



ANNUAL REPORT

2016



BUILDING A MID-TIER GOLD COMPANY

TORIAN RESOURCES LTD

ABN 72 002 261 565

AND CONTROLLED ENTITIES

CORPORATE DIRECTORY



DIRECTORS

Mr. Andrew Sparke
Mr. Matthew Sullivan
Ms. Elissa Hansen
Mr. Glenn Jardine, appointed 24 May 2016

COMPANY SECRETARY

Ms. Elissa Hansen

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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AUDITORS

RSM Australia Partners
Level 13, 60 Castlereagh Street
Sydney NSW 2000
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STOCK EXCHANGE LISTING

Torian Resources Limited's shares are listed on the Australian Securities Exchange (ASX code: TNR).

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ANDREW SPARKE CHAIRMAN'S LETTER



Dear Shareholders,
In what has been another exciting year for your Company, it gives me great pleasure to bring you Torian Resources Annual Report for 2016.

Torian has transitioned into a highly active gold explorer with a large and strategic landholding in the Goldfields Region of Western Australia. During the year, the acquisition of further projects was key to Torian's strategy. The Company increased its landholding by over 400% which included eight separate acquisitions. Today your company has amassed rights to over 500km² of tenure within 50km of key regional processing hubs.

In 2016 your company completed 1,319 holes for a total of 59,345m of drilling. This program tested a total of twenty-six exploration targets where the company made four gold discoveries. This places your company as one of the most active gold explorers on the ASX. It is the boards belief that this aggressive exploration strategy has the potential to unlock significant shareholder value over time.

Zuleika JV:

The majority of this drilling has been directed towards Torian's flagship project, the Zuleika JV, and for good reason. Over the last few years,

Torian's extensive exploration program places your company as one of the most active gold explorers on the ASX.



this region has seen unprecedented corporate activity from major Australian and Chinese mining companies. This has led to almost A\$1 Billion worth of acquisitions around our Zuleika project over the last few years.

These companies are chasing the high grade gold deposits that the Zuleika Shear is known for. Importantly, following several strategic acquisitions, Torian now holds the second largest strike length of this shear. We believe this places your company in a very strong commercial position and has the potential to generate considerable value over time.

During the year, drilling at the company's Zuleika project focused on a number of key areas. Importantly, the company's technical team made discoveries at Target 4, Target 18, Target 19 and Target 16 (Credo Well). Some of the exploration highlights at Zuleika during the year are listed below.

The Credo Well prospect is located approximately 5km North East and along strike of Mt Pleasant (4Moz). During the year, Torian completed a successful RC drilling program at Credo Well.

The program was designed to confirm and extend high grade mineralisation that was discovered by previous drilling. The program consisted of 32 holes for a total of 2,221m. Highlights from the drilling include:

- 4m @ 32.51g/t Au from 27m, including;
- 2m @ 57.05g/t Au from 29m;
- 4m @ 6.66g/t Au from 70m, including;
- 2m @ 12.40g/t Au from 70m; and
- 2m @ 15.16g/t Au from 49m.

Torian also made a new discovery in the hanging wall of the main zone with best the intersection of 1m @ 68.50g/t Au from 39m. Importantly, the drill program did not close off the mineralisation which remains open along strike and down dip. These results were very encouraging and confirm Credo Well as a priority target for the 2017 field season.

At Target 18 and 19, Torian drilled 137 RAB holes for a total of 7,278m. The results from this area included a new discovery with the best results including 12m @ 2.44g/t Au from 36m (Target 18) and 4m @ 1.83g/t Au from 32m (Target 19).

Mt Stirling:

Torian's high grade Mt Stirling project also has potential to realise significant shareholder value. The project is located 40km North West of Leonora. During the year, Torian drilled approximately 10,000m at three areas at Mt Stirling.

One of those area's, Mt Stirling Well, is an outcropping high grade, flat lying quartz vein. Torian completed 5,000m of RC drilling and 3,000m of RAB drilling at this prospect. This program was largely step out drilling to define the mineralisation over a larger area. The drilling demonstrated the area continues to grow with many high grade results including 2m @ 27.21 g/t Au from 55m including 1m @ 45.50 g/t Au and 7m @ 10.80 g/t Au from 46m including 1m @ 69.00 g/t Au. Given these results, the Company is now assessing the projects viability as a standalone mining operation.

At Mt Stirling, the company completed 24 RC holes for a total of 1,251m of drilling. This drilling successfully defined a mineralised area over a 280m strike length. The best intersection at Mt Stirling was 4m @ 12.98 g/t Au from 17m including 1m @ 22.60 g/t Au.

Importantly, these three drilling programs did not close off the mineralisation at Mt Stirling Well or Mt Stirling. This underpins our belief that these prospects have the potential to be much larger. The next phase of drilling at Mt Stirling will include step out drilling at both prospects to determine how large these mineralised areas can be. It is our belief that this project will provide more exciting results over time.

Cascade Takeover:

Another important development during the year was the announcement of the Takeover of Cascade Resources Ltd by way of an off-market takeover offer. This offer is subject to shareholder approval with the shareholder meeting to be held on the 10 April 2017.

On completion of the transaction, Torian will:

- Become a significant player in the Goldfields Region;
- Own 100% of the strategically important Zuleika project (currently 12.25%);
- Acquire a further four projects including Mt Keith, Mt Monger, Kanowna South and Five Mile Hill; and
- Add approximately 30.2km² of tenure to the Company's Bardoc project.

This transaction, if completed, will be transformational for our Company. It will cement Torian as a significant landholder in the Goldfields Region, simplify the ownership structure of all projects and deliver on Torian's strategy of further consolidation in this region. Underlying Torian's highly active exploration strategy is a strong belief in our projects and that a systematic exploration program, over time, will yield results. We believe that this strategy will ensure that your company will play a role in the discovery of the gold mines of tomorrow.

As you can see, 2016 has been a defining year for our business. On behalf of the Board, I look forward keeping you informed on what we believe will be another exciting year for your company.

Yours sincerely,



Andrew Sparke
Non-Executive Chairman



“We believe that our strategy will ensure that your Company will play a key role in the discovery of the gold mines of tomorrow.”

Andrew Sparke
Non-Executive Chairman



MATTHEW SULLIVAN

MANAGING DIRECTOR'S LETTER



My fellow shareholders,
It has been another very busy year for us. We have made great advances with the company on all levels, made possible by the efforts of a small number of dedicated and hardworking people.

The exploration team has been very active with 1,319 holes drilled for a total of 59,345m drilled over 17 targets.

In addition the team has planned considerable work for the coming year, based on the knowledge built up over recent times.

The administration of the company continues in its usual professional manner, despite an office move and the associated disruption.

The coming year will be a formative year for the company with the proposed acquisition of Cascade Resources Ltd.

My thanks go to our hard working team both on the exploration and admin teams as well as the board. I look forward to an amazing 2017.

Matthew Sullivan

One of the largest and highly strategic landholding in the most prolific gold region of Australia.

8

INDIVIDUAL
ACQUISITIONS

26

EXPLORATION
TARGETS
TESTED

1,319
HOLES
DRILLED

4

DISCOVERIES
MADE

INCREASED
LANDHOLDING
MORE THAN

400%

OVER

59,000

METRES DRILLED



DIRECTORS' REPORT



The Directors of Torian Resources Limited submit the financial report of the Company for the year ended 31 December 2016, which comprises the results of Torian Resources Limited and the entities it controlled during the period.

Review of Operations

Throughout the year, the Directors were focussed the exploration of projects it has acquired to date, which are located in the Goldfields region of Western Australia. They include:

- Zuleika JV
- Mt Stirling
- Malcolm
- Bardoc

The Goldfields Region of Western Australia has an extensive history of gold mineralisation with several multi-million ounce discoveries, numerous producing mines and the presence of some of the world's largest gold exploration and production companies. The projects were identified through a combination of a detailed regional study, deep experience in the region and strong on-ground relationships.

The Company has a stated goal of actively pursuing new acquisitions with the potential to deliver additional shareholder value.

Zuleika Joint Venture

In May 2016, Torian earned its initial 12.25% interest in the Zuleika JV. Under the terms of the Joint Venture with Cascade Resources Ltd, Torian has the right to earn a 49% interest in the Zuleika JV Project by spending \$5 million over four years. The Company also had the right to earn an initial interest of 12.25% by spending \$1.25 million in the first year.

By December 2016, the Zuleika JV comprised 125 tenements covering 223 km². Torian's aggressive accretion in the region has established it as the dominant tenement holder, and sole remaining junior, along the highly sought after Zuleika Shear. The Company remains in discussions with other parties with a view to acquiring selective packages that complement its current holding and fit with its geological model.

Acquisitions of the Bardoc Project

On 4 April 2016, Torian completed the strategic acquisition of approximately 8.4km² of the Bardoc Project. The Bardoc Project is located



40km north of Kalgoorlie and 16km north of the 3mtpa Paddington processing plant owned by Zijin Mining Group (HK:2899). Bardoc lies north and along strike of Excelsior Gold's (ASX:EXG) 1.4Moz Zoroastrian and Excelsior deposits and south of Aphrodite Gold's (ASX:AQQ) 1.3Moz Aphrodite Project.

Torian has had preliminary discussions with Cascade Resources Ltd which acquired an additional 30.2 km² of the project area. If combined it would bring the total project size to 38.6km².

Takeover offer of Cascade Resources Limited

On 10 October 2016, Torian Resources Ltd ("Torian") and Cascade Resources Limited ("Cascade") announced the signing of a Takeover Bid Implementation Deed under which it was proposed that Torian will acquire all of the issued shares of Cascade by way of a recommended off-market takeover offer.

