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Combined Annual Technical Report
For Period
2nd April 2009 to 1st April 2010

EL 26287 Mount Denison
EL 26478 Western Creek

Titleholder	Toro Energy Ltd
Operator	Toro Energy Ltd
Tenement Agent	Toro Energy Ltd
Title	EL26287 Mount Denison, EL26478 Western Creek
Project	Reynolds Range
Report Title	Combined Annual Technical Report for period 2nd April 2009 to 1st April 2010 EL26287 Mount Denison EL26478 Western Creek
Author(s)	David Rawlings, Regional Exploration Manager BSc(Hons), PhD, AUSIMM Caroline Sullivan, BSc (Hons),Geologist
Corporate Author	Toro Energy Ltd
Target Commodity	Uranium
Date of Report	1st April 2010
Datum	GDA94 Zone 53
250k Mapsheets	Napperby SF53-09, Mt Peake SF53-05, Mt Theo SF52-08
100k Mapsheets	Giles 5354, Turners Dome 5254, Yuendumu 5253, Denison 5353
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Summary

This first Combined Annual Technical Report for Mount Denison group tenements (Reynolds Range) covers work carried out during the twelve month period from 2nd April 2009 to 1st April 2010. Exploration activities during the period have involved:

- An historical data review comprising acquisition and assessment of all available open file reports and data.
- TEMPEST AEM survey comprising 656 line km (1km spacing)
- Native Title negotiations have also been progressed with the CLC and Traditional Owners. Toro are actively seeking an Exploration Agreement be in place prior to any ground disturbing work.

Table of Contents

Figures

Tables

1 INTRODUCTION

This report outlines the work conducted within the exploration tenements EL26478 and EL26287 during 2009/2010 by Toro Energy Limited ("Toro"; ticker code "TOE").

This tenement group is located some 280km northwest of Alice Springs (Figure 1&2) in the Reynolds Range province on the Napperby, Mt Peak and Mt Theo 1:250,000 mapsheets (Figure 3).

The Reynolds Range region is semi arid with monsoonal influences, with 75-80% of rainfall occurring in the summer months. Annual rainfall is generally higher in the north of the region. The mean annual rainfall for Tennant Creek (to the North) is 375 mm. Rainfall is extremely erratic.

Most of the region is hilly range country, covered by Spinifex (hummock grassland) and a variety of stunted vegetation. Adjacent are sand plains with minor sand dunes containing Spinifex, Acacia, Blue Gum and Mallee scrub plants. Drainage from the high-relief ranges quickly dissipates into shallow water courses and floodplains that break up the sand plains, or locally into ephemeral salt lakes. This tenement lies at the southeastern end of the Reynolds Range and incorporates largely hilly country in the south and dissected low hills at the headwaters of the Lander River in the north.

Access to the region is from either Alice Springs via the Stuart Highway, Tanami Road and station tracks or Tennant Ck via the Stuart Highway, Willowra Rd, Mt Barkly Rd and station tracks. The tenement lies within Mt Denison Station (Figure 4). Access within the tenement is via station tracks.

2 TENEMENT

Group Reporting status was approved for these three exploration licences on 19th February 2010. EL26478 was granted on 3rd June 2008 to Toro Energy Ltd for a period of 6 years. This lease is in its second year of tenure. EL26287 was granted on 1st April 2008 to Toro and is in its second year of tenure.

Tenement	Name	Status	Blocks	Sq km	Land type	Grant date
EL26287	Mt Denison	Granted	251	773.55	Pastoral	01/04/08
EL26478	Western Creek	Granted	173	526.44	Pastoral	03/06/08
Total			**424**	**1299.99**		

