



**TORIAN RESOURCES LIMITED
AND CONTROLLED ENTITIES**

ABN 72 002 261 565

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 30 JUNE 2019

**TORIAN RESOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 72 002 261 565**

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DIRECTORS' REPORT

Your directors submit the financial report of Torian Resources Limited ("Torian" or "the Group") for the half-year ended 30 June 2019.

Directors

The names of directors who held office during the half-year and up to the date of this report are:

Mr Mark Borman (Appointed as Managing Director on 8 January 2019)

Mr Paul Summers

Mr Richard Mehan

Mr Matthew Sullivan (Resigned 4 January 2019)

Review of Operations

The consolidated loss after income tax of the Group for the half year ended 30 June 2019 is \$1,414,611 (2018: \$747,878).

During the half year, the Group was focussed on its prospective gold targets at its Zuleika and Malcolm gold projects in Kalgoorlie, Western Australia. While emphasis was placed on these two projects, Torian continued to review all of the exploration of projects it has acquired to date, which are located in the Goldfields region of Western Australia. They include:

- Zuleika
- Mt Stirling
- Malcolm
- Gibraltar
- Mt Monger
- Mt Keith
- North Kanowna Star (surface rights)
- Bonnie Vale (option to acquire)

Highlights

Exploration

Updated Resource Estimates at the Mt Stirling and Malcolm Projects

During the period Torian commissioned consultants BM Geological Services Pty Ltd ("BMGS"), to provide independent estimates of gold exploration targets at Torian's gold prospects. The TNR technical team reviewed and verified the BMGS reports for Mt Stirling and Mt Stirling Well Prospects within the Mt Stirling Project, and Dumbarton and Dover Castle Prospects within the Malcolm Project. Following successful exploration programs completed during the period 2016 - 2018, the Company provided updated Resource Estimates for the Mt Stirling and Malcolm projects. Table 1 outlines the results of the estimation.

This work was commissioned to provide an independent examination of TNR projects and included looking at results of various drill programmes both historical and carried out by TNR, also geological mapping, data capture and interpretation and other exploration methods. The results are being used to assist the Company in prioritising its future exploration strategy.

DIRECTORS' REPORT (CONT.)