Under the offer, Cascade shareholders will receive one new Torian share for every one Cascade share held. Based on Torian's closing share price of \$0.14 on the ASX on 09 March 2017, the Offer values Cascade at approximately A\$4.8 million.

On completion of the Transaction, Torian will:

- Become a significant player in the Goldfields region;
- Own 100% of the strategically important Zuleika project (currently 12.25%);
- Acquire a further four projects in the Goldfields region including the Mt Keith, Mt Monger, Kanowna South and Five Mile Hill projects;
- Add to existing tenure at the Company's Bardoc project (~30.2km²);
- Simplify the ownership structure of all projects; and
- Deliver on its strategy of further consolidation in the Goldfields region of Western Australia.

Following implementation of the offer, Cascade is expected to become a wholly-owned subsidiary of Torian.

Drilling Activities

In the 2016 financial year, Torian made significant exploration progress, including:

- 59,345m drilled for a total of 1,319 holes;
- Increased landholding by over 400% which included 8 separate acquisitions;
- 26 exploration targets tested, 4 discoveries made including:
 - o Target 4 (Zuleika Project);
 - o Target 18 (Zuleika Project);
 - o Target 19 ((Zuleika Project);
 - o Credo Well (Zuleika Project)
- Extended mineralisation and completed met test work at Mt Stirling:
 - o 5,000 RC program completed in CY2016 (Mt Stirling Well);
 - o 3,000 RAB program completed in CY2016 (Mt Stirling Well);
 - o 2,000m RC program completed in CY2016 (Mt Stirling).

Results of the Phase 1 drill program at Targets 4 to 9 at the Zuleika JV were received in March 2017. The results received to date are very encouraging and warrant further drilling exploration. Exploration priority for Zuleika in 2017 is follow up RC drilling at Credo Well and Phase 1 RAB drilling to test Northern and Southern extensions of Northern Star's Paradigm discovery.

Following discovery of further high grade near surface mineralisation, the Company is now accelerating Phase 2 of its drill program at Mt Stirling. The aim of this drill program will be to demonstrate that this system appears to be much larger than originally indicated.

The Company has received all necessary approvals from the WA Department of Mines and Petroleum for the next round of drilling at Mt Stirling.



DIRECTOR'S REPORT

CONT'D



Escrowed Securities

During the year, Torian released 28,622,727 fully paid ordinary shares from escrow. 27,272,727 of the shares were held under voluntary escrow as part of the Cascade Resources Limited transaction. The remaining 1,350,000 shares were being held for related party project vendors in part consideration of the Cascade transaction.

Finance and Corporate

In June 2016, Torian successfully completed a \$3.5m share placement to professional and sophisticated investors. The placement showed great demand and was oversubscribed. The funds were used to accelerate the Company's dual track growth strategy; to increase exploration and development within the Goldfields region of Western Australia.

Principal Activities

The principal activities of the Group during the course of the financial year were the exploration and evaluation of mineral interests. There were no significant changes in the nature of those activities during the financial year.

Results of Operations

The consolidated loss for the Group for the financial year ended 31 December 2016 is \$1,752,251 (2015: \$1,377,595).

Dividends

No dividends were paid or declared by the Group since the end of the previous financial year and the Directors do not recommend dividends be paid for the year ended 31 December 2016.

Significant Changes in the State of Affairs

There were no significant changes to the Group's state of affairs.

Likely Developments and Expected Results of Operations

The Group is currently active in continuing its exploration activities and assessing the results of its recent drilling. Likely developments and expected results will be announced to the market as they emerge.

Matters Subsequent to Year End

Drilling Results - Credo Well

In February 2017, the Group received results for 32 holes drilled at Credo Well, the highlights of which is as follows:

- 4m @ 32.51g/t Au from 27m, including;
 - o 2m @ 57.05g/t Au from 29m;
- 4m @ 6.66g/t Au from 70m, including;
 - o 2m @ 12.40g/t Au from 70m;
 - o 2m @ 15.16g/t Au from 49m;

- New discovery made in the hanging wall of the main zone. Best intersection includes:
 - o 1m @ 68.50g/t Au from 39m
- Historic intersections from Credo Well include:
 - o 3m @ 16.46g/t Au from 54m (main vein);
 - o 1m @ 58.80g/t Au from 1m (main vein);
 - o 5m @ 7.42g/t Au from 39 (hanging wall vein);
 - o 8m @ 10.47g/t Au from 61m (main vein);
- Credo Well to become a priority target for the 2017 field season.

Drilling Results – Zuleika JV

In March 2017, the Group received very encouraging results from phase 1 of a 4 phase drilling program at the Zuleika JV project. Highlights include:

- Zuleika Phase 1 drill program: 7,277.9m drill program of 137 holes at Targets 18 and 19;
 - o Target 18 contains results of up to 12m at 2.44g/t Au from 36m;
 - o Target 19 contains results of up to 4m @ 1.83g/t Au from 32m;
- Phase 1 drill program at Target 20 (Paradigm Extensions) and 21 to begin in April 2017; and
- Torian Directors believe that Zuleika JV drilling results more than validate Cascade merger.

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

Directors

The following persons held office as Directors of Torian Resources Limited at any time during or since the end of the financial year:

Mr Andrew Sparke
 Mr Matthew Sullivan
 Ms Elissa Hansen
 Mr Glenn Jardine (Appointed 24 May 2016)

COMPANY SECRETARY

Ms. Elissa Hansen

Information on Directors

Mr. Andrew Sparke B.Bus (Marketing), M.Fin (Current), GAICD

Non-executive Chairman
 Appointed: 6 June 2014

Andrew Sparke has 14 years Corporate Finance experience that includes IPO's, private placements and secondary market transactions. He has advised a number of ASX listed companies on capital raisings and corporate transactions.

Andrew is a director of a number of public and private companies including Olive Capital Pty Ltd.

Mr. Matthew Sullivan B. App. Sc (Applied Geology), AusIMM

Managing Director
 Appointed: 6 June 2014

Matthew Sullivan is an experienced geologist and listed company director with 25 years' experience working in the Goldfields Region of Western Australia. He is one of only 6 geologists in Australia to find more than 3Moz's twice. Matthew's significant discoveries include Kanowna Belle (6Moz's), East Kundana (4Moz's), Selene (800Koz's), Safari Bore (400Koz's), St Patricks (400Koz's) and in the Leonora region (500Koz's). He was second in Australian explorer of the year (2010) for the discovery of 500K oz's in 5 months in Leonora with a total discovery of circa 12Moz's Au.

Ms. Elissa Hansen B.Com, ACSA, GAICD

Non-executive Director, Company Secretary
 Appointed: 9 December 2015

Elissa Hansen is a Chartered Secretary with over 15 years' experience advising management and boards of ASX listed companies on corporate governance, compliance, investor relations and other corporate issues.

DIRECTOR'S REPORT

CONT'D



She is a director of several unlisted companies and has extensive company secretarial experience, acting as Company Secretary for a number of public, ASX listed and private companies.

Elissa is also a director of Goldsearch Limited (ASX:GSE).

Mr. Glenn Jardine B.Eng (Mining Engineering), GAICD

Non-executive Director
Appointed: 24 May 2016

Glenn Jardine is a Mining Executive with over 25 years' experience in project development, operations & corporate activities. Glenn was previously CEO of Kimberley Metals Group Pty Ltd, Managing Director of Southern Cross Goldfields Limited and Managing Director of LionOre Australia Pty Ltd.

Meetings of Directors

The number of meetings of the Company's Board of Directors and of each board committee held during the financial year ended 31 December 2016 and the number of meetings attended by each Director were:

Director	Held whilst in office	Attended
Andrew Sparke	8	7
Matthew Sullivan	8	7
Elissa Hansen	8	8
Glenn Jardine	6	6

Directors' Interests

Information on the Directors' and their associates' interests in shares and options of the Company at 31 December 2016 can be found in the Remuneration Report on page 18.

Shares Under Option

At the date of this report, there were no unissued ordinary shares of Torian Resources Limited under option.

Shares Issued on the Exercise of Options

No shares were issued during the financial year ended 31 December 2016 on the exercise of options.

12.

Environmental Regulations

The Group's operations are subject to normal Government Environmental Regulations. There were no breaches of these regulations during the financial year and up to the date of this report.

Insurance of Directors and Officers

The Company entered into an agreement to insure the Directors and officers of the Company. The liabilities insured and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

Indemnification

The Company has agreed to indemnify and keep indemnified the Directors against any liability:

- a)** incurred in connection with or as a consequence of the director or officer acting in the capacity including, without limiting the foregoing, representing the Company on anybody corporate; and
- b)** for legal costs incurred in defending an action in connection with or as a consequence of the Director or officer acting in the capacity.

The indemnity only applies to the extent of the amount that the Directors are not indemnified under any other indemnity, including an indemnity contained in any insurance policy taken out by the Company, under the general law or otherwise.

The indemnity does not extend to any liability:

- to the Company or a related body corporate of the Company;
- arising out of conduct of the Directors or officers involving a lack of good faith; or
- which is in respect of any negligence, default, breach of duty or breach of trust of which the directors or officers may be guilty in relation to the Company or related body corporate.

No liability has arisen under these indemnities as at the date of this report.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Corporate Governance Statement

A copy of the Corporate Governance Statement has not been disclosed within the Annual Report but is available on the website www.torianresources.com.au/corporate-governance in accordance with the ASX Listing Rule 4.10.3.



