THALANGA COPPER MINES PTY LIMITED

A.B.N. 72 004 797 335

SPECIAL PURPOSE FINANCIAL REPORT

FOR THE YEAR ENDED 31 MARCH 2015

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Thalanga Copper Mines Pty Limited
Directors' Report
31 March 2015

The directors of Thalanga Copper Mines Pty Limited submit herewith the annual financial report of the company for the financial year ended 31 March 2015. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

The names and particulars of the directors of the company during or since the end of the financial year are:

Directors
Mr. DD Jalan
Mr Kishore Kumar
Mr Gerard Clyde (Resigned 06 May 2014)
Mr Geoffrey Allan Hilton (Appointed 17 June 2014)

Principal Activities
The company's principal activities during the year consisted of maintaining and rehabilitating areas of interest.

During the year the company carried out the rehabilitation work on the mine owned under the Mount Windsor Joint Venture. The rehabilitation of the control water dam commenced in December 2006 and is still being undertaken. Ongoing monitoring will continue until the leases are relinquished.

The Mount Windsor Joint Venture of which the company has a 70% interest holds the following areas of interest:-
ML 10028, ML 1571, ML 1734, ML 1739, ML 1758

Dividends
The company paid no dividends during the year (2014: No dividend declared).

Review of operations
A summary of revenues and results is set out below:

	2015	2014
	$	$
Other income	1,142	175,680
Total income	1,142	175,680
Profit/(loss) from ordinary activities before income tax expense	(449,319)	(613,212)
Income tax benefit	134,797	183,964
Profit/(loss) for the year after income tax expense	(314,522)	(429,248)

Operating Results
The company ceased its operations in July 2005. Thereafter, the company has been carrying out rehabilitation work.

Thalanga Copper Mines Pty Limited
Directors' Report
31 March 2015

Changes in the state of affairs
During the financial year there was no significant change in the state of affairs of the company.

Subsequent events
There has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

Future developments
Disclosure of information regarding likely developments in the operations of the company in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the company. Accordingly, this information has not been disclosed in this report.

Environmental regulation
The company is subject to environmental regulations in respect of its mining activities, including the Mineral Resources Act 1989, the Environmental Protection Act 1994, Water Resources Act 1989, and the Workplace Health and Safety Act 1995.

Compliance with these acts has been achieved through the implementation of the EMOS (Environmental Management Overview Strategy), the Plan of Operations, an Integrated Environmental Management System, and the conformance with the EPA licence and permits from the Department of Environment and Resources Management.

Indemnification of officers and auditors
During the financial year, a related company paid a premium to insure the directors of the company, the company secretary and the other executive officers of the company against a liability incurred as such a director, company secretary or other executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the company against a liability incurred as such an officer or auditor other than entering into Deed of Access, Indemnity and Insurance with the directors.

Auditor's independence declaration
The auditor's independence declaration is included on page 3 of the financial report.

Signed in accordance with a resolution of the directors made pursuant to s.298 (2) of the Corporations Act 2001.

On behalf of the Directors

Geoffrey Hilton
Director

Queenstown
Date 22-04-2015

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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The Directors
Thalanga Copper Mines Pty Ltd
Locked Bag 1
Queenstown TAS 7467

22 April 2015

Dear Board Members

Thalanga Copper Mines Pty Ltd

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Thalanga Copper Mines Pty Ltd.

As lead audit partner for the audit of the financial statements of Thalanga Copper Mines Pty Ltd for the financial year ended 31 March 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Rod Whitehead
Partner
Chartered Accountants

Deloitte Touche Tohmatsu
ABN 74 490 121 060

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Independent Auditor's Report to the members of Thalanga Copper Mines Pty Ltd

We have audited the accompanying financial report, being a special purpose financial report, of Thalanga Copper Mines Pty Ltd which comprises the statement of financial position as at 31 March 2015, the statement of profit and loss and other comprehensive income, the statement of cash flows and the statement of changes in equity for the year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 6 to 22.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Auditor's Independence Declaration

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Thalanga Copper Mines Pty Ltd would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion, the financial report of Thalanga Copper Mines Pty Ltd is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 31 March 2015 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards to the extent described in Note 1, and the *Corporations Regulations 2001*.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the directors' financial reporting responsibilities under the *Corporations Act 2001*. As a result, the financial report may not be suitable for another purpose.