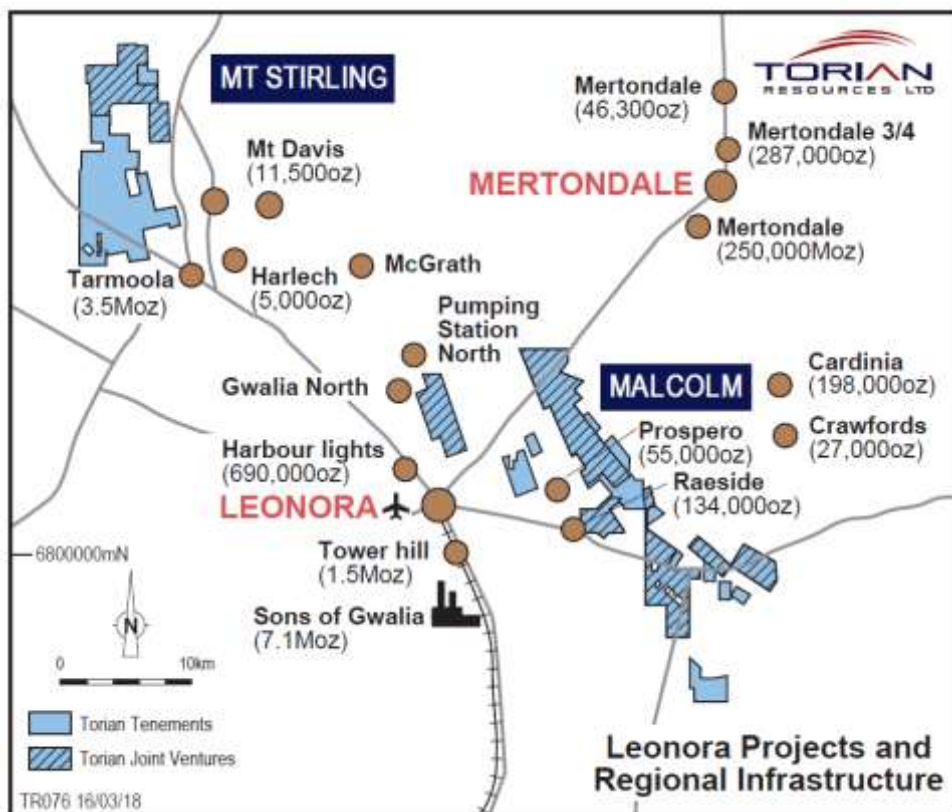


Figure 1: Location of the Malcolm and Mt Stirling Projects

All available data from recent and previous exploration drilling has been compiled for the purpose of updating Resources Estimates and defining Exploration Targets in the Leonora Region (Refer to ASX releases including those dated 10th December 2014, 3rd March 2016, 24th August 2016, 20th September 2016, 14th October 2016, 18th November 2016, 22nd September 2017, 21st December 2017 and 4th April 2018).

The Leonora district is contained within the 2.7Ga late Archaean Eastern Goldfield Superterrane, the eastern division of the Archean Yilgarn Craton. The district, located around 250km north of Kalgoorlie, covers an area 100km long and 80km wide and contains an abundance of orogenic gold deposits.

Leonora Region JORC (2012) Inferred Resources - Gold >0.5g/t				
Project	Deposit	Tonnes	Gold g/t	Ounces
Malcolm	Dumbartons	84,200	1.09	2,950
	Dover Castle South	210,100	1.71	11,550
Mt Stirling	Mt Stirling	727,000	1.45	33,900
	Mt Stirling Well	253,500	2.01	16,400
Totals (Dry metric tonnes)		1,274,800	1.57	64,800

Table 1: Results of 2019 Resource Estimation (discrepancies may occur due to rounding)

Mineralisation at both Dover Castle South and Dumbarton is contained within quartz veined steeply dipping shears zones. Mt Stirling mineralisation is accommodated within a northeast dipping sheared mafic, whilst

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DIRECTORS' REPORT (CONT.)

Mt Stirling Well is hosted by a quartz vein dipping shallowly to the east, fully contained within a granite. Appendix 1 contains details of the parameters used in the estimation.

With these additions to the Leonora Mineral Resource Estimates, a solid foundation for future growth can be established. In doing so, strike and depth extensions of mineralisation require testing, and infill drilling will need to be undertaken to increase confidence in the current resource.

The next round of resource expansion drilling campaigns in the Leonora Region will target these areas, seeking to build the resource base, towards a level that can sustain future mining operations.

Exploration Targets defined at Credo Well, Mt Pleasant, Gibraltar and Mt Monger prospects

On 27 March 2019 Torian announced the results of an independent review of the prospects undertaken by BMGS. Following successful reconnaissance exploration programs completed during 2016-2018, which confirmed multiple prospects and demonstrated potential for a large gold deposits, the Company has prepared an Exploration Target encompassing four of its Kalgoorlie Region Projects (Credo Well, Mt Pleasant, Gibraltar and Mt Monger) and incorporating both historical drilling results and drilling undertaken by Torian.

The current Exploration Target for these prospects is estimated to be between **530,000 and 720,000 tonnes at a grade of 1.14 to 1.54 g/t gold** and **120,000 and 160,000 tonnes at a grade of 1.05 and 1.41% copper** (Table 2).

The Exploration Target for the Credo Well, Mt Pleasant, Gibraltar and Mt Monger Projects, describing the potential quantity and grade, is conceptual in nature. There has been insufficient exploration completed to estimate a Mineral Resource and it is unclear if further exploration will result in the estimation of a Mineral Resource.

