



The Wiluna Uranium Project, Western Australia: Bringing a new project to the market

23-27 June 2014

URAM 2014 - IAEA

**Australia's
Leading
Development
Stage Uranium
Company**

toroenergy.com.au

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Toro Energy:

A Pure Play Uranium Company Positioning for the Market Recovery

Toro Snapshot



STRUCTURE



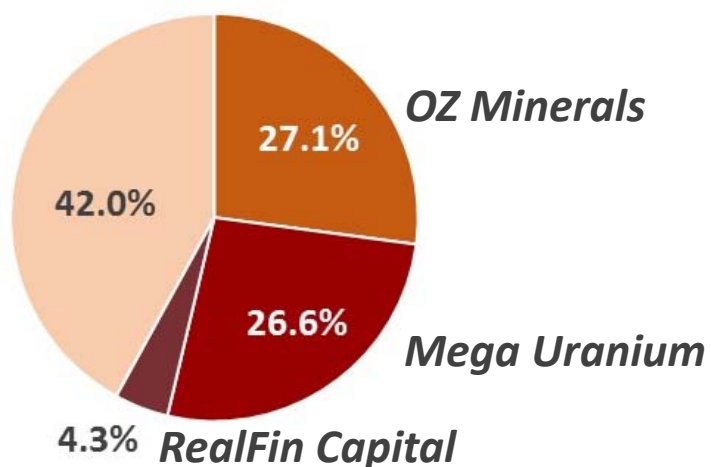
Board & Management
Extensive Uranium
Experience



