

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

ZAMIA METALS LTD

ABN

73 120 348 683

Quarter ended ("current quarter")

September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	13	13
1.2 Payments for		
(a) exploration & evaluation	(15)	(15)
(b) development		
(c) production		
(d) staff costs	(1)	(1)
(e) administration and corporate costs	(62)	(62)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(3)	(3)
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (funds held for third party)	80	80
1.9 Net cash from / (used in) operating activities	12	12

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other Share - application funds received	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	151	151
4.2	Net cash from / (used in) operating activities (item 1.9 above)	12	12
4.3	Net cash from / (used in) investing activities (item 2.6 above)		
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	163	163

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	163	151
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	163	151

6. Payments to directors of the entity and their associates	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	5
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7. Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	750	750
8.2 Credit standby arrangements	-	-
8.3 Other – Convertible loan	250	250
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

As at 30 September 2017, the following unsecured loans have been provided to the Company by Director related entities:-

- On 22 September 2014 a loan of \$400,000 was provided by Brownstone International Pty Ltd, an entity associated with Director Qiang Chen which, was drawn down on 10 October 2014 with an expiry date of 31 March 2015 and has been subsequently extended to 31 December 2017. On 29 September 2017 this loan was split into two loans named Loan A and Loan B each of \$200,000 on the same terms as the original loan. On the same date Loan A for \$200,000 was assigned by Brownstone International Pty Ltd to Assist Group International Pty Ltd (an unrelated party) together with all accrued interest and entitlements;
- On 22 September 2014 a loan of \$200,000 was provided by Qinghai Genlid Mining Investment and Management Co Ltd, an entity associated with Dr Jiniu Deng, which was drawn down on 10 October 2014 with an expiry date of 31 March 2015 and has been subsequently extended to 31 December 2017;
- On 22 July 2015 a loan of \$100,000 was provided by Brownstone International Pty Ltd, an entity associated with Director Qiang Chen, which was drawn down on 27 July 2015 with an expiry date of 31 January 2016 and has been subsequently extended to 31 December 2017;
- On 10 September 2015 a loan of \$20,000 was provided by SST Trading Pty Ltd, an entity associated with Director Andrew Skinner, for a term of three months and which was drawn down on 22 September 2015; and with an expiry date of 30 June 2016 and has been subsequently extended to 31 December 2017;
- On 10 September 2015 a loan of \$30,000 was provided by Brownstone International Pty Ltd, an entity associated with Director Qiang Chen and which was drawn down on 23 September 2015 with an expiry date of 31 March 2016 and has been subsequently extended to 31 December 2017.

Shareholder approval will be sought at the proposed extraordinary general meeting of the Company to have these loans plus interest converted into shares in the Company. Deeds of amendment have been signed by all lenders listed above agreeing that in the event of the approval by shareholders that the loans will convert at the issue price of 3 cents per share (on a post consolidation basis).

These loans are payable in cash or in shares at the sole discretion of the Company. Interest accrued and not paid on these loans at 30 September 2017 was \$168,377. The interest rate applicable is 8% per annum, non-compounding.

As announced on 11 October 2016 Zamia agreed to issue Convertible Bonds (which are only convertible subject to shareholder approval) for \$250,000 that provided working capital that has been used primarily to meet costs related to the Kirkham Acquisition transaction and working capital. Gleneagle Securities (Aust) Pty Limited, its clients and parties introduced by Kirkham, participated in the Convertible Bonds.

The Convertible Bonds attract interest at 12% per annum and are to be converted into ordinary shares together with capitalised interest thereon as a pre-condition of the Kirkham Acquisition. Such conversion will be subject to approval by shareholders and in accordance with the ASX Listing Rules and Corporations Act and conducted at a price of \$0.01 per share (post-consolidation). Interest accrued on the convertible bonds at 30 September 2017 was \$29,056.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	15
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	125
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	150

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10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Company secretary)

Date: 31 October 2017

Print name: John Stone

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.