Kalgoorlie Regional Exploration Targets - Gold						
Project	Deposit	Rank	Low (T)	High (T)	Low (Gold)	High (Gold)
Credo Well	Credo Well	High	48,000	65,000	2.66 g/t	3.62 g/t
Mt Pleasant	Golden Buckle	High	83,600	111,800	1.75 g/t	2.37 g/t
Gibraltar	Gibraltar East	Low	285,500	386,000	0.71 g/t	0.97 g/t
Mt Monger	Wombola	Med	116,000	157,500	1.13 g/t	1.55 g/t
Totals			533,100	720,300	1.14 g/t	1.54 g/t

Kalgoorlie Regional Exploration Targets - Copper						
Project	Deposit	Rank	Low (T)	High (T)	Low (Copper)	High (Copper)
Mt Pleasant	Coppermine	Med	118,900	160,900	1.05 %	1.41%
Totals			118,900	160,900	1.05 %	1.41%

Table 2: Exploration Targets for the Credo Well, Mt Pleasant, Gibraltar and Mt Monger Prospects

At the Credo Well prospect, located in the north-west of the project, mineralisation is hosted within steeply dipping quartz-pyrite veins within a sheared mafic package including basalt, dolerite and gabbro. The Exploration Target is centred on a group of north-east trending historical workings at Credo Well which are reported to have produced 835 tonnes @ 39.7g/t Au between 1897 and 1919.

The Exploration Target has been defined using 76 RC drill-holes completed across the project to date. Sectional interpretations of geology, oxidation and mineralisation of the 80 x 40m to 40 x 20m RC drilling was digitised in Surpac and used to create wireframes.

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DIRECTORS' REPORT (CONT.)

Additional drilling is warranted to identify the extent of the gold mineralisation at the various prospects identified to date, with Torian having only completed initial drill testing of the Credo Well Prospect itself.

Drilling has been planned to not only to in-fill the previous work completed at the Credo Well deposit, but also to follow up positive historical results at Credo East, Fidelitas, Fortis and other areas of the project, where there is potential for not only primary mineralisation but supergene and palaeo-channel style mineralisation.

Leonora Region Exploration Targets defined at Calypso and Mt Keith Prospects

On 22 February 2019 Torian announced the results of an independent review of the prospects undertaken by BMGS. All available results from previous exploration drilling have been compiled and an Exploration Target defined for the Calypso and Mt Keith Projects.

The current Exploration Targets in these two areas are estimated to be between **3.0 and 4.1 million tonnes at a grade of between 1.6g/t to 2.2g/t Au** (Table 3); highlighting the regions potential to host a large gold deposit. The Exploration Targets for the Calypso and Mt Keith Projects, describing the potential quantity and grade, are conceptual in nature. There has been insufficient exploration completed to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Leonora Region Exploration Targets						
Project	Deposit	Rank	Low (T)	High (T)	Low (Gold)	High (Gold)
Calypso	Calypso	High	2,942,500	3,981,000	1.62 g/t	2.20 g/t
Mt Keith	Bartons	Med	84,300	114,000	1.32 g/t	1.78 g/t
	Waldecks	Med	10,900	14,800	2.36 g/t	3.20 g/t
Totals			3,037,700	4,109,800	1.61 g/t	2.19 g/t

Table 3: Exploration Targets for the Calypso and Mt Keith Prospects

The Exploration Target tonnage estimate has been determined by available new and historic aircore, RC and diamond drilling. The majority of the historic data has been sourced from printed reports and entered directly into the digital database from drill logs, assay sheets, collar files, cross sections and underground plans. Where more than one gold assay was recorded, repeat and duplicate results were not used. Wireframes were digitised in Surpac, and data from old workings was digitised from mine plans and cross sections, with volumes removed from wireframes. Bulk density has been applied according to the oxidation state of the material, oxide 2.0t/m³, transitional 2.4t/m³ and fresh 2.7t/m³. The exploration target grade estimate is based upon drilling results. Historic QAQC data was not available.

Gold mineralisation at Calypso is associated with strong iron-carbonate-pyrite-quartz alteration within the magnetite siltstone unit and at the contact between this unit and the mass flow breccia, conglomerate or chloritic siltstone units. Higher gold grades are associated with zones of higher pyrite abundance within the strong to intensely carbonate-pyrite-quartz alteration zones, which is enveloped by a halo of moderate chlorite alteration.

The Exploration target exists over fold hinge zones within the magnetite siltstone and in areas where this unit has been terminated or offset by faults, as well as in the supergene zone, and has been defined using 61 diamond and RC drillholes completed across the project to date.

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DIRECTORS' REPORT (CONT.)