DIRECTOR'S REPORT CONT'D



Declaration by Director

Before it approved the Company's 2016 financial statements, the Board was satisfied that the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group, and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

Non-audit Services

The Directors received the Lead Auditor's Independence Declaration under s.307 of the Corporations Act 2001, which is set out on page 15. The external auditor did not provide any non-audit services to the Company during the year ended 31 December 2016.

Signed in accordance with a resolution of the Board of Directors, made pursuant to s.298(2) of the Corporations Act 2001.

Non-executive Chairman
Sydney, 31 March 2017



The Goldfields Region of Western Australia has an extensive history of gold mineralisation with several multi-million ounce discoveries, numerous producing mines and the presence of some of the world's largest gold exploration and production companies.

MEET THE TEAM



Information on Directors

Mr. Andrew Sparke
B.Bus (Marketing), M.Fin (Current), GAICD
Non-executive Chairman
Appointed: 6 June 2014
(Top left Photo)

Andrew Sparke has 14 years Corporate Finance experience that includes IPO's, private placements and secondary market transactions. He has advised a number of ASX listed companies on capital raisings and corporate transactions.

Andrew is a director of a number of public and private companies including Olive Capital Pty Ltd.

Ms. Elissa Hansen
B.Com, ACSA, GAICD
Non-executive Director, Company Secretary
Appointed: 9 December 2015
(Bottom Left Photo)

Elissa Hansen is a Chartered Secretary with over 15 years' experience advising management and boards of ASX listed companies on corporate governance, compliance, investor relations and other corporate issues.

She is a director of several unlisted companies and has extensive company secretarial experience, acting as Company Secretary for a number of public, ASX listed and private companies.

Elissa is also a director of Goldsearch Limited (ASX:GSE).

Mr. Matthew Sullivan
B. App. Sc (Applied Geology), AusIMM
Managing Director
Appointed: 6 June 2014
(Top Right Photo)

Matthew Sullivan is an experienced geologist and listed company director with 25 years' experience working in the Goldfields Region of Western Australia. He is one of only 6 geologists in Australia to find more than 3Moz's twice. Matthew's significant discoveries include Kanowna Belle (6Moz's), East Kundana (4Moz's), Selene (800Koz's), Safari Bore (400Koz's), St Patricks (400Koz's) and in the Leonora region (500Koz's). He was second in Australian explorer of the year (2010) for the discovery of 500K oz's in 5 months in Leonora with a total discovery of circa 12Moz's Au.

Mr. Glenn Jardine
B.Eng (Mining Engineering), GAICD
Non-executive Director
Appointed: 24 May 2016
(Bottom Right Photo)

Glenn Jardine is a Mining Executive with over 25 years' experience in project development, operations & corporate activities. Glenn was previously CEO of Kimberley Metals Group Pty Ltd, Managing Director of Southern Cross Goldfields Limited and Managing Director of LionOre Australia Pty Ltd.





REMUNERATION REPORT

This report outlines the remuneration arrangements in place for Directors and executives of Torian Resources Limited. The information in this report has been audited as required by 308(3C) of the Corporations Act 2001.

Directors and Key Management Personnel

The full Board of Directors sets remuneration policies and practices generally and makes specific recommendations on remuneration packages and other terms of employment for Executive Directors, other Senior Executives and Non-Executive Directors (if any).

Executive remuneration and other terms of employment are reviewed annually having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice as well as basic salary, remuneration packages include superannuation.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing the Group's operations.

Remuneration of Non-Executive Directors is determined by the Board within the maximum amount approved by shareholders from time to time. Fees for Non-Executive Directors are not linked to the Company's performance. It is the Board's intention to undertake an annual review of its performance and the performance of the Board Committees against goals set at the start of the year.

In considering the Company's performance and its effect on shareholder wealth, the Board has regard to a broad range of factors, some of which are financial and others of which relate to the progress on the Company's projects, results and progress of exploration and development activities, joint venture agreements, etc.

The Board also gives consideration to the Company's result and cash consumption for the year. It does not utilise earnings per share as a performance measure or contemplate payment of any dividends in the short to medium term given that all efforts are currently being expended to develop the Company.

Details of the nature and amount of each element of the emoluments of each Director of Torian Resources Limited are set out below.

18.

Directors

Names and positions held of key management personnel in office at any time during the financial year are:

Mr. Andrew Sparke

Non-executive Chairman

Mr. Matthew Sullivan

Managing Director

Ms. Elissa Hansen

Non-executive Director and Company Secretary

Mr. Glenn Jardine

Non-executive Director

Key Management Personnel Compensation

2016	Salary & Directors fees \$	Bonus \$	Non-monetary Benefits \$	Other employee entitlements \$	Total \$
Andrew Sparke	120,000 ¹	-	-	-	120,000
Matthew Sullivan	120,000 ²	-	-	-	120,000
Elissa Hansen	48,000 ³	-	-	-	48,000
Glenn Jardine	24,000 ⁴	-	-	-	24,000
Total Compensation	271,000	-	-	-	271,000

¹ Fees incurred for services provided as per the consultancy agreement between the Company and Mr Sparke. Fees paid in the year were \$100,000 and \$20,000 remains unpaid at 31 December 2016.

² Fees incurred for services provided as per the consultancy agreement between the Company and Mr Sullivan. Fees paid in the year were \$70,000 and \$50,000 remains unpaid at 31 December 2016.

³ Fees incurred for services provided as per the consultancy agreement between the Company and Ms Hansen. Fees paid in the year were \$44,000 and \$4,000 remains unpaid at 31 December 2016.

⁴ Fees incurred for services provided as per the consultancy agreement between the Company and Mr Jardine. Fees paid in the year were \$18,000 and \$6,000 remains unpaid at 31 December 2016.





REMUNERATION REPORT

CONT'D

2015	Salary & Directors fees \$	Bonus \$	Non-monetary Benefits \$	Other employee entitlements \$	Total \$
Nathan Taylor	50,000	-	-	-	50,000
Sunil Dhupelia	-	-	-	-	-
Jason Hou	13,548	-	-	-	13,548
Ian Johns	13,710	-	-	-	13,710
Andrew Sparke	105,000 ¹	-	-	-	105,000
Matthew Sullivan	105,000 ²	-	-	-	105,000
Elissa Hansen	4,000	-	-	-	4,000
Total Compensation	291,258	-	-	-	291,258

¹ Fees incurred for services provided as per the consultancy agreement between the Company and Mr Sparke. Fees paid in the year were \$35,000 and \$70,000 remains unpaid at 31 December 2015.

² Fees incurred for services provided as per the consultancy agreement between the Company and Mr Sullivan. Fees paid in the year were \$65,000 and \$40,000 remains unpaid at 31 December 2015.

Shares Held by Key Management Personnel and Their Associates

	Balance 1 Jan 2016	In Specie Reduction	In Special Capital Distribution	Disposals	Balance 31 Dec 2016
Andrew Sparke	27,272,727	(27,272,727)	3,613,696	-	3,613,696
Matthew Sullivan	28,622,727	(27,272,727)	3,634,172	(80,000)	4,904,172
Elissa Hansen	-	-	-	-	-
Glenn Jardine	-	-	-	-	-
Total	55,895,454	(54,545,454)	7,247,868	(80,000)	8,517,868

Shares held by Messrs Sparke and Sullivan at 1 January 2016 include 27,272,727 Torian shares held by Cascade Resources. These shares have been disclosed as indirectly held by the directors due to the Key Management Personnel

(KMP) relationship with Cascade. These shares were not beneficially held by Messrs Sparke or Sullivan, who hold a minority interest in Cascade. In December 2016, Torian shares held by Cascade were distributed in specie to Cascade shareholders as part of a capital reduction.

Consultancy Agreements

Andrew Sparke - Director

- Agreement commenced on 6 June 2014;
- Consultancy fee of \$10,000 per month;
- Agreement is terminated upon cessation of directorship/employment with the Company;
- No performance based remuneration incentive has been included.

Matthew Sullivan - Director

- Agreement commenced on 6 June 2014;
- Consultancy fee of \$10,000 per month;
- Agreement is terminated upon cessation of directorship/employment with the Company;
- No performance based remuneration incentive has been included.

Elissa Hansen – Director/Secretary

- Agreement commenced on 9 December 2015;
- Consultancy fee of \$4,000 per month;
- Agreement is terminated upon cessation of directorship/employment with the Company;
- No performance based remuneration incentive has been included.

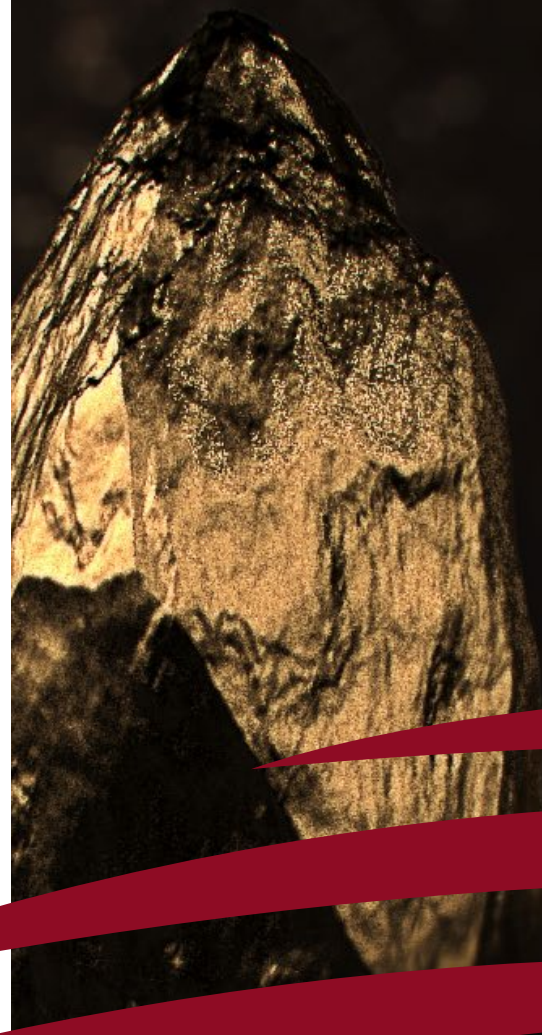
Glenn Jardine - Director

- Agreement commenced on 24 May 2016;
- Consultancy fee of \$3,000 per month;
- Agreement is terminated upon cessation of directorship/employment with the Company;
- No performance based remuneration incentive has been included.

