

**Timah Resources Limited
(ABN 69 123 981 537)**

Notice of General Meeting and Explanatory Statement

**General Meeting of Timah Resources Limited
to be held at 10.00 am AEST on 17 March 2015**

at

**Suite 2501, Level 25, St Martins Tower, 31 Market Street,
Sydney, New South Wales**

Your Directors unanimously recommend that Shareholders

VOTE IN FAVOUR

of the Proposed Resolutions, in the absence of a superior proposal.

The Independent Expert has concluded the Proposed Transactions are

“fair and reasonable”

**to Shareholders not associated with Cash Nexus (M) Sdn. Bhd., Cepatwawasan Group Berhad
or their Associates.**

This is an important document and requires your prompt attention. The matters raised in this document will directly affect your holding of Timah Shares. You are advised to read this document in its entirety before deciding how to vote on the Proposed Resolutions to implement the Proposed Transactions.

If Shareholders are in any doubt as to how they should vote on the Proposed Resolutions, they should seek advice from their professional advisers.

Corporate Directory

Directors

Mr Jack Tan (Executive Chairman)
Mr Lawrence Nguyen (Non Executive Director)
Mr Ting Teck Kai (Non Executive Director)

Company Secretary

Mr Andrew Wallis

Registered Office

Suite 2501, Level 25, St Martins Tower
31 Market Street
Sydney NSW 2000
Telephone: +61 2 9267 4633
Facsimile: +61 2 9267 4388

Web Address

www.timahresources.com.au

ABN

ABN 69 123 981 537

NSX Code

TMH

Share Registry

Boardroom Pty Ltd
Level 7
207 Kent Street
Sydney NSW 2000
Telephone: 1300 737 760
Telephone: +61 2 9290 9600 (Overseas)

Solicitors

Allion Legal
Level 5, Angel Place
123 Pitt Street
Sydney NSW 2000

Auditors

Hall Chadwick
40/2 Park Street
Sydney NSW 2000

17 February 2015

Dear Shareholder

Extraordinary General Meeting to Approve Proposed Acquisition of Mistral Engineering Sdn. Bhd., ASX Listing and Other Related Transactions

On 10 October 2014, the Company announced that it had entered into a Share Sale Agreement with Cash Nexus (M) Sdn. Bhd. (**Cash Nexus**) to acquire all of the issued shares in the capital of Cash Nexus' wholly owned subsidiary, Mistral Engineering Sdn. Bhd, a company incorporated and registered in Malaysia (**Mistral**). Cash Nexus is a wholly owned subsidiary of Cepatwawasan Group Berhad, a Malaysian company listed on the Malaysian Stock Exchange, Bursa. In consideration for the acquisition of Mistral, the Company proposes to issue 85,500,000 Shares at \$0.10 per Share to Cash Nexus (**Consideration Shares**).

The proposed acquisition will be implemented by way of a series of interrelated transactions which are described in more detail in the Explanatory Statement to this Notice of Meeting, including a consolidation of 1 Share for every 2 Shares held (**Consolidation**), a placement of 10,000,000 Shares (on a post-Consolidation basis) at \$0.20 each to Cash Nexus (**Placement Shares**) and an initial public offering of up to 5,000,000 Shares (on a post-Consolidation basis) at \$0.20 each. The ultimate aim of these transactions is to enable the Company to apply for admission to the official list of ASX.

The Extraordinary General Meeting (**Meeting**) is an opportunity for Shareholders to approve or not approve the proposed acquisition, as each Resolution to be considered at the Meeting is critical to the proposed acquisition and it will not proceed unless all Resolutions are passed.

Mistral's main activity is the production of renewable energy from a 3 Megawatt biogas plant which is owned and operated by Mistral. The Directors believe that Mistral's business has prospects for strong financial performance and the proposed acquisition will provide the Company with a potentially profitable new business and the financial means to expand its biogas renewable energy generation business in Malaysia.

If the proposed acquisition proceeds, on completion of the transaction, Cash Nexus will be issued the Consideration Shares in addition to the Placement Shares, which will give Cash Nexus and its associates voting power of between 58.75% and 61.91% (depending on the subscriptions received under the initial public offer).

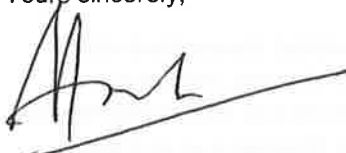
The Directors have engaged an independent expert, Nexia, to undertake an analysis of whether the proposed acquisition is fair and reasonable when considered in the context of the interest of the Shareholders (other than those involved in the proposed transaction or associated with such persons). Nexia has concluded that the proposed acquisition is **fair and reasonable** to the Shareholders. A copy of the report of Nexia is contained in Annexure C of this Notice of Meeting.

Shareholders should note that, as a result of the proposed acquisition, the Company will be provided with a revenue generating business, capable of delivering annual cash earnings. Under the Share Sale Agreement, Cash Nexus has guaranteed that the audited profits before tax of Mistral will not be less than \$900,000 (**Guaranteed PBT**) for the year ending 31 December 2015, by agreeing to pay the Company any shortfall to the extent that Mistral's actual earnings are less than this amount (however, the Guaranteed PBT does not indicate that the operations of Mistral will actually generate this profit for the year ending 31 December 2015 or in subsequent years). As such, in the view of Directors, the proposed acquisition provides considerable upside to shareholder value.

Please consider carefully the contents of this Notice of Meeting, including, without limitation, the Explanatory Memorandum and the Independent Expert's Report. The key reasons to vote in favour of the Proposed Resolutions are set out in section 4.2 of the Explanatory Memorandum. The key reasons to vote against the Proposed Resolutions are set out in section 4.3 of the Explanatory Memorandum (these include key risks associated with the renewable energy industry, including reliance on incentives provided by the Malaysian Government and the variable efficiency of the new technology). If you are in doubt as to any matter, please consult your legal, financial or other professional advisors.

Your Directors unanimously recommend that you vote in favour of all the Resolutions required to implement the proposed acquisition of Mistral, in the absence of a superior proposal, as they believe that it is in the best interests of Shareholders.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Jack Tan', with a long horizontal line extending to the right.

Jack Tan

Chairman
Timah Resources Limited

TIMAH RESOURCES LIMITED

(ABN 69 123 981 537)

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of Timah Resources Limited (**Timah**) is to be held as set out below.

DETAILS OF MEETING

Date: 17 March 2015
Time: 10.00 am AEST

Address: Suite 2501, Level 25, St Martins Tower, 31 Market Street, Sydney, New South Wales

BUSINESS

Resolution 1: Application for Admission to ASX

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“Subject to each of Resolutions 2 to 16 being approved, approval is given for Timah to apply to Australian Securities Exchange Limited (**ASX**) for the admission of its shares to, and the quotation of its shares on, the official list of ASX.”*

Resolution 2: Approval of the purchase of Mistral Engineering Sdn. Bhd.

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“Conditional on ASX resolving to admit Timah’s shares to the official list of the ASX subject to the completion of the Proposed Transactions and other usual conditions (**ASX Approval**), for the purposes of NSX Listing Rule 6.43, section 208 of the Corporations Act and for all other purposes, approval is given for the purchase by Timah of all of the issued shares of Mistral Engineering Sdn. Bhd. (**Mistral**) from Cash Nexus (M) Bhd. Sdn. (**Cash Nexus**), a related party of Timah, in consideration for the issue of the Consideration Shares to Cash Nexus, in accordance with the terms and conditions of the Share Sale Agreement dated 10 October 2014 between Timah and Cash Nexus (**Share Sale Agreement**) as described in the Explanatory Statement to this Notice of Meeting.”*

Voting Exclusion for Resolution 2: In accordance with section 224 of the Corporations Act, Timah will disregard any votes cast in favour of Resolution 2 by Cash Nexus, Cepatwawasan Group Berhad or their Associates (**Cash Nexus Parties**).

Resolution 3: Significant change to the nature and scale of Timah’s activities

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“Conditional on ASX Approval, for the purposes of NSX Listing Rule 6.41 and for all other purposes, approval is given for the significant change to the nature and scale of Timah’s activities as a result of the acquisition of Mistral by Timah.”

Resolution 4: Issue of the Consideration Shares to Cash Nexus

To consider and, if thought fit, pass the following resolution as a special resolution:

*“Conditional on ASX Approval, for the purposes of section 611 item 7 of the Corporations Act, NSX Listing Rule 6.25 and NSX Listing Rule 6.44, and for all other purposes, approval is given for the issue of 85,500,000 Shares at \$0.10 per share (**Consideration Shares**) to Cash Nexus as consideration for the acquisition of the shares in Mistral in accordance with the terms of the Share Sale Agreement.”*

Voting Exclusion for Resolution 4:

In accordance with section 611 item 7 of the Corporations Act, Timah will disregard any votes cast in favour of Resolution 4 by the Cash Nexus Parties.

Short Explanation for Resolutions 1, 2, 3 and 4:

Timah and Cash Nexus are parties to the Share Sale Agreement. Under the Share Sale Agreement, Cash Nexus has agreed to sell, and Timah has agreed to purchase, all of the issued shares of Mistral. In consideration for the transfer of the Mistral shares, Timah will issue the Consideration Shares to Cash Nexus. The acquisition of Mistral (in addition to the issue of shares referred to in Resolutions 5 and 6) is intended to give Timah sufficient assets to list on the ASX (and delist from the NSX). Completion of the sale and purchase of Mistral under the Share Sale Agreement is conditional on, amongst other things:

- (a) ASX Approval; and
- (b) shareholder approval being received in respect of each of the Resolutions 2 to 16.

Cash Nexus is a related party of Timah under section 228(6) of the Corporations Act as it will gain a controlling interest in Timah as a result of the issue of the Consideration Shares. Shareholder approval for the acquisition of a substantial asset from a related party is required under section IIA rule 6.43 of the NSX Listing Rules. Shareholder approval is also required for the giving of a financial benefit to a related party is under section 208 of the Corporations Act. Further details are set out in section 3.2 of the Explanatory Statement.

The acquisition of Mistral will result in a significant change to the nature and scale of Timah's activities (detailed in section 3.3 of the Explanatory Statement). Shareholder approval for a significant change to the nature or scale of a NSX listed entity is required under section IIA rule 6.41 of the NSX Listing Rules.

At the date of this Notice, the Cash Nexus Parties have a relevant interest in 11.84% of the Shares under the Call Option. As a result of the issue of the Consideration Shares to Cash Nexus and the relevant provisions of the Corporations Act (detailed in section 3.4(b) of the Explanatory Statement), the Cash Nexus Parties will acquire Relevant Interests in Shares giving them voting power of greater than 20% in Timah (namely voting power of 57.31% – see further details of this voting power in sections 3.4(b) and 5.7 of the Explanatory Statement). Accordingly, shareholder approval for the issue of the Consideration Shares is required under section 611 item 7 of the Corporations Act.

In addition, the issue of the Consideration Shares will exceed Timah's capacity for issues of securities specified under section IIA rule 6.25 of the NSX Listing Rules, and, the issue of Shares to a related party requires approval under section IIA rule 6.44 of the NSX Listing Rules. Accordingly,

shareholder approval for the issue of the Consideration Shares will also be obtained for the purpose of those rules (detailed further in section 3.4 of the Explanatory Statement).

Resolution 5: Consolidation of Timah's issued share capital

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"Conditional on ASX Approval and subject to the Consideration Shares being issued to Cash Nexus, for the purpose of section 254H of the Corporations Act and for all other purposes, approval is given for the issued capital of Timah to be consolidated on the basis that every 2 Shares on issue is consolidated into 1 Share (**Consolidation**), with the Consolidation taking effect immediately following and on the same Business Day as the issue of the Consideration Shares, being 5 May 2015 (or such other subsequent date that is notified to NSX by the Company), and, where the Consolidation results in a fraction of a Share being held, the Directors be authorised to round that fraction up to the nearest whole Share (as the case may be)."*

Short Explanation for Resolution 5:

Under ASX Listing Rule 2.1 condition 2, the issue price for the securities for which Timah seeks quotation on the ASX must be at least A\$0.20 in cash. The Consideration Shares will be issued at a price per Share of A\$0.10, which is the agreed share price of Timah under the Share Sale Agreement. Therefore, to satisfy the ASX admission requirements, Timah proposes to undertake the Consolidation to ensure that all Shares for which it proposes to seek quotation (that is, all Shares except for the Restricted Securities) have an issue price of A\$0.20.

Resolution 6: Issue of Placement Shares to Cash Nexus or its nominee

To consider and, if thought fit, pass the following resolution as a special resolution:

*"Conditional on ASX Approval and subject to the Consolidation taking place, for the purposes of section 611 item 7 of the Corporations Act 2001 (Cth), NSX Listing Rule 6.25 and NSX Listing Rule 6.44, and for all other purposes, approval is given for the issue of 10,000,000 Shares at \$0.20 per share (**Placement Shares**) to Cash Nexus or its nominee."*

Voting Exclusion for Resolution 6:

In accordance with section 611 item 7 of the Corporations Act, Timah will disregard any votes cast in favour of Resolution 6 by the Cash Nexus Parties.

Resolution 7: Issue of Offer Shares

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*"Conditional on ASX Approval and subject to the Consolidation taking place, for the purposes of NSX Listing Rule 6.25, and for all other purposes, approval is given for the issue of up to 5,000,000 Shares at \$0.20 per Share (**Offer Shares**) to subscribers under Timah's initial public offering made in conjunction with its application for ASX listing."*

Short Explanation for Resolutions 6 and 7:

Timah proposes to issue the Placement Shares and the Offer Shares in order to raise sufficient capital and achieve sufficient spread to meet the tests for ASX admission set out in Chapter 1 of the ASX Listing Rules (detailed in section 2.3 of the Explanatory Statement). To ensure that Timah has sufficient capacity for the issue of the Placement Shares and the Offer Shares under NSX Listing Rule 6.25, shareholder approval for the issue of the Placement Shares and the Offer Shares is being sought under that rule.

In addition, the issue of the Placement Shares will result in the Cash Nexus Parties acquiring a Relevant Interest in Shares which increases their voting power in Timah from 57.31% to a point below 90% prior to dilution by the issue of any Offer Shares (ultimately ending up with a voting power of between 58.75% and 61.91%, depending on the level of acceptances received under the Offer – see further details of this voting power in sections 3.6 and 5.7 of the Explanatory Statement). Accordingly, shareholder approval for the issue of the Placement Shares is required under section 611 item 7 of the Corporations Act. Shareholder approval by special majority for the issue of the Placement Shares to a related party is also required under Section IIA, rule 6.44 of the NSX Listing Rules.

Resolution 8: Appointment of Dato' Seri Mah King Thian as Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“Conditional on ASX Approval and subject to the Consideration Shares being issued to Cash Nexus, for the purposes of rule 14.10 of Timah’s Constitution and all other purposes, approval is given for the appointment of Dato’ Seri Mah King Thian as a director of Timah, on and from the date of Timah’s admission to the official list of ASX.”

Resolution 9: Appointment of Dato' Seri Mah King Seng as Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“Conditional on ASX Approval and subject to the Consideration Shares being issued to Cash Nexus, for the purposes of rule 14.10 of Timah’s Constitution and all other purposes, approval is given for the appointment of Dato’ Seri Mah King Seng as a director of Timah, on and from the date of Timah’s admission to the official list of ASX.”

Resolution 10: Appointment of Lee Chong Hoe as Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“Conditional on ASX Approval and subject to the Consideration Shares being issued to Cash Nexus, for the purposes of rule 14.10 of Timah’s Constitution and all other purposes, approval is given for the appointment of Lee Chong Hoe as a director of Timah, on and from the date of Timah’s admission to the official list of ASX.”

Resolution 11: Appointment of Michelle Siew Yee Lee as Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“Conditional on ASX Approval and subject to the Consideration Shares being issued to Cash Nexus, for the purposes of rule 14.10 of Timah’s Constitution and all other purposes,

approval is given for the appointment of Michelle Siew Yee Lee as a director of Timah, on and from the date of Timah's admission to the official list of ASX."

Resolution 12: Appointment of Soong Swee Koon as Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"Conditional on ASX Approval and subject to the Consideration Shares being issued to Cash Nexus, for the purposes of rule 14.10 of Timah's Constitution and all other purposes, approval is given for the appointment of Soong Swee Koon as a director of Timah, on and from the date of Timah's admission to the official list of ASX."

Resolution 13: Approval of contracts with Related Parties

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

"Conditional on ASX Approval and subject to each of the Acquisition, Consolidation, Placement and Offer completing (as further described in the Explanatory Statement), for the purposes of NSX Listing Rule 6.43, section 208 of the Corporations Act and for all other purposes, the Renewable Energy Power Purchase Agreement dated 22 August 2009 between Mistral and Prolific Yield Sdn. Bhd. (as amended by the Supplemental Agreement dated 25 October 2012) is approved."

Voting Exclusion for Resolution 13: In accordance with section 224 of the Corporations Act, Timah will disregard any votes cast in favour of Resolution 13 by the Cash Nexus Parties (as Associates of Prolific Yield Sdn. Bhd.).

Short Explanation for Resolution 13:

The Renewable Energy Power Purchase Agreement dated 22 August 2009 between Mistral and Prolific Yield Sdn. Bhd. (**PYSB**) (as amended by the Supplemental Agreement dated 25 October 2012 and 1 January 2014), under which Mistral agrees to sell, and PYSB agrees to buy, electricity generated by the Plant, has the potential to become Mistral's most valuable asset. PYSB is ultimately owned and controlled by CGB and, therefore, after the completion of the Proposed Transactions, will be a related party of Timah under section 228(4) of the Corporations Act. Shareholder approval is required under NSX Listing Rule 6.43 where a party acquires a significant asset from a related party. Shareholder approval is also required under section 208 of the Corporations Act for the giving of a financial benefit to a related party. Further details are set out in section 3.9 of the Explanatory Statement.

Resolution 14: Delisting of Timah from the NSX

To consider and, if thought fit, pass the following resolution as a special resolution:

*"Conditional on ASX Approval and subject to each of the Acquisition, Consolidation, Placement and Offer completing, for the purposes of NSX Listing Rule 2.25, and for all other purposes, approval is given for Timah to delist from the National Stock Exchange (**NSX**)."*

Resolution 15: Approval of acquisition of Shares on exercise of Call Option

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

*“Conditional on ASX Approval, for the purposes of section 611 item 7, and for all other purposes, approval is given for the acquisition by Cash Nexus of 9,500,000 Shares at A\$0.10 per share (on a pre-Consolidation basis) on exercise of the call option between Cash Nexus and Timah Pasir Sdn. Bhd. dated 10 October 2014 (**Call Option**).”*

Voting Exclusion for Resolution 15:

In accordance with section 611 item 7 of the Corporations Act, Timah will disregard any votes cast in favour of Resolution 14 by the Cash Nexus Parties.

Short Explanation for Resolution 15:

The Cash Nexus Parties acquired a relevant interest in Timah when Cash Nexus and Timah Pasir Sdn. Bhd. executed the Call Option on 10 October 2014, giving the Cash Nexus Parties voting power in Timah of 11.84%. To ensure that Cash Nexus is entitled to exercise its right to acquire the Shares the subject of the Call Option after the issue of the Consideration Shares (that is, once the Cash Nexus Parties' voting power in Timah has increased to above 20%), shareholder approval of the acquisition of 9,500,000 Shares (on a pre-Consolidation basis) by Cash Nexus is being sought under section 611 item 7 of the Corporations Act.

Resolution 16: Appointment of Jack Tan as Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“For the purposes of rule 14.10 of Timah’s Constitution and all other purposes, approval is given for the appointment of Jack Tan as a director of Timah, on and from the date of Timah’s admission to the official list of ASX.”

Resolution 17: Re-election of Ting Teck Kai

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

“That Mr Ting Teck Kai, a director of Timah, retires in accordance with the provisions of the Constitution and NSX Listing Rule 6.47 and, being eligible for election, be elected as a director of Timah effective retrospectively from 26 November 2014.”

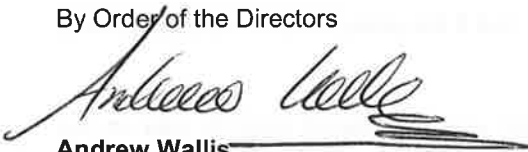
ACCOMPANYING DOCUMENTS

The following documents accompany this Notice of Meeting:

- (a) an Explanatory Statement in relation to the Proposed Resolutions to be considered at the General Meeting;
- (b) a Glossary (at Annexure A);
- (c) a summary of the material terms of the Share Sale Agreement and the proposed terms of the Placement (at Annexure B);
- (d) a copy of the Independent Expert's Report (at Annexure C); and
- (e) a Proxy Form.

The Explanatory Statement forms part of this Notice of Meeting. The background and reasons behind the Proposed Resolutions to be considered are more fully set out in the Explanatory Statement. Shareholders should read the Explanatory Statement in full and carefully consider its contents.

By Order of the Directors



Andrew Wallis
Company Secretary

Date: 17 February 2015

GENERAL MATTERS

1. Proxy Appointments

General

The Chairman of the General Meeting intends to vote undirected proxies for the Proposed Resolutions.

A Shareholder entitled to attend and vote at the General Meeting may appoint one proxy or, if the Shareholder is entitled to cast two or more votes at the General Meeting, two proxies to attend and vote instead of the Shareholder. Where two proxies are appointed to attend and vote at the General Meeting, each proxy may be appointed to represent a specified proportion or number of the Shareholder's voting rights at the General Meeting. If the vote split is not specified, it is deemed to be equally divided between the two proxies. A proxy need not be a Shareholder.

Shareholders and their proxies should note that sections 250BB and 250BC of the Corporations Act apply to voting by proxy. In particular:

- (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote as directed;
- (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands;
- (c) if the proxy is the chair of the meeting at which the resolution is voted on, the proxy must vote on a poll and must vote as directed; and
- (d) if the proxy is not the chair, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote as directed.

If a proxy is also a Shareholder, these requirements do not affect the way that the person can cast any votes they hold as a Shareholder.

If an appointment of a proxy specifies the way the proxy is to vote on a particular resolution and:

- (a) the appointed proxy is not the chair of the General Meeting; and
- (b) at the meeting, a poll is duly demanded on the resolution and either of the following applies:
 - (i) the proxy is not recorded as attending the General Meeting; or
 - (ii) the proxy does not vote on the resolution,

then the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the General Meeting.

Cash Nexus Parties

Timah will be disregarding votes cast by the Cash Nexus Parties on Resolutions 2, 4, 6, 13 and 15. However, Timah need not disregard a vote if it is cast by:

- (a) a person as a proxy appointed in writing that specifies how the proxy is to vote on Resolution 2, 4, 6, 13 or 15; and
- (b) it is not cast on behalf of a Cash Nexus Party.

2. Voting Entitlement

A determination has been made by the Directors in accordance with Regulation 7.11.37 of the Corporations Act (and Settlement Rule 5.6.1) that those persons who are registered as the holders of Shares at 10:00am (Sydney time) on Sunday 15 March 2015 will be taken to be the holders of Shares for the purposes of determining voting entitlements at the General Meeting.

3. Voting at the General Meeting

If you are registered as a Shareholder in the Share Register at 10:00am (Sydney time) on Sunday 15 March 2015 you will be entitled to vote at the General Meeting, subject to the Voting Exclusion Statements set out in the Notice of Meeting.

Voting in person: Shareholders (with the exception of those subject to a Voting Exclusion Statement) wishing to vote in person (other than under a power of attorney) should attend the General Meeting in person and can cast their votes at that meeting. Please note that you should bring a suitable form of personal identification (such as a driver's licence) and arrive at the venue (if possible) 20 minutes prior to the commencement of the General Meeting (so that your Shareholding may be checked against the Share Register and attendance noted).

Voting by attorney: If a Shareholder proposes that an attorney is to attend and vote at the General Meeting on their behalf, the instrument conferring the power of attorney, or a certified copy of it, must be produced to Timah by no later than 10.00am (Sydney time) on Sunday 15 March 2015 in the same way as a proxy form.

Voting by proxy: Shareholders (with the exception of those subject to a Voting Exclusion Statement) wishing to vote by proxy at the General Meeting must complete and sign or validly authenticate the personalised Proxy Form which is enclosed with this document. Completed Proxy Forms must be delivered, together with the power of attorney or other authority (if any) under which the Proxy Form is signed or a certified copy of that power or authority, by no later than 10.00am (Sydney time) on Sunday 15 March 2015 and in any of the following ways:

By facsimile to: +61 2 9267 4388

By post to: Timah's offices at Suite 2501, Level 25,
31 Market St, Sydney, New South Wales
2000

By hand delivery to: Timah's offices at Suite 2501, Level 25,
31 Market St, Sydney, New South Wales
2000

By email to: info@timahresources.com.au

4. What should you do next?

You should read and consider the remainder of this document in full before making any decision on whether to vote in favour of implementing the Proposed Transactions and ASX Listing.

In particular, Shareholders should refer to section 4 of the Explanatory Statement for further guidance on the expected advantages and possible disadvantages of the Proposed Transactions and ASX Listing. However, Shareholders should note that this document is not investment advice and has been prepared without taking into account any particular Shareholder's objectives, financial circumstances or needs. If, after reading this document, you have any questions about the Proposed Transactions or ASX Admission, please consult your legal, financial, taxation or other professional adviser before deciding how to vote on the Proposed Resolutions.

