

ZAMBEZI RESOURCES LIMITED
Company No. (Bermuda) 35116
ARBN 124 462 826

NOTICE OF GENERAL MEETING
and
EXPLANATORY MEMORANDUM TO SHAREHOLDERS

Date of Meeting

Wednesday, 19th October 2016

Time of Meeting

10:00 am Bermuda ADT (Atlantic Daylight Time) (9:00 pm Perth WST)

Place of Meeting

Trinity Hall
43 Cedar Avenue
Hamilton HM12
Bermuda

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Meeting, please complete and return the enclosed CDI Form of Instruction (as applicable) in accordance with the specified instructions.

Zambezi Resources Limited
Company No. (Bermuda) 35116
ARBN 124 462 826

NOTICE IS HEREBY GIVEN that the General Meeting of the Shareholders of Zambezi Resources Limited ("**Company**") will be held at Trinity Hall, 43 Cedar Avenue, Hamilton HM12, Bermuda on Wednesday, **19th October 2016** at 10:00 am Atlantic Daylight Time (ADT), for the purpose of transacting the following business referred to in this Notice of General Meeting.

An Explanatory Memorandum containing information in relation to the following Resolutions accompanies this Notice of Meeting.

AGENDA

RESOLUTIONS

Resolution 1 – Approval of Issue of Capital Raising Securities

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

"For the purpose of ASX Listing Rule 7.1, and for all other purposes, approval is given for the issue of up to 37,500,000 Capital Raising Shares at an issue price of \$0.02 per Capital Raising Share to raise up to \$750,000.00 on the terms and conditions in the Explanatory Memorandum."

For the purpose of ASX Listing Rule 7.3, the Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue, a person who might obtain a benefit, except a benefit solely in the capacity of the holder of ordinary securities if the Resolution is passed, and any associates of those persons. However, the Company will not disregard a vote if it is cast by:

- (a) a person as a 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 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.

Resolution 2 – Participation in Capital Raising by Mr Gregory John Bittar

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

"Subject to and conditional on the passing of Resolution 1, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 750,000 Capital Raising Shares to Mr Gregory John Bittar (or his nominee) to raise up to \$15,000.00 on the terms and conditions in the Explanatory Memorandum."

For the purpose of ASX Listing Rule 10.13, the Company will disregard any votes cast on this Resolution by Mr Gregory John Bittar and any of his associates. However, the Company will not disregard a vote if it is cast by:

- (a) a person as a 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 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.

Resolution 3 – Participation in Capital Raising by Mr Brad Drabsch

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

“Subject to and conditional on the passing of Resolution 1, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 750,000 Capital Raising Shares to Mr Brad Drabsch (or his nominee) to raise up to \$15,000.00 on the terms and conditions in the Explanatory Memorandum.”

For the purpose of ASX Listing Rule 10.13, the Company will disregard any votes cast on this Resolution by Mr Brad Drabsch and any of his associates. However, the Company will not disregard a vote if it is cast by:

- (a) a person as a 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 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.

Resolution 4 – Participation in Capital Raising by Mr Marinko Vidovich

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

“Subject to and conditional on the passing of Resolution 1, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 500,000 Capital Raising Shares to Mr Marinko Vidovich (or his nominee) to raise up to \$10,000.00 on the terms and conditions in the Explanatory Memorandum.”

For the purpose of ASX Listing Rule 10.13, the Company will disregard any votes cast on this Resolution by Mr Marinko Vidovich and any of his associates. However, the Company will not disregard a vote if it is cast by:

- (a) a person as a 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 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.

Resolution 5 – Participation in Capital Raising by Perpetual Corporate Trust Limited in its capacity as custodian of the Auctus Resources Fund

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

“Subject to and conditional on the passing of Resolution 1, for the purpose of ASX Listing Rule 10.11 and for all other purposes, approval is given for the issue of up to 5,000,000 Capital Raising Shares to ARF to raise up to \$100,000 on the terms and conditions in the Explanatory Memorandum.”

For the purpose of ASX Listing Rule 10.13, the Company will disregard any votes cast on this Resolution by Perpetual Corporate Trust Limited and any of its associates. However, the Company will not disregard a vote if it is cast by:

- (a) a person as a 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 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.

BY ORDER OF THE BOARD

Marinko Vidovich

Managing Director

Dated: 20 September 2016

Proxies

Registered Shareholders for the Company only can vote at the Meeting personally or by proxy, attorney or representative. A Shareholder entitled to attend and vote at the Meeting may appoint not more than two proxies to attend and vote at the Meeting. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. A proxy may but need not be a Shareholder of the Company. The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the respective offices of Computershare Services, for Australian holders not later than 8.00 pm Western Standard Time on Monday, 17th October 2016. For the convenience of Shareholders a Proxy Form is enclosed with Notices sent to Shareholders.

