

## Torian secures funding to settle on Tarmoola Station

### Highlights:

- Torian to purchase the 172,662Ha (424,748Ac) Tarmoola Station and “Carhill Contracting”, a mining services business operated upon and from the Station.
- Station acquisition to help fast track further exploration and potential mining operation at the Mt Stirling Gold Project
- Tarmoola Station is 50% covered by mining / exploration leases, including operating and abandoned mines
- Agreement includes the purchase of the following cash flow positive businesses with cumulative free cash flow of ~\$1,000,000 p.a. (unaudited):
  - A mining services business “Carhill Contracting” which includes \$876,000 of equipment (independently valued), and ongoing contracts with regional miners and explorers
  - Rights to continuing carbon credits valued at approximately \$360k per annum (as of 2023)
  - Approximately 1,100 head of cattle
  - A 20-person camp (which includes \$279,600 of independently valued hard assets) with approvals in place and infrastructure built to upgrade to a 50-person camp with associated mess and kitchen facilities
- RiverFort to provide up to \$3.27 million (before costs) of interim funding with \$3.049 (before costs) to be provided immediately
- Torian’s Executive Directors and CFO to provide ~\$1.7m of personal shares as collateral to secure the agreement.

Torian Resources Limited (**Torian** or the **Company**) is pleased to advise that via its wholly owned subsidiary Tarmoola Holdings Pty Ltd (**THP**) it has exercised its option to purchase the 172,662 Ha (424,748 acre) Tarmoola Station and associated mining services business “Carhill Contracting”.

The majority of Torian’s Mt Stirling Gold Project including the Mt Stirling, Stirling Well, numerous historical mine workings, and much of the Diorite prospects and historical mines and workings, falls within the bounds of Tarmoola Station. Approximately 50% of the pastoral lease is covered by mining / exploration leases, with the station hosting numerous operating and abandoned

#### Directors

mines including Red 5 Ltd's KOTH Operation, Round Oak Minerals Ltd's Jaguar Project, and the operating Bentley underground mine.

The station currently contains a 20-person camp with approvals in place as well as infrastructure already built to expand to a 50-person accommodation facility. The Pastoral Lease also includes the 10 Mile Outcamp accommodation facility, in the NE of the property, and is serviced by the Goldfields Highway and a myriad of pastoral access tracks, including the Agnew and Darlot access roads. The station is neighboured by Nambi Station – leased by Glencore Mining, and Melrose Station leased by Red 5 Ltd.

Since 2018, the existing owners have invested in excess of \$1,000,000 in infrastructure upgrades across the Station including maintaining and upgrading 34 automated solar powered wells out of 42 existing wells that draw from the abundant water resource of the Tarmoola Aquifer.

In addition to the pastoral lease and camp, the station agreement includes a number of revenue generating assets, including approximately 1,100 head of cattle, a continuous \$360,000 per annum of carbon credits and a mining services business "Carhill Contracting" which is cash flow positive. In the last 12 months Carhill Contracting's customers have included Red 5 (ASX:RED), St Barbara Ltd (ASX:SBM), Round Oak Mining (ASX:SOL) and Torian Resources (ASX:TNR) amongst other regional explorers. The revenue earned from carbon credits is a result of the delivery and sale of Australian Carbon Credit Units ascribed to the Pastoral Station pursuant to the Carbon Credits (Carbon Farming Initiative) Act 2011 (Cth).

The purchase of the station and associated business also includes hard assets (Machinery, vehicles etc) that have been independently valued at \$1,165,600 (inc GST).

Torian Resources envisages a long and mutually benefiting business model whereby pastoral interests can co-exist with the mineral wealth of the region and its rich pioneering history.

Over the last few months, the Company has had numerous discussions with various lenders including the major banks. Ultimately, due to the fact that Torian is fundamentally an exploration company, the aforementioned banks wanted Torian to demonstrate that the Tarmoola Station and its associated business would be able to stand on their own without financial support from Torian. The Company is firmly of the belief that it can demonstrate this in the coming months, and as such it is confident that it can roll over the current funding into more of a traditional loan moving forward.

In addition to the ongoing revenue which will be received from the operating accommodation and earth moving business, the Company intends to muster and sell the cattle in late August, so that it will be able to repay a portion of the debt.