FREQUENTLY ASKED QUESTIONS

Question	Answer	More information
What is happening and why have I received this document?	<p>Timah proposes to acquire Mistral, a Malaysian company which owns and operates a biogas power plant in Malaysia, and to apply for the admission of its Shares to the official list of ASX.</p> <p>Timah has entered into a binding agreement for the purchase of Mistral from Cash Nexus. The purchase and the other Proposed Transactions will not complete until (amongst other things):</p> <ul style="list-style-type: none"> the Shareholders approve the Proposed Resolutions (which are set out in the Notice of Meeting and described in detail in section 3); and ASX resolves to grant Timah ASX Admission. <p>Therefore, as a Shareholder, this document is being sent to you so that you are able to consider and vote on the Proposed Resolutions.</p> <p>The Proposed Transactions will not proceed unless all Proposed Resolutions are approved by Shareholders and ASX Approval is received.</p>	Section 2.1
What are the Proposed Transactions?	<p>The Proposed Transactions are:</p> <ul style="list-style-type: none"> Acquisition: Cash Nexus will sell, and Timah will buy, 100% of the issued shares of Mistral, in consideration for Timah issuing the Consideration Shares to Cash Nexus; Consolidation: after the Acquisition completes, Timah will undertake the (2 for 1) Consolidation of its Shares; and after the Consolidation takes place: <ul style="list-style-type: none"> Placement: Cash Nexus or its nominee will subscribe for, and Timah will issue, 10,000,000 Shares at A\$0.20 per share to raise A\$2,000,000; and Offer: Timah will issue up to 5,000,000 Shares at A\$0.20 per share to subscribers under the Offer to raise up to A\$1,000,000. 	Section 2.2

<p>What effect will the Proposed Transactions have on the control of Timah?</p>	<p>The Proposed Transactions will result in the Cash Nexus Parties having a voting power of between 58.75% and 61.91% in Timah.</p> <p>At the date of this Notice of Meeting, the Cash Nexus Parties have a relevant interest in 9,500,000 Shares (on a pre-Consolidation basis) under a Call Option, giving them voting power of 11.84% in Timah.</p> <p>Following completion of the Acquisition and the issue of the Consideration Shares, the Cash Nexus Parties will have a voting power of 57.31% in Timah.</p> <p>On the issue of the Placement Shares, the Cash Nexus Parties will have a voting power of 61.91% in Timah.</p> <p>On the issue of the Offer Shares (which is intended to occur at the same time as the issue of Placement Shares), the Cash Nexus Parties' voting power in Timah may be diluted to 58.75% if the Offer is fully subscribed.</p>	<p>Section 5.7</p>
<p>What is the proposed use of the proceeds from the Placement and Offer?</p>	<p>Timah intends to use the funds raised under the Placement and the Offer as follows:</p> <ul style="list-style-type: none"> • \$2,500,000 on capital expenditure to accelerate the growth of the Plant and Mistral's energy generation business; • \$250,000 - \$300,000 on the costs of the public offering; and • \$200,000 - \$250,000 for operational expenditure and other working capital needs. <p>The above figures assume that the Offer will be fully subscribed so that a total of \$3 million will be raised (made up of \$2 million under the Placement and \$1 million under the Offer). If the Offer is not fully subscribed, the amounts allocated to capital and operational expenditure will be adjusted proportionally.</p>	<p>Section 2.4</p>
<p>Why is shareholder approval being sought for the issue of the Consideration Shares and the Placement Shares?</p>	<p>The Cash Nexus Parties currently have a relevant interest in 9,500,000 Shares (4,750,000 Shares post-Consolidation) under the Call Option, which gives the Cash Nexus Parties a voting power in Timah of 11.84% for a period of one year from the date of the Call Option Agreement.</p> <p>On the issue of the Consideration Shares and the Placement Shares, the Cash Nexus Parties will increase their voting power in</p>	<p>Sections 3.4 and 3.6</p>

	<p>Timah up to 61.91%.</p> <p>Under section 606(1) of the Corporations Act, a person must not acquire a relevant interest in Shares if, because of that acquisition, that person or someone else's voting power in Timah increases from 20% or below to more than 20%, or from more than 20% to below 90%.</p> <p>An exception to this rule is if shareholder approval is sought under section 611 item 7 of the Corporations Act.</p> <p>Shareholder approval is also required under the NSX Listing Rules as Timah is issuing the Consideration Shares and Placement Shares to a related party and the number of those Shares exceeds 15% of Timah's issued share capital.</p>	
<p>Who will be a member of the Board following completion of the Proposed Transactions?</p>	<p>Lawrence Nguyen and Ting Teck Kai will resign as Directors.</p> <p>Jack Tan will resign (in accordance with the provisions of the Share Sale Agreement) and then be re-appointed as an independent Director.</p> <p>Dato' Seri Mah King Thian, Dato' Seri Mah King Seng and Soong Swee Koon will be appointed as Directors by Cash Nexus. Lee Chong Hoe and Michelle Siew Yee Lee will be appointed as independent Directors.</p>	<p>Section 3.8</p>
<p>What are the key reasons to VOTE IN FAVOUR of the Proposed Resolutions?</p>	<p>The key reasons to VOTE IN FAVOUR of the Proposed Resolutions are as follows:</p> <ul style="list-style-type: none"> • Currently, Timah has no assets which are capable of producing cash flow and, as such, has no source of revenue. • After completion of the Proposed Transactions, Timah will have acquired an asset (the Plant, through its shareholding in Mistral) which is capable of generating revenue. In addition, the funds raised under the Placement and the Offer are intended to be used to construct an interconnection facility to connect the Plant to the national electricity grid and apply for Feed-in Tariff Approval, which may (if successfully completed and obtained) allow Mistral to sell electricity to the grid at a rate set by SEDA and further increase its revenue. • The Directors believe that admission to ASX will increase the liquidity of the Shares by exposing them to a larger, internationally recognised market, 	<p>Section 4.2</p>

	<p>potentially enabling shareholders to more freely trade their Shares and Timah to raise additional equity funding to fund its growth and expansion in the future.</p> <ul style="list-style-type: none"> • As a result of the Acquisition, Shareholders will have an investment in Mistral, which will allow them to participate in potential business opportunities available to Mistral due to the anticipated growth of the palm oil industry and the renewable energy industry (including various incentives provided by the Malaysian Government). • On completion of the Proposed Transactions, CGB will have a relevant interest in between 58.75% and 61.91% of Timah (through its wholly owned subsidiary, Cash Nexus). Accordingly, Timah may benefit from CGB's additional resources, including the ability to seek funding through the Malaysian capital markets as a listed entity on the Bursa Malaysia. 	
<p>What are the key reasons to VOTE AGAINST the Proposed Resolutions?</p>	<p>The key reasons to VOTE AGAINST the Proposed Resolutions are as follows:</p> <ul style="list-style-type: none"> • Mistral has not yet generated a profit since commencing commercial operations in August 2013. This is due to the level of electricity generated fluctuating significantly from month to month and to the start-up nature of the operations. There can be no guarantee that Mistral will become profitable in the future. • There are risks associated with investments in renewable energy, including: <ul style="list-style-type: none"> ○ regulatory risks, including risks that the Malaysian Government may change the laws so that Mistral is no longer eligible for various incentives which the Government has introduced to encourage the growth of the renewable energy industry; and ○ issues associated with new technologies (including biogas production using POME), such as variable efficiency. <p>As such, there can be no guarantee that, even if Mistral does become profitable in the future, it will continue to</p>	<p>Section 4.3</p>

	<p>be profitable.</p> <ul style="list-style-type: none"> • Currently, Mistral's sole customer is PYSB and the price payable under the REPPA can only be increased by agreement (although the parties have historically agreed to increase the price in line with the Feed-in Tariff price published by SEDA). However, Mistral is currently preparing to apply for Feed-in Tariff approval which, if granted, may enable Mistral to sell electricity to the Malaysian national electricity grid in the future, which will reduce its reliance on PYSB. • Mistral's activities will require ongoing capital and operational expenditure to maintain the Plant and increase its capacity. Mistral has only recently commenced operations at full capacity and therefore unseen events may result in additional funding requirements. There is no guarantee that the funds raised through the Placement and the revenue received under the REPPA will be sufficient to fund Mistral's ongoing operation and expansion. • If the Acquisition completes, Timah will be exposed to various levels of political, economic and other risks and uncertainties as a result of its sole asset being located in Malaysia. Further, as Mistral's expected future revenue and expenditure will be in Malaysian Ringgit while Timah's reporting currency is Australian dollars, Timah may be exposed to foreign currency fluctuations. There is also no assurance that Malaysia will not impose restrictions on the repatriation of earnings to foreign entities. • After completion of the Proposed Transaction, the Cash Nexus Parties will have voting power of at least 58.75% and, at most, 61.91% in Timah. At this shareholding level, the Cash Nexus Parties will be able to control the composition of the Board and pass ordinary resolutions (i.e. requiring more than 50% of the votes cast) of Shareholders, subject to certain restrictions under the Corporations Act, Timah's constitution and the ASX Listing Rules. • On and from the date the Shares of Timah are admitted to the ASX, five directors nominated by Cash Nexus (including two independent directors not 	
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	<p>associated with Cash Nexus) will be appointed to the Board of Timah. Jack Tan, current executive chairman of Timah, will resign in accordance with the requirements of the Share Sale Agreement and will then be re-appointed as an independent director of Timah. The remaining two current directors of Timah will resign. This will allow the nominees of Cash Nexus to control decisions of the Board and the affairs of Timah, including its financial and operating affairs. The nominees appointed by Cash Nexus will still need to comply with all applicable statutory, general law and fiduciary duties, including the duty to act in good faith and in the best interests of Timah.</p> <ul style="list-style-type: none"> • The interests of the Cash Nexus Parties might not always be aligned with the interests of minority Shareholders. However, in these circumstances, minority Shareholders would have the benefit of the protections provided by applicable laws and the ASX Listing Rules in relation to some dealings between Timah and the Cash Nexus Parties. • The Cash Nexus Parties' voting power in Timah of at least 58.75% and at most 61.91% following completion of the Proposed Transactions may deter a third party from making a takeover offer for your Shares without the support of the Cash Nexus Parties. • Upon completion of the Proposed Transactions, the number of Shares will increase by approximately 244%, from 80,252,626 to 195,752,626 (on a pre-Consolidation basis) or from 40,126,313 to 97,876,313 (on a post-Consolidation basis). This means that each existing Share will represent a significantly lower proportion of the ownership of Timah following completion of the Proposed Transactions. • Completion of the Proposed Transaction will result in a significant proportion of Shares being held by a controlling Shareholder and its Associates (the Cash Nexus Parties). This concentration may reduce the liquidity (i.e. the ability to buy or sell) of Shares. However, this is to be balanced against a possible increase in liquidity from the migration from NSX to ASX. 	
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	<ul style="list-style-type: none"> • Following completion of the Proposed Transactions, it is unlikely that Timah will be able to use carried forward group tax losses and group capital losses or transferred losses to offset future profits. • Timah estimates that the total cost of the Proposed Transactions and ASX Admission will be approximately \$250,000 – \$300,000 (plus any GST). Approximately \$150,000 – \$200,000 of these costs will be incurred even if the Proposed Transactions and ASX Admission do not proceed. 	
What do your Directors recommend?	After considering all the advantages and disadvantages of the Proposed Transactions and ASX Admission, your Directors unanimously recommend that you VOTE IN FAVOUR of each of the Proposed Resolutions.	
What is the Independent Expert's opinion?	The Independent Expert has concluded that the Proposed Transactions are fair and reasonable to Shareholders.	

Important Notices

Important Information

This Notice of Meeting and Explanatory Statement has been issued by Timah Resources Limited (**Timah**) in relation to the General Meeting to be held at 10.00am on 17 March 2015 at Suite 2501, Level 25, St Martins Tower, 31 Market Street, Sydney, New South Wales.

This Notice of Meeting and Explanatory Statement is important and requires your attention. It is important that you read this document in its entirety before deciding how to vote on the Proposed Resolutions.

This Notice of Meeting and Explanatory Statement have been issued in relation to the General Meeting to consider 14 ordinary resolutions and 3 special resolutions as set out in this Notice of Meeting and explained in the Explanatory Statement, which are necessary to give effect to and approve the Proposed Transaction and ASX Listing.

This Notice of Meeting and Explanatory Statement must be read in the context of, and having regard to, Timah's continuous disclosure and publicly available information regarding Timah and its businesses.

Definitions and Abbreviations

Unless otherwise stated, defined terms and abbreviations used in this document are outlined in the Glossary in Annexure A of this document.

ASIC and NSX

A copy of this document has been lodged with NSX and ASIC. None of NSX, ASIC or any of their officers take any responsibility for the contents of this document.

Input from other parties

The information contained in section 5 of this document has been prepared by, and is the responsibility of, the Cash Nexus Parties and the Cash Nexus Parties take responsibility for that information. The Cash Nexus Parties are not responsible for any other information contained within this document, other than where statements made in section 5 of this document are repeated outside that section.

Nexia Court Financial Solutions Pty Ltd has prepared the Independent Expert's Report in Annexure C of this document and takes responsibility for that Independent Expert's Report. Nexia Court Financial Solutions Pty Ltd is not responsible for any other information contained within this document.

Other than in respect of the information identified above, the information contained in the remainder of

this document has been prepared by Timah and is the responsibility of Timah.

Timah does not assume responsibility for the accuracy or completeness of any part of this document other than the information identified above for which it is solely responsible.

Disclaimer

No representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness or any information, opinions and conclusions contained in this Notice of Meeting and Explanatory Statement, to the maximum extent permitted by law. Neither Timah nor any of its directors, officers, employees, intermediaries or advisers or any other person accepts any liability for any loss arising in connection with this document and its subject matter, including, without limitation, any liability arising from fault or negligence on their part, except as required by law and only to the extent so required.

The pro forma financial information provided in the Explanatory Statement is not a forecast of operating results of Timah to be expected in future periods. Neither Timah nor its Directors, officers, employees, intermediaries or advisers or any other person warrants the future performance of Timah or any return on any investment in Timah, except as required by law and only to the extent so required.

Except as may be required by law or the NSX Listing Rules, neither Timah or its directors, officers, employees, intermediaries or advisers or any other person accepts any responsibility to update or revise any of the information in this Notice of Meeting or the Explanatory Statement, including any forward looking information.

No Investment Advice

In preparing this Notice of Meeting and Explanatory Statement, no account has been taken of the investment objectives, financial situation and particular needs of any particular party and nothing in this Notice of Meeting and Explanatory Statement should be interpreted or construed as financial, tax or legal advice or a recommendation in relation to an investment in Timah.

Governing Law

This Notice of Meeting and Explanatory Statement are governed by the laws of New South Wales, Australia.

Key Dates

Action	Date
General Meeting	17 March 2015
Lodgement of Prospectus with ASIC	24 March 2015
Lodgement of application for ASX Listing	24 March 2015
Offer period closes	10 April 2015
Anticipated ASX Approval date	21 April 2015
Suspension of trading on NSX	27 April 2015
Issue of Consideration Shares	5 May 2015
Consolidation	5 May 2015
Issue of Placement Shares	5 May 2015
Issue of Offer Shares	5 May 2015
Shares quoted on ASX	6 May 2015
Delist from NSX	6 May 2015

* Subject to relevant approvals at the General Meeting.

Dates may change

These dates are indicative only and may change. Timah may elect to postpone the meeting date or to withdraw from the Proposed Transactions at any time before the meeting date.

Voting at General Meeting and obtaining further copies of documents

Proxy votes and any authority appointing an attorney or corporate representative will only be accepted prior to 10.00am (Sydney time) on Sunday 15 March 2015. A Proxy Form accompanies this Notice of Meeting and Explanatory Statement. You can also obtain a copy of this Notice of Meeting and Explanatory Statement on Timah's website (www.timahresources.com.au) or arrange for a copy of this Notice of Meeting and Explanatory Statement and a Proxy Form to be sent to you by calling the Share Registry on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia).

EXPLANATORY STATEMENT

This Explanatory Statement forms part of the Notice of Meeting convening the General Meeting of Shareholders of Timah to be held at 10.00am on 17 March 2015 and is to assist Shareholders in understanding the background to the Proposed Resolutions.

1 INTRODUCTION

1.1 Details of the Proposed Resolutions to be put to Shareholders

Shareholders are being asked to consider and, if thought fit, approve the Proposed Resolutions at the General Meeting. These are, in summary, resolutions to approve the following matters:

- (a) **Resolution 1:** Subject to each of Resolutions 2 – 16 being approved, Timah applying to ASX for admission to, and quotation of its shares on, the official list of ASX;
- (b) **Resolution 2:** The purchase by Timah of all of the issued shares of Mistral from Cash Nexus, in consideration for the issue of 85,500,000 Shares at A\$0.10 per Share (**Consideration Shares**) to Cash Nexus, in accordance with the terms and conditions of the Share Sale Agreement dated 10 October 2014 between Timah and Cash Nexus (**Share Sale Agreement**);
- (c) **Resolution 3:** The significant change to the nature and scale of Timah's activities as a result of the acquisition of Mistral by Timah;
- (d) **Resolution 4:** Timah issuing the Consideration Shares to Cash Nexus in accordance with the terms of the Share Sale Agreement;
- (e) **Resolution 5:** Immediately following the issue of the Consideration Shares, the Consolidation of every 2 Shares held into 1 Share;
- (f) **Resolution 6:** Immediately following completion of the Consolidation, Timah issuing 10,000,000 Shares at \$0.20 per share (**Placement Shares**) to Cash Nexus or CGB;
- (g) **Resolution 7:** Immediately following completion of the Consolidation, Timah issuing up to 5,000,000 Shares at \$0.20 per Share (**Offer Shares**) to subscribers under Timah's initial public offering made conjunction with its application for ASX listing;
- (h) **Resolution 8:** The appointment of Dato' Seri Mah King Thian as a director of Timah, on and from the date of admission to ASX;
- (i) **Resolution 9:** The appointment of Dato' Seri Mah King Seng as a director of Timah, on and from the date of admission to ASX;
- (j) **Resolution 10:** The appointment of Lee Chong Hoe as a director of Timah, on and from the date of admission to ASX;
- (k) **Resolution 11:** The appointment of Michelle Siew Yee Lee as a director of Timah, on and from the date of admission to ASX;

- (l) **Resolution 12:** The appointment of Soong Swee Koon as a director of Timah, on and from the date of admission to ASX;
- (m) **Resolution 13:** Approving the Renewable Energy Power Purchase Agreement between Mistral and PYSB, which will become a related party of Timah on completion of the Proposed Transactions;
- (n) **Resolution 14:** Timah delisting from the NSX;
- (o) **Resolution 15:** The acquisition by Cash Nexus of 9,500,000 Shares on exercise of a call option granted pursuant to the Call Option Agreement between Cash Nexus and Timah Pasir Sdn. Bhd;
- (p) **Resolution 16:** The appointment of Jack Tan as director of Timah, on and from the date of admission to ASX; and
- (q) **Resolution 17:** The re-election of Ting Teck Kai as director of Timah, effective retrospectively from 26 November 2014.

Conditionality of Proposed Resolutions

Resolution 1 is subject to each of Resolutions 2 – 16 being approved by the relevant Required Majority.

Resolutions 2 – 15 are all conditional on ASX resolving to admit Timah's Shares to, and quote its Shares on, the official list of the ASX (**ASX Approval**). Similarly, as explained in section 2.2 of this Explanatory Statement, completion under the Share Sale Agreement is conditional on ASX Approval being received. Accordingly, none of the acquisition of the shares in Mistral (**Acquisition**), the issue of the Consideration Shares, the Consolidation, the issue of the Placement Shares and the issue of the Offer Shares will occur unless and until the ASX Approval is received.

Resolutions 16 and 17 are not conditional.

Relevant interests and voting power if Proposed Resolutions are approved

The following companies and persons will have a Relevant Interest in any Shares acquired by Cash Nexus:

- (a) CGB (Cash Nexus' holding company);
- (b) MHC Plantations Bhd (**MHC**), which holds 33.95% of the shares in CGB (directly and through its wholly owned subsidiary, Yew Lee Holdings Sdn. Berhad);
- (c) Dato' Seri Mah King Seng (director of each of Mistral, Cash Nexus, CGB and MHC), who has a relevant interest in 38.46% of the shares in CGB and 47.33% of the shares in MHC; and
- (d) Dato' Seri Mah King Thian (director of each of Mistral, Cash Nexus, CGB and MHC), who has a relevant interest in 38.46% of the shares in CGB and 47.21% of the shares in MHC.

Further details about CGB and the Controlling Shareholders are set out in section 5 of this Explanatory Statement.

The Cash Nexus Parties currently have a relevant interest in 9,500,000 Shares (on a pre-Consolidation basis) under a call option (**Call Option**) between Cash Nexus and Timah Pasir Sdn. Bhd (Company no. 907831-X) dated 10 October 2014 (**Call Option Agreement**). Accordingly, assuming there are no other acquisitions of relevant interests in Shares by the Cash Nexus Parties or issues of Shares by Timah, the Cash Nexus Parties have a voting power in Timah of 11.84% for a period of one year from the date of the Call Option Agreement.

On completion of the Share Sale Agreement (when the Consideration Shares will be issued to Cash Nexus), the Cash Nexus Parties will have a voting power of 57.31% in Timah.

On the issue of the Placement Shares, the Cash Nexus Parties will have a voting power of 61.91%, which may be diluted down to 58.75% on the issue of the Offer Shares (if the Offer is fully subscribed).

Further details of the Cash Nexus Parties' voting power in Timah are set out in section 5.7.

1.2 Impact on Timah if Proposed Resolutions are not approved

The Share Sale Agreement is conditional on each of the Proposed Resolutions being approved by the relevant Required Majority and ASX Approval being received, amongst other things. As such, if all Proposed Resolutions are not approved, then each of the Acquisition, the Consolidation, the Placement and the Offer will not proceed and the application for ASX Admission will not be made. If this occurs, Timah will remain listed on NSX with its existing capital structure and will continue to seek alternative investments (but will have very limited cash resources to do so, which means there is a risk that Timah will not be able to continue as a going concern).

2 DETAILS OF THE PROPOSED TRANSACTION AND ASX LISTING

2.1 Background

Timah's business activities

From 2011 to 2013, Timah's primary business activity was iron ore mineral exploration, primarily on Bathurst Island in the North West Kimberley region of Western Australia under Exploration Licence E04/1589. In May 2013, Timah sold Exploration Licence E04/1589 to Regal Mining Pty Limited (as announced to the NSX on 20 March 2013 and 9 May 2013).

Timah has subsequently been seeking further investment opportunities.

In June 2013, Timah entered into a Memorandum of Understanding with Phyo Kaday Min Co. Limited, a company registered in Myanmar, for a joint venture to explore for tin and tungsten in the Dawei and Myeik Districts in Myanmar (**MOU**) (as announced to the NSX on 6 June 2013). No joint venture agreement was entered into and the MOU was terminated on 3 October 2014 (as announced to the NSX on 7 October 2014).

Proposed acquisition of Mistral

Cash Nexus is a company incorporated in Malaysia which is wholly owned by Cepatwawasan Group Berhad (Company No. 536499-K) (**CGB**), a company incorporated in Malaysia and 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' principal business activity is investment holding.

Cash Nexus holds 100% of the shares in Mistral. Mistral owns and operates an approximately 3 Megawatt biogas power plant (**Plant**) located near the palm oil mill owned by Prolific Yield Sdn. Bhd. (**PYSB**) in Sandakan, Sabah, Malaysia. The Plant generates electrical energy by capturing methane gas from the palm oil mill effluent which it utilises as fuel. Commercial operation of the Plant commenced on 1 August 2013.

Mistral and PYSB have executed a 21 year Renewable Energy Power Purchase Agreement (**REPPA**) under which Mistral has agreed to sell and deliver electrical energy generated by the Plant to PYSB at RM0.40 per KWh. PYSB is a related party of Cash Nexus and will become a related party of Timah. Dato' Seri Mah King Thian and Dato' Seri Mah King Seng are directors of PYSB (as well as directors of Mistral). The price for the electrical energy sold under the REPPA is based on the basic Feed-in Tariff rate for biogas installations up to and including 4MW in capacity published by the Sustainable Energy Development Authority Malaysia (**SEDA**) (RM0.32 per KWh), plus a bonus FiT rate of RM0.0786 per KWh introduced more recently by SEDA for biogas installations which use agricultural waste as a fuel source. There is no price adjustment mechanism under the REPPA and any price revisions will need to be renegotiated and agreed by Mistral and PYSB.

In addition, Mistral and NE Climate A/S have executed an Emission Reductions Purchaser Agreement under which Mistral has agreed to sell certified emission reduction units produced by Mistral in connection with the operation of the Plant to NE Climate A/S. However, the revenue received by Mistral under this agreement is not material.

On 10 October 2014, Timah and Cash Nexus executed the Share Sale Agreement for the purchase of Mistral by Timah. The material terms of the Share Sale Agreement are set out in Annexure B. The parties also intend to undertake the further transactions described in section 2.2. Further information on Mistral, Cash Nexus and CGB is set out in section 5.

2.2 Structure of the Proposed Transactions

The Proposed Transactions will be undertaken with the ultimate aim of Timah obtaining ASX Admission. The assets acquired and funds raised under the Proposed Transactions are necessary for Timah to satisfy the requirements for ASX Admission under Chapter 1 and 2 of the ASX Listing Rules. The Proposed Transactions will be implemented in accordance with the Share Sale Agreement. A summary of the material provisions of the Share Sale Agreement is set out in Annexure B to this Explanatory Statement and further details of the key conditions precedent and profit guarantee under the Share Sale Agreement are set out in sections 2.5 and 2.6 respectively.

In summary, the Proposed Transactions are as follows:

- (a) **Acquisition:** Cash Nexus will sell, and Timah will buy, 100% of the issued shares of Mistral, in consideration for Timah issuing the Consideration Shares to Cash Nexus;
- (b) **Consolidation:** after the Acquisition completes, Timah will undertake the 2 for 1 Consolidation of Timah's issued Shares; and
- (c) after the Consolidation takes place:
 - (i) **Placement:** Cash Nexus will subscribe for, and Timah will issue, 10,000,000 fully paid ordinary shares in Timah at A\$0.20 per share (**Placement Shares**) to raise A\$2,000,000; and

- (ii) **Offer:** Timah will issue up to 5,000,000 fully paid ordinary shares in Timah at A\$0.20 per share (**Offer Shares**) to subscribers who accept Timah's initial public offering in conjunction with its application for ASX Admission (which will not be underwritten), to raise up to A\$1,000,000.

In connection with the Acquisition, the current directors of Timah will resign (as required by the terms of the Share Sale Agreement). Jack Tan will then be re-appointed as an independent director of Timah. Lee Chong Hoe and Michelle Siew Yee Lee will also be appointed as independent directors of Timah on and from the date of admission of the Shares in Timah to ASX. Cash Nexus will appoint Dato' Seri Mah King Thian, Dato' Seri Mah King Seng and Soong Swee Koon as directors of Timah on and from the date of admission of the Shares in Timah to ASX. Further details of the qualifications of each of Dato' Seri Mah King Thian, Dato' Seri Mah King Seng, Lee Chong Hoe, Michelle Siew Yee Lee and Soong Swee Koon are set out in section 5.10.

If each of the Proposed Resolutions are approved by the relevant Required Majority, Timah will apply to ASX for ASX Admission on a conditional basis (namely completion of each of the Acquisition, the Consolidation, the Placement and the Offer). Timah will lodge a prospectus in respect of the Placement Shares and the Offer Shares in conjunction with its application for ASX Admission.

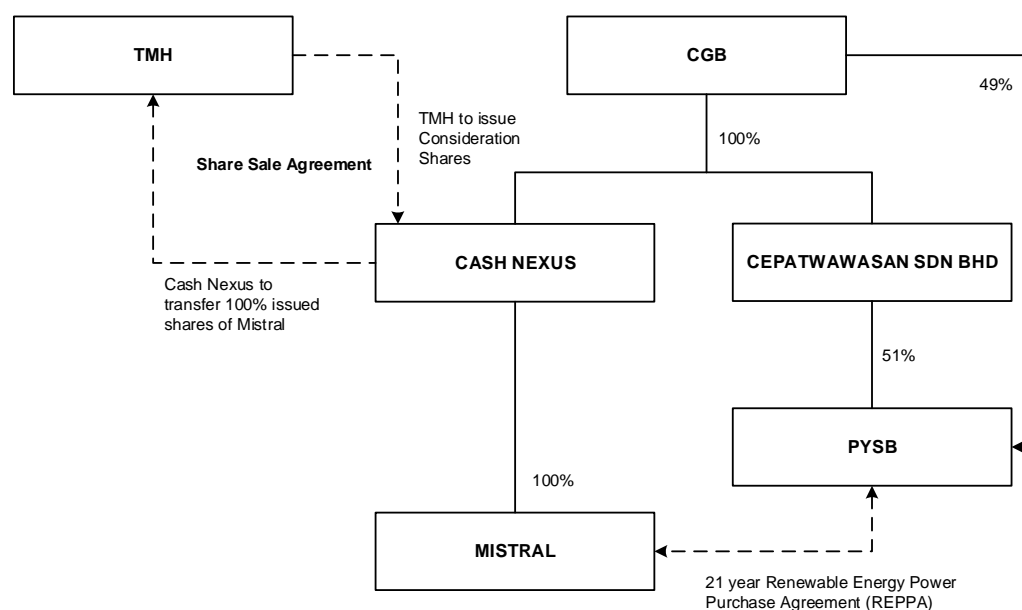
The Proposed Transactions will all be conditional on ASX Approval being received (and the other key conditions precedent described in section 2.5 being satisfied).

If ASX Approval is received, Timah will complete the Acquisition, Consolidation, Placement and Offer and delist from NSX on or around the date that the Shares (other than the Restricted Securities) are quoted on ASX.

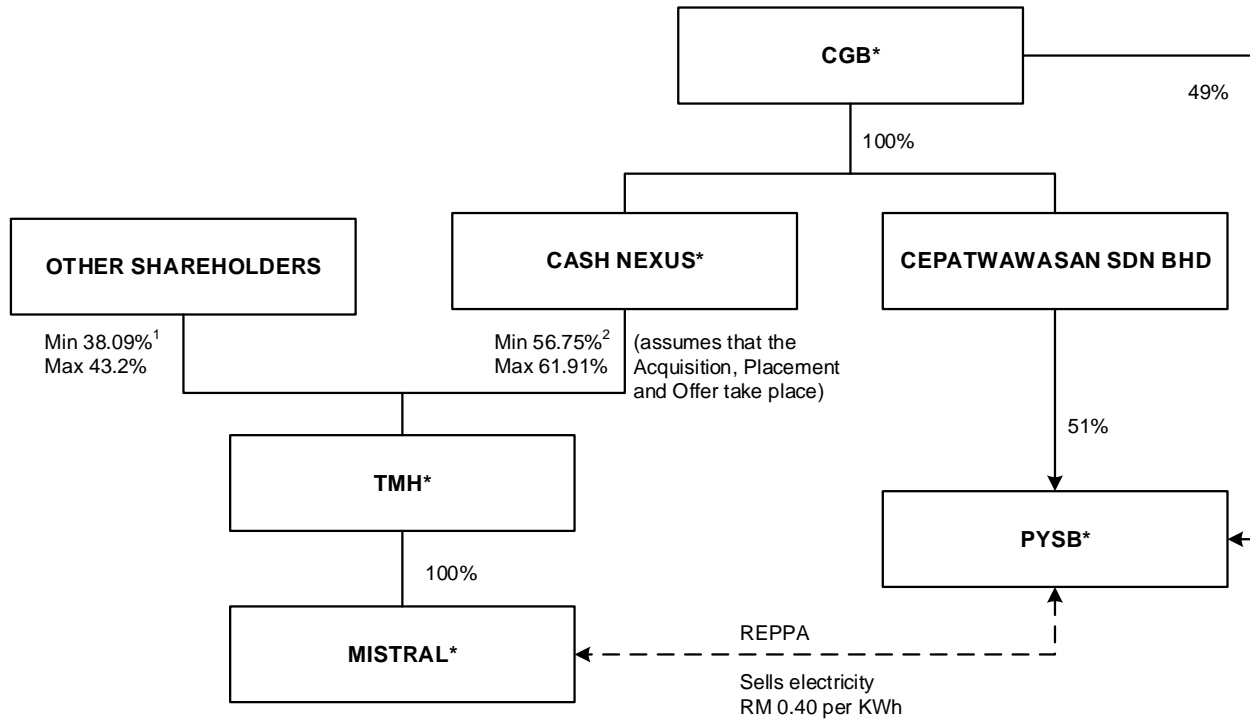
Timah intends to issue the Consideration Shares as Restricted Securities, which will be subject to escrow for 2 years.