Table 1 Tenement Details

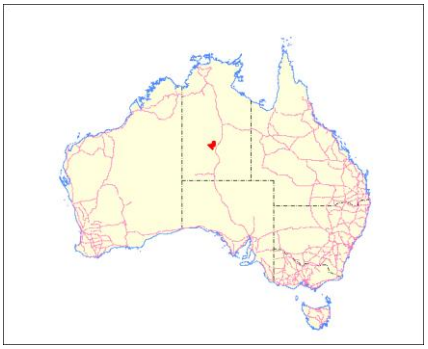

Figure 1 Location Reynolds Range Project (Mt Denison group) area

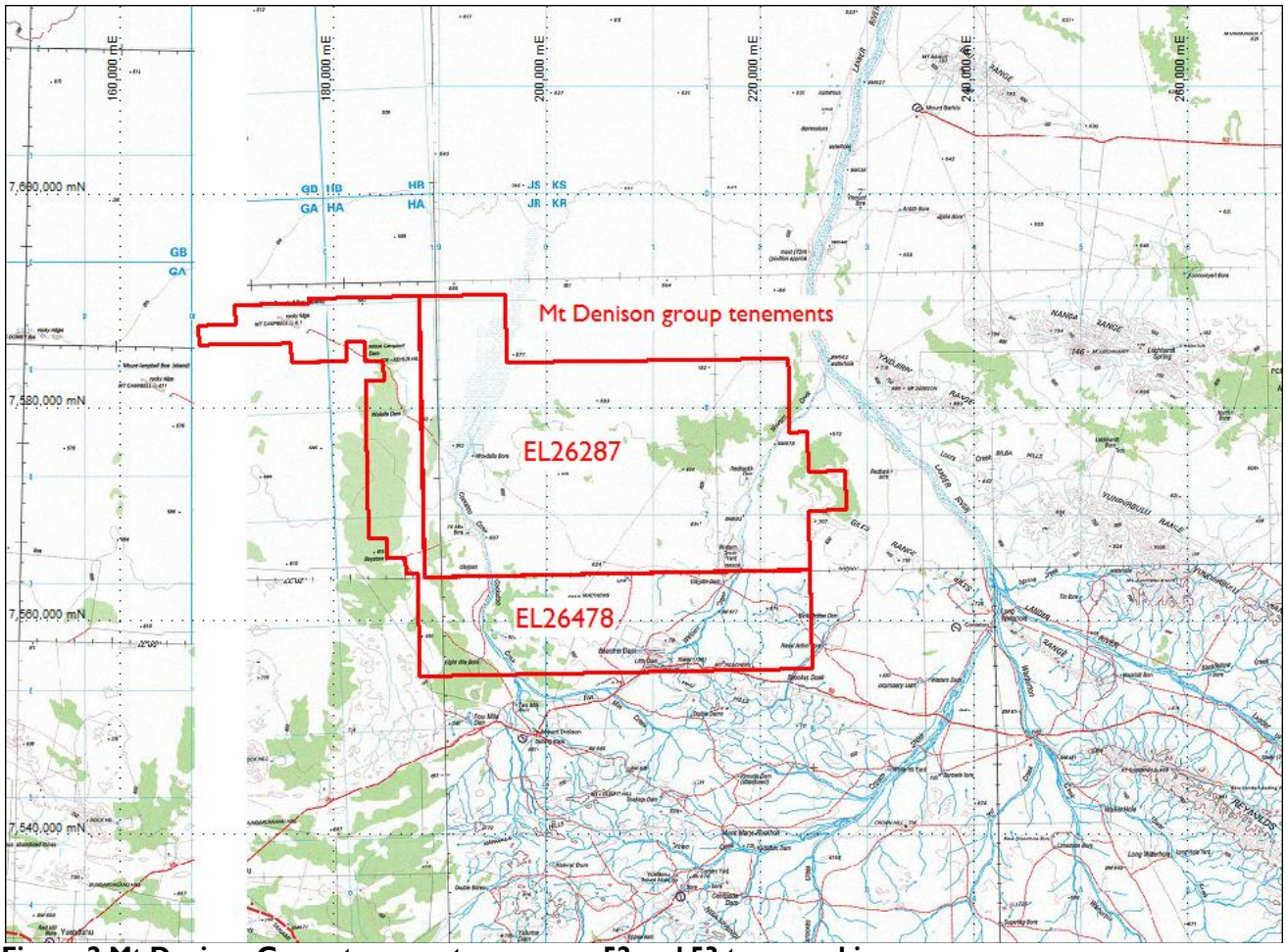

Figure 2 Mt Denison Group tenements over zone52 and 53 topographic maps

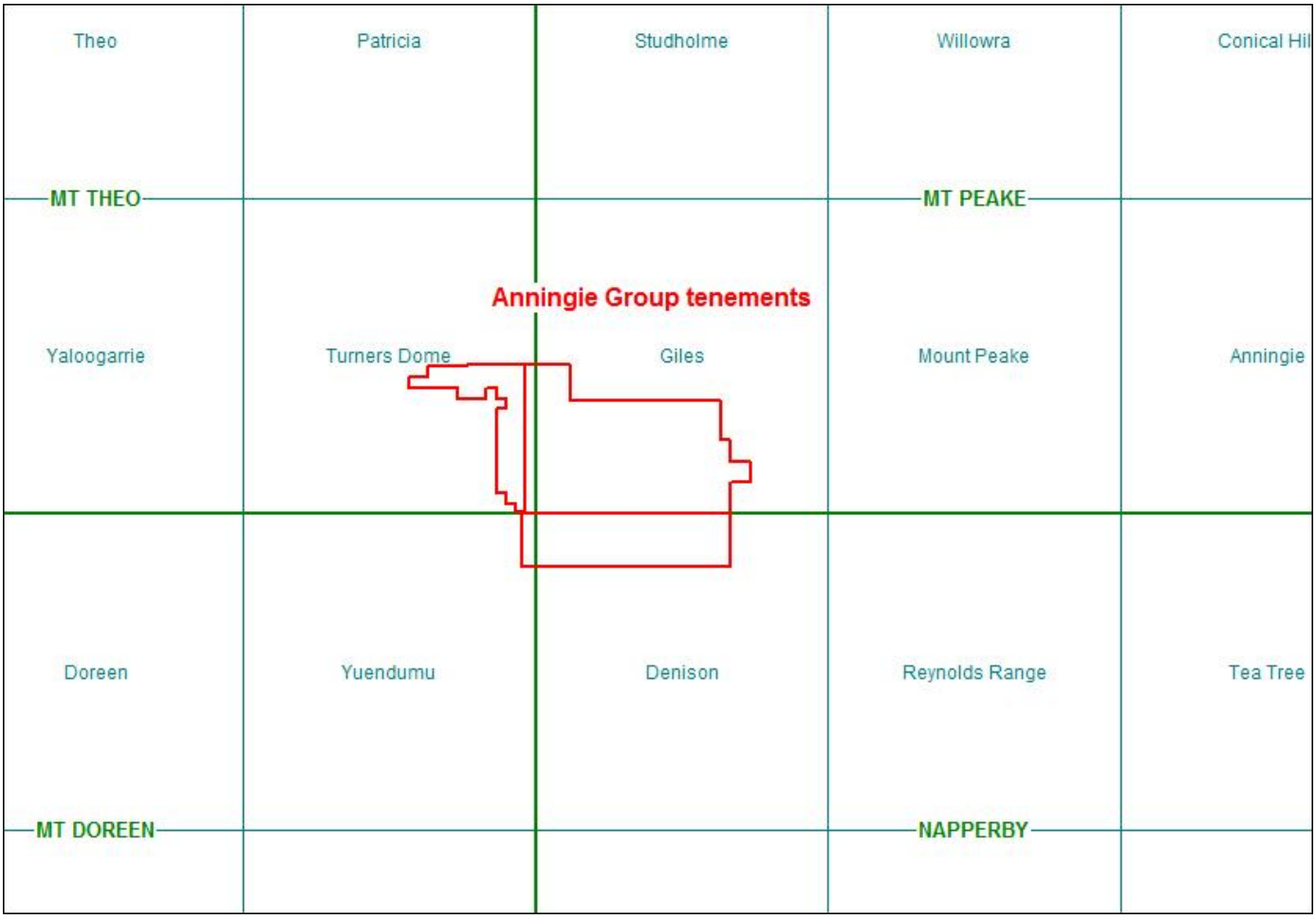

Figure 3 Mt Denison Group Tenement Location over 250k and 100k mapsheets

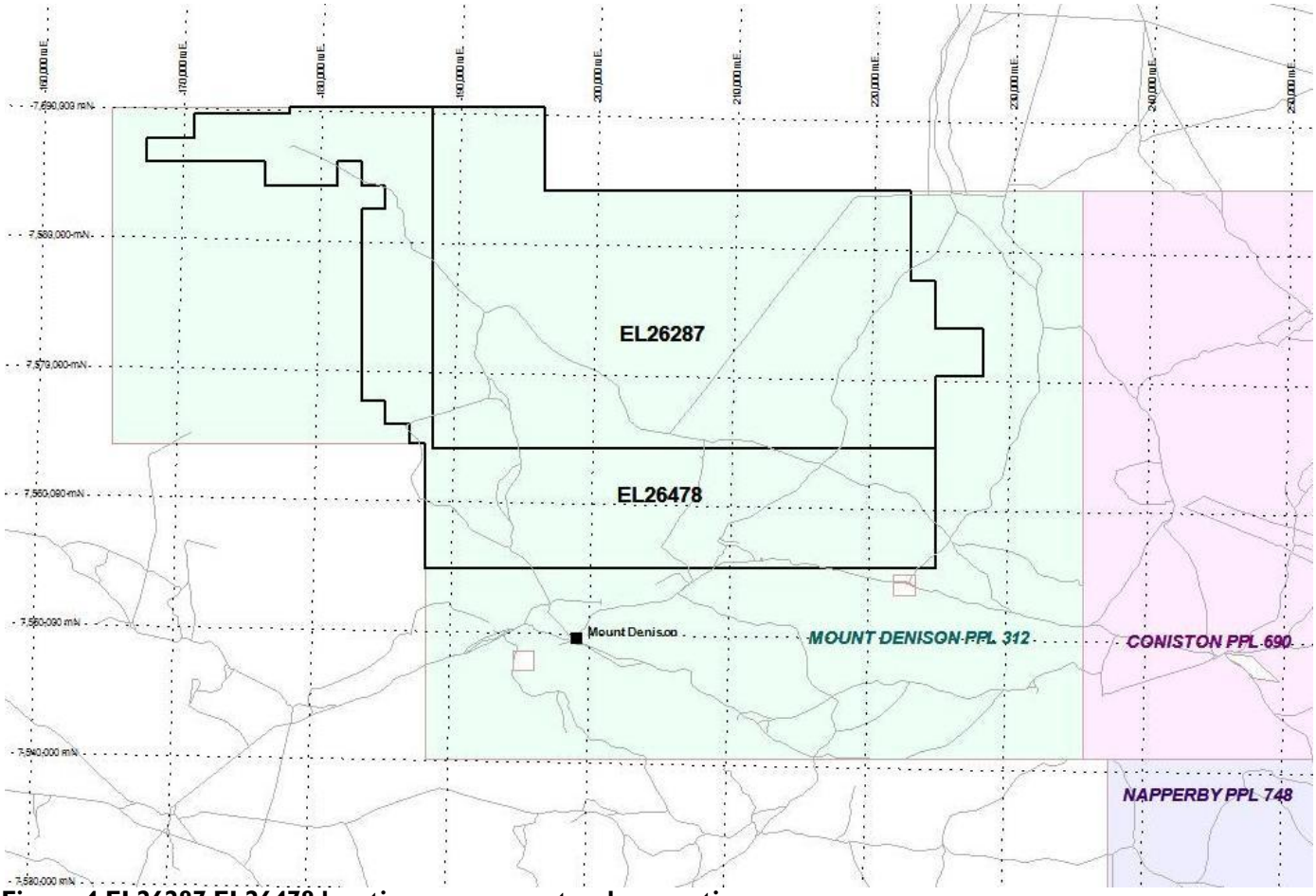

Figure 4 EL26287 EL26478 location, access, pastoral properties

3 GEOLOGICAL SETTING

