



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

INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 30 JUNE 2018

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Your directors submit the financial report of Torian Resources Limited ("Torian" or "the Group") for the half-year ended 30 June 2018.

Directors

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

Mr Matthew Sullivan
Mr Paul Summers (appointed 20 April 2018)
Mr Mark Borman (appointed 20 April 2018)
Mr Richard Mehan (appointed 14 June 2018)
Mr Andrew Sparke (resigned 20 April 2018)
Ms Elissa Hansen (resigned 20 April 2018)

Review of Operations

During the half year, the Group was focussed on drilling prospective gold targets at its Zuleika and Malcolm gold projects in Kalgoorlie, Western Australia. While emphasis was placed on these two projects, Torian continued to review all of the exploration of projects it has acquired to date, which are located in the Goldfields region of Western Australia. They include:

- Zuleika
- Mt Stirling
- Malcolm
- Bardoc
- Gibraltar
- Mt Monger
- Mt Keith
- North Kanowna Star (surface rights)
- Bonnie Vale (option to acquire)

Highlights

- 4 new targets defined at Paradigm South (Zuleika Project)
- Initial results from Dover Castle South (Malcolm Project) are very encouraging –
 - 16m @ 3.35g/t Au from 18m including 3m @ 9.84g/t Au from 18m
 - 7m @ 2.01g/t Au from 8m; and
 - historic results include 16m @ 3.75g/t Au from 4m
- \$1.1m placement at 10 cents per share with free attaching options at 10 cents per share exercisable within 5 years completed
- 30 RC holes for 2000m being drilled across Paradigm Sth and Target 4
- Results released for Malcolm and Paradigm Sth:
 - Malcolm:
 - DCRC005 - 16m @ 3.35g/t Au from 18m including 3m @ 9.84g/t Au from 18m; and
 - DCRC003 - 7m @ 2.01g/t Au from 8m.
 - Paradigm South:
 - ZC084 - 4m @ 1.26g/t Au from 25; and
 - ZC048 - 3m @ 1.27g/t Au from 44

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

DIRECTORS' REPORT (CONT.)

Significant Changes in the State of Affairs

Funding

On 8 February 2018, the Group announced the completion of a A\$1.1 million placement to cornerstone investors.

A total of 11,000,000 fully paid shares were issued and allotted at \$0.10 per share together with a free attaching option exercisable at \$0.10 and expiring in five (5) years from issue.

Board Restructure

In April, the Group announced a board restructure to facilitate the future growth of the Company. This has also been the final step to move the Company's management to Western Australia from Sydney.

Four new appointments were made:

- Mr Paul Summers joined the board as a Non-Executive Director. Paul has been a legal practitioner since 1985, and founded his own firm, Summers Legal in 1989.
- Mr Mark Borman joined the board as an Executive Director. Mark has over 25 years' experience as a professional land manager after 17 years in the Department of Minerals and Energy in Western Australia. He has extensive industry experience that includes the role of Land Manager for several publicly listed and private companies.
- Mr Richard Mehan was appointed as Independent Non-Executive Chairman. Richard is a senior executive with over 30 years experience in the resources industry, predominately in steel making bulk raw materials. Mr Mehan has held a wide range of senior commercial, general management and managing director roles of ASX listed companies including Jupiter Mines Ltd, Portman Limited and Grange Resources Ltd.
- Matthew Foy was appointed as Company Secretary. Matthew was previously a senior adviser at the ASX and has over ten years' experience in facilitating the compliance of listed companies. Mr. Foy is a qualified Chartered Secretary and an active member of Governance Institute Australia

The Company also announced the retirement from the board of Mr Andrew Sparke and Ms Elissa Hansen. Andrew and Elissa are Sydney based and were instrumental in activities in the Company since 2014 including the Company's takeover of Cascade Resources last year.

Matters Subsequent to the End of the Half Year

Exploration Activities

In July 2018, the Group commenced a RC drill program as part of phase 2 of its planned exploration strategy consisting of 100 holes for 6,000 metres at the SE end of Target 4 in its flagship Zuleika Project. The program is based upon results from an initial reconnaissance RAB drilling program, as announced on the 2 December 2015 and 24 March 2016, which focussed on sampling the oxide zone of numerous targets within the central area of the Zuleika Project.

