

For personal use only



**TORIAN RESOURCES LIMITED
AND CONTROLLED ENTITIES**

ABN 72 002 261 565

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 30 JUNE 2020

**TORIAN RE/SOURCES LIMITED
AND CONTROLLED ENTITIES
ABN 72 002 261 565**

TABLE OF CONTENTS

1.	Directors' Report	Page	2
2.	Auditor's Independence Declaration	Page	15
3.	Consolidated Statement of Profit or Loss and Other Comprehensive Income	Page	16
4.	Consolidated Statement of Financial Position	Page	17
5.	Consolidated Statement of Changes in Equity	Page	18
6.	Consolidated Statement of Cash Flows	Page	19
7.	Notes to the Financial Statements	Page	20
8.	Directors' Declaration	Page	31
9.	Independent Auditor's Report	Page	32

For personal use only

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

DIRECTORS' REPORT

Your directors submit the financial report of Torian Resources Limited ("Torian" or "the Group") for the half-year ended 30 June 2020.

Directors

The names of directors who held office during the half-year and up to the date of this report, unless otherwise stated are:

Mr Paul Summers
Mr Peretz Schapiro (appointed 11 March 2020)
Mr Dale Schultz (appointed 19 August 2020)
Mr Louie Simens (appointed 16 March 2020, resigned 19 August 2020)
Mr Richard Mehan (resigned 11 March 2020)
Mr Stephen Jones (resigned 14 April 2020)
Mr Angus Middleton (resigned 21 April 2020)

Principal Activities

The activities of the Group and its subsidiaries during the half year ended 30 June 2020 was to explore mineral tenements in Western Australia.

Dividends

No dividends have been declared, provided for or paid in respect of the financial period (30 June 2019: Nil).

Financial Summary

The consolidated loss after income tax of the Group for the half year ended 30 June 2020 is \$1,234,491 (2019: \$1,414,611).

Review of Operations

During the half year, the Group was focussed on its prospective gold targets at its Mt Stirling, Mt Stirling Well and Mt Monger gold projects in Leonora, Western Australia. While emphasis was placed on these projects, the development of the Zuleika and Credo Well Projects continued via the commencement of a \$4 million farm-in by ASX-listed Dampier Gold limited.

Mt Stirling Gold Project Phase 1 Drilling Complete & Phase 2 Targeting

During the Period the Company completed a preliminary eight-hole drill program which confirmed depth extensions of historical results and broad nature of mineralisation at the Mt Stirling Block (**Figure 1**). Drilling was designed to test the continuity of the Stirling Main Zone along strike and down dip (MSRC-025 to 028), and to test the South Zone to determine if the mineralisation was present in the sub-surface.

RC hole MSRC-025 contained over 240m of continuously mineralised rocks consisting of quartz-pyrite-carbonate having anomalous gold values and ore grade intersections of up to 33 g/t Au. Within this run there were two high grade sections: **4.00m @ 8.84 g/t (including 33.10 g/t over 1.0m) and 24.0m @ 1.26 g/t (including 2.89 g/t over 7.0m)**. The first intersection is a continuation of the 48 g/t Au over 2m intercepted in hole MSRC-001 drilled in 2016, which until now had not been followed up (refer ASX release 28 April 2020); whereas the second intercept correlates with the broader intercept, also observed in hole MSRC-001, that returned a value of 2.99 g/t over 35m. See Table 1 for a full breakdown of all intercepts for MSRC-025.

Holes MSRC-026 to 028 intercepted very wide (30m to 50m) gold bearing mineralisation demonstrating that the 'Main Zone' has continuity at depth and remains open along strike to the northwest and southeast. Future drilling will continue to define the strike length of the zone and test the deeper extensions of the deposit.

For personal use only



Figure 1: Mt Stirling Gold Camp showing the Stirling Block and Diorite Block

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)
MSRC-025	187.00	195.00	8.00	4.49
include	187.00	191.00	4.00	8.84
include	187.00	189.00	2.00	17.12
include	188.00	189.00	1.00	33.10
MSRC-025	229.00	253.00	24.00	1.26
include	234.00	244.00	10.00	2.37
include	234.00	241.00	7.00	2.89
include	234.00	237.00	3.00	5.17

Table 1: Weighted Average Gold Intercepts for MSRC-025

In the southern zone, Holes MSRS-031 and 032 returned low-grade narrow intercepts (5m to 9m) demonstrating that this zone has limited potential to the northwest of the zone and future drilling will target the southeast extensions, towards the Red 5 Limited claim line approximately 500m away, to determine if the zone will improve in width and grade.

Based on an analysis of the Phase 1 drill data using Grade x Width contouring technique, it was determined that the Main Zone mineralisation has a very steep plunge to the northwest. Insufficient holes were drilled at depth during Phase 1 to define the plunge line of the mineralisation. Additional drilling will be completed to the northwest to follow down and further define the plunge of the mineralisation to depth during the Phase 2 program (see Figure 2).

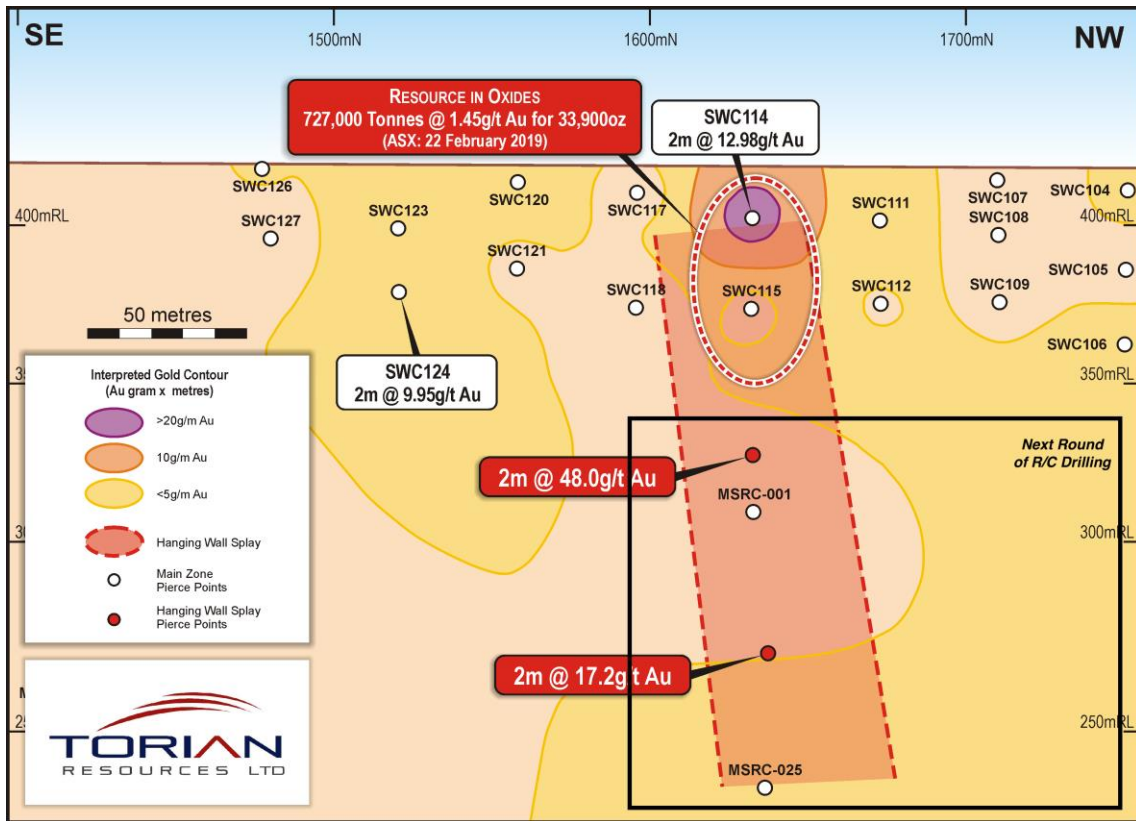


Figure 2: Longitudinal Section showing Grade x Width Contours, Plunge of the Main Zone and Hanging Wall (Red) Zone

Phase 1 drilling also demonstrated that there appears to be a high-grade splay (33.10 g/t over 1.0 m) off the Main Zone sitting in the hanging wall (Figure 4). This high-grade splay seems to correlate with the heart of the existing Resource (ASX: 22 February 2019) contained within the Oxides facies of the deposit. Future drilling will focus on following this splay to depth in an attempt to define a high-grade underground shoot for future exploitation.

