



TORO EXPLORATION
Surrender Report EL28806 and EL29476
6 December 2011 to 28 November 2013

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1 Introduction

This report details the work conducted across two tenements, EL28806 and EL29476, previously held by Toro as part of the Benmara project. The report outlines all the work carried out across the tenement by Toro and over the entire history of the tenements. The two tenements being surrendered in this report have been reported on previously in the 2013 Annual Report for GR256/12 submitted in March 2013.

GR256/12 exploration tenement group lies within Toro's McArthur project and straddles the boundary of the Dunmarra Basin (an intracratonic basin unconformably overlying the sedimentary rocks of the Palaeo to Mesoproterozoic McArthur Basin to the north) and the Georgina Basin to the south (NTGS).

Toro's rationale for relinquishing these licences is that budget constraints have placed pressure of Toro to rationalise ground, and these tenements are seen as lower priority than others in the project area.

2 Location and Access

Tenements EL28806 and EL29476 are located in the northern corner of the Northern Territory, approximately 120km from the Queensland border on the Clavert Hills and Drummond 250K map sheets (Figures 1 and 2). Tennant Creek lies approximately 330km to the southwest. Access from Tennant Creek is north along the Stuart Highway for 25km and then east on to the Barkly Highway for approximately 185km, turning north at Barkly Roadhouse onto the Tablelands Highway for approximately 200 km. From this highway, turn right on the Calvert Hills Road and travel northeast for a further 128km to the turn off to Benmara Station (Figures 3 and 4). The tenement group lies on the Pastoral Properties of Benmara and Creswell Downs (Figure 5).

The Gulf region (bioregion) is characterised by gently undulating coastal plains along the southern Gulf of Carpentaria with scattered rugged areas of Proterozoic sandstones. Soils are predominantly sandy red earths and shallow gravelly sands. The climate is tropical with annual rainfall between 800 and 1200mm falling mostly between December and March;

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cyclones are a frequent phenomenon. Eucalyptus woodlands with grassy understory dominates the region with significant areas of tidal flats mangroves and littoral grassland. The field season generally runs from May/June to October in order to avoid monsoonal activity.

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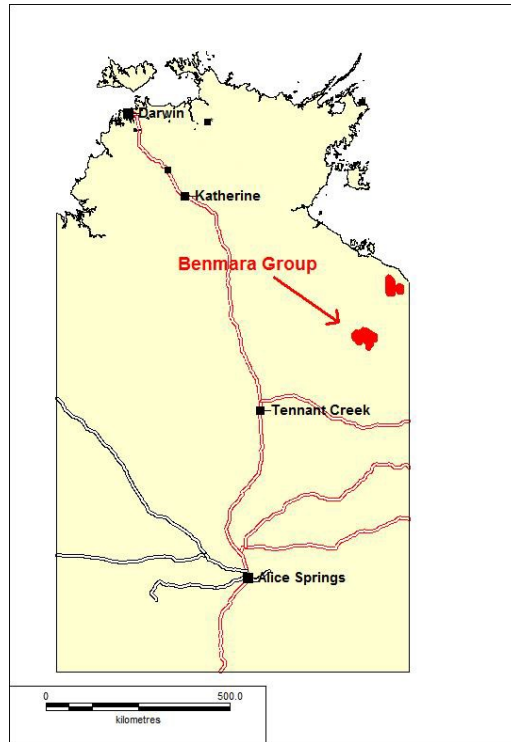


Figure 1 Location of the Benmara Project.

