



Suite 60, Level 6 Tower Building
Chatswood Village
47-53 Neridah Street
Chatswood NSW 2067
T: + 61 2 8223 3744
F: + 61 2 8223 3799
E: info@zamia.com.au
www.zamia.com.au

20 March 2014

Dear Shareholder

2014 Renounceable Rights Issue – Letter to Ineligible Shareholders

On 19 March 2014, Zamia Metals Limited (ASX:ZGM) (**Zamia** or the **Company**) announced a pro-rata renounceable rights issue on the basis of 2 fully paid ordinary shares (**Offer Shares**) for every 3 fully paid ordinary shares at an offer price of \$0.006 per Offer Share (**Offer**).

Eligible shareholders who do not wish to take up all or some of their entitlement may sell or transfer their right to subscribe for 2 Offer Shares for every 3 ordinary shares held on the Record Date (**Rights**).

The Offer is being made to eligible shareholders with registered addresses in Australia or New Zealand pursuant to an Offer Booklet prepared in accordance with section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) as modified by Australian and Securities Investment Commission Class Order 08/35 (**Class Order**).

This letter is to inform you that you are not eligible to participate in the Offer. This letter is not an offer to issue new shares in the Company to you, nor an invitation to apply for Offer Shares. You are not required to do anything in response to this letter.

Shareholders who are eligible to participate in the Offer are those persons who:

- (a) are registered as a shareholder of the Company as at 5.00 pm (Sydney time) on 27 March 2014; and
- (b) have a registered address in Australia or New Zealand.

Zamia has determined, pursuant to section 9A of the Corporation Act (as modified by the Class Order) and Listing Rule 7.7.1 of the ASX Listing Rules, that it would be unreasonable to make the Offer to shareholders outside Australia or New Zealand (**Ineligible Shareholders**), having regard to the number of such shareholders and the costs in complying with the legal and regulatory requirements in those jurisdictions.

According to our records, you do not satisfy the eligibility criteria to participate in the Offer as stated above. Accordingly, in compliance with ASX Listing Rule 7.7.1, Zamia wishes to advise you that it will not be extending the Offer to you and you will not be able to subscribe for Offer Shares under the Offer. You will not be sent the documents relating to the Offer.

In compliance with Listing Rule 7.7.1 and sections 9A, 708AA and 615 of the Corporations Act, Zamia has appointed Patersons Securities Limited (**Nominee**) as an ASIC-approved nominee, to arrange for the sale of the Rights which would have otherwise been granted to Ineligible Shareholders.

The Nominee will have the absolute and sole discretion to determine the timing and the price at which your Rights may be sold and the manner in which any sale is made. Any interest earned on the proceeds of the sale of any Rights will firstly be applied against the expenses of the sale, including brokerage, and any balance will accrue to Zamia.

Tel. 02 8223 3744 Fax 02 8223 3799

The Nominee is required to direct the net proceeds (if any, after the payment of costs) to either the Company or the Company's share registry, Boardroom Pty Ltd, to facilitate pro rata payments of any net proceeds to Ineligible Shareholders.

The proceeds of the sale (if any, after payment of costs) will be paid in Australian dollars to the Ineligible Shareholders for whose benefit the Rights have been sold in proportion to their shareholdings.

Notwithstanding that the Nominee may sell Rights, Ineligible Shareholders may nevertheless receive no net proceeds if the costs of the sale are greater than the sale proceeds. If any such net proceeds of sale are less than the reasonable costs that would be incurred by Zamia for distributing those proceeds, such proceeds may be retained by Zamia. Neither Zamia nor the Nominee will be liable for a failure to obtain any net proceeds, or to sell Rights at any particular price.

Please contact John Stone on +61 2 8223 3744 if you would like further information regarding any of the above matters or any other matter associated with your investment with Zamia.

On behalf of the Board of Zamia and management, we regret that you are not eligible to participate in the Offer and thank you for your continued support.

Yours sincerely



John Stone
Company Secretary