



10 OCTOBER 2016

TAKEOVER OFFER OF CASCADE RESOURCES LTD

HIGHLIGHTS:

- **Torian to become a significant player in the Goldfields Region.**
- **Transaction includes the acquisition of four new gold projects.**
- **Torian to acquire 100% of the strategically important Zuleika project.**
- **Acquisition creates multi asset, highly diversified development pipeline.**
- **Transformational transaction generating significant value for shareholders.**

1. Transaction Summary

Torian Resources Ltd (**Torian**) (**ASX:TNR**) and Cascade Resources Ltd (**Cascade**) are pleased to announce the signing of a Takeover Bid Implementation Deed (**Implementation Deed**) under which it is proposed that Torian will acquire all of the issued shares of Cascade by way of a recommended off-market takeover offer (**Offer**) (**Bid**). The key terms and conditions of the Implementation Deed are summarised in Annexure B to this announcement.

Under the Offer, Cascade shareholders will receive one (1) new Torian share for every one (1) Cascade share held. Based on Torian's closing share price of A\$0.165 on the ASX on 7 October 2016, the Offer values Cascade at approximately ~A\$8.4 million.

The Torian Offer has been unanimously recommended by the directors of Cascade who have agreed to accept Torian's Offer in respect of all shares they control, in each case in the absence of a superior offer.

2. Commentary

Torian non-executive director, Glenn Jardine, said:

"This is an exciting day for Torian and Cascade's shareholders. The transaction is logical, value accretive and complementary to the company's existing asset base. The transaction transforms Torian into a significant player in the Goldfields Region and provides Torian and Cascade's shareholders with a multi asset, highly diversified, development pipeline that allows the Company to accelerate its growth strategy."

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Cascade non-executive Director, Ian Hansen, said:

"There has been a significant amount of work that has led us to this point and its pleasing to finalise this transaction. We have created a great company which is in the process of making several gold discoveries in the Kalgoorlie Region. This transaction will make Torian one of the major players in the region and will generate value for our shareholders."

Mr Sparke, Torian's Chairman is also a non-executive director of Cascade. Mr Sullivan, Torian's Managing Director is also an executive director of Cascade. The independent directors of Torian have resolved to make this Offer to Cascade shareholders and, as a result of Mr Sparke's and Mr Sullivan's common directorship, have excluded them from all discussions in relation to formulating the Offer.

Torian will be seeking shareholder approval of the proposed Offer in accordance with ASX Listing Rule 10.1 as a result of the common directorships of Mr Sparke and Mr Sullivan.

3. Rationale for the Transaction

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 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.

4. Transaction Details

The Offer will be implemented by way of an off market takeover offer under the Australian Corporations Act.

Following implementation of the Offer and In Specie Distribution (as defined in Annexure B), Cascade is expected to become a wholly-owned subsidiary of Torian.

5. Offer Terms

The Offer is subject to a number of conditions including:

- 90% minimum acceptance condition;
- no Cascade Material Adverse Change (as defined in the Implementation Deed) occurring to Cascade; and
- no Cascade Prescribed Occurrence (as defined in the Implementation Deed) occurs in relation to Cascade.

The Torian shares to be issued under the Offer will, subject to receipt of an appropriate ASIC modification, be subject to a 12 month voluntary escrow period.

Torian and Cascade have agreed to a deal protection regime including no shop and no talk rights and payment of an agreed break fee by Cascade to Torian under certain circumstances.

Further details about the Offer and the conditions to the Offer are set out in the Implementation Deed, a summary of which is set out in Annexure B to this announcement.

It is expected that Torian's bidder's statement and Cascade's target's statement, containing further information about the Offer will be posted to Cascade shareholders in the coming weeks.

6. Advisers

APP Securities is acting as corporate adviser to Torian and Steinepreis Paganin is acting as legal adviser to Torian. RSM Corporate Australia Pty Ltd will be engaged to complete the Independent Experts' Report for Torian.

