Toro Energy Limited Confirms High Grade Uranium Zones at Theseus, WA

17.07.2012 | ABN Newswire

09:30 AEST July 17, 2012 ABN Newswire (C) 2004-2012 Asia Business News PL. All Rights Reserved.

Perth, Australia (ABN Newswire) - Toro Energy Limited (ASX:TOE) is pleased to announce the completion of the recent drilling program at its 100% owned Theseus Uranium Project in WA. In 2012, a total of 122 mud rotary holes were completed for approximately 16,000m during the months of May and June.

The highly successful 2012 drilling campaign shows that Theseus is developing into a major uranium discovery potentially mineable with low cost In-Situ Recovery ('ISR') technology. Toro has now defined 5 kilometre-scale mineralised zones which are open in four directions at the regional scale. Key highlights from this latest drilling programme include:

- Confirmation of high-grade uranium zones within the Theseus Project envelope as currently defined, including 0.79m @ 1.17% pU3O8 from 124.32m in LM0175 [0.92%GT];

- Development of predictive 'tools' to elucidate higher-grade mineralisation at the 'nose' of individual roll-fronts. This is evidenced by the success of two specifically targeted drillholes (shown on Figure 2):

-- LM168 reporting: 3.34m @ 0.08% pU3O8 from 106.47m[0.27%GT];
-- LM170 reporting: 1.09m @ 0.11% pU3O8 from 101.34m[0.12%GT].

This targeting success gives Toro added confidence that future drilling will be able to target other high-grade uranium zones in the project area and so reduce exploration and resource drilling costs;

- Extending the southern mineralised zone to a strike length of at least 2.5km, remaining open to the southeast beyond LM174 that reports stacked mineralised lenses: 1.5m @ 0.09% pU3O8 from a depth of 123.7m[0.13%GT] and 2.63m @ 0.04% pU3O8 from a depth of 146.79m [0.10%GT];

- The northern mineralised zone (Figure 2, 'Northern Roll Front Zone'), which can now be traced over a strike length of 1,400m, ranges between 100m to 150m wide and averages 2.5m thickness at an average grade of 0.09% pU3O8, is still open in two directions;

- The mineralised envelope at Theseus, defined by greater than 0.5m thickness at 0.01% eU3O8 intersections, now covers a contiguous area of at least 6km by 1km that is open to the east, southeast, north and northwest.

In three holes, LM183, LM184 and LM185, located across the prospect area, core was extracted from uranium mineralised zones. Assays from this core will provide a comparison between core assay, PFN and gamma data and help to confirm the disequilibrium factor to be applied for all downhole gamma data. Investigations of the porosity and density of the sediments will also provide further information for use in the maiden resource estimation, to be prepared in accordance with the JORC code, and expected to be completed in August.

A summary of drill locations and mineralised zones for the full drilling program is given in Appendix 1 and drillhole locations are shown on Figure 1.

Until recently, drilling in the Northern Zone (Figure 1) was difficult to interpret in terms of the grade distribution of mineralisation. However, Toro has now been able to develop a roll front model specifically for this zone that allows more efficient targeting of the higher-grade mineralisation (Figure 2). It is interpreted to be an example roll-front 'nose' similar to those found in the Powder River Basin of the USA. Additional roll front mineralisation zones are expected in the central, northern and eastern areas of Theseus (Figure 1) but the drill density is currently too low at this stage for accurate mapping. Importantly for Toro, once higher-grade zones are identified then drilling can be orientated to target higher grade and wider uranium intercepts, based on roll front models. The higher grade zones can be defined with detailed drilling across strike, typically at 25m to 50m spacing and wider spaced transects at 100m-200m spacing along strike.

The Northern Zone Roll Front (Figure 2) can now be traced over a strike length of 1,400m, ranging between

100m to 150m wide and is open in both directions. The averaged mineralised thickness from drill intersections within this zone is 2.5m, whilst grade averages nearly 0.09% U3O8.