\$9.3M Cash on hand
\$5M RealFin option

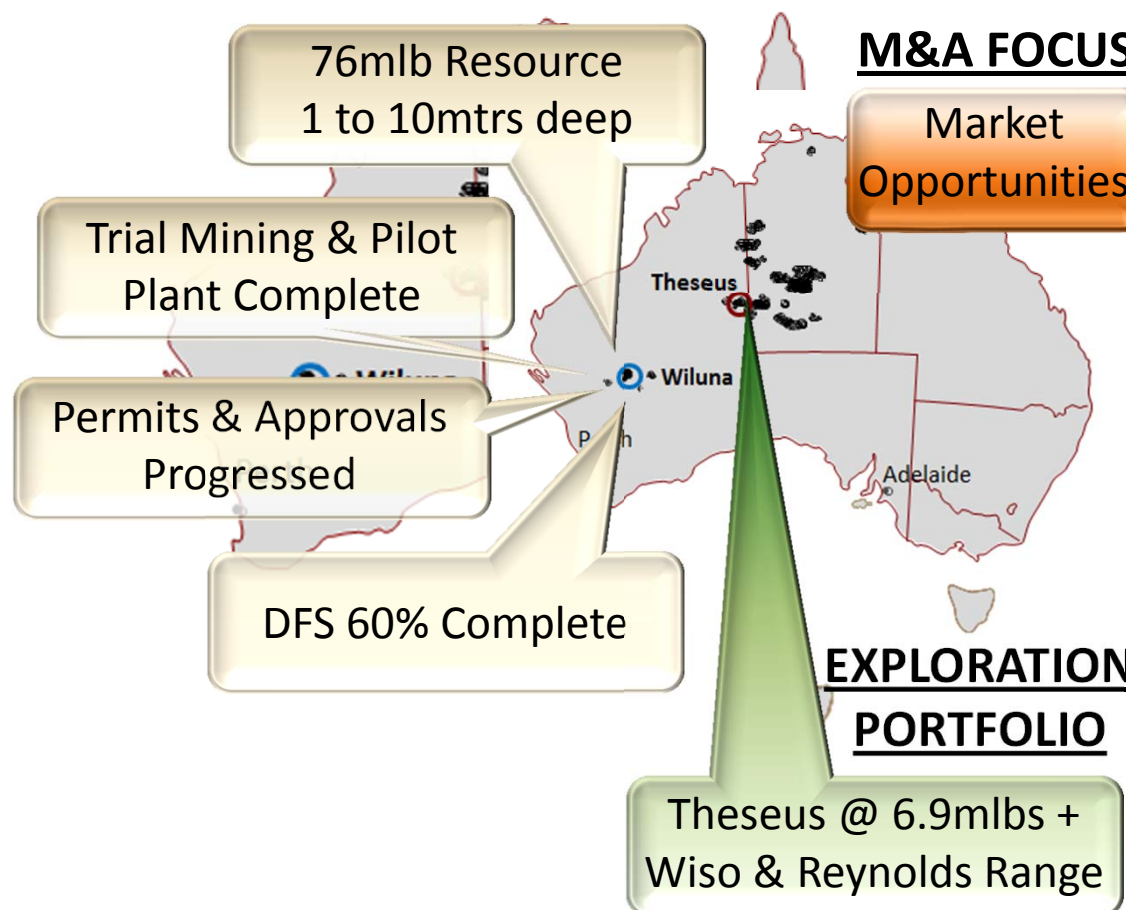


Market Capitalisation
AUD \$95M



GROWTH ASSETS & STRATEGY

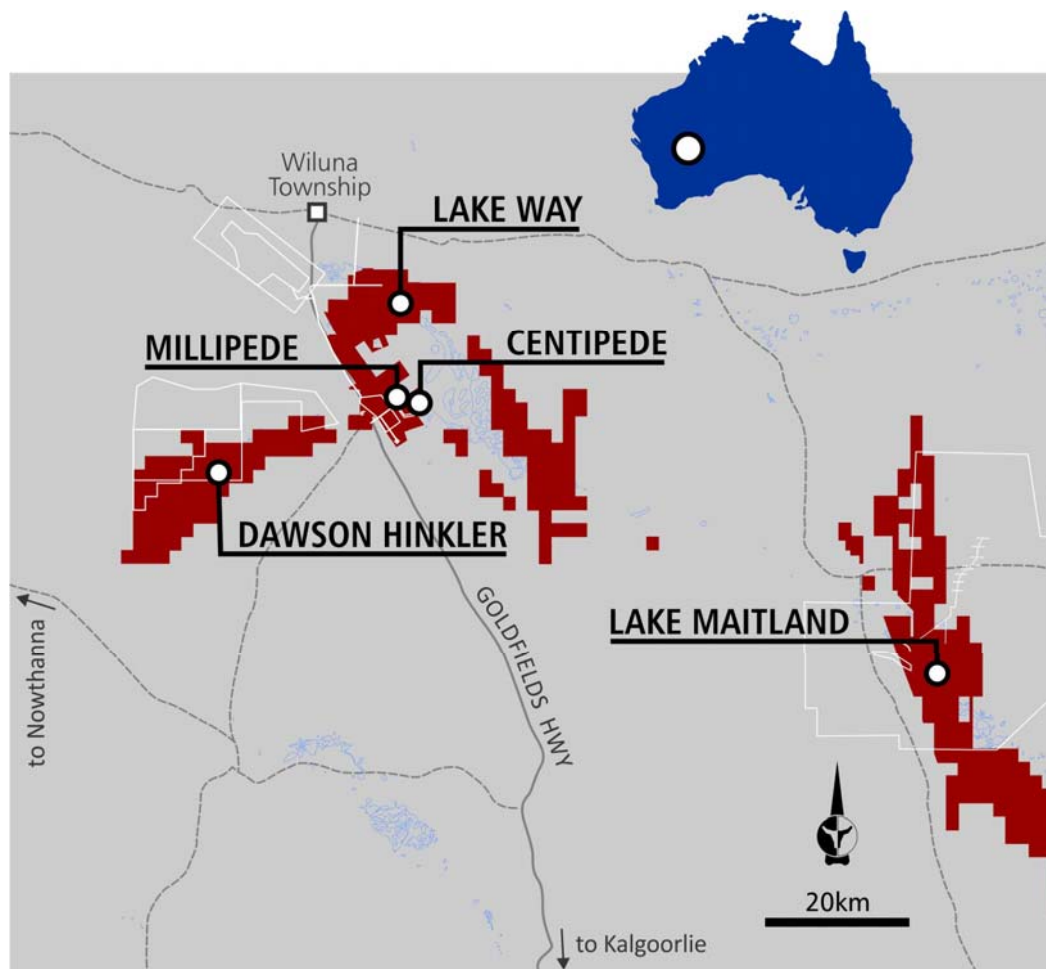
WILUNA URANIUM PROJECT



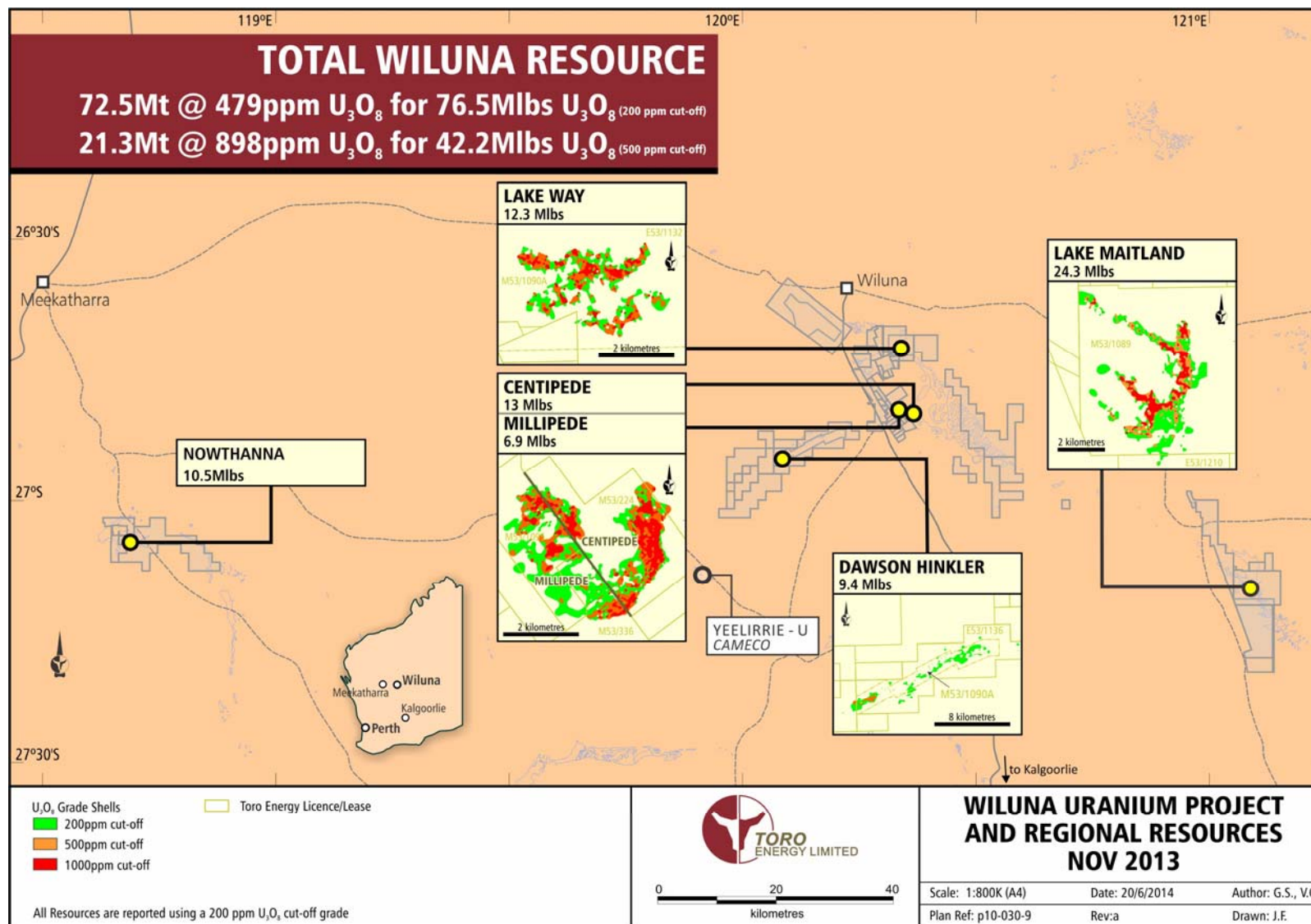
Wiluna Uranium Project:

an environmental approvals case study

Project Overview



Six Regional Deposits



Wiluna – Aligned with Market Recovery



Toro's flagship asset, the Wiluna project, has a development timeline well positioned for the anticipated uranium market recovery.

Internal



Technical Confidence:

- Resource
- Mining
- Processing
- DFS

Technically Feasible



- Environmental Approval
- Mining Leases
- Traditional Owner Agreements

Required Permissions

External



Timing:
Supportive price
environment
approaching.

