



DEVELOPING THE
GOLD MINES
OF TOMORROW



TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

CORPORATE DIRECTORY

DIRECTORS

Mr. Andrew Sparke
Mr. Matthew Sullivan
Ms. Elissa Hansen (Appointed 9 December 2015)
Mr. Nathan Taylor (Resigned 9 December 2015)
Mr. Sunil Dhupelia (Resigned 30 June 2015)
Mr. Jason Hou (Resigned 23 March 2015)
Mr. Ian Johns (Resigned 24 March 2015)

COMPANY SECRETARY

Ms. Elissa Hansen (Resigned 17 August 2015, reappointed 9 December 2015)
Mr. Mark Studd (Appointed 17 August 2015, resigned 9 December 2015)

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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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 Australia Partners
Level 12, 60 Castlereagh Street
Sydney NSW 2000
Telephone: (02) 8226 4500

STOCK EXCHANGE LISTING

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

CONTENTS

Chairman's Letter	3
Managing Director's Letter	6
Summary of Tenements	8
Directors' Report	12
Meet the Team	18
Remuneration Report	20
Auditor's Independence Declaration	24
Consolidated Statement of Profit or Loss and Other Comprehensive Income	26
Consolidated Statement of Financial Position	27
Consolidated Statement of Changes in Equity	28
Consolidated Statement of Cash Flows	29
Notes to the Financial Statements	30
Directors' Declaration	58
Independent Auditor's Report	60
Shareholder Information	62

ANDREW SPARKE

CHAIRMAN'S LETTER

Torian's extensive exploration program has included what we understand to be the fourth largest RAB program in Western Australia's history.



Dear Shareholders,
In what has been a transformational year for your Company, it gives me great pleasure to bring you Torian Resources' Annual Report for 2015.

Under new management, Torian has transitioned into a highly active, Western Australian focused, gold developer and explorer that is well positioned to generate value for shareholders.

The Company's new and simplified strategy is focused on 'developing the gold mines of tomorrow'. This is being achieved by undertaking quality acquisitions alongside a highly active exploration program.

As I write this letter, this strategy has been gaining momentum with several acquisitions and almost 40,000m of exploration drilling achieved to date. This places your Company as one of the most active gold explorers on the ASX, something which we believe has the potential to unlock significant shareholder value over time.

Torian's extensive exploration program has included what we understand to be the fourth largest RAB program in Western Australia's history. Many of these results are still awaited.

The majority of this drilling has been directed at Torian's flagship project, the Zuleika JV, and for good reason. Over the last two years, this region

has seen unprecedented corporate activity from the major Australian and Chinese mining companies. This has led to almost A\$1 Billion worth of acquisitions around our Zuleika JV Project over the last two years.

These companies are chasing the high grade gold deposits that the Zuleika Shear is known to host. Importantly, following several strategic acquisitions, Torian now holds the second largest strike length of this shear. We believe this places your Company in a very strong commercial position and has the potential to generate considerable value over time.

Torian's high grade Mt Stirling project also has potential to realise significant shareholder value. The project includes a high grade, flat lying quartz vein that outcrops at surface. The company recently completed a 51 hole RC drilling program at the Mt Stirling Well prospect. This program has demonstrated the project's potential with many high grade results including 2m @ 30.25 g/t Au from 35m including 1m @ 47.40 g/t Au. The Company is now fast-tracking a scoping study at Mt Stirling to assess the projects viability as a standalone mining operation.

Importantly, the recent drilling program did not close off the mineralisation which remains open in all directions. This underpins our belief that this project has the potential to be much larger. The next phase of this drilling campaign will include step out drilling at Mt Stirling Well. It

is our belief that this project will provide more exciting results over time.


Underlying Torian's active exploration strategy is a strong belief in our projects and that a systematic exploration program, over time, will yield results. We believe that this strategy will ensure that your Company will play a key role in the discovery of the gold mines of tomorrow.

On behalf of the Board, I look forward to keeping you informed on what we believe will be another exciting year for your Company.

Yours sincerely,



Andrew Sparke
Non-Executive Chairman



This places your Company as one of the most active gold explorers on the ASX, something which we believe has the potential to unlock significant shareholder value over time.



“We believe
that our
strategy will
ensure that
your Company
will play a
key role in
the discovery
of the gold
mines of
tomorrow.”


Andrew Sparke
Non-Executive Chairman



“The Zuleika is renowned
for consistently producing
high grade gold mines.”

Matthew Sullivan
Managing Director

MATTHEW SULLIVAN LETTER FROM THE MANAGING DIRECTOR



Great people and projects
mean little without potential.
Torian has this in spades.



My Fellow Shareholders,
Well what a year it has
been. It has seen much
activity, both in the field
and in the office. We have
a number of long term
shareholders which I would

like to thank for your support to this point. Some
results are still awaited but the results to date
have been very encouraging.

The Company is poised for great success in
the near future. This has come about by the
exploration team's focus on the Zuleika JV and
more recently at Mt Stirling. Since September
the Company has been extremely active with
approximately 36,000 metres being drilled.
The planning for the next drilling programme is
well advanced.

The administration team have been busy too
with the completion of the unmarketable parcel
sale facility which has seen the costs of running
the business fall significantly.

Great people and projects mean little without
potential. Torian has this in spades. The next
year will be a fantastic year if we can achieve
our goals. It will also mark the 30th anniversary
of the Company listing on the ASX. Throughout
this entire period it has remained a company
focused on mineral exploration and production.
In my opinion this is a major achievement in
these difficult times and perhaps a breakout
year lies before us.

I'd like to thank our small but hardworking
staff, our contractors, and most of all our
shareholders. Together we will see what the
future brings.

We look forward to keeping you informed in
what is sure to be another exciting year for your
Company.



Matthew Sullivan
Managing Director

SUMMARY OF TENEMENTS

TENEMENT	LOCATION	NAME OF JV	INTEREST
ML 70094	Sapphire, QLD	N/A	100%
ML 70095	Sapphire, QLD	N/A	100%
ML 70096	Sapphire, QLD	N/A	100%
E 37/1076	Leonora, WA	Malcolm JV	51%
M 37/475	Leonora, WA	Malcolm JV	51%
P 37/6996-6999	Leonora, WA	Malcolm JV	51%
P 37/7033	Leonora, WA	Mt Cutmore JV	51%
P 37/7094-7099	Leonora, WA	Malcolm JV	51%
P 37/7101-7102	Leonora, WA	Mt George JV	51%
P 37/7103-7105	Leonora, WA	Malcolm JV	51%
P 37/7172	Leonora, WA	Mt Stirling Well	100%
P 37/7238-7239	Leonora, WA	Mt Cutmore JV	51%
P 37/7319-7322	Leonora, WA	Mt Cutmore JV	51%
P 37/7489-7491	Leonora, WA	Mt Cutmore JV	51%
P 37/7567-7575	Leonora, WA	Malcolm JV	51%
P 37/7949	Leonora, WA	Mt Stirling JV	51%
P 37/8008-8009	Leonora, WA	Mt Cutmore JV	51%
P 37/8010-8016	Leonora, WA	Braemore JV	51%
P 37/8017-8020	Leonora, WA	Rabbit Warren South	100%
P 37/8034-8035	Leonora, WA	Mt George JV	51%
P 37/8073-8075	Leonora, WA	Mt Stewart JV	51%
P 37/8116	Leonora, WA	Malcolm JV	51%
P 37/8195	Leonora, WA	Mt George JV	51%
P 37/8225-8227	Leonora, WA	Mt George JV	51%
P 37/8240-8243	Leonora, WA	Mt Cutmore JV	51%
P 37/8616	Leonora, WA	Ironstone Well	100%