Sectional interpretations of geology, oxidation and mineralisation was digitised in Surpac and used to create wireframes. Volumes were then calculated. Assumed densities were applied to the volume and tonnage was calculated. Grades are based on the drillhole information. An exploration target has been calculated to be in the order of 2.9 – 3.9Mt at a grade of 1.6 – 2.2 g/t gold. There has been insufficient exploration completed to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Significant Changes in the State of Affairs

- \$518,500 raised via oversubscribed placement;
- Completion of Small Shareholding Share Sale Facility;
- Divestment of Bardoc Project for \$150,000 cash consideration.

Matters Subsequent to the End of the Half Year

In August 2019, the Group completed a placement of 12.5m ordinary shares at 1¢ per share to raise \$125,000 before costs.

In September 2019, the Group completed a placement of 44m ordinary shares at 1¢ per share to raise \$440,000 before costs.

No other significant subsequent event has arisen that significantly affect the operations of the Group.

Tenements Held at 30 June 2019

TENEMENT:	LOCATION:	JV or PROJECT:	INTEREST:
ML 70094	Sapphire, QLD	Queensland	100%
ML 70095	Sapphire, QLD	Queensland	100%
ML 70096	Sapphire, QLD	Queensland	100%
E 24/190	Zuleika, WA	Zuleika	100%
M 16/229	Zuleika, WA	Zuleika	100%
M 16/491	Zuleika, WA	Zuleika	90%
M 24/947	Zuleika, WA	Zuleika	Option to earn 100%
M 24/975	Zuleika, WA	Zuleika	100%
M 26/572	Zuleika, WA	Zuleika	100%
M 37/475	Leonora, WA	Malcolm JV	51%
M 37/1305	Leonora, WA	Mt Stirling Well	100%
M 37/1306	Leonora, WA	Mt Stirling JV	51%
M 37/1311-1313	Leonora, WA	Mt Cutmore JV	51%
M 53/490-491	Wiluna, WA	Mt Keith	Option to earn 100%
P 15/5305	Coolgardie, WA	Bonnie Vale	100%
P 15/5560	Coolgardie, WA	Gibraltar South	100%
P 15/5672	Coolgardie, WA	Gibraltar South	100%
P 15/5914	Coolgardie, WA	Gibraltar South	100%
P 15/5922-5924	Coolgardie, WA	Gibraltar South	100%
P 15/6074-6078	Coolgardie, WA	Gibraltar South	100%
P 15/6114-6115	Coolgardie, WA	Gibraltar South	100%
P 16/2837-2841	Zuleika, WA	Zuleika	100%
P 16/2843-2844	Zuleika, WA	Zuleika	100%
P 16/2849-2856	Zuleika, WA	Zuleika	100%
P 16/2874-2887	Zuleika, WA	Zuleika	100%
P 16/2896	Zuleika, WA	Zuleika	100%

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DIRECTORS' REPORT (CONT.)