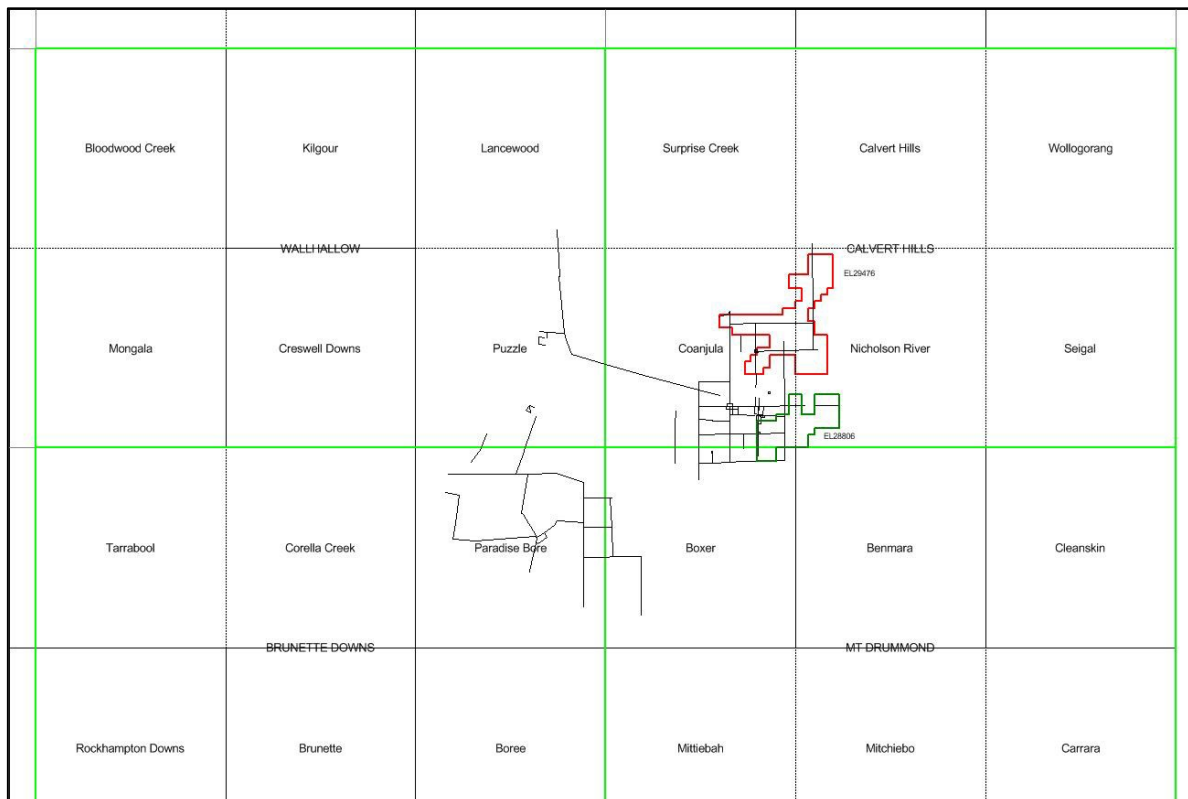


Figure 2 EL28806 and EL29476 Location Map

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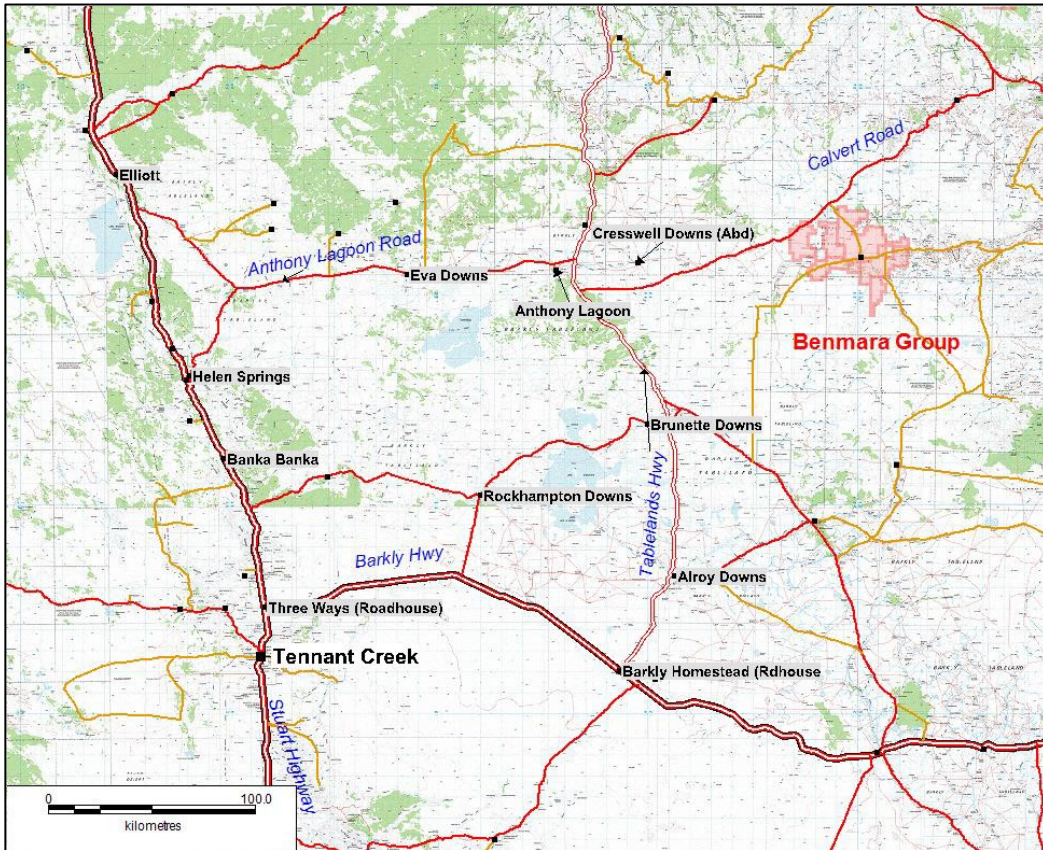


