



ASX RELEASE

1 August 2014

**UPDATE ON INADVERTENT BREACH OF SECTION 606 OF THE CORPORATIONS ACT**

On 8<sup>th</sup> July 2014, Torian Resources Limited announced an inadvertent breach of s606 of the Corporations Act by a number of parties. These breaches were a result of the issue of shares for the conversion of debts made following approval from shareholders at the Company's Annual General Meeting. Since becoming aware of the breach, Torian has been liaising with the parties and the relevant regulatory bodies to achieve a suitable resolution. Details of each of the parties and their holdings are set out below:

Party	Relevant Interest excluding ROC Salt Ltd Shares	Relevant Interest including ROC Salt Ltd Shares	% Shareholding
ROC Salt Limited	Nil	105,000,000	20.99%
Sunil Dhupelia	17,500,000	122,500,000	24.48%
Jason Hou	17,500,000	122,500,000	24.48%
James & Erin Taylor ATF the Taylor Super Fund	25,000,000	130,000,000	25.98%

The parties have agreed to undertake certain steps to effect an orderly and transparent sell down by the parties so that together, with each of their associates, the parties will have a voting power of less than 20% of Torian. All of the parties have agreed to ensure this will occur as quickly as possible. A copy of the steps which will be taken to conduct the sell down is included in the Appendix to this announcement.

**For further information please contact:**

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## APPENDIX

### Effecting the Sell Down

1. ROC Salt, Sunil Dhupelia, Jason Hou, and/or James and Erin Taylor as trustees for the Taylor Super Fund (**Shareholders**) will appoint, at their own expense, a licenced broker (or brokers) to sell as many of the Shareholders' shares in Torian necessary to ensure that each Shareholders' relevant interest in Torian does not exceed 20% (**Relevant Shares**). The Shareholders will:
  - a. ensure that each broker they appoint has no conflict in relation to the sell down and the parties involved, and is not associated with the Shareholders nor any of their associates;
  - b. notify ASIC of the identity of each broker(s) upon appointment, promptly and without delay.
2. The Shareholders will instruct the appointed broker(s) to, on the terms of this Appendix:
  - a. effect either:
    - i. an orderly on-market sale of the Relevant Shares; or
    - ii. an off market sale of the Relevant Shares.
  - b. where an off market sale referred to in subparagraph a(ii) is to occur, prior to the sale:
    - i. obtain from any prospective purchaser a statutory declaration that it is not one of the Shareholders or associated with any of the Shareholders; and
    - ii. provide the statutory declaration to ASIC; and
  - c. effect these sales within the 3 month period commencing on 1 August 2014 (**Sell Down Period**).
3. Neither the Shareholders nor their respective associates will acquire, directly or indirectly, any of the Relevant Shares sold by the broker(s) during the Sell Down Period.
4. The Shareholders will not otherwise dispose of, transfer, grant a security interest over (or agree to any such disposal, transfer or grant), exercise shareholder discretions, or vote any Relevant Shares.
5. In addition to paragraph 4, for the 12 month period commencing on 6 June 2014, the Shareholders and their respective associates will not make any acquisition of Torian shares that, but for item 9 of section 611, would contravene section 606.
6. Each of the Shareholders will report monthly to ASIC during the Sell Down Period on the progress of the sell down and their compliance with the matters set out in this Appendix on the following reporting dates, unless the sell down is completed prior to a reporting date:
  - a. Tuesday, 2 September 2014;
  - b. Thursday, 2 October 2014; and
  - c. Friday, 31 October 2014.
7. Each of the Shareholders and Torian will provide all documents and information requested by ASIC from time to time for the purpose of assessing compliance with the matters set out in this Appendix.

### ASX Announcements and Substantial Holder Notices

8. Torian will make the following ASX announcements, in a form reviewed by ASIC:
  - a. an announcement outlining the steps to effect the sell down set out in this Appendix, including details of the Sell Down Period, the Relevant Shares, and how each Shareholder has breached section 606 of the Act;
  - b. an announcement confirming when the sell down has been completed, including details of the resulting relevant interest of each of the Shareholders.
9. The Shareholders will lodge substantial holding notices in accordance with section 671B of the Act in relation to Torian as relevant during the Sell Down Period.