

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

ZAMIA METALS LTD

ABN

73 120 348 683

Quarter ended ("current quarter")

December 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5	24
1.2 Payments for		
(a) exploration & evaluation	(14)	(37)
(b) development	-	-
(c) production	-	-
(d) staff costs	(7)	(9)
(e) administration and corporate costs	(225)	(269)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(241)	(291)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	250	250
3.3	Proceeds from exercise of share options	-	
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	
3.6	Repayment of borrowings	-	
3.7	Transaction costs related to loans and borrowings	-	
3.8	Dividends paid	-	
3.9	Other Share - application funds received	216	216
3.10	Net cash from / (used in) financing activities	466	466

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2	52
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(241)	(291)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	466	466
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	227	227

Mining exploration entity and oil and gas exploration entity quarterly report

As announced on 11 October 2016 Zamia has raised \$250,000 in a debt facility which will be converted into ordinary shares (subject to various conditions) that will provide working capital to be used primarily to meet costs related to the transaction with Kirkham. Further details are included in the Quarterly Activities Report.

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	227	2
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	227	2

6. Payments to directors of the entity and their associates

Current quarter \$A'000
-
-

6.1 Aggregate amount of payments to these parties included in item 1.2

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

--

7. Payments to related entities of the entity and their associates

Current quarter \$A'000
-
-

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

--

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	750	750
8.2 Credit standby arrangements	-	-
8.3 Other – Convertible loan	250	250
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

The following unsecured loans have been provided to the Company by Director related entities:-

- *On 22 September 2014 a loan of \$400,000 was provided by Brownstone international Pty Ltd, an entity associated with Director Qiang Chen which, was drawn down on 10 October 2014 with an expiry date of 31 March 2015 and has been subsequently extended to 31 December 2016;*
- *On 22 September 2014 a loan of \$200,000 was provided by Qinghai Genlid Mining Investment and Management Co, an entity associated with Dr Jiniu Deng, which was drawn down on 10 October 2014 with an expiry date of 31 March 2015 and has been subsequently extended to 31 December 2016;*
- *On 22 July 2015 a loan of \$100,000 was provided by Brownstone international Pty Ltd, an entity associated with Director Qiang Chen, which was drawn down on 27 July 2015 with an expiry date of 31 January 2016 and has been subsequently extended to 31 December 2016;*
- *On 10 September 2015 a loan of \$20,000 was provided by SSR Trading Pty Ltd, an entity associated with Director Andrew Skinner, for a term of three months and which was drawn down on 22 September 2015; and with an expiry date of 30 June 2016 and has been subsequently extended to 31 December 2016;*
- *On 10 September 2015 a loan of \$30,000 was provided by Brownstone international Pty Ltd, an entity associated with Director Qiang Chen and which was drawn down on 23 September 2015 with an expiry date of 31 March 2016 and has been subsequently extended to 31 December 2016.*

These loans are payable in cash or in shares at the sole discretion of the Company. Interest accrued and not paid on these loans at 31 September 2016 is \$108,377.

As announced on 11 October 2016 Zamia The Company has agreed to issue Convertible Bonds (which are only convertible subject to shareholder approval) for \$250,000 that will provide working capital to be used primarily to meet costs related to the transaction with Kirkham. Gleneagles Securities (Aust) Pty Limited, its clients and parties introduced by Kirkham have participated in the Convertible Bonds.

The Convertible Bonds have a term of 12 months, attract interest at 12% per annum and are to be converted into ordinary shares together with capitalised interest thereon as a pre-condition of the Kirkham transaction proceeding. Such conversion will be subject to approval by shareholders and in accordance with the ASX Listing Rules and Corporations Act and conducted at a price of \$0.01 per share (post-consolidation). After conversion such shares issued will be assessed for escrow conditions by the ASX. The Company may, with notice, redeem the convertible bonds and the holder of the bonds

Further details are included in the Quarterly Activities Report.

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	18
9.2 Development	-
9.3 Production	-
9.4 Staff costs	-
9.5 Administration and corporate costs	96
9.6 Other (provide details if material)	
9.7 Total estimated cash outflows	114

Mining exploration entity and oil and gas exploration entity quarterly report

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	-	-	-	-
10.2	Interests in mining tenements and petroleum tenements acquired or increased	-	-	-	-

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

Company secretary

Date: 27 January 2017

Print name: John Stone

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.