

COMPANY ANNOUNCEMENT



NSX ANNOUNCEMENT

PRICE SENSITIVE

10 October 2014

National Stock Exchange of Australia
PO Box 283
Newcastle NSW 2300

By email: trading@nsxa.com.au

TIMAH RESOURCES LIMITED (NSX:TMH) EXECUTES BINDING AGREEMENT FOR ACQUISITION OF MALAYSIAN RENEWABLE ENERGY GENERATION COMPANY

The directors of Timah Resources Limited are pleased to announce that Timah Resources has entered into a binding Share Sale Agreement with Cash Nexus (M) Sdn. Bhd. (**Cash Nexus**) to acquire all the issued shares of Mistral Engineering Sdn. Bhd. (**Mistral**). Completion of the acquisition of Mistral remains subject to a number of conditions precedent being satisfied.

In conjunction with the acquisition of Mistral, Timah Resources intends to apply for admission to the official list of ASX. If admission to ASX is granted, Timah Resources will delist from NSX and migrate its issued shares to ASX.

About Mistral

Mistral is a company incorporated in Malaysia which owns and operates a biogas power plant of approximately 3 Mega Watts capacity which is located at a palm oil plantation in Sabah, Malaysia (**Plant**). The Plant generates electrical energy by capturing methane gas from palm oil mill effluent it utilises as fuel. Commercial operation of the Plant commenced on 1 August 2013.

Mistral has a contract to sell the energy generated to Prolific Yield Sdn. Bhd, which operates the oil palm plantation, at a pre-agreed market price.

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About Cash Nexus

Cash Nexus is a company incorporated in Malaysia which is wholly owned by Cepatwawasan Group Berhad (CGB), a company listed on the Bursa Malaysia. CGB is an investment holding company with its subsidiaries principally involved in oil palm cultivation, milling, quarrying and renewable energy generation. Cash Nexus holds 100% of the shares in Mistral.

Material terms of Share Sale Agreement

Under the Share Sale Agreement, Cash Nexus will sell, and Timah Resources will buy, 100% of the issued shares of Mistral in consideration for Timah Resources issuing 85,500,000 fully paid ordinary shares in Timah Resources at A\$0.10 per share (**Consideration Shares**) to Cash Nexus.

The Share Sale Agreement also contemplates that, following completion of the acquisition of Mistral, Timah Resources will:

- (a) undertake a 2 for 1 consolidation of its issued share capital so that all issued shares are worth approximately A\$0.20 (the minimum price required for ASX admission); and
- (b) after the consolidation takes place:
 - (i) **Cash Nexus or its nominee will subscribe for, and Timah Resources will issue, 10,000,000 fully paid ordinary shares in Timah Resources at A\$0.20 per share to raise A\$2,000,000 (Placement); and**
 - (ii) **Timah Resources will issue up to 5,000,000 fully paid ordinary shares in Timah Resources at A\$0.20 per share to subscribers who accept Timah Resources's initial public offering in conjunction with its application for Admission, to raise up to A\$1,000,000 (Offer). The Offer is not intended to be underwritten.**

Each of the Placement and the Offer will be made under a prospectus.

Following the completion of the transactions described above, Cash Nexus or its associates will have voting power in Timah of between 53.9% and 56.8%, depending on the number of shares issued under the Offer (in addition to any voting power Cash Nexus or its associates may acquire prior to completion of the transactions).

In addition, on completion of the acquisition of Mistral, Cash Nexus will have the right to appoint its nominees to the board of directors of Timah Resources and the current directors of Timah Resources will resign.

Completion of the acquisition of Mistral is dependent on a number of conditions precedent being satisfied. The key conditions precedent are:

- (a) the results of each parties' due diligence being satisfactory to that party, in their sole discretion;
- (b) Timah Resources obtaining all necessary shareholder and regulatory approvals;
- (c) Cash Nexus acquiring 100% of the shares in Mistral;
- (d) Cash Nexus obtaining all necessary shareholder and regulatory approvals;
- (e) Timah Resources lodging a prospectus with ASIC for the Placement and the Offer; and
- (f) ASX resolving to grant Timah Resources admission to the official list of ASX.

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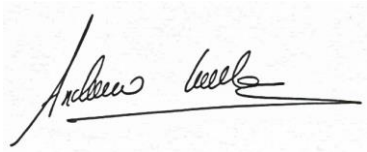
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Therefore, the acquisition will only complete if (amongst other things) Timah Resources shareholder approval is received and Timah Resources is granted admission to ASX.

If the conditions precedent are not satisfied and the acquisition does not complete, Timah Resources will remain listed on the NSX and will seek alternative investment opportunities.

Timah Resources will be convening a meeting of shareholders to consider the various shareholder resolutions required for the Acquisition and the listing on ASX. Notices of meeting with details of the timing of the meeting will be released to the market.

Yours sincerely,



Andrew Wallis
Company Secretary

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