DELOITTE TOUCHE TOHMATSU

Rod Whitehead
Partner
Chartered Accountants
Launceston, 23 April 2015

Directors' declaration

As detailed in note 2 to the financial statements, the company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, this 'special purpose financial report' has been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001.

The directors declare that:

(a) in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

(b) in the directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the company.

Signed in accordance with a resolution of the directors made pursuant to s.295 (5) of the Corporations Act 2001.

On behalf of the Directors

Geoffrey Hilton
Director

Queenstown
Date: 22-04-2015

Thalanga Copper Mines Pty Limited

Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 31 March 2015

	Notes	2015	2014
		$	$
Revenue		-	-
Cost of Sales		-	-
Gross Profit		-	-
Other income		1,142	175,680
Site and Administration expenses	3	(435,435)	(771,545)
Finance Costs		(15,026)	(17,347)
Profit/(loss) before income tax		**(449,319)**	**(613,212)**
Income tax benefit		134,797	183,964
Profit/(loss) for the year		**(314,522)**	**(429,248)**
Other Comprehensive income		-	-
Total Comprehensive income for the year		**(314,522)**	**(429,248)**

Notes to the financial statements are included on pages 11 to 22

Thalanga Copper Mines Pty Limited
Statement of financial position as at 31 March 2015

	Notes	2015 $	2014 $
Current assets			
Cash assets	4	126,824	101,175
Receivables	5	3,383	181,736
Assets classified as held for sale	6	384,910	-
Other	7	73,217	1,510
Total current assets		**588,334**	**284,421**
Non-current assets			
Investment	6	-	384,910
Property, plant and equipment	8	8,254	10,694
Deferred tax assets		260,204	235,881
Total non-current assets		**268,458**	**631,485**
Total assets		**856,792**	**915,906**
Current liabilities			
Payables	9	198,351	21,692
Provisions	10	290,892	315,590
Total current liabilities		**489,243**	**337,282**
Non-current liabilities			
Provisions	10	553,103	449,657
Total non-current liabilities		**553,103**	**449,657**
Total liabilities		**1,042,346**	**786,939**
Net assets		**(185,554)**	**128,967**
Equity			
Issued capital		578,240	578,240
Retained profits		(763,794)	(449,271)
Total equity		**(185,554)**	**128,969**

Notes to the financial statements are included on pages 11 to 22

Thalanga Copper Mines Pty Limited
Statement of changes in equity
For the financial year ended 31 March 2015

	Fully paid ordinary shares $	Retained earnings $	Total $
Balance at 1 April 2013	578,240	(20,023)	558,217
Total comprehensive income for the year	-	(429,248)	(429,248)
Balance at 31 March 2014	578,240	(449,272)	128,968
Total comprehensive income for the year	-	(314,522)	(314,522)
Balance at 31 March 2015	578,240	(763,794)	(185,554)

Notes to the financial statements are included on pages 11 to 22

Thalanga Copper Mines Pty Limited
Statement of cash flows
For the financial year ended 31 March 2015

	2015	2014
Cash flow from operating activities	$	$
(Loss)/Profit before taxation	(449,319)	(613,212)
Adjustments to reconcile net income to net cash provided by net operating activities:		
Depreciation	2,440	2,318
Profit from sale of asset	-	(1,750)
	(446,879)	**(612,644)**
Decrease / (increase) in trade receivables and prepayments	217,120	80,443
Increase / (decrease) in trade payables and provisions	255,408	(16,491)
Cash generated (used) from / (in) operations	**25,649**	**(548,692)**
Income taxes (paid) / refund received	-	-
Net cash provided by / (used in) operating activities	**25,649**	**(548,692)**
Cash flow from investing Activities		
Purchases of property, plant and equipment	-	(1,312)
Proceeds from sale of property, plant and equipment	-	1,750
Purchase of investments in Fujairah Gold	-	(384,910)
Proceeds from Investment in fixed deposits of more than 3 months	-	507,968
Net cash (used in)/provided by investing activities	**-**	**123,496**
Cash flow from financing activities		
Payment of dividend, including dividend tax	-	-
Net cash (used in)/provided by financing activities	**-**	**-**
Net (decrease)/ increase in cash and cash equivalents	**25,649**	**(425,196)**
Cash and cash equivalents at beginning of the financial year	**101,175**	**526,371**
Cash and cash equivalents at end of the financial year	**126,824**	**101,175**