TENEMENT	LOCATION	NAME OF JV	INTEREST
P 39/5570-5572	Laverton WA	Mt Korong	100%
E 24/190	Zuleika, WA	Zuleika Joint Venture	Earning 49%
M 16/229	Zuleika, WA	Zuleika Joint Venture	Earning 49%
M 16/491	Zuleika, WA	Zuleika Joint Venture	Earning 49%
P 16/2479-2481	Zuleika, WA	Zuleika Joint Venture	Earning 49%
P 16/2621-2623	Zuleika, WA	Zuleika Joint Venture	Earning 49%
P 16/2837-2841	Zuleika, WA	Zuleika Joint Venture	Earning 49%
P 16/2843-2856	Zuleika, WA	Zuleika Joint Venture	Earning 49%
P 16/2874-2887	Zuleika, WA	Zuleika Joint Venture	Earning 49%
P 16/2896	Zuleika, WA	Zuleika Joint Venture	Earning 49%
P 16/2901-2902	Zuleika, WA	Zuleika Joint Venture	Earning 49%
P 16/2913-2915	Zuleika, WA	Zuleika Joint Venture	Earning 49%
P 24/4418-4429	Zuleika, WA	Zuleika Joint Venture	Earning 49%
P 24/4468	Zuleika, WA	Zuleika Joint Venture	Earning 49%
P 24/4679	Zuleika, WA	Zuleika Joint Venture	Earning 49%
P 24/4749	Zuleika, WA	Zuleika Joint Venture	Earning 49%
P 24/4827-4831	Zuleika, WA	Zuleika Joint Venture	Earning 49%
P 24/4865-4874	Zuleika, WA	Zuleika Joint Venture	Earning 49%
P 24/4917-4923	Zuleika, WA	Zuleika Joint Venture	Earning 49%
P 24/4925-4940	Zuleika, WA	Zuleika Joint Venture	Earning 49%
P 24/4996	Zuleika, WA	Zuleika Joint Venture	Earning 49%

Torian Resources holds a 35% interest in the Joint Venture Company that is developing the Vatovorona Project in Madagascar.



A\$3
MILLION
RAISED

8,000+
SAMPLES SENT
TO THE LAB

OVER
36,000
METRES DRILLED

COMPLETED
8
ACQUISITIONS IN
12
MONTHS

75
MILLION TORIAN
SHARES ON ISSUE

25%
DRILL RESULTS
STILL
OUTSTANDING

ZULEIKA JV
COMPRISES
144
TENEMENTS

A\$1Bn
ACQUISITIONS AROUND
THE ZULEIKA JV



DIRECTORS' REPORT

This underscores the value proposition and points to a very exciting future for your Company

Review of Operations

Throughout the year, the Directors were focused on exploring and developing the Company's three advanced gold projects acquired in the 2015 financial year. These are located in the Goldfields region of Western Australia. They include:

- Zuleika JV;
- Mt Stirling; and
- Malcolm.

The Goldfields Region of Western Australia has an extensive history of gold mineralisation with several multi-million ounce discoveries, numerous producing mines and the presence of some of the world's largest gold exploration and production companies. The projects were identified through a combination of a detailed regional study, deep experience in the region and strong on-ground relationships.

The Company has a stated goal of actively pursuing new acquisitions with the potential to deliver additional shareholder value.

Transaction with Cascade Resources Limited

In December 2014 the Company announced an amended agreement with Cascade Resources Limited ("Cascade") for the acquisition of

the Mr Stirling and Malcolm projects. These projects host a combined existing JORC Inferred Resource of 37,477 oz Au.

The transaction with Cascade was completed on 26 March 2015. Consideration paid by the Company is as follows:

- Issue of 6,450,000 ordinary shares to the Project Vendors, escrowed for 12 months; and
- Issue of 6,450,000 ordinary shares to the Project Vendors, escrowed for 12 months; &
- Payment of A\$313,300 to the Project Vendors.

In April 2015, the Company announced that it had entered into a binding Joint Venture term sheet with Cascade Resources (the "JV") on Cascade's Zuleika Gold Project. The Zuleika JV Project then comprised 76 tenements covering approximately 120 km² located about 50km northwest of Kalgoorlie. The tenements are 100% owned by Cascade with 2% royalties held by various third parties.

Torian has a right to earn up to a 49% interest in the project by spending a total of A\$5m on the project over 4 years with a minimum A\$1.25m to be spent in the first year.

The Company's JV agreement with Cascade Resources was amended numerous times during the year for the benefit of Torian with additional tenement packages added to the JV area for no additional consideration by the Company.

Significantly, an option to purchase the Mt Pleasant North Project was signed by the manager of the JV, Cascade. This project is located on the Black Flag Fault and lies

approximately 5km west of Zijin's Paddington mine and is in close proximity to several other producing mines.

By December 2015, and after a number of acquisitions, the Zuleika JV comprised 104 tenements covering 188km². Torian's aggressive accretion in the region has established a dominant tenement holder, and sole remaining junior, along the highly sought after Zuleika Shear. The Company remains in discussions with other parties with a view of acquiring selective packages that complement its current holding and fit with its geological model.

Exploration Activities

The Company's exploration team has been extremely active with 560 holes for 27,332 metres being drilled up until Dec 2015. Some 8,000 samples have been sent to the lab with approximately 25% of these results awaited. First indications are very promising but of course there are many more results to follow.

Late in 2015 the Company completed infill RC drilling at its Mt Stirling Project located 40km northwest of Leonora in Western Australia. The Mt Stirling Well Prospect, covering a small part of the Mt Stirling Project, has an outcropping JORC inferred resource of 41,300 tonnes @ 8.54g/t for 11,300oz Au. This resource does not take into consideration the latest drill program and has the potential to grow significantly. The Mt Stirling Well Prospect is a high grade, oxidised system, located at surface which may be amenable to low cost, open cut mining.

A total of 51 holes for 1,711 metres were drilled in and around a high grade historic resource. The best intersection was 2m @30.35g/t at only 35m.

The Company has also been encouraged by the level of exploration and corporate activity around its Zuleika JV Project. Northern Star, Rand Mining and Tribune Resources have enjoyed continued exploration success with the discovery of the high grade Pegasus, Millenium and Ambition deposits immediately to the south

of the Company's project. Further, there has been continued regional acquisitions by some of Australia and China's largest gold producers.

