






Heron Resources Limited


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28 August, 2014

Mr James Rowe
ASX – Perth

Dear Mr Rowe,


Following the successful merger between Heron Resources Ltd and TriAusMin Ltd on 5 August 2014, we duly provide the 2014 TriAusMin Annual Report and Management Discussion and Analysis (MD&A) for release on the ASX platform.

Yours sincerely

A handwritten signature in black ink that reads "Simon Smith".


Simon Smith
Joint Company Secretary

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TRIAUSMIN LIMITED
and its controlled entities
ACN 062 002 475

ANNUAL REPORT 2014

27 August 2014

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CORPORATE PROFILE

TriAusMin Limited is an Australian based mineral exploration/development company focused on the exploration for and development of base and precious metal deposits located in the Lachlan Fold Belt in New South Wales, Australia.

TriAusMin's corporate objective is to become a profitable, producing mining company in the near term while at the same time making a positive contribution to the economy of Australia and respecting the environment and the aspirations and safety of its employees.

The combination of achieving producer status and growth through successful exploration on its large tenement holdings in the Lachlan Fold Belt will form the basis upon which TriAusMin will achieve sustainable growth in the years ahead.

On 5 August 2014, TriAusMin Ltd became a wholly owned subsidiary of Heron Resources Ltd via a Scheme of Arrangement approved by TriAusMin shareholders on 28 July 2014.

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DIRECTORS' REPORT

Your Directors present their report together with the financial report on the consolidated entity (referred to hereafter as "TriAusMin" or the "Company") consisting of TriAusMin Limited and the entities it controlled at the end of, or during, the year ended 30 June 2014.

Directors

The following persons were directors of the Company during the financial year and up to the date of this report:

Mr. W R Taylor
Dr. J W Gill (Deputy Chairman) (resigned 19 August 2014)
Mr. W F Killinger AM (resigned 5 August 2014)
Mr. A J E Snowden (resigned 5 August 2014)
Dr. R I Valliant (resigned 5 August 2014)
Mr I Buchhorn (appointed 5 August 2014)
Mr C Readhead (Chairman) (appointed 5 August 2014)
Mr S Dennis (appointed 5 August 2014)

Principal activities

The principal activities of the Company during the financial year were the acquisition of mineral tenements, mineral exploration and project evaluation of the Company's tenements.

Dividends

No dividends were paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

Financial position

At 30 June 2014, the Company had cash on hand of \$594,833 (2013: \$1,499,788). The net assets of the Company have decreased from \$29,366,900 at 30 June 2013 to \$27,705,938 at 30 June 2014.

Operating result

The loss of the Company for the financial year after providing for income tax amounted to \$1,812,032 (2013: loss of \$1,555,390).

Review of operations

During the financial year, the Company capitalised \$537,475 after offsetting a R&D tax refund received of \$755,477 (2013: \$982,767) on project evaluation and exploration. The Company incurred administration expenses of \$1,842,517 (2013: \$1,622,554).

Environmental Regulation

The consolidated entity is subject to and is compliant with all aspects of environmental regulation of its exploration and mining activities. The directors are not aware of any environmental law that is not being complied with.

Significant changes in state of affairs

There were no significant changes in the state of affairs of the Company that occurred during the financial year.

Matters subsequent to the end of the financial year

On 5 August 2014, TriAusMin Ltd became a wholly owned subsidiary of Heron Resources Ltd via a Scheme of Arrangement approved by TriAusMin shareholders on 28 July 2014.

DIRECTORS' REPORT (Cont'd)

Likely developments and expected results of operations

The company intends to continue its development of the Woodlawn project and continue its exploration programmes.

Information on Directors

Dr James W Gill – Non-executive Deputy Chairman (resigned 19 August 2014)

B.Sc, M.Sc, Ph.D.

Dr. Gill, aged 65 was appointed as a Non-executive Director on 18 November 2010 and as Chairman on January 29th, 2013.

Dr Gill has been involved in the mining business for over 40 years, and his experience ranges from exploration, mine development and operations, acquisitions to project financing. He founded Aur Resources Inc. in 1981, which grew from an exploration company into a significant, profitable producing copper mining company under his leadership as its President and Chief Executive Officer for 26 years until August 2007 when Aur was taken over by Teck Resources. He earned his B.Sc and M.Sc degrees from McGill University and a Ph.D degree in economic geology from Carleton University.

Other Directorships of Listed Companies in the three years ending 30 June 2014:

Thundermin Resources Inc (TSX:THR)

Orezone Gold (TSX: ORE) until August 2011

Special responsibilities:

Dr. Gill is a member of the Audit Committee and the Chairman of the Remuneration Committee.

Interests in shares and options:

Ordinary shares in TriAusMin	37,223,010
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Options to purchase ordinary shares in TriAusMin	500,000
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William F Killinger AM - Non-executive Director (resigned 5 August 2014)

BE, FIE (Aust).

Mr Killinger aged 69, was first appointed to the board of TriAusMin as a Non-executive Director on 19 July 1996 and was Non-executive Chairman of the Board of Directors of the Company from 24 June 2009 to 29th January 2013. He is a civil engineer by profession.

Mr Killinger has accumulated more than 40 years of experience in civil engineering construction associated with mineral, industrial and infrastructure projects in Australia, Africa, the Middle East, South East Asia, the United States of America and South America. Recently retired from the role of Director - International Business Development for Laing O'Rourke Australia Pty Ltd, Mr Killinger has also served as Director of a number of other companies in the mining and construction industries in Australia and USA. His experience includes a six year term as Managing Director of Minproc Engineers Limited, one of the world's leading engineering and construction companies in the mining and mineral treatment industry. He has held senior management positions with Fluor Corporation of the USA and Murray and Roberts Group of South Africa.

On 26 January 2009, Mr Killinger was awarded the Member of the Order of Australia (AM) for service to railway engineering through the construction and development of passenger and freight transport systems in Australia and internationally, to professional organisations, to the mining sector, and to the community.

Other Directorships of Listed Companies in the three years ending 30 June 2014:

Nil

DIRECTORS' REPORT (Cont'd)

Information on Directors (Cont'd)

Special responsibilities:

Mr Killinger was a member of the Audit Committee and Remuneration Committee and Chairman of the Corporate Governance and Nominating Committee

Interests in shares and options:

Ordinary shares in TriAusMin	2,442,082
Options to purchase ordinary shares in TriAusMin	300,000

Alan J E Snowden – Non-executive Director (resigned 5 August 2014)

FSCI, ICD.D

Mr Snowden, aged 62 was appointed to the board of TriAusMin on 27 September 2007 having previously served as an alternate director for Dr Valliant since 1 November 2004.

Mr. Snowden is a professional Corporate Director with over 30 years experience in Canadian and International financial markets and 20 years experience as an independent Board Director. He is a former Senior VP of Corporate Planning Associates, VP & Director for Western Canada of BMO Nesbitt Burns Inc. and Executive Director of Odlum Brown Limited. Mr Snowden is a member of the Canadian Institute of Corporate Directors and holds the ICD.D designation. He is a graduate of the Senior Management Programme from the Ivey Business School at the University of Western Ontario and of Harrow School in England.

Other Directorships of Listed Companies in the three years ending 30 June 2014:

Mr Snowden is a Non-executive Director of Tri Origin Exploration (TSX:TOE) having first been appointed to this role in 1991.

Special responsibilities:

Mr Snowden was a member of the Remuneration Committee and the Corporate Governance and Nominating Committee and was Chairman of the Audit Committee.

Interests in shares and options:

Ordinary shares in TriAusMin	807,500
Options to purchase ordinary shares in TriAusMin	200,000

Wayne R Taylor – CEO and Managing Director

B.Eng (Mining), MBA

Mr. Taylor, aged 48, was appointed as Managing Director and CEO on 1 May 2011

Mr. Taylor has over 25 years experience in the mining industry including direct operations, project evaluation and acquisition, and exploration in the base and precious metals fields. He holds a Bachelor of Engineering (Mining) degree from the University of New South Wales and a Masters of Business Administration from the University of New England. Mr Taylor has held senior operational management roles with Western Mining Corporation and Glencore International's Australian operations. For the six years prior to joining TriAusMin he has managed Glencore's base metal business development based out of Australia which involved assessing mining projects throughout the world.

Other Directorships of Listed Companies in the three years ending 30 June 2014:

None

Special responsibilities:

Mr Taylor is the CEO and Managing Director.

Interests in shares and options:

Ordinary shares in TriAusMin	1,854,482
Options to purchase ordinary shares in TriAusMin	4,000,000

DIRECTORS' REPORT (Cont'd)

Information on Directors (Cont'd)

Dr Robert I Valliant – Non-executive Director (resigned 5 August 2014)

BSc, PhD

Dr Robert Valliant aged 60, was appointed to the board of TriAusMin on 21 October 1993. He was re-appointed to the position of Executive Director on 24 June 2009, on 18 June 2010 he was appointed Company Secretary and resigned on the 20th of January 2012. Dr Robert Valliant assumed the functions of the Chief Executive Officer of the Company with effect from 1 August 2009 to the end of April 2011 and since that date has held the position of Non-executive Director.

Dr Valliant is a co-founder of TriAusMin's major shareholder, Tri Origin Exploration (TSX:TOE), and in 1993 founded Tri Origin Australia NL, later renamed TriAusMin. Prior to founding TOE, Dr Valliant was employed by LAC Minerals Ltd ("LAC") from 1981 to 1988 and became Vice President Exploration for LAC. His responsibility for exploration activities in North America included significant discoveries in the Bousquet and Doyon area that became the largest gold producing district in Quebec. Dr Valliant was also responsible for the management and direction of all exploration work conducted by LAC resulting in the discovery of the Page-Williams mine at Hemlo, one of Canada's largest gold deposits.

Other Directorships of Listed Companies in the three years ending 30 June 2014:

Dr Valliant is currently an Executive Director of TOE, and a Non-executive Director of Midland Exploration Inc., having been appointed to these roles in 1989 and 2005 respectively.

Special responsibilities:

Dr Valliant was a member of the Corporate Governance and Nominating Committee

Interests in shares and options:

Ordinary shares in TriAusMin	3,191,444
Options to purchase ordinary shares in TriAusMin	200,000

For information on the Directors appointed on 5 August 2014 please refer to the Heron Resources Limited website (www.heronresources.com.au).

Information on Company Secretary

Simon Smith was appointed CFO on 26 July 2011 and Company Secretary on 20 January 2012.

Simon has been a Chief Financial Officer (CFO) of both private and public companies in Australia and the USA. He brings 20 years experience in the business world as a Chartered Accountant and holds a Bachelor's Degree in Business from the University of Technology Sydney.

Meetings of Directors

The number of meetings of TriAusMin's Board of Directors, Audit and Remuneration Committees, held during the financial year ended 30 June 2014, and the number of meetings attended by each director were:

DIRECTORS' REPORT (Cont'd)

	Board of Directors Meetings		Audit Committee Meetings		Remuneration Committee Meetings		Corporate Governance & Nominating Committee	
	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend
J W Gill	12	13	4	4	1	1	-	-
W F Killinger	13	13	4	4	1	1	1	1
A J E Snowden	13	13	4	4	1	1	1	1
W R Taylor	13	13	-	-	-	-	-	-
R I Valliant	13	13	-	-	-	-	1	1

Indemnification and insurance of Directors, Officers and Auditor

The Company has entered into an agreement to indemnify Directors and during or since the financial year has taken out an insurance policy to insure each of the Directors or former Directors against liabilities for costs and expenses incurred by them in defending any legal proceedings arising out of their conduct while acting in the capacity of Director of the Company, other than conduct involving a wilful breach of duty in relation to the Company. Insurance premiums of \$15,499 (2013 \$14,924) have been paid or accrued by the Company.

No indemnities have been entered into with the current or former Auditor.

Proceedings on behalf of the 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 proceedings during the year.

Corporate governance

The Directors are responsible for the corporate governance practices of the Company. The main corporate governance practices that were in operation during the financial year are set out in the Corporate Governance section of the annual report.

Auditor's independence declaration

An independence declaration has been provided by the Company's auditor, BDO East Coast Partnership. A copy of this declaration is attached to, and forms part of, the annual report for the financial year ended 30 June 2014.

Non-audit services

No non-audit services were provided during the financial year by the auditors.

REMUNERATION REPORT (Audited)

This remuneration report for the year ended 30 June 2014 outlines the Key Management Personnel remuneration arrangements of the Company in accordance with the requirements of the Corporations Act 2001 (“the Act”) and its regulations. This information has been audited as required by section 308(3C) of the Act.

The remuneration report details the remuneration arrangements for key management personnel (“KMP”) who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the parent company.

For the purposes of this report, the term “executive” includes the Chief Executive Officer (“CEO”), Executive Directors, Senior Executives, General Managers and Secretaries of the Parent and the Company and the term “Director” refers to Non-executive Directors only.