Figure 3 Regional Location and Access

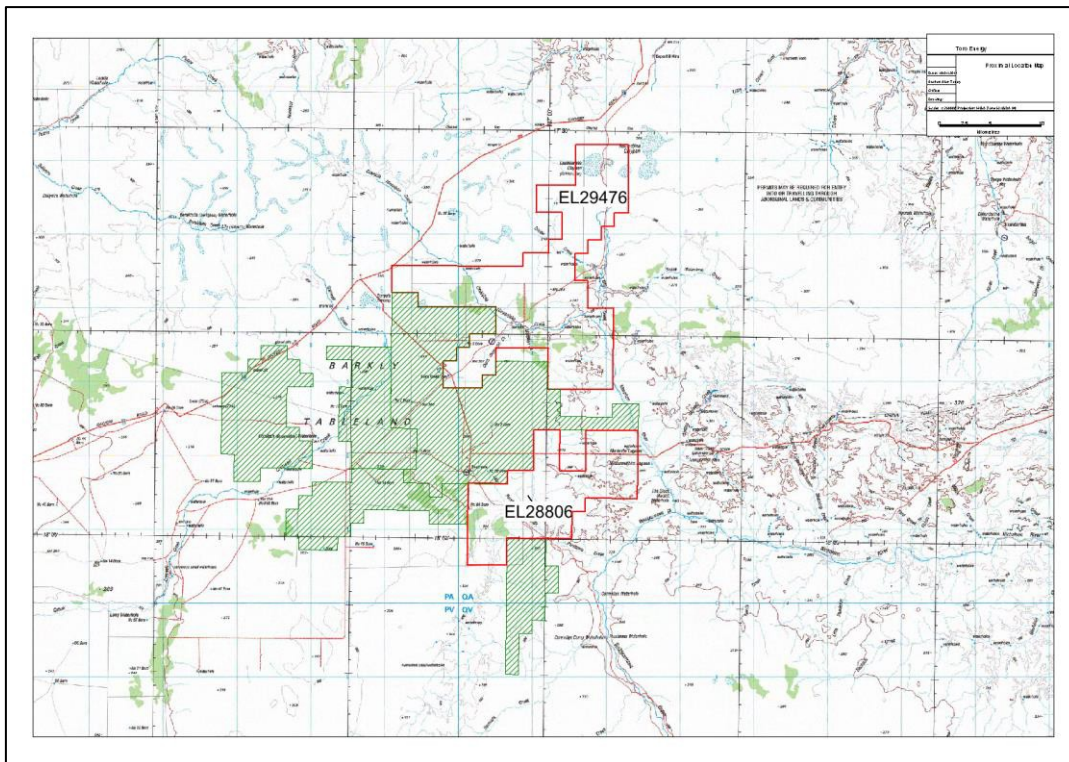


Figure 4 Proximal Location Map

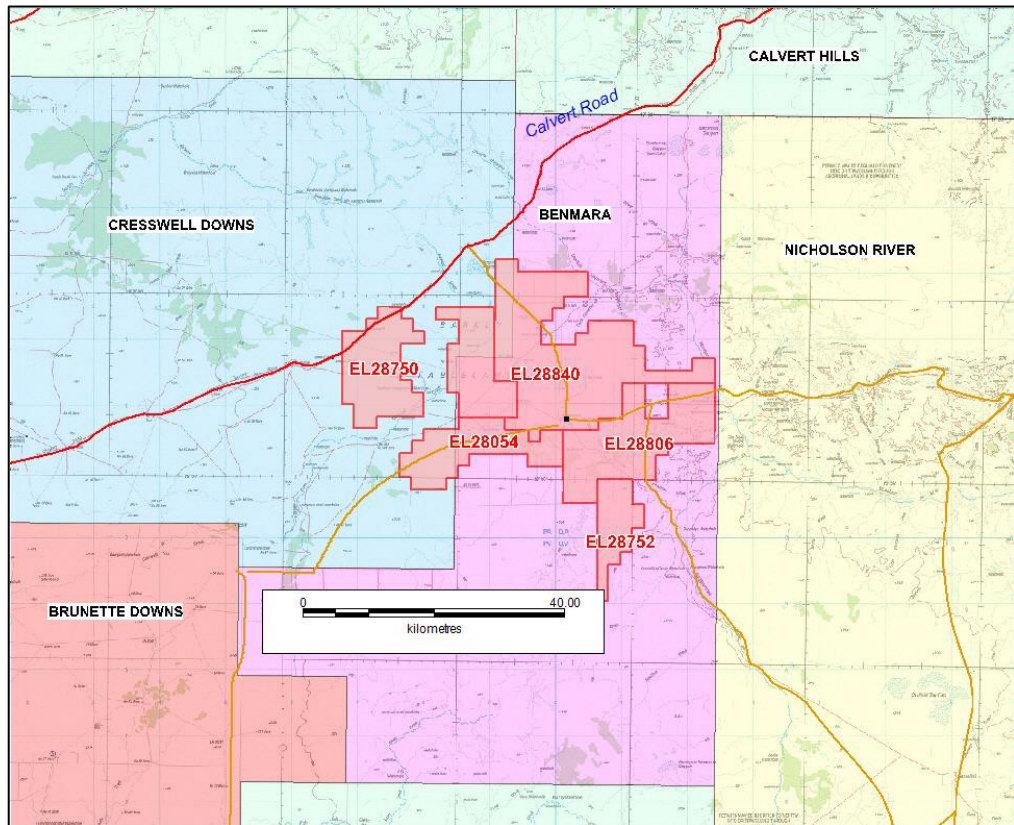


Figure 5 Location of Pastoral Properties

3 Tenement

The details of the two tenements being surrendered are shown in Table 1. The Tenements were surrendered on the 28 November 2013

Table 1 Tenements to be Surrendered Details

Tenement	Tenement Name	Sub Blocks	Sq Km	Tenement Licensee	Grant Date	Expiry Date	Licence Manager
EL28806	Murphy	72	235.3	Toro Energy Ltd	6-Dec-11	5-Dec-17	Toro Energy Ltd
EL29476	Seigal	136	445	Toro Energy Ltd	19-April-12	11-April-18	Toro Energy Ltd



4 Geological Setting

The Benmara Group tenements (GR256/12) lie within Toro's McArthur project, straddling the boundary of the Dunmarra Basin, an intracratonic basin unconformably overlying the sedimentary rocks of the Palaeo to Mesoproterozoic McArthur Basin to the north and the Georgina Basin to the south (NTGS) (Figure 6 and Figure 7). The Lower Proterozoic Murphy inlier lies to the East and represents a basement high, comprising metasediments, felsic volcanics and the Nicholson granite, intruding the Murphy rocks. The Murphy metamorphics are interpreted (NTGS) as being unconformably overlain by sediments and volcanics of the Tawallah Group including the Westmoreland Conglomerate; host to the Westmoreland uranium district of the Southern McArthur Basin area of QLD. Here uranium mineralisation is associated with basal McArthur Basin sediments and the edges of mafic igneous intrusions. Other uranium occurrences are described by NTGS¹ as being associated with the Westmoreland Conglomerate and volcanic boundaries, Conglomerate and basic dykes, within the Murphy metamorphics, the basal section of the Seigal Volcanics and within faults and fractures of the Murphy Metamorphics. Several of these occurrences are associated with alteration; hematite/quartz/sericite/muscovite/chlorite. Gold is often also present.