TENEMENT:	LOCATION:	JV or PROJECT:	INTEREST:
P 16/2901-2902	Zuleika, WA	Zuleika	100%
P 16/2913-2915	Zuleika, WA	Zuleika	100%
P 16/2943-2953	Zuleika, WA	Zuleika	100%
P 16/2959-2960	Zuleika, WA	Zuleika	100%
P 16/2964-2967	Zuleika, WA	Zuleika	100%
P 16/3024-3026	Zuleika, WA	Zuleika	100%
P 24/4418-4429	Zuleika, WA	Zuleika	100%
P 24/4468	Zuleika, WA	Zuleika	100%
P 24/4679	Zuleika, WA	Zuleika	100%
P 24/4749	Zuleika, WA	Zuleika	100%
P 24/4827-4831	Zuleika, WA	Zuleika	100%
P 24/4865-4874	Zuleika, WA	Zuleika	100%
P 24/4917-4923	Zuleika, WA	Zuleika	100%
P 24/4925-4940	Zuleika, WA	Zuleika	100%
P 24/4941-4942	Zuleika, WA	Broad Arrow	100%
P 24/4996	Zuleika, WA	Zuleika	100%
P 24/5013	Zuleika, WA	Zuleika	100%
P 24//5078-5081	Zuleika, WA	Zuleika	100%
P 24/5247	Zuleika, WA	Zuleika	100%
P 25/2348-2349	Kalgoorlie, WA	Mt Monger	100%
P 25/2493	Kalgoorlie, WA	Mt Monger	100%
P 26/4011-4013	Kalgoorlie, WA	Kanowna South	100%
P 26/4086	Kalgoorlie, WA	Mt Monger	100%
P 26/4089	Kalgoorlie, WA	Mt Monger	100%
P 26/4101-4104	Kalgoorlie, WA	Mt Monger	100%
P 26/4106-4115	Kalgoorlie, WA	Mt Monger	100%
P 26/4139	Kalgoorlie, WA	Mt Monger	100%
P 26/4141-4143	Kalgoorlie, WA	Mt Monger	100%
P 26/4152-4155	Kalgoorlie, WA	Five Mile Hill	100%
P 26/4209-4219	Kalgoorlie, WA	Boorara	100%
P 26/4275-4276	Kalgoorlie, WA	Mt Monger	100%
P 26/4292	Kalgoorlie, WA	Mt Monger	100%
P 26/4310	Kalgoorlie, WA	Mt Monger	100%
P 26/4397	Kalgoorlie, WA	Boorara	100%
P 26/4409	Kalgoorlie, WA	Mt Monger	100%
P 26/4427	Kalgoorlie, WA	Five Mile Hill	100%
P 27/2202-2203	Kalgoorlie, WA	Kanowna South	100%
P 27/2261	Kalgoorlie, WA	Kanowna South	100%
P 37/8073-8075	Leonora, WA	Mt Stewart JV	51%
P 37/8116	Leonora, WA	Malcolm JV	51%
P 37/8225-8227	Leonora, WA	Mt George JV	51%
P 37/8240-8243	Leonora, WA	Mt Cutmore JV	51%
P 37/8368	Leonora, WA	Mt Stirling	100%
P 37/8523-8524	Leonora, WA	Malcolm JV	51%
P 37/8568	Leonora, WA	Mt Stirling	100%
P 37/8623-8624	Leonora, WA	Mt Stewart JV	51%
P 37/8625-8632	Leonora, WA	Mt Stewart JV	51%
P 37/8646-8647	Leonora, WA	Mt Cutmore JV	51%
P 37/8648	Leonora, WA	Mt George JV	51%

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DIRECTORS' REPORT (CONT.)

TENEMENT:	LOCATION:	JV or PROJECT:	INTEREST:
P 37/8649	Leonora, WA	Braemore JV	51%
P 37/8650	Leonora, WA	Rabbit Warren South	100%
P 37/8651	Leonora, WA	Braemore JV	51%
P 37/8652-8653	Leonora, WA	Rabbit Warren South	100%
P 37/8659-8661	Leonora, WA	Braemore JV	51%
P 37/8662	Leonora, WA	Mt George JV	51%
P 37/8663	Leonora, WA	Rabbit Warren South	100%
P 37/8664-8665	Leonora, WA	Braemore JV	51%
P 37/8712	Leonora, WA	Mt Stirling	100%
P 37/8730-8733	Leonora, WA	Malcolm JV	51%
P 37/8745-8748	Leonora, WA	Malcolm JV	51%
P 37/8754	Leonora, WA	Malcolm JV	51%
P 37/8791-8793	Leonora, WA	Calypso	100%
P 37/8820-8826	Leonora, WA	Malcolm JV	51%
P 37/8831-8834	Leonora, WA	Mt Cutmore JV	51%
P 37/8838-8840	Leonora, WA	Mt Cutmore JV	51%
P 37/8845-8861	Leonora, WA	Mt Stirling	100%
P 37/8862-8863	Leonora, WA	Mt George JV	51%
P 37/8864-8866	Leonora, WA	Malcolm JV	51%
P 378868-8869	Leonora, WA	Mt Stirling	100%
P 37/8881-8889	Leonora, WA	Mt Stirling	100%
P 37/8890-8891	Leonora, WA	Malcolm	100%
P 37/8892-8900	Leonora, WA	Malcolm JV	51%
P 37/8928	Leonora, WA	Mt George JV	51%
P 37/9105	Leonora, WA	Calypso	100%

Competent Person Statement

The information in this report which relates to Exploration Targets, Exploration Results and Mineral Resources is based on information compiled, reviewed and conclusions derived by Ms Lyndal Money, who is a Member of the Australasian Institute of Mining and Metallurgy and a full-time employee of the company. Ms Money has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves". Ms Money consents to inclusion in the report of the matters based on this information in the form and content in which it appears. Additionally, Ms Money confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report

Auditor's Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 9 of the financial report for the half year ended 30 June 2019.

