POWER
RESOURCES LIMITED

ABN 69 125 345 502

ANNUAL REPORT

30 JUNE 2015

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CORPORATE DIRECTORY

DIRECTORS

Michael Scivolo (Non-Executive Chairman)
Robert John Collins (Non-Executive Director)
Hersh Solomon Majteles (Non-Executive Director)

COMPANY SECRETARY

Norman Grafton

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West Perth WA 6005

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PRINCIPAL OFFICE

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SHARE REGISTRY

Advanced Share Registry Limited
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AUDITORS

HLB Mann Judd
Level 4
130 Stirling Street
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AUSTRALIAN SECURITIES EXCHANGE

Power Resources Limited shares (PWW) are listed on the Australian Securities Exchange.

Your Directors present their report on the Company and its controlled entity (referred hereafter as the "Consolidated Entity") for the year ended 30 June 2015.

DIRECTORS

The names of the Directors of the Company in office during the financial year and up to the date of this report are as follows:

Michael Scivolo	Non-Executive Chairman
Robert John Collins	Non-Executive Director
Hersh Solomon Majteles	Non-Executive Director

Directors were in office from the beginning of the financial year until the date of this report unless otherwise stated.

The particulars of the qualifications, experience and special responsibilities of each director are as follows:

Michael Scivolo (BCom, FCPA) Chairman (Non-Executive)

Mr. Scivolo is a Certified Practising Accountant with 35 years' experience in accounting and taxation. He is a former partner and consultant of Perth accounting firm Alessandrino Scivolo. He is currently a Director of Sabre Resources Ltd, South East Asia Resources Ltd, Metals Australia Ltd and Golden Deeps Limited and the Non-executive Chairman of Blaze International Limited since 1 September 2012 (previously a non-executive director since 20 October 2009). Mr Scivolo was also a director of Prime Minerals Limited (renamed Covata Limited) from 20 October 2009 to 30 October 2014. He has no interest in any shares or options of the Company at the date of this Report.

Robert John Collins (CPA) Director (Non-Executive)

Mr. Collins has served on a number of ASX listed industrial and mining company boards and owned a large West Perth accounting practice serving the corporate sector. He is currently a Non-executive Director of Blaze International Limited and was appointed on 20 October 2009, and is also a Non-executive Director of Golden Deeps Limited, appointed 26 February 2014. Mr Collins was also a director of Prime Minerals Limited (renamed Covata Limited) from 20 October 2009 to 30 October 2014. He has no interest in any shares or options of the Company at the date of this Report.

Hersh Solomon Majteles (LLB, FAICD) Director (Non-executive)

Mr. Majteles is a commercial lawyer and has been in private practice in Western Australia since 1972. He has been a board member of a number of publicly listed companies involved in the mining, resources, energy and biotech sectors for over 25 years. Mr. Majteles is also a Director of Blaze International Limited, Chairman of Promesa Limited and Chairman of Metals Australia Ltd. Mr Majteles was also a director of Prime Minerals Limited (renamed Covata Limited) from 20 October 2009 to 30 October 2014. He has no interest in any shares or options of the Company at the date of this Report

COMPANY SECRETARY

Norman Grafton

Mr Grafton has extensive experience in both Australian and international commerce, having previously been based in Singapore, Indonesia, Papua New Guinea and Jamaica. Prior to returning to Australia he was Director of Finance and Company Secretary of the largest agro-industrial operation in Jamaica, on secondment from a major UK firm of corporate managers.

PRINCIPAL ACTIVITIES

The principal continuing activity during the period of entities within the Consolidated Entity was mineral exploration.

REVIEW OF OPERATIONS

Power Resources operates the Linden (Good Hope) gold project in the Eastern Goldfields of Western Australia (Figure 1)

During the year, the Board resolved to relinquish the Pelt Well gold, tin and tantalum project (E 09/1616) following a reassessment which downgraded the project's prospectivity.

Linden (Good Hope) gold project

Linden (Good Hope) is located in the Eastern Goldfields of Western Australia (Figure 1). Government records show that 30 tons of ore yielded 1 oz (~31 grams) of gold per ton from a structure around 1 metre thick. Historic sampling of quartz-pyrite-altered rocks from local waste dumps recorded grades of up to 16 g/t Au. Linden (Good Hope) is contained by Prospecting Licence 39/5062 and is located in the Linden mining district some 120 km southeast of the town of Leonora.

Figure 1 – Location of the Linden project.

Within the Linden (Good Hope) licence area (Figure 3), outcrop is poor but is dominated by Archaean monzogranite. An east-west valley appears to be underlain by amphibolite. The contrast between the mafic rocks and the granite has become the locus for mineralisation that has been exploited. Mesothermal gold mineralisation is evident in two main orientations; north-northeast and east-west. Along one of these trends, a gossanous quartz breccia with jasper or hematite matrix is exposed near the southern margin of the licence area. This zone has an east-west orientation and extends for around 40m before diving under cover. Indicators of gold mineralisation, in particular quartz-sericite-pyrite alteration, are directly associated with the gossan zone.

During the year, the licence was renewed after an application to forfeit was rejected by the Leonora Warden's Court. As part of the renewal, the Company has submitted plans for forthcoming work at Linden which includes

- Rock chipping of the host rocks to the gold mineralisation.
- Rock-chipping of veins and alteration zones.
- Petrographic analysis of veining and alteration.
- Stable isotope analysis of veining and alteration.
- Shallow bedrock drilling over the entire licence area.

Scanning, metal detecting and general prospecting were carried out during the year, with no significant results.

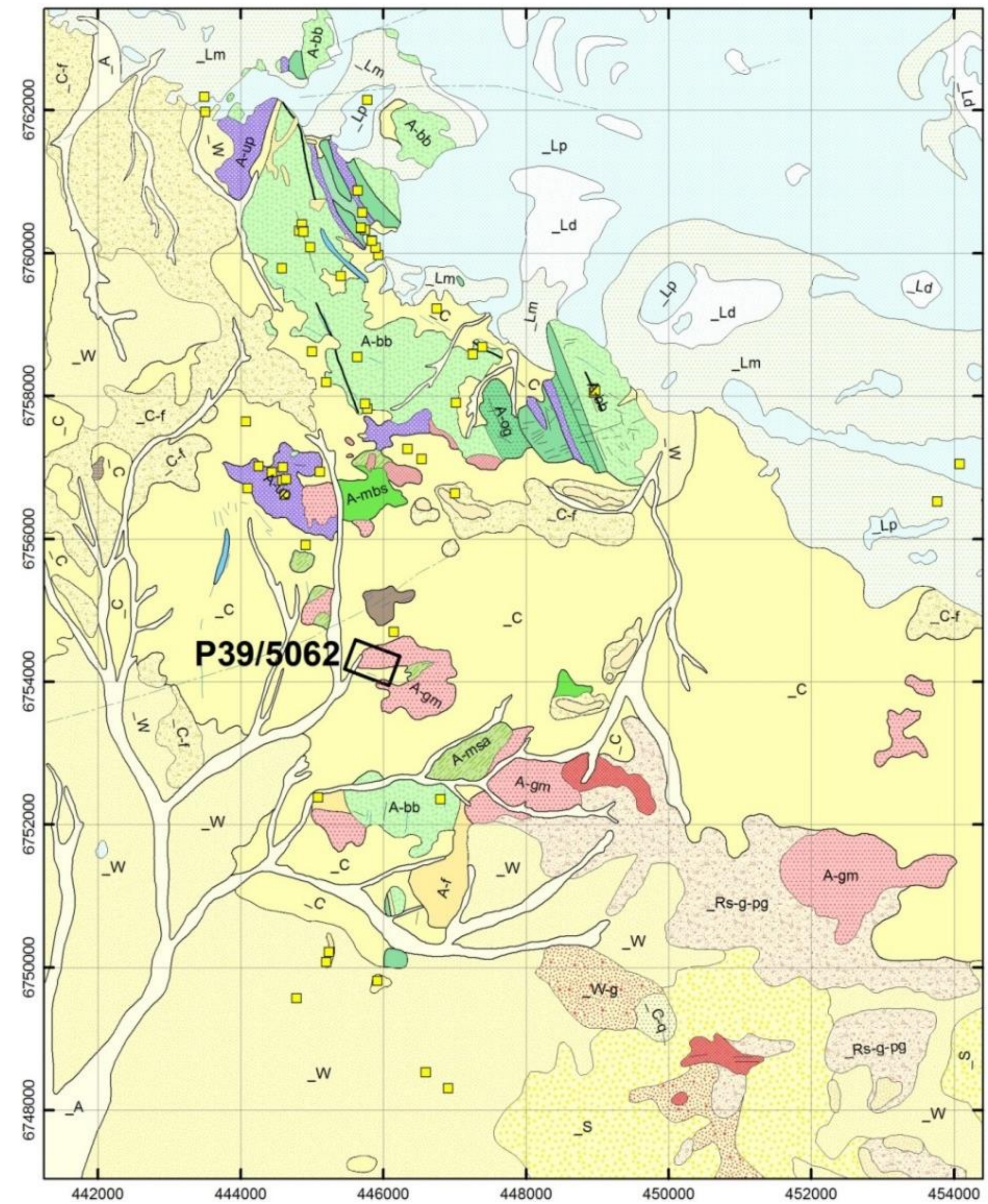

Figure 2 - Local geology around the Linden (Good Hope) project area. Pink = granite, greens & purple = greenstones, pale yellows & buff = regolith, pale blues = lake deposits.

