

Unaudited Annual Accounts & ASIC Class Waiver

Torian Resources Limited (**Torian** or the **Company**) advises that the 2020 Annual Report will not be available for lodgement with either ASX or ASIC by the due date of 31 March 2021.

Torian advises it will be relying on an extension of time to lodge its 2020 Annual Report including the audited accounts as required under Listing Rule 4.5.1 afforded by *ASX Class Waiver Extended Reporting and Lodgement Deadlines (ASX Class Waiver)* dated 29 December 2020 and *ASIC Corporations (Extended Reporting and Lodgement Deadlines – Listed Entities) Instrument 2020/451 (ASIC Instrument 2020/451)* to extend the lodgement date for its audited annual accounts which are required to be lodged with ASX and ASIC under Listing Rule 4.5.1 and section 319 of the Corporations Act 2001 (Cth) respectively.

As required under the ASX Class Waiver, the Company advises that the following unaudited statements are attached to this announcement:

- a) Consolidated Statement of Profit or Loss and Other Comprehensive Income;
- b) Consolidated Statement of Financial Position;
- c) Consolidated Statement of Changes in Equity;
- d) Consolidated Statement of Cash Flows; and
- e) Notes to the Financial Statements.

The Company will lodge its audited annual accounts on the earlier of the date of finalisation of the audited accounts and 30 April 2021. The Company will immediately make a further announcement to the market if there is a material difference between its unaudited full year accounts and its audited full year accounts.

This announcement has been authorised for release by the Board.

Matthew Foy
Company Secretary
Torian Resources Ltd
info@torianresources.com.au

Directors

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



TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES

UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES (UNAUDITED)

CORPORATE DIRECTORY

DIRECTORS

Mr. Paul Summers – Executive Chairman
Mr. Peretz Schapiro – Executive Director
Mr. Dale Schultz – Non-Executive Director

COMPANY SECRETARY

Mr. Matthew Foy

REGISTERED OFFICE AND PRINCIPAL PLACE OF BUSINESS

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Nedlands WA 6009
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Facsimile: (08) 9262 3723
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AUDITORS

BDO Sydney
Level 11, Margaret Street
Sydney NSW 2000
Telephone: (02) 92514100
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STOCK EXCHANGE LISTING

Torian Resources Limited's shares are listed on the Australian Securities Exchange (ASX codes: **TNR**, **TNRO**).

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TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES (UNAUDITED)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Note	2020 \$	2019 \$
Other income	2	50,203	172
Total revenue		50,203	172
Depreciation expense	3	(44,508)	(50,037)
Employee benefits expense	5	(351,593)	(609,410)
Due diligence & professional services		(408,397)	(294,027)
Exploration expenditure		(17,297)	(38,443)
Finance expense		(7,546)	(3,343)
Impairment expense	3	(505,676)	(631,175)
Loss on sale of tenements		-	(181,859)
Share based payments		(329,500)	-
Option fee on property and tenements		(116,000)	-
Other administration and compliance costs		(340,043)	(227,742)
Loss before income tax expense		(2,070,357)	(2,035,864)
Income tax expense	4	-	-
Loss for the period		(2,070,357)	(2,035,864)
Other comprehensive income		-	-
Total comprehensive loss for the period		(2,070,357)	(2,035,864)
Basic earnings per share (cents per share)	7	(0.50)	(0.74)
Diluted earnings per share (cents per share)	7	(0.50)	(0.74)

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

TORIAN RESOURCES LIMITED
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Consolidated Statement of Financial Position as at 31 December 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	8	2,373,018	49,775
Trade and other receivables	9	307,530	76,262
TOTAL CURRENT ASSETS		2,680,548	126,037
NON-CURRENT ASSETS			
Financial assets	10	1,429	1,429
Property, plant and equipment	12	25,137	3,264
Exploration and evaluation expenditure	13	20,767,141	19,075,545
Right of use asset		-	21,509
TOTAL NON-CURRENT ASSETS		20,793,707	19,101,747
TOTAL ASSETS		23,474,255	19,227,784
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	14	1,078,279	559,241
Borrowings	15	110,246	110,246
Lease liability		-	22,303
TOTAL CURRENT LIABILITIES		1,188,525	691,790
TOTAL LIABILITIES		1,188,525	691,790
NET ASSETS		22,285,730	18,535,994
EQUITY			
Issued capital	16	88,279,541	82,790,948
Reserves	17	621,500	290,000
Accumulated losses		(66,615,311)	(64,544,954)
TOTAL EQUITY		22,285,730	18,535,994

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

TORIAN RESOURCES LIMITED
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Consolidated Statement of Changes In Equity For Year Ended 31 December 2020