A diagram of the Proposed Transactions and the associated changes in ownership is set out below (on a pre and post Acquisition basis):

Flow chart showing the acquisition of Mistral under the Share Sale Agreement



**Following completion of Share Sale Agreement
(acquisition of Mistral), Placement and Offer**



*Common directors Dato' Seri Mah King Thian
Dato' Seri Mah King Seng

¹ Depending on the level of subscriptions under the Offer:
- Min assumes no take up under the Offer.
- Max assumes full take up under the Offer.

² Depending on the level of subscriptions under the Offer:
- Min assumes full take up under the Offer.
- Max assumes no take up under the Offer.

2.3 Requirements for ASX Admission

The key requirements for ASX Admission which Timah intends to satisfy by undertaking the Proposed Transactions are as follows:

(a) **Assets test:** Timah must satisfy the “assets test” set out in ASX Listing Rule 1.3, which requires that, at the time of ASX Admission:

- (i) Timah has either:
 - (A) at least A\$3 million Net Tangible Assets (after deducting the costs of fund raising); or
 - (B) a market capitalisation of at least \$10 million; and
- (ii) either:

- (A) less than half of Timah's total tangible assets (after raising funds) as cash or in a form readily convertible to cash; or
- (B) half or more of Timah's total tangible assets (after raising funds) as cash or in a form readily convertible to cash and commitments consistent with Timah's business objectives to spend at least half of its cash and assets in a form readily convertible to cash; and
- (iii) Timah's working capital must be at least \$1.5 million (or, if not, would be at least \$1.5 million if Timah's budgeted revenue for the first full financial year that ends after listing was included in the working capital) and Timah must have enough working capital to carry out its stated objectives.

After completion of the Acquisition, the Consolidation, the Placement and the Offer, Timah anticipates that the assets test will be satisfied on that basis that:

- (i) Timah will have a market capitalisation of approximately \$19,575,263 (on the assumption that there will be 97,876,313 shares on issue at \$0.20 each);
- (ii) given that Timah's main asset will be its shareholding in Mistral, less than half of Timah's total tangible assets will be cash; and
- (iii) sufficient working capital will be raised as a result of the Placement and the Offer.

- (b) **Spread requirements:** Timah must satisfy the spread requirements set out in ASX Listing Rule 1.1 Condition 7, which require Timah to have, at the time of ASX Admission:

- (i) at least 400 shareholders having a parcel of shares worth at least \$2,000 (excluding Restricted Securities); or
- (ii) at least 350 shareholders having a parcel of shares worth at least \$2,000 (excluding Restricted Securities), with persons who are not related parties holding at least 25% of the total shares; or
- (iii) at least 300 shareholders having a parcel of shares worth at least \$2,000 (excluding Restricted Securities), with persons who are not related parties holding at least 50% of the total shares.

As at the 23 January 2015, Timah has 326 Shareholders who hold a parcel of Shares worth at least \$2,000. Timah intends to obtain the remaining spread by undertaking the Offer. As the Cash Nexus Parties will hold more than 50% of the Shares and will be related parties of Timah, Timah intends to have a minimum of 350 shareholders each holding a parcel of Shares worth at least \$2,000 (with persons who are not related parties holding at least 25% of the total Shares).

- (c) **Quotation price:** The issue price or sale price of all the Shares for which Timah seeks quotation (except options) must be at least A\$0.20 in cash. Restricted Securities may be quoted (after the escrow period ends) despite being issued at

less than A\$0.20. As at the date of the Notice of Meeting, Timah's share price on NSX is A\$0.11. The issue of the Consolidation Shares is being undertaken at a value of A\$0.10 per Share, which reflects the agreed value of those Shares at that time. Therefore, Timah proposes to undertake the Consolidation to ensure that the Placement Shares and Offer Shares can be issued at A\$0.20 per Share and therefore allow all the Shares (other than the Restricted Securities) to be quoted on ASX Admission at A\$0.20 per Share.

2.4 Use of proceeds from Placement and Offer

Timah intends to use the funds raised under the Placement and the Offer as follows:

- (a) \$2,500,000 on capital expenditure, in particular on the construction cost of the inter-connection facility required for the Plant to sell electricity to the national electricity grid under the Feed-in Tariff programme;
- (b) approximately \$250,000 – \$300,000 on the costs of the public offering, including the initial fee for ASX listing (approximately \$70,000), the fee for delisting from NSX to migrate to ASX (approximately \$20,000) and the costs of professional advisers and share registry services; and
- (c) approximately \$200,000 – \$250,000 on operational expenditure such as salaries for employees, repair and maintenance works and administrative and finance expenses.

The above figures assume that the Offer will be fully subscribed so that a total of \$3 million will be raised under the Placement (\$2 million) and the Offer (\$1 million). If the Offer is not fully subscribed, the amounts to be spent on capital and operational expenditure will be adjusted proportionally.

2.5 Key conditions precedent to the Proposed Transactions

Completion of the Acquisition is subject to a number of conditions precedent being satisfied. The key conditions precedent are as follows:

- (a) both Timah and Cash Nexus confirming that they are satisfied, in their sole discretion, with the results of their due diligence within 14 days of the end of the Due Diligence Period (or such other period as agreed between the parties);
- (b) Timah terminating all previous projects (including the MOU) and confirming to Cash Nexus that it has no outstanding liability under those projects;
- (c) Timah receiving shareholder approval for each of the Proposed Resolutions;
- (d) the current Directors and company secretary delivering to Timah a signed resignation, effective on and from the date that the Shares of Timah are listed on ASX;
- (e) the Cash Nexus Nominees delivering to Timah signed consents to act as Director or company secretary (as applicable), effective on and from the date that the Shares of Timah are listed on ASX;
- (f) Cash Nexus becoming the registered, legal and beneficial owner of 100% of the share capital in Mistral;
- (g) Cash Nexus becoming the registered, legal and beneficial owner of the Properties;
- (h) Cash Nexus and CGB obtaining any required shareholder approvals;

- (i) Cash Nexus procuring that Mistral obtain relevant consents from third parties that are required under its material contracts in relation to the change of control of Mistral as a result of its acquisition by Timah;
- (j) all other regulatory approvals required to be obtained by Timah and Cash Nexus under Australian and Malaysian law respectively being obtained;
- (k) once the conditions referred to in paragraphs (a) to (j) have been satisfied, Timah lodging the Prospectus with ASIC and applying to ASX for ASX Admission; and
- (l) ASX resolving to grant Timah ASX Admission, subject to:
 - (i) each of the Acquisition, the Consolidation and the Placement occurring;
 - (ii) the level of acceptances under the Offer allowing the Purchaser to satisfy the minimum spread requirements; and
 - (iii) any other conditions usual to ASX Admission.

2.6 Profit Guarantee

Under the terms of the Share Sale Agreement, Cash Nexus has guaranteed to Timah that the audited profit before tax of Mistral for financial year ending 31 December 2015 will not be less than A\$900,000.00 (**Guaranteed PBT**) (and “profit” is defined as incomes, profits and gains, the value of any supply and any other consideration, value or receipt used or charged for taxation purposes).

In the event that the actual audited profit before tax of Mistral for financial year ending 31 December 2015 falls below the Guaranteed PBT (**Shortfall**), Cash Nexus is obliged under the Share Sale Agreement to pay Timah the amount of the Shortfall. Timah has contractual rights against Cash Nexus to enforce this obligation. Assuming the Acquisition completes, Cash Nexus and Timah will share common directors and Cash Nexus will be the controlling shareholder of Timah, which means that there is a risk that the directors of Timah would not enforce the obligation on Cash Nexus to pay the Shortfall. However, the Directors believe that the risk of this occurring is very low. This is because the directors of Timah will be bound by their directors’ duties under the Corporations Act and common law, which require them to act in good faith and in the best interests of Timah and to not use their position to the detriment of Timah (amongst other things). As such, a failure to enforce the obligation to pay the Shortfall is likely to result in a breach of directors’ duties, which could have significant repercussions for a director and is likely to act as a strong incentive to enforce this obligation.

As noted in section 3.1 of the Independent Expert’s Report, this Guaranteed PBT reflects the financial support from Cash Nexus for one year and does not necessarily indicate that the operations of Mistral will generate this profit in the year ending 31 December 2015 or in subsequent financial years. The A\$900,000 profit guarantee was agreed during negotiations conducted between the directors of Timah and the directors of Cash Nexus prior to signing of the Share Sale Agreement, based on the respective directors’ belief in the long term prospects of Mistral. Given Mistral has a limited operating history and has not yet generated profits, the amount of the profit guarantee is not a forecast based on Mistral’s past performance.

2.7 Timing of the Proposed Transactions and ASX Admission

Set out below is the timetable of the key dates for the Proposed Transactions and the ASX Admission. Please note that the dates in that table and the dates specified below are indicative only and are subject to change without notice.

Action	Date
General Meeting	17 March 2015
Lodgement of Prospectus with ASIC	24 March 2015
Lodgement of application for ASX Listing	24 March 2015
Offer period closes	10 April 2015
Anticipated ASX Approval date	21 April 2015
Suspension of trading on NSX	27 April 2015

Action	Date
Issue of Consideration Shares	5 May 2015
Consolidation	5 May 2015
Issue of Placement Shares	5 May 2015
Issue of Offer Shares	5 May 2015
Shares quoted on ASX	6 May 2015
Delist from NSX	6 May 2015

2.8 Impact on Timah's balance sheet

Set out in the table below are summarised historical consolidated statements of financial position for Timah and Mistral as at 30 June 2014, and a summarised pro forma consolidated statement of financial position assuming the Acquisition, the Placement and the Offer occurred on 30 June 2014, adjusted for other material events that have occurred subsequent to 30 June 2014 as detailed in the notes below.

	Audited Consolidated	Unaudited Consolidated	Pro-Forma Consolidated
	Statement of financial position 30 June 2014 ⁽¹⁾	Statement of financial position 30 June 2014 ⁽²⁾	Statement of financial position ⁽³⁾
	Timah	Mistral	
Current Assets			
Cash assets	197,555	32,799	2,980,354
Trade and other receivables	29,726	38,302	68,028
Inventories	-	11,814	11,814
Prepayments and deposits	-	184,195	184,195
	227,281	267,111	3,244,392
Non-Current Assets			
Plant and equipment	693	7,754,547	7,755,240
Deferred tax assets	-	171,056	171,056
	693	7,925,603	7,926,296
Total Assets	227,974	8,192,714	11,170,688

	Audited Consolidated	Unaudited Consolidated	Pro-Forma Consolidated
	Statement of financial position 30 June 2014⁽¹⁾	Statement of financial position 30 June 2014⁽²⁾	Statement of financial position⁽³⁾
	Timah	Mistral	
Current Liabilities			
Trade and other payables	271,500	417,251	427,427
Financial liabilities	-	550,387	550,387
Loans – related parties	100,000	3,735,227	759,332
	371,500	4,702,865	1,737,146
Non-Current Liabilities			
Financial liabilities	-	4,095,989	4,095,989
	-	4,095,989	4,095,989
Total Liabilities	371,500	8,798,854	5,833,135
Net Assets	(143,526)	(606,141)	5,337,553
Equity			
Issued capital	2,419,950	82,664	11,961,751
Accumulated losses	(2,563,476)	(688,804)	(6,624,198)
Total Equity	(143,526)	(606,141)	5,337,553

Notes:

- Column 1 represents the audited historical consolidated statement of financial position of Timah as at 30 June 2014.
- Column 2 represents the unaudited historical consolidated statement of financial position of Mistral as at 30 June 2014, converted from Malaysian Ringgit (RM) into Australian dollars (AUD) at the 30 June 2014 spot rate of 1 AUD = 3.0243 RM.
- Column 3 represents the pro forma consolidated statement of financial position of Timah assuming:
 - The acquisition of 100% of Mistral by Timah on 30 June 2014. As 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 issue of 10,000,000 Shares at \$0.20 per share to Cash Nexus raising \$2,000,000;
 - the issue of 5,000,000 Shares at \$0.20 per share pursuant to the Offer to raise \$1,000,000;
 - Estimated costs associated with the Offer to be satisfied in cash of \$250,000, allocated as \$100,000 to contributed equity relating to the issue of Shares and \$150,000 to accumulated losses;

- (e) The write off of accrued directors fees payable by Timah at 30 June 2014 to previous Directors totalling \$261,324;
- (f) The write off of loans owing to directors by Timah at 30 June 2014 totalling \$100,000;
- (g) The capitalisation of loans owing to related parties in Mistral at 30 June 2014 totalling \$2,975,895 (9,000,000 RM).

2.9 Directors' Opinion

The Directors recommend that, in the absence of a superior proposal, Shareholders **VOTE IN FAVOUR** of the Proposed Resolutions to approve the Proposed Transactions and the ASX Admission.

In forming their recommendation, the Directors have carefully considered the expected advantages, potential disadvantages and risks of the Proposed Transactions and the ASX Admission and the opinion of the Independent Expert. These matters are described in further detail in section 4 of this Explanatory Statement and in the Independent Expert's Report which is contained at Annexure C and further discussed in section 2.10 of this Explanatory Statement. The Directors believe that the expected advantages of the Proposed Transactions and the ASX Admission outweigh the potential disadvantages and risks.

2.10 Independent Expert's Recommendation

The Independent Expert's Report has concluded that the Proposed Transactions are **fair and reasonable** to Shareholders not associated with the Cash Nexus Parties.

The Proposed Transactions are fair

The Independent Expert considered the requirements of ASIC Regulatory Guide 111 (**RG 111**), which provides guidance on the valuation methods that an independent expert should consider.

In determining the fair value of Timah, the Independent Expert applied the net asset valuation methodology (because Timah's assets mainly consist of cash).

Given Mistral has not generated profits, the Independent Expert has determined that the most appropriate methodologies to assess the fair value of Mistral are a discounted cash flow (**DCF**) or capitalisation of forecast earnings approach. To apply these methodologies, the Independent Expert has considered the requirements of ASIC Regulatory Guide 170 'Prospective Financial Information', which requires that there be reasonable grounds for the prospective financial information.

Due to Mistral's limited operating history, the Independent Expert noted that the since commencing operations in August 2013, Mistral's level of electricity generated has fluctuated significantly. Further, there is no historical trend of generating consistent and reliable levels of electricity production to support the projected operating performance.

The Independent Expert also noted that the Guaranteed PBT of A\$900,000 reflects financial support from Cash Nexus for one year only and does not necessarily indicate that Mistral will generate this profit in the year ending 31 December 2015 or in subsequent years.

Therefore the use of this guarantee as a basis to determine a fair value for Mistral would be misleading.

Therefore, the Independent Expert was unable to determine a fair value for Mistral under the preferred methodologies of DCF or recapitalisation of forecast earnings. In the absence of being able to apply other methodologies, the Independent Expert applied the net assets test and compared the fair value of a share in Timah on a control basis to the interest a Timah Shareholder will retain following the Proposed Transactions, being a minority interest in the Combined Entity. After conducting its assessment, the Independent Expert concluded that a Timah Shareholder's minority interest in the Combined Entity immediately following the Proposed Transactions is greater than a controlling interest in Timah prior to the Proposed Transactions, based on the following fair value per share on a pre-Consolidation basis:

	Low	Mid	High
Timah on a control basis	\$0.0000	\$0.0003	\$0.0005
Combined Entity on a minority basis	\$0.0191	\$0.0220	\$0.0247

See sections 9 and 10 of the Independent Expert's Report at Annexure C.

Therefore, the Independent Expert concluded that the Proposed Transactions are fair.

The Proposed Transactions are reasonable

The Independent Expert concluded that the Proposed Transactions are fair and reasonable.

In accordance with RG 111, an offer is reasonable if it is fair. The Independent Expert compared the advantages and disadvantages to Shareholders if the Proposed Transactions proceed. A summary of the potential advantages that the Independent Expert considered in forming its reasonableness assessment are as follows:

- (a) following the proposed acquisition of Mistral, Timah shareholders will have an interest in an operating business and the opportunity to participate in an operating asset that is generating revenue;
- (b) the admission to ASX and additional funding at the time of the admission (to support the expansion of Mistral) should provide greater liquidity in the Shares; and
- (c) the ultimate parent of Mistral has significant additional resources available to support Timah. Timah's parent company is a publically listed company named Cepatwawasan Group Berhad that holds a market capitalisation of \$92.9m as at 11 December 2014.

A summary of the potential disadvantages that the Independent Expert considered in forming its reasonableness assessment are as follows:

- (a) on completion of the Proposed Transactions, Cash Nexus will hold 51.8% to 61.9% and will appoint the directors of Timah giving it significant control of Timah's business;
- (b) Cash Nexus' significant holding may negatively impact liquidity and prevent current shareholders from receiving a premium for control;

- (c) Mistral has only commenced operations at full capacity in August 2013 and, therefore, due to its limited trading history, unforeseen events may result in additional funding requirements; and
- (d) the Proposed Transactions may result in existing tax losses of \$211,157 no longer being available to offset future profits.

The Independent Expert also noted that there are currently no other alternatives to the Proposed Transactions. Further, if the Proposed Transactions are not approved, the Directors will continue to look for alternative investments and Timah will continue to be dependent on the Directors' financial support and other capital raisings.

Based on the above, the Independent Expert concluded that the Proposed Transactions are fair and reasonable.

The Independent Expert's Report is included in full at Annexure C to this Explanatory Statement and you should read it as part of your assessment of the Proposed Resolutions.

3 DETAILS OF THE SHAREHOLDER APPROVALS SOUGHT BY TIMAH AT THE GENERAL MEETING

3.1 Resolution 1: Application for ASX Admission

(a) Purpose of Resolution 1

The purpose of Resolution 1 is to seek Shareholders' approval, as a matter of good governance, to Timah applying for ASX Admission.

ASX Admission is a critical part of the agreement between Timah and Cash Nexus. The Proposed Transactions will not proceed unless and until ASX Approval is received. A fee of approximately A\$70,000 is payable to ASX by Timah on ASX Admission.

Resolution 1 is conditional on each of Resolutions 2 to 15 being approved by the relevant Required Majority. As detailed in section 1.2 of this Explanatory Statement, if all Proposed Resolutions are not passed, then the application for ASX Admission will not be made and the Proposed Transactions will not complete.

(b) Voting Requirement

To be approved, Resolution 1 must be passed by a simple majority of votes cast on this resolution.

3.2 Resolution 2: Approval of the purchase of Mistral

(a) Purpose of Resolution 2

The purpose of Resolution 2 is to seek Shareholder approval for the acquisition of Mistral by Timah in consideration for the issue of the Consideration Shares to Cash Nexus, as a matter of good governance and as required by related party provisions in section IIA rule 6.43 of the NSX Listing Rules and section 208 of the Corporations Act.

Currently, Timah has no projects, material assets or ability to generate revenue. The acquisition of Mistral will give Timah the ability to generate revenue and is intended to give Timah sufficient assets (together with the funds raised from the issue of the Placement Shares and the Offer Shares) to satisfy the tests for ASX Admission. The issue of the Consideration Shares (worth A\$8,550,000) is the agreed payment for the acquisition of Mistral.

If Resolution 2 is not passed, then the application for ASX Admission will not be made and the Proposed Transactions will not proceed.

Resolution 2 is also conditional on ASX Approval. The Acquisition will not proceed unless and until ASX Approval is received.

(b) **Requirement for approval**

Section IIA rule 6.43 of the NSX Listing Rules requires that Timah obtain the approval of its Shareholders if it acquires a substantial asset from a related party.

Whilst NSX does not publish guidance on what is a “substantial asset”, guidance can be drawn from ASX Listing Rule 10.2 which provides that an asset is “substantial” if its value, or the value of the consideration for it is, 5% or more of the equity interests of Timah as set out in its latest accounts. As the consideration paid for Mistral by Timah is equivalent to A\$8,550,000 (85,500,000 shares at A\$0.10 each), this comprises more than 5% of the equity interests of Timah prior to and post Acquisition and, as such, the Directors consider that Mistral should be treated as a “substantial asset”.

A “related party” of Timah includes a person that has reasonable grounds to believe that they will become a related party of Timah (eg by obtaining control of Timah) in the future (section 228(6) of the Corporations Act). Given that Cash Nexus has reasonable grounds to believe that it will become a related party of Timah (as they will obtain a controlling interest in Timah following the issue of the Consideration Shares), the Directors consider it prudent to obtain Shareholder approval for the Acquisition in accordance with section IIA rule 6.43 of the NSX Listing Rules.

Section 208 of the Corporations Act provides that a public company must obtain shareholder approval to give a financial benefit to a related party. Timah considers that the purchase of Mistral in consideration for the issue of the Consideration Shares is likely to be “*giving a financial benefit*”, as section 229 includes buying an asset from a related party as an example of “*giving a financial benefit*” (regardless of any consideration that is given for the benefit).

However, an exception to the requirement to obtain shareholder approval is if the financial benefit is given on terms that would be reasonable in the circumstances if the company and the related party were dealing at arm’s length (section 210 of the Corporations Act). The Directors consider that the terms of the Share Sale Agreement are reasonable as they have been negotiated on arm’s length between Timah and Cash Nexus (and Timah has received its own legal advice in relation to the Share Sale Agreement).

Nevertheless, the Directors consider it prudent to obtain shareholder approval for the giving of this financial benefit to Cash Nexus, which will be a related party of Timah following completion of the Acquisition. The Directors have set out in this Notice of Meeting and Explanatory Statement all information which are material to shareholders' decisions about how to vote on this resolution (see section 219 of the Corporations Act).

(c) **Voting requirement**

To be approved, Resolution 2 must be passed by a simple majority of votes cast on this resolution.

(d) **Voting exclusion**

Timah will disregard any votes cast in favour of Resolution 2 by the Cash Nexus Parties.

3.3 Resolution 3: Significant change to the nature and scale of Timah's activities

(a) **Purpose of Resolution 3**

The purpose of Resolution 3 is to seek Shareholder approval for the significant change to the nature and scale of Timah's activities as a result of the Acquisition as required by section IIA rule 6.41 of the NSX Listing Rules.

As a result of the Acquisition, Timah's activities will change from mining and iron ore mineral exploration to renewable energy generation. This means that Shareholders will be exposed to a different risk profile if Resolution 3 is approved. For example, as outlined in section 4.3(b), the expansion of renewable energy projects in Malaysia is dependent upon obtaining Malaysian Government subsidies and grants sufficient to achieve a competitive cost per watt of renewable energy produced (in addition to the other risks outlined in section 4.3).

Further, as a result of the Proposed Transactions, Timah's issued share capital and market capitalisation will more than double.

If Resolution 3 is not passed, then the application for ASX Admission will not be made and the Proposed Transactions will not proceed.

Resolution 3 is also conditional on ASX Approval. The Proposed Transactions (and the resulting change to the nature and scale of Timah's activities) will not proceed unless and until ASX Approval is received.

(b) **Requirement for approval**

Section IIA rule 6.41 of the NSX Listing Rules requires that Timah provide details to NSX of any proposed significant change to the nature and scale of its activities and, if required by NSX, obtain approval of its Shareholders for the change. Timah has provided notice of the Acquisition and the change in the nature and scale of Timah's activities to NSX, which has indicated that Shareholder approval will be required.

(c) **Voting requirement**

To be approved, Resolution 3 must be passed by a simple majority of votes cast on this resolution.

3.4 Resolution 4: Issue of the Consideration Shares to Cash Nexus

(a) **Purpose of Resolution 4**

The purpose of Resolution 4 is to seek Shareholder approval for the issue of the Consideration Shares to Timah, as required by section 611 item 7 of the Corporations Act, section IIA rule 6.25 of the NSX Listing Rules and section IIA rule 6.44 of the NSX Listing Rules.

The Cash Nexus Parties currently have a relevant interest in 9,500,000 Shares (4,750,000 Shares post-Consolidation) under the Call Option, which gives the Cash Nexus Parties a voting power in Timah of 11.84% for a period of one year from the date of the Call Option Agreement.

Under the terms of the Share Sale Agreement, Timah has agreed to issue the Consideration Shares (being 85,500,000 Shares at A\$0.10 per Share) to Cash Nexus as payment for Timah's purchase of Mistral.

Timah intends to issue the Consideration Shares as Restricted Securities, which will be subject to escrow for 2 years from the date of quotation of the remainder of the Shares on ASX (in accordance with Appendix 9B of the ASX Listing Rules). This means that the Consideration Shares will not be quoted on ASX, and Cash Nexus will not be able to dispose of any of the Consideration Shares on market, for the period of escrow. A restriction agreement will be entered into between Timah and Cash Nexus with respect to the Consideration Shares, as required by ASX Listing Rule 1.1 condition 9.

If Resolution 4 is not passed, then the application for ASX Admission will not be made and the Proposed Transactions will not proceed.

Resolution 4 is also conditional on ASX Approval. The issue of the Consideration Shares will not proceed unless and until ASX Approval is received.

(b) **Requirement for section 611 item 7 approval**

Under section 606(1) of the Corporations Act, a person must not acquire a relevant interest in Shares if the person acquiring the interest does so through a transaction in relation to securities entered into by or on behalf of the person and, because of the transaction, that person's or someone else's voting power in Timah increases:

- (i) from 20% or below to more than 20%; or
- (ii) from a starting point that is above 20% and below 90%.

Under section 608(3) of the Corporations Act, a person has a relevant interest in any securities that any of the following has:

- (i) a company in which the persons voting power is above 20%; or
- (ii) a company that the person controls.

The voting power of a person in Timah is determined in accordance with section 610 of the Corporations Act. The calculation of a person's voting power in Timah involves determining the voting Shares in Timah in which the person, and the person's Associates, have a relevant interest. A person has a relevant interest in Shares if (among others) they:

- (i) are the holder of the Shares;
- (ii) have the power to exercise, or control the exercise of, a right to vote attached to the Shares; or
- (iii) have power to dispose of, or control the exercise of a power to dispose of, the Shares.

Section 611 of the Corporations Act provides that certain acquisitions of relevant interests in a company's voting shares are exempt from the prohibition in section 606(1). In particular, section 611 (Item 7) provides that an acquisition approved previously by a resolution passed at a general meeting of the relevant company will be exempt from the prohibition in section 606(1) if:

- (i) no votes are cast in favour of the resolution by:
 - (A) the person proposing to make the acquisition and their Associates; or
 - (B) the persons (if any) from whom the acquisition is to be made and their Associates; and
- (ii) the members of Timah were given all information known to the person proposing to make the acquisition or their Associates, or known to Timah, that was material to the decision on how to vote on the resolution.

Accordingly, Shareholders are being asked to approve the issue of the Consideration Shares to Cash Nexus under Resolution 4. If Resolution 4 is approved, then the Cash Nexus Parties will have voting power of at least 57.31% in Timah, an increase of 45.58% from their current voting power of 11.84% (under the Call Option).

Specifically, in accordance with section 608(3) of the Corporations Act:

- (i) CGB;
- (ii) MHC;
- (iii) Dato' Seri Mah King Seng; and
- (iv) Dato' Seri Mah King Thian,

will also have a relevant interest in the Consideration Shares held by Cash Nexus as a result of the Acquisition.

The voting power of the Cash Nexus Parties will further increase on the issue of the Placement Shares, which is being approved separately (see section 3.6). See section 5.7 for further details of the Cash Nexus Parties' voting power as a result of the Proposed Transactions.

(c) **Requirement for NSX Listing Rule 6.25 approval**

In summary, NSX Listing Rule 6.25 requires the Directors to obtain Shareholder approval prior to issuing a number of Shares which exceeds 15% of Timah's issued share capital over a 12 month period.

As the issue of the Consideration Shares will more than double Timah's issued share capital, Shareholder approval for the issue of the Consideration Shares is required under NSX Listing Rule 6.25.

(d) **Requirement for NSX Listing Rule 6.44 approval**

NSX Listing Rule 6.44 requires Timah to obtain Shareholder approval for the issue of Shares to a related party.

A "related party" of Timah includes a person that has reasonable grounds to believe that they will become a related party of Timah (eg by obtaining control of Timah) in the future (section 228(6) of the Corporations Act). As Cash Nexus have reasonable grounds to believe that they will become a related party of Timah (as they will obtain a controlling interest in Timah following the issue of the Consideration Shares), Shareholder approval for the issue of Consideration Shares is required under NSX Listing Rule 6.44.

(e) **Voting requirement**

Although Shareholder approval under section 611 item 7 of the Corporations Act and NSX Listing Rule 6.25 only require simple majority approval, Shareholder approval under NSX Listing Rule 6.44 requires special majority approval.

Accordingly, to be approved, Resolution 4 must be passed by a special majority (ie 75% or more) of votes cast on this resolution.

(f) **Voting exclusion**

In accordance with section 611 item 7 of the Corporations Act, Timah will disregard any votes cast in favour of Resolution 4 by the Cash Nexus Parties.

