

# TORIAN RESOURCES

BUILDING A MID-TIER GOLD COMPANY

OPERATIONAL STRATEGY – FY2018



ASX:TNR





## Highlights

- Stage 1 of Torian's five year strategic plan (Acquisition Stage) is complete and stage 2 (Leverage Stage) now has commenced;
- Committed exploration programs for FY2018 include Paradigm East (Zuleika Project) and Calypso (Malcolm Project);
- Exploration and production JV discussions on numerous projects are now underway;
- Torian continues to assess various producing assets that generate cashflow for the Company; and
- The strategy is designed to leverage Torian's strategic land package and generate value for shareholders.

## Background

Torian Resources Ltd (**ASX:TNR**) is an Australian gold exploration and development company that is listed on ASX. The Company has a large and strategic landholding in the Goldfields Region of Western Australia comprising over 500km<sup>2</sup> of tenure across eight gold projects.

Torian's strategy has been to acquire advanced gold assets located within 50km of regional processing hubs including Kalgoorlie, Leonora and Wiluna. These regions provide three key benefits including lower capital costs, faster development timelines and numerous development options.

Following completion of a number of acquisitions, the Company is now seeking parties interested in forming a partnership with Torian to leverage its large and strategic land position.

**Andrew Sparke, Chairman – Torian Resources:**  
*"Torian's strategic plan seeks to leverage our large landholding to add value for shareholders".*

## The Vision

From humble beginnings, Torian has evolved into a highly active gold exploration and development company with big plans. Torian's vision is to become a mid-tier gold producer within five years.

## The Projects

Torian has eight gold projects located in the Goldfields Region of Western Australia. The Company's projects range from greenfield to pre-development stage. These projects are strategically located within 50km of gold processing hubs, delivering Torian and potential new partners a diversified portfolio that can be used to grow a footprint in the most well-endowed gold jurisdiction in Australia. This portfolio provides new investors with leverage through exploration and discovery, exploiting existing development options and to a rising gold price.



Figure 1: Map showing the location of Torian's gold projects.



## Why Diversify into Gold?

### INTRODUCTION:

- Gold mining is a well-established industry in Australia with over 100 years of mining history.
- Australia is the second largest gold producer globally and boasts the world's largest economic reserves.
- Gold mining in Australia is the third largest export earner in the resources sector and represents approximately \$17.4 billion of annual export earnings (2016-2017).
- Western Australia is the powerhouse of the Australian gold industry representing approximately 70% of Australia's total gold production.

### THE IRON ORE EXAMPLE:

The gold mining industry has undergone significant growth over much of the past decade due largely to price increases and a declining Australian dollar.

More companies are expected to enter the gold mining industry in the near-term due to its fragmented nature, gold's status as a counter-cyclical commodity and its strong margins and high returns.

This provides an excellent opportunity for large and medium sized iron ore companies looking to diversify their businesses to reduce risks and continue to provide strong returns for their shareholders.

As seen in Figure 2 below, the gold mining business provides strong pricing diversification due to its counter-cyclical nature.

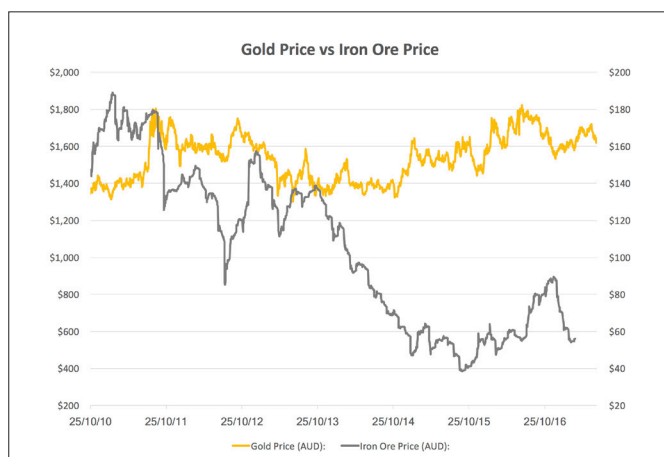


Figure 2: Gold and iron ore price charts (2010-2017) showing the counter cyclical nature of the gold price.

As seen in Figures 2 and 3, another key benefit of the gold industry is the high liquidity and low volatility of pricing when compared to iron ore.

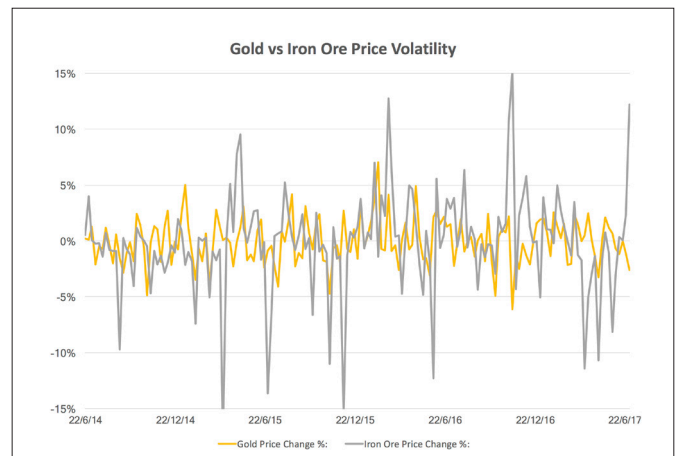


Figure 3: Chart showing iron ore vs. gold price volatility.