Notes to the financial statements are included on pages 11 to 22

Thalanga Copper Mines Pty Limited
Notes to the financial statements
For the financial year ended 31 March 2015

1. New and revised Accounting Standards

In the current year, the Company has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for the annual reporting period ending 31 March 2015. The adoption of the following new and revised Standards and Interpretations has not resulted in any significant changes to the company's accounting policies or affected amounts reported for the current or prior years.

List of Standards and Interpretations in issue not yet effective

At the date of authorisation of the financial statements, the Standards and Interpretations listed below were in issue but not yet effective.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 9 'Financial Instruments', and the relevant amending standards	1 January 2018	31 March 2019
AASB 2014-1 'Amendments to Australian Accounting Standards' - Part A: 'Annual Improvements 2010–2012 and 2011–2013 Cycles' - Part B: 'Defined Benefit Plans: Employee Contributions (Amendments to AASB 119)' - Part C: 'Materiality'	1 July 2014	31 March 2016
AASB 2014-3 'Amendments to Australian Accounting Standards – Accounting for Acquisitions of Interests in Joint Operations'	1 January 2016	31 March 2017
AASB 2014-4 'Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation'	1 January 2016	31 March 2017
AASB 15 'Revenue from Contracts with Customers' and AASB 2014-5 'Amendments to Australian Accounting Standards arising from AASB 15'	1 January 2017	31 March 2018
AASB 2014-9 'Amendments to Australian Accounting Standards – Equity Method in Separate Financial Statements'	1 January 2016	31 March 2017
AASB 2014-10 'Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture'	1 January 2016	31 March 2017

AASB 2015-1 'Amendments to Australian Accounting Standards – Annual Improvements to Australian Accounting Standards 2012-2014 Cycle'	1 January 2016	31 March 2017

At the date of authorisation of the financial statements, the following IASB Standards and IFRIC Interpretations were also in issue but not yet effective, although Australian equivalent Standards and Interpretations have not yet been issued.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
Disclosure Initiative (Amendments to IAS 1)	1 January 2016	31 March 2017
Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)	1 January 2016	31 March 2017

2. Significant accounting policies

Financial reporting framework

The company is not a reporting entity because in the opinion of the directors there are unlikely to exist users of the financial report who are unable to command the preparation of reports tailored so as to satisfy specifically all of their information needs. Accordingly, these special purpose financial statements have been prepared to satisfy the directors' reporting requirements under the Corporations Act 2001.

For the purposes of preparing the financial statements, the company is a for-profit entity.

Statement of compliance

The financial statements have been prepared in accordance with the Corporations Act 2001, the recognition and measurement requirements specified by all Australian Accounting Standards and Interpretations, and the disclosure requirements of Accounting Standards AASB 101 'Presentation of Financial Statements', AASB 107 'Statement of Cash Flows', AASB 108 'Accounting Policies, Changes in Accounting Estimates and Errors' and AASB 1054 'Australian Additional Disclosures'.

Basis of preparation

The financial report has been prepared on the basis of historical costs, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

Critical accounting judgements and key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Rehabilitation provision

The provision for rehabilitation costs represents the present value of the directors best estimate of the future sacrifice of economic benefits that will be required to rehabilitate the leasehold property. The directors estimates are based on estimated closure and cost schedule prepared by the site manager as at March 2015.

The following significant accounting policies have been adopted in the preparation and presentation of the financial report:

(a) Income tax

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

2. Significant accounting policies (Continued)

(a) Income tax (cont.)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

(b) Tax Consolidation

Relevance of tax consolidation to the Group

The company and its related Australian resident entity have formed a Multiple Entry Consolidated Group with effect from 1 April 2007 and are therefore taxed as single entity from that date. The head entity within the tax-consolidated group is Copper Mines of Tasmania Pty Ltd. The members of the tax-consolidated group are Copper Mines of Tasmania Pty Limited and Thalanga Copper Mines Pty Limited.