More recently Evolution Mining acquired Phoenix Gold for \$76 million, which borders the Company's project to the west. This underscores the value proposition and points to a very exciting future for the Company.

Next year is shaping up to be another exciting year for Torian. The targeting for next year's drilling is well advanced with a full geological interpretation underway at the Zuleika JV. The aim of this work is to fine tune the drill targets and has resulted from a structural geologists site visit, detailed interpretation of magnetic and radiometric images and the ongoing database compilation of past and present drilling. This database now totals 47,946 holes for 22,452,248 metres and is the springboard from which the Company will act.

Existing Assets

The sale agreement with Aduro Diamonds Pty Ltd (formally Copeton Diamond Mines Pty Ltd) with regard to the Copeton tenements was finalised in December 2015 following the successful transfer of the mining licenses with approval by the NSW Department of Industry Resources and Energy. The balance of the sale consideration, \$30,000, was received on completion of the sale.

The NSW Department of Industry Resources and Energy returned \$100,000 worth of bonds to the Company subsequent to the period end. Aduro Diamonds Pty Ltd lodged replacement bonds in December 2015.

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

DIRECTORS' REPORT CONT'D

Corporate and Finance

In May 2015, the Company offered a Share Purchase Plan ("SPP") to shareholders with the opportunity to purchase up to \$15,000 of new shares in the Company. At the conclusion of the SPP, a total amount of \$222,000 was raised and new shares were issued to SPP participants at \$0.1917 per share.

In August 2015, the Company successfully undertook a placement of shares to professional and sophisticated investors at an issue price of \$0.1917 per share to raise AUD\$2.7 million.

In December 2015, Torian implemented an Unmarketable Parcel Sale Facility, which allowed current shareholders with parcels less than \$500 an opportunity to sell those shares without incurring brokerage costs. By facilitating the sale of unmarketable parcels of shares, the Company has reduced the ongoing administrative costs associated with a large number of shareholders with small holdings.

During the year 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, 2015.

Principal Activities

The principal activities of the Group during the course of the financial year were the exploration and development 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 2015 is \$1,377,595 (2014: \$583,489).

Dividends

No dividends were paid or declared by the Group since the end of the previous financial year and the Directors did not recommend dividends be paid for the year ended 31 December 2015.

Significant Changes in the State of Affairs

Change in Company Focus

Following the acquisition of the Cascade tenements, the Company has maintained its focus on exploration and evaluation of the Zuleika, Mt Stirling and Malcolm projects. Full details are included in the review of operations above.

Change in Board Composition

During the period, former directors Nathan Taylor, Sunil Dhupelia, Jason Hou and Ian Johns resigned from the Board of Torian Resources Limited. This measure has further reduced costs within the business.

Elissa Hansen was appointed to the Board on 9 December 2015.

Likely Developments and Expected Results of Operations

The Group is currently active in continuing its exploration activities and assessing the results of its recent drilling. Likely developments and expected results will be announced to the market as they emerge.

Matters Subsequent to Year End

Drilling Update

Subsequent to balance date, Torian completed Phase 1 of a 4 Phase drilling program designed to test an initial 14 targets at the Zuleika JV Project. A total of 753 holes for 34,177m of rotary air blast (RAB) drilling was completed, together with 6 reverse circulation (RC) drill holes for 618m.

Results of the Phase 1 drill program at Targets 4 to 9 at the Zuleika JV Project were received in late March. Remaining results are expected soon.

Torian has also completed its planning for Phase 2 of its drill program at Mt Stirling. Following discovery of further high grade near surface mineralisation, the Company is now accelerating Phase 2 of its drill program at Mt Stirling. The aim of this drill program will be to demonstrate that this system appears to be much larger than originally indicated.

The Company has received all necessary approvals from the WA Department of Mines and Petroleum for the next round of drilling at Mt Stirling.

New Acquisitions

Two new acquisitions at Zuleika JV Project bring the total project area to 214km².

A total of 15 applications for Prospecting Licences have been made over highly prospective ground at the Zuleika JV Project. This firmly cements Torian as one of the largest landholders in this highly sought after region.

Funding

At an Extraordinary General Meeting held on 29 March 2016, shareholders approved the issue of up to 25,000,000 ordinary shares to raise up to \$5 million.

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

Directors

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

Current:

Mr. Andrew Sparke

Mr. Matthew Sullivan

Ms. Elissa Hansen (Appointed 9 December 2015)

Former:

Mr. Nathan Taylor (Resigned 9 December 2015)

Mr. Sunil Dhupelia (Resigned 30 June 2015)

Mr. Jason Hou (Resigned 23 March 2015)

Mr. Ian Johns (Resigned 24 March 2015)

For more information, see MEET THE TEAM on page 20.

Company Secretary

Ms. Elissa Hansen (Resigned 17 August 2015, reappointed 9 December 2015)

Mr. Mark Studd (Appointed 17 August 2015, resigned 9 December 2015)

DIRECTORS' REPORT CONT'D

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 2015 and the number of meetings attended by each Director were:

Directors Meetings

Director	Held Whilst in Office	Attended
Andrew Sparke	4	4
Matthew Sullivan	4	4
Elissa Hansen	1	1
Nathan Taylor	3	3
Sunil Dhupelia	3	3
Jason Hou	2	2
Ian Johns	2	2

Directors Interests

Information on the Directors' and their associates' interests in shares and options in the Company at 31 December 2015 can be found in the Remuneration Report on page 24.

Shares Under Option

At the date of this report, there were no unissued ordinary shares of Torian Resources Limited under option.

Shares Issued on the Exercise of Options

No shares were issued during the financial year ended 31 December 2015 on the exercise of options.

Other Shares Issued

Since the end of the financial year the Company has issued 1,125,291 fully paid ordinary shares.

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 the Directors against any liability:

- 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 or anybody corporate; and
- 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.

Corporate Governance Statement

A copy of the Corporate Governance Statement has not been disclosed within the Annual Report and is available on the Company's website www.torianresources.com.au/corporate-governance in accordance with the ASX Listing Rule 4.10.3.

Declaration by Director

Before it approved the Company's 2015 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.

Non-audit Services

The Directors received the Lead Auditor's Independence Declaration which is set out on page 26. The external auditor did not provide any non-audit services to the Company during the year ended 31 December 2015.

