

Toros current proposal to mine uranium at Wiluna includes two small, low grade calcrete uranium deposits at Lake Way and Centipede.

The current proposal does not include Dawson Hinkler, Millipede, Lake Maitland and Nowthanna. Additional deposits will need separate referrals, Environmental Impact Assessments and Mine Plans to be submitted to the WA Environment Protection Authority and the Federal Department of the Environment. These additional deposits will significantly increase the already present environmental risks of the Wiluna uranium project and.

Some important things for shareholders to know

- We have written to the ASX to alert them to the misleading information we believe Toro Energy have released to their shareholders and potential investors about which deposits they do and do not have active proposals to mine for, and about what level of approval they have for the Wiluna uranium project. **It is our clear understanding that the ASX is investigating this claim.**
- Toro does not have final approval to mine Lake Way and Centipede, there are still several approvals needed before any mining, construction or land clearing can begin.
- Toro has a State and Federal conditional environmental approval for the Lake Way and Centipede deposits, they have no approval or application to mine at Dawson Hinkler, Millipede or Lake Maitland.
- As part of the 36 conditions made on the environmental approval, Toro must submit a complete Environmental Management plan which includes, groundwater, surface water, mine closure, rehabilitation, Aboriginal heritage and many other plans. These must be submitted and approved by the Federal Environment Minister before any works, land clearing or construction can begin at the site.
- Toro must also submit a Mine Plan and Mine Closure Plan to the WA Department of Mines and Petroleum for assessment. As part of their Mine Closure Plan, Toro will have to show an estimated mine closure cost. Toro is required to have 100% upfront bond before mining can commence. We estimate that this bond will be between \$150 million and \$280 million. Uranium mining closure is notoriously high - an example of this is the \$640 million closure cost of Ranger.
- The current Wiluna uranium proposal is an environmental catastrophe waiting to happen with plans to dump 9.1 million tonnes of radioactive mine waste in a Lake bed, and with only enough water for a third of the life of the mine.
- If Toro were to incorporate additional deposits the proposal would be drastically different. A 100km network of small shallow uranium mines and waste dumps through two Lake Systems are very different to a single mine. The cumulative impact of these operations must be assessed.
- We have also written to State and Commonwealth regulators calling on them to suspend any further approvals for Toro's Wiluna proposal until they are able to undertake a full cumulative impact assessment of the company's long-term plans.

Nuclear Power - the dream that failed



The 'nuclear renaissance' was more about spinning media lines than spinning turbines. On top of rising costs and falling social license the sector is in crisis.

When a small inexperienced company like Toro is competing with existing operating mines for scant finance and market access – the \$260 million needed to start the proposed Wiluna mine and the further \$150 - \$280 million in upfront bonds the proposal looks more and more like 'the dream that failed'.

There are few significant events that have occurred recently that send a clear message about the future of the uranium sector and the wider nuclear industry.

- The uranium price dropped to below US\$35lb.
- Energy Resources of Australia (ERA), the operator of the Ranger uranium mine in Kakadu, announced a \$54 million loss. This is the third year running that ERA has reported losses, after a series of shutdowns and set backs.
- Perth based uranium miner Paladin Energy failed to sell a stake in its Langer Heinrich mine in Namibia, later they reported \$US420.9 million net loss for 2013. Paladin has been plagued with difficulties in processing their calcrete deposit at Langer Heinrich, and dogged with industrial disputes and corruption allegations. Even John Borshoff the bullish Managing Director of Paladin seems to be losing faith, telling a uranium conference in Fremantle last month that the "uranium industry is definitely in crisis and is showing all the signs of a mid-term paralysis if this situation doesn't demonstrably change." Japan currently has no operating nuclear reactors. This week 40,000 people protested in Tokyo city against the re-opening of any nuclear reactors, as the Fukushima crisis worsens.
- This week the Ontario Government made the decision not to spend \$10 billion on two new reactors. This decision will mean that Canada has not ordered any new reactors since 1979.
- French nuclear giant EDF announced its exit from nuclear power in the US a move prompted by the high cost of nuclear power. EDF, the world's biggest operator of nuclear reactors is increasingly turning its attention to renewable energy, particularly solar and wind.
- The US has had a dramatic shift away from nuclear power driven by economics. In recent times four US reactors have closed; two reactors at San Onofre, another at Kewaunee and another at Crystal River. Five proposed expansions were cancelled, one at Prairie Island, two at La Salle and another two at Limerick. Two new reactors at Levy were also cancelled after construction had begun, this came at a cost of \$1billion to tax payers. In response to Dukes decision former Nuclear Regulatory Commission commissioner Peter Bradford said the nuclear renaissance "was just this artificial gold rush... And yes, it does show the renaissance is dead."

These incidents are neither isolated nor unrelated, they are significant indicators of the health of the nuclear industry. The uranium price was around the US\$20 mark through much of the 1980's and 1990's. It increased dramatically around 2005 with the promise of a 'nuclear renaissance' but began a steady drop in 2007 through to the end of 2010. Since the Fukushima disaster – a continuing nuclear crisis directly fuelled by Australian uranium – the price has been in free fall. Industry advocates remain adamant or delusional that there will be a commodity price recovery but a look at the sectors vital signs we find little pulse and less plus.