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6 May 2015

Lux Wigeswaran
Principal Adviser, Listings Compliance (Sydney)
ASX Compliance Pty Limited
20 Bridge Street,
SYDNEY NSW 2000

Dear Lux,

ASX Appendix 5B Query

We refer to your letter dated 4 May 2015 in relation to the Company's Quarterly Report in the form of Appendix 5B for the period ended 31 March 2015, released to ASX Limited ("ASX") on 29 April 2015 (the "Appendix 5B"). The questions contained in your letter and the Company's responses to your questions are set out below.

1. *Does the Entity expect that It will continue to have negative operating cash flows for the time being an, if not, why not?*

The Company does not expect that it will continue to have negative operating cash flows for the time being even though cash at the quarter end is less than the estimated cash outflows for the next quarter.

The reasons for this are:-

- Outstanding short-term loans from major shareholders of \$600,000 can be repaid at the sole discretion of the borrower by an issue of its shares (and options) to the lender, subject to the approval of Zamia shareholders. The Company intends to seek shareholder approval so that it can repay the loan with the share (and option) issue, the terms of which Directors consider to be favourable and in the interests of the Company, particularly in the prevailing unfavourable market conditions.
 - Major shareholders have expressed their willingness to provide further loan funds to support the entities cash flow requirements.
 - Meetings have been held with existing shareholders, potential new investors and corporate advisors on fund-raising to support second stage of drilling at Belyando and other follow-up exploration including drilling at Big Red and a number of other gold targets.
2. *Has the Entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?*
- As detailed in para 1 above major shareholders have expressed their willingness to provide further loan fund to support the entities cash flow requirements.

3. *Does the Entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?*


The Company is taking the following steps to meet its business objectives:

- The Company has identified a number of gold and copper targets on Zamia's tenements
- The Company is processing the results of drilling at the Belyando Gold Project and exploration at Big Red Project with encouraging results which are being progressively released to the market as each stage is completed.
- Meetings have also been held with existing shareholders, potential new investors and corporate advisors on fund-raising to support second stage of drilling at Belyando and other follow-up exploration including drilling at Big Red and a number of other gold targets.

4. *Can the Company confirm that it is in compliance with the Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market?*

The Company confirms that it is in compliance with the listing rules, and in particular, listing rule 3.1.

Yours sincerely



Jordan Li
Chief Executive Officer
Zamia Metals Limited



4 May 2015

Mr John Stone
Company Secretary
Zamia Metals Limited
Suite 60, Level 6 Tower Building
Chatswood Village
47-53 Neridah Street
Chatswood NSW 2067

By Email

Dear Mr Stone,

Zamia Metals Limited (the “Entity”): ASX Appendix 5B Query

I refer to the Entity’s quarterly report in the form of Appendix 5B for the period ended 31 March 2015 lodged with ASX Market Announcements Platform on Wednesday, 29 April 2015 (the “Appendix 5B”).

ASX notes that the Entity has reported:

- negative net operating cash flows for the quarter of \$319,000
- cash at the end of the quarter of \$344,000; and
- estimated cash outflows for the next quarter of \$460,000.

It is possible to conclude on the basis of the information provided in the Appendix 5B that if the Entity were to expend cash at the rate estimated for the next quarter, the Entity may not have sufficient cash to continue funding its operations. In view of that, please respond to each of the following questions.

1. Does the Entity expect that it will continue to have negative operating cash flows for the time being and, if not, why not?
2. Has the Entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?
3. Does the Entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
4. Can the Entity confirm that it is in compliance with Listing Rule 3.1 and that there is no information that should be given to ASX about its financial condition in accordance with that Rule that has not already been released to the market?

Please also provide any other information that the Entity considers may be relevant to ASX forming an opinion on whether the Entity is in compliance with Listing Rule 12.2.

When and where to send your response

This request is made under, and in accordance with Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than 9.30am AEST on Thursday, 7 May 2015. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Listing Rule 3.1

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely,

[sent electronically without signature]

Lux Wigneswaran

Principal Adviser, Listings Compliance (Sydney)