



TORIAN RESOURCES LIMITED
(Formerly known as Torian Resources NL)
ABN 72 002 261 565
AND CONTROLLED ENTITIES

ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

CORPORATE DIRECTORY

DIRECTORS

Mr Nathan Taylor
Mr Sunil Dhupelia
Mr Jason Hou (Resigned 23 March 2015)
Mr Ian Johns (Resigned 24 March 2015)
Mr Andrew Sparke (Appointed 6 June 2014)
Mr Matthew Sullivan (Appointed 6 June 2014)

COMPANY SECRETARY

Elissa Hansen

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

Unit 12
263-269 Alfred Street
North Sydney NSW 2060

Telephone: 02 9923 1786

Email: info@torianresources.com.au
www.torianresource.com.au

PO Box 383
North Sydney NSW 2059

SHARE REGISTRY

Advanced Share Registry Services
110 Stirling Highway
Nedlands WA 6009
Telephone: 08 9389 8033
Facsimile: 08 9389 7871
www.advancedshare.com.au

AUDITORS

RSM Bird Cameron
Level 12, 60 Castlereagh St
SYDNEY NSW 2000
Telephone: 02 8226 4500

STOCK EXCHANGE LISTING

Torian Resources Limited shares are listed on the Australian Securities Exchange (ASX code: TNR)

TABLE OF CONTENTS

1. Letter from the Chairman	Page 3
2. Corporate Governance Statement	Page 4
3. Director's Report	Page 8
4. Remuneration Report	Page 15
5. Auditor's Independence Declaration	Page 18
6. Consolidated Statement of Profit or Loss and Other Comprehensive Income	Page 19
7. Consolidated Statement of Financial Position	Page 20
8. Consolidated Statement of Changes in Equity	Page 21
9. Consolidated Statement of Cash Flows	Page 22
10. Notes to the Financial Statements	Page 23
11. Directors Declaration	Page 50
12. Independent Auditor's Report	Page 51
13. Shareholder Information	Page 53

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

CHAIRMAN'S LETTER

Dear Shareholders

The past 12 months has been a period of significant change for Torian Resources Limited (Torian or the Company). Following a difficult 2013, Torian took the next step towards becoming a successful junior resources company in 2014 by announcing the acquisition of the contractual rights to acquire the Mt Stirling and Malcolm gold projects from Cascade Resources Limited.

The Company has made many announcements in relation to the proposed acquisition and it was subsequently approved by shareholders at an Extraordinary General Meeting held on 27 February 2015. This has been completed in March 2015.

We are excited about the prospects of the Mt Stirling and Malcolm projects. Some highlights include:

1. Located in the prolific Eastern Goldfields region of Western Australia. This region has hosted several multi-million ounce gold projects and is home to several major gold producers;
2. The projects are brownfield exploration projects and host a combined existing Inferred JORC Resource of 37,477 ounces of gold;
3. Torian has inherited a strong technical team with extensive regional knowledge; and
4. Torian will hold a controlling in both projects following completion of the acquisition.

The Board of Directors see this acquisition as the first step in progressing Torian to becoming a significant regional player and plan to continue to focus on pursuing additional opportunities as they present themselves.

In the coming year, we will provide our Shareholders the opportunity to participate further in the future of the Company. We thank Shareholders for your ongoing support and we look forward to sharing the next stage of Torian's development with you.

Yours faithfully

A handwritten signature in blue ink, reading "Andrew Sparke".

Andrew Sparke
Chairman

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES
CORPORATE GOVERNANCE STATEMENT

Torian Resources Limited ("Company") has chosen to early adopt the 3rd Edition of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles and Recommendations).

The Board of Directors of the Company is committed to maintaining high standards of Corporate Governance. This Corporate Governance Statement (Statement) discloses the extent to which the Company has followed the ASX Principles and Recommendations.

The information in this Statement has been approved by the Board and is current as at the date of the Report

Role of the Board and management

The respective roles and responsibilities of the Board and management are detailed in the Board Charter available on the Company's website.

The Board Charter also sets out the matters expressly reserved to the Board and those delegated to management (see Management section of this Statement).

Appointment, induction and training

In selecting new Directors, the Board must ensure that the candidate has the appropriate range of skills, experience and expertise that will best complement Board effectiveness.

The Company ensures that appropriate background checks are undertaken regarding the potential new Director's character, experience, education, criminal record and bankruptcy history before appointing or putting forward a Director to shareholders for election as a Director.

The Company also provides its shareholders with all material information in its possession that is relevant to their decision on whether or not to elect or re-elect a Director through the Notice of Meeting, Director resumes and other information contained in the Annual Report and on the Company's website.

Upon appointment, each Director will receive a written agreement which sets out the terms of their appointment. New Directors will also attend an induction program where they are briefed on the Company's:

- operations and the industry sectors in which it operates;
- financial, strategic, operational and risk management position;
- governance matters, policies and procedures; and
- the Director and committee member's rights, duties and responsibilities.

Directors are also provided with regular professional development opportunities to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

Board performance

The Company believes it is important that the Board reviews its own performance to ensure it is performing to a high level. Under the Board Charter, the Board must conduct an annual performance review. The Charter sets out the process for this review.

A Board review was not conducted in 2014. The Board has been focusing on recapitalising the Company and has reviewed various options over the year which included the possible change in direction of the Company. There was also a change in Directors during the year. The Board chose to defer the review until a decision has been made on the future direction of the Company, as the combination of Directors and skills required would depend on the Company's new venture.

Independence of the Board

The Board assesses the independence of Non-executive Directors against the definition of independent Director and the factors set out in Box 2.3 of the ASX Corporate Governance Principles and Recommendations.

The Board is comprised of two non-executive Directors, none of whom are independent. Given the Company's background, the nature and size of its business and the current stage of its development, the Board believes that

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES
CORPORATE GOVERNANCE STATEMENT (CONT.)

this is both appropriate and acceptable at this time. The Board reviews its composition periodically and has the intention to appoint appropriate independent Directors as required.

The Chairman is not independent however the Board considers he is suitably skilled to perform the role due to his experience and expertise in the areas the Company operates in.

Board skills and experience

The length of service of each Director is set out in the Directors' Report of the Annual Report and on the website.

The skills and experience of each Director is set out in the matrix below.

Experience	Industry
<ul style="list-style-type: none">• M&A and Capital Markets• Capital raising• Corporate Finance• Corporate Transaction and Advisory• Equity capital market transactions• Operational Business	<ul style="list-style-type: none">• Mining & Geology• Investment Banking• Legal• Manufacturing• Finance and Accounting

Board committees

The Board does not currently have an Audit Committee, a Risk Committee, a Remuneration Committee or a Nomination Committee.

Audit

The Board independently reviews, verifies and safeguards the integrity of its corporate reporting, including regularly monitoring the appointment and removal of the external auditor and the rotation of the audit engagement partner.

Risk

The Board oversees the Company's risk management framework and internal control systems through regular monitoring, assessment and review.

The Board is required to review at least annually the effectiveness of the Company's risk management and internal control systems. This review was not conducted in 2014. The Board has been focusing on recapitalising the Company and has reviewed various options over the year which included the possible change in direction of the Company. The Board chose to defer the review until a decision has been made as to the future direction of the Company, as the Company's internal and external risk profile would depend on the new venture.

The Board reviews and assesses the Company's exposure to economic, environmental and social sustainability risks and determines the Company's approach to managing those risks.

Remuneration

The Board has a number of processes it employs for setting the level and composition of remuneration for Directors and ensuring that such remuneration is appropriate and not excessive. These are described in the Remuneration Report of the Annual Report. The Remuneration Report also includes a summary of our policies and practices regarding the remuneration of Directors. The Remuneration Policy is also available on the Company's website.

Nomination

The Board addresses succession issues and ensures the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively through regular review and assessment.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES
CORPORATE GOVERNANCE STATEMENT (CONT.)

Internal audit

The Company does not have an internal audit function, and due to its size and current activities the Board does not believe one is warranted at this time. The Board evaluates and monitors internal control processes to continually improving the effectiveness of its risk management.

External Auditor

The Company's external auditor, RSM Bird Cameron Partners attends the Annual General Meeting (AGM) and a representative is available to answer questions from shareholders relevant to the audit at the AGM. RSM Bird Cameron Partners's independence declaration is contained in the Directors' Report in the 2014 Annual Report.

Management

The Company currently has no employees and therefore no senior executives, and as such does not have:

- written agreements which set out the terms of their appointment;
- a process for periodically evaluating their performance; and
- policies and practices regarding their remuneration.

