

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

**INTERIM FINANCIAL REPORT FOR THE HALF-YEAR ENDED 30 JUNE 2016**

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

**DIRECTORS' REPORT**

Your directors submit the financial report of Torian Resources Limited (Torian or the Group) for the half-year ended 30 June 2016.

**Directors**

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

Mr Andrew Sparke  
Mr Matthew Sullivan  
Ms Elissa Hansen  
Mr Glenn Jardine (Appointed 24 May 2016)

**Review of Operations**

Torian continues to consolidate ground in the Goldfields region of Western Australia. It has completed eight acquisitions and over 36,000m of drilling in the last twelve months. This makes Torian one of the most active resource companies in the region. Its Zuleika JV project now comprises 125 tenements covering some 222.6km<sup>2</sup>.

During the period, Torian announced that it had earned its initial 12.25% interest in the Zuleika JV. Under the terms of the Joint Venture with Cascade Resources Ltd, Torian has the right to earn a 49% interest in the Zuleika JV Project by spending \$5 million over four years. The company also had the right to earn an initial interest of 12.25% by spending \$1.25 million in the first year.

Torian also completed the strategic acquisition of the Bardoc Project and received approval for its next drilling programme at Mt Stirling Well and Mt Stirling.

Discussions regarding possible mergers and acquisitions continue as part of Torian's strategy to further consolidate quality assets in the Goldfields region. Numerous major international gold mining groups have also approached Torian, which is assessing these proposals in the best interests of its shareholders.

**Zuleika Joint Venture**

As announced on 16 June 2016, all results from drilling completed during the quarter have now been received. Results to date include the discovery of 1km of mineralised strike north of the 7Moz Kundana gold camp at Target 10 (Ambition North), 1.3km's of mineralised strike at Black Shale Target 4 and intersections that included 4m @ 11.28g/t from 44m at Target 5.

Torian also identified a high-grade system at Target 16 and 17. Significant results announced from target 16 and 17 included:

- 1 m at 58.80g/t Au from 1m;
- 3m at 22.72g/t Au from 66m;
- 3m at 16.62g/t Au from 54m; and
- 5m at 5.69g/t Au from 40m.

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**DIRECTORS' REPORT (CONT.)**

*Mt Stirling Project*

In March 2016, Torian received results from an RC drilling program at its Mt Stirling project. The drilling campaign included 51 holes drilled for 1,711m testing an outcropping high grade historic resource.

Highlights included:

- 6 holes intersected values of greater than 10g/t Au;
- Best new intersections include 2m @ 30.35g/t Au from 35m including 1m @ 47.40g/t;
- Best historic intersections include 2m @ 26.90g/t Au from 27m including 1m @ 52g/t; and
- Current drilling did not close off the existing resource which remains open in all directions.

During the June quarter, metallurgical samples from Mt Stirling were received, coinciding with the commencement of preliminary mining studies.

Torian also planned its next drilling program at the project. The program is designed to determine the overall size of the existing high-grade resource and to assess the Project as a standalone mining operation. WA Mines Department has approved this program and drilling commenced in the September quarter.

*Bardoc Project*

On the 4 April 2016, Torian completed the strategic acquisition of approximately 8.4km<sup>2</sup> of the Bardoc Project. The Bardoc Project is located 40km north of Kalgoorlie and 16km north of the 3mtpa Paddington processing plant owned by Zijin Mining Group (HK:2899). Bardoc lies north and along strike of Excelsior Gold's (ASX:EXG) 1.4Moz Zoroastrian and Excelsior deposits and south of Aphrodite Gold's (ASX:AQQ) 1.3Moz Aphrodite Project.

Torian has had preliminary discussions with Cascade Resources Ltd which acquired an additional 30.2 km<sup>2</sup> of the project area. If combined it would bring the total project size to 38.6km<sup>2</sup>.

**Consolidated Results**

The consolidated loss of the Group after provision of income tax for the half-year was \$859,530 (2015: \$645,079).