¹ Calvert Hills 1:250,000 Metallogenic Map Series

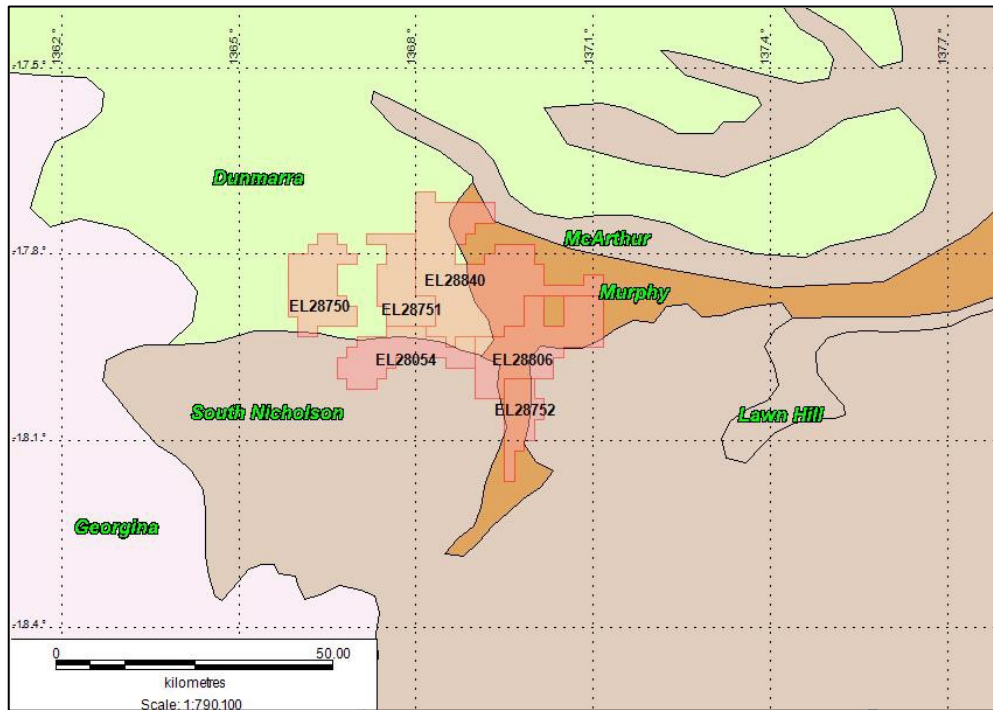


Figure 6 GR 256/12 over NTGS Geological Regions 2500K.

