

Timah Resources Limited

A.B.N. 69 123 981 537

FINANCIAL STATEMENTS

30 JUNE 2015

Company Particulars

Directors	Jack Tan <i>Executive Chairman</i>
	Lawrence Nguyen <i>Non-Executive Director</i>
	Ting Teck Kai <i>Non-Executive Director</i>
Secretary	Andrew Wallis
Registered Office	Level 25, St Martins Tower 31 Market Street Sydney NSW 2000 Tel (02) 9267 4633 Fax (02) 9267 4388
Auditors	Hall Chadwick Level 40 2 Park Street Sydney NSW 2000
Solicitors	Allion Legal 123, Pitt Street Sydney NSW 2000
Share Register	Boardroom Pty Limited Grosvenor Place Level 12, 225 George Street Sydney NSW 2000
Stock Exchange Listing	Timah Resources Limited securities are listed on the National Stock Exchange (NSX) – Code ‘TMH’

Timah Resources Limited
A.B.N. 69 123 981 537

Directors' Report – 30 June 2015

Your directors present their report being the company Timah Resources Limited ("Timah") for the financial year ended 30 June 2015.

Directors

The names of persons who were directors of Timah Resources Limited NSX code "TMH" during the whole of the year and up to the date of this report are:

Jack Tan M. App Fin. F. Fin

Lawrence Nguyen B. Pharm. MAICD

Andrew Wallis (resigned 14 August 2014)

Ting Teck Kai (appointed 14 August 2014)

Directors have been in office since the start of the year to the date of this report unless otherwise stated.

Principal Activities

The principal activity of the Company during the year was a mineral exploration Company.

Operating Results

The loss of the entity after providing for income tax amounted to \$174,207. (2014: loss of \$525,441).

Dividends – Timah Resources Limited

No dividends were paid or recommended for payment during or since the end of the financial year.

Review of Operations

Comments on the operations and the results of those operations for the year ended 30 June 2015 are set out below:

During the year, the Company was focused on the acquisition of Mistral Engineering Sdn. Bhd. which is a bio-gas renewal energy generation company with a plant in Sandakan, Sabah, Malaysia. The Company had successfully negotiated the acquisition of the 100% shares of Mistral Engineering Sdn. Bhd. from Cash Nexus Sdn. Bhd. in consideration for the issue of 85.5M New Shares at 10 cents per share (Consideration Shares). One of the conditions precedent to the completion of the Acquisition is that Timah Resources Ltd must apply for and be admitted to the official list of the ASX.

The Company has been largely involved in the second half of the financial year in legal, accounting and other due diligences to meet all the conditions precedent to this acquisition. A large part of the work is on the preparation of a Prospectus for the ASX and an IPO of 5M New Shares at 20 cents each, upon consolidation of the Company's share capital.

On the finance, corporate and administration aspects, the Company has incurred expenses in legal, accounting and professional fees and related expenses in preparation for the Prospectus. The ASX IPO is planned for the later part of this year. At the completion of the ASX listing, the Company's cash position would be between \$2M (the minimum) to \$3M (the maximum) depending on the level of public applications for the New Shares on Offer under the Prospectus.

The Company's cash balance at the end of the financial year was \$37,495. The Company has obtained bridging finance and financial support from its major shareholder to complete the acquisition of Mistral Engineering and the listing of its shares on the ASX.

Timah Resources Limited
A.B.N. 69 123 981 537

Directors' Report – 30 June 2015 (continued)

Significant Changes in the State of Affairs

No significant changes in the state of affairs of the entity have occurred during the financial year.

After balance date events

There will be significant changes in the business activities from mining exploration to bio-gas renewal energy generation when the acquisition of Mistral Engineering is completed. This will have mid and long-term effects on the financial position and value of the Company.

The Company undertook a Share Placement in July 2015 whereby 10M New Shares at 20 cents per share were issued to Cash Nexus Sdn. Bhd.

The Company's Public Offer under the Supplementary Prospectus was opened on 13th August 2015 and the public offer closed on 28th August 2015 raising a total of \$121,000.

There have been no other subsequent events that would have a material impact on the financial report for the year ended 30 June 2015.

Future Developments, Prospects and Business Strategies

Disclosure of additional information regarding likely developments in the operations and expected results is likely to result in unreasonable prejudice to the entity.

Environmental Issues

There have been no environmental issues that would have a material impact on the company during the year.

Shares under Options

No Options were issued or recommended for issue during or since the end of the financial year.

Timah Resources Limited
A.B.N. 69 123 981 537

Directors' Report – 30 June 2015 (continued)

Information on Directors:

- Jack Tan

Executive Director and Chairman.

Experience & expertise

Appointed Chairman on 16 February 2007. Jack has a Bachelor of Business Administration from University of Singapore (1973) and a Master of Applied Finance from Macquarie University (1995). He is a Fellow of the Financial Services Institute of Australasia and Member of the Australian Institute of Company Directors. Jack Tan is an investment banker with 30 years experience in the finance industry. Jack has been instrumental in project acquisitions, evaluations and valuations and capital raisings including several public offerings and ASX listings.

Other current directorships

None

Former directorships in last 3 years

OGL Resources Limited

Special responsibilities

Chairman

Interest in shares

1,082,744 ordinary shares in Timah Resources Limited

- Lawrence Nguyen

Non-Executive Director

Experience & expertise

Appointed a director on 16 February 2007. Lawrence has a Bachelor of Pharmacy from Sydney University (1996). He has extensive pharmacy management and ownership experience, beginning with WH Soul Pattison group as a recipient of one of their coveted scholarships. He is a Member of The Australian Institute of Company Directors (MAICD). He was an active member of the Young Entrepreneur Organisation (EO) in Sydney, Australia.

Other current directorships

None

Former directorships in last 3 years

None

Special responsibilities

None

Interest in shares

2,246,743 ordinary shares in Timah Resources Limited

- Ting Teck Kai

Non-Executive Director

Experience & expertise

Appointed a director on 14 August 2014. Teck Kai has a Bachelor of Science degree from the University of Malaya (2006). Mr Ting is a Member of the Australian Institute of Company Directors (MAICD). He has previously worked as an Investment Analyst with a leading stock brokerage firm in Kuala Lumpur.

Other current directorships

OGL Asia Pacific Sdn. Bhd.