Once the Company is of a sufficient size and structure to necessitate employees, the Board will establish the processes, policies and practices noted above.

The duties delegated to management under the Board Charter are currently undertaken by the Board.

CEO and CFO declaration

Before it approved the Company's 2014 financial statements, the Board was satisfied that the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group, and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

As the Company does not have a CEO or CFO, the Board did not receive from its CEO and CFO a declaration to this effect before it approved the Company's 2014 financial statements. Once the Company is of a sufficient size and structure to necessitate a CEO and CFO, a declaration to this effect will be made by the CEO and CFO before the Board approves any of the Company's financial statements for a financial period.

Company Secretary

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The role of the Company Secretary is set out in more detail in the Board Charter.

Code of Conduct

The Company is committed not only to complying with its legal obligations, but also to acting ethically and responsibly. The Company expects a high level of honesty, care, fair dealing and integrity in the conduct of all business activities.

The Company has a Code of Conduct which sets the minimum standards of conduct expected of all Directors, officers, executives, employees and contractors of the Company. The Code of Conduct is available on the Company's website.

Diversity Policy

The Company is committed to ensuring an inclusive workplace that encourages and embraces diversity. The Company has a Diversity Policy which provides a framework for the Company to achieve workplace diversity and includes requirements for the Board to set measurable objectives. The Diversity Policy is available on the Company's website.

Our current Board has not established measurable targets for achieving gender diversity across the Company. The Board has been focusing on recapitalising the Company and has reviewed various options over the year

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES
CORPORATE GOVERNANCE STATEMENT (CONT.)

which included the possible change in direction of the Company. The Board chose to defer the establishment of the measurable targets until a decision has been made as to the future direction of the Company.

The respective proportions of men and women on the Board, in senior executive positions and across the Company are as below:

	Men	Women
Board	100%	0%
Senior executive*	0%	0%

* Direct reporting line to the CEO (see Management section of this Statement)

Continuous disclosure

The Company must comply with continuous disclosure requirements arising from legislation and the ASX Listing Rules. The Company has in place a written policy for complying with its continuous disclosure obligations under the ASX Listing Rules. The Continuous Disclosure Policy is available on the Company's website.

Shareholder communication

The Company is committed to regularly communicating with its shareholders in a timely and accessible manner, and to encouraging shareholder participation at its general meetings.

The Company provides information about itself and its corporate governance to investors via its website. Shareholders also have the option to receive communications from, and send communications to, the Company and its share registry electronically.

The Company also has Shareholder Communications Policy which facilitates effective two-way communication with investors, as well as facilitates and encourages participation at meetings of security holders. The Shareholder Communications Policy is available on the Company's website.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

DIRECTORS' REPORT

Review of operations

Throughout the year the Company continued its review of new projects and existing assets and corporate maintenance. This led to the signing of an acquisition agreement with Cascade Resources Limited (details below).

Corporate

During the first half of the year the company facilitated an auction and sale of the issued class of partly paid shares which allowed the company to change its company type to a Company Limited by Shares (from a No Liability Company).

At a shareholders meeting held on 30 May 2014 the Company changed its name to Torian Resources Limited. The change of company type benefited the company in readying itself for consideration of new acquisition opportunities.

Transaction with Cascade Resources Limited

On 10 June 2014 the company announced its conditional acquisition of options over four prospective gold project located in the Goldfields region of Western Australia.

The transaction led to the addition of Mr Matthew Sullivan and Mr Andrew Sparke to the Board and subject to completion of due diligence and shareholder approval at an Extraordinary General Meeting the Company would acquire the projects and complete a capital raising to recapitalise the company to take the acquired projects forward.

In December 2014, following lengthy negotiations with several of the project vendors, the Company amended the agreement to focus on the Mr Stirling and Malcolm projects. These projects host a combined existing Inferred JORC Resource of 37,477 oz Au.

The amendments meant that there would no longer be a requirement for the company to re-comply with Chapters 1 and 2 of the ASX listing rules and would instead only need to be put to a shareholder meeting to vote on the transaction subsequent to year end.

Key characteristics of the proposed transaction mean that, following all resolutions being successfully passed at a meeting of shareholders, the company is likely to:

- Have a change to the nature and scale of activities;
- Undertake a shareholder consolidation of shareholder capital;
- Undertake a capital raising;
- Issue new capital to acquire the project; and
- Issue further capital to convert debts owed to Directors and shareholder loans to equity.

Existing Assets

The sale agreement previously signed with Elsmore Resources Limited (ASX:ELR) was amended to allow the Company to enter into a new sale agreement with Arduro Diamonds Pty Ltd with regard to the Copeton tenements. The shares issued by ELR were retained under the agreement as consideration for the Queensland tenements.

The Vatovorona project in Madagascar remained on a care and maintenance program to preserve the project and maintain security.

Principal Activities

The principal activities of the Group during the course of the financial year were the exploration and evaluation of mineral interests. There were no significant changes in the nature of those activities during the financial year.

Results of Operations

The consolidated loss for the Group for the financial year ended 31 December 2014 is \$583,489 (2013: \$10,577,409).

Dividends

No dividends were paid or declared by the Group since the end of the previous financial year and the Directors do not recommend dividends be paid for the year ended 31 December 2014.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONT.)

Significant changes in the state of affairs

Change in Board Composition

During the period, Messrs Andrew Sparke and Matthew Sullivan have joined the Board of Torian Resources Limited, who bring with them financial and commercial experience for the benefit of the Group and its shareholders.

Funding

During the period the company performed a debt for equity swap to partially settle a secured loan and a number of other unsecured creditors. This was successfully approved by shareholders during the Annual General Meeting held in May.

Investment in Elsmore

During the current period, Torian Resources Limited impaired their investment in Elsmore Resources Ltd (ELR).

Likely Developments and Expected Results of Operations

As the Group is still evaluating possible projects, it is not possible to postulate the likely developments and any expected results.

Matters Subsequent to Year End

Completion of Capital Raising

On 24 March 2015, Torian Resources Limited announced the successful placement of 3,636,357 shares at a price of \$0.165 to raise a total of \$600,000.

Completion of Transaction with Cascade Resources

Torian Resources Limited announced to the market on 26 March 2015, that it had successfully completed the acquisition of contractual rights to the Malcom and Mt Stirling from Cascade Resources Limited. As approved by shareholders the company will issue 27,272,727 to cascade as consideration for the transaction.

On 31st March, the Company announced that it had completed settlement with the Project Vendors and issued 6,450,000 shares and paid \$295,000 cash (plus GST where applicable) to the Project Vendors. These shares will also be escrowed for a period of 12 months.

Change in Board Composition

As announced to the market 25 March 2015, Messrs Ian Johns and Jason Hou have resigned from the Board of Torian Resources Limited. As of that date, Mr. Sparke became Chairman of the Board and Mr. Sullivan Managing Director.

Repayment of Loan

Subsequent to year end the company received shareholder approval to perform a debt for equity swap to settle loans from related parties.

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' REPORT (CONT.)

Directors

The following persons held office as Directors of Torian Resources Limited at any time during or since the end of the financial year:

Mr Nathan Taylor
Mr Sunil Dhupelia
Mr Jason Hou (Resigned 23 March 2015)
Mr Ian Johns (Resigned 24 March 2015)
Mr Andrew Sparke (Appointed 6 June 2014)
Mr Matthew Sullivan (Appointed 6 June 2014)

Company Secretary

Ms Elissa Hansen is the Company Secretary of Torian Resources Limited.

Information on Directors

Nathan Taylor LLB, B.Com

Non-executive Director

Appointed: 7 March 2013

Age: 34 years

Nathan Taylor has successful experience in establishing and managing mining companies. Nathan has significant M&A and Capital Markets experience having worked on numerous domestic and cross border transactions throughout his career.

Most recently, Nathan Taylor was Head of Mergers and Acquisitions at BBY Limited and prior to this he was Head of Capital Markets at StoneBridge Group. Nathan brings deep experience in capital raising, banking and finance matters as well as M&A activities across numerous jurisdictions including Africa, Asia and South America.

Nathan is a Non-Executive Director of Stonewall Resources Limited (ASX:SWJ), Kogi Iron Limited (ASX:KFE) and Mandalong Resources Limited (ASX:MDD).

Sunil Dhupelia LLB, B.Com

Director

Appointed: 7 March 2013

Age: 33 years

Sunil Dhupelia has almost a decade of corporate transaction and advisory experience. He began his career in law before joining Merrill Lynch's investment banking division. During his time with Merrill Lynch he was involved in numerous equity capital market transactions for many of Australia's and Asia's largest companies.