A Shareholder that is a corporation may elect to appoint a representative in accordance with the Articles of Association in which case the Company will require written proof of the representative's appointment which must be lodged with, or presented to, the Company not later than 8.00 pm Western Standard Time on Monday, 17th October 2016.

CHESS Depositary Interests

Holders of CHESS Depositary Interests ("CDI") are invited to attend the Meeting but are not entitled to vote at the Meeting. In order to have votes cast at the Meeting on their behalf, CDI holders must complete, sign and return the CDI Form of Instruction enclosed with the Notice sent to them to C/- DW Corporate, PO Box 1796, West Perth WA 6872, Australia or alternatively you can fax your form to +61 8 9398 4104, so that CDI holders can direct CHESS Depositary Nominees Pty Ltd ("CDN") to vote the underlying Shares on their behalf. The CDI Form of Instruction needs to be received by not later than 9.00 pm Western Standard Time on Sunday, 16th October 2016.

Zambezi Resources Limited
Company No. (Bermuda) 35116
ARBN 124 462 826

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders of Zambezi Resources Limited ("Zambezi" or "Company") in connection with the business to be conducted at the General Meeting of the Company to be held at Trinity Hall, 43 Cedar Avenue, Hamilton HM12, Bermuda on **Wednesday, 19th October 2016 commencing at 10:00 am ADT and 9.00 pm WST (Perth)**.

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of General Meeting. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions in the Notice of General Meeting.

1 RESOLUTION 1 – CAPITAL RAISING

1.1 General

Resolution 1 seeks Shareholder approval for the issue of up to 37,500,000 Capital Raising Shares at an issue price of \$0.02 per Capital Raising Share, to raise up to \$750,000.00 (**Capital Raising**).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

The effect of Resolution 1 will be to allow the Company to issue Capital Raising Shares under the Capital Raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity under ASX Listing Rule 7.1.

1.2 Effect on Share Capital

| | Number of Shares |
|---|-------------------------|
| Number on issue at 16 September 2016 | 101,823,583 |
| Maximum number of shares to be issued under the Capital Raising | 37,500,000 |
| Total | 139,323,583 |

There are currently 28,750,000 unlisted options to subscribe for Shares currently on issue. If any of these options are exercised prior to the date of issue of the Capital Raising Shares this will also impact the maximum number of new Shares to be issued under the Capital Raising and the maximum number of Shares on issue following the Offer.

1.3 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to Resolution 1:

- (a) the Company will issue a maximum number of 37,500,000 Capital Raising Shares to raise up to \$750,000.00;
- (b) the Capital Raising Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (c) the Capital Raising Shares will be issued at the Capital Raising Issue Price of \$0.02 per Capital Raising Share and will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;

- (d) the Capital Raising Shares are proposed to be issued to the applicants under the Capital Raising;
 - (e) the Company intends to use the funds raised for project scoping studies, ongoing project administration and general working capital; and
 - (f) the allotment and issue of the Capital Raising Shares will occur as soon as practicable after the Meeting.
-

2 RESOLUTION 2 – PARTICIPATION IN CAPITAL RAISING BY MR GREGORY JOHN BITTAR

2.1 General

Pursuant to Resolution 1 the Company is seeking Shareholder approval for the Capital Raising.

Resolution 2 seeks Shareholder approval for the issue of up to 750,000 Capital Raising Shares to Mr Gregory John Bittar, a Director, (or his nominee) to raise up to \$15,000.00 (“**Participation**”).

Resolution 2 is subject to and conditional on the passing of Resolution 1.

2.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX’s opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As Resolution 2 involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

2.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Capital Raising Shares will be issued to Mr Gregory John Bittar (or his nominee) who is a related party by virtue of being a Director;
- (b) Mr Gregory John Bittar will be issued up to a maximum of 750,000 Capital Raising Shares to raise up to \$15,000.00;
- (c) the Capital Raising Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the Capital Raising Shares will be issued at the Capital Raising Issue Price per Capital Raising Share being \$0.02 per Capital Raising Share;
- (e) the Capital Raising Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company’s existing Shares; and
- (f) the funds raised will be used for the same purposes as all other funds raised under the Capital Raising as set out in Section 1.3(e) of this Explanatory Statement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Capital Raising Shares to Mr Gregory John Bittar (or his nominee) will not be included in the use of the Company’s 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

3 RESOLUTION 3 – PARTICIPATION IN CAPITAL RAISING BY MR BRAD DRABSCH

3.1 General

Pursuant to Resolution 1 the Company is seeking Shareholder approval for the Capital Raising.