Net operating cash outflows for the 6 months were \$655,324 with the same half year period in 2014 being \$248,240. The increase in expenditure for the period arose from increased exploration and evaluation activities in the Goldfields region of WA.

**Significant Changes in the State of Affairs**

*Change in Board Composition*

On 24 May 2016, the Company appointed Mr Glenn Jardine as a non-executive director.

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**DIRECTORS' REPORT (CONT.)**

Funding

On 29 June 2016, Torian announced a \$3.5 million placement to sophisticated and professional investors at 18.5 cents per share. The placement was oversubscribed and showed strong demand from institutional investors. The capital raised will be directed towards accelerating the Company's exploration program at the Zuleika JV, completing planned step out drilling at the Mt Stirling project and further consolidating ground in the Goldfield region of Western Australia.

Proceeds from the \$3.5 million placement was received in July 2016, subsequent to the period.

**Matters Subsequent to the End of the Half Year**

Exploration Activities

Subsequent to 30 June 2016, Torian announced its exploration plans for FY2017. Since the acquisition of its interests in the Zuleika Joint Venture (JV), Torian has asserted itself as one of the most active explorers in the region. In FY2016 Torian completed 36,500m of drilling as part of Phase 1 of a large 4 Phase exploration program.

Following the success of Phase 1, Torian intends to continue with its exploration strategy and plans to complete approximately 55,000m of RAB and RC drilling in FY2017.

The objectives of Torian's FY2017 exploration program are to:

- Conduct sufficient infill and step out drilling at Mt Stirling Well to enable calculation of a JORC compliant Resource;
- Drill test a number of targets along the Zuleika Shear generated during 2016; and
- Continue assessment of geochemical and geophysical targets within all project areas, including the Zuleika Shear Zone, Bardoc, Mt Stirling and Malcolm.

Torian's exploration strategy will ensure that your Company remain's highly active during FY2017.

Subsequent to 30 June 2016, Torian also announced the results of preliminary metallurgical testwork at its Mt Stirling project. Results were taken from 20 representative RC holes collected during the Company's 51 hole RC drilling program in December 2015. The metallurgical testwork was overseen by Torian's metallurgical consultants, Belminco Pty Ltd.

Highlights include:

- Metallurgical testwork demonstrates extremely fast leaching times;
- Overall gold recovery of 98.50% for oxide and 99.37% for fresh rock;
- Environmental and anthropological surveys now complete; and
- Torian's planned 5,000m RC drilling program at Mt Stirling continues.

As part of Torian's planned 55,000 drilling program, the company intends to complete a 5,000m infill and extensional RC drilling campaign at its Mt Stirling project. The drill program is designed to extend known mineralisation at Mt Stirling Well and follow up other mineralised targets.

At the end of August 2016, Phase 1 Rotary Air Blast (RAB) drilling commenced at Targets 18 and 19 at the Zuleika JV Project. Torian has planned approximately 15,000m of drilling at Targets 18 and 19.

The objective of this drilling program is to follow up various historic intersections from the 1980s and 1990s.

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**DIRECTORS' REPORT (CONT.)**

**Auditor's Declaration**

The auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 5 of the financial report for the half year ended 30 June 2016.

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



Andrew Sparke  
Non-Executive Chairman  
13 September 2016

**RSM Australia Partners**

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

T +61(0) 2 8226 4500

F +61(0) 2 8226 4501

[www.rsm.com.au](http://www.rsm.com.au)

**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the review of the financial report of Torian Resources Limited for the half year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

A handwritten signature in blue ink that reads 'RSM'.**RSM AUSTRALIA PARTNERS**A handwritten signature in blue ink that reads 'G N Sherwood' with 'GNS' written to the right.