Importantly, the Australian gold industry is highly fragmented when compared to the iron ore industry. This reduces the barriers for new entrants and provides an opportunity to consolidate within the industry.

To put this into perspective, the three largest Australian gold mining companies produce approximately 36.8% of Australia's total gold production (2016-17). However, the three largest Australian iron ore miners account for an estimated 89.7% of Australia's iron ore production.

Gold's status as a counter cyclical commodity has the potential to provide strong earnings diversification to companies operating in the iron ore or other bulk commodities sectors.

Such companies have an opportunity to leverage their large balance sheets, access to cheap capital and efficiency skill-set to grow a significant gold business and further consolidate within this industry.





## The Strategy

In order to achieve Torian's vision to become a mid-tier gold producer within 5 years, Torian's strategic plan encompasses a number of key steps including:

1. Committed exploration programs;
2. Production joint ventures;
3. Exploration joint ventures; and/or
4. Asset acquisitions.

## FY2018 Strategy

### COMMITTED EXPLORATION PROGRAMS:

Torian has generated over 100 exploration targets across its suite of projects. These targets have been generated from its existing drilling data base. Torian has committed to drilling a number of these throughout the forthcoming year including:

1. **Committed Programs:**
  - i. Paradigm East (Zuleika Project)
  - ii. Calypso (Malcolm Project)
  - iii. Paradigm North (Zuleika Project)
2. **Other Exploration Priorities:**
  - i. Mt Stirling Well (Mt Stirling Project)
  - ii. Credo Well (Zuleika Project)
  - iii. Paradigm South (Zuleika Project)
  - iv. Target 4 & 5 (Zuleika Project)

### PRODUCTION JOINT VENTURES:

Torian has several advanced gold projects that may be amenable to small scale gold production. Torian is open to discussion with third parties that can assist the Company develop one or more of these assets to generate cashflow for the Company. Assets that have near term production potential include:

- i. Mt Stirling Well (Mt Stirling Project)
- ii. Credo Well (Zuleika Project)
- iii. Mt Monger (Kalgoorlie East Project)
- iv. Gibraltar (Kalgoorlie East Project)
- v. Mt Keith (Mt Keith Project)

### EXPLORATION JOINT VENTURES:

Torian is seeking parties interested in leveraging the company's large and strategic landholding by funding exploration programs.

### ASSET ACQUISITIONS:

Over the medium to longer term, Torian is seeking to acquire assets at the pre-development or production stage that:

- A. Can transition Torian from an exploration company into a producer;
- B. Are located adjacent to Torian's existing assets; and/or
- C. The Board believes will increase shareholder value.

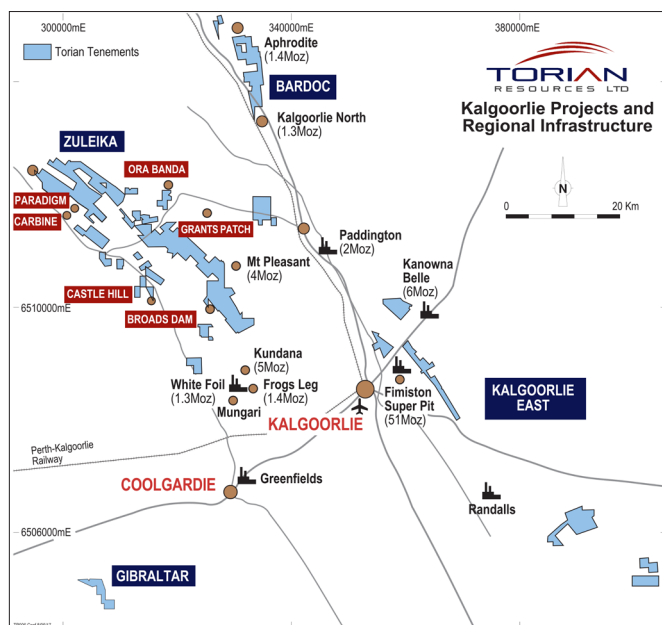


Figure 4: Torian's projects located within 50km of Kalgoorlie, WA.



## Development Timetable

The below timetable seeks to provide investors with an overview of the anticipated timing of committed exploration programs as well as provide indicative timing of the commencement of other exploration programs subject to the availability of capital.

PROJECT:	Q3-2017	Q4-2017	Q1-2018	Q2-2018
Paradigm East (Zuleika Project)				
Calypso (Malcolm Project)				
Paradigm North (Zuleika Project)				
Other Exploration Priorities				

Table 1: Table showing operational activities planned by Torian.