Resolution 3 seeks Shareholder approval for the issue of up to 750,000 Capital Raising Shares to Mr Brad Drabsch, a Director (or his nominee) to raise up to \$15,000.00 ("**Participation**").

Resolution 3 is subject to and conditional on the passing of Resolution 1.

3.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As Resolution 3 involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

3.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Capital Raising Shares will be issued to Mr Brad Drabsch (or his nominee) who is a related party by virtue of being a Director;
- (b) Mr Brad Drabsch will be issued up to a maximum of 750,000 Capital Raising Shares to raise up to \$15,000.00;
- (c) the Capital Raising Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the Capital Raising Shares will be issued at the Capital Raising Issue Price per Capital Raising Share being \$0.02 per Capital Raising Share;
- (e) the Capital Raising Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised will be used for the same purposes as all other funds raised under the Capital Raising as set out in Section 1.3(e) of this Explanatory Statement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Capital Raising Shares to Mr Brad Drabsch (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

4 RESOLUTION 4 – PARTICIPATION IN CAPITAL RAISING BY MR MARINKO VIDOVICH

4.1 General

Pursuant to Resolution 1 the Company is seeking Shareholder approval for the Capital Raising.

Resolution 4 seeks Shareholder approval for the issue of up to 500,000 Capital Raising Shares to Mr Marinko Vidovich, a Director (or his nominee) to raise up to \$10,000.00 ("**Participation**").

Resolution 4 is subject to and conditional on the passing of Resolution 1.

4.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As Resolution 4 involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

4.3 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Capital Raising Shares will be issued to Mr Marinko Vidovich (or his nominee) who is a related party by virtue of being a Director;
- (b) Mr Marinko Vidovich will be issued up to a maximum of 500,000 Capital Raising Shares to raise up to \$10,000.00;
- (c) the Capital Raising Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the Capital Raising Shares will be issued at the Capital Raising Issue Price per Capital Raising Share being \$0.02 per Capital Raising Share;
- (e) the Capital Raising Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised will be used for the same purposes as all other funds raised under the Capital Raising as set out in Section 1.3(e) of this Explanatory Statement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Capital Raising Shares to Mr Marinko Vidovich (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

5 RESOLUTION 5 – PARTICIPATION IN CAPITAL RAISING BY PERPETUAL CORPORATE TRUST LIMITED IN ITS CAPACITY AS CUSTODIAN OF THE AUCTUS RESOURCES FUND

5.1 General

Pursuant to Resolution 1 the Company is seeking Shareholder approval for the Capital Raising.

Resolution 5 seeks Shareholder approval for the issue of up to 5,000,000 Capital Raising Shares to ARF, a related party of the Company, to raise up to \$100,000.00 ("**Participation**").

Resolution 5 is subject to and conditional on the passing of Resolution 1.

5.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires Shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As Resolution 5 involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

5.3 Effect on ARF Shareholding

| | Number of Shares | Approximate Percentage of the Shares on issue |
|--|------------------|---|
| Number of Shares on issue at 16 September 2016 | 101,823,583 | |
| ARF Shareholding at 16 September 2016 | 71,088,846 | 69.82% |
| Maximum number of shares to be issued under the Capital Raising | 37,500,000 | |
| Maximum number of Shares to be issued to ARF under the Capital Raising | 5,000,000 | 54.61% *Note 1 |

Note 1: assumes maximum number of Shares are issued under Capital Raising. In the event no other Shares are issued under the Capital Raising except those Shares to ARF, ARF's percentage Shareholding in the company will be **71.22%**.

5.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the Capital Raising Shares will be issued to ARF which is a related party by virtue of holding approximately 69.82% of the Shares on issue;
- (b) ARF will be issued up to a maximum of 5,000,000 Capital Raising Shares to raise up to \$100,000.00;
- (c) the Capital Raising Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the Capital Raising Shares will be issued at the Capital Raising Issue Price per Capital Raising Share being \$0.02 per Capital Raising Share;
- (e) the Capital Raising Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the funds raised will be used for the same purposes as all other funds raised under the Capital Raising as set out in Section 1.3(e) of this Explanatory Statement.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Capital Raising Shares to ARF will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

GLOSSARY OF TERMS

In this Explanatory Memorandum and Notice of Meeting, in addition to the terms defined in the body of the Explanatory Memorandum, the following expressions have the following meanings:

“**ARF**” means Perpetual Corporate Trust Limited in its capacity as custodian of the Auctus Resources Fund.

“**AUD\$**” or “**A\$**” means Australian dollars.

“**ASX Listing Rules**” means the listing rules of the Australian Securities Exchange operated by ASX Limited ABN 98 008 624 691.

“**Board**” means the board of Directors.

“**By-laws**” means the by-laws of the Company.

