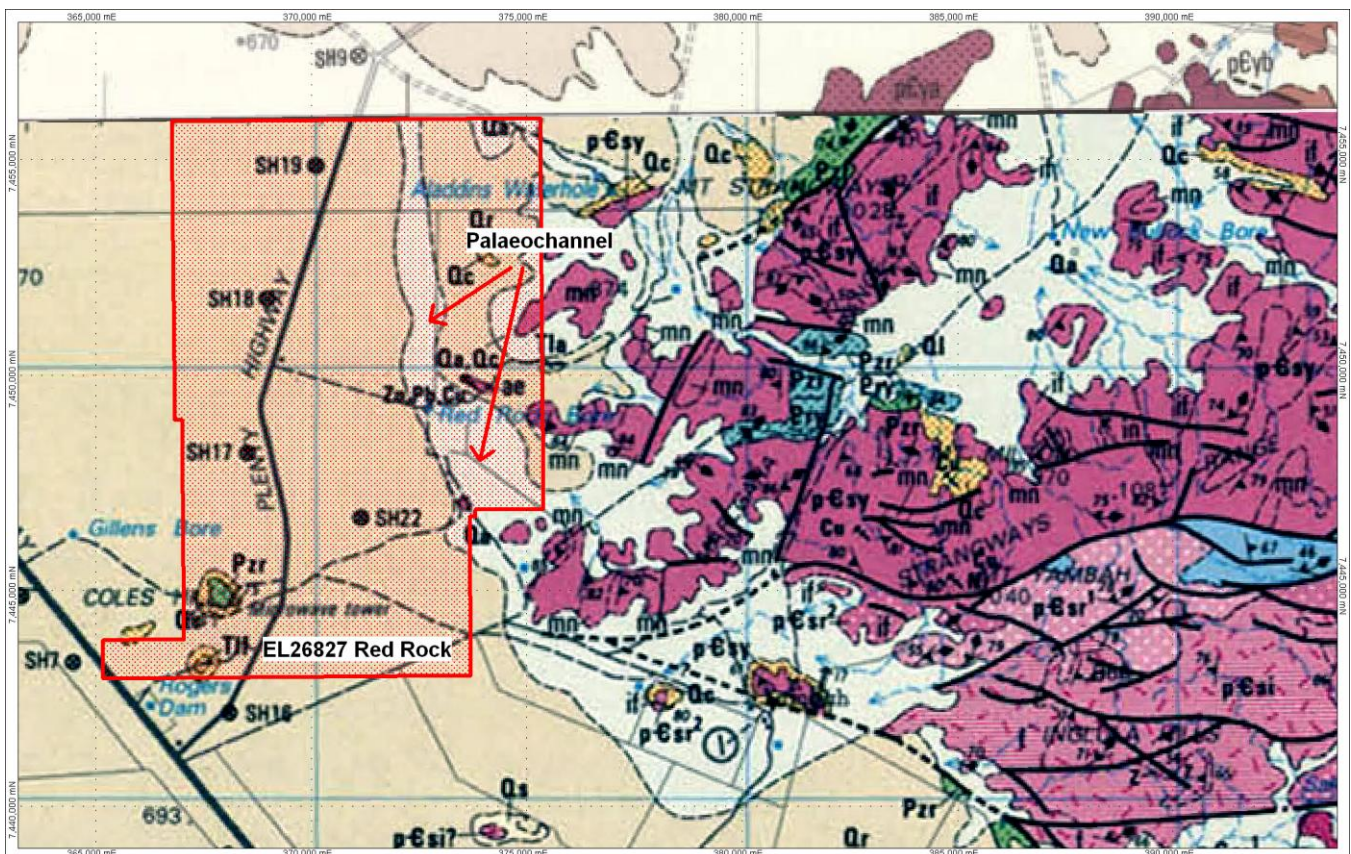


Figure 6 EL26827 location over Alice Springs 1:250,000 geological mapsheet



Figure 7 EL26827 Location over Google earth

The local geology in the Red Rock Bore area, as described in CR1975-0033, is 'mostly soil covered with a few scattered outcrops of acid and basic gneisses, schists and medium grained amphibolites. The only large outcrop is banded quartz-garnet-magnetite ridge of about 1300ft in length, about one mile north-east of Red Rock Bore. The Ridge consists of narrow alternating bands of quartz and quartz-magnetite-garnet which dips steeply towards the south-west and strike approximately west north west'.