		Issued Capital	Accumulated Losses	Convertible Note Reserve	Options Reserve	Total
		\$	\$	\$	\$	\$
Balance at 1 January 2019		81,693,681	(62,509,090)	-	-	19,184,591
Loss attributable to members		-	(2,035,864)	-	-	(2,035,864)
Other comprehensive Income			-	-	-	-
Total comprehensive income for the period, net of tax		-	(2,035,864)	-	-	(2,035,864)
Transactions with owners in their capacity as owners						
Shares issued during the year, net of capital raising costs	16	1,097,267	-	-	-	1,097,267
Convertible note raising		-	-	290,000	-	290,000
Convertible note transferred to equity		-	-	-	-	-
Share options granted		-	-	-	-	-
Issue of convertible note reserves		-	-	-	-	-
Balance at 31 December 2019		82,790,948	(64,544,954)	290,000	-	18,535,994
		Issued Capital	Accumulated Losses	Convertible Note Reserve	Options Reserve	Total
		\$	\$	\$	\$	\$
Balance at 1 January 2020		82,790,948	(64,544,954)	290,000	-	18,535,994
Loss attributable to members		-	(2,070,357)			(2,070,357)
Other comprehensive Income		-	-	-	-	-
Total comprehensive income for the period, net of tax		-	(2,070,357)	-	-	(2,070,357)
Transactions with owners in their capacity as owners						
Shares issued during the year, net of capital raising costs	16	5,488,593	-	-	-	5,488,593
Convertible note raising	17	-	-	1,118,325	-	640,554
Convertible Note transferred to equity	16	-	-	(1,408,325)	-	(930,554)
Share options granted	17	-	-		621,500	621,500
Issue of convertible note reserves		-	-	-	-	-
Balance at 31 December 2020		88,279,541	(66,615,311)	-	621,500	22,285,730

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

TORIAN RESOURCES LIMITED
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		2020 \$	2019 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,123,872)	(904,293)
Finance charges		(12,773)	(464)
Interest received		-	151
Exploration expenses paid		-	(18,387)
Refund received		123,916	-
Option fee received		55,000	-
Net cash used in operating activities	20	<u>(957,729)</u>	<u>(922,993)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire property, plant and equipment		(84,468)	-
Payments to acquire mining tenements		-	-
Payments for exploration		(1,882,157)	(587,983)
Proceeds from disposal of tenements		-	150,000
Option fees paid		(116,200)	-
Net cash used in investing activities		<u>(2,082,825)</u>	<u>(437,983)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares, net of raising costs	17	4,723,243	1,025,266
Proceeds from convertible note		640,554	290,000
Net cash provided by financing activities		<u>5,363,797</u>	<u>1,315,266</u>
Net (decrease)/increase in cash held		<u>2,323,243</u>	<u>(45,710)</u>
Cash and cash equivalents at beginning of financial year		49,775	95,485
Cash and cash equivalents at end of financial year	8	<u>2,373,018</u>	<u>49,775</u>

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

TORIAN RESOURCES LIMITED
ABN 72 002 261 565
AND CONTROLLED ENTITIES (UNAUDITED)

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 2021 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 2019 unless otherwise stated and their adoption did not have a significant impact on the financial performance or position of the consolidated entity

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

Accounting Policies

a. Principles of Consolidation

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

A list of controlled entities is contained in Note 11 to the financial statements. All controlled entities have a 31 December 2020 financial year-end for this current year.

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

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

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

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

TORIAN RESOURCES LIMITED
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

b. **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 2020, the Group incurred a net loss after tax of \$2,070,357 and utilised cash in operating and investing activities of \$957,729 and \$2,082,825 respectively. The ability to continue as a going concern and realise its exploration asset is dependent on a number of factors, the most significant of which is obtaining additional funding to complete the exploration activities.

These factors indicate a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report.

The directors have reviewed the Group's overall position and outlook in respect of the matters identified above and are of the opinion that the use of the going concern basis is appropriate in the circumstances for the following reasons:

- On the 24 March 2021, the Group announced that it has raised \$4,000,000 before costs through a placement to sophisticated investors.
- The Group has cash resources of \$2,373,018 as at 31 December 2020
- The Group has net assets of \$22,285,730;
- The Group is exploring the possibility of entering into a number of joint venture arrangements for the development of some of its mining projects,
- The Group has the ability to dispose some of its assets as and when required; and
- The Group has the ability to scale back its exploration activities should funding not be available continue exploration at its current levels.

Accordingly, the Directors believe that the company and Group will be able to continue as going concerns and that it is appropriate to adopt the going concern basis in the preparation of the financial report.

The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the company and Group do not continue as going concerns.

c. **Taxes**

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.

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

c. **Taxes (Cont.)**

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 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.

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.

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

d. **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%
Buildings	<i>Over lease term</i>

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.

e. **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.

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

e. **Exploration, Development and Evaluation Expenditure (Cont.)**

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.