The Reynolds Range project lies within the Arunta-Ngalia region of the Northern Territory (shown in pink – fig. 6). Basement is comprised of Palaeoproterozoic to Mesoproterozoic metasedimentary and granitic rocks assigned to the Aileron Province, including the Reynolds Range Group. These granites and orthogneisses are notably highly-radiogenic within the Reynolds Range, hosting numerous veins and pegmatites with anomalous uranium and thorium (see fig. 6). These rocks are overlain by Neoproterozoic to Carboniferous sediments of the Ngalia Basin to the south of the tenement. Locally, the Aileron Province rocks are overlain by a veneer of Tertiary to Recent clastic sequences, derived by erosion of the radiogenic granites in the Reynolds Range.

Uranium mineralisation is known in the region and is restricted (thus far) to the Proterozoic Aileron Province and Carboniferous Ngalia Basin. Uranium at Nolans Bore (Arafura Resources), to the southeast, occurs in phosphatic and REE-enriched metasomatic pods and veins within the high-metamorphic-grade Lander Rock beds.

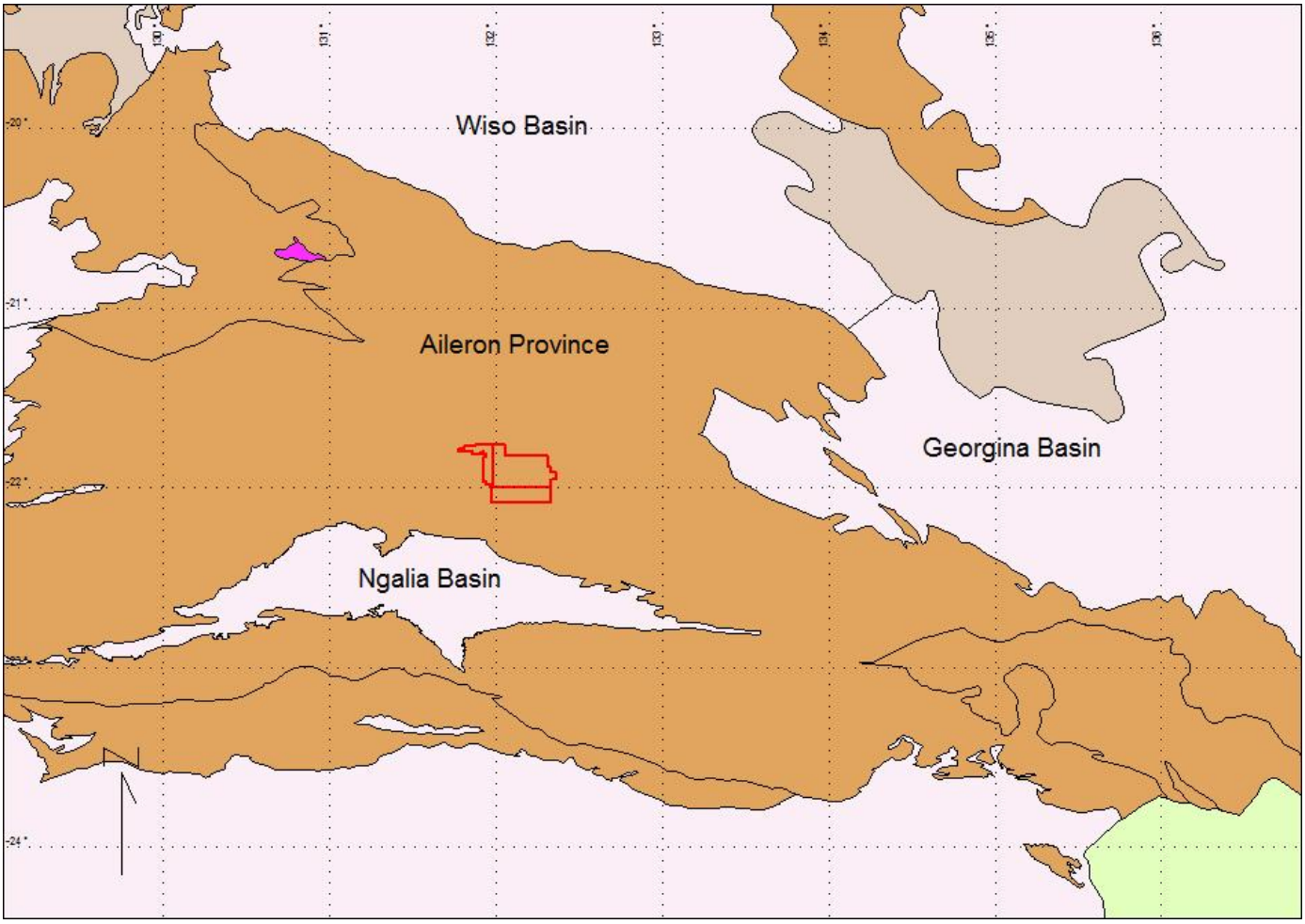

Figure 5 Anningie Group tenements over 1:2.5m geology Interpretation (Geoscience Australia)