“**Capital Raising**” means the issue of up to 37,500,000 Capital Raising Shares at the Capital Raising Issue Price to raise up to \$750,000.000.

“**Capital Raising Issue Price**” means 0.2 cents.

“**Capital Raising Shares**” means the Shares in the Company issued pursuant to the Capital Raising at an issue price of 0.2 cents.

“**CDI**” means a CHESS Depository Interest representing a unit of beneficial ownership in a Share registered in the name of CHESS Depository Nominees Pty Ltd.

“**Company**” or “**Zambezi**” or “**ZRL**” means Zambezi Resources Limited ARBN 124 462 826.

“**Corporations Act**” means the *Corporations Act 2001* (Cth).

“**Directors**” mean the directors of Zambezi.

“**Equity Securities**” has the same meaning as in the ASX Listing Rules.

“**Explanatory Memorandum**” means this Explanatory Memorandum.

“**Meeting**” means the general meeting of shareholders of Zambezi convened by the Notice.

“**Notice**” or “**Notice of Meeting**” means the notice of general meeting that accompanies this Explanatory Memorandum.

“**Option**” means an option to acquire a Share.

“**Proxy Form**” means the proxy form accompanying the Notice of Meeting.

“**Resolution**” means a resolution referred to in the Notice of Meeting.

“**Share**” means a fully paid ordinary share in the capital of the Company.

“**Shareholder**” means a registered holder of Shares.

“**WST**” means Western Standard Time as observed in Perth, Western Australia.

“**VWAP**” means volume weight average price.

PROXY FORM

The Company Secretary
Zambezi Resources Limited

By delivery:
C/- DW Corporate
20 Kings Park Road
West Perth WA 6005

By post:
PO Box 1796
West Perth WA 6872

By facsimile:
+61 8 9398 4104

By email:
tanyao@zambeziresources.com

Step 1 – CHESS Depositary Nominees Pty Ltd will vote as directed

HIN/SRN: _____

I/We¹ (Registered Name) _____

of (Address) _____

Voting Instructions to CHESS Depositary Nominees Pty Ltd

I/We being a holder of CHESS Depositary Interests of Zambezi Resources Limited hereby direct CHESS Depositary Nominees Pty Ltd to vote the shares underlying my/our holding at the General Meeting of Zambezi Resources Limited to be held at Trinity Hall, 43 Cedar Avenue, Hamilton HM12, Bermuda on Wednesday, 19 October 2016 at 10:00am Bermuda ADT (Atlantic Daylight Time) (9:00pm Perth AWST) and at any adjournment or postponement of that meeting.

By execution of this CDI Voting Form the undersigned hereby authorises CHESS Depositary Nominees Pty Ltd to appoint such proxies or their substitutes to vote in their discretion on such business as may properly come before the meeting.

Voting Instructions will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Please read the voting instructions overleaf before marking any boxes with an ☒.

Step 2 – Instructions as to Voting on Resolutions

INSTRUCTIONS AS TO VOTING ON RESOLUTIONS

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

| | | For | Against | Abstain |
|--------------|---|--------------------------|--------------------------|--------------------------|
| Resolution 1 | Approval of Issue of Capital Raising Securities | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 2 | Participation in Capital Raising by Mr Gregory John Bittar | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 3 | Participation in Capital Raising by Mr Brad Drabsch | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 4 | Participation in Capital Raising by Mr Marinko Vidovich | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Resolution 5 | Participation in Capital Raising by Perpetual Corporate Trust Limited in its Capacity as custodian of the Auctus Resources Fund | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Authorised signature/s

This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

¹Insert name and address of Shareholder

Voting Instruction Notes:

Each CHESS Depositary Interest (CDI) is equivalent to one share of Company Common Stock, so that every 1 (one) CDI registered in your name at 19 August 2016 entitles you to one vote. You can vote by completing, signing and returning your CDI Voting Instruction Form. This form gives your voting instructions to CHESS Depositary Nominees Pty Ltd, which will vote the underlying shares on your behalf. You need to return the form no later than the time and date shown above to give CHESS Depositary Nominees Pty Ltd enough time to tabulate all CHESS Depositary Interest votes and to vote on the underlying shares.

You must sign this form as follows in the spaces provided:

| | |
|--------------------|--|
| Joint Holding: | where the holding is in more than one name all of the holders must sign. |
| Power of Attorney: | if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it. |
| Companies: | a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space. |

Voting Instruction forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Voting Instruction form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the General Meeting (WST).

Hand deliveries: C/- DW Corporate, 20 Kings Park Road, West Perth WA 6005

Postal address: PO Box 1796, West Perth WA 6872

Facsimile: +61 8 9398 4104

Email: tanyao@zambeziresources.com