Carrying value

The licences held in respect of the Group's exploration operations comprise a large number of licenses across a large geographic area. There are however only eight projects that the Group is currently exploring and developing. Management has applied their judgement and determined that all of these licenses are to be treated as eight separate and distinct areas for the purposes of considering 'abandoned areas' or impairment. The costs of acquiring the licenses as well as all subsequent costs have been ascribed to these eight projects, and consequently, there are no impairment expenses for expired licenses in unexplored areas outside these eight projects.

f. **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.

g. **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.

h. **Financial Instruments**

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument, and are measured initially at fair value adjusted by transactions costs, except for those carried at fair value through profit or loss, which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

TORIAN RESOURCES LIMITED
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

h. **Financial Instruments (Cont.)**

Classification and subsequent measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition:

- amortised cost
- fair value through profit or loss (FVPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI)

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Classifications are determined by both:

- The entities business model for managing the financial asset
- The contractual cash flow characteristics of the financial assets

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables, which is presented within other expenses.

Subsequent measurement financial assets

Equity instruments at fair value through other comprehensive income (Equity FVOCI)

Investments in equity instruments that are not held for trading are eligible for an irrevocable election at inception to be measured at FVOCI. Under Equity FVOCI, subsequent movements in fair value are recognised in other comprehensive income and are never reclassified to profit or loss. Dividend from these investments continue to be recorded as other income within the profit or loss unless the dividend clearly represents return of capital. This category includes unlisted equity securities - XY Ltd that were previously classified as 'available-for-sale' under AASB 139.

Impairment of Financial assets

AASB 9's impairment requirements use more forward looking information to recognize expected credit losses – the 'expected credit losses (ECL) model'. Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Group considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

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

Financial Instruments (Cont.)

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

i. 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.

j. Equity-settled Compensation

There has been no equity based compensation with the exception of that described at Note 20. 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.

k. 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.

l. Trade and Other Payables

Liabilities for creditors and other amounts are carried at amortised cost, which is the present value of the consideration to be paid in the future for goods and services received, whether or not billed to the Company. The carrying period is dictated by market conditions but is generally less than 30 days.

TORIAN RESOURCES LIMITED
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NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

m. Revenue and Other Income

The Group does not currently have revenue from sale of goods to customers.

Any future revenue from contracts with customers will be recognised as per the requirements of AASB 15, the core principle of which is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price.

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue is recognised when it is received or when the right to receive payment is established.

n. Finance Costs

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 the period in which they are incurred.

o. 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.

p. Earnings Per Share

Basic earnings per share is calculated by dividing the profit or loss attributable to the owners of the Group excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financial costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to the dilutive potential ordinary shares.

q. Comparative Figures

Comparative figures have been derived from the audited financial statements for Torian Resources Limited for the year ended 31 December 2019, and changes in presentation are made where necessary to comply with accounting standards.

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

r. **Critical Accounting Estimates and Judgements**

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

Key Judgements - Exploration and Evaluation Expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage that permits a reasonable assessment of the existence of reserves. There is significant judgement required on the part of the management and the Board in determining whether exploration assets are impaired. Management have taken into consideration the independent external technical valuation obtained for the Torian and Cascade Portfolio of Projects obtained in February 2017 for the purposes of the Cascade acquisition. They have taken into account the subsequent geological reports from exploration activities and the increase in the gold price. In addition, they have considered the current market conditions, the political climate in the jurisdiction in which the assets exist, as well as numerous other factors in their determination that the assets are not impaired.

There is significant estimation uncertainty and judgement required in terms of the allocation of expenditure to individual tenements. Management has exercised their judgement in concluding that the abandonment of individual tenements within a project does not necessarily impact on the commercial viability of the project as a whole. Consequently, the historical costs of exploring the individual tenements within a greater project are considered part of the cost of the exploration of that project and the individual tenements are not impaired if abandoned.

Key Estimates - Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, which the similar terms, security and economic environment.

s. **New and Revised Accounting Standards**

The Group 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.

The consolidated entity has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. The adoption of these new and revised Accounting Standards and Interpretations has not resulted in a significant or material change to the consolidated entity's accounting policies.

Any new or amended Accounting Standards or interpretations that are not yet mandatory have not been early adopted.

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NOTE 2: REVENUE

	2020	2019
	\$	\$
Other revenue		
Option fee	50,000	-
Interest received	203	172
Total other income	<u>50,203</u>	<u>172</u>

NOTE 3: RESULTS FOR THE YEAR

Expenses:

Impairment	505,676	631,175
Depreciation of plant and equipment	44,508	7,020

NOTE 4: INCOME TAX EXPENSE

	2020	2019
	\$	\$
The components of tax expense comprise:		
Current tax	-	-
Deferred tax	-	-
Total	<u>-</u>	<u>-</u>
Prima facie tax benefit on loss from ordinary activities before income tax at 27.5% (2019: 27.5%):	(569,348)	(559,863)
Add tax effect of:		
— Other non-allowable items	229,673	313,326
Subtotal	(339,675)	(246,537)
Less tax effect of:		
— Items not assessable for taxation	-	-
— Items deductible for taxation but not accounting	-	(606,525)
Deferred tax assets not brought to account:	339,675	853,062
Income tax expense	<u>-</u>	<u>-</u>

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NOTE 4: INCOME TAX EXPENSE (CONT.)