The remuneration report is presented under the following sections:

1. Individual key management personnel disclosures
2. Remuneration at a glance
3. Board oversight of remuneration
4. Non-executive Director remuneration arrangements
5. Executive remuneration arrangements
6. Executive contractual arrangements
7. Equity instruments disclosures

1. Individual key management personnel disclosures

Details of KMP of the Company are set out below:

Key management personnel

(i) Directors

James W Gill	Chair (non-executive) (resigned 19 August 2014)
William F. Killinger	Non-executive (resigned 5 August 2014)
Alan J. Snowden	Non-executive (resigned 5 August 2014)
Robert I. Valliant	Non-executive (resigned 5 August 2014)

(ii) Executives

Wayne R Taylor	Managing Director and CEO
Simon Smith	Chief Financial Officer
Heath Sandercock	Woodlawn Project Manager
Alexandra Bonner	Business Development Manager
Roderick Arnold	Senior Geologist
Erik Conaghan	Senior Exploration Geologist

2. Remuneration at a glance

After assessing market practice and salary movements, the Board determined that some executives were entitled to receive increases in their base salary in line with the CPI increase during the 2014 financial year. In addition, the Board did not seek any increase to the director fee pool at the annual general meeting.

There are no increases to the remuneration received by Non-executive Directors during the year ended June 30, 2014.

3. Board oversight of remuneration

Remuneration committee

The remuneration committee is responsible for making recommendations to the Board on the remuneration arrangements for Non-executive Directors (“NEDs”) and Executives.

The remuneration committee assesses the appropriateness of the nature and amount of remuneration of NEDs and executives on a periodic basis by reference to relevant employment

REMUNERATION REPORT (Audited) Cont'd

market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high performing director and executive team. In determining the level and composition of executive remuneration, the remuneration committee may engage external consultants to provide independent advice.

The remuneration committee comprises three independent NEDs. Further information on the committee's role, responsibilities and membership can be seen at www.triausmin.com

Remuneration approval process

The Board approves the remuneration arrangements of the CEO and executives and all awards made under the long-term incentive (LTI) plan, following recommendations from the remuneration committee. The Board also sets the aggregate remuneration of NEDs which is then subject to shareholder approval.

The remuneration committee approves, having regard to the recommendations made by the CEO, the level of the Company short-term incentive (STI) pool.

Remuneration strategy

The Company remuneration strategy is designed to attract, motivate and retain employees and NEDs by identifying and rewarding high performers and recognising the contribution of each employee to the continued growth and success of the Company.

To this end, key objectives of the Company's reward framework are to ensure that remuneration practices:

- Are aligned to the Company's business strategy;
- Offer competitive remuneration benchmarked against the external market;
- Align the interests of executives with shareholders through measuring total shareholder return (TSR).

Remuneration structure

In accordance with best practice corporate governance, the structure of NED and executive remuneration is separate and distinct.

4. Non-executive Director remuneration arrangements

Remuneration policy

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

The amount of aggregate remuneration sought to be approved by shareholders and the fee structure is reviewed annually against fees paid to NEDs of comparable companies. The Board considers advice from external consultants when undertaking the annual review process.

The Company constitution and the ASX listing rules specify that the NED fee pool shall be determined from time to time by a general meeting. The latest determination was at the 2007 annual general meeting ("AGM") held on 23 November 2007 when shareholders approved an aggregate fee pool of \$300,000 per year.

Structure

Fixed remuneration:

The current base remuneration of directors was last reviewed with effect from 1 July 2009. Directors' remuneration is inclusive of committee fees. The annual base fees paid to directors are:

Annualised Base Fee¹	From 1 July 2009 to 30 June 2014	From 1 January 2009 to 30 June 2009	From 1 July 2008 to 31 December 2008
	\$	\$	\$
Chairman	40,000	10,000 ²	60,000
Other Non-executive Directors	40,000	10,000 ²	40,000

Notes:

1: Excludes superannuation guarantee charge of 9% of base salary or equivalent amount which is paid to all Directors.

2: On 30 August 2009, the Directors resolved to reinstate the base remuneration of Non-executive Directors to previously authorised levels with effect from 1 July 2009.

REMUNERATION REPORT (Audited) Cont'd

Variable Remuneration:

The Company provides Directors with incentives designed to align their remuneration with the interests of shareholders. This is done through issuing options to acquire ordinary shares in the Company. The number and the terms of the options issued are determined by the Remuneration Committee of the Board of Directors and approved by shareholders in a general meeting of members.

The remuneration of NEDs for the year ended 30 June 2014 and 30 June 2013 are detailed in table 1 and 2 respectively of this report.

5. Executive remuneration arrangements

Remuneration levels and mix

The Company aims to reward executives with a level and mix of remuneration commensurate with their position and responsibilities within the Company and aligned with market practice. Base remuneration is not set by reference to the share price, market conditions or financial performance of the Company.

Structure

In the 2014 financial year, the executive remuneration framework consisted of the following components:

- Fixed remuneration; and
- Variable remuneration

Fixed Remuneration:

Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the employment market and within the Company and, where appropriate, external independent advice on policies and practices is obtained by the Board. Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms and are offered the opportunity to enter into "salary sacrifice" arrangements with the Company where appropriate. It is intended that the manner of payment chosen will be optimal for the recipient without creating additional cost for the Company.

Variable Remuneration:

(i) Short-term incentives

Executives are set short-term incentive (STI) targets depending on the accountabilities of the role and impact of their performance on the organisation or business unit performance. Each year the

Board of Directors considers, based on a recommendation from the Remuneration Committee, the appropriate targets and key performance indicators to link the STI plan and the level of payment if targets are met. This includes setting a maximum payment under the STI plan, and minimum levels of performance to trigger payment of the STI.

Currently, the STI targets and performance indicators are linked to the operational performances of the Company, in particular to the areas of safety and environmental management, achievement of project milestones, financial performance relative to budget and the health of community/landowner relations. As such the STI targets are indirectly linked to the financial performance of the Company and movements in shareholder wealth as determined by the Company's share price, on the basis that subject to prevailing market conditions, strong operational performance should lead to improvements in the share price.

For the 2013/2014 financial year no cash bonuses were awarded to employees.

(ii) Long-term incentives

The Company provides long-term incentives to senior executives in a manner that aligns this element of remuneration with the creation of shareholder wealth. This is done under the terms of the Employee Share Option Plan ("ESOP") which provides for executives and other employees to be issued, at no cost to the employee, options to acquire shares in the Company. The number and the terms of the options issued are determined by the Board of Directors after consideration of the employee's performance and their ability to contribute to the achievement of the Company's objectives.

REMUNERATION REPORT (Audited) Cont'd

As the options confer a right but not an obligation on the recipient of the options, the Board of Directors does not consider it necessary to establish a policy in relation to the person limiting his or her exposure to risk as a consequence of owning the options.

The remuneration of Executive Directors for the year ended 30 June 2014 and 30 June 2013 is detailed in Table 1 and 2 respectively of this report.

6. Executive contractual arrangements

The terms and conditions of the appointment and retirement of both Non-executive and Executive Directors are set out in a letter of appointment which covers remuneration, expectations, terms, the procedures for dealing with conflicts of interest and the availability of independent professional advice.

The terms of the contract of employment/engagement with each Executive Key Management Person are as follows:

Executive KMP	Duration of Contract	Notice Period	Termination payments within contract
Mr. W. Taylor	On-going	None	\$200,000
Mr. S Smith ⁽¹⁾	On-going	None	\$nil
Mr. H. Sandercock ⁽¹⁾	On-going	None	\$nil
Mr. R. Arnold	On-going	4 weeks notice	\$nil
Mr. E. Conaghan	On-going	4 weeks notice	\$nil
Mrs. A. Bonner	On-going	4 weeks notice	\$nil

(1) Mr. Sandercock and Mr. Smith are paid as consultants

7. Equity instruments disclosures

Share-based Compensation

a. Options to acquire shares

Options over shares in the Company are granted to Key Management Personnel other than Directors under the ESOP which was originally approved by shareholders at the 2004 Annual General Meeting and later amended with shareholder approval at the Annual General Meetings held on 17 November 2011.

Participation in the ESOP is at the Board's sole discretion. For each option issue, the Board specifies the vesting period, exercise price and exercise period in accordance with the provisions of the scheme. Vesting of the options is a function of time served rather than the performance of the recipient or the Company. The exercise price of the options must be not less than the volume weighted average (VWAP) of the closing sale prices of shares traded on the ASX over the five days on which the ASX was open for trading prior to the date of issue of the employee option. The exercise period cannot exceed five years.

Each option entitles the holder to subscribe for one fully paid ordinary share in the Company at the issue price specified, at any time from the issue date until the expiry of the options subject to any vesting requirements. The option holders are not entitled as a matter of course to participate in any share issues of the Company. Options granted under the ESOP carry no dividend rights or voting rights.

As previously noted, options to acquire ordinary shares in the Company are also issued from time to time to both Executive and Non-executive Directors. These options are not issued under the terms of the ESOP but are issued on terms that are approved by shareholders in a General Meeting and vesting of the options may not be specifically based on time of service or performance of the recipient or of the Company.

REMUNERATION REPORT (Audited) Cont'd

No amounts are paid or payable by recipients of options issued either under the ESOP or with specific shareholder approval, other than the exercise price which is payable upon exercising of the option to purchase the shares.

Details of options issued to Key Management Personnel, including directors, as remuneration during or since the end of the financial year, are set out below in Table 2. When exercisable, each option is convertible into one ordinary share of the Company. Further information on the options is set out in Notes 18 and 22 of the annual financial report.

The assessed fair value at issue date of options granted to the individuals is independently determined using a Black- Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. Refer to Note 22 Share Based Payment for further details.

The value of the options issued to the Key Management Personnel and outstanding at the date on which the Financial Report was authorised for issue by the Board of Directors, was \$197,483 (2013: \$448,174).

Consolidated entity performance and link to remuneration

Remuneration for certain individuals is directly linked to performance of the consolidated entity. A portion of bonus (if payable) and incentive payments are dependent on defined operational targets being met. The remaining portion of the bonus and incentive payments are at the discretion of the Remuneration Committee. Refer to section 8 of the remuneration report for details of the last five years earnings and total shareholders return.

8. Additional Information

The earnings of the consolidated entity for the five years to 30 June 2014 are summarised below:

	2014	2013	2012	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000
Profit/(Loss) after income tax	(1,812)	(1,555)	(1,556)	(1,030)	(1,594)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2014	2013	2012	2011	2010
Share price at financial year end (\$A)	\$0.05	\$0.05	\$0.08	\$0.11	\$0.05
Basic loss per share (cents per share)	(0.72)	(0.66)	(0.85)	(0.74)	(1.47)

REMUNERATION REPORT (Audited) Cont'd

Table 1: Details of Remuneration – Directors and Other Key Management Personnel

	Short-term Benefits		Post-employment Benefits		Share-based Payments	Total	Percentage Performance Based Bonus Payments	Percentage Share Option-based Payments
	Cash Salary & Fees \$	Cash Bonuses \$	Super \$	Prescribed Benefits \$	Options Equity Settled \$			
Year ended 30 June 2014								
Non-executive directors								
Dr. J. W. Gill	43,700	-	-	-	9,000	52,700	-	17.0%
Mr. W. F. Killinger	40,000	-	3,700	-	4,733	48,433	-	9.7%
Mr. A.J.E. Snowden	43,700	-	-	-	2,867	46,567	-	6.1%
Dr. R. I. Valliant	43,700	-	-	-	3,067	46,767	-	6.5%
Other key management personnel								
Mr. W R Taylor	367,403	-	55,967	-	33,333	456,703	-	7.2%
Mr. S. Smith ⁽¹⁾⁽⁴⁾	208,911	-	-	-	-	208,911	-	-
Mr. H Sandercock ⁽¹⁾⁽³⁾	79,635	-	-	-	-	79,635	-	-
Mr. R. Arnold ⁽⁶⁾	181,999	-	16,834	-	717	199,550	-	0.3%
Mr. E. Conaghan ⁽⁵⁾	174,625	-	15,447	-	1,550	191,622	-	0.8%
Mrs. A Bonner	71,227	-	5,898	-	2,700	79,825	-	3.3%
	1,254,900	-	97,846	-	57,967	1,410,713		
Year ended 30 June 2013								
Non-executive directors								
Dr. J. W. Gill	43,600	-	-	-	9,074	52,674	-	17.2%
Mr. W. F. Killinger	40,000	-	3,600	-	4,708	48,308	-	9.7%
Mr. A.J.E. Snowden	43,600	-	-	-	2,846	46,446	-	6.1%
Dr. R. I. Valliant	43,600	-	-	-	3,066	46,666	-	6.5%
Other key management personnel								
Mr. W R Taylor	367,000	-	55,158	-	33,552	455,710	-	7.3%
Mr. S. Smith ⁽¹⁾⁽⁴⁾	198,227	-	-	-	-	198,227	-	-
Mr. H Sandercock ⁽¹⁾⁽³⁾	113,960	-	-	-	-	113,960	-	-
Mr. E. Conaghan ⁽⁵⁾	168,807	-	14,850	-	930	184,587	-	0.5%
Mrs. A Bonner	80,506	-	7,245	-	2,698	90,449	-	2.9%
	1,099,300	-	80,853	-	56,874	1,237,027		