In addition to the Mt Stirling Trend, a number of holes will be drilled in and around the Stirling Well deposit during Phase 2, another one of the Company's existing resources on the Mt Stirling Gold Project. The objective is to define extensions to this mineralisation (Figure 3) and to determine if there are any satellite deposits outboard of the Stirling Well.

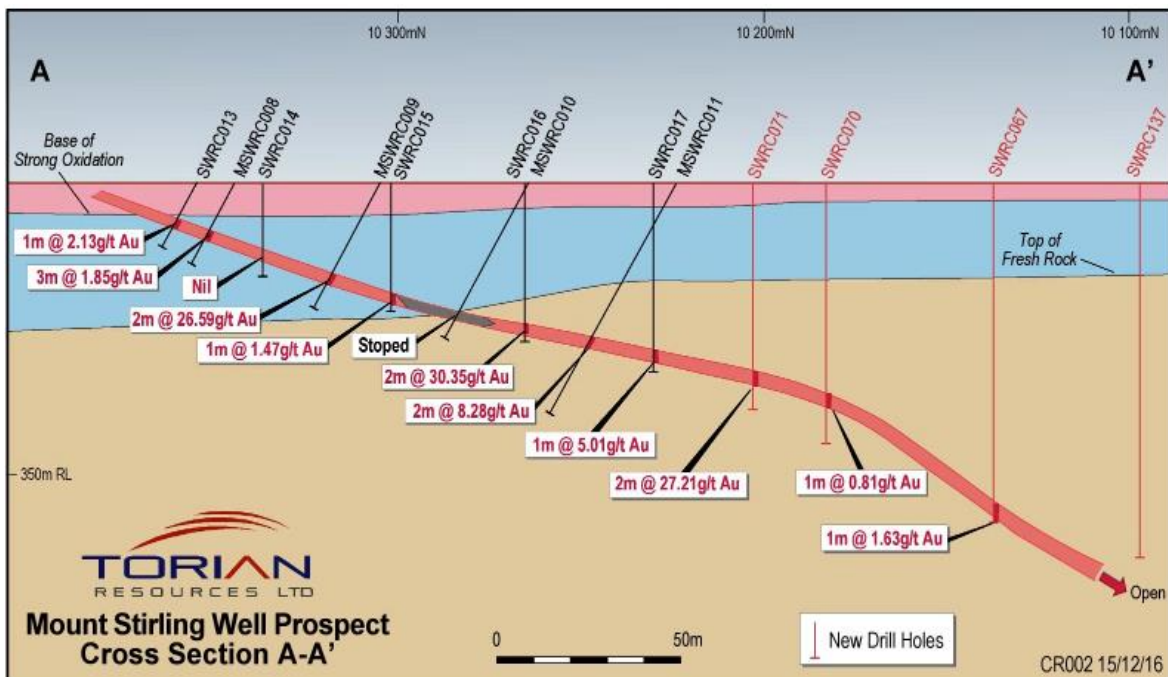


Figure 3: Stirling Well Cross Section

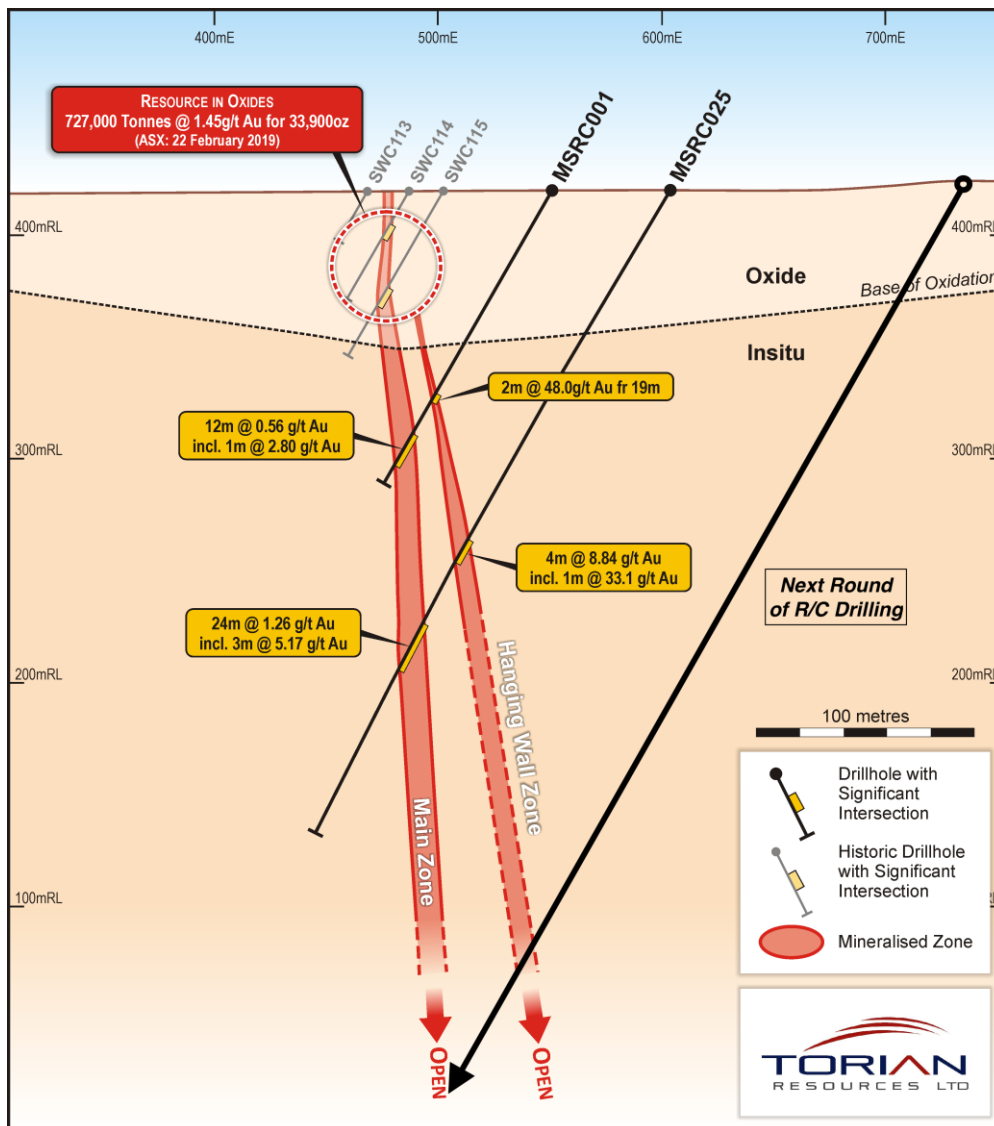


Figure 4: Section 1640 N showing Main Zone, Hanging Wall Zone, and future drill hole trace of future deeper RC drilling

Diorite mapping and sampling program completed

On the Diorite Block, mapping, prospecting, and sampling was completed which focussed on the historic Diorite King Mine and Diorite Queen mines and to continue further target generation. The focus of this campaign was as follows (Figure 5):

- Explore, locate and sample the 15 known showings contained within the Diorite historic mining camp (red triangle) with a focus on the historic 73g/t Au [grade sourced from Mindat.org] Diorite King Mine and Diorite Queen mines;
- Explore a number of the high priority targets identified by Southern Geological Consultants (blue hatched boxes); and
- Investigate the Iron Formation lithologies (red lines) within the Diorite Block to determine if these units have any potential to host Archean BIF gold mineralization. BIF gold deposits have been a historic major producer within the Archean of Canada (aka 5.0 Moz Au Musselwhite Mine in Northern Ontario).

A total of 105 rock chip and 157 soil samples were collected from the Diorite Block and dispatched to ALS Kalgoorlie for geochemical analysis. Subsequent to the Period on 27 July 2020 the Company released the results of the rock chip and soil sampling programme with excellent high-grade gold results returned, including:

- 21 g/t gold and 2.10 g/t silver from the historic unexpected mine dump.
- 9.04 g/t gold and 9.59 g/t silver from the historic unexpected mine (in-situ).
- 6.09 g/t gold from the historic unexpected mine (in-situ).
- 7.49 g/t gold and 0.96 g/t silver from the historic Diorite King shaft (in-situ).

