



TORIAN RESOURCES LIMITED
(Formerly known as Torian Resources NL)
ABN 72 002 261 565
AND CONTROLLED ENTITIES

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 30 JUNE 2014

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TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Your directors submit the financial report of the Group for the half-year ended 30 June 2014. During the period the company changed its name from Torian Resources NL to Torian Resources Limited.

Directors

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

Mr Ian Johns
Mr Nathan Taylor
Mr Sunil Dhupelia
Mr Jason Hou
Mr Andrew Sparke (Appointed 6 June 2014)
Mr Matthew Sullivan (Appointed 6 June 2014)

Review of Operations

Torian has maintained the suspension of its exploration activities whilst the Group progresses a number of announced transactions.

During the period Torian sold its right title and interests in 6 Mining leases in the New England Region and 5 in Queensland to Elsmore Resources Ltd (ELR). It was agreed that Elsmore would pay a deposit of \$50,000 and would settle the remainder of the purchase through the issue of 1,428,760 ordinary fully paid shares in ELR. Completion of the transaction was announced to the market on 10 January 2014. As a result of ongoing delays in the transfer of the MLs to Elsmore the parties are in discussions to vary the terms of the agreement to enable Torian to sell the MLs at Copeton to a third party. The directors have exercised their judgement in determining that the original Elsmore sale agreement remains in place until such time as any variations to the agreement are concluded and reduced to writing.

On 10th June, Torian announced it had entered into a conditional agreement with Cascade Resources Limited to acquire options over a number of prospective gold projects located in the Goldfields region of Western Australia. The proposed acquisition delivers on the Company's previously announced strategy to generate shareholder value by acquisition. The projects were identified by Cascade via a detailed regional review and secured by strong relationships with project owners. A Significant drill program is planned to commence immediately following completion of the acquisition.

Torian shareholders will be asked to vote on various resolutions to approve the acquisition at an Extraordinary General Meeting expected to be held following completion of satisfactory due diligence.

Consolidated Results

The consolidated loss of the Group after provision of income tax for the half-year was \$309,518.

The Group has recognised an impairment expense of \$112,894 during the period, due to a decrease in the share price of ELR shares received in the mining interest's transaction.

Net operating cash outflows for the 6 months were \$180,174, down from \$299,955 for the same half year period in 2013, indicative of the cost management policies implemented by the Board.

**TORIAN RESOURCES LIMITED
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AND CONTROLLED ENTITIES**

DIRECTORS' REPORT (CONT.)

Significant Changes in the State of Affairs

Change in Board Composition

During the period, Messrs Andrew Sparke and Matthew Sullivan have joined the Board of Torian Resources Limited, who bring with them financial and commercial experience for the benefit of the Group and its shareholders.

Funding

During the period the company performed a debt for equity swap to partially settle a secured loan and a number of other unsecured creditors. This was successfully approved by shareholders during the Annual General Meeting held in May.

Matters subsequent to the end of the half year

ELR Receivable

The GST component of the Elsmore transaction is expected to be recovered based on discussions with Elsmore management. It is expected to be resolved by the end of the complete 2014 financial year.

ASIC Notification of Inadvertent Corporations Act 2001 Breach

On 8th July 2014, Torian announced an inadvertent breach of s606 of the Corporations Act by a number of parties. These breaches were a result of the issue of shares for the conversion of debts made following approval from shareholders at the Company's Annual General Meeting. Since becoming aware of the breach, Torian has been liaising with the parties and the relevant regulatory bodies to achieve a suitable resolution. The parties have agreed to undertake certain steps to effect an orderly and transparent sell down by the parties so that together, with each of their associates, the parties will have a voting power of less than 20% of Torian. All of the parties have agreed to ensure this will occur as quickly as possible.

Other than the above no other matters subsequent to the end of the half year have occurred.

Auditor's Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 3 of the financial report for the half year ended 30 June 2014.