Former directorships in last 3 years

None

Special responsibilities

None

Interest in shares

100,000 ordinary shares in Timah Resources Limited

Timah Resources Limited
A.B.N. 69 123 981 537

Directors' Report – 30 June 2015 (continued)

Information on Directors (continued):

The above named directors held office during and since the end of the financial year unless otherwise indicated.

Company Secretary

Andrew Wallis appointed as Company Secretary since 13 March 2013.

Andrew Wallis is a registered company auditor, tax agent. Justice of Peace and a member of the Institute of Chartered Accountants for over 25 years and a graduate of Sydney University with a Bachelor of Economics (B.Ec). Andrew has considerable experiences in secretarial and corporate advisory roles. He has also operated as the Managing Director of A F Wallis & Co for nearly 18 years and has been working in the chartered accounting profession for over 30 years.

Timah Resources Limited
A.B.N. 69 123 981 537

Directors' Report – 30 June 2015 (continued)

Information on Directors (Continued):

Meetings of Directors

The Directors attendances at Directors' meetings held during the year were:

	Number Attended	Number Held*
Jack Tan	11	11
Lawrence Nguyen	9	11
Ting Teck Kai	9	10
Andrew Wallis	1	1

* Reflects the maximum number of meetings each director was eligible to attend.

Indemnifying Officers or Auditors

During or since the end of the financial year, the Company has not, in respect of any person who is or has been an officer or auditor of the company:

- Indemnified or made any relevant agreement for indemnifying against a liability incurred as an officer, other than costs and expenses of successfully defending legal proceedings; or
- Paid or agreed to pay a premium in respect of a contract insuring against a liability incurred as an officer for the costs or expenses to defend legal proceedings.

Proceedings on Behalf of 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.

Non-Audit Services

The company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's experience and experience with the company are important.

The board of directors is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are satisfied that the provision of non-audit services by the external auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the board of directors to ensure they do not impact the integrity and objectivity of the auditor
- none of the services undermine the general principles relating to auditor independence as set out in APES 110: Code of Ethics for Professional Accountants set by the Accountants Professional and ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risk and rewards.

Timah Resources Limited
A.B.N. 69 123 981 537

Directors' Report – 30 June 2015 (continued)

Non-Audit Services (Continued)

The following fees were paid or payable to Hall Chadwick for non-audit services provided during the year ended 30 June 2015:

Taxation services	\$ <u>2,200</u>
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Auditor's Independence Declaration

Auditors' independence declaration as required under section 307C of the Corporations Act 2001 is set out in this financial report.

Remuneration Report

This remuneration report is set out under the following main headings

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Details of shareholdings
- D Service agreements
- E Share-based compensation
- F Additional information

A Principles used to determine the nature and amount of remuneration

The Board of Directors is responsible for determining and reviewing director's compensation and reviewing the Managing Director's recommendations on the remuneration of key management personnel.

The current maximum amount of Non-executive fees approved by shareholders is fixed at \$250,000 per annum. No retirement or other long term benefits are provided to any director or the company secretary other than superannuation to those directors who are also employees at the rate of nine percent. The Non-executive Directors can claim reimbursement of out-of-pocket expenses incurred on behalf of Timah and time spent on specific issues.

No remuneration paid to directors during the year.

Timah paid its Company Secretary a fixed remuneration of \$1,000 + GST per month from July 2014 – April 2015 and in the month of June 2015.

No retirement or other long term benefits are provided to any director or the company secretary.

B Details of remuneration

Information on directors' remuneration is also set out in Note 13 – Key management personnel disclosures. The entity has not granted options to Directors or Officers during the financial year. No employees were granted options as part of their remuneration. The entity has also resolved to waive all outstanding Director fees during the financial year.

Directors and other key management personnel

The following persons were directors of Timah Resources Limited during the financial year:

(i) Chairman & Executive Director

Jack Tan

(ii) Non-Executive Director

Lawrence Nguyen

Ting Teck Kai

Andrew Wallis

Timah Resources Limited
A.B.N. 69 123 981 537

Directors' Report – 30 June 2015 (continued)

Remuneration Report

B Details of remuneration (continued)

The following persons also had authority and responsibility for planning, directing and controlling the activities of the group, directly or indirectly, during the financial year:

Name	Position
Andrew Wallis	Company Secretary

The following table of benefits and payments details, in respect to the financial year, the component of remuneration for each member of the key management personnel of the Company and other executives of the Company.

2015	Short-term employee benefits			Post-employment benefits	Long-term benefits		Share-based payment	
Name	Cash salary & Fees \$	Cash bonus \$	Non-monetary benefits \$	Super-annuation \$	Long service leave \$	Termination benefits \$	Shares & options \$	Total \$
<i>Non- executive Directors</i>								
Lawrence Nguyen	-	-	-	-	-	-	-	-
Ting Teck Kai	-	-	-	-	-	-	-	-
<i>Executive director</i>								
Jack Tan	-	-	-	-	-	-	-	-
Andrew Wallis Company Secretary/Non-executive Director	11,000	-	-	-	-	-	-	11,000
Total key management personnel compensation	11,000	-	-	-	-	-	-	11,000

2014	Short-term employee benefits			Post-employment benefits	Long-term benefits		Share-based payment	
Name	Cash salary & Fees \$	Cash bonus \$	Non-monetary benefits \$	Super-annuation \$	Long service leave \$	Termination benefits \$	Shares & options \$	Total \$
<i>Non- executive Director</i>								
Lawrence Nguyen	27,000	-	-	-	-	-	-	27,000
<i>Executive Directors</i>								
Jack Tan	90,000	-	-	-	-	-	-	90,000
<i>Chairman</i>								
Henry Khoo	45,000	-	-	-	-	-	-	45,000
<i>Executive Director</i>								
Andrew Wallis Company Secretary/Non-Executive Director	21,000	-	-	-	-	-	-	21,000
Total key management personnel compensation	183,000	-	-	-	-	-	-	183,000

Timah Resources Limited
A.B.N. 69 123 981 537

Directors' Report – 30 June 2015 (continued)

Remuneration Report

C Details of shareholdings

Option holdings – 2015

There were no Options issued or recommended for issue during or since the end of the financial year.