Loans to Directors and Key Management Personnel

There were no loans made to directors or key management personnel of the Company and the Group during the period commencing at the beginning of the financial year and up to the date of this report.

In June 2016, Torian successfully completed a \$3.5m share placement to professional and sophisticated investors.



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Torian Resources Limited for the year ended 31 December 2016, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

A blue ink signature of G N Sherwood, with the initials 'GNS' written to the right of the signature.

G N Sherwood
Partner

Sydney, NSW
Dated: 31 March 2017

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 35 985 185 016

Liability limited by a scheme approved under Professional Standards Legislation



“Post transaction,
Torian will become a
significant landholder
in the Goldfields
Region.”

Matthew Sullivan
Managing Director



FINANCIAL REPORT **2016**



PROFIT AND LOSS

Consolidated Statement of Profit or Loss and other Comprehensive Income for Year Ended 31 December 2016

	Note	2016/\$	2015/\$
Sales revenue		-	-
Other revenue	2	106,073	151,720
Depreciation and amortisation expense	3	(6,509)	(8,647)
Impairment expense	3	-	(14,534)
Employee benefits expense	5	(486,042)	(184,012)
Due diligence and professional services		(403,282)	(603,682)
Finance costs		(2,317)	(8,187)
Exploration expenditure		(179,075)	(149,126)
Administration		(764,458)	(541,652)
Other expenses		(16,641)	(19,476)
Loss before income tax expense		(1,752,251)	(1,377,595)
Income tax expense	4	-	-
Loss attributable to members of the parent entity		(1,752,251)	(1,377,595)
Other comprehensive income		-	-
Total comprehensive income for the period		(1,752,251)	(1,377,595)
Basic earnings per share (cents)	7	(2.04)	(2.63)

These financial statements should be read in conjunction with the accompanying notes.



FINANCIAL POSITION

Consolidated Statement of Financial Position as at 31 December 2016

	Note	2016/\$	2015/\$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	1,037,422	1,542,011
Trade and other receivables	9	247,303	241,293
TOTAL CURRENT ASSETS		1,284,725	1,783,304
NON-CURRENT ASSETS			
Available-for-sale financial asset	11	228,205	1,429
Property, plant and equipment	13	14,898	7,053
Exploration and evaluation expenditure	14	10,188,487	7,682,700
TOTAL NON-CURRENT ASSETS		10,431,590	7,691,182
TOTAL ASSETS		11,716,315	9,474,486
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	755,662	861,382
Borrowings	16	281,128	385,962
TOTAL CURRENT LIABILITIES		1,036,790	1,247,344
TOTAL LIABILITIES		1,036,790	1,247,344
NET ASSETS		10,679,525	8,227,142
EQUITY			
Issued capital	17	70,214,457	66,009,823
Accumulated losses		(59,534,932)	(57,782,681)
TOTAL EQUITY		10,679,525	8,227,142

EQUITY



Consolidated Statement of Changes in Equity for Year Ended 31 December 2016

	Note	Shares on Issue \$	Accumulated Losses \$	Options Reserve \$	Total \$
Balance at 1 January 2015		55,725,781	(57,619,236)	1,214,150	(679,305)
Loss for the period		-	(1,377,595)	-	(1,377,595)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	(1,377,595)	-	(1,377,595)
Shares issued during the period		10,284,042	-	-	10,284,042
Options expired		-	1,214,150	(1,214,150)	-
Balance at 31 December 2015		66,009,823	(57,782,681)	-	8,227,142
Balance at 1 January 2016		66,009,823	(57,782,681)	-	8,227,142
Loss for the period		-	(1,752,251)	-	(1,752,251)
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		-	(1,752,251)	-	(1,752,251)
Shares issued during the period net of costs	17	4,204,634	-	-	4,204,634
Balance at 31 December 2016		70,214,457	(59,534,932)	-	10,679,525

These financial statements should be read in conjunction with the accompanying notes.

28.

CASH FLOW



Consolidated Statement of Financial Position as at 31 December 2016

	Note	2016/\$	2015/\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,315,274)	(1,060,099)
Finance charges		(2,317)	(2,187)
Payments for exploration		(2,232,195)	(1,018,511)
Interest received		6,073	18,701
Net cash used in operating activities	19	(3,543,713)	(2,062,096)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment		(14,354)	(7,593)
Proceeds from sale of interest in mining leases		-	30,000
Payments to acquire mining tenements		(6,033)	(313,300)
Investment in share of listed entity		(212,476)	-
Deposits refunded by government bodies		100,000	10,000
Net cash used in investing activities		(132,863)	(280,893)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of raising costs		3,276,821	3,573,431
Loan proceeds received		-	282,628
Repayment of related party loan		(104,834)	(20,000)
Net cash provided by financing activities		3,171,987	3,836,059
Net (decrease)/increase in cash held		(504,589)	1,493,070
Cash and cash equivalents at beginning of financial year		1,542,011	48,941
Cash and cash equivalents at end of financial year		1,037,422	1,542,011

NOTE /1



Summary of Significant Accounting Policies

The financial report includes the consolidated financial statements and notes of Torian Resources Limited and controlled entities ('Consolidated Group' or 'Group'). The separate financial statements and notes of Torian Resources Limited as an individual parent entity ('Company') have not been presented within the financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 31 March 2017 by the directors of the company.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has

concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are reported below. They have been consistently applied unless stated otherwise. All applicable new accounting standards have been adopted for the year ended 31 December 2016 unless otherwise stated and their adoption did not have a significant impact on the financial performance or position of the consolidated entity.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a. Principles of Consolidation

A controlled entity is any entity Torian Resources Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 12 to the financial statements. All controlled entities have a 31 December 2016 financial year-end for this current year.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year ended. Where controlled entities have entered (left) the Group during the year, their operating results have

been included (excluded) from the date control was obtained (ceased).

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Company.

Where controlled entities have entered or left the Group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Group, are shown separately within the Equity section of the Consolidated Statement of Financial Position and in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

b. Going Concern

The Directors have prepared the financial report on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the financial year ended 31 December 2016, the Group incurred a net loss after tax of \$1,752,251 and utilised cash from operating and investing activities of \$3,543,713 and \$132,863 respectively.

The ability of the consolidated entity to continue as a going concern and realise its Mining Interests and other assets is dependent on a number of factors, the most significant of which is the continuation and availability of funding to continue operations and development of the Mining Interests. These conditions indicate material uncertainties that may cast significant doubt about the consolidated entity's ability to continue as a going concern. The consolidated financial statements have been prepared on a going concern basis, which assumes the continuation of normal trading activities and

and realisation of assets and settlement of liabilities in the normal course of business.

The directors have reviewed the Group's overall position and outlook in respect of the matters identified above and are of the opinion that the use of the going concern basis is appropriate in the circumstances for the following reasons:

- The Group has called for a General Meeting to be held on 10 April 2017 where amongst other things, it has put forward a resolution to acquire all of the remaining interest in Cascade Resources. Under the Offer, Cascade shareholders will receive one Torian share for every Cascade share held through the issue of 50,870,133 shares;
- In addition to the equity referred to above, the Group has also proposed a resolution to approve the issue of up to 25,000,000 shares at an issue price of not less than 80% of the 5 day VWAP. Based on the current share price of approximately \$0.15c that will result in additional equity of \$3,000,000;
- The Group has cash resources of \$1,037,422 as at 31 December 2016;
- The Group has net assets of \$10,679,525 and net current assets of \$247,935;
- The Group has the ability to dispose some of its assets as and when required; and
- The Group has the ability to scale back its exploration activities should funding not be available continue exploration at its current levels.

The report does not include any adjustment relating to the recoverability and classification of asset carrying amounts or the amounts of liabilities that might result should the entity be unable to continue as a going concern and meet its debts as and when they become payable.



NOTE /1

CONT'D



c. Taxes

The charge for current income tax expense is based on the results for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Torian Resources Limited formed an income tax consolidated group under the tax consolidation regime with its domestic subsidiaries listed under Note 12.

d. Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Office equipment and furniture	25%
Plant and equipment	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

.33

NOTE /1

CONT'D



Summary of Significant Accounting Policies (CONT.)

e. Exploration, Development and Evaluation Expenditure

Exploration, development and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

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

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

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Carrying value

The licences held in respect of the Group's exploration operations comprise a large number of licenses across a large geographic area. There are however only eight projects that the Group is currently exploring and developing. Management has applied their judgement and determined that all of these license are to be treated as eight separate and distinct areas for the purposes of considering 'abandoned areas' or impairment. The costs of acquiring the licenses as well as all subsequent costs have been ascribed to these eight projects, and consequently, there are no impairment expenses for expired licenses in unexplored areas outside these eight projects.

f. Impairment of Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

g. Investments in Joint Ventures

Investments in joint venture companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognised the Group's share of post-acquisition reserves of joint ventures.

h. Financial Instruments

(Recognition, initial measurement and derecognition)

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- loans and receivables
- financial assets at Fair Value Through Profit or Loss (FVTPL)
- Held-To-Maturity (HTM) investments
- Available-For-Sale (AFS) financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or

a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

AFS financial assets

AFS financial assets are non-derivative financial assets that are either designated to this category or do not qualify for inclusion in any of the other categories of financial assets. The Group's AFS financial assets include listed securities and debentures.

AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'finance income'.

Reversals of impairment losses for AFS debt securities are recognised in profit or loss if the reversal can be objectively related to an event occurring after the impairment loss was recognised. For AFS equity investments impairment reversals are not recognised in profit or loss and any subsequent increase in fair value is recognised in other comprehensive income.



NOTE /1

CONT'D



Summary of Significant Accounting Policies (CONT.)

i. Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash flows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of the cash flows.

j. Equity-settled Compensation

There has been no equity based compensation with the exception of that described at Note 21. The capital subscribed to as per this note was acquired at fair value at the time of purchase.

Options issues have their fair value determined with reference to an approved valuation methodology, such as the Black-Scholes valuation method. On issue, the fair value of an option is taken to the Income Statements equity settled compensation, with a corresponding credit to the options reserve. This is then disclosed as other comprehensive income in the Statement of Comprehensive Income to show

other net profit position of the Group from a third party perspective.

Shares have their value determined using the direct method of share price at date of issue multiplied by the number of shares issued.

k. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

l. Trade and Other Payables

Liabilities for creditors and other amounts are carried at amortised cost, which is the present value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. The carrying period is dictated by market conditions but is generally less than 30 days.

m. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established

Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

n. Finance

Finance costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other finance costs are recognised in the period in which they are incurred.

o. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows. There is provision made in the Statement of Cash Flows to disclose the applicable GST refunds/payments that have been remitted to the ATO to accurately show the cash position of Torian Resources Limited.

p. Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss attributable to the

owners of the Group excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to the dilutive potential ordinary shares.

q. Critical Accounting Estimates and Judgments

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

Key Judgements - Exploration and Evaluation Expenditure

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

Key Judgements — Doubtful Debts Provision

As a result of no trading throughout the period, Torian Resources Limited has no questionable receivables.



NOTE /1

CONT'D



Summary of Significant Accounting Policies (CONT.)

r. New and Revised Accounting Standards

At the date of authorisation of the financial statements the following new standards and interpretations have been applied where applicable:

- AASB 14 Regulatory Deferral Accounts
- AASB 2014-1 Amendments to Australian Accounting Standards (Part D: Consequential Amendments arising from AASB 14 Regulatory Deferral Accounts)
- AASB 2014-3 Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations
- AASB 2014-4 Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation
- AASB 2014-6 Amendments to Australian Accounting Standards – Agriculture: Bearer Plants
- AASB 2014-9 Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements
- AASB 2015-1 Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012–2014 Cycle
- AASB 2015-2 Amendments to Australian 7 Accounting Standards – Disclosure Initiative: Amendments to AASB 101

- AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality
- AASB 2015-4 Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent
- AASB 2015-5 Amendments to Australian Accounting Standards – Investment Entities: Applying the Consolidation Exception
- AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities
- AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities
- AASB 2015-9 Amendments to Australian Accounting Standards – Scope and Application Paragraphs
- AASB 2015-10 Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128
- AASB 1056 Superannuation Entities
- AASB 1057 Application of Australian Accounting Standards

s. New and Revised Accounting Standards

At the date of authorisation of the financial statements the following new standards and interpretations have been applied where applicable:



Standard / Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments' (December 2014)	1 January 2018	31 December 2018
AASB 15 Revenue from Contracts with Customers	1 January 2018	31 December 2018
AASB 16 Leases	1 January 2019	31 December 2019
AASB 1056 Superannuation Entities	1 July 2016	31 December 2017
AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15	1 January 2018	31 December 2018
AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)	1 January 2018	31 December 2018
AASB 2014-10 Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2018	31 December 2018
AASB 2015-6 Amendments to Australian Accounting Standards – Extending Related Party Disclosures to Not-for-Profit Public Sector Entities	1 July 2016	31 December 2017
AASB 2015-7 Amendments to Australian Accounting Standards – Fair Value Disclosures of Not-for-Profit Public Sector Entities	1 July 2016	31 December 2017
AASB 2015-8 Amendments to Australian Accounting Standards – Effective Date of AASB 15	1 January 2017	31 December 2017
AASB 2016-1 Amendments to Australian Accounting Standards – Recognition of Deferred Tax Assets for Unrealised Losses.	1 January 2017	31 December 2017
AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107	1 January 2017	31 December 2017
AASB 2016-03 Amendments to Australian Accounting Standards – Clarifications to AASB 15	1 January 2018	31 December 2018
AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash Generating Specialised Assets of Not-for-Profit Entities	1 January 2017	31 December 2017
AASB 2016-5 Amendments to Australian Accounting Standards – Classification and Measurement of Share-based Payment Transactions	1 January 2018	31 December 2018
Clarifications to IFRS 15 Revenue from Contracts with Customers	1 January 2018	31 December 2018

NOTE 2/3/4

	2016 /\$	2015 /\$
NOTE 2: REVENUE		
Other revenue:		
— Interest received	6,073	18,701
— Profit on disposal of non-current assets	-	90,909
— Other revenue	-	42,110
— Reversal of prior period impairment	100,000	-
Total other income	106,073	172,574

NOTE 3: RESULTS FOR THE YEAR

Expenses:		
Impairment	-	14,534
Depreciation of plant and equipment	6,509	8,647

NOTE 4: INCOME TAX EXPENSE

The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Total	-	-

Prima facie tax benefit on loss from ordinary activities before income tax at 30%:	(525,675)	(413,278)
Add tax effect of:		
— Other non-allowable items	16,254	21,146
Subtotal	(509,421)	(392,132)

Less tax effect of:		
— Items not assessable for taxation	30,000	(12,633)
— Items deductible for taxation but not accounting	(695,429)	(295,547)
Deferred tax assets not brought to account:	1,234,850	700,312
Income tax expense	-	-

NOTE 4: (CONT.)

The Group has carry forward tax losses, calculated according to Australian income tax legislation of \$41,713,671 (2015: \$36,670,080), which will be deductible from future assessable income provided that income is derived, and:

a) The Company and its controlled entities carry on prescribed mining operations as defined in the income Tax Assessment Act, as appropriate; or

b) The Company and its controlled entities carry on a business of, or a business that includes exploration or prospecting in Australia, for the purpose of discovering or extracting minerals, as appropriate; and

c) No change in tax legislation adversely affects the Company and its controlled entities in realising the benefit from the deduction for the losses.

The benefit of these losses will only be recognised where it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.



NOTE 5/6

2016 /\$ 2015 /\$

NOTE 5: EMPLOYEE BENEFITS EXPENSE

Employee benefits incurred during the year:

— Salaries and wages	446,887	175,664
— Superannuation	39,155	8,348
Total	486,042	184,012

NOTE 6: AUDITOR REMUNERATION

Remuneration of the auditor of the Group
for:

— auditing or reviewing the financial report	28,000	46,000
Total	28,000	46,000

.41

NOTE 7/8/9

2016 /\$ 2015 /\$

NOTE 7: EARNINGS PER SHARE

a. Reconciliation of earnings:

Loss	(1,752,251)	(1,377,595)
------	-------------	-------------

No.

No.

b. Weighted average number of ordinary shares outstanding during the year used in calculating EPS

85,834,312

52,281,915*

Cents

Cents

c. Basic EPS

(2.04)

(2.04)

d. Diluted EPS

(2.04)

(2.04)

*Calculated subsequent to a 1 for 33 share consolidation undertaken during the period.

NOTE 8: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	1,037,422	1,542,011
Total	1,037,422	1,542,011

NOTE 9: TRADE AND OTHER RECEIVABLES

CURRENT

Trade and other receivables from third parties:		
— Trade receivables	53,590	18,458
— Other receivables	193,713	222,835
Total Current Assets	247,303	241,293



NOTE /9

CONT'D



There is no expectation of the Directors that any of the above amounts are required to be impaired as all amounts are anticipated to be fully recoverable. Whilst the above amounts are unsecured, there is no question as to the creditworthiness of the Group's debtors.

Allowance for impairment loss

Trade receivables and other receivables are non-interest bearing and are generally on 30-60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. No impairment has been recognised by the Group and Company in the current year. No receivable is past due.

Fair value and credit risk

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer on-sell receivables to special purpose entities.

Interest rate risk

Detail regarding interest rate risk exposure is disclosed in Note 23.

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NOTE /10

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.

	2016 /\$	2015 /\$
Interests in joint ventures		
Varun Torian (International) SARL		
Investment at cost	-	792,910
Accumulated equity accounted share of loss	-	(301,045)
Accumulated allowance for impairment	-	(491,865)
Closing Balance	-	-
Movements in carrying amounts		
Varun Torian (International) SARL		
Balance at 1 January	-	-
Refunded during the year	-	-
Allowance for impairment	-	-
Total Current Assets	-	-

NOTE 10: (CONT.)

Investments in joint venture companies are valued at fair value at year end, which is calculated as follows:

- fair value of the investment at the beginning of the year (or, for acquisitions during the year, the fair value of the investment on acquisition);
- less equity accounted share of losses during the year;
- less impairment losses during the year.

Any impairment losses during the year are calculated as the difference between:

- the fair value of the investment at the beginning of the year (or, for acquisitions during the year, the fair value of the investment on acquisition) less equity accounted share of losses during the year; and
- the fair value of the investment calculated at year end using the last quoted bid price plus the value of any options held, calculated using the assumptions set out below.





NOTE /11

Financial Assets

	2016 /\$	2015 /\$
Available-for-sale financial assets	228,205	1,429
Total	228,205	1,429

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 31 December 2016 Using:			
	Quoted Prices in Active Markets for Identical Assets \$ (Level 1)	Significant Observable Inputs \$ (Level 2)	Significant Unobservable Inputs \$ (Level 3)
Investment in shares of unlisted corporation			
Cascade Resources Limited	-	-	226,776
Elsmore Resources Limited	-	-	1,429

NOTE /12

Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)*	
		2016	2015
PARENT ENTITY:			
Torian Resources Limited	Australia	-	-
SUBSIDIARIES OF TORIAN RESOURCES LIMITED			
Cluff Minerals (Aust) Pty Limited	Australia	100	100
NSW Gold Pty Ltd	Australia	100	100
Who Are They Pty Ltd	Australia	100	100

* Percentage of voting power is in proportion to ownership

46.



NOTE /13



Plant And Equipment

	2016 /\$	2015 /\$
OFFICE EQUIPMENT		
At cost	19,147	38,631
Accumulated depreciation	(4,249)	(31,578)
Total office equipment	14,898	7,053
PLANT AND EQUIPMENT		
At cost	2,800	11,899
Accumulated depreciation	(2,800)	(11,899)
Total property, plant and equipment	-	-
Total	14,898	7,053

Movements in Carrying Amounts

	Office Equipment \$	Plant and Equipment \$	Total \$
Balance at 1 January 2015	5,586	2,520	8,106
Acquisition in the year	7,594	-	7,594
Depreciation expense	(6,127)	(2,520)	(8,647)
Balance at 31 December 2015	7,053	-	7,053
Acquisitions in the year	11,554	2,800	14,354
Depreciation expense	(3,709)	(2,800)	(6,509)
Balance at 31 December 2016	14,898	-	14,898

NOTE 14/15/16

	2016 /\$	2015 /\$
NOTE 14: EXPLORATION AND EVALUATION EXPENDITURE		
Exploration expenditure capitalised	10,188,487	7,682,700
Provision for impairment	-	-
Total	10,188,487	7,682,700
Balance at beginning of financial year	7,682,700	14,534
Balance at beginning of financial year	2,505,787	7,682,700
Impairment recognised during the financial year	-	(14,534)
Balance at end of financial year	10,188,487	7,682,700

NOTE 15: TRADE AND OTHER PAYABLES

CURRENT		
Accounts payable	655,257	518,574
Employee benefits payable	3,423	13,574
Directors' accruals	93,800	289,117
Other payables	3,182	40,117
Total	755,662	861,382

NOTE 16: BORROWINGS

CURRENT		
Loans from external parties	-	103,334
Loans from related parties (i) (Note 20)	281,128	282,628
Total	281,128	385,962

(i) This loan is at call, unsecured and is non-interest bearing.



NOTE /17



	2016		2016	
	No Of Shares	\$	No Of Shares	\$
Ordinary shares				
Fully Paid				
At the beginning of reporting period	74,295,492	66,009,823	500,332,464	55,725,782
Share consolidation (1:33)	-	-	(485,174,115)	-
Shares issued during the year	18,918,920	3,500,000	25,414,416	4,329,983
Shares issued to acquire capital assets	1,786,435	367,076	33,722,727	6,407,318
Shares issued in payment for services	2,528,004	560,737	-	-
Cost of raising capital	-	(223,179)	-	(453,260)
At reporting date	97,528,851	70,214,457	74,295,492	66,009,823

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The Group's capital includes ordinary share capital, shares and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distribution to shareholders and share issues.

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NOTE 18/19

	2016 /\$	2015 /\$
NOTE 18: RESERVES		
Options reserve	-	-
Total reserves	-	-
The options reserve records the fair value of options on issue.		
Options expired during the year	-	1,214,150
Balance at end of financial year	-	(1,214,150)
Balance at end of financial year	-	-

NOTE 19: CASH FLOW INFORMATION

Reconciliation of Cash Flow from Operations with Profit after Income Tax

Loss after income tax	(1,752,251)	(1,377,595)
Non-cash flows in profit:		
Depreciation	6,509	8,647
Impairment expense	-	14,534
Bad debts written off	16,641	-
Reversal of provision	-	(32,110)
Non-cash expenses	-	45,000
Changes in current assets and liabilities:		
(Increase)/decrease in trade and other receivables	(22,651)	(175,424)
Increase/(decrease) in accounts payable and accruals	166,880	364,236
Reallocation of investing cash flows	-	(40,000)
(Increase)/decrease in exploration assets	(1,958,841)	(869,384)
Net cash used in operating activities	(3,543,713)	(2,062,096)



NOTE / 20



Related Party Disclosures

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

	2016 /\$	2015 /\$
Transactions with related parties:		
Market Capital Pty Ltd (director fees)	48,000	4,000
Jemda Pty Ltd (director fees)	120,000	105,000
Olive Capital Pty Ltd (director fees)	120,000	105,000
Jardine Mining Pty Ltd (director fees)	24,000	-

Ms. Elissa Hansen is a director of Market Capital Pty Ltd trading as CoSec Services, 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 Matthew Sullivan is a director of Jemda 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 Andrew Sparke is a director of Olive Capital Pty Ltd, which throughout the year has provided consultancy and corporate services to the Group. All fees tendered have been on an arm's length basis.

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

NOTE /20

CONT'D



Related Party Disclosures (CONT.)

	2016 /\$	2015 /\$
Loans from related parties:		
Olive Capital Pty Ltd	-	1,500
Cascade Resources Limited	281,128	281,128

Mr Sullivan and Mr Sparke are directors of Cascade Resources Limited, which is also a joint venture partner in the Zuleika Project.

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 Andrew Sparke
Mr Matthew Sullivan
Ms Elissa Hansen
Mr Glenn Jardine, appointed 24 May 2015

Shares Held by Key Management Personnel and Their Associates

	Balance 1 Jan 2016	In Specie Reduction	In Special Capital Distribution	Disposals	Balance 31 Dec 2016
Andrew Sparke	27,272,727	(27,272,727)	3,613,696	-	3,613,696
Matthew Sullivan	28,622,727	(27,272,727)	3,634,172	(80,000)	4,904,172
Elissa Hansen	-	-	-	-	-
Glenn Jardine	-	-	-	-	-
Total	55,895,454	(54,545,454)	7,247,868	(80,000)	8,517,868

Shares held by Messrs Sparke and Sullivan at 1 January 2016 include 27,272,727 Torian shares held by Cascade Resources. These shares have been disclosed as indirectly held by the directors due to the Key Management Personnel (KMP) relationship with Cascade. These shares were not beneficially held by

Messrs Sparke or Sullivan, who hold a minority interest in Cascade.

In December 2016, Torian shares held by Cascade were distributed in specie to Cascade shareholders as part of a capital reduction.

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 and directors fees \$	Bonus \$	Non-monetary benefits \$	Other employee entitlements \$	Total \$
2016					
Andrew Sparke	120,000 ¹	-	-	-	120,000
Matthew Sullivan	120,000 ²	-	-	-	120,000
Elissa Hansen	48,000 ³	-	-	-	48,000
Glenn Jardine	24,000 ⁴	-	-	-	24,000
Total Compensation	271,000	-	-	-	271,000

1 Fees incurred for services provided as per the consultancy agreement between the Company and Mr Sparke. Fees paid in the year were \$100,000 and \$20,000 remains unpaid at 31 December 2016.

2 Fees incurred for services provided as per the consultancy agreement between the Company and Mr Sullivan. Fees paid in the year were \$70,000 and \$50,000 remains unpaid at 31 December 2016.

3 Fees incurred for services provided as per the consultancy agreement between the Company and Ms Hansen. Fees paid in the year were \$44,000 and \$4,000 remains unpaid at 31 December 2016.

4 Fees incurred for services provided as per the consultancy agreement between the Company and Mr Jardine. Fees paid in the year were \$18,000 and \$6,000 remains unpaid at 31 December 2016.

2015					
Nathan Taylor	50,000	-	-	-	50,000
Jason Hou	13,548	-	-	-	13,548
Ian Johns	13,710	-	-	-	13,710
Andrew Sparke	105,000	-	-	-	105,000
Matthew Sullivan	105,000	-	-	-	105,000
Elissa Hansen	4,000	-	-	-	4,000
Total Compensation	291,258	-	-	-	291,258



NOTE /21



Share Based Payments

The follow table presents information on the fair values of Ordinary Shares issued in the financial year by the Group.

