



29 November 2016

## Address by Andrew Skinner, Chairman, at the 2016 Annual General Meeting of Zamia Metals Limited

Good Afternoon Ladies and Gentlemen. Welcome to the 2016 Annual General Meeting of Zamia Metals Limited. It is my pleasure to address you at this auspicious meeting, our first since the announcement of the acquisition of the coking coal business of Kirkham International Pte Limited (**Kirkham**), that owns, via subsidiaries, a mining permit for a coking coal mine in the Province of Central Kalimantan, Indonesia.

The main items of business at this Meeting are consideration of the Remuneration Report and of resolutions for the re-election of Directors Dr Ken Maiden and myself 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.

The 2016 year to date has been one of recovering bulk commodity prices particularly in coking coal. Also, the gold price has held firm as the falling Australian dollar against the US dollar has resulted in a consistent value of over A\$1,500 per ounce. Whilst the risk appetite for investment in Australian explorers generally has been restrained, Zamia is extremely fortunate in having two large shareholders who are also on our Board of Directors, Mr Chen Qiang and Dr Deng Jiniu. I am grateful for their financial support. I am also extremely appreciative of the existing and new shareholders who also invested in Zamia during the year, enabling us to be where we are today.

During the year, as announced in our Annual Report, the Board had been seeking transactions to renew the Company and deliver long term sustainable shareholder value. In December 2015, we announced the possible acquisition of EcoTech Mining Pty Ltd (**EcoTech**). I am grateful for the efforts of Gary Cochrane, the Managing Director of EcoTech, during the time that we worked together to develop the Heads of Agreement. The proposed acquisition was subject to the signing of a binding agreement, due diligence and other statutory requirements for the holding of a general meeting of shareholders to approve the EcoTech acquisition. However, on application to the ASX for a determination on the application of Chapter 11 of the Listing Rules, the ASX ruled that such rules applied and compliance with Chapters 1 and 2 of the Listing Rules would be necessary. This ruling made the proposed acquisition non-viable. Subsequently, the Board of Zamia resolved to terminate the Heads of Agreement with EcoTech as announced to the ASX on 25 May 2016.

The Board continued to seek out a transformative transaction and, on 11 October 2016, I was pleased to announce to the ASX the proposed acquisition of Kirkham's coking coal

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business. At the time that the transaction was negotiated, the coking coal price was quite low and, while there was an expectation of a recovery, it has been a pleasant surprise that the price has risen to such an extent, to well over US\$300 a tonne. Full details of the Kirkham transaction are included in a copy of that ASX announcement circulated with the Notice of this AGM.

The team working on this transaction includes the senior management of Kirkham, Inteq Ltd, Gleneagle Securities, the Board of Zamia and many experts. I am extremely grateful for the financial support of transaction capital by way of a convertible bond and an underwriting agreement for the upcoming capital raising consistent with re-compliance with the ASX Listing Rules.

As of today, we are well advanced with the statutory requirements of a Notice of Meeting to consider all of the terms of the transaction, as announced, as well as a Prospectus for a capital raising to support the combined business and to provide sufficient working capital until income from coal sales flow into the Company. The regulatory requirements are complex yet we are hopeful of despatching the Notice of Meeting and Prospectus early in the new year.

Kirkham is well advanced on the work required to get their subsidiary, BPCI, into coal production. Road haulage work has been underway as well as final contract negotiations for the resumption of mining.

In due course, we will release all of the independent experts' reports and valuations for consideration by Zamia shareholders as part of all of the required documents for the Notice of Meeting and Prospectus.

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. Our geological team has prepared revised exploration targets, exploration programs and budgets; this information was released to the market during the year.

While it continues to be a difficult climate for small explorers, 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 of 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 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