Nature of Funding arrangements and tax sharing agreements

Entities within the tax-consolidated group have entered into a tax funding arrangement and a tax-sharing agreement with the head entity. Under the terms of the tax funding arrangement, Thalanga Copper Mines Pty Limited and each of the entities in the tax-consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity. Such amounts are reflected in amounts receivable or payable to other entities in the tax-consolidated group.

The tax sharing agreement entered into between members of the tax-consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity head entity default on its tax payment obligations or if any entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax-consolidated group is limited to the head entity under the tax funding agreement.

(c) Foreign currency

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

2. Significant accounting policies (Continued)

(c) Foreign currency (cont.)

Exchange differences are recognised in profit or loss in the period in which they arise except for:
– exchange differences which relate to assets under construction for future productive use, which are included in the cost of those assets where they are regarded as an adjustment to interest costs on foreign currency borrowings; and
– Exchange differences on transactions entered into in order to hedge certain foreign currency risks.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable

Sale of goods
There is no income from sale of goods as the entity has ceased operations.

Sundry income
Sundry income is recognised when the amount can be measured reliably.

Interest revenue
Interest revenue is accrued on a time basis, by reference to the principal outstanding at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

(e) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(f) Impairment of other tangible and intangible assets

At each reporting date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately, unless the relevant asset is carried at fair value, in which case the reversal of the impairment loss is treated as a revaluation increase.

2. Significant accounting policies (Continued)

(g) Property, plant and equipment

Land, and mine development are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item. In the event that settlement of all or part of the purchase consideration is deferred, cost is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

Depreciation is provided on mine development and property plant and equipment, but not on land. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes recognised on a prospective basis.

(h) Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.
Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

(i) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

(j) Provision for restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration, development and production activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the costs of removing facilities and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date.

The initial estimate of the restoration and rehabilitation provision relating to exploration, development and production facilities is capitalised at the start of each project into the cost of the related asset and is charged to the income statement as depreciation on the same basis as the related asset, unless the present obligation arises from the production of inventory in the period, in which case the amount is included in the cost of production for the period. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

Costs for restoration of subsequent site damage which is caused on an ongoing basis during production are provided for at their net present values and charged to the profit and loss account as extraction progresses. Where the costs of site restoration are not anticipated to be material, they are expensed as incurred

(k) Financial assets

Investments are recognised and derecognised on trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the time frame established by the market concerned, and are initially measured at fair value, net of transaction costs.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss', 'held-to-maturity' investments, 'available-for-sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Currently the company only has financial assets within the loans and receivables category.

2. Significant accounting policies (Continued)

(k) Financial assets (cont)

Effective interest rate method

The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest rate method for debt instruments other than those financial assets 'at fair value through profit or loss'.

Loans and receivables
Trade receivables, loans, and other receivables are that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment.

Interest is recognised by applying the effective interest rate.

Impairment of financial assets
Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that as a result of one or more events that occurred after the initial recognition of the financial asset the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of an amount written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previous recognised impairment loss is reversed through profit or loss to the extent that the carrying amount at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(l) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(m) Joint venture arrangements

Jointly controlled assets
Interests in jointly controlled assets in which the company is a venturer (and so has joint control) are included in the financial statements by recognising the company's share of jointly controlled assets (classified according to their nature), the share of liabilities incurred (including those incurred jointly with other venturers) and the company's share of expenses incurred by or in respect of each joint venture. The company also recognises income from the sale or use of output from the joint venture in accordance with the revenue policy in note 2(d).

2. Significant accounting policies (Continued)

(m) Joint venture arrangements (cont.)

The company's interests in assets where the company does not have joint control are accounted for in accordance with the substance of the company's interest. Where such arrangements give rise to an undivided interest in the individual assets and liabilities of the joint venture, the company recognises its undivided interest in each asset and liability and classifies and presents those items according to their nature.