REMUNERATION REPORT (Audited) Cont'd

- (1) Mr Sandercock and Mr Smith's remuneration was paid to their respective consulting company
- (2) The bonuses were granted in June 2012 as part of the 2012 financial year end remuneration review and represent 100% of the available Bonus pool
- (3) Mr Sandercock became a KMP on July 1st 2011
- (4) Mr Smith became a KMP on July 26th 2011.
- (5) Mr Conaghan became a KMP on July 1st 2012
- (6) Mr Arnold became a KMP on July 1st 2013

REMUNERATION REPORT (Audited) Cont'd

Table 2: Details of Options Issued as Remuneration

<i>Name</i>	<i>Issue date</i>	<i>Number of Options Issued</i>	<i>Date First Vested and Exercisable</i>	<i>Expiry Date</i>	<i>Exercise Price \$</i>	<i>Fair Value at Issue Date \$</i>
Year Ended 30 June 2014						
Non-executive Directors						
Dr J Gill	-	-	-	-	-	-
Mr. W. F. Killinger	-	-	-	-	-	-
Mr. A.J.E. Snowden	-	-	-	-	-	-
Dr. R. I. Valliant	-	-	-	-	-	-
Key management personnel						
Mr. W Taylor	20 Nov 2013	2,000,000	20 Nov 2014	20 Nov 2018	\$0.040	\$0.035
Mr. S Smith	-	-	-	-	-	-
Mr. H Sandercock	-	-	-	-	-	-
Mr. R. Arnold	31 Jan 2014	50,000	1 Nov 2014	31 Jan 2019	\$0.040	\$0.035
Mr. E. Conaghan	-	-	-	-	-	-
Mrs. A Bonner	-	-	-	-	-	-
Year Ended 30 June 2013						
Non-executive Directors						
Dr J Gill	-	-	-	-	-	-
Mr. W. F. Killinger	23 Oct 2012	200,000	23 Oct 2012	23 Oct 2017	\$0.06	\$0.043
Mr. A.J.E. Snowden	23 Oct 2012	200,000	23 Oct 2012	23 Oct 2017	\$0.06	\$0.043
Dr. R. I. Valliant	21 Nov 2012	200,000	21 Nov 2012	20 Nov 2017	\$0.10	\$0.046
Key management personnel						
Mr. W Taylor	-	-	-	-	-	-
Mr. S Smith	-	-	-	-	-	-
Mr. H Sandercock	-	-	-	-	-	-
Mr. E. Conaghan	13 Mar 2013	50,000	13 Mar 2014	13 Mar 2018	\$0.065	\$0.037
Mrs. A Bonner	-	-	-	-	-	-

REMUNERATION REPORT (Audited) Cont'd

Table 3: Details of Options Held by Key Management Personnel

Name	Opening Balance	Options Granted as Remuneration	Options Expired / Lapsed / Cancelled	Options Exercised	Closing Balance	Number of Options Vested
Year Ended 30 June 2014						
Non-executive Directors						
Dr J Gill	500,000	-	-	-	500,000	500,000
Mr. W. F. Killinger	600,000	-	(300,000)	-	300,000	200,000
Mr. A.J.E. Snowden	500,000	-	(300,000)	-	200,000	133,334
Dr. R. I. Valliant	2,200,000	-	(2,000,000)	-	200,000	133,334
Key Management Personnel						
Mr. W Taylor	2,000,000	2,000,000	-	-	4,000,000	1,333,333
Mr. S Smith	-	-	-	-	-	-
Mr. H Sandercock	-	-	-	-	-	-
Mr. R. Arnold	50,000	50,000	-	-	100,000	16,667
Mr. E. Conaghan	100,000	-	-	-	100,000	50,000
Mrs A Bonner	100,000	-	-	-	100,000	100,000
	6,050,000	2,050,000	(2,600,000)	-	5,500,000	2,466,668
Year Ended 30 June 2013						
Non-executive Directors						
Dr J Gill	500,000	-	-	-	500,000	333,333
Mr. W. F. Killinger	600,000	200,000	(200,000)	-	600,000	333,333
Mr. A.J.E. Snowden	500,000	200,000	(200,000)	-	500,000	333,333
Dr. R. I. Valliant	2,200,000	200,000	(200,000)	-	2,200,000	2,067,667
Key Management Personnel						
Mr. W Taylor	2,000,000	-	-	-	2,000,000	666,667
Mr. S Smith	-	-	-	-	-	-
Mr. H Sandercock	-	-	-	-	-	-
Mr. E. Conaghan	50,000	50,000	-	-	100,000	16,667
Mrs A Bonner	100,000	-	-	-	100,000	66,667
	5,950,000	650,000	(600,000)	-	6,000,000	3,817,667

b. Shares Issued on Exercise of Remuneration Options

No shares were issued during or since the end of the financial year as a result of the exercising of options that were issued to a Director or other Key Management Personnel as part of a remuneration package.

The number of shares held by Key Management Personnel including directors and the most highly remunerated Company Executives are as summarised in Table 4 below:

REMUNERATION REPORT (Audited) Cont'd

Table 4: Details of Shares Held by Key Management Personnel

Name	Opening Balance	Shares Issued as Remuneration	Shares Issued on exercise of options	Other Net Change in Shares held	Closing Balance
Year Ended 30 June 2014					
<i>Non-executive Directors</i>					
Dr J Gill	17,223,010	-	-	20,000,000	37,223,010
Mr. W. F. Killinger	1,742,082	-	-	700,000	2,442,082
Mr. A.J.E. Snowden	807,500	-	-	-	807,500
Dr. R. I. Valliant	3,191,444	-	-	-	3,191,444
<i>Key Management Personnel</i>					
Mr. W Taylor	1,519,366	-	-	335,116	1,854,482
Mr. S Smith	170,000	-	-	-	170,000
Mr. H Sandercock	-	-	-	-	-
Mr R. Arnold	-	-	-	20,000	20,000
Mr. E. Conaghan	50,000	-	-	-	50,000
Mrs A Bonner	250,519	-	-	180,346	430,865
	24,953,921			21,235,462	46,189,383
Year Ended 30 June 2013					
<i>Non-executive Directors</i>					
Dr J Gill	9,361,677	-	-	7,861,333	17,223,010
Mr. W. F. Killinger	1,393,666	-	-	348,416	1,742,082
Mr. A.J.E. Snowden	760,712	-	-	46,788	807,500
Dr. R. I. Valliant	3,191,444	-	-	-	3,191,444
<i>Key Management Personnel</i>					
Mr. W Taylor	1,014,307	-	-	505,059	1,519,366
Mr. S Smith	-	-	-	170,000	170,000
Mr. H Sandercock	-	-	-	-	-
Mr. E. Conaghan	50,000	-	-	-	50,000
Mrs A Bonner	81,500	-	-	169,019	250,519
	15,853,306	-	-	9,100,615	24,953,921

This concludes the Remuneration Report which has been audited.

This Report of the Directors, incorporating the Remuneration Report, is signed in accordance with a resolution of the Board of Directors, pursuant to Section 298 (2) (a) of the Corporation Act.



Wayne Taylor

DIRECTOR

DECLARATION OF INDEPENDENCE BY GARETH FEW TO THE DIRECTORS OF TRIAUSMIN LIMITED

As lead auditor of TriAusMin Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of TriAusMin Limited and the entities it controlled during the period.



Gareth Few
Partner

BDO East Coast Partnership

Sydney, 27 August 2014

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
 COMPREHENSIVE INCOME
 FOR THE YEAR ENDED 30 JUNE 2014**

	Note	2014 \$	2013 \$
Continuing operations			
Other income	2	30,485	67,164
Depreciation and amortisation	3	(22,345)	(23,733)
Salary costs (including directors' fees)		(982,915)	(1,000,216)
Scheme of Arrangement expense		(337,930)	-
Professional and legal fees		(126,803)	(199,668)
Share registry expense		(40,183)	(75,817)
Share based payment expense	22	(59,617)	(57,808)
Occupancy expense		(72,927)	(54,875)
Travel and accommodation		(89,206)	(79,710)
Insurance expense		(22,937)	(41,224)
Computer expense		(19,065)	(32,392)
Interest expense –Convertible Note		(34,218)	-
Other expenses		(34,371)	(57,111)
Loss before income tax expense from continuing operations		(1,812,032)	(1,555,390)
Income tax refund	4	-	-
Loss after income tax expense for the year		(1,812,032)	(1,555,390)
Other comprehensive income		-	-
Total comprehensive loss attributable to members		(1,812,032)	(1,555,390)
Loss per share attributable to the ordinary equity holders of the company			
Basic loss per share - cents	5	(0.72)	(0.66)
Diluted loss per share - cents	5	(0.72)	(0.66)

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Note	2014	2013
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	8	594,833	1,499,788
Trade and other receivables	9	68,015	63,769
Other assets	10	16,346	15,994
TOTAL CURRENT ASSETS		679,194	1,579,551
NON-CURRENT ASSETS			
Property, plant and equipment	11	177,402	199,747
Exploration and evaluation expenditure	12	28,562,798	28,025,323
TOTAL NON-CURRENT ASSETS		28,740,200	28,225,070
TOTAL ASSETS		29,419,394	29,804,621
CURRENT LIABILITIES			
Trade and other payables	14	382,053	367,366
Provisions	16	58,638	40,355
Borrowings – Convertible Note	15	1,242,765	-
TOTAL CURRENT LIABILITIES		1,683,456	407,721
NON-CURRENT LIABILITIES			
Provisions	17	30,000	30,000
TOTAL NON-CURRENT LIABILITIES		30,000	30,000
TOTAL LIABILITIES		1,713,456	437,721
NET ASSETS		27,705,938	29,366,900
EQUITY			
Contributed equity	18	41,243,917	41,243,917
Contributed equity – Convertible Note	15	91,453	-
Reserves	19	3,010,371	2,950,754
Accumulated losses		(16,639,803)	(14,827,771)
TOTAL EQUITY		27,705,938	29,366,900

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

	Contributed Equity	Options Reserve	Equity Convertible Note	Accumulated Losses	Total
	Ordinary Shares				
	\$	\$	\$	\$	\$
Opening Balance at 1 July 2012	38,577,391	2,892,946	-	(13,272,381)	28,197,956
Loss after income tax expense for the year	-	-	-	(1,555,390)	(1,555,390)
Total comprehensive loss for the year	38,577,391	2,892,946	-	(14,827,771)	26,642,566
<i>Transactions with owners in their capacity as owners</i>					
Shares issued during the year	2,934,395	-	-	-	2,934,395
Transaction costs	(267,869)	-	-	-	(267,869)
Share based payments charge	-	57,808	-	-	57,808
Balance at 30 June 2013	41,243,917	2,950,754	-	(14,827,771)	29,366,900
Opening Balance at 1 July 2013	41,243,917	2,950,754	-	(14,827,771)	29,366,900
Loss after income tax expense for the year	-	-	-	(1,812,032)	(1,812,032)
Total comprehensive loss for the year	41,243,917	2,950,754	-	(16,639,803)	27,554,868
<i>Transactions with owners in their capacity as owners</i>					
Issue of Convertible Note	-	-	91,453	-	91,453
Share based payments charge	-	59,617	-	-	59,617
Balance at 30 June 2014	41,243,917	3,010,371	91,453	(16,639,803)	27,705,938

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR YEAR ENDED 30 JUNE 2014

	Note	2014	2013
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:			
Payments to suppliers and employees		(1,647,966)	(1,809,931)
Interest received		30,485	67,064
Net cash used in operating activities	27(b)	(1,617,481)	(1,742,867)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Payment for exploration activities (net of R&D refund)		(587,474)	(859,719)
Payment for property, plant and equipment		-	(12,727)
Net cash used in investing activities		(587,474)	(872,446)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from issue of shares		-	2,934,395
Share issue cost		-	(267,869)
Issue of Convertible Note		1,300,000	-
Net cash provided by financing activities		1,300,000	2,666,526
Net increase/(decrease) in cash and cash equivalents		(904,955)	51,213
Cash and cash equivalents at beginning of year		1,499,788	1,448,575
Cash and cash equivalents at end of year	27(a)	594,833	1,499,788

The accompanying notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. STATEMENT OF ACCOUNTING POLICIES

a) General

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Interpretations as issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 as appropriate for profit entities. The financial report of the consolidated entity also complies with the International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

The financial report covers the consolidated entity (referred to hereafter as the “Company” or “TriAusMin”) consisting of TriAusMin Limited as an individual entity and the entities it controlled at the end of, or during the year ended 30 June 2014. TriAusMin is a for profit listed public company, incorporated and domiciled in Australia. The financial report was authorised for issue by the Directors on 27 August 2014.

