ZAMIA METALS LIMITED

ABN: 73 120 348 683

Annual Report

2017

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Corporate Directory

The shares of Zamia Metals Limited ("the Company") are listed on the official list of the Australian Securities Exchange.
The ASX code for the Company's ordinary fully paid shares is "ZGM".

Directors

Mr Andrew Skinner	Executive Chairman
Dr Kenneth John Maiden	Non-executive Director
Mr Qiang Chen	Non-executive Director
Dr Jiniu Deng	Non-executive Director

Company Secretary

John Stone

Chief Financial Officer

Barry F Neal

Registered Office and Principal Place of Business

Suite 60, Level 6 Tower Building
Chatswood Village
47-53 Neridah Street
Chatswood NSW 2067
Australia
Telephone: + 61 2 8223 3744
Fax: + 61 2 8223 3799
Internet: www.zamia.com.au

Share Registry

Boardroom Pty Limited
Level 12, 225 George Street
Sydney NSW 2000
Telephone: + 61 2 9290 9600
Fax + 61 2 9279 0664

Home Exchange

Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney NSW 2000

Bankers

Bankwest
254 George Street
Sydney NSW 2000

Auditors

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

Solicitors

Whittens & McKeough
Level 29, 201 Elizabeth Street
Sydney NSW 2000

Chairman's Letter

Dear Shareholders

On behalf of our board of directors, I am pleased to present the Annual Report (the Report) of Zamia Metals Limited (**Zamia** or the **Company**) for the year ended 30 June 2017.

The focus of the Board and management of the Company during this year has been the Kirkham acquisition.

Zamia Metals Limited (ASX: ZGM) (**Zamia** or the **Company**) announced on 11 October 2016 that it had executed a Share Sale and Purchase Agreement (**SSPA**) with the shareholders of Kirkham International Pte Ltd (**Kirkham Vendors**) where Zamia agreed to acquire 100% of Kirkham subject to satisfaction of certain conditions precedent (the **Kirkham Acquisition**).

Kirkham owns 95% of PT Borneo Prima Coal Indonesia (**BPCI**) (Figure 1) which holds a fully permitted coal mine which will produce a premium low ash, high fluidity and coke strength coking coal product for the Chinese and Japanese export markets in Central Kalimantan, Indonesia.

BPCI has successfully commissioned, mined coal and exported coking coal and has all permits to conduct its mining business. The BPCI Coal Mine is located in a significant coking coal producing region area known as the Burito Basin in Central Kalimantan. This region currently produces approximately 11 million tonnes of coking coal per annum which is exported to China, Korea, Japan and also some small domestic sales.

Kirkham has entered into a five-year alliance mining services agreement with PT Bruder Konstruksi Nusantara (**Bruder**) the commencement of mining. Bruder is a wholly-owned subsidiary of PT Bruder Bebas Indonesia that specialises in contract mining, quarrying, civil construction, mine infrastructure, earthworks and construction equipment rentals. Bruder and its key personnel have significant Indonesian country experience. At the date of this Report the haulage road is being completed, mining equipment is being organised and production planning is underway.

It is expected that by the time that the shareholder meeting is held to approve the acquisition that the combined group, post shareholder approvals, will be in receipt of coal proceeds from the sales under sales contract with customer, Sun Sign International Limited, for a 5-year period to realise high margin operations. Sales contract confirms demand of 25,000 tonnes per month upon commencement of production.

The coking coal price continues to show resilience and thus this gives the Board hope that the high price will allow for the rapid improvement in the fortunes of the Company and shareholders.

It has been a long and difficult year with many regulatory hurdles to be overcome, however, the Board is confident that all requirements will be satisfied, and on this the eve of the Company's second decade as an ASX listed company it will emerge as a growing coal miner with other exciting potential programs.

Finally, I wish to thank my fellow directors, officers and consultants to the Company for their support and contribution during the year and I look forward to the support of all shareholders in the coming years as the Company emerges as a sustainable mining company.

Andrew Skinner
Executive Chairman
28 September 2017

Review of Operations

Review of Operations

BACKGROUND

Pending completion of the Kirkham transaction, Zamia's focus remains on its Central Queensland exploration permits.

Until funds from completion of the Kirkham transaction become available, the Company has extremely limited cash reserves. With the available funds, Zamia continues to maintain its priority tenements in good standing through carrying out low cost exploration, in particular:

- reviewing and re-assessing previously collected exploration data;
- prioritising targets; and
- field reconnaissance in preparation for follow-up exploration programs.

CENTRAL QUEENSLAND GEOLOGICAL SETTING

The Charters Towers to Clermont belt in Central Queensland has been a significant gold-producing area since the 1860s, when gold was discovered at Clermont. The gold deposits are of epithermal style. Zamia's 2008 discovery of the Anthony molybdenum deposit demonstrates the potential of the region to also host significant porphyry-style systems.

The Anakie Inlier, a north-trending basement ridge of Neoproterozoic to Cambrian metamorphic rocks, is flanked by strata of the Drummond Basin, a Devonian to Carboniferous volcano-sedimentary sequence.

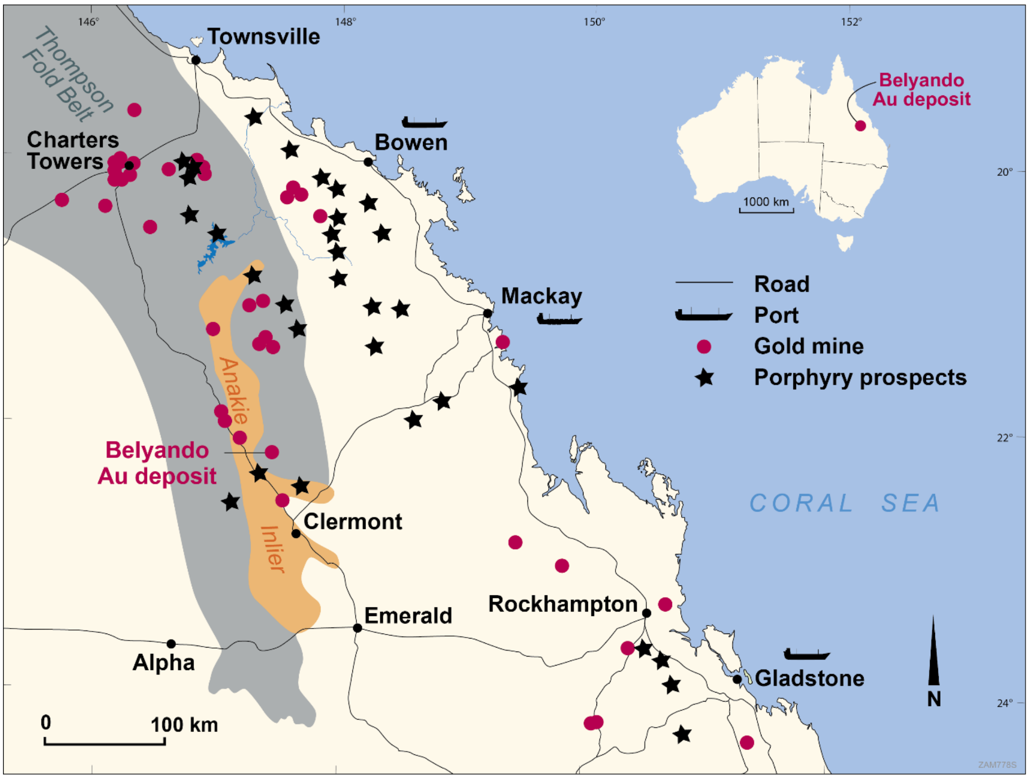

Figure 1. Location map

At the base of the Drummond Basin sequence is the Silver Hills Volcanics, a unit of dacite to andesite volcanic rocks. The Anakie Inlier and, in places, the Drummond Basin are intruded by a series of igneous complexes of granite to diorite composition, with associated bodies of porphyry and breccia.

