

Torian Exercises its Option to Acquire Tarmoola Station and Mining Services Business

Highlights:

- Torian to purchase the 172,662Ha (424,748Ac) Tarmoola Station and “Carhill Contracting”, a mining services business operated upon and from the Station.
- Station acquisition to help fast track further exploration and potential mining operation at the Mt Stirling Gold Project
- Tarmoola Station is 50% covered by mining / exploration leases, including operating and abandoned mines
- Agreement includes the purchase of the following cash flow positive businesses with cumulative free cash flow of ~\$1,000,000 p.a. (unaudited):
 - A mining services business “Carhill Contracting” which includes \$876,000 of equipment (independently valued), and ongoing contracts with regional miners and explorers
 - Rights to continuing carbon credits valued at approximately \$360k per annum
 - Approximately 1,100 head of cattle
 - A 20-person camp (which includes \$279,600 of independently valued hard assets) with approvals in place and infrastructure built to upgrade to a 50-person camp with associated mess and kitchen facilities
- Multiple debt funding options are being considered by Torian to debt fund the majority of the acquisition and thereby minimise shareholder dilution
- Interim JORC resource for Mt Stirling on track to be delivered in the coming weeks
- Torian is well funded to continue its 50,000m drill program
- Monger Gold Ltd IPO demand exceptionally strong, and likely to close early (www.mongergold.com.au)
- Investor Q&A webinar with management to be held on Tuesday 4 May at 10:00AM AWST. Registration link:
https://us02web.zoom.us/webinar/register/WN_2hEnn3MrTZu7GFAbvQ3WBQ

Directors

Paul Summers, Executive Chairman
Peretz Schapiro, Executive Director
Dale Schultz, Non-Executive Director
Matthew Foy, Company Secretary

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

The majority of Torian’s Mt Stirling Gold Project including the Mt Stirling, Stirling Well, numerous historical mine workings, and much of the Diorite prospects and historical mines and workings, falls within the bounds of Tarmoola Station. Approximately 50% of the pastoral lease is covered by mining / exploration leases, with the station hosting numerous operating and abandoned mines including Red 5 Ltd’s KOTH Operation, Round Oak Minerals Jaguar Project, and the operating Bentley underground mine.

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

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

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

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

As part of this agreement the current Station Manager has agreed to stay on for at least 12 months post settlement to provide stability during this transition. Torian Resources envisages a long and mutually benefiting business model whereby pastoral interests can co-exist with the mineral wealth of the region and its rich pioneering history.

As the agreement includes a number of cash flow positive businesses and over \$1M of independently valued hard assets, Torian has been able to secure numerous debt funding proposals, which it is still actively considering.

Torian Executive Director Mr Peretz Schapiro said, *“Our recent site visit has confirmed our convictions that moving ahead with purchasing the station fits very nicely with our long-term*

strategic goal of solidifying our land holding in the Leonora region as we progress with further exploration of the Mt Stirling Gold Project and potential mining operations. As owners of the pastoral lease we will be able to reduce our discovery cost per ounce and ensure that the process of obtaining permits for our exploration and potential future mining activities, is as seamless as possible.

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

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

From a funding perspective, we have numerous debt funding options available to us which will help debt fund the majority of the acquisition, thereby minimising shareholder dilution. In addition, the recent increases in cattle prices (<https://www.abc.net.au/news/rural/2021-04-20/record-high-live-export-cattle-prices-buoy-wa-pastoral-industry/100080390>) gives us the opportunity for a previously unexpected near term cash boost.

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

About Tarmoola Station

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

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

Further information regarding the station can be found on its Wikipedia page. https://en.wikipedia.org/wiki/Tarmoola_Station

Terms of the agreement

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

1. Tarmoola Pastoral Station Call Option and Acquisition Agreement

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

- a. \$3,000,000 purchase price
- b. Completion due 60 days from the latter of the date of the Minister of Lands (WA) consent or the date the purchase agreement was executed (30 April 2021)
- c. Upon Completion, THP will acquire:
 - the crown leases that comprises the Pastoral Station which have been granted for the term of 45 years, 1 month and 27 days commencing on 1 July 2015; and
 - all improvements, stock, plant and equipment and rights as agreed between the parties;
- d. Completion subject to any statutory and regulatory approvals required;
- e. Completion conditional on the approval of the Minister of Lands (WA) to the sale and assignment of the Pastoral leases (x2); and
- f. Purchase price payable at Completion by Torian equal to \$3,000,000 less option fee (\$150,000) paid, plus 18 months of carbon credits retained by the Seller from the date of THP's possession of the Station.