In accordance with the Corporation Act 2001 these financial statements present the results of the consolidated entity. Supplementary information about the parent is disclosed in note 34.

Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated. The financial report has been prepared on a historical costs basis, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Both the functional and presentation currency of the Company is Australian dollars (\$).

b) Going Concern basis of accounting

The Company incurred a loss for the year after tax of \$1,812,032 (2013: \$1,555,390) and a net cash out flow from operating activities of \$1,617,481 (2013: \$1,742,867). The Financial Report has been prepared on the basis of a Going Concern.

On 5 August 2014, TriAusMin Ltd became a wholly owned subsidiary of Heron Resources Ltd via a Scheme of Arrangement approved by TriAusMin shareholders on 28 July 2014. As a wholly owned subsidiary Heron will be responsible for meeting all future TriAusMin commitments. Heron have indicated that they intend to meet all future commitments for the 12 months following the date of this report.

c) Principles of consolidation

A controlled entity is any entity controlled by TriAusMin Limited whereby the Company has the power to control the financial and operating policies of an entity so as to obtain benefits from its activities. The consolidated financial report covering the economic entity, being the Company and its wholly owned controlled entities, Tri Origin Mining Pty Limited (“TOM”) and Tarago Operations Pty Limited (“TOP”), has been prepared based on the following principles:

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

c) Principles of consolidation (cont'd)

Non-controlling interest in the results and equity of subsidiaries are shown separately in the statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity of the consolidated entity. Losses incurred by the consolidated entity are attributed to the non-controlling interest in full, even if that results in a deficit balance.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

d) Share Based Payments

The cost to the Company of share options granted to Directors and Key Management Personnel is included at fair value as part of the Directors' and Key Management Personnel's aggregate remuneration in the financial year the options are granted.

The fair value of the share options is calculated using the Black Scholes option pricing model, which takes into account the exercise price, the term of the option, the vesting period and performance criteria, the impact of dilution, the non-tradable nature of the option, the current price and historical price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The cost of these options is expensed in the statement of profit or loss and other comprehensive income on a pro rata basis to the vesting dates. Unvested options may be cancelled upon termination of service with the Company.

e) Income tax

The charge for current income tax expense/ (benefit) is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the statement of financial position.

Deferred tax is accounted for using the statement of financial position method at the end of the reporting period in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the statement of profit or loss and other comprehensive income except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that there is convincing evidence that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

The potential net deferred tax asset at 30 June 2014 at 30% in respect of tax losses and timing differences not brought to account is set out in Note 4.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

e) Income tax (cont'd)

Tax Consolidation Legislation

TriAusMin Limited and its wholly owned Australian controlled entities implemented the tax consolidation legislation as of 1 July 2005.

The head entity, TriAusMin Limited and the controlled entities in the tax consolidated group continue to account for their own current and deferred tax amounts. The Company has applied the Company allocation approach in determining the appropriate amount of current taxes and deferred taxes to allocate to members of the tax consolidated group.

f) Earnings per share

i. Basic earnings per share:

Basic earnings per share are determined by dividing the operating profit/ (loss) after income tax by the weighted average number of ordinary shares outstanding during the period.

ii. Diluted earnings per share:

Diluted earnings per share adjusts the figures used in determining earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will probably arise from the exercise of options outstanding during the financial year. The diluted earnings per share are capped at the basic earnings per share in circumstances of losses.

g) Cash and Cash Equivalents

For the purposes of the statement of financial position and the statement of cash flows, cash includes bank accepted bills which are readily convertible to cash on hand and which are used in the management function on a day-to-day basis, net of outstanding bank overdrafts.

h) Property, Plant and Equipment

Property, plant and equipment are included in the accounts at cost or at independent or Directors' valuation less, where applicable, any accumulated depreciation or amortisation.

The carrying value of property, plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

All fixed assets, including capitalised leased assets but excluding freehold land, are depreciated over their estimated useful lives to the Company. Mining plant and equipment is depreciated in this manner over the estimated life of the relevant mine with due regard to each item's physical life limitations.

The depreciation rates used for each class of asset are:

Plant and Equipment	20% - 40% Diminishing Value
Motor Vehicle	18.5% Diminishing Value

Depreciation and amortisation charged on fixed assets used in the Company's exploration activities are included in the exploration expenditure as they are incurred.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

h) Property, Plant and Equipment

The gain or loss on disposal of all fixed assets, including revalued assets, is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in operating profit before income tax in the year of disposal. Any realised revaluation increment relating to a disposed asset which is included in the asset revaluation reserve is transferred directly to capital profits reserve.

i) Exploration expenditure and mineral leases

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Accumulated costs in relation to an abandoned area are written off in full against the results in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves. A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs of site restoration are provided over the life of the tenement from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs will be determined using estimates of future costs, current legal requirements and technology on a discounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

j) Restoration, rehabilitation and environmental expenditure

Restoration, rehabilitation and environmental expenditure to be incurred during the production phase of operations is accrued when the need for such expenditure is established, and then written off as part of the costs of production of the mine property concerned. Significant restoration, rehabilitation and environmental expenditure to be incurred subsequent to the cessation of production at each mine property are accrued, in proportion to production, when its extent can be reasonably estimated.

k) Leased Assets

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Company, are classified as finance leases and are capitalised and amortised on a straight line basis over the estimated useful life of the asset where it is assumed the Company will obtain ownership of the asset or over the term of the lease. Finance lease payments are allocated between interest expense and reduction of lease liability over the term of the lease. The interest expense is determined by applying the interest rate implicit in the lease to the outstanding lease liability at the beginning of each lease payment period. Lease incentives received are spread over the life of the lease.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

k) Leased Assets (cont'd)

Lease payments for operating leases where substantially all the risks and benefits remain with the lessor are charged as expenses in the periods in which they are incurred.

l) Business undertakings – joint ventures

The Company has certain exploration activities conducted through joint ventures with other parties. The Company's interest in these joint ventures is shown in the statement of financial position under the appropriate heading. Details of the interests in the joint venture assets and liabilities are set out in Note 20.

The Company's interests in joint venture entities are accounted for using the cost method, rather than the equity method of accounting which approximates fair value.

m) Trade and Other Payables

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the Company during the reporting period which remains unpaid. The balance is recognised as a current liability with the amount being normally paid within 30 days of recognition of the liability.

n) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and on costs which will be settled after one year, have been measured at their nominal rate. Contributions are made by the Company to employee superannuation funds and are charged as expenses when incurred.

o) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Interest income

Revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

p) Comparative Information

Comparative figures are, where appropriate, reclassified so as to be compatible with the figures presented for the financial year.

q) Foreign currency transactions and balances

Foreign currency transactions during the year are converted to Australian currency at the rates of exchange applicable at the date of the transactions. Amounts receivable and payable in foreign currencies at balance date are converted to the rates of exchange ruling at that date.

The gains and losses from conversion of short-term assets and liabilities, whether realised or unrealised, are included in profit (loss) from ordinary activities as they arise.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

r) 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 Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST. Cash flows are presented in the statement of cash flow on a net basis.

s) Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation/depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the statement of profit or loss and other comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value, less costs to sell, and discounted cash flow. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

t) Critical accounting estimates and judgments

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

i. Share-based payment transactions

The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

ii. Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

iii. Rehabilitation provision

A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The consolidated entity's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The consolidated entity recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

u) Issued Capital

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

v) Parent Entity

In accordance with the Corporations Act 2001 these financial statements present the results of the consolidated entity. Supplementary information about the parent is disclosed in note 34.

w) Borrowings - Convertible Note

Loans and borrowings are initially recognized at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

The component of the convertible notes that exhibits characteristics of a liability is recognized as a liability in the statement of financial position, net of transaction costs.

On the issue of the convertible notes the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond and this amount is carried as a non-current liability on the amortised cost basis until extinguished on conversion or redemption. The increase in the liability due to the passage of time is recognised as a finance cost. The remainder of the proceeds are allocated to the conversion option that is recognised and included in shareholders' equity as a convertible note reserve, net of transaction costs. The carrying amount of the conversion option is not remeasured in the subsequent years. The corresponding interest on convertible notes is expensed to profit or loss.

x) Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principle market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interest. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed each reporting date and transfers between levels are determined based on a reassessment of the lowest level input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

2. OTHER INCOME	Consolidated	
	2014	2013
	\$	\$
Other income from operating activities		
- Interest received from other persons	30,485	67,064
- Other income	-	100
Total other income	<u>30,485</u>	<u>67,164</u>

3. LOSS FOR THE YEAR

Loss from continuing operations has been determined after:

Expenses

- Depreciation of plant and equipment	22,345	23,733
- Rental expense on operating leases	47,374	54,875
- Foreign exchange (gain)/loss	30	(101)
- Movements in provisions – employee entitlements	18,283	12,728

4. INCOME TAX

The prima facie tax payable on profit/(loss) is reconciled to the income tax expense as follows:

Prime facie tax payable on profit/ (loss) before income tax at 30% (2013: 30%)	(543,609)	(466,617)
Add:		
Tax effect of:		
- Net deferred tax asset (not recognised)	543,609	466,617
- Research and Development Tax Refund ⁽¹⁾	-	-
Income tax refund/(expense)	<u>-</u>	<u>-</u>

The Director's estimate that the potential net deferred tax asset at 30 June 2014 at 30% (2013: 30%) in respect of tax losses and timing differences not brought to account is \$11,588,677 (2013: \$11,133,980)

⁽¹⁾ During 2014, the Research and Development tax refund was offset against the capitalised exploration expenditure. See note 12

The net deferred tax asset will only be obtained if:

- (a) the Company derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the loss to be realised;

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

4. INCOME TAX (Continued)

- (b) the Company continues to comply with the conditions for deductibility imposed by law, including compliance with the continuity of ownership test, or failing that, with the continuity of business test. The distribution by the Company's major shareholder, Tri Origin Exploration Ltd ("TOE") by way of dividend of 17,266,987 of its 49,037,010 shares held in the Company to its shareholders during 2010 and the subsequent sale of an additional 2.5 million shares will need to be taken into consideration in determining compliance with these conditions; and
- (c) no changes in tax legislation adversely affect the Company in realising the benefit from the deduction of the loss.

The Company has no franking credits available.

5. EARNINGS PER SHARE

The following reflects the income and share data used in the calculations of basic and diluted earnings per share:

	2014 \$	2013 \$
	Consolidated	
	2014	2013
	\$	\$
Basic loss per share - cents	(0.72)	(0.66)
Diluted loss per share ¹ - cents	(0.72)	(0.66)
Weighted average number of ordinary shares outstanding during the year	251,389,050	235,548,096
Loss from continuing operations	(1,812,032)	(1,555,390)

Note 1: Diluted loss per share is capped at the Basic loss per share.

6. REMUNERATION OF AUDITORS

Amount received or due and receivable by the auditors of statutory accounts for:

Auditing and reviewing accounts	46,850	51,600
	<u>46,850</u>	<u>51,600</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

7. DIVIDENDS

No dividends were declared during or since the end of the financial year ended 30 June 2014, or during the corresponding period ending 30 June 2013.