For personal use only

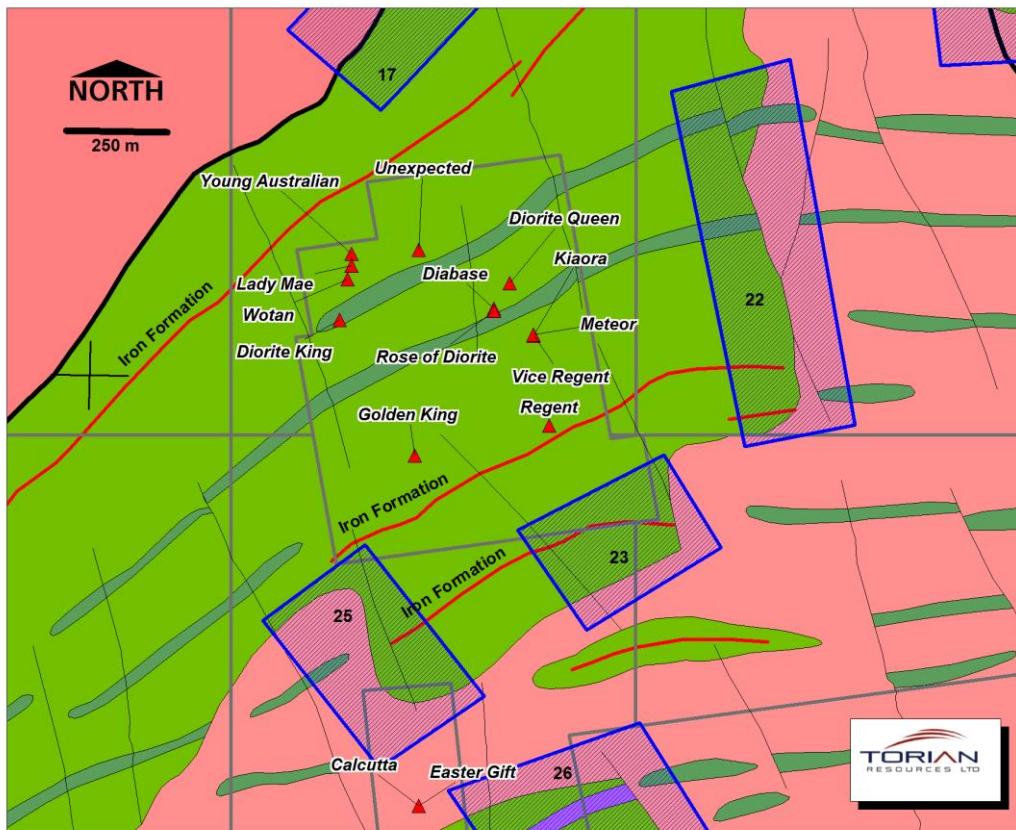


Figure 5: Priority mapping and prospecting – Diorite Block

The Company's geological team have begun planning an initial drilling campaign on the Diorite Block. The soil and rock chip samples will be used in conjunction with gold path-finder elements including arsenic, bismuth, molybdenum, tellurium, antimony and tungsten to define drill targets over the Diorite Block.

Figure 5 below shows the Company's combined rock chip sample locations from June 2020 (105 samples) and historically (86 samples) over geochemical imagery of gold and arsenic in soils respectively.

Gold mineralisation at the Diorite King group of mine workings is hosted by dolerite and metabasalts which strike NE-SW predominantly and associated with sub-vertical stockwork quartz. Other old gold workings in the Project Area occur along quartz veined contact zones between mafic intrusive and mafic schist units.

On the other hand, gold mineralisation at the Tarmoola Gold Mine which lies to the east of the Diorite King Prospect is associated with a quartz stockwork in ultramafic schist overlying a granitoid intrusion in the core zone of a folding closure. This association offers a model relevant to the future exploration of the Diorite King Project area.

For personal use only

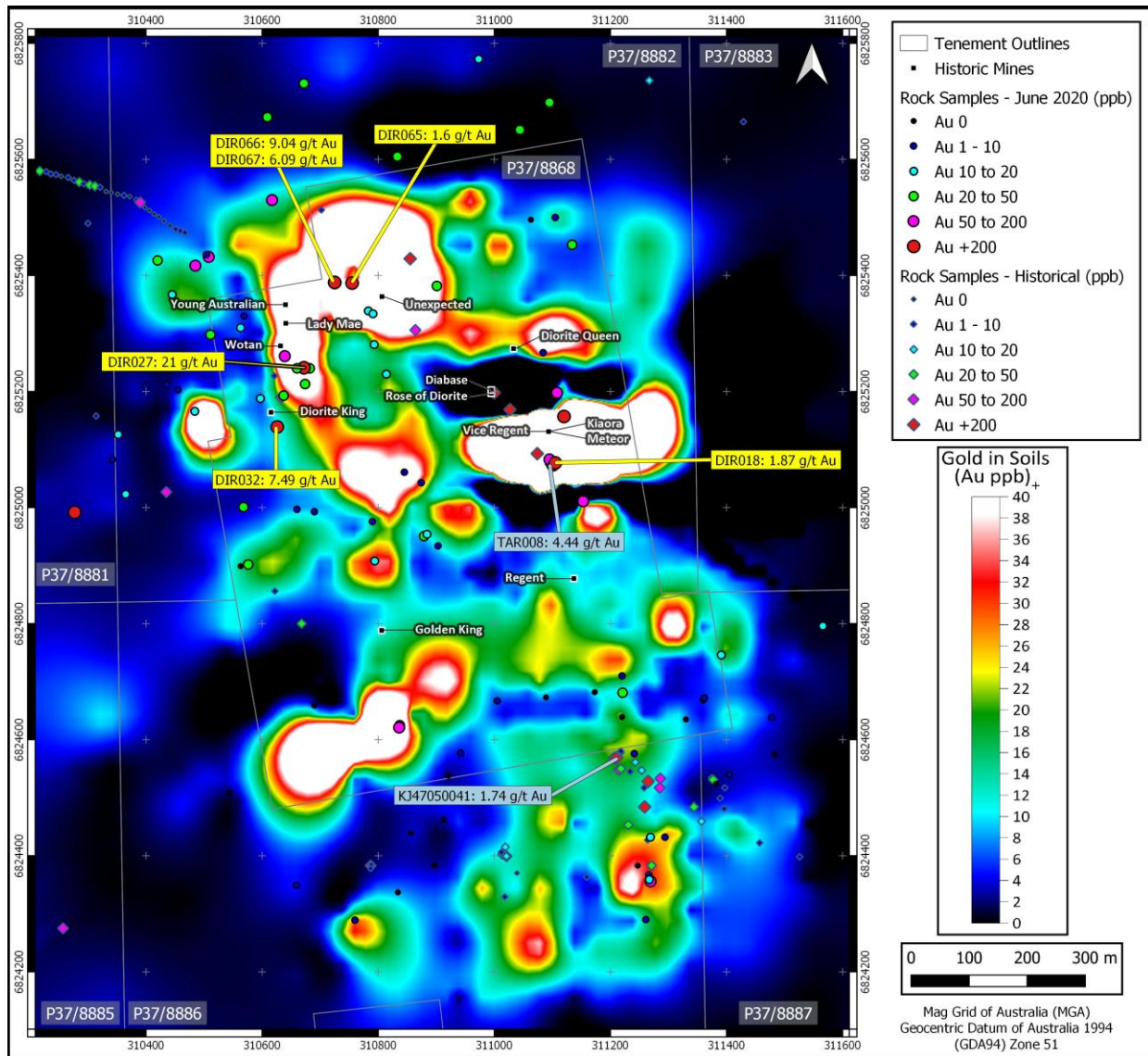


Figure 6: Geochemical gold in soils heat map showing rock chip sample locations collected in 2020 and historically

Mt Monger Exploration Program

Subsequent to the Period on 17 July 2020 the Company advised that a portion of the funds raised under the recently completed Rights Issue would be apportioned to systematic exploration of the prospective Mt Monger – Wombola Projects which are located in close proximity to Silver Lake Resources’ (ASX:SLR) flagship Mt Monger mine (Daisy Complex).