3.5 Resolution 5: Consolidation

(a) **Purpose of Resolution 5**

The purpose of Resolution 5 is to seek Shareholder approval for the Consolidation, as required by 254H of the Corporations Act.

Under ASX Listing Rule 2.1 condition 2, the issue price for the securities for which Timah seeks quotation on ASX must be at least A\$0.20 in cash. Therefore, Timah proposes to undertake the Consolidation to ensure that all Shares for which it proposes to seek quotation (that is, all Shares except for the Restricted Securities) have an issue price of approximately A\$0.20. The Consolidation will occur after the Consideration Shares have been issued, but prior to the Placement Shares and the Offer Shares being issued. This will enable the Placement Shares and the Offer Shares to be issued at A\$0.20 (which will mean that the Placement Shares and the Offer Shares will not be Restricted Securities subject to escrow).

Following the implementation of the Consolidation, the capital structure of Timah will be as follows:

Form of equity	Before Consolidation	After Consolidation
Ordinary Shares	165,752,626	82,876,313
Options	Nil	Nil

As the number of Shares on issue after the issue of the Consideration Shares will be an even number (165,752,626), the Directors do not expect the Consolidation to result in a fraction of a Share being held. However, if the Consolidation does result in a fraction of a Share being held, Resolution 5 authorises the Directors to round that fraction up to the nearest whole Share.

New holding statements on a post Consolidation basis will be issued to Shareholders in conjunction with ASX Admission.

If Resolution 5 is not passed, then the application for ASX Admission will not be made and the Proposed Transactions will not proceed.

Resolution 5 is also conditional on ASX Approval. The Consolidation will not proceed unless and until ASX Approval is received.

(b) **Requirement for approval**

Section 254H of the Corporations Act provides that a company may convert all or part of its shares into a larger or smaller number by resolution passed at a general meeting. The conversion takes effect on the date specified in Resolution 5, immediately following the issue of the Consideration Shares, which is currently proposed to be 5 May 2015. Timah will notify NSX if the date for the Consolidation changes.

(c) **Voting requirement**

To be approved, Resolution 5 must be passed by a simple majority of votes cast on the resolution.

3.6 Resolution 6: Issue of Placement Shares to Cash Nexus or its nominee

(a) Purpose of Resolution 6

The purpose of Resolution 6 is to seek Shareholder approval for the issue of the Placement Shares to Cash Nexus or its nominee, as required by section 611 item 7 of the Corporations Act, NSX Listing Rule 6.25 and NSX Listing Rule 6.44.

One of the conditions to the Share Sale Agreement is that Timah and Cash Nexus or its nominee enter into a share subscription under which Cash Nexus or its nominee agrees to subscribe for, and Timah agrees to issue, the Placement Shares.

The subscription for the Placement Shares will give Timah an additional \$2,000,000 cash, which it intends to use to grow the business of Mistral. Depending on the funds raised under the Offer, Timah may also use a portion of this amount for the costs of the fundraising. This cash will also allow Timah to meet the requirement of at least \$1,500,000 working capital for ASX Admission under the assets test (see section 2.3(a) for further details on the assets test).

If Resolution 6 is not passed, then the application for ASX Admission will not be made and the Proposed Transactions will not proceed.

Resolution 6 is also conditional on ASX Approval. The issue of the Placement Shares will not proceed unless and until ASX Approval is received.

(b) Requirement for section 611 item 7 approval

As for Resolution 4, Shareholder approval is required under section 611 item 7 of the Corporations Act. Please refer to section 3.4(b) for a description of the relevant provisions.

If Resolution 6 is approved, then the Cash Nexus Parties will increase their voting power from 57.31% to a voting power of 61.9% in Timah.

If the Offer is fully subscribed, the Cash Nexus Parties' voting power in Timah may be diluted to 58.75%. Accordingly, on completion of the Proposed Transactions, the Cash Nexus Parties will have a voting power of at least 58.75% and at most 61.91% in Timah.

In accordance with section 608(3) of the Corporations Act:

- (i) CGB;
- (ii) MHC;
- (iii) Dato' Seri Mah King Seng; and
- (iv) Dato' Seri Mah King Thian,

will also have a relevant interest in the Placement Shares held by Cash Nexus or its nominee as a result of the Placement, in addition to their relevant interest in the Consideration Shares. See section 5.7 for further details of the Cash Nexus Parties' voting power as a result of the Proposed Transactions.

(c) **Requirement for NSX Listing Rule 6.25 approval**

As for Resolution 4, Shareholder approval is sought under NSX Listing Rule 6.25. In summary, NSX Listing Rule 6.25 requires the Directors to obtain Shareholder approval prior to issuing a number of Shares which exceed 15% of Timah's issued share capital over a 12 month period.

To ensure that Timah's capacity to issue further Shares at a later date (if it chooses to do so) is preserved, Shareholder approval for the issue of the Placement Shares will be sought under NSX Listing Rule 6.25.

(d) **Requirement for NSX Listing Rule 6.44 approval**

As for Resolution 4, Shareholder approval is required under NSX Listing Rule 6.44. NSX Listing Rule 6.44 requires Timah to obtain Shareholder approval for the issue of Shares to a related party.

A "related party" of Timah includes a person that has control of Timah. As Cash Nexus and CGB will have voting power of 57.31% in Timah at the time of the issue of the Placement Shares, they will be a related party of Timah. Therefore, Shareholder approval for the issue of Placement Shares is required under NSX Listing Rule 6.44.

(e) **Voting requirement**

Although Shareholder approval under section 611 item 7 of the Corporations Act and NSX Listing Rule 6.25 only require simple majority approval, Shareholder approval under NSX Listing Rule 6.44 requires special majority approval.

Accordingly, to be approved, Resolution 6 must be passed by a special majority (ie 75% or more) of votes cast on this resolution.

(f) **Voting exclusion**

In accordance with section 611 item 7 of the Corporations Act, Timah will disregard any votes cast in favour of Resolution 6 by the Cash Nexus Parties.

3.7 Resolution 7: Issue of Offer Shares

(a) **Purpose of Resolution 7**

The purpose of Resolution 7 is to seek Shareholder approval for the issue of the Offer Shares to subscribers who accept the Offer under NSX Listing Rule 6.25.

The subscriptions for the Offer Shares will give Timah up to an additional \$1,000,000 cash, which it intends to use to grow the business of Mistral and for the costs of the fundraising. Timah also intends to undertake the Offer in order to achieve sufficient spread for ASX Admission (further details of the spread requirements are set out in section 2.3(b)).

If Resolution 7 is not passed, then the application for ASX Admission will not be made and the Proposed Transactions will not proceed. Resolution 7 is conditional

on ASX Approval, and the issue of the Offer Shares will not proceed unless and until ASX Approval is received.

(b) Requirement for approval

In summary, NSX Listing Rule 6.25 requires the Directors to obtain Shareholder approval prior to issuing a number of Shares which exceed 15% of Timah's issued share capital over a 12 month period.

To ensure that Timah's capacity to issue further Shares at a later date (if it chooses to do so) is preserved, Shareholder approval for the issue of the Offer Shares will be sought under NSX Listing Rule 6.25.

(c) Voting requirement

To be approved, Resolution 7 must be passed by a simple majority of votes cast on the resolution.

3.8 Resolutions 8, 9, 10, 11 and 12: appointment of Dato' Seri Mah King Thian, Dato' Seri Mah King Seng, Lee Chong Hoe, Michelle Siew Yee Lee and Soong Swee Koon as Directors on ASX Admission

(a) Purpose of Resolutions 8, 9, 10, 11 and 12

The purpose of Resolutions 8, 9, 10, 11 and 12 is to seek Shareholder approval for the appointment of Dato' Seri Mah King Thian, Dato' Seri Mah King Seng, Lee Chong Hoe, Michelle Siew Yee Lee and Soong Swee Koon as Directors under rule 14.10 of Timah's Constitution.

Under the Share Sale Agreement, Timah and Cash Nexus have agreed that the current Directors must resign, and persons who have been nominated by Cash Nexus will be appointed as Directors, on and from the date of admission of the Shares of Timah on ASX. Cash Nexus has nominated Dato' Seri Mah King Thian, Dato' Seri Mah King Seng and Soong Swee Koon to be appointed as its nominee Directors. Lee Chong Hoe and Michelle Siew Yee Lee will be appointed as independent Directors. Jack Tan, a current Director, will be re-appointed as an independent Director on ASX Admission (see Resolution 16) after resigning in accordance with the Share Sale Agreement.

Jack Tan and Michelle Siew Yee Lee both ordinarily reside in Australia, as required by section 201A(2) of the Corporations Act.

If Resolutions 8, 9, 10, 11 and 12 are not passed, then the application for ASX Admission will not be made and the Proposed Transactions will not proceed.

Resolutions 8, 9, 10, 11 and 12 are also conditional on ASX Approval. The appointment of Dato' Seri Mah King Thian, Dato' Seri Mah King Seng, Lee Chong Hoe, Michelle Siew Yee Lee and Soong Swee Koon, will not proceed unless and until ASX Approval is received and the Acquisition has completed.

(b) **Requirement for approval**

Rule 14.10 of Timah's Constitution states that the members may by resolution appoint any person as director but not so as to exceed the maximum of 10 directors specified in Timah's Constitution. Accordingly, as a matter of good governance and in accordance with rule 14.10 of Timah's Constitution, Shareholder approval for the appointment of Dato' Seri Mah King Thian, Dato' Seri Mah King Seng, Lee Chong Hoe, Michelle Siew Yee Lee and Soong Swee Koon as Directors is being sought.

(c) **Voting requirement**

To be approved, Resolutions 8, 9, 10, 11 and 12 must be passed by a simple majority of votes cast on the resolution.

3.9 Resolution 13: Approval of Renewable Energy Power Purchase Agreement

(a) **Purpose of Resolution 13**

The purpose of Resolution 13 is to seek Shareholder approval for the Renewable Energy Power Purchase Agreement between Mistral and PYSB (which is described in section 2.1) (**REPPA**). The Renewable Energy Power Purchase Agreement is Mistral's primary source of revenue.

PYSB is ultimately controlled by CGB as:

- (i) 49% of the issued shares in PYSB are held by CGB; and
- (ii) 51% of the issued shares in PYSB are held by Cepatwawasan Sdn. Bhd., a wholly owned subsidiary of CGB.

On completion of the Acquisition, PYSB will become a related party of Timah under section 228(4) of the Corporations Act, as both PYSB and Timah will be ultimately controlled by CGB.

If Resolution 13 is not passed, then the application for ASX Admission will not be made and the Proposed Transactions will not proceed. Resolution 13 is conditional on ASX Approval.

(b) **Requirement for approval**

Section IIA rule 6.43 of the NSX Listing Rules requires that Timah obtain the approval of its Shareholders if it acquires a substantial asset from a related party.

Whilst NSX does not publish guidance on what is a "substantial asset", guidance can be drawn from ASX Listing Rule 10.2, which provides that an asset is "substantial" if its value, or the value of the consideration for it is, 5% or more of the equity interests of Timah as set out in its latest accounts.

Based on their due diligence investigations, the Directors of Timah believe that the total value of the REPPA is likely to exceed 5% or more of the equity interests in Timah (pre and post Acquisition). Therefore, the Directors consider it prudent to

obtain Shareholder approval for the REPPA in accordance with section IIA rule 6.43 of the NSX Listing Rules.

Section 208 of the Corporations Act provides that a public company must obtain shareholder approval to give a financial benefit to a related party. Timah considers that the REPPA is likely to be “*giving a financial benefit*”, as section 229 includes selling an asset or supplying services to a related party as an example of “*giving a financial benefit*” (regardless of any consideration that is given for the benefit).

An exception to the requirement to obtain shareholder approval is where the financial benefit is given on arms’ length terms (section 210 of the Corporations Act). Given that the price of RM0.40 per KWh payable by PYSB under the REPPA was set by reference to the Feed-in Tariff rate introduced by the Sustainable Energy Development Authority Malaysia (which is currently RM0.32 per KWh plus an additional RM0.0786 per KWh bonus rate for biogas installations using agricultural waste as fuel source), the Directors consider that the REPPA is on arms’ length terms.

Nevertheless, the Directors consider it prudent to obtain shareholder approval for the giving of a financial benefit to PYSB, which will be a related party of Timah following completion of the Acquisition. The Directors have set out in this Notice of Meeting and Explanatory Statement all information which are material to shareholders’ decisions about how to vote on this resolution (see section 219 of the Corporations Act).

(c) **Voting requirement**

To be approved, Resolution 13 must be passed by a simple majority of votes cast on this resolution.

(d) **Voting exclusion**

In accordance with section 224 of the Corporations Act, Timah will disregard any votes cast in favour of Resolution 13 by the Cash Nexus Parties.

3.10 Resolution 14: Delisting from NSX

(a) **Purpose of Resolution 14**

The purpose of Resolution 14 is to seek Shareholder approval for the delisting of Timah from NSX under NSX Listing Rule 2.25.

Delisting from NSX is the final step in Timah migrating from NSX to ASX. A fee of approximately A\$20,000 is payable to NSX on Timah delisting (and so will not become payable if Timah’s ASX Admission does not proceed). As detailed in section 2.4, this fee will be paid using funds raised during the Placement and Offer.

If Resolution 14 is not passed, then the application for ASX Admission will not be made and the Proposed Transactions will not proceed. Resolution 14 is

conditional on ASX Approval and the Proposed Transactions completing and the delisting will not occur until the Proposed Transactions have completed.

(b) **Requirement for approval**

NSX Listing Rule 2.25 provides that a company whose primary listing is on NSX may only voluntarily withdraw its listing if it gives NSX at least 90 days notice and the company has obtained the approval of the holders of each class of its listed securities by way of three quarters majority vote at a meeting of those holders.

Timah has already given NSX notice of its intention to delist.

(c) **Voting requirement**

To be approved, Resolution 14 must be passed by a special majority (ie 75% or more) of votes cast on the resolution.

3.11 Resolution 15: Approval of Call Option

(a) **Purpose of Resolution 15**

The Cash Nexus Parties obtained a relevant interest in 9,500,000 Shares on execution of the Call Option on 10 October 2014, which gave the Cash Nexus Parties voting power of 11.84%.

To ensure that the Cash Nexus Parties will be entitled to exercise the Call Option to acquire and become the registered holder of the 9,500,000 Shares (on a pre-Consolidation basis) the subject of the Call Option (**Call Option Shares**), Shareholder approval is being sought under section 611 item 7 of the Corporations Act. Please refer to section 3.4(b) for a description of the relevant provisions of the Corporations Act.

In accordance with section 608(3) of the Corporations Act:

- (i) CGB;
- (ii) MHC;
- (iii) Dato' Seri Mah King Seng; and
- (iv) Dato' Seri Mah King Thian,

will also have a relevant interest in the Call Option Shares held by Cash Nexus as a result of the Call Option, in addition to their relevant interest in the Consideration Shares and the Placement Shares. See section 5.7 for further details of the Cash Nexus Parties' voting power as a result of the Proposed Transactions and the Call Option.

If Resolution 15 is not passed, then the application for ASX Admission will not be made and the Proposed Transactions will not proceed. Resolution 15 is also conditional on ASX Approval.

However, if Shareholder approval is not given for Resolution 15 and the Proposed Transaction does not proceed, Cash Nexus will still be able to exercise the Call

Option as section 611 item 7 approval is not required unless the Cash Nexus Parties' voting power in Timah reaches 20% or above.

(b) **Voting requirement**

To be approved, Resolution 15 must be passed by a simple majority of votes cast on this resolution.

(c) **Voting exclusion**

In accordance with section 611 item 7 of the Corporations Act, Timah will disregard any votes cast in favour of Resolution 15 by the Cash Nexus Parties.

3.12 Resolution 16: appointment of Jack Tan as Director on ASX Admission

(a) **Purpose of Resolution 16**

Mr Jack Tan is a current director of Timah. Cash Nexus have nominated Jack Tan to continue as a Director after ASX Admission. As a current director, Jack Tan will be resigning in accordance with the terms of the Share Sale Agreement. Therefore, Shareholder approval is being sought for his re-appointment as a Director on and from ASX Admission.

(b) **Voting requirement**

Rule 14.10 of Timah's Constitution states that the members may by resolution appoint any person as director but not so as to exceed the maximum of 10 directors specified in Timah's Constitution. Accordingly, as a matter of good governance and in accordance with rule 14.10 of Timah's Constitution, Shareholder approval for the appointment of Jack Tan as a Director on and from ASX Admission is being sought.

As Jack Tan was re-elected as Director at Timah's annual general meeting on 26 November 2014, he will also continue as Director if ASX Admission is not successful.

(c) **Voting requirement**

To be approved, Resolution 16 must be passed by a simple majority of votes cast on this resolution.

(d) **Voting exclusion**

Timah will disregard any votes cast in favour of Resolution 16 by Mr Jack Tan.

3.13 Resolution 17: re-election of Ting Teck Kai as Director on and from 26 November 2014

(a) **Purpose of Resolution 17**

Mr Ting Teck Kai was appointed as director of Timah on 14 August 2014 by the Directors to fill a casual vacancy created as a result on the resignation of Henry

Khoo on 1 April 2014 and the resignation of Andrew Wallis (who was appointed to fill the vacancy as a result of Mr Khoo's resignation) on 14 August 2014.

Ting Teck Kai did not resign and stand for re-election at the AGM in accordance with the requirements for rotation of directors that fill casual vacancies in the Constitution and NSX Listing Rule 6.47. Therefore, Ting Teck Kai is resigning and standing for re-election at the EGM, with such re-election to be retrospectively effective from 26 November 2014. Ting Teck Kai will then resign in accordance with the Share Sale Agreement, effective on ASX Listing of Timah.

(b) **Voting requirement**

To be approved, Resolution 17 must be passed by a simple majority of votes cast on this resolution.

(c) **Voting exclusion**

Timah will disregard any votes cast in favour of Resolution 17 by Mr Ting Teck Kai.

4 REASONS TO VOTE IN FAVOUR OF AND AGAINST THE PROPOSED RESOLUTIONS, AND PROPOSED TAX IMPLICATIONS

4.1 Purpose of this section of the Notice of Meeting and Explanatory Statement

The purpose of this section 4 is to identify significant issues for Shareholders to consider in relation to the implementation or otherwise of the Proposed Transactions and ASX Admission. The Proposed Transactions and ASX Admission will directly affect your holding of Shares. Before deciding how to vote at the General Meeting, Shareholders should carefully consider the factors discussed below, as well as the other information contained in this Explanatory Statement.

4.2 Reasons to VOTE IN FAVOUR of the Proposed Resolutions

The Directors recommend that Shareholders **VOTE IN FAVOUR** of each of the Proposed Resolutions to approve the Proposed Transactions and the ASX Admission. The Director's reasons for making this recommendation include the following.

- (a) **Increased assets and cash flow:** After completion of the Proposed Transactions, Timah will have acquired two key assets (the Plant and the REPPA) which will generate revenue by the generation and sale of electricity to PYSB (and under any other power purchase contracts Mistral may enter into in the future). Under the Share Sale Agreement, Cash Nexus has guaranteed Timah that Mistral's audited profit before tax for the financial year ending 31 December 2015 will not be less than \$900,000 ("profit" is defined as incomes, profits and gains, the value of any supply and any other consideration, value or receipt used or charged for taxation purposes) (**Guaranteed PBT**). However, this Guaranteed PBT reflects the financial support from Cash Nexus for one year and does not necessarily indicate that the operations of Mistral will actually generate this profit in the year ending 31 December 2015 and in subsequent financial years.

The funds raised under the Placement and Offer are intended to be used to grow the capacity of the Plant and further increase its revenue. Currently, Timah has no

assets which are capable of producing cash flow and, as such, has no source of revenue.

- (b) **Risk that Timah may not continue as a going concern:** Given that Timah currently has no cash flow or ability to generate revenue, if the Proposed Resolutions are not approved and the Proposed Transactions do not proceed, there is a risk that the Directors of Timah will not be able to find a suitable alternative investment for Timah which will enable it to generate revenue. If no suitable alternative investment is found, then there is a risk that Timah may not be able to continue as a going concern.
- (c) **Increased liquidity of Shares:** The Directors believe that admission to ASX will increase the liquidity of the Shares by exposing them to a larger, internationally recognised market and potentially enabling Shareholders to more freely trade their Shares and Timah to raise additional equity funding to fund its growth and expansion in the future.
- (d) **Participation in the growing renewable energy industry:** As a result of the Acquisition, Shareholders will have an investment in Mistral which will allow them to participate in potential business opportunities available to Mistral due to the anticipated growth of the palm oil industry and the renewable energy industry (including various incentives provided by the Malaysian Government).
- (e) **Exposure to Malaysian capital markets through majority Shareholder:** On completion of the Proposed Transactions, CGB will have a relevant interest in between 58.75% and 61.91% of Timah (through its wholly owned subsidiary, Cash Nexus). Accordingly, Timah may benefit from CGB's ability to seek funding through the Malaysian capital markets as a listed entity on the Bursa Malaysia.

4.3 Reasons to VOTE AGAINST the Proposed Resolutions

The Directors consider that there are some disadvantages associated with the Proposed Transactions and the ASX Admission and Shareholders should take these into consideration when deciding how to vote on the Proposed Resolutions. These include:

- (a) **Profit risk:** Mistral has not yet generated a profit since commencing commercial operations in August 2013. This is due to the level of electricity generated by the Plant fluctuating significantly from month to month and to the start-up nature of the Plant's operations. There can be no guarantee that Mistral will become profitable in the future.
- (b) **Renewable energy industry risk:** The Malaysian renewable energy market is currently in its infancy stage of development. Due to the current low cost of producing electricity via traditional fossil fuel energy generation, the commercialisation and expansion of renewable energy projects relies heavily on, and is dependent upon, obtaining Malaysian Government subsidies and grants sufficient to achieve a competitive cost per watt of renewable energy produced. If Malaysian Government subsidies and grants are not successfully obtained, Mistral may be unable to economically expand its power generation activities and sell electricity to the national electricity grid.

- (c) **Biogas production technology risk:** Currently, the anaerobic digesters in biogas power plants have a low tolerance to shock loading, which means that high loading rates (which typically would occur during the high crop season) may cause system failure and cease methane production. This instability may decrease the efficiency of the system and affect the ability to provide a sustainable supply of renewable energy. Therefore, experienced and skilled manpower is required to control the loading of the biogas power plant in order to ensure that it operates efficiently, which increases operational costs. Mistral employs and relies on a team of dedicated, experienced and skilled personnel to operate the Plant.
- (d) **Single customer exposure:** Currently, Mistral's sole customer is PYSB. The price payable under the REPPA can only be increased by agreement between Mistral and PYSB, and is not tied to a price adjustment mechanism which refers to an independent benchmark. If the Feed-in Tariff or market price for renewable energy increases, there is no guarantee that Mistral will be able to negotiate a commensurate increase in the price payable for the supply of energy under the REPPA. Further, if PYSB fails to pay for the energy supplied under the REPPA, or the REPPA is terminated, Mistral will have no alternative source of revenue until it finds another purchaser for the energy generated or sells to the national electricity grid. However, on completion of the Proposed Transactions, PYSB will be a related party of Timah and Mistral and Dato' Seri Mah King Thian and Dato' Seri Mah King Seng will be directors of each of Timah, Mistral and PYSB. If Dato' Seri Mah King Thian and Dato' Seri Mah King Seng continue to be directors of each of these companies, the Directors believe it is unlikely that they will decide to terminate the REPPA unless it is in the best interests of each of Timah, Mistral and PYSB to do so. In addition, Mistral is currently preparing to apply for Feed-in Tariff approval which, if granted, may enable it to sell electricity to the national electricity grid in Malaysia and, therefore, reduce Mistral's reliance on the REPPA.
- (e) **Future capital requirements:** Mistral's activities will require ongoing operational expenditure in addition to capital expenditure to maintain the Plant and increase its capacity. There can be no guarantees that the funds raised through the Placement and the Offer and revenue received under the REPPA (and any other electricity sale agreements which Mistral may enter into in the future) will be sufficient to successfully achieve all the objectives of Mistral and Timah's overall business strategy. If Timah is unable to use debt or equity to fund Mistral's operations or expansion after the substantial exhaustion of the net proceeds of the Placement and the Offer, there can be no assurances that Mistral or Timah will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to Timah or at all.
- (f) **Cash Nexus Parties' voting power in Timah:** After completion of the Proposed Transaction, the Cash Nexus Parties will have voting power of at least 58.75% and at most 61.91% in Timah. At this shareholding level, the Cash Nexus Parties will be able to control the composition of the Board and pass ordinary resolutions (i.e. requiring more than 50% of the votes cast) of Shareholders, subject to certain restrictions under the Corporations Act, Timah's constitution and the ASX Listing Rules which might prevent them voting in some, but not all, situations. As the Cash Nexus Parties will have a relevant interest in greater than 20% voting power in Timah, they cannot further increase their voting power in Timah unless they do so in limited circumstances. These limited circumstances include acquisitions with

the approval of other Shareholders, launching a takeover bid for remaining Shares or acquiring up to a further 3% every six months.

- (g) **Composition of the Board:** On and from the date the Shares of Timah are admitted to the ASX, three directors nominated by Cash Nexus will be appointed to the Board of Timah and the current three directors of Timah will resign. This will allow the nominees of Cash Nexus to control decisions of the Board. As Timah is managed by the Board, this means that the nominees of Cash Nexus will have control over the affairs of Timah, including its financial and operating affairs. The nominees appointed by Cash Nexus will still need to comply with all applicable statutory, general law and fiduciary duties, including the duty to act in good faith and in the best interest of Timah.
- (h) **Conflicting interest between the Cash Nexus Parties and other Shareholders:** The interests of the Cash Nexus Parties might not always be aligned with the interests of minority Shareholders. However, in these circumstances, minority Shareholders would have the benefit of the following protections provided by applicable laws and the Listing Rules in relation to some dealings between Timah and the Cash Nexus Parties:
 - (i) in certain circumstances, but not all, a requirement to obtain Shareholder approval for transactions between Timah and the Cash Nexus Parties;
 - (ii) a requirement for all Directors on the Board to comply with any applicable laws relating to conflicts of interest for Directors; and
 - (iii) a requirement for all Directors on the Board to comply with the legal obligations to act in good faith, in the best interest of Timah and for proper purposes and to have regard to the interests of the Shareholders and Timah as a whole.

In addition, ASX has issued the 'Corporate Governance Principles and Recommendations'. These are principles as to the composition and functioning of a listed company's board of directors. However, these principles are not mandatory. A company that chooses not to implement specific principles is only required to disclose in its annual report the extent to which the principles have not been followed and why not.

- (i) **Potential disincentive for future offers for your Shares:** The Cash Nexus Parties' voting power of at least 58.75% and at most 61.91% in Timah following completion of the Proposed Transactions may deter a third party from making a takeover offer for your Shares, as it is likely that any third party seeking control of Timah would require approval from the Cash Nexus Parties. In these circumstances, it may not be likely that a takeover premium could be realised except through a transaction supported by the Cash Nexus Parties.
- (j) **Potential for significant dilution of ownership interests:** Upon completion of the Proposed Transactions, the number of Shares will increase by approximately 244%, from 80,252,626 to 195,752,626 (on a pre-Consolidation basis) or from 40,126,313 to 97,876,313 (on a post-Consolidation basis). This means that each

Share will represent a significantly lower proportion of the ownership of Timah following completion of the Proposed Transactions.

- (k) **Potential lower liquidity of Shares:** Completion of the Proposed Transaction will result in a significant proportion of Shares being held by a controlling Shareholder and its Associates (the Cash Nexus Parties). This concentration may reduce the liquidity of (i.e. the ability to buy or sell) Shares. However, this is to be balanced against a possible increase in liquidity from the migration from NSX to ASX.
- (l) **Potential inability to use carried forward tax losses:** Following completion of the Proposed Transactions, it is unlikely that Timah will be able to use carried forward tax losses (which as at 30 June 2014 were in the amount of \$211,157). Whether Timah will be able to use these losses will only be known in the future and will depend on whether or not the same business test is satisfied at that time. Refer to section 4.4 for an analysis of the taxation implications of the Proposed Transactions for Timah.
- (m) **Costs of undertaking Recapitalisation Proposal:** Timah estimates that the total cost of the Proposed Transactions and ASX Admission, including the negotiation of transaction documents, calling and holding of the General Meeting, preparation of the Prospectus, application for ASX Admission, Offer, issue of the Shares, payment of stamp duty (if any) on the acquisition of Mistral, and payment of NSX, ASX, corporate, legal and the Share Registry fees, will cost approximately \$250,000 – \$300,000. Approximately \$200,000 – \$250,000 of these costs will be incurred even if the Proposed Transactions and ASX Admission do not proceed.

4.4 Taxation implications for Timah

The following section sets out a high level overview of the taxation implications of Timah holding an investment in shares in Mistral, including in relation to the dividends it receives from Mistral and on any future sale of the shares in Mistral.

This is not taxation advice and is not to be relied on by shareholders.