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

Andrew Sparke
Non-executive Chairman
Sydney, 31 March 2016



MEET THE TEAM

Information on Directors

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

Non-executive Chairman
Appointed: 6 June 2014

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

Managing Director
Appointed: 6 June 2014

Ms. Elissa Hansen
B.Com, ACSA, GAICD

Non-executive Director, Company Secretary
Appointed: 9 December 2015

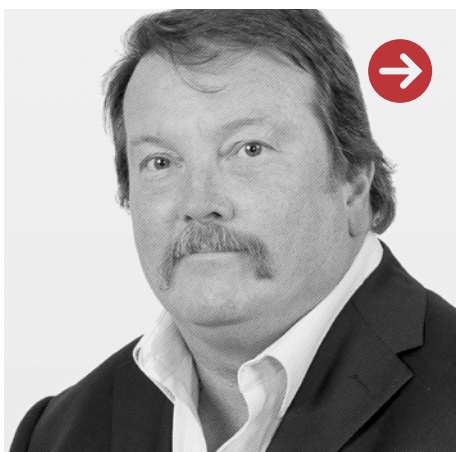
BOARD & ADVISORY BOARD

Andrew Sparke Non-Executive Chairman

Andrew Sparke has 13 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.



Matthew Sullivan Managing Director

Matthew Sullivan is an experienced geologist and listed company director with 25 years' experience working in the Goldfields Region of Western Australia. 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 (4Moz's), Selene (800Koz's), Safari Bore (400Koz's) and St Patricks (400Koz'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.

Elissa Hansen Non-Executive Director

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.

Elissa is also a director of Goldsearch Limited (ASX:GSE).



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 the 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
Ms. Elissa Hansen	

Key Management Personnel Compensation

2015	Salary and directors fees	Bonus	Non-monetary benefits	Other employee entitlements	Total
	\$	\$	\$	\$	\$
Nathan Taylor	50,000	-	-	-	50,000
Sunil Dhupelia	¹	-	-	-	-
Jason Hou	13,548	-	-	-	13,548
Ian Johns	13,710	-	-	-	13,710
Andrew Sparke	105,000 ²	-	-	-	105,000
Matthew Sullivan	105,000 ³	-	-	-	105,000
Elissa Hansen	4,000	-	-	-	4,000
Total Compensation	291,258	-	-	-	291,258

¹ On resignation, Mr Dhupelia agreed to a reduced settlement of outstanding directors' fees of \$50,000. This reduced amount is less than the recognised benefits accrued to him at 31 December 2014. As a result, no expense has been recognised for Mr Dhupelia's fees in the current financial year.

² Fees incurred for services provided as per the consultancy agreement between the Company and Mr Sparke. Fees paid in the year were \$35,000 and \$70,000 remains unpaid at 31 December 2015.

³ Fees incurred for services provided as per the consultancy agreement between the Company and Mr Sullivan. Fees paid in the year were \$65,000 and \$40,000 remains unpaid at 31 December 2015.

REMUNERATION REPORT CONT'D

Key Management Personnel Compensation

2014	Salary and directors fees	Bonus	Non-monetary benefits	Other employee entitlements	Total
	\$	\$	\$	\$	\$
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

Shares Held by Key Management Personnel and Their Associates

	Balance 1 Jan 2015	Consolidation Reduction 1	Purchases	Granted as Compensation	Balance 31 Dec 2015
Nathan Taylor ²	5,000,000	-4,848,485	-	-	151,515
Sunil Dhupelia ²	92,500,000	-89,696,970	-	-	2,803,030
Jason Hou ²	92,500,000	-89,696,970	-	208,630	3,011,660
Ian Johns ²	92,853,608	-90,039,863	-	-	2,813,745
Andrew Sparke ³	-	-	27,272,727	-	27,272,727
Matthew Sullivan ⁴	-	-	28,622,727	-	28,622,727
Elissa Hansen	-	-	-	-	-
Total	282,853,608	-274,282,288	55,895,454	208,630	64,675,404

¹ Adjusted for 1 for 33 share consolidation taken place during the period.

² Resigned during the financial year.

³ Shares disclosed as issued to Andrew Sparke due to Key Management Personnel (KMP) relationship with Cascade Resources Limited ("Cascade"). Shares are not beneficially held by Mr Sparke but are beneficially held by Cascade on behalf of all its shareholders. Mr Sparke holds a minority interest in Cascade.

⁴ Shares disclosed as issued to Matthew Sullivan due to Key Management Personnel (KMP) relationship with Cascade and other vendors of the Cascade transactions. 27,272,727 of these shares are not beneficially held by Mr Sullivan but are beneficially held by Cascade on behalf of all its shareholders. Mr Sullivan holds a minority interest in Cascade.

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.

Andrew Sparke - Director

- Agreement commenced on 6 June 2014;
- Consultancy fee of \$10,000 per month;
- Agreement is terminated upon cessation of directorship/employment with the Company;
- No performance based remuneration incentive has been included.

Matthew Sullivan - Director

- Agreement commenced on 6 June 2014;
- Consultancy fee of \$10,000 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.

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Torian Resources Limited for the year ended 31 December 2015, 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

RSM AUSTRALIA PARTNERS

G N Sherwood
G N Sherwood
Partner

Sydney, NSW
Dated: 31 March 2016

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FINANCIAL REPORT **2015**



PROFIT & LOSS

Consolidated Statement of Profit or Loss and other Comprehensive Income for Year Ended 31 December 2015

	Note	2015 \$	2014 \$
Sales revenue		-	-
Cost of sales		-	-
Gross profit		-	-
Other revenue	2	151,720	172,574
Depreciation and amortisation expense	3	(8,647)	(9,505)
Impairment expense	3	(14,534)	(112,894)
Employee benefits expense	5	(184,012)	-
Due diligence and professional services		(603,682)	(472,100)
Finance costs		(8,187)	(29,164)
Exploration expenditure		(149,126)	23,301
Other expenses		(561,127)	(155,701)
Loss before income tax expense		(1,377,595)	(583,489)
Income tax expense	4	-	-
Loss attributable to members of the parent entity		(1,377,595)	(583,489)
Other comprehensive income		-	-
Total comprehensive income for the period		(1,377,595)	(583,489)
Basic earnings per share (cents)	7	(2.63)*	(0.15)

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

*Calculated subsequent to a 1 for 33 share consolidation undertaken during the year.

FINANCIAL POSITION

Consolidated Statement of Financial Position as at 31 December 2015

	Note	2015 \$	2014 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	1,542,011	48,941
Trade and other receivables	9	241,293	31,160
TOTAL CURRENT ASSETS		1,783,304	80,101
NON-CURRENT ASSETS			
Available-for-sale financial asset	11	1,429	1,429
Property, plant and equipment	13	7,053	8,106
Exploration and evaluation expenditure	14	7,682,700	14,534
TOTAL NON-CURRENT ASSETS		7,691,182	24,069
TOTAL ASSETS		9,474,486	104,170
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	861,382	467,925
Borrowings	16	385,962	315,550
TOTAL CURRENT LIABILITIES		1,247,344	783,475
TOTAL LIABILITIES		1,247,344	783,475
NET ASSETS/(LIABILITIES)		8,227,142	(679,305)
EQUITY			
Issued capital	17	66,009,823	55,725,782
Reserves	18	-	1,214,150
Accumulated losses		(57,782,681)	(57,619,237)
TOTAL EQUITY		8,227,142	(679,305)