The Company’s geological team are assembling all the historical drilling data on the Company’s tenements and are progressing the interpretation of up to 50,000m of historical drilling results.

Torian’s Mount Monger Project is comprised of two distinct areas “Wombola” and “Mount Dam” (Figure 7). The Mount Dam area is located approximately 11km to the southeast of Wombola area. Figure 7 shows Torian’s Mount Monger tenement outlines and current gold prospects (blue labelled boxes) and major mines and gold resources owned and developed by Silverlake Resources Limited Mount Monger Project – Daisy Complex (red dots with SLR’s mine/resource name and current JORC compliant resource in kilo-ounces or million-ounces gold).

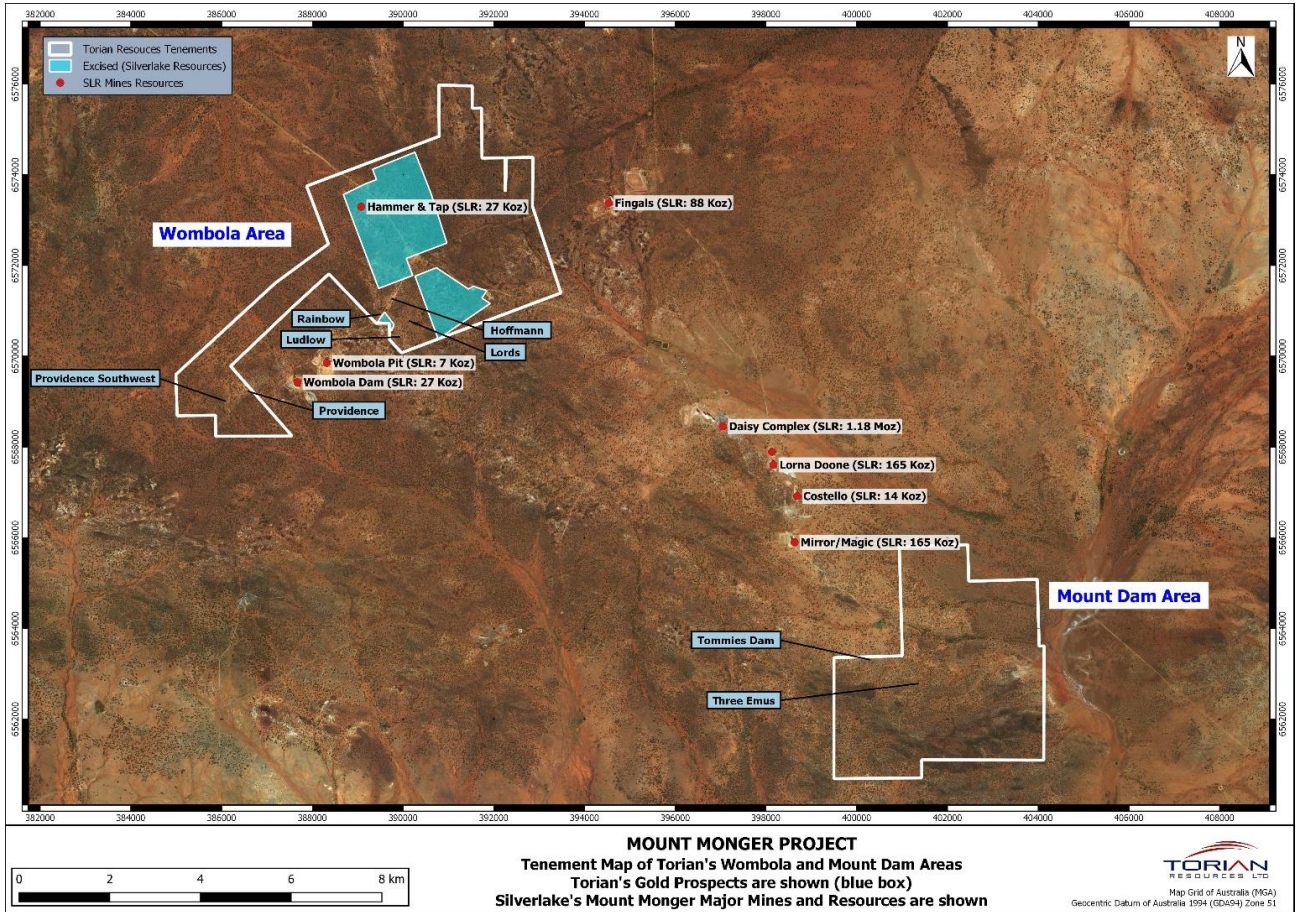


Figure 7: Mount Monger tenement outlines and current gold prospects (blue labelled boxes) and major mines and gold resources (Silverlake Resources)

The continuing desktop review of Torian's Mount Monger Project – Wombola area has so far uncovered 7,356 historic drill holes with up to 50,000 metres of drilling within Torian's tenements.

Wombola Area – Providence Prospect - Initial Target

An initial priority target has been identified with significant historical RC drilling and some diamond core drilling around the Providence Prospect of Torian's Wombola tenement area. Providence is along strike from the adjacent historical Wombola Dam and Wombola open-cut mining pits to the northeast and current Silver Lake's Mineral Resources (ASX: SLR) announcement entitled "Mineral Resources and Ore Reserves Statement" dated 27 August 2019.

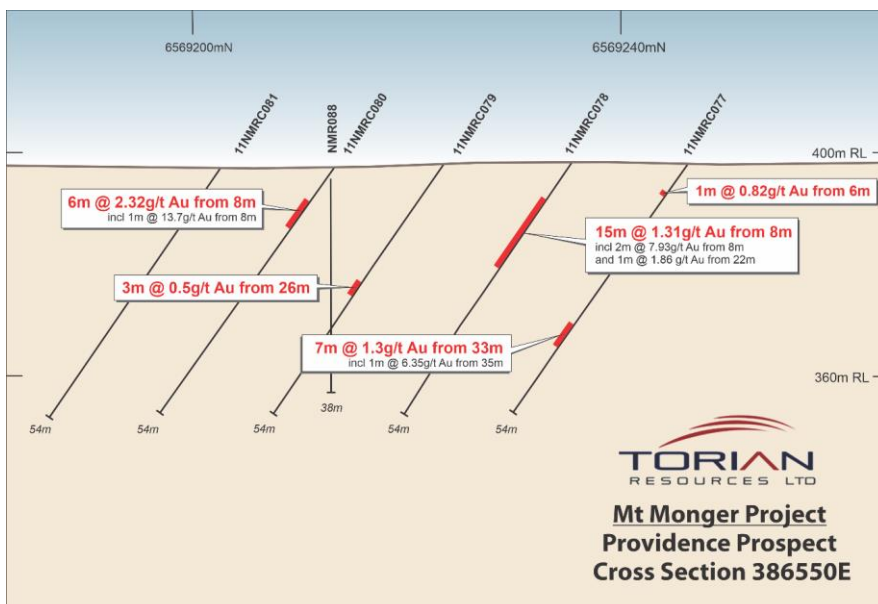


Figure 8: Providence drill cross section at 386550E showing weighted average gold intercepts and included whole intercept zones

The following three phase systematic exploration program will be executed at Mt Monger:

Phase 1: Continue thorough review of all historical exploration data and assays (drilling and geochemical sampling), commence a program of aggressive prospection, geological mapping, geophysical, and geochemical testing over the Mt Monger project area.

Phase 2: Complete a scout RC drilling program at Mt. Monger to delineate mineralised zones and to follow-up any identified gold intercepts from historical drilling. Samples will be used to better understand the mineralisation and plan geophysical programs going forward.

Phase 3: Undertake a full-scale reconnaissance level prospect program at the Mt Monger tenements with the view of establishing a much broader drill program. RC drilling of identified geochemical rock and soil prospects.

Commencement of Zuleika Project Farm-in Joint Venture

During the Period Torian advised that Dampier Gold Limited (ASX:DAU) had elected to proceed to commence earning a farm-in interest on the Company's Zuleika Project on varied terms. The varied deal ensured further significant cost saving measures to Torian whilst allowing the Company to participate in future exploration upside in the prolific Kalgoorlie Goldfields.

