



TORIAN RESOURCES LIMITED

ACN 002 261 565

PROSPECTUS

For the offer of up to 100 Shares each at an issue price of \$0.01 per Share

THIS PROSPECTUS IS BEING ISSUED UNDER SECTION 708A(11) OF THE CORPORATIONS ACT FOR THE PURPOSE OF FACILITATING SECONDARY TRADING OF SECURITIES ISSUED PRIOR TO THE CLOSING DATE

THIS OFFER CLOSES AT 5.00PM AWST ON 24 FEBRUARY 2020

VALID APPLICATIONS MUST BE RECEIVED BEFORE THAT TIME.

Please read the instructions in this Prospectus and on the accompanying Application Form prior to applying for Shares under the Offer.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

THE SHARES OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

CORPORATE DIRECTORY

Directors
Mr Paul Summers (Non-Exec. Chairman)
Mr Stephen Jones (Managing Director)
Mr Paul Summers (Non-Exec. Director)
Mr Angus Middleton (Non-Exec. Director)
Company Secretary
Mr Matthew Foy
Registered and Corporate Office
104 Colin Street West Perth WA 6005 Australia
Telephone: +61 8 9420 8208
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Stock Exchange Listing
Australian Securities Exchange Home Exchange: Perth, WA ASX Code: TNR

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*This entity has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus. Its name is included for information purposes only.

IMPORTANT INFORMATION

This Prospectus is dated 20 February 2020. A copy of the Prospectus was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus. No Shares will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

A copy of this Prospectus is available for inspection at the registered office of the Company at 104 Colin Street, West Perth WA 6005 during normal business hours. The Company will also provide copies of other documents on request (see Section 4.3).

The Company will apply to ASX within 7 days of the date of this Prospectus for Official Quotation by ASX of the Shares offered by this Prospectus.

Applications for Shares will only be accepted on an Application Form which is attached to, or provided by the Company with a copy of this Prospectus. The Corporations Act prohibits any person from passing on to another person an Application Form unless it is accompanied by a complete and unaltered copy of this Prospectus.

The Company is a disclosing entity listed on the ASX and this Prospectus is issued under section 713 of the Corporations Act 2001 (Cth) in reliance on information previously disclosed to the ASX by the Company. It does not contain, by itself, all information that would be contained in a prospectus for an initial public offering or all information relevant to a decision to invest in the Company.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No action has been taken to permit the Offer of Shares under this Prospectus in any jurisdiction other than Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

This document is important and should be read in its entirety before deciding to participate in the Offer. This does not take into account the investment objectives, financial or taxation or particular needs of any Applicant. Before making any investment in the Company, each Applicant should consider whether such an investment is appropriate to his/her particular needs, and considering their individual risk profile for speculative investments, investment objectives and individual financial circumstances. Each Applicant should consult his/her stockbroker, solicitor, accountant or other professional adviser without delay. The Shares offered by this Prospectus should be considered speculative. Please refer to Section 2 for details relating to investment risks.

By returning an Application Form, you acknowledge that you have received and read this Prospectus and you have acted in accordance with the terms of the Offer detailed in this Prospectus.

Definitions of certain terms used in this Prospectus are contained in Section 6. All references to currency are to Australian dollars and all references to time are to AWST, unless otherwise indicated.

1. Details of the Offer

1.1 The Offer

The Company is offering pursuant to this Prospectus 100 Shares each at an issue price of \$0.01 per Share (**Offer**).

There is no minimum amount sought to be raised by the Offer. There is no provision for oversubscriptions.

The Offer is not underwritten.

Refer to Section 4.1 for a summary of the rights attaching to the Shares.

1.2 Purpose of the Offer

Generally, section 707(3) of the Corporations Act requires that a prospectus is issued in order for a person to whom securities were issued without disclosure under Part 6D of the Corporations Act to on-sell those securities within 12 months of the date of their issue.

The Corporations Act provides an exception to section 707(3) where an entity issues a 'cleansing' notice under section 708A(5) within 5 days of the date of issue of the securities. The Company has been suspended from trading on the ASX for more than 5 days in the last 12 months and as a result is precluded from issuing a 'cleansing' notice in accordance with section 708A(5) of the Corporations Act.

Section 708A(11) of the Corporations Act provides another exemption from the general requirement under section 707(3) where:

- (a) The relevant securities are in a class of securities of the company that are already quoted on ASX;
- (b) A prospectus is lodged with ASIC either:
 - (i) on or after the date on which the relevant securities were issued but before the day on which the sale offer is made; or
 - (ii) before the day on which the relevant securities are issued and offers of securities that have been made under the prospectus are still open for acceptance on the date on which the relevant securities were issued; and
- (c) The prospectus is for an offer of securities issued by the Company that are in the same class of securities as the relevant securities.