The group has carried forward tax losses, calculated according to Australian income tax legislation of \$53,228,560 (2019: \$52,888,885), which will be deductible from future assessable income provided that income is derived, and:

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

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

NOTE 5: EMPLOYEE BENEFITS EXPENSE

Employee benefits incurred during the year:

— Salaries and wages	64,251	447,409
— Superannuation	4,980	48,839
Total:	<u>69,231</u>	<u>496,248</u>

NOTE 6: AUDITOR REMUNERATION

	2020	2019
	\$	\$
Remuneration of the auditor of the Group for:		
BDO auditing or reviewing the financial report	36,000	
RSM auditing or reviewing the financial report	7,564	48,281
Total:	<u>7,564</u>	<u>48,281</u>

NOTE 7: EARNINGS PER SHARE

a. Reconciliation of earnings:		
Loss	<u>(2,070,357)</u>	<u>(2,035,864)</u>
	No.	No.
Weighted average number of ordinary shares outstanding during the year used in		
b. calculating EPS	417,393,648	273,325,783
	Cents	Cents
c. Basic EPS	<u>(0.50)</u>	<u>(0.74)</u>
d. Diluted EPS	<u>(0.50)</u>	<u>(0.74)</u>

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NOTE 8: CASH AND CASH EQUIVALENTS

Cash at bank and on hand	2,373,018	49,775
Total	2,373,018	49,775

NOTE 9: TRADE AND OTHER RECEIVABLES

CURRENT

Trade and other receivables from third parties:

BAS receivable	185,001	29,207
Deposits	38,452	41,251
Prepaid insurance	-	4,7555
Prepaid plant & equipment	79,014	-
Trade receivables	5,063	1,029
Total current assets	307,530	76,262

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. There are no material debtors and consequently the credit worthiness of the Group's debtors is not considered a risk.

Allowance for expected credit losses

Trade receivables and other receivables are non-interest bearing and are generally on 30-60 day terms. A provision for expected credit loss is recognised when there is objective evidence that an individual receivable is impaired. No credit loss 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: FINANCIAL ASSETS

	2020	2019
	\$	\$
Financial assets	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.

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NOTE 10: FINANCIAL ASSETS(CONT.)

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 2020 using:		
	Quoted Prices in Active Markets for Identical Assets	Significant Observable Inputs	Significant Unobservable Inputs
	\$ (Level 1)	\$ (Level 2)	\$ (Level 3)
<i>Investment in shares of unlisted corporation</i>			
Elsmore Resources Limited	-	-	1,429

NOTE 11: CONTROLLED ENTITIES

Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)*	
		2020	2019
PARENT ENTITY:			
Torian Resources Limited	Australia		
SUBSIDIARIES OF TORIAN RESOURCES LIMITED			
Cascade Resources Pty Ltd	Australia	100	100
Cluff Minerals (Aust) Pty Limited	Australia	100	100
NSW Gold Pty Ltd	Australia	100	100
Who Are They Pty Ltd	Australia	100	100
Zuleika JV Management Pty Ltd (100% owned by Cascade Resources Limited)	Australia	100	100
Monger Gold Limited	Australia	100	-
Tarmoola Holdings Pty Ltd	Australia	100	100

* Percentage of voting power is in proportion to ownership

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NOTE 12: PLANT AND EQUIPMENT

	2020	2019
	\$	\$
OFFICE EQUIPMENT		
At cost	69,772	26,618
Accumulated depreciation	(44,635)	(23,354)
Total office equipment	<u>25,137</u>	<u>3,264</u>
 Total	 <u>25,137</u>	 <u>3,264</u>

Movements in Carrying Amounts

	Office Equipment
	\$
Balance at 31 December 2018	10,284
Acquisitions in the year	-
Depreciation expense	(7,020)
Balance at 31 December 2019	<u>3,264</u>
Acquisitions in the year	44,872
Depreciation expense	(22,999)
Balance at 31 December 2020	<u>25,137</u>

NOTE 13: EXPLORATION AND EVALUATION EXPENDITURE

	2020	2019
	\$	\$
Exploration expenditure capitalised	20,767,141	19,075,545
Provision for impairment	-	-
Total	<u>20,767,141</u>	<u>19,075,545</u>
 Balance at beginning of financial year	 19,075,545	 19,238,242
Additions	2,197,272	810,444
Amounts written off during the financial year	(505,676)	(621,565)
Amounts sold during the financial year	-	(351,576)
Balance at end of financial year	<u>20,767,141</u>	<u>19,075,545</u>

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NOTE 14: TRADE AND OTHER PAYABLES

	2020	2019
	\$	\$
CURRENT		
Accounts payable	1,042,280	468,141
Accrued expenses	35,999	91,100
Total	<u>1,078,279</u>	<u>559,241</u>

NOTE 15: BORROWINGS

	2020	2019
	\$	\$
CURRENT		
Loans from related parties (i) (Note 20)	110,246	110,246
Total	<u>110,246</u>	<u>110,246</u>
(i) This loan is at call, unsecured and is non-interest bearing.		