Under the terms of the original agreement dated 4 October 2019, Dampier could acquire up to a 75% interest in the Zuleika Project by expenditure of \$4 million over a staged four-year period. The Company and Dampier have mutually agreed to vary certain terms of the Agreement as set out below:

- Dampier can acquire up to a **75% interest in the Zuleika Project** by expenditure of **\$1 million over a 4-year period** in the following stages:
 - An initial 30% interest in the Zuleika Project by incurring expenditure of \$250,000 no later than 15 months from commencement;
 - A further additional 15% interest in the Zuleika Project by incurring additional expenditure of \$250,000 no later than 12 months following the initial stage farm-in;
 - A further additional 15% interest in the Zuleika Project by incurring additional expenditure of \$250,000 no later than 12 months following the second stage farm-in;
 - A final additional 15% interest in the Zuleika Project by incurring additional expenditure of \$250,000 no later than 12 months following the third stage farm-in;
- Dampier to no longer provide a \$500,000 loan facility to Torian;
- Torian no longer has a claw-back right to buyback 25% of the equity from Dampier; and
- All other material terms of the Agreement remain unchanged.

Corporate

Nova Minerals Strategic Investment in Torian

During the Period the Company advised it had entered into a secured convertible loan note with Nova Minerals Limited (ASX:NVA) (**Nova**) to raise \$413,325 (**Convertible Note**). The Note is convertible at Nova's election during the 12 month term, otherwise is repayable. Further terms of the Convertible are set out below

The key terms of the Convertible Note are set out below:

- Provision of secured loan facility \$413,325
- 12% per annum;
- Term of 365 days;
- Convertibility of the Convertible Note is at the election of Nova and (if required) subject to shareholder approval and the Company issuing a prospectus enabling the shares to be issued following a conversion election;
- Notes are secured over the Company's assets.
- The issue of 45,925,000 options exercisable at \$0.02 expiring 7 February 2022 (Note Options).

Subsequent to the quarter on 2 July 2020, Torian advised that Nova had elected for an early conversion of its Convertible Note in the Company originally announced on 26 March 2020 (**Conversion Agreement**).

Pursuant to the Conversion Agreement, Nova agreed to lift the security held over the Company and convert the Convertible Notes that have a face value of \$413,325 into 91,850,000 fully paid ordinary shares in Torian at the conversion price of \$0.0045 per share on the following conditions:

1. Torian to continue to pay Nova interest of \$4,133 per month until 25 March 2021 being the remaining time period of the Note were it not extinguished;
2. Torian issuing Nova a further 2,755,500 ordinary shares on completion of the Conversion Agreement in satisfaction of the preceding three months of interest that would otherwise be payable in cash referred to in point one above;
3. Torian announcing its intention to undertake a pro-rata entitlement offer with the record date for participation in the Rights Issue being after the date of conversion of the Nova Note; and
4. Torian issuing a rights issue prospectus that has the ancillary objective of permitting secondary trading of the shares issued upon conversion.

Underwritten Renounceable Rights Entitlement Issue Oversubscribed & Follow-on Placement

Subsequent to the Period on 6 July 2020 Torian completed an oversubscribed renounceable rights issue offered on the basis of one new share for every four shares held (**Rights Issue**) at \$0.016 per share together with (1) free attaching TNRO option for every two new Shares subscribed for, to raise up to approximately \$2.2 million (before costs).

The Rights Issue closed oversubscribed and raised \$2.2 million. To accommodate a portion of the excess demand, the Company agreed to raise an additional \$824,441 on the same terms as the Offer (**Follow-on Placement**). The total amount raised was \$3 million before costs and the Company issued a total of 187,500,000 new fully paid ordinary shares and 93,750,000 new options exercisable at \$0.02 expiring 7 February 2022. Mahe Capital Pty Ltd (ACN 634 087 84) (**Mahe Capital**) was appointed as Lead Manager and Underwriter and the Rights Issue is partially underwritten to \$1 million.

Funds raised will be used for the next phase of exploration drilling at the Mt Stirling Gold Camp where the Company intends to undertake a drill programme of at least 12,000m of RC and diamond drilling, sampling and mapping at the Company's Mt Monger Project, for working capital and to meet the costs of the Rights Issue.

Placement

In May 2020 Torian confirmed it had received binding commitments for a placement from strategic investors to raise \$395,000 (before costs) through the issue of approximately 26.3 million fully paid ordinary shares at \$0.015 per share together with a one-for-two attaching option (TNRO) exercisable at \$0.02 expiring 7 February 2022.

Conversion of Convertible Notes

On 7 February 2020 the Company advised that the \$1.0 million loan facility mandate with Carraway Corporate Pty Ltd announced on 13 November 2019 had been converted into ordinary shares and attaching options (**Loan Facility**).

The key terms of the Loan Facility are set out below:

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

The Company entered into the mandate with Carraway Corporate Pty Ltd (Carraway) in respect of the Loan Facility. In consideration for arranging the Loan Facility the Company paid Carraway a fee equal to 7% of the

total amount raised under the Loan Facility. In addition, Torian issued Carraway 60 million options exercisable at \$0.02 expiring on 7 February 2022.

A shareholder meeting to approve the convertibility of the Loan Facility was held on 8 January 2020. A total of 100,149,100 fully paid ordinary shares together with a 1-for-2 free attaching TNRO option were issued during the Period following extinguishment of the Notes.

Board Appointments/Resignations

The following changes in the Board of Directors occurred during the Period:

- Peretz Schapiro was appointed Non-Executive Director on 11 March 2020. Subsequent to the Period Mr Schapiro moved to an Executive Director position;
- Paul Summers moved to an Executive Director position on 11 March 2020;
- Louie Simens was appointed Non-Executive Chairman on 26 March 2020. Subsequent to the Period on 19 August 2020 Louie Simens resigned as a Director of the Company;
- Dale Schultz was appointed Non-Executive Director on 19 August 2020;
- Stephen Jones resigned as Managing Director of the Company on 14 April 2020;
- Richard Mehan resigned as Non-Executive Chairman of the Company on 11 March 2020; and
- Angus Middleton resigned as a Non-Executive Director on 21 April 2020.

Contingent liability

Following the acquisition of Cascade Resources Limited in 2017 (Acquisition), the Company paid stamp duty in accordance with the Duties Act 2008 (WA). Subsequently, the Office of State Revenue (OSR) has given notice to the Company that it had reassessed the value of the Acquisition and advised the Company that, in the view of the OSR, additional duty and penalties may be payable on the Acquisition.

The Company has questioned this reassessment and, following submissions to the Commissioner, a new designated valuation of the transaction is being undertaken. The ultimate duty payable will be dependent on the value provided under this new valuation and on acceptance of that value by the OSR which may result in the payment of additional duty (and associated penalties) on the Acquisition, at a level to be determined. There is a risk that the Company's liability for stamp duty may be higher than the amount paid to date.

Significant Changes in the State of Affairs

- \$3,000,000 raised via oversubscribed Rights Issue and Follow-on Placement.

Matters Subsequent to the End of the Half Year

On 30 July 2020 the Group completed a capital raising for \$3,000,000 before costs. A total of 187,500,000 fully paid shares were issued and allocated at 1.6¢ per share. On 19 August 2020 Louie Simens resigned as a Director of the Company and Mr Dale Schultz was appointed as a Non-Executive Director.

On 31 January 2020, the World Health Organisation ('WHO') announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operation during 2020.

Management is actively monitoring the global situation and its impact on the Company's financial condition, liquidity, operations, supplier, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb the spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity in the 2020 financial year.

Although the Company cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Company's results of future operations, financial position, and liquidity in fiscal year 2020.