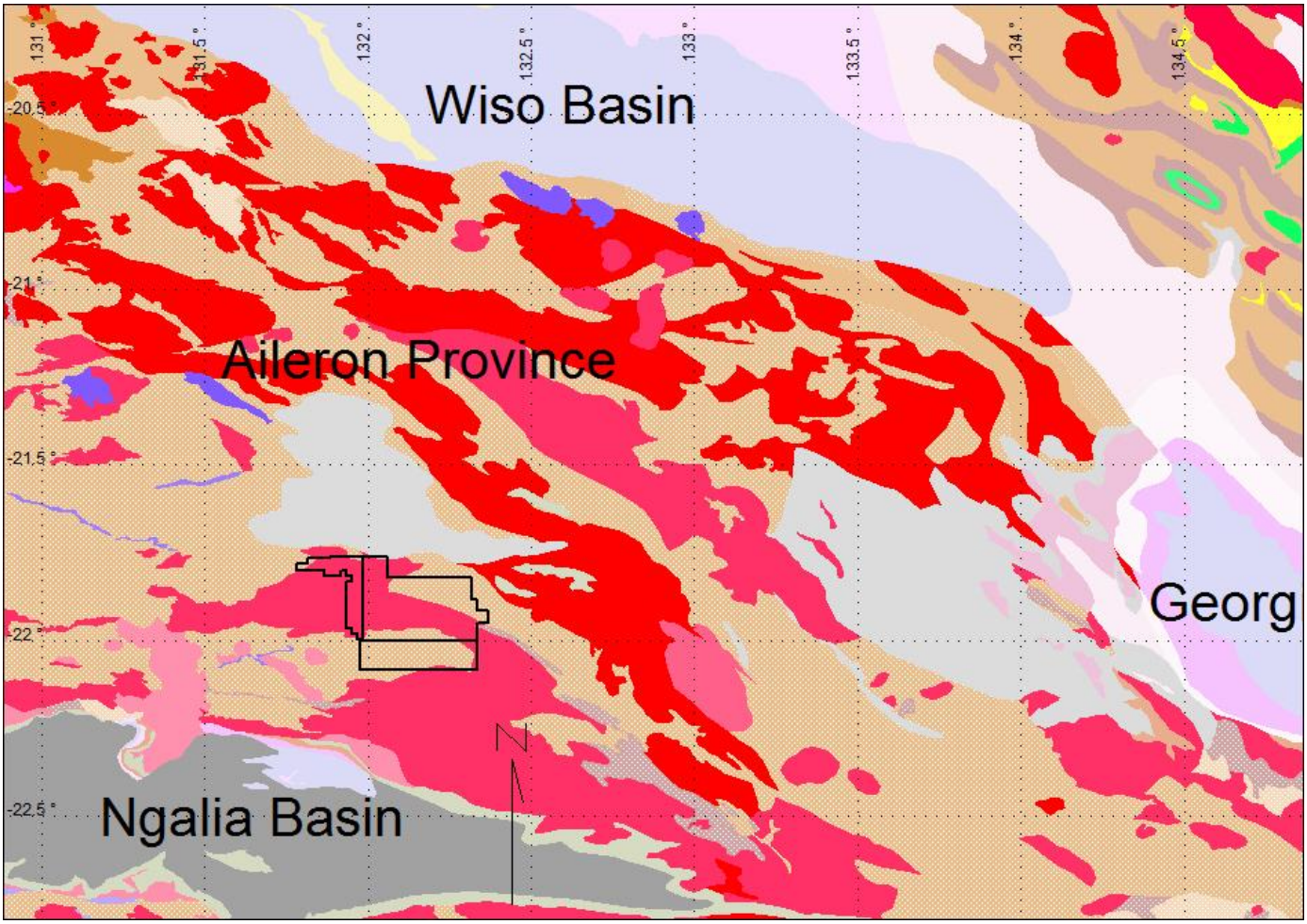

Figure 6 Location of Mt Denison group tenements over 1:2.5M solid geology interpretation (NTGS)

This deposit is subject of ongoing feasibility studies. Uranium is also present in high grades at Bigrlyi (Energy Metals-Paladin JV) to the west, within carbonaceous sandstones of the Mt Eclipse Sandstone. The deposit is a roll-front style formed during uplift and deformation of the basin in the Carboniferous.

The local geology comprises sodic granites, gneisses and minor amphibolites, folded metasediments and intruded metabasic rocks. Major northwest shears cut the sequence and are associated with barren quartz intrusion. The two most prominent structures are located along the Lander River Valley and along the Salt Creek – Blue Bush Bore Valley.

The granites batholiths are interpreted to be shallowly eroded and exposure is of their roof pendants and upper levels only, resulting in an abundance of pegmatite outcrop typically of quartz-feldspar-muscovite-tourmaline composition. Some very coarse examples occur in association with minor tantalum or tin mineralisation that has in places been mined.

The metasediments, comprising meta shales, cherts, siltstone and fine sandstone range in grade from low greenschist to schist facies and are common in the Lander valley. Some exhibit quartz sericite alteration.