Option holdings – 2014

The number of options in the company held during the financial year by each Director of Timah Resources Limited and other key management personnel of the entity, including their personally related parties are set out below:

Name	Balance at the start of the year	Granted during the year as remuneration	Exercised during the year	Other changes (Options lapsed)	Balance at the end of the year	Vested & exercisable at the end of the year
Directors						
Jack Tan	-	-	-	-	-	-
Lawrence Nguyen	-	-	-	-	-	-
Henry Khoo	6,000,000	-	-	(6,000,000)	-	-

Other key management personnel of the Entity

Andrew Wallis	-	-	-	-	-	-
Total	6,000,000	-	-	(6,000,000)	-	-

All options issued by Timah Resources Limited held on 30 June 2013 had expired on 31 December 2013. None were exercised or converted into ordinary shares.

No Directors, executives or employees are participants in an employee share scheme.

Shareholdings - 2015

The number of shares in the company held during the financial year by each Director of Timah Resources Limited and other key management personnel of the entity, including their personally related parties are set out below:

Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year (1)	Balance at the end of the year	Held indirectly
Directors – Ordinary Shares					
Jack Tan	1,082,744	-	-	1,082,744	136,001
Lawrence Nguyen	2,246,743	-	-	2,246,743	1,746,742
Ting Teck Kai	-	-	100,000	100,000	-

Executives – Ordinary Shares

Andrew Wallis	-	-	-	-	-
Total	3,329,487	-	100,000	3,429,487	1,882,743

Timah Resources Limited
A.B.N. 69 123 981 537

Directors' Report – 30 June 2015 (continued)

Remuneration Report

C Details of shareholdings (continued)

Shareholdings - 2014

Name	Balance at the start of the year	Received during the year on the exercise of options	Other changes during the year (1)	Balance at the end of the year	Held indirectly
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Directors – Ordinary Shares

Jack Tan	1,082,744	-	-	1,082,744	136,001
Lawrence Nguyen	2,246,743	-	-	2,246,743	1,746,742
Henry Khoo	9,000,000	-	(9,000,000)	-	-

Executives – Ordinary Shares

Andrew Wallis	-	-	-	-	-
Total	12,329,487	-	(9,000,000)	3,329,487	1,882,743

(1) Other changes includes on appointment and resignation from the Board.

Other Key Management Personnel Transactions

There have been no other transactions involving equity instruments other than those described in the tables above.

D Service agreements

On appointment to the Board, all new non-executive directors enter into a service agreement with the company in the form of a letter of appointment. This letter summarises the appointment terms, director's duties, obligations and remuneration.

Employment contracts with executives nominated below may be terminated by the company giving twelve months notice, subject to termination payments as detailed below.

Jack Tan – Chairman & Executive Director

- Term of agreement – from 30 November 2007 for an unspecified period with 12 months notice of termination or immediate termination in the event of gross misconduct.
- No Directors fees were paid/payable for the year ended 30 June 2015.

Lawrence Nguyen – Non-Executive Director

- No Directors fees were paid/payable for the year ended 30 June 2015.

Ting Teck Kai – Non-Executive Director

- No Directors fees were paid/payable for the year ended 30 June 2015.

Andrew Wallis – Non-Executive Director/Company Secretary

- No Directors fees were paid to Andrew. A fee of \$11,000 for corporate secretarial services rendered for the year ended 30 June 2015 was paid to Andrew in his capacity as Company Secretary.

Timah Resources Limited

A.B.N. 69 123 981 537

Directors' Report – 30 June 2015 (continued)

Remuneration Report (continued)

E Share-based Compensation

Directors Share Options

No Options were issued during the year and after year end to the date of this report by Timah Resources Limited to a director or any of the most highly remunerated officers as part of their remuneration.

F Additional information

No cash bonuses, loans or other remuneration has been paid to Key Management Personnel.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of directors.

On behalf of the Directors.



Jack Tan
Director
Sydney 14 September 2015

TIMAH RESOURCES LIMITED
ABN 69 123 981 537

**AUDITOR'S INDEPENDENCE DECLARATION
UNDER S 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF TIMAH RESOURCES LIMITED**

SYDNEY

Level 40
2 Park Street
Sydney NSW 2000
Australia

GPO Box 3555
Sydney NSW 2001

Ph: (612) 9263 2600
Fx : (612) 9263 2800

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2015 there have been no contraventions of:

- i. the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- ii. any applicable code of professional conduct in relation to the audit.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

G Webb

GRAHAM WEBB

Partner

Dated: 14 September 2015

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Timah Resources Limited
A.B.N. 69 123 981 537

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	Note	2015 \$	2014 \$
Income	4	352,504	4,732
Accounting, audit & taxation		(94,700)	(80,646)
Compliance, listing & legal expenses		(279,448)	(37,845)
Consultants & secretarial fees		(23,268)	(95,293)
Depreciation		(260)	(455)
Directors fees		-	(162,000)
Exploration expenses		-	(125)
Office rental expenses		(46,224)	(43,727)
Overseas travel & accommodation expenses		(24,416)	(57,711)
Other expenses		(37,209)	(52,371)
Deposit written off		(21,186)	-
(Loss) before income tax	5	<u>(174,207)</u>	<u>(525,441)</u>
Tax expense	6	<u>-</u>	<u>-</u>
(Loss) for the year		<u>(174,207)</u>	<u>(525,441)</u>
Total comprehensive income for the year attributable to members of the company		<u>(174,207)</u>	<u>(525,441)</u>
Earnings per share			
Basic and Diluted Earnings Per Share	17	(0.22)	(0.65)

The accompanying Notes form part of these Financial Statements.

Timah Resources Limited
A.B.N. 69 123 981 537

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015

	Note	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash & cash equivalents	7(a)	37,495	197,555
Other receivables	8	91,496	29,726
Total Current Assets		<u>128,991</u>	<u>227,281</u>
Non-Current Assets			
Plant & Equipment	9	433	693
Total Non Current Assets		<u>433</u>	<u>693</u>
Total Assets		<u>129,424</u>	<u>227,974</u>
Current Liabilities			
Trade & other payables	10	47,157	271,500
Borrowings	11	400,000	100,000
Total Current Liabilities		<u>447,157</u>	<u>371,500</u>
Total Liabilities		<u>447,157</u>	<u>371,500</u>
Net (Liabilities)		<u>(317,733)</u>	<u>(143,526)</u>
EQUITY			
Issued Capital	12	2,419,950	2,419,950
Retained Earnings		<u>(2,737,683)</u>	<u>(2,563,476)</u>
TOTAL EQUITY		<u>(317,733)</u>	<u>(143,526)</u>

The accompanying Notes form part of these Financial Statements.