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

Tenements Held at 30 June 2020

TENEMENT:	LOCATION:	JV or PROJECT:	INTEREST:
E 24/190	Zuleika, WA	Zuleika	100%
M 16/229	Zuleika, WA	Zuleika	100%
M 16/491	Zuleika, WA	Zuleika	90%
M 24/975	Zuleika, WA	Zuleika	100%
M 26/572	Zuleika, WA	Zuleika	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 37/1311-1313	Leonora, WA	Mt Cutmore JV	51%
P 15/5305	Coolgardie, WA	Bonnie Vale	100%
P 15/5672	Coolgardie, WA	Gibraltar South	100%
P 15/5914	Coolgardie, WA	Gibraltar South	100%
P 15/5922-5924	Coolgardie, WA	Gibraltar South	100%
P 15/6074-6078	Coolgardie, WA	Gibraltar South	100%
P 15/6114-6115	Coolgardie, WA	Gibraltar South	100%
P 16/2837	Zuleika, WA	Zuleika	100%
P 16/2843	Zuleika, WA	Zuleika	100%
P 16/2853	Zuleika, WA	Zuleika	100%
P 16/2880-2	Zuleika, WA	Zuleika	100%
P 16/2884-5	Zuleika, WA	Zuleika	100%
P 16/2896	Zuleika, WA	Zuleika	100%
P 16/2902	Zuleika, WA	Zuleika	100%
P 16/2913-2915	Zuleika, WA	Zuleika	100%
P 16/2943-2953	Zuleika, WA	Zuleika	100%
P 16/2959-2960	Zuleika, WA	Zuleika	100%
P 16/2964-2967	Zuleika, WA	Zuleika	100%
P 16/3024-3026	Zuleika, WA	Zuleika	100%
P 24/4418-4429	Zuleika, WA	Zuleika	100%
P 24/4468	Zuleika, WA	Zuleika	100%
P 24/4679	Zuleika, WA	Zuleika	100%
P 24/4749	Zuleika, WA	Zuleika	100%
P 24/4827-4831	Zuleika, WA	Zuleika	100%
P 24/4866-4867	Zuleika, WA	Zuleika	100%
P 24/4917-4918	Zuleika, WA	Zuleika	100%
P 24/4932-4933	Zuleika, WA	Zuleika	100%
P 24/4941-4942	Zuleika, WA	Broad Arrow	100%
P 24/4996	Zuleika, WA	Zuleika	100%
P 24/5013	Zuleika, WA	Zuleika	100%
P 24//5078-5081	Zuleika, WA	Zuleika	100%
P 24/5247	Zuleika, WA	Zuleika	100%
P 24/5332	Zuleika, WA	Zuleika	100%
P 25/2348-2349	Kalgoorlie, WA	Mt Monger	100%
P 25/2493	Kalgoorlie, WA	Mt Monger	100%
P 26/4011	Kalgoorlie, WA	Kanowna South	100%
P 26/4086	Kalgoorlie, WA	Mt Monger	100%
P 26/4089	Kalgoorlie, WA	Mt Monger	100%
P 26/4101-4104	Kalgoorlie, WA	Mt Monger	100%
P 26/4106-4115	Kalgoorlie, WA	Mt Monger	100%
P 26/4139	Kalgoorlie, WA	Mt Monger	100%

For personal use only

TENEMENT:	LOCATION:	JV or PROJECT:	INTEREST:
P 26/4141-4143	Kalgoorlie, WA	Mt Monger	100%
P 26/4219	Kalgoorlie, WA	Boorara	100%
P 26/4275-4276	Kalgoorlie, WA	Mt Monger	100%
P 26/4292	Kalgoorlie, WA	Mt Monger	100%
P 26/4310	Kalgoorlie, WA	Mt Monger	100%
P 26/4397	Kalgoorlie, WA	Boorara	100%
P 26/4409	Kalgoorlie, WA	Mt Monger	100%
P 27/2202	Kalgoorlie, WA	Kanowna South	100%
P 27/2261	Kalgoorlie, WA	Kanowna South	100%
P 37/8073-8075	Leonora, WA	Mt Stewart JV	51%
P 37/8116	Leonora, WA	Malcolm JV	51%
P 37/8225-8227	Leonora, WA	Mt George JV	51%
P 37/8240-8243	Leonora, WA	Mt Cutmore JV	51%
P 37/8368	Leonora, WA	Mt Stirling	100%
P 37/8523-8524	Leonora, WA	Malcolm JV	51%
P 37/8568	Leonora, WA	Mt Stirling	100%
P 37/8623-8632	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 37/8866	Leonora, WA	Malcolm JV	51%
P 37/8712	Leonora, WA	Mt Stirling	100%
P 37/8730-8733	Leonora, WA	Malcolm JV	51%
P 37/8745-8748	Leonora, WA	Malcolm JV	51%
P 37/8754	Leonora, WA	Malcolm JV	51%
P 37/8791-8793	Leonora, WA	Calypso	100%
P 37/8820-8826	Leonora, WA	Malcolm JV	51%
P 37/8831-8834	Leonora, WA	Mt Cutmore JV	51%
P 37/8838-8840	Leonora, WA	Mt Cutmore JV	51%
P 37/8845-8861	Leonora, WA	Mt Stirling	100%
P 37/8862-8863	Leonora, WA	Mt George JV	51%
P 37/8864-8866	Leonora, WA	Malcolm JV	51%
P 378868-8869	Leonora, WA	Mt Stirling	100%
P 37/8881-8889	Leonora, WA	Mt Stirling	100%
P 37/8890-8891	Leonora, WA	Malcolm	100%
P 37/8892-8900	Leonora, WA	Malcolm JV	51%
P 37/8928	Leonora, WA	Mt George JV	51%
P 37/9105	Leonora, WA	Calypso	100%

Streamlined Competent Person:

The information in this report that relates to Exploration Results, Exploration targets and JORC Resource estimates are based on information compiled, reviewed and relied upon by Mr Dale Schultz. Mr Dale Schultz, Principle of DJS Consulting, who is Torian's Non-Executive Director, compiled, reviewed and relied upon prior data and ASX releases dated 25 February 2019 and 29 January 2020 to put together the technical information in this release and is a member of the Association of Professional Engineers and Geoscientists of Saskatchewan (APEGS), which is ROPO, accepted for the purpose of reporting in accordance with ASX listing rules. Mr Schultz has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australian Code for Reporting of Exploration Results, Mineral

Resources and Ore Reserves'. Mr Schultz consents to the inclusion in the report of the matters based on information in the form and context in which it appears. Additionally, Mr Schultz confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report

The JORC Resource estimate was released on 25 February 2019 and has been reviewed and relied upon by Mr Dale Schultz and has been reported in accordance with Clause 18 of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) (JORC Code).

Torian Resources confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcements on the 25 February 2019 and 29 January 2020 and, in the case of the exploration results, that all material assumptions and technical parameters underpinning the results in the relevant market announcement reviewed by Mr Dale Schultz continue to apply and have not materially changed.

Competent Persons Statement

The information in this report that relates to Exploration Results at the Mt Monger-Wombola project is based on information compiled, analysed and reviewed by Mr Dennis Fry, who is a Director of Desert Storm Resources Pty Ltd. Mr Fry is a Member of the Australasian Institute of Mining and Metallurgy and has sufficient experience of relevance to the styles of mineralisation and the types of deposits under consideration, and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Fry consents to the inclusion in this report / ASX release of the matters based on information in the form and context in which it appears. Additionally, Mr Fry confirms that the entity is not aware of any new information or data that materially affects the information contained in the ASX releases referred to in this report

Auditor's Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 15 of the financial report for the half year ended 30 June 2020.

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



Mr Peretz Schapiro
Executive Director
11 September 2020

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500

F +61 (0) 2 8226 4501

www.rsm.com.au

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Torian Resources Limited for the half-year ended 30 June 2020, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



Cameron Hume
Partner

Sydney, NSW

Dated: 11 September 2020

For personal use only

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

**CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2020**

	Note	Half year ended 30 June 2020 \$	Half year ended 30 June 2019 \$
Other income	3	50,2203	151
Total revenue		50,203	151
Advertising and marketing expense		(16,683)	(6,668)
Depreciation expense		(26,695)	(3,882)
Employee benefits expense		(181,976)	(302,386)
Due diligence & professional services		(98,440)	(131,020)
Exploration expenditure	5	(223)	(18,387)
Finance expense		(23,593)	(116)
Impairment expense	6	(519,316)	(631,175)
Loss on sale of tenements		-	(191,859)
Share based payments	12	(292,500)	-
Other administration and compliance costs		(125,268)	(129,269)
Loss before income tax expense		(1,234,491)	(1,414,611)
Income tax expense		-	-
Loss for the period		(1,234,491)	(1,414,611)
Other comprehensive income		-	-
Total comprehensive loss for the period		(1,234,491)	(1,414,611)
Basic earnings per share (cents per share)		(0.32)	(0.56)
Diluted earnings per share (cents per share)		(0.32)	(0.56)

