



30 November 2017

Address by Andrew Skinner, Chairman, at the 2017 Annual General Meeting of Zamia Metals Limited (Company)

Good Afternoon Ladies and Gentlemen. Welcome to the 2017 Annual General Meeting of Zamia Metals Limited.

Ken Maiden

Before I summarise some of the events of the last year, I wish to acknowledge the work of Dr Ken Maiden who resigned from the Board for personal reasons on 22 November 2017 having served on the Board of Zamia since 2007. Ken's wise council, valuable and insightful geological knowledge will be missed.

Main items of business

The main items of business at this Meeting are consideration of the Remuneration Report and of Resolutions for the re-election of Directors Mr Qiang Chen and Jiniu Deng who both retire by rotation and stand for re-election. The other item of business is the ratification of the issue of shares and options during the year.

Review of the past year

Commodity prices and new shareholders

The 2017 year to date has been one of sustained strong prices for coking coal of over US\$100 per tonne. The gold price has held firm and currently is over A\$1,700 per ounce. Whilst the risk appetite for investment in Australian explorers generally has been restrained, Zamia is extremely fortunate in having been able to welcome additional capital from existing and new shareholders who invested in new Zamia shares on 3 January 2017 to assist with the Kirkham acquisition and provide working capital.

The acquisition of Kirkham

As Shareholders are aware, Zamia announced on 11 October 2016 and again at last year's annual general meeting on 29 November 2016, that it had entered into a Share Sale and Purchase Agreement (SSPA) with the shareholders of Kirkham International Pte Ltd (Kirkham Vendors) to acquire 100% of the issued shares in Kirkham, subject to the satisfaction of certain conditions precedent (the Acquisition). Kirkham owns, via a subsidiary, a mining permit for a coking coal mine in the Province of Central Kalimantan, Indonesia.

This transaction was undertaken to transform Zamia from an explorer into a coal producer.

On 20 July 2017, the Company announced that the terms of the SSPA had been varied to reflect an increase in the consideration payable by the Company to the Kirkham Vendors to \$32,000,000, in order to reflect commercial factors and the advanced stage of Kirkham's operations.



As part of the Acquisition and in order to fund costs related to the Acquisition, Zamia raised \$250,000, in 2016, via the issue of convertible bonds (Bonds) to clients of Gleneagle Securities (Aust) Pty Limited and a number of Kirkham shareholders. In addition, Zamia and Kirkham undertook a joint capital raising that resulted in Zamia issuing \$400,000 of Subscription Bonds that was completed in October 2017.

The Company, assisted by legal counsel, prepared an exhaustively detailed Notice of Meeting for the Acquisition. After due consideration by the ASX the recent response of the ASX was to exercise discretions under ASX Listing Rules 1.19 and 2.9 to not grant admission and quotation which was most disappointing.

Despite this setback, your directors have continued to progress the Acquisition with Kirkham and it is the current intention of the parties is to, initially, finalise the purchase by Zamia of Kirkham and then at an appropriate date, seek quotation of its securities on ASX. This will enable our shareholders to participate in a larger company with the ultimate intention of creating a public market for their shares. This transaction will require, amongst other things, the convening of an extraordinary general meeting and approval by shareholders.

The Company announced on 20 July and 31 October 2017 updates on the Kirkham acquisition and I encourage you to read these announcements as well as the statements made in the 2017 Annual Report.

The Board is working with Kirkham to bring about a successful acquisition and transition from an exploration company to a mining company with positive sustaining cashflow for the benefit of Zamia and all our shareholders. I look forward to our next General Meeting to consider the Kirkham acquisition and updating you all on the progress that we have made. I will update shareholders as and when further confirmed information is available.

Our Queensland assets

In Central Queensland, our exploration targets remain much as for last year: porphyry-related copper-gold-molybdenum deposits and epithermal gold deposits. A particular focus has been the former Belyando gold mine.

I wish to thank my fellow directors and all of the staff, both past and present, who have made such a valuable contribution to the Company.

I wish to confirm that the Voting Exclusion Statement set out below applies in respect of Resolution 4 of the Notice of Annual General Meeting.

Voting Exclusion Statement

The Company will disregard any votes cast on this Resolution 7 by:

- a person who may participate in the proposed issue or any other person who may obtain a benefit (except a benefit solely in the capacity as a Shareholder) if the Resolution is passed; and
- any associate of those persons.



However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

We will now turn to the formal business of this Annual General Meeting and then we welcome any questions from Shareholders.

A handwritten signature in black ink, appearing to read "Andrew Skinner".

Andrew Skinner
Executive Chairman
Zamia Metals Limited