Optimal Timing



Technical De-Risking



Trial mining confirmed selective mining process



- Vermeer continuous miner cutting 25cm bench
- GPS/gamma logger for pit floor grade mapping
- Groundwater control systems



- ✓ *Ability to map and select higher grade confirmed*
- ✓ *Continuous miner confirmed efficient method*
- ✓ *In pit tailings deposition and full rehabilitation*
- ✓ *Groundwater control through water barriers*

Pilot plant confirms Toro's proposed process

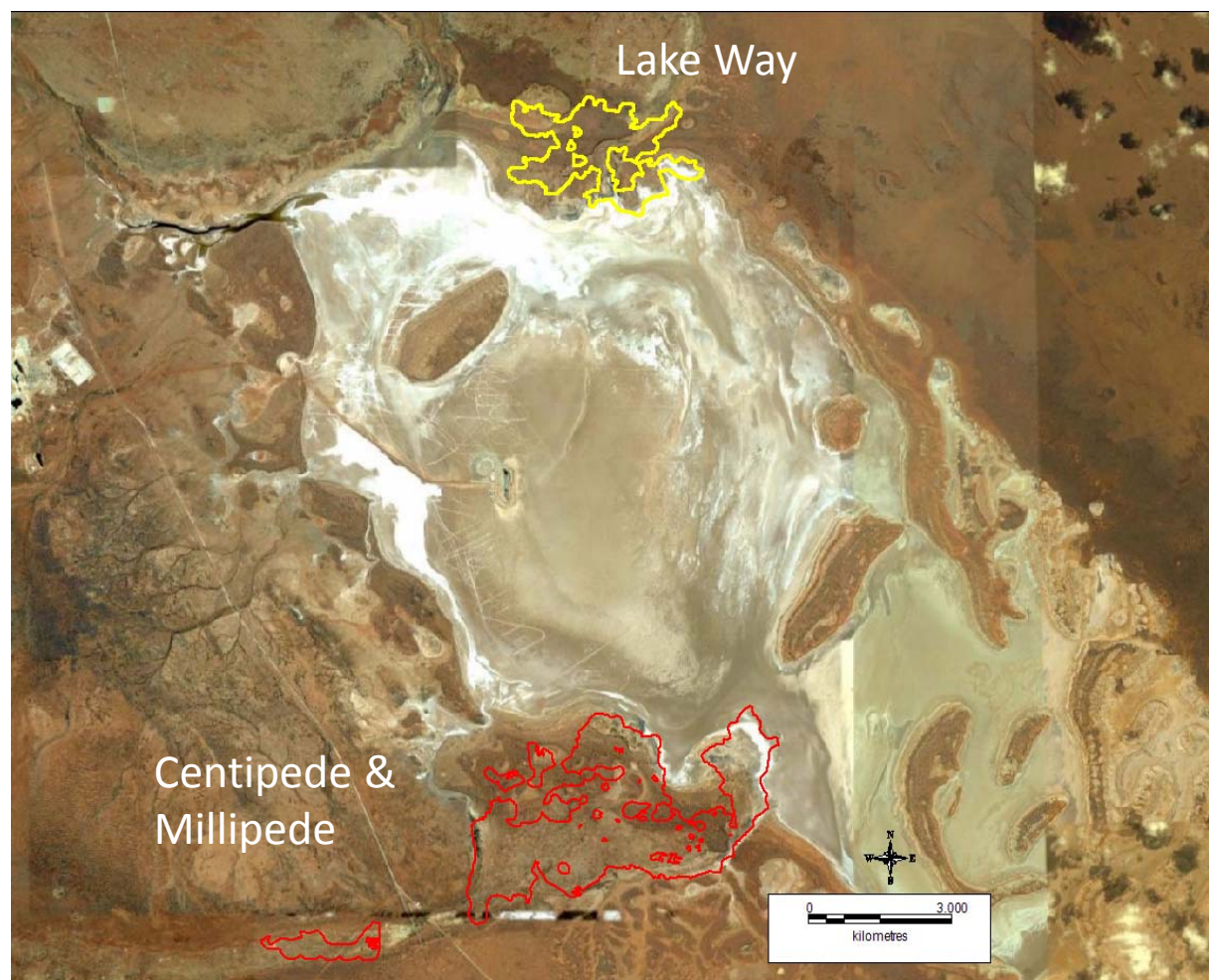


- Fully integrated continuous hydrometallurgical circuit
- Utilised 15 tonne sample from trial mining
- 40 tonne of site groundwater used in process
- Calcrete and clay dominant processes tested