The Group also announced positive assay results at Paradigm South at its flagship Zuleika Project:

- ZJVRC033 - 8m @ 3.14g/t Au from 100m in a black shale unit;
- ZJVRC032 - 8m @ 1.16g/t Au from 36m in an oxidised dolerite unit;
- ZJVRC030 - 4m @ 2.81g/t Au from 140m in sheared felsic volcanics.

These results are very encouraging, given the 400m hole spacing.

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

DIRECTORS' REPORT (CONT.)

Initial Results from Dump Sampling

Post year end, the Group received the first batch of samples from dump sampling at its Gibraltar and Credo Well areas. This is a part of the Company's strategy to attain cash flow from gold production in the near term.

Option to Acquire Bonnie Vale Project

In August 2018, the Company announced that as a part of its strategy to achieve a cash flow from gold production in the near term it has entered into a Tenement Option and Sale Agreement for a tenement that lies to the northeast of the historical Bonnie Vale Gold Mining centre.

Acquisition of Surface Mining Rights

In September 2018, the Group acquired the surface rights to several tenements near Kalgoorlie. These will be explored as part of a profit share agreement with Strategic Projects Mining Pty Ltd.

There is no consideration payable, but Torian will bear all costs, reimbursable from any future production.

These tenements have a modest production history. North Kanowna Star has seen limited historic production dating from before the First World War, whilst Mayday saw a small open pit mined in the 1990s. There are a number of dumps and stockpiles remaining on the tenements. These appear never to have been sampled. Both areas have excellent access for heavy earth moving machinery should the sampling define economic resources.

Funding

On 12 September 2018, the Company advised it had raised \$410,000 through a placement of 13,666,667 shares at an issue price of 3.0¢ per share. The proceeds of the placement will be used to accelerate detailed mapping and sampling of dumps found on the Credo Well, Wombola, Bonnie Vale and other gold projects where the Company intends to mine any economic material.

Cessation of Related Party Performance Rights

9,000,000 Performance Rights issued to previous director Mr Sparke in 2017 were cancelled following Mr Sparke's resignation in April 2018. In addition, Matthew Sullivan consented to the cancellation of 9,000,000 Performance Rights issued pursuant to the Company's Performance Right Plan.

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

Auditor's Declaration

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 4 of the financial report for the half year ended 30 June 2018.

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



**Mr Matthew Sullivan
Managing Director
13 September 2018**

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 2018, 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

RSM AUSTRALIA PARTNERS

A handwritten signature in blue ink, appearing to read 'G N Sherwood', with the letters 'GNS' written to the right of the signature.

G N Sherwood
Partner

Sydney, NSW

Dated: 13 September 2018

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2018

		Consolidated Group	
		Half year ended	Half year ended
		30 June	30 June
		2018	2017
Note		\$	\$
Sales revenue		-	-
Other revenue	3	2,764	11,309
Total revenue		<u>2,764</u>	<u>11,309</u>
Advertising and marketing expense		(142,336)	(169,125)
Depreciation expense		(3,277)	(2,504)
Employee benefits expense		(125,704)	(218,620)
Due diligence and professional services		(112,030)	(132,706)
Costs of subsidiary acquisition		-	(343,179)
Exploration expenditure	5	(38,009)	(41,637)
Impairment expense	6	(179,512)	-
Other administration & compliance costs		(149,774)	(255,088)
Loss before income tax expense	2	(747,878)	(1,151,550)
Income tax expense		-	-
Loss for the period		(747,878)	(1,151,550)
Other comprehensive income		-	-
Total comprehensive loss for the period		(747,878)	(1,151,550)
Basic earnings per share (cents per share)		(0.37)	(0.98)
Diluted earnings per share (cents per share)		(0.37)	(0.98)

The accompanying notes form an integral part of this statement

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES
CONSOLIDATED STATEMENT OF
FINANCIAL POSITION
AS AT 30 JUNE 2018

		Consolidated Group	
		As at	As at
		30 June	31 December
		2018	2017
		\$	\$
	Note		
CURRENT ASSETS			
Cash and cash equivalents		1,112,140	1,100,953
Trade and other receivables		277,941	283,594
TOTAL CURRENT ASSETS		1,390,081	1,384,547
NON-CURRENT ASSETS			
Available-for-sale financial asset		1,429	1,429
Property, plant and equipment		11,586	10,809
Exploration and evaluation expenditure	6	18,365,354	18,029,340
TOTAL NON-CURRENT ASSETS		18,378,369	18,041,578
TOTAL ASSETS		19,768,450	19,426,125
CURRENT LIABILITIES			
Trade and other payables		176,054	478,086
Loans from directors		110,246	129,146
TOTAL CURRENT LIABILITIES		286,300	607,232
TOTAL LIABILITIES		286,300	607,232
NET ASSETS		19,482,150	18,818,893
EQUITY			
Issued capital	7	81,203,381	79,792,247
Accumulated losses		(61,721,231)	(60,973,354)
TOTAL EQUITY		19,482,150	18,818,893