NOTE 16: ISSUED CAPITAL

	2020		2019	
	No of Shares	\$	No of Shares	\$
Ordinary shares				
<i>Fully Paid</i>				
At the beginning of reporting period	315,779,687	82,790,948	222,027,674	81,693,681
Shares issued during the year	247,389,320	4,544,508	88,906,250	1,083,500
Shares issued on conversion of notes	191,350,000	1,408,325		
Shares issued in payment of interest	3,404,600	18,891	-	-
Shares issued in payment for services	13,466,100	157,487	4,845,763	71,102
Cost of raising capital	-	(640,619)	-	(57,335)
At reporting date	<u>771,389,707</u>	<u>88,279,540</u>	<u>315,779,687</u>	<u>82,790,948</u>

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.

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NOTE 16: ISSUED CAPITAL (CONT.)

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 17: RESERVES

	2020	2019
	\$	\$
Convertible Note Reserve (1)	-	290,000
Options Reserves (2)	621,500	-
Total	<u>621,500</u>	<u>290,000</u>

1) Convertible Note Reserve

Balance at beginning of financial year (1)	290,000	-
Convertible note funds received (1)	705,000	290,000
Convertible note funds received (2)	413,325	
Convertible note transferred to shares	<u>(1,408,325)</u>	<u>-</u>
Balance at end of financial year	<u>-</u>	<u>-</u>

- 1 Convertible Notes with a conversion price of \$0.01 per share together with a 2-for-3 attaching \$0.02 option expiring 7/02/2022.
- 2 Convertible Notes with a conversion price of \$0.0044 per share together with 45,925,000 free attaching \$0.02 option expiring 7/02/2022.

2) Option Reserves

Option Reserve Recognised in equity 1)	292,000	-
Share Based Payments Note 18)	<u>329,500</u>	<u>-</u>
Total	<u>621,500</u>	<u>-</u>

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1) Option Reserve Recognised In Equity

The Reserve is used to record the value of options issued to brokers. These are transactions costs

	2020	2019
	\$	\$
Broker Options a)	180,000	-
Broker Options b)	70,000	-
Broker Options c)	42,000	-
Total	621,500	-

- a) On 7 February 2020 the Company issued 60,00,000 options to Brokers as part of capital raising costs the movement arising from the issue of the options is recorded as share issue costs (equity) in the Statement of Financial Position. The fair value of the Options has been assessed as \$180,000. The options have been valued using Black Scholes pricing method, based on the fair value of the companies share at the grant date, using the following assumptions:

Granted Options	Grant date	Vesting Date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
a	8-Jan-20	7-Feb-20	7-Feb-22	0.009	0.02	100%	0%	0.70%	0.003

- b) On 2 July 2020 70,000,000 listed TNRO options were issued to the brokers of Torian Resources a. The Options have been valued in reference to the last traded price of TNRO Options at 0.007 per option giving rise to a transitional value of \$70,000.
- c) On 4 September 2020 6,000,000 listed TNRO options were issued to the brokers of Torian Resources a. The Options have been valued in reference to the last traded price of TNRO Options at 0.007 per option giving rise to a transitional value of \$42,000.

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NOTE 18 SHARE BASED PAYMENTS

	2020	2019
	\$	\$
Director Stock Options a)	90,000	-
Advisor Stock Options b)	22,500	-
Director Stock Options c)	161,000	-
Advisor Stock Options d)	56,000	-
Total	<u>329,500</u>	<u>-</u>

- a) On 7th February 2020, 30,000,000 unlisted options were issued to the directors of Torian Resources as part of an employee stock option plan. The fair value of the Options has been assessed as \$90,000. The options have been valued using Black Scholes pricing method, based on the fair value of the companies share at the grant date, using the following assumptions in Table 1 below.
- b) On 7th February 2020, 7,500,000 unlisted options were issued to consultants of Torian Resources. The fair value of the Options has been assessed as \$22,500. The options have been valued using Black Scholes pricing method, based on the fair value of the companies share at the grant date, using the following assumptions in Table 1 below.
- c) On 2 July 2020, 20,000,000 listed TNRO options were issued to the directors of Torian Resources as part of an employee stock option plan. The Options have been valued in reference to the last traded price of TNRO Options at 0.007 per option giving rise to a transitional value of \$161,000.
- d) On 2 July 2020, 8,000,000 listed TNRO options were issued to the advisors of Torian Resources as part of an employee stock option plan. The Options have been valued in reference to the last traded price of TNRO Options at 0.007 per option giving rise to a transitional value of \$56,000.

