



ASX RELEASE

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TORO ACQUIRES LAKE MAITLAND URANIUM PROJECT FROM MEGA URANIUM

EXPANDS WILUNA REGIONAL RESOURCE BASE BY 42%

Toro Energy Limited (ASX: **TOE**) is pleased to announce it has entered into a binding terms sheet to acquire the Lake Maitland Uranium Project in Western Australia from Mega Uranium Ltd (TSX: **MGA**) for 415 million fully paid ordinary shares in Toro.

As Toro continues to work on implementing its 100% owned Wiluna Uranium Project, ('**Wiluna**') within existing government approvals, this acquisition provides the opportunity to significantly increase the operational life of Wiluna.

Highlights

Lake Maitland is located 90 km south-east of the proposed site of the processing facility at Toro's 100% owned Wiluna Uranium Project. The acquisition is expected to provide a number of significant benefits for the development of Wiluna:

- **Significantly larger combined resource base:** The acquisition will expand Wiluna's JORC categorized total Mineral Resource base by **42%** from **54Mlb** of U_3O_8 to **76Mlb** of U_3O_8 potentially sufficient for a minimum 20 year project life at Wiluna¹;
- **Improvement in grade and potential to support Wiluna capacity expansion:** The Lake Maitland Mineral Resource includes high grade material comprising 6.4Mt @ 881ppm (500ppm cut-off) which is expected to improve the overall blended head grade from the Wiluna deposits, and the increased resources provide an opportunity to investigate an expansion to the planned Wiluna project, subject to government approvals;
- **Potential to improve Wiluna Project economics:** The increase in the Wiluna regional resource (both in tonnes and grade) has the potential to significantly improve the overall project economics, in particular through decreased operating costs particularly in the first 10 years of operations;
- **Benefit from pre-existing strategic partner relationship:** The existing Lake Maitland strategic partners - JAURD International Lake Maitland Project Pty Ltd ('**JAURD**') and Itochu Minerals & Energy of Australia Pty Ltd ('**IMEA**') - have an option to acquire a 35% interest in Lake Maitland and participate in the financing and development of that deposit. Toro will inherit the significant strategic and financial benefits of this pre-existing relationship; and

¹ Based on 1.3 Mtpa processing rate

- **A\$3.5 million of additional capital committed with the transaction:** A\$1.5 million of cash reserves are included in the Lake Maitland assets which will be acquired from Mega as part of the acquisition. In addition, OZ Minerals Limited and Pinetree Capital Ltd. have each committed to provide A\$1.0 million in equity subscriptions to Toro to provide further financial flexibility to meet transaction and ongoing costs.

“Lake Maitland adds significant scale to our Wiluna Project and further strengthens the Wiluna investment case. We believe the characteristics of the Lake Maitland deposit will provide significant operational and financing benefits to Wiluna. Upon successful completion of the acquisition we will welcome Mega as a strategic cornerstone investor in Toro and look forward to working closely with JAURD / IMEA as development of Wiluna and Lake Maitland is progressed to a final investment decision.” Toro’s Managing Director, Dr Vanessa Guthrie said today.

Mega’s President, Mr Stewart Taylor commented: “Mega is pleased to partner with Toro on the development of Wiluna and Lake Maitland. Given the proximities and similarities of the main deposits, the integration of Lake Maitland into the broader Wiluna Project is expected to unlock benefits for both Toro and Mega shareholders.”

The acquisition is conditional upon a number of approvals including the receipt of shareholder approval of Toro, and JAURD / IMEA not exercising any pre-emptive rights that they may hold over the Lake Maitland assets. Toro’s major shareholder, OZ Minerals Limited, has confirmed that, subject to the independent expert report obtained by Toro indicating that the acquisition is fair and reasonable and no superior proposal emerging, it intends to vote in favour of the acquisition.

On completion of the acquisition OZ Minerals will own a 28.5% interest and Mega a 28% interest in the issued capital of Toro.

Dr Guthrie said that following completion of the acquisition, Toro’s focus will continue to be on bringing the already approved Wiluna Project into production during 2016 depending on improving uranium market conditions and securing of project financing.

Details of the Lake Maitland Uranium Project are included in Annexure A. Further information regarding the acquisition and a summary of key terms is included in Annexure B.



Vanessa Guthrie
Managing Director

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Advisors

Azure Capital Limited is acting as financial advisor and Corrs Chambers Westgarth as legal counsel to Toro. Dundee Capital Markets is acting as financial advisor to Mega.