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

EQUITY

Consolidated Statement of Changes in Equity for Year Ended 31 December 2015

	Shares on Issue	Accumulated Losses	Options Reserve	Total
	\$	\$	\$	\$
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)
Balance at 1 January 2015	55,725,781	(57,619,236)	1,214,150	(679,305)
Loss for the period	-	(1,377,595)	-	(1,377,595)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	(1,377,595)	-	(1,377,595)
Shares issued during the period	10,284,042	-	-	10,284,042
Options expired	-	1,214,150	(1,214,150)	-
Balance at 31 December 2015	66,009,823	(57,782,681)	-	8,227,142

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

CASH FLOW

Consolidated Statement of Cash Flows for Year Ended 31 December 2015

	Note	2015 \$	2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,060,099)	(314,091)
Finance charges		(2,187)	(115)
Payments for exploration		(1,018,511)	(2,295)
Interest received		18,701	3,080
Net cash (used) in operating activities	19	(2,062,096)	(313,421)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment		(7,593)	-
Proceeds from sale of interest in mining leases		30,000	70,000
Payments to acquire mining tenements		(313,300)	(14,534)
Deposits refunded by government bodies		10,000	30,000
Net cash (used in)/provided by investing activities		(280,893)	85,466
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of raising costs		3,573,431	11,059
Loan proceeds received		282,628	-
Repayment of related party loan		(20,000)	(7,886)
Net cash provided by financing activities		3,836,059	3,173
Net increase/(decrease) in cash held		1,493,070	(224,782)
Adjustment for reclassification of cash assets to non-current receivables		-	-
Cash and cash equivalents at beginning of financial year		48,941	273,723
Cash and cash equivalents at end of financial year		1,542,011	48,491

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

NOTE 1:

Summary 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'). The separate financial statements and notes of Torian Resources Limited as an individual parent entity ('Company') have not been presented within the financial report as permitted by the Corporations Act 2001.

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 2015 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 12 to the financial statements. All controlled entities have a 31 December 2015 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.

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 12.

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.

NOTE 1 CONT'D

Summary 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.

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.

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.

NOTE 1 CONT'D

Summary of Significant Accounting Policies (CONT.)

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 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

As disclosed in Note 5 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 source of business.

Key Judgements — Doubtful Debts Provision

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

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 2014-1 Amendments to Australian Accounting Standards (including Part A: Annual Improvements 2010-2012 and 2011-2013 Cycles and Part B: Defined Benefit Plans: Employee Contributions – Amendments to AASB 119)

The adoption of the improvements made in the 2012-2013 Cycle has required additional disclosures in our segment note. Other than that, the adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not been early adopted by the group.

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 2015, the Group incurred a net loss after tax of \$1,377,595 (2014: loss \$583,489). The Group utilised cash flows operating and investing activities of \$2,062,096 and \$280,893 respectively.

The Directors continue to assess the financing and capital requirements of the Group and 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:

- The Group has the capacity to raise additional share capital following to approval of a resolution passed at a General Meeting on 29 March 2016 for the Company to issue up to 25,000,000 fully paid ordinary shares in the company at an issue price of at least 80% of the Volume Weighted Average Price per Share calculated over the last 5 days before the date of issue to raise up to \$5,000,000;
- The Group has cash resources of \$1,542,011 as at 31 December 2015;
- The Group has net assets of \$8,227,142 and net current assets of \$535,960;
- The Group has the ability to dispose some of its assets as required;
- The Group has the ability to scale back its exploration activities should funding not be available continue exploration at its current levels

NOTE 2/3/4:

	2015	2014
	\$	\$

NOTE 2: REVENUE

Other revenue:

— Interest received	18,701	3,080
— Profit on disposal of non-current assets	90,909	-
— Other revenue	42,110	169,494
Total other income	151,720	172,574

NOTE 3: RESULTS FOR THE YEAR

Expenses:

Impairment	14,534	112,984
Depreciation of plant and equipment	8,647	9,505

NOTE 4: INCOME TAX EXPENSE

The components of tax expense comprise:

Current tax	-	-
Deferred tax	-	-
Total	-	-

Prima facie tax benefit on loss from ordinary activities before income tax at 30%:

Add tax effect of:		
— Other non-allowable items	21,146	39,142
Subtotal	(392,132)	(135,905)

Less tax effect of:

— Items not assessable for taxation	(12,633)	50,636
— Items deductible for taxation but not accounting	(295,547)	-
Deferred tax assets not brought to account:	700,312	85,269
Income tax expense	-	-

NOTE 4 (CONT'D)

The Group has carry forward tax losses, calculated according to Australian income tax legislation of \$36,670,080 (2014: \$34,335,705), 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 5/6:

	2015	2014
	\$	\$

NOTE 5: EMPLOYEE BENEFITS EXPENSE

Employee benefits incurred during the year:		
— Salaries and wages	175,664	-
— Superannuation	8,348	-
Total:	184,012	-

NOTE 6: AUDITOR REMUNERATION

Remuneration of the auditor of the Group for:		
— auditing or reviewing the financial report	46,000	25,000
Total:	46,000	25,000

NOTE 7/8/9:

NOTE 7: EARNINGS PER SHARE

	2015	2014
	\$	\$
a. Reconciliation of earnings:		
Loss	(1,377,595)	(583,489)
	No.	No.
b. Weighted average number of ordinary shares outstanding during the year used in calculating EPS	52,281,915*	394,137,643
	Cents	Cents
c. Basic EPS	(2.63)	(0.15)
d. Diluted EPS	(2.63)	(0.15)

*Calculated subsequent to a 1 for 33 share consolidation undertaken during the period.

NOTE 8: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	1,542,011	48,941
Total	1,542,011	48,941

NOTE 9: TRADE AND OTHER RECEIVABLES

CURRENT

Trade and other receivables from third parties:		
— Trade receivables	18,458	18,458
— Other receivables	222,835	12,702
Total current assets	241,293	31,160

NON-CURRENT

Trade and other receivables from third parties:		
— Term Deposits - Guarantees	-	3,262
— Deposits with government bodies	-	147,822
— Provision for impairment Total non-current assets	-	-151,084
Total non-current assets	-	-

NOTE 9 CONT'D

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.

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.

	2015 \$	2014 \$
Interests in joint ventures		
Varun Torian (International) SARL		
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	-	-

Movements in carrying amounts

Varun Torian (International) SARL		
Balance at 1 January	-	-
Refunded during the year	-	-
Allowance for impairment	-	-
Closing balance	-	-

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

	2015	2014
	\$	\$
Available-for-sale	1,429	1,429
Total	1,429	1,429

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 2015 Using:			
	Quoted Prices in Active Markets for Identical Assets	Significant Observable Inputs	Significant Unobservable Inputs
	\$	\$	\$
	(Level 1)	(Level 2)	(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.