The accompanying notes form an integral part of this statement

For personal use only

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

**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
AS AT 30 JUNE 2020**

		As at 30 June 2020 \$	As at 31 December 2019 \$
	Note		
CURRENT ASSETS			
Cash and cash equivalents		359,565	49,775
Trade and other receivables		179,333	76,262
TOTAL CURRENT ASSETS		538,898	126,037
NON-CURRENT ASSETS			
Financial assets at fair value through other comprehensive income		1,429	1,429
Property, plant and equipment		17,250	3,264
Right to use assets		-	21,509
Exploration and evaluation expenditure	6	19,128,467	19,075,545
TOTAL NON-CURRENT ASSETS		19,147,146	19,101,747
TOTAL ASSETS		19,686,044	19,227,784
CURRENT LIABILITIES			
Trade and other payables		456,223	559,241
Convertible note	10	418,589	-
Lease liability		-	22,303
Borrowings		110,246	110,246
TOTAL CURRENT LIABILITIES		985,058	691,790
TOTAL LIABILITIES		985,058	691,790
NET ASSETS		18,700,986	18,535,994
EQUITY			
Issued capital	7	84,177,149	82,790,948
Options reserve	11	292,500	-
Convertible note reserve	10	10,782	290,000
Accumulated losses		(65,779,445)	(64,544,954)
TOTAL EQUITY		18,700,986	18,535,994

The accompanying notes form an integral part of this statement

For personal use only

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

**CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2020**

	Issued Capital \$	Accumulated Losses \$	Convertible Note Reserve \$	Option Reserve \$	Total \$
Balance at 1 January 2019	81,693,681	(62,509,090)	-	-	19,184,591
Shares issued during the year, net of capital raising costs	533,492	-	-	-	533,492
Loss attributable to members	-	(1,414,611)	-	-	(1,414,611)
Balance at 30 June 2019	82,227,173	(63,923,701)	-	-	18,303,472
Balance at 1 January 2020	82,790,948	(65,544,954)	290,000	-	18,535,994
Shares issued during the year, net of capital raising costs	455,647	-	-	-	1,386,201
Convertible note raising	-	-	640,554	-	640,554
Convertible note transferred to equity	930,554	-	(930,554)	-	(940,554)
Equity component on convertible notes issued	-	-	10,782	-	10,782
Share options granted	-	-	-	292,500	282,500
Loss attributable to members	-	(1,234,491)	-	-	(1,234,491)
Balance at 30 June 2020	84,177,149	(65,779,445)	10,782	292,500	18,700,986

The accompanying notes form an integral part of this statement

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 30 JUNE 2020

	Consolidated Group	
	Half year ended 30 June 2020 \$	Half year ended 30 June 2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(427,298)	(426,482)
Interest received	-	151
Finance costs	(12,664)	(116)
Refunds received	14,071	-
Exploration expenses paid	-	(18,387)
Net cash used in operating activities	(425,891)	(444,834)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation costs capitalised	(713,331)	(262,101)
Proceeds from disposal of tenements	-	150,000
Mt Malcolm option fee	55,000	-
Payments to acquire property, plant and equipment	(19,172)	-
Net cash used in investing activities	(677,503)	(112,101)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares	1,035,554	518,500
Proceeds from issue of convertible notes	413,325	-
Share issue costs	(35,695)	(32,018)
Net cash provided by financing activities	1,413,184	486,482
Net (decrease)/increase in cash and cash equivalents	309,790	(70,453)
Cash and cash equivalents at beginning of the period	447,775	95,485
Cash and cash equivalents at end of the period	359,565	25,032

The accompanying notes form an integral part of this statement

For personal use only

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2020**

Note 1: Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 30 June 2020 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2019 and any public announcements made by Torian Resources Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the 31 December 2019 financial report.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Reporting Basis and Conventions

The half-year financial report has been prepared on an accrual basis and is based on historical costs modified by the revaluation of non-current assets, financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and the discharge of liabilities in the normal course of business.

As disclosed in the half-year interim financial report, the Group incurred a loss after tax of \$1,234,491 and had net cash outflows from operating and investing activities of \$425,891 and \$677,503 respectively for the half-year ended 30 June 2020.

The ability to continue as a going concern and realise its exploration asset is dependent on a number of factors, the most significant of which is obtaining additional funding to fund and complete the exploration activities.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

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

- On the 30th July 2020, the Group completed a capital raising for \$3,000,000 before costs. A total of 187,500,000 fully paid shares were issued and allocated at 1.6c per share;
- The group has cash and cash equivalent of \$359,565 at 30 June 2020 and net assets of \$18,700,986;
- The Group is exploring the possibility of entering into a number of joint venture arrangements for the development of some of its mining projects; and

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2020**

Note 1: Basis of Preparation (Cont.)

Going Concern (Cont.)

- The Group has the ability to scale back its exploration activities should funding not be available continue exploration at its current levels.

Accordingly, the directors believe that the Group will be able to continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The economic uncertainty associated with the COVID-19 outbreak has been considered by the Board in assessing the potential financial impact on the Group's ability to continue to generate positive cash flows to meet debts as and when they fall due. At the date of this report, the Board are of the opinion that the Group will be successful in managing the impacts of the COVID-19 pandemic and will continue to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. Accordingly, the financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the Group does not continue as a going concern.

Note 2: Significant Judgements

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.

There is significant estimation uncertainty and judgement required in terms of the allocation of expenditure to individual tenements. Management has exercised their judgement in concluding that the abandonment of individual tenements within a project does not necessarily impact on the commercial viability of the project as a whole. Consequently, the historical costs of exploring the individual tenements within a greater project are considered part of the cost of the exploration of that project and the individual tenements are no impaired if abandoned.

Key Judgements – Tenement Ownership

The Group has acquired a number of tenements in the past few financial years. There are a number of tenements in relation to these transactions where the transfer of ownership is still in the process of being registered with the relevant authority. Management and the Board have exercised their judgement in determining that the transfer of ownership of the respective tenements will take place in the ordinary course of business.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2020**

Note 2: Significant Judgements (Cont.)

Key Judgements - Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Note 3: Other Income

	Half year ended 30 June 2020	Half year ended 30 June 2019
	\$	\$
Option fee	50,000	-
Interest received	203	151
	<u>50,203</u>	<u>151</u>

Note 4: Segment Information

The Group operates in one segment, being exploration and development of gold assets in Western Australia.

Note 5: Exploration Expenditure

Exploration expenditure consists of:

- General management expenses	223	11,106
- Rehabilitation expenses	-	7,281
	<u>223</u>	<u>18,387</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2020**

Note 6: Exploration and Evaluation Expenditure Capitalised

	30 June 2020	31 December 2019
	\$	\$
Exploration expenditure capitalised	19,128,467	19,075,545
Provision for impairment	-	-
Total	19,128,477	19,075,545
Balance at beginning of financial period/year	19,075,545	19,238,242
Additions	572,239	810,444
Carrying value of tenements sold	-	(351,576)
Amounts written off during the financial period/year	(519,316)	(621,565)
Balance at end of financial period/year	19,128,467	19,075,545

In the period to 30 June 2020, an impairment expense of \$519,316 (2019: \$631,175) was recorded to recognise the cost of tenements lapsed or surrendered in the period. The Group has allowed these tenements to lapse or surrender as it narrows its exploration targets following evaluation of drilling results to date.

Note 7: Issued Capital

	June 2020		Dec 2019	
	No of Shares	\$	No of Shares	\$
Ordinary shares				
Fully paid ordinary shares	449,284,223	84,177,149	315,779,687	82,790,948
At the beginning of reporting period	315,779,687	82,790,949	222,027,674	81,693,681
Shares issued during the year	119,389,336	1,325,554	88,906,250	1,083,500
Shares issued in payment of interest	649,100	6,491	-	-
Shares issued in payment for services	13,466,100	157,487	4,845,763	71,102
Cost of raising capital	-	(103,331)	-	(57,355)
At reporting date	449,284,223	84,177,149	315,779,687	82,790,948

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2020**

Note 8: Controlled Entities

Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)* 2020
PARENT ENTITY:		
TORIAN RESOURCES LIMITED	Australia	
SUBSIDIARIES OF TORIAN RESOURCES LIMITED :		
Cascade Resources Pty Ltd	Australia	100
Cluff Minerals (Australia) Pty Limited	Australia	100
NSW Gold Pty Ltd	Australia	100
Who Are They Pty Ltd	Australia	100
Zuleika JV Management Pty Ltd (100% owned by Cascade Resources Limited)	Australia	100

Note 9: Fair Value Measurement

Valuation Techniques

In the absence of an active market for an identical asset or liability, the Group selects and uses one or more valuation techniques to measure the fair value of the asset or liability. The Group selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured.