Table 1 - Valuation Inputs

The valuation inputs used to determine the fair value at the grant date for the above options are as follows:

Granted Options	Grant date	Vesting Date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
1	8-Jan-20	7/02/2020	7-Feb-22	0.009	0.02	100%	0%	0.70%	0.003
2	8-Jan-20	7/02/2020	7-Feb-22	0.009	0.02	100%	0%	0.70%	0.003

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NOTE 18 SHARE BASED PAYMENTS (Continued)

Shares Issued for Payment of Services

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

	Date	#	Price	\$
Issue of shares in consideration for Director Services	30 Jun 2020	3,797,900	0.01	37,979
Issue of shares in consideration for Capital raising	30 Jun 2020	6,444,000	0.01	64,440
Issue of shares in consideration for Geologist & Exploration Services	16 Jan 2020	747,405	0.012	10,490
Issue of shares in consideration for Geologist & Exploration Services	16 Jan 2020	1,587,839	0.02	14,574
Issue of shares in consideration for Geologist & Exploration Services	16 Jan 2020	3,797,900	0.019	30,487

NOTE 19: CASH FLOW INFORMATION

	2020	2019
	\$	\$
Reconciliation of Cash Flow from Operations with Profit after Income Tax		
Loss after income tax	(2,070,357)	(2,035,864)
Non-cash flows in profit:		
Depreciation	44,508	50,037
Impairment expense	505,676	631,175
Share based payments	329,500	71,101
Expenses classified to investing cash flows	-	-
Changes in current assets and liabilities:		
Decrease/(Increase) in trade and other receivables	(231,268)	49,190
Increase in accounts payable and accruals	464,212	311,368
Net cash used in operating activities	(957,729)	(922,993)

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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:

	2020	2019
	\$	\$
Transactions with related parties:		
Green Jacket Resources Pty Ltd (director fees)	50,342	69,669
Jemda Pty Ltd (director fees)	-	15,000
Summers Legal Pty Ltd (legal fees)	42,703	72,002
Summers Legal Pty Ltd (director fees)	92,000	-
Summers Legal Pty Ltd (director fees - paid in shares)	17,548	-
NSFA Pty Ltd (rent fees)	11,742	-
Charidy Pty Ltd (director Fees)	73,666	-
Benison Contractors Pty Ltd (director fees)	21,000	-
Tornado Nominees Pty Ltd (director fees paid in shares)	21,200	-

Mr Stephen Jones is a director of Green Jacket Resources Pty Ltd, which throughout the year has provided consultancy and director 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 Paul Summers is a director of Summers Legal Pty Ltd and NSFA Pty Ltd, which throughout the year has provided director services, sublet office space and provided legal consulting services to the Group.

The lease terms and legal consulting fees have been determined on an arm's length basis.

Mr Peretz Shapiro is a director of Charidy Pty Ltd, which throughout the year has provided director services to the Group. All fees have been on an arm's length basis.

Mr Louie Simens is a director of Benison Contractors Pty Ltd, which throughout the year has provided director services to the Group. All fees tendered have been on an arm's length basis.

Mr Angus Middleton is a director of Tornado Nominees Pty Ltd which throughout the year has provided director services to the Group. All fees tendered have been on an arm's length basis.

Loans from related parties:

— Jemda Pty Ltd	110,246	110,246
	<u>110,246</u>	<u>110,246</u>

Key Management Personnel

The following were directors or 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 Paul Summers	Executive Chairman (appointed Executive Director 11 March 2020 and Exec. Chairman 19 August 2020)
Mr Peretz Schapiro	Executive Director (appointed Non-Executive 11 March 2020 and Exec. Director 24 June 2020)
Mr Dale Schultz	Non-Executive Director (appointed 19 August 2020)
Mr Angus Middleton	Non-Executive Director (resigned 21 April 2020)
Mr Louie Simens	Non-Executive Chairman (appointed 26 March 2020, resigned 19 August 2020)
Mr Stephen Jones	Managing Director (resigned on 14 April 2020)
Mr Richard Mehan	Non-Executive Chairman (resigned 11 March 2020)

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NOTE 20: RELATED PARTY DISCLOSURES (CONTINUED)

Shares Held by Key Management Personnel and Their Associates

	Balance 1 Jan 2020	Shares held at date of appointment	Purchases	Disposals/Held at resignation	Balance 31 Dec 2020
Paul Summers	2,814,410	-	2,265,490	-	5,079,900
Peretz Schapiro ¹	-	1,156,619	289,155	-	1,445,774
Dale Schultz ²	-	-	-	-	-
Angus Middleton ³	-	3,333,334	-	(3,333,334)	-
Louie Simens ⁴	-	11,000,000	-	(11,000,000)	-
Stephen Jones ⁵	90,000	90,000	-	(90,000)	-
Richard Mehan ⁶	977,234	-	-	(977,234)	-
Total	3,881,644	15,579,953	2,554,645	(15,400,568)	6,525,674