Accordingly, the purposes of this Prospectus are to:

- (a) make the Offer; and
- (b) ensure that any on-sale of Shares issued by the Company prior to the Closing Date do not breach section 707(3) of the Corporations Act. These include but are not limited to any Shares issued upon the exercise of unquoted options.

The Shares issued under the Offer will be issued under the Company's existing placement capacity under Listing Rule 7.1. The Company will raise \$1 under the Offer (before costs). The total estimated expenses of the Offer of \$4,000 will be paid by the Company from its cash reserves.

As announced on 13 November 2019 the Company advised it had entered into a loan facility mandate with Carraway Corporate Pty Ltd for a convertible loan of up to \$1.0 million (**Loan Facility**). The key terms of the Loan Facility are set out below:

- Provision of secured loan facility of up to \$1,000,000 in the following tranches:
 - o \$250,000 drawn down within 5 days of mandate execution;
 - o \$250,000 drawn down within 5 days of Torian dispatching a notice of meeting seeking approvals in connection with the Loan Facility; and
 - o \$500,000 drawn down on a best endeavours basis following shareholder approval.
- The convertibility of the debt is subject to shareholder approval (Notes);
- 90-day Note term and interest of 12% per annum to be capitalised in full upon conversion of the Notes;
- The outstanding principal and accrued interest will convert into ordinary shares at a conversion price of \$0.01 per ordinary share following shareholder approval. Each ordinary share issued upon conversion of the convertible loan facility will have an attaching 2-for-3 option exercisable at \$0.02 on or before the date that is two years from the issue date.
- Notes are secured over the Company's assets. In the event of default on the Loan Facility or in the event the shareholder approval is not granted, the Company will incur a 20% penalty on the Notes.
- Carraway to be issue dup to 60 million options exercisable at \$0.02 expiring on the date that is two years from the date of issue (**Carraway Options**).

The Company sought and obtained shareholder approval for the convertibility of the Notes and Carraway Options on 8 January 2020.

On 7 February 2020 the Company issued 50,000,000 ordinary shares and 33,333,350 options exercisable at \$0.02 expiring on 7 February 2022 following conversion of the Note principal into shares and options and on 14 February 2020 the Company issued a further 649,100 ordinary shares and 432,738 options exercisable at \$0.02 expiring on 7 February 2022 in settlement of Note interest (**Note Securities**). In addition, the Company issued 30,000,000 Carraway Options.

In addition, in September 2019 the Company announced it had received firm commitments to raise a total of \$565,000 through an issue of shares at an issue price of \$0.01 together with a 2-for-3 attaching option exercisable at \$0.02 per option, expiring two years from the date of issue, subject to shareholder approval (**Placement Options**). On 8 January 2020 the Company obtained approval to issue the Placement Options and on 7 February 2020 a total of 37,666,672 options exercisable at \$0.02 expiring on 7 February 2022.

In addition on 16 January 2020 the Company issued 3,224,200 ordinary shares to consultants to the Company in satisfaction of outstanding professional fees owed (**Consultant Shares**).

In addition on 7 February 2020 the Company issued 47,500,000 options exercisable at \$0.02 expiring on 7 February 2022 to Directors and senior management pursuant to the Torian Resources Employee Securities Incentive Plan approved by shareholders at a general meeting of shareholders on 8 January 2020 (**Employee Options**).

The Note Securities, Carraway Options, Placement Options and Consultant Shares were issued to either "Sophisticated Investors" or "Professional Investors" within the meaning of sections 708(8) and 708(11) of the Corporations Act.

This Prospectus has been issued to facilitate secondary trading of the Note Securities, Carraway Options, Placement Options, Consultant Shares the Employee Options. A prospectus is required

under the Corporations Act to enable persons who were issued Shares the subject of this Prospectus to on-sell those Shares within 12 months of their issue.

The Company is not issuing the Shares pursuant to the Offer with the purpose of the persons to whom they are being issued selling or transferring their Shares, or granting, issuing or transferring interests in those Shares within 12 months of the issue but this Prospectus provides them the ability to do so should they wish.

Accordingly, the purpose of this Prospectus is to:

- (a) make the Offer; and
- (b) ensure that the on-sale of the Note Securities, Carraway Options, Placement Options, Consultant Shares the Employee Options do not breach Section 707(3) of the Corporations Act by relying on the exemption to the secondary trading provisions in Section 708A(11) of the Corporations Act.