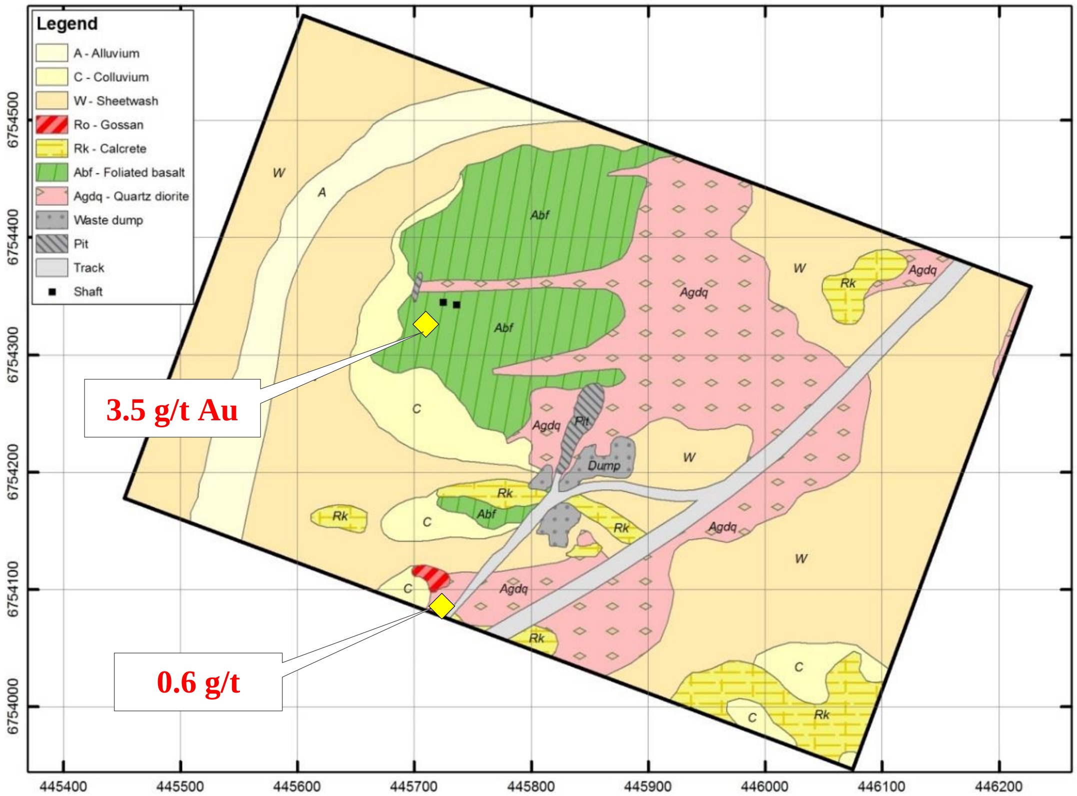

Figure 3 - Geology of the Linden (Good Hope) project area. Outcrop is poor but is dominated by two main Archaean rock types: foliated basalt (Abf) and quartz diorite (Agdq). The quartz diorite intrudes the foliated basalt in varying proportions, with each lithology containing varying proportions of the other.

Competent Person's Declaration

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Dr Matthew Painter of Kalgoorlie Mine Management Pty Ltd and a consultant to Power. He is a member of The Australian Institute of Geoscientists. Dr Painter has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resource and Ore Reserves". Dr Painter consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This document may include forward-looking statements. Forward-looking statements include, but are not limited to, statements concerning Power Resources Ltd's planned exploration programme and other statements that are not historical facts. When used in this document, the words such as "could," "plan," "estimate," "expect," "intend," "may", "potential," "should," and similar expressions are forward-looking statements. Although Power Resources Ltd believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

OPERATING RESULTS

The consolidated loss after income tax for the financial year was $41,776 (2014: $26,436).

FINANCIAL POSITION

At 30 June 2015, the Consolidated Entity had cash reserves of $27,398 (2014: $44,395).

DIVIDENDS

No dividends were paid during the year and no recommendation is made as to dividends.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Consolidated Entity that occurred during the financial year under review not otherwise disclosed in this report or in the financial statements.

EVENTS SUBSEQUENT TO BALANCE DATE

There were no events subsequent to balance date requiring disclosure in this report.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Consolidated Entity will continue to pursue its principal activity of exploration and evaluation. The Consolidated Entity will also continue to pursue other potential investment opportunities to enhance shareholder value.

MEETINGS OF DIRECTORS

The numbers of meetings of Directors held during the year and the number of meetings attended by each Director were as follows:

	Board of Directors	
	Held	**Attended**
R J Collins	2	2
M Scivolo	2	2
H S Majteles	2	2

REMUNERATION REPORT (Audited)

Currently the Company does not have any key management personnel other than the Directors.

Directors may receive a fixed fee (plus statutory superannuation where appropriate) with Directors being remunerated for any professional services conducted for the Company. Directors did not receive any benefits in the form of share-based payments during the year under review.

There are no retirement schemes for any Directors or any loans or any other type of compensation.

Board policy on remuneration is influenced by comparing fees paid to directors in other companies within the exploration industry, and then set at a level to attract qualified people, to accept the responsibilities of directorship. No member of key management personnel has an employment contract. Being an exploration company, with no earnings, a relationship is yet to be established between an remuneration policy and the Company's performance.

Remuneration Committee

During the year ended 30 June 2015, the Consolidated Entity did not have a separately established nomination or remuneration committee. Considering the size of the Consolidated Entity, the number of directors and the Consolidated Entity's early stages of its development, the Board is of the view that these functions could be efficiently performed with full Board participation.

Directors' Remuneration

The non-executive Directors are entitled to receive directors' fees of amounts as determined by the shareholders of the Company in general meeting. Pursuant to the Company's Constitution, the non-executive Directors of the Company are entitled to receive directors' fees in such amounts (as determined by the Directors) in aggregate not to exceed $250,000, to be divided among non-executive Directors as the Directors may agree and in the absence of agreement then equally, until otherwise determined by shareholders in General Meeting. Non-executive Directors may also be remunerated for additional specialised services performed at the request of the Board and reimbursed for reasonable expenses incurred on Company business.

Details of Remuneration

Directors	Primary		Post employment	Share-based	Other	
Year 2015	**Salary and fees $**	**Cash bonus $**	**Superannuation $**	**options $**		**Total $**
R J Collins	-	-	-	-	-	-
M Scivolo	-	-	-	-	-	-
H Majteles	-	-	-	-	-	-

Directors	Primary		Post employment	Share-based	Other	
Year 2014	**Salary and fees $**	**Cash bonus $**	**Superannuation $**	**options $**		**Total $**
R J Collins	-	-	-	-	-	-
M Scivolo	-	-	-	-	-	-
H Majteles	-	-	-	-	-	-

The Directors did not hold any interests in shares or options of the Company at any time in the current or previous financial years or since year end. There were no transactions with related parties during the year.

DIRECTORS AND AUDITORS INDEMNIFICATION

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

INTERESTS IN SHARES AND OPTIONS

At the date of this report there were no options on issue. No ordinary shares were issued by the Company during or since the end of the year as a result of the exercise of option.

The Directors do not have any equity interests in the company as at the date of this report or during the period.

ENVIRONMENTAL REGULATIONS

The Consolidated Entity is not currently subject to any specific environmental regulation. There have not been any known significant breaches of any environmental regulations during the year under review and up until the date of this report.