Sunil is Non-executive Chairman of Mandalong Resources Limited (ASX:MDD) and has been a Non-Executive Director of Stonewall Resources Limited (ASX:SWJ) within the last three years.

Jason Hou BAppFin

Director

Appointed: 30 May 2013 Resigned 23 March 2015

Age: 29 years

Jason Hou has a professional background in finance and accounting sectors. He is a co-founder of Bligh Resources Ltd, a resources company focused in Manganese exploration in Australia that was listed on the ASX in 2011. He is also a co-founder of Austinvestments Global Consulting Pty Ltd (AGConsulting), an investment consulting company sourcing equity investment and mining projects for Australian Resources companies.

Jason is a director of Mandalong Resources Ltd (ASX: MDD)

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONT.)

Ian Johns

Director

Appointed: 9 December 2008 Resigned 24 March 2015

Age: 44 years

Mr Ian Johns brings 20 years of operational business experience to the Torian Board. He consults in the manufacturing industry as well as a business developer and contract negotiator. Ian was a founding director of Royalco Resources; a successful royalty income based mineral exploration company.

Ian is a director of a number of private companies.

Mr Andrew Sparke B.Bus (Marketing), M.Fin (Current), MAICD

Chairman

Appointed: 6 June 2014

Age: 32 years

Andrew Sparke has 10 years Corporate Finance experience that includes IPO's, private placements and secondary market transactions. He has advised a number of ASX listed companies on capital raisings and corporate transactions.

Andrew is a director of a number of public and private companies including Olive Capital Pty Ltd.

Mr Matthew Sullivan B. App. Sc (Applied Geology), AusIMM

Managing Director

Appointed: 6 June 2014

Age: 52 years

Matthew Sullivan is an experienced geologist and listed company director with 25 years experience working in the Goldfields of WA. He is one of only 6 geologists in Australia to find more than 3Moz's twice.

Matthew's significant discoveries include Kanowna Belle (6Moz's), East Kundana (3.5Moz's), Selene (800Koz's), Safari Bore (400Koz's), St Patricks (400Koz's) and in the Leonora region (500Koz's). He was second in Australian explorer of the year (2010) for the discovery of 500K oz's in 5 months in Leonora with a total discovery of circa 12Moz's Au.

Information on the Company Secretary

Elissa Hansen B.Com, ACSA, GAICD

Company Secretary

Appointed: 27 October 2011

Age: 42 years

Elissa Hansen is a Chartered Secretary with 15 years' experience advising management and boards of ASX listed companies on investor relations, governance, compliance and other corporate issues. She is a director of several unlisted companies and has extensive company secretarial experience, acting as Company Secretary for a number of public, ASX listed and private companies

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONT.)

Meetings of Directors

The number of meetings of the Company's Board of Directors and of each board committee held during the financial year ended 31 December 2014 and the number of meetings attended by each Director were:

Director	Directors Meetings	
	Held whilst in office	Attended
Nathan Taylor	4	4
Sunil Dhupelia	4	4
Jason Hou	4	4
Ian Johns	4	4
Andrew Sparke	2	2
Matthew Sullivan	2	2

Directors' Interests

The Directors' and their associates' interests in shares and options of the Company at 31 December 2014 were:

Director	Nature of Holding	Interests
Nathan Taylor	Indirect	80,000,000 fully paid ordinary shares
Sunil Dhupelia	Direct & Indirect	92,500,000 fully paid ordinary shares
Jason Hou	Direct & Indirect	92,500,000 fully paid ordinary shares
Ian Johns	Direct & Indirect	92,853,608 fully paid ordinary shares 2,500,000 31 December 2015 \$0.24 unlisted options 2,500,000 31 December 2015 \$0.26 unlisted options 5,000,000 29 December 2015 \$0.046 unlisted options
Andrew Sparke	-	Nil
Matthew Sullivan	-	Nil

Shares Under Option

Unissued ordinary shares of Torian Resources Limited under option at the date of this report are as follows:

Number of Options	Exercise Price (in cents)	Expiry Date
10,000,000	4.6	29/12/2015
5,025,000	24	31/12/2015
5,025,000	26	31/12/2015

No option holder has any right under the options to participate in any other share issue of the Company or of any other entity.

Shares Issued on the Exercise of Options

252,655,841 ordinary shares of Torian Resources Limited were issued during the financial year ended 31 December 2014 on the exercise of options.

Other Shares Issued

No other shares have been issued since the end of the financial year.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONT.)

Environmental Regulations

The Group's operations are subject to normal Government Environmental Regulations. There were no breaches of these regulations during the financial year and up to the date of this report.

Insurance of Directors and Officers

The Company entered into an agreement to insure the Directors and officers of the Company. The liabilities insured and legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of the entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

Indemnification

The Company has agreed to indemnify and keep indemnified Nathan Taylor and Sunil Dhupelia against any liability:

- a) incurred in connection with or as a consequence of the director or officer acting in the capacity including, without limiting the foregoing, representing the Company on any body corporate; and
- b) for legal costs incurred in defending an action in connection with or as a consequence of the Director or officer acting in the capacity.

The indemnity only applies to the extent of the amount that the Directors are not indemnified under any other indemnity, including an indemnity contained in any insurance policy taken out by the Company, under the general law or otherwise.

The indemnity does not extend to any liability:

- to the Company or a related body corporate of the Company;
- arising out of conduct of the Directors or officers involving a lack of good faith; or
- which is in respect of any negligence, default, breach of duty or breach of trust of which the directors or officers may be guilty in relation to the Company or related body corporate.

No liability has arisen under these indemnities as at the date of this report.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

The Company was not a party to any such proceedings during the year.

Declaration by Director

Before it approved the Company's 2014 financial statements, the Board was satisfied that the financial records have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the Group, and their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The auditor's independence declaration for the period ended 31 December 2014 has been received and can found on page 18 of the financial report.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

DIRECTORS' REPORT (CONT.)

Non-audit Services

The Directors received the Lead Auditor's Independence Declaration which is set out on page 51. The external auditor did not provide any non-audit services to the Company during the year ended 31 December 2014.

Signed in accordance with a resolution of the Board of Directors:



Andrew Sparke

Chairman

Sydney, 31 March 2015

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

REMUNERATION REPORT

This report outlines the remuneration arrangements in place for Directors and executives of Torian Resources Limited. The information in this report has been audited as required by 308(3C) of the Corporations Act 2011.

Directors and Key Management Personnel

The full Board of Directors sets remuneration policies and practices generally and makes specific recommendations on remuneration packages and other terms of employment for Executive Directors, other Senior Executives and Non-Executive Directors (if any).

Executive remuneration and other terms of employment are reviewed annually having regard to performance against goals set at the start of the year, relevant comparative information and independent expert advice as well as basic salary, remuneration packages include superannuation.

Remuneration packages are set at levels that are intended to attract and retain executives capable of managing Group's operations.

Remuneration of Non-Executive Directors is determined by the Board within the maximum amount approved by shareholders from time to time. Fees for Non-Executive Directors are not linked to the Company's performance.

It is the Board's intention to undertake an annual review of its performance and the performance of the Board Committees against goals set at the start of the year.

In considering the Company's performance and its effect on shareholder wealth, the Board has regard to a broad range of factors, some of which are financial and others of which relate to the progress on the Company's projects, results and progress of exploration and development activities, joint venture agreements, etc.

The Board also gives consideration to the Company's result and cash consumption for the year. It does not utilise earnings per share as a performance measure or contemplate payment of any dividends in the short to medium term given that all efforts are currently being expended to develop the company.

Details of the nature and amount of each element of the emoluments of each Director of Torian Resources Limited are set out below.

Directors

Names and positions held of key management personnel in office at any time during the financial year are:

Mr Nathan Taylor
Mr Sunil Dhupelia
Mr Jason Hou
Mr Ian Johns
Mr Andrew Sparke
Mr Matthew Sullivan

Key Management Personnel Compensation

	Salary, wages and directors fees	Bonus	Non-monetary benefits	Other employee entitlements	Total
	\$	\$	\$	\$	\$
2014					
Nathan Taylor	60,000	-	-	-	60,000
Sunil Dhupelia	60,000	-	-	-	60,000
Jason Hou	60,000	-	-	-	60,000
Ian Johns	60,000	-	-	64,412	124,412
Andrew Sparke	-	-	-	-	-
Matthew Sullivan	-	-	-	-	-
Total Compensation	240,000	-	-	64,412	304,412

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

REMUNERATION REPORT (CONT.)