- (a) **Mistral Malaysian tax liability on business income**

Mistral will pay tax in Malaysia on any profits / income it derives from its business activities based upon applicable Malaysian tax laws.

- (b) **Malaysian withholding tax**

No withholding taxes will be deducted in Malaysia on the dividends paid to Timah by Mistral.

- (c) **Timah tax liability**

Where Timah's investment in Mistral exceeds 10% of the issued capital of Mistral (which is the case here), Timah will have no liability to pay income tax in Australia on the distribution of profits derived by Mistral which are paid as dividends to Timah.

- (d) **Malaysian tax if sale of Mistral shares**

If, in the future, Timah sells its interest in Mistral, Malaysia may impose a Real Property Gains Tax if 75% or more of the total tangible assets of Mistral at the time of the sale comprises land (or an interest in land) in Malaysia. The rates of tax imposed will depend on the period of ownership of the company.

(e) **Capital gains tax if sale of Mistral shares**

If, in the future, Timah sells its interest in Mistral, no Capital Gains Tax will be payable by Timah in Australia provided that:

- (i) the investment in Mistral exceeds 10% of the issued capital of Mistral;
- (ii) the investment is held for a continuous period of greater than 12 months; and
- (iii) more than 90% of the Mistral's assets are employed in an active business.

(f) **Taxation of Timah dividends – non residents of Australia**

For shareholders of Timah who are non residents of Australia, any profits / income derived by Timah from dividends paid by Mistral or from the sale of the shares of Mistral which are then paid to non residents of Australia as dividends will not be subject to Australian withholding tax under the Conduit Foreign Income rules.

(g) **Taxation of Timah dividends – Australian residents**

For shareholders of Timah who are Australian residents receiving dividends from Timah which are derived from dividends paid by Mistral or from the sale of the shares of Mistral, the dividend, to the extent of the Conduit Foreign Income paid by Timah, will be subject to taxation in Australia at the shareholder's marginal tax rates.

(h) **Taxation of Timah earnings in Australia**

On acquisition, Mistral will become a Controlled Foreign Corporation (**CFC**) of Timah and subject to Australia's CFC rules. Australia's CFC rules can subject certain foreign earnings to taxation in Australia when derived by the CFC, even if the income is not repatriated to Timah. Any taxation paid in the foreign country on income attributed under these rules will be allowed as a credit against Australian taxation payable on that income.

Given the type of income that will be derived by Mistral, it is unlikely that any income will be attributed to taxation in Australia under the CFC rules.

4.5 Taxation implications for Shareholders

Shareholders are advised to seek independent tax advice in relation to the effect of the Proposed Transactions, particularly the Consolidation and the Offer (if a Shareholder intends to subscribe for Shares under the Offer). Neither Timah nor the Directors accept any responsibility for any individual taxation implications arising out of the Proposed Transactions.

5 INFORMATION ABOUT CASH NEXUS PARTIES

5.1 Preparation of this section

This section 5 provides Shareholders with information about:

- (a) CGB and MHC;
- (b) Cash Nexus and Cash Horse (M) Sdn. Bhd.;
- (c) Mistral; and
- (d) Cash Nexus' nominee Directors, Dato' Seri Mah King Thian, Dato' Seri Mah King Seng and Soong Swee Koon and independent Directors Lee Chong Hoe and Michelle Siew Yee Lee (**Incoming Directors**).

This section 5 also provides details of the Cash Nexus Parties' strategy and intentions with respect to Timah and Mistral following completion of the Proposed Transactions and ASX Admission. This section 5 has been prepared by the Cash Nexus Parties, who are responsible for the information contained in this section 5.

5.2 About CGB and MHC

CGB is an investment holding company with its subsidiaries principally involved in oil palm cultivation, milling, quarrying, sales of oil palm products and renewable energy generation. CGB, through its subsidiary companies, owns and operates 27,458 acres of oil palm plantations in Sabah in East Malaysia in addition to biogas power plants which use palm oil mill effluent from palm oil production to generate electricity (further details on the company's operating biogas power plant are set out in section 5.3). CGB was incorporated in Malaysia, under the Companies Act 1965, on 11 January 2001. CGB was listed on the Second Board of the Bursa Malaysia Securities Berhad on 24 October 2001 and transferred to the Bursa Main Board on 11 December 2006. Dato' Seri Mah King Thian is Executive Chairman of CGB and Dato' Seri Mah King Seng is Managing Director of CGB.

CGB's controlling shareholder is MHC, which holds 33.95% of the shares in CGB (28.75% directly and 5.20% indirectly through MHC's wholly owned subsidiary, Yew Lee Holdings Sdn. Berhad). MHC is principally engaged in cultivation of oil palm, investment holding and the operation of a hotel. Dato' Seri Mah King Thian is Executive Chairman of MHC and Dato' Seri Mah King Seng is Managing Director of MHC and both have a relevant interest in MHC of 47.21% and 47.33% respectively.

5.3 About Cash Nexus and Cash Horse (M) Sdn. Bhd.

CGB holds 100% of the issued shares of Cash Nexus, which is principally an investment holding company. Dato' Seri Mah King Thian and Dato' Seri Mah King Seng are directors of Cash Nexus.

At the date of the Notice of Meeting, Cash Nexus holds 100% of the issued shares of Mistral (see section 5.4 below) and 70% of the issued shares of Cash Horse (M) Sdn. Bhd. (**Cash Horse**).

Both Mistral and Cash Horse operate power plants situated next to each other at the Prolific Yield Palm Oil Mill in Sandakan, Sabah, Malaysia, which use palm oil milling by-products as fuel.

Cash Horse owns and operates a 12 megawatt biomass power plant (**Cash Horse Plant**), which generates power by combusting oil palm empty fruit bunches as its primary source of fuel, supplementing this with oil palm shells, mesocarp fibres and wood wastes as secondary fuel. The Cash Horse Plant has obtained the Feed-In Tariff quota to enter into a 16 year long term contract to sell electricity to the local electricity power distributor, Sabah Electricity Sdn Bhd. As there is a critical electricity shortage in Sabah, Malaysia, the Cash Nexus Parties believe that there is no prospect of the Cash Horse Plant and the Plant owned by Mistral competing against each other for energy sales. The Cash Horse Plant does not use POME to generate electricity, so its operation does not affect the supply of feedstock to the Plant owned by Mistral. Cash Horse is not being acquired by Timah and will remain a subsidiary of Cash Nexus.

5.4 About Mistral

Mistral was incorporated in Malaysia on 31 July 2002 under the *Companies Act, 1965* (Malaysia) as a private limited company under its present name. Mistral is principally engaged in the business of power generation and is a licensed independent power producer under the *Electricity Supply Act, 1990* (Malaysia). Dato' Seri Mah King Thian and Dato' Seri Mah King Seng are directors of Mistral.

Operations

Presently, Mistral owns and operates the Plant, a renewable energy biogas power plant of approximately 3 megawatt capacity, which is located next to a palm oil mill owned by PYSB, in Sandakan, Sabah, Malaysia. The Plant collects and stores POME from the Prolific Yield Palm Oil Mill in closed anaerobic digester tanks, which capture the methane gas released by the POME and combust the methane to generate power.

The Plant commenced commercial operation on 1 August 2013. Currently, its principal source of revenue is the REPPA between Mistral and PYSB, under which Mistral has agreed to sell and deliver electrical energy generated by the Plant to PYSB at RM0.40 per KWh. As PYSB will be a related party of Timah on completion of the Proposed Transactions, approval of the REPPA is the subject of Resolution 12 (see section 3.9 for further details on the REPPA). Mistral is currently in the process of preparing the necessary documents to apply for Feed-in Tariff approval which is required to sell electricity to Malaysia's national electricity grid.

The Plant is qualified as a Clean Development Mechanism project under the Kyoto Protocol. Presently, the CERs generated by the Plant are sold under a contract with a Danish company participating in Kyoto Protocol, NE Climate A/S. However, due to an oversupply in the market reducing the price of CERs, the sale of CERs is not a material aspect of Mistral's business.

Capital structure

As at the date of this Notice of Meeting, Mistral has an authorised share capital of RM10,000,000 (consisting of 10,000,000 ordinary shares of RM1 each) and an issued and fully paid up share capital of RM 9,250,000 (consisting of 9,250,000 ordinary shares of RM1 each). Cash Nexus acquired 100% of the issued share capital of Mistral on 31 August 2014 when it acquired the remaining 75,000 shares not held by Cash Nexus from Mistral's

minority shareholder, Power Precinct Sdn. Bhd. The acquisition by Cash Nexus of 100% of the issued share capital of Mistral is a condition precedent to the Share Sale Agreement.

As at the date of this Notice of Meeting, Mistral is a wholly owned subsidiary of Cash Nexus. If all Proposed Resolutions are passed and the transactions under the Share Sale Agreement complete, Mistral will become a wholly owned subsidiary of Timah.

Dato' Seri Mah King Seng and Dato' Seri Mah King Thian are both directors of each of Mistral, Cash Nexus, CGB, MHC and PYSB (see sections 5.5, 5.10(a) and 5.10(b) for more information).

5.5 About Dato' Seri Mah King Seng and Dato' Seri Mah King Thian

Dato' Seri Mah King Seng and Dato' Seri Mah King Thian are brothers and are both directors of each of Mistral, Cash Nexus, CGB, MHC and PYSB.

Dato' Seri Mah King Thian is Executive Chairman of CGB and Managing Director of MHC. Further details of his experience are set out in section 5.10(a).

Dato' Seri Mah King Seng is Managing Director of CGB and Executive Chairman of MHC. Further details of his experience are set out in section 5.10(b).

Dato' Seri Mah King Thian and Dato' Seri Mah King Seng have a relevant interest in MHC of 47.21% and 47.33% respectively. They each have a relevant interest in CGB of 38.46% via their interest in MHC, its wholly owned subsidiary Yew Lee Holdings Sdn. Berhad, and Hutan Melintang Plantation Sdn. Berhad.

5.6 Current equity interests in Timah

The Cash Nexus Parties currently have a relevant interest in 9,500,000 Shares (on a pre-Consolidation basis) under the Call Option Agreement. The Call Option Agreement allows Cash Nexus to purchase up to 9,500,000 Shares from Timah Pasir Sdn. Bhd. if Cash Nexus issues a notice in accordance with the terms of the Call Option Agreement at any time in a period of one year from the date of the Call Option Agreement. The Call Option Agreement gives the Cash Nexus Parties a relevant interest and voting power in Timah of 11.84%.

5.7 Cash Nexus Parties' voting power in Timah

Voting power in Timah following the issue of the Consideration Shares

Party	Number of Shares	Percentage voting power
Shareholders as at the date of this Notice of Meeting	80,252,626 (70,752,626 if deduct Shares which Cash Nexus Parties have a relevant interest in under the Call Option)	48.42% (42.69%)
Cash Nexus Parties	85,500,000 (plus relevant interest in 9,500,000 under the Call Option (95,000,000 Shares in total))	51.58% (57.31%)
Total	165,752,626	100%

Voting power in Timah following the Consolidation

Party	Number of Shares	Percentage voting power
Shareholders as at the date of this Notice of Meeting	40,126,313 (35,376,313 if deduct Shares which Cash Nexus Parties have a relevant interest in under the Call Option)	48.42% (42.69%)
Cash Nexus Parties	42,750,000 (plus relevant interest in 4,750,000 Shares under the Call Option (47,500,000 Shares in total))	51.58% (57.31%)
Total	82,876,313	100%

Voting power in Timah following the issue of the Placement Shares

Party	Number of Shares	Percentage voting power
Shareholders as at the date of this Notice of Meeting	40,326,313 (35,376,313 if deduct Shares which Cash Nexus Parties have a relevant interest in under the Call Option)	43.2% (38.09%)
Cash Nexus Parties	52,750,000 (plus relevant interest in 4,750,000 Shares under the Call Option (57,500,000 Shares in total))	56.8% (61.91%)
Total	92,876,313	100%

Voting power in Timah following the issue of the Offer Shares (assuming Offer fully subscribed)

Party	Number of Shares	Percentage voting power
Shareholders as at the date of this Notice of Meeting	40,326,313 (35,376,313 if deduct Shares which Cash Nexus Parties have a relevant interest in under the Call Option)	41% (36.1%)
Cash Nexus Parties	52,750,000 (plus relevant interest in 4,750,000 Shares under the Call Option (57,500,000 Shares in total))	53.9% (58.75%)
Offer subscribers	5,000,000	5.11%
Total	97,876,313	100%

On Completion of the Proposed Transactions, it is likely that the Cash Nexus Parties will have voting power in Timah of between 58.75% (if no subscriptions are received under the Offer) and 61.91%.

5.8 FIRB

Timah and Cash Nexus take the view that FIRB approval is not required for the Proposed Transaction. An acquisition of a substantial interest in a corporation would require notification under section 26 of the *Foreign Acquisitions and Takeovers Act 1975* where:

- (a) the total assets of the Australian business exceed the applicable monetary threshold (which is \$252 million at the date of this Notice of Meeting); or
- (b) the proposal values the Australian business above the applicable monetary threshold.

As Timah's assets and value will not exceed the applicable monetary threshold (whether before or after completion of the Proposed Transactions), and as CGB is not a foreign government investor (i.e. a Malaysian government entity does not hold an aggregate interest (direct or indirect) of 15% or more in CGB), FIRB approval will not be sought in relation to the Proposed Transactions.

5.9 Cash Nexus Parties' intentions for Timah and Mistral

The Incoming Directors have no present intention for Timah to acquire any further assets or undertake any additional capital raisings within 12 months from ASX Admission.

Following ASX Admission, the Incoming Directors intend to focus on growing Mistral's business. In particular, Mistral will construct an inter-connection facility to connect the Plant to the national electricity grid and apply for Feed-in Tariff approval, which are required for the Plant to sell electricity to the national electricity grid at the applicable Feed-in Tariff rate (which is RM0.40 per KWh at the date of this Notice of Meeting, but which may be subject to change by the time Mistral commences supplying power to the grid). However, there is no guarantee that Mistral will receive Feed-in Tariff approval or be entitled to sell electricity to the national electricity grid.

5.10 Proposed appointees to the Board

Under the terms of the Share Sale Agreement, Cash Nexus has the right to nominate a number of Directors to be appointed to the Board, on and from completion of the Acquisition.

Upon completion of the Acquisition, the following individuals will be appointed to the Board:

Executive Directors (3)

(a) Dato' Seri Mah King Thian @ Mah King Thiam

Dato' Seri Mah King Thian is a Malaysian resident aged 51 years old. He has almost 25 years of experience in oil palm cultivation, milling and construction.

Dato' Seri Mah King Thian is a director of each of Mistral, Cash Nexus, CGB and MHC, and also Chairman of CGB. He has a relevant interest in the Shares to be issued to Cash Nexus under the Proposed Transactions.

He graduated from Monash University, Australia with a Bachelor of Economics Degree, majoring in Accounting in 1986 and also a Bachelor of Laws Degree in 1987. He was subsequently admitted and enrolled as an Advocate and Solicitor of the High Court of Malaya in 1988. He is also a Fellow Member of Certified Practising Accountant Australia (FCPA). He is the Managing Director of MHC Plantations Bhd and a Director of Anson Oil Industries Berhad, both public companies, and also a Director of Behrang 2020 Sdn Bhd and several other private limited companies.

(b) **Dato' Seri Mah King Seng**

Dato' Seri Mah King Seng is a Malaysian resident and is aged 56 years old. He has more than 35 years of experience in oil palm cultivation, milling and construction.

Dato' Seri Mah King Seng is a director of each of Mistral, Cash Nexus, CGB and MHC, and Executive Chairman of MHC. He has a relevant interest in the Shares to be issued to Cash Nexus under the Proposed Transactions.

He graduated from University of Minnesota, United States of America with a degree in Agricultural Science in 1978. In 1980, he attended the Palm Oil Mill Engineer/Executive Training course on palm oil mill operations organised by the Malaysian Oil Palm Growers Council. He subsequently obtained his Bachelor of Laws Degree in 1985 from the University of Buckingham, United Kingdom and was admitted and enrolled as an Advocate and Solicitor of the High Court of Malaya in 1990. He is the Executive Chairman of MHC Plantations Berhad and a Director of Anson Oil Industries Berhad, both public companies, and also a Director of Behrang 2020 Sdn Bhd and several other private limited companies.

(c) **Soong Swee Koon**

Soong Swee Koon is a Malaysian resident and is 59 years old.

He is a qualified engineer and holds qualifications in Steam Engineers Certificate of Competency (First Grade).

Soong Swee Koon started his career in power generation with Perak Hydro Electric Power Company (UK firm) in 1974. In the following years, he trained and specialised in power generation, Hydro and Steam Thermal Power Plants, and in the field maintenance and workshop overhaul of Cummins Diesel Engines and generators. From 1980 to 1996, he worked as an engineer in United Plantations Bhd. The palm oil under Mr Soong's management was the winner of the Anugerah Award for Best Palm Oil Mill in Malaysia (2nd Place from year 1990-1995).

From 1996 to 2010, Mr Soong has served as senior engineer, technical advisor, project manager, regional consultant to a number of energy companies. Mr Soong joined his current company, MHC Plantations Bhd, in 2010 and is currently the Chief Operating Officer of MHC Plantations Bhd.

Independent Directors (3)

(d) **Lee Chong Hoe**

Lee Chong Hoe (Billy Lee) is a Malaysian resident and is 50 years old.

Billy Lee graduated from Monash University, Australia with a double degree in Economics (majoring in Accounting) and Law in 1988. After completing his legal practical training course in Leo Cussen Institute of Melbourne, he was admitted to the Supreme Court of Victoria in 1989. He worked in Price Waterhouse Tax Services in Melbourne whereby he carried out research on the merger of family investment trusts and presented a paper on the Australian Budget 1989. Billy Lee then joined Peat Marwick Tax Services for a year in 1990 and decided to chamber in Messrs Albar Zulkifly & Yap. Upon admission to the Malaysian Bar, Billy Lee commenced practice in Messrs Oon Kong & Lee in August 1991 and later continued in Messrs Lee Choon Wan & Co in June 1992. He was involved in the listing of a few public listed companies and privatisation projects. In March 1997, he joined Messrs Lee, Perrara & Tan. He is currently a partner at Teh & Lee, advocates and solicitors.

(e) **Michelle Siew Yee Lee**

Michelle Siew Yee Lee is an Australian resident and is 35 years old.

She graduated from Monash University, Australia with a Bachelor of Business (Accounting) in 2003 and enrolled in the Chartered Accountant program, after which she worked as an accountant with several years of multi-industry experience.

Michelle's first employment was with a legal firm in Brisbane called MF Lyons and Associates, where she worked from 2004 to 2005. She then worked as a Project Accountant in Brisbane with Bechtel Australia Pty Ltd from 2005 to 2007. Her last employment was with Centro Properties Group in Melbourne as a Property Accountant from 2007 to 2009. Currently, she is actively involved in community work while serving her family.

(f) **Jack Tan**

Mr Jack Tan, an Australian citizen based in Sydney, graduated with a Bachelor of Business Administration from the University of Singapore. He is a director of his own investment company, Coin Equities Pty Ltd, and has more than 20 years' experience in finance roles and investment banking. He was the former Non-executive Chairman of e-pay Asia Limited, a leading prepaid mobile phone company based in Malaysia and listed on the ASX and was a non-executive director of Orocobre Limited, an emerging lithium and potash producer in Argentina.

6 FURTHER INFORMATION

This section includes additional information that your Directors consider material to a decision on how to vote on the Proposed Resolutions, as well as other information that is required to be included under the Corporations Act, the Listing Rules and regulatory documents (including ASIC Regulatory Guides).

6.1 Summary of the material terms of the Share Sale Agreement

Please see Annexure B for a summary of the material terms of the Share Sale Agreement.

6.2 Terms of issue of the Consideration Shares, Placement Shares and Offer Shares

The Considerations Shares, Placement Shares and Offer Shares will rank equally with all existing Shares.

6.3 Directors' resolution to approve the Proposed Resolutions being placed before Shareholders

The Directors unanimously voted in favour of the Proposed Resolutions being placed before Shareholders at the General Meeting and, in the absence of a superior proposal, your Directors unanimously recommend that Shareholders **VOTE IN FAVOUR** of the Proposed Resolutions.

6.4 Director's interests in Proposed Resolutions

The current Directors do not have any material personal interest in the subject matter of the Proposed Resolutions, other than Resolution 16 (for the appointment of Jack Tan as Director) and Resolution 17 (for the re-election of Ting Teck Kai as Director). Jack Tan and Ting Teck Tai will abstain from voting on Resolution 16 and Resolution 17 respectively.

6.5 Other Information

The Directors are not aware of any other information that would be material to the decision on how to vote on the Proposed Resolutions that is not disclosed in this document.

ANNEXURE A – GLOSSARY

Term	Meaning
A\$	Australian dollars
Acquisition	The purchase of all of the issued shares in Mistral by Timah from Cash Nexus, in consideration for Timah issuing the Consideration Shares to Cash Nexus
Associate	Has the meaning given to it in section 9 of the Corporations Act as applicable to Chapter 6 of the Corporations Act
ASX	ASX Limited (ABN 98 008 624 691) or the market conducted by it as the context requires
ASX Admission	Admission to, and quotation of the Shares on, the official list of ASX
ASX Approval	ASX resolving to admit Timah to, and quotation of its Shares (other than any Restricted Securities) on, the official list of ASX (subject to completion of the Proposed Transactions and other conditions usual to ASX Admission)
ASX Listing Rules	The ASX Listing Rules published by ASX
Board	The Board of Directors of Timah
Call Option	Call Option Agreement between Cash Nexus and Timah Pasir Sdn. Bhd dated 10 October 2014
Call Option Shares	9,500,000 Shares the subject of the Call Option
Cash Horse	Cash Horse (M) Sdn. Bhd.
Cash Nexus	Cash Nexus (M) Sdn. Bhd. (company no. 860411-U)
Cash Nexus Parties	Cash Nexus, CGB and their Associates (including Dato' Seri Mah King Thian and Dato' Seri Mah King Seng)
CGB	Cepatwawasan Group Berhad (Company No. 536499-K)
Chairman	The Chairman of the Board
Combined Entity	Timah and Mistral (as Timah's wholly owned subsidiary)
Company or Timah	Timah Resources Limited (ABN 69 123 981 537)
Consideration Shares	85,500,000 Shares at A\$0.10 per Share to be issued by Timah to Cash Nexus in consideration for the sale of Mistral by Cash Nexus

Term	Meaning
	to Timah
Consolidation	The proposed consolidation of every 2 Shares into 1 Share to occur on the Business Day immediately following the issue of the Consideration Shares, being 9 December 2014 (or such other subsequent date that is notified to NSX by the Company)
Corporations Act	<i>Corporations Act 2001</i> (Cth)
Director	A director of Timah
Due Diligence Period	A period of 100 days commencing on the date of the Share Sale Agreement, or such longer period as agreed between the parties, during which Timah and Cash Nexus must undertake their due diligence under the Share Sale Agreement
Explanatory Statement	The 'Explanatory Statement' part of this document
Feed-in Tariff Approval	A feed-in approval certificate issued by SEDA which entitles the holder to sell renewable energy at the Feed-in Tariff Rate (subject to any other required licences being obtained)
Feed-in Tariff Rate	The premium rate fixed and published by SEDA for each unit of renewable energy sold and includes bonus rates which apply when specific criteria are met
FIRB	Foreign Investment Review Board
General Meeting	The general meeting of Shareholders which Timah has called for Shareholders to consider and, if thought fit, approve each of the Proposed Resolutions, to be held at 10.00am on 17 March 2015 at Suite 2501, Level 25, St Martins Tower, 31 Market Street, Sydney, New South Wales
Independent Expert	Nexia Court Financial Solutions Pty Ltd
Independent Expert's Report	The report contained at Annexure C of this document prepared by the Independent Expert
MHC	MHC Plantations Sdn. Bhd.
Mistral	Mistral Engineering Sdn. Bhd. (Company No. 588127-H)
MOU	Memorandum of Understanding between Timah and Phyo Kaday Min Co. Limited dated on or around 6 June 2013 in relation to a joint venture to explore for tin and tungsten in the Dawei and Myeik Districts in Myanmar

Term	Meaning
Notice of Meeting	The Notice of Meeting for the General Meeting contained at page 5 of this document
Notice of Meeting and Explanatory Statement	This document, which includes the Notice of Meeting and Explanatory Statement
Offer	The issue of the Offer Shares to subscribers who accept Timah's initial public offering in conjunction with its application for ASX Admission
Offer Shares	Up to 5,000,000 Shares at A\$0.20 per Share to be issued to subscribers who accept Timah's initial public offering
Placement	The issue of the Placement Shares to Cash Nexus
Placement Shares	10,000,000 Shares at A\$0.20 per Share to be issued to Cash Nexus or CGB
Properties	The land beneficially held by Mistral, being land for the cultivation of palm oil in the District of Sandakan, Locality of Sungai Segaliud, State of Sabah, Malaysia (Country Lease 075561910)
Proposed Resolutions	Resolutions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16 and 17, as set out in the Notice of Meeting
Proposed Transactions	The Acquisition, the Consolidation, the issue of the Placement Shares and the issue of the Offer Shares
Prospectus	The prospectus to be issued in respect of the Placement Shares and the Offer Shares
Proxy Form	The proxy form which accompanies this Notice of Meeting and Explanatory Statement
PYSB	Prolific Yield Sdn. Bhd.
REPPA	Renewable Energy Power Purchase Agreement between Mistral and PYSB dated 22 August 2009, as amended by supplemental agreements dated 25 October 2012 and 1 January 2014
Required Majority	In respect of Resolutions 1, 2, 3, 5, 7, 8, 9, 10, 11, 12, 13, 15, 16 and 17, means approval by greater than 50% of eligible votes cast on it, and in respect of Resolutions 4, 6 and 14, means approval by at least 75% of eligible votes cast on it
Resolution 1	The proposed resolution of Shareholders to approve the application for ASX Listing being made in respect of Timah

Term	Meaning
Resolution 2	The proposed resolution of Shareholders to approve the purchase by Timah of all of the issued shares of Mistral from Cash Nexus in consideration for the issue of the Consideration Shares to Cash Nexus, in accordance with the terms and conditions of the Share Sale Agreement
Resolution 3	The proposed resolution of Shareholders to approve the significant change to the nature and scale of Timah's activities as a result of the acquisition of Mistral by Timah
Resolution 4	The proposed resolution of Shareholders to approve Timah issuing the Consideration Shares to Cash Nexus in accordance with the terms of the Share Sale Agreement
Resolution 5	The proposed resolution of Shareholders to approve undertaking the Consolidation
Resolution 6	The proposed resolution of Shareholders to approve Timah issuing the Placement Shares to Cash Nexus or CGB
Resolution 7	The proposed resolution of Shareholders to approve Timah issuing the Offer Shares to subscribers who accept Timah's initial public offering in conjunction with its application for ASX Admission
Resolution 8	The proposed resolution of Shareholders to approve the appointment of Dato' Seri Mah King Thian as a director of Timah, on and from ASX Admission
Resolution 9	The proposed resolution of Shareholders to approve the appointment of Dato' Seri Mah King Seng as a director of Timah, on and from ASX Admission
Resolution 10	The proposed resolution of Shareholders to approve the appointment of Lee Chong Hoe as a director of Timah, on and from ASX Admission
Resolution 11	The proposed resolution of Shareholders to approve the appointment of Michelle Siew Yee Lee as a director of Timah, on and from ASX Admission
Resolution 12	The proposed resolution of Shareholders to approve the appointment of Soong Swee Koon as a director of Timah, on and from ASX Admission
Resolution 13	The proposed resolution of Shareholders to approve the Renewable Energy Power Purchase Agreement

Term	Meaning
Resolution 14	The proposed resolution of Shareholders to approve Timah delisting from NSX
Resolution 15	The proposed resolution of Shareholders to approve the acquisition of 9,500,000 Shares by Cash Nexus under the Call Option
Resolution 16	The appointment of Jack Tan as a director of Timah effective from ASX Admission
Resolution 17	The re-election of Ting Teck Kai as a director of Timah effective from 26 November 2014
RM	Ringgit Malaysia
SEDA	Sustainable Energy Development Authority Malaysia
Share	A fully paid ordinary share in the capital of Timah
Share Registry	Boardroom Pty Limited
Share Sale Agreement	The share sale agreement between Timah and Cash Nexus dated 10 October 2014 as amended by Supplemental Deed dated 13 November 2014 and Deed of Variation dated 22 December 2014
Shareholder	A holder of Shares from time to time
Voting Exclusion Statements	Means the voting exclusion statements contained in the Notice of Meeting

ANNEXURE B – SUMMARY OF THE KEY TERMS OF THE SHARE SALE AGREEMENT

1. PARTIES AND DATE

Cash Nexus (as **Vendor**) and Timah (as **Purchaser**) are parties to the Share Sale Agreement dated 10 October 2014, as amended by the Supplemental Share Sale Deed between the Vendor and Purchaser dated 13 November 2014 (**Agreement**).