Timah Resources Limited
A.B.N. 69 123 981 537

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Issued capital \$	Retained Earnings \$	Total \$
Balance at 1 July 2013	2,419,950	(2,038,035)	381,915
(Loss) attributable to members of the company	-	(525,441)	(525,441)
Balance at 30 June 2014	2,419,950	(2,563,476)	(143,526)
Balance at 1 July 2014	2,419,950	(2,563,476)	(143,526)
(Loss) attributable to members of the company	-	(174,207)	(174,207)
Balance at 30 June 2015	2,419,950	(2,737,683)	(317,733)

The accompanying Notes form part of these Financial Statements.

Timah Resources Limited
A.B.N. 69 123 981 537

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	Notes	2015 \$	2014 \$
<u>Cash Flows From Operating Activities</u>			
Payments to suppliers and employees		(560,564)	(512,466)
Interest received		504	4,732
Net cash (used in) operating activities	7(b)	<u>(560,060)</u>	<u>(507,734)</u>
<u>Cash Flows From Investing Activities</u>			
Repayment from related entity		-	200,000
Net cash (used in) investing activities		<u>-</u>	<u>200,000</u>
<u>Cash Flows From Financing Activities</u>			
Advance from shareholder		400,000	-
Proceeds from Director loan		130,000	-
Repayment of Director loan		<u>(130,000)</u>	<u>-</u>
Net cash provided by financing activities		<u>400,000</u>	<u>-</u>
Net (decrease) in cash held		(160,060)	(307,734)
Cash at beginning of financial year		197,555	505,289
Cash at end of financial year	7(a)	<u><u>37,495</u></u>	<u><u>197,555</u></u>

The accompanying Notes form part of these Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 1 – Statement of significant accounting policies

Basis of Preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Company a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless otherwise stated.

Except for cash flow information, the financial statements have been prepared on an accrual basis and are based on historical cost, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

The financial statements were authorised for issue on 14 September 2015 by the directors of the company.

(a) Going Concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal trading activities and realisation of assets and settlement of liabilities in the normal course of business.

The company has made an operating loss of \$174,207 and has negative net cash used in operating activities of \$560,060 during the year ended 30 June 2015. The company also has net liabilities of \$317,733 as at 30 June 2015 and has no current revenue stream. However, the directors have prepared the financial report on a going concern basis for the following reasons:

- Ongoing capital raising through a Share Placement and Public Offer issue, raising an amount of between \$2M to \$3M for the future change of business activities from mining exploration to bio-gas renewal energy generation.
- The Company has obtained bridging finance and financial support from its major shareholder to complete the acquisition of Mistral Engineering and the listing of the Company's shares on the ASX.

The Directors have provided ongoing financial support to the Company by agreeing to meet any necessary financial commitments should the need arise if the Company is not able to discharge these commitments independently of the directors support. There was also no Directors fee paid or payable during the year ended 30 June 2015.

The going concern basis used in the preparation of the financial report may not be appropriate if the Directors do not provide their continuous financial support, the equity raising is not successful, and the acquisition of Mistral does not proceed. In this event, the Company may not be able to realise the full value of its assets and extinguish its liabilities, in the normal course of business and at the amount stated in the financial report.

The financial report does not include any adjustments relating to the recoverability or classification of recorded asset amounts or classification of liabilities that might be necessary should the entity not be able to continue as a going concern.

(b) Revenue Recognition

Revenue from the rendering of a service is recognised upon delivery of the service to the customer.

Dividends received shall be recognised as revenue when the right to receive the dividend has been established.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 1 – Statement of significant accounting policies (continued)

(c) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well as unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. 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 assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at reporting date. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

(d) Foreign Currency Transactions and Balances

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the dates of the transactions. Amounts receivable and payable at balance date are converted at the rates of exchange ruling at that date. The gains or losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in the result before income tax as they arise.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 1 – Statement of significant accounting policies (continued)

(e) Receivables

Trade and other receivables are recognised when the risks and rewards of ownership of the underlying sales transactions have passed to customers. This event usually occurs when services are provided to customers. Trade and other receivables are recorded at nominal amounts. Trade receivables are usually settled within 30 days. Collectability of overdue accounts is assessed on an ongoing basis. Specific provision is made for all doubtful accounts.

(f) Plant and Equipment

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts. 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 comprehensive income.

The depreciable amount of all fixed assets is depreciated on a diminishing value basis over their estimated useful lives to the entity 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
Plant & Equipment	25%

The assets' residual values and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

(g) Trade and Other Payables

These amounts represent unpaid liabilities for goods received by and services provided to the entity prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually settled within 30 days.

(h) Impairment of Assets

At each reporting date, the entity 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 assets carrying value. Any excess of the assets carrying value over its recoverable amount is recognised immediately in profit or loss. Unless the asset is carried at a revalued amount in accordance with another Standard.

Where it is not possible to estimate the recoverable amount of an individual asset, the entity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 1 – Statement of significant accounting policies (continued)

(i) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation 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. In the statement of financial position, trade receivables and payables are shown inclusive of GST.

Cash flows are presented in the statement of cash flow on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(j) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

(k) Earnings per share

(i) Basic earnings per share

Basic earnings per share is determined by dividing the loss after income tax attributable to members of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

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 financing 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 dilutive potential ordinary shares.

(l) Issued Capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, associated with the acquisition of a business, are included as part of the purchase consideration.

(m) Critical Accounting Estimates & Judgements

Estimates and judgements are continually evaluated and are based on historical knowledge and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

Key estimates

(i) Impairment

The entity assesses impairment at each reporting date by evaluating conditions and specific to the entity that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value in use calculations which incorporate various key assumptions.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 1 – Statement of significant accounting policies (continued)

(n) New Accounting Standards for Application in Future Periods

Accounting Standards and Interpretations issued by the AASB that are not yet mandatorily applicable to the Company, together with an assessment of the potential impact of such pronouncements on the Company when adopted in future periods, are discussed below:

- AASB 9: *Financial Instruments* and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018).

The Standard will be applicable retrospectively (subject to the provisions on hedge accounting outlined below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes made to the Standard that may affect the Company on initial application include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, upfront accounting for expected credit loss and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items.

Although the directors anticipate that the adoption of AASB 9 may have an impact on the Company's financial instruments, it is impracticable at this stage to provide a reasonable estimate of such impact.

