



**ACN 168 295 092**

**Annual Report  
for the Financial Period  
27 February 2014 to 30 June 2015**

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**TORRENS MINING LTD  
CORPORATE DIRECTORY**

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**Directors**

**Executive Chairman**

Mr Mike Collings

**Managing Director & CEO**

Mr Steve Shedden

**Non-Executive Director**

Mr Richard Graaug

**Company Secretary**

Mr David Palumbo

**Registered and Principal Office**

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216 St Georges Terrace  
Perth Western Australia 6000

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Facsimile : +61 (8) 9463 6103

**Website**

[www.torrensmining.com.au](http://www.torrensmining.com.au)

**Auditors**

RSM  
8 St Georges Terrace  
Perth Western Australia 6000

**Bankers**

Westpac Banking Corporation  
218 St Georges Terrace  
Perth Western Australia 6000

**Solicitors**

Richard Simon Legal  
2 Little Russell Street  
North Perth Western Australia 6006

## TORRENS MINING LTD DIRECTORS' REPORT

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The Directors present their report together with the financial statements of Torrens Mining Ltd and its controlled entity (referred to hereafter as "the Group") for the financial period 27 February 2014 to 30 June 2015 (the "financial period").

### **Current Directors**

The name and details of the Company's Directors in office during the financial period and until the date of this report are as follows. Directors were in office for the entire period unless stated otherwise.

Mr Mike Collings - Executive Chairman (appointed 27 February 2014)  
Mr Steve Shedden – Managing Director & CEO (appointed 27 February 2014)  
Mr Richard Graaug - Non-Executive Director (appointed 27 February 2014)

### **Names and Qualifications**

**Mr Mike Collings**  
**BSc(Hons)(Geol)(MinGeol), BSc (Hons 1st Class)**  
**Executive Chairman**

Mike Collings is both a minerals geologist and mining engineer with 40 years' experience. A graduate of the Royal School of Mines, London, Mr Collings has worked in Australia for most of his career, which has included periods as a mine geologist at Broken Hill and in South Africa, and as a mining engineer in Mt Isa and in various locations in Western Australia and Victoria. He is a Registered Mine Manager in both WA and Queensland. Mr Collings also has significant experience in corporate matters, having been on the boards of several listed companies. His chief professional interest is in the development of mining projects from exploration through to production.

**Mr Steve Shedden**  
**ASMB, BSc(Hons)(Geol), MAusIMM, MAIG**  
**Managing Director & CEO**

Steve Shedden is a minerals geologist and company director with 40 years' industry experience. A graduate in Applied Geology of the Ballarat School of Mines and Industries (SMB) and its successor institutions, he has wide corporate and field experience in exploration and mining in Australia, Papua New Guinea and South America. Mr Shedden founded three ASX-listed mineral companies; Gindalbie Metals Limited (ASX:GBG) in 1993, Oroya Mining Limited (ASX:ORO) in 2002, and Argentina Mining Limited (ASX:AVK) in 2010, in all of which he held senior management roles, before establishing Torrens in 2014.

**Mr Richard Graaug**  
**BJuris LLB (UWA), Grad. Dip. App Fin. Invest. (SIA) Grad Dip App.Corp.Gov (CSA) FGIA**  
**Non-Executive Director**

Richard Graaug is legal practitioner and was admitted as a Barrister & Solicitor in Western Australia in 1987. He is a director of his own law practice, Richard Simon Legal, in Perth, which provides legal services to a number of mining & energy companies including to Torrens and its subsidiaries. He has practiced as a solicitor for over 26 years, including as an in-house lawyer and prior to that in top tier private firms. His areas of practice include commercial agreements, debt and capital raisings, farmins, joint ventures, technology transactions, general corporate and commercial matters and corporate governance. Mr Graaug is also experienced in mergers, acquisitions and project development. His legal and commercial experience extends to both to Australian and overseas jurisdictions, including the legal function and in-house counsel role for a number of Australian companies. From 1997 to 2008 he held various positions, including directorships with Halliburton Energy Services (HES) covering Australasian, South East Asian and African jurisdictions. While with HES, Mr Graaug was based in Africa including Egypt for up to 4 years. From 2008 to 2010 he was Senior Legal Counsel with Apache Energy in Perth.

## TORRENS MINING LTD DIRECTORS' REPORT

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**Mr David Palumbo**  
**BCom, CA**  
**Company Secretary**

Mr Palumbo is a chartered accountant with over ten years of experience in accounting and financial reporting of ASX listed and unlisted companies, which includes five years as an external auditor. Mr Palumbo provides corporate advisory and financial management advice and specialises in corporate compliance, statutory reporting and financial accounting services. He has also been involved in the listing of several junior exploration companies on the ASX. Mr Palumbo is currently also company secretary for Krakatoa Resources Limited and a number of unlisted public companies.