Jointly controlled operations

Where the company is a venturer (and so has joint control) in a jointly controlled operation, the company recognises the assets that it controls and the liabilities that it incurs, along with the expenses that it incurs and the company's share of the income that it earns from the sale of goods or services by the joint venture.

(n) Financial Instruments issued by the Company and Financial Liabilities

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are initially measured at fair value with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

3. Site and administration expenses:

	2015 $	2014 $
Administration cost	(356,687)	(752,472)
Rehabilitation expenses	(78,748)	(19,073)
	(435,435)	**(771,545)**

4. Cash and cash equivalents:

Cash at bank and on hand	71,746	67,798
Cash at bank (JV Share)	55,078	33,377
	126,824	**101,175**

5. Trade and other receivables:

	2015 $	2014 $
Receivable from joint venture partner (i)	29	30
Goods and services tax	3,354	3,629
Other debtors	-	178,077
	3,383	**181,736**

i) The average credit period is 30 days and interest is not charged.
No allowance has been made for estimated irrecoverable trade receivable amounts based on historical financial periods.

6. Investments and assets classified as held for sale:

Current assets		
Assets classified as held for sale	384,910	-
Non-current assets		
Investment in Fujairah Gold FZC at cost*	-	384,910

*Investment represents 2% (13,672 shares face value of AED 100 each) holding in Fujairah Gold FZC at cost of AUD 384,910. Fujairah Gold FZC is a precious metal refinery and a Copper Rod Mill located at 130 kms east of Dubai, at Fujairah free Zone II, Fujairah UAE.

The company has executed share purchase agreement with Sesa Sterlite limited, a related company to sell its 2% holding in Fujairah Gold FZE, a related company for a consideration in excess of its carrying value. This agreement is subject to regulatory approval.

7. Other assets:

Prepayments	73,217	1,510

8. Property, Plant and Equipment:

	Property, Plant & Equipment (at cost) $	Mine Development (at cost) $	Total $
Gross carrying amount:			
Balance at 1 April 2013	11,700*	63,688,000	63,699,700
Additions	1,312	-	1,312
Disposals	-	-	-
Balance at 31 March 2014	13,012*	63,688,000	63,701,012
Additions	-	-	-
Disposals	-	-	-
Balance at 31 March 2015	13,102*	63,688,000	63,701,012
Accumulated depreciation:			
Balance at 1 April 2013	-	(63,688,000)	(63,688,000)
Depreciation expense	(2,318)	-	(2,318)
Balance at 1 April 2014	(2,318)	(63,688,000)	(63,690,318)
Depreciation expense	(2,440)	-	(2,440)
Balance at 31 March 2015	(4,758)	(63,688,000)	(63,692,758)
Net book value:			
As at 31 March 2014	10,694	-	10,694
As at 31 March 2015	8,254	-	8,254

* No depreciation has been recognised in Thalanga Copper Mines Pty Ltd and it is only allocation of depreciation expenses recognised in the accounts of Joint venture operations. Thalanga Copper Mines Pty Ltd have also recognised its share of net written down value of the asset.

9. Trade and other payables:

	2015	2014
	$	$
Trade payables	5,352	692
Accrued expenses	35,575	21,000
Other Payables	157,424	-
	198,351	21,692

10. Provisions:

Current		
Provision for rehabilitation (i)	290,892	315,590
Non-Current		
Provision for rehabilitation (i)	553,103	449,657
	843,995	**765,247**
Provision for rehabilitation:		
Balance at the beginning of the financial year	765,247	746,174
Provision made during the year	78,748	19,073
Balance at the end of the financial year	**843,995**	**765,247**

(i) The provision for rehabilitation costs represents the directors best estimate of the costs of future monitoring.

11. Dividends:

2015: Nil fully franked dividends were paid during the period (2014: Nil dividend declared)

12. Issued capital:

Share capital		
578,240 Ordinary shares – fully paid (2014: 578,240)	578,240	578,240

Changes relating to the then Corporations Law abolished the authorised capital and par value concept in relation to share capital from 1 July 1998. Therefore the company does not have a limited amount of authorised capital and issued shares do not have a par value.