Drilling

Note: The above development timetable is indicative only and subject to change without notice.

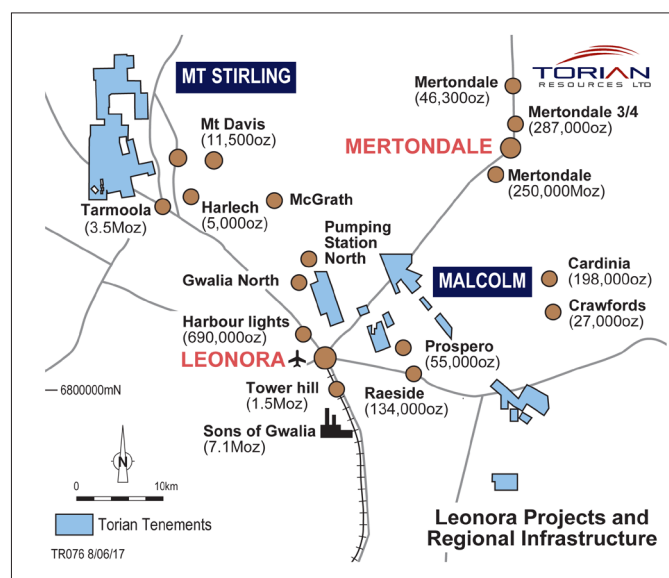


Figure 5: Torian's projects located within 50km of Leonora, WA.





## Why Invest?

### LARGE AND STRATEGIC LANDHOLDING:

With over 500km<sup>2</sup> of tenure within 50km of key gold processing hubs, this large and strategic package provides investors with leverage to this strategic gold address.

### PREMIER GOLD INVESTMENT DESTINATION:

With the largest economic reserves and the second largest gold production globally, Australia is a well-endowed, tier-one gold mining jurisdiction.

### LOW CAPITAL ADVANTAGE:

The Goldfield's Region of Western Australia has been the powerhouse of the Australian gold industry for over 100 years. The region is well serviced by roads, processing plants, electricity, airports and communication infrastructure providing a low capex advantage for investors.

### TRACK RECORD OF EXPLORATION SUCCESS:

Torian's technical team has extensive experience in the Goldfield's Region which includes the discovery of a number of world class (+5Moz) gold deposits over the last 30 years.

### EXTENSIVE DATA COMPILATION:

Torian owns a proprietary dataset that incorporates geophysics, geo-chem, geology and a large drilling database. This dataset covers an extensive area of the Goldfields Region and has a replacement cost of over A\$150 million.

### ACTIVE EXPLORER & DEVELOPER:

In 2016, Torian completed 59,345m of drilling across a number of its projects. This large exploration program tested 26 exploration targets and, importantly, made four gold discoveries. This makes Torian one of the most active gold explorers on the ASX.

## Fast Facts

**3,573,554**

The number of drill samples in Torian's comprehensive 3D database.

**59,345m**

The number of metres drilled in 2016.

**400%**

The increase in size of landholdings in 2016.

**>500km<sup>2</sup>**

Ground Torian has acquired within the Goldfields Region.

**1,319**

The number of holes drilled in 2016.

**8**

The number of gold projects in the Goldfields Region of WA.

**26**

The number of exploration targets tested in 2016.

**4**

The number of gold discoveries made in 2016.



## Board of Directors

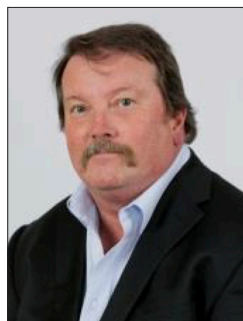


### MR ANDREW SPARKE

Non-Executive Chairman

B.Bus (Marketing), M.Fin (Current) and GAICD

- Experience in IPO's, private placements, secondary market transactions and listed company compliance.
- Advised numerous ASX listed companies on capital raising and corporate transactions.
- Director of a number of public and private companies including Olive Capital Pty Ltd.



### MR MATTHEW SULLIVAN

Managing Director

B.App. Sc (Applied Geology) and AusIMM

- Experienced geologist and listed Company Director.
- Many years' experience working in the Goldfields Region.

Significant discoveries include:

- Kanowna Belle (6.5Moz's), and
- East Kundana (4.5Moz's).



### MS ELISSA HANSEN

Non-Executive Director

B.Comm, Grad Dip Applied Corporate Governance, GAICD and AGIA

- Experience in advising boards on corporate governance, compliance and investor relations.
- Chartered Secretary with strong governance and compliance skills.
- Director and/or Company Secretary of a number of public, listed and private companies.

## Contact Us

If you would like to know more about the opportunity please email us at [info@torianresources.com.au](mailto:info@torianresources.com.au).

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Own one of the most active  
gold explorers on the ASX.

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