NOTE 12:

Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned [%]*	
		2015	2014
PARENT ENTITY:			
Torian Resources Limited	Australia		
SUBSIDIARIES OF TORIAN RESOURCES LIMITED			
Cluff Minerals (Australia) Pty Limited	Australia	100	100
NSW Gold NL	Australia	100	100
Torian Exploration Pty Ltd	Australia	100	100

* Percentage of voting power is in proportion to ownership

NOTE 13:

Plant and Equipment

	2015 \$	2014 \$
OFFICE EQUIPMENT		
At cost	38,631	31,038
Accumulated depreciation	(31,578)	(25,452)
Total office equipment	7,053	5,586
PLANT AND EQUIPMENT		
At cost	11,899	11,899
Accumulated depreciation	(11,899)	(9,379)
Total property, plant and equipment	-	2,520
Total	7,053	8,106

Movements in Carrying Amounts

	Office Equipment \$	Plant and Equipment \$	Total \$
Balance at 1 January 2014	12,116	5,495	17,611
Depreciation expense	(6,530)	(2,975)	(9,505)
Balance at 31 December 2014	5,586	2,520	8,106
Acquisitions in the year	7,593	-	7,593
Depreciation expense	(6,126)	(2,520)	(8,646)
Balance at 31 December 2015	7,053	-	7,053

NOTE 14/15/16:

NOTE 14: EXPLORATION AND EVALUATION EXPENDITURE

	2015	2014
	\$	\$
Exploration expenditure capitalised	7,682,700	1,191,063
Provision for impairment	-	(1,176,529)
Total	7,682,700	14,534
Balance at beginning of financial year	14,534	-
Additions	7,682,700	14,534
Disposals	-	-
Amortisation on disposed assets	-	-
Impairment recognised during the financial year	(14,534)	-
Balance at end of financial year	7,682,700	14,534

NOTE 15: TRADE AND OTHER PAYABLES

CURRENT

Accounts payable	518,574	56,771
Deferred revenue	-	70,000
Employee benefits payable	13,574	(2,600)
Directors' accruals	289,117	280,754
Other payables	40,117	63,000
Total	861,382	467,925

NOTE 16: BORROWINGS

CURRENT

Loans from external parties (i)	103,334	97,334
Loans from related parties (ii) (Note 20)	282,628	218,216
Total	385,962	315,550

(i) The principle loan was \$75,000. Interest is currently accruing on the loan balance at \$500 per month. It is the Company's intention to settle this loan following the next successful capital raising.

(ii) This loan is at call, unsecured and is non-interest bearing.

NOTE 17:

Issued Capital

Ordinary Shares

	2015		2014	
	No. of Shares	\$	No. of Shares	\$
Fully Paid				
At the beginning of reporting period	500,332,464	55,725,782	243,990,407	55,209,411
Share consolidation (1:33)	(485,174,115)	-	-	-
Shares issued during the year	25,414,416	4,329,983	256,342,057	516,371
Shares issued to acquire capital assets	33,722,727	6,407,318	-	-
Cost of raising capital	-	(453,260)	-	-
At reporting date	74,295,492	66,009,823	500,332,464	55,725,782

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.

NOTE 18:

Reserves

	2015	2014
Options reserve	-	1,214,150
Total reserves	-	1,214,150
The options reserve records the fair value of options on issue.		
Balance at beginning of financial year	1,214,150	1,995,700
Options expired during the year	(1,214,150)	(781,550)
Balance at end of financial year	-	1,214,150

NOTE 19:

Cash Flow Information

Reconciliation of Cash Flow from Operations with Profit after Income Tax

	2015	2014
	\$	\$
Loss after income tax	(1,377,595)	(583,489)
Non-cash flows in profit:		
Depreciation	8,647	9,505
Impairment expense	14,534	112,894
Profit on disposal of investments	-	(205,232)
Reversal of provision	(32,110)	(55,000)
Reversal of rehabilitation expenses	-	-25,596
Interest expense	-	27,353
Non-cash expenses	45,000	-
Changes in current assets and liabilities:		
(Increase)/decrease in trade and other receivables	(175,424)	(1,562)
Increase/(decrease) in accounts payable and accruals	364,236	407,706
Reallocation of investing cash flows	(40,000)	-
(Increase)/decrease in exploration assets	(869,384)	-
Net cash used in operating activities	(2,062,096)	(313,421)

NOTE 20:

Related Party Disclosures

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:	2015	2014
	\$	\$
— Johns Corporation Pty Ltd ATF Johns Family Trust (director fees and consultancy fees)	43,710	124,142
— Longhorn Capital Partners Pty Ltd (director fees)	50,000	60,000
— Sunkat Financial Pty Ltd (director fees)	-	60,000
— Sino-Aust Material Tradings Pty Ltd (director fees)	13,548	60,000
— Taylor Super Fund (lease rental)	22,267	48,000
— Jemda Pty Ltd (director fees)	105,000	35,000
— Olive Capital Pty Ltd (director fees)	105,000	35,000

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. 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.

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. 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 have been on an arm's length basis.

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

NOTE 20 CONT'D

Related Party Disclosures (CONT.)

Loans from related parties:

	2015	2014
	\$	\$
— Olive Capital Pty Ltd	1,500	-
— Cascade Resources Limited	281,128	-

Mr. Sullivan and Mr. Sparke are directors of Cascade Resources Limited, which is also a joint venture partner in the Zuleika Project.

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 (Appointed 9 December 2015)
 Mr. Nathan Taylor (Resigned 9 December 2015)
 Mr. Sunil Dhupelia (Resigned 30 June 2015)
 Mr. Jason Hou (Resigned 23 March 2015)
 Mr. Ian Johns (Resigned 24 March 2015)

Shares Held by Key Management Personnel and Their Associates

	Balance 1-Jan-15	Consolidation Reduction ¹	Purchases	Granted as Compensation	Balance 31-Dec-15
Nathan Taylor ²	5,000,000	(4,848,485)	-	-	151,515
Sunil Dhupelia ²	92,500,000	(89,696,970)	-	-	2,803,030
Jason Hou ²	92,500,000	(89,696,970)	-	208,630	3,011,660
Ian Johns ²	92,853,608	(90,039,863)	-	-	2,813,745
Andrew Sparke ³	-	-	27,272,727	-	27,272,727
Matthew Sullivan ⁴	-	-	28,622,727	-	28,622,727
Elissa Hansen	-	-	-	-	-
Total	282,853,608	(274,282,288)	55,895,454	208,630	64,675,404

¹ Adjusted for 1 for 33 share consolidation taken place during the period.

² Resigned during the financial year.

³ Shares disclosed as issued to Andrew Sparke due to Key Management Personnel (KMP) relationship with Cascade Resources Limited ("Cascade"). Shares are not beneficially held by Mr. Sparke but are beneficially held by Cascade on behalf of all its shareholders. Mr. Sparke holds a minority interest in Cascade.