	Salary, wages and directors fees	Bonus	Non-monetary benefits	Other employee entitlements	Total
	\$	\$	\$	\$	\$
2013					
Peter Ashcroft	-	-	-	-	-
Ian Johns	51,615	-	-	-	51,615
Mark Cashmore	6,920	-	-	-	6,920
Nathan Taylor	48,923	-	-	-	48,923
Sunil Dhupelia	48,923	-	-	-	48,923
Jason Hou	36,962	-	-	-	36,962
Total Compensation	193,343	-	-	-	193,343

Shares Held by Key Management Personnel and Their Associates

	Balance 1 Jan 2014	Purchases	Disposals	Balance 31 Dec 2014
Nathan Taylor	5,000,000	25,000,000	(20,000,000)	5,000,000
Sunil Dhupelia	5,000,000	12,500,000	-	17,500,000
Jason Hou	5,000,000	12,500,000	-	17,500,000
Ian Johns	17,998,868	75,000,000	(145,260)	92,853,608
Andrew Sparke	-	-	-	-
Matthew Sullivan	-	-	-	-
Total	32,998,868	125,000,000	(20,145,260)	132,853,608

Options Held by Key Management Personnel and Their Associates

	Nathan Taylor	Sunil Dhupelia	Jason Hou	Ian Johns	Andrew Sparke	Matthew Sullivan
\$0.24 exercise, expiring 31 Dec 2015	-	-	-	2,500,000	-	-
\$0.26 exercise, expiring 31 Dec 2015	-	-	-	2,500,000	-	-
\$0.046 exercise, expiring 29 Dec 2015	-	-	-	5,000,000	-	-

Aside from the share and option consolidation that took place during the year, there have been no changes in options held by directors during the period including nil grants, nil purchased and nil disposed of.

All options are over fully paid ordinary Shares in the Company on the same terms and conditions as existing shares in the Company.

No amounts have been paid in respect of any of the options.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

REMUNERATION REPORT (CONT.)

Consultancy Agreements

Nathan Taylor

Director

- Agreement commenced on 11 March 2013;
- Consultancy fee of \$5,000 per month;
- Agreement is terminated upon cessation of directorship/employment with the Company;
- No performance based remuneration incentive has been included.

Sunil Dhupelia

Director

- Agreement commenced on 11 March 2013;
- Consultancy fee of \$5,000 per month;
- Agreement is terminated upon cessation of directorship/employment with the Company;
- No performance based remuneration incentive has been included.

Jason Hou

Director

- Agreement commenced on 30 May 2013;
- Consultancy fee of \$5,000 per month;
- Agreement is terminated upon cessation of directorship/employment with the Company;
- No performance based remuneration incentive has been included.

Ian Johns

Director

- Agreement commenced on 20 February 2013;
- Consultancy fee of \$5,000 per month;
- Agreement is terminated upon cessation of directorship/employment with the Company;
- No performance based remuneration incentive has been included.

Loans to Directors and Key Management Personnel

There were no loans made to directors or key management personnel of the Company and the Group during the period commencing at the beginning of the financial year and up to the date of this report.

RSM Bird Cameron Partners
Level 12, 60 Castlereagh Street Sydney NSW 2000
GPO Box 5138 Sydney NSW 2001
T +61 2 8226 4500 F +61 2 8226 4501

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Torian Resources Limited for the year ended 31 December 2014, 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 audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS

G N Sherwood *GNS*

G N SHERWOOD
Partner

Sydney, NSW
Dated: 31 March 2015

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
Sales revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other revenue	2	172,574	340,452
Bad debts expense		-	(181,084)
Depreciation and amortisation expense	3	(9,505)	(10,359)
Impairment expense	3	(112,894)	(10,148,373)
Employee benefits expense	5	-	(25,782)
Due diligence and professional services		(472,100)	(307,786)
Finance costs		(29,164)	(35,915)
Exploration expenditure		23,301	(29,793)
Other expenses		(155,701)	(178,769)
Loss before income tax expense		(583,489)	(10,577,409)
Income tax expense	4	-	-
Loss attributable to members of the parent entity		(583,489)	(10,577,409)
Other comprehensive income		-	-
Total comprehensive income for the period		(583,489)	(10,577,409)
Basic earnings per share (cents)	7	(0.15)	(0.0471)

These financial statements should be read in conjunction with the accompanying notes.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	2014 \$	2013 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	48,941	273,723
Trade and other receivables	9	31,160	8,692
TOTAL CURRENT ASSETS		<u>80,101</u>	<u>282,415</u>
NON-CURRENT ASSETS			
Trade and other receivables	9	-	-
Investments in joint venture	10	-	-
Available-for-sale financial asset	11	1,429	-
Property, plant and equipment	13	8,106	17,611
Exploration and evaluation expenditure	14	14,534	-
TOTAL NON-CURRENT ASSETS		<u>24,069</u>	<u>17,611</u>
TOTAL ASSETS		<u>104,170</u>	<u>300,026</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	467,925	218,532
Short term provisions	16	-	50,596
Loans from related parties	17	218,216	561,572
Loan from external parties	17	97,334	81,412
TOTAL CURRENT LIABILITIES		<u>783,475</u>	<u>912,212</u>
TOTAL LIABILITIES		<u>783,475</u>	<u>912,212</u>
NET LIABILITIES		<u>(679,305)</u>	<u>(612,186)</u>
EQUITY			
Issued capital	18	55,725,782	55,209,411
Reserves	19	1,214,150	1,995,700
Accumulated losses		(57,619,237)	(57,817,297)
TOTAL EQUITY		<u>(679,305)</u>	<u>(612,186)</u>

These financial statements should be read in conjunction with the accompanying notes.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR YEAR ENDED 31 DECEMBER 2014

	Shares on Issue	Accumulated Losses	Options Reserve	Total
	\$	\$	\$	\$
Balance at 1 January 2013	55,101,056	(47,245,888)	2,001,700	9,856,868
Loss for the period	-	(10,577,409)	-	(10,577,409)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	(10,577,409)	-	(10,577,409)
Shares issued during the period	108,355	-	-	108,355
Options expired	-	6,000	(6,000)	-
Balance at 31 December 2013	55,209,411	(57,817,297)	1,995,700	(612,186)
Balance at 1 January 2014	55,209,411	(57,817,297)	1,995,700	(612,186)
Loss for the period	-	(583,489)	-	(583,489)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	(583,489)	-	(583,489)
Shares issued during the period	516,370	-	-	516,370
Options expired	-	781,550	(781,550)	-
Balance at 31 December 2014	55,725,781	(57,619,236)	1,214,150	(679,305)

These financial statements should be read in conjunction with the accompanying notes.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

CONSOLIDATED STATEMENT OF CASH FLOWS FOR YEAR ENDED 31 DECEMBER 2014

	Note	2014 \$	2013 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(314,092)	(523,218)
Financial charges		(114)	(4,736)
Payments for exploration		(2,295)	(29,793)
Interest received		3,080	9,798
Net cash used in operating activities	20	(313,421)	(547,949)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of sale of property, plant and equipment		-	165,217
Proceeds from sale of interest in mining leases		70,000	-
Payments for exploration		(14,534)	-
Deposits refunded by government bodies		30,000	185,307
Net cash provided by investing activities		85,466	350,524
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		11,059	20,000
Loan proceeds received		-	252,000
Repayment of related party loan		(7,886)	(3,000)
Net cash provided by financing activities		3,173	269,000
Net (decrease)/increase in cash held		(224,782)	71,575
Adjustment for reclassification of cash assets to non-current receivables		-	(30,000)
Cash and cash equivalents at beginning of financial year		273,723	232,148
Cash and cash equivalents at end of financial year		48,491	273,723

These financial statements should be read in conjunction with the accompanying notes.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report includes the consolidated financial statements and notes of Torian Resources Limited and controlled entities ('Consolidated Group' or 'Group'), and the separate financial statements and notes of Torian Resources Limited as an individual parent entity ('Company')

The financial statements were authorised for issue on 31 March 2015 by the directors of the company.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are reported below. They have been consistently applied unless stated otherwise. All applicable new accounting standards have been adopted for the year ended 31 December 2014 unless otherwise stated and their adoption did not have a significant impact on the financial performance or position of the consolidated entity

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

a. Principles of Consolidation

A controlled entity is any entity Torian Resources Limited has the power to control the financial and operating policies of so as to obtain benefits from its activities.

A list of controlled entities is contained in Note 11 to the financial statements. All controlled entities have a 31 December 2014 financial year-end for this current year.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year ended. Where controlled entities have entered (left) the Group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-company balances and transactions between entities in the Group, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the Company.