### **Interests in the Shares of the Company**

As at the date of this report, the interests of the Directors in the ordinary shares of Torrens Mining Limited were:

<b>Directors</b>	<b>Ordinary Shares held</b>
M. Collings	7,000,000
S. Shedden	7,000,000
R. Graaug	4,000,000

### **Dividends**

The Directors do not recommend the payment of a dividend and no amount has been paid or declared by way of a dividend to the date of this report.

### **Principal Activities**

The principal activity of the Group during the financial period was the acquisition and exploration and evaluation of mining projects.

### **Operating Results for the Period**

The operating result of the Group for the financial period was a loss of \$380,649.

### **Review of Operations**

Torrens Mining Limited is positioned as an emerging copper producer through its developmental work on the shale-hosted MG14 and Windabout copper-cobalt-silver resources at Mt Gunson, South Australia, 100km south of BHP Billiton's giant Olympic Dam copper-gold mine.

Inspired by the successful mining of the once 'stranded' Sally Malay nickel-copper-cobalt deposit in the East Kimberley, during the 2015FY Torrens undertook detailed scoping studies, including metallurgical testwork and mine planning, which demonstrated the potential for profitable mining at Mt Gunson.

The MG14 and Windabout deposits were discovered in the early 1970's by CSR Limited, which operated the successful Cattlegrid copper sulphide mine at Mt Gunson. The MG14 and Windabout deposits which contain over 200,000 tonnes of copper, with head grades in the range 1.0% to 1.4% Cu and important cobalt and silver credits, remained in the ground because sulphide flotation testwork showed that copper recoveries were too low to support profitable mining. The very small grain size of the sulphide minerals was identified as the key reason for the low copper recoveries.

To release the economic value latent in these well-established mineral resources, Torrens tackled this problem head on. Its initial studies identified that hydrometallurgical leaching, in combination with conventional flotation, might provide a viable processing route for the Mt Gunson ores.

## **TORRENS MINING LTD DIRECTORS' REPORT**

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Metallurgical testwork undertaken by the Project Manager, Mining and Process Solutions Pty Ltd (MPS) and a study into the bulk open pit mining of the high strip ratio Windabout overburden was completed by a German open cut mining specialist, RWE international.

The metallurgical testwork was successful in dramatically improving copper recoveries. The mining studies showed that, for a ten year mining operation, the deposits could be economically mined by open cut, with no drill and blast or primary crushing requirements.

Wrapping this new information and that from previous feasibility studies into its Scoping Study, Torrens reconfirmed the potential for profitable mining and defined the opportunities to be pursued during the next planned stage, the Pre-feasibility Study (PFS), which is designed to select the preferred production route.

A drilling campaign is planned to obtain a fresh metallurgical sample, because the sample from obtained by the last drilling in 2009 has been largely consumed. With fresh, unoxidised mineral sample, combinations of cyanide and glycine leaching and sulphide flotation will be trialled to optimise the mineral processing route.

Exploration opportunities at Mt Gunson will also be reviewed, as even small tonnages of accessible shallow ore would dramatically improve the early stage economics of the Project. Feasibility studies will also examine ways to reduce, for example, power costs and to improve overall operational efficiencies. Detailed mining plans will be developed and the process for gaining regulatory approvals initiated.

None of these achievements were possible without the close support of MPS and the enthusiasm of Torrens' foundation shareholders, which is very much appreciated, as is the efficient corporate service provided by Mining Corporate Pty Ltd.

### **Significant Changes in State of Affairs**

Other than those disclosed in this annual report no significant changes in the state of affairs of the Company occurred during the financial period.

### **Significant Events after Reporting Date**

On 29 October 2015, the Company issued 1,000,000 fully paid ordinary shares at an issue price of \$0.05 per share to raise \$50,000.

No other matters or circumstances have arisen since the end of the period which 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.

### **Indemnification of Officers**

The Company currently has no insurance cover indemnifying officers against any liability arising out of their conduct whilst acting for the Company.

### **Proceedings on Behalf of the Company**

No person has applied for leave of court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group or any part of those proceedings.

### **Share Options**

At the date of this report, Torrens Mining Ltd has no unissued ordinary shares under option.

# TORRENS MINING LTD DIRECTORS' REPORT

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## Environmental Regulation

The directors are mindful of the regulatory regime in relation to the impact of the organisation's activities on the environment. There have been no known breaches of any environmental regulation by the Group during the financial period.

## Future Developments

Further information, other than as disclosed in this report, about likely developments in the operations of the Group and the expected results of those operations in future periods has not been included in this report as disclosure of this information would be likely to result in unreasonable prejudice to the Group.

## Remuneration Report (Audited)

This Remuneration Report outlines the director and executive remuneration arrangements of the Group in accordance with the requirements of the Corporations Act 2001 and its Regulations.

For the purposes of this report, Key Management Personnel ("KMP") of the Group are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of Torrens.

For the purposes of this report, the term 'executive' encompasses executive director(s), chief executive officer, senior executives, general managers and secretaries of the Company.

Details of key management:

### (i) Directors

M. Collings	Executive Chairman (appointed 27 February 2014)
S. Shedden	Managing Director & CEO (appointed 27 February 2014)
R. Graaug	Non-Executive Director (appointed 27 February 2014)

### (ii) Executives

There were no Executives employed by the Group other than the Directors during the financial period.