⁴ Shares disclosed as issued to Matthew Sullivan due to Key Management Personnel (KMP) relationship with Cascade and other vendors of the Cascade transactions. 27,272,727 of these shares are not beneficially held by Mr. Sullivan but are beneficially held by Cascade on behalf of all its shareholders. Mr. Sullivan holds a minority interest in Cascade.

Options Held by Key Management Personnel and Their Associates

	Balance 1-Jan-15	Consolidation Reduction	Purchases	Expired	Balance 31-Dec-15
Nathan Taylor	-		-	-	-
Sunil Dhupelia	-		-	-	-
Jason Hou	-		-	-	-
Ian Johns	10,000,000	(9,696,969)	-	(303,031)	-
Andrew Sparke	-	-	-	-	-
Matthew Sullivan	-	-	-	-	-
Elissa Hansen	-	-	-	-	-
Total	10,000,000	(9,696,969)	-	(303,031)	-

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.

	Salary, wages and directors fees	Bonus	Non-monetary benefits	Other employee entitlements	Total
2015	\$	\$	\$	\$	\$
Nathan Taylor	50,000	-	-	-	50,000
Sunil Dhupelia		-	-	-	-
Jason Hou	13,548	-	-	-	13,55
Ian Johns	13,710	-	-	-	13,710
Andrew Sparke	105,00	-	-	-	105,000
Matthew Sullivan	105,00	-	-	-	105,000
Elissa Hansen	4,000	-	-	-	4,000
Total Compensation	291,258	-	-	-	291,258

¹ On resignation, Mr Dhupelia agreed to a reduced settlement of outstanding directors' fees of \$50,000. This reduced amount is less than the recognised benefits accrued to him at 31 December 2014. As a result, no expense has been recognised for Mr Dhupelia's fees in the current financial year.

² Fees incurred for services provided as per the consultancy agreement between the Company and Mr Sparke. Fees paid in the year were \$35,000 and \$70,000 remains unpaid at 31 December 2015.

³ Fees incurred for services provided as per the consultancy agreement between the Company and Mr Sullivan. Fees paid in the year were \$65,000 and \$40,000 remains unpaid at 31 December 2015.

NOTE 20 CONT'D

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

NOTE 21:

Share Based Payments

The following table presents information on the fair values of Ordinary Shares issued in the financial year by the Group.

Date	Description	No of Ordinary Shares	Value per security \$	Total \$
3/26/2015	Issue of shares as deemed consideration for the completion of the acquisition of the contractual rights to Malcolm and Mt Stirling gold projects from Cascade Resources Limited	27,272,727	0.1900	5,181,818
3/26/2015	Issue of shares to related party project vendors in part consideration for the completion of the acquisition agreements	6,450,000	0.1900	1,225,500
5/26/2015	Issue of ordinary shares for the conversion of debt	991,080	0.2000	198,216
8/11/2015	Issue of ordinary shares in lieu of services provided including assisting with promotion of the company and fund raising	1,000,000	0.1917	191,700
10/2/2015	Issue of ordinary shares in lieu of directors' fees	208,630	0.1980	41,307
12/3/2015	Issue of ordinary shares in lieu of consulting fees	83,058	0.2260	18,771
				6,857,312

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
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
Reduction from 1:33 consolidation	(19,442,426)	-
Expired	(607,574)	4.89
Options Outstanding as at 31 December 2015	-	-
Options Exercisable as at 31 December 2015	-	-

NOTE 22:

Events after the Balance Sheet Date

Drilling Update

Subsequent to balance date, Torian completed Phase 1 of a 4 Phase drilling program designed to test an initial 14 targets at the Zuleika JV. A total of 753 holes for 34,177m of rotary air blast (RAB) drilling was completed, together with 6 reverse circulation (RC) drill holes for 618m.

Results of the Phase 1 drill program at Targets 4 to 9 at the Zuleika JV were received in late March. Remaining results are expected soon.

Torian has also completed its planning for Phase 2 of its drill program at Mt Stirling. Following discovery of further high grade near surface mineralisation, the Company is now accelerating Phase 2 of its drill program at Mt Stirling. The aim of this drill program will be to demonstrate that this system appears to be much larger than originally indicated.

The Company has received all necessary approvals from the WA Department of Mines and Petroleum for the next round of drilling at Mt Stirling.

New Acquisitions

Two new acquisitions at Zuleika JV bring the total project area to 214km².

A total of 15 applications for Prospecting Licences have been made over highly prospective ground at the Zuleika JV. This firmly cements Torian as one of the largest landholder in this highly sought after region.

Funding

At an Extraordinary General Meeting held on 29 March 2016, shareholders approved for the issue of up to 25,000,000 ordinary shares to raise up to \$5 million.

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.

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:

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:

	2015	2014
	\$	\$
Trade receivables	22,624	31,160

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.

NOTE 23 CONT'D

Financial Instruments (CONT.)

Maturity Analysis of Financial Liabilities

	Carrying Amount	Contractual Cash Flows	< 6 Months
	\$	\$	\$
2015			
CURRENT LIABILITIES			
Accounts payable	518,574	518,574	518,574
Employee benefits payable	302,691	302,691	302,691
Other payables	40,117	40,117	40,117
Borrowings	385,962	385,962	103,334
2014			
CURRENT LIABILITIES			
Accounts payable	126,771	126,771	126,771
Other payables	343,754	343,754	343,754
Borrowings	315,550	315,550	315,550

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.

	2015	2014
	\$	\$
Change in Cash and Cash Equivalents		
Increase in interest rate by 1%	15,420	489
Decrease in interest rate by 1%	(15,420)	(489)

NOTE 24:

Segment Reporting

The Group's operations consist of exploring and developing gold assets in Western Australia.

The following table presents revenue and profit information and certain asset and liability information regarding operational segments for the years ended 31 December 2015 and 31 December 2014.

Segment revenues and results

	Segment Revenue		Segment Profit	
	2015	2014	2015	2014
	\$	\$	\$	\$
Exploration and development	133,019	139,323	(30,641)	40,351
Other	18,701	33,251	18,701	33,251
Total for continuing operations	151,720	172,574	(11,940)	73,602
Central administration costs and directors salaries			(1,365,655)	(657,091)
Loss before tax (continuing operations)			(1,377,595)	(583,489)

Segment assets

	2015	2014
	\$	\$
Exploration and development	7,682,700	17,054
Total segment assets	7,682,700	17,054
Unallocated	1,791,786	87,117
Consolidated total assets	9,474,486	104,171

Segment liabilities

Exploration and development	-	-
		-
Total segment liabilities unallocated	1,247,344	783,475
Consolidated total liabilities	1,244,344	783,475

NOTE 24 CONT'D

Segment Reporting (CONT.)

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.