	Consolidated	
	2014	2013
	\$	\$
8. CURRENT ASSETS – CASH AND EQUIVALENTS		
Cash at Bank	94,833	499,788
Term Deposits	500,000	1,000,000
	<u>594,833</u>	<u>1,499,788</u>
9. CURRENT ASSETS – TRADE AND OTHER RECEIVABLES		
GST receivable	68,015	63,769
	<u>68,015</u>	<u>63,769</u>
The above assets are not subject to interest and the full amounts are expected to be received in the ordinary course of business.		
10. CURRENT ASSETS – OTHER ASSETS		
Prepayments	<u>16,346</u>	<u>15,994</u>
11. NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT		
Freehold land at cost	<u>125,000</u>	<u>125,000</u>
Equipment at cost	355,757	355,757
Accumulated depreciation	(316,927)	(297,713)
	<u>38,830</u>	<u>58,044</u>
Motor vehicles at cost	62,824	62,824
Accumulated depreciation	(49,252)	(46,121)
	<u>13,572</u>	<u>16,703</u>
Total property, plant and equipment at cost	543,581	543,581
Total accumulated depreciation	(366,179)	(343,834)
	<u>177,402</u>	<u>199,747</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

**11. NON-CURRENT ASSETS - PROPERTY,
PLANT AND EQUIPMENT (cont'd)**
Reconciliation of property, plant and equipment

	Plant and Equipment	Motor Vehicles	Total
	\$	\$	\$
2014			
Carrying amount at beginning of year	58,044	16,703	199,747
Additions	-	-	-
Depreciation	(19,214)	(3,131)	(22,345)
Carrying amount at end of year	<u>38,830</u>	<u>13,572</u>	<u>177,402</u>
2013			
Carrying amount at beginning of year	65,416	20,337	210,753
Additions	12,727	-	12,727
Depreciation	(20,099)	(3,634)	(23,733)
Carrying amount at end of year	<u>58,044</u>	<u>16,703</u>	<u>199,747</u>

12. NON-CURRENT ASSETS - EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2014	2013
	\$	\$
Exploration and evaluation expenditure carried forward in respect of mining areas of interest.		
Balance at beginning of year	28,025,323	27,042,556
Capitalised exploration expenditure written off	-	-
Capitalised exploration expenditure, at cost	1,292,952	2,122,977
Refund of tax applicable to capitalised expenditure	(755,477)	(1,140,210)
Balance at end of year	<u>28,562,798</u>	<u>28,025,323</u>
Employee salaries and superannuation included in exploration expenditure	<u>677,513</u>	<u>466,596</u>
	<u>677,513</u>	<u>466,596</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

**12. NON-CURRENT ASSETS - EXPLORATION AND EVALUATION EXPENDITURE
(Cont'd)**

The Company has entered into performance bonds with the National Australia Bank Limited in relation to environmental rehabilitation obligations of \$148,000 (2013: \$148,000) and a rental commitment of \$22,000 (2013: \$22,000). These commitments are secured by way of a registered mortgage against the Company's Lewis Ponds freehold land.

The Directors have determined that the carrying values of exploration and evaluation expenditures have not been impaired as of 30 June 2014 (2013: Nil). Based on the current values they are expected to be recouped through the successful development, or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves, progress in the area of interest is continuing.

The above carrying values do not purport to be the amount receivable by the Company in the event the interests in the mining leases were farmed out or sold, with the recovery of this capitalised exploration expenditure otherwise dependent upon future successful development and/or exploitation of this asset.

13. INTERESTS IN CONTROLLED ENTITIES

	Country of incorporation	Percentage owned	
		2014	2013
Parent entity:			
TriAusMin Limited	Australia	-	-
Controlled entities:			
Tri Origin Mining Pty Limited ⁽ⁱ⁾	Australia	100%	100%
Tarago Operations Pty Ltd ⁽ⁱⁱ⁾	Australia	100%	100%

(i) The subsidiary company has no activities other than as holders of exploration rights on certain tenements.

(ii) The subsidiary company has no activities. It is the registered owner of the SML20 tenement which was transferred during the year.

**14. CURRENT LIABILITIES – TRADE AND OTHER
PAYABLES**

	Consolidated	
	2014	2013
	\$	\$
Trade creditors	343,495	324,080
Sundry creditors and accruals	38,558	43,286
	382,053	367,366

The above amounts all relate to normal unsecured creditors incurred in the normal course of the Company's business operations and are within the credit terms of each relevant supplier or service provider.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

15. CURRENT LIABILITIES – BORROWINGS – CONVERTIBLE NOTE

	Consolidated	
	2014	2013
	\$	\$
Convertible Note	1,242,765	-
	1,242,765	-

On 10th March 2014, The Company issued 1,300,000 Convertible Notes at \$1.00 per note to Heron Resources Ltd. The Convertible Note has a term of nine months from issue and an interest rate of 8%. The convertible Note may be converted into shares in the Company at a share price of A\$0.04 under certain limited circumstances and will be cancelled upon successful completion of the merger between the Company and Heron Resources Ltd.

At the date of issue the Fair Value of the Convertible Note was calculated using a Weighted Average Cost of Capital of 18% to be \$1,208,547. Since the date of issue to 30 June 2014 the Company has recognized \$34,218 in Interest Expense. On the 5 August 2104, the Company became a wholly owned subsidiary of Heron Resources Ltd and the Convertible Note was absorbed to the Consolidated Heron reporting entity.

16. CURRENT LIABILITIES – PROVISIONS

	Consolidated	
	2014	2013
	\$	\$
Employee entitlements	58,638	40,355
	58,638	40,355

Provision for employee benefits

A provision has been recognised for employee entitlements relating to annual leave. The measurement and recognition criteria relating to employee benefits have been included in Note 1 (n).

Reconciliation short term provisions	Employee Entitlement	Total
	\$	\$
2014		
Carrying amount at beginning of year	40,355	40,355
Net movements	18,283	18,283
Carrying amount at end of year	58,638	58,638
2013		
Carrying amount at beginning of year	27,627	27,627
Net movements	12,728	12,728
Carrying amount at end of year	40,355	40,355

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

17. NON-CURRENT LIABILITIES – PROVISIONS

	Consolidated	
	2014	2013
	\$	\$
Provision for rehabilitation	30,000	30,000

Provision for tenement rehabilitation

A provision has been recognised for the costs to be incurred for the restoration and rehabilitation of a tenement site acceptable to the NSW Department of Primary Industries, the amount recorded has been determined by the Directors and valued at the historical cost of similar work conducted.

Reconciliation long term provisions

	Rehabilitation	Total
	\$	\$
2014		
Carrying amount at beginning of year	30,000	30,000
Amounts used	-	-
Carrying amount at end of year	30,000	30,000

Reconciliation long term provisions

	Rehabilitation	Total
	\$	\$
2013		
Carrying amount at beginning of year	30,000	30,000
Amounts used	-	-
Carrying amount at end of year	30,000	30,000

18. CONTRIBUTED EQUITY

Under the Corporations Act 2001 (*Cth.*) and its constitution, the Company is authorized to issue an unlimited number of Ordinary Shares. The Ordinary Shares in the Company have no par value.

	Consolidated	
	2014	2013
	\$	\$
251,389,050 (2013: 251,389,050) Ordinary fully paid shares	41,243,917	41,243,917

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

18. CONTRIBUTED EQUITY (Cont'd)

	2014 \$	2013 \$	2014 Number	2013 Number
(a) Reconciliation of Issued Capital:				
<i>Ordinary shares</i>				
Opening balance	41,243,917	38,577,391	251,389,050	201,111,240
- 23 October 2012 ⁽ⁱ⁾	-	2,934,395	-	50,277,810
Shares issue cost	-	(267,869)	-	-
At reporting date	41,243,917	41,243,917	251,389,050	251,389,050

(a) Reconciliation of Issued Capital (continued):

- (i) On 23 October 2012, the Company issued 50,277,810 shares via a 1 for 4 Renounceable Rights issue. The issue price was \$0.06 Canadian (\$0.059 AUD)

Ordinary shares participate in dividends and the proceeds of winding up in proportion to the number of shares held. At the shareholders meetings, each ordinary share entitles the holder to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Options over shares in the Company are granted to Key Management Personnel under the Employees Share Option Plan (ESOP) and separately with the approval of shareholders, details of which are set out in the Remuneration Report. Options may also be granted to Directors, Non-executive Directors and Consultants with the approval of shareholders.

As noted in the Remuneration Report, option holders are not entitled to participate in share issues, and no options carry dividend rights or voting rights.

(b) Movement in issued share options during the year:

Reconciliation of unquoted options:

Date	Details	Weighted Average Exercise price (Cents)	Expiry date	Number
30 Jun 2013	Closing balance	Various	Various	6,533,333
20 Nov 2013	Issue of Options	4.0	20/11/18	2,000,000
31 Jan 2014	Issue of Options	4.0	31/01/19	50,000
24 Jun 2014	Cancelled Options	25	24/06/14	(2,933,333)
30 Jun 2014	Closing balance	9.7		5,650,000

The remaining weighted average contracted life of the options is approximately 3 years.

The number of options that have vested but remain unexercised as at 30 June 2014 is 3,133,334.

On 4 August 2014 the Company announced that all employees had entered into Option Cancellation Deeds with Heron Resources Ltd as part of the Merger with the Company, and in return received new Heron Options at the ratio of 1 Heron Option for every 2.33 TriAusMin Options.

Refer to Note 22 for the detail of options issued during the financial year.

(c) Uncalled capital:

No calls are outstanding at year end. All issued shares are fully paid.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

18. CONTRIBUTED EQUITY (Cont'd)

(d) Terms and conditions of unquoted options:

All unquoted options are held by prior or current Directors, employees and consultants to the Company or their associates. Each option entitles the holder to subscribe for one fully paid share in the Company at the exercise price per share at any time from the date of issue until expiry of the options subject to various vesting dates.

(e) Capital Management:

Management controls the capital of the Company in order to ensure that the Company can fund its operations and continue as a going concern. Its capital includes ordinary share capital; share options and reserves; and financial liabilities, supported by financial assets.

There has been no change to the Issued Capital of the Company during the year.

On 8 March 2014, the Company issued a \$1.3m Convertible Note to Heron Resources Ltd. Following the successful completion of the merger with Heron Resources on 5 August 2014, this Convertible Note has been absorbed into the Heron Consolidated entity.

Management effectively manages the Company's capital by assessing its financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include share issues. There have been no changes in the strategy adopted by management to control the capital of the Company since the prior year.

19. OPTIONS RESERVE

The Share Options Reserve has been established in relation to the Share Based Payments as set out in Note 22 as required by Australian Accounting Standards. The Reserve will be utilised in future years as and when Options are exercised.

20. JOINT VENTURES

The Company has the following material joint venture interests:

Joint Venture	Consolidated	
	2014	2013
Black Range JV ¹	75.48%	75.48%
Cullarin JV ²	78.9%	68.2%
Calarie JV Kimberley ³	100%	100%
Interest shown in the statement of financial position as Exploration Expenditure	<u>\$647,743</u>	<u>\$484,095</u>

Note 1: TriAusMin has a 75.48% interest in the Black Range JV with Mount Conqueror Minerals NL and Central West Gold NL to explore on 3 of the 8 units that comprise EL 5878.

2: Cullarin JV relates to EL 7954.

3: In July 2011, the Company reached an agreement with Kimberley Diamonds Ltd (previously Goodrich Resources Ltd). In November 2013 the joint venture agreement was amended so that Kimberley may earn a 75% interest in the Calarie project tenements through the expenditure of A\$1,750,000 by 3 December, 2015.

The principal activities of the Joint Ventures are exploration and evaluation of mineral resources.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

21. REHABILITATION COSTS

The Company is a signatory to the Mining Council of Australia Framework for Sustainable Development - Enduring Value. This commits the Company to reporting its environmental performance as well as publicly declaring its commitment to ethical business practices. This commitment requires the Company to also report on its Occupational, Health & Safety and Environmental performance at a project level. On this basis the Company has reviewed its environmental liabilities and where it would ordinarily address the outstanding issues in the normal course of its business it now provisions for these liabilities where the Directors deem it appropriate as stated in Note 17. Accordingly, there is some uncertainty regarding the timing and amount of these outflows.

22. SHARE-BASED PAYMENTS

The options outstanding at 30 June 2014 had a weighted average exercise price of \$0.09 (2013: \$0.18) and a weighted average remaining contractual life of 2.97 years (2013: 2.98 years). Exercise prices range from \$0.04 to \$0.25 (2013: \$0.06 to \$0.25) in respect of options outstanding at 30 June 2014. The weighted average fair value of each option granted during the year was \$0.035 (2013: \$0.04). This price was calculated by using a Black Scholes option pricing model. Options were issued under the following share-based payment arrangements during the period:

Parameters

Number Issued	2,000,000	50,000
Grant Date	20 November 2013	31 January 2014
Fair Value at Grant Date	\$0.035	\$0.035
Grant date share price	\$0.04	\$0.04
Expiry Date	20 November 2018	31 January 2019
Exercise price	\$0.04	\$0.04
Expected volatility	119%	119%
Option term (Years)	5	5
Dividend yield	0.00%	0.00%
Risk-free interest rate	4%	4%

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

23. COMMITMENTS FOR EXPENDITURE

	Consolidated	
	2014	2013
	\$	\$
Operating lease commitments :		
Non-cancellable operating leases contracted for but not capitalised in the accounts:		
Rental of premises -		
Not later than 1 year	54,048	13,512
Later than 1 year and not later than 5 years	70,262	-
	124,310	13,512

The Company's property lease is non-cancellable with rent payable monthly in advance with a lease term of three years to the 30th September 2016. Contingent rental provisions within the lease agreement require minimum lease payments to be increased by a fixed 4% increase per annum.