The accompanying notes form an integral part of this statement

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 30 JUNE 2018

	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
Balance at 1 January 2017	70,214,457	(59,534,932)	10,679,525
Shares issued during the year, net of capital raising costs	7,317,942	-	7,317,942
Loss attributable to members	-	(1,151,550)	(1,151,550)
Balance at 30 June 2017	77,532,399	(60,686,482)	16,845,917
 Balance at 1 January 2018	 79,792,247	 (60,973,353)	 18,818,894
Shares issued during the year, net of capital raising costs	1,411,134	-	1,411,134
Loss attributable to members	-	(747,878)	(747,878)
Balance at 30 June 2018	81,203,381	(61,721,231)	19,482,150

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 2018

	Consolidated Group	
	Half year ended	Half year ended
	30 June	30 June
	2018	2017
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(372,729)	(519,883)
Interest received	2,764	11,309
Finance costs	-	-
Exploration expenses paid	(38,009)	(55,937)
Net cash used in operating activities	(407,974)	(564,511)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire mining tenements	(2,401)	(40,000)
Payments for exploration and evaluation costs capitalised	(655,485)	(471,940)
Costs of acquiring Cascade Resources Ltd	-	(127,339)
Cash in subsidiary at date of acquisition	-	4,261
Payments to acquire property, plant and equipment	(4,053)	-
Net cash used in investing activities	(661,939)	(635,018)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares	1,100,000	1,217,628
Share issue costs	-	(70,086)
Loan repayments	(18,900)	-
Net cash provided by financing activities	1,081,100	1,147,542
Net increase/(decrease) in cash and cash equivalents	11,187	(51,987)
Cash and cash equivalents at beginning of the period	1,100,953	1,037,422
Cash and cash equivalents at end of the period	1,112,140	985,435

The accompanying notes form an integral part of this statement

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2018

Note 1: Basis of Preparation

The half-year consolidated financial statements is a general purpose financial report prepared in accordance with the requirements of the Corporations Act 2001. Australian Accounting Standard AASB 134: Interim Financial Reporting, Australian Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australia Accounting Standards.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2017 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 2017 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 \$747,878 (2017: \$1,151,550) and had net cash outflows from operating and investing activities of \$407,974 and \$661,939 respectively for the half-year ended 30 June 2018. 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:

- If required, the Group has the ability to continue to raise additional funds on a timely basis pursuant to the Corporations Act 2001;
- the Group has the ability to further scale back some of its exploration activities if required.
- As at 30 June 2018 the Group had net current assets \$1,103,781 (31 December 2017: \$777,315) and net assets of \$19,482,150 (31 December 2017: \$18,818,893).

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2018

Note 1: Basis of Preparation

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 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.

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
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2018

Note 3: Other Revenue

	Consolidated Group	
	Half year ended 30 June 2018	Half year ended 30 June 2017
	\$	\$
Interest received	2,764	11,309
	2,764	11,309

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:

- Rates and levies on inactive tenements	1,555	1,924
- General management expenses	36,454	39,713
	38,009	41,637

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

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

Note 6: Exploration and Evaluation Expenditure Capitalised

	30 June 2018	31 December 2017
	\$	\$
Exploration expenditure capitalised	18,544,866	18,029,340
Provision for impairment	(179,512)	-
Total	18,365,354	18,029,340
Balance at beginning of financial period/year	18,029,340	10,188,487
Additions	515,526	7,852,598
Impairment expense	(179,512)	(11,745)
Balance at end of financial period/year	18,365,354	18,029,340

In the period to 30 June 2018, an impairment expense of \$179,512 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.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2018