Notes:

1. Appointed 11 March 2020
2. Appointed 19 August 2020
3. Resigned 21 April 2020
4. Resigned 19 August 2020
5. Resigned 14 April 2020
6. Resigned 11 March 2020

Options exercisable at \$0.02 expiring 7 February 2021 Held by Key Management Personnel and Their Associates

	Balance 1 Jan 2020	Options held at date of appointment	Purchases	Disposals/Held at resignation	Balance 31 Dec 2020
Paul Summers	-	-	16,256,145	-	16,256,145
Peretz Schapiro ¹	-	4,566,668	3,144,578	-	7,711,246
Dale Schultz ²	1,000,000	-	-	-	1,000,000
Angus Middleton ³	-	-	12,222,223	(12,222,223)	-
Louie Simens ⁴	-	15,263,334	15,000,000	(30,263,334)	-
Stephen Jones ⁵	-	-	10,000,000	(10,000,000)	-
Richard Mehan ⁶	-	-	10,000,000	(10,000,000)	-
Total	1,000,000	19,830,002	66,622,946	(62,485,557)	24,967,391

Notes:

1. Appointed 11 March 2020
2. Appointed 19 August 2020
3. Resigned 21 April 2020
4. Resigned 19 August 2020
5. Resigned 14 April 2020
6. Resigned 11 March 2020

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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 and directors fees	Bonus	Non-monetary benefits		Other employee entitlements	Total
	\$	\$	Options \$	TNR Shares \$	\$	\$
2020					Super	
Paul Summers	92,000	-	65,000	17,548	-	174,548
Peretz Schapiro	73,666	-	21,000	-	-	94,666
Louie Simens	21,000	-	105,000	-	-	126,000
Dale Shultz	30,000	-	-	-	-	30,000
Richard Mehan	18,542	-	30,000	-	2,177	50,719
Stephen Jones	50,342	-	-	-	-	50,342
Angus Middleton	-	-	30,000	21,200	-	51,200
Total Compensation	285,550	-	251,000	38,748	2,177	577,475

	Salary and directors fees	Bonus	Non-monetary benefits	Other employee entitlements	Total
	\$	\$	\$	\$	\$
2019					
Paul Summers	31,846	-	-	3,025	34,871
Mark Borman	201,776	-	-	19,169	220,945
Richard Mehan	54,013	-	-	5,131	59,144
Stephen Jones	69,669	-	-	-	69,669
Matthew Sullivan	30,000	-	-	-	30,000
Angus Middleton	10,100	-	-	-	10,100
Total Compensation	397,404	-	-	27,325	424,729

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NOTE 21: EVENTS AFTER THE BALANCE SHEET DATE

Extension of Option Agreement to Acquire Tarmoola Station

On 3 March 2020, the Company extended the exclusive option agreement previously announced on 21 December 2020, to purchase the 172,662Ha (424,748 Acre) Tarmoola Station and "Carhill Contracting", a mining services business operated from the Station, for a further two months.

Exercise of Options

Subsequent to the Period, the following options were exercised:

- 5,133,795 options exercised at \$0.02 each on 5 March 2021 for a total value of \$102,676.
- 615,625 options exercised at \$0.02 each on 23 March 2021 for a total value of \$12,313.

BullionFX Subscription Agreement

Subsequent to the Period on 15 March 2021 the Company advised it had entered into an agreement to make a strategic investment into BullionFX, a leading blockchain company focused on developing blockchain based currencies backed by precious metals.

Subject to certain conditions, Torian, through its wholly-owned subsidiary Torian Bullion Pty Ltd has agreed to subscribe for 5 million shares in BullionFX at an issue price of US\$0.20 per share (**Share Subscription Agreement**). Torian will settle the investment via the issue of US\$1M Torian ordinary shares at the average of the 5-day Volume Weighted Average Price of Torian's shares (**VWAP**) prior to the execution of the Share Subscription Agreement, being 27,711,968 Torian shares (on a VWAP of \$0.04562), to be issued pursuant to the Company's existing capacity under listing rule 7.1 (**Share Subscription Agreement**).

The Share Subscription Agreement is subject to any regulatory approvals required, Torian will only issue the Share Consideration to BullionFX subject to BullionFX listing its shares and/or the gold-back cryptocurrency token it is developing onto an as yet decided secondary market at a minimum price of US50¢ per share noting however the valuation and jurisdiction is yet to be decided by BullionFX. In addition, in the event BullionFX is bought out at a minimum price of US50¢ per share, the Share Consideration will also be issued.