This report is signed in accordance with a resolution of the Board of Directors



**Mr Mark Borman
Managing Director
13 September 2019**

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Torian Resources Limited for the half-year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



Cameron Hume
Partner

Sydney, NSW
Dated: 13 September 2019

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**CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2019**

	Note	Half year ended 30 June 2019 \$	Half year ended 30 June 2018 \$
Sales revenue		-	-
Other income	4	151	2,764
Total revenue		151	2,764
Advertising and marketing expense		(6,668)	(142,336)
Depreciation expense		(3,882)	(3,277)
Employee benefits expense		(302,386)	(125,704)
Due diligence and professional services		(131,020)	(112,030)
Exploration expenditure	6	(18,387)	(38,009)
Impairment expense	7	(631,175)	(179,512)
Loss on sale of tenements		(191,859)	-
Other administration and compliance costs		(129,385)	(149,774)
Loss before income tax expense		(1,414,611)	(747,878)
Income tax expense		-	-
Loss for the period		(1,414,611)	(747,878)
Other comprehensive income		-	-
Total comprehensive loss for the period		(1,414,611)	(747,878)
Basic earnings per share (cents per share)		(0.56)	(0.37)
Diluted earnings per share (cents per share)		(0.56)	(0.37)

The accompanying notes form an integral part of this statement

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**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
AS AT 30 JUNE 2019**

	Note	As at 30 June 2019 \$	As at 31 December 2018 \$
CURRENT ASSETS			
Cash and cash equivalents		25,032	95,485
Trade and other receivables		86,723	146,960
TOTAL CURRENT ASSETS		111,755	242,445
NON-CURRENT ASSETS			
Financial assets at fair value through other comprehensive income		1,429	1,429
Property, plant and equipment		6,402	10,284
Exploration and evaluation expenditure	7	18,617,982	19,238,242
TOTAL NON-CURRENT ASSETS		18,625,813	19,249,955
TOTAL ASSETS		18,737,568	19,492,400
CURRENT LIABILITIES			
Trade and other payables		323,850	197,563
Borrowings		110,246	110,246
TOTAL CURRENT LIABILITIES		434,096	307,809
TOTAL LIABILITIES		434,096	307,809
NET ASSETS		18,303,472	19,184,591
EQUITY			
Issued capital	8	82,227,173	81,693,681
Accumulated losses		(63,923,701)	(62,509,090)
TOTAL EQUITY		18,303,472	19,184,591

The accompanying notes form an integral part of this statement

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**CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2019**

	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
Balance at 1 January 2018	79,792,247	(60,973,353)	18,818,894
Shares issued during the year, net of capital raising costs	1,411,134	-	1,411,134
Loss attributable to members	-	(747,878)	(747,878)
Balance at 30 June 2018	81,203,381	(61,721,231)	19,482,150
Balance at 1 January 2019	81,693,681	(62,509,090)	19,184,591
Shares issued during the year, net of capital raising costs	533,492	-	533,492
Loss attributable to members	-	(1,414,611)	(1,414,611)
Balance at 30 June 2019	82,227,173	(63,923,701)	18,303,472

The accompanying notes form an integral part of this statement

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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2019

	Consolidated Group	
	Half year ended	Half year ended
	30 June	30 June
	2019	2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(426,482)	(372,729)
Interest received	151	2,764
Finance costs	(116)	-
Exploration expenses paid	(18,387)	(38,009)
Net cash used in operating activities	(444,834)	(407,974)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire mining tenements	-	(2,401)
Payments for exploration and evaluation costs capitalised	(262,101)	(655,485)
Proceeds from disposal of tenements	150,000	-
Payments to acquire property, plant and equipment	-	(4,053)
Net cash used in investing activities	(112,101)	(661,939)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares	518,500	1,100,000
Share issue costs	(32,018)	-
Loan repayments	-	(18,900)
Net cash provided by financing activities	486,482	1,081,100
Net (decrease)/increase in cash and cash equivalents	(70,453)	11,187
Cash and cash equivalents at beginning of the period	95,485	1,100,953
Cash and cash equivalents at end of the period	25,032	1,112,140