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Toro Energy Limited

Toro Energy is a modern Australian uranium company with progressive project development, acquisition and growth. The company is based in Perth, Western Australia. Toro's flagship and wholly-owned Wiluna uranium project is 30 km southeast of Wiluna in Central Western Australia. Updated prefeasibility estimates and the Process Engineering phase of the definitive feasibility study are complete for mining of two shallow calcrete deposits, Lake Way and Centipede, for which all government environmental approvals have been received. Development of Project financing through potential JV partners is underway, and following the successful completion of this and Toro Board final decision, the DFS is scheduled to commence during 2014, subject to the securing of additional funds, to allow for first production during 2016. Toro has three other deposits in its Wiluna regional resource, Millipede, Dawson/Hinkler and Nowthanna, as well as exploration tenements at Firestrike, which it is continuing to evaluate.

Toro's wholly owned Theseus Project at Lake Mackay on the WA/NT border is a recent discovery with results to date indicating the potential for a high grade mineralised system. The Company also owns uranium assets in the Northern Territory and in Namibia, Africa. Further information on Toro can be found on the company's website at www.toroenergy.com.au.

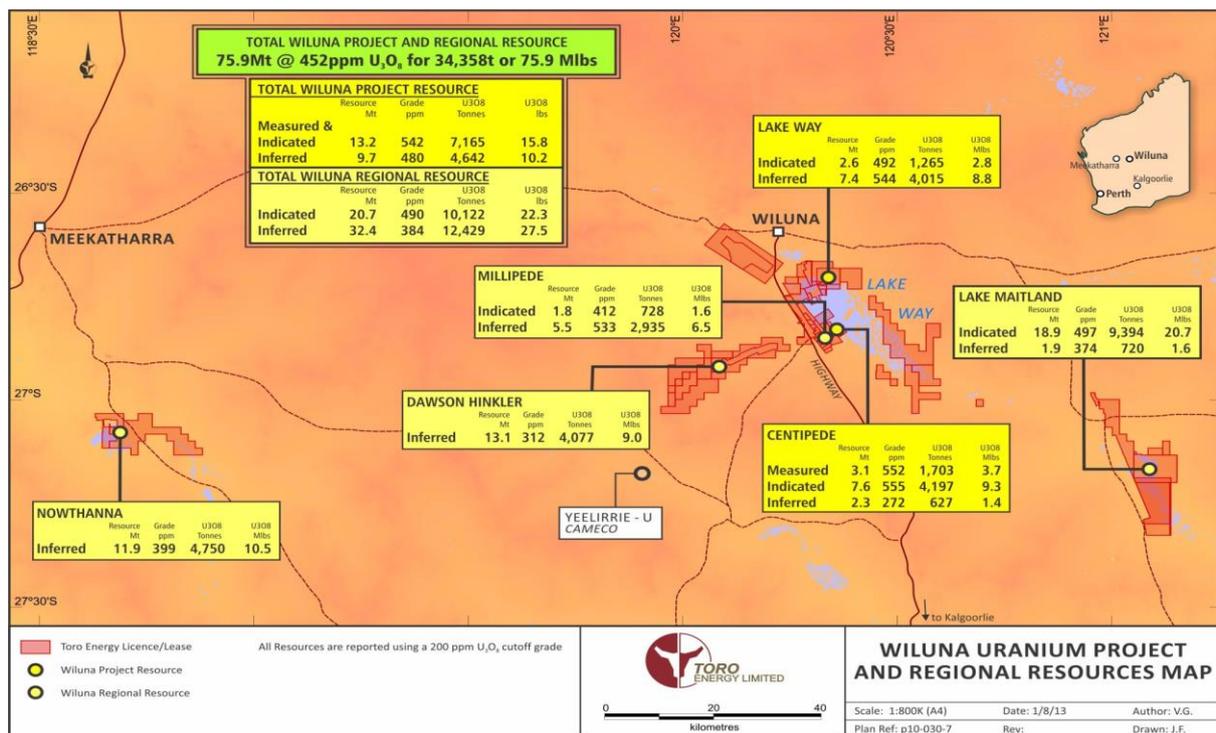
Mega Uranium Ltd.

Mega Uranium Ltd. is a Canadian mineral resources company listed on the TSX, with a focus on uranium properties. Mega has a global presence with projects in Australia at feasibility and pre-feasibility stages, and exploration projects in Australia, Canada and Cameroon. Currently, Mega is focused on the development of two of its Australian projects, Lake Maitland located in Western Australia and Ben Lomond located in Queensland. Mega has a farm in and joint venture agreement with JAURD and IMEA on the Lake Maitland Project. Further information on Mega can be found on the company's website at www.megauranium.com.