2. Carhill Contracting Asset Sale Call Option Agreement

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

- a. Completion due the first business day following 14 days after the date of exercise by THP of the option, (April 17).
- b. Upon Completion, THP will acquire Carhill Contracting including:
 - its mining services and civil contracting business; and
 - all plant and equipment used by Carhill Contracting in undertaking its business;
- c. Completion subject to any statutory and regulatory approvals required;
- d. Option Exercise Price payable at Completion by Torian equal to \$1,000,000 less option fee paid (\$50,000);
- e. Settlement post-conditional on the approval of the Minister of Lands (WA) to the sale and assignment of the Pastoral leases (x2); and
- f. Completion of the Pastoral Station Sale and the Carhill Asset Sale are conditional upon each other. In the event the sale and assignment by the Minister of Lands is not approved the Carhill Contracting Pty Ltd and THP are bound by a put and call option whereby the Carhill Assets will be repurchased from THP for the sum of \$1,000,000 without further obligation.

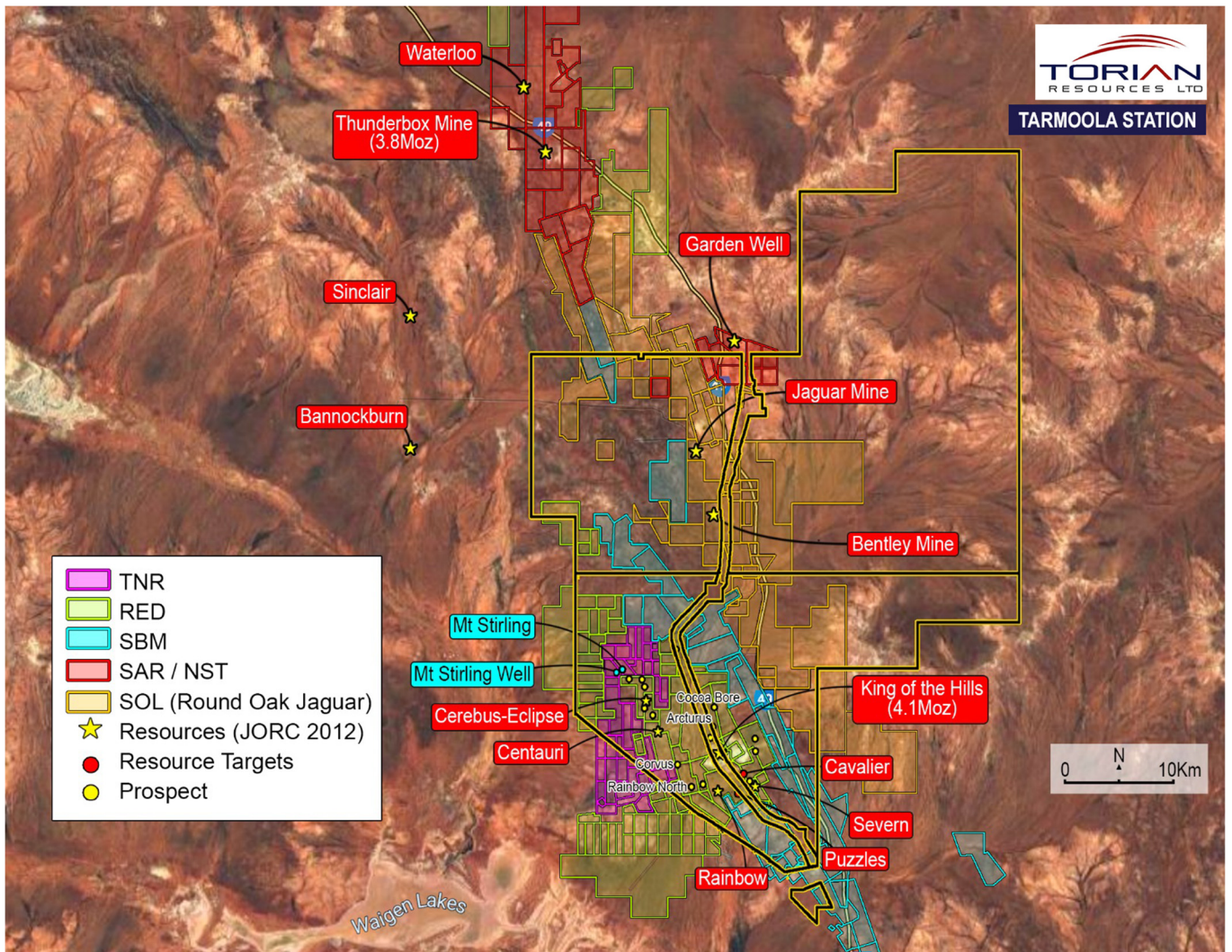


Figure 1: Map plan of Tarmoola Station Pastoral Lease showing the exploration and mining tenements, mines and prospects of various regional companies.



Figure 2: Tarmoola Exploration Camp



Figure 3: Tarmoola Exploration Camp (NW view)



Figure 4: Tarmoola Station (SW view)



Figure 5: Tarmoola Exploration Camp Mess Hall



Figure 6: Carhill Contracting Earth moving equipment



Figure 7: Carhill Contracting Earth moving equipment



Figure 8: Tarmoola Exploration Camp

This announcement has been authorised for release by the Board.

Peretz Schapiro
Executive Chairman
Torian Resources Ltd
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About Torian:

Torian Resources Ltd (ASX: TNR) is a highly active gold exploration and development company with an extensive and strategic land holding comprising six projects and over 400km² of tenure in the Goldfields Region of Western Australia. All projects are nearby to excellent infrastructure and lie within 50km of major mining towns.

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

The Mt Stirling Project consists of 2 blocks:

1. The Stirling Block to the north which contains two JORC Inferred resources.

- a. Mt Stirling – 727,000t at 1.45 g/t Au for 33,900oz
- b. Stirling Well – 253,500t at 2.01 g/t Au for 16,384oz
2. The Diorite Block to the south, home of the historic 73 g/t Diorite King Mine.

The Mount Monger goldfield is located within the Kalgoorlie terrane subdivision of the Eastern Goldfields Province. This 3,700-hectare project lies within close vicinity of Silver Lake Resources Ltd's (ASX: SLR) key asset, the Mount Monger Gold Camp, a prolific part of the Eastern Goldfields district of Western Australia. The Mount Monger Camp had produced more than 1.67Moz in the last 30 years, and more than 330,000 ounces for Silver Lake in the last 24 months alone.

The project consists of two distinct areas:

1. The Mt Monger North Block to the north
2. The Mt Monger South Block to the south

The Company is now actively pursuing a proposed spin-off of the Mt Monger and Gibraltar Projects, which proposes that Torian will hold approximately 10% of the new listed entity plus a 20% free carried JV interest in the projects.

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

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

Streamlined Competent Person Statement

The information in this relating to Minerals Resource Estimates is based on information compiled, reviewed and relied upon by Mr Dale Schultz. Mr Dale Schultz, Principle of DjS Consulting, who is Torian's consulting Geologist and Director, compiled, reviewed and relied upon prior data and ASX releases dated 25 February 2019 and 29 January 2020 to put together the technical information in this release and is a member of the Association of Professional Engineers and Geoscientists of Saskatchewan (APEGGS), which is ROPO, accepted for the purpose of reporting in accordance with ASX listing rules. Mr Schultz has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Schultz consents to the inclusion in the report of the matters based on information in the form and context in which it appears.

The JORC Resource estimate released on 25 February 2019 were reviewed and relied upon by Mr Dale Schultz were reported in accordance with Clause 18 of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) (JORC Code).

Torian Resources confirms in the subsequent public report that it is not aware of any new information or data that materially affects the information included in the relevant market announcements on the 25 February 2019 and 29 January 2020 and, in the case of the exploration results, that all material assumptions and technical parameters underpinning the results in the relevant market announcement reviewed by Mr Dale Schultz continue to apply and have not materially changed.

Cautionary Note Regarding Forward-Looking Statements

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

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

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