- ✓ *Economic processing and recovery proven (~86%)*
- ✓ *Saline water used for processing*
- ✓ *Sample uranium to be sent to uranium converters*
- ✓ *Savings from coarser grind & lower leach temperature*

Robust Project Economics



Parameter	January 2014 Economics
Processing Plant	1.3mtpa
Head grade	880ppm
Recovery	Ramping to 86%
C1 Cash Cost	USD \$29-31/lb
Capital Cost	AUD \$315m
Product (per annum)	1000t U ₃ O ₈ (2.1mlb)
Mining Duration	20+ years

Wiluna – a Low Impact Project



- No discharge to surface waters
- No listed species of significance
- Re-use of all mine dewatering
- In-pit tailings storage
- CoGen power – heat and off gas recovery into processing facility
- No standing landforms post-mining
- Culturally sensitive areas excluded from mining

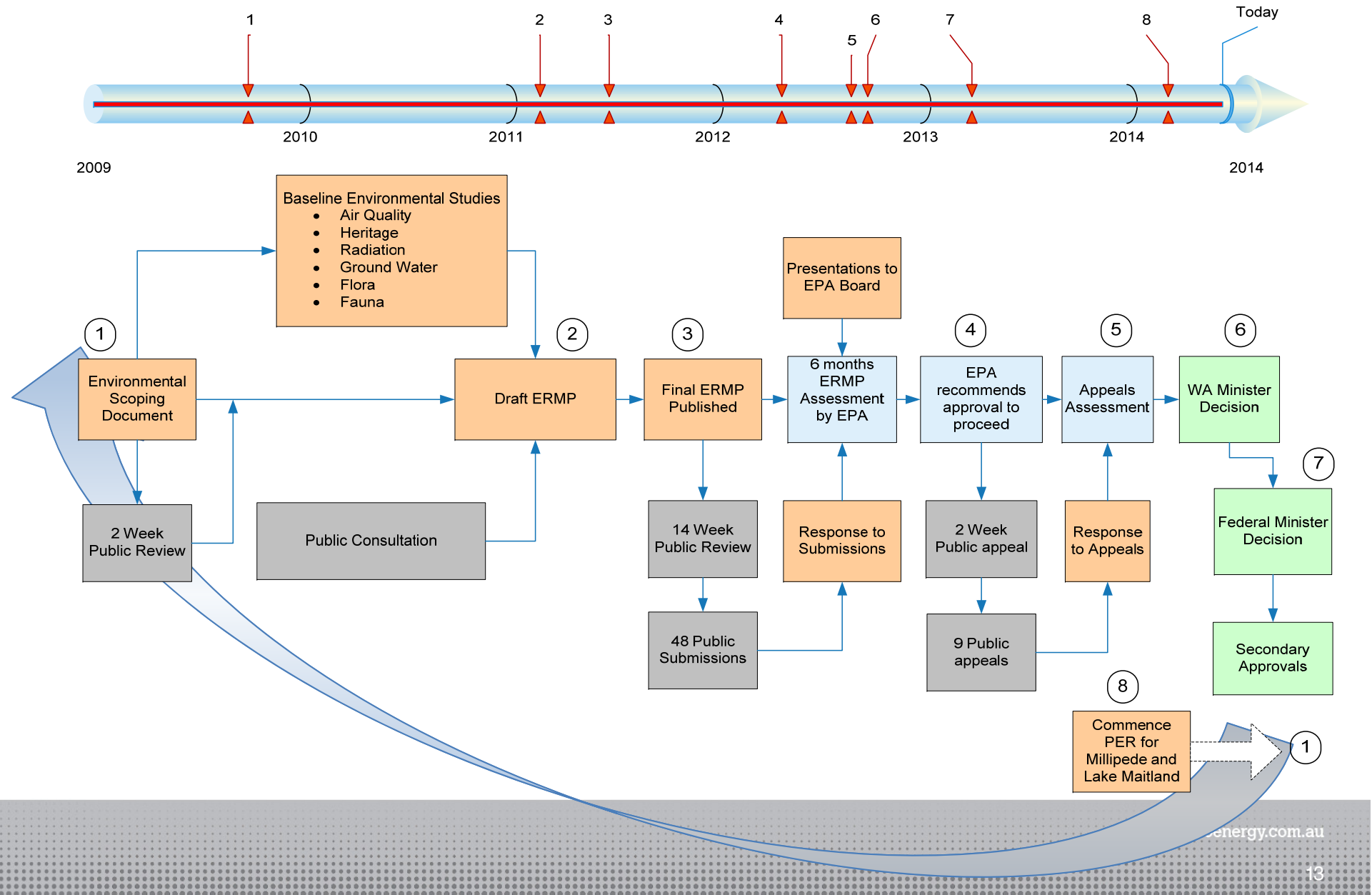


Major Approval & Permitting Requirements



Wiluna Deposit		Government environmental approvals	Mining Leases Granted	Traditional Owner Agreement
CORE DEPOSITS	Centipede & plant	✓	✓	2014
	Lake Way	✓	Application	2014
	Millipede	Application	✓	2014
	Lake Maitland	Application	✓	2014
Dawson Hinkler		Post 2016	Application	Negotiations 2016
Nowthanna		Post 2016	Post 2016	Negotiations 2016

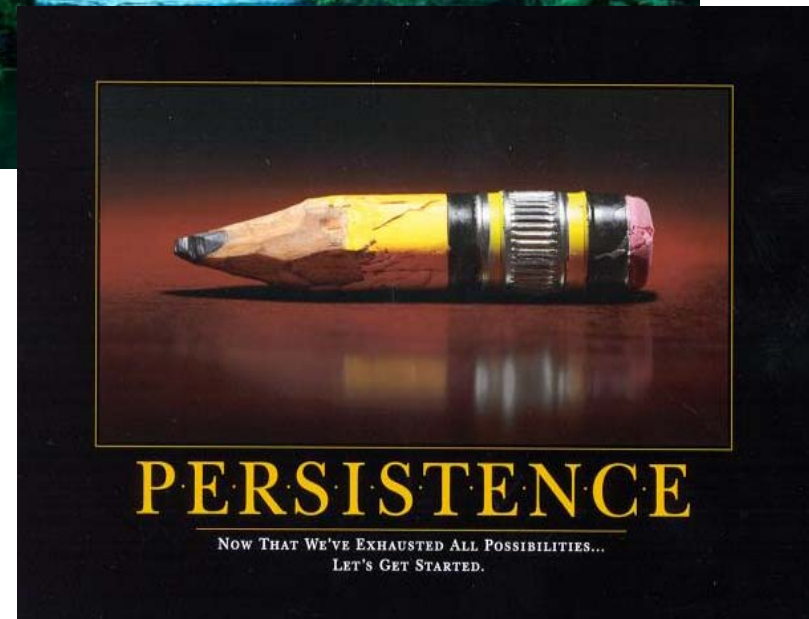
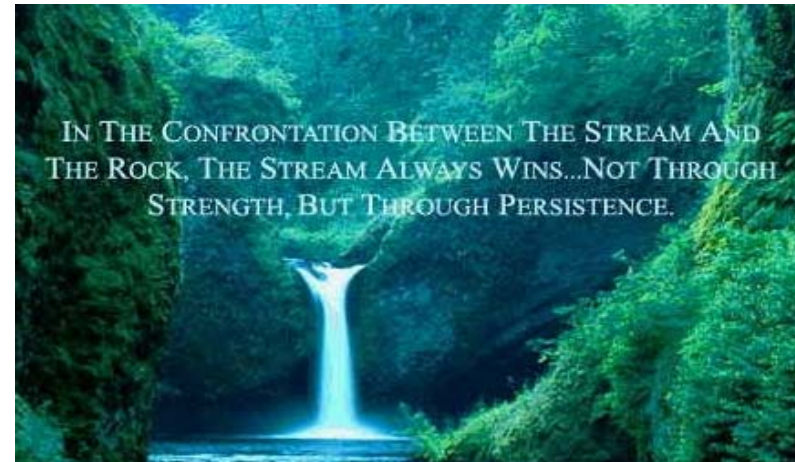
4 Year Approvals Process – the First “P”



