

19 April 2017

Zeta Resources Limited

Takeover bid for Bligh Resources Limited

Highlights

- All cash takeover offer of 3.5 cents per BGH Share for all BGH Shares not already owned by Zeta
- Premium to last closing price
- Subject only to limited conditions
- Provides a certain value for BGH shareholders
- Offers BGH shareholders a liquidity event

Summary

The Directors of Zeta Resources Limited (ASX:ZER, "Zeta") are pleased to announce that Zeta proposes to make an off-market takeover bid pursuant to Chapter 6 of the *Corporations Act 2001* (Cth) to acquire all of the fully paid ordinary shares in the issued capital of the ASX listed Bligh Resources Limited (ASX: BGH, "BGH") that it does not already own for 3.5 cents per fully paid ordinary share in BGH ("Offer Price").

Further details of the Offer will be set out in the Bidder's Statement which will be sent to BGH shareholders in due course. The Bidder's Statement will also set out how to accept the Offer.

Proposed Takeover

Zeta intends to offer BGH shareholders 3.5 cents per fully paid BGH Share to acquire all of the BGH Shares that it does not already own (the "Offer").

Zeta has a 19.9% interest in the issued share capital of BGH.

The Offer is a highly attractive one for BGH shareholders. The Offer Price of 3.5 cents represents a premium of approximately 9.4% to the closing price of BGH Shares on 18 April 2017, being the last trading day before this announcement, and implies an equity value of \$8.1 million for BGH.

Importantly, the Offer:

- is subject only to the limited conditions detailed below;
- provides certain value for BGH shareholders; and
- provides BGH shareholders an opportunity to dispose of their BGH Shares before BGH disposes of its main undertaking, the Bundarra Project, to Saracen Mineral Holdings Limited ("Saracen"), after which BGH shareholders face holding shares in a company with no material assets and an uncertain future.

According to the BGH notice of general meeting dated 13 March 2017, the sale price of the Bundarra Project to Saracen implies a price per BGH share of approximately 3.8 cents, however this was based on the 15 day VWAP of Saracen shares prior to execution of the sale agreement of \$1.19. Based on the last Saracen share price on the ASX on the day before this announcement of \$1.04, this implies a price per BGH Share of

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approximately 3.2 cents (before any adjustments for working capital and transaction costs), which is lower than the Offer Price.

Offer Conditions

The Offer, and any agreement that results from acceptance of the offer contemplated by the Offer, will be subject to a limited number of conditions, including:

- the general meeting of BGH shareholders being held on Wednesday 19 April 2017 to consider a resolution to approve the disposal of BGH's interest in the Bundarra gold project to Saracen Mineral Holdings Limited ("Disposal Resolution") is adjourned for a minimum period of 14 days;
- between the Announcement Date and the end of the Offer Period (each inclusive), one or more of the following occurring:
 - the Disposal Resolution being withdrawn and not considered or voted on by the shareholders of BGH;
 - the Disposal Resolution being considered and voted on and not being approved by the requisite majority of shareholders of BGH at the adjourned general meeting of BGH shareholders (or any further adjournment of that meeting); or
 - BGH publicly announcing that it will not proceed with the transaction the subject of the Disposal Resolution;
- Zeta obtaining a relevant interest in 50% of BGH Shares; and
- No "prescribed occurrences".

Further details of the conditions and the terms of the Offer are detailed in the letter annexed to this announcement which was sent to the Board of BGH on 18 April 2017.

For further information please contact:

Dugald Morrison
ICM
Tel: +64 4 901 7600
Email: contact@icmnz.co.nz

About Zeta

Zeta is an exempted closed end investment company, whose ordinary shares are listed on the Australian Stock Exchange ("ASX"). The business of Zeta consists of investing the pooled funds of its shareholders in accordance with its investment objective and policy, with the aim of generating a return for shareholders with an acceptable level of risk. Zeta has borrowings, the proceeds from which can also be invested with the aim of enhancing returns to shareholders.