**G N Sherwood**  
Partner

Sydney, NSW

Dated: 13 September 2016

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

**CONSOLIDATED STATEMENT OF**  
**PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF YEAR ENDED 30 JUNE 2016**

		<b>Consolidated Group</b>	
		<b>Half year ended</b>	<b>Half year ended</b>
		<b>30 June</b>	<b>30 June</b>
		<b>2016</b>	<b>2015</b>
	<b>Note</b>	<b>\$</b>	<b>\$</b>
Sales revenue			-
Other revenue	3	104,380	11,957
Total revenue		<u>104,380</u>	<u>11,957</u>
Advertising and marketing expense		(50,745)	-
Depreciation expense		(4,342)	(4,053)
Impairment expense		-	(14,534)
Employee benefits expense		(238,014)	(108,758)
Due diligence and professional services		(237,030)	(340,746)
Finance costs		(4,217)	(4,057)
Exploration expenditure	5	(157,774)	(9,308)
Other expenses		(271,788)	(175,580)
<b>Loss before income tax expense</b>	<b>2</b>	<b>(859,530)</b>	<b>(645,079)</b>
Income tax expense		-	-
<b>Loss for the period</b>		<b>(859,530)</b>	<b>(645,079)</b>
Other comprehensive income		-	-
<b>Total comprehensive loss for the period</b>		<b>(859,530)</b>	<b>(645,079)</b>
Basic earnings per share (cents per share)		(1.14)	(1.87)
Diluted earnings per share (cents per share)		(1.14)	(1.87)

The accompanying notes form an integral part of this statement

**TORIAN RESOURCES LIMITED**  
**ABN 72 002 261 565**  
**AND CONTROLLED ENTITIES**  
**CONSOLIDATED STATEMENT OF**  
**FINANCIAL POSITION**  
**AS AT 30 JUNE 2016**

		<b>Consolidated Group</b>	
		<b>As at</b>	<b>As at</b>
		<b>30 June</b>	<b>31 December</b>
		<b>2016</b>	<b>2015</b>
		<b>\$</b>	<b>\$</b>
	<b>Note</b>		
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		350,226	1,542,011
Trade and other receivables		129,125	241,293
<b>TOTAL CURRENT ASSETS</b>		<b>479,351</b>	<b>1,783,304</b>
<b>NON-CURRENT ASSETS</b>			
Available-for-sale financial asset		1,429	1,429
Property, plant and equipment		10,866	7,053
Exploration and evaluation expenditure	6	8,412,205	7,682,700
<b>TOTAL NON-CURRENT ASSETS</b>		<b>8,424,500</b>	<b>7,691,182</b>
<b>TOTAL ASSETS</b>		<b>8,903,851</b>	<b>9,474,486</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		543,077	861,382
Loans from related parties		282,628	282,628
Loans from external parties		81,334	103,334
<b>TOTAL CURRENT LIABILITIES</b>		<b>907,039</b>	<b>1,247,344</b>
<b>TOTAL LIABILITIES</b>		<b>907,039</b>	<b>1,247,344</b>
<b>NET ASSETS</b>		<b>7,996,812</b>	<b>8,227,142</b>
<b>EQUITY</b>			
Issued capital	7	66,639,023	66,009,823
Accumulated losses		(58,642,211)	(57,782,681)
<b>TOTAL EQUITY</b>		<b>7,996,812</b>	<b>8,227,142</b>

The accompanying notes form an integral part of this statement



**TORIAN RESOURCES LIMITED**  
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**CONSOLIDATED STATEMENT OF**  
**CHANGES IN EQUITY**  
**FOR THE HALF YEAR ENDED 30 JUNE 2016**

	Issued Capital \$	Reserves \$	Accumulated Losses \$	Total \$
<b>Balance at 1 January 2015</b>	55,725,782	1,214,150	(57,619,236)	(679,304)
Shares issued during the year	7,402,418	-	-	7,402,418
Loss attributable to members	-	-	(645,079)	(645,079)
<b>Balance at 30 June 2015</b>	<b>63,128,200</b>	<b>1,214,150</b>	<b>(58,264,315)</b>	<b>6,078,035</b>
<b>Balance at 1 January 2016</b>	66,009,823	-	(57,782,681)	8,227,142
Shares issued during the year	629,200	-	-	629,200
Loss attributable to members	-	-	(859,530)	(859,530)
<b>Balance at 30 June 2016</b>	<b>66,639,023</b>	<b>-</b>	<b>(58,642,211)</b>	<b>7,996,812</b>