Where controlled entities have entered or left the Group during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

Minority interests, being that portion of the profit or loss and net assets of subsidiaries attributable to equity interests held by persons outside the Group, are shown separately within the Equity section of the Consolidated Statement of Financial Position and in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

b. Income Tax

The charge for current income tax expense is based on the results for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

Torian Resources Limited formed an income tax consolidated group under the tax consolidation regime with its domestic subsidiaries listed under Note 11.

c. Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Office equipment and furniture	25%
Plant and equipment	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the Statement of Profit or Loss and Other Comprehensive Income.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

d. **Exploration, Development and Evaluation Expenditure**

Exploration, development and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

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 will be expensed on the basis that they are necessarily incurred.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

e. **Impairment of Assets**

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of Profit or Loss and Other Comprehensive Income.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

f. **Investments in joint ventures**

Investments in joint venture companies are recognised in the financial statements by applying the equity method of accounting. The equity method of accounting recognised the Group's share of post-acquisition reserves of joint ventures.

g. **Employee Benefits**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash flows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of the cash flows.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

h. Equity-settled Compensation

There has been no equity based compensation with the exception of that described at Note 21. The capital subscribed to as per this note was acquired at fair value at the time of purchase.

Options issues have their fair value determined with reference to an approved valuation methodology, such as the Black-Scholes valuation method. On issue, the fair value of an option is taken to the Income Statements equity settled compensation, with a corresponding credit to the options reserve. This is then disclosed as other comprehensive income in the Statement of Comprehensive Income to show other net profit position of the Group from a third party perspective.

Shares have their value determined using the direct method of share price at date of issue multiplied by the number of shares issued.

i. Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

j. Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue from the sale of goods is recognised at the point of delivery as this corresponds to the transfer of significant risks and rewards of ownership of the goods and the cessation of all involvement in those goods.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument. Dividend revenue is recognised when the right to receive a dividend has been established

Dividends received from associates and joint venture entities are accounted for in accordance with the equity method of accounting.

k. Finance

Finance costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other finance costs are recognised in income in the period in which they are incurred.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

l. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows. There is provision made in the Statement of Cash Flows to disclose the applicable GST refunds/payments that have been remitted to the ATO to accurately show the cash position of Torian Resources Limited.

m. Comparative Figures

Comparative figures have been derived from the audited financial statements for Torian Resources Limited for the year ended 31 December 2014, and changes in presentation are made where necessary to comply with accounting standards.

n. Critical Accounting Estimates and Judgments

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 Estimates — Impairment

The Group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key Judgments — Doubtful Debts Provision

As a result of no trading throughout the period, Torian Resources Limited has no questionable receivables.

Key Judgments — Recoverability of Capitalised Exploration Assets

To date, Torian Resources Limited has achieved results which have been verified through independent reporting and testing. The capitalised exploration assets are therefore concluded to be fully recoverable at balance date.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

In the current year, the Group has adopted all of the new and revised current standards and interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations and effective for the current annual reporting period. The adoption of these new and revised standards and interpretations has not resulted in changes to the group's accounting policies.

At the date of authorisation of the financial report the following Australian Accounting Standards have been issued or amended and are applicable to the Company and Consolidated Group but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date and the Directors do not expect that these changes will have a material impact on the financial performance or position in future periods.

o. New and Revised Accounting Standards

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 10 Consolidated Financial Statements

The consolidated entity has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The consolidated entity has applied AASB 119 and its consequential amendments from 1 July 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

AASB 127 Separate Financial Statements (Revised), AASB 128 Investments in Associates and Joint Ventures (Reissued) and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

The consolidated entity has applied AASB 127, AASB 128 and AASB 2011-7 from 1 July 2013. AASB 127 and AASB 128 have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12 and AASB 2011-7 makes numerous consequential changes to a range of Australian Accounting Standards and Interpretations. AASB 128 has also been amended to include the application of the equity method to investments in joint ventures.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities

The consolidated entity has applied AASB 2012-2 from 1 July 2013. The amendments enhance AASB 7 'Financial Instruments: Disclosures' and requires disclosure of information about rights of set-off and related arrangements, such as collateral agreements. The amendments apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

The consolidated entity has applied 2011-4 from 1 July 2013, which amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors' report.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

r. Going concern

The Directors have prepared the financial report on a going concern basis, which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the financial year ended 31 December 2014, the Group incurred a net loss after tax of \$583,489 (2013: loss \$10,577,409). The Group generated negative cash flows from operating activities for the year of \$313,421 (2013: negative \$547,949). The Group's deficiency in net current asset position at 31 December 2014 was \$703,374 (Company: \$705,400) and its cash balance amounted to \$48,941 (Company: \$48,941) at that date.

The trade and other payables to third parties payable in cash at 31 December 2014 totalled \$56,771 in contrast to closing Cash and Cash Equivalents of \$48,941.

On this basis the Directors have resolved the Company's ability to continue as a going concern as at 31 December 2014.

Additionally the Directors' cash flow forecasts project that the Company and the Group will continue to be able to meet their liabilities and obligations as and when they fall due for a period of at least 12 months from the date of signing of this financial report. The cash flow forecasts are dependent upon the generation of sufficient cash flows from operating activities, or the receipt of additional debt or equity funds, to meet working capital requirements and the ability of the Group to manage discretionary spending.

These factors indicate significant uncertainty 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 are of the opinion that the use of the going concern basis of accounting is appropriate as they are satisfied as to the ability of the Company and the Group to implement the above.

The Directors continue to assess the financing and capital requirements of the Group. However, the Directors have resolved that it is reasonably foreseeable that the consolidated group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report after consideration of the following factors:

- i. As stated in Note 22, on 24 March 2015, Torian Resources Limited has announced the placement of 3,636,357 ordinary shares to professional and sophisticated investors at a price of \$0.165 per share to raise \$600,000. The capital raising was oversubscribed with participation from a number of existing supporters of Cascade Resources Ltd. On 26 March 2015, the Company completed the acquisition of the contractual rights to the Malcom and Mt Stirling gold projects from Cascade Resources Limited. As approved by shareholders the company will issue 27,272,727 to Cascade as consideration for the transaction. The company is still required to issue an additional 6,450,000 shares and pay \$295,000 to the Project Vendors. This will be funded out of the \$600,000 placement that took place on 24 March.
- ii. The ability of the consolidated group to undertake further capital raisings to provide the required funding to meet the consolidated group's ongoing operating costs; and / or
- iii. The recovery of deposit bonds from tenements that are in the process of being relinquished; and / or
- iv. The collection of sale proceeds from the disposal of real property in prior financial years.

The financial report does not include adjustments relating to the recoverability and classification of recorded asset amounts or the amounts and classification of liabilities that might be necessary should the Company and the Group not continue as a going concern.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 2: REVENUE

	2014	2013
	\$	\$
Other revenue		
— Interest received	3,080	9,798
— Profit on disposal of non-current assets	-	54,315
— Gain on debt forgiveness	-	275,839
— Other revenue	169,494	500
Total other income	<u>172,574</u>	<u>340,452</u>

NOTE 3: RESULTS FOR THE YEAR

Expenses:		
Impairment	112,984	10,148,373
Depreciation of plant and equipment	9,505	10,359

NOTE 4: INCOME TAX EXPENSE

The components of tax expense comprise:

Current tax	-	-
Deferred tax	-	-
Total	<u>-</u>	<u>-</u>

Prima facie tax benefit on loss from ordinary activities before income tax at 30%:	(175,047)	(3,173,223)
Add tax effect of:		
— Other non allowable items	39,142	3,108,688
Subtotal	(135,905)	(64,535)
Less tax effect of:		
— Items not assessable for taxation	50,636	(82,752)
— Items deductible for taxation but not accounting		(5,757)
Deferred tax assets not brought to account:	85,269	153,044
Income tax expense	<u>-</u>	<u>-</u>

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 4: INCOME TAX EXPENSE (CONT.)

The Group has carry forward tax losses, calculated according to Australian income tax legislation of \$33,739,301 (2013: \$33,739,301), which will be deductible from future assessable income provided that income is derived, and:

- a) The Company and its controlled entities carry on prescribed mining operations as defined in the income Tax Assessment Act, as appropriate; or
- b) The Company and its controlled entities carry on a business of, or a business that includes exploration or prospecting in Australia, for the purpose of discovering or extracting minerals, as appropriate; and
- c) No change in tax legislation adversely affects the Company and its controlled entities in realising the benefit from the deduction for the losses.