PROCEEDINGS ON BEHALF OF COMPANY

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

The Company was not a party to any such proceedings during the year.

AUDITOR

HLB Mann Judd continues in office in accordance with Section 327 of the Corporations Act 2001.

Non-Audit Services

The following non-audit services were provided by our auditors, HLB Mann Judd. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act.

Taxation compliance	$1,815

The Directors are of the opinion that the services do not compromise the auditor's independence as all non-audit services have been reviewed to ensure that they do not impact the integrity and objectivity of the auditor and none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES110 Code of Ethics for Professional Accountants issued by the Accounting Professional & Ethical Standards Board.

The auditor's independence declaration for the year ended 30 June 2015 is attached and forms part of this Directors' report.

Signed in accordance with a resolution of directors.

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Michael Scivolo
Non-Executive Chairman
Perth, 25 September 2015

Power Resources Limited ACN 125 345 502 ("the Company") has adopted systems of control and accountability as the basis for the administration of corporate governance. Some of these policies and procedures are summarised below.

The following additional information about the Company's corporate governance practices is set out on the Company's website at www.powerresources.com.au/

Principle 1 – Lay solid foundations for management and oversight

Responsibilities of the Board

The Board is responsible for the following matters:

- ensuring the Company's conduct and activities are ethical and carried out for the benefit of all its stakeholders;
- development of corporate strategy, implementation of business plans and performance objectives;
- reviewing, ratifying and monitoring systems of risk management, codes of conduct, internal control system and legal and regulatory compliance;
- the appointment of the Company's Corporate Manager, Chief Executive Officer (or equivalent), Chief Financial Officer, Company Secretary and other senior executives;
- monitoring senior executives' performance and implementation of strategy;
- determining appropriate remuneration policies;
- allocating resources and ensuring appropriate resources are available to management;
- approving and monitoring the annual budget, progress of major capital expenditure, capital management, and acquisitions and divestitures; and
- approving and monitoring financial and other reporting.

Diversity

The Company recognises and respects the value of diversity at all levels of the organisation.

Due to the size and scale of the Company's activities, most managerial and geological services are provided by the Corporate Manager and the Company with no direct employees.

When the level of activity permits, the Directors will ensure that women are fairly considered and the Company's aim will be to promote a culture which embraces diversity through ongoing education, succession planning, director and employee selection and recognising that skills are not gender specific.

The Company recognises that the mining and exploration industry is intrinsically male dominated in many of the operational sectors and the pool of women with appropriate skills is limited in some instances. The Company also recognises that diversity extends to matters of age, disability, ethnicity, marital/family status, religious/cultural background and sexual orientation. Where possible, the Company will seek to identify suitable candidates for positions from a diverse pool.

As at the date of this report, the Company has no women appointed to the Board, or to senior management.

Chairman

The Chairman is responsible for leadership of the Board and for the efficient organisation and conduct of the Board's business. The Chairman should facilitate the effective contribution of all directors and promote constructive and respectful relations between directors and between the Board and management of the Company. The Chairman is responsible for briefing directors on issues arising at Board meetings and is ultimately responsible for communications with shareholders and arranging Board performance evaluation.

Corporate Manager

The Corporate Manager is responsible for running the affairs of the Company under authority delegated from the Board. In carrying out its responsibilities the Corporate Manager must report to the Board in a timely manner and ensure all reports to the Board present a true and fair view of the Company's financial condition and operational results.

Company Secretary

The Company Secretary is responsible for monitoring the extent that Board policy and procedures are followed, and coordinating the timely completion and despatch of Board agendas and briefing material and is accountable directly to the Board on all matters to do with the proper functioning of the Board. All directors are to have access to the Company Secretary.

Performance Evaluation

The Chairman and/or the Managing Director are responsible for reviewing the performance of each executive at least once every calendar year. During the financial year ended 30 June 2015, an evaluation of the performance of the Board and its members was not formally undertaken. However, a general review of the Board and executives occurs on an on-going basis to ensure that structures suitable to the Company's status as a listed entity are in place.

It is the policy of the Board to conduct evaluation of individual employees' performance. The objective of this evaluation is to provide best practice corporate governance to the Company. During the financial year an evaluation of the performance of the individuals was not formally carried out. However, a general review of the individuals occurs on an on-going basis to ensure that structures suitable to the Company's status as a listed entity are in place.

Principle 2 - Structure the Board to add value

Composition of the Board

The Company will ensure that the Board will be of a size and composition that is conducive to making appropriate decisions and be large enough to incorporate a variety of perspectives and skills, and to represent the best interests of the Company as a whole rather than of individual shareholders or interest groups. It will not, however, be so large that effective decision-making is hindered.

Independent Directors

The Company will regularly review whether each non-executive director is independent and each non-executive director should provide to the Board all information that may be relevant to this assessment. If a director's independence status changes this should be disclosed and explained to the market in a timely fashion.

An Independent Director:

1. is a Non-Executive Director;
2. is not a substantial shareholder of the Company or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
3. within the last three years has not been employed in an executive capacity by the Company or another group member, or been a Director after ceasing to hold any such employment;
4. within the last three years has not been a principal of a material professional adviser or a material consultant to the Company or another group member, or an employee materially associated with the service provided;
5. is not a material supplier or customer of the Company or another group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
6. has no material contractual relationship with the Company or other group member other than as a Director of the Company;

7. has not served on the Board for a period which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company; and

8. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

The Company's non-executive directors are all independent and will endeavour to ensure that it has a majority of independent directors at all times, subject to the right of shareholders in general meeting to elect and remove directors.

The Company's current non-executives are:

Michael Scivolo was first appointed on 20 October 2009
Robert Collins was first appointed on 20 October 2009
Hersh Majteles was first appointed on 20 October 2009

Chairman
The Chairman should be a non-executive director who is independent and should not be the Chief Executive Officer of the Company. The Chairman's other positions should not be such that they are likely to hinder the effective performance of his role of Chairman of the Company.

Independent decision-making
All directors - whether independent or not - should bring an independent judgment to bear on Board decisions. Non-executive directors are encouraged to confer regularly without management present. Their discussions are to be facilitated by the Chairman, if he is independent, or, if he is not independent, the deputy Chairman. Non-executive directors should inform the Chairman before accepting any new appointments as directors.

Independent advice
To facilitate independent decision making, the Board and any committees it convenes from time to time may seek advice from independent experts whenever it is considered appropriate. With the consent of the Chairman, individual directors may seek independent professional advice, at the expense of the Company, on any matter connected with the discharge of their responsibilities.

Procedure for selection of new directors
The Company believes it is not of a size to justify having a Nomination Committee. If any vacancies arise on the Board, all directors will be involved in the search and recruitment of a replacement. The Board believes corporate performance is enhanced when it has an appropriate mix of skills and experience.

Prior to the appointment of a director, appropriate checks will be undertaken to determine the suitability of any candidate, and the Board will provide security holders with all material information in its possession, which the Board considers relevant.

In support of their candidature for directorship or re-election, non-executive directors should provide the Board with details of other commitments and an indication of time available for the Company. Prior to appointment or being submitted for re-election non-executive directors should specifically acknowledge to the Company that they will have sufficient time to meet what is expected of them. Re-appointment of directors is not automatic. There are no written agreements with directors.

The Company has reviewed the skill set of its Board to determine where the skills lie and any relevant gaps in skill shortages. The Company monitors any perceived gaps in skills, as well as seeking to identify future suitable Board candidates for positions from a diverse pool.

Induction and education
The Board has an induction programme to enable new directors to gain an understanding of:

- the Company's financial, strategic, operational and risk management position;
- the rights, duties and responsibilities of the directors;
- the roles and responsibilities of senior executives; and
- the role of any Board committees in operation.

Directors will have reasonable access to continuing education to update and enhance their skills and knowledge, including education concerning key developments in the Company and in the industries in which the Company's business is involved.

Access to information
The Board has the right to obtain all information from within the Company which it needs to effectively discharge its responsibilities.

Senior executives are required on request from the Board to supply the Board with information in a form and timeframe, and of a quality that enables the Board to discharge its duties effectively. Directors are entitled to request additional information where they consider such information necessary to make informed decisions.

Principle 3: Promote ethical and responsible decision-making

Code of conduct
The Board has adopted the Code of Conduct set out at Appendix A to promote ethical and responsible decision making by directors, management and employees. The Code embraces the values of honesty, integrity, enterprise, excellence, accountability, justice, independence and equality of stakeholder opportunity.