Government Approvals – the Second “P”



- Assessed under a bilateral agreement:
 - EPA (lead agency)
 - DEC • SEWPAC
 - DoW • DRET
 - DMP • OSS
 - DIA • Geoscience Australia
 - DMR • ARPANSA
 - WA Radiological Council
 - Local Councils
- 4000 pages of documentation
- 4 opportunities for public consultation
- 6 meetings with EPA Board
- Approval NOT under bilateral process



Key Environmental Requirements



Risk-based assessment on key environmental factors:

- Groundwater
- Tailings
- Mine Closure
- Flora and Fauna
- Surface water
- Radiation
- Cultural Heritage



Ministerial Approvals: The Second “P”



“The Liberal-National Government is committed to ensuring that uranium mining in WA will be subject to strict security provisions and world’s best practice safety and environmental standards.”

WA Government Minister Marmion; 10 October 2012

“My decision comes after a rigorous environmental assessment.”

Australian Government Minister Burke; 2 April 2013

Outcome – Eight Month Delay

➤ 8 EPA recommended conditions

- EPBC “stop the clock” triggered
- WA Appeals Committee

➤ 11 WA Ministerial conditions

- EPBC “stop the clock” triggered

➤ 36 Commonwealth Ministerial conditions

- EPBC “stop the clock” triggered
- 3 extensions of time
- Further information required repeated assessment process

➤ No Federal Court Appeals

EPA recommends approval for Toro's Wiluna Uranium Project in WA to proceed.

Paul Vogel, EPA Chair; 21 May 2012



“The Liberal-National Government is committed to ensuring that uranium mining in WA will be subject to strict security provisions and world's best practice safety and environmental standards.”

WA Government Minister Marmion; 10 October 2012



“My decision comes after a rigorous environmental assessment.”

Australian Government Minister Burke; 2 April 2013



10 June 2013

Impact




- \$5M extra project holding costs over 8 months
 - Delay in approvals can cause project to “miss the market window”
- Increased uncertainty for strategic project partners and investors
 - Loss of confidence in Australian sovereign risk profile
 - Asian investment partners reduced project interests due to “high sovereign risk”
- Extra conditions and operating costs
 - Duplication of conditions
 - Duplication of management plans
 - Duplication of 60+ secondary approvals







Community Consultation: The Third “P”



- Industry collaboration on regional consultation program since 2008
- Information days in Wiluna, Kalgoorlie, Menzies and Leonora for ERMP
- Wiluna Shire (Local Government) adopted policy of support for uranium mining
- Consultation with Emergency Services
- Consultation with SA and NT Governments
- Issues raised:
 - Road vs. Rail
 - WA port
 - Transport Management
 - Emergency Response



WILUNA URANIUM PROJECT

ENVIRONMENTAL REVIEW AND MANAGEMENT PROGRAMME (ERMP) EPA Assessment No 1819			
DECEMBER 2011			
RESPONSE TO SUBMISSIONS <small>Responses by Toro Energy to submissions made during the public exhibition phase of the ERMP</small>			
			
			

Traditional Owner Interests

- 4 years of consultation
- Independent consultants
- Site visits to other mines
- Wiluna population ~ 650 – more than half indigenous
- Short term employment during technical site works
- Key issues:
 - Cultural Heritage Management
 - Bush Tucker
 - Radiation & Environmental Monitoring
 - Environmental Management
 - Land Rehabilitation



Lessons to Learn



- One-Stop Shop
 - Assessment bilateral agreement
 - Approvals bilateral agreement
- One set of outcomes based conditions
 - Based on science and risk assessment
 - No duplication with Commonwealth
 - Coordination of State agency requirements
- Clarification of “stop the clock” provisions
- State-based regulation of operations

Summary



Wiluna:

One of the few projects able to provide new production from 2016 to take advantage of the predicted U market upswing.

The 3Ps

➤ **Process**

- Sound science is fundamental
- There are no short-cuts (but can be lots of delays)!

➤ **Persistence**

- Tell your story over and over again
- Every roadblock can be overcome

➤ **Patience**

- Start early
- Expect all stakeholders to take longer to accept the project

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