2. SALE AND PURCHASE

- 2.1 Under the Agreement, the Purchaser will purchase all of the issued shares in Mistral from the Vendor. The consideration payable by the Purchaser is the issue of 85,500,000 Shares at A\$0.10 per Share (**Consideration Shares**), valued at A\$8,550,000.
- 2.2 The Consideration Shares will rank equally with the existing issued shares of the Purchaser and will constitute (before the issue of the Placement Shares and the Offer Shares) at least 51.58% of the total issued and paid-up capital of the Purchaser on completion under the Agreement (**Completion**).

3. CONDITIONS PRECEDENT

- 3.1 The conditions precedent to completion under the Agreement (**Conditions Precedent**) to be satisfied by the Purchaser are as follows:
- (a) satisfactory results from its legal, commercial and financial due diligence on Mistral;
 - (b) termination of all other previous corporate proposals and confirming with Vendor that the Purchaser does not have any outstanding obligations or liabilities;
 - (c) obtaining shareholders' approval for each of the Proposed Resolutions (which are in each case also subject to ASX Approval);
 - (d) resignation of directors and company secretary of the Purchaser, effective on admission of the Purchaser's Shares to the official list of the ASX, without any claim of compensation and payment; and
 - (e) obtaining all approvals or waivers from governmental authorities or regulatory bodies relating to this transaction.
- 3.2 The Conditions Precedent to be satisfied by the Vendor are as follows:
- (a) satisfactory results from its legal, commercial and financial due diligence on the Purchaser;
 - (b) becoming registered as the legal and beneficial owner of 100% of the issued share capital of Mistral;
 - (c) procuring that Mistral becomes the registered, legal and beneficial owner of freehold and leasehold properties owned by Mistral;
 - (d) receiving of all approvals required for the Acquisition and Placement under the laws of Malaysia, including the approval of the shareholders of CGB at a general meeting, CGB's directors, the shareholders of Cash Nexus and Cash Nexus' directors;
 - (e) procuring that Mistral obtain any consents or approvals under the material contracts; and
 - (f) providing signed consents to act as directors or company secretary (as applicable) of the Purchaser.

- 3.3 The Condition Precedent to be satisfied by both parties is the subscription for the Placement Shares (being 10 million Shares at A\$0.20 per share).
- 3.4 The Vendor and Purchaser must confirm with one another whether or not it is satisfied with the results of its due diligence within 60 days of the date of the Agreement (ie by 9 December 2014). If no confirmation is received, then the Vendor or the Purchaser (as the case may be) will be deemed not to be satisfied with the results of its due diligence and the due diligence condition precedent (as the case may be) would be deemed not to have been satisfied.
- 3.5 Once the Conditions Precedent described above have been satisfied or waived, the Purchaser must promptly apply to ASX for ASX Admission. The final Condition Precedent is ASX resolving to admit the Purchaser to, and to admit its Shares for quotation on, the official list of ASX (subject to the Acquisition, Consolidation and Placement occurring and other conditions usual to ASX admission being fulfilled) (**ASX Approval**). Completion of the transactions under the Agreement will occur 10 business days after the date that ASX Approval is granted.

4. CONDUCT OF THE BUSINESS PENDING COMPLETION

4.1 Vendor covenants

Unless the Purchaser provides its prior written consent, the Vendor undertakes to ensure that, between the date of the Agreement and Completion, Mistral must carry on business in the normal course and will not do anything that is not in its ordinary course of business. The Vendor also needs to ensure, amongst other things, that there are no changes to Mistral's board composition and its company policies and procedures prior to Completion.

4.2 Purchaser covenants

Unless the Vendor provides its prior written consent, the Purchaser undertakes to ensure that, between the date of the Agreement and Completion, it will carry on business in the normal course and will not do anything that is not in its ordinary course of business.

4.3 Due diligence committee

The parties will establish a Due Diligence Committee, comprising 2 representatives from each of the Vendor and the Purchaser, in addition to their respective advisers. The Due Diligence Committee will cease to function upon Completion.

5. REPRESENTATIONS AND WARRANTIES

The Agreement contains representations and warranties which the Directors consider are customary for a deal of this nature.

6. PROFIT GUARANTEE

The Vendor makes a guarantee to the Purchaser that the audited profit before tax of Mistral for financial year ending 31 December 2015 will not be less than A\$900,000.00 (**Guaranteed PBT**) (and "profit" is defined as incomes, profits and gains, the value of any supply and any other consideration, value or receipt used or charged for taxation purposes). In the event that the actual audited profit before tax of Mistral for financial year ending 31 December 2015 falls below the Guaranteed PBT (**Shortfall**), the Vendor will pay the Purchaser the amount of the Shortfall.

7. LIMITATION OF LIABILITY

Limitations on each of Vendor's and Purchaser's Liability are capped at A\$4,275,000 (50% of consideration). The minimum claims threshold is set at A\$90,000. Any notice of claims must be made within 12 months after Completion.

8. TERMINATION

8.1 The Agreement can be terminated by either party giving written notice to the other party, where the other party commits a breach in the following circumstances:

- (a) any continuing breach of any of its obligations under the Agreement;
- (b) failure, neglect or refusal to perform or comply with any of its undertakings, obligations and covenants;
- (c) any events of insolvency;
- (d) failure to obtain relevant regulatory and legal approvals as required under the Agreement; or
- (e) any of the conditions precedent not satisfied or waived by the cut-off date, being 6 months from the date of the Agreement.

8.2 The Purchaser can also terminate if the Vendor or Mistral cease or threaten to cease to carry on whole or any substantial part of its business.

8.3 Where either party terminates the Agreement by providing the notice of termination, all documents and information delivered by either party to the other party must be returned to the relevant party. Neither party will have any further obligations under the Agreement, except in respect of their confidentiality obligations under the Agreement.

ANNEXURE C – INDEPENDENT EXPERT’S REPORT

Timah Resources Ltd

Proposed Acquisition of Mistral Engineering Sdn. Bhd.

Independent Expert's Report
and Financial Services Guide

9 February 2015



FINANCIAL SERVICES GUIDE

Dated: 9 February 2015

What is a Financial Services Guide ("FSG")?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by Nexia Court Financial Solutions Pty Ltd ABN 88 077 764 222, Australian Financial Services Licence Number 247300 ("NCFS").

This FSG includes information about:

- NCFS and how we can be contacted
- the services NCFS is authorised to provide
- how NCFS are paid
- any relevant associations or relationships of NCFS
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that NCFS has in place.

Where you have engaged NCFS we act on your behalf when providing financial services. Where you have not engaged NCFS, NCFS acts on behalf of our client when providing these financial services and are required to provide you with a FSG because you receive a report or other financial services from NCFS.

Financial Services that NCFS is authorised to provide

NCFS holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for securities and interests in managed investment schemes, including investor directed portfolio services, to retail clients.

We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products.

NCFS's responsibility to you

NCFS has been engaged by the independent directors of Timah Resources Ltd ("Timah" or the "Client") to provide general financial product advice in the form of an independent expert's report ("Report") to be included in the notice of meeting and explanatory memorandum sent to Timah's shareholders dated on or about 17 February 2015 ("Document").

You have not engaged NCFS directly but have received a copy of the Report because you have been provided with a copy of the Document. NCFS or the employees of NCFS are not acting for any person other than the Client.

NCFS is responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As NCFS has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Document before making any decision in relation to the Scheme.

Fees NCFS may receive

NCFS charges fees for preparing Reports. These fees will usually be agreed with, and paid by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay NCFS \$15,000 (excluding GST and out of pocket expenses) for preparing the Report. NCFS and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of this Report.

Referrals

NCFS does not pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and Relationships

Through a variety of corporate and trust structures NCFS is controlled by and operates as part of the Nexia Court & Co Partnership. NCFS's directors and authorised representative may be partners in the Nexia Court & Co Partnership. Mr Brent Goldman, authorised representative of NCFS and partner in the Nexia Court & Co Partnership, has prepared this Report. The financial product advice in the Report is provided by NCFS and not by the Nexia Court & Co Partnership.

From time to time NCFS, the Nexia Court & Co Partnership and related entities (Nexia entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

Over the past two years no professional fees have been received from the Client.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the Proposed Transaction.

Complaints Resolution

If you have a complaint, please let NCFS know. Formal complaints should be sent in writing to:

Nexia Court Financial Solutions Pty Ltd
Head of Compliance
PO Box H195
Australia Square NSW 1215

If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer, Craig Wilford, on +61 2 9251 4600 and he will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing,

External Complaints Resolution Process

If NCFS cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:

Financial Ombudsman Service Limited
GPO Box 3, Melbourne Victoria 3001
Telephone: 1300 56 55 62
Facsimile (03) 9613 6399
Email: info@fos.org.au

The Australian Securities and Investments Commission also has a free call infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation Arrangements

NCFS has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact NCFS at:

Nexia Financial Solutions Pty Ltd
PO Box H195
Australia Square NSW 1215

9 February 2015

The Directors
Timah Resourced Ltd
Level 25, St Martins Tower
31 Market Street
Sydney NSW 2000

Dear Sirs,

Independent Expert's Report on proposed acquisition of Mistral Engineering Sdn. Bhd.

1. OUTLINE OF THE TRANSACTION

On 10 October 2014 Timah Resources Ltd ("Timah") announced it will acquire 100% of the share capital of Mistral Engineering Sdn. Bhd. ("Mistral") from Cash Nexus (M) Sdn. Bhd. ("Cash Nexus").

The consideration for the Proposed Transaction is the issue of 85,500,000 ordinary shares at a nominal value of \$0.10 per share. In conjunction with the Proposed Transaction Timah will undertake a two for one consolidation of its issued capital so that the shares have a nominal value of approximately \$0.20 each. This consolidation is in order to prepare Timah for admission to the ASX.

Cash Nexus has guaranteed that the audited profit before tax of Mistral will be \$900,000 for the year ended 31 December 2015.

The Proposed Transaction is conditional upon:

- Timah terminating all previous projects and confirming that there is no outstanding liabilities in relation to these projects;
- the current directors and company secretary resigning;
- Cash Nexus's nominees consenting to act as directors and company secretary;
- Cash Nexus becoming the legal owner of 100% of Mistral;
- Mistral receiving all relevant consents under contracts from third parties in relation to change of control;
- all required shareholder and regulatory approvals being received; and
- Timah applying for and gaining admission to the ASX.

Upon admission to the ASX Cash Nexus will subscribe for 10,000,000 ordinary shares at \$0.20 a share (20,000,000 at \$0.10 pre-consolidation) raising \$2,000,000.

Together the above is referred to as the "Proposed Transaction".

In conjunction with admission to the ASX, Timah will issue up to 5,000,000 ordinary shares at \$0.20 a share (10,000,000 at \$0.10 pre-consolidation) raising \$1,000,000.

The issue of shares to acquire Mistral and Cash Nexus's subscription for shares on admission to the ASX will result in Cash Nexus receiving a total of 105,500,000 ordinary shares pre-consolidation (52,750,000 post consolidation) representing 56.8% of the total share capital of Timah, 53.0% of the offer on admission to the ASX is fully subscribed.

Nexia Court Financial Solutions Pty Ltd

AFSL 247300
Level 16, 1 Market Street, Sydney NSW 2000
PO Box H195, Australia Square NSW 1215
p +61 2 9251 4600, f +61 2 9251 7138
info@nxiacourt.com.au, www.nexia.com.au

Independent member of Nexia International



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Cash Nexus currently holds 9,500,000 call options for 9,500,000 ordinary shares (4,750,000 post consolidation). These options are to acquire shares from Timah Pasir Sdn. Bhd. who is currently Timah's largest shareholder. The options have an expiry date of 10 October 2015. If Cash Nexus exercises these options it will hold a total of 115,000,000 ordinary shares (57,500,000 post consolidation) in Timah representing a 61.9% holding, 58.8% if the offer on admission to the ASX is fully subscribed.

2. PURPOSE OF REPORT

The purpose of this Report is to advise the shareholders of Timah on the fairness and reasonableness of the Proposed Transaction.

Under s606 of the Corporations Act, a transaction that would result in an entity and its associates increasing their voting power in an entity from:

- 20% or below to greater than 20%; or
- a position above 20% and below 90%

is prohibited without making a takeover offer to all shareholders unless an exemption applies.

Item 7 of s611 of the Corporations Act provides an exemption from the above if the transaction is approved by shareholders in a general meeting.

If the Proposed Transaction occurs, Cash Nexus will have an interest of 56.8% increasing to 61.9% (53.9% to 58.8% if the offer on admission to the ASX is fully subscribed) if Cash Nexus exercises options to acquire shares from Timah Pasir Sdn. Bhd.

As Cash Nexus's voting power increases to a position above 20% to a position but less than 90% the transaction requires shareholder approval.

The Australian Securities and Investments Commission ("ASIC") has issued Regulatory Guide 74: Acquisitions approved by members ("RG 74") that sets out the material disclosure requirements to shareholders when seeking their approval under item 7 of s611 of the Corporations Act. As part of the disclosure requirements, ASIC requires a detailed analysis of the transaction that complies with Regulatory Guide 111: Content of experts Report ("RG111"). This can either be undertaken by the directors if they believe they have sufficient skill and expertise or an independent expert.

For the purposes of the Proposed Transaction, the Directors have appointed Nexia Court Financial Solutions Pty Ltd as independent expert.

3. SUMMARY AND OPINION

This section is a summary of our opinion and cannot substitute for a complete reading of this Report. Our opinion is based solely on information available as at the date of this Report.

The principal factors that we have considered in forming our opinion are summarised below.

3.1 Assessment of Fairness

In respect to the Proposed Transaction, we consider the Proposed Transaction to be fair if the fair value of a minority interest in the Combined Entity is higher than the fair value of a controlling interest in Timah prior to the Proposed Transaction. To determine whether the transaction is fair we therefore need to determine the fair value of Timah, and the Combined Entity inclusive of Mistral and immediately after the implementation of the Proposed Transaction.

In determining the fair value of Timah, we have applied the net asset valuation methodology. This methodology has been applied as the Timah's assets mainly consist of cash. As Timah's shares are illiquid we do not consider the quoted share price to be an accurate reflection of Timah's fair value.

Mistral currently has a limited operating history, has not generated profits. The fair value reflects the future cash flows that are expected to be generated from the sale of electricity. Therefore, we determined that the most appropriate methodologies to assess the fair value of Mistral are a discounted cash flow or capitalisation of forecast earnings approach. Both of these methodologies require the use of forecast or prospective financial information. To apply these methodologies we have considered the requirements of the RG 170, which requires that there are reasonable grounds for the prospective financial information.

Mistral is still in the early stages of operations and has not consistently generated electricity. Although, there are expected generation capacities within the equipment installed, until operations are consistently implemented to show a track record of generating electricity we do not consider there to be reasonable grounds to forecast electricity production. Although Mistral has in place an offtake agreement for the sale of electricity produced, if no electricity is produced then Mistral is unable to generate revenue. Therefore electricity production is a material assumption to the forecast financial information.

We further note that Cash Nexus has guaranteed the profit of Mistral for the 31 December 2015 financial year at \$900,000. The guarantee reflects financial support from Cash Nexus for one year only and does not necessarily indicate that the operations of Mistral will generate this profit in the year ended 31 December 2015 and subsequent financial years. Therefore the use of this guarantee as a basis to determining a fair value for Mistral in accordance with appropriate valuation principals would be misleading.

We further note that Mistral had \$2.4m in net assets at 30 September 2014. The use of a net asset valuation is generally only appropriate where the holding of the assets reflects the underlying value of the business. For example for investment holding companies that hold underlying property or other marketable securities. However, when a business is loss-making, as in the case of Mistral, and in the absence of alternative methodologies, a net asset valuation may be appropriate. We note that the net asset position of Mistral effectively reflects the replacement cost for another party to bring the development of a similar biogas plant to the same stage of development. In the absence of being able to apply other methodologies we have therefore considered the net assets approach as a valuation methodology for Mistral.

The fair value per share pre-consolidation is summarised below:

	Low	Mid	High
Timah on a control basis (section 9)	\$0.0000	\$0.0003	\$0.0005
Combined Entity on a minority basis (section 10)	\$0.0191	\$0.0220	\$0.0247

A Timah shareholder's interest in the Combined Entity immediately following the Proposed Transaction is greater than a controlling interest in Timah prior to the Proposed Transaction. Therefore, **we have concluded that the Proposed Transaction is fair to the Timah Shareholders.**

3.2 Assessment of Reasonableness

In accordance with RG 111, a transaction is reasonable if:

- the transaction is fair; or
- despite not being fair, but considering other significant factors, shareholders should obtain an overall benefit if the transaction proceeds.

In forming our opinion we have considered the following relevant factors (see section 0).

Advantages	Disadvantages
<ul style="list-style-type: none"> Following the Proposed Transaction Timah shareholders will have an interest in an operating business Admission to the ASX and additional funding at the time of admission should provide greater liquidity for Timah's shares The ultimate parent of Mistral is Cepatawawan Group Berhad who has significant additional resources available to support Timah 	<ul style="list-style-type: none"> On completion of the Proposed Transaction Cash Nexus will hold 58.8% to 61.9% and will appoint the directors of Timah giving it significant control Cash Nexus significant holding may negatively impact liquidity and prevent current shareholders from receiving a premium for control Mistral has recently commenced operations at full capacity and therefore unforeseen events may result in additional funding requirements The Proposed Transaction may result in existing tax losses no longer being available to offset future profits

The Directors have advised us that there are currently no other alternative to the Proposed Transaction with the memorandum of understanding to create a joint venture with Pho Kaday Min Co Ltd to explore Tin/Tungsten deposit ended by mutual agreement.

If the Proposed Transaction is not approved, the Directors will continue to look for alternative investments and the Company will be dependent on the Directors continued financial support and other capital raisings.

As we have concluded that the Proposed Transaction is fair, and taking into consideration the matters above, **we have concluded that the Proposed Transaction is reasonable.**

3.3 Opinion

Accordingly, in our opinion, the Proposed Transaction is fair and reasonable to the Timah shareholders.

The ultimate decision on whether to approve the Proposed Transaction should be based on shareholders' own assessment of their circumstances. We strongly recommend that shareholders consult their own professional advisers, carefully read all relevant documentation provided, including the notice of meeting and explanatory memorandum, and consider their own specific circumstances before voting in favour of or against the Proposed Transaction.

Yours faithfully
Nexia Court Financial Solutions Pty Ltd (AFSL 247300)



Brent Goldman
 Authorised Representative

STRUCTURE OF REPORT

Our Report is set out under the following headings:

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4. BASIS OF EVALUATION

RG 74 and RG 111 provide guidance as to matters that should be considered in determining whether a transaction is fair and reasonable in a range of circumstances.

RG 74 and RG 111 state that in deciding an appropriate form of analysis, the expert needs to consider that the main purpose of the Report is to deal with the concerns that could reasonably be anticipated by those persons affected by the transaction. An expert should focus on the purpose and outcome of the transaction; that is the substance of the transaction, rather than the legal mechanism used to effect the transaction.

RG 111 requires analysis of a transaction under two distinct criteria being:

- is the offer 'fair'?; and
- is it reasonable?

That is the opinion of fair and reasonable is not considered as a compound phrase.

In determining what is fair and reasonable for a control transaction, RG 111 states that:

- an offer is fair if the value of the offer price or consideration is equal to or greater than the value of the securities the subject of the offer, assuming a 100% interest of the target and irrespective of whether consideration is cash or scrip; and
- an offer is reasonable if it is fair, or if the offer is not fair, the expert believes that there are sufficient reasons for security holders to accept the offer in the absence of a higher bid before the close of an offer.

In determining whether the transaction is fair, the fair value is assumed to be based on a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length.

In respect to the Proposed Transaction, we consider the Proposed Transaction to be fair if the fair value of a minority interest in the Combined Entity is higher than the fair value of a controlling interest in Timah prior to the Proposed Transaction. To determine whether the transaction is fair we therefore need to determine the fair value of Timah, and the Combined Entity inclusive of Mistral and immediately after the implementation of the Proposed Transaction.

In our assessment of the reasonableness of the Proposed Transaction, our consideration has included the following matters:

- Cash Nexus's pre-existing voting power in securities in Timah;
- other significant security holding blocks in Timah;
- the liquidity of the market in Timah's securities;
- taxation losses, cash flow or other benefits through 100% ownership;
- any special value to Cash Nexus, such as technology, the potential to write-off outstanding loans from Timah, etc;
- the likely market price if the Proposed Transaction does not proceed;
- the value to an alternate bidder and the likelihood of an alternative bid being made; and
- other significant matters set out in section 12.

4.1 Individual shareholders' circumstances

The ultimate decision whether to approve the Proposed Transaction should be based on each shareholder's assessment of the Proposed Transaction, including their own risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt about the Proposed Transaction or matters dealt with in this Report, shareholders should seek independent professional advice.

4.2 Limitations on reliance on information

The documents and information relied on for the purposes of this Report are set out in Appendix B. We have considered and relied upon this information and believe that the information provided is reliable, complete and not misleading and we have no reason to believe that documents and material facts have been withheld. The information provided was evaluated through analysis, enquiry and review for the purpose of forming an opinion as to whether the Proposed Transaction is fair and reasonable to the shareholders. However, we do not warrant that our enquiries have identified or verified all of the matters which an audit or extensive examination might disclose.

We understand the accounting and other financial information that was provided to us has been prepared in accordance with generally accepted accounting principles.

An important part of the information used in forming an opinion of the kind expressed in this Report is the opinions and judgement of Directors and management. This type of information has also been evaluated through analysis, enquiry and review to the extent practical. However, it must be recognised that such information is not always capable of external verification or validation.

NCFS are not the auditors of Timah. We have analysed and reviewed information provided by the Directors and management of Timah and made further enquiries where appropriate. Preparation of this Report does not imply that we have in any way audited the accounts or records of Timah or Mistral or otherwise undertaken due diligence on Mistral, which we understand Timah's directors have performed.

In forming our opinion we have assumed:

- matters such as title, compliance with laws and regulations and contracts in place are in good standing and will remain so and that there are no material legal proceedings, other than as publicly disclosed;
- the information set out in the Explanatory Memorandum to be sent to shareholders is complete, accurate and fairly represented in all material respects; and
- the publicly available information relied upon by NCFS in its analysis was accurate and not misleading.

This Report has been prepared after taking into consideration the current economic and market climate. We take no responsibility for events occurring after the date of this Report which may impact upon this Report or which may impact upon the assumptions referred to in the Report.

5. OVERVIEW OF TIMAH RESOURCES LIMITED

5.1 Corporate History

Timah was incorporated on 16 February 2007 under the name Vietnam Emerging Capital Limited and was admitted to the NSX on 11 March 2008. On 7 January 2011 the Company changed its name to Timah Resources Limited.

Timah's head office is in Sydney NSW and it has issued 80,252,626 ordinary shares for a total of \$2,419,950.

5.2 Business Activities

The Company was originally focused on the Vietnamese economy with its intention to invest in listed companies and property. The Company changed its direction in January 2011 to focus on the mining and resources sector. Since that time it has held a number of exploration assets.

In 2011, Timah purchased the rights to exploration license E04/1589 located on Bathurst Island in Western Australia. This tenement covered an area of approximately 65km² and had a prospective iron ore reserve.

Expenditure on E04/1589 was limited during the period Timah held it. In December 2012 the decision was made to sell this tenement as Timah did not have access to the substantial funds required to carry out further exploration to confirm JORC resources. In May 2013 the tenement was sold to Regal Mining.

In March 2011 Timah entered into an agreement whereby it had the option to acquire two tenements located south-east of Perth, Western Australia. These tenements displayed high grade prospective iron ore which were identified through a ground magnetic survey. The acquisition of these tenements was conditional on several factors including Timah gaining admission to the ASX by August 2011. By September 2012 the option to acquire these tenements had expired as Timah could not raise the capital required to conduct an adequate exploration program.

In November 2012 Timah entered into an agreement with Just Minerals Pte Ltd to acquire 100% of the issued shares in PT Makmur Sindo Perskasa. Marmur Sindo's subsidiary PT SA Petroleum has a joint venture agreement to extract petroleum from an oil field located at the District of Bojonegoro, East Java, Indonesia. After a period of due diligence the company decided not to proceed with the proposed acquisition.

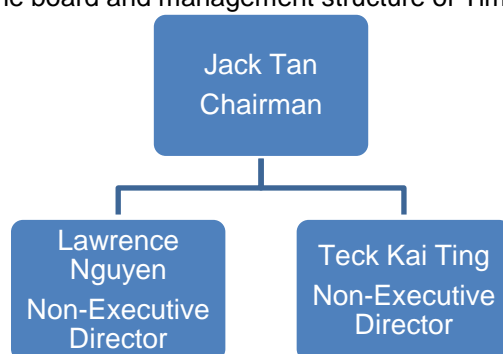
On 6 June 2013 Timah announced it had entered into a Joint Venture in Myanmar to explore Tin/Tungsten deposits in the Dawei and Myeik Districts. It entered the Joint venture with local company Pho Kaday Min Co. Ltd whereby they would incorporate the joint venture company in Myanmar and Timah would hold 51% of the equity.

On 7 October 2014 Timah announced that there was a mutual agreement between Timah and Pho Kaday Min Co. Ltd to not proceed with the joint venture.

Prior to the Proposed Transaction Timah has been searching for suitable investment opportunities to create shareholder value. The Company has considered tin and iron ore opportunities in Malaysia; however to date no projects have been considered appropriate to pursue.

5.3 Directors and Key Management

Following is a diagram of the board and management structure of Timah:



During the past three years there were the following changes in the board of directors:

- 30 July 2012 Michale Mo resigned as a Non-Executive Director
- 1 August 2012 Henry Khoo was appointed as a Non-Executive Director
- 1 April 2014 Henry Khoo resigned as a Non-Executive Director

- 1 April 2014 Andrew Wallis (company secretary) was appointed as a Non-Executive Director on an interim basis.
- 14 August 2014 Andrew Wallis resigned as a Non-Executive Director
- 14 August 2014 Teck Kai Ting was appointed as a Non-Executive Director

As part of the proposed transaction the current directors will resign and three new directors, nominated by Cash Nexus, will be appointed to Timah's board on the date Timah is granted admission to the ASX.

5.4 Financial Information

Timah's auditor's reports for the years ending 30 June 2012, 2013 and 2014 were unqualified, however each year they contain an emphasis of matter drawing attention to the significant doubt about the company's ability to continue as a going concern. As noted in the 30 June 2014 financial statements, the ability to continue as a going concern is dependent on planned capital raising and ongoing financial support from the Directors.

5.4.1 Financial Performance

Set out below are the audited consolidated profit and loss accounts of Timah for the years ended 30 June 2012, 2013 and 2014:

\$		FY2012 Audited	FY2013 Audited	FY2014 Audited
Interest income		149	6,423	4,732
Other income – Proceeds from sale of exploration asset	1	-	836,200	-
Total Income		149	842,623	4,732
Accounting, audit & taxation		(27,853)	(58,924)	(80,646)
Compliance, listing & legal fees		(38,038)	(57,109)	(37,845)
Consultants & secretarial fees		(51,429)	(19,646)	(95,293)
Depreciation		(1,206)	(241)	(455)
Director fees	2	(90,000)	(216,000)	(162,000)
Employee benefit expenses		(11,010)	(7,588)	(6,839)
Exploration expenses		(25,369)	(27,096)	(125)
Office rental expenses		(6,028)	(14,000)	(43,727)
Overseas travel & accommodation		(8,304)	(57,606)	(57,711)
Other expenses		(13,642)	(53,758)	(45,532)
Profit / (loss) before income tax		(272,730)	330,655	(525,411)
Tax expense		-	-	-
Profit / (loss) for the year from continuing operations		(272,730)	330,656	(525,411)
Loss for the year from discontinued operation (net of tax)		-	(22,172)	-
Net profit / (loss) for the year		(272,730)	308,483	(525,411)

Source: Timah 30 June 2012, 2013 and 2014 audited financial statements

1. The sale of exploration licence E04/1589 was completed in May 2013. This sale comprises the gain on sale in FY2013.
2. Director's fees consist primarily of salary and wages to executive and non-executive directors. These fees are not results based and are agreed by the board each year.

5.4.2 Financial Position

Set out below is the audited consolidated balance sheet of Timah as at 30 June 2012, 2013 and 2014.

\$		FY2012 Audited	FY2013 Audited	FY2014 Audited
Current assets				
Cash and cash equivalents	1	103,313	505,289	197,555
Other receivables	2	1,865	234,830	29,726
Other assets		3,636	-	-
		108,814	740,119	227,281
Non-current assets				
Plant & equipment			1,771	693
Intangible assets – Exploration and evaluation expenditure	3	63,800	-	-
		63,800	1,771	693
Total assets		172,614	741,890	227,974
Current liabilities				
Trade and other payables	4	(179,182)	(259,975)	(271,500)
Borrowings	5	(280,000)	(100,000)	(100,000)
		(459,182)	(359,975)	(371,500)
Total liabilities		(459,182)	(359,975)	(371,500)
Net assets		(286,568)	381,915	(143,526)
Equity				
Issued capital		2,059,950	2,419,950	2,419,950
Accumulated losses		(2,346,518)	(2,038,035)	(2,563,476)
Total equity		(286,568)	381,915	(143,526)

Source: Timah 30 June 2012, 2013 and 2014 audited financial statements

1. Cash at the end of each period is held in bank accounts with interest rates ranging from 0.01% to 4.5%. As at 31 October 2014 the Timah's cash balance was \$27,671.
2. In FY2013 other receivables consisted of \$200,000 owing from a related entity.
3. This represents the expenditure on exploration license E04/1589
4. Trade and other payables represent Timah's GST liabilities and accrued director fees. As at 31 October 2014 the accrued directors' fees were written off and the net balance of trade and other payables was represented by a \$10,176 GST asset.
5. Borrowings are loans from previous directors. As at 31 October 2014 all loans were written off.
6. Timah has \$211,157 in carried forward tax losses not recognised on the balance sheet to be utilised against future assessable income.

5.5 Capital Structure and Ownership

Timah's issued capital as at 24 November 2014 comprised 80,252,626 fully paid ordinary shares. The top 20 shareholders, as at 24 November 2014, hold 86.21% of the issued capital of Timah and are set out below:

Shareholder	Shareholding	% Total
Timah Pasir SDN BHD	20,000,000	24.92%
Mr Ahmad Ziyad Bin Elias	9,775,000	12.18%
Mrs Siau Ben Tan	8,000,000	9.97%
Lighthouse Capital SND BHD	5,200,000	6.48%
Time Elemental SDN BHD	4,000,000	4.98%
Mr Albert Khoo	3,061,500	3.81%
Mrs Kim Sim Ong	3,024,166	3.77%
Double M Trading Pty Ltd	2,280,000	2.84%
Opinvest Pty Ltd	2,000,000	2.49%
Mr Kamaroll Zaman Bin	1,800,000	2.24%
Lawrence Nguyen Nominees	1,746,742	2.18%
Unilease Capital SDN BHD	1,300,000	1.62%
Hai Minh Nguyen	1,296,743	1.62%
Khoo Cheng Lye	1,000,000	1.25%
Ms Soon Gaik Khoo	1,000,000	1.25%
Binh Thanh Hai Nguyen	950,001	1.18%
Mr Jack Tian Hock Tan	946,743	1.18%
M F Custodians Ltd	650,000	0.81%
Ms Heather Mansfield	611,000	0.76%
Ms Dorothy Poh Thim Sim	545,400	0.68%
Top twenty shareholders	69,187,295	86.21%
Other	11,065,331	13.79%
Total shareholders	80,252,626	100%

Source: Share registry at 24 November 2014

The table below summarises shareholders by size of shareholding at 24 November 2014:

Range	No. of holders	Shares	% of Total
1 – 1,000	-	-	-
1,001 – 5,000	4	15,772	0.02%
5,001 – 10,000	64	565,040	0.70%
10,001 – 100,000	149	4,303,576	5.36%
100,001 and over	48	75,368,238	93.91%
Total	265	80,252,626	100%

Source: Share registry at 24 November 2014

5.6 Share Price and Volume Trading Analysis

Timah's shares are illiquid. Since admission to the NSX Timah's shares have only been traded on four occasions with the volume of shares traded representing approximately half a percent of Timah's shareholding.

6. OVERVIEW OF MISTRAL ENGINEERING SDN. BHD.

6.1 Corporate History

Mistral Engineering Sdn. Bhd. is a private limited liability company incorporated in Malaysia on 31 July 2002. Mistral is based in Sabah, Malaysia.

Mistral is 100% owned by Cash Nexus who is a wholly owned subsidiary of Cepatwawasan Group Berhad, a publically listed company on the Bursa Malaysia Securities Berhad. Cash Nexus and Cepatwawasan Group Berhad, the ultimate and immediate holding companies respectively, were both incorporated in Malaysia.

As at 12 September 2014, the authorised share capital of Mistral is RM10,000,000 comprising of 10,000,000 shares. Of this, 9,250,000 shares have been fully issued and paid.

6.2 Business Activities

Mistral built and now owns, operates and maintains a renewable energy biogas power plant, of approximately 3 Mega Watts capacity. The power plant is located at a palm oil plantation owned by a subsidiary of Cepatwawasan Group Berhad. The plant is designed to capture biogas through the anaerobic digestion of the palm oil mill effluent ("POME") released from the plantation's open ponding system. As POME has high organic contents, it is used to generate methane gas which is then combusted to release electrical energy. The plant is registered through the Clean Development Mechanism and therefore through converting biogas to usable energy the company generates revenue from power generation and the sale of Certified Emission Reduction ("CERs").

The plant owned by Mistral is located adjacent to a palm oil mill owned by a related company, Prolific Yield Sdn Bhd ("Prolific Yield") a subsidiary of Cepatwawasan Group Berhad. On 22 August 2009, Mistral entered into a 21 year agreement, the Renewable Energy Power Purchase Agreement ("REPPA"), with Prolific Yield. Under the agreement Mistral agreed to sell and deliver the electrical energy that was produced from the plant to Prolific Yield. Pursuant to a Supplemental REPPA entered into on 1 January 2014, the price for the Net Electrical Output is fixed at RM0.40 per KWh.

In January 2010, the construction of the plant commenced and was finalised in May 2013. The plant commenced its commercial operations on 1 August 2013. Mistral is currently in the process of expanding the generating capacity of the plant and a third gas turbine will be installed by the end of December 2014. The installation of the additional gas turbine will increase the electricity generation capacity to 2,850KW/hr.

On 18 August 2010, Mistral entered into an Emissions Reductions Purchase Agreement ("ERPA") with Nordjysk Elhandel A/S ("Nord"), a company incorporated in Denmark. The agreement which extends over a ten year commitment period commences on 1 January 2011.

Pursuant to the supplemental ERPA signed on 31 May 2011, Mistral and Cash Horse Sdn. Bhd., a subsidiary of Cepatwawasan Group Berhad, agreed to supply and Nord agreed to purchase 300,000 Post-Kyoto Excess Contract CERs, after 31 December 2012, at a fixed unit price of €6.50 (\$4.32). It was agreed that the delivery of CERs would be split evenly between Mistral and Cash Horse. In conjunction with this agreement Mistral will disburse €0.5 (\$0.33) to activities in connection with a cultural centre for Orang Asli.

Effective 9 December 2011, it was agreed that Nord will assign its rights and obligations to purchase the CERs to NE Climate A/S, a company incorporated in Denmark.

6.3 Directors and Key Management

Mistral Engineering Sdn. Bhd. Has two directors:

- Dato' Seri Mah King Thian @ Mah King Thiam
- Dato' Seri Mah King Seng

6.4 Financial Information

Mistral's auditor's reports for the years ending 31 December 2011, 2012 and 2013 were unqualified.

6.4.1 Financial Performance

Set out below are the audited consolidated profit and loss accounts of Mistral for the years ended 31 December 2011, 2012 and 2013 and the unaudited year to date management accounts to 30 September 2014:

\$		FY2011 Audited	FY2012 Audited	FY2013 Audited	YTD2014 Unaudited
Revenue	2	-	-	151,970	304,081
Cost of sales		(389)	(9,723)	(294,985)	(249,939)
Gross profit		(389)	(9,723)	(143,014)	54,142
Depreciation		-	-	-	(377,572)
Finance costs	3	-	(1,183)	(129,244)	(237,419)
HQ administration and general charges		(12,047)	(17,406)	(21,519)	(27,896)
Profit / (loss) from ordinary activities before income tax expense		(12,436)	(28,312)	(293,777)	(588,745)
Income tax (expense) / benefit relating to ordinary activities		-	-	69,062	142,960
Net profit / (loss) from ordinary activities after related income tax benefit		(12,436)	(28,312)	(224,715)	(445,785)
Other comprehensive income		-	-	-	-
Total comprehensive income		(12,436)	(28,312)	(224,715)	(817,928)

Source: Mistral's 31 December 2011, 2012 and 2013 audited financial statements and the unaudited management accounts to 30 September 2014

1. Mistral's accounts are prepared in Malaysian Ringgit's but have been converted to Australian dollars at the spot rate on 1 December 2014 of 1 Malaysian Ringgit = 0.347 Australian dollars.
2. Revenue represents the sale of electricity from the REPPA with Prolific Yield
3. Finance costs represent interest charges on bank loans, advances obtained and interest under finance leases

6.4.2 Financial Position

Set out below is the audited balance sheet of Mistral for the years ended 31 December 2011, 2012 and 2013 and the unaudited management accounts as at 30 September 2014:

\$		FY2011 Audited	FY2012 Audited	FY2013 Audited	YTD2014 Unaudited
Current assets					
Cash and cash equivalents		295,460	33,955	27,936	30,211
Inventories		-	182	6,365	17,633
Other receivables	2	211,374	284,145	51,817	56,530
Prepayments and deposits		-	42,222	7,771	10,404
Fixed deposit	3	-	-	-	143,265
		506,833	360,506	93,888	258,044
Non-current assets					
Property, plant and equipment		5,946,623	7,526,786	8,318,314	8,425,608
Deferred tax asset		-	-	69,062	212,022
		5,946,623	7,526,786	8,387,376	8,637,630
Total assets		6,453,456	7,853,337	8,453,329	8,865,463
Current liabilities					
Provisions and accruals		(868)	(1,216)	(1,216)	(1,930)
Amount due to related company – non trade	4	(1,427,524)	(2,025,125)	(2,825,390)	(1,261,448)
Amount due to holding company		(166)	(135,545)	(137,404)	(141,850)
Hire purchases		-	(6,857)	(7,398)	(3,182)
Term loan	5	-	(47,755)	(573,062)	(573,062)
Other creditors		(240,321)	(560,819)	(631,995)	(360,475)
		(1,668,879)	(2,777,318)	(4,176,464)	(2,341,947)
Non-current liabilities					
Term loan	5	(4,816,866)	(5,161,895)	(4,588,833)	(4,159,037)
Hire purchases		-	(8,680)	(1,282)	-
		(4,816,866)	(5,170,574)	(4,590,115)	(4,159,037)
Total liabilities		(6,485,744)	(7,387,073)	(8,134,584)	(6,140,509)
Net assets		(32,288)	466,263	318,744	2,724,954
Equity					
Issued capital	6	86,828	86,828	86,828	3,212,618
Accumulated losses		(119,116)	(147,428)	(372,142)	(817,927)
Total equity		(32,288)	(60,600)	(285,315)	2,394,690

Source: Mistral's 31 December 2011, 2012 and 2013 audited financial statements and the unaudited management accounts to 30 September 2014

1. Mistral's accounts are prepared in Malaysian Ringgit's but have been converted to Australian dollars at the spot rate on 1 December 2014 of 1 Malaysian Ringgit = 0.347 Australian dollars.
2. Other receivables decreased in FY2013 primarily due to the receipt of funds from a related entity.
3. Mistral holds a fixed deposit at Ambank (M) Berhad for RM 412,500. This account receives interest at 3% p.a.
4. Loans payable to related companies bear floating interest rates of 4.8% in FY2013 and YTD2014.
5. The term loan bears an interest rate of 1.5%p.a. and is repayable in ten years.
6. The increase in issued capital in YTD14 was due Cash Nexus converting advances to Mistral to equity.

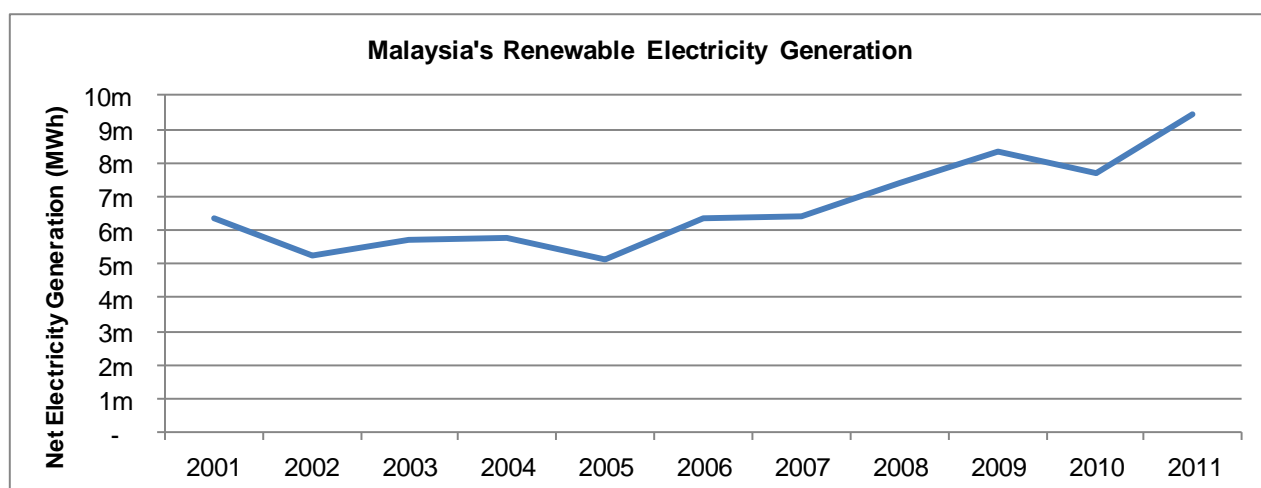
6.5 Capital Structure and Ownership

As at 9 February 2015, Cash Nexus owns 100% of Mistral's issued capital.

7. INDUSTRY ANALYSIS¹²³⁴⁵

7.1 Renewable Energy

Renewable energy is energy that is derived from natural resources including, but not limited to, biogas, wind, hydropower and solar sources. Malaysia's use of renewable energy electricity generation from 2001 to 2011 is shown below.



Source: <http://www.eia.gov>

Malaysia has a target to generate 5.5% of national energy by 2015. To this end Malaysia has introduced a feed-in-tariff ("FiT") to support the investment in renewable energy. The FiT guarantees access to the sell electricity produced at a fixed price to support renewable energy as a long term investment. The FiT is administered and managed by the Sustainable Energy Development Authority ("SEDA"), a statutory body.

To qualify for the FiT the resources producing electricity must be from Malaysia and the term of the agreement is based on the characteristics of the underlying resource and technology. In respect of a biogas resource the term of the FiT is 16 years.

Biogas is a source of renewable energy and refers to gas produced from the biological breakdown of organic matter in anaerobic conditions. The gases produced include methane, hydrogen and carbon monoxide, which can be combusted to release energy and thereby be used as fuel. Biogas technology

¹Sustainable Energy Development Authority Malaysia, *RE Generation*, Malaysia, viewed 4 December 2014 www.seda.gov.my

²M.J. Chin, P.E. Poh, B.T. Tey, E.S. Chan, K.L. Chin, 2013, 'Biogas from palm oil mill effluent (POME): Opportunities and challenges from Malaysia's perspective', *Renewable and Sustainable Energy Reviews*, 26, 717-726

³Sustainable Palm Oil Platform, *Pollution and POME*, viewed 4 December 2014 <http://www.sustainablepalmoil.org/growers-millers/millers/pollution-and-pome/>

⁴Malaysian Palm Oil Board 2011, *National Key Economic Areas: National Biogas Implementation (EPP5)*, viewed 4 December 2014

<http://www.palmoilworld.org/PDFs/NKEA-EPP5-Biogas.pdf>

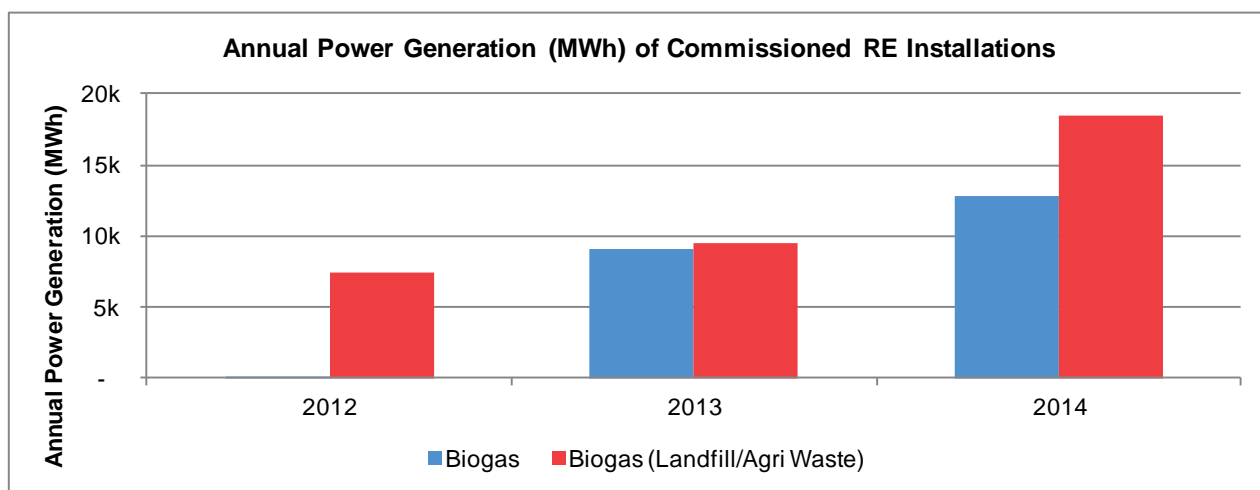
⁵Green Tech Malaysia, *Clean Development Mechanism*, viewed 4 December 2014

<http://cdm.greentechmalaysia.my/what-is-cdm/intro.aspx>

facilitates the conversion of organic waste products into usable energy. Biogas plant is fed with energy crops, in air-tight tanks, and transforms energy that can be used for generation of electricity and heat.

The significance of biogas to Malaysia's energy mix is highlighted through the Malaysian Governments announcement of Entry Point Project 5 – Biogas Capture and CDM Project Implementation for Palm Oil Mills in December 2010 that forms part of Malaysia's National Key Economic Areas. The purpose of this project is to encourage palm oil mills to implement biogas trapping, inform palm oil mill owners of the benefits of biogas and facilitate planning and implementation.

The below graph illustrates the amount of renewable energy generated through biogas under the FiT system. Since the passing of the Renewable Energy and SEDA Acts 2011 in April 2011, there has been a dramatic increase in the annual power generation through renewable energy sources including biogas and biogas from landfill and agri-waste. In 2012, the annual power generated through biogas rapidly increased from 98MWh to 12,864MWh in 2014. Power generated using biogas from landfill and agri-waste has more than doubled from 7,465 MWh in 2012 to 18,465 MWh in 2014.

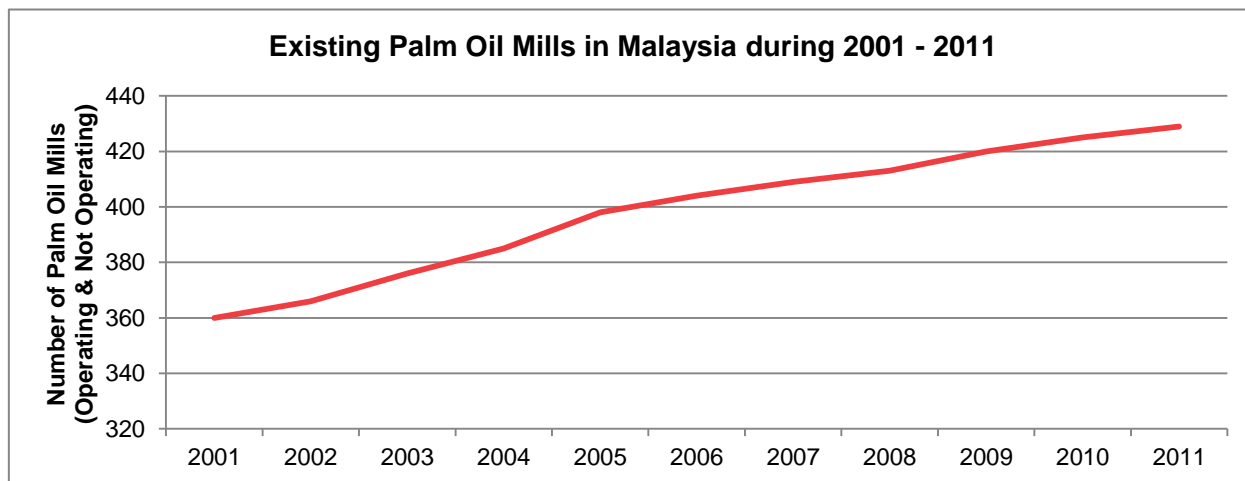


Source: <http://seda.gov.my>

7.2 Use of Palm Oil Mill Effluent for Biogas Production

Malaysia's palm oil mill industry has grown significantly and now accounts for the largest percentage of oil and fats production in the world. This has consequently created environmental concerns due to the generation of palm oil mill effluent ("POME"). POME has high acidity, temperature, biological oxygen demand ("BOD") and chemical oxygen demand ("COD"). When discharged into open ponding systems, POME releases gases such as carbon dioxide and methane, which contribute to global warming and causes other environmental issues.

The below graph illustrates the rising number of palm oil mills in Malaysia from 2001 to 2011. In 2011, 426 mills were in operation, in contrast to the 352 mills in 2001, and 30 mills were currently under planning and construction. The upward rising trend of existing palm oil mills in Malaysia reflects the growth of the palm oil mill industry and emphasises the future concern of POME to the environment.

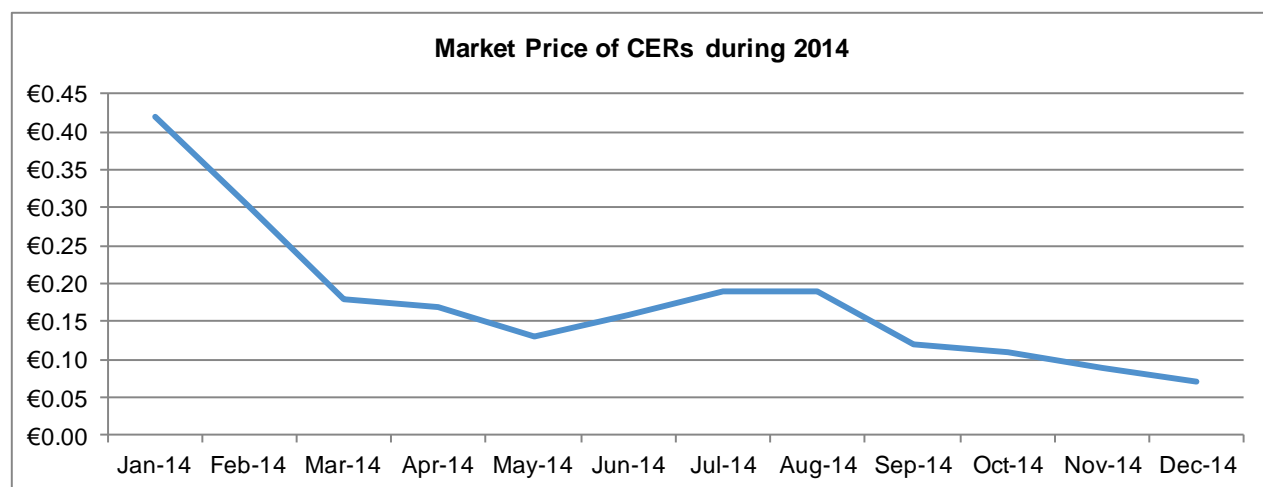


Source: Malaysian Oil Palm Statistics, www.mpob.gov.my

POME has large potential for biogas production because of its high organic content. POME is commonly treated using an open ponding system to comply with Malaysian government regulations. Consequently the biogas released in the process is not effectively captured. The anaerobic digestion of POME can be used in a gas engine for power generation, and for this reason, the Malaysian government encourage the development of renewable energy projects which involve recovering biogas through capturing POME.

7.3 Clean Development Mechanism

Certified Emission Reductions ("CERs") are tradeable units or "carbon credits" issued by the Clean Development Mechanism ("CDM") program designed to reduce emissions under the Kyoto Protocol. The CDM is a market-based mechanism intended to encourage developing countries undertake emission reduction projects and to provide flexibility to developed countries in managing their emission reduction commitments as set out in the Kyoto Protocol. The graph below depicts the market price of CERs during 2014 which currently trades at 0.07 Euro (€).



Source: <https://www.eex.com>

The use of methane gas recovered from anaerobic digestion of POME for power generation allow for an avenue of revenue production through the CDM program. Palm oil millers in Malaysia are able to trade the CERs obtained through their renewable energy project to developed countries. As of November 2014, there were 110 biogas recovery projects and the estimated CERs that can be generated from each project ranged from 3,382 to 380,934 tonnes per year.

8. VALUATION METHODOLOGIES

8.1 Definition of market value

In forming our opinion as to whether or not the Proposed Transaction is fair and reasonable to Timah's shareholders, we need to assess the value of the issued shares of Timah and Mistral on a fair value basis. RG 111 defines fair value as the amount:

"assuming a knowledgeable and willing, but not anxious, buyer and a knowledgeable and willing, but not anxious, seller acting at arm's length..."

8.2 Selection of Methodology

RG 111 provides guidance on the valuation methods that an independent expert should consider. These methods include:

- the discounted cash flow method and the estimated realisable value of any surplus assets;
- the application of earnings multiples (appropriate to the business or industry in which the entity operates) to the estimated future maintainable earnings or cash flows of the entity, added to the estimated realisable value of any surplus assets;
- the amount that would be available for distribution to security holders on an orderly realisation of assets;
- the quoted price for listed securities, when there is a liquid and active market and allowing for the fact that the quoted price may not reflect their value, should 100% of the securities be available for sale;
- any recent genuine offers received by the target for the entire business, or any business units or assets as a basis for valuation of those business units or assets; and
- the amount that an alternative bidder might be willing to offer if all the securities in the target were available for purchase.

Each methodology is appropriate in certain circumstances. The decision as to which methodology to apply generally depends on the nature of the asset being valued, the methodology most commonly applied in valuing such an asset and the availability of appropriate information.

In determining the fair value of Timah, we have applied the net asset valuation methodology. This methodology has been applied as the Timah's assets mainly consist of cash. As Timah's shares are illiquid we do not consider the quoted share price to be an accurate reflection of Timah's fair value.

To determine a fair value for Mistral we consider that the discounted cash flow methodology ("DCF") or a capitalisation of forecast earnings to be the most appropriate approaches. These are the most appropriate approaches as Mistral has not yet traded profitably. There have been no other offers for Mistral to provide an indication of fair value.

In order to apply either a discounted cash flow or capitalisation of forecast earnings approach to determine the fair value of Mistral prospective financial information must be used. We have therefore considered the

requirements of RG 170: Prospective financial information. RG170 requires that to use prospective financial information there must be reasonable grounds for the inclusion of the information.

To demonstrate reasonable grounds there must be some facts or circumstances that exist at the time of publication, are relied upon, are objectively reasonable and support the information. Examples of what may constitute reasonable grounds are information that:

- relates to forward-sales contracts or leases;
- is underpinned by independent industry experts' reports; and
- includes short-term estimates.

However, what constitutes reasonable grounds must be judged according to the facts and circumstances of each case.

In order for the Director to assess the Proposed Transaction they were provided and undertook due diligence on projected annual income statements and cash flows for Mistral for 21 years. The financial projections were prepared based on underlying assumptions. We have reviewed this financial model and the assumptions in respect of their compliance with RG170 in consideration of the fair value of Mistral.

Most of the assumptions underpinning the prospective information reflect contracted positions as noted above. However, in respect of the performance expectations of underlying equipment and the ability to produce electricity for sale there are material assumptions that are hypothetical. To determine whether or not there is a reasonable basis for assuming forecast electricity production we considered Mistral's historical generation of electricity. Since commencing operations in August 2013 the level of electricity generated has fluctuated significantly. The fluctuations are partially due to the start-up nature of the operations. We note that the underlying performance expectations of the machinery mean that projected levels of electricity generation may be met but there is no historical trend of generating consistent and reliable levels of electricity production to support the projected operating performance. Therefore, any assumption based on the machinery specification alone is misleading and any resulting prospective financial information is likely to be misleading.

We further note that Cash Nexus has guaranteed the profit of Mistral for the 31 December 2015 financial year at \$900,000. The guarantee reflects financial support from Cash Nexus for one year only and does not necessarily indicate that the operations of Mistral will generate this profit in the year ended 31 December 2015 and subsequent financial years. Therefore the application of this guarantee in determining a fair value for Mistral in accordance with appropriate valuation principals would be misleading.

Because of the above we have been unable to determine a fair value for Mistral under the preferred methodologies of a discounted cash flow or capitalisation of forecast earnings.

We further note that Mistral had \$2.4m in net assets at 30 September 2014. The use of a net asset valuation is generally only appropriate where the holding of the assets reflects the underlying value of the business. For example for investment holding companies that hold underlying property or other marketable securities. However, when a business is loss-making, as in the case of Mistral, and in the absence of alternative methodologies, a net asset valuation may be appropriate. We note that the net asset position of Mistral effectively reflects the replacement cost for another party to bring the development of a similar biogas plant to the same stage of development. In the absence of being able to apply other methodologies we have therefore considered the net assets approach as a valuation methodology for Mistral.