## Remuneration Philosophy

The performance of the Company depends upon the quality of its directors and executives. To prosper, the Company must attract, motivate and retain highly skilled directors and executives. To this end, Torrens provides competitive rewards to attract high calibre executives.

## Remuneration Committee

Given the small size of the Board of Directors (three directors), it was not considered practical to establish a committee of the Board as a Remuneration Committee. Accordingly the full Board is responsible for determining and reviewing compensation arrangements for the directors and executives. Any Director with a personal interest in a remuneration matter is excused from participating in those discussions and resulting decisions. It is the intention of the Board to establish a Remuneration Committee once the size of the Company increases.

The Board assesses the appropriateness of the nature and amount of remuneration of executives on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention of a high quality director and executive team.

## Remuneration Structure

In accordance with best practice, the structure of non-executive director and executive remuneration is separate and distinct.

# TORRENS MINING LTD DIRECTORS' REPORT

## Non-Executive Director Remuneration

### Objective

The Board aims to set aggregate remuneration at a level that provides the Company with the ability to attract and retain directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

### Structure

The Company's Constitution specify that the aggregate remuneration of non-executive directors shall be determined from time to time by a general meeting. An amount not exceeding the amount determined is then divided between the directors as agreed. The maximum currently stands at \$250,000 per annum.

The remuneration of non-executive director(s) for the financial period ended 30 June 2015 is detailed in Table 1.

During the financial period, Torrens incurred costs to a director related entity for services rendered to the Company (refer to Note 11).

As non-executive director(s) are not expected to be involved in the performance of the Company to the same degree as executive director(s) it is not considered appropriate for their remuneration to be dependent on the satisfaction of performance criteria.

## Senior Management and Executive Director Remuneration

Throughout the current financial period, the Board of Directors comprised of one non-executive directors with two executive directors.

### Remuneration Details for the financial period 27 February 2014 to 30 June 2015

The following table details the components of remuneration of each KMP of the Company:

	Short Term Benefit		Non-Monetary Benefits	Post-employment		Equity		Performance Related
	Salary & Fees	Cash Bonus		Super-annuation	Termination payments	Options	Total	
	\$	\$	\$	\$	\$	\$	\$	%
<b>Non-executive directors</b>								
R. Grauaug	-	-	-	-	-	-	-	-
<b>Sub-total non-executive directors</b>	-	-	-	-	-	-	-	-
<b>Executive directors</b>								
M. Collings <sup>1</sup>	\$97,250	-	-	-	-	-	\$97,250	-
S. Shedden <sup>1</sup>	\$97,250	-	-	-	-	-	\$97,250	-
<b>Sub-total executive directors</b>	<b>\$194,500</b>	-	-	-	-	-	<b>\$194,500</b>	-
<b>Total</b>	<b>\$194,500</b>	-	-	-	-	-	<b>\$194,500</b>	-

<sup>1</sup> Director fees unpaid at 30 June 2015.

### Options granted as part of remuneration

No options were granted to KMP as part of their remuneration during the financial period.

**TORRENS MINING LTD  
DIRECTORS' REPORT**

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**Shareholdings of Key Management Personnel**

	<i><b>Balance 27-Feb-14</b></i>	<i><b>Net Change</b></i>	<i><b>Balance 30-June-15</b></i>
<b>Directors</b>			
M. Collings	7,000,000	-	7,000,000
S. Shedden	7,000,000	-	7,000,000
R. Graaug	4,000,000	-	4,000,000
<b>Total</b>	<b>18,000,000</b>	<b>-</b>	<b>18,000,000</b>

All equity transactions with directors and executives have been entered into under terms and conditions no more favourable than those the entity would have adopted if dealing at arm's length.

**Loans to directors and executives**

There are no loans to directors or executives at reporting date.

**“End of Remuneration Report (Audited)”**

**Directors' Meetings**

The number of directors' meetings and the number of meetings attended by each of the directors of the Company for the time the director held office during the financial period are as follows:

<b>Director</b>	<b>Directors Meetings</b>
<b>Number of Meetings Held</b>	<b>7</b>
<b>Number of Meetings Attended</b>	
M. Collings	7
S. Shedden	7
R. Graaug	7

**Non Audit Services**

The Board of Directors is satisfied that the provision of non-audit services during the period is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the Board prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

During the financial period, \$1,850 was paid or payable to RSM for non-audit services.

**TORRENS MINING LTD  
DIRECTORS' REPORT**

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**Auditor Independence**

Section 307C of the Corporations Act 2001 requires our auditors, RSM to provide the Directors of the Company with an Independence Declaration in relation to the audit of this financial report. The Directors have received the Independence Declaration which has been included within this financial report.

Signed in accordance with a resolution of the directors:

A handwritten signature in black ink, appearing to be 'MC', written in a cursive style.

