

Notice of Annual General Meeting

Notice is hereby given that the 2016 Annual General Meeting (**AGM**) of Zeta Resources Limited ARBN 162 902 481 (the **Company**) will be held at Level 4, 50 St Georges Terrace, Perth, Western Australia on Tuesday, 29 November 2016 at 4:00pm Australian Western Standard Time (**AWST**).

Ordinary Business

1. Confirmation of Notice and Quorum

2. 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 2016 together with the directors' report in relation to that financial year and the auditor's report on the financial report.

3. Resolution 1 – Re-election of Martin Botha

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

"That Martin Botha, being eligible, offers himself for re-election, be re-elected as a Director."

Details of Martin Botha's experience and qualifications are provided in the accompanying Explanatory Statement.

4. 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."

5. Resolution 3 – Approval of Placement

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 7.1 and for all other purposes, Shareholders approve the issue of up to 10,000,000 Shares on the terms and conditions in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by a person who may participate in the Placement and a person who might obtain a benefit if this Resolution is passed, except a benefit solely in the capacity of a holder of Shares, and any associate of that person (or those persons).

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.

6. Resolution 4 – ICM Limited Participation in Placement

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

"That, subject to Resolution 3 being passed, pursuant to and in accordance with Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of up to 7,000,000 Shares to ICM Limited, on the terms and conditions in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by ICM Limited 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

A handwritten signature in black ink, appearing to read 'Peter Sullivan', with a stylized flourish at the end.

Peter Sullivan
Chairman
25 October 2016

Explanatory Statement to Shareholders

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 2016 AGM to be held at Level 4, 50 St Georges Terrace, Perth, Western Australia on Tuesday, 29 November 2016 at 4:00pm (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.

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 Sunday, 27 November 2016 at 4:00pm, (AWST) (Record Time).

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 4:00pm (AWST) on Friday, 25 November 2016, being two business days before the AGM. Proxy appointments received after that time will be invalid.

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.

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 2016.

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 2016 which can be accessed online at www.zetaresources.limited 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 Tuesday, 22 November 2016, 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 Martin Botha

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

Mr Botha has over 30 years' experience in banking, with the last 26 years spent in leadership roles building Standard Bank Plc's (part of The Standard Bank of South Africa Limited group of companies) international operations. Mr Botha's specific primary responsibilities have included establishing and leading the development of the core global natural resources trading and financing franchises, as well as various geographic strategies. Mr Botha holds a Bachelor of Engineering degree in Survey.

The Directors (other than Mr Botha) 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 – Approval of Placement

4.1 General

Resolution 3 seeks Shareholder approval for the issue of up to 10,000,000 Shares (**Placement Shares**) each at an issue price of not less than 80% of the average market price for Shares calculated over the last five days on which sales in the Shares were recorded before the date on which the issue is made or, if there is a prospectus, over the last five days on which sales in the Shares are receded before the prospectus is signed (**Placement**).

The Board believes that Resolution 3 is in the best interests of the Company and its Shareholders and unanimously recommend that Shareholders vote in favour of this Resolution.

Resolution 3 is an ordinary resolution.

4.2 Listing Rule 7.1

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 3 will be to allow the Directors to issue the Placement Shares during the period of 3 months after the Meeting (or such longer period of time as ASX may in its discretion allow), without using the Company's 15% annual placement capacity.

4.3 Specific information required by Listing Rule 7.3

In accordance with Listing Rule 7.3, information is provided in relation to the Placement as follows:

- (a) The maximum number of Placement Shares to be issued is 10,000,000.
- (b) The Placement 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 Listing Rules).
- (c) The issue price of the Placement Shares will be not less than 80% of the average market price for Shares calculated over the last five days on which sales in the Shares were recorded before the date on which the issue is made or, if there is a prospectus, over the last five days on which sales in the Shares are receded before the prospectus is signed.

- (d) The Directors will determine the persons to whom the Placement Shares will be issued but these persons will not be a related party or an associate of a related party of the Company.
- (e) The Placement Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares on issue.
- (f) The Company intends to use the funds raised from the issue of the Placement Shares towards the expansion of Zeta's investment portfolio and as general working capital.
- (g) The issue of Placement Shares will occur progressively.
- (h) 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.

5. Resolution 4 – ICM Limited Participation in Placement

5.1 General

Resolution 4 seeks Shareholder approval in accordance with Listing Rule 10.11 to allow ICM Limited (and/or its nominees) to participate in the Placement in respect of up to 7,000,000 Placement Shares.

ICM Limited is the Company's investment manager. ICM Limited is also the investment manager of the Company's major shareholder, UIL Limited. As investment manager of UIL Limited, ICM may have the power to control the acquisition, disposal and voting of Shares held by UIL Limited.

5.2 Listing Rule 10.11

In accordance with Listing Rule 10.11, the Company must not issue securities to a related party or a person whose relationship with the Company is, in ASX's opinion, such that approval is required.

The Directors' consider that, even though ICM Limited is not a related party of the Company under the Listing Rules, it is likely to be a person whose relationship with the Company is, in ASX's opinion, such that approval is required under Listing Rule 10.11. Accordingly, the Company has taken the conservative approach of seeking Shareholder approval under Listing Rule 10.11 to issue ICM Limited up to 7,000,000 Placement Shares.

If Shareholders do not approve Resolution 4, the Company will not issue the Placement Shares to ICM Limited (and/or its nominees).

Resolution 4 is an ordinary resolution.

The Chairman intends to exercise all available proxies in favour of Resolution 4.

5.3 Specific information required by Listing Rule 10.13

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

- (a) The Placement Shares will be issued to ICM Limited (and/or its nominees).

- (b) The maximum number of Placement Shares to be issued to ICM Limited (and/or its nominees) is 7,000,000.
- (c) The Placement Shares 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).
- (d) The issue price of the Placement Shares will be not less than 80% of the average market price for Shares calculated over the last five days on which sales in the Shares were recorded before the date on which the issue is made or, if there is a prospectus, over the last five days on which sales in the Shares are recorded before the prospectus is signed.
- (e) The Placement Shares will be fully paid ordinary shares in the capital of the Company and will be issued on the same terms and conditions as the Company's existing Shares and will rank equally in all respects with the Company's existing Shares on issue.
- (f) The Company intends to use the funds raised from the issue of the Placement Shares towards the expansion of Zeta's investment portfolio and as general working capital.
- (g) A voting exclusion statement is included in the Notice for Resolution 4.

5.4 Directors' recommendation

The Directors recommend that Shareholders vote in favour of Resolution 4.