9. VALUE OF TIMAH RESOURCES LIMITED ON A CONTROL BASIS

9.1 Realisation of assets fair value of Timah

The fair value of Timah based on a realisation of assets is set out below:

	Note	\$
Net asset value as at 30 June 2014	1	(143,526)
Adjustments		
Cash decrease	2	(169,884)
Write off of director loans	3	100,000
Write off of directors fees accrued	4	281,676
Receipt of other receivables	5	(25,213)
Net asset value after adjustments		43,053
Shares on issue before share consolidation		80,252,626
Value per share		\$0.0005

1. Timah's Net asset value as per the 30 June 2014 audited financial statements noted above.
2. During the period from 1 July 2014 to 31 October 2012 cash and cash equivalents decreased to \$27,671.
3. As at 31 October 2014 Timah's unsecured loans owing to directors were written off.
4. As at 31 October 2014 Timah has written off all directors fees payable.
5. As at 31 October 2014 Timah's receivables had reduced to \$4,513 with \$25,213 collected.

We have not included any additional value to reflect the benefit of Timah's listing on the NSX and shareholder spread. Although there is an intangible value in Timah's listing that is not reflected in the net asset value above, the value is immaterial to the value per share.

The realisation of assets value reflects the value of a Timah share on a controlling basis. This reflects an interest where a shareholder has advantages such as the ability to exert influence over the strategic direction and cash flow of a company, amongst other things.

9.2 Conclusion on fair value of a share in Timah on a control basis

Based on the above analysis and as Timah has net liabilities before any adjustments; we have concluded that the fair value of a Timah share on a control basis to be:

	Low	Mid	High
Fair value of a share (pre-consolidation) in Timah on a control basis	\$0.0000	\$0.0003	\$0.0005

10. VALUE OF COMBINED ENTITY ON A MINORITY BASIS

As noted in section 4, in determining whether or not the transaction is fair, we need to determine the value of the Combined Entity immediately after the Proposed Transaction on a minority basis.

The fair value of the Combined Entity on a minority basis immediately after the Proposed Transaction is as follows:

\$		Low	Mid	High
Fair value of Timah on a control basis (see section 9)		-	21,527	43,053
Net assets of Mistral (see section 6.4.2)	1	2,394,690	2,394,690	2,394,690
		2,394,690	2,416,217	2,437,743
Discount for control premium	2	35%	30%	25%
		1,556,549	1,691,352	1,828,308
New shares subscribed for by Cash Nexus on admission to ASX	3	2,000,000	2,000,000	2,000,000
Additional placement of shares on admission to ASX	4	-	500,000	1,000,000
Fair value immediately following the Proposed Transaction on a minority basis		3,556,549	4,191,352	4,828,308
Number of shares pre- consolidation				
Shares on issue (see section 5.5)		80,252,626	80,252,626	80,252,626
Acquisition of Mistral	5	85,500,000	85,500,000	85,500,000
Placement to Cash Nexus	3	20,000,000	20,000,000	20,000,000
Additional placement on admission to ASX	4	-	5,000,000	10,000,000
Number of shares on issued immediately following the Proposed Transaction		185,752,626	190,752,626	195,752,626
Fair value a share (pre- consolidation) in the Combined Entity immediately following the Proposed Transaction		\$0.0191	\$0.0220	\$0.0247

1. As noted in section 8, in the absence of other appropriate methodologies we have determined the fair value of Mistral to be its net asset position. Mistral's net asset position represents the replacement value to bring the biogas plant to its current state of development.
2. The fair value of Timah and Mistral based on the realisation of assets represents a control interest in each entity. Immediately following the transaction current Timah shareholders will hold a minority interest in the Combined Entity. Therefore an adjustment has been made to determine the fair value on a minority basis by eliminating a premium for control. Premiums for control generally range from 25% to 35%.
3. As noted in section 1 on admission to the ASX Cash Nexus will subscribe for 10,000,000 shares at \$0.20 post consolidation (20,000,000 at \$0.10 pre-consolidation).
4. As noted in section 1 in conjunction with the admission to the ASX, Timah will offer up to 5,000,000 shares at \$0.20 post consolidation (10,000,000 shares at \$0.10 pre-consolidation).
5. As noted in section 1, Timah will issue 85,500,000 shares at \$0.10 a share pre-consolidation to acquire Mistral.

11. ASSESSMENT OF FAIRNESS

To determine whether or not the transaction is fair to Timah shareholders, we have compared the fair value of a share in Timah on a control basis to the interest a Timah shareholder will retain following the Proposed Transaction, being a minority interest in the Combined Entity.

The fair value per share pre-consolidation is summarised below:

	Low	Mid	High
Timah on a control basis (section 9)	\$0.0000	\$0.0003	\$0.0005
Combined Entity on a minority basis (section 10)	\$0.0191	\$0.0220	\$0.0247

A Timah shareholder's minority interest in the Combined Entity immediately following the Proposed Transaction is greater than a controlling interest in Timah prior to the Proposed Transaction. Therefore, **we have concluded that the Proposed Transaction is fair to the Timah Shareholders.**

12. ASSESSMENT OF REASONABLENESS

12.1 Approach to assessing Reasonableness

In forming our conclusions in this Report, we have compared the advantages and disadvantages to shareholders if the Proposed Transaction proceeds.

12.2 Advantages of the transaction

We outline below potential advantages of the Proposed Transaction:

Advantage	Explanation
Following the Proposed Transaction Timah shareholders will have an interest in an operating business	Timah currently holds limited cash reserves. Historically, other investments have been made or considered; however the acquisition of Mistral provides Timah's shareholder the opportunity to participate in an operating asset that is generating revenue.
Admission to the ASX and additional funding at the time of admission should provide greater liquidity for Timah's shares	The transaction is conditional on Timah being admitted to the ASX and additional funding being provided into the business to support the expansion of Mistral. The move to the ASX and additional growth opportunities should increase liquidity on Timah's shares.
The ultimate parent of Mistral is Cepatwawasan Group Berhad who has significant additional resources available to support Timah	The ultimate holding company of Mistral is Cepatwawasan Group Berhad, a publically listed company on the Bursa Malaysia Securities Berhad. CGB had a market capitalisation of \$92.9m on 11 December 2014 and reported cash reserves of \$18.5m at 30 September 2014. The significant interest that CGB holds in Timah provides additional shareholder support and funding opportunities to support Timah.

12.3 Disadvantages of the transaction

We outline following the potential disadvantages of the Proposed Transaction:

Disadvantage	Explanation
On completion of the Proposed Transaction Cash Nexus will hold 58.8% to 61.9% and will appoint the directors of Timah giving it significant control	Cash Nexus's interest will provide it effective control over Timah subject to minority shareholders protections. As a result it will control the strategic direction of the business and other matters such as dividend policy and other investment decision.
Cash Nexus significant holding may negatively impact liquidity and prevent current shareholders from receiving a premium for control	<p>The significant interest may also affect the ability for Timah to attract a takeover offer, preventing Timah's shareholders from receiving a control premium for their shares.</p> <p>The large holding may also negatively impact liquidity as a significant holding may reduce interest in trading in Timah's shares.</p>

Disadvantage	Explanation
Mistral has recently commenced operations at full capacity and therefore unforeseen events may result in additional funding requirements	Mistral commenced electricity generation in August 2013 and is in the process of expanding its operations through an additional gas engine. As a result there is a limited trading history and unexpected events may arise that require additional funding to continue operations.
The Proposed Transaction may result in existing tax losses no longer being available to offset future profits	As a result of the transaction, Timah may not satisfy the rules to carry forward existing losses of \$211,157.

12.4 Alternatives to the transaction

The Directors have advised us that there are currently no other alternative to the Proposed Transaction with the memorandum of understanding to create a joint venture with Pho Kaday Min Co Ltd to explore Tin/Tungsten deposit ended by mutual agreement.

12.5 Implications of the transaction not proceeding

If the Proposed Transaction is not approved, the Directors will continue to look for alternative investments and the Company will be dependent on the Directors continued financial support and other capital raisings.

12.6 Conclusion as to Reasonableness

In accordance with RG 111, a transaction is reasonable if:

- the transaction is fair; or
- despite not being fair, but considering other significant factors, shareholders should obtain an overall benefit if the transaction proceeds.

As we have concluded that the Proposed Transaction is fair, and taking into account other significant factors, **we have concluded that the Proposed Transaction is reasonable.**

13. OPINION

Accordingly, in our opinion, the Proposed Transaction is fair and reasonable to the Timah shareholders.

The ultimate decision on whether to approve the Proposed Transaction should be based on shareholders' own assessment of their circumstances. We strongly recommend that shareholders consult their own professional advisers, carefully read all relevant documentation provided, including the notice of meeting and explanatory memorandum, and consider their own specific circumstances before voting in favour of or against the Proposed Transaction.

APPENDIX A – GLOSSARY

Term	Definition
Notice of General Meeting and Explanatory Statement	Document to be sent to shareholders on or about the 17 February 2015 in which this Report is included
ASIC	Australia Securities and Investment Commission
ASX	Australian Securities Exchange
CAPM	Capital Asset Pricing Model
CDM	Clean Development Mechanism
CERs	Certified Emission Reduction
Cash Nexus	Cash Nexus (M) Sdn. Bhd. is the company that 100% owns Mistral
Company or “Timah”	Timah Resources Limited (ACN 123 981 537)
Combined Entity	Timah Resources Limited and Mistral Engineering Sdn. Bhd.
Corporations Act	Corporations Act 2001 (Cth)
DCF	Discounted Cash Flow methodology
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
ERPA	Emissions Reductions Purchase Agreement
FiT	Feed-In-Tariff
FSG	Financial Services Guide
FY2012	the financial year ended or as at 30 June 2012
FY2013	the financial year ended or as at 30 June 2013
FY2014	the financial year ended or as at 30 June 2014
IPO	Initial Public Offering
Mistral	Mistral Engineering Sdn. Bhd.
NCFS	Nexia Court Financial Solutions Pty Ltd (AFSL 247300)
Nord	Nordjysk Elhandel A/S, a company incorporated in Denmark
NSX	National Stock Exchange of Australia
Plant	Renewable Energy Biogas Power Plant that is 100% owned by Mistral
POME	Palm Oil Mill Effluent
Prolific Yield	Prolific Yield Sdn. Bhd. is the subsidiary of Cepatwawasan Group Berhad
Proposed Transaction	Timah's proposed acquisition of 100% of share capital of Mistral from Cash Nexus through the issue of 85,500,000 consideration shares at \$0.10 per share, placement of 10,000,000 shares to Cash Nexus at \$0.20 (after 2 for 1 consolidation) on IPO which is conditional upon a number of items including the Company undertaking a 2 for 1 consolidation of its shares and placing 5,000,000 shares at \$0.20 post-consolidation on IPO on the ASX
Report	Independent Expert's Report
REPPA	Renewable Energy Power Purchase Agreement
RG 111	ASIC Regulatory Guide 111: Content of expert Reports
RG 74	ASIC Regulatory Guide 74: Acquisitions approved by members
RG 170	ASIC Regulator Guide 170: Prospective financial information
SEDA	Sustainable Energy Development Authority
VWAP	Volume Weighted Average Price of shares

APPENDIX B - SOURCES OF INFORMATION

- APES 225 – Valuation Services
- Australia Securities and Investment Commission's (ASIC) database
- Audited financial statements of Mistral for the years ended 31 December 2011, 2012, 2013
- Audited financial statements of Timah for the years ended 30 June 2014, 2013, 2012
- Unaudited balance sheet of Mistral as at 30 September 2014
- Draft Notice of Annual General Meeting and Explanatory Memorandum prepared by Timah Resources Limited
- Draft circular to shareholders prepared by Cepatawawasan Group Berhad
- Green Tech Malaysia, *Clean Development Mechanism*, viewed 4 December 2014
<http://cdm.greentechmalaysia.my/what-is-cdm/intro.aspx>
- Malaysian Palm Oil Board 2011, *National Key Economic Areas: National Biogas Implementation (EPP5)*, viewed 4 December 2014
<http://www.palmoilworld.org/PDFs/NKEA-EPP5-Biogas.pdf>
- M.J. Chin, P.E. Poh, B.T. Tey, E.S. Chan, K.L. Chin, 2013, 'Biogas from palm oil mill effluent (POME): Opportunities and challenges from Malaysia's perspective', *Renewable and Sustainable Energy Reviews*, 26, 717-726
- Regulatory Guide 74: Acquisitions approved by members
- Regulatory Guide 111: Content of expert Reports
- Regulatory Guide 112: Independence of expert's Reports
- Regulatory Guide 170: Prospective financial information
- S&P Capital IQ
- Sustainable Energy Development Authority Malaysia, *RE Generation*, Malaysia, viewed 4 December 2014
www.seda.gov.my
- Sustainable Palm Oil Platform, *Pollution and POME*, viewed 4 December 2014
<http://www.sustainablepalmoil.org/growers-millers/millers/pollution-and-pome/>

APPENDIX C - STATEMENT OF DECLARATION & QUALIFICATIONS

Confirmation of Independence

Prior to accepting this engagement Nexia Court Financial Solutions Pty Ltd ("NCFS") determined its independence with respect to Timah and Cash Nexus with reference to ASIC Regulatory Guide 112: Independence of expert's Reports ("RG 112"). NCFS considers that it meets the requirements of RG 112 and that it is independent of Timah and Cash Nexus.

Also, in accordance with s648(2) of the Corporations Act we confirm we are not aware of any business relationship or financial interest of a material nature with Timah or Cash Nexus, its related parties or associates that would compromise our impartiality.

Mr Brent Goldman, authorised representative of NCFS, has prepared this Report. Neither he nor any related entities of NCFS have any interest in the promotion of the Proposed Transaction nor will NCFS receive any benefits, other than normal professional fees, directly or indirectly, for or in connection with the preparation of this Report. Our fee is not contingent upon the success or failure of the Proposed Transaction, and has been calculated with reference to time spent on the engagement at normal professional fee rates for work of this type. Accordingly, NCFS does not have any pecuniary interests that could reasonably be regarded as being capable of affecting our ability to give an unbiased opinion under this engagement.

NCFS provided a draft copy of this Report to the Directors and management of Timah for their comment as to factual accuracy, as opposed to opinions, which are the responsibility of NCFS alone. Changes made to this Report, as a result of the review by the Directors and management of Timah, have not changed the methodology or conclusions reached by NCFS.

Reliance on Information

The statements and opinions given in this Report are given in good faith and in the belief that such statements and opinions are not false or misleading. In the preparation of this Report NCFS has relied upon information provided on the basis it was reliable and accurate. NCFS has no reason to believe that any information supplied to it was false or that any material information (that a reasonable person would expect to be disclosed) has been withheld from it. NCFS evaluated the information provided to it by Timah and Cash Nexus as well as other parties, through enquiry, analysis and review, and nothing has come to its attention to indicate the information provided was materially mis-stated or would not afford reasonable grounds upon which to base its Report. Accordingly, we have taken no further steps to verify the accuracy, completeness or fairness of the data provided.

Our procedures and enquiries do not include verification work, nor constitute an audit or review in accordance with Australian Auditing Standards. NCFS does not imply and it should not be construed that it has audited or in any way verified any of the information provided to it, or that its enquiries could have verified any matter which a more extensive examination might disclose.

The sources of information that we relied upon are outlined in Appendix B of this Report.

Qualifications

NCFS carries on business at Level 16, 1 Market Street, Sydney NSW 2000. NCFS holds Australian Financial Services Licence No 247300 authorising it to provide financial product advice on securities to retail clients. NCFS's representatives are therefore qualified to provide this Report.

Brent Goldman specifically was involved in the preparing and reviewing this Report. Brent Goldman is a Fellow of the Institute of Chartered Accountants in Australia and New Zealand, a Business Valuation Specialist of the Institute of Chartered Accountants in Australia and New Zealand and a Fellow of the Financial Services Institute of Australasia. He has over 15 years of corporate finance experience in both Australia and the UK.

Consent and Disclaimers

The preparation of this Report has been undertaken at the request of the Directors of Timah. It also has regard to relevant ASIC Regulatory Guides. It is not intended that the Report should be used for any other purpose than to accompany the notice of meeting and explanatory memorandum to be sent to Timah shareholders. In particular, it is not intended that this Report should be used for any purpose other than as an expression of NCFS's opinion as to whether or not the Proposed Transaction is fair and reasonable to Timah shareholders.

NCFS consent to the issue of this Report in the form and context in which it is included in the notice of meeting and explanatory memorandum to be sent to Timah shareholders.

Shareholders should read all documents issued by Timah that consider the Proposed Transaction in their entirety, prior to proceeding with a decision. NCFS had no involvement in the preparation of these documents, with the exception of our Report.

This Report has been prepared specifically for the shareholders of Timah. Neither NCFS, nor any member or employee thereof undertakes responsibility to any person, other than a shareholder of Timah, in respect of this Report, including any errors or omissions howsoever caused. This Report is "General Advice" and does not take into account any person's particular investment objectives, financial situation and particular needs. Before making an investment decision based on this advice, you should consider, with or without the assistance of a securities advisor, whether it is appropriate to your particular investment needs, objectives and financial circumstances.

Our procedures and enquiries do not include verification work, nor constitute an audit or review in accordance with Australian Auditing Standards.

Our opinions are based on economic, market and other conditions prevailing at the date of this Report. Such conditions can change significantly over relatively short periods of time. Furthermore, financial markets have been particularly volatile in recent times. Accordingly, if circumstances change significantly, subsequent to the issue of this Report, our conclusions and opinions may differ from those stated herein. There is no requirement for NCFS to update this Report for information that may become available subsequent to its date.

APPENDIX D - VALUATION METHODOLOGIES

In preparing this Report we have considered valuation methods commonly used in practice and those recommended by RG 111. These methods include:

- the discounted cash flow method;
- the capitalisation of earnings method;
- asset based methods; and
- analysis of share market trading.

Discounted Cash Flow Method

Description

Of the various methods noted above, the discounted cash flow method has the strongest theoretical standing. It is also widely used in practice by corporate acquirers and company analysts. The discounted cash flow method estimates the value of a business by discounting expected future cash flows to a present value using an appropriate discount rate. A discounted cash flow valuation requires:

- a forecast of expected future cash flows;
- an appropriate discount rate; and
- an estimate of terminal value.

It is necessary to project cash flows over a suitable period of time (generally regarded as being at least five years) to arrive at the net cash flow in each period. For a finite life project or asset this would need to be done for the life of the project. This can be a difficult exercise requiring a significant number of assumptions such as revenue growth, future margins, capital expenditure requirements, working capital movements and taxation.

The discount rate used represents the risk of achieving the projected future cash flows and the time value of money. The projected future cash flows are then valued in current day terms using the discount rate selected.

A terminal value reflects the value of cash flows that will arise beyond the explicit forecast period. This is commonly estimated using either a constant growth assumption or a multiple of earnings (as described under capitalisation of future maintainable earnings below). This terminal value is then discounted to current day terms and added to the net present value of the forecast cash flows.

The discounted cash flow method is often sensitive to a number of key assumptions such as revenue growth, future margins, capital investment, terminal growth and the discount rate. All of these assumptions can be highly subjective sometimes leading to a valuation conclusion presented as a range that is too wide to be useful.

Use of the Discounted Cash Flow Method

A discounted cash flow approach is usually preferred when valuing:

- early stage companies or projects;
- limited life assets such as a mine or toll concession;
- companies where significant growth is expected in future cash flows; or
- projects with volatile earnings.

It may also be preferred if other methods are not suitable, for example if there is a lack of reliable evidence to support a capitalisation of earnings approach. However, it may not be appropriate if reliable forecasts of cash flow are not available and cannot be determined.

Capitalisation of Earnings Method

Description

The capitalisation of earnings method is a commonly used valuation methodology that involves determining a future maintainable earnings figure for a business and multiplying that figure by an appropriate capitalisation multiple. This methodology is generally considered a short form of a discounted cash flow, where a single representative earnings figure is capitalised, rather than a stream of individual cash flows being discounted. The capitalisation of earnings methodology involves the determination of:

- a level of future maintainable earnings; and
- an appropriate capitalisation rate or multiple.

A multiple can be applied to any of the following measures of earnings:

Revenue – most commonly used for companies that do not make a positive EBITDA or as a cross-check of a valuation conclusion derived using another method.

EBITDA - most appropriate where depreciation distorts earnings, for example in a company that has a significant level of depreciating assets but little ongoing capital expenditure requirement.

EBIT - in most cases EBIT will be more reliable than EBITDA as it takes account of the capital intensity of the business.

NPAT - relevant in valuing businesses where interest is a major part of the overall earnings of the group (e.g. financial services businesses such as banks).

Multiples of EBITDA, EBITA and EBIT value the whole businesses, or its enterprise value irrespective of the gearing structure. NPAT (or P/E) values the equity of a business

The multiple selected to apply to maintainable earnings reflects expectations about future growth, risk and the time value of money all wrapped up in a single number. Multiples can be derived from three main sources.

Using the guideline public company method, market multiples are derived from the trading prices of stocks of companies that are engaged in the same or similar lines of business and that are actively traded on a free and open market, such as the ASX or the NSX. The merger and acquisition method is a method whereby multiples are derived from transactions of significant interests in companies engaged in the same or similar lines of business. In Australia this has been called the comparable transaction methodology.

Use of the Capitalisation of Earnings Method

The capitalisation of earnings method is widely used in practice. It is particularly appropriate for valuing companies with a relatively stable historical earnings pattern which is expected to continue. This method is less appropriate for valuing companies or assets if:

- there are no suitable listed company or transaction benchmarks for comparison;
- the asset has a limited life;
- future earnings or cash flows are expected to be volatile; or
- there are negative earnings or the earnings of a business are insufficient to justify a value exceeding the value of the underlying net assets.

Asset Based Methods

Description

Asset based valuation methods estimate the value of a company based on the realisable value of its net assets, less its liabilities. There are a number of asset based methods including:

- orderly realisation;
- liquidation value;
- net assets on a going concern basis;
- replacement cost; and
- reproduction cost.

The orderly realisation of assets method estimates Fair Market Value by determining the amount that would be distributed to shareholders, after payment of all liabilities including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. The liquidation method is similar to the orderly realisation of assets method except the liquidation method assumes the assets are sold in a shorter time frame.

Since wind up or liquidation of the company may not be contemplated, these methods in their strictest form may not necessarily be appropriate. The net assets on a going concern basis method estimate the market values of the net assets of a company but do not take account of realisation costs.

The asset / cost approach is generally used when the value of the business's assets exceeds the present value of the cash flows expected to be derived from the ongoing business operations, or the nature of the business is to hold or invest in assets. It is important to note that the asset approach may still be the relevant approach even if an asset is making a profit. If an asset is making less than an economic rate of return and there is no realistic prospect of it making an economic return in the foreseeable future, an asset approach would be the most appropriate method.

Use of Asset Based Methods

An asset-based approach is a suitable valuation method when:

- an enterprise is loss making and is not expected to become profitable in the foreseeable future;
- assets are employed profitably but earn less than the cost of capital;
- a significant portion of the company's assets are composed of liquid assets or other investments (such as marketable securities and real estate investments); or
- it is relatively easy to enter the industry (for example, small machine shops and retail establishments).

Asset based methods are not appropriate if:

- the ownership interest being valued is not a controlling interest, has no ability to cause the sale of the company's assets and the major holders are not planning to sell the company's assets; or
- a business has (or is expected to have) an adequate return on capital, such that the value of its future income stream exceeds the value of its assets.

Analysis of Share Trading

The most recent share trading history provides evidence of the Fair Market Value of the shares in a company where they are publicly traded in an informed and liquid market. There should also be some similarity between the size of the parcel of shares being valued and those being traded. Where a company's shares are publicly traded then an analysis of recent trading prices should be considered, at least as a cross-check to other valuation methods.

PROXY FORM

Step 1. Appoint a Proxy to Vote on Your Behalf

I/We being a Shareholder/s of Timah Resources Limited and entitled to attend and vote hereby appoint:

☐ The Chairman of the Meeting (mark with an 'X' in box to the left) **OR** _____ Write here the name of the person you are appointing if this person **is someone other than** the Chairman of the Meeting. or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to attend and act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Chairman sees fit) at the Extraordinary General Meeting of Timah Resources Limited to be held in Sydney on Tuesday, 17 March 2015 at Suite 2501, Level 25, 31 Market St, Sydney, commencing at 10 am (Sydney time) and at any adjournment of that Extraordinary General Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of all Resolutions If you have appointed the Chairman of the Meeting as your proxy (or the Chairman of the Meeting becomes your proxy by default), and you wish to give the Chairman specific voting directions on an item, you should mark the appropriate box opposite those items below (directing the Chairman to vote for, against, or to abstain from voting).

Step 2. Resolutions

Voting directions to your proxy – please mark ☒ to indicate your directions

Ordinary Resolutions

		For	Against	Abstain*
Resolution 1	Application for ASX Listing of Timah	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Purchase of all of the issued shares of Mistral from Cash Nexus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Significant change to the nature and scale of Timah's activities following acquisition of Mistral	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Consolidation of Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Issuing of Offer Shares to subscribers to Timah's IPO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Appointment of Dato' Seri Mah King Thian as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Appointment of Dato' Seri Mah King Seng as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10	Appointment of Lee Chong Hoe as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11	Appointment of Michelle Siew Yee Lee as an independent director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 12	Appointment of Soong Swee Koon as an independent director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 13	Approval of Renewable Energy Power Purchase Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 15	Acquisition of 9,500,000 Shares by Cash Nexus under the Call Option	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 16	Appointment of Jack Tan as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 17	Re-election of Ting Teck Kai as a director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Special Resolutions

Resolution 4	Issuing of Consideration Shares to Cash Nexus	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Issuing of Placement Shares to Cash Nexus or CGB	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 14	Timah delisting from NSX	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*If you mark the Abstain box for a Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Appointment of a second proxy (see instructions on next page)

If you wish to appoint a second proxy, state the % of your voting rights applicable to the proxy appointed by this form _____ %

PLEASE SIGN HERE This section MUST be signed in accordance with the instructions overleaf to enable your directions to be implemented

Individual or Shareholder 1	Shareholder 2	Shareholder 3
<div></div>	<div></div>	<div></div>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

How to complete this Proxy Form

Your Name and Address

Please print your name and address as it appears on your holding statement and the Company's share register. If Shares are jointly held, please ensure the name and address of each joint Shareholder is indicated. Shareholders should advise the Company of any changes. Shareholders sponsored by a broker should advise their broker of any changes. Please note you cannot change ownership of your securities using this form.

Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a Shareholder of the Company.

Votes on Resolutions

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each Resolution. All your Shareholding will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any Resolution by inserting the percentage or number of Shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given Resolution, your proxy may vote as he or she chooses. If you mark more than one box on a Resolution your vote on that Resolution will be invalid.

If you direct your proxy how to vote validly in accordance with these instructions and your proxy fails to either attend the Meeting or vote on any directed Resolution, the Chairman of the Meeting is taken to have been appointed as the proxy for the purposes of voting on that Resolution at the Meeting and must vote in accordance with your proxy.

Voting entitlements

In accordance with the Corporations Act, the Company has determined that the Shareholding of each person for the purpose of determining entitlements to attend and vote at the Meeting will be the entitlement of that person set out in the Company's share register as at 10:00am (Sydney time) on Sunday 15 March 2015. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the Meeting.

Voting in person

A Shareholder that is an individual may attend and vote in person at the Meeting. If you wish to attend the Meeting, please bring the attached Proxy Form to the Meeting to assist in registering your attendance and number of votes. Please arrive 15 minutes prior to the start of the Meeting to facilitate this registration process.

A Shareholder that is a corporation may appoint an individual to act as its representative to vote at the Meeting in accordance with Section 250D of the Corporations Act. The appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the Certificate is enclosed with this Notice of Meeting.

Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Share Registry (Boardroom Pty Ltd) on 1300 737 760 or you may photocopy this form.

To appoint a second proxy you must on each Proxy Form state (in the appropriate box) the percentage of your voting rights which are the subject of the relevant proxy. If both Proxy Forms do not specify that percentage, each proxy may exercise half your votes. Fractions of votes will be disregarded.

Signing Instructions

You must sign this form as follows in the spaces provided:

Individual:	where the holding is in one name, the holder must sign.
Joint Holding:	where the holding is in more than one name, all of the Shareholders should sign.
Power of Attorney:	to sign under Power of Attorney, you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
Companies:	where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to Section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

Lodging your Proxy Form

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the Meeting being no later than 10:00am (Sydney time) on Sunday 15 March 2015. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

By facsimile to:	+61 2 9267 4388
By scan and email to:	info@timahresources.com.au
By post to:	Suite 2501, Level 25, 31 Market St, Sydney, New South Wales 2000
In person at:	Suite 2501, Level 25, 31 Market St, Sydney, New South Wales 2000