1.3 Opening and Closing Dates

The Company will accept Application Forms until 5.00pm AWST on the Closing Date, being 24 February 2020, or such other date as the Directors in their absolute discretion shall determine, subject to the requirements of the Listing Rules.

1.4 Application for Shares

If you wish to subscribe for Shares pursuant to the Offer, you should complete and return the Application Form, which will be provided with a copy of this Prospectus by the Company at the Board's discretion, in accordance with the instructions in the Application Form. Completed Application Forms and Application Monies must be received by the Company prior to 5.00pm AWST on the Closing Date. Cheques must be made payable to "Torian Resources Limited – Applications Account" and crossed "Not Negotiable". All cheques must be in Australian currency. Application Forms should be mailed to Torian Resources Limited, PO Box 191, West Perth, WA, 6872 or delivered to the Company's registered office.

If you are in doubt as to the course of action, you should consult your professional advisor.

Acceptance of a completed Application Form by the Company creates a legally binding contract between the Applicant and the Company for the number of Shares accepted by the Company. The Application Form does not need to be signed to be a binding Application for Shares.

If the Application Form is not completed correctly it may still be treated as valid. The Directors' decision as to whether to treat the Application as valid and how to construe, amend or complete the Application Form is final.

1.5 Application Monies

All Application Monies received for the Shares will be held in trust in a bank account maintained solely for the purpose of depositing Application Monies received pursuant to this Prospectus until the Shares are issued. All Application Monies will be returned (without interest) if the Shares are not issued.

1.6 Issue of Shares

The Company may issue the Shares progressively as Applications are received and in any event, will issue all Shares as soon as possible after the Closing Date.

Shareholder statements will be dispatched as soon as possible after the issue of the Shares.

It is the responsibility of Applicants to determine their allocation prior to trading in the Shares. Applicants who sell Shares before they receive their holding statements will do so at their own risk.

1.7 ASX quotation

Application will be made to ASX no later than 7 days after the date of this Prospectus for the Official Quotation of the Shares offered under the Offer. If permission is not granted by ASX for the Official Quotation of the Shares offered by this Prospectus within 3 months after the date of this Prospectus (or such period as ASX allows), the Company will repay, as soon as practicable, without interest, all Application Monies received pursuant to this Prospectus.

1.8 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASTC, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and Securities Clearing House Business Rules.

Under CHESS, Applicants will not receive a certificate but will receive a statement of their holding of Shares. If you are broker sponsored, ASTC will send you a CHESS statement.

The CHESS statement will set out the number of Shares issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Shares.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by Automic Pty Ltd and will contain the number of Shares issued to you under this Prospectus and your security holder reference number.

A CHESS statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their Shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

1.9 Residents outside Australia

This Prospectus, and the accompanying Application Form, do not, and are not intended to, constitute an offer of Shares in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus or the Shares. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

1.10 Risk factors

An investment in Shares should be regarded as speculative. In addition to the general risks applicable to all investments in listed securities, there are specific risks associated with an investment in the Company which are set out in Section 2.

1.11 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of subscribing for Shares under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with subscribing for Shares under this Prospectus.

1.12 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 31 December 2018 is in the Annual Report which was lodged with ASX on 30 April 2019 and is available at www.asx.com.au.

A summary of activities relating to the Company for the half-year ended 30 June 2019 is included in the Half Yearly Report, lodged with the ASX on 13 September 2019.

The Company's continuous disclosure notices (i.e. ASX announcements) since 30 April 2019 are listed in Section 4.3.

Copies of these documents are available free of charge from the Company. Directors strongly recommend that Shareholders review these and all other announcements prior to deciding whether or not to participate in the Offer.

1.13 Enquiries concerning Prospectus

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on +61 (0)8 9420 8208.

1.14 Privacy

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the share registry, the Company's related bodies corporate, agents, contractors and third-party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. An Applicant has an entitlement to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

2. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

2.1 Specific Risks associated with the Company

(a) Financial markets risks

Share market conditions may affect the value of the Company's quoted Securities regardless of the Company's operating performance. Share market conditions may be affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

The market price of Securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general, and mining securities in particular. Neither the Company, nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(b) Mineral Resource estimates

The interpretation of exploration results and Mineral Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally made may alter significantly when new information or techniques become available. In addition, by their very nature, exploration results and Mineral Resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to development and mining plans which may, in turn, adversely affect the Company's operations.