4 PREVIOUS EXPLORATION

Historical exploration was primarily focussed on base metals and gold with only CRA looking for uranium. Historical open file exploration reports were summarised briefly in the first Annual Report and in Table 2. Figure 8 shows locations of historical tenements.

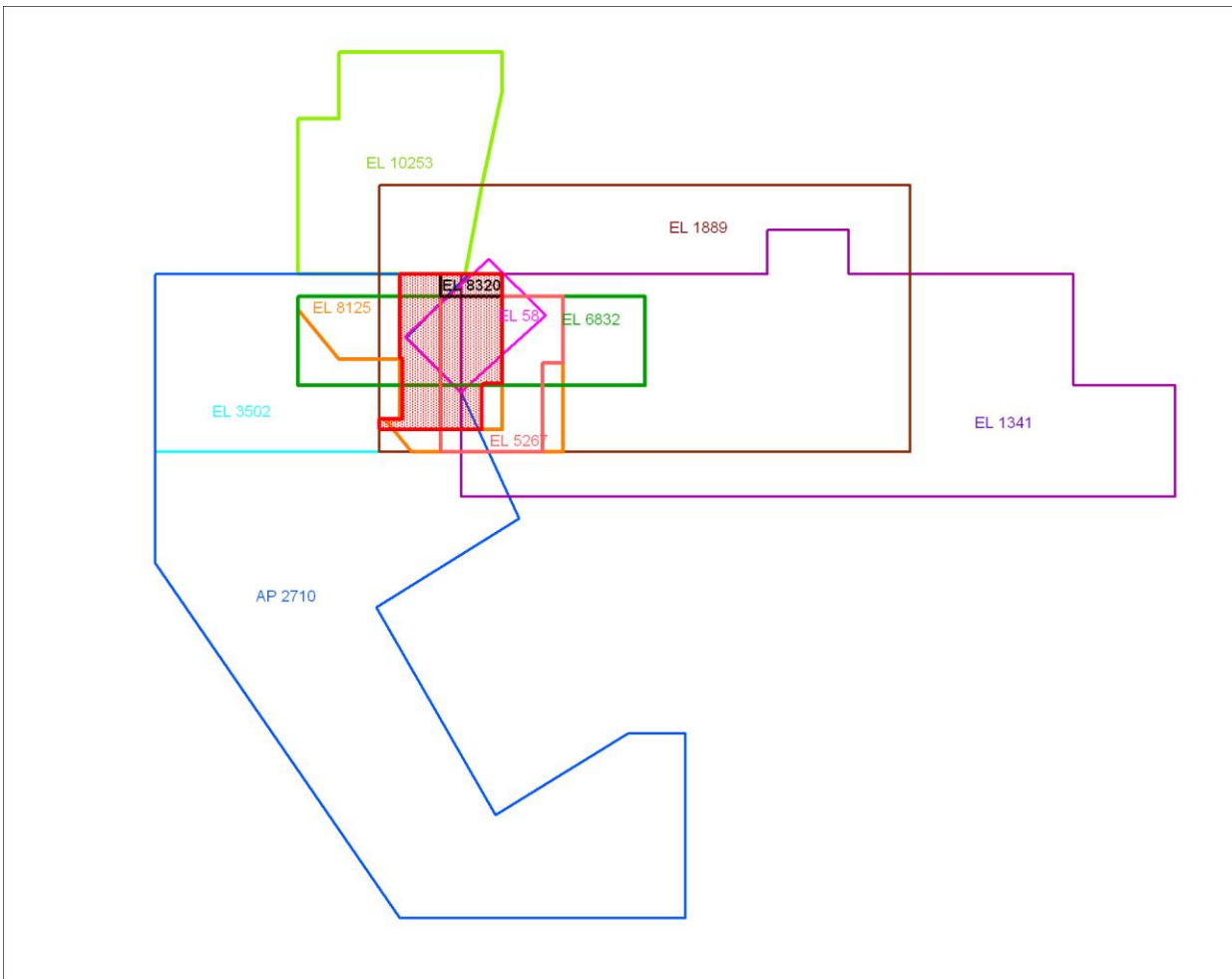


Figure 8 Red Rock (hatched red) overlain by historical tenements.