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



Nathan Taylor
Chairman
14 August 2014

RSM Bird Cameron Partners
Level 12, 60 Castlereagh Street Sydney NSW 2000
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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 2014, 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 Bird Cameron Partners

RSM BIRD CAMERON PARTNERS


G N SHERWOOD
Partner

Sydney, NSW
Dated: 14 August 2014

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TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2014**

	Note	Consolidated Group	
		Half year ended 30 June 2014 \$	Half year ended 30 June 2013 \$
Sales revenue		-	-
Other revenue	3	141,618	259,203
Total revenue		<u>141,618</u>	<u>259,203</u>
Depreciation and amortisation expense		(4,752)	(5,180)
Bad debts expenses		-	(476,391)
Impairment expense		(112,894)	(10,148,373)
Employee benefits expense		-	(19,824)
Due diligence and professional services		(245,699)	(57,134)
Finance costs		(19,846)	(2,869)
Exploration expenditure write back/ (expenditure)		24,729	(13,037)
Other expenses		(92,674)	(137,463)
Loss before income tax expense	2	(309,518)	(10,601,068)
Income tax expense		-	-
Loss for the period		(309,518)	(10,601,068)
Other comprehensive income		-	-
Total comprehensive loss for the period		(309,518)	(10,601,068)
Basic earnings per share (cents per share)		(0.11) cents	(5.17) cents
Diluted earnings per share (cents per share)		(0.11) cents	(5.17) cents

The accompanying notes form an integral part of this statement

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
AS AT 30 JUNE 2014

	Consolidated Group	
	As at 30 June 2014 \$	As at 31 December 2013 \$
CURRENT ASSETS		
Cash and cash equivalents	93,549	273,723
Receivables	23,299	8,692
TOTAL CURRENT ASSETS	116,848	282,415
NON-CURRENT ASSETS		
Investments	1,429	-
Property, plant and equipment	12,859	17,611
TOTAL NON-CURRENT ASSETS	14,288	17,611
TOTAL ASSETS	131,136	300,026
CURRENT LIABILITIES		
Payables	229,296	218,532
Provisions	-	50,596
Loans from related parties	218,216	561,672
Loans from external parties	88,958	81,412
TOTAL CURRENT LIABILITIES	536,470	912,212
TOTAL LIABILITIES	536,470	912,212
DEFICIENCY IN NET ASSETS	(405,334)	(612,186)
EQUITY		
Issued capital	55,725,782	55,209,411
Reserves	1,995,700	1,995,700
Accumulated losses	(58,126,816)	(57,817,297)
DEFICIENCY IN TOTAL EQUITY	(405,334)	(612,186)

The accompanying notes form an integral part of this statement

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

**CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2014**

	Issued Capital	Reserves	Accumulated Losses	Total
	\$	\$	\$	\$
Balance at 1 January 2013	55,101,056	2,001,700	(47,245,888)	9,856,868
Shares issued during the year	108,355	-	-	108,355
Loss attributable to members	-	-	(10,601,068)	(10,601,068)
Balance at 30 June 2013	<u>55,209,411</u>	<u>2,001,700</u>	<u>(57,846,956)</u>	<u>(635,845)</u>
Balance at 1 January 2014	55,209,411	1,995,700	(57,817,298)	(612,187)
Shares issued during the year	516,371	-	-	516,371
Loss attributable to members	-	-	(309,518)	(309,518)
Balance at 30 June 2014	<u>55,725,782</u>	<u>1,995,700</u>	<u>(58,126,816)</u>	<u>(405,334)</u>

The accompanying notes form an integral part of this statement

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2014

	Consolidated Group	
	Half year ended 30 June 2014 \$	Half year ended 30 June 2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(181,599)	(300,450)
Interest received	2,295	3,364
Finance costs	(870)	(2,869)
Net cash used in operating activities	<u>(180,174)</u>	<u>(299,955)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from capital raising	-	265,000
Convertible note	-	2,000
Net cash provided by financing activities	<u>-</u>	<u>267,000</u>
Net decrease in cash and cash equivalents	(180,174)	(32,955)
Adjustment for reclassification of cash assets to non-current receivables	-	(30,000)
Cash and cash equivalents at beginning of the period	<u>273,723</u>	<u>232,148</u>
Cash and cash equivalents at end of the period	<u><u>93,549</u></u>	<u><u>169,193</u></u>

The accompanying notes form an integral part of this statement

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TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014

Note 1: Basis of Preparation

The half-year consolidated financial statements are a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001. Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australia Accounting Standards.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2013 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 2013 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.