The accompanying notes form an integral part of this statement

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2019**

Note 1: Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 30 June 2019 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2018 and any public announcements made by Torian Resources Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the 31 December 2018 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The half-year financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

As disclosed in the half-year interim financial report, the Group incurred a loss after tax of \$1,414,611 and had net cash outflows from operating and investing activities of \$444,834 and \$112,101 respectively for the half-year ended 30 June 2019 and had net current liabilities \$322,341 as at 30 June 2019. The ability to continue as a going concern and realise its exploration asset is dependent on a number of factors, the most significant of which is obtaining additional funding to fund and complete the exploration activities.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The directors believe that there are reasonable grounds to believe that the Group will be able to continue as a going concern, after consideration of the following factors:

- In August 2019, the Group completed a capital raising for \$125,000. A total of 12,500,000 fully paid shares were issued and allocated at 1c per share;
- In September 2019, the Group completed a capital raising for \$440,000. A total of 44,000,000 fully paid shares were issued and allocated at 1c per share;
- The Group has cash resources of \$25,032;
- The Group has net assets of \$18,303,472;
- The Group is exploring the possibility of entering into a number of joint venture arrangements for the development of some of its mining projects,

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**NOTES TO THE FINANCIAL STATEMENTS
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Note 1: Basis of Preparation (Cont.)

- The Group has the ability to dispose some of its assets as and when required to generate available cash resources; and
- The Group has the ability to scale back its exploration activities should funding not be available continue exploration at its current levels.

Accordingly, the directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Note 2: Significant Judgements

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Key Judgements - Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. There is significant judgement required on the part of the Management and the Board in determining whether exploration assets are impaired. To this extent they have considered the exploration activities, the current market conditions, the political climate in the jurisdiction in which the assets exists, as well as numerous other factors in their determination that the assets are not impaired.

There is significant estimation uncertainty and judgement required in terms of the allocation of expenditure to individual tenements. Management has exercised their judgement in concluding that the abandonment of individual tenements within a project does not necessarily impact on the commercial viability of the project as a whole. Consequently, the historical costs of exploring the individual tenements within a greater project are considered part of the cost of the exploration of that project and the individual tenements are no impaired if abandoned.

Key Judgements – Tenement Ownership

The Group has acquired a number of tenements in the past few financial years. There are a number of tenements in relation to these transactions where the transfer of ownership is still in the process of being registered with the relevant authority. Management and the Board have exercised their judgement in determining that the transfer of ownership of the respective tenements will take place in the ordinary course of business.

Note 3: New Accounting Standards and Interpretations Not Yet Mandatory or Early Adopted

The new Australian Accounting Standard AASB 16 Leases was adopted in the period.

Under AASB 16, all leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

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Note 3: New Accounting Standards and Interpretations Not Yet Mandatory or Early Adopted (Cont.)

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless (as is typically the case) this is not readily determinable, in which case The Group's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted in favour of The Group if it is reasonably certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Group is contractually required to dismantle, remove or restore the leased asset.

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When The Group revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

A detailed assessment of the impact of AASB 16 has been performed and the Standard does not to have a material impact on the transactions and balances recognised in the financial statements. No adjustment was required for comparative information as all operating leases in the prior financial year were less than 12 months and no adjustment has been made to opening accumulated losses.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the reporting period ended 30 June 2019. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2019**

Note 4: Other Income

	Half year ended 30 June 2019	Half year ended 30 June 2018
	\$	\$
Interest received	151	2,764
	<u>151</u>	<u>2,764</u>

Note 5: Segment Information

The Group operates in one segment, being exploration and development of gold assets in Western Australia.

Note 6: Exploration Expenditure

Exploration expenditure consists of:

- Rates and levies on inactive tenements	-	1,555
- General management expenses	11,106	36,454
- Rehabilitation expenses	7,281	-
	<u>18,387</u>	<u>38,009</u>

Currently the practice is to capitalise all expenses that have been incurred and are in direct relation to the exploration of resources.