Note 7: Issued Capital

	2018		2017	
	No of Shares	\$	No of Shares	\$
Ordinary shares				
Fully paid ordinary shares	205,650,649	81,203,381	190,689,690	79,792,247
At the 1 January 2017			97,528,851	70,214,457
Shares issued during the year			35,198,224	3,223,935
Shares issued for Cascade acquisition			50,870,133	5,850,065
Shares issued to acquire capital assets			2,134,092	222,500
Shares issued in payment for services			4,958,390	522,432
Costs of raising share capital			-	(241,142)
At 31 December 2017			190,689,690	79,792,247
At the 1 January 2018	190,689,690	79,792,247		
Shares issued during the period	11,000,000	1,100,000		
Shares issued for services	3,960,959	311,134		
At 30 June 2018	205,650,649	81,203,381		

Note 8: Controlled Entities

Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)* 2018
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

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2018

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 2018 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

Note 10: Events After the Balance Sheet Date

Exploration Activities

In July 2018, the Group commenced a RC drill program as part of phase 2 of its planned exploration strategy and consists of 100 holes for 6,000 metres at the SE end of Target 4 in its flagship Zuleika Project.

The program is based upon results from an initial reconnaissance RAB drilling program, as announced on the 2 December 2015 and 24 March 2016, which focussed on sampling the oxide zone of numerous targets within the central area of the Zuleika Project.

The Group also announced positive assay results at Paradigm South at its flagship Zuleika Project:

- ZJVRC033 - 8m @ 3.14g/t Au from 100m in a black shale unit;
- ZJVRC032 - 8m @ 1.16g/t Au from 36m in an oxidised dolerite unit;
- ZJVRC030 - 4m @ 2.81g/t Au from 140m in sheared felsic volcanics.

The above-highlighted holes are very encouraging, given the 400m hole spacing.

Initial Results from Dump Sampling

Post year end, the Group received the first batch of samples from dump sampling at its Gibraltar and Credo Well areas. This is a part of the company's strategy to attain cash flow from gold production in the near term.

Option to Acquire Bonnie Vale Project

In August 2018, the Company announced that as a part of its strategy to achieve a cash flow from gold production in the near term it has entered into a Tenement Option and Sale Agreement for a tenement that lies to the northeast of the historical Bonnie Vale Gold Mining centre.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 30 JUNE 2018

Note 10: Events After the Balance Sheet Date

Acquisition of Surface Mining Rights

In September 2018, the Group acquired the surface rights to several tenements near Kalgoorlie. These will be explored as part of a profit share agreement with Strategic Projects Mining Pty Ltd.

There is no consideration payable, but Torian will bear all costs, reimbursable from any future production.

These tenements have a modest production history. North Kanowna Star has seen limited historic production dating from before the First World War, whilst Mayday saw a small open pit mined in the 1990s. There are a number of dumps and stockpiles remaining on the tenements. These appear never to have been sampled. Both areas have excellent access for heavy earth moving machinery should the sampling define economic resources.

Funding

On 12 September 2018, the Company advised it had raised \$410,000 through a placement of 13,666,667 shares at an issue price of 3.0¢ per share. The proceeds of the placement will be used to accelerate detailed mapping and sampling of dumps found on the Credo Well, Wombola, Bonnie Vale and other gold projects where the Company intends to mine any economic material.

Cessation of Related Party Performance Rights

9,000,000 performance rights issued to Mr Sparked in 2017 were cancelled on Mr Sparke's resignation in April 2018 pursuant to the rules of the Rights Plan.

In addition, Matthew Sullivan has consented to the cancellation of his own Related Party Performance Rights.

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

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

DIRECTORS' DECLARATION

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

1. The financial statements and notes as set out on pages 5 to 14 are in accordance with the Corporations Act 2001, including:
 - i) complying with Accounting Standard AASB 134: Interim Financial Reporting
 - ii) giving a true and fair view of the Group's financial position as at 30 June 2018 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.



Mr Matthew Sullivan
Managing Director
Dated at Sydney on 13 September 2018

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**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 2018, 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 2018 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 2018 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 half-year financial report, which indicated that the consolidated entity incurred a loss after tax of \$747,878 and had net cash outflows from operating activities of \$407,974 for the half-year ended 30 June 2018. As stated in Note 1, these events or conditions 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

RSM AUSTRALIA PARTNERS

 GNS

G N Sherwood
Partner

Sydney, NSW
Dated: 13 September 2018