**Torian Executive Director Mr Peretz Schapiro said, "Purchasing the station fits very nicely with our long-term strategic goal of solidifying our land holding in the Leonora region as we progress with further exploration of the Mt Stirling Gold Project and potential mining operations. As owners of the pastoral lease we will be able to reduce our discovery cost per ounce and**

*ensure that the process of obtaining permits for our exploration and potential future mining activities, is as seamless as possible.*

*The purchase of the Tarmoola Station is therefore seen as a crucial step towards fast-tracking the exploration of and potential mining production at the Mt Stirling Gold Project.*

*There are substantial access benefits by holding pastoral leases. Owning and controlling the pastoral lease on which the majority of our flagship project lies, in addition to the accommodation facilities and earth moving equipment, gives us enormous flexibility when it comes to our future exploration plans, as we continue to put runs on the board, prove up and expand on multiple targets and deposits to deliver JORC resources in the region. Furthermore, we will be able to leverage our positions as owners of the station when it comes to negotiations with our neighbours' whose tenements are located on the station, making us a significant player in the region.*

*From a funding perspective, we have negotiated what we believe is the best deal for shareholders under the circumstances. We intent to repay RiverFort Capital in cash received from both the sale of the cattle as well as a refinancing arrangement.*

*We look forward to keeping the market updated on our progress."*

**Brian Kinane, Chairman of the RiverFort Group said,** *"We are very happy to have worked with Torian on identifying their funding requirements for this next stage of exciting development of their Company. The funding by RiverFort, will enable Torian to implement its business strategy for the next stage of development of the projects. We look forward to being part of that journey."*

### **About Tarmoola Station**

Tarmoola Station is a pastoral lease located about 25 kilometres north west of Leonora and 100 kilometres south of Leinster in the Goldfields of Western Australia. The western boundary of Tarmoola adjoins Sturt Meadows Station.

The property was established on land that was previously owned by the Leonora Pastoral Company but had remained largely undeveloped. Reuben McBride inspected the area and took up a lease over approximately 500,000 acres in 1923. Together with W. G. Hawkes, McBride formed the Tarmoola Pastoral Company in 1924 and embarked on an improvement program. Shortly afterwards, some 240,000 acres was fenced and several bores sunk.

Further information regarding the station can be found on its Wikipedia page. [https://en.wikipedia.org/wiki/Tarmoola\\_Station](https://en.wikipedia.org/wiki/Tarmoola_Station)

Further information regarding the ownership of various pastoral stations in the region can be found here: [https://researchlibrary.agric.wa.gov.au/gis\\_maps/7/](https://researchlibrary.agric.wa.gov.au/gis_maps/7/)

## **About RiverFort Global Capital Limited**

Financing was arranged by RiverFort Global Capital Ltd, a London based UK Institutional Investment Manager (authorised and regulated by the UK Financial Conduct Authority), focusing on high growth companies. Through its wholly owned subsidiary, RiverFort Global Opportunities PCC Ltd, ("RiverFort") has advanced the Company \$3.27 million (before costs) which the Company anticipates will be repaid in ordinary course of business.

RiverFort provides innovative financing solutions to fuel the growth of and find efficient and workable capital to its investee companies. RiverFort has made notable investments in: Whitehawk Limited (ASX:WHK), Challenger Exploration Ltd (ASX:CEL), Blackstone Resources AG (BLS:SWX) and Invinity Energy Systems plc (AIM:IES).

## **Terms of the Tarmoola Station Acquisition Agreement**

As announced on 21 December 2020, Torian via its wholly owned subsidiary THP entered into two option purchase agreements summarised below.