Significant management judgements applied in the Elsmore Transaction

During the period Torian sold its right title and interests in 6 Mining Leases ("ML's) in the New England Region and 5 in Queensland to Elsmore Resources Ltd (ELR). It was agreed that Elsmore would pay a deposit of \$50,000 and would settle the remainder of the purchase through the issue of 1,428,760 ordinary fully paid shares in ELR. Completion of the transaction was announced to the market on 10 January 2014. The following significant management judgements were applied in relation to the Elsmore transaction:

Revenue

The non-refundable deposit of \$50,000 was recognised as revenue for the year ended 31 December 2013. Revenue for the current year was based on the Market price on the date the shares were issued and the transaction completed in terms of the agreement. Market price was applied in place of the contract price, as it more accurately reflects the Fair Value of the shares.

Impairment of Investment in Elsmore Limited

During the period, Elsmore shares have been valued at \$0.001 being the lowest trading price possible on the ASX. This has been done as Elsmore suspended trading on 20 February 2014 and the adjusted price reflects what the directors consider to be the lowest reasonable recoverable amount of the shares. At the half year Elsmore's suspension had not been lifted yet.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014

Note 2: Going Concern

The Directors have prepared the half-year financial report on the basis that the consolidated entity is a going concern which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business. During the half-year ended 30 June 2014, the consolidated entity incurred a net loss of \$309,518, and had cash outflows of \$180,174. As at that date the consolidated entity had net current liabilities of \$419,622 and net liabilities of \$405,334.

The ability of the consolidated entity to continue as a going concern depends upon the generation of future cash inflows, through one or more of the following avenues:

- The inflow of revenue;
- The receipt of additional debt or equity funds;
- The disposal of non-current assets.

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

- The consolidated entity has entered into an agreement with Cascade Resources Limited for the acquisition of options over several gold projects. Completion of this transaction is conditional upon the completion of a capital raising which is scheduled to occur prior to the end of 2014.

Should the company be unsuccessful in this capital raising or otherwise generating cash inflows, there is significant uncertainty as to whether the consolidated entity 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 half year financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the consolidated entity does not continue as a going concern.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014

Note 3: Other revenue

	Consolidated Group	
	Half year ended 30 June 2014	Half year ended 30 June 2013
	\$	\$
Interest received	2,295	3,364
Sale of non-current assets	139,323	-
Gain on debts forgiven	-	255,839
	<u>141,618</u>	<u>259,203</u>

Note 4: Segment information

For the six months to 30 June 2014, the Group's had ceased its exploration activities both overseas and in Australia. All activities that were carried in the six month period were domestic and administrative in nature.

Segment information on a geographical basis is not relevant in the current period, and has therefore not been included.

The following table presents revenue and profit information and certain asset and liability information for the six months ended 30 June 2014 and 30 June 2013.

Segment revenues and results

	Segment Revenue		Segment Profit	
	6 months to 30 June 2014	6 months to 30 June 2013	6 months to 30 June 2014	6 months to 30 June 2013
	\$	\$	\$	\$
Exploration and development	139,233	-	43,267	(10,637,801)
Other	2,295	259,203	2,295	259,203
Total for continuing operations	<u>141,618</u>	<u>259,203</u>	<u>45,562</u>	<u>(10,378,598)</u>
Central administration costs and directors salaries			<u>(355,080)</u>	<u>(222,470)</u>
(Loss) before tax (continuing operations)			<u>(309,518)</u>	<u>(10,601,068)</u>

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014

Note 3: Segment information (Cont.)