Zeta has contracted with an external investment manager, ICM Limited ("Investment Manager"), to manage its investments and for the company secretarial function. Zeta's general administration is undertaken by ICM Corporate Services (Pty) Ltd. Zeta has a board of non-executive directors who oversee and monitor the activities of the Investment Manager and the other service providers and ensure that the investment policy is adhered to.

The Zeta webpage is available at:
<http://zetaresources.limited/>



Annexure

The Directors
Bligh Resources Limited
Level 5, 1 Pacific Hwy
North Sydney, NSW, 2060

18 April 2017

Attention: Patrick Burke

By E-mail: pat@rowanhallcapital.com.au

Dear Sirs

Intention to make a Takeover Bid for Bligh Resources Limited

On behalf of the Board of Zeta Resources Limited ("Zeta"), I am writing to inform the directors of Bligh Resources Limited ("BGH") that Zeta intends to make an off-market takeover bid pursuant to Chapter 6 of the *Corporations Act 2001* (Cth) ("Corporations Act") to acquire all of the fully paid ordinary shares in the issued capital of BGH ("BGH Shares") that it does not already own.

Proposed Takeover

Zeta intends to offer BGH shareholders 3.5 cents per fully paid BGH Share to acquire all of the BGH Shares on issue that it does not already own pursuant to Chapter 6 of the Corporations Act (the "Offer").

The Board of Zeta firmly believes that the Offer is highly attractive for BGH shareholders. The Offer price of 3.5 cents represents a premium of approximately 9.4% to the closing price of BGH Shares on 18 April 2017, being the last trading day before the announcement of the Offer, and implies an equity value of \$8.1 million for BGH.

Importantly, the Offer:

- is subject only to the limited conditions detailed in Annexure A, including:
 - the general meeting of BGH shareholders being held on Wednesday 19 April 2017 to consider a resolution to approve the disposal of BGH's interest in the Bundarra gold project to Saracen Mineral Holdings Limited ("Disposal Resolution") is adjourned for a minimum period of 14 days;
 - between the Announcement Date and the end of the Offer Period (each inclusive), one or more of the following occurring:
 - the Disposal Resolution being withdrawn and not considered or voted on by the shareholders of BGH;

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- the Disposal Resolution being considered and voted on and not being approved by the requisite majority of shareholders of BGH at the adjourned general meeting of BGH shareholders (or any further adjournment of that meeting); or
 - BGH publicly announcing that it will not proceed with the transaction the subject of the Disposal Resolution;
- provides certain value for BGH shareholders; and
 - provides BGH shareholders an opportunity to dispose of their BGH Shares before BGH disposes of its main undertaking, the Bundarra Project, to Saracen Mineral Holdings Limited, after which BGH shareholders face holding shares in a company with no material assets and an uncertain future.

The Offer extends to all BGH Shares on issue at the end of the Offer Period (including those issued due to exercise of any BGH Options).

The Offer, and any agreement that results from acceptance of the offers contemplated by the Offer, will be subject to the fulfilment (or waiver) of the conditions detailed in Annexure A.

The Offer and any agreement that results from acceptance of the offers contemplated by the Offer has the support of the full Board of Zeta and is not, and will not be, subject to Zeta's due diligence into BGH or BGH's business or assets.

Status of this Letter

This letter constitutes notification of a proposed takeover bid for the purposes of section 631 of the Corporations Act.

Please contact me at peter@zetaresources.co if you wish to discuss or require clarification of any aspect of this letter.

Yours sincerely

Zeta Resources Limited



Peter Sullivan
Non-Executive Chairman

Zeta Resources Limited

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Annexure A - Offer Conditions

The Offer and any contract arising from the acceptance of the Offer is subject to fulfilment or waiver of the following conditions before the end of the Offer Period.

1. Minimum Acceptance

During, or at the end of, the Offer Period, the number of BGH Shares in which Zeta and any Associate of Zeta together have Relevant Interests in is at least 50% (by number) of all BGH Shares on issue.