The benefit of these losses will only be recognised where it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

NOTE 5: EMPLOYEE BENEFITS EXPENSE

	2014	2013
	\$	\$
Employee benefits incurred during the year:		
— Salaries and wages	-	21,802
— Superannuation	-	3,980
Total:	<u>-</u>	<u>25,782</u>

NOTE 6: AUDITOR REMUNERATION

Remuneration of the auditor of the Group for:

— auditing or reviewing the financial report	<u>25,000</u>	<u>20,000</u>
Total:	<u><u>25,000</u></u>	<u><u>20,000</u></u>

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 7: EARNINGS PER SHARE

	2014	2013
	\$	\$
a. Reconciliation of earnings:		
Loss	(583,489)	(10,577,409)
	No.	No.
b. Weighted average number of ordinary shares outstanding during the year used in calculating EPS (Note that a 1:20 share consolidation occurred in June 2013)	394,137,643	224,726,370
	\$	\$
c. Basic EPS	(0.0015)	(0.0471)
d. Diluted EPS	(0.0015)	(0.0471)

NOTE 8: CASH AND CASH EQUIVALENTS

Cash at bank and in hand	48,941	273,723
Total	48,941	273,723

NOTE 9: TRADE AND OTHER RECEIVABLES

CURRENT

Trade and other receivables from third parties:

— Trade receivables	18,458	2,026
— Other receivables	12,702	6,666
Total current assets	31,160	8,692

NON-CURRENT

Trade and other receivables from third parties:

— Term Deposits - Guarantees	3,262	3,262-
— Deposits with government bodies	147,822	177,822-
— Provision for impairment	(151,084)	(181,084)
Total non-current assets	-	-

There is no expectation of the Directors that any of the above amounts are required to be impaired as all amounts are anticipated to be fully recoverable. Whilst the above amounts are unsecured, there is no question as to the creditworthiness of the Group's debtors.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 9: TRADE AND OTHER RECEIVABLES (CONT.)

Allowance for impairment loss

Trade receivables and other receivables are non-interest bearing and are generally on 30-60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. No impairment has been recognised by the Group and Company in the current year. No receivable is past due.

Fair value and credit risk

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Group's policy to transfer on-sell receivables to special purpose entities.

Interest rate risk

Detail regarding interest rate risk exposure is disclosed in Note 23.

NOTE 10: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

In the 2010 financial year, the Company entered into the Madagascar Joint Venture with Varun Madagascar, a division of Mumbai-listed company Varun Industries. This is a production sharing joint venture to mine both gold and gemstones from two highly prospective adjacent exploitation (production) licences in Vatovorona, Madagascar.

The joint venture has been in care and maintenance while the directors determine the best avenue to realise value for shareholders.

	2014	2013
	\$	\$
<i>Interests in joint ventures</i>		
<i>Varun Torian (International) SARL</i>		
Investment at cost	792,910	792,910
Accumulated equity accounted share of loss	(301,045)	(301,045)
Accumulated allowance for impairment	(491,865)	(491,865)
Closing balance	<u>-</u>	<u>-</u>
<i>Movements in carrying amounts</i>		
<i>Varun Torian (International) SARL</i>		
Balance at 1 January	-	-
Refunded during the year	-	(5,837)
Allowance for impairment	-	5,837
Closing balance	<u>-</u>	<u>-</u>

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 10: INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONT.)

Investments in joint venture companies are valued at fair value at year end, which is calculated as follows:

- fair value of the investment at the beginning of the year (or, for acquisitions during the year, the fair value of the investment on acquisition);
- less equity accounted share of losses during the year;
- less impairment losses during the year.

Any impairment losses during the year are calculated as the difference between:

- the fair value of the investment at the beginning of the year (or, for acquisitions during the year, the fair value of the investment on acquisition) less equity accounted share of losses during the year; and
- the fair value of the investment calculated at year end using the last quoted bid price plus the value of any options held, calculated using the assumptions set out below.

NOTE 11: AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2014	2013
	\$	\$
Available-for-sale	1,429	-
Total	<u>1,429</u>	<u>273,723</u>

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 31 December 2014 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 listed corporation (i)	-	-	1,429

- (i) During the period there was a transfer from level 1 to 3 in relation to the Elsmore shares.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 12: CONTROLLED ENTITIES.

Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)*
		2014
PARENT ENTITY:		
Torian Resources Limited	Australia	
SUBSIDIARIES OF TORIAN RESOURCES LIMITED		
Cluff Minerals (Australia) Pty Limited	Australia	100
NSW Gold NL	Australia	100
Torian Exploration Pty Ltd	Australia	100

* Percentage of voting power is in proportion to ownership

NOTE 13: PLANT AND EQUIPMENT

	2014	2013
	\$	\$
OFFICE EQUIPMENT		
At cost	31,038	31,038
Accumulated depreciation	(25,452)	(18,922)
Total office equipment	<u>5,586</u>	<u>12,116</u>
PLANT AND EQUIPMENT		
At cost	11,899	11,899
Accumulated depreciation	(9,379)	(6,404)
Total property, plant and equipment	<u>2,520</u>	<u>5,495</u>
Total	<u><u>8,106</u></u>	<u><u>17,611</u></u>

Movements in Carrying Amounts

	Office Equipment	Plant and Equipment	Total
	\$	\$	\$
Balance at 1 January 2013	19,500	8,470	27,970
Depreciation expense	(7,384)	(2,975)	(10,359)
Balance at 31 December 2013	<u>12,116</u>	<u>5,495</u>	<u>17,611</u>
Depreciation expense	(6,530)	(2,975)	(9,505)
Balance at 31 December 2014	<u><u>5,586</u></u>	<u><u>2,520</u></u>	<u><u>8,106</u></u>

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 14: EXPLORATION AND EVALUATION EXPENDITURE

	2014	2013
	\$	\$
Exploration expenditure capitalised	1,191,063	12,984,144
Provision for impairment	(1,176,529)	(12,984,144)
Total	<u>14,534</u>	<u>-</u>
Balance at beginning of financial year	-	10,037,299
Additions	14,534	-
Disposals	-	(716,585)
Amortisation on disposed assets	-	716,585
Impairment recognised during the financial year	-	(10,037,299)
Balance at end of financial year	<u>14,534</u>	<u>-</u>

Impairment expense in the prior year of \$10,037,299 relates to capitalised expenditure in the Company's diamond prospects. The Directors' have decided to recognise impairment against these prospects due to the cessation of exploratory activity in these prospects.

It is still the Company's intention to bring the diamond tenements to a stage where a farm-in or trade sale agreement could be realised.

NOTE 15: TRADE AND OTHER PAYABLES

CURRENT

Accounts payable	56,771	43,054
Deferred revenue	70,000	-
Employee benefits payable	(2,600)	555
Directors' accruals	280,754	124,923
Other payables	63,000	50,000
Total	<u>467,925</u>	<u>218,532</u>

NOTE 16: SHORT TERM PROVISIONS

CURRENT

Provision for rehabilitation	-	50,596
Total	<u>-</u>	<u>50,596</u>

Note 17: BORROWINGS

CURRENT

Loans from external parties (i)	97,334	81,412
Loans from related parties (ii)	218,216	561,672
Total	<u>315,550</u>	<u>643,084</u>

- (i) The loan is secured by an unencumbered parcel of land at Inverell. The loan bears interest at 18% calculated quarterly in arrears and is repayable on 60 days' notice.
- (ii) \$198,316 out of these loans was settled in February 2015 through the issue of 991,080 shares at \$0.20c per share.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 18: ISSUED CAPITAL

	2014		2013	
	No of Shares	\$	No of Shares	\$
Ordinary shares				
<i>Fully Paid</i>				
At the beginning of reporting period	243,990,407	55,209,411	3,938,603,767	55,001,056
Share consolidation (1:20)	-	-(3,741,674,495)	-	-
Shares issued during the year	256,342,057	516,370	47,061,135	108,355
Costs of raising share capital	-	-	-	-
At reporting date	500,332,464	55,725,781	243,990,407	55,109,411
<i>Partially Paid</i>				
At the beginning of reporting period	-	-	73,724,328	100,000
Share consolidation (1:20)	-	-(70,038,112)	-	-
Shares issued during the year	-	-	-	-
At reporting date	-	-	3,686,216	100,000

Ordinary shares participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Capital Management

Management controls the capital of the Group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The Group's capital includes ordinary share capital, shares and financial liabilities, supported by financial assets. There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distribution to shareholders and share issues.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 19: RESERVES