	30 June 2014	30 June 2013
	\$	\$
Segment assets		
Exploration and development	4,008	-
Total segment assets	4,008	-
Unallocated	127,128	209,398
Consolidated total assets	131,136	209,398
Segment Liabilities		
Exploration and development	-	50,596
Total segment liabilities	-	50,596
Unallocated	536,470	794,647
Consolidated total liabilities	536,470	845,243

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than interests in associates, 'other financial assets' and current and deferred tax assets. Goodwill is allocated to reportable segments;
- Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- All liabilities are allocated to reportable segments other than borrowings, 'other financial, liabilities', current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014

Note 4: Related Party Disclosures

	2014	2013
	\$	\$
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
Transactions with related parties:		
— Johns Corporation Pty Ltd ATF Johns Family Trust (directors fees)	30,000	51,615
— Cmore Pty Ltd (director related fees)	37,221	6,920
— Longhorn Capital Partners Pty Ltd (directors fees)	30,000	48,923
— Sunkat Financial Pty Ltd (directors fees)	30,000	48,923
— Sino-Aust Material Tradings Pty Ltd (directors fees)	30,000	36,962
— Taylor Super Fund (Lease rental)	24,000	-
— Ian Johns (75,000,000 shares issued at \$0.002 for \$150,000 debt conversion)	150,000	-
— Sunil Dhupelia (12,500,000 shares issued at \$0.002 for \$25,000 debt conversion)	25,000	-
— Jason Hou (12,500,000 shares issued at \$0.002 for \$25,000 debt conversion)	25,000	-
— James Erin Taylor (25,000,000 shares issued at \$0.002 for \$50,000 debt conversion)	50,000	-

Mr Ian Johns is a director of Johns Corporation Pty Ltd, which throughout the year has provided consultancy and corporate management services to the Group. All fees tendered have been on an arm's length basis.

Mr Nathan Taylor is a director of Longhorn Capital Partners Pty Ltd, which throughout the year has provided consultancy and corporate management services to the Group. All fees tendered have been on an arm's length basis.

Mr Sunil Dhupelia is a director of Sunkat Financial Pty Ltd, which throughout the year has provided consultancy and corporate management services to the Group. All fees tendered have been on an arm's length basis.

Mr Jason Hou is a director of Sino-Aust Material Tradings Pty Ltd, which throughout the year has provided consultancy and corporate management services to the Group. All fees tendered have been on an arm's length basis.

Mr Mark Cashmore is a director of Cmore Pty Ltd, which throughout the year has provided consultancy and corporate management services to the Group. All fees tendered have been on an arm's length basis.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014

Note 4: Related Party Disclosures (Cont.)

Key Management Personnel

The following were key management personnel of the Company at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

- Mr Ian Johns
- Mr Nathan Taylor
- Mr Sunil Dhupelia
- Mr Jason Hou
- Mr Andrew Sparke (Appointed 6 June 2014)
- Mr Matthew Sullivan (Appointed 6 June 2014)

Shares Held by Key Management Personnel and Their Associates

	Balance	Purchases	Disposals	Balance
	31 Dec 2013			30 June 2014
Ian Johns	17,998,868	75,000,000	-	92,998,868
Mark Cashmore**	320,000	-	-	320,000
Nathan Taylor	5,000,000	25,000,000*	-	30,000,000*
Sunil Dhupelia	5,000,000	12,500,000*	-	17,500,000*
Jason Hou	5,000,000	12,500,000*	-	17,500,000*
Total	33,318,868	125,000,000	-	158,318,868

*During the period ROC Salt Limited was issued 105,000,000 shares as part of the debt for equity swap. Roc salt is an associated of each of Messrs Nathan Taylor, Sunil Dhupelia and Jason Hou.

** Mark Cashmore resigned as s director on 13 March 2013

Options Held by Key Management Personnel and Their Associates

	Balance	Purchases	Expiries	Balance
	31 Dec 2013			30 June 2014
Peter Ashcroft	14,400,000	-	-	14,400,000
Ian Johns	15,100,000	-	-	15,100,000
Nathan Taylor	-	-	-	-
Sunil Dhupelia	-	-	-	-
Jason Hou	-	-	-	-
Total	29,500,000	-	-	29,500,000

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014

Note 4: Related Party Disclosures (Cont.)

Directors' and Executive Officers' Remuneration

The Board sets all remuneration packages. The broad remuneration policy is to ensure that each senior staff member's remuneration package properly reflects the person's duties and responsibilities. Current market conditions are also taken into account in determining the appropriate remuneration package.