- AASB 15: *Revenue from Contracts with Customers* (applicable for annual reporting periods commencing on or after 1 January 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhanced disclosures regarding revenue.

Although the directors anticipate that the adoption of AASB 15 may have an impact on the Company's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 2 - Financial Risk Management

The entity's activities expose it to a variety of financial risks; market risk, credit risk, liquidity risk and cash flow interest rate risk. The entity's overall risk management program focuses on managing these risks and implementing and monitoring of controls around the cash management function. The entity's principal financial instruments consist of cash and cash equivalents.

The entity management of treasury activities is centralised and governed by policies approved by the Board of Directors. The Board provides principles for overall risk management, as well as policies covering specific areas, such as identifying risk exposure, analysing and deciding upon strategies and performance measurement.

The entity held the following financial instruments

	2015	2014
	\$	\$
Financial assets		
Cash & cash equivalents	<u>37,495</u>	<u>197,555</u>
Financial liabilities		
Trade and other payables	47,157	271,500
Borrowings	<u>400,000</u>	<u>100,000</u>
	<u>447,157</u>	<u>371,500</u>

(a) Interest rate risk

The entity's cash-flow interest rate risk primarily arises from cash at bank and deposits subject to market bank rates. Generally, no interest is receivable or payable on the entity trade and other receivables or payables.

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash reserves to meet the ongoing operational requirements of the business. It is the entity's policy to maintain sufficient funds in cash and cash equivalents. Furthermore, the entity monitors its cash requirements and raises equity funding as and when appropriate to meet such planned requirements. The financial assets and liabilities detailed in the table above are considered by the directors to have maturity within 1 year.

(c) Foreign exchange risk

The entity operates internationally and is exposed to foreign exchange risk arising from various currencies, primarily with respect to the Malaysian Ringgit and the US Dollar in the current financial year. The entity has material currency risk as some cash balances are held in Malaysian Ringgit and US Dollar. The carrying amount of the commercial transactions and recognised financial assets and liabilities are all in Australian currency.

The carrying amounts of the entity's financial assets and liabilities are denominated in Australian dollars except as set out below which is denominated in Malaysian Ringgit and US Dollar:

	2015	2014
	\$	\$
Cash & cash equivalents	15,383	11,727
+/- 5% in \$A/MYR	+/-732	+/-549
+/- 5% in \$A/USD	+/-37	+/-37

(d) Credit risk

The entity has treasury policies in place for deposit transactions for such transactions to be conducted with financial institutions with a minimum credit rating.

The credit risk on financial assets which have been recognised on the balance sheets is generally the carrying amount, net of any provisions. At balance date, cash and deposits were held with ANZ and NAB in Australia, and Standard Chartered in Malaysia. For receivables refer to note 8.

The credit risk with respect to current receivables is in respect of its bankers.

Timah Resources Limited
A.B.N. 69 123 981 537

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 2 - Financial Risk Management (continued)

(e) Price risk

The entity does not have any direct material market or commodity price risk relating to its financial assets or liabilities.

Note 3 Segment Information

The Company operates in a single segment being mineral exploration.

	2015 \$	2014 \$
<u>Note 4 – Other income</u>		
Interest – other persons	504	4,732
Director fees and loan written back	352,000	-
	<u>352,504</u>	<u>4,732</u>
	2015 \$	2014 \$

Note 5 – Expenses

(Loss) before income tax from continuing operation includes the following specific expenses:

(a) Depreciation - Plant & Equipment	260	455
Total depreciation	<u>260</u>	<u>455</u>

Note 6 – Tax expense

a) Tax expense

Current tax	-	-
Deferred tax	-	-
	<u>-</u>	<u>-</u>

b) Numerical reconciliation of income tax expense to prima facie tax payable

(Loss) before income tax expense	<u>(174,207)</u>	<u>(525,441)</u>
----------------------------------	------------------	------------------

Tax at the Australian tax rate of 30% (2014 - 30%)	(52,262)	(157,632)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible depreciation, impairment & amortisation & other expenses	63,534	34,662
Benefits not brought to account in respect of temporary differences	(10,496)	(11,314)
Benefits not brought to account in respect of tax losses	-	134,284
Benefits of tax loss utilised not previously recognised	(776)	-
	<u>-</u>	<u>-</u>
Income tax expense attributable to operating (loss) before income tax	<u>-</u>	<u>-</u>

Timah Resources Limited
A.B.N. 69 123 981 537

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 6 – Tax expense (continued)

	2015 \$	2014 \$
c) Deferred tax assets not recognised		
Tax losses	180,381	211,157
Temporary differences	6,752	65,430
	<u>187,133</u>	<u>276,587</u>

The deferred tax assets have not been brought to account as utilisation of these losses is not probable. The income tax losses can only be recovered by the company deriving future assessable income, conditions for deductibility imposed by law being complied with and no changes in tax legislation adversely affecting the realisation of the benefit from the deductions.

The balance of franking credits available for the franking of dividends at 30 June 2015 was nil (2014: nil).

	2015 \$	2014 \$
<u>Note 7 – Current assets - Cash & Cash Equivalents</u>		

a) Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Statement of financial position as follows:
Cash at Bank & in hand *

Balance per Statement of Cash Flows	37,495	197,555
	<u>37,495</u>	<u>197,555</u>

*Cash interest rate ranges from 0.01% to 4.5% on the daily balance.

b) Reconciliation of cash flow from operations with net (loss) after income tax

Operating (loss) after Income Tax		
Non-cash flows in net (loss)	(174,207)	(525,441)
Depreciation and fixed assets written off	260	1,078
Director fees written back	(252,000)	-
Director loan written back	(100,000)	-
<i>Changes in assets and liabilities, net of effects from disposal of subsidiaries</i>		
(Increase)/decrease in trade & other receivables, deposits and prepayments	(61,770)	5,104
Increase in trade and other payables & accrued expenses	27,657	11,525
Net cash (used in) operating activities	<u>(560,060)</u>	<u>(507,134)</u>

	2015 \$	2014 \$
<u>Note 8 – Other receivables</u>		

Current Asset

Other receivables, deposits & prepayments	91,496	29,726
Total Other receivables	<u>91,496</u>	<u>29,726</u>

No interest is receivable in respect of Other receivables.
None of the other receivables are considered past due or impaired