	2014	2013
		\$
Options reserve	1,214,150	1,995,700
Total reserves	<u>1,214,150</u>	<u>1,995,700</u>
The options reserve records the fair value of options on issue.		
Balance at beginning of financial year	1,995,700	2,001,700
Options expired during the year	<u>(781,550)</u>	<u>(6,000)</u>
Balance at end of financial year	<u>1,214,150</u>	<u>1,995,700</u>

NOTE 20: CASH FLOW INFORMATION

	2014	2013
	\$	\$
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Loss after income tax	(583,489)	(10,577,409)
Non-cash flows in profit:		
Depreciation	9,505	10,359
Impairment expense	112,894	10,116,063
Profit on disposal of investments	(205,232)	(165,217)
Bad debts expense	-	181,084
Reversal of provision	(80,596)	
Interest expense	27,353	-
Non-cash expenses	-	45,382
Changes in current assets and liabilities:		
(Increase)/decrease in trade and other receivables	(1,560)	150,902
Increase/(decrease) in accounts payable and accruals	407,706	(309,113)
Net cash used in operating activities	<u>(313,421)</u>	<u>(547,949)</u>

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 20: RELATED PARTY DISCLOSURES

	2014	2013
	\$	\$
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.		
Transactions with related parties:		
— Johns Corporation Pty Ltd ATF Johns Family Trust (director fees and consultancy fees)	124,142	51,615
— Cmore Pty Ltd	-	6,920
— Longhorn Capital Partners Pty Ltd (director fees)	60,000	48,923
— Sunkat Financial Pty Ltd (director fees)	60,000	48,923
— Sino-Aust Material Tradings Pty Ltd (director fees)	60,000	36,962
— Taylor Super Fund (lease rental)	48,000	-

Mr Nathan Taylor is a director of Longhorn Capital Partners Pty Ltd, which throughout the year has provided consultancy and corporate management services to the Group. All fees tendered have been on an arm's length basis.

Mr Sunil Dhupelia is a director of Sunkat Financial Pty Ltd, which throughout the year has provided consultancy and corporate management services to the Group. All fees tendered have been on an arm's length basis.

Mr Jason Hou is a director of Sino-Aust Material Tradings Pty Ltd, which throughout the year has provided consultancy and corporate management services to the Group. All fees tendered have been on an arm's length basis.

Mr Ian Johns is a director of Johns Corporation Pty Ltd, which throughout the year has provided consultancy and corporate management services to the Group. All fees tendered have been on an arm's length basis.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 20: RELATED PARTY DISCLOSURES (CONT.)

Key Management Personnel

The following were key management personnel of the Company at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period:

Mr Nathan Taylor
Mr Sunil Dhupelia
Mr Jason Hou
Mr Ian Johns
Mr Andrew Sparke (Appointed 6 June 2014)
Mr Matthew Sullivan (Appointed 6 June 2014)

Shares Held by Key Management Personnel and Their Associates

	Balance	Purchases	Disposals	Balance
	1 Jan 2014			31 Dec 2014
Nathan Taylor	5,000,000	25,000,000	(20,000,000)	5,000,000
Sunil Dhupelia	5,000,000	12,500,000		17,500,000
Jason Hou	5,000,000	12,500,000		17,500,000
Ian Johns	17,998,868	75,000,000	(145,260)	92,853,608
Andrew Sparke	-	-	-	-
Matthew Sullivan	-	-	-	-
Total	32,998,868	125,000,000	(20,145,260)	132,853,608

Options Held by Key Management Personnel and Their Associates

	Balance	Purchases	Expiries	Balance
	1 Jan 2014			31 Dec 2014
Nathan Taylor	-	-	-	-
Sunil Dhupelia	-	-	-	-
Jason Hou	-	-	-	-
Ian Johns	15,100,000	-	5,100,000	10,000,000
Andrew Sparke	-	-	-	-
Matthew Sullivan	-	-	-	-
Total	15,100,000	-	5,100,000	10,000,000

Directors' and Executive Officers' Remuneration

The Board sets all remuneration packages. The broad remuneration policy is to ensure that each senior staff member's remuneration package properly reflects the person's duties and responsibilities. Current market conditions are also taken into account in determining the appropriate remuneration package.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 20: RELATED PARTY DISCLOSURES (CONT.)

	Salary, wages and directors fees	Bonus	Non-monetary benefits	Other employee entitlements	Total
	\$	\$	\$	\$	\$
2014					
Nathan Taylor	60,000	-	-	-	60,000
Sunil Dhupelia	60,000	-	-	-	60,000
Jason Hou	60,000	-	-	-	60,000
Ian Johns	60,000	-	-	64,412	124,412
Andrew Sparke	-	-	-	-	-
Matthew Sullivan	-	-	-	-	-
Total Compensation	240,000	-	-	64,412	304,412

	Salary, wages and directors fees	Bonus	Non-monetary benefits	Other employee entitlements	Total
	\$	\$	\$	\$	\$
2013					
Peter Ashcroft	-	-	-	-	-
Ian Johns	51,615	-	-	-	51,615
Mark Cashmore	6,920	-	-	-	6,920
Nathan Taylor	48,923	-	-	-	48,923
Sunil Dhupelia	48,923	-	-	-	48,923
Jason Hou	36,962	-	-	-	36,962
Total Compensation	193,343	-	-	-	193,343

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 21: SHARE BASED PAYMENTS

A summary of the movements of all Company options issued is as follows:

	Number of Options	Weighted Average Exercise Price
Options Outstanding as at 31 December 2013	30,200,000	0.1690
Reduction from 1:20 consolidation		
Expired	10,150,000	0.210
Options Outstanding as at 31 December 2014	20,050,000	0.169
Options Exercisable as at 31 December 2014	20,050,000	0.169

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 21: SHARE BASED PAYMENTS (CONT.)

Value of options on issue were calculated using the Black-Scholes option pricing model applying the following inputs:

	Options Issued on:	
	3 Jun 2011	16 Dec 2011
Share price at issue date	\$0.006	\$0.0020
Exercise price	\$0.26	\$0.046
Days to expiry	365	363
Interest rate	4.89%	3.23%
Volatility	110%	194%

A basket of comparable companies has been used as a proxy for the volatility of the Company's shares.

NOTE 22: EVENTS AFTER THE BALANCE SHEET DATE

Completion of Capital Raising

On 24 March 2015, Torian Resources Limited announced the successful placement of 3,636,357 shares at a price of \$0.165 to raise a total of \$600,000.

Completion of Transaction with Cascade Resources

Torian Resources Limited announced to the market on 26 March 2015, that it had successfully completed the acquisition of contractual rights to the Malcom and Mt Stirling from Cascade Resources Limited. As approved by shareholders the company will issue 27,272,727 to cascade as consideration for the transaction.

Change in Board Composition

As announced to the market 25 March 2015, Messrs Ian Johns and Jason Hou have resigned from the Board of Torian Resources Limited.

Repayment of Loan

Subsequent to year end the company received shareholder approval to perform a debt for equity swap to settle loans from related parties.

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

NOTE 23: FINANCIAL INSTRUMENTS

General Objectives, Policies and Processes

The Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Groups' exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Group's risk management objectives and policies. The Group's risk management policies and objectives are therefore designed to minimise the potential impacts of these risks on the results of objectives where such impacts may be material. The Board periodically reviews the effectiveness of the process put in place and the appropriateness of the objectives and policies it sets.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 23: FINANCIAL INSTRUMENTS

The overall objective of the Board is to set policies that seek to reduce risk as far as possible. Further details regarding these policies are set out below:

NOTE 23: FINANCIAL INSTRUMENTS (CONT.)

Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Group incurring a financial loss. This usually occurs when debtors or counterparties to derivative contracts fail to settle their obligations owing to the Group. The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Group.

The maximum exposure to credit risk at balance date is as follows:

	2014	2013
	\$	\$
Trade receivables	31,160	8,692
Security bonds	-	-
Deposits with government bodies	-	-

Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulties raising funds to meet commitments associated with financial instruments due to creditors. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. The Group's operations require it to raise capital on an on-going basis to fund its planned exploration program and to commercialise its tenement assets.

Maturity Analysis of Financial Liabilities

	Carrying Amount	Contractual Cash Flows	< 6 Months
	\$	\$	\$
2014			
CURRENT LIABILITIES			
Accounts payable	126,771	126,771	126,771
Employee benefits payable	(2,600)	-	-
Other payables	343,754	343,754	343,754
Borrowings	315,550	315,550	315,550
2013			
CURRENT LIABILITIES			
Accounts payable	43,089	43,089	43,089
Employee benefits payable	555	555	555
Other payables	174,923	174,923	174,923
Borrowings	643,084	271,768	271,768

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 23: FINANCIAL INSTRUMENTS (CONT.)