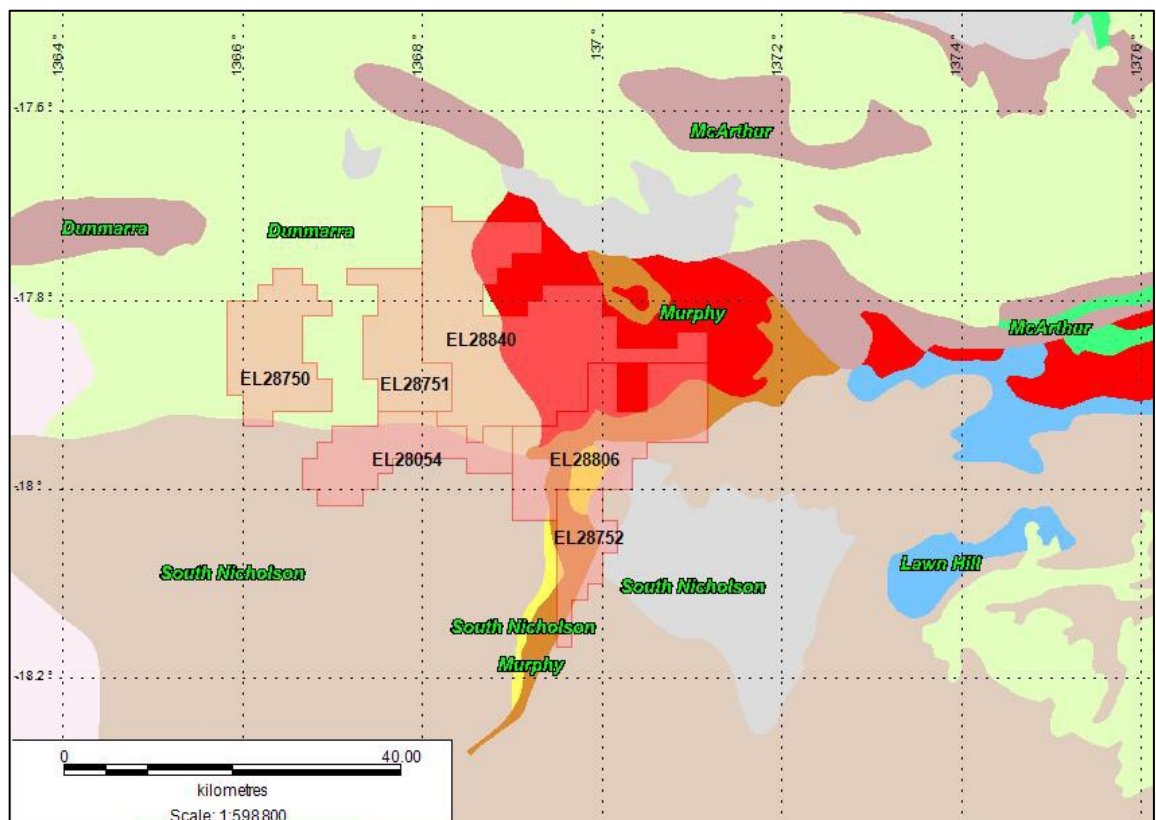


Figure 7 GR 256/12 on NTGS Lithology interpretation and faults.

5 Previous Exploration

Previous exploration has been undertaken across the two tenements focussing mainly on gold, diamonds and base metals, however, no exploration was specific to either tenement prior to 2011. The details of this exploration was been reported on previously in reported in the Benmara Annual Technical Report (Rawlings and Sullivan, 2012), with drill hole locations, assay and survey files being provided as part of that report.

6 Toro Exploration

6.1 CLEARANCE

Toro has negotiated heritage clearance for low level exploration activities across the two tenements. This clearance was for activities such as drilling, and was used to guide and plan drilling programmes. Extensive ethnographic and archaeological surveys sufficient to allow for more intense work have not been carried out.

6.2 RECONNAISSANCE

A reconnaissance visit took place during 2012 to determine ground conditions and access to proposed drill lines/targets. This was a worthwhile exercise, as many tracks and fences were in disrepair or had been shifted, thus would have an impact on future works. The pastoralist at Benmara Station was quite helpful as well. He reminded us of the Coanjula Diamond Project corestack that resided within our licences. This stack was visited and a rough inventory done; details were then sent to NTGS for their appraisal of what to do with the valuable resource.

6.3 ON TENEMENT WORK

While Toro has not conducted any drilling on the two tenements being surrendered it has analysed previously recovered core from two locations (Figure 8) to assess these tenements for their suitability for uranium prospecting. Minor uranium anomalism was identified in the Mine Admin core (max 332 ppm), within the thermal aureole of a Nicholson Granite pluton, confirming historic assay results. U is likely refractory skarn type and not of great interest as a genuine target. Some specific notes inc:

- Granite observed is undeformed megacrystic quartz-rich granite, typical of Nicholson Granite. Granite is homogenous pink (oxic) and clearly the source of the uranium.

- Murphy Metamorphics is homogenous brown quartz-lithic wackestone or psammopelite, metamorphosed to greenschist facies, and overprinted by thermal metamorphism associated with the granite (ie hornfels). There is very little evidence of mass fluid infiltration or metasomatism/skarn development. Very bland indeed.
- The boundary between granite and hornfels is likely to be a reactivated “passive” intrusive contact.
- Historic downhole gamma spikes occur at the intrusive contact, which is likely to be quite narrow. Only one of the historic spikes could be reproduced by hand held scintillometer (3 times background).
- Quartz-carbonate-sulphide veins occur throughout the unit and are not necessarily associated with gamma spikes.
- Poor core recovery explains the absence of uranium in core sample material here. RC holes had better analytical results because of 100% recovery.
- The best assay result in the Benmara historic core is 332 ppm U over 0.7 m, in BDH5. This is accompanied by elevated phosphate.
- U will likely be in a refractory form (e.g., as Brannerite) and therefore is metallurgically “difficult”.