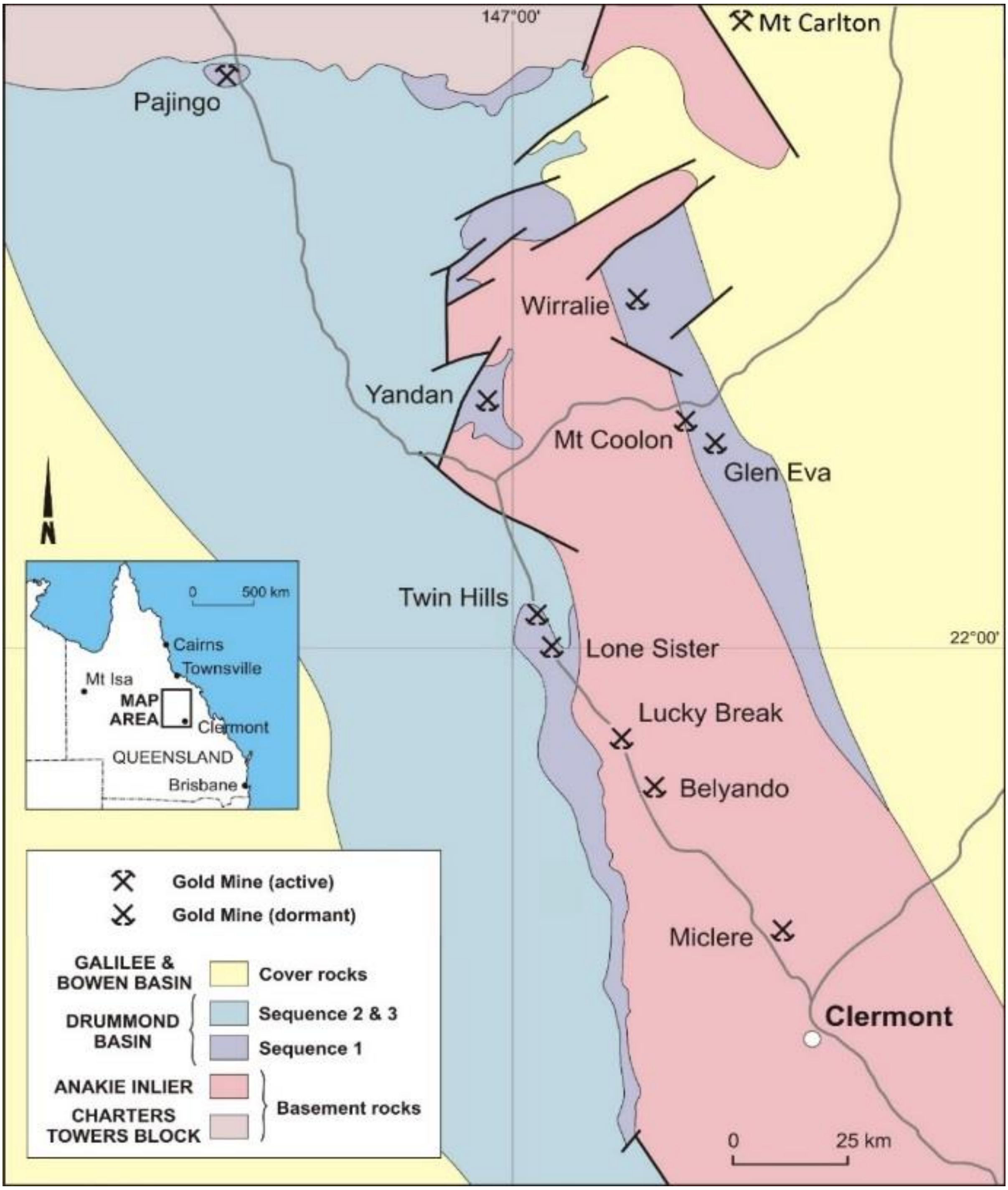

Figure 2. Geological setting of Zamia's target area

EXPLORATION PERMITS

The Company's Exploration Permits for Minerals ('EPMs') are held by a wholly-owned subsidiary, Zamia Resources Pty Ltd. As at 30 June 2017, Zamia Resources holds seven EPMs in the Clermont district of Central Queensland. No tenements were surrendered during the year.

The tenements are as follows:

Tenement No	Project Name	Grant or Application Date	Expiry Date	Status at 30.06.2017	Area km² at 30.06.2017
EPM 14790	Mazeppa	12.01.2006	11.01.2021	Year 12	41
EPM 15145	Mazeppa Extended	11.08.2006	10.08.2017	Year 11	114
EPM 17488	Mistake Creek	05.11.2009	04.11.2017	Year 8	48
EPM 16524	Logan Creek	23.12.2010	22.12.2020	Year 7	25
EPM 17703	Disney	30.01.2012	29.01.2022	Year 6	32
EPM 19369	Amaroo South	30.01.2012	29.01.2022	Year 6	19
EPM 18655	Dingo Range	29.05.2014	28.05.2019	Year 4	35
TOTAL AREA					**314**

Table 1. Exploration tenements held by Zamia Resources Pty Ltd, a controlled entity of Zamia Metals Limited

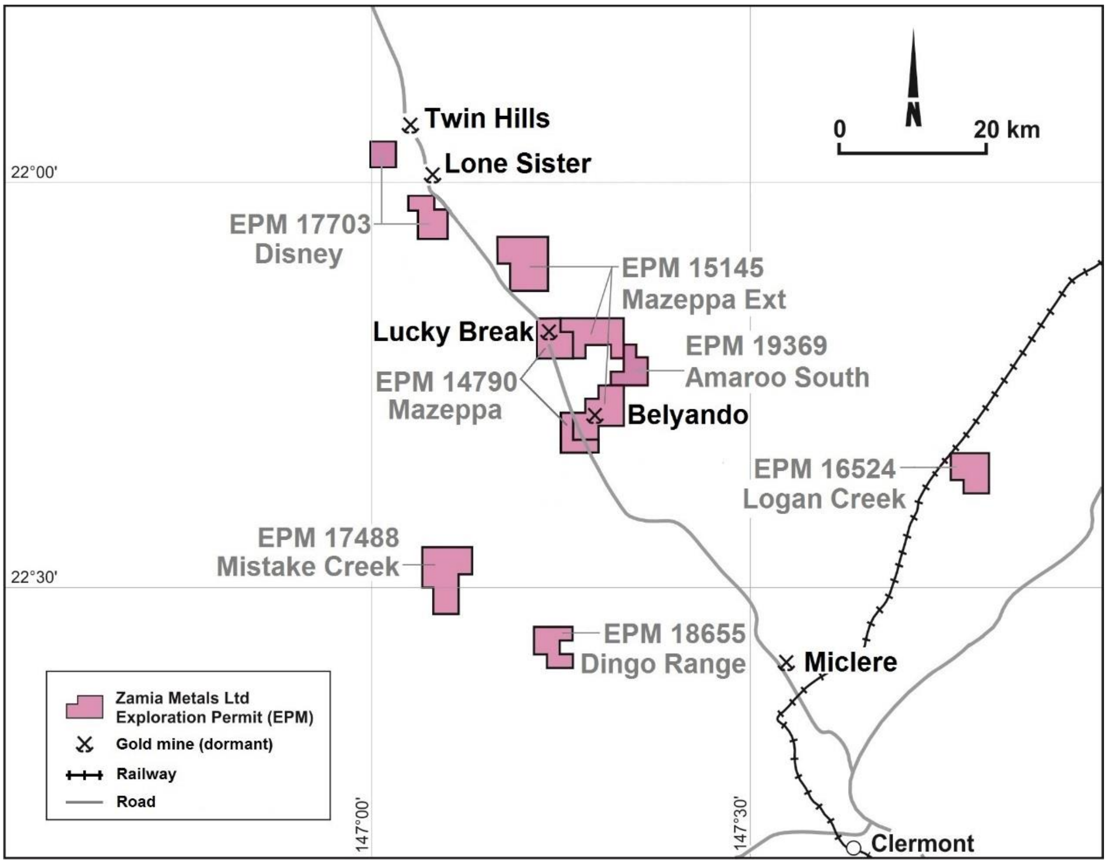

Figure 3. Exploration permits held by Zamia Resources Pty Ltd

PRIORITY EXPLORATION TARGETS

Belyando Gold Project

The Belyando gold deposit, in EPM 15145 Mazeppa Extended, continues to be the main focus of interest.

The priority exploration targets are the down-plunge extensions of the known gold lodes that were mined in the previous open-cut operation (1989 – 1995). Zamia plans include a gradient array I.P. survey covering a larger area than the previous (1986) survey and capable of penetrating to greater depths. The survey will be conducted when funds become available. Such a survey will assist in the identification of drill targets in and around Belyando. This will be followed by drilling to test targets.