The accompanying notes form an integral part of this statement

**TORIAN RESOURCES LIMITED**  
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**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 30 JUNE 2016**

	<b>Consolidated Group</b>	
	<b>Half year ended</b>	<b>Half year ended</b>
	<b>30 June</b>	<b>30 June</b>
	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(497,713)	(239,831)
Interest received	4,380	1,957
Finance costs	(4,217)	(1,057)
Exploration expenses paid	(157,774)	(9,309)
<b>Net cash used in operating activities</b>	<b>(655,324)</b>	<b>(248,240)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments to acquire mining tenements	-	(377,800)
Payments for exploration and evaluation costs capitalised	(606,307)	-
Payments to acquire property, plant and equipment	(8,154)	-
Deposits refunded	100,000	10,000
<b>Net cash used in investing activities</b>	<b>(514,461)</b>	<b>(367,800)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from the issue of shares	-	1,133,482
Share issue costs	-	(22,097)
Loan repayments	(22,000)	-
<b>Net cash (used in)/provided by financing activities</b>	<b>(22,000)</b>	<b>1,111,385</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,191,785)</b>	<b>495,345</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>1,542,011</b>	<b>48,941</b>
<b>Cash and cash equivalents at end of the period</b>	<b>350,226</b>	<b>544,286</b>

The accompanying notes form an integral part of this statement

**TORIAN RESOURCES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2016**

**Note 1: Basis of Preparation**

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

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 31 December 2015 and any public announcements made by Torian Resources Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

The accounting policies have been consistently applied by the entities in the consolidated group and are consistent with those in the 31 December 2015 financial report.

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

*Reporting Basis and Conventions*

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

**Note 2: Significant Judgements**

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

*Key Judgements - Exploration and Evaluation Expenditure*

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. There is significant judgement required on the part of the Management and the Board in determining whether exploration assets are impaired. To this extent they have considered the exploration activities, the current market conditions, the political climate in the jurisdiction in which the assets exists, as well as numerous other factors in their determination that the assets are not impaired.

*Key Judgements – Tenement Ownership*

The Company acquired the Mr Stirling and Malcolm projects on 26 March 2015. There are a number of tenements in relation to this and other transactions where the transfer of ownership is still in the process of being registered with the relevant authority. Management and the Board have exercised their judgement in determining that the transfer of ownership of the respective tenements will take place in the ordinary course of business.

*Key Judgements — Doubtful Debts Provision*

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2016**

**Note 3: Other Revenue**

	<b>Consolidated Group</b>	
	<b>Half year ended 30 June 2016</b>	<b>Half year ended 30 June 2015</b>
	<b>\$</b>	<b>\$</b>
Interest received	4,380	1,957
Sale of non-current assets	-	-
Reversal of impairment	100,000	10,000
	<b>104,380</b>	<b>11,957</b>

**Note 4: Segment Information**

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

**Note 5: Exploration Expenditure**

*Exploration expenditure consists of:*

- Rates and levies on inactive tenements	282	9,308
- General management expenses	42,583	-
- Share based incentives	114,909	-
	<b>157,774</b>	<b>9,308</b>

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

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

**Note 6: Exploration and Evaluation Expenditure Capitalised**

	<b>30 June 2016</b>	<b>31 December 2015</b>
	<b>\$</b>	<b>\$</b>
Exploration expenditure capitalised	8,412,205	7,682,700
Provision for impairment	-	-
Total	8,412,205	7,682,700
Balance at beginning of financial year	7,682,700	14,534
Additions	729,505	7,682,700
Impairment recognised during the financial year	-	(14,534)
Balance at end of financial year	<b>8,412,205</b>	<b>7,682,700</b>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2016**

**Note 7: Issued Capital**

	<b>30 June 2016</b>		<b>31 December 2015</b>	
	<b>No of Shares</b>	<b>\$</b>	<b>No of Shares</b>	<b>\$</b>
<b>Ordinary shares</b>				
Fully paid ordinary shares	77,238,430	66,639,023	74,295,492	66,009,823
At the 1 January 2015	500,332,464	55,725,782		
Share consolidation (33:1)	(485,174,115)	-		
Capital raisings	25,414,416	4,329,983		
Shares issued on asset acquisition	33,722,727	6,407,318		
Costs of raising share capital	-	(453,260)		
At 31 December 2015	<u>74,295,492</u>	<u>66,009,823</u>		
At the 1 January 2016	74,295,492	66,009,823		
Shares issued for services	1,680,817	376,776		
Shares issued on asset acquisition	<u>1,262,121</u>	<u>252,424</u>		
At 30 June 2016	<u>77,238,430</u>	<u>66,639,023</u>		

**Note 8: Related Party Disclosures**

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
Transactions with related parties:		
Matthew Sullivan (director's fees)	60,000	80,000
Andrew Sparke (director's fees)	60,000	80,000
Elissa Hansen (director's and company secretarial fees)	24,000	-
Glenn Jardine (director's fees)	6,000	-

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Mr Matthew Sullivan is a director of Jemda Pty Ltd, which throughout the year has provided consultancy and corporate management services to the Group. All fees tendered are considered to be on an arm's length basis.

Mr Andrew Sparke is a director of Olive Capital Pty Limited, which throughout the year has provided consultancy and corporate management services to the Group. All fees tendered are considered to be on an arm's length basis.

Ms Elissa Hansen is a director of Market Capital Group Pty Ltd TA CoSec Services, which throughout the year has provided company secretarial and corporate management services to the Group. All fees tendered are considered to be on an arm's length basis.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**Note 8: Related Party Disclosures (Cont.)**

Mr Glenn Jardine is a director of Jardine Mining Pty Ltd, which throughout the year has provided corporate management services to the Group. All fees tendered are considered to be on an arm's length basis.

**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 Andrew Sparke
- Mr Matthew Sullivan
- Ms Elissa Hansen
- Mr Glenn Jardine (Appointed 24 May 2016)

**Shares Held by Key Management Personnel and Their Associates**

	<b>Balance</b> <b>1 Jan 2016<sup>1</sup></b>	<b>Purchases</b>	<b>Disposals</b>	<b>Received as</b> <b>Remuneration</b>	<b>Balance</b> <b>30 Jun 2016</b>
Matthew Sullivan <sup>1</sup>	28,622,727	-	-	-	28,622,727
Andrew Sparke <sup>2</sup>	27,272,727	-	-	-	27,272,727
Elissa Hansen	-	-	-	-	-
Glenn Jardine <sup>3</sup>	-	-	-	-	-
<b>Total</b>	<b>55,895,454</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>55,895,454</b>

The Group did not have any options on issue during the period.

<sup>1</sup> Shares disclosed as issued to Matthew Sullivan due to Key Management Personnel (KMP) relationship with Cascade and other vendors of the Cascade transactions. Mr Sullivan does not beneficially own 27,272,727 of these shares. They are beneficially held by Cascade on behalf of all its shareholders. Mr Sullivan holds a minority interest in Cascade.

<sup>2</sup> Shares disclosed as issued to Andrew Sparke due to Key Management Personnel (KMP) relationship with Cascade Resources Limited ("Cascade"). Mr Sparke does not beneficially own these shares. They are beneficially held by Cascade on behalf of all its shareholders. Mr Sparke holds a minority interest in Cascade.

<sup>3</sup> Appointed 24 May 2016

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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2016**

**Note 8: Related Party Disclosures (Cont.)**

	<b>Salary, wages and directors fees</b>	<b>Bonus</b>	<b>Non- monetary benefits</b>	<b>Other employee entitlements</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>June 2016</b>					
Matthew Sullivan	60,000	-	-	-	60,000
Andrew Sparke	60,000	-	-	-	60,000
Elissa Hansen	24,000	-	-	-	24,000
Glenn Jardine	6,000	-	-	-	6,000
<b>Total Compensation</b>	<b>150,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>150,000</b>