Ordinary shares entitle the holder to participate in dividends and proceeds on winding up of the company in proportion to the numbers of and amounts paid on the shares held.
On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

13. Remuneration of auditors:

	2015 $	2014 $
Fees to Auditor of the company		
For Audit	24,398	15,955
For Taxation	1,500	1,545
	25,898	14,050

Fee includes allocation of Audit fee of Joint venture operations.
The auditor of the company is Deloitte Touche Tohmatsu

14. Contingent Assets:

At the beginning of FY 2013-14, it was determined that, based on a sales agreement previously entered into between Thalanga Copper Mines Pty Ltd and Kagara Copper Ltd (Kagara), that Kagara owed Thalanga Copper Mines Pty Ltd royalties of $4.425 million on minerals previously mined and sold. Kagara has gone into administration and a Deed of Company Arrangement (DOCA) was entered into instead of liquidation in order to achieve better assets realisation. Total post administration Royalty of S159K ($74k in May 2013 and $85K in Sep 2013) was received by company during FY 2013-14. The Administrator of Kagara was unable to sell assets as set out in the DOCA by 16th December 2013, due to low commodity prices and poor market sentiments. The DOCA was automatically terminated and companies were placed into liquidation. The Liquidator will continue to explore the market for better realisation of unsold assets. The royalty amount ultimately recovered by the company is dependent on the dividend paid to the classes of creditors from the liquidation of Kagara Mines and Kagara assets. Due to the significant uncertainty regarding the actual amount to be received, no amount has been recognised in the accounts of Thalanga Copper Mines Pty Ltd.

15. Going Concern:

The financial report has been prepared on the going concern basis, which assumes that the company will be able to realise its assets and discharge its liabilities in the normal course of business. At 31 March 2015 the company has net liability of $185,554 and has incurred a loss of $314,522 in the current year.

At the date of this report the directors are confident that the company will be able to continue as a going concern due to the following factors:

- on the basis of the company's cash flow forecasts for the next financial year, the company will incur expenditure of $463,040
- the company has cash of $126,824 as at 31 March 2015
- the company expects to receive further tax payments of approximately $108,000 from a related company during the next financial year
- the company expects to receive a contribution of $138,912 from a joint venture partner during the next financial year
- as stated in note 14, the company expects that it may receive a distribution from the liquidator of Kagara Copper Ltd
- the company has executed share purchase agreement with Sesa Sterlite limited, a related company to sell its 2% holding in Fujairah Gold FZE, a related company for a consideration in excess of its carrying value. This agreement is subject to regulatory approval
- The company holds a Letter of Comfort dated 17 March 2015 issued by Sesa Sterlite Limited, a related company, that states that Sesa Sterlite Limited accepts the responsibility for arranging to provide sufficient financial assistance to the company as and when it is needed to enable the company to continue its operations and fulfil all of its financial obligations now and in future subject necessary approvals. In addition, the directors have confirmed that the Letter of Comfort will remain in force until at least the finalisation of the financial statements of Thalanga Copper Mines Pty Ltd for the year ending 31 March 2016 or such time after that date that the directors make a decision to revoke the undertaking.

16. Subsequent events

Except for the matter outlined in the contingent asset note above, no matter or circumstance has arisen since 31 March 2015 that has significantly affected, or may significantly affect:

(a) the entity's operations in future financial years, or
(b) the results of those operations in future financial years, or
(c) the entity's state of affairs in future financial years.

17. General information

Thalanga Copper Mines Pty Limited is a company limited by shares incorporated and domiciled in Australia. The company's registered office and its principal place of business are as follows:

Registered Office:
C/o Henry Davis York
44 Martin Place
Sydney, New South Wales

Principal place of business:
Thalanga Copper Mines Pty Limited
Private Bag 1
Queenstown, Tasmania

Parent entities
The parent entity is Monte Cello BV (incorporated in the Netherlands) that owns 100% of the issued ordinary shares of Thalanga Copper Mines Pty Limited.

The ultimate parent entity is Vedanta Resources Plc (incorporated in United Kingdom) that indirectly owns 58.3% of the issued ordinary shares of Monte Cello BV. Sesa Sterlite Limited is the parent entity of Monte Cello BV.