Tertiary to recent cover comprising lateritic sands and clays, calcrete and ferricrete is common in low lying areas and exhibits depths in the order of 70m in drilling. Some calcrete shows replacement by chalcedonic silica and this silcrete has been demonstrated to be uraniferous, with a chip sample grading 500ppm in the region.

The present static watertable is significantly below the base of calcrete in drilling and thus is older than the present hydrogeological scheme. This is likely to have an influence on both the preservation and appropriate media of trap sites for secondary uranium mineralisation and the recognition of palaeo flow directions and source rocks.

In the Hann Range, the Vaughan Springs Quartzite (which unconformably overlies the Arunta Palaeoproterozoic rocks) preserves the basal conglomerates of that sequence. These conglomerates have been shown to be anomalous in uranium (40-50ppm) at surface, where leaching is expected to have occurred.

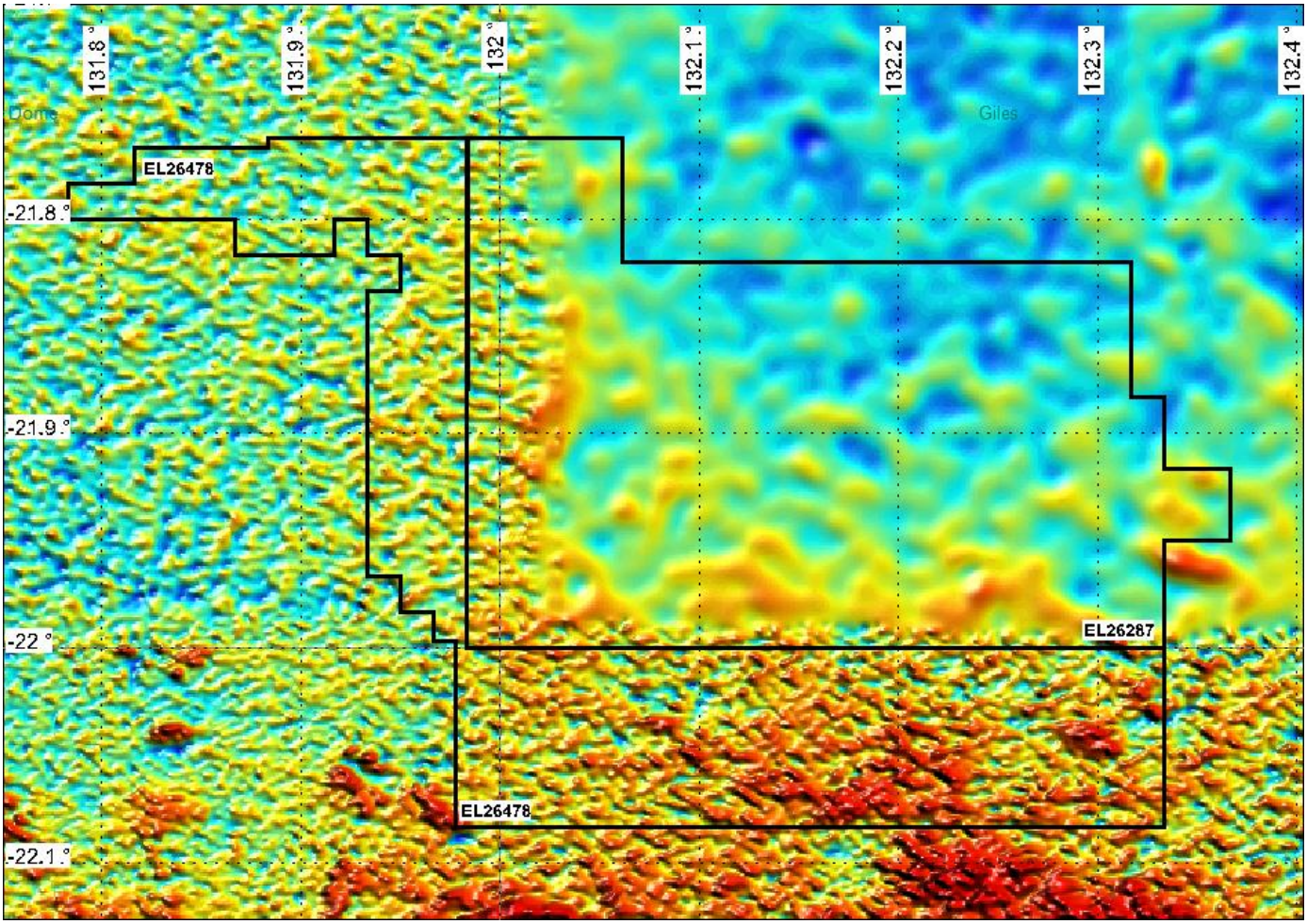

Figure 7 State radiometrics (U) over Mt Dennison group tenements

4 PREVIOUS EXPLORATION

Previous mineral exploration work is detailed in a separate document – see Appendices.
Although Uranium has been extensively explored for in the area, the nature of the exploration has been restricted to bore water sampling, hard rock and limited near surface calcrete styles of Uranium within or proximal to outcropping terrains. The area warrants further work within the cover sequences and palaeochannels.