**Mr Mike Collings  
Executive Chairman**

Dated this 30<sup>th</sup> day of October 2015

**RSM Australia Partners**

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**AUDITOR'S INDEPENDENCE DECLARATION**

As lead auditor for the audit of the financial report of Torrens Mining Limited for the period 27 February 2014 to 30 June 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.



RSM



TUTU PHONG  
Partner

Perth, WA  
Dated: 30 October 2015

**TORRENS MINING LTD**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD 27 FEBRUARY 2014 TO 30 JUNE 2015**

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	<b>Note</b>	<b>27 February 2014 to 30 June 2015 \$</b>
<b>Revenue</b>	4(a)	102,588
Exploration, evaluation and tenement acquisition expense	4(b)	(431,807)
Corporate compliance expense		(42,335)
Administration expense		(9,095)
		<hr/>
<b>Loss before income tax</b>		<b>(380,649)</b>
Income tax expense	5	-
		<hr/>
Net loss for the financial period		<b>(380,649)</b>
Other comprehensive income		-
		<hr/>
Total comprehensive income for the period		<b><u>(380,649)</u></b>

The accompanying notes form part of these financial statements

**TORRENS MINING LTD**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2015**

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	Note	30 June 2015 \$
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	6	3,119
Trade and other receivables	7	93,039
Other assets		420
<b>TOTAL CURRENT ASSETS</b>		<u>96,578</u>
<b>TOTAL ASSETS</b>		<u><b>96,578</b></u>
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables	8	<u>326,227</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>326,227</u>
<b>TOTAL LIABILITIES</b>		<u><b>326,227</b></u>
<b>NET LIABILITIES</b>		<u><b>(229,649)</b></u>
<b>EQUITY</b>		
Contributed equity	9	151,000
Accumulated losses		<u>(380,649)</u>
<b>TOTAL DEFICIENCY IN EQUITY</b>		<u><b>(229,649)</b></u>

The accompanying notes form part of these financial statements

**TORRENS MINING LTD**  
**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD 27 FEBRUARY 2014 TO 30 JUNE 2015**

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	<b>Note</b>	<b>27 February 2014 to 30 June 2015 \$</b>
<b>Cash flows from operating activities</b>		
Interest received		65
Research and development grant		14,621
Payments to suppliers and employees		(17,232)
Exploration and evaluation expenditure		(157,335)
<b>Net cash flows from operating activities</b>	11	(159,881)
<b>Cash flows from investing activities</b>		
Payments for exploration assets		-
<b>Net cash flows from investing activities</b>		-
<b>Cash flows from financing activities</b>		
Loans from related parties		12,000
Proceeds from issue of shares in the Company (net of costs)		151,000
<b>Net cash flows from financing activities</b>		163,000
Net increase in cash and cash equivalents		3,119
Cash and cash equivalents at the beginning of the period		-
<b>Cash and cash equivalents at the end of the period</b>	6	3,119

The accompanying notes form part of these financial statements

**TORRENS MINING LTD**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE PERIOD 27 FEBRUARY 2014 TO 30 JUNE 2015**

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	Issued Capital	Accumulated Losses	Total
	\$	\$	\$
<b>Balance at 27 February 2014</b>	-	-	-
Loss for the period	-	(380,649)	(380,649)
Other comprehensive income	-	-	-
	-	<b>(380,649)</b>	<b>(380,649)</b>
Transactions with equity holders in their capacity as owners			
Issue of shares (net of costs)	151,000	-	151,000
<b>Total transactions with equity holders in their capacity as owners</b>	<b>151,000</b>	-	<b>151,000</b>
<b>Balance at 30 June 2015</b>	<b>151,000</b>	<b>(380,649)</b>	<b>(229,649)</b>

The accompanying notes form part of these financial statements

**TORRENS MINING LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 27 FEBRUARY 2014 TO 30 JUNE 2015**

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**1. CORPORATE INFORMATION**

This financial report of Torrens Mining Ltd ("Company") was authorised for issue in accordance with a resolution of the directors on 30 October 2015.

Torrens Mining Ltd is a public non-listed company, incorporated and domiciled in Australia.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of Preparation**

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

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

**(b) Going Concern**

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Company and Group incurred losses of \$297,076 and \$380,649 respectively and the Group had net cash outflows from operating activities of \$159,881 for the period ended 30 June 2015. As of that date, the company and Group had net liabilities of \$146,076 and \$229,649 respectively .

The ability of the Company and Group to continue as going concerns is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cash flow in line with available funds. These conditions indicate a material uncertainty, which may cast significant doubt about the ability of the Company and Group to continue as going concerns.

The directors have prepared a cash flow forecast, which indicates that the Company and Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12 month period from the date of signing this financial report. As disclosed in Note 17, subsequent to the reporting date, the Company raised \$50,000 from the issue of 1,000,000 shares. Further, as disclosed in Note 8, related party creditors total \$229,642 and they have confirmed payment will not be called in the next 15 months, to the extent that funds of the Company permits payment.

Based on the cash flow forecasts, and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate.

Should the Company and Group be unable to continue as going concerns they may be required to realise their assets and extinguish their liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company and Group be unable to continue as going concerns.