### **1. Tarmoola Pastoral Station Call Option and Acquisition Agreement**

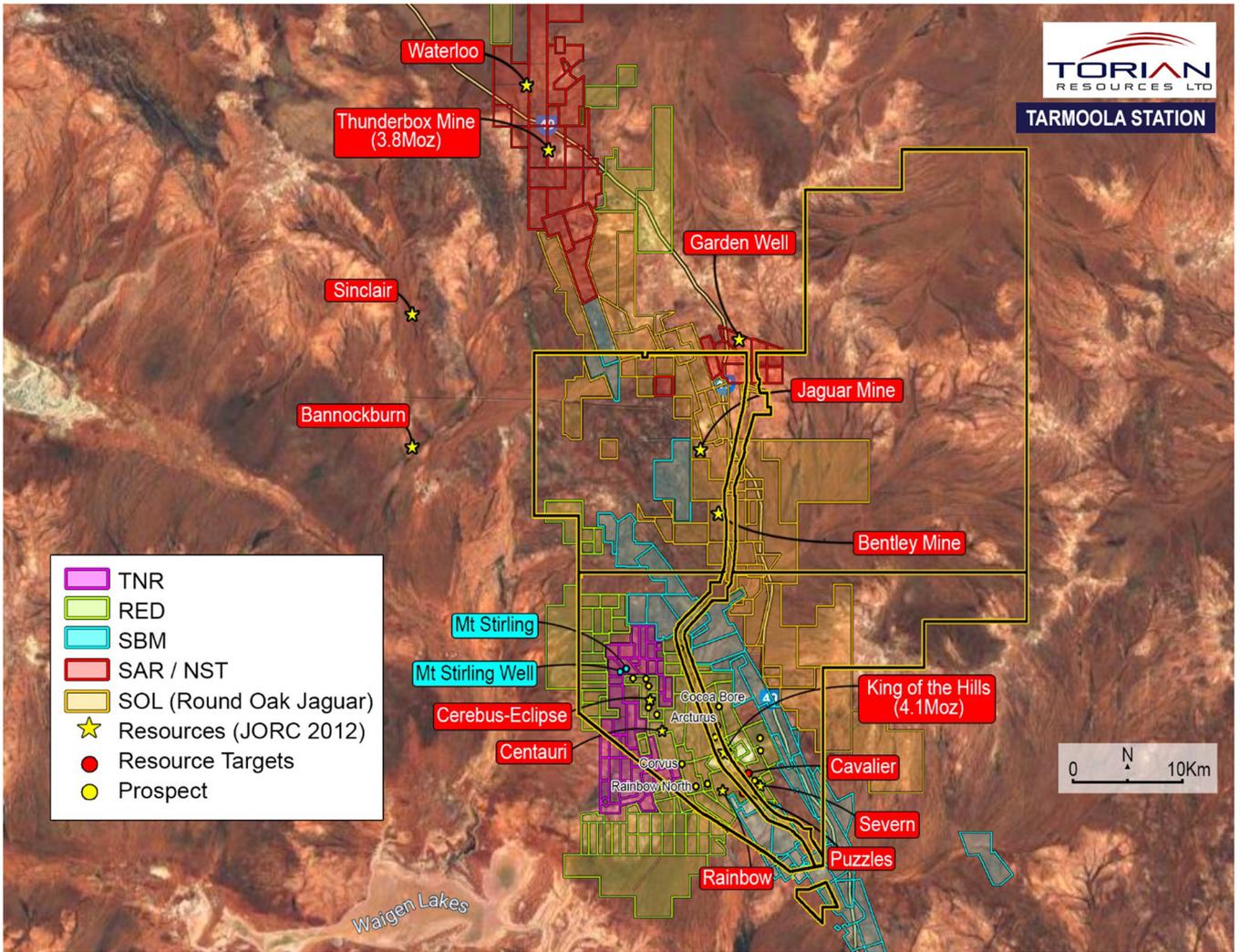
THP has exercised its call option agreement with Horizon 888 Management Pty Ltd as trustee for the Next Horizon Agricultural Trust No.1 to acquire the Pastoral Station on the following material terms:

- a. \$3,000,000 purchase price
- b. Upon Completion, THP will acquire:
  - the crown leases that comprises the Pastoral Station which have been granted for the term of 45 years, 1 month and 27 days commencing on 1 July 2015; and
  - all improvements, stock, plant and equipment and rights as agreed between the parties;
- c. Purchase price payable at Completion by Torian equal to \$3,000,000 less option fess (\$150,000) paid, plus 18 months of carbon credits retained by the Seller from the date of THP's possession of the Station.

### **2. Carhill Contracting Asset Sale Call Option Agreement**

THP has exercised its call option agreement with Carhill Contracting Pty Ltd (**Carhill Contracting**) to acquire the Carhill Contracting business on the following material terms:

- a. Upon Completion, THP will acquire Carhill Contracting including:
  - its mining services and civil contracting business; and
  - all plant and equipment used by Carhill Contracting in undertaking its business;
- b. Option Exercise Price payable at Completion by Torian equal to \$1,000,000 less option fee paid (\$50,000);



**Figure 1:** Map plan of Tarmoola Station Pastoral Lease showing the exploration and mining tenements, mines and prospects of various regional companies.