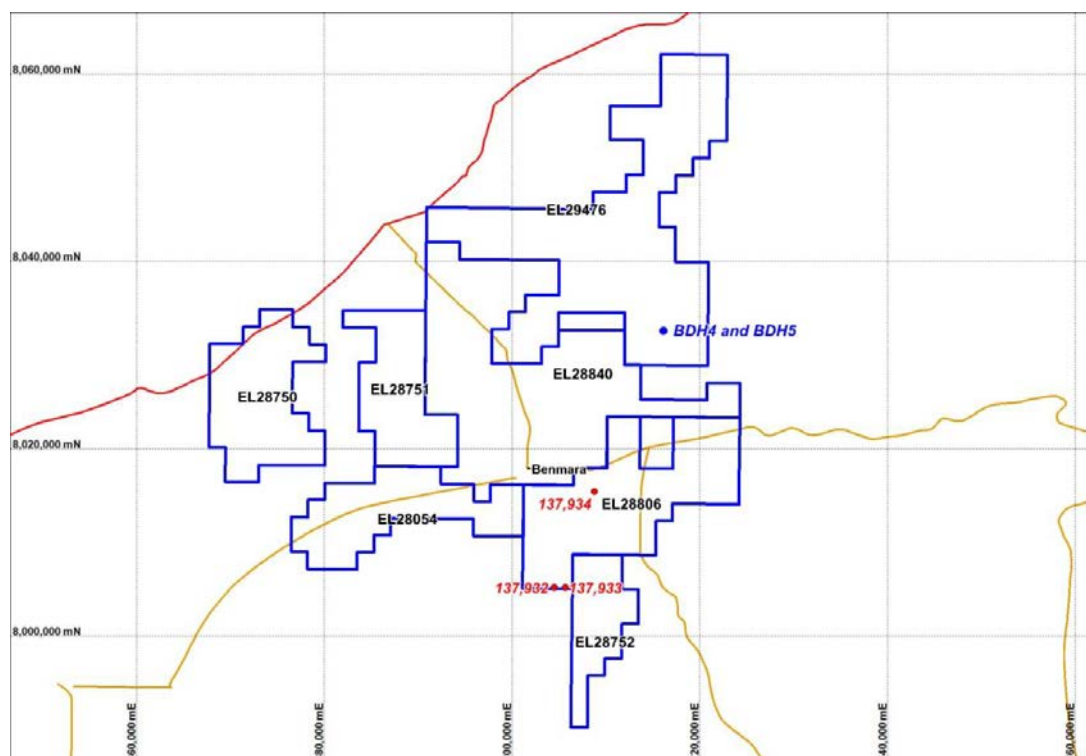


Figure 8 Sampling Sites on the Two Tenements being Surrendered

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7 EXPENDITURE

For expenditure incurred during the life of the tenements please refer to previous expenditure reports. Toro fell some \$7000 short of its covenant on EL28806 in 2012 and applied for a waiver. No money was spent on either tenement in 2013 prior to relinquishment.

8 RECOMMENDATIONS AND CONCLUSIONS

On site reconnaissance and laboratory testing confirm that the potential uranium resources occurring on the two tenements being surrendered as part of this report have limited potential for development and are of little economic use.

With declining budgets in a difficult uranium market, Toro recommends focussing exploration on higher priority targets to the south and so consequently, Toro has decided to rationalise the tenure, including relinquishment of ELs 28806 and 29476.

9 REFERENCES

Rawlings, D and Sullivan, C., 2012 EL28054 Benmara Annual Technical Report for period 7th January 2011 to 6th January 2012

Rawlings, D. (2013). Relinquishment Report for ELs 28750 and 28751, Benmara Project, November 2013. (Combined Reporting, GR 256/12)

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