24. CONTINGENT LIABILITIES

- (i). The Company has entered into performance bonds with the National Australia Bank Limited in relation to environmental rehabilitation of \$148,000 (2013: \$148,000) and rental commitments of \$22,000. (2013: \$22,000). These commitments are secured by way of a registered mortgage against the Company's Lewis Ponds freehold.
- (ii). Agreement with Veolia Environmental Services (Australia) Pty Ltd ("Veolia") on the 17 November 2008, whereby the Company, and its subsidiaries Tri Origin Mining Pty Ltd ("TOM") and Tarago Operations Pty Ltd ("TOP") entered into an agreement with Veolia in which it was agreed that Special Mining Lease 20 (SML 20) would be transferred from Denehurst Limited to TOP. Under the terms of this agreement and subject to completion of the transfer of SML20 to TOP, the Company has agreed:
 - a) To assume the environmental liabilities associated with the Woodlawn site, excluding Veolia's area of operation. The value of the environment liability will be determined as part of the development approval process for the Woodlawn Zinc-Copper Projects. The Company will be required to provide a performance bond of \$3.577M with the NSW Department of Primary Industries ("DPI") as surety against completion of environmental rehabilitation once mining on the site is complete.
 - b) Subject to certain approvals being received by Veolia and the Company, the Company will receive "free-on-board" compost from Veolia to be utilized in the rehabilitation of the site.
 - c) To fully indemnify Veolia for all direct and or consequential loss and damage suffered by Veolia as a result of, or caused by, or contributed to, by any act or omission or default of the Company, TOP or TOM, connected with its operation at the Woodlawn site.

None of these contingent liabilities has been provided for in the financial report.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

25. SEGMENT INFORMATION

AASB 8 requires operating segments to be identified on the basis of components of the consolidated entity that are regularly reviewed by the chief operating decision makers in order to allocate resources to the segment and to assess its performance. As a result, the consolidated entity is currently focusing on the mineral exploration of its tenements which are situated in one geographical location of New South Wales. This is the only operating business segment until such time it is decided to develop an area of interest.

26. RELATED PARTY TRANSACTIONS

The names of persons who were Directors of the Company at any time during the year are:

Dr. J W Gill (resigned 19 August 2014)

Mr. W F Killinger (resigned 5 August 2014)

Mr. A J E Snowden (resigned 5 August 2014)

Mr. W R Taylor

Dr. R I Valliant (resigned 5 August 2014)

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated. Details of Directors' remuneration are set out in the Remuneration Report that forms part of the Directors' Report.

Tri Origin Exploration Ltd ("TOE"), a public company listed on the TSX Venture Exchange, held 11.66% (2013: 11.66%) of the issued capital of the Company at 30 June 2014.

27. STATEMENT OF CASH FLOWS

(a) Reconciliation of cash:

For the purposes of the statement of cash flows, cash includes:

- (i) cash on hand and at bank, cash on deposit, net of outstanding bank overdrafts; and
- (ii) investments in money market instruments with 30 days or less to maturity.

Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Consolidated	
	2014	2013
	\$	\$
Cash at 30 June 2014 is shown in the statement of financial position as:		
Cash at bank	94,833	499,788
Term deposits	500,000	1,000,000
	594,833	1,499,788

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

27. STATEMENT OF CASH FLOWS (cont'd)

(b) Reconciliation of cash flow from operations with loss from continuing operations:

	Consolidated	
	2014	2013
	\$	\$
Loss from continuing operations	(1,812,032)	(1,555,390)
Non-cash flows in loss		
Share options expensed	59,617	57,808
Depreciation	22,345	23,733
Interest Expense – Convertible Note	34,218	-
<u>Changes in assets and liabilities :</u>		
(Increase)/decrease in receivables	(4,246)	190,109
(Increase)/decrease in prepayments	(352)	284
Increase/(decrease) in provisions	18,283	12,728
Increase/(decrease) in trade creditors and accruals not related to capitalised exploration expenditure	64,685	(472,139)
Net cash used by operating activities	<u>(1,617,481)</u>	<u>(1,742,867)</u>

28. FINANCIAL INSTRUMENTS

The Company's financial instruments consist mainly of current accounts with banks, bank accepted bills, accounts receivable and payable.

Management considers on a regular basis the financial risk exposures and evaluates treasury management strategies in the context of the most recent economic conditions and forecasts.

The overall risk management strategy seeks to meet the Company's financial targets, whilst minimising potential adverse effects on financial performance.

Management operates under policies approved by the Board of Directors who approve and review Risk management policies on a regular basis. These include future cash flow requirements.

The main risks the Company is exposed to through its financial instruments are interest rate, foreign currency, liquidity, credit, price, and market risks.

There have been no changes to the Company's risk policies from the prior year.

(a) Interest rate risk exposure

The Company is exposed to interest rate risk through primary financial assets and financial liabilities. The following table summarises the interest rate risk for the Company, together with the effective weighted average interest rate for each class of financial assets and liabilities. The interest rate on the convertible debt is fixed at 8% until the debt matures on 31 December 2014.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

28. FINANCIAL INSTRUMENTS (cont'd)

2014	Note	Floating interest rate	Fixed Interest maturing in		Non interest bearing	Total
			1 year or less	1 to 5 years		
Financial assets		\$	\$	\$	\$	\$
Cash		94,833	500,000	-	-	594,833
Receivables		-	-	-	68,016	68,016
Total financial assets		94,833	500,000	-	68,016	662,849
Weighted average interest rate		-	3.5%	-	-	-
Financial liabilities						
Convertible Note		-	1,300,000	-	-	1,300,000
Trade and sundry creditors		-	-	-	382,053	382,053
Total financial liabilities		-	1,300,000	-	382,053	1,682,053
Weighted average interest rate		-	8%	-	-	-
Net financial assets		94,833	(800,000)	-	(314,037)	(1,019,204)

2013	Note	Floating interest rate	Fixed Interest maturing in		Non interest bearing	Total
			1 year or less	1 to 5 years		
Financial assets		\$	\$	\$	\$	\$
Cash		499,788	1,000,000	-	-	1,499,788
Receivables		-	-	-	63,769	63,769
Total financial assets		499,788	1,000,000	-	63,769	1,563,557
Weighted average interest rate		-	4%	-	-	-
Financial liabilities						
Trade and sundry creditors		-	-	-	367,366	367,366
Total financial liabilities		-	-	-	367,366	367,366
Weighted average interest rate		-	-	-	-	-
Net financial assets		499,788	1,000,000	-	(303,597)	1,196,191

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

28. FINANCIAL INSTRUMENTS (cont'd)

The following table summarises the sensitivity of Australian dollar denominated financial instruments held at 30 June 2014 to movements in Australian interest rates with all other variables held constant. During the year ended 30 June 2014, the Reserve Bank of Australia's official cash interest rates decreased from 2.75% to 2.5% (2013: decreased from 3.5% to 2.75%). This variation of 0.25% (2013: 0.75%) has been used to determine the sensitivity of the Australian dollar denominated financial instruments held at balance date to interest rate movements.

	Positive variation		Negative variation	
	Profit after Tax \$	Equity \$	Profit after Tax \$	Equity \$
2014				
Financial assets				
Cash	1,250	1,250	(1,250)	(1,250)
Receivables	-	-	-	-
Net Exposure	1,250	1,250	(1,250)	(1,250)
2013				
Financial assets				
Cash	7,500	7,500	(7,500)	(7,500)
Receivables	-	-	-	-
Net Exposure	7,500	7,500	(7,500)	(7,500)

	2014 \$	2013 \$
Reconciliation of net financial assets to net assets:		
Net financial assets detailed above	(1,019,204)	1,196,118
Non-financial assets and liabilities:		
Other assets	16,346	15,994
Property, plant and equipment	177,402	199,744
Capitalised exploration expenditure	28,562,798	28,025,323
Accrued expenses	57,235	76
Current Provision	(58,638)	(40,355)
Non-Current Provisions	(30,000)	(30,000)
Net assets per statement of financial position	27,705,938	29,366,900

(b) Net fair values of financial assets and liabilities

- (i) The net fair values of cash and cash equivalents and non-interest bearing monetary financial assets and liabilities are not materially different to their carrying value since the interest receivable/payable is either close to current market rates or the instruments are short-term in nature.
- (ii) The carrying amounts and estimated net fair values of equity investments approximate their carrying values as disclosed in the statement of financial position and the notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2014

28. FINANCIAL INSTRUMENTS (Cont'd)

(c) Foreign exchange risk exposure

The Company is not significantly exposed to any currency exchange risk through primary financial assets or liabilities or anticipated future transactions other than as a result of the commercial feasibility of various exploration and evaluation activities being sensitive to the expected pricing in Australian dollar terms of the relevant metals.

(d) Credit risk exposure

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount, net of any provision for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

The Company does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Company.

Receivables due from major debtors are not normally secured by collateral, however the credit worthiness of debtors is monitored.

(e) Liquidity Risk

The Company manages liquidity risk by monitoring forecast cash flows to ensure that adequate funding is maintained.

(f) Price Risk

The Company is not presently exposed to metal price risk, other than as a result of the commercial feasibility of various exploration and evaluation activities being sensitive to the expected pricing of the relevant resource.

(g) Market Risk

The Company is subject to the normal economic factors including volatility of equity market prices (particularly evident at the junior end of the equity market) interest rates and metal prices, which impact the availability of equity and debt capital. In the Directors' opinion, a sensitivity analysis of reasonable possible variances in the above risks would not show material impacts on the Company's profit or loss and equity other than in relation to Liquidity Risk and Price Risk.

The Company's Budgeted cash flows are not dependent upon a specified percentage change in interest rates, but more upon the general conduciveness of the stock market towards capital raisings. Reference should be made to Note 1 (b) which sets out the Company's exposure in this regard.

Similarly metal prices and foreign exchange rates impact upon the economic viability of the Company's exploration, evaluation and development activities. The impact on profit or loss and equity however would be subject to the success or otherwise of those activities in accordance with the Company's Accounting Policy set out in Note 1(i).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

29. INTERESTS OF KEY MANAGEMENT PERSONNEL

Refer to the Remuneration Report contained in the Report of the Directors for complete details of the remuneration paid or payable to each member of the Company's Key Management Personnel for the year ended 30 June 2014. The totals of remuneration paid to Key Management Personnel of the Company during the year are as follows:

	2014 \$	2013 \$
Short-term employee benefits	1,254,900	1,099,300
Post-employment benefits	97,846	80,853
Share-based payments	57,967	56,874
	1,410,713	1,237,027

Details of Options Held by Key Management Personnel

Name	Opening Balance	Options Granted as Remuneration	Options Expired / Lapsed / Cancelled	Options Exercised	Closing Balance
Year Ended 30 June 2014					
Dr J. Gill	500,000	-	-	-	500,000
Mr. W. F. Killinger	600,000	-	(300,000)	-	300,000
Mr. A.J.E. Snowden	500,000	-	(300,000)	-	200,000
Dr. R. I. Valliant	2,200,000	-	(2,000,000)	-	200,000
Key Management Personnel					
Mr. W. Taylor	2,000,000	2,000,000	-	-	4,000,000
Mr. S. Smith	-	-	-	-	-
Mr. H. Sandercock	-	-	-	-	-
Mr. E. Conaghan	100,000	-	-	-	100,000
Mrs. A. Bonner	100,000	-	-	-	100,000
Mr. R. Arnold	50,000	50,000	-	-	100,000
	6,050,000	2,050,000	(2,600,000)	-	5,500,000
Year Ended 30 June 2013					
Dr J Gill	500,000	-	-	-	500,000
Mr. W. F. Killinger	600,000	200,000	(200,000)	-	600,000
Mr. A.J.E. Snowden	500,000	200,000	(200,000)	-	500,000
Dr. R. I. Valliant	2,200,000	200,000	(200,000)	-	2,200,000
Key Management Personnel					
Mr. W Taylor	2,000,000	-	-	-	2,000,000
Mr. S Smith	-	-	-	-	-
Mr. H Sandercock	-	-	-	-	-
Mr. E Conaghan	50,000	50,000	-	-	100,000
Mrs. A Bonner	100,000	-	-	-	100,000
	5,950,000	650,000	(600,000)	-	6,000,000

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

29. INTERESTS OF KEY MANAGEMENT PERSONNEL (Cont'd)

Details of Shares Held by Key Management Personnel

Name	Opening Balance	Shares Issued as Remuneration	Shares Issued on exercise of options	Other Net Change in Shares held	Closing Balance
Year Ended 30 June 2014					
<i>Non-executive Directors</i>					
Dr J. Gill	17,223,010	-	-	20,000,000	37,223,010
Mr. W. F. Killinger	1,742,082	-	-	700,000	2,442,082
Mr. A.J.E. Snowden	807,500	-	-	-	807,500
Dr. R. I. Valliant	3,191,444	-	-	-	3,191,444
Mr. W. Taylor	1,519,366	-	-	335,116	1,854,482
Mr S. Smith	170,000	-	-	-	170,000
Mr H. Sandercock	-	-	-	-	-
Mr R. Arnold	-	-	-	20,000	20,000
Mr. E. Conaghan	50,000	-	-	-	50,000
Mrs A. Bonner	250,519	-	-	180,346	430,865
	24,953,921			21,235,462	46,189,383
Year Ended 30 June 2013					
<i>Non-executive Directors</i>					
Dr J. Gill	9,361,677	-	-	7,861,333	17,223,010
Mr. W. F. Killinger	1,393,666	-	-	348,416	1,742,082
Mr. A.J.E. Snowden	760,712	-	-	46,788	807,500
Dr. R. I. Valliant	3,191,444	-	-	-	3,191,444
<i>Key Management Personnel</i>					
Mr. W. Taylor	1,014,307	-	-	505,059	1,519,366
Mr S. Smith	-	-	-	170,000	170,000
Mr H. Sandercock	-	-	-	-	-
Mr. E. Conaghan	50,000	-	-	-	50,000
Mrs A. Bonner	81,500	-	-	169,019	250,519
	15,853,306			9,100,615	24,953,921

30. EVENTS SUBSEQUENT TO BALANCE DATE

On 5 August 2014, TriAusMin Ltd became a wholly owned subsidiary of Heron Resources Ltd via a Scheme of Arrangement approved by TriAusMin shareholders on 28 July 2014.

