

3 September 2015

The Directors
Timah Resources Limited
Level 28, St Martins Tower
31 Market Street
Sydney NSW 2000

Dear Sirs,

Re: Review Report on Pro forma Consolidated Historical Financial Information

We have been engaged by Timah Resources Limited ("Timah" or "the Company") to report on the historical financial information and pro forma consolidated historical financial information in relation to the listing of the Company.

The Company previously lodged a Prospectus resulting in the issue of 605,000 New Shares at \$0.20 per Share, raising \$121,000 ("Public Offer"). As part of the Prospectus, Timah also offered Cash Nexus (M) Sdn. Bhd. ("Cash Nexus") or its nominee 10,000,000 New Shares at \$0.20 per Share to raise \$2,000,000 ("Placement").

The Public Offer and Placement comprise part of a series of transactions under which Timah acquired 100% of the issued shares of Mistral Engineering Sdn. Bhd. ("Mistral") and to gain admission to the official list of ASX.

Mistral is a company incorporated in Malaysia which owns and operates a biogas power plant located in Sabah, Malaysia. Mistral is currently owned by Cash Nexus, which is a wholly owned subsidiary of Cepatwawasan Group Berhad, a company listed on the Bursa Malaysia.

Scope

You have requested Hall Chadwick Corporate (NSW) Limited to review the following historical and pro forma consolidated financial information of Timah and Mistral:

- a) the historical consolidated statements of financial position as at 31 December 2014 of Timah and Mistral;
- b) the pro forma consolidated statement of financial position of Timah as at 31 December 2014, assuming the acquisition of Mistral, completion of the Public Offer and Placement and material events that have occurred subsequent to 31 December 2014 as disclosed in the notes to the financial information annexed to this report.

Timah's historical financial information has been audited annually and subject to a half year review as at 31 December 2014 by Hall Chadwick. Hall Chadwick issued an unmodified opinion on the 31 December 2014 financial report. The auditor's opinion included an emphasis of matter regarding a material uncertainty as to the going concern of the Company due to net losses incurred and negative cash flows from operations.

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The historical financial information of Mistral has been extracted from its annual financial reports which were audited by Ernst & Young Malaysia. Ernst & Young issued an unmodified audit opinion on the financial reports.

The historical financial information is presented in the Prospectus in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards applied to the historical financial information and the transactions to which the pro forma adjustments relate, as described in section 6 of the Prospectus, as if those transactions had occurred as at the date, or prior to the date, of the historical financial information. Due to its nature, the pro forma consolidated historical financial information does not represent the company's actual or prospective financial position.

Directors' responsibility

The directors of Timah and Mistral are responsible for the preparation of the historical financial information and pro forma consolidated historical financial information, including the selection and determination of pro forma adjustments made to the historical financial information and included in the pro forma consolidated historical financial information. This includes responsibility for such internal controls as the directors determine are necessary to enable the preparation of historical financial information and pro forma consolidated historical financial information that is free from material misstatement, whether due to fraud or error.

Our responsibility

Our responsibility is to express a limited assurance conclusion on the financial information based on the procedures performed and the evidence we have obtained. We have conducted our engagement in accordance with the Standard on Assurance Engagement ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

A review consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain reasonable assurance that we have become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Our engagement did not involve updating or re-issuing any previously issued audit or review report on any financial information used as a source of the financial information.

Conclusions

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the historical and pro forma consolidated historical financial information, comprising the pro forma consolidated statement of financial position of Timah as at 31 December 2014, assuming the acquisition of Mistral, completion of the Offer and material events that have occurred subsequent to 31 December 2014, is not presented fairly in all material respects, in accordance with the stated basis of preparation.

Yours faithfully



Drew Townsend

HALL CHADWICK CORPORATE (NSW) LIMITED

Historical and Pro- Forma Statements of financial position

Set out in the table below are the historical consolidated statements of financial position for Timah and Mistral as at 31 December 2014, and a pro forma consolidated statement of financial position assuming the acquisition of Mistral and completion of the Offer as if it occurred on 31 December 2014 and adjustments for other material events that have occurred subsequent to that date as detailed in the notes below.

	Reviewed Consolidated	Audited Consolidated	Pro-Forma Consolidated
	Statement of financial position 31 December 2014⁽¹⁾	Statement of financial position 31 December 2014⁽²⁾	Statement of financial position⁽³⁾
	Timah	Mistral	
Current Assets			
Cash assets	85,905	180,236	2,729,695
Trade and other receivables	7,016	30,874	37,890
Inventories	-	9,813	9,813
Prepayments and deposits	-	50,281	50,281
	92,921	271,204	2,827,679
Non-Current Assets			
Plant and equipment	563	8,371,048	9,967,707
Deferred tax assets	-	209,271	209,271
	563	8,580,318	10,176,978
Total Assets	93,484	8,851,523	13,004,657
Current Liabilities			
Trade and other payables	7,900	301,055	192,327
Financial liabilities	-	576,882	576,882
Loans – related parties	80,000	1,551,923	370,000
	87,900	2,429,859	1,139,209
Non-Current Liabilities			
Loans – related parties	-	-	3,687,201
Financial liabilities	-	4,033,524	4,033,524
	-	4,033,524	7,720,725
Total Liabilities	87,900	6,463,383	8,859,934
Net Assets	5,584	2,388,140	4,144,723
Equity			
Issued capital	2,419,950	3,226,819	10,657,981
Accumulated losses	(2,414,366)	(838,680)	(6,513,258)
Total Equity	5,584	2,388,140	4,144,723

Notes:

- Column 1 represents the reviewed historical consolidated statement of financial position of Timah as at 31 December 2014.

2. Column 2 represents the audited historical consolidated statement of financial position of Mistral as at 31 December 2014, converted from Malaysian Ringgit (RM) into Australian dollars (AUD) at the 31 December 2014 spot rate of 1 AUD = 2.8666 RM.
3. Column 3 represents the pro forma consolidated statement of financial position of Timah assuming:
 - (a) The acquisition of 100% of Mistral by Timah on 31 December 2014 through the issue of 42,750,000 Mistral shares (post 1:2 consolidation) at a deemed issue price of \$0.20 per share. As Timah has no existing business and Mistral shareholders will obtain control of Timah, the consolidated financial statements of the legal parent (Timah) are presented as a continuation of the financial statements of the main private operating entity (Mistral). The effect of the acquisition on accumulated losses includes the elimination of accumulated losses in Timah and the write-off of goodwill associated with the reverse acquisition;
 - (b) Public Offer of 605,000 New Shares at \$0.20 per Share to raise \$121,000;
 - (c) Placement of 10,000,000 New Shares at \$0.20 per Share to Cash Nexus or its nominee to raise \$2,000,000;
 - (d) Repayment of loans from Directors in the Company totalling \$80,000;
 - (e) Loan advanced from Timah Psir Sdn. Bhd. to the Company totalling \$370,000 for the purpose of paying for costs associated with the Public Offer;
 - (f) Draw down of CGB loan by Mistral totalling RM10,709,843 (AU\$3,687,201), applied towards plant and equipment (AU\$1,596,097), loan repayments (AU\$1,551,922), repayment of payables (AU\$116,627) and working capital/cash (AU\$422,554);
 - (g) Estimated costs associated with the Public Offer of \$370,000, allocated as \$54,175 to contributed equity relating to the issue of Shares and \$315,825 to accumulated losses.