Annexure A

Information About Lake Maitland

The Lake Maitland Project is located 90km south-east of Toro's Wiluna Uranium Project, which is on track to become Western Australia's first uranium mine. Toro will acquire 8 exploration licences, 2 exploration licence applications, 3 prospecting licences, a granted mining lease and 5 miscellaneous licences plus uranium rights in respect of a further 6 tenements.



Map Showing Lake Maitland Project in Relation to Broader Wiluna Project

The Lake Maitland deposit was first identified in a regional aeromagnetic survey in 1967. Between discovery and the early 1980s five companies were active in evaluating the project. Redport began drilling in 2005 and Mega commenced evaluating the project in 2006.

Geology and Resource

The Lake Maitland deposit lies within the Yandal Greenstone Belt of the Archean Yilgarn Craton.

The deposit is associated with calcrete, hosted in a package of sediments within a playa lake. The flat lying deposit is on average 1.7 m thick and lies only 1-2 m below the surface. The mineralisation has a large aerial extent, its crescent shape extends some 5 km in length (N-S) and around 2 km in width (E-W) with 3 arms extending to the west. The primary mineral, carnotite [K₂(UO₂)₂(V₂O₈)•3(H₂O)], is found within voids in cementations of calcium carbonate (calcrete) and as disseminations within sands, silts and clays.

Mega has published a Mineral Resource estimate of 20.8Mt @ 486ppm for 22.3Mlb contained U₃O₈ (200ppm cut-off).

Cut-off (PPM)	Measured and Indicated			Inferred			Total		
	Tonnes M's	Grade PPM	MLB's U ₃ O ₈	Tonnes M's	Grade PPM	MLB's U ₃ O ₈	Tonnes M's	Grade PPM	MLB's U ₃ O ₈
100	28.8	376	23.8	3.6	274	2.2	32.4	365	26.0
200	18.9	497	20.7	1.9	374	1.6	20.8	486	22.3
500	6.1	888	11.8	0.3	759	0.6	6.4	881	12.4

The current resource drill hole database comprises 1,441 holes for a total of 17,451 metres. Drillhole coverage at 100 mN by 100 mE spacing and 200 mN x 100mE spacing has been achieved for the majority of the resource area. All holes have been geo-physically logged using calibrated total gamma probes and the results converted to equivalent U₃O₈ (eU₃O₈) grades.

Metallurgy and Process Design

A significant amount of metallurgical testwork has been completed on samples from Lake Maitland. The work recorded comparable extractions and metallurgical performance to similar testwork on samples from Toro's Centipede, Millipede and Lake Way deposits which demonstrated that ore mineralogy is very similar across each of the deposits. The independently selected processing flowsheet developed for Lake Maitland is very similar to the processing facility design that has been progressed for the Wiluna Project.

Environment and Community

In October 2010 the Environmental Protection Authority of Western Australia approved the Environmental Scoping Document (ESD) for Lake Maitland. The ESD identifies the key potential environmental impacts of the project and defines the scope of investigations and studies needed to complete the Environmental Review and Management Programme (ERMP) as the next stage in the government assessment and approval process. The ERMP is at an advanced stage of preparation.

There are no registered Aboriginal heritage sites inside the Lake Maitland mining lease. Consultation with the traditional owners of the area has included heritage surveys in and around the project area to ensure the protection of culturally significant areas during on-going land disturbance work. A protocol has been signed with the traditional owners for the negotiation of a mining agreement.

Annexure B

KEY TERMS AND A SUMMARY OF THE ACQUISITION

A summary of the key terms of the Acquisition are set out below. This is a summary only and does not contain all of the terms of the agreement reached between the parties.

Acquisition by Toro

Toro Energy Limited (“**Toro**”) and Mega Uranium Ltd. (“**Mega**”) have entered into a binding term sheet for Toro to acquire the Lake Maitland Uranium Project (“**Lake Maitland**”) in Western Australia (inclusive of A\$1.5 million of cash reserves) from Mega (“**Acquisition**”).

The Acquisition will be effected by Toro’s 100% owned subsidiary, Nova Energy Pty Ltd, acquiring 100% of the issued capital of Mega’s 100% owned subsidiary Redport Exploration Pty Ltd (“**Redport**”).²

Redport, through its 100% owned subsidiaries, will own the relevant Lake Maitland tenements, associated assets, rights, mining information, interests and a surplus cash balance of A\$1.5 million (collectively, the “**Lake Maitland Assets**”).