NOTE 25:

Parent Entity Disclosures

	2015 \$	2014 \$
Financial position		
Assets		
Total current assets	1,781,277	78,075
Total non-current assets	7,691,182	24,070
Total assets	9,472,459	102,145
Liabilities		
Total current liabilities	1,244,344	783,475
Total liabilities	1,244,344	783,475
Equity		
Contributed equity	66,009,824	55,725,782
Reserves	-	1,214,150
Accumulated losses	(57,784,709)	(57,621,263)
Total equity	8,225,115	(681,331)
Financial performance		
Loss for the year	(1,377,595)	(609,085)
Other comprehensive income	-	-
Total comprehensive loss	(1,377,595)	(609,085)

NOTE 26:

Contingent Assets and Liabilities

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

NOTE 27:

Capital Commitments

As part of the Zuleika Joint Venture, Cascade will grant the Company the sole and exclusive right to earn a 49% Joint Venture (JV) interest from Cascade if they spend a minimum of \$5,000,000 on exploration activities related to the tenements held by the JV as follows:

- spending \$1,250,000 in the first twelve (12) month period, which commenced in July 2015;
- spending a further \$3,750,000 in the thirty six (36) month period following the above.
- The 49% will be granted as follows:
- 12.25% will be granted within 12 months; and
- a further 36.75% to be granted within 3 years.

NOTE 28:

Company Details

The registered office of the Company is:

Torian Resources Limited

Unit G4
49 Melville Parade
SOUTH PERTH WA 6151

The principal place of business is:

Torian Resources Limited

Unit G4
49 Melville Parade
SOUTH PERTH WA 6151

DIRECTORS' DECLARATION

The Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 16 to 42, 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 2015 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 been given the declaration required by Section 295A of the Corporations Act from the Chief Executive Officer for the financial year ended 31 December 2015;
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; and
5. the remuneration disclosures included on pages 22-25 of the Directors' Report (as part of the Audited Remuneration Report) for the year ended 31 December 2015, comply with section 300A of the Corporations Act 2001.

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



Andrew Sparke
Non-Executive Chairman

Sydney, 31 March 2016



100%
AUSTRALIAN
OWNED

1,170

HOLDERS OF
SHARES

COMPLETED

8

ACQUISITIONS IN

12

MONTHS

RSM Australia Partners

Level 13, 60 Castlereagh Street Sydney NSW 2000

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www.rsm.com.au**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 and controlled entities which comprises the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of 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 opinion.

THE POWER OF BEING UNDERSTOOD**AUDIT | TAX | CONSULTING**

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

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 2015 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

Report on the Remuneration Report

We have audited the Remuneration Report on pages 12 to 14 of the financial statements for the year ended 31 December 2015. 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 2015 complies with section 300A of the *Corporations Act 2001*.

RSM

RSM AUSTRALIA PARTNERS



G N Sherwood
Partner

Sydney, NSW
Dated: 31 March 2016

SPREAD OF SHAREHOLDERS

At 30 March 2016, there were 1,170 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	497	100,854	0.14%
1,001 – 5,000	259	738,749	0.99%
5,001 – 10,000	112	813,155	1.09%
10,001 – 100,000	230	7,177,003	9.58%
100,001 and over	72	66,091,022	88.22%
Total	1,170	74,920,783	100%

There were 617 shareholders holding less than a marketable parcel of 2,778 shares as at 30 March 2016.

Substantial Shareholders

The Company's register of substantial shareholders recorded the information as at 30 March 2016.

TOP 20 HOLDINGS

At 30 March 2016

Holder Name	Balance at 30-March 2016	%
CASCADE RESOURCES LIMITED	27,272,727	36.40
R&R VENTURE PARTNERS II LLC	5,716,485	7.63
JOHNS CORPORATION PTY LTD <JOHNS FAMILY A/C>	2,958,204	3.95
CITYSCAPE ASSET PTY LTD <CITYSCAPE FAMILY A/C>	2,200,000	2.94
MR TIMOTHY MCGOWEN & MRS DANIELLE MCGOWEN <TRURO SUPER FUND A/C>	1,955,000	2.61
DOBEROTTO PTY LIMITED <JASON SUPER FUND A/C>	1,710,087	2.28
TREVOR JOHN DIXON	1,670,000	2.23
ASIA INSURANCE HOLDINGS PTE LTD	1,304,121	1.74
KATSUN FINANCIAL PTY LTD	1,128,054	1.51
MR EDWARD SHIRAZI	1,043,297	1.39
LOT 99 PTY LTD <LOT 99 DISCRETIONARY A/C>	826,185	1.10
CELTIC CAPITAL PTE LTD <INVESTMENT 1 A/C>	824,679	1.10
RAND MINING LTD	824,679	1.10
TRIBUNE RESOURCES LTD	824,679	1.10
MR JAMES DAVID WILLIAM TAYLOR & ERIN ANN TAYLOR <THE TAYLOR SUPER FUND A/C>	757,575	1.01
ADAM FRANK HILL	750,000	1.00
MICHAEL HARRY LEWIS	750,000	1.00
MR JAMES DAVID WILLIAM TAYLOR MRS ERIN ANN TAYLOR <TAYLOR SUPER A/C>	607,320	0.81
DR JOHN CAPP PTY LIMITED	606,262	0.81
JEMDA PTY LTD	550,000	0.74
TOTAL	54,279,354	72.45

MINERAL RESOURCES STATEMENT

As at 31 December 2015, Torian Resources had total Inferred JORC Resources of 37,477 oz Au.

Project	JORC Category	Total Project Resources			Torian's Interest (On completion of the Acquisition Agreements)
		Tonnes	g/t Au	Oz	
Mt Stirling ¹	Inferred	259,750	2.44	20,400	51-90% ¹
Mt Stirling Well ²	Inferred	41,250	8.54	11,327	100%
Malcolm	Inferred	48,000	3.72	5,750	51-90% ¹
Total	Inferred	349,000	3.34	37,477	

Notes:

1. Torian holds a contractual right to acquire 51% and has the right to earn up to a 90% pursuant to the relevant joint venture agreements.
2. Mt Stirling Well is a prospect within the Mt Stirling Project.

The Mt Stirling Project is located approximately 40 kilometres north west of Leonora. The Malcolm Project is located approximately 20 kilometres east of Leonora.

The Company did not have any JORC Resources as at 31 December 2014.

Governance Arrangements and Internal Controls

The Company's resource estimates are prepared by the Managing Director who is a qualified geologist with more than 25 years' experience and is a member of the Australian Institute of Mining and Metallurgy and is a Competent Person as defined by the 2012 edition of the JORC Code. The resource estimates are prepared in accordance with the 2012 edition of the JORC Code. The resources are subject to internal peer review from time to time, at least quarterly, which have not highlighted any errors, omissions or changes.

Competent Person Statement

The information in this report relating to mineral resources is based on and fairly represents information and supporting documentation prepared by a Competent Person. That Competent Person is Mr MP Sullivan who is a member of AusIMM. Mr Sullivan is the principal of Jemda Pty Ltd, geological consultants to the Company, and the Company's Managing Director. Mr Sullivan has sufficient experience which is relevant to the style of mineralisation, the type of deposit that is under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Sullivan consents to the inclusion in the report of the matters based on his information in the form and context in which is appears.