The inclusion of Mineral Resource estimates should not be regarded as a representation that these amounts can be economically exploited and investors are cautioned not to place undue reliance on Mineral Resource estimates, particularly Inferred Mineral Resource estimates, are highly uncertain.

Mineral Resources that lie solely within the "Inferred" category are in the lowest resource categorisation under the JORC Code. According to the commentary accompanying the JORC

Code, “the Inferred category is intended to cover situations where a mineral concentration or occurrence has been identified and limited measurements and sampling completed, but where the data are insufficient to allow the geological and/or grade continuity to be confidently interpreted. Commonly, it would be reasonable to expect that the majority of Inferred Mineral Resources would upgrade to Indicated Mineral Resources with continued exploration. However, due to the uncertainty of Inferred Mineral Resources, it should not be assumed that such upgrading will always occur. Confidence in the estimate of Inferred Mineral Resources is usually not sufficient to allow the results of the application of technical and economic parameters to be used for detailed planning. For this reason, there is no direct link from an Inferred Mineral Resource to any category of Ore Reserves. Caution should be exercised if this category is considered in technical and economic studies.”

Consequently, Mineral Resource estimates are often regularly revised based on actual production experience or new information and are therefore expected to change. Furthermore, should Torian encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, Torian’s Mineral Resource estimates may have to be adjusted and mining plans, processing and infrastructure may have to be altered in a way that might adversely affect Torian’s operations. Moreover, a decline in the price of gold, increases in production costs, decreases in recovery rates or changes in applicable laws and regulations, including environment, permitting, title or tax regulations, that are adverse to Torian, may mean the volumes of mineralisation that Torian can feasibly extract may be significantly lower than the Mineral Resource estimates indicated in this Prospectus.

If it is determined that mining of certain of Torian’s Mineral Resources or any Ore Reserves derived from them have become uneconomic, this may ultimately lead to a reduction in the quantity of Torian’s aggregate Mineral Resources being mined, or result in Torian deciding not to proceed with the project.

If the Company’s actual Mineral Resources are less than current estimates, its prospects, value, business, results of operations and financial condition may be materially adversely affected.

(c) Exploration risk

The mineral mining licenses of the Company are at various stages of exploration, and potential investors should understand that mineral exploration and development are high-risk undertakings. There can be no assurance that exploration of these mining licenses, or any other mining licenses that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns, unanticipated operational and technical difficulties, industrial and environmental accidents, native title process, changing government regulations, mill capacity availability and many other factors beyond the control of the Company.

The success of the Company will also depend upon the Company having access to sufficient development capital, being able to maintain title to its mining licenses and obtaining all required approvals for its activities. In the event that exploration programmes prove to be unsuccessful this could lead to a diminution in the value of the mining licenses, a reduction in the case reserves of the Company and possible relinquishment of the mining licenses.

The exploration costs of the Company are based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company’s viability.

(d) Metallurgy

Mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) identifying a metallurgical process through test work to produce a saleable product;
- (ii) developing an economic process route to produce a product; and
- (iii) changes in mineralogy in the deposit can result in inconsistent recovery, affecting the economic viability of a project.

(e) **Operational risks**

The operations of the Company may be affected by various factors which are beyond the control of the Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in exploration, difficulties in commissioning or operating plant and equipment or mechanical failure which may affect extraction costs, adverse weather conditions, environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, equipment, personal injury, environmental damage, business interruption and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(f) **Fluctuations in gold prices**

The price of gold and other minerals fluctuates widely and is affected by numerous factors beyond the control of the Company such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of metals by producers and speculators as well as other global or regional political, social or economic events. Future serious price declines in the market value of gold could cause the continued development of, and eventually the commercial production from, the Company's projects and the Company's other properties to be rendered uneconomic. Depending on the price of gold the Company could be forced to discontinue production or development and may lose its interest in, or may be forced to sell, some of its properties. There is no assurance that, even as commercial quantities of gold is produced, a profitable market will exist for it.

In addition to adversely affecting the reserve estimates of the Company and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

(g) **Native Title**

The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are valid or validated by the Native Title Act. The Tenement was granted prior to 1 January 1994 and accordingly suspends the operation of native title within the tenement area for the life of the Tenement.

The existence of a Native Title Claim is not an indication that Native Title in fact exists on the land covered by the claim, as this matter is ultimately determined by the Federal Court.

(h) **Aboriginal Heritage**

The Company must comply with Aboriginal heritage legislation requirements which include the requirement to conduct heritage survey work prior to the commencement of operations.