Indirect costs such as administrative and general operational costs are expensed on the basis that they are necessarily incurred.

Note 7: Exploration and Evaluation Expenditure Capitalised

	30 June 2019	31 December 2018
	\$	\$
Exploration expenditure capitalised	18,617,982	19,238,242
Provision for impairment	-	-
Total	<u>18,617,982</u>	<u>19,238,242</u>
Balance at beginning of financial period/year	19,238,242	18,029,340
Additions	352,774	1,509,803
Carrying value of tenements sold	(341,859)	-
Amounts written off during the financial year	(631,175)	(300,901)
Balance at end of financial period/year	<u>18,617,982</u>	<u>19,238,242</u>

In the period to 30 June 2019, an impairment expense of \$631,175 (2018: \$179,512) was recorded to recognise the cost of tenements lapsed or surrendered in the period. The Group has allowed these tenements to lapse or surrender as it narrows its exploration targets following evaluation of drilling results to date.

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Note 8: Issued Capital

	2019		2018	
	No of Shares	\$	No of Shares	\$
Ordinary shares				
Fully paid ordinary shares	256,515,604	82,227,173	222,027,674	81,693,681
At the beginning of reporting period	222,027,674	81,693,681	190,689,690	79,792,247
Shares issued during the year	32,406,250	518,500	25,412,466	1,532,375
Shares issued to acquire capital assets	-	-	718,390	25,000
Shares issued in payment for services	2,081,680	46,102	5,207,128	365,103
Cost of raising capital	-	(31,110)	-	(21,044)
At reporting date	256,515,604	82,227,173	222,027,674	81,693,681

Note 9: Controlled Entities

Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)* 2019
PARENT ENTITY:		
TORIAN RESOURCES LIMITED	Australia	
SUBSIDIARIES OF TORIAN RESOURCES LIMITED :		
Cascade Resources Pty Ltd	Australia	100
Cluff Minerals (Australia) Pty Limited	Australia	100
NSW Gold Pty Ltd	Australia	100
Who Are They Pty Ltd	Australia	100
Zuleika JV Management Pty Ltd (100% owned by Cascade Resources Limited)	Australia	100

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Note 10: Fair Value Measurement

Valuation Techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured.

Recurring Fair Value Measurement Amounts and the Level of the Fair Value Hierarchy within which the Fair Value Measurements Are Categorised

	Fair Value Measurements at 30 June 2019 Using:		
	Quoted Prices in Active Markets for Identical Assets \$ (Level 1)	Significant Observable Inputs \$ (Level 2)	Significant Unobservable Inputs \$ (Level 3)
Investment in shares of unlisted corporation	-	-	1,429

Note 11: Events After the Balance Sheet Date

In August 2019, the Group completed a placement of 12.5m ordinary shares at 1¢ per share to raise \$125,000 before costs.

In September 2019, the Group completed a placement of 44m ordinary shares at 1c per share to raise \$440,000.

No significant subsequent event has arisen that significantly affect the operations of the Group.

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DIRECTORS' DECLARATION

In accordance with a resolution of the directors of Torian Resources Limited, the directors' of the Company declare that:

1. These general purpose financial statements and notes as set out on pages 10 to 19 are in accordance with the Corporations Act 2001, including:
 - i) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting', as appropriate for for-profit oriented entities;
 - ii) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance of the Group for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



**Mr Mark Borman
Managing Director
Dated at Perth on 13 September 2019**

INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
TORIAN RESOURCES LIMITED

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Torian Resources Limited which comprises the statement of financial position as at 30 June 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Torian Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Torian Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Torian Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicated that the consolidated entity incurred a loss after tax of \$1,414,611 and had net cash outflows from operating and investing activities of \$444,834 and \$112,101 respectively for the half-year ended 30 June 2019 and had net current liabilities \$322,341 as at 30 June 2019. The ability to continue as a going concern and realise its exploration asset is dependent on a number of factors, the most significant of which is obtaining additional funding to complete the exploration activities. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



RSM AUSTRALIA PARTNERS



Cameron Hume
Partner

Sydney, NSW
Dated: 13 September 2019