



# Zeta Resources Limited

Incorporated in Bermuda, Registration No. 46795

ARBN 162 902 481

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## Notice of Annual General Meeting

The 2015 Annual General Meeting of the Company will be held at the Mandarin Oriental, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia on Monday, 16 November 2015 at 1:30pm (MYT/AWST)

*This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

## Time and Place of Meeting

Notice is hereby given that the 2015 Annual General Meeting ("AGM") of Zeta Resources Limited ("Company") will be held at the Mandarin Oriental, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia on Monday, 16 November 2015 at 1.30pm Malaysian Standard Time/Australian Western Standard Time ("MYT/AWST").

## Information about Voting

The Board has determined that for the purposes of the AGM, all shares in the Company shall be taken to be held by the person who held the shares pursuant to the Company's register of members on Thursday, 12 November 2015 at 1.30pm, (MYT/AWST) ("Record Time"), being two business days before the AGM.

All registered holders of shares in the Company as at the Record Time are entitled to attend and vote at the AGM in person or otherwise may appoint a proxy to attend the AGM on the terms of the enclosed proxy form and vote in their place.

A proxy need not be a member of the Company.

Proxies for the AGM must be appointed using the proxy form sent with this Notice, or otherwise in accordance with the Companies Act 1981 of Bermuda.

To vote by proxy, the proxy form must be received by the Share Registry of the Company in accordance with the terms of the proxy form no later than 1.30pm (MYT/AWST) on Thursday, 12 November 2015, being two business days before the AGM. Proxy appointments received after that time will be invalid.

## Ordinary Business

### 1. Confirmation of Notice and Quorum

### 2. Confirmation of the Minutes of the last General Meeting

### 3. Financial Statements and Reports

To receive and consider the annual financial report of the Company and its controlled entities for the financial year ended 30 June 2015 together with the directors' report in relation to that financial year and the auditor's report on the financial report.

### 4. Resolution 1 – Re-election of Mr Peter Sullivan

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That Peter Sullivan, being eligible, offers himself for re-election, be re-elected as a Director"*

Details of Peter Sullivan's experience and qualifications are provided in the accompanying Explanatory Statement.

### 5. Resolution 2 – Re-appointment of Auditor

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That KPMG Inc (South Africa) be re-appointed as Auditors of the Company until the conclusion of the next annual general meeting at a fee to be agreed by the Directors"*

### 6. Resolution 3 – Issue of Shares and Options

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

*"That, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 6,769,280 Shares and 86,461,440 Options to Utilico Investments Limited ("Utilico") on the terms and conditions in the Explanatory Memorandum."*

#### Voting Exclusion

The Company will disregard any votes cast on this Resolution by Utilico and any of its associates.

The Company will not disregard a vote if:

- (a) 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
- (b) it is cast by the Chairman 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.

By order of the Board



Peter Sullivan  
Chairman  
16 October 2015

## Explanatory Statement

This Explanatory Statement has been prepared for the information of the members of the Company in relation to the business to be conducted at the Company's 2015 AGM to be held at Mandarin Oriental, Kuala Lumpur City Centre, 50088 Kuala Lumpur, Malaysia on Monday, 16 November 2015 at 1.30pm (MYT /AWST).

This Explanatory Statement should be read in conjunction with the Notice of Annual General Meeting.

Details of the Resolutions to be considered at the Meeting are set out below.

### 1. Annual Report

Shareholders will be offered the opportunity to discuss the Annual Report, including the Financial Report, Directors' Report and Auditor's Report for the financial year ended 30 June 2015.

There is no requirement for Shareholders to approve the Annual Report.

Shareholders will be offered the following opportunities:

- (a) discuss the Annual Report for the financial year ended 30 June 2015 which can be accessed online at [www.zetaresources.co](http://www.zetaresources.co) and clicking on the direct link to the Annual Report;
- (b) ask questions or make comment on the management of the Company; and
- (c) ask the auditor questions about the conduct of the audit and the preparation and content of the Auditor's Report.

A shareholder of the Company who is entitled to cast a vote at the AGM may submit a written question to the auditor if the question is relevant to:

- (a) the content of the auditor's report to be considered at the annual general meeting; or
- (b) the conduct of the audit of the annual financial report to be considered at the annual general meeting.

A written question may be submitted by giving the question to the Company no later than Monday, 9 November 2015, being five business days before the day on which the AGM is to be held, and the Company will then, as soon as practicable after the question has been received, pass the question on to the auditor. At the AGM the Company will allow a reasonable opportunity for the auditor or the auditor's representative to answer such written questions submitted to the auditor.