The Company is aware of various areas of indigenous significance and Aboriginal heritage sites of considerable cultural value both to the local indigenous communities and the broader community generally. These heritage sites require the Company to comply with the Aboriginal Heritage Act in respect of any ground disturbing activities. Prior to commencing significant ground disturbing activities, including mining, the Company will need to consult with local traditional owners regarding the likely impact that the proposed activities may have on such areas.

There is no guarantee that the Company will be able to deal with the above issues in a satisfactory or timely manner and accordingly such issues may increase the proposed time periods for the conduct of the Company's proposed activities and also limit the Company's ability to conduct its proposed activities on the Tenement including ultimately commencing mining operations.

(i) **Tenement title**

Interests in tenements in Western Australia are governed by legislation and are evidenced by the granting of licences. Each licence is granted for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to, or its interest in, the Tenement if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.

The Tenement (or tenements in which the Company may acquire an interest in the future), will be subject to applications for renewal or exemption from expenditure (as the case may be). The renewal or exemption from expenditure for a tenement is usually determined at the discretion of the relevant government authority.

If a tenement is not renewed or granted an exemption from expenditure, the Company may suffer damage through loss of opportunity to develop and discover minerals on that tenement.

(j) **Environmental**

Exploration and mining activities on tenements are subject to laws and regulations regarding environmental impact matters and the discharge or emission of wastes and materials to the environment. As with all mineral projects, the Company's activities on the Tenement are expected to have a variety of environmental impacts. The Company's activities on the Tenement will be subject to the satisfaction of environmental guidelines and requisite approvals from applicable government authorities.

The Company intends to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws but may still be subject to accidents or other unforeseen events which may compromise its environmental performance and which may have adverse financial implications for the Company.

In addition, the cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Environmental matters applicable to the Company's tenements are within the remit of Commonwealth (and potentially State) authorities, including under legislation in the form of the Environment Protection and Biodiversity Conservation Act 1999 (Cth). The Company will need to seek pre-approval on environmental matters for any mining operations and the Environmental Protection Authority will, among other things, assess the impact of proposed activities on flora and fauna and matters of national environmental significance under the EPBC Act as part of an accredited assessment. The Company understands that the Company's tenements area is likely to contain matters of national environmental significance including threatened and endangered fauna.

The EPBC assessment process requires approval of the Commonwealth (and potentially State) authorities and there is no fixed time for the process to complete. Significant delays in the process can potentially have a material adverse effect on the Company's business, financial condition and operations and affect the Company's ability to pursue the projects. In addition, there is no guarantee that the assessments undertaken by these authorities will be favourable or the approvals sought will be granted. Failure to obtain such approvals will prevent the Company from undertaking its desired activities and this will have a material adverse effect on the Company's business, financial condition and operations.

Future legislation and regulations governing mineral exploration and production may impose significant environmental obligations on the Company. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(k) Future capital needs

Additional funding may be required in the event costs exceed the Company's estimates and to effectively implement its business and operational plans in the future to take advantage of opportunities for acquisition, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur. If such events occur, additional funding will be required.

The Company may seek to raise further funds through equity or debt financing, joint ventures, licensing arrangements, or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of the Company's activities and potential development programs. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing may not be favourable to the Company and might involve substantial dilution to shareholders.

(l) Reliance on key personnel and ability to recruit additional personnel

The Company's future depends, in part, on its ability to attract and retain key personnel. It may not be able to hire and retain such personnel at compensation levels consistent with its existing compensation and salary structure. Its future also depends on the continued contributions of its executive management team and other key management and technical personnel, the loss of whose services would be difficult to replace. In addition, the inability to continue to attract appropriately qualified personnel could have a material adverse effect on the Company's business.

2.2 General Risks

(a) Economic and government risks

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the oil and gas industry including, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which the Company operates;
- (ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- (iii) the interpretation of taxation laws by the relevant taxation authority differing from the Company's interpretation;
- (iv) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the oil and gas industry;
- (v) movement in, or outlook on, exchange rates, interest rates and inflation rates in jurisdictions in which the Company operates; and
- (vi) natural disasters, industrial disputes, social upheaval or war in jurisdictions in which the Company operates.

(b) **Financial markets risks**

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions may be affected by many factors including, but not limited to, the following:

- (i) general economic outlook;
- (ii) interest rates and inflation rates;
- (iii) currency fluctuations;
- (iv) commodity price fluctuations;
- (v) changes in investor sentiment toward particular market sectors;
- (vi) the demand for, and supply of, capital; and
- (vii) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general, and oil and gas securities in particular. Neither the Company, nor the directors warrant the future performance of the Company or any return on an investment in the Company.

(c) **Risk of litigation, claims and disputes**

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of claims by joint venture partners, personal injury and property damage claims, environmental and indemnity claims, employee claims and other litigation and disputes. There is a risk that such litigation, claims and disputes could materially and adversely affect the Company's operating and financial performance due to the cost of defending and/or settling such claims, and could affect the Company's reputation.

(d) **Management of risk**

There is a risk that management of the Company will not be able to implement the Company's growth strategy after completion of the Offer. The capacity of management

to properly implement and manage the strategic direction of the Company may affect the Company's financial performance.

(e) **Investment risk**

An investment in the Shares to be issued pursuant to this Prospectus should be considered speculative. They carry no guarantee as to payment of dividends, return of capital or the market value of the Shares. The prices at which an investor may be able to trade the Shares may be above or below the price paid for the Shares. Prospective investors must make their own assessment of the likely risks and determine whether an investment in the Company is appropriate to their own circumstances.

2.3 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus. Therefore, the Shares to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Shares pursuant to this Prospectus.

3. Effect of the Offer

3.1 Capital Structure on completion of the Offer

	Shares	Options ¹
Balance at the date of this Prospectus	369,652,987	159,500,022
Shares to be issued under the Offer	100	-
Balance after the Offer (if fully subscribed)	369,653,087	159,500,022

Notes:

1. Options comprise:
 - a. 11,000,000 options exercisable at \$0.10 on or before 9 April 2023; and
 - b. 148,500,022 options exercisable at \$0.02 on or before 7 February 2022.

3.2 Financial Effect of the Offer

After expenses, there will be no proceeds from the Offer. The expenses of the Offer (refer to Section 4.9) will be met from the Company's existing cash reserves. As such, the Offer will have an effect on the Company's financial position, being receipt of funds of \$1, less costs of preparing the Prospectus of approximately \$4,000.

3.3 Market price of Shares

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.027 per Share on 21 February 2019

Lowest: \$0.007 per Share on 6 January 2020

The last available market sale price of Shares on ASX prior to the date of this Prospectus was \$0.008 per Share on 19 February 2020.

3.4 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4. Additional information

4.1 Rights attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution will be provided by the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in specific circumstances, the Shareholder should seek legal advice.

(a) General meeting and notices

Each eligible Shareholder is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Shareholders or classes of Shareholders:

- (i) each eligible Shareholder entitled to vote, may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands every person present who is an eligible Shareholder or a proxy, attorney or representative of an eligible Shareholder has one vote; and
- (iii) on a poll, every person present who is an eligible Shareholder or a proxy, attorney or representative of an eligible Shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote per Share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Issues of further Shares

The Directors may, on behalf of the Company, issue shares and grant options over or unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, Listing Rules, the Corporations Act and any rights and restrictions attached to a class of shares.

(d) Variation of Rights

Unless otherwise provided by the Constitution or by the terms of issue of a class of shares, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(e) **Transfer of Shares**

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the Listing Rules.

The Directors may decline to register a transfer of shares (other than a proper transfer in accordance with the ASX Settlement Operating Rules) where permitted to do so under the Listing Rules. If the Directors decline to register a transfer, the Company must, within 5 business days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for the refusal.

(f) **Partly paid Shares**

The Directors may, subject to compliance with the Constitution, the Corporations Act and Listing Rules, issue partly paid shares upon which there are outstanding amounts payable. These shares will have limited rights to vote and to receive dividends.

(g) **Dividend rights**

Subject to and in accordance with the Corporations Act, the Listing Rules, the rights of any preference shares and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare dividend to be paid to the shareholders entitled to the dividend. Subject to the rights of any preference shares and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the dividend as declared shall be payable on all shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such shares.

(h) **Winding up**

Subject to any rights or restrictions attached to a class of Shares, on a winding up of the Company, any surplus must be divided among the Shareholders in the proportions which the amount paid (including amounts credited) on the shares of a Shareholders is of the total amounts paid and payable (including amounts credited) on the shares of all Shareholders.

(i) **Dividend reinvestment and Share plans**

Subject to the requirements in the Corporations Act and the Listing Rules, the Directors may implement and maintain dividend reinvestment plans (under which any member may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company) and any other share plans (under which any member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of fully paid shares).

(j) **Directors**

The Constitution states that the minimum number of Directors is three and the maximum number is ten.

(k) **Powers of the Board**

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have the power to manage the business of the Company and may exercise every right, power or capacity of the Company.

(l) **Share buy backs**

Subject to the provisions of the Corporations Act and the Listing Rules, the Company may buy back shares in itself on the terms and at times determined by the Directors.