The Board is responsible for ensuring that training on the Code of Conduct is provided to staff and officers of the Company.

The Board is responsible for making advisers, consultants and contractors aware of the Company's expectations set out in the Code of Conduct.

Policy for trading in Company securities
The Board has adopted a policy on trading in the Company's securities by directors, senior executives and employees set out in Appendix B.

The Board is responsible for ensuring that the policy is brought to the attention of all affected persons and for monitoring compliance with the policy.

Principle 4: Safeguard integrity in financial reporting

Audit and Risk Management
The Company believes it is not of a size to justify having a separate Audit and Risk Management Committee. Ultimate responsibility for the integrity of the Company's financial reporting rests with the full Board. Given the small size of the Board, the directors believe an Audit and Risk Management Committee structure to be inefficient. All directors share responsibility for ensuring the integrity of the Company's financial reporting and appropriate Board processes have been implemented to perform the following audit and risk management functions:

- external audit function:
  - review the overall conduct of the external audit process including the independence of all parties to the process;
  - review the performance of the external auditors;
  - consider the reappointment and proposed fees of the external auditor; and
  - where appropriate seek tenders for the audit and where a change of external auditor is recommended arrange submission to shareholders for shareholder approval;
- reviewing the quality and accuracy of published financial reports;
- reviewing the accounting function and ongoing application of appropriate accounting and business policies and procedures;
- reviewing and imposing variations to the risk management and internal control policies designed and implemented by Company management; and
- any other matters relevant to audit and risk management processes.

The Company's Risk Management Policy ensures that the Board as a whole is responsible for the oversight of the Company's risk management and control framework. The objectives of the Company's Risk management strategy are to:

- identify risks to the Company;
- balance risk to reward;
- ensure regulatory compliance is achieved; and
- ensure senior executives, the Board and investors understand the risk profile of the Company.

The Board monitors risk through various arrangements including:

- regular Board meetings;
- share price monitoring;
- market monitoring; and
- regular review of financial position and operations.

The Company's Risk Management Policy is considered adequate for addressing and managing risk. It is intended that the Board will annually review the following categories of risks affecting the Company as part of the Company's systems and processes for managing material business risks:

- operational matters,
- financial reporting,
- sovereignty and
- market-related risks.

Principle 5: Make timely and balanced disclosure

Disclosure Policy
The Board has adopted a Disclosure Policy for ensuring timely and accurate disclosure of price-sensitive information to shareholders through the ASX set out in Appendix C.

The Disclosure Policy ensures that:

- all investors have equal and timely access to material information concerning the Company including its financial position, performance, ownership and governance; and
- Company announcements are subjected to a vetting and authorisation process designed to ensure they are:
  - released in a timely manner;
  - factual and do not omit material information; and
  - expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

The Company respects the rights of its shareholders and to facilitate the effective exercise of those rights the Company is committed to making it easy for shareholders to participate in shareholder meetings of the Company. The Company also makes available a telephone number and email address for shareholders to make enquiries of the Company.

Shareholders are given the opportunity to receive communications electronically.

The Company's website includes the following:

- Corporate Governance policies, procedures, charters, programs, assessments, codes and frameworks;
- Names and biographical details of each of its directors and senior executives;
- Constitution;
- Copies of annual, half yearly and quarterly reports;
- ASX announcements;
- Copies of notices of meetings of security holders;
- Media releases;
- Overview of the Company's current business, structure and history;
- Details of upcoming meetings of security holders;
- Summary of the terms of the securities on issue;
- Historical market price information of the securities on issue;
- Contact details for the share registry and media enquiries;
- Share registry key security holder forms.

Principle 6: Respect the rights of shareholders

Communication with Shareholders

The Board is committed to open and accessible communication with holders of the Company's shares and other securities. Disclosure of information and other communication will be made as appropriate by telephone, mail or email.

The Company's website will also be used to provide additional relevant information to security holders. The Board considers the following to be appropriate features for the Company's website:

- placing the full text of notices of meeting and explanatory material on the website;
- providing information about the last three years' press releases or announcements plus at least three years of financial data on the website; and
- providing information updates to security holders on request by email.

General Meetings

The Company is committed to improving shareholder participation in general meetings. In order to achieve that objective, the Company has adopted guidelines of the ASX Corporate Governance Council for improving shareholder participation through the design and content of notices and through the conduct of the meeting itself.

The external auditor is invited to attend every AGM for the purpose of answering questions from security holders relevant to the audit.

Principle 7: Recognise and manage risk

Creation and implementation of Company risk management policies
It is the responsibility of the Corporate Manager to create, maintain and implement risk management and internal control policies for the Company, subject to review by the Board.

The Corporate Manager must report to the Board on an annual basis regarding the design, implementation and progress of the risk management policies and internal control systems.

Audit and Risk Management
As referenced with respect to Principle 4, the Board has not established an Audit and Risk Management Committee for the reasons given above.

Due to the nature and size of the Company's operations, and the Company's ability to derive substantially all of the benefits of an independent internal audit function, the expense of an independent internal auditor is not considered to be appropriate.

The Company has considered its economic, environmental and social sustainability risks by way of internal review and has concluded that it is not subject to material economic, environmental and social sustainability risks.

Review by the Board
The Board will review the effectiveness of implementation of the risk management system and internal control system at least annually.

When reviewing risk management policies and internal control system the Board should take into account the Company's legal obligations and should also consider the reasonable expectations of the Company's stakeholders, including security holders, employees, customers, suppliers, creditors, consumers and the community.

Corporate Manager
The Corporate Manager is required annually to state in writing to the Board that the Company has a sound system of risk management, that internal compliance and control systems are in place to ensure the implementation of Board policies, and that those systems are operating efficiently and effectively in all material respects.

Verification of financial reports
The Corporate Manager and Chief Financial Officer are required by the Company to state the following in writing prior to the Board making a solvency declaration pursuant to section 295(4) of the Corporations Act:

- that the Company's financial reports contain a true and fair view, in all material respects, of the financial condition and operating performance of the Company and comply with relevant accounting standards; and

- that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and that the system is operating effectively in all material respects in relation to financial reporting risks.

Principle 8: Remunerate fairly and responsibly

Director and senior executive remuneration policies
The Company's remuneration policy is structured for the purpose of:

- motivating senior executives to pursue the long-term growth and success of the Company; and
- demonstrating a clear relationship between senior executives' performance and remuneration.

The Board's responsibility is to set the level and structure of remuneration for officers (including but not limited to directors and secretaries) and executives, for the purpose of balancing the Company's competing interests of:

- attracting and retaining senior executives and directors; and
- not paying excessive remuneration.

Executive directors' remuneration is structured to reflect short and long-term performance objectives appropriate to the Company's circumstances and goals.

Executive directors' and senior executives' remuneration packages involve a balance between fixed and incentive-based pay, reflecting short and long-term performance objectives appropriate to the Company's circumstances and goals.

Non-executive directors' remuneration is formulated with regard to the following guidelines:

- non-executive directors are normally remunerated by way of fees, in the form of cash, non-cash benefits, superannuation contributions or equity, usually without participating in schemes designed for the remuneration of executives;
- non-executive directors are not provided with retirement benefits other than superannuation.

Executives and non-executive directors are prohibited from entering into transactions or arrangements which limit the economic risk of participating in unvested entitlements.

No director is involved in setting their own remuneration or terms and conditions, but if such a case were to arise, the relevant director would be required to absent himself from the full Board discussion.

Remuneration Committee
The Company believes it is not of a size to justify having a Remuneration Committee and that it has Board processes in place which raise the issues that would otherwise be considered by a committee.

Appendix A – Code of Conduct

Introduction

This Code of Conduct sets out the standards with which the Board, management and employees of the Company are encouraged to comply when dealing with each other, the Company's shareholders and the broader community.

Responsibility to shareholders

The Company aims:

- to increase shareholder value within an appropriate framework which safeguards the rights and interests of shareholders; and
- to comply, with openness and integrity, the systems of control and accountability which the Company has in place as part of its corporate governance.

Responsibility to clients, employees, suppliers, creditors, customers and consumers

The Company will comply with all legislative and common law requirements which affect its business.

Employment practices

The Company will employ the best available staff with the skills required to carry out the role for which they are employed. The Company will ensure a safe workplace and maintain proper occupational health and safety practices.

Responsibility to the community

The Company recognises, considers and respects environmental, native title and cultural heritage issues which may arise in relation to the Company's activities and will comply with all applicable legal requirements.