Recurring Fair Value Measurement Amounts and the Level of the Fair Value Hierarchy within which the Fair Value Measurements Are Categorised

	Fair Value Measurements at 30 June 2020 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	-	-	1,429

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2020**

NOTE 10: CONVERTIBLE NOTES

	June 2020	December 2019
	\$	\$
Convertible note – debt liability	418,589	-
	<u>418,589</u>	<u>-</u>

Key terms of the convertible notes

The Nova Minerals Convertible Notes issued under the Capital Raising will be convertible at \$0.0045 (0.45 cents), expires 12 months from issue and accrues interest at 12% per annum.

- The convertibility of the convertible Note is at the election of Nova and (if required) subject to shareholder approval and the Company issuing a prospectus enabling the shares to be issued following a conversion election;
- Notes are secured over the company's assets.

Accounting treatment

Convertible notes are accounted for as the aggregate of a liability component and an equity component. At initial recognition, the fair value of the liability component of the convertible notes is determined using a market interest rate for an equivalent non-convertible note. The remainder of the proceeds is allocated to the conversion option as an equity component, recognised in the Statement of Changes in Equity.

Transaction costs associated with the convertible notes are allocated to the liability and equity components in proportion to the allocation of proceeds. The liability component is subsequently carried at amortised cost, calculated using effective interest rate method, until extinguished in conversion or maturity.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2020**

Note 11: Reserves

Option Reserve	30 June 2020	31 December 2019
	\$	\$
Option Reserve (1)	292,500	-
Total	292,500	-

- (1) The value of options issued to the Directors, Management and Advisors of the Company as part of compensation for their services. Details of the share based payments are in Note 12.

Convertible Note Reserve

	30 June 2020	31 December 2019
	\$	\$
Convertible Note Reserve	10,782	290,000
Total	10,782	290,000

	30 June 2020	31 December 2019
	\$	\$
Balance at beginning of period	290,000	-
Convertible notes received (2)	630,554	290,000
Convertible note converted to equity	(930,554)	-
Equity component on convertible notes issued	10,782	-
Balance at end of period	10,782	290,000

- (2) These convertible notes have treated as equity given that there was no option to convert to cash as part of the terms.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2020**

Note 12: Share based Payments

	30 June 2020	31 December 2019
	\$	\$
Option Granted	292,500	-
Total	292,500	-

Granted Options

	30 June 2020	31 December 2019
	\$	\$
Granted Options (1)	90,000	-
Granted Options (2)	22,500	-
Granted Options (3)	180,000	-
Total	292,500	-

- (1) On 7th February 2020, 30,000,000 unlisted options were issued to the directors of Torian Resources as part of an employee stock option plan. Estimated at the date of grant, being 8th January 2020, using the Black Scholes pricing method, taking into account the terms and conditions under which the options were granted. The Options can be exercised at any time until 24 months from the Closing Date of 7th February 2020. The grant date fair value of the options granted was \$0.003 per option giving rise to total transactional value of \$90,000.

- (2) On 7th February 2020, 7,500,000 unlisted options were issued to consultants of Torian Resources. Estimated at the date of grant, being 8th January 2020, using the Black Scholes pricing method, taking into account the terms and conditions under which the options were granted. The Options can be exercised at any time until 24 months from the Closing Date of 7th February 2020. The grant date fair value of the options granted was \$0.003 per option giving rise to total transactional value of \$22,500.

- (3) On 7th February 2020, 60,000,000 unlisted options were issued to consultants of Torian Resources as part Capital Raising Agreement. Estimated at the date of grant, being 8th January 2020, using the Black Scholes pricing method, taking into account the terms and conditions under which the options were granted. The Options can be exercised at any time until 24 months from the Closing Date of 7th February 2020. The grant date fair value of the options granted was \$0.003 per option giving rise to total transactional value of \$180,000

For personal use only

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

**NOTES TO THE FINANCIAL STATEMENTS
OR THE HALF-YEAR ENDED 30 JUNE 2020**

Note 12: Share based Payments (Continued)

Valuation Inputs

The valuation inputs used to determine the fair value at the grant date for the above options are as follows:

Granted Options	Grant date	Vesting Date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
1	8-Jan-20	7/2/2020	7-Feb-22	0.009	0.02	100%	0%	0.70%	0.003
2	8-Jan-20	7/2/2020	7-Feb-22	0.009	0.02	100%	0%	0.70%	0.003
3	8-Jan-20	7/2/2020	7-Feb-22	0.009	0.02	100%	0%	0.70%	0.003

TNRO free attaching options

The following table summarizes the free attaching TNRO Options issued:

Grant Date	Exercise Price	Expiry date	Granted	Expired / Terminated	Balance
7/02/2020	\$0.02	7/02/2022	71,000,022	-	71,000,022
14/02/2020	\$0.02	7/02/2022	432,738	-	432,738
8/04/2020	\$0.02	7/02/2022	45,925,000	-	45,925,000
28/04/2020	\$0.02	7/02/2022	33,000,000	-	33,000,000
21/05/2020	\$0.02	7/02/2022	13,166,665	-	13,166,665
30/06/2020	\$0.02	7/02/2022	2,531,933	-	2,531,933
Total			166,056,358	-	166,056,358

These options have been issued to shareholders of the group and therefore do not fall within the scope of AASB 2 Share based payments, accordingly, the options have a nil value

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

**NOTES TO THE FINANCIAL STATEMENTS
OR THE HALF-YEAR ENDED 30 JUNE 2020**

Note 13 Events After the Balance Sheet Date

- On the 30 July 2020, the Group completed a capital raising for \$3,000,000 before costs. A total of 187,500,000 fully paid shares were issued and allocated at 1.6¢ per share;
- On the 19 August 2020 Mr Louie Simens resigned as a Director of the Company and Mr Dale Schultz was appointed Non-Executive Director.

COVID-19

On 31 January 2020, the World Health Organisation ('WHO') announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. Because of the rapid increase in exposure globally, on 11 March 2020, the WHO classified the COVID-19 outbreak as a pandemic.

The full impact of the COVID-19 outbreak continues to evolve at the date of this report. The company is therefore uncertain as to the full impact that the pandemic will have on its financial condition, liquidity, and future results of operation during 2020.

Management is actively monitoring the global situation and its impact on the Company's financial condition, liquidity, operations, supplier, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb the spread, the Company is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity in the 2020 financial year.

Although the Company cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have a material adverse effect on the Company's results of future operations, financial position, and liquidity in fiscal year 2020.

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

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

DIRECTORS' DECLARATION

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

1. These general purpose financial statements and notes as set out on pages 16 to 19 are in accordance with the Corporations Act 2001, including:
 - i) complying with Australian Accounting Standard AASB 134 'Interim Financial Reporting', as appropriate for for-profit oriented entities;
 - ii) giving a true and fair view of the Group's financial position as at 30 June 2019 and of its performance of the Group for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Peretz Schapiro

**Mr Peretz Schapiro
Executive Director**

Dated at Perth on 11 September 2020

INDEPENDENT AUDITOR'S REVIEW REPORT**TO THE MEMBERS OF****TORIAN RESOURCES LIMITED****Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Torian Resources Limited which comprises the statement of financial position as at 30 June 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Torian Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Torian Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Torian Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial report, which indicated that the consolidated entity incurred a loss after tax of \$1,234,491 and had net cash outflows from operating and investing activities of \$425,891 and \$677,502 respectively for the half-year ended 30 June 2020 and had net current liabilities \$446,160 as at 30 June 2020. The ability to continue as a going concern and realise its exploration asset is dependent on a number of factors, the most significant of which is obtaining additional funding to complete the exploration activities. 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 consolidated entity's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.



RSM AUSTRALIA PARTNERS



Cameron Hume
Partner

Sydney, NSW
Dated: 11 September 2020

For personal use only