Per the Scheme of Arrangement, all TriAusMin shareholders received one Heron share for every 2.33 TriAusMin shares held.

31. ECONOMIC DEPENDENCY

The Company's principal activities are mineral exploration and project development. Other than interest derived from funds on deposit the Company does not derive income from any trading activity to finance its on-going exploration programme and activities.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

31. ECONOMIC DEPENDENCY (cont'd)

As from 5 August 2014, the Company became a wholly owned subsidiary of Heron Resources Ltd and is reliant upon Heron to provide the necessary support to finance its on-going exploration programme.

32. PENDING APPLICATION OF ACCOUNTING STANDARDS

The following Australian Accounting Standards have been issued or amended and are applicable but are not yet effective. They had not been adopted in preparation of the financial statements at the reporting date. The adoption of these amendments will not have a material impact on the consolidated entity.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 10 Consolidated Financial Statements

The consolidated entity has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

AASB 11 Joint Arrangements

The consolidated entity has applied AASB 11 from 1 July 2013. The standard defines which entities qualify as joint arrangements and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets are accounted for using the equity method. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities, will account for its share of the assets, liabilities, revenues and expenses separately under the appropriate classifications.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

The consolidated entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014**

32. PENDING APPLICATION OF ACCOUNTING STANDARDS (cont'd)

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The consolidated entity has applied AASB 119 and its consequential amendments from 1 July 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring re-measurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

AASB 127 Separate Financial Statements (Revised), AASB 128 Investments in Associates and Joint Ventures (Reissued) and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

The consolidated entity has applied AASB 127, AASB 128 and AASB 2011-7 from 1 July 2013. AASB 127 and AASB 128 have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12 and AASB 2011-7 makes numerous consequential changes to a range of Australian Accounting Standards and Interpretations. AASB 128 has also been amended to include the application of the equity method to investments in joint ventures.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The consolidated entity has applied AASB 2012-5 from 1 July 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities.

AASB 2012-10 Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments

The consolidated entity has applied AASB 2012-10 amendments from 1 July 2013, which amends AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

The consolidated entity has applied 2011-4 from 1 July 2013, which amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors' report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2014

33. COMPANY DETAILS

The registered office of the Company is:
TriAusMin Limited (A.C.N. 062 002 475)
Suite 702,
191 Clarence Street,
Sydney, NSW. 2000 Australia.

The principal place of business is:
Suite 702,
191 Clarence Street,
Sydney, NSW. 2000 Australia.

34. PARENT INFORMATION

The Company financial statements are the same of the Group as reported in these financial reports.

DIRECTORS' DECLARATION

The directors of the Company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, accompanying notes, are in accordance with the *Corporations Act 2001* and:
 - a. comply with Accounting Standards and the *Corporations Regulations 2001*; and
 - b. give a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of the performance for the year ended on that date.
2. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
4. The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:

On behalf of the Directors



Director

Wayne Taylor

Dated this: 27 August 2014

INDEPENDENT AUDITOR'S REPORT

To the members of TriAusMin Limited

Report on the Financial Report

We have audited the accompanying financial report of TriAusMin Limited, which comprises the consolidated statement of financial position as at 30 June 2014, the consolidated statement of profit or loss and other 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 of the consolidated entity comprising 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 gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1(a), the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

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

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

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



Independence

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

Opinion

In our opinion:

- (a) the financial report of TriAusMin Limited is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.
- (b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1(a).

Report on the Remuneration Report

We have audited the Remuneration Report included on page 9 to 18 of the directors' report for the year ended 30 June 2014. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of TriAusMin Limited for the year ended 30 June 2014 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

A stylized, handwritten-style logo of the letters 'BDO' in blue.

A handwritten signature in blue ink that reads 'Gareth Few'.

Gareth Few
Partner

Sydney, 27 August 2014



MANAGEMENT'S DISCUSSION AND ANALYSIS

For the year ended June 30, 2014

INTRODUCTION

The following is management's discussion and analysis of the financial condition and the results of operations of TriAusMin Limited, ("TriAusMin" or the "Company") for the year ended June 30, 2014, and its financial position as at June 30, 2014 and should be read in conjunction with the Company's audited financial statements as at June 30, 2014 including the accompanying notes thereto. The Company's audited Financial Statements and Notes to the Financial Statements have been prepared in accordance with Australian Accounting Standards, as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Additional information relating to the Company, including press releases, has been filed electronically with the Australian Securities Exchange ("ASX") and through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online at www.sedar.com. The date of this management's discussion and analysis is August 27, 2014. Unless otherwise indicated all amounts discussed herein are denominated in Australian dollars. The relevant exchange rates applicable to the year ended June 30, 2014 are as follows.

	Year ended June 30, 2014
AUD/CDN \$ Closing Rate	1.007
Average Rate	0.982

Prior to the merger with Heron Resources Ltd on 5 August 2014, the Company's common shares traded on the ASX under the trading symbol "TRO", and on the Toronto Stock Exchange (the "TSX") under the trading symbol "TOR". Following the merger and the conversion of 2.33 TriAusMin shares into 1 Heron share, the common shares of Heron Resources trade on the ASX under the trading symbol "HRR" and on the TSX under the trading symbol "HER"

Cautionary Note Regarding Forward-Looking Information

Certain information included in this management's discussion and analysis may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by the use of terms such as "may", "will", "should", "expect", "believe", "plan", "scheduled", "intend", "estimate", "forecast", "predict", "potential", "continue", "anticipate" or other similar expressions concerning matters that are not historical

facts. Forward-looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future plans or prospects of the Company. Without limitation, statements about the Company's planned activities related to exploration or development activities carried out in Australia, constitute forward-looking information. Actual results may vary. See "Risk Factors and Uncertainties".

Forward-looking information is based on certain factors and assumptions regarding, among other things, the estimation of mineral reserves and resources, the realization of mineral reserve and resource estimates, metal prices, the timing and amount of future exploration expenditures, the estimation of initial and sustaining capital requirements, the estimation of labour and operating costs, the availability of necessary financing and materials, including financing to conduct any future drilling program and the other activities necessary to continue to explore and develop the Company's properties in the short and long term, the receipt of necessary regulatory approvals, and assumptions with respect to environmental risks, title disputes or claims, weather conditions, climate change and other similar matters. While the Company considers these assumptions to be reasonable based on information currently available to it, they may prove to be incorrect.

Without limitation, in estimating expenditures the Company has assumed, among other things, that metal prices will not change materially from the prices used in its current financial forecasts or those of its affiliate, that it will obtain in a timely fashion all of the financing, regulatory approvals and other authorizations required to enable the continued exploration and development of its properties, and that such activities will proceed in the ordinary course without undue disruption. See "Risk Factors and Uncertainties".

Forward-looking information is subject to certain factors, including risks and uncertainties, which could cause actual results to differ materially from what management currently expects. These factors include risks inherent in the exploration and development of mineral deposits, risks relating to changes in metal prices and the worldwide demand for and supply of metal, uncertainties inherent in the estimation of mineral reserves and resources, risks relating to the remoteness of the Company's properties including access and supply risks, reliance on key personnel, construction and operational risks inherent in the conduct of mining activities, including the risk of increases in capital and operating costs and the risk of delays or increased costs that might be encountered during the construction and development process, the risk of fluctuations in the Canadian/Australian and U.S./Australian dollar exchange rates, regulatory risks, including risks relating to the acquisition of the necessary licences and permits, financing, capitalization and liquidity risks, including the risk that the financing necessary to fund the exploration and development activities of the Company may not be available on satisfactory terms, or at all, environmental risks, including risks relating to climate change and the potential impact of global warming on project timelines and on construction and operating costs, and insurance risks. See "Risk Factors and Uncertainties".

You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Company may elect to, the Company is under no obligation and does not undertake to update this information at any particular time, except as required by law.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting and disclosure controls. Any system of internal

control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management has completed an evaluation of the design effectiveness of the Company's internal control over financial reporting. Based on this assessment, management has concluded that as at June 30, 2014, the Company's design for internal control over financial reporting was effective. Management has also evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of June 30, 2014. Based on this evaluation, management has concluded that the Company's disclosure controls and procedures are effective in ensuring that information required to be disclosed in reports filed or submitted by the Company under Australian and Canadian securities legislation is recorded, processed, summarized and reported within the time periods specified in those rules.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the year ended June 30, 2014, that has materially affected or is reasonably likely to materially affect, its internal control over financial reporting.

OVERVIEW

TriAusMin was incorporated in New South Wales, Australia in 1993 as a wholly-owned subsidiary of Canadian listed, Tri Origin Exploration Ltd ("TOE") following that company's exploration success at the Lewis Ponds exploration tenement located near Orange in New South Wales, Australia. TOE managed and funded the Company's activities from inception until TriAusMin's Initial Public Offering ("IPO") of shares in January 2004.

TriAusMin was admitted to the official list of the ASX and commenced trading under the ticker symbol "TRO" on January 9, 2004. On January 22, 2010 TriAusMin was admitted to the official list of the TSX and the Company's ordinary shares commenced trading on the main board of the TSX under the ticker symbol "TOR" as of that date.

On 5 August 2014, TriAusMin Ltd became a wholly owned subsidiary of Heron Resources Ltd via a Scheme of Arrangement approved by TriAusMin shareholders on 28 July 2014. Following the merger and the conversion of 2.33 TriAusMin shares into 1 Heron share, the common shares of Heron Resources trade on the ASX under the trading symbol "HRR" and on the TSX under the trading symbol "HER"

Selected Annual Financial Information

Set forth below is certain selected financial information expressed in Australian dollars in respect of the nine most recently completed financial years of the Company. This audited data is derived from the Company's full year financial statements which are prepared in accordance with Australian Accounting Standards, as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Financial Year Ended:	Working Capital⁽¹⁾	Total Assets⁽²⁾	Shareholders' Equity	Common shares outstanding	Net Gain (Loss)	Net Gain (Loss) per Common Share (in cents)
June 30, 2014	594,833	29,419,394	27,705,938	251,389,050	(1,812,032)	(0.72)
June 30 2013	1,499,788	29,804,621	29,366,900	251,389,050	(1,555,390)	(0.66)
June 30,2012	1,448,575	28,972,040	28,197,956	201,111,240	(1,556,311)	(0.85)
June 30,2011	3,074,711	26,817,206	26,233,209	158,995,945	(1,030,882)	(0.74)
June 30, 2010	434,697	23,312,896	23,030,519	116,724,734	(1,594,239)	(1.47)
June 30, 2009	1,991,909	23,467,836	23,274,823	101,918,234	(1,327,433)	(1.30)
June 30, 2008	5,831,452	25,402,933	24,025,509	101,093,234	(1,718,331)	(1.79)
June 30, 2007	8,039,371	20,573,560	20,007,601	96,308,234	(1,110,774)	(1.35)
June 30, 2006	1,449,691	11,565,072	11,311,676	73,699,510	(679,194)	(0.92)

⁽¹⁾ See Capital Resources and Liquidity for a further discussion of working capital.

⁽²⁾ See Critical Accounting Policies and Estimates.

⁽³⁾ All amounts shown are expressed in Australian dollars.