**TORRENS MINING LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 27 FEBRUARY 2014 TO 30 JUNE 2015**

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**(c) New and Amended Accounting Policies Adopted by the Company**

The Company has adopted all new and revised accounting standards and interpretations that are relevant to its operations and effective for reporting periods beginning 27 February 2014. None of the new and revised standards and interpretations adopted during the financial period had a material impact.

**(d) New Accounting Standards for Application in Future Periods**

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

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

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

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

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

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

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

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

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

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

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

**TORRENS MINING LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 27 FEBRUARY 2014 TO 30 JUNE 2015**

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**(e) Basis of consolidation**

The consolidated financial statements comprise the financial statements of Torrens Mining Ltd and its subsidiary as at 30 June each period.

The financial statements of the subsidiary is prepared for the same reporting period as the Company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and loss resulting from intra-group transactions have been eliminated in full. Subsidiaries are fully consolidated from the date on which control is gained and cease to be consolidated from the date on which control is lost. Control exists where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The acquisition of subsidiaries has been accounted for using the purchase method of accounting. The purchase method of accounting involves allocating the cost of the business combination to the fair value of the assets acquired and the liabilities and contingent liabilities assumed at the date of acquisition. Accordingly, the consolidated financial statements include the results of the subsidiaries for the financial period from their acquisition.

**(f) Segment Reporting**

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision makers to make decisions about resources to be allocated to the segments and assess their performance and for which discrete financial information is available. This includes start-up operations which are yet to earn revenues.

Operating segments have been identified based on the information presented to the chief operating decision makers – being the Board of Directors.

Information about other business activities and operating segments that do not meet the quantitative criteria set out in AASB 8 "Operating Segments" are combined and disclosed in a separate category called "other".

**(g) Interest in Jointly Controlled Assets**

The Company had an interest in a Farm-in and Joint Venture ("Joint Venture"), whereby the Company had a contractual arrangement that establishes the right, but not obligation, to earn an economic interest in the Tenements held by the Company's counterparty to the Farm-in and Joint Venture.

The Company recognised its interest in the Joint Venture using the proportionate consolidated method. The Company combined its proportionate share of each of all assets, liabilities, income and expenses incurred under the Joint Venture with similar items, line by line, in its financial statements.

**(h) Exploration and Evaluation Assets**

Exploration and evaluation expenditure in relation to the Company's mineral tenements is expensed as incurred. When the Directors decide to progress the development of an area of interest all further expenditure incurred relating to the area will be capitalised. Projects are advanced to development status and classified as mine development when it is expected that further expenditure can be recouped through sale or successful development and exploitation of the area of interest. Such expenditure is carried forward up to commencement of production at which time it is amortised over the life of the economically recoverable reserves. All projects are subject to detailed review on an annual basis and accumulated costs written off to the extent that they will not be recoverable in the future.

**(i) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank and in hand.

**TORRENS MINING LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 27 FEBRUARY 2014 TO 30 JUNE 2015**

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**(j) Trade and Other Payables**

Liability for trade creditors and other amounts are carried at amortised cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed.

**(k) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

**Interest**

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

**(l) Government grants**

The Research and Development Tax Incentive Grant received from the Australian Taxation Office is recognised in the financial period in which it becomes receivable.

**(m) Income Tax**

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilised, except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the financial period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity .

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same tax authority.

**TORRENS MINING LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 27 FEBRUARY 2014 TO 30 JUNE 2015**

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**(n) Financial Instruments**

**Initial recognition and measurement**

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Company commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted). Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified “at fair value through profit or loss”, in which case transaction costs are expensed to profit or loss immediately.

**Classification and subsequent measurement**

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest method, or cost.

Amortised cost is calculated as the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm’s length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) over the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying amount with a consequential recognition of an income or expense item in profit or loss.

The Company does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments other than loans receivables and financial liabilities. The Company does not currently hold any other classification of financial assets.

*(i) Financial assets at fair value through profit or loss*

Financial assets are classified at “fair value through profit or loss” when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company’s intention to hold these investments to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial asset is derecognised.

**TORRENS MINING LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 27 FEBRUARY 2014 TO 30 JUNE 2015**

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**(n) Financial Instruments (Cont.)**

*(iv) Available-for-sale investments*

Available-for-sale investments are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with any re-measurements other than impairment losses and foreign exchange gains and losses recognised in other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are classified as non-current assets when they are expected to be sold after 12 months from the end of the reporting period. All other available-for-sale financial assets are classified as current assets.

*(v) Financial liabilities*

Non-derivative financial liabilities other than financial guarantees are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss through the amortisation process and when the financial liability is derecognised.

**Impairment**

At the end of each reporting period, the Company assesses whether there is objective evidence that a financial asset has been impaired. A financial asset (or a group of financial assets) is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of financial assets that would otherwise have been past due or impaired have been renegotiated, the Company recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events that have occurred are duly considered.

**(o) Impairment of Assets**

At the end of each reporting period, the Company assesses whether there is any indication that an asset may be impaired. The assessment will include the consideration of external and internal sources of information including dividends received from subsidiaries, associates or jointly controlled entities deemed to be out of pre-acquisition profits. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another Standard (e.g. in accordance with the revaluation model in AASB 116: Property, Plant and Equipment).

**TORRENS MINING LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 27 FEBRUARY 2014 TO 30 JUNE 2015**

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**(p) Impairment of Assets**

Any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other Standard. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill, intangible assets with indefinite lives and intangible assets not yet available for use.

**(q) Goods and Services Tax (“GST”)**

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

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

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

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

**(r) Contributed Equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**(s) Employee Benefits**

Provision is made for the Company’s obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Company’s obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Company’s obligations for employees’ annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

**(t) Critical Accounting Estimates and Judgments**

The directors evaluate estimates and judgments incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

In the opinion of the directors, there are no critical accounting estimates or judgments in this financial report.

**TORRENS MINING LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 27 FEBRUARY 2014 TO 30 JUNE 2015**

**3. SEGMENT INFORMATION**

The Group has identified its operating segments based on the internal reports that are used by the Board (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The operating segments are identified by the Board based on the phase of operation within the mining industry. For management purposes, the Group has organised its operations into two reportable segments on the basis of stage of development as follows:

- Development assets; and
- Exploration and evaluation assets, which includes assets that are associated with the determination and assessment of the existence of commercial economic reserves.

The Board as a whole will regularly review the identified segments in order to allocate resources to the segment and to assess its performance.

During this financial period, the Group had no development assets. The Board considers that it has only operated in one segment, being mineral exploration within Australia.

The Group is domiciled in Australia. All revenue from external customers are only.

**4. REVENUES AND EXPENSES**

	<b>27 February 2014 to 30 June 2015</b>
	<b>\$</b>
<b>(a) Revenue</b>	
Interest revenue	65
Research and development grant	<u>102,523</u>
	<u>102,588</u>
 <b>(b) Exploration and tenement acquisition expense</b>	
Tenement Acquisition (i)	3,820
General exploration and evaluation	<u>427,987</u>
	<u>431,807</u>
 (i) On 13 March 2014, the Group completed the acquisition of a 100% interest in the issued capital of Terrace Mining Pty Ltd through the payment of \$3. It is considered that the acquisition of Terrace Mining Pty Ltd is not a business combination, but rather an acquisition of mining tenements.	
	<b>Fair Value</b>
Purchase Consideration	3
Identifiable assets acquired:	
Cash and cash equivalents	5,475
Trade and other receivables	708
Trade and other payables	(10,000)
Exploration and evaluation expenditure	<u>3,820</u>
	<u>3</u>

**TORRENS MINING LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 27 FEBRUARY 2014 TO 30 JUNE 2015**

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**5. INCOME TAX**

Major components of income tax expense are:

	<b>27 February 2014 to 30 June 2015</b>
<b>Income Statement</b>	<b>\$</b>
Income tax expense reported in the statement of profit and loss and other comprehensive income	-

A reconciliation of income tax expense applicable to accounting loss before income tax at the statutory income tax rate to income tax expense at the Company's effective income tax rate is as follows:

	<b>27 February 2014 to 30 June 2015</b>
	<b>\$</b>
Net loss before income tax expense	(380,649)
Prima facie tax calculated at 30%	(114,195)
Non-deductible expenses	76,603
Non assessable income	(30,757)
Expenditure subject to research and development tax incentive	68,349
Income tax expense	-
Unrecognised deferred tax assets	
Deductible temporary differences	-
Revenue losses	66,716
	66,716

**Availability of Tax Losses**

The availability of the tax losses for future periods is uncertain and will be dependent on the Company satisfying strict requirements with respect to continuity of ownership and the same business test imposed by income tax legislation.

The recoupment of available tax losses as at 30 June 2015 is contingent upon the following:

- (a) the Company deriving future assessable income of a nature and of an amount sufficient to enable the benefit from the losses to be realised;
- (b) the conditions for deductibility imposed by income tax legislation continuing to be complied with; and
- (c) there being no changes in income tax legislation which would adversely affect the Company from realising the benefit from the losses.

Given the Company is currently in a loss making position, a deferred tax asset has not been recognised with regard to unused tax losses, as it has not been determined that the Company will generate sufficient taxable profit against which the unused tax losses can be utilised.

**TORRENS MINING LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 27 FEBRUARY 2014 TO 30 JUNE 2015**

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**6. CASH AND CASH EQUIVALENTS**

**30 June  
2015  
\$**

Cash at bank and in hand	3,119
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Cash at bank and in hand earns interest at floating rates based on daily at call bank deposit and savings rates.

**7. TRADE AND OTHER RECEIVABLES**

**30 June  
2015  
\$**

**Other Receivables**

GST receivable	5,137
Research and development grant	87,902
	93,039

Other receivables are non-interest bearing and are generally on 30 – 90 day terms.

Other receivables are neither impaired nor past due. It is expected that these balances will be received when due.