5 EXPLORATION OBJECTIVES

After reviewing of the available data and reports, Toro composed the following objectives for these tenements:

- Determine the nature of the radiometric and AEM responses.
- Determine the likelihood of economic 'hard-rock' U mineralisation in the Palaeoproterozoic granites and gneisses under cover. This should include identification of labile uranium species and phosphatic facies.
- Identify potential palaeochannel sediments and determine if there are reduced facies or evidence of redox changes.
- Determine the characteristics of radiometric anomalies present in the Government datasets.

6 EXPLORATION COMPLETED

Following the desktop review of previous exploration (Appendices), open file data was assessed by consultant geophysicist, David Wilson, and an area was set aside for an AEM survey with the aim of identifying conductors within covered basement and/or palaeochannels. Toro undertook a brief reconnaissance field trip in August 2009. This involved foot traverses and rock chip sampling. A consistent high background was noted, suggesting natural high Th and U concentrations in the granites. This is consistent with the airborne radiometric data. No local increases in counts per second ("CPS") were recognised, nor were any pegmatites or phosphatic bodies. Several rockchip samples were collected (see geochemistry).

Geophysics

Toro Energy commissioned Fugro Airborne Surveys Pty Ltd to fly a TEMPEST AEM survey in August 2009 over its Reynolds Range Project (see fig. 9). Approximately 656 line km were flown at 1000m spacing on EW flight paths. The processed image in Figure 9 highlights areas of possible palaeochannel and/or basement conductors.

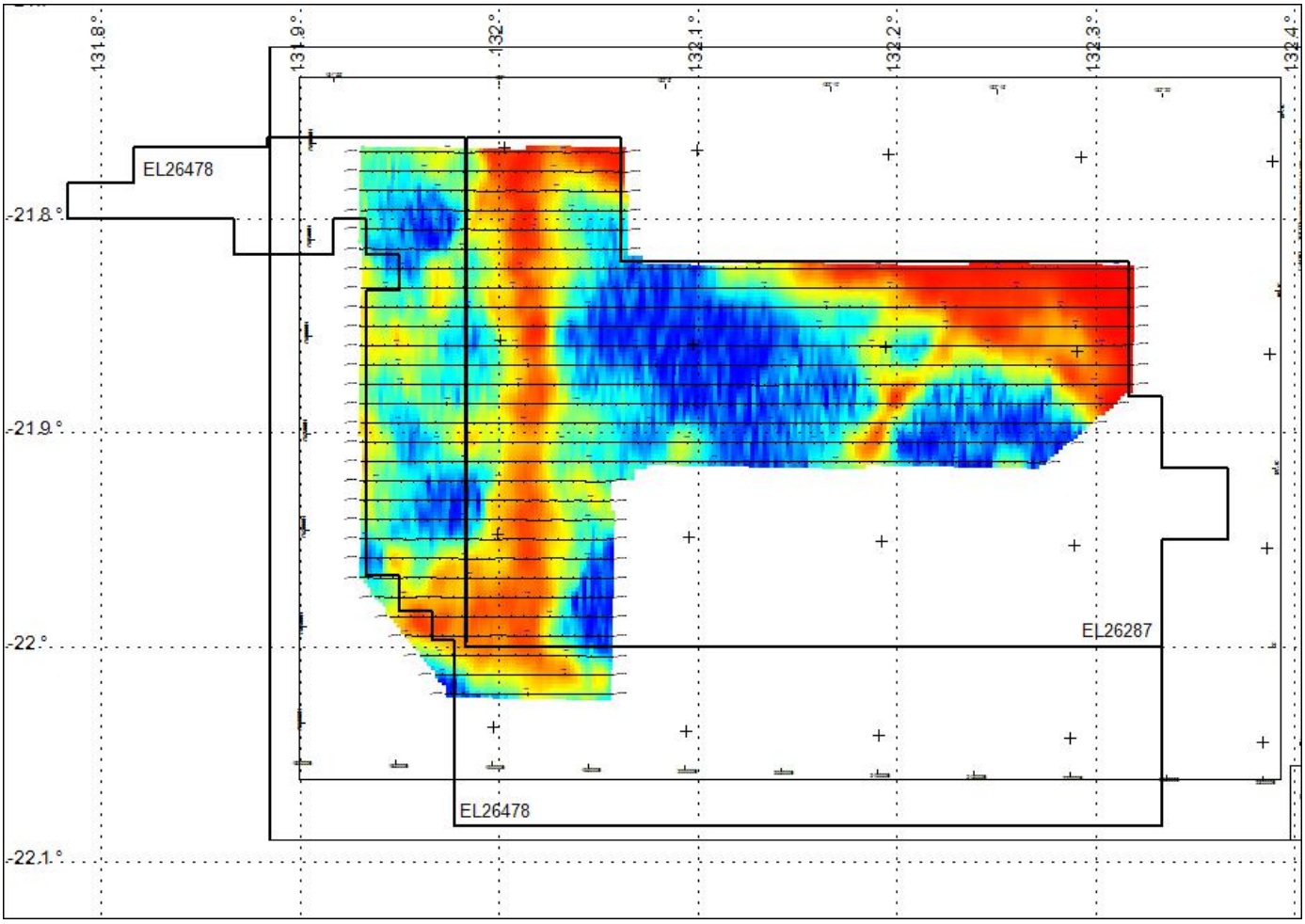

Figure 8 Tempest grid and image for the Mt Denison group AEM survey

Geochemistry

Several rock chip samples were collected and assayed. No anomalous uranium was highlighted. Locations are on figure 10 and assay results in appendices.