Selected Quarterly Financial Information

Set forth below is certain selected financial information expressed in Australian dollars in respect of the twelve most recently completed quarters of the Company. This unaudited data is derived from the Company's interim financial statements which are prepared in accordance with Australian Accounting Standards, as issued by the Australian Accounting Standards Board and International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Quarter Ended:	Working Capital⁽¹⁾	Total Assets⁽²⁾	Shareholders' Equity	Common shares outstanding	Net Gain (Loss)	Net Gain (Loss) per Common Share
June 30, 2014	594,833	29,419,394	27,705,938	251,389,050	(631,418)	(0.26)
March 31, 2014	1,573,957	29,775,038	28,296,285	251,389,000	(393,833)	(0.15)
December 31, 2013	799,303	28,819,243	28,598,665	251,389,050	(379,409)	(0.15)
September 30 2013	722,521	29,190,194	28,959,528	251,389,050	(407,372)	(0.16)
June 30, 2013	1,499,788	29,804,621	29,366,900	251,389,050	(332,991)	(0.13)
March 31, 2013	2,614,020	30,266,975	29,680,336	251,389,050	(439,321)	(0.18)
December 31, 2012	2,297,935	30,314,971	30,119,657	251,389,050	(322,642)	(0.13)
September 30, 2012	648,975	28,457,064	27,737,520	201,111,240	(460,436)	(0.22)
June, 31 2012	1,448,575	28,972,040	28,197,956	201,111,240	(372,788)	(0.19)
March, 31 2012	2,856,942	29,074,695	28,485,614	201,111,240	(347,779)	(0.17)
December 31, 2011	3,715,382	29,207,842	28,833,393	197,170,063	(496,646)	(0.31)
September 30, 2011	1,641,313	26,236,077	25,941,181	158,995,945	(339,098)	(0.18)

⁽¹⁾ See Capital Resources and Liquidity for a further discussion of working capital.

⁽²⁾ See Critical Accounting Policies and Estimates.

⁽³⁾ All amounts shown are expressed in Australian dollars.

RESULTS OF OPERATIONS FOR THE YEAR ENDED JUNE 30, 2014

The Company is involved mainly in the exploration and evaluation of mineral properties. It had no revenues from operations in the last quarter-year period. Exploration expenditures on mineral properties are capitalised onto the Balance Sheet. Any income received from Joint Venture parties is offset against expenditure incurred and capitalised on the Balance Sheet. Corporate and administrative expenses are charged to the Income Statement as incurred. Net interest income consists only of interest on short-term invested funds. The Company reported a loss from operations in the year ended June 30, 2014. Retained earnings are in a deficit position. The Company has not paid any dividends since inception.

The Company recorded a loss for the year ended June 30, 2014 of \$1,812,032 (\$0.0072 per share) compared to a net loss of \$1,555,390 (\$0.0066 per share) for the corresponding year ended June 30, 2013

Expenditures on exploration and evaluation in the year ended June 30, 2014 of \$1,292,952 decreased when compared to expenditures in the year ended June 30, 2013 \$2,122,977, due to larger scope drilling programs conducted at Woodlawn and Lewis Ponds during the 2013 reporting period.

The Company's general and administration expenses of \$1,842,518 in the year ended June 30, 2014 were \$219,964 higher than the \$1,622,554 incurred in the year ended June 30, 2013. Expenses related to the implementation of the merger with Heron Resources Ltd are the primary reason for this increase. The Company's largest expense, employee benefits, remained consistent between 2014 and 2013.

EXPLORATION ACTIVITIES FOR 2014

For a review of the exploration activities conducted by the Company in 2014 refer to page 4 of the attached Annual Report.

CAPITAL STOCK AND DEFICIT

The authorized capital of the Company consists of an unlimited number of common shares without par value. At June 30, 2014 the Company had 251,389,050 issued and outstanding common shares, (June 30, 2013: 251,389,050). As at June 30, 2014 there were 5,650,000 stock options outstanding (June 30, 2013: 6,533,333), bringing the fully diluted share position of the Company to 257,039,050.

During the year ended June 30, 2014, the Company cancelled 2,933,333 unlisted options that had previously been issued to employees under the Company employee share option plan as a result of either the expiry of the options or the termination of their employment with the Company.

For information on equity securities issued subsequent to June 30, 2014, refer to "Subsequent Events".

The Company's accumulated deficit at June 30, 2014 is \$16,639,803 compared to \$14,827,771 at June 30, 2013. See "Results of Operations".

FINANCIAL CONDITION

The Company's total assets at June 30, 2014 decreased to \$29,419,394 from \$29,804,621 at June 30, 2013. Assets at June 30, 2014 include cash and cash equivalents of \$594,833 (June 30, 2013 \$1,499,788). Cash not on account at a bank has been invested in bank guaranteed, term deposits that stress reduced risk and liquidity over return. Cash of \$537,475 (net of R & D tax refund of \$755,477 received) was spent on exploration and evaluation during the year ended June 30, 2014 compared to \$859,719 during the corresponding year ended June 30, 2013.

The Company had current liabilities including trade payables and accrued liabilities of \$382,053 at June 30, 2014 (\$407,721 at June 30, 2013). During the year the Company issued a Convertible Note of \$1,300,000 to Heron Resources Ltd to provide working capital for tenement exploration and the costs of the merger.

CAPITAL RESOURCES AND LIQUIDITY

The Company's mineral properties are at the exploration and development stage. At this time the Company has no operating revenue and does not anticipate earning any operating profits until the Company is able to place a project into production, or acquire a mining asset with operating cash flow. Until such time, the Company will be required to raise funds through equity financing, possibly supplemented by the exercise of options and warrants, or by other means in order to continue its exploration and development activities.

In the past, the Company has successfully raised capital through issuance of equity. There can be no assurance that the Company will be able to raise more capital or obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to raise capital or obtain financing could result in the postponement of further exploration or project development activities. Any additional financing or capital raised by the Company could result in substantial dilution to the shareholders of the Company. See "Risk Factors and Uncertainties".

TRENDS

Due to the nature of the Company's projects, it has incurred a history of operating losses. These losses will continue until a profitable project is developed and operating or a cash generating operating asset is acquired.

The net loss in the three month period ended June 30, 2014, of \$631,418 was greater than the loss incurred in the three month period ended June 30, 2013 of \$332,991 reflecting the expenses related to the merger between the Company and Heron Resources Ltd.

The Woodlawn Projects are currently the main focus of the Company's pre-development activities. Exploration work on the Woodlawn and Lewis Ponds exploration license areas will continue in 2015, following the merger with Heron Resources Ltd.

CAPITAL MANAGEMENT

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of properties for minerals.

The properties in which the Company currently has an interest are at the exploration stage and as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. In some circumstances, the Company may enter into joint venture agreements whereby, a third party earns an interest in a specific property by incurring an agreed amount of exploration expenditures. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geological or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that, given the relative size of the Company, this approach is reasonable. There were no changes in the Company's approach to capital management in the year ended June 30, 2014. The Company is not subject to externally imposed capital requirements.

COMMITMENTS

The Company is required to undertake expenditures of \$487,500 per year to keep exploration properties in good standing in the normal course of business. These obligations are subject to renegotiation when application for a mining lease is made and at other times.

The Company is contracted to a non-cancellable operating lease in relation to its office premises at Suite 702, 191 Clarence Street, Sydney. The lease expires in October 2016. A performance bond of \$22,000 has been lodged as surety against performance of the lease.

RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

New Accounting Policies and Accounting Standards and Interpretations issued, but some not yet applicable at 30 June 2014.

The Company continues to assess the impact of these new accounting standards on its consolidated financial statements.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the consolidated entity from the adoption of these Accounting Standards and Interpretations are disclosed below. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the consolidated entity.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

AASB 10 Consolidated Financial Statements

The consolidated entity has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

AASB 11 Joint Arrangements

The consolidated entity has applied AASB 11 from 1 July 2013. The standard defines which entities qualify as joint arrangements and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets are accounted for using the equity method. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities, will account for its share of the assets, liabilities, revenues and expenses separately under the appropriate classifications.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

The consolidated entity has applied AASB 13 and its consequential amendments from 1 July 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach is used to measure non-financial assets whereas liabilities are based on transfer value. The standard requires increased disclosures where fair value is used.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

The consolidated entity has applied AASB 119 and its consequential amendments from 1 July 2013. The standard eliminates the corridor approach for the deferral of gains and losses; streamlines the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring re-measurements to be presented in other comprehensive income; and enhances the disclosure requirements for defined benefit plans. The standard also changed the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. Annual leave that is not expected to be wholly settled within 12 months is now discounted allowing for expected salary levels in the future period when the leave is expected to be taken.

AASB 127 Separate Financial Statements (Revised), AASB 128 Investments in Associates and Joint Ventures (Reissued) and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

The consolidated entity has applied AASB 127, AASB 128 and AASB 2011-7 from 1 July 2013. AASB 127 and AASB 128 have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12 and AASB 2011-7 makes numerous consequential changes to a range of Australian Accounting Standards and Interpretations. AASB 128 has also been amended to include the application of the equity method to investments in joint ventures.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The consolidated entity has applied AASB 2012-5 from 1 July 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 'Income Taxes'; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities.

AASB 2012-10 Amendments to Australian Accounting Standards - Transition Guidance and Other Amendments

The consolidated entity has applied AASB 2012-10 amendments from 1 July 2013, which amends AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity's previous accounting for its involvement with other entities are required and the timing of such adjustments.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

The consolidated entity has applied 2011-4 from 1 July 2013, which amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No.1) now specify the KMP disclosure requirements to be included within the directors' report.

Other than those noted above, the Company is unaware at this time of any future changes to accounting standards that are contemplated by the Australian Accounting Standards Board and are relevant to the Company and which might impact future accounting reporting periods.

Summary of Significant Accounting Policies

On 5 August 2014, TriAusMin Ltd became a wholly owned subsidiary of Heron Resources Ltd via a Scheme of Arrangement approved by TriAusMin shareholders on 28 July 2014.

Following the completion of the merger the significant accounting policies of TriAusMin Ltd will follow those adopted by Heron Resources Ltd.

For a complete description of the significant accounting policies used by the Company in the preparation of its financial statements, please review the notes to the June 30, 2014 audited financial statements included in the Company's Annual Report. This Management's Discussion and Analysis should be read in conjunction with the Company's financial statements and the notes thereto.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found at www.triausmin.com or on the SEDAR website at www.sedar.com, or on the website of the ASX, www.asx.com.au.

SUBSEQUENT EVENTS

On 5 August 2014, TriAusMin Ltd became a wholly owned subsidiary of Heron Resources Ltd via a Scheme of Arrangement approved by TriAusMin shareholders on 28 July 2014.

APPROVAL

The Board of Directors of TriAusMin Limited has approved the disclosure contained in this Management Discussion and Analysis dated 27 August, 2014.

SUSTAINABLE DEVELOPMENT

TriAusMin is a supporter of the principle of sustainable development. As a demonstration of this support, the Company is attentive to the health and safety of its employees and contractors, accepts the need to minimise the impact of its activities on the natural environment and seeks to support the aims of the local communities within which it operates.

The Company is committed to upholding the Australian Minerals Industry Framework for Sustainable Development – Enduring Value and, as part of this commitment, it reports on its Occupational Health & Safety and Environmental performance during the year.

Occupational Health & Safety

TriAusMin is a safety conscious company committed to operating in a manner that ensures that within the bounds of the resources available to the Company, the highest practical standards of occupational health and safety are maintained at all of its sites of activity.

Company personnel are required to ensure that a healthy and safe workplace is maintained and that all of their activities are carried out in the manner required by the appropriate legislation and standards.

The Company had no Lost Time Incidents during the year.

Members of our field staff are required to keep property owners fully informed of the Company's activities and to be aware of any concerns they may have. TriAusMin's aim is to ensure relationships of trust and respect are established at an early stage so that these can be built upon as projects advance into the future.

Environmental Management

TriAusMin recognises that exploration and mining are temporary land uses and are often associated with a range of potential environmental impacts.

The Company is committed to the effective management of the natural environment within which it conducts its activities and to the extent possible, implementing "best practice" management techniques. Prior to commencement of activities on site, planning is conducted to recognize any potential environmental impacts and environmental management strategies are developed for the effective management of these impacts. During the course of site activities, a principal objective of site management is to successfully implement these strategies.

Following decommissioning, the site must be left in a safe and stable state, with all disturbed land successfully rehabilitated to an agreed standard. Where appropriate, the Company

makes provisions to ensure that rehabilitation is fully funded and all outstanding environmental liabilities are satisfied.

The Company has experienced no material adverse environmental incidents during the period to the date of this Report.

CORPORATE DIRECTORY

Directors during the financial year

Dr James Gill, Non-executive Chairman
William F Killinger AM, Non-executive Director
Alan J E Snowden, Non-executive Director
Wayne Taylor, CEO and Managing Director
Dr Robert I Valliant, Non-executive Director

Company Secretary

Simon Smith

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