**8. TRADE AND OTHER PAYABLES**

**30 June  
2015  
\$**

Trade and other payables	96,585
Related party payables	229,642
	326,227

Trade payables and other payables are non-interest bearing and are normally settled on 30 to 60 day terms.

Related party payables are non-interest bearing and are non-recourse insofar as the funds of the Company permits repayment.

**TORRENS MINING LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 27 FEBRUARY 2014 TO 30 JUNE 2015**

**9. CONTRIBUTED EQUITY**

	<b>30 June 2015 \$</b>	
<b>Ordinary shares</b>		
Issued and fully paid	151,000	
	<b>30 June 2015</b>	
	<i>No.</i>	<i>\$</i>
Movement in ordinary shares on issue		
Issue of incorporation shares – 27 February 2014	19,000,000	1,900
Issue of promoter shares – 29 August 2014	1,000,000	100
Issue of seed shares – 29 August 2014	80,000	4,000
Issue of seed shares – 4 September 2014	1,000,000	50,000
Issue of seed shares – 3 October 2014	1,600,000	80,000
Issue of seed shares – 16 March 2015	300,000	15,000
Transaction costs	-	-
At end of period	22,980,000	151,000

**Share Options**

There were no share options outstanding at 30 June 2015.

**10. DIRECTORS AND EXECUTIVE DISCLOSURES**

**(a) Remuneration of Key Management Personnel**

Refer to the Remuneration Report contained in the Directors' Report for details of the remuneration paid or payable to each member of the Company's Key Management Personnel ("KMP") for the financial period.

The totals of remuneration paid or payable to the KMP of the Company during the period are as follows:

	<b>30 June 2015 \$</b>	
Short-term employee benefits	194,500	
Post-employment benefits	-	
Share-based payments	-	
	194,500	

**TORRENS MINING LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. RELATED PARTY DISCLOSURE**

All transactions were made on normal commercial terms and condition and at market rates.

**Legal Services**

Mr Richard Graaug, Non-Executive Director, is a director and shareholder of Richard Simon Legal. During this financial period, Richard Simon Legal provided general consulting legal services totalling \$15,825 to the Group. The amount is unbilled and has been accrued within related party payables, as disclosed in Note 8.

**Amounts Payable to Related Parties**

During this financial period, the Company completed the acquisition of a 100% interest in the issued capital of Terrace Mining Pty Ltd. At acquisition, the Company had a shareholder loan payable balance to Mike Collings, Executive Chairman. An amount of \$5,000 was outstanding at period end.

As at 30 June 2015, the Company also had amounts payable to Mike Collings, Executive Chairman for amount of \$2,203, to Richard Graaug, Non-Executive Director for an amount of \$1,143 and to Steve Shedden, Managing Director for an amount of \$5,972.

**12. CASHFLOW INFORMATION**

	<b>30 June 2015 \$</b>
<b>Reconciliation from the net loss after tax to the net cash flows from operations</b>	
Net loss	(380,649)
<i>Changes in assets and liabilities:</i>	
Trade and other receivables	(93,039)
Other assets	(420)
Trade and other payables	314,227
Net cash from operating activities	<u>(159,881)</u>

**13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Company's principal financial instruments comprise receivables, payables and cash which arise directly from its operations.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

**TORRENS MINING LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 27 FEBRUARY 2014 TO 30 JUNE 2015**

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**13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont.)**

**Risk Exposures and Responses**

*Interest rate risk*

The Company generates income from interest on surplus funds. At reporting date, the Company had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	<b>30 June 2015 \$</b>
<b>Financial Assets</b>	
Cash and cash equivalents	3,119
Net exposure	<u>3,119</u>

*Interest rate sensitivity analysis*

At 30 June 2015, the effect on loss and equity as a result of a 2% increase in the interest rate, with all other variables remaining constant would be a decrease in loss by \$1 and an increase in equity by \$1. The effect on loss and equity as a result of a 2% decrease in the interest rate, with all other variables remaining constant would be an increase in loss by \$1 and a decrease in equity by \$1.

*Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The Company's potential concentration of credit risk consists mainly of cash deposits with banks. The Company's short term cash surpluses are placed with banks that have investment grade ratings. The maximum credit risk exposure relating to the financial assets is represented by the carrying value as at the balance sheet date. The Company considers the credit standing of counterparties when making deposits to manage the credit risk.

*Liquidity risk*

The responsibility with liquidity risk management rests with the Board of Directors. The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate working capital is maintained. The Group's policy is to ensure that it has sufficient cash reserves to carry out its planned exploration activities over the next 12 months.

*Fair values*

Fair values of financial assets and liabilities are equivalent to carrying values due to their short terms to maturity.