Date	Description	No of Ordinary Shares	Value per Security / \$	Total /\$
12/02/2016	Issue of shares in consideration for drilling services	72,633	0.299	21,156
12/02/2016	Issue of shares in consideration for drilling services	41,090	0.352	14,470
12/02/2016	Issue of shares in consideration for drilling services	115,473	0.278	32,082
12/02/2016	Issue of shares in consideration for drilling services	47,355	0.273	12,920
12/02/2016	Issue of shares in consideration for drilling services	47,161	0.256	12,073
03/03/2016	Issue of shares for payment of previous director's fees	301,850	0.176	53,078
31/03/2016	Issue of shares in payment for contracting services	556,336	NIL	114,910
13/05/2016	Issue of shares in consideration of corporate advisory services	129,355	0.230	30,000
13/05/2016	Issue of shares in consideration of corporate advisory services	104,432	0.290	30,000
13/05/2016	Issue of shares in consideration of corporate advisory services	71,914	0.170	12,500
13/05/2016	Issue of shares in consideration of corporate advisory services	110,004	0.232	25,521
13/05/2016	Issue of shares in consideration of corporate advisory services	33,485	0.241	8,070
03/06/2016	Issue of shares for final settlement on permit purchases	212,121	NIL	42,424
03/06/2016	Issue of shares to vendors in partial settlement of tenement purchases	1,050,000	0.200	210,000
03/06/2016	Issue of shares for professional geological services	50,000	0.200	10,000
07/07/2016	Issue of shares in consideration of corporate advisory services	254,411	0.270	68,961
10/08/2016	Issue of shares in partial settlement of acquisition of Cascade Resources Limited	454,546	0.220	100,000
29/08/2016	Issue of shares for partial settlement on permit purchases	69,768	0.210	14,651
25/10/2016	Issue of shares in consideration of corporate advisory services	100,000	0.180	18,000
25/10/2016	Issue of shares in consideration for drilling services	105,497	0.190	20,044
25/10/2016	Issue of shares in consideration for drilling services	81,018	0.220	17,824
25/10/2016	Issue of shares in consideration for drilling services	57,014	0.210	11,973
25/10/2016	Issue of shares in consideration for drilling services	249,247	0.190	47,358
	Total			928,015

NOTE /22

Events after the Balance Sheet Date

Drilling Results - Credo Well

In February 2017, the Group received results for 32 holes drilled at Credo Well, the highlights of which is as follows:

- 4m @ 32.51g/t Au from 27m, including;
 - o 2m @ 57.05g/t Au from 29m;
- 4m @ 6.66g/t Au from 70m, including;
 - o 2m @ 12.40g/t Au from 70m;
 - o 2m @ 15.16g/t Au from 49m;
- New discovery made in the hanging wall of the main zone. Best intersection includes:
 - o 1m @ 68.50g/t Au from 39m
- Historic intersections from Credo Well include:
 - o 3m @ 16.46g/t Au from 54m (main vein);
 - o 1m @ 58.80g/t Au from 1m (main vein);
 - o 5m @ 7.42g/t Au from 39 (hanging wall vein);
 - o 8m @ 10.47g/t Au from 61m (main vein);
- Credo Well to become a priority target for the 2017 field season.

Drilling Results – Zuleika JV

In March 2017, the Group received very encouraging results from phase 1 of a 4 phase drilling program at the Zuleika JV project. Highlights include:

- Zuleika Phase 1 drill program: 7,277.9m drill program of 137 holes at Targets 18 and 19;
 - o Target 18 contains results of up to 12m at 2.44g/t Au from 36m;
 - o Target 19 contains results of up to 4m @ 1.83g/t Au from 32m;
- Phase 1 drill program at Target 20 (Paradigm Extensions) and 21 to begin in April 2017; and
- Torian Directors believe that Zuleika JV drilling results more than validate Cascade merger.

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

NOTE /23



Financial Instruments

General Objectives, Policies and Processes

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Groups' exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of objectives where such impacts may be material. The Board periodically reviews the effectiveness of the process put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible. Further details regarding these policies are set out below:

Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors or counterparties to derivative contracts fail to settle their obligations owing to the Group. The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

The maximum exposure to credit risk at balance date is as follows:

	2016 \$	2015 \$
Trade receivables	89,867	22,624

Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments due to creditors. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. The Group's operations require it to raise capital on an on-going basis to fund its planned exploration program and to commercialise its tenement assets.

56.



Maturity Analysis of Financial Liabilities

	Carrying Amount \$	Contractual Cash Flows \$	< 6 Months -\$
2016			
CURRENT LIABILITIES			
Accounts payable	655,257	655,257	655,257
Employee benefits payable	97,223	97,223	97,223
Other payables	3,182	3,182	3,182
Borrowings	281,128	281,128	281,128
2015			
CURRENT LIABILITIES			
Accounts payable	518,574	518,574	518,574
Employee benefits payable	302,691	302,691	302,691
Other payables	40,117	40,117	40,117
Borrowings	385,962	385,962	103,334

Interest Rate Risk

The Group is constantly monitoring its exposure to trends and fluctuations in interest rates in order to manage interest rate risk.

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant.

	2016 /\$	2015 /\$
Change in Cash and Cash Equivalents		
Increase in interest rate by 1%	10,374	15,420
Decrease in interest rate by 1%	(10,374)	(15,420)

NOTE /24

Segment Reporting

The Group's operations consist of exploring and developing gold assets in Western Australia.

The following table presents revenue and profit information and certain asset and liability information regarding operational segments for the years ended 31 December 2016 and 31 December 2015.

	Segment Revenue		Segment Profit	
	2016	2015	2016	2015
	\$	\$	\$	\$
Exploration and development	-	133,019	(179,075)	(30,641)
Other	106,073	18,701	106,073	18,701
Total for continuing operations	106,073	151,720	(73,002)	(11,940)
Central administration costs and directors salaries			(1,679,249)	(1,365,655)
Loss before tax (continuing operations)			(1,752,251)	(1,377,595)

58.



NOTE 24: (CONT.)

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.

	2016 /\$	2015 /\$
Segment Assets		
Exploration and development	10,188,487	7,682,700
Total segment assets	10,188,487	7,682,700
Unallocated	1,527,828	1,791,786
Consolidated total assets	11,716,315	9,474,486
Segment Liabilities		
Exploration and development	-	-
Total segment liabilities	-	-
Unallocated	1,036,790	1,247,344
Consolidated total liabilities	1,036,790	1,247,344

NOTE 25/26 /27 /28



Parent Entity Disclosures

	2016 /\$	2015 /\$
Financial position		
Assets		
Total current assets	1,284,725	1,781,277
Total non-current assets	10,431,590	7,691,182
Total assets	11,716,315	9,472,459
Liabilities		
Total current liabilities	1,036,790	1,244,344
Total liabilities	1,036,790	1,244,344
Equity		
Contributed equity	70,214,457	66,009,824
Accumulated losses	(57,784,708)	(57,784,709)
Total equity	12,429,749	8,225,115
Financial performance		
Loss for the year	(1,750,225)	(1,377,595)
Other comprehensive income	-	-
Total comprehensive loss	(1,750,225)	(1,377,595)

NOTE 26: Contingent Assets and Liabilities

There are no contingent liabilities or contingent assets at balance date.

NOTE 27: Capital Commitments

The total capital commitment for exploration in the 12 months from this report amount to \$997,820.

NOTE 28: Company Details

The registered office of the Company is:

Torian Resources Limited
104 Colin Street
West Perth WA 6005

The principal place of business is:

Torian Resources Limited
104 Colin Street
West Perth WA 6005

60.

DIRECTORS' DECLARATION



The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 25 to 60, are in accordance with the Corporations Act 2001 and:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 31 December 2016 and of the performance for the year ended on that date of the Company and Consolidated Group.
2. The Company has included in note 1 to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards;
3. The Directors have been given the declaration required by Section 295A of the Corporations Act from the Chief Executive Officer for the financial year ended 31 December 2016;
4. In the Director's 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; and
5. The remuneration disclosures included on pages 18 to 21 of the Directors' Report (as part of the Audited Remuneration Report) for the year ended 31 December 2016, comply with section 300A of the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.

Andrew Sparke
Non-executive Chairman
Sydney, 31 March 2017

RSM Australia Partners

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www.rsm.com.au**INDEPENDENT AUDITOR'S REPORT****To the Members of Torian Resources Limited****Opinion**

We have audited the financial report of Torian Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2016, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of the Group's financial position as at 31 December 2016 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained to provide a basis for our opinion.

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RSM Australia Partners ABN 36 985 185 036

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Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicates that the Group incurred a net loss of \$1,752,251 and has net cash outflows from operating activities of \$3,543,713 during the year ended 31 December 2016. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed this matter
Carrying Value of Capitalised Exploration Expenditure Refer to Note 14 in the financial statements	
The Group has capitalised exploration expenditure with a carrying value of \$10.2m. We determined this to be a key audit matter due to the significant management judgment involved in assessing the carrying value in accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, including: • Determination of whether expenditure can be associated with finding specific mineral resources, and the basis on which that expenditure is allocated to an area of interest; • Assessing whether any indicators of impairment are present; • Determination of whether exploration activities have progressed to the stage at which the existence of an economically recoverable mineral reserve may be determined.	Our audit procedures in relation to the carrying value of capitalised exploration costs included: • Ensuring that the right to tenure of the areas of interest was current through confirmation with the relevant government departments; • Critically assessing and evaluating management's assessment that no indicators of impairment existed; • Agreeing a sample of the additions to capitalised exploration expenditure during the year to supporting documentation, and ensuring that the amounts were capital in nature; • Through discussions with the Group's management team, and review of the Group's ASX announcements and other relevant documentation, assessing management's determination that exploration activities have not yet progressed to the point where the existence or otherwise of an economically recoverable mineral resource may be determined.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 December 2016, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: <http://www.auasb.gov.au/Pronouncements/Australian-Auditing-Standards/Auditors-Responsibilities.aspx>. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 18 to 21 of the directors' report for the year ended 31 December 2016.

In our opinion, the Remuneration Report of Torian Resources Limited, for the year ended 31 December 2016, complies with section 300A of the Corporations Act 2001.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A blue ink signature of G N Sherwood, with the initials 'GNS' written to the right of the signature.

G N Sherwood
Partner

RSM Australia
Sydney 31 March 2017



SPREAD OF SHAREHOLDERS



At 31 December 2016, there were 1,401 holders of Shares. The shareholders were entitled to one vote for each Share held.

