

SE Features
HD **Uranium**: Toro **Energy** Attracts New Investor
WC 826 words
PD 7 November 2014
SN Nuclear Intelligence Weekly
SC URIW
LA English
CY © 2014 Energy Intelligence Group, Inc. All rights reserved.
LP

Australian miner Toro **Energy** received a big boost for its Wiluna underground **uranium** project this week when the Sentient Group, a private **equity** group focused on the global resources industry, announced it would put A\$10 **million** (\$8.6 **million**) cash into Toro, with another A\$10 **million** to support the Wiluna site in Western Australia. In exchange, Toro will acquire Sentient's Canadian assets, including part of the Matoush **uranium** site located in northern Quebec, in a deal valued at approximately A\$18.9 **million**.

TD

Vanessa Guthrie, Toro's managing director, told NIW this week that the deal provides the **company** with "a solid financial foundation and a new strategic shareholder." Overall the deal will make Sentient a shareholder in Toro, with a 18.9% **stake**, behind Oz Minerals (21.9%) and Mega **Uranium** (21.5%). The transaction includes Toro's **acquisition** of Sentient's 19.8% **equity** interest in Canadian exploration and **mining company** Strateco Resources, which wants to develop its 100%-owned Matoush deposit, which the **company** touts as having one of the world's highest-grade deposits with the potential for producing up to 60 **million** pounds of U3O8 at an average of \$27 per pound. The **company** says it has secured all necessary approvals for exploration to begin, apart from the provincial Ministry of Environment, Wildlife and Parks which denied Strateco a permit on Nov. 7 after the Mistissini Cree refused consent over concerns about **uranium** development near their hunting grounds and trap lines.

Toro's ambitions to be a leading Australian **uranium** producer rest for now on Wiluna which is set to become the first **uranium** mine in Western Australia following final environmental approvals granted in April 2013. Last November, the **firm** acquired its sixth Wiluna deposit -- Lake Maitland -- from Ontario-based Mega **Uranium**. The deal increased the **firm's** assets by 42% to approximately 76.5 **million** lbs of U3O8 at a grade of 479 parts per **million** and represents approximately 31% of the overall project's resource base (NIW Nov.22'13). The Perth-based **company** plans to produce around 2 **million** pounds of U3O8 per year from its 100%-owned Wiluna project over a 16-year mine life. The capital costs for the project are estimated to be A\$315 **million**.

While the project has not received final authorization for production, it does have approvals from the Western Australian and federal governments to establish a processing facility and to commence underground **mining** at two of Wiluna's deposits, Centipede and Lake Way. The Australian **company** is also currently engaged in environmental and other approval processes to mine two additional deposits at Wiluna -- Millipede and Lake Maitland. Beyond that are negotiations with the Wiluna Native Title Holders, "and a final **mining** agreement is expected to be completed early in 2015," the **company** said.

Possibly the biggest obstacle to commencing overall **operations** is the **uranium** market itself. Guthrie told NIW this week that, "to bring Wiluna into production will take two and a half years from the Final Investment Decision ... we do not predict a time to production delivery because of the state of the market, as final investment decision is dependent upon project financing which is dependent upon the **uranium** market recovery." Toro told NIW that much of the **company's** focus has been reducing projected capital and cash costs, as well as decreasing reagent needs. As of September, the **firm** had \$5.4 **million** cash on hand. The **company** has also hinted at another "breakthrough" in the near future, however it is unconfirmed as to what that might be.

Toro has other exploration interests in Western Australia, the Northern Territory and Namibia. The group's Theseus project, located on the Western Australian and Northern Territory border, is estimated to hold 22 **million** to 44 **million** lbs of U3O8; however, the group has not been able to "undertake significant exploration studies since [2012] due to the state of the **uranium** market," Guthrie said. Toro's "flagship asset" remains the Wiluna project, and the **company** is optimistic that market conditions will improve in the near future, believing that emerging markets such as **China** and India, as well as the United Arab Emirates, will continue to develop their nuclear industries and support **uranium** prices. "It is the medium

term and beyond that provides conditions for pricing to return to the incentive level needed for new mine supply to be developed," the **company** said in a statement.

Guthrie is confident in Toro's future prospects, commenting that, "with a stable financial platform now in place for the next four years, we see 2015 as a year in which we will continue to improve the Wiluna project through resource development, optimization and R&D studies ... these will then support us securing a strategic partner for the project and bring us to project financing we hope during 2016."

Kevin Pang, Washington

kpang@energyintel.com

CO golpla : OZ Minerals Limited | srscsi : Strateco Resources Inc | treng : Toro Energy Ltd | altvst : Advantage Link Inc

IN i211 : Metal Ore Mining | i15 : Nuclear Fuel | iuran : Uranium Ore Mining | i1 : Energy | ibasicm : Basic Materials/Resources | imet : Mining/Quarrying | i231 : Non-metallic Mineral Mining/Quarrying | i232 : Mineral Mining Support Activities

NS m143 : Energy Markets | m14 : Commodity Markets | mcat : Commodity/Financial Market News | ncat : Content Types | nfact : Factiva Filters | nfce : C&E Exclusion Filter

RE austr : Australia | waustr : Western Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

PUB Energy Intelligence Group Inc.

AN Document URIW000020141209eab700009