**TORRENS MINING LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 27 FEBRUARY 2014 TO 30 JUNE 2015**

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**14. COMMITMENTS**

***Farmin Joint Venture Commitments***

Pursuant to the Farmin Joint Venture Agreement dated 9 December 2013, Terrace Mining Pty Ltd was granted an option to acquire 51% of the rights to prospect, explore and mine minerals from Windabout and MG14 deposits within EL4460 (subsequently renewed as EL5636). The option was exercised on 9 February 2015 and requires Terrace Mining Pty Ltd to spend \$2,500,000 towards the progression and to the extent practicable, finalisation of a bankable feasibility study within 18 months. As at 30 June 2015, a total of \$294,977 had been incurred.

	<b>30 June 2015 \$</b>
– not later than 12 months	<u>2,205,023</u>

**15. CONTROLLED ENTITIES**

	<b>Country of Incorporation</b>	<b>Equity Holding 30 June 2015 %</b>
Subsidiaries of Torrens Mining Ltd:		
Terrace Mining Pty Ltd	Australia	100

Terrace Mining Pty Ltd was acquired on 13 March 2014 – Refer to note 4(b)(i).

**16. AUDITORS' REMUNERATION**

	<b>30 June 2015 \$</b>
Remuneration of the auditor for:	
- Auditing or reviewing the financial statements	<u>5,000</u>

**17. EVENTS AFTER REPORTING DATE**

On 29 October 2015, the Company issued 1,000,000 fully paid ordinary shares at an issue price of \$0.05 per share to raise \$50,000.

No other matters or circumstances have arisen since the end of the period which 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.

**18. CONTINGENT LIABILITIES**

The Group had no contingent liabilities as at 30 June 2015.

**TORRENS MINING LTD**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD 27 FEBRUARY 2014 TO 30 JUNE 2015**

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**19. PARENT ENTITY DISCLOSURES**

<b>Financial position</b>	<b>30 June 2015</b>
	<b>\$</b>
<b>ASSETS</b>	
Current assets	90,178
<b>TOTAL ASSETS</b>	<u><b>90,178</b></u>
<b>LIABILITIES</b>	
Current liabilities	236,254
<b>TOTAL LIABILITIES</b>	<u><b>236,254</b></u>
<b>EQUITY</b>	
Contributed Equity	151,000
Accumulated Losses	(297,076)
	<u>                    </u>
<b>TOTAL DEFICIENCY IN EQUITY</b>	<u><b>(146,076)</b></u>
<b>Financial performance</b>	
(Loss) for the financial period	(297,076)
	<u>                    </u>
Total comprehensive (loss)	<u><b>(297,076)</b></u>

**Guarantees:**

Torrens Mining Ltd has not entered into any guarantees in relation to the debts of its subsidiaries.

**Other Commitments and Contingencies:**

Torrens Mining Ltd has no commitment to acquire property, plant and equipment and has no contingent liabilities other than disclosed in Note 14.

**TORRENS MINING LTD  
DIRECTORS' DECLARATION**

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In accordance with a resolution of the directors of Torrens Mining Ltd, I state that:

1. In the opinion of the directors:

- (a) the financial statements, notes and additional disclosures included in the Directors' Report designated as audited by the company and of the Company are in accordance with the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the period 27 February 2014 to 30 June 2015.
  - (ii) complying with Australian Accounting Standards, International Financial Reporting Standards as issued by the International Accounting Standards Board and *Corporations Regulations 2001*.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. This declaration has been made after receiving the declarations required to be made to the directors in accordance with section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the Board of Directors:



**Mr Mike Collings**  
**Executive Chairman**

Dated this 30<sup>th</sup> day of October 2015

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**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
TORRENS MINING LIMITED**

**Report on the Financial Report**

We have audited the accompanying financial report of Torrens Mining Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the period 27 February 2014 to 30 June 2015, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entity it controlled at the period's end or from time to time during the financial period.

*Directors' Responsibility for the Financial Report*

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

*Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

**THE POWER OF BEING UNDERSTOOD**

AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

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### *Independence*

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 Torrens Mining Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

### *Opinion*

In our opinion:

- (a) the financial report of Torrens Mining Limited is in accordance with the *Corporations Act 2001*, including:
- (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the period 27 February 2014 to 30 June 2015; and
  - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 2.

### *Emphasis of Matter*

Without qualifying our opinion, we draw attention to Note 2, which indicates that the company and consolidated entity incurred losses of \$297,076 and \$380,649 respectively and the consolidated entity had net cash outflows from operating activities of \$159,881 during the period 27 February 2014 to 30 June 2015. As of that date, the company and consolidated entity had net liabilities of \$146,076 and \$229,649 respectively. These conditions, along with other matters as set forth in Note 2, indicate the existence of a material uncertainty which may cast significant doubt about the company's and consolidated entity's ability to continue as going concerns and therefore, the company and consolidated entity may be unable to realise their assets and discharge their liabilities in the normal course of business.

### **Report on the Remuneration Report**

We have audited the Remuneration Report included within the directors' report for the period 27 February 2014 to 30 June 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

### *Opinion*

In our opinion, the Remuneration Report of Torrens Mining Limited for the period 27 February 2014 to 30 June 2015 complies with section 300A of the *Corporations Act 2001*.



RSM

TUTU PHONG  
Partner

Perth, WA  
Dated: 30 October 2015