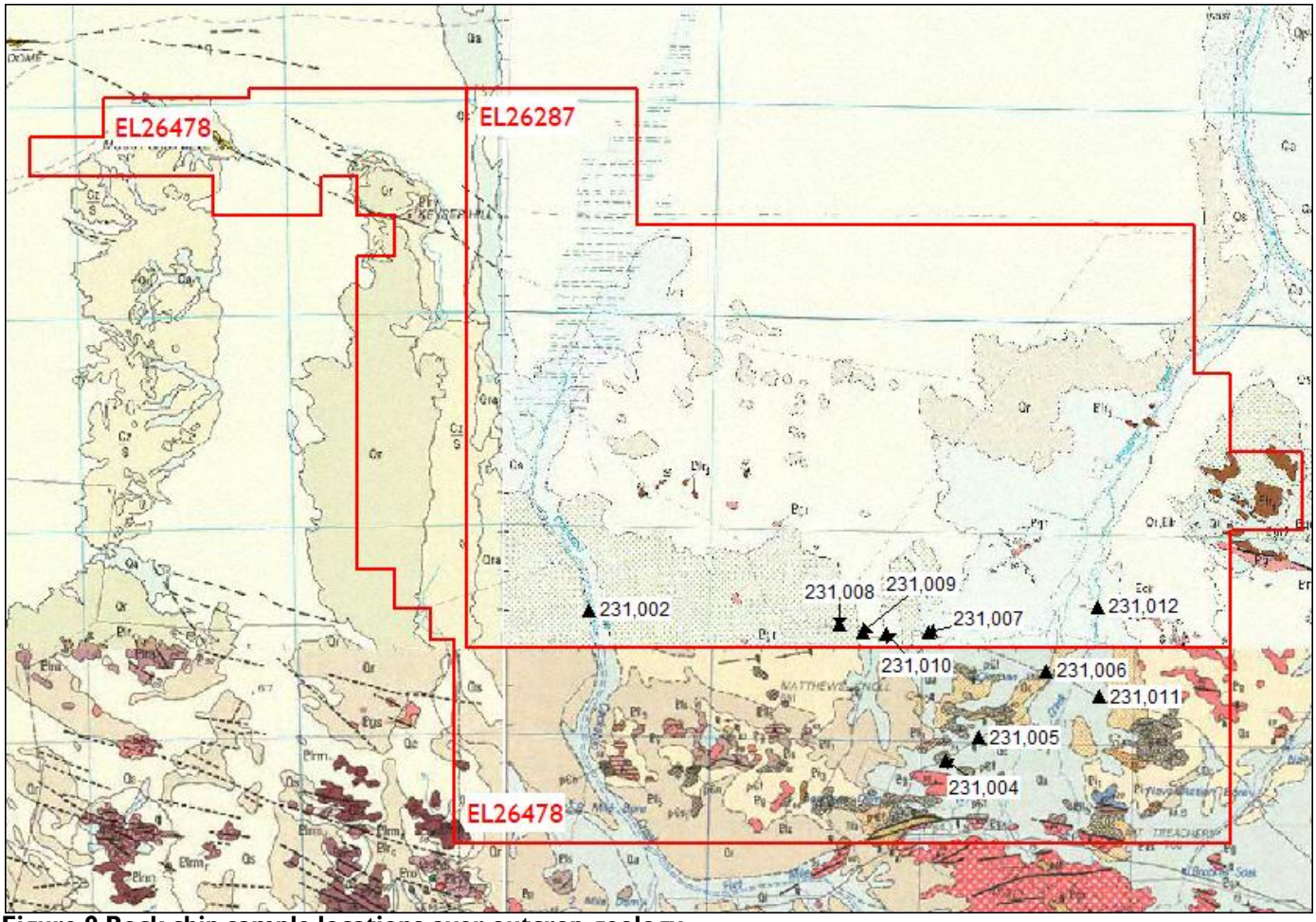

Figure 9 Rock chip sample locations over outcrop geology

8 EXPLORATION EXPENDITURE

Refer to individual licence expenditure reports for details of expenditure over the reporting period.

For the upcoming year, Toro is expecting to spend approximately $180,000 on drilling on ELs 26478 and 26287. The combined covenant is $180,000.

9 EXPLORATION PROPOSED

The planned exploration programme for the upcoming reporting period will include up to 2,500 m of aircore drilling across an interpreted palaeochannel areas as indicated by the AEM image.

10 APPENDICES

A Historical Data Review

EL26287 26478_2010_A_04_Western Creek exploration summary.pdf
EL26287 26478_2010_A_05_ Mt Denison exploration summary.pdf

B Geochemical data

EL26287 26478_2010_A_02_Ssample.txt (digital only)
EL26287 26478_2010_A_03_SSAssay.txt (digital only)

C Geophysical data

AEM data:

EL26287 26478_2010_A_07_AEMdata (digital folder)

Fugro AEM TEMPEST logistics report:

EL26287 26478_2010_A_06_Tempest Report.pdf