Spread of Holdings	No of Holders	No of Units	% of Total Issued Capital
1 – 1,000	530	97,450	0.100%
1,001 – 5,000	256	754,988	0.774%
5,001 – 10,000	123	917,010	0.940%
10,001 – 100,000	327	11,665,946	11.962%
100,001 and over	165	84,093,457	86.224%
Total	1,170	74,920,783	100%

There were 711 shareholders holding less than a marketable parcel of 3,570 shares as at 31 December 2016.

Substantial Shareholders

The Company's register of substantial shareholders recorded the information as at 31 December 2016.



TOP 20 HOLDINGS



As at 31 December 2016

Holder Name	Balance at 31 Dec 2016	%
R&R VENTURE PARTNERS II LLC	5,716,485	5.86
JEMDA PTY LTD	4,184,172	4.29
TURKEY INVESTMENTS PTY LTD	3,613,696	3.71
UBS NOMINEES	2,200,000	2.94
JOHNS CORPORATION PTY LTD	3,040,101	3.12
DOBEROTTO PTY LIMITED <JASON SUPER FUND A/C>	2,208,245	2.26
CITYSCAPE ASSET PTY LTD	2,200,000	2.26
ASIA INSURANCE HOLDING PTE	1,979,797	2.03
KATSUN FINANCIAL PTY LTD	1,947,022	2.00
MORGAN STANLEY AUSTRALIA	1,787,813	1.83
MR TIMOTHY MCGOWEN	1,655,000	1.70
TREVOR JOHN DIXON	1,470,000	1.51
MR JAMES DAVID WILLIAM TAYLOR	1,364,895	1.40
ME EDWARD SHIRAZI	1,043,297	1.07
RAND MINING LTD	1,029,421	1.06
TRIBUNE RESOURCES LTD	1,029,421	1.06
MRS DANIELLE MCGOWEN	1,017,200	1.04
GURRAVEMBI INVESTMENTS PTY LTD	1,000,000	1.03
LOT 99 PTY LTD	883,333	0.91
CELTIC CAPTIAL PTY LTD	824,679	0.85
TOTAL	41,579,577	42.63



SUMMARY OF TENEMENTS

TENEMENT	LOCATION	NAME OF JV	INTEREST
ML 70094	Sapphire, QLD	N/A	100%
ML 70095	Sapphire, QLD	N/A	100%
ML 70096	Sapphire, QLD	N/A	100%
M 37/475	Leonora, WA	Malcolm JV	51%
M 37/1305	Leonora, WA	Mt Stirling Well	100%
M 37/1306	Leonora, WA	Mt Stirling JV	51%
M 37/1307	Leonora, WA	Mt Cutmore JV	51%
M 37/1311-1313	Leonora, WA	Mt Cutmore JV	51%
P 37/7949	Leonora, WA	Mt Stirling JV	51%
P 37/8073-8075	Leonora, WA	Mt Stewart JV	51%
P 37/8116	Leonora, WA	Malcolm JV	51%
P 37/8195	Leonora, WA	Mt George JV	51%
P 37/8225-8227	Leonora, WA	Mt George JV	51%
P 37/8240-8243	Leonora, WA	Mt Cutmore JV	51%
P 37/8523-8524	Leonora, WA	Malcolm JV	51%
P 37/8616	Leonora, WA	Ironstone Well	100%
P 37/8623-8624	Leonora, WA	Mt Stewart JV	51%
P 37/8626-8627	Leonora, WA	Mt Stewart JV	51%
P 37/8630-8632	Leonora, WA	Mt Stewart JV	51%
P 37/8646-8647	Leonora, WA	Mt Cutmore JV	51%
P 37/8648	Leonora, WA	Mt George JV	51%
P 37/8649	Leonora, WA	Braemore JV	51%
P 37/8650	Leonora, WA	Rabbit Warren South	100%
P 37/8651	Leonora, WA	Braemore JV	51%
P 37/8652-8653	Leonora, WA	Rabbit Warren South	100%
P 37/8659-8661	Leonora, WA	Braemore JV	51%
P 37/8662	Leonora, WA	Mt George JV	51%
P 37/8663	Leonora, WA	Rabbit Warren South	100%
P 37/8664-8665	Leonora, WA	Braemore JV	51%
P 37/8745-8748	Leonora, WA	Malcolm JV	51%
P 37/8754	Leonora, WA	Malcolm JV	51%

“The Zuleika is renowned for consistently producing high grade gold mines.”



Matthew Sullivan
Managing Director

TENEMENT	LOCATION	NAME OF JV	INTEREST
P 37/8791-8793	Leonora, WA	Calypso	100%
P 37/8845-8861	Leonora, WA	Mt Stirling	100%
P 37/8881-8889	Leonora, WA	Mt Stirling	100%
P 37/8890-8891	Leonora, WA	Malcolm	100%
P 39/5570-5572	Laverton WA	Mt Korong	100%
E 24/190	Zuleika, WA	Zuleika JV	Earning 49%
M 16/229	Zuleika, WA	Zuleika JV	Earning 49%
M 16/491	Zuleika, WA	Zuleika JV	Earning 49%
P 15/6074-6078	Coolgardie, WA	Gibraltar South	100%
P 16/2621-2623	Zuleika, WA	Zuleika JV	Earning 49%
P 16/2837-2841	Zuleika, WA	Zuleika JV	Earning 49%
P 16/2843-2856	Zuleika, WA	Zuleika JV	Earning 49%
P 16/2874-2887	Zuleika, WA	Zuleika JV	Earning 49%
P 16/2896	Zuleika, WA	Zuleika JV	Earning 49%
P 16/2901-2902	Zuleika, WA	Zuleika JV	Earning 49%
P 16/2913-2915	Zuleika, WA	Zuleika JV	Earning 49%
P 16/2943-2953	Zuleika, WA	Zuleika JV	Earning 49%
P 16/2959-2960	Zuleika, WA	Zuleika JV	Earning 49%
P 16/2964-2967	Zuleika, WA	Zuleika JV	Earning 49%
P 16/3024-3026	Zuleika, WA	Zuleika JV	Earning 49%
P 24/4418-4429	Zuleika, WA	Zuleika JV	Earning 49%
P 24/4468	Zuleika, WA	Zuleika JV	Earning 49%
P 24/4471	Bardoc, WA	Bardoc	100%
P 24/4487	Bardoc, WA	Bardoc	100%
P 24/4512	Bardoc, WA	Bardoc	100%
P 24/4583	Bardoc, WA	Bardoc	100%
P 24/4679	Zuleika, WA	Zuleika JV	Earning 49%
P 24/4749	Zuleika, WA	Zuleika JV	Earning 49%
P 24/4827-4831	Zuleika, WA	Zuleika JV	Earning 49%
P 24/4865-4874	Zuleika, WA	Zuleika JV	Earning 49%
P 24/4917-4923	Zuleika, WA	Zuleika JV	Earning 49%

SUMMARY OF TENEMENTS



TENEMENT	LOCATION	NAME OF JV	INTEREST
P 24/4925-4940	Zuleika, WA	Zuleika JV	Earning 49%
P 24/4996	Zuleika, WA	Zuleika JV	Earning 49%
P 24/4998	Bardoc, WA	Bardoc	100%
P 24/5013	Zuleika, WA	Zuleika JV	Earning 49%
P 24//5078-5081	Zuleika, WA	Zuleika JV	Earning 49%
P 24/5089-5093	Zuleika, WA	Zuleika JV	Earning 49%
P 24/5103-5105	Zuleika, WA	Zuleika JV	Earning 49%
M 26/572	Zuleika, WA	Zuleika JV	Earning 49%
P 26/4209-4219	Kalgoorlie, WA	Boorara	100%
P 27/2261	Kalgoorlie, WA	Kanowna South	100%

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MINERAL RESOURCES STATEMENT



As at 31 December 2016, Torian Resources had total Inferred JORC Resources of 37,477 oz Au.

Project	JORC Category	Total Project Resources			Torian's Interest (On completion of the Acquisition Agreements)
		Tonnes	g/t Au	Oz	
Mt Stirling ¹	Inferred	259,750	2.44	20,400	51-90% ¹
Mt Stirling Well ²	Inferred	41,250	8.54	11,327	100%
Malcolm	Inferred	48,000	3.72	5,750	51-90% ¹
Total	Inferred	349,000	3.34	37,477	

¹ Cascade holds a contractual right to acquire 51% and has the right to earn up to a 90% pursuant to the relevant joint venture agreements.

² Mt Stirling Well is a prospect within the Mt Stirling Project.

There has been no change to the Company's JORC Resources from 31 December 2015.

Governance arrangements and internal controls

The Company's resource estimates are prepared by the Managing Director who is a qualified geologist with more than 25 years' experience and is a member of the Australian Institute of Mining and Metallurgy and is a Competent Person as defined by the 2012 edition of the JORC Code. The resource estimates are prepared in accordance with the 2012 edition of the JORC Code. The resources are subject to internal peer review from time to time, which have not highlighted any errors, omissions or changes.

Competent Person Statement

Information in this report pertaining to mineral resources and exploration results was compiled by Mr Matthew P. Sullivan, who is a member of Aus.I.M.M. Mr Sullivan is the chief geologist of Jemda Pty Ltd, geological consultants to the company. Mr Sullivan has sufficient experience which is relevant to the style of mineralisation and the type of deposit that is under consideration and to the activity that he is undertaking to qualify as a competent person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Sullivan consents to the inclusion in the report of the matters based on his information in the form and context in which is appears.