Interest Rate Risk

The Group is constantly monitoring its exposure to trends and fluctuations in interest rates in order to manage interest rate risk.

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant.

	2014	2013
	\$	\$
Change in Cash and Cash Equivalents		
Increase in interest rate by 1%	489	2,737
Decrease in interest rate by 1%	(489)	(2,737)

NOTE 24: SEGMENT REPORTING

The Group 's operations consist of prospecting and evaluation of gemstones in Australia as well as development of a gold exploration joint venture in Madagascar.

The following table presents revenue and profit information and certain asset and liability information regarding geographical segments for the years ended 31 December 2014 and 31 December 2013.

Segment revenues and results

	Segment Revenue		Segment Profit	
	2014	2013	2014	2013
	\$	\$	\$	\$
Exploration and development	139,323	50,000	40,351	(10,312,225)
Other	33,251	290,452	33,251	290,452
	<hr/>			
Total for continuing operations	172,574	340,452	73,602	(10,021,773)
	<hr/>			
Central administration costs and directors salaries			(657,091)	(555,636)
			<hr/>	
Loss before tax (continuing operations)			(583,489)	(10,577,409)
			<hr/> <hr/>	

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 24: SEGMENT REPORTING (CONT.)

Segment assets

	2014	2013
		\$
Exploration and development	17,054	5,495
Total segment assets	17,054	5,495
Unallocated	87,117	294,531
Consolidated total assets	104,171	300,026

Segment liabilities

Exploration and development	-	50,596
Total segment liabilities	-	50,596
Unallocated	783,475	861,616
Consolidated total liabilities	783,475	912,212

For the purposes of monitoring segment performance and allocating resources between segments:

- All assets are allocated to reportable segments other than interests in associates, 'other financial assets' and current and deferred tax assets. Goodwill is allocated to reportable segments;
- Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments; and
- All liabilities are allocated to reportable segments other than borrowings, 'other financial, liabilities', current and deferred tax liabilities. Liabilities for which reportable segments are jointly liable are allocated in proportion to segment assets.

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 24: SEGMENT REPORTING (CONT.)

Geographical information

	Australia		Madagascar		Total	
	2014	2013	2014	2013	2014	2013
		\$	\$	\$	\$	\$
Revenue	139,323	50,000	-	-	139,323	50,000
Other revenues from external customers	33,251	290,452	-	-	33,251	290,452
Segment revenue	172,574	340,452	-	-	172,574	340,452

Assets and liabilities

Segment assets	104,171	300,026	-	-	104,171	300,026
Segment liabilities	783,475	912,212	-	-	783,475	912,212

NOTE 25: PARENT ENTITY DISCLOSURES

	2014	2013
		\$
Financial position		
Assets		
Total current assets	78,075	280,389
Total non-current assets	24,070	17,611
Total assets	102,144	298,000
Liabilities		
Total current liabilities	783,475	886,617
Total liabilities	783,475	886,617
Equity		
Contributed equity	55,725,782	55,209,411
Reserves	1,214,150	1,995,700
Accumulated losses	(57,621,263)	(57,793,728)
Total equity	(681,331)	(588,617)
Financial performance		
Loss for the year	(609,085)	(10,616,196)
Other comprehensive income	-	-
Total comprehensive loss	(609,085)	(10,616,196)

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

NOTE 26: CONTINGENT ASSETS AND LIABILITIES

There are no contingent liabilities or contingent assets at balance date.

NOTE 27: COMPANY DETAILS

Torian Resources LIMITED

The ***registered office*** of the Company is::

Torian Resources LIMITED
Unit 12
263-269 Alfred Street
North Sydney NSW 2060

The ***principal place of business*** is:

Torian Resources LIMITED
Unit 12
263-269 Alfred Street
North Sydney NSW 2060

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 18 to 45, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the Corporations Regulations 2001 and ;
 - b. give a true and fair view of the financial position as at 31 December 2014 and of the performance for the year ended on that date of the Company and Consolidated Group;
2. the company has included in note 1 to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. The Directors have declared that:
 - a. the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b. The financial statements and the notes for the financial year comply with the accounting standards; and
 - c. the financial statements and notes for the financial year give a true and fair view;
4. in the Director's 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;
5. the remuneration disclosures included on pages 13 to 15 of the Directors' Report (as part of the Audited Remuneration Report) for the year ended 31 December 2014, comply with section 300A of the Corporations Act 2001; and

This declaration is made in accordance with a resolution of the Board of Directors.



Andrew Sparke

Chairman

Sydney, 31 March 2015

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
TORIAN RESOURCES LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Torian Resources Limited, which comprises the consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year then ended, 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 year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Independence

In conducting our audit, 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 report.

Opinion

In our opinion:

- (a) the financial report of Torian Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements, which indicates that the consolidated entity incurred a net loss of \$583,489, and had cash operating outflows of \$313,421 for the year ended 31 December 2014. As at that date of the consolidated entity had net current liabilities of \$703,374, and net liabilities of \$679,305. The ability of the company and consolidated entity to continue as a going concern is dependent on a number of factors, the most significant of which is the receipt of additional debt or equity funds. These conditions, along with other matters as set forth in Note 1, indicate the existence of a material uncertainty which may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 17 of the directors' report for the year ended 31 December 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion the Remuneration Report of Torian Resources Limited for the year ended 31 December 2014 complies with section 300A of the *Corporations Act 2001*.

RSM Bird Cameron Partners

RSM BIRD CAMERON PARTNERS


G N Sherwood
Partner

Sydney, NSW
Dated: 31 March 2015

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

Spread of Shareholders

At 24 March 2015, there were 7,250 holders of Shares. The shareholders were entitled to one vote for each Share held.

Spread of Holdings	No of Holders	No of Units	% of Total Issued Capital
1 – 1,000	6,490	850,294	4.524%
1,001 – 5,000	532	1,121,723	5.968%
5,001 – 10,000	98	696,387	3.705%
10,001 – 100,000	99	2,705,225	14.394%
100,001 and over	31	13,421,077	71.409%
Total	7,250	18,794,706	100%

There were 6,883 shareholders holding less than a marketable parcel of 1,478,791 shares as at 24 March 2015.

Substantial Shareholders

The Company's register of substantial shareholders recorded the information as at 24 March 2015.

Top 20 Holdings as at 24 March 2015

Holder Name	Balance at 24 March 2015	%
Johns Corporation Pty Ltd <Johns Family A/C>	2,656,624	14.13
Roc Salt Limited	2,272,727	12.09
Mr Yizhou Gu	909,090	4.84
Mr James David William Taylor + Erin Ann Taylor <The Taylor Super Fund A/C>	757,575	4.03
Dr John Capp Pty Limited	610,000	3.25
Suburban Holdings Pty Ltd <The Suburban Super Fund A/C>	606,060	3.22
Mr Jason Hou	530,303	2.82
Katsun Financial Pty Ltd <Katsun A/C>	530,303	2.82
Mrs Xiujun Qi	516,666	2.75
La Jolla Cove Investors Inc	442,995	2.36
Mr Nick Di Pietro	343,270	1.83
Rand Mining Ltd	303,030	1.61
Tribune Resources Ltd	303,030	1.61
Celtic Capital Pte Ltd <Investment 1 A/C>	303,030	1.61
Mr Jimmy Thomas + Ms Ivy Ruth Ponniah <Thomas Super Fund A/C>	216,710	1.15
Mr Stephen Tomsic	181,818	0.97
Dr Luigi Genua + Mrs Rosa Genua	151,515	0.81
Morgans Financial Limited	151,515	0.81
Penna (S & I) Pty Limited	151,515	0.81
Cache Management Consulting Pty Limited	151,515	0.81
TOTAL	12,089,291	64.32

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

SHAREHOLDER INFORMATION (CONT.)

Spread of Option holders

At 24 March 2015, there were 3 holders of unlisted options. Options holders are not entitled to voting rights.

Spread of Holdings	No of Holders	No of Units	% of Total Issued Capital
1- 100,001 and over	3	915,152	100
Total	3	915,152	100

Substantial Option Holders

The Company's register of substantial option holders recorded the information as at 24 March 2015.

Top 20 Holdings as at 24 March 2015

Holder Name	Balance at 24 March 2015	%
Parkview Services (Australia) Pty Limited	436,364	47.6
Johns Corporation Pty Ltd	457,576	50.0
Scott Monro Enderby	21,212	2.3
TOTAL	915,152	100