Figure 2: Tarmoola Exploration Camp



Figure 3: Tarmoola Exploration Camp (NW view)



**Figure 4:** Tarmoola Station (SW view)



**Figure 5:** Tarmoola Exploration Camp Mess Hall



**Figure 6:** Carhill Contracting Earth moving equipment



**Figure 7:** Carhill Contracting Earth moving equipment



**Figure 8:** Tarmoola Exploration Camp

### **Terms of RiverFort Funding**

A summary of the key terms of the funding arrangements with RiverFort Global Opportunities PCC Ltd (**RiverFort**) is set out below.

Maximum value of the facility:	\$3.27 million.
Cash available under the facility:	\$3.0 million (being 91.74% of the maximum value).
Implementation fee:	3% of the drawdown amount.
Drawdown availability:	\$3.049 million (before costs) of the facility is available immediately. The balance of the facility will become available subject to the Company obtaining shareholder approval for the conversion of the balance of the facility (being \$0.221 million before costs).
Maturity date:	12 months from drawdown.
Repayment schedule:	Monthly repayments amounts commencing 3 months after drawdown comprising \$275,000 (months 3-6

inclusive), \$361,666 (months 7-11 inclusive) with final outstanding amount payable month 12.

Conversion right:

RiverFort has conversion rights to fully paid ordinary shares in the Company (**Shares**) for the value of the amount drawdown provided that the 5-day average VWAP for shares in the Company exceeds \$0.051 per share. The conversion price is \$0.038 per Share. The Company has the right to repay the conversion amount in cash rather than issue the conversion Shares. The Company can also elect to pay to RiverFort the difference between the market value of the conversion Shares to be issued to RiverFort and the conversion price either in cash or in Shares.

Redemption:

The Company may redeem early in certain circumstances.

The Company can redeem within 7 months of drawdown in which case RiverFort may elect to convert the redemption amount to Shares if the 5 day average VWAP of Shares is greater than the conversion price of \$0.038 per Share.

Redemption after 7 months can only occur with the consent of Riverfort.

Options:

The Company has agreed to issue to RiverFort 20 million options to acquire Shares exercisable at \$0.042 each within 3 years of issue. The options will not be listed and are to be issued immediately. The Company is required to seek shareholder approval to issue the options by no later than 30 September 2021. The Company is in the process of convening this meeting. Should the Company not obtain shareholder approval by this date, then the Company is required to pay an amount (if any) to Riverfort equal to the average of the 10 highest daily VWAP prices of the shares in the Company between the 29 July 2021 and 29 July 2024 multiplied by the number of options that should have been issued (ie 20m), minus the exercise price.

Shareholder approval:

The Company does not currently have sufficient placement capacity for the issue of all of the Shares which may be issued on the conversion of the facility (should that occur). For this reason the Company is only permitted to draw down on \$3.049 million of the facility (representing its placement capacity of

80,243,000 shares multiplied by the conversion price of \$0.038) with the remaining of the facility (being \$0.221m) to be drawn down subject to the Company obtaining shareholder approval to issue the balance of the shares on conversion of this amount (being approximately 5,8 shares)The Company is required to seek shareholder approval for any further issues of securities, which it has agreed to do by no later than 30 September 2021. The Company is in the process of convening this meeting.

Security:

The Company and its subsidiaries have agreed to grant security over all of their respective assets to RiverFort to secure the obligations of the Company under the facility. The securities are on standard terms for securities of this nature.

Escrow securities:

The Company's Executive Directors, Peretz Schapiro and Paul Summers as well as CFO Michael Melamed have agreed to place their own securities in the Company as well as other personal shares to the cumulative value of ~\$1.7m, in an escrow account to give further security to RiverFort. RiverFort may access these securities in the event the Company is in default of its obligations to RiverFort. The escrowed securities are to be released by RiverFort on the earlier of agreement between the parties or the total amount outstanding under the facility being \$2,445,000 or less.

Other terms:

The facility contains other terms (including events of default) that are customary for lending facilities of this nature.

This announcement has been authorised for release by the Board.

Peretz Schapiro  
Executive Chairman  
**Torian Resources Ltd**  
[info@torianresources.com.au](mailto:info@torianresources.com.au)

**About Torian:**

Torian Resources Ltd (ASX: TNR) is a highly active gold exploration and development company with an extensive and strategic land holding comprising six projects and over 400km<sup>2</sup> of tenure in the Goldfields Region of Western Australia. All projects are nearby to excellent infrastructure and lie within 50km of major mining towns.