Responsibility to the individual

The Company recognises and respects the rights of individuals and will comply with applicable laws regarding privacy and confidential information.

Obligations relative to fair trading and dealing

The Company will deal with others in a way that is fair and will not engage in deceptive practices.

Business courtesies, bribes, facilitation payments, inducements and commissions

Corrupt practices are unacceptable to the Company. It is prohibited for the Company or its directors, managers or employees to directly or indirectly offer, pay, solicit or accept bribes or any other corrupt arrangements.

Conflicts of interest

The Board, management and employees must report any situations where there is a real or apparent conflict of interest between them as individuals and the interests of the Company. Where a real or apparent conflict of interest arises, the matter must be brought to the attention of the Chairman in the case of a Board member, the Corporate Manager in the case of a member of management and a supervisor in the case of an employee, so that it may be considered and dealt with in an appropriate manner.

Compliance with the Code of Conduct

Any breach of compliance with this Code of Conduct is to be reported directly to the Chairman.

Periodic review of Code

The Company will monitor compliance with this Code of Conduct periodically by liaising with the Board, management and staff. Suggestions for improvements or amendments to this Code of Conduct can be made at any time to the Chairman.

Appendix B – Policy for trading in Company securities

Introduction

The Company recognises and enforces legal and ethical restrictions on trading in its securities by relevant persons within and external to the Company. The terms of this securities dealing policy apply to the Company's directors, Corporate Manager, senior executives, employees and consultants (Relevant Persons).

Communication

This policy will be communicated to all Relevant Persons and will be placed on the Company website.

Trading restrictions

Trading by Relevant Persons in the Company's securities is subject to the following limitations:

- No trading in Company securities shall take place during the two weeks preceding release of each quarterly report, half-yearly financial report, and annual financial report of the Company.
- No trading in the Company's securities shall take place, directly or indirectly, where it is known, or ought reasonably to have been known by the person intending to trade, that information exists which has not been released to the ASX and where that information is of a type that could reasonably be expected to encourage buying or selling were that information known by others.
- No trading shall take place in Company securities unless prior notice is given to the Chairman [and approval is obtained from the Chairman].

Hardship

During a period specified in the above paragraphs, Relevant Persons may, after obtaining the Chairman's consent, trade the Company's securities to the extent reasonably necessary to avoid or ameliorate documented hardship and suffering or as required by other extenuating circumstances.

Directors' trading and disclosures

Within twenty four hours of a director being appointed to the Board, resigning or being removed from the Board, or trading in the Company's securities, full details of the director's notifiable interests in the Company's securities and changes in such interest must be advised to the Company Secretary so that a record is kept within the Company and so that necessary ASX notifications will occur.

All directors must notify the Company Secretary of any margin loan or similar funding arrangement entered into in relation to the Company's securities and any variations to such arrangements, including the number of securities involved, the circumstances in which the lender can make margin calls, and the right of the lender to dispose of securities.

Appendix C - Disclosure Policy

Disclosure requirements

The Company recognises its obligations pursuant to the continuous disclosure rules of the ASX Listing Rules and the Corporations Act to keep the market fully informed of information which may have a material effect on the price or value of the Company's securities.

Subject to certain exceptions (in ASX Listing Rule 3.1A), the Company is required to immediately release to the market information that a reasonable person would expect to have a material effect on the price or value of the Company's securities.

Responsibilities of directors officers and employees

The Board as a whole is primarily responsible for ensuring that the Company complies with its disclosure obligations and for deciding what information will be disclosed. Subject to delegation, the Board is also responsible for authorising all ASX announcements and responses of the Company to ASX queries.

Every director, officer and employee of the Company is to be informed of the requirements of this policy and must advise the Corporate Manager, Chairman or Company Secretary as soon as possible (and prior to disclosure to anyone else) of matters which they believe may be required to be disclosed.

Authorised Disclosure Officer

The Board has delegated its primary responsibilities to communicate with ASX to the following Authorised Disclosure Officer:

- the Company Secretary or
- in the absence of the Company Secretary, the Corporate Manager is authorised to act in that capacity by the Board.

Responsibilities of Authorised Disclosure Officer

Subject to Board intervention on a particular matter, the Authorised Disclosure Officer is responsible for the following:

- monitoring information required to be disclosed to ASX and coordinating the Company's compliance with its disclosure obligations;
- ASX communication on behalf of the Company, authorising Company announcements and lodging documents with ASX;
- requesting a trading halt in order to prevent or correct a false market;
- providing education on these disclosure policies to the Company's directors, officers and employees; and
- ensuring there are vetting and authorisation processes designed to ensure that Company announcements:
  - are made in a timely manner;
  - are factual;
  - do not omit material information;
  - are expressed in a clear and objective manner that allows investors to assess the impact of the information when making investment decisions.

An Authorised Disclosure Officer, who is responsible for providing contact details and other information to ASX to ensure such availability, must be available to communicate with the ASX at all reasonable times.

Measures to avoid a false market

In the event that ASX requests information from the Company in order to correct or prevent a false market in the Company's securities, the Company will comply with that request. The extent of information to be provided by the Company will depend on the circumstances of the ASX request.

If the Company is unable to give sufficient information to the ASX to correct or prevent a false market, the Company will request a trading halt.

If the full Board is available to consider the decision of whether to call a trading halt, only they may authorise it, but otherwise, the Authorised Disclosure Officer may do so.

ASX announcements

Company announcements of price sensitive information are subjected to the following vetting and authorisation process to ensure their clarity, timely release, factual accuracy and inclusion of all material information:

- The Authorised Disclosure Officer must prepare ASX announcements when required to fulfil the Company's disclosure obligations.
- Proposed announcements must be approved by the Corporate Manager or in his absence, urgent announcements may be approved by any other person expressly authorised by the Board.
- Announcements must first be released to the ASX Announcements Platform before being disclosed to any other private or public party (such as the media). After release of the announcement, it must be displayed on the Company's website, following which the Company can then release such information to media and other information outlets.
- Wherever practical, all announcements must be provided to the directors, Corporate Manager and Company Secretary prior to release to the market for approval and comment.

Confidentiality and unauthorised disclosure

The Company must safeguard the confidentiality of information which a reasonable person would expect to have a material effect on the price or value of the Company's securities. If such information is inadvertently disclosed, the Authorised Disclosure Officer must be informed of the same and must refer it to the Chairman and Corporate Manager as soon as possible.

External communications and media relations

The Chairman, Corporate Manager and Company Secretary are authorised to communicate on behalf of the Company with the media, government and regulatory authorities, stock brokers, analysts and other interested parties or the public at large. No other person may do so unless specifically authorised by the Chairman or the Corporate Manager.

All requests for information from the Company must be referred to the Authorised Disclosure Officer for provision to the Chairman and the Corporate Manager.

Breach of Disclosure Policy

Serious breaches of the Company's Disclosure Policy may be treated with disciplinary action, including dismissal, at the discretion of the Board.

Where the breach is alleged against a member of the Board, that director will be excluded from the Board's consideration of the breach.

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Power Resources Limited for the year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

Perth, Western Australia
25 September 2015

M R W Ohm
Partner

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Liability limited by a scheme approved under Professional Standards Legislation

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated 2015	2014
		$	$
Revenue	2(a)	**20**	802
Other income	2(a)	**38,909**	40,152
Accounting and audit fees		**(38,614)**	(36,282)
Exploration written off		**(19,559)**	(1,977)
Impairment of available for sale financial assets		**(2,291)**	(12,360)
Other expenses	2(b)	**(20,241)**	(16,771)
Loss before income tax		**(41,776)**	(26,436)
Income tax benefit	3(a)	**-**	-
Net loss for the year		**(41,776)**	(26,436)
Other comprehensive income, net of income tax			
Reclassification adjustment :			
Impairment of available for sale financial assets		**-**	12,360
Total comprehensive loss for the year		**(41,776)**	(14,076)
Basic loss per share (cents)	4	**(0.09)**	(0.06)

Diluted loss per share has not been disclosed as the entity does not have on issue any shares or options which are potentially dilutive.

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	Note	Consolidated 2015	2014
		$	$
ASSETS			
Current Assets			
Cash and cash equivalents	5	**27,398**	44,395
Trade and other receivables	6	**1,492**	5,239
Total Current Assets		**28,890**	49,634
Non-Current Assets			
Other financial assets	7	**724**	3,015
Exploration and evaluation expenditure	8	**22,703**	36,607
Total Non-Current Assets		**23,427**	39,622
Total Assets		**52,317**	89,256
LIABILITIES			
Current Liabilities			
Trade and other payables	9	**28,018**	58,181
Total Current Liabilities		**28,018**	58,181
Non-Current Liabilities			
Borrowings	10	**35,000**	-
Total Non-Current Liabilities		**35,000**	-
Total Liabilities		**63,018**	58,181
Net Assets/(liabilities)		**(10,701)**	31,075
EQUITY			
Issued capital	11(a)	**4,813,977**	4,813,977
Reserves	12	**-**	-
Accumulated losses		**(4,824,678)**	(4,782,902)
Total Equity/(deficiency in equity)		**(10,701)**	31,075

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015

Consolidated	Note	Issued Capital $	Accumulated Losses $	Reserves $	Total $
Balance at 1 July 2013		**4,813,977**	**(4,982,525)**	**213,699**	**45,151**
Transfer of options		-	226,059	(226,059)	-
Total comprehensive loss for the period		-	(26,436)	12,360	(14,076)
Balance at 30 June 2014		**4,813,977**	**(4,782,902)**	**-**	**31,075**
Total comprehensive loss for the period		-	(41,776)	-	(41,776)
Balance at 30 June 2015		**4,813,977**	**(4,824,678)**	**-**	**(10,701)**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2015

	Note	Consolidated	
		2015	**2014**
		$	**$**
		Inflows/ (Outflows)	**Inflows/ (Outflows)**
Cash flows from operating activities			
Payments to suppliers and employees		**(46,362)**	(51,672)
Interest received		**20**	802
Net cash (used in) operating activities	5(i)	**(46,342)**	(50,870)
Cash flows from investing activities			
Exploration and evaluation expenditure		**(5,655)**	(3,144)
Net cash (used in) investing activities		**(5,655)**	(3,144)
Cash flows from financing activities			
Loans from unrelated parties		**35,000**	-
Net cash provided by financing activities		**35,000**	-
Net increase/(decrease) in cash held		**(16,997)**	(54,014)
Cash at beginning of the financial year		**44,395**	98,409
Cash and cash equivalents at year end	5	**27,398**	44,395

The accompanying notes form part of these financial statements.

1. *Summary of significant accounting policies*

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law. The financial report has also been prepared on a historical cost basis.

Power Resources Limited ("the Company") is a listed public company, incorporated in Australia and operating in Australia. The financial report is presented in Australian dollars. The accounting policies detailed below have been consistently applied to all years presented unless otherwise stated. The financial statements are for Power Resources Limited and its subsidiary ("the Consolidated Entity").

(b) Adoption of new and revised standards

Changes in accounting policies on initial application of Accounting Standards

In the year ended 30 June 2015, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Consolidated Entity's operations and effective for the current annual reporting period.

The Directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2015. As a result of these reviews the Directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and, therefore, no change necessary to Consolidated Entity accounting policies.

(c) Statement of compliance

The financial report was authorised for issue on 25 September 2015.

The financial statements comply with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards ("AIFRS"). Compliance with AIFRS ensures that the financial information, comprising the financial statements and notes thereto, comply with International Financial Reporting Standards.

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of Power Resources Limited and its subsidiary as at 30 June each year.

The financial statements of the subsidiary is prepared for the same reporting year as the Consolidated Entity, 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 transferred to the Consolidated Entity and cease to be consolidated from the date on which control is transferred out of the Consolidated Entity. Control exists where the Consolidated Entity 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 year from their acquisition.

1. ***Summary of significant accounting policies (Continued)***

(e) Significant 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 Consolidated Entity.

Impairment

The Consolidated Entity assesses impairment at each reporting date by evaluating conditions specific to the Consolidated Entity that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

No impairment has been recognised in respect of costs carried forward as exploration assets. The ultimate recoupment of value is dependent on the successful development and commercial exploitation or sale of the respective areas.

(f) Revenue recognition

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

Interest revenue is recognised as it accrues, taking into account the effective yield on the financial asset.

(g) Cash and cash equivalents

Cash on hand and in banks and short-term deposits are stated at nominal value.

For the purposes of the Statement of Cash Flows, cash includes cash on hand and deposits at call which are readily convertible to cash on hand and are subject to an insignificant risk of changes in value, net outstanding bank overdrafts.

(h) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Consolidated Entity will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Consolidated Entity in making this determination include known significant financial difficulties of the debtor, review of financial information and significant delinquency in making contractual payments to the Consolidated Entity. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

1. *Summary of significant accounting policies (Continued)*

(i) Income tax

Current tax assets and liabilities for the current year are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

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 credits and unused tax losses can be utilised, except:

- when 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; or

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance 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 balance 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 year 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 balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

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

1. *Summary of significant accounting policies (Continued)*

(j) Goods and services tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except where the amount of GST incurred is not recoverable from the Australian Taxation Office ("ATO"). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to the ATO is included as a current asset or liability in the statement of financial position.

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

(k) Financial assets

Financial assets

Financial assets in the scope of AASB 139 *Financial Instruments: Recognition and Measurement* are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Consolidated Entity determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date, i.e. the date that the Consolidated Entity commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

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

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Consolidated Entity has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

1. *Summary of significant accounting policies (Continued)*

(k) Financial assets (continued)

(iv) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models.

Derecognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Consolidated Group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Consolidated Entity retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Consolidated Entity has transferred its rights to receive cash flows from the asset and either:
  a) has transferred substantially all the risks and rewards of the asset, or
  b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Consolidated Entity has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Consolidated Entity's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Consolidated Entity could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Consolidated Entity's continuing involvement is the amount of the transferred asset that the Consolidated Entity may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Consolidated Entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

1. *Summary of significant accounting policies (Continued)*

(k) Financial assets (Continued)

(iii) Financial assets carried at amortised cost
If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Consolidated Entity first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

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 previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(iv) Financial assets carried at cost
If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset.

(v) Available-for-sale investments
If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

Impairment of financial assets
The Consolidated Entity assesses at each balance date whether a financial asset or group of financial assets is impaired.

1. ***Summary of significant accounting policies (Continued)***

(l) Exploration and evaluation expenditure

Exploration and evaluation expenditures in relation to each separate area of interest, for which rights of tenure are current, are capitalised in the year in which they are incurred and are carried at cost less accumulated impairment losses. The expenditure relating to that area of interest is carried forward as an asset in the statement of financial position so long as the following conditions are satisfied:

a. the rights to tenure of the area of interest are current; and

b. at least one of the following conditions is also met:

    - the exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
    - exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence, or otherwise, of economically recoverable reserves and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation expenditure is assessed for impairment when facts and circumstances suggest that their carrying amount exceeds their recoverable amount and where this is the case an impairment loss is recognised. Should a project or area of interest be abandoned, the expenditure will be written off in the year in which the decision is made. Where a decision is made to proceed with development, accumulated expenditure will be amortised over the life of the reserves associated with the area of interest once mining operations have commenced.

(m) Impairment of assets

The Consolidated Entity assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Consolidated Entity makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

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. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

1. ***Summary of significant accounting policies (Continued)***

(n) Trade and other payables

Trade payables and other accounts payables are recognised when the Consolidated Entity becomes obliged to make future payments in respect of the purchase of these goods and services. Amounts are unsecured and are usually paid within 30 days of recognition.

(o) Issued capital

Issued capital is recognised at the fair value of the consideration received by the Consolidated Entity.

Transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(p) Earnings per share

Basic earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the year that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

(q) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Power Resources Limited.

(r) Going concern

At 30 June 2015, the Consolidated Entity had available cash of $27,398, a net deficiency of assets of $10,701 and recorded a loss of $41,766 and a net outflow from operating and investing activities of $51,997 for the year ended 30 June 2015.

The continuing viability of the Consolidated Entity and its ability to continue as a going concern and meet its debts and commitments as they fall due are dependent upon the Consolidated Entity being successful in completing a capital raising in the next 12 months. The directors have mitigated this risk by reducing its corporate overheads and postponing expenditure on the Consolidated Entity’s projects where possible.

The Directors have agreed to forgo their fees until such time as the company has successfully concluded a capital raising. In addition, the management services company have agreed to forgo their fees from January 2012 until such time as the company has completed a capital raising.

As a result of these matters, there is a material uncertainty that may cast significant doubt on whether the Consolidated Entity will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report.