<b>June 2015</b>					
Nathan Taylor	30,000	-	-	-	30,000
Matthew Sullivan	45,000	-	-	-	45,000
Andrew Sparke	80,000	-	-	-	80,000
Sunil Dhupelia	80,000	-	-	-	80,000
Ian Johns	13,710	-	-	-	13,710
Jason Hou	13,548	-	-	-	13,548
<b>Total Compensation</b>	<b>192,258</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>192,258</b>

**Other Key Management Personnel transactions**

*Amounts payable to related parties at reporting date*

	<b>June 2016</b>	<b>Dec 2015</b>
	<b>\$</b>	<b>\$</b>
Accrued fees (Matthew Sullivan)	56,500	46,872
Accrued fees (Andrew Sparke)	101,000	70,000
Accrued fees (Elissa Hansen)	12,800	4,000
Accrued fees (Glenn Jardine)	3,000	-

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2016**

**Note 9: 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.

	June 2016	Dec 2015
	\$	\$
<i>Interests in joint ventures</i>		
<b>Varun Torian (International) SARL</b>		
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>		
<b>Varun Torian (International) SARL</b>		
Balance at 1 January	-	-
Refunded during the year	-	-
Allowance for impairment	-	-
Closing balance	<u>-</u>	<u>-</u>

**Note 10: Controlled Entities**

**Controlled Entities Consolidated**

	Country of Incorporation	Percentage Owned (%) <sup>*</sup> 2016
PARENT ENTITY:		
<b>TORIAN RESOURCES LIMITED</b>	<b>Australia</b>	
SUBSIDIARIES OF <b>TORIAN RESOURCES LIMITED</b> :		
Cluff Minerals (Australia) Pty Limited	<b>Australia</b>	100
NSW Gold Pty Ltd	<b>Australia</b>	100
Torian Exploration Pty Ltd	<b>Australia</b>	100



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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE HALF-YEAR ENDED 30 JUNE 2016**

**Note 11: 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**

	<b>Fair Value Measurements at 30 June 2015 Using:</b>		
	Quoted Prices in Active Markets for Identical Assets \$ (Level 1)	Significant Observable Inputs \$ (Level 2)	Significant Unobservable Inputs \$ (Level 3)
Investment in shares of unlisted corporation	-	-	1,429

**Note 12: Events After the Balance Sheet Date**

*Funding*

On 29 June 2016, Torian announced a \$3.5 million placement to sophisticated and professional investors at 18.5 cents per share. The placement was oversubscribed and showed strong demand from institutional investors. The capital raised will be directed towards accelerating the Company's exploration program at its Zuleika JV project, completing planned step out drilling at the Mt Stirling Well project and further consolidating ground in the Goldfield region of Western Australia.

Proceeds from the \$3.5 million placement was received in July 2016, subsequent to the period.

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

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

**DIRECTORS' DECLARATION**

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

1. The financial statements and notes as set out on pages 6 to 16 are in accordance with the Corporations Act 2001, including:
  - i) complying with Accounting Standard AASB 134: Interim Financial Reporting
  - ii) giving a true and fair view of the Group's financial position as at 30 June 2016 and of its performance of the Group for the half-year ended on that date;
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Andrew Sparke  
Non-Executive Chairman  
Dated at Sydney on 13 September 2016

**RSM Australia Partners**

Level 13, 60 Castlereagh Street Sydney NSW 2000

GPO Box 5138 Sydney NSW 2001

T +61 (0) 2 8226 4500

F +61 (0) 2 8226 4501

[www.rsm.com.au](http://www.rsm.com.au)**INDEPENDENT AUDITOR'S REVIEW REPORT****TO THE MEMBERS OF****TORIAN RESOURCES LIMITED****Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Torian Resources Limited which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

*Directors' Responsibility for the Half-Year Financial Report*

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

*Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Torian Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

### *Independence*

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

### *Conclusion*

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

RSM

**RSM AUSTRALIA PARTNERS**

  
**G N Sherwood**  
Partner

Sydney, NSW  
Dated: 13 September 2016