	Salary, wages and directors fees	Bonus	Non-monetary benefits	Other employee entitlements	Total
	\$	\$	\$	\$	\$
June 2014					
Ian Johns	30,000	-	-	-	30,000
Nathan Taylor	30,000	-	-	-	30,000
Sunil Dhupelia	30,000	-	-	-	30,000
Jason Hou	30,000	-	-	-	30,000
Total Compensation	120,000	-	-	-	120,000
Dec 2013					
Ian Johns	51,615	-	-	-	51,615
Mark Cashmore*	6,920	-	-	-	6,920
Nathan Taylor	48,923	-	-	-	48,923
Sunil Dhupelia	48,923	-	-	-	48,923
Jason Hou	36,962	-	-	-	36,962
Total Compensation	193,343	-	-	-	193,343

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014

Note 4: Related Party Disclosures (Cont.)

Other Key Management Personnel transactions

(i) Investing and financing transactions

	June 2014	Dec 2013
	\$	\$
Loan from Nominees of Longhorn Capital Partners Pty Ltd	20,000	271,768
Loan from Peter Ashcroft	198,216	198,216
Loan from Johns Corporation Pty Ltd	-	91,689
Accrued lease rentals	6,000	32,000
Accrued consulting fees (Ian Johns)	56,615	36,615
Accrued directors fees (Jason Hou)	15,462	20,462
Accrued directors fees (Nathan Taylor)	53,923	33,923
Accrued directors fees (Sunil Dhupelia)	28,923	33,923

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014

Note 5: Investments accounted for using the equity method

In the 2010 financial year, the Company entered into the Madagascar Joint Venture with Varun Madagascar, a division of Mumbai-listed company Varun Industries. This is a production sharing joint venture to mine both gold and gemstones from two highly prospective adjacent exploitation (production) licences in Vatovorona, Madagascar.

The joint venture has been in care and maintenance while the directors determine the best avenue to realise value for shareholders.

	June 2014	Dec 2013
	\$	\$
<i>Interests in joint ventures</i>		
Varun Torian (International) SARL		
Investment at cost	792,910	792,910
Accumulated equity accounted share of loss	(301,045)	(301,045)
Accumulated allowance for impairment	(491,865)	(491,865)
Closing balance	-	-
<i>Movements in carrying amounts</i>		
Varun Torian (International) SARL		
Balance at 1 January	-	-
Refunded during the year	-	(5,837)
Allowance for impairment	-	5,837
Closing balance	-	-

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2014

Note 6: Controlled Entities.

Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)* 2014
PARENT ENTITY:		
TORIAN RESOURCES LIMITED	Australia	
SUBSIDIARIES OF TORIAN RESOURCES LIMITED :		
<i>Cluff Minerals (Australia) Pty Limited</i>	Australia	100
NSW Gold NL	Australia	100
Torian Exploration Pty Ltd	Australia	100

Note 7: 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 2014 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 listed corporation (i)	-	-	1,429

(i) During the period there was a transfer from level 1 to 3 in relation to the Elsmore shares.

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

DIRECTORS' DECLARATION

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

1. The financial statements and notes as set out on pages 4 to 17 are in accordance with the Corporations Act 2001, including:
 - i) complying with Accounting Standard AASB 134: Interim Financial Reporting
 - ii) giving a true and fair view of the Group's financial position as at 30 June 2014 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.



Nathan Taylor
Chairman
Dated at Sydney on 14 August 2014

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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 condensed statement of financial position as at 30 June 2014, the condensed statement of comprehensive income, condensed statement of changes in equity and condensed 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 2014 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 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 2014 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*.

Emphasis of Matter

Without qualifying our conclusion, we draw attention to Note 1 in the financial report, which indicates that the consolidated entity incurred a net loss of \$246,141, and had cash outflows of \$180,174 for the year ended 30 June 2014. As at that date the consolidated entity had net current liabilities of \$356,244 and net liabilities of \$341,956. The ability of the consolidated entity to continue as a going concern is dependent on a number of factors, the most significant of which is the receipt of additional debt or equity funds. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS


G N SHERWOOD
Partner

Sydney, NSW

Dated: 14 August 2014