Torian's flagship Mt Stirling Project is situated approximately 40km NW of Leonora, and neighbours Red 5's Kind of the Hills mine. The region has recently produced approximately 14M oz of gold from mines such as Tower Hills, Sons of Gwalia, Thunderbox, Harbour Lights and Gwalia.

The Mt Stirling Project consists of 2 blocks:

1. The Stirling Block to the north which contains two JORC compliant resources at a 0.5g/t cut-off: (refer ASX release 27/5/21 for further information)
  - a. Mt Stirling – 355,000t at 1.7 g/t Au for 20,000oz (Indicated)
    - 1,695,000 at 1.5 g/t Au for 82,000oz (Inferred)
  - b. Stirling Well – 253,500t at 2.01 g/t Au for 16,384oz (Inferred)
2. The Diorite Block to the south, home of the historic 73 g/t Diorite King Mine.

Another project in the Kalgoorlie region is the Zuleika project in which the Company is involved in a JV with Zuleika Gold Ltd (ASX: ZAG). The Zuleika project is located along the world-class Zuleika Shear, which is the fourth largest gold producing region in Australia and consistently produces some of the country's highest grade and lowest cost gold mines. This project lies north and partly along strike of several major gold deposits including Northern Star's (ASX: NST) 7.0Moz East Kundana Joint Venture and Evolution's (ASX: EVN) 1.8Moz Frogs Legs and White Foil deposits.

Torian's other projects within the Kalgoorlie region include the Bonnie Vale and Gibraltar Projects, and its Credo Well JV with Zuleika Gold Ltd (ASX: ZAG), host of a JORC Inferred resource of 86,419t at 4.41 g/t Au for 12,259 oz.

Torian holds approximately 10.7% in Monger Gold Ltd (ASX:MMG), plus a 20% free carried interest in MMG's Monger and Gibraltar projects.

### **Competent Person Statement**

Mr Dale Schultz P.Geo., Principle of DJS Consulting, who is a Non-Executive Director of the Company, compiled and evaluated 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 that 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.

The JORC Resource estimate released on 27 May 2021 and 25 February 2019 were reviewed and relied upon by Mr Dale Schultz were 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 27 May 2021 and 25 February 2019 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.

### **Cautionary Note Regarding Forward-Looking Statements**

This news release contains “forward-looking information” within the meaning of applicable securities laws. Generally, any statements that are not historical facts may contain forward-looking information, and forward looking information can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget” “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or indicates that certain actions, events or results “may”, “could”, “would”, “might” or “will be” taken, “occur” or “be achieved.” Forward-looking information is based on certain factors and assumptions management believes to be reasonable at the time such statements are made, including but not limited to, continued exploration activities, Gold and other metal prices, the estimation of initial and sustaining capital requirements, the estimation of labour costs, the estimation of mineral reserves and resources, assumptions with respect to currency fluctuations, the timing and amount of future exploration and development expenditures, receipt of required regulatory approvals, the availability of necessary financing for the Project, permitting and such other assumptions and factors as set out herein.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks related to changes in Gold prices; sources and cost of power and water for the Project; the estimation of initial capital requirements; the lack of historical operations; the estimation of labour costs; general global markets and economic conditions; risks associated with exploration of mineral deposits; the estimation of initial targeted mineral resource tonnage and grade for the Project; risks associated with uninsurable risks arising during the course of exploration; risks associated with currency fluctuations; environmental risks; competition faced in securing experienced personnel; access to adequate infrastructure to support exploration activities; risks associated with changes in the mining regulatory regime governing the Company and the Project; completion of the environmental assessment process; risks related to regulatory and permitting delays; risks related to potential conflicts of interest; the reliance on key personnel; financing, capitalisation and liquidity risks including the risk that the financing necessary to fund continued exploration and development activities at the Project may not be available on satisfactory terms, or at all; the risk of potential dilution through the issuance of additional common shares of the Company; the risk of litigation.

Although the Company has attempted to identify important factors that cause results not to be as anticipated, estimated or intended, there can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. Forward looking information is made as of the date of this announcement and the Company does not undertake to update or revise any forward-looking information this is included herein, except in accordance with applicable securities laws.