2. Adjournment of Disposal Resolution

The general meeting of BGH shareholders being held on Wednesday 19 April 2017 to consider a resolution to approve the disposal of BGH's interest in the Bundarra gold project to Saracen Mineral Holdings Limited ("Disposal Resolution") is adjourned for a minimum period of 14 days.

3. Rejection of sale of Bundarra Gold Project

Between the Announcement Date and the end of the Offer Period (each inclusive), one or more of the following occurring:

- (a) the Disposal Resolution being withdrawn and not being considered or voted on by the shareholders of BGH;
- (b) the Disposal Resolution being considered and voted on and not being approved by the requisite majority at the adjourned general meeting of BGH shareholders (or any further adjournment of that meeting); or
- (c) BGH publicly announcing that it will not proceed with the transaction the subject of the Disposal Resolution.

4. No Prescribed occurrences

Between the Announcement Date and the date that is 3 Business Days after the end of the Offer Period (each inclusive), none of the following prescribed occurrences (being the occurrences listed in section 652C of the Corporations Act) happen:

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- (a) BGH converting all or any of the BGH Shares into a larger or smaller number of shares;
- (b) BGH or any of its Subsidiaries resolving to reduce its share capital in any way;
- (c) BGH or any of its Subsidiaries entering into a buyback agreement or resolving to approve the terms of a buyback agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) BGH or any of its Subsidiaries:
 - (i) issuing shares (other than BGH Shares issued as a result of the exercise of BGH Options);
 - (ii) granting an option over its shares; or
 - (iii) agreeing to make such an issue or grant such an option;
- (e) BGH or any of its Subsidiaries issuing, or agreeing to issue, convertible notes;
- (f) BGH or any of its Subsidiaries disposing or agreeing to dispose, of the whole, or a substantial part, of its business or property;
- (g) BGH or any of its Subsidiaries granting, or agreeing to grant, a security interest in the whole, or a substantial part, of its business or property;
- (h) BGH or any of its Subsidiaries resolving to be wound up;
- (i) the appointment of a liquidator or provisional liquidator of BGH or any of its Subsidiaries;
- (j) the making of an order by a court for the winding up of BGH or any of its Subsidiaries;
- (k) an administrator of BGH or any of its Subsidiaries being appointed under section 436A, 436B or 436C of the Corporations Act;
- (l) BGH or any of its Subsidiaries executing a deed of company arrangement; or
- (m) the appointment of a receiver, receiver and manager, other controller (as defined in the Corporations Act) or similar official in relation to the whole, or a substantial part, of the property of BGH or any of its Subsidiaries.

Defined Terms

Announcement Date means the date of the announcement of the Offer by Zeta on the ASX.

Associate has the meaning given to that term in the Corporations Act.

ASX means ASX Limited (ABN 98 008 624 691) and, where the context requires, the financial market that it operates.

BGH means Bligh Resources Limited (ACN 130 964 162).

BGH Option means an option, issued by BGH, to acquire a BGH Share.

BGH Share means a fully paid ordinary share in the capital of BGH.

Bidder's Statement means the statement of Zeta under Part 6.5 Division 2 of the Corporations Act relating to the Offer.

Business Day means a day that is not a Saturday, Sunday or public holiday or bank holiday in Perth.

Corporations Act means *Corporations Act 2001 (Cth)*.

Disposal Resolution has the meaning given in condition 2 in Annexure A.

Offer means the offer by Zeta to BGH shareholders of 3.5 cents per fully paid BGH Share to acquire all of the BGH shares that it does not already own.

Offer Period means the period during which the Offer is open for acceptance in accordance with the Bidder's Statement.

Relevant Interest has the meaning given in sections 608 and 609 of the Corporations Act.

Subsidiary has the meaning given in Division 6 of Part 1.2 of the Corporations Act.

Zeta means Zeta Resources Limited (ARBN 162 902 481).