(m) **Unmarketable parcels**

The Company's constitution permits the Board to sell the shares held by a Shareholder if they comprise less than a marketable parcel within the meaning of ASX Business Rules. The procedure may only be invoked once in any 12 month period and requires the Company to give the shareholder notice of the intended sale.

If a Shareholder does not want his shares sold, he may notify the Company accordingly.

(n) **Capitalisation of profits**

The Directors may capitalise any profits of the Company and distribute that capital to the Shareholders, in the same proportions as the Shareholders are entitled to a distribution by dividend.

(o) **Capital reduction**

Subject to the Corporations Act and Listing Rules, the Company may reduce its share capital.

(p) **Preference Shares**

The Company may issue preference shares, including preference shares that are liable to be redeemed. The rights attaching to preference shares are those set out in the Constitution unless other rights have been approved by special resolution of the Company's Shareholders.

4.2 **Company is a disclosing entity**

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules. These obligations require the Company to notify ASX of information about specific events and matters as they arise for the purpose of ASX making the information available to the securities market conducted by ASX. In particular, the Company has an obligation under the Listing Rules (subject to certain limited exceptions), to notify ASX once it is, or becomes aware of information concerning the Company which a reasonable person would expect to have a material effect on the price or value of the Shares.

The Company is also required to prepare and lodge with ASIC yearly and half-yearly financial statements accompanied by a Directors' statement and report, and an audit review or report.

Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.3 below).

4.3 **Copies of documents**

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

- (a) the Annual Report of the Company for the financial year ended 31 December 2018, being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus;

- (b) the Half Year Financial Report for the half-year ended 30 June 2019 lodged by the Company with ASX on 13 September 2019; and
- (c) the following continuous disclosure notices given by the Company to notify ASX of information relating to the Company during the period from the date of lodgement of the Annual Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

Date	Headline
14/02/2020	Appendix 2A
14/02/2020	Appendix 3G
11/02/2020	Change of Directors' Interest Notices
07/02/2020	Appendix 2A
07/02/2020	Appendix 3G - Loan Facility Options
07/02/2020	Appendix 3G - Attaching Convertible Note Options
07/02/2020	Appendix 3G - Attaching Placement Options
07/02/2020	Appendix 3G - Employee Incentive Scheme
31/01/2020	Quarterly Activities Report
31/01/2020	Quarterly Cashflow Report
29/01/2020	Multiple High-Priority Mt Stirling Gold Targets Identified
16/01/2020	Appendix 3B
08/01/2020	Results of Meeting
07/01/2020	DAU: Commencement of Credo Well Farm-in Joint Venture
20/12/2019	Option Agreements Update
19/12/2019	TNR: Due diligence update Zuleika and Credo Projects
16/12/2019	DAU: Credo Joint Venture - extension of due diligence period
03/12/2019	Assays of 46 g/t Au Confirm Credo Well High Grade Potential
02/12/2019	Notice of General Meeting/Proxy Form
18/11/2019	Torian Restructures Senior Management Team
13/11/2019	Torian Enters Into \$1M Facility for Mt Stirling Exploration
01/11/2019	Quarterly Activities Report (Updated)
31/10/2019	Quarterly Activities Report
31/10/2019	Quarterly Cashflow Report
11/10/2019	Torian to Drill High-Grade Gold Targets at Credo Well
04/10/2019	Reinstatement to Official Quotation
04/10/2019	\$6.5M Farm-In Joint Venture & Investment from Dampier Gold
04/10/2019	DAU: Zuleika & Credo Well Farmin-in Joint Venture
24/09/2019	Suspension from Official Quotation
20/09/2019	Initial Directors' Interest Notices
20/09/2019	Final Director's Interest Notice
20/09/2019	Trading Halt
19/09/2019	Torian Strengthens Board with Key Appointments
13/09/2019	Half Yearly Report and Accounts
06/09/2019	Completion of Placement & Appendix 3B
22/08/2019	Response to ASX Appendix 5B Query
15/08/2019	Appendix 3B & Cleansing Statement
31/07/2019	Quarterly Activities Report
31/07/2019	Quarterly Cashflow Report
22/07/2019	Appendix 3B
17/06/2019	Appendix 3B
04/06/2019	Retraction of Production Target
28/05/2019	Results of Meeting
16/05/2019	Positive Scoping Study Completed at Mt Stirling Gold Project

08/05/2019	Divestment of Bardoc Project as Strategic Review Advances
08/05/2019	BDC: BDC expands Kalgoorlie position with Tenement acqstn
30 April 2019	Annual Report to Shareholders

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at 104 Colin Street, West Perth WA 6005.

- (a) this Prospectus;
- (b) Constitution; and
- (c) the consents provided by the Directors to the issue of this Prospectus.

4.4 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

4.5 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Shares under this Prospectus.

4.6 Directors' interests

- (a) Interests

Except as disclosed in this Prospectus, no Director, and no firm in which a Director has an interest:

- (i) has any interest, nor has had any interest in the last two years prior to the date of this Prospectus, in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (ii) has been paid or given, or will be paid or given, any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

- (b) Directors' Holdings

Set out in the table below are details of Directors' relevant interests in the securities of the Company at the date of this Prospectus:

Director	Shares Held	Options Held ⁽¹⁾
Stephen Jones	90,000	10,000,000
Paul Summers	2,814,410	10,000,000
Richard Mehan	977,234	10,000,000
Angus Middleton	3,333,334	12,222,223

Notes:

1. Unlisted Options exercisable at \$0.02 expiring on 7 February 2022.

(c) Remuneration of Directors

In accordance with the Constitution, on 30 May 2013 Shareholders have approved an aggregate amount of up to \$250,000 per annum to be paid as non-executive Directors' fees. Payments of Director's fees will be in addition to any payments to Directors in any employment or consultancy capacity.

Richard Mehan currently receives annual remuneration of \$55,000 (exclusive of superannuation) as Non-Executive Chairman.

Stephen Jones currently receives annual remuneration of \$240,000 (inclusive of superannuation), as Managing Director of the Company.

Angus Middleton currently receives annual remuneration of \$36,000 (inclusive of superannuation) as a Non-Executive Director.

Paul Summers currently receives annual remuneration of \$30,000 (exclusive of superannuation) as a Non-Executive Director.

The table below sets out the remuneration provided to the Directors or their related entities for the preceding two financial years prior to this Prospectus.

Director	Year	Salary & Fees \$	Superannuation \$	Total
Paul Summers	2018/2019	30,000	2,850	32,850
	2017/2018	20,000	1,900	21,900
Richard Mehan	2018/2019	55,000	5,225	60,225
	2017/2018	27,500	2,613	30,113
Stephen Jones (appointed 19/9/2019)	2018/2019	69,669	-	69,669
	2017/2018	-	-	-
Angus Middleton (appointed 19/9/2019)	2018/2019	10,200	-	10,200
	2017/2018	-	-	-

4.7 Substantial Holders

There are currently no substantial holders.

4.8 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

4.9 Expenses of the Offer

The estimated expenses of the Offer are approximately \$4,000 (excluding GST) comprising ASIC lodgement fee and administrative expenses. These expenses will be deducted from the Company's working capital.

5. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:



Matthew Foy
Company Secretary

Dated: 20 February 2020

6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Annual Report means the financial report lodged by the Company with ASIC in respect to the financial year ended 31 December 2018 and includes the corporate directory, chairman's report, review of activities, Shareholder information, financial report of the Company and its controlled entities, together with a Directors' report in relation to that financial year and the auditor's report.

Applicant means a person who submits an Application Form.

Application means a valid application for Shares made pursuant to this Prospectus on an Application Form.

Application Form or **Form** means the application form sent with this Prospectus.

Application Monies means application monies for Shares received by the Company.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement and Transfer Corporation Pty Ltd ACN 008 504 532.

ASX means ASX Limited ACN 008 129 164 and where the context permits the Australian Securities Exchange operated by ASX Limited.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

Board means the Directors meeting as a board.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

Carraway Options has the meaning in Section 1.2.

CHESS means ASX Clearing House Electronic Subregister System.

Closing Date means 24 February 2020 or such later date as the Directors may determine.

Company means Torian Resources Limited ACN 002 261 565.

Constitution means the constitution of the Company as at the date of this Prospectus.

Consultant Shares has the meaning in Section 1.2.

Corporations Act means Corporations Act (Cth) 2001.

Directors mean the directors of the Company as at the date of this Prospectus and the Proposed Director.

Employee Options has the meaning in Section 1.2.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the Listing Rules of ASX.

Loan Facility has the meaning in Section 1.2.

Note Securities has the meaning in Section 1.2.

Offer has the meaning in Section 1.1.

Official List means the official list of ASX.

Official Quotation means quotation of Shares on the Official List.

Option means an option to acquire one Share.

Placement Options has the meaning in Section 1.2.

Prospectus means this prospectus dated 20 February 2020.

Section means a section of this Prospectus.

Securities means Shares and Options.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of Shares.