For further information, please contact:

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APP Securities Ltd

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Cascade Resources Ltd

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Further information about the company is available on Torian's website at www.torianresources.com.au.

ABOUT TORIAN RESOURCES

Torian Resources Ltd (**ASX:TNR**) is an Australian gold company. The Company has four advanced projects located in the Goldfields region of Western Australia.

Torian's flagship Project, the Zuleika JV, lies north and partly along strike of several major gold mines including Northern Star (ASX:NST), Tribune Resources (ASX:TBR) and Rand Mining's (ASX:RND) 7Moz East Kundana Joint Venture and Evolution's (ASX:EVN) Frogs Legs and White Foil operations.

Since May 2015, Torian has increased its landholding at the Zuleika Project by approximately 86% via eight separate acquisitions. Torian is now the second largest landholder in this highly sought after region and is focused on fast tracking its development.

Torian has commenced a large, 55,000m exploration program that is targeting its Zuleika and Mt Stirling projects and intends to further consolidate ground in this region.

Torian is also developing the high grade Mt Stirling Project which has an outcropping inferred resource located 40km northwest of Leonora. Following a successful infill drilling program in December, Torian is currently completing an internal economic study on the project to assess it as a standalone mining operation.

Torian's exploration team has an enviable track record of discovering and developing a number of multi-million ounce gold mines in this region. Torian is commencing an exciting phase in its development and we look forward to updating the market as things progress.

About Cascade

Cascade is an unlisted Australian public company that was formed in late 2007 to acquire and develop Australian gold assets. The company has several gold projects in the Kalgoorlie Region. Cascade has a JV with Torian Resources Ltd (**ASX:TNR**) on its Zuleika Project and has been exploring on its other projects which are all held on a 100% basis.

Forward Looking Statements and Disclaimers

This announcement is for information purposes only and does not constitute a prospectus or prospectus equivalent document. It is not intended to and does not constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase or otherwise acquire, subscribe for, sell or otherwise dispose of any securities, or the solicitation of any vote or approval in any jurisdiction, nor shall there be any offer, sale, issuance or transfer of securities in any jurisdiction in contravention of any applicable law.

This announcement contains forward looking statements. Forward looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "forecast", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions.

The forward looking statements in this announcement are based on current expectations, estimates, forecasts and projections about Torian and Cascade and the industry in which they operate. They do, however, relate to future matters and are subject to various inherent risks and uncertainties. Actual events or results may differ materially from the events or results expressed or implied by any forward looking statements. The past performance of Torian or Cascade is no guarantee of future performance.

None of Torian, Cascade or any of their directors, officers, employees, agents or contractors makes any representation or warranty (either express or implied) as to the accuracy or likelihood of fulfilment of any forward looking statement, or any events or results expressed or implied in any forward looking statement, except to the extent required by law.

You are cautioned not to place undue reliance on any forward looking statement. The forward looking statements in this announcement reflect views held only as at the date of this announcement.

IMPLEMENTATION DEED SUMMARY

The material terms of the Implementation Deed are set out below:

- (a) **(Consideration)**: the consideration in respect of the Offer shall be 1 fully paid ordinary share in the capital of Torian (**Torian Share**) for every 1 fully paid ordinary share in the capital of Cascade (**Cascade Share**).
- (b) **(Bid Conditions)**:
- (i) **(Completion of in-specie distribution)**: Cascade completes an in-specie distribution of all of the Torian Shares which it holds in accordance with the requirements of the Corporations Act;
 - (ii) **(Minimum Acceptance)**: during the Offer period, Torian has received acceptances under the Bid that give it a relevant interest in at least 90% (by number) of all of the Cascade Shares on issue on a fully diluted basis;
 - (iii) **(No regulatory intervention)**: During the period from the announcement of the Bid to the end of the Offer period (inclusive):
 - (A) there is not in effect any preliminary or final decision, order or decree issued by a regulatory or government authority (**Authority**) (including ASX requiring that Torian re-complies with Chapters 1 and 2 of the ASX Listing Rules under ASX Listing Rule 11.1.3 in connection with the Bid); and
 - (B) no application is made to any Authority (other than by Torian or a subsidiary of Torian), or action or investigation is announced, threatened or commenced by an Authority, in consequence of or in connection with the Bid (other than an application to or a determination by ASIC or the Takeovers Panel in the exercise of the powers and discretions conferred by the Corporations Act), which restrains, impedes or prohibits (or if granted could restrain, impede or prohibit), or otherwise materially adversely impact upon, the making of the Bid or any transaction contemplated by the Implementation Deed, the Bid or the rights of Torian in respect of Cascade or the Cascade Shares to be acquired under the Bid, or requires the divestiture by Torian or Torian's shareholders of any Cascade shares or the divestiture of any assets of Cascade or Torian;
 - (iv) **(Approvals)**: the obtaining of all regulatory approvals in order to allow the Bid and Offer to occur, including but not limited to that of the ASX and the Australian Securities & Investments Commission;
 - (v) **(Options)**: As at the end of the Offer period, all options to acquire Cascade Shares and other securities convertible into Cascade Shares are either:
 - (A) acquired by Torian;
 - (B) cancelled; or
 - (C) become capable of being compulsorily acquired by Torian.
 - (vi) **(Materially adverse change)**: no event, matter or circumstance occurs which individually, or when aggregated with all such other events, matters or circumstances results in or could reasonably be expected to result in a materially adverse change to the assets, liabilities, financial position, performance, profitability or prospects of Cascade (**Cascade Materially Adverse Change**); and

- (vii) **(No Prescribed Occurrence)**: during the period from the date of this announcement to the end of the Offer Period (inclusive), no Prescribed Occurrence occurs in respect of Cascade (**Cascade Prescribed Occurrence**).
- (c) **(Exclusivity)**: Cascade covenants and agrees that, from the date of the Implementation Deed until the earlier of the date which is 6 months after the date of the Implementation Deed or the date that the Implementation Deed is terminated in accordance with its terms (**Exclusivity Period**), it shall not solicit, accept an approach in connection with, or negotiate with any other party in relation to a third party proposal or provide information or co-operate in any way in connection with a third party proposal and must notify Torian as soon as practicable following receipt of a third party proposal.
- (d) **(No Shop, No Talk and No Due Diligence)**: Cascade is subject to customary no shop, no talk and no due diligence conditions during the Exclusivity Period.
- (e) **(Exceptions)**: The exclusivity, no shop, no talk and no due diligence provisions do not prohibit any action or inaction by Cascade or any of its representatives if:
- (i) Cascade is in receipt of a superior proposal; or
 - (ii) the board of directors of Cascade determines, acting in good faith after receiving written advice from its external advisers, that to do otherwise constitutes or would be likely to constitute, a breach of any of the fiduciary or statutory duties of the directors of Cascade.
- (f) **(Break Fee)**: Should Cascade or the majority of its directors accept or recommend a superior proposal, Cascade will be liable to immediately pay to Torian a break fee of \$100,000 (**Break Fee**) and Torian may, at Torian's sole discretion, terminate this Implementation Deed by notice to Cascade at any time after that acceptance or recommendation occurs.
- (g) **(Automatic Termination)**: The Implementation Deed automatically terminates on the earlier of:
- (i) the date on which the Offer period ends; and
 - (ii) the date which is 6 months after the date of this agreement,
- or such other date as Torian and Cascade agree in writing.
- (h) **(Termination by Torian)**: Torian may also terminate this agreement at any time by notice in writing to Cascade if:
- (i) a Cascade Prescribed Occurrence occurs; or
 - (ii) a Cascade Materially Adverse Change occurs.
- (i) **(Termination by Cascade)**: Cascade may also terminate this agreement at any time by notice in writing to Torian if an event, matter or circumstance occurs which individually, or when aggregated with all such other events, matters or circumstances results in or could reasonably be expected to result in a materially adverse change to the assets, liabilities, financial position, performance, profitability or prospects of Torian.