Consideration

Consideration for the Acquisition is 415 million fully paid ordinary shares in Toro. On completion of the Acquisition, Mega will hold a 28% shareholding interest and OZ Minerals Limited (“**OZ Minerals**”), Toro’s founding shareholder, a 28.5% shareholding interest in Toro.

Board representation

Toro has agreed to grant Mega rights to appoint two nominees to the Toro Board of Directors as long as Mega maintains a minimum of 22% interest in Toro. Initially, Mega’s Executive Vice President - Corporate Affairs Mr. Richard Patricio and Executive Vice President - Australia Mr. Richard Homsany will join the Board of Toro as non-executive directors.

Escrow and Standstill

Mega has also agreed to a 12 month voluntary escrow on its ordinary shares in Toro, with customary market exceptions and for 2 years after completion agreed:

- not to increase its interest in Toro above 28% or acquire additional Toro shares other than if that interest increases through a pro-rata participation in an entitlement offer by Toro;

² If the parties agree, Mega and Toro will cooperate in structuring the Lake Maitland Acquisition, which may vary from the share purchase structure proposed in the terms sheet, to achieve the most efficient structure for each party in light of tax, securities, corporate law and other relevant considerations.

- not to requisition a Toro shareholders meeting, solicit proxies or seek to influence or control the composition of the Toro Board or decisions about Toro's financial and operating policies during that period; and
- if Pinetree Capital Ltd. acquires additional Toro shares taking the combined Mega/Pinetree Capital Ltd. holding above 28.8%, to suspend its voting rights for an equivalent number of the Toro shares it holds.

Project Partners' Position Regarding Lake Maitland

In June 2009, Mega entered into a series of agreements with JAURD and IMEA (together the "**Project Partners**").

Under those agreements, the Project Partners hold an option to acquire a 35% interest in Lake Maitland for approximately US\$39 million which can be exercised at any time up to a decision to mine on Lake Maitland. The Project Partners are not required to contribute any further funds to earn this option or contribute to further feasibility work. If the Project Partners exercise their option to acquire an interest in Lake Maitland, they will be entitled to various rights over the development and offtake of Lake Maitland and are obliged to contribute financing for their share of costs for the development of Lake Maitland in order to maintain their respective joint venture interests in Lake Maitland.

In addition, the Project Partners hold certain pre-emptive and consent rights that may apply to the Acquisition.

Capital Raising

In conjunction with the Acquisition, Toro has entered into separate share subscription agreements with each of OZ Minerals and Pinetree Capital Ltd., for A\$1.0 million each. The settlement of these subscriptions will be conditional upon the completion of the Acquisition and all necessary consents and approvals being obtained.

OZ Minerals and Pinetree Capital Ltd. have agreed that the subscription will be A\$0.08 per share provided that if Toro conducts a capital raising before the completion of the Acquisition, the issue price will be the same as the price of that capital raising. Completion under the subscription agreement will occur shortly after completion of the Acquisition.

The funds received from OZ Minerals and Pinetree Capital Ltd. will be applied to Toro's costs of acquiring Lake Maitland and general working capital.

Conditions Precedent to Completion

The Acquisition is conditional on:

- Toro shareholder approval under ASX LR7.1 and s611 item (7) of the Corporations Act in relation to the Acquisition;
- the Project Partners not electing to exercise any pre-emptive rights and providing any consent in relation to the Acquisition to the extent required;

- no material adverse change in the Redport and its subsidiaries and the Lake Maitland assets or breach of warranty given by Mega;
- no material adverse change in Toro occurring;
- Redport and its subsidiaries being restructured to hold all of the Lake Maitland Assets to the reasonable satisfaction of Toro;
- Any necessary FIRB approval required by Mega and Toro in relation to the transaction;
- approval under Toro's Macquarie Bank facility and any consents required to include the include certain Lake Maitland Assets as the security under that facility;
- Toro being satisfied that completion of the share subscription by Pinetree Capital Ltd. and Oz Minerals will occur (the Acquisition and the share subscription by Pinetree Capital Ltd. and Oz Minerals Limited collectively being the "**Transaction**").

The end date for satisfaction of the conditions is Friday 29 November 2013.

The Acquisition is not subject to due diligence by either party or any funding condition. Mega has advised that no approval by Mega shareholders is required.