Table 2. Summary of previous exploration activity around Red Rock

TEN NUM	Coverage	Company	Number of Reports	Commodity	GRANTED	CEASED	Exploration	Comments	Relevance 1 to 5	Report_No
A 22866		no record	0		20001204	20040729			0	
AP 2710	100%	CRA	2	uranium	19701001	19720930	car borne survey + soil samples + bore water assay	Target was U in fresh bedrock and sediments. Nothing anomalous was detected.	5	CR1973-0002, CR1971-0026
EL 10253	adjacent	Gutnick	2	witwatersrand style Au	20020201	20030723	stream seds./BLEG/rockchips	combined report for 20- or more ELs	2	CR2003-0064, CR2004-0166
EL 1341	30%	Dampier Mining	1	Cu, Pb and Zn	19761108	19771107	Open file reviews	"mineralisation is low grade and small in size"	3	CR1977-0139
EL 1889	100%	Triako Mines	5	base metals/Au?	19790104	19810103	geochem/geophysics/Perc./diamond	Combined report unclear which EL drilling is on	3	CR1979-0161, CR1979-0057, CR1980-0151, CR1980-0009, CR1980-0095
EL 3502	100%	CRA	1	diamonds?	19820420	19830419	followed up mag.targets.		3	CR1983-0152
EL 5267	60%	McMahon Construct	1	unknown	19871211	19881125	costeamed anom.	not much info	3	CR1989-0057
EL 58	50%	Planet Mining	2	Copper and Nickel	19720118	19750917	airtrace geochem.survey/IP?/drilling	Copper and nickel anomaly over magnetic high. Cu 891ppm and Ni 122ppm	3	CR1974-0078, CR1975-0033
EL 6832	50%	White Range Gold	1	unknown	19900606	19921007	unknown		3	CR1991-0603
EL 8125	90%	Roebuck/Pasminco	2	base metals?	19941031	19981102	soils/orientation LAG/MMI/stream seds./RC	mineralisation subeconomic	3	CR1995-0821, CR1996-0920, CR1997-0779, CR1997-0471
EL 8320	5%	Roebuck/Pasminco	4	stratabound Au-base metals	19931124	19961115	soils/MMI/ground mag./		2	CR1996-0201, CR1994-0827, CR1997-0082, CR1996-0171

5 EXPLORATION OBJECTIVES

After reviewing the available data and reports, Toro proposed that the principal objective for this tenement was to determine the potential for calcrete/sandstone hosted uranium deposits within the palaeochannel system evident on Landsat imagery.

6 EXPLORATION COMPLETED

Exploration during the tenement life consisted primarily of a desk top study of the available historic open file information. No ground activities were carried out, apart from a brief reconnaissance visit in mid 2009 to determine logistics and meet the pastoralists. Toro requested the Central Land Council to offer a Native Title Exploration agreement to the Traditional Owners. Toro met with the traditional owners of this area in 2009 to explain exploration plans for EL26827. The Traditional Owners (via the CLC) requested that Toro surrender two exploration licences in the area but agreed to further discussions for Toro to carry out uranium exploration on EL26827.

Unfortunately Toro received a letter on 12 May 2010 from the Central Land Council (CLC), advising Toro that the Native Title Holders will not enter into negotiation and instructed the CLC not to issue a Sacred Site Clearance Certificate. It was also requested that Toro surrender Exploration Licence 26827.

After careful consideration, Toro decided that without an exploration agreement with the traditional owners it would be very difficult to establish a mine in this area without the consent of the traditional owners.

7 EXPLORATION EXPENDITURE

Total expenditure incurred during the term for EL26827 was \$24,115.00

8 EXPLORATION PROPOSED

In line with Toro Energy's policy of harmonious relations with pastoralists and Traditional Owners, exploration on this tenement was ceased and tenure surrendered in compliance with requests from the Traditional Owners.

9 REFERENCES

Rawlings, D and Sullivan, C., 2010. EL26827 Red Rock Annual Technical Report for Period 11th February 2009 to 10th February 2010.