	Consolidated	
	Year ended 2015 $	**Year ended 2014 $**
2. *Revenue and expenses*		
(a) Revenue		
Interest received – other corporations	**20**	802
Debts forgiven	**38,909**	40,152
	38,929	40,954
(b) Other expenses		
ASX fees	**14,287**	12,900
Share registry fees	**2,851**	3,110
Other	**3,103**	761
	20,241	16,771

3. *Income tax*

(a) Income tax benefit

The prima facie income tax benefit on the pre-tax accounting result from operations reconciles to the income tax benefit in the financial statements as follows:

Accounting loss before tax from continuing operations	**(41,776)**	(26,436)
Income tax benefit calculated at 30%	**(12,533)**	(7,931)
Non-deductible expenses	**687**	2,880
Unused tax losses and tax offset not recognised as deferred tax assets	**8,906**	8,093
Other deferred tax assets and tax liabilities not recognised	**2,940**	(3,042)
Income tax benefit reported in the statement of comprehensive income	**-**	-

(b) Unrecognised deferred tax balances

The following deferred tax assets and (liabilities) have not been brought to account:

Deferred tax assets comprise:		
Losses available for offset against future taxable income – revenue	**1,521,530**	1,558,427
Depreciation timing differences	**-**	25
Share issue expenses	**-**	1,476
Accrued expenses and liabilities	**4,770**	4,500
	1,526,300	1,564,428
Deferred tax liabilities:		
Prepayments	**6,811**	10,982
Exploration Expenditure Capitalised	**-**	-
	6,811	10,982

	Consolidated	
	2015	**2014**
	$	**$**
4. *Loss per share (EPS)*		
Basic loss per share (cents)	**(0.09)**	(0.06)
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:		
Earnings – Net loss for year	**(41,776)**	(26,436)
	Number	Number
Weighted average number of ordinary shares used in the calculation of basic EPS	**47,187,501**	47,187,501

Diluted earnings per share has not been calculated as there were no options on issue which would be potential ordinary shares having a dilutive effect.

5. *Cash and cash equivalents*

Cash at bank	**27,398**	44,395

Cash at bank earns interest at floating rates based on daily bank deposit rates.

(i) Reconciliation of loss for the year to net cash flows used in operating activities:

Loss for the year	**(41,776)**	(26,436)
Non cash items		
Exploration expenditure written off	**19,559**	1,977
Impairment of available for sale assets	**2,291**	12,360
Changes in assets and liabilities		
(Increase)/decrease in receivables	**3,747**	2,864
Increase/(decrease) in payables	**(30,163)**	(41,635)
Net cash flows (used in) operating activities	**(46,342)**	(50,870)

There were no non-cash financing or investing activities during the year.

	Consolidated	
6. *Trade and other receivables*	**2015 $**	**2014 $**
Current		
GST receivable	**1,492**	5,239

7. *Other financial assets*

Non-Current		
Shares in listed entity – at fair value	**724**	3,015
Reconciliation – non-current		
At 1 July	**3,015**	3,015
Impairment of available for sale financial assets	**(2,291)**	-
At 30 June	**724**	3,015

8. *Exploration and evaluation expenditure*

Costs carried forward in respect of areas of interest in the exploration and evaluation phase:

Opening Balance	**36,607**	35,440
Expenditure incurred during the year	**5,655**	3,144
Exploration written off	**(19,559)**	(1,977)
Balance at end of year	**22,703**	36,607

The ultimate recoupment of the exploration and evaluation expenditure carried forward is dependent on the successful development and commercial exploitation and/or sale of the relevant areas of interest, at amounts at least equal to book value.

9. Trade and other payables

Current

Trade payables and accruals	**28,018**	58,181

Trade creditors are non-interest bearing and are normally settled on 30 day terms.

10. Borrowings

Current

Trade payables and accruals	**35,000**	-

During the year, the Consolidated Entity was extended an unsecured $35,000 loan by an unrelated party to assist with working capital. The loan is interest free with no fixed repayment date.

11. *Issued capital*

	Consolidated 2015 $	Consolidated 2014 $
(a) Issued and paid up capital		
Ordinary shares fully paid	**4,813,977**	4,813,977

	2015 Number	2015 $	2014 Number	2014 $
(b) Movement in ordinary shares on issue				
Balance at beginning of year	47,187,501	4,813,977	47,187,501	4,813,977
Balance at end of period	**47,187,501**	**4,813,977**	**47,187,501**	**4,813,977**

(c) Share options

During the years ended 30 June 2015 and 30 June 2014 no options were on issue.

(d) Terms and conditions of contributed equity

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

12. *Reserves*

	Consolidated 2015 $	Consolidated 2014 $
Share-based payments reserve – Note 12(a)	-	-
Loyalty options reserve – Note 12(b)	-	-
Asset revaluation reserve – Note 12(c)	-	-
	-	-

(a) Share-based payments reserve

(i) Nature and purpose of reserve

The share-based payments reserve is used to recognise movement in the fair value of options issued as part of remuneration of directors, employees and consultants.

(ii) *Movements in reserve*

	2015	2014
Balance at beginning of year	**-**	77,308
Transfer of expired options	**-**	(77,308)
Balance at end of year	**-**	-

(b) Loyalty options reserve

(i) Nature and purpose of reserve
The loyalty options reserve is used to recognise the fair value of options issued as part of the non-renounceable rights issue.

	Consolidated	
(ii) *Movements in reserve*	**2015**	**2014**
	$	**$**
Balance at beginning of year	-	148,751
Transfer of expired options	-	(148,751)
Balance at end of year	-	-

(c) Asset revaluation reserve

(i) Nature and purpose of reserve
The asset revaluation reserve is used to recognise the movements in fair value of financial assets

(ii) *Movements in reserve*		
Balance at beginning of year	-	(12,360)
Impairment of available for sale assets	-	12,360
Balance at end of year	-	-

13. *Commitments*

The Company has an agreement with a management services company for the provision of services at $235,000 pa plus CPI. The management services company have agreed to forgo their fees to the company since January 2012 until such time as the company has received sufficient capital.

	$
<1 Year	-
1 Year < 5 Years	-
> 5 Years	-

Exploration commitments
There is $12,000 of exploration expenditure for the Consolidated Entity committed as at 30 June 2015. These commitments are all within 12 months of the date of this report.

14. *Contingent liabilities*
There were no contingent liabilities at year end.

	Consolidated	
	2015	**2014**
	$	**$**
15. *Auditors' remuneration*		
Amounts, received or due and receivable by auditors for:		
- audit or review services	**27,050**	25,000
- other services	**1,850**	2,570
	28,900	27,570

16. *Investment in controlled entities*

	Ordinary Shares Percentage Owned	
(a) Controlled entities	**2015**	**2014**
	%	**%**
Power Minerals Pty Ltd	100	100

(b) Acquisition of controlled entities

There were no acquisitions of controlled entities during the year. (2014: Nil)

17. *Director and executive disclosures*

(a) Details of key management personnel

Directors in office during the financial year were:

Non-Executive Chairman
Michael Scivolo

Non-Executive Directors
Robert John Collins
Hersh Solomon Majteles

(b) Remuneration of key management personnel

(i) Remuneration policy

The remuneration policy of Power Resources Limited as it applies to key management personnel is disclosed in the Remuneration Report contained in the Directors' Report.

	Consolidated	
	2015	**2014**
	$	**$**
(ii) Compensation by category: key management personnel		
Short-Term	**-**	-
Post-Employment	**-**	-
	-	-

17. *Director and executive disclosures (Continued)*

(c) Loans with key management personnel

There were no loans to key management personnel or their related entities during the financial year (2014: Nil).

18. *Share based payments*

No share-based payment arrangements were entered into during the year ended at 30 June 2015 (2014: Nil).

19. *Related party transactions*

(a) Parent entity

The ultimate parent entity within the Consolidated Entity is Power Resources Limited.

(b) Subsidiaries

Details of subsidiaries are set out in Note 16.

(c) Key management personnel

Disclosures relating to key management personnel are set out in Note 17.

(d) Other transactions

There were no other related party transactions during the year (2014: Nil).

20. *Segment Reporting*

The Consolidated Entity has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision maker) in assessing performance and determining the allocation of resources. During the year, the Consolidated entity operated principally in one business segment (for primary reporting) being mineral exploration, and one geographical segment being Australia.

21. *Financial risk management*

Overview
The Consolidated Entity has exposure to the following risks from their use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Consolidated Entity's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk, and the management of capital.