Timetable, Transaction Implementation and Support

Mega and Toro have agreed to do all things necessary to implement the Acquisition and if required by either party, to negotiate more detailed agreements which reflect the terms and conditions agreed in the terms sheet with such other terms as are mutually agreed by Toro and Mega.

Toro expects to hold a meeting of Toro shareholders to approve the Transaction in early October 2013. A Notice of Meeting convening the meeting is to be sent to Toro shareholders in the coming weeks. Satisfaction or waiver of all conditions precedent to completion is expected to be achieved by early October 2013 with completion to occur soon thereafter.

Toro and Mega have agreed not to take any action which will impede or delay the implementation of the Acquisition. This does not prevent Mega progressing with its merger with Rockgate Capital Corp., details of which have been announced by Mega, or undertaking certain restructuring activities in connection with the Acquisition.

Subject to a usual fiduciary duties exemption, the Mega Directors have unanimously approved and agreed to support the Acquisition and the Toro Directors unanimously recommend shareholders approve the Acquisition, subject to no superior proposal emerging or the independent expert report ("**IER**") to be obtained by Toro indicating that the Acquisition or the Transaction is not fair or is not reasonable provided that if the IER indicates that the Acquisition or the Transaction is not fair but is reasonable, the Toro Directors may only change their recommendation if they reasonably believe that the Acquisition or the Transaction is not in the best interest of Toro shareholders.

Mega will pay Toro a break fee of \$1 million if Toro terminates the Acquisition due to a material breach by Mega or if Mega Directors fail to approve and support the Acquisition or if the Project Partners exercise any rights of pre-emption or other rights to acquire a further interest in any Lake Maitland Assets or fail to give any consent required under the Lake Maitland Farm In to enable the Acquisition to proceed.

Toro will pay Mega a break fee of \$1 million if Mega terminates the Acquisition due to a material breach by Toro or if Toro Directors cease to recommend the Acquisition, other than where the IER indicates that the Acquisition is not fair and not reasonable or not fair but reasonable where the Board considers the Acquisition is not in the best interest of shareholders in the circumstances.

General

Other standard provisions apply including pre-completion restrictions on conduct of business, warranties and indemnities, limitations on claims, parent guarantees and confidentiality obligations.

Competent Persons Statement

2012 Wiluna Project Resource Estimates (Centipede/Millipede, Lake Way, Dawson Hinkler and Nowthanna Deposits)

The information presented here that relates to Mineral Resources of the Wiluna Uranium Project (inclusive of the Centipede, Lake Way, Millipede, Dawson Hinkler and Nowthanna uranium deposits) is based on information compiled by Dr Katrin Karner of Toro Energy Limited, Mr Robin Simpson and Mr Daniel Guibal of SRK Consulting (Australasia) Pty Ltd. Mr Guibal takes overall responsibility for the Resource Estimate, and Dr Karner takes responsibility for the integrity of the data supplied for the estimation. Dr Karner, and Mr Guibal are Members of the Australasian Institute of Mining and Metallurgy (AusIMM), Mr Simpson is a Member of the Australian Institute of Geoscientists (AIG) and they have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code 2012)'. The Competent Persons consent to the inclusion in this release of the matters based on the information in the form and context in which it appears.

Qualified Persons Statement

2009 Lake Maitland Resource Estimate

The information presented here that relates to Mineral Resources of the Lake Maitland Deposit is based on information compiled by Mr Stewart Taylor and Mr Matthew Wheeler of Mega Uranium Limited, and Mr Peter Gleeson and Mr Daniel Guibal of SRK Consulting (Australasia) Pty Ltd. Mr Guibal takes overall responsibility for the Resource Estimate, and Mr Taylor and Mr Wheeler take responsibility for the integrity of the data supplied for the estimation. Mr Taylor is a Fellow of the Australian Institute of Mining and Metallurgy (AusIMM), Mr Guibal is a Member of the AusIMM and Mr Wheeler and Mr Gleeson are Members of the Australian Institute of Geoscientists (AIG), all have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity they are undertaking to qualify as qualified persons under the Canadian National Instrument 43-101 standards for disclosure for mineral projects. The Qualified Persons consent to the inclusion in this release of the matters based on the information in the form and context in which it appears.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This announcement has been prepared by Toro. The information contained in this announcement is a professional opinion only and is given in good faith. Certain information in this document has been derived from third parties and though Toro has no reason to believe that it is not accurate, reliable or complete, it has not been independently audited or verified by Toro.

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