The Company will make copies of the question list reasonably available to shareholders attending the AGM.

No resolution is required to be moved in respect of this item of general business.

### 2. Resolution 1 – Re-election of Mr Peter Sullivan

In accordance with Listing Rule 14.4 and the Company's Bye-Laws, at every AGM, one third of the Directors (or if the number of Directors is not a multiple of 3, then such number as is appropriate to ensure that no Director other than an alternate Director or the Managing Director holds office for more than 3 years without being re-elected) for the time being must retire from office by rotation and are eligible for re-election.

The Directors to retire are those who have been in office for 3 years since their appointment or last re-appointment or who have been longest in office since their appointment or last re-appointment or, if the Directors have been in office for an equal length of time, by agreement.

These requirements for a Director to retire do not apply to a Managing Director (but if there is more than one Managing Director, only one is exempt from retirement). In determining the number and identity of the Directors to retire by rotation, the Managing Director and any Director seeking election after appointment by the Board to fill a casual vacancy are not taken into account.

Mr Sullivan retires by rotation at this meeting and, being eligible, offers himself for re-election.

Mr Sullivan is an engineer and has been involved in the management and strategic development of resource companies and projects for more than 20 years. His work experience includes periods in project engineering, corporate finance, investment banking, corporate and operational management and public company directorships. Mr Sullivan has considerable experience in the management and strategic development of resource companies.

The Directors (other than Mr Sullivan) recommend that you vote in favour of this resolution.

### 3. Resolution 2 – Re-appointment of Auditor

Section 89(2) of the Bermuda Companies Act 1981 ("Companies Act") provides that members of a company at each annual general meeting shall appoint one or more auditors to hold office until the close of the next annual general meeting. In addition, Section 89(6) provides that the remuneration of an auditor appointed by the members shall be fixed by the members or by the Directors, if they are authorised to do so by the members.

Pursuant to Resolution 2, KPMG Inc (South Africa) will be re-appointed as the Company's auditors until the close of the next annual general meeting at a fee to be agreed by the Directors.

The Directors recommend that you vote in favour of this resolution.

### 4. Resolution 3 – Issue of Shares and Options

#### 4.1 General

In order to take advantage of low share prices in the current weak commodity cycle, Zeta's largest shareholder and parent company Utilico has provided debt capital to Zeta to fund acquisitions of shares in listed resources companies. As this debt has grown in relation to the size of Zeta's shareholder funds, the directors of Zeta believe it prudent to convert a portion of this debt into shares and options.

In accordance with Listing Rule 10.11, Shareholder approval is required to issue shares and options to a related party. As a result of Utilico controlling the Company, by having voting power of approximately 84.98% in the Company, it is a related party of the Company.

The Company seeks to issue 6,769,280 fully paid ordinary shares ("Shares") at an issue price of A\$0.2817 per Share and 86,461,440 options ("Options") at an issue price of A\$0.2817 per Option to Utilico. The Company proposes to use the funds raised from the issue of the Shares and Options to repay A\$26.26 million of the outstanding balance of loans of c. A\$64.3 million (as at 31 August 2015) owed by the Company to Utilico ("Debt"). Utilico's obligation to provide the subscription monies for the Shares and Options will be set-off against all or part of the Debt.

The terms and conditions of the Options are contained in Schedule 1.

Subject to Shareholder approval of Resolution 3, the number of Shares to be issued to Utilico is 6,769,280, based on an issue price of A\$0.2817 per Share and the number of Options to be issued to Utilico is 86,461,440 based on an issue price of A\$0.2817 per Option.

Resolution 3 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 3.

#### **4.2 Listing Rule 10.11**

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party of the Company unless it obtains Shareholder approval.

Pursuant to Listing Rule 7.2, exception 14, the effect of passing Resolution 3 will be to allow the Company to issue up to 6,769,280 Shares and 86,461,440 Options to Utilico without using up the Company's 15% placement capacity under Listing Rule 7.1.

