



QUARTERLY REPORT FOR THE PERIOD ENDING 31 JUNE 2012

OPERATIONAL ACHIEVEMENTS

- 3200 metres of RAB and diamond drilling completed
- Drilling was suspended during the quarter at Vatovorona in Madagascar
- Vatovorona has been fully secured during the suspension of drilling
- La Jolla funding agreement terminated and settlement completed
- Finalisation of rehabilitation at Barrington completed

MADAGASCAR JOINT VENTURE (Torian is earning 35% upon meeting expenditure commitments)

STAGE II OF THE PROGRAM CONTINUING

Discussions took place with Lanoe Drilling and other suppliers in Madagascar during the quarter.

Planning has been completed for assaying of all existing samples at Vatovorona.

The joint venture's new pre-sampling lab has been completed but commissioning has been scheduled for September 2012.

All on site accommodation, mess, kitchen and toilet/shower facilities at Vatovorona have been completed.

Further discussions and financial modelling of the Vatovorona project was undertaken during the quarter.

Meetings with Varun our joint venture partner have been scheduled for Q3 2012.

FURTHER MADAGASCAN PROJECTS

During the quarter the company commenced an examination to further projects in Madagascar. The company plans an on-site visit to some of these projects in Q3 2012.

NSW TIN (100% Torian)

Further analysis and modelling from the drilling program in quarter 3, 2011 is being undertaken.

BINGARA/COPETON DIAMOND PROJECTS (100% Torian)

Further work was undertaken on the company's digital terrain model at Bingara. Work continues on a re-assessment of the data from Copeton. Final inspection of the rehabilitation work undertaken in 2011 at Bingara has been completed. New access agreements are being negotiated.

Further grounds are being examined in Q3 2012 to extend the company's diamond tenements.

EGERTON GOLD (Torian earning up to 75% interest)

An on-site review of Egerton Gold took place during the period.

RUBY MINE (Torian 100%)

A final inspection of the rehabilitation of the mine site took place in quarter 2, 2012 and final agreement has been reached with landowner. Final resolution of the arrangements with Consolidate Press Holding Limited and its partly paid shares is planned for Q3 2012.

ANTIMONY

The company has entered an agreement with A1 Investments & Resources Limited to examine a series of possible antimony projects in northern NSW and central northern Queensland. A number of site inspections are taking place in Q3 2012.

FINANCE

The company terminated the funding agreement with La Jolla Investors Inc and successfully entered a deed of settlement.

The company signed a funding terms sheet with Greenard Willing and to date has received \$250,000. A further \$330,000 is to be paid in Q3 2012.

The company proposes to call a general meeting in Q3 to approve all prior funding, placements and notes, together with changing a converting loan of \$330,000 to a convertible note and to restore its 15% placing capacity.

For further information contact

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Yours faithfully