Placement

On 24 March 2021 the Company advised it had raised \$4 million through a placement to fund drilling at the Mt Stirling Gold Project throughout 2021 (**Placement**). The Placement will comprise the issue of approximately 72,727,263 new shares to raise up to \$4 million before costs at an issue price of \$0.055 per share to sophisticated and professional investors. The Placement will include an attaching listed option exercisable at \$0.02 expiring on 7 February 2022 on the basis of one option for every three Placement shares issued (**Placement Options**). Torian has agreed to pay a 6% broker fee. The Company agreed to issue 3 million Placement Options to advisors to be issued pursuant to Listing Rule 7.1.

In addition Torian Executive Directors Peretz Schapiro and Paul Summers have agreed, subject to shareholder approval, to subscribe for a combined \$50,000 on the same terms as the Placement

No other significant subsequent event have arisen that significantly affects the operations of the Group.

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NOTE 22: 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:

	2020	2019
	\$	\$
Trade receivables	5,063	1,029

Liquidity Risk

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

Maturity Analysis of Financial Liabilities

	Carrying Amount	Contractual Cash Flows	< 6 Months
	\$	\$	\$
2020			
CURRENT LIABILITIES			
Accounts payable	968,085	968,085	968,085
Employee benefits payable	66,070	66,070	66,070
Lease liability	-	-	-

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AND CONTROLLED ENTITIES (UNAUDITED)

NOTE 22: FINANCIAL INSTRUMENTS (CONTINUED)

	Carrying Amount	Contractual Cash Flows	< 6 Months
	\$	\$	\$
2019			
CURRENT LIABILITIES			
Accounts payable	485,106	485,106	485,106
Employee benefits payable	74,136	74,136	74,136
Lease liability	22,303	22,303	22,303

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.

	2020	2019
	\$	\$
Change in Cash and Cash Equivalents		
Increase in interest rate by 1%	23,730	497
Decrease in interest rate by 1%	(23,730)	(497)

NOTE 23: OPERATING SEGMENTS

Identification Of Reportable Operating Segments

The Group operates in the mineral exploration and mining industry in Australia. The consolidated entity has adopted *AASB 8 Operating Segments* whereby segment information is presented using a 'management approach'. Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions. The consolidated entity operated predominantly in one geographical location. The consolidated entity does not have any operating segments with discrete financial information. The consolidated entity does not have any customers and all the consolidated entity's assets and liabilities are located within Australia. The Board of Directors review internal management reports on a monthly basis that is consistent with the information provided in the statement of profit or loss and other comprehensive income, statement of financial position and statement of cashflows. As a result, no reconciliation is required because the information presented is what is used by the Board of Directors to make strategic decisions including assessing performance and in determining the allocation of resources.

Accounting Policy for Operating Segments

Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Maker ('CODM'), the CODM is responsible for the allocation of resources to operating segments and assessing the performance.

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NOTE 24: PARENT ENTITY DISCLOSURES

	2020	2019
	\$	\$
Financial position		
Assets		
Total current assets	2,674,214	169,054
Total non-current assets	21,619,163	19,933,975
Total assets	<u>24,293,377</u>	<u>20,103,029</u>
Liabilities		
Total current liabilities	1,034,155	668,989
Total liabilities	<u>1,034,155</u>	<u>668,989</u>
Equity		
Contributed equity	88,459,541	82,790,948
Reserves	621,500	290,000
Accumulated losses	(65,821,819)	(63,646,908)
Total equity	<u>23,259,222</u>	<u>19,434,040</u>
Financial performance		
Loss for the year	(2,175,704)	(1,216,934)
Other comprehensive income	-	-
Total comprehensive loss	<u>(2,175,704)</u>	<u>(1,216,934)</u>

NOTE 25: CONTINGENT ASSETS AND LIABILITIES

Duty – Acquisition of Cascade Resources Ltd

In 2015/16 Cascade Resources Limited (**Cascade**) and unlisted public company was acquired by the ASX listed company Torian Resources Limited (**Torian**). Documents were lodged with the Commissioner of State Revenue (**Commissioner**) on an original designated valuation provided by Cascade. Based on the valuation Cascade paid a duty liability of \$120,774.95.

Subsequently in 2019 the Office of State Revenue undertook a review of the transaction and reassessed its value on the basis of a market value of the land and chattels of \$10,400,000. The Commissioner advised an assessment of \$855,403.95 was due and payable (**Reassessment**). This included undervaluation penalties of \$300,037.

The Company has questioned the Reassessment and, following submissions to the Commissioner, a new designated valuation of the transaction was undertaken and submitted in July 2020. The ultimate duty payable will be dependent on the acceptance of the new designated valuation by the OSR which may result in the payment of additional duty and associated penalties on the Acquisition of approximately \$110,000 and \$320,000 respectively. There is a risk that the Company's liability for stamp duty may be higher than the amount paid to date.

Note 26: CAPITAL COMMITMENTS

The total capital commitment for exploration in the 12 months from this report amount to \$650,049.

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NOTE 27: COMPANY DETAILS

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

Torian Resources Limited
104 Colin Street
West Perth WA 6005

The **principal place of business** is:

Torian Resources Limited
104 Colin Street
West Perth WA 6005