#### **4.3 Specific Information Required by Listing Rule 10.13**

Information must be provided to Shareholders for the purposes of obtaining Shareholder approval as follows:

- 4.3.1 The Shares and Options will be issued to Utilico.
- 4.3.2 The maximum number of Shares to be issued to Utilico is 6,769,280 and the maximum number of Options to be 86,461,440.
- 4.3.3 The Shares and Options will be issued no later than one month after the date of the Meeting (or such longer period of time as ASX may in its discretion allow).
- 4.3.4 The Shares will be issued at an issue price of A\$0.2817 per Share and the Options will be issued at an issue price of A\$0.2817 per Option.
- 4.3.5 The Shares will be fully paid ordinary shares in the Company and will rank equally in all respects with the Company's existing shares on issue.
- 4.3.6 The Options will be issued on the terms and conditions in Schedule 1.
- 4.3.7 The Company seeks Shareholder approval for Resolution 3 on the basis that as Utilico has voting power of approximately 84.98%, it controls and is a related party of the Company.
- 4.3.8 The Company proposes to use the funds raised from the issue of the Shares and Options to repay part of the Debt owed to Utilico.
- 4.3.9 A voting exclusion statement is included in the Notice for Resolution 3.

#### **4.4 Directors' Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 3.

# Schedule 1 – Terms and Conditions of Options

## ZETA RESOURCES LIMITED

### TERMS OF OPTIONS

#### 1. Entitlement

1.1 Each Option (together the **Options**) entitles the holder (**Holder**) to subscribe for one ordinary share (**Share**) in Zeta Resources Limited (**Company**) upon exercise.

#### 2. Exercise Price and Expiry Date

2.1 Each Option shall have an exercise price of \$0.001 (**Exercise Price**) and expire 48 months from the date of issue (**Expiry Date**).

#### 3. Exercise Period

3.1 Each Option is exercisable at any time after the date of grant of the Option and before the Expiry Date (**Exercise Period**).

#### 4. Notice of Exercise

4.1 The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

#### 5. Shares Issued on Exercise

5.1 Shares issued on exercise of the Options rank equally with the then Shares of the Company and be issued free of all encumbrances, liens and third party interests.

#### 6. Quotation of Shares on Exercise

6.1 Application will be made by the Company to the Australian Securities Exchange (**ASX**) for official quotation of the Shares issued upon the exercise of the Options.

#### 7. Timing of Issue of Shares and Quotation of Shares on Exercise

7.1 Within five business days after the later of the following:

7.1.1 receipt of a Notice of Exercise given in accordance with these terms and conditions and payment of the Exercise Price for each Option being exercised (**Exercise of the Option**); and

7.1.2 when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information the relevant date will be the date of receipt of a Notice of Exercise as set out in clause 7.1.1 above,

the Company will:

7.1.3 allot and issue the Shares pursuant to the exercise of the Options;

7.1.4 as soon as reasonably practicable, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares issued upon exercise of the Options for resale under section 708A(11) of the Corporations Act (**Section 708A Documents**); and

7.1.5 apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

#### 8. Participation in New Issues

8.1 There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options.

8.2 However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least ten business days after the issue is announced. This will give the Holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

#### 9. Adjustment for Bonus Issues of Shares

9.1 If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu, or in satisfaction, of dividends or by way of dividend reinvestment):

9.1.1 the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Holder of Options had exercised the Option before the record date for the bonus issue; and

9.1.2 no change will be made to the Exercise Price.

#### 10. Adjustment for Rights Issue

10.1 If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

New exercise price =  $O - (E[P - (S + D)])$  divided by  $N + 1$

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one new share.

#### 11. Adjustments for Reorganisation

11.1 If there is any reorganisation of the issued share capital of the Company, the rights of the Holders of Options will be varied to comply the Listing Rules which apply to the reorganisation at the time of the reorganisation.

#### 12. Options Transferable

12.1 The Options are freely transferable provided that the transfer of Options complies with section 707(3) of the Corporations Act.

**13. Amendments**

13.1 The terms and conditions of the Options may only be amended subject to compliance with the Listing Rules.

**14. Lodgement Instructions**

14.1 The exercise price of the Options may be paid by direct deposit into the bank account of the Company (specified by the Company from time to time) or by cheque in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance/evidence of direct deposit should be lodged at or sent to (by courier, mail, email or facsimile) the Company's office marked for the attention to the Company Secretary.

**15. Quotation**

15.1 Unless requested by a majority of Holders:

15.1.1 the Options are unquoted; and

15.1.2 no application for quotation of the Options will be made by the Company.

**16. Listing Rules Ceasing to Apply**

16.1 If the Company ceases to be listed on ASX, clause 13 of these terms will cease to apply and clause 11 shall continue to apply based on the relevant provisions of the Listing Rules as at the time of delisting.

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