



Corporate Governance Statement

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

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

Role of the Board and Management

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

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

Appointment, Induction and Training

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

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

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

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

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

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

Board Performance

The Company believes that it is important that the Board reviews its own performance to ensure it is performing at a high level. Under the Board Charter, the Board must conduct an annual performance review. The Charter sets out the process for this review. The Board undertook an informal review in 2017.

Independence of the Board

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

The Board comprises two non-executive Directors, one of which is independent. Given the Company's background, the nature and size of its business and the current stage of its development, the Board believes that this is both appropriate and acceptable at this time. The Board reviews its composition periodically and has the intention to appoint appropriate independent Directors as required.

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

Board Skills and Experience

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

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

Identified Skill	Number of Directors with each Skill
Mining & exploration geology	1
Corporate Governance	2
Finance and accounting experience/literacy	2
Gold industry knowledge & experience	2
Risk Oversight/Management	2
Investor Relations	2
Corporate Transactions	3
Funding mechanisms and treasury	2
Regulatory Compliance	2

Board Committees

The Board does not currently have an Audit Committee, Risk, Remuneration or Nomination Committee. The Board as a whole undertakes the role of each of these Committees. Given the size of the Board, the Board believes that to be appropriate at this time.

Audit & Risk

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

Remuneration and Nomination

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

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

Internal Audit

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

External Auditor

The Company's external auditor, RSM Bird Cameron Partners, attends the Annual General Meeting (AGM) and a representative is available to answer questions from shareholders relevant to the audit at the AGM. RSM Bird Cameron Partners' independence declaration is contained in the Directors' Report in the 2017 Annual Report.

Management

The Company has:

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

for each of its employees and contractors.

CEO and CFO Declaration

Before it approved the Company's 2017 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.

Additionally, the Board received a declaration to this effect from the Managing Director before it approved the 2017 financial statements. The Company does not have a CFO at this time so did not receive a declaration from the CFO. Once the Company is of a sufficient size and structure to

necessitate a CFO, a declaration to this effect will be made by both the CEO (or Managing Director) and CFO before the Board approves any of the Company’s financial statements for a financial period.

Company Secretary

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

Code of Conduct

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

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

Diversity Policy

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

The current Board has not established measurable targets for achieving gender diversity across the Company. However, the Company has gender diversity throughout.

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

	Men	Women
Board	66%	33%
Senior executive*	33%	66%

* Direct reporting line to the CEO

Continuous Disclosure

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

Shareholder Communication

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

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

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