Timah Resources Limited
A.B.N. 69 123 981 537

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

	2015 \$	2014 \$
<u>Note 9 – Plant & Equipment</u>		
Plant and Equipment	1,039	1,039
Less accumulated depreciation	(606)	(346)
	<u>433</u>	<u>693</u>
Movement in plant & equipment		
Written down value as at beginning of year	693	1,771
Depreciation – plant & equipment at cost	(260)	(455)
Plant & equipment scrapped	-	(623)
Written down value as at end of year	<u>433</u>	<u>693</u>

	2015 \$	2014 \$
<u>Note 10 – Trade and other payables</u>		
Trade payables	-	-
Sundry payables & accrued expenses	47,157	271,500
Total Trade and other payables	<u>47,157</u>	<u>271,500</u>

	2015 \$	2014 \$
<u>Note 11 – Borrowings</u>		
Directors loan	-	100,000
Advance from shareholder	400,000	-
Total Borrowings	<u>400,000</u>	<u>100,000</u>

The amounts advanced to Timah Resources Ltd as borrowings are not secured, do not attract any interest and are repayable on demand.

Note 12 – Issued Capital

	2015 Shares	2014 Shares	2015 \$	2014 \$
(a) Share Capital				
Fully paid ordinary shares	80,252,626	80,252,626	2,419,950	2,419,950
(b) Date & Details of movements in ordinary share capital:				
		Number of Shares		\$
At 1 July 2013		80,252,626		2,419,950
At 30 June 2014		<u>80,252,626</u>		<u>2,419,950</u>
At 30 June 2015		<u>80,252,626</u>		<u>2,419,950</u>

(c) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 12 – Issued Capital (continued)

(d) Share Options

There were no share options on issue or recommended for issue during or end of the financial year.

Capital management

Management controls the capital of the entity's in order to maintain the entity's capital management objectives.

The entity's objectives for managing capital are to:

- Ensure their ability to operate as a going concern.
- Maximise returns to stakeholders by maintaining an optimal debt/equity structure via the issuance/redemption of debt or equity as appropriate.

There are no externally imposed capital requirements and there have been no changes in the strategy adopted by management to control the capital of the entity since the prior year.

Note 13 – Key management personnel disclosures

(a) Key management personnel compensation

	2015	2014
	\$	\$
Short-term employee benefits	11,000	183,000
Post-employment benefits	-	-
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
	<u>11,000</u>	<u>183,000</u>

The company has disclosed the detailed remuneration in the directors' report. The relevant information can be found in sections A-E of the remuneration report.

Note 14 – Remuneration of Auditors

During the year the following fees were paid or payable for services provided by the auditor of the entity its related practices and non-related audit services.

	2015	2014
	\$	\$
Assurance services		
<i>Audit services-</i> Hall Chadwick		
Audit and review of financial reports and other audit work under the Corporations Act 2001	19,500	19,500
Other services		
<i>Taxation services-</i> Hall Chadwick	<u>2,200</u>	<u>11,000</u>
	<u>21,700</u>	<u>30,500</u>

Note 15 – Contingencies

Contingent Liabilities

There are no contingent liabilities at the end of the financial year.

Timah Resources Limited
A.B.N. 69 123 981 537

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

Note 16 - Events after the balance sheet date

There will be significant changes in the business activities from mining exploration to bio-gas renewal energy generation when the acquisition of Mistral Engineering is completed. This will have mid and long-term effects on the financial position and value of the Company.

The Company undertook a Share Placement in July 2015 whereby 10M New Shares at 20 cents per share were issued to Cash Nexus Sdn. Bhd.

The Company's Public Offer under the Supplementary Prospectus was opened on 13th August 2015 and the public offer closed on 28th August 2015 raising a total of \$121,000.

There have been no other subsequent events that would have a material impact on the financial report for the year ended 30 June 2015.

Note 17 – Earnings Per Share

	2015 Cents	2014 Cents
Basic and diluted earnings per share	(0.22)	(0.65)

The following reflects the income and share data used in the calculation of basic and diluted earnings per share from continuing & discontinued operations:

	2015 \$	2014 \$
(Loss) used in calculating basic & diluted earnings per share	<u>(174,207)</u>	<u>(525,441)</u>
Weighted average number of shares used as the denominator	Number of Shares 2015	Number of Shares 2014
Weighted average number of ordinary and partly paid shares used in the calculation of basic & diluted earnings per share	<u>80,252,626</u>	<u>80,252,626</u>
Number of Options on issue convertible at one to one Options are considered non-dilutive.	<u>-</u>	<u>-</u>

Note 18 – Related party transactions

(a) Key management personnel

Disclosures relating to key management personnel are set out in note 13.

(b) Transactions with related parties

During the year, Jack Tan advanced \$130,000 to the Company for working capital. The advance has been fully refunded in the current financial year.

Note 19 – Company Details

The address of the registered office which is also the principal place of business is Level 25, 31 Market Street Sydney 2000.

Note 20 – Lease Commitments

The Company has no lease commitments and shares its registered office with other companies and pays its share of rent on a monthly basis.

DIRECTORS' DECLARATION

The Directors of the company declare that:

1. The Financial Statements and notes, as set out on pages 14 to 28, are in accordance with the Corporations Act 2001 and:
 - a) comply with Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and
 - b) give a true and fair view of the financial position as at 30 June 2015 and of the performance for the year ended on that date of the company.
2. the Directors have each declared that:
 - a) the financial records of the company for the financial year have been properly maintained in accordance with s 286 of the *Corporations Act 2001*;
 - b) the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c) the financial statements and notes for the financial year give a true and fair view;
3. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Jack Tan
Director

Sydney
Dated this 14 September 2015

TIMAH RESOURCES LIMITED**ABN 69 123 981 537****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF TIMAH RESOURCES LIMITED****SYDNEY**Level 40
2 Park Street
Sydney NSW 2000
AustraliaGPO Box 3555
Sydney NSW 2001Ph: (612) 9263 2600
Fx: (612) 9263 2800**Report on the Financial Report**

We have audited the accompanying financial report of Timah Resources Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the 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 company.

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 (IFRS).

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 judgment, 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.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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TIMAH RESOURCES LIMITED
ABN 69 123 981 537

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF TIMAH RESOURCES LIMITED**

Auditor's Opinion

In our opinion:

- a. the financial report of Timah Resources Limited is in accordance with the *Corporations Act 2001*, including:
 - i. giving a true and fair view of the entity's financial position as at 30 June 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.

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1 (a) in the financial report which indicates that the company incurred a net loss of \$174,207 during the year ended 30 June 2015 and, as of that date, the company's current liabilities exceeded its total assets by \$317,733. These conditions, along with other matters as set forth in Note 1 (a), indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern and therefore, the company may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report.

Report on the Remuneration Report

We have audited the remuneration report included in pages 8 to 12 of the directors' report for the year ended 30 June 2015. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 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.

Auditor's Opinion

In our opinion the remuneration report of Timah Resources Limited for the year ended 30 June 2015 complies with s 300A of the Corporations Act 2001.



Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000



GRAHAM WEBB

Partner

Dated: 14 September 2015

Corporate governance

The Board of Directors of the Company will be responsible for the corporate governance of the Company including its strategic development.

The Company's corporate governance principles and policies are structured as follows:

<i>Principle 1</i>	<i>Lay solid foundations for management and oversight</i>
<i>Principle 2</i>	<i>Structure the Board to add value</i>
<i>Principle 3</i>	<i>act ethically and responsibly</i>
<i>Principle 4</i>	<i>Safeguard integrity in financial reporting</i>
<i>Principle 5</i>	<i>Make timely and balanced disclosure</i>
<i>Principle 6</i>	<i>Respect the rights of security holders</i>
<i>Principle 7</i>	<i>Recognise and manage risk</i>
<i>Principle 8</i>	<i>Remunerate fairly and responsibly</i>

(a) **Board responsibilities**

The Board will be accountable to the security holders for the performance of the Company and will have overall responsibility for its operations. The Board schedules meetings on a regular basis and other meetings as and when required. Day to day management of the Company's affairs, and the implementation of the corporate strategy and policy initiatives, will be formally delegated by the Board to the CEO.

The key responsibilities of the Board will include:

- approving the strategic direction and related objectives of the Company and monitoring management performance in the achievement of these objectives;
- adopting budgets and monitoring the financial performance of the Company;
- reviewing the performance of the CEO;
- overseeing the establishment and maintenance of adequate internal controls and effective monitoring systems;
- ensuring all major business risks are identified and effectively managed; and
- ensuring that the Company meets its legal and statutory obligations.

When the Board agrees to appoint a new director, appropriate checks on their background and details of any interest that may influence his or her capacity to bring about independent judgement on the Board will be carried out, using the services of external consultants and whatever known information available, if considered necessary. An announcement is made on the stock exchange upon formal appointment by the Board.

All non-executive directors and other senior executives enter into a written agreement with the company in the form of a letter of appointment. This letter summarises the appointment terms, director's duties, obligations and remuneration. For the purposes of the proper performance of their duties, the Directors are entitled to seek independent professional advice at the Company's expense, unless the Board determines otherwise.

The Company Secretary is present at every Board meeting and the minutes are prepared, circulated and approved by all the Directors during the meeting.

The Company does not currently have a formal diversity policy in place, due to its size. Nevertheless, the Company strives to undertake the recruitment of employees at all levels from as diverse a pool of qualified candidates as reasonably possible based on their skills, qualifications and experience. All employees are treated fairly and with respect by the Company and the Board.

Corporate governance (continued)

(a) **Board responsibilities (continued)**

Board composition will be also reviewed periodically either when a vacancy arises or if it is considered the Board would benefit from the services of a new director, given the existing mix of skills and experience of the Board, which should match the strategic demands of the Company. Nominations for new directors are received and reviewed by the Board.

Although there are no formal documentation of procedures for appraising the performance of senior executives, induction procedures are available to new senior executives to enable a better understanding of the Company's strategies, operations, management policies and their respective roles and responsibilities.

(b) **Size and Composition of the Board**

The Directors consider the size and composition of the Board are appropriate given the size and status of the Company. The composition of the Board is also subjected to review from time to time, whenever required.

- The Constitution provides that at every annual general meeting, one third of the Directors shall retire from office but may stand for re-election.

All Directors are encouraged to attend trainings or courses that can help develop and maintain their skills and knowledge whenever necessary to contribute to the Board more effectively.

(c) **Ethics and Independence**

The Board recognises the need for Directors and employees to observe the highest standards of behaviour and business ethics when engaging in corporate activity. The Company intends to maintain a reputation for integrity. The Company's officers and employees are required to act in accordance with the law and with the highest ethical standards.

The Board is conscious of the need for independence and ensures that where a conflict of interest may arise, the relevant Director(s) leave the meeting to ensure a full and frank discussion of the matter(s) under consideration by the rest of the Board. Those Directors who have interests in specific transactions or potential transactions do not receive Board papers related to those transactions or potential transactions, do not participate in any part of a Directors' meeting which considers those transactions or potential transactions, are not involved in the decision making process in respect of those transactions or potential transactions, and are asked not to discuss those transactions or potential transactions with other Directors.

Directors of the Company are considered to be independent when they are free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of unfettered and independent judgment.

The Company considers industry experience and specific expertise to be important attributes of its Board members and therefore believes that the composition of the Board is appropriate given the size and development of the Company at the present time.

Corporate governance (continued)

(d) **Board Committees**

It is the role of the Board to oversee the management of the Company and it may establish appropriate committees to assist in this role. The composition of the committees shall be as follows:

- the majority of the members of each Committee of the Board will be non-executive Directors;
- each committee will have a charter approved by the Board; and
- each committee will maintain minutes of each meeting of the committee, which will be circulated to all Directors.

Due to the current size of the Board, (three directors) the company has not established any committee's. The Board takes ultimate responsibility for the operations of the Company including remuneration of Directors and executives and nominations to the Board as well as risk and audit compliance.

Audit, Risk and Compliance Committee

The audit, risk and compliance committee, if established, would comprise of non-executive and independent directors, who are independent of senior management and operating executives of the Company, and free from any relationships which might, in the opinion of the Board, be construed as a conflict of interest. The Board will annually confirm the membership of the committee.

The committee's primary responsibilities are to:

- oversee the existence and maintenance of internal controls and accounting systems;
- oversee the management of risk within the Company;
- oversee the financial reporting process;
- review the annual and half-year financial reports and recommend them for approval by the Board of Directors;
- nominate external auditors, including appointment or removal of external auditors and rotation of the audit engagement partner;
- review the performance and effectiveness of the external auditors and existing audit arrangements; and
- ensure compliance with laws, regulations and other statutory or professional requirements, and the Company's governance policies.

The Chairman has declared that the Company's 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 Company and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

The auditor is invited to attend the annual general meeting of security holders. The Chairman will permit security holders to ask questions about the conduct of the audit and the preparation and content of the audit report.

(e) **Security holder Communication**

The Board strives to ensure that security holders are provided with sufficient information to assess the performance of the Company and its Directors and to make well-informed investment decisions.

Information is communicated to security holders through:

- annual and half-yearly financial reports and quarterly reports;
- annual and other general meetings convened for security holder review and approval of Board proposals;
- continuous disclosure of material changes to NSX for open access to the public; and
- the Company maintains a website where all NSX announcements, notices and financial reports are published as soon as possible after release to NSX.

All annual financial reports and notices for annual and other general meetings are distributed to the security holders unless specifically notified by the security holder that he or she would like to receive information regarding the Company electronically.

Corporate governance (continued)

(f) **Identification and Management of Business Risk**

The Board has identified the significant areas of potential business and legal risk of the Company. The identification, monitoring and, where appropriate, the reduction of significant risk to the Company will be the responsibility of the CEO and the Board.

The Board reviews and monitors the parameters under which such risks will be managed. Management accounts will be prepared on a monthly basis, and reviewed with the CEO at subsequent Board meetings. Budgets are prepared and compared against actual results.

The Company currently does not have any material exposure to economic, environmental and social sustainability risks.

(g) **Remuneration**

The Chairman and the non-executive Directors are entitled to draw Directors fees and receive reimbursement of reasonable expenses for attendance at meetings. The Company is required to disclose in its annual report details of remuneration to Directors. The maximum aggregate annual remuneration which may be paid to non-executive Directors is \$250,000. This amount cannot be increased without the approval of the Company's security holders.

Timah Resources Limited
A.B.N. 69 123 981 537

NATIONAL STOCK EXCHANGE INFORMATION

The following additional information is required by the National Stock Exchange Limited in respect of listed public companies.

1. (a) Distribution of Ordinary Fully Paid Shareholder

The distribution of ordinary fully paid shareholders and their shareholdings at 30 June 2015 was as follows:

Range	Shareholders	Fully Paid Shares	%
1 - 1,000	0	0	0.00%
1,001 - 5,000	4	15,772	0.02%
5,001 - 10,000	64	565,040	0.70%
10,001 - 100,000	304	7,833,576	9.76%
100,001 - upwards	50	71,838,238	89.52%
Total	422	80,252,626	100.00%

(b) The number of ordinary fully paid shareholders holding less than marketable parcel is 2 with a total of 6,572 shares (0.01%)

(c) The names of substantial ordinary fully paid shareholders listed in the holding company's register as at 30 June 2015 are:

Shareholders Name	Number of Shares	%
Timah Pasir Sdn Bhd	15,250,000	19.00%
Mr Ahmad Ziyad Bin Elias	9,775,000	12.18%
Cash Nexus M Sdn Bhd	4,750,000	5.92%
Ms Soon Gaik Khoo	4,000,000	4.98%

(d) Voting Rights

Issued shares are either ordinary fully paid shares or partly paid shares. Each shareholder is entitled to one vote on any matter put to a vote by show of hands at a meeting of shareholders. Each fully paid shareholder is entitled to one vote per share on any matter put to a poll at a meeting of shareholders. Partly Paid Shareholders are entitled to vote to the extent to which the Partly Paid Shares are paid up.

Timah Resources Limited
A.B.N. 69 123 981 537

NATIONAL STOCK EXCHANGE INFORMATION (continued)

2. Substantial Ordinary Fully Paid Shareholders

The top 20 ordinary fully paid shareholders and their shareholding at 30 June 2015 were as follows:

	Name of Shareholder	Number of Shares	% of Issued Capital
1	Timah Pasir Sdn Bhd	15,250,000	19.00%
2	Mr Ahmad Ziyad Bin Elias	9,775,000	12.18%
3	Cash Nexus M Sdn Bhd	4,750,000	5.92%
4	Ms Soon Gaik Khoo	4,000,000	4.98%
5	Khoo Cheng Lye	4,000,000	4.98%
6	Time Elemental Sdn Bhd	4,000,000	4.98%
7	Mr Albert Khoo <ACK Australia Pty Ltd A/C>	3,061,500	3.81%
8	Mrs Kim Sim Ong	3,024,166	3.77%
9	Double M Trading Pty Ltd	2,280,000	2.84%
10	Opinvest Pty Ltd <Li Wan Po A/C>	2,000,000	2.49%
11	Mrs Ah Moi Khoo	2,000,000	2.49%
12	Mr Kamaroll Zaman Bin Abd Aziz	1,800,000	2.24%
13	Lawrence Nguyen Nominees Pty Ltd <L Nguyen Investment A/C>	1,746,742	2.18%
14	Unilease Capital Sdn Bhd	1,300,000	1.62%
15	Hai Minh Nguyen	1,296,743	1.62%
16	Lighthouse Capital Snd Bhd	1,236,667	1.54%
17	Binh Thanh Hai Nguyen	950,001	1.18%
18	Mr Jack Tian Hock Tan	946,743	1.18%
19	M F Custodians Ltd	650,000	0.81%
20	Ms Heather Mansfield	611,000	0.76%
	Total Twenty Largest Shareholders	64,678,562	80.57%
	Total Ordinary Shares on Issue at 30 June 2015	80,252,626	

3. Option Holders

There were no Options issued or recommended for issue during or since the end of the financial year.

Timah Resources Limited
A.B.N. 69 123 981 537

Pro-forma 5 Year Summary of Performance

		2011	2012	2013	2014	2015
Gross Revenue	\$'000	11	-	-	-	-
	\$'000	(733)	(272)	308	(525)	(174)
Net (loss)/profit before tax	\$'000	156	172	742	228	129
Total assets	\$'000	17	459	360	371	447
Total liabilities	\$'000	(14)	(287)	382	(143)	(318)
Shareholder's funds	Cents	(1.80)	(10.40)	0.39	(0.65)	(0.22)
Earnings per share	Cents	n/a	n/a	n/a	n/a	n/a
Dividends per share	Cents	(0.01)	(0.05)	0.05	(0.02)	(0.04)
Net tangible assets per share	x	n/a	n/a	n/a	n/a	n/a
Price Earnings ratio						