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 Consolidated Entity through regular reviews of the risks.

21. *Financial risk management Continued)*

Credit risk
Credit risk is the risk of financial loss to the Consolidated Entity if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Consolidated Entity's investment securities. For the Parent Entity it also arises from receivables due from subsidiaries.

Trade and other receivables
As the Consolidated Entity operates in the mining explorer sector, it does not have trade receivables and therefore is not exposed to credit risk in relation to trade receivables.

Exposure to credit risk
The carrying amount of the Consolidated Entity's financial assets represents the maximum credit exposure. The Consolidated Entity's maximum exposure to credit risk at the reporting date was:

	Consolidated	
	2015 **$**	2014 $
Cash	**27,398**	44,395
Receivables – other	**1,492**	5,239
Available-for-sale-financial assets	**724**	3,015
Trade and other payables	**(28,018)**	(58,181)
Borrowings	**(35,000)**	-

Liquidity risk
Liquidity risk is the risk that the Consolidated Entity will not be able to meet its financial obligations as they fall due. The Consolidated Entity's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Consolidated Entity's reputation.

The Consolidated Entity manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

Typically the Consolidated Entity ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Non-Interest bearing

< 1 month	**27,398**	44,395
	27,398	44,395

Market risk
Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Consolidated Entity's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk
The Consolidated Entity has no material exposure to interest rate risk.

21. *Financial risk management (Continued)*

Fair Value of the Consolidated Entity's financial assets and financial liabilities that's are measured at fair value on a recurring basis

The Consolidated entity holds shares in a listed entity which are classified as Available-for-sale financial assets. The fair value of these financial assets as at 30 June 2015 was $724 (30 June 2014: $3,015). The financial assets are level 1 within the fair value hierarchy and the fair value is determined by reference to quoted market prices.

The Directors consider that the carrying value of the financial assets and financial liabilities recognised in the Consolidated financial statements approximates their fair values.

22. *Events subsequent to year end*

There are no matters or circumstances that have arisen since 30 June 2015 that have or may significantly affect the operations, results, or state of affairs of the Consolidated Entity in future financial years.

	Company	
23. Parent entity disclosures	**2015** **$**	**2014** **$**
(a) Financial position		
ASSETS		
Current Assets		
Cash and cash equivalents	**27,398**	44,395
Trade and other receivables	**1,492**	5,239
Total Current Assets	**28,890**	49,634
Non-Current Assets		
Exploration expenditure	**22,703**	36,607
Property, plant and equipment	**-**	-
Total Non-Current Assets	**22,703**	36,607
Total Assets	**51,593**	86,241
LIABILITIES		
Current Liabilities		
Trade and other payables	**28,018**	58,181
Total Current Liabilities	**28,018**	58,181
Non-Current Liabilities		
Borrowings	**35,000**	-
Total Current Liabilities	**35,000**	58,181
Total Liabilities	**63,018**	58,181
Net Assets/(liabilities)	**(11,425)**	28,060
EQUITY		
Issued capital	**4,813,995**	4,813,995
Reserves	**-**	-
Accumulated losses	**(4,825,420)**	(4,785,935)
Total Equity/(deficiency in equity)	**(11,425)**	28,060
(b) Financial performance		
Loss for the period	**(39,485)**	(14,075)
Other comprehensive income	**-**	-
Total comprehensive loss	**(39,485)**	(14,075)

The management services commitment as disclosed in note 13 is applicable to the parent. There are no other commitments or contingent liabilities applicable to parent.

1) In the opinion of the Directors of Power Resources Limited (the "Company"):

    a. The accompanying financial statements and notes are 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 year then ended; and

        ii. complying with Australian Accounting Standards , the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

    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.

    c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

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 for the financial year ended 30 June 2015.

This declaration is signed in accordance with a resolution of the Board of Directors.

____
Michael Scivolo
Non-Executive Chairman

Perth, 25th September 2015

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT

To the members of Power Resources Limited

Report on the Financial Report

We have audited the accompanying financial report of Power Resources Limited ("the company"), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration for the consolidated entity. The Group comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

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 1(c), the directors also state, in accordance with Accounting Standard AASB 101: *Presentation of Financial Statements*, that the financial report complies 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. 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 company'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 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.

Our audit did not involve an analysis of the prudence of business decisions made by directors or management.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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HLB Mann Judd

Accountants | Business and Financial Advisers

Auditor's opinion

In our opinion:

(a) the financial report of Power Resources Limited is 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 year ended on that date; 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 1(c).

Emphasis of matter

Without modifying our opinion, we draw attention to Note 1(r) to the financial report which indicates that as at 30 June 2015, the consolidated entity had available cash of $27,398, a net deficiency of assets of $10,701 and recorded a loss of $41,766 and a net cash outflow from operating and investing activities of $51,997 for the year ended 30 June 2015. These conditions, along with other matters as set forth in Note 1(r), indicate the existence of a material uncertainty that may cast significant doubt about the consolidated entity's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

Report on the Remuneration Report

We have audited the remuneration report included in the directors' report for the year ended 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.

Auditor's opinion

In our opinion the remuneration report of Power Resources Limited for the year ended 30 June 2015 complies with section 300A of the *Corporations Act 2001*.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

M R W Ohm
Partner

Perth, Western Australia
25 September 2015

HOLDINGS AS AT 11 September 2015

Number of Securities Held	FULLY PAID SHARES
	No. of Holders
1 to 1,000	6
1,001 to 5,000	4
5,001 to 10,000	136
10,001 to 100,000	102
100,001 and over	47
Total Number of Holders	292
Number of holders of less than a marketable parcel	219
Percentage of the 20 largest holders	77.546%

Substantial Shareholders

The Consolidated Entity has been notified of the following substantial shareholdings:

	Number
Coniston Pty Ltd <The Coniston Trust> and Kalgoorlie Mine Management Pty Ltd	7,000,000
Prospero Capital Pty Ltd <Prospero Capital Fund>	3,957,358

Voting Rights

The Constitution of the Consolidated Entity makes the following provision for voting at general meetings:

On a show of hands, every ordinary shareholder present in person, or by proxy, attorney or representative has one vote. On a poll, every shareholder present in person, or by proxy, attorney or representative has one vote for any share held by the shareholder.

HOLDINGS AS AT 11 September 2015 (Continued)

20 Largest Holders of Securities as at 11 September 2015:

Fully Paid Ordinary Shares

		No.	%
1.	Kalgoorlie Mine Management Pty Ltd	7,000,000	14.834
2.	Rovigno Pty Ltd	5,000,000	10.596
3.	Pershing Australia Nominees Pty Ltd <Indian Ocean A/C>	4,700,000	9.960
4.	Prospero Capital Pty Ltd <Prospero Growth Fund A/C>	3,957,358	8.386
5.	Imperial Nominees (WA) Pty Ltd	2,687,500	5.695
6.	Prizeline Nominees Pty Ltd	2,250,000	4.768
7.	Metals Australia Ltd	1,333,334	2.826
8.	Golden Deeps Ltd	1,333,333	2.826
9.	Sabre Resources Ltd	1,333,333	2.826
10.	KSLCorp Pty Ltd	1,100,000	2.331
11.	Willingvale Pty Ltd	900,000	1.907
12.	Equit Nominees Pty Ltd	875,000	1.854
13.	UBS Wealth Management Australia Nominees Pty Ltd	557,000	1.180
14.	Mr Jeffery Howard Latimer & Mrs Judith Ann Latimer <Latimer S/F A/C>	550,000	1.166
15	Kamira Investments Pty Ltd <The FW A/C>	539,900	1.144
16.	Mr Paul Gregory Brown & Mrs Jessica Oriwia Brown <Brown Super fund A/C>	525,000	1.113
17.	Citicorp Nominees Pty Limited	500,000	1.060
18.	Sincere Liberty Finance Company Ltd	500,000	1.060
19.	Portobello Holdings Pty Ltd, KMB Business Advisors Pty Ltd	500,000	1.060
20.	Blaze International Limited	450,000	0.954
		36,591,758	77.546

Unlisted Options

There were no unlisted options on issue.

Restricted Securities

The Consolidated Entity has no restricted securities on issue as at the date of this report.

Schedule of Mining and Exploration Tenements as at 11 September 2015

Project	Country	State/Region	Tenement ID	Area (km2)	Grant date	Interest
Linden (Good Hope) gold	Australia	WA	P 39/5062	0.29	5/08/2010	100%