Figure 3 shows a stylised cross section of the northern most section of the Northern Roll Front Zone and an interpreted 'nose' of a roll front, where uranium has been deposited at the redox boundary of oxidised and reduced sands in the palaeodrainage system. An increased PFN response with positive disequilibrium compared to gamma is also noted in this position. The dimensions of the 'nose' are similar to other globally-significant roll front uranium systems.

The Northern Roll Front Zone, given its higher grade tenor, should lift the global grade when included in the upcoming resource estimation, and significantly improve economic scoping studies for any future potential ISR operation.

Core Program

Core through uranium mineralised zones was extracted from three mud rotary holes: LM183, LM184 and LM185. Figure 1 shows the location of these cored holes. This core is currently being processed and sampled for assay and geotechnical assessment.

Drillhole LM183 was drilled next to a gamma calibration hole to be used in the future as a PFN calibration hole. Drill core recovery in this hole was about 70%.

Drillhole LM184, was drilled as a twin of LP184 (2011 aircore drilling) and reports: 3.63m @ 0.07% eU3O8 [0.24%GT] compared to the original 2.68m @ 0.05% eU3O8 [0.12%GT]. This confirmation of the original gamma data gives Toro confidence in the gamma data collected in 2009 to 2011 and the equivalent uranium grades. Drillhole recovery was about 50%.

Drillhole LM185 was drilled in the Southern Zone with the aim of providing lithological control between a lower grade mineralised zone and a high grade zone around LM175. The mineralised interval in core (Figure 4) is a medium to dark brown silty fine sand. Drillhole recovery was 70%.

Unfortunately core was not able to be extracted from the twin of LM175 when the core bit and last rod broke free and was left at the bottom of the hole. This will be a priority hole for the next drilling campaign at Theseus.

Assay results from the core holes will be used to confirm uranium mineralisation values and add confidence to technical work done so far that indicates a disequilibrium factor of 1.4 for gamma data obtained from closed canister work (see ASX release 13 June 2012).

Southern Zone

Drilling around the high grade drill hole 0.79m @ 1.17% pU3O8 from 124.32m in LM0175 [0.92%GT]; (see ASX release 20 June 2012) has confirmed mineralisation at two horizons: the first at a depth of 124m to 126m and the other at 146m:

- LM179 drilled 100m to the west reports: 1.97m @ 0.13% pU3O8 from 124.32m [0.25%GT];

- LM174 drilled 200m to the south reports: 1.5m @ 0.09% pU3O8 from 123.7m [0.13%GT] and 2.63m @ 0.04% from 146.79m [0.10%GT];

The depth to basement in this area extends down below 150m and increases the potential for multiple mineralised zones extending to the southeast.

Toro is presently compiling all relevant geophysical and geological data and completing a comprehensive QA/QC review program designed to assist with producing an Inferred Resource estimation for Theseus in August.

Toro Managing Director, Mr Greg Hall said: 'Drilling in 2012 has further strengthened Toro's belief that the Theseus greenfields discovery could develop into a potential ISR operation in the future. Toro is very encouraged by the confirmation in core of uranium mineralisation being associated with fine silty sands.'

To view the complete Toro Energy announcement including Figures and Appendix, please click the link below:
http://media.abnnewswire.net/media/en/docs/ASX-TOE-188613.pdf

About Toro Energy Limited:

Toro Energy is a modern Australian uranium company with progressive project development, acquisition and growth. The company is based in Adelaide, South Australia with a project office in Perth, Western Australia.

Toro's flagship and wholly-owned Wiluna uranium project (includes existing mining lease) is 30 kilometres southeast of Wiluna in Central Western Australia.

Wiluna contains two shallow calcrete deposits, Lake Way and Centipede, with prefeasibility and optimisation studies completed and a definitive feasibility study underway. Toro has advanced the Approvals process with an anticipated date of mid-2012, construction through 2013 and first uranium sales in 2014.

Toro has a new uranium project at Theseus in Western Australia, and owns uranium assets in Northern Territory, South Australia and in Namibia, Africa.

Contact:

Toro Energy Limited
T: +61-8-8132-5600
F: +61-8-8362-6655
WWW: www.toroenergy.com.au