For the purposes of this Schedule 1, **Prescribed Occurrence** means any of the following:

- (a) Cascade converts all or any of its shares into a larger or smaller number of shares, including under section 254H of the Corporations Act;
- (b) Cascade or any of its subsidiaries, as defined in the Corporations Act, (together the **Cascade Group**) resolve to reduce its share capital in any way or reclassifies, redeems or repurchases any of its shares;
- (c) any member of the Cascade Group enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement, including under section 257C(1) or section 257D(1) of the Corporations Act;

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- (d) any member of the Cascade Group issues shares, convertible notes or other securities or grants an option or performance right over any shares, convertible notes or other securities (including equity securities, debt securities or convertible securities) (or agrees to make such an issue or grant) other than the conversion of convertible securities the existence of which has been fairly disclosed to Torian before the date of this agreement;
 - (e) Cascade amends or proposes to amend its constitution;
 - (f) any member of the Cascade Group creates or agrees to create any encumbrance or security interest over the whole or any part of its business, property, assets or undertaking;
 - (g) an order (of a court or otherwise) or application is made or a resolution is passed for the winding up of any member of the Cascade Group;
 - (h) an administrator, liquidator, provisional liquidator, receiver or receiver and manager is appointed in respect of any member of the Cascade Group or the whole or any part of the assets or undertaking of any member of the Cascade Group, or any member of the Cascade Group executes a deed of company arrangement;
 - (i) any member of the Cascade Group ceases to carry on business or is deregistered under the Corporations Act or other applicable legislation in force outside of Australia;
 - (j) any member of the Cascade Group enters into any unusual or abnormal contract or commitment which is outside the ordinary course of business and which could reasonably be expected to:
 - (i) change the nature of the business conducted by the Cascade Group; or
 - (ii) have a material adverse impact on the business conducted by the Cascade Group;
 - (k) any member of the Cascade Group enters into a contract or commitment restraining any member of the Cascade Group from competing with any person or conducting activities in any market;
 - (l) any member of the Cascade Group enters into or otherwise becomes a party to, any material transaction with a related party (as that term is defined in Chapter 2E of the Corporations Act) of Cascade (other than between Cascade and a direct or indirect wholly owned subsidiary of Cascade);
 - (m) any member of the Cascade Group declares, pays, or determines to be payable any distribution, bonus or other share of its profits or assets (whether by way of dividend, capital reduction or otherwise and whether in cash or in specie), other than the In Specie Distribution and any declaration and payment by any subsidiary of Cascade of a dividend where the recipient of that dividend is Cascade or a wholly-owned subsidiary of Cascade;
 - (n) any member of the Cascade Group disposes of, or offers or agrees to dispose of, any material business, asset, joint venture interest, entity or undertaking (or any interest in a business, asset, joint venture, entity or undertaking) or makes an announcement in relation to such a disposal, offer or agreement;
 - (o) any member of the Cascade Group:
 - (i) enters into any financing arrangement or commitment or agrees to extend, repay or materially amend any existing financing arrangement or commitment; or
 - (ii) guarantees, indemnifies or provides security for the obligations of any person or entity other than a member of the Cascade Group; and
 - (p) any member of the Cascade Group agrees or announces an intention to take any of the actions referred to in paragraphs (a) to (o) above,

provided that a Prescribed Occurrence will not include any matter:

- (q) required or permitted to be done or procured by Cascade under the HOA;
- (r) required to be done as a result of the Bid;
- (s) required to be done by the Cascade board of directors in order to comply with the fiduciary or statutory duties of its directors;
- (t) fairly disclosed by Cascade to Torian in writing prior to execution of this HOA;
- (u) directly resulting from any actions taken (or omitted to be taken) following a written request from Torian or with Torian's prior written consent; or
- (v) approved in writing by Torian.