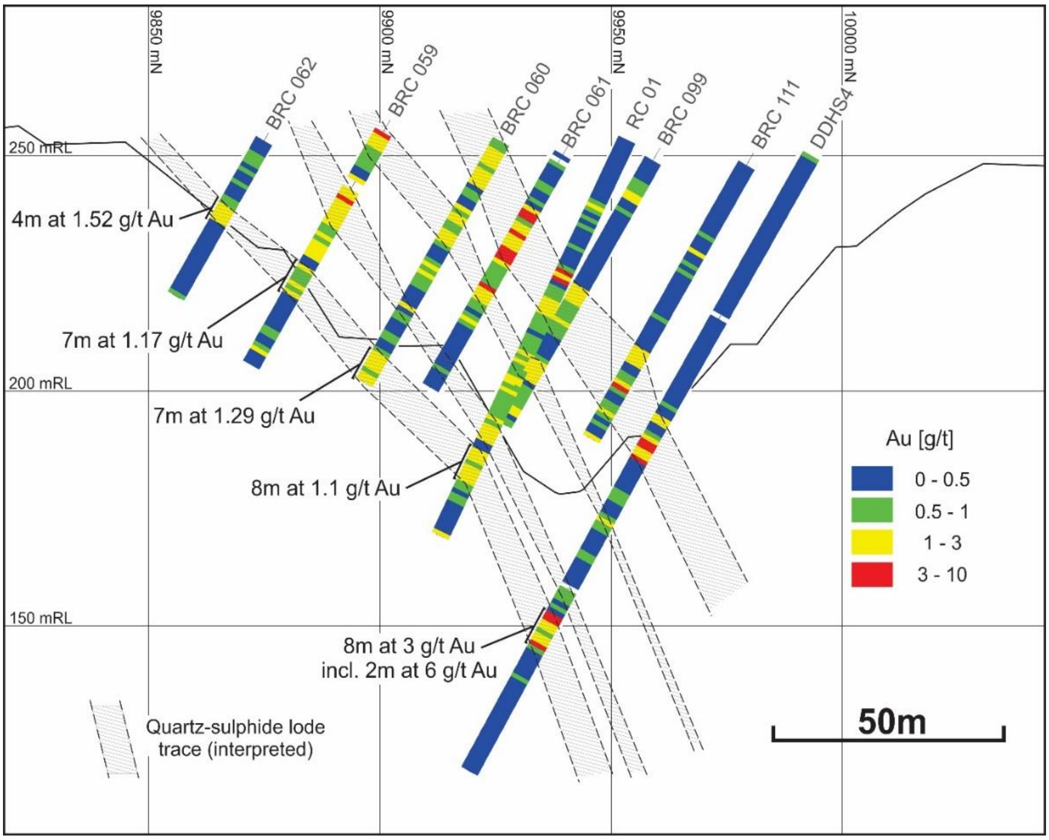

Figure 4. Geological interpretation, showing gold lodes continuing down-plunge below the existing pit. Drill intersections show good potential for gold at depth below the pit

More broadly, there is potential in the Belyando area for:

- Undiscovered lodes lateral to and along strike from the known lodes;
- A broad zone of low grade gold (0.8 – 1.0 g/t Au) associated with a 1986 I.P. chargeability anomaly extending away from known gold concentrations; and
- Satellite gold deposits.

Zamia plans a helicopter magnetic survey over Belyando and extending several kilometres beyond.

Other Epithermal Gold Targets

Zamia has identified a number of other targets for epithermal gold deposits. These targets will be explored in detail, including drilling, when funds become available.

Porphyry copper-gold targets

Zamia continues to seek a joint venture partner to fund follow-up exploration on identified targets.

Competent Person

Dr Ken Maiden, a Director of Zamia Metals Limited, compiled the geological technical aspects of this report. Dr Maiden is a Member of the Australian Institute of Geoscientists. He has sufficient experience to qualify as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Dr Maiden consents to the inclusion of the matters in the form and context in which they appear and takes responsibility for data quality.

ABBREVATIONS

Ag	Silver (chemical symbol)
As	Arsenic (chemical symbol)
Au	Gold (chemical symbol)
Bi	Bismuth (chemical symbol)
Cu	Copper (chemical symbol)
EPM	Exploration Permit for Minerals (Queensland)
g/t	Grams per tonne
I.P.	Induced polarisation (geophysical exploration technique)
km, km^2	Kilometres, square kilometres
m	Metres
Mo	Molybdenum (chemical symbol)
Oz	Ounces
Pb	Lead (chemical symbol)
ppm	Parts per million
RC	Reverse circulation (drilling technique)
Sb	Antimony (chemical symbol)
Zn	Zinc (chemical symbol)

Personnel, OH&S, Environment and Community

Our People

Zamia ensures that training and assessment is provided for the tasks each employee is required to perform on an on-going basis. Training in field and office equipment, programs and procedures, as well as health and safety practices are available to all employees.

Occupational Health and Safety (OH&S)

Zamia Metals Limited is committed to achieving a high standard of safety and health for all its employees and contractors operating in exploration. Training is provided when necessary to enable all employees to carry out their responsibilities with the provision of a safe system of work. Adequate records are kept of action taken to manage health and safety in the workplace.

Environment

Environmental policies for protecting native flora and fauna are in place. All field activities are conducted so as to ensure minimal impact; drill sites and camp areas are rehabilitated. A Code of Conduct is adhered to in regard to field work to ensure the highest standard of compliance is achieved.

Community

Zamia is committed to working closely with traditional landowners to identify and protect culturally significant areas.

Zamia follows an open and meaningful communication with the community.

Corporate Governance Statement

Zamia Metal Limited and the Board are committed to achieving and demonstrating the highest standards of corporate governance. Zamia Metals Limited has reviewed corporate governance practices against the Corporate Governance Principles and Recommendation (3rd edition) (CGPR) published by the ASX Corporate Governance Council.

The 2015 corporate governance statement is dated as at 30 June 2015 and reflects the corporate governance practices in place during the 2015, 2016 and 2017 financial years. The corporate governance statement was approved by the Board on 13 August 2015. A description of the group's current corporate governance practices is set out in the group's corporate governance statement which can be viewed at (www.zamia.com.au).

Directors' Report

The Directors of Zamia Metals Limited present their report on the Company and its controlled entities for the financial year ended 30 June 2017.

Directors

The names of Directors in office at any time during or since the end of the year are:

Mr Andrew Skinner

Executive Chairman

Qualifications:	MEc, (Prof. Accg.), Master of Corp. Gov., Dip. of Prop Dev, Bachelor of Philosphy, CPA
Experience:	Andrew qualified as a Chartered Accountant in 1986 with Price Waterhouse Coopers and commenced a specialisation in superannuation law and tax practice. He works extensively in business structuring and tax advice. In 2004 Andrew was the founding director of Augur Resources Ltd which went on to list on the ASX (AUK). He was also a founding director of Dome Gold Mines Ltd (DME) that listed on the ASX in 2013. Currently, Andrew is Principal of Andrew Skinner & Associates Pty Ltd a CPA Public Practice based in North Sydney. Andrew is also a Justice of the Peace and a Registered Tax Agent. Andrew is a Sessional Lecturer at Macquarie University in the School of Accounting and Corporate Governance teaching in the fields of Enterprise Risk Management, Sustainability Reporting, Business Ethics and Corporate Governance. He has also taught Leading Organisation Change at the UBSS Business School in their Master of Business Administration Degree. Andrew has recently been appointed to the Academic Board of the Churchill Institute of Higher Education in recognition of his accounting and academic achievements.
Special responsibilities:	Chairman of the Audit Committee.
Interest in shares and options:	1,997,459, ordinary shares in Zamia Metals Limited.
Other current directorships:	Director the ASX listed GPS Alliance Ltd

Dr Kenneth John Maiden

Non-executive Director

Qualifications:	BSc, PhD, FAusIMM, MAIG
Experience:	Since completing a doctoral thesis on the Broken Hill orebody, Ken has had 42 years of professional experience - as an exploration geologist with major resource companies (CSR and MIM), as an academic (University of the Witwatersrand, Johannesburg) and as a mineral exploration consultant. More recently, Ken has established mineral exploration companies in Southern Africa and Northwest Queensland, and is a founding director of International Base Metals Limited. Ken has participated in successful base metal exploration programmes in South Australia, Queensland, Namibia, Botswana and Indonesia.
Interest in shares and options:	2,361,578 ordinary shares in Zamia Metals Limited.
Other current directorships:	Non-Executive Director of International Base Metals Limited.

Directors' Report

Mr Qiang Chen

Non-executive Director

Qualifications:	BSc, MSc
Experience:	Mr Chen is Managing Director of West Minerals Pty Ltd, one of the Company's shareholders. Qiang Chen, a resident of Perth, has extensive experience in international commodities trading and private equity investment. In the 1990's he was the Marketing Manager of China Metallurgical Import and Export Corporation.
Special responsibilities:	Member of the Audit Committee
Interest in shares and options:	Nil
Other current directorships:	Qiang Chen is an alternate Non-executive Director of International Base Metals Limited. He is also an Executive Director of West Minerals Pty Ltd, a substantial shareholder of the Company.

Dr Jiniu Deng

Non-executive Director

Qualifications:	Doctorate degree from the Chinese University of Geosciences.
Experience:	Dr Jiniu Deng is a well-known Beijing based geologist and professor level senior engineer with a Doctorate degree from the Chinese University of Geosciences and post-doctoral from the Central South University of China. Dr Deng is Chairman of Beijing Simen Mineral Resources Exploration Co Ltd and was formerly Chairman of Qinghai West Resources Co. Ltd. and an Executive Director of West Mining Co Ltd. His exploration successes have included the discovery of lead-zinc in the Xitieshan deposit, nickel in the Hami Tulaergen deposit of Xinjiang Autonomous Region, and copper and lead-zinc in the Huogeqi deposits of Inner Mongolia. Dr Deng has been honoured with numerous scientific, academic and business awards in China.
Interest in shares and options:	Nil
Other current directorships:	-

Mr John Stone

Company Secretary

Qualifications:	BEc
Experience:	John has over 35 years' experience in the Australian and international corporate markets. In that time he has been a Director and Company Secretary for a diverse range of private and public listed companies.
Interest in shares and options:	869,737 ordinary shares in Zamia Metals Limited.

Directors' Report

Mr Barry F Neal

Chief Financial Officer

Qualifications:	B Econ
Experience:	Barry completed his degree at the University of Queensland in 1962 and started his career as a lecturer in accounting at the Queensland Institute of Technology. Barry has had extensive experience in accounting and company secretarial work with listed public companies in a range of industries.

table sets out the number of directors' meetings held during the financial year and the number of

Directors' Meetings

The following meetings attended by each director while they were a director. During the financial year 3 board meetings and 2 audit committee meetings were held.

	Full meeting of Directors		Meetings of Audit Committee	
	A	B	A	B
Andrew Skinner	3	3	2	2
Kenneth John Maiden	3	3	1	1
Qiang Chen	3	3	1	1
Jiniu Deng	3	-	-	-

A. Number of Meetings held during the time the director held office or was a member of the committee during the year.
B. Number of meetings attended.

Principal Activity

During the year the principal continuing activity of the Group consisted of mineral exploration, primarily for gold, copper and molybdenum within the Clermont region of Central Queensland. There were no changes in the Group's principal activity during the course of the financial year.

On 11 October 2016 Zamia announced to the ASX that it had entered into a binding share sale and purchase agreement (subject to conditions) in respect of all of the issued capital in Kirkham International Pte Limited (Kirkham), that owns, via a subsidiary, a mining permit for a coal mine in Central Kalimantan, Indonesia. Refer to 'Potential Acquisitions' below

There were no other changes in the Group's principal activity during the course of the financial year.

Dividends

No dividends have been declared in the 2017 financial year (2016: no dividend declared).

Review of Operations

Potential Acquisitions

As announced on 10 October 2016, Zamia has entered into a binding share sale and purchase agreement (**SSPA**) for the acquisition of all of the issued shares in Singapore-registered company, Kirkham International Pte Ltd (**Kirkham**). Kirkham owns 95% of PT Borneo Coal Indonesia, an Indonesian company which holds a mining permit for the Muara Teweh coking coal project in Central Kalimantan, Indonesia. The acquisition is subject to satisfaction of a number of conditions including a capital raising and regulatory & shareholder approvals.

Directors' Report

An Extraordinary General Meeting (**EGM**) of shareholders will be called to approve the transaction. A Notice of Meeting & Explanatory Memorandum which will include an Independent Experts Report will be sent to shareholders as soon as all regulatory requirements are satisfied.

The Company is also preparing a prospectus (**Prospectus**) for the capital raising that will comply with the conditions of the SPA including re-compliance with Chapters 1 and 2 of the Listing Rules of the Australian Securities Exchange (**ASX**), following a change to the nature and scale of the Company's activities, subject to satisfaction of the preconditions in the share sale and purchase agreement

Operating Results

The Group's net loss after tax (NLAT) was $1,066,038 (2016: NLAT $604,750) with all exploration expenditure of $78,018(FY16:$166,977) incurred during the year having been written off rather than capitalised.

The Company's tenement position continues to be sound but is being prioritised to ensure exploration expenditure is targeted towards the most promising targets.

The main focus of activity during the past year apart from advancing a potential acquisition has been advancing the copper and gold prospects held by the Company, as well as the Anthony molybdenum project in the Clermont district of Queensland, where the Company has established an Inferred Resource.

Corporate Capital Raising

On 3 January 2017 the company issued $216,000 of new capital to sophisticated investors under its 15% placement capacity. The issue of the 72,000,000 fully paid ordinary shares was at a price of $0.003 per share. Each two (2) shares included an entitlement to one (1) unlisted option per share exercisable at $0.003 per share expiring on 31 December 2018

The funds raised were for working capital purposes including continuation of the current exploration program on the Group' tenements in Queensland.

The Company continues to assess suitable funding options including acquisitions and joint ventures on individual tenements, so that it can pursue its exploration program with a view to making further discoveries.

At 30 June 2017, the number of listed ordinary shares was 792,214,573.

Directors' Report

Loans

In July and September 2015 loans were provided by shareholders related to Directors to provide working capital with interest payable at 8% p.a. The loans are repayable together with interest accrued as cash or at the election of the Company and subject to the approval of Zamia shareholders, by the issue of Zamia shares at an issue price equal to the 30 day VWAP in the period ending one day prior to the date of a General Meeting to be held prior to loan maturity to consider the approval of the loan conversion:

- On 22 September 2014, a loan was provided for $400,000 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 31March 2015 and has been subsequently extended to 30 September 2017;
- On 22 September 2014, a loan was provided for $200,000 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 30 September 2017;
- On 22 July 2015, a loan was provided for $100,000 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 30 September 2017;
- On 10 September 2015, a loan was provided for $20,000 was provided by SST 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 30 September 2017;
- On 10 September 2015, a loan was provided for $30,000 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 30 September 2017.

Convertible Bonds

As announced on 11 October 2016, Zamia agreed to issue Convertible Bonds (which are only convertible subject to shareholder approval) for $250,000 that have been used to provide working capital and for some of the costs related to the transaction with Kirkham. Gleneagles Securities (Aust) Pty Limited, its clients and parties introduced by Kirkham 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 a proposed 1 for 10 shareconsolidation). After conversion such shares issued will be assessed for escrow conditions by the ASX. The Company may, with notice, redeem the convertible bonds and pay the holder of the bonds.

Significant Changes in State of Affairs

As disclosed in the 'Review of Operations' Zamia has entered into a binding share sale and purchase agreement (**SSPA**) for the acquisition of all of the issued shares in Singapore-registered company, Kirkham International Pte Ltd (**Kirkham**).

There have been no other significant changes in the state of affairs of the Group during the financial year.

Directors' Report

After Balance Date Events

Bond Issue

As announced on 20 July 2017, the Company and Kirkham have together raised and/or obtained commitments for $1.183 million from sophisticated and professional investors (collectively referred to as Kirkham and Zamia Debt Bondholders) through the issue of unsecured debt bonds, which, subject to receipt of approval from the Zamia shareholders and completion of the Kirkham Acquisition, will automatically convert into ordinary shares in the Company under the prospectus to be issued by Zamia.

Of the total amount raised, Kirkham is to receive $887,250 (before advisor costs) and Zamia is to receive $295,750 (before advisor costs). Each debt bond issued by Kirkham and Zamia has a face value of $1.00, a coupon rate of 15%, and conversion to equity rights attaching, priced at $0.03.

The total bond amount Zamia and Kirkham a seeking to raise is a maximum of $500,000 and $1,500,000 of Subscription Bonds respectively. An announcement will be made when the bond issue is finalised.

Assuming that the Company undertakes a 10 for 1 consolidation:

- the face value of each debt bond along with interest accrued will be converted into shares in the Company (subject to receipt of Zamia shareholder approval) at a conversion price of 3 cents per share (on a post-consolidation basis) on completion of the Kirkham Acquisition; and
- for every 3 shares in the Company issued to a Zamia Debt Bondholder, that participant will be granted 4 free attaching debt options to acquire a share in the Company with an exercise price of 3 cents per share (on a post-consolidation basis) and an exercise period of 24 months ending on 30 April 2019 (subject to conditions). Shareholder approval for the issue of these options to the Zamia Debt Bondholders will be sought prior to their issue.

Shareholder approval to convert the unsecured debt bonds will be sought at the meeting of the Zamia shareholders being convened to approve the Kirkham Acquisition, subject to the ordinary approvals required from the relevant authorities.

Funds raised by Zamia from the issue of these debt bonds is to be used primarily to meet costs related to the Kirkham Acquisition and on-going working capital.

There are no other matters or circumstances that have arisen since the end of the financial year which has significantly affected or which may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

Environmental Regulations

The Consolidated Entity's operations are presently subject to environmental regulations under the laws of the Commonwealth of Australia and the states of Queensland and New South Wales. The Consolidated Entity is at all times in full environmental compliance with the conditions of its licences.

Directors' Report

Remuneration Report

This report outlines the remuneration arrangements in place for Directors and executives of Zamia Metals Limited.

Remuneration Policy

Zamia Metals Limited is a junior listed mineral exploration company with no revenue stream. The Company requires the continuing ongoing financial support of its shareholders and new investors to maintain an effective exploration program. The Company has yet to make a profit or pay a dividend. These elements are all considered when evaluating the Company's ability to remunerate key management personnel.

The Company does not have a Remuneration Committee; the Board determines the remuneration applicable to each key management person as and when required. All key management personnel were appointed under arm's length agreements acceptable to both parties.

Long-term incentives such as the issue of options to Directors and key management personnel are determined by Directors and approved by shareholders in general meeting.

This form of long term incentive does not consume any of the Company's cash resources and must result in a substantial increase in shareholder wealth before the recipient receives any benefit.

Excluded from contractual agreements with all key management personnel are references to any element of remuneration dependent on the satisfaction of a performance condition.

Engagement Contracts of Executive Directors and Key Management Personnel

All Non-executive Directors have been appointed by the Board and receive directors' fees and superannuation entitlements. The remuneration of the Executive Chairman (CEO), Company Secretary, and Chief Financial Officer (CFO) have been approved by the Board.

Details of Remuneration

The following table of benefits and payments represents the components of the current and comparative year remuneration expenses for each member of key management personnel (KMP) of the consolidated group. Such amounts have been calculated in accordance with Australian Accounting Standards.

The KMP of the Group include the directors of Zamia Metals Limited, the company secretary and other key management personnel, details of whom are disclosed on pages 19-21.

Directors’ Report

Remuneration - Key Management Personnel of the Group 2017

		Short- term benefits	Post-employment benefits	Long-term benefits	Termination payments	
Name		Cash, salary and fees * $	Superannuation $	Fees to be paid in shares $	$	Total $
Executive Director						
Andrew Skinner	*1*	80,000	2,850	-	-	82,850
Non-executive Directors						
Kenneth John Maiden	1	50,400	1,710	-	-	43,860
Qiang Chen		18,000	1,710	-	-	19,710
Jiniu Deng		18,000	-	-	-	18,000
Other Key Management Personnel (Group)						
John Stone, Company Secretary	2	27,280	-	23,232	-	50,512
Barry Neal, CFO	3	16,695	-	20,400	-	37,095
Total key management personnel compensation		**210,375**	**6,270**	**43,932**	**-**	**260,277**

1 Includes consulting fees of $50,000 of which $45,000 was paid.

2 Includes consulting fees of $32,400 of which $7,500 was paid.

2 Fees payable to a John Stone as a sole trader and not as an employee. $3,300 paid during the period.

3 Fees payable to related entity Barry F Neal Consulting Pty Ltd. $11,865 paid during the period.

Remuneration - Key Management Personnel of the Group 2016

		Short- term benefits	Post-employment benefits	Long-term benefits	Termination payments	
Name		Cash, salary and fees * $	Superannuation $	LSL $	$	Total $
Executive Director						
Andrew Skinner		30,000	2,850	-	-	32,850
Non-executive Directors						
Kenneth John Maiden	1	42,150	1,710	-	-	43,860
Qiang Chen		18,000	1,710	-	-	19,710
Jiniu Deng		18,000	-	-	-	18,000
Other Key Management Personnel (Group)						
John Stone, Company Secretary	2	33,156	-	-	-	33,156
Joran Li CEO (resigned 25/8/2015)	3	11,648				11,648
Barry Neal, CFO	4	18,554	-	-	-	18,554
Daniel Doman, Geologist	5	81,160	1,827			82,987
Total key management personnel compensation		**252,668**	**8,097**	**-**	**-**	**260,765**

* Salary and fees owing was accrued and not paid during the reporting period:- Andrew Skinner $30,000, Qiang Chen $19,710, Ken Maiden $38,860, Jiniu Deng $18,000, Barry Neal $13,781 and John Stone $29,376

1 Includes consulting fees of $24,150

2 Fees payable to a John Stone as a sole trader and not as an employee.

3 Fees paid to related entity North Shore Advisory Group Pty Ltd

4 Fees payable to related entity Barry F Neal Consulting Pty Ltd

5 Made redundant 28/8/2015, remuneration includes casual work after this date

Directors' Report

Shareholdings of key management personnel

The number of shares in the company held during the financial year by each Director of Zamia Metals Limited and other key management personnel of the Group, including their personally related parties are set out below. There were no shares granted during the reporting period as compensation.

2017	Balance at start of the year	Other changes during the year	Balance at the end of the year
Directors			
Kenneth Maiden	2,361,578		2,361,578
Qiang Chen	-	-	-
Andrew Skinner	1,997,459	-	1,997,459
Jiniu Deng	-	-	-
Other Key Management Personnel of the Group			
John Stone, Company Secretary	869,737	-	869,737
	5,228,774	-	**5,228,774**

2016	Balance at start of the year	Other changes during the year	Balance at the end of the year
Directors			
Kenneth Maiden	2,361,578		2,361,578
Qiang Chen	-	-	-
Andrew Skinner	1,997,459	-	1,997,459
Jiniu Deng	-	-	-
Other Key Management Personnel of the Group			
Jordan Li, CEO (resigned 25/8/2015)	5,328,278	(5,328,278)	-
John Stone, Company Secretary	869,737	-	869,737
	10,577,052	(5,328,278)	**5,228,774**

Options over Ordinary Shares Granted as Remuneration

Options may be issued to Directors and Company employees as part of their remuneration. The options are not issued based on performance criteria, but may be issued to Directors and employees as a way of limiting cash remuneration and furthering the alignment of interests of these persons with the Company.

No options were granted to key management personnel during the reporting period, no options vested, no options were exercised. There were no non-expired options to Directors at balance date.

Option holdings of key management personnel

The number of share options in the company held at the end of the financial year by each director of Zamia Metals Limited and other key management personnel of the Group, including their personally related parties are set out below.

2017 and 2016	Balance at start of the year	Received during the year as share based payments	Exercised	Other changes*	Balance at the end of the year	Vested and exercisable

There were no non-expired options to KMP at 30 June 2016 and 30 June 2017

The employment terms and conditions of all KMP are formalised in contracts of employment.

Directors' Report

Indemnifying and Insurance of Directors and Officers

During or since the end of the previous financial year, the Company has given an indemnity or entered into an agreement to indemnity, or paid or agreed to pay insurance premiums as follows:

The company has paid premiums to insure all of the Directors of the Company as named above, the Company Secretary, Mr John Stone, and all executive officers of the Company against liabilities for costs and expenses incurred by them in defending legal proceedings arising from their conduct while acting in the capacity of directors of the company, other than conduct involving a wilful breach of duty in relation to the company.

The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Proceedings on Behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit Services

The Board of Directors, in accordance with advice from the audit committee, is satisfied that the provision of non-audit services during the year is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and

- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to Hall Chadwick for non-audit services provided during the year ended 30 June 2017:

Taxation services	$2,400

Directors' Report

Auditor Independence Declaration

The lead auditor's independence declaration for the year ended 30 June 2017 has been received and can be found on page 24 of the financial report.

Options

At the date of this report, the unissued ordinary shares of Zamia Metals Ltd., Listed Public Company under option are as follows:

Grant date	Expiry date	Exercise Price	Issued during the year
01 Mar' 16	31 Dec' 17	$0.005	16,050,000
3 Jan' 17	31 Dec' 18	$0.003	36,000,000
			52,050,000

Option holders do not have any rights to participate in any issues of shares or other interests of the company or any other entity.

The above options were granted over unissued shares or interests of any controlled entity within the Group during the reporting period and no options have been issued post reporting date.

Signed in accordance with a resolution of the Board of Directors.

Andrew Skinner
Executive Chairman
Sydney 28 September 2017

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ZAMIA METALS LIMITED AND CONTROLLED ENTITIES
ABN 73 120 348 683

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF ZAMIA METALS LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2017 there have been no contraventions of:

(i) the auditor independence requirements as set out in the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney NSW 2000

SKumar

SANDEEP KUMAR
Partner
Dated: 28 September 2017

HALL CHADWICK (NSW)
Chartered Accountants and Business Advisers

ZAMIA METALS LIMITED AND CONTROLLED ENTITIES
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ZAMIA METALS LIMITED

Opinion

We have audited the financial report of Zamia Metals Limited and controlled entities (the Group), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

In our opinion:

(a) the accompanying financial report of Zamia Metals Limited and controlled entities is in accordance with the *Corporations Act 2001*, including:
   - i. giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and
   - ii. complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1(a).

Basis of Opinion

We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement. Our responsibilities under those standards are further described in the *Auditor's responsibility for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES *110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Group, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1(d) in the financial report, which indicated that the Group incurred a net loss of $1,066,038, during the year ended 30 June 2017 and, as of that date, the Group's total liabilities exceed its total assets by $1,816,705. These conditions, along with other matters as set forth in Note 1(d), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. Our opinion is not modified in respect of this matter.

Key Audit Matters

There are no key audit matters in our audit of the financial report for the year ended 30 June 2017.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Group are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

HALL CHADWICK (NSW)
Chartered Accountants and Business Advisers

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2 Park Street
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Report on the Remuneration Report

We have audited the remuneration report included in pages 18 to 20 of the directors' report for the year ended 30 June 2017. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with s 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's Opinion

In our opinion, the remuneration report of Zamia Metals Limited, for the year ended 30 June 2017, complies with s 300A of the *Corporations Act 2001*.

Hall Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

SKumar

Sandeep Kumar
Partner
Dated: 28 September 2017

Directors' Declaration

In accordance with a resolution of the Directors of Zamia Metals Limited, the Directors of the Company declare that:

1. the financial statements and notes, as set out on pages 29-50, are in accordance with the *Corporations Act 2001*; and:

   a) comply with Australian Accounting Standards, which as stated in accounting policy Note 1 to the financial statements, constitutes compliance with International Financial Reporting Standards (IFRS); and

   b) give a true and fair view of the financial position as at 30 June 2017 and of the performance for the year ended on that date of the consolidated group;

2. in the Directors opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and

3. the Directors have been given the declarations required by section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Chief Financial Officer.

Andrew Skinner
Executive Chairman
Sydney,28 September 2017

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2017

	Note	30 June 2017 $	30 June 2016 $
Revenue	4	55,747	93,345
Consultancy fees		(139,068)	(95,324)
Occupancy expense		(153,313)	(149,425)
Directors' remuneration		(90,270)	(72,270)
Depreciation and amortisation expense	5	-	(12,899)
Compliance costs		(48,784)	(40,736)
Exploration and evaluation expenditure	5	(78,018)	(166,977)
Employee benefits expense		(17,928)	(14,320)
Acquisition expense		(411,827)	-
Finance expense		(104,630)	(59,777)
Other expenses		(77,947)	(86,377)
(Loss) before Income Tax		(1,066,038)	(604,760)
Income tax expense	6	-	-
(Loss) attributable to Members of the parent entity		(1,066,038)	(604,760)
Other Comprehensive Income			-
Total Comprehensive (loss) for the year attributable to owners of Zamia Metals Limited		(1,066,038)	(604,760)
Basic and diluted earnings cents per share	25	(0.14)	(0.001)

The accompanying notes form part of the financial statements

Consolidated Statement of Financial Position

As at the end of Financial Year 30 June 2017

	Note	30 June 2017 $	30 June 2016 $
CURRENT ASSETS			
Cash and cash equivalents	7	151,127	52,471
Trade and other receivables	8	25,625	7,577
TOTAL CURRENT ASSETS		176,762	60,048
NON-CURRENT ASSETS			
Plant and equipment	10	-	-
Other non-current assets	9	50,000	50,000
TOTAL NON-CURRENT ASSETS		50,000	50,000
TOTAL ASSETS		226,762	110,048
CURRENT LIABILITIES			
Trade and other payables	12	1,043,467	326,715
Borrowings	13	1,000,000	750,000
TOTAL CURRENT LIABILITIES		2,043,467	1,076,715
TOTAL LIABILITIES		2,043,467	1,076,715
NET ASSETS		**(1,816,705)**	**(966,667)**
EQUITY			
Contributed equity	14	22,656,977	22,440,977
Retained losses		(24,473,682)	(23,407,644)
TOTAL EQUITY		**(1,816,705)**	**(966,667)**

The accompanying notes form part of the financial statements

Consolidated Statement of Changes in Equity

For Financial Year Ended 30 June 2017

	Share capital ordinary shares $	Retained losses $	General Reserve $	Option Reserve $	Total $
Balance at 1/7/2016	**22,243,017**	**(22,998,587)**	**195,703**	**-**	**(559,867)**
issued during the year Shares after share issue costs	197,960	-	-	-	197,960
Comprehensive loss for the year	-	(604,760)	-	-	(604,760)
General reserve transferred to retained losses	-	195,703	(195,703)	-	-
Balance at 30/6/2016	**22,440,977**	**(23,407,644)**	**-**	**-**	**(966,667)**
Balance at 1/7/2016	**22,440,977**	**(23,407,644)**	**-**	**-**	**(966,667)**
Shares issued during the year after share issue costs	216,000	-	-	-	216,000
Comprehensive loss for the year	-	(1,066,038)	-	-	(1,066,038)
Balance at 30/6/2017	**22,656,977**	**(24,473,682)**	**-**	**-**	**(1,816,705)**

The accompanying notes form part of the financial statements

Consolidated Statement of Cash Flows

For Financial Year Ended 30 June 2017

	Note	30 June 2017 $	30 June 2016 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from debtors		52,463	96,194
Payments to suppliers and employees		(398,666)	(569,436)
Interest paid		(2,617)	-
Interest received		1,778	3,331
Net cash(used in) by operating activities	**24**	**(347,042)**	**(469,911)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of plant and equipment		300	2,727
Net cash (used in) by investing activities		**300**	**2,727**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		216,000	197,960
Proceeds from borrowings		250,000	150,000
Borrowing costs		(20,602)	-
Net cash provided by financing activities		**445,398**	**347,960**
Net Increase/ (decrease) in cash held		98,656	(119,224)
Cash at the beginning of the financial year		52,471	171,695
Cash at the end of the financial year	**7**	**151,127**	**52,471**

The accompanying notes form part of the financial statements

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements and notes represent those of Zamia Metals Limited (Zamia) and Controlled Entity (the "consolidated group" or "group").

The separate financial statements of the parent entity, Zamia Metals Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised for issue on 28 September 2017 by the directors of the company.

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Zamia Metals Limited and its subsidiary.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with the *Corporations Act 2001*, Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and International Financial Reporting Standards as issued by the International Accounting Standards Board. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

Except for cash flow information, the financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

(b) Principles of Consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent Zamia Metals Limited (including any structured entities). Subsidiaries are entities the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. A list of the subsidiaries is provided in Note 22.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

Equity interests in a subsidiary not attributable, directly or indirectly, to the Group are presented as "non-controlling interests". The Group initially recognises non-controlling interests that are present ownership interests in subsidiaries and are entitled to a proportionate share of the subsidiary's net assets on liquidation at either fair value or at the non-controlling interests' proportionate share of the subsidiary's net assets. Subsequent to initial recognition, non-controlling interests are attributed their share of profit or loss and each component of other comprehensive income. Non-controlling interests are shown separately within the equity section of the statement of financial position and statement of comprehensive income.

(c) *Critical accounting estimates an judgements*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Key estimates – Impairment

The group assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

Key judgements – impairment of other receivables

The directors have reviewed outstanding debtors as at 30 June 2017 and have formed the opinion that not all debtors outstanding are collectible and have therefore decided that a provision for impairment of other receivables should be made in the Parent entity's accounts of $51,998 being a debt owing by a subsidiary to the parent entity.

(d) Going concern basis

The financial statements have been prepared on the going concern basis of accounting, which assumes the continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.
The net loss after income tax for the consolidated entity for the financial year ended 30 June 2017 was $1,066,038 (2016: $ 604,760) and as at 30 June 2017 the consolidated group had negative net assets of $1,816,707 (2016:$996,667).
The Directors have resolved in accordance with AASB 6 to expense all exploration costs rather than capitalise them with $78,018 expensed in the current reporting period (2016: $166,977).

The Directors nevertheless believe that it is appropriate to prepare the financial report on a going concern basis because:-

(i) During the reporting period the Company raised $216,000 net of capital raising costs from the placement of ordinary shares;

(ii) The Company has raised $250,000 in a debt facility that will convert into ordinary shares (subject to various conditions). The funds were used for working capital and some of the costs related to the transaction with Kirkham;

(iii) The company has entered into a binding share sale and purchase agreement for the reverse acquisition of Kirkham International Pt Limited, a company with coking coal tenements in Kalimantan, Indonesia;

(iv) The company is currently raising a further $500,000 in a convertible bond facility which will convert into ordinary shares. The funds are being used for working capital and payment of costs related to the transaction with Kirkham;

(v) To further fund working capital, the Company plans to undertake a capital raising of ordinary shares to shareholders of at least $2.5 million. Gleneagle Securities (Aust) Pty Limited has agreed to underwrite the capital raising to at least $2.5 million;

(vi) The Group had $151,127 in cash at 30 June 2017 (included in this balance is $120,00 provided by a third party for purchase of a Director's loan;

(vii) Budgeted expenditure will allow the Company to meet tenement commitments on tenements which are not planned to be relinquished. If tenement commitments are not met, then the Company will seek a variation of required expenditure from the relevant authority which it is expected will be granted.

In the event that the reverse takeover does not proceed there is a significant uncertainty whether the Company will be able to continue as a going concern and therefore whether the Company and the consolidated entity can realise its assets and extinguish its liabilities at the amounts stated in the financial report.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. When the inflow of consideration is deferred, it is treated as the provision of financing and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue
Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period, where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable
Interest revenue is recognised on an effective interest method.

All revenue is stated net of the amount of goods and services tax (GST).

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Trade and Other Receivables

Trade and other receivables include amounts due from customers for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Refer to Note 1(j) for further discussion on the determination of impairment losses.

(g) Trade and Other Payables

Trade and other payables represent the liabilities for goods and services received by the entity that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

(h) Income tax

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognized from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Zamia Metals Limited and its wholly-owned controlled entity have not implemented the tax consolidation legislation.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary difference can be utilised.

The amount of benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the consolidated group will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by law.

(i) Exploration and development expenditure

All exploration, evaluation and development expenditure on all the Company's exploration tenements is expensed as incurred. Directors believe this treatment where expenditure is expensed rather than capitalised is more relevant to understanding the Company's financial position, complies fully with AASB 6 and is cash flow neutral.

Exploration costs are only capitalised to the extent that they are expected to be recovered through successful development of the tenement

Costs of site restoration are provided over the life of the facility from when exploration commences and are included in the costs of that stage. Site restoration costs include the dismantling and removal of mining plant, equipment and building structures, waste removal, and rehabilitation of the site in accordance with clauses of the mining permits. Such costs have been determined using estimates of future costs, current legal requirements and technology on an undiscounted basis.

Any changes in the estimates for the costs are accounted on a prospective basis. In determining the costs of site restoration, there is uncertainty regarding the nature and extent of the restoration due to community expectations and future legislation. Accordingly the costs have been determined on the basis that the restoration will be completed within one year of abandoning the site.

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(k) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of twelve months or less, and bank overdrafts. Bank overdrafts are shown with short-term borrowings in current liabilities on the balance sheet.

(l) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset – but not the legal ownership – are transferred to entities in the consolidated group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

(m) Financial instruments

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loan to subsidiaries are classified as non-current receivables.

Recognition and derecognition

Financial assets carried at fair value through profit or loss are initially recognised at fair value. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Impairment

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of profit or loss and other comprehensive income.

(n) Plant and equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

At each reporting date, the group reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value in use is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Depreciation

Depreciation is provided on plant and equipment and leasehold improvements. Depreciation is calculated on a diminishing value or straight line basis over the useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the expired period of the lease or the estimated useful lives of the improvements. The following estimated useful lives are used in the calculation of depreciation:

Plant and equipment - diminishing value	25%
Computer equipment - diminishing value	40%
Motor vehicles - diminishing value	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These gains and losses are included in the income statement. When re-valued assets are sold, amounts included in the revaluation reserve relating to those assets are transferred to retained earnings.

(o) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(p) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged cancelled or expired.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(q) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except, where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the balance sheet are shown inclusive of GST. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are included in the statement of cash flows on a gross basis except for the GST component of cash flows arising from investing and financing activities which are disclosed as operating cash flows.

(r) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(s) Contributed equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(u) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2017 reporting periods. The group's assessment of the impact of these new standards when adopted in future periods are discussed below:

(i) AASB 9: Financial Instruments and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 July 2018).

The Standard will be applicable retrospectively (subject to the comment on hedge accounting below) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and de-recognition requirements for financial instruments and simplified requirements for hedge accounting.

The key changes made to the Standard include certain simplifications to the classification of financial assets, simplifications to the accounting of embedded derivatives, and the irrevocable election to recognise gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. AASB 9 also introduces a new model for hedge accounting that will allow greater flexibility in the ability to hedge risk, particularly with respect to hedges of non-financial items. The Group does not hedge and the new standard will have no impact.

(ii) AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 July 2018).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s); and
- recognise revenue when (or as) the performance obligations are satisfied.

The transitional provisions of this Standard permit an entity to either: restate the contracts that existed in each prior period presented per AASB 108: Accounting Policies, Changes in Accounting Estimates and Errors (subject to certain practical expedients in AASB 15); or recognise the cumulative effect of retrospective application to incomplete contracts on the date of initial application. There are also enhanced disclosure requirements regarding revenue.

The directors anticipate that the adoption of AASB 15 will have no impact on the Group's financial statements.

Notes to the Financial Statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(iii) AASB 16: Leases (applicable to annual reporting periods commencing on or after 1 July 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lessee to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

The directors anticipate that the adoption of AASB 16 will not impact the Group's financial statements as it has presently has no finance leases.

(v) AASB 2014-10: Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (applicable to annual reporting periods beginning on or after 1 January 2018, as deferred by AASB 2015-10: Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128).

This Standard amends AASB 10: Consolidated Financial Statements with regards to a parent losing control over a subsidiary that is not a "business" as defined in AASB 3 to an associate or joint venture, and requires that:

- a gain or loss (including any amounts in other comprehensive income (OCI)) be recognised only to the extent of the unrelated investor's interest in that associate or joint venture;
- the remaining gain or loss be eliminated against the carrying amount of the investment in that associate or joint venture; and
- any gain or loss from remeasuring the remaining investment in the former subsidiary at fair value also be recognised only to the extent of the unrelated investor's interest in the associate or joint venture. The remaining gain or loss should be eliminated against the carrying amount of the remaining investment.

The application of AASB 2014-10 will result in a change in accounting policies for transactions of loss of control over subsidiaries (involving an associate or joint venture) that are businesses per AASB 3 for which gains or losses were previously recognised only to the extent of the unrelated investor's interest.

The transitional provisions require that the Standard should be applied prospectively to sales or contributions of subsidiaries to associates or joint ventures occurring on or after 1 January 2018. Although the directors anticipate that the adoption of AASB 2014-10 may have an impact on the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

The Directors anticipate that the adoption of AASB 11 will not affect the Group's financial statements.

Notes to the Financial Statements

NOTE 2: FINANCIAL RISK MANAGEMENT (continued)

The total for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Consolidated Group	
	2017	**2016**
	$	**$**
Financial Assets		
Cash and cash equivalents	151,127	52,471
Trade and other receivables	25,635	7,577
Deposits	50,000	50,000
Assets Financial Assets	226,762	110,048
Financial liabilities		
Trade and other payables	1,043,469	326,715
Borrowings	1,000,000	750,000
Total Financial liabilities	2,043,469	1,076,715

(a) Market and price risk

The Groups activities as an exploration company do not expose it to market or credit risk at this stage.

(b) Cash flow and fair value interest rate risk

As the Consolidated Entity's external debts at balance date have a fixed interest rate or are non-interest bearing, the effect on profit and equity as a result of change in the interest rate, with all other variables remaining constant is disclosed below. The Consolidated Entity has no foreign exchange exposure.

Group Sensitivity

At 30 June 2017 if interest rates had increased/decreased by 50 basis points from the year end rates with all other variables held constant, the Group's net profit before tax would have not been significantly higher/lower as a result of higher/lower interest income from cash and cash equivalents.

(c) Liquidity risk

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial Liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational and financing activities;
- ensuring that adequate fund-raising activities are undertaken;
- maintaining a reputable credit profile;
- Investing surplus cash only with major financial institutions.

The Group depends principally on capital raising and short term borrowing to manage cash flow requirements.

Notes to the Financial Statements

The following tables reflect the Group's undiscounted contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

30 June 2017 **Fixed Interest Rate Maturing**

	Average Interest Rate %	Variable Interest Rate $	Less than 1 Year $	1 to 5 Years $	More than 5 Years $	Non-interest Bearing $	Total $
Financial Assets							
Cash	0.1%	151,127	-	-	-	-	151,127
Deposits	2.7%	-	-	50,000	-	-	50,000
Total financial assets		151,127	-	50,000	-	-	201,127
Trade and other payables	-	-	-	-	-		
Borrowings	8.0 & 12%	-	1,000,000	-	-	-	1,000,000
Total financial liabilities		-	1,000,000	-	-	-	1,000,000

30 June 2016 **Fixed Interest Rate Maturing**

	Average Interest Rate %	Variable Interest Rate $	Less than 1 Year $	1 to 5 Years $	More than 5 Years $	Non-interest Bearing $	Total $
Financial Assets							
Cash	0.1%	52,471	-	-	-	-	52,471
Deposits	2.8%	-	-	50,000	-	-	50,000
Total financial assets		52,471	-	50,000	-	-	102,471
Trade and other payables	-	-	-	-	-		
Borrowings	8.0%	-	750,000	-	-	-	750,000
Total financial liabilities		-	750,000	-	-	-	750,000

Fair value

Cash and cash equivalents, trade and other receivables and other trade payables are short-term instruments in nature whose carrying value is equivalent to fair value.

NOTE 3: SEGMENT INFORMATION

The Group operates primarily in one geographical and in one business segment, namely mineral exploration in Queensland and reports to the Board on this basis.

NOTE 4: REVENUE

	Consolidated Group 2017 $	Consolidated Group 2016 $
Other revenue		
Administration service fees	53,707	90,612
Interest received – other entities	1,740	6
Profit on disposal of fixed assets	300	2,727
	55,747	**93,345**

Notes to the Financial Statements

NOTE 5: LOSS FOR THE YEAR

	Consolidated Group 2017 $	Consolidated Group 2016 $
Loss before income tax includes the following specific expenses:		
Exploration expenditure	78,018	166,977

NOTE 6: INCOME TAX

		2017	2016
(a)	**Income tax expense**		
	Current tax		
	Deferred tax	(319,811)	(181,396)
	Deferred tax assets not recognised	319,811	181,396
		-	-
(b)	**Numerical reconciliation of income tax expense to prima facie tax payable**		
	Loss from continuing operations before income tax expense at 30% (2015: 30%)	(319,811)	(181,428)
	Add tax effect of:		
	Other non-allowable items		32
	Deferred tax assets not recognised	319,811	181,396
	Income tax expense/benefit	-	-
	Total deferred tax assets not recognised	7,360,824	7,041,599
	Also refer to Note 11 for details of deferred tax assets not recognised		

NOTE 7: CASH AND CASH EQUIVALENTS

		Consolidated Group 2017 $	Consolidated Group 2016 $
(a)	**Reconciliation of cash at the end of the year**		
	Cash at the end of the financial year as shown in the cash flow statement is reconciled to items in the balance sheet as follows:		
	Cash and cash equivalents	151,127	52,471
	Deposits at call		-
	Balances as per statement of cash flows	151,127	52,471

(b) Interest rate risk exposure

The group's exposure to interest rate risk is discussed in note 2. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents mentioned above.

NOTE 8: TRADE AND OTHER RECEIVABLES

	2017	2016
Trade Debtors	5,695	4,401
Other debtors	19,940	3,176
	25,635	7,577

Notes to the Financial Statements

NOTE 9: OTHER NON-CURRENT ASSETS

	Consolidated Group	
	2017 $	2016 $
Non-Current		
Deposits	50,000	50,000

NOTE 10: NON-CURRENT ASSETS - PLANT AND EQUIPMENT

Consolidated	Plant and Equipment at cost $	Furniture and Fittings at cost $	Computer equipment at cost $	Motor vehicles at cost $	TOTAL $
At 30 June 2015					
Cost	2,860	8,018	68,544	77,312	156,744
Accumulated depreciation	(2,425)	(2,732)	(56,376)	(77,312)	(143,845)
Net book value	435	286	12,178	-	12,899
Year ended 30 June 2016					
Opening net book value	435	286	12,178	-	12,899
Disposals	-	-	-	(77,312)	(77,312)
Write back provision for depreciation on disposal				77,312	77,312
Depreciation charge	(435)	(286)	(12,178)	-	(12,899)
Closing net book value	-	-	-	-	-
At 30 June 2016 and June 2017					
Cost	-	-	68,544	-	68,544
Accumulated depreciation		-	(68,544)	-	(68,544)
Disposals				-	
Net book value	-	-	-	-	-

NOTE 11: NON-CURRENT ASSETS – DEFERRED TAX ASSETS

Deferred tax assets not brought to account the benefit of which will only be realised if the conditions for deductibility set out in Note 1(e) are satisfied.

- tax losses and timing differences at 30% not brought to account $7,360,824 (2016: $7,041,599).

NOTE 12: CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated Group	
	2017	**2016**
	$	**$**
Trade payables	356,714	106,848
Sundry payables and accrued expenses	686,753	220,367
	1,043,467	326,715

NOTE 13: BORROWINGS

Loans from related parties (a)	750,000	750,000
Convertible bonds (b)	250,000	-
	1,000,000	750,000

(a) On 22 September 2014, two Directors who are major shareholders extended short terms loans totalling $600,000 to provide working capital with interest payable at 8% p.a. The loans are repayable together with interest accrued as cash or at the election of the Company and subject to the approval of Zamia shareholders by the issue of Zamia shares at an issue price equal to the 30 day VWAP in the period ending one day prior to the date of a General Meeting to be held prior to loan maturity to consider the approval of the loan conversion.

Further loans of $150,000 were provided by three Directors in the FY2017 financial year on the same terms and conditions. Interest accrued at balance date on all these loans was $153,377

Loans Received	**Interest Rate**	**Repayment date**	**Amount of loan**
			$
22 September 2014	8%	31 December 2017	600,000
22 July 2015	8%	31 December 2017	100,000
10 September 2015	8%	31 December 2017	20,000
10 September 2015	8%	31 December 2017	30,000
			750,000

(b) Convertible Bonds (which are only convertible subject to shareholder approval) for $250,000 have been used to provide working capital and for some of the costs related to the transaction with Kirkham. Gleneagles Securities (Aust) Pty Limited, its clients and parties introduced by Kirkham 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. The Company may, with notice, redeem the convertible bonds and pay the holder of the bonds. Interest accrued at balance date was $21,413.

Notes to the Financial Statements

NOTE 14: CONTRIBUTED EQUITY

		Consolidated Group			
		2017 Shares	2016 Shares	2017 $	2016 $
(a)	Share capital (c) and (e)	792,214,573	720,214,573	22,656,977	22,440,977

(b) Movements in ordinary share capital

Date	Details	No of shares	Issue price	$
1 July 15	Balance	678,114,573	-	22,243,017
1 Mar 16	Share placement	32,100,000	0.005	160,500
17 Mar 16	Share placement	10,000,000	0.005	50,000
	Less transaction costs arising on shares issued	-	-	(12,540)
30 June 16	Balance	720,214,573	-	22,440,977
3 Jan 17	Share placement	72,000,000	0.003	216,000
	Less transaction costs arising on shares issued	-	-	-
		792,214,573	-	22,656,977

(d) Ordinary shares

During the financial year placements of 72,000,000 ordinary shares were issued by the Company at $0.003.

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders' meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

(f) Options

Details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the reporting period is set out in Note 16.

(g) Capital risk management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

15: NOTE OPTIONS

On 12 January 2017, 36 million options were issued to sophisticated investors who subscribed for shares. The options are exercisable at $0.003 and expiring on 31 December 2018.

Set out below is a summary of options granted to investors:

Grant Date	Expiry Date	Exercise Price	Balance at Start of Year	Granted during the year	Balance at end of Year	Vested and exercisable at end of the year
			Number	Number	Number	Number
01 Mar' 16	31 Dec' 17	$0.005	16,050,000	-	16,050,000	16,050,000
17 Mar' 16		$0.005	5,000,000	-	-	-
12 Jan' 16	31 Dec' 18	$0.003	-	36,000,000	36,000,000	36,000,000
			21,050,000	**36,000,000**	**52,050,000**	**52,050,000**

Notes to the Financial Statements

NOTE 16: KEY MANAGEMENT PERSONNEL DISCLOSURES

	Consolidated Group	
	2017	2016
	$	$
(a) Key management personnel compensation:		
Short-term employee benefits *	210,375	252,668
Fees to be paid in shares	43,632	-
Post-employment benefits	6,270	8,097
	260,277	260,765

* $133,051 of salary and fees owing was accrued and not paid during the reporting period

Details of key management personnel remuneration are included in the remuneration report on page 25-27.

(b) Shareholdings of key management personnel

Details of shareholdings of key management personnel are disclosed in the Remuneration Report on page 25-27.

(c) Option holdings of key management personnel

There were no option holdings of key management personnel.

NOTE 17: REMUNERATION OF AUDITORS

Auditor to the parent company		
Auditing or reviewing the financial report	28,136	26,000
Other services:		
- taxation services	4,900	2,000
	33,036	28,000

NOTE 18: CONTINGENT LIABILITIES

There were no contingent liabilities at balance date.

NOTE 19: COMMITMENTS

Non-cancellable operating leases

The Head Office lease is a non-cancellable lease of a three year term commencing 1 April 2015 and expiring on 28 February 2018 with rent payable monthly in advance with an annual increase of 4%.

Non-cancellable operating leases contracted but not capitalised in the financial statements.

	Consolidated Group	
	2017	2016
	$	$
Payable less than one year	94,155	147,195
Payable greater than one year and less than five years	-	106,081
Minimum lease payments	94,155	253,276

Service agreement

The Company has entered into a revised service agreement with International Base Metals Limited (IBML) commencing on 1 March 2015 to provide IBML with equipment, premises, office services and the services of the staff of Zamia Resources Pty Ltd, a subsidiary of Zamia Metals Limited. The agreement also provides for the provision of IBML staff to Zamia Resources Pty Ltd. The total service fees billed in the current financial year was $11,354 and rent $42,000.

Notes to the Financial Statements

NOTE 19: COMMITMENTS (Continued)

Exploration commitments

	Consolidated Group	
	2017	**2016**
	$	**$**
Indicative exploration expense payable not later than one year *	859,153	934,438

*Budget agreed with the Queensland Department of Mining and Energy.

At the 30 June 2017, Zamia holds 7 Exploration Permits for Minerals (EPMs) in the Clermont district of Central Queensland. During the FY2017 year, compulsory partial surrenders were made as per statutory requirements.

Any shortfall in annual expenditure is planned to be made up in the following period with a view to avoiding any penalties that the government may impose. At this stage no penalties for under-expenditure have been or are expected to be incurred

NOTE 20: RELATED PARTY TRANSACTIONS

Transactions **RELATED** between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(a) Parent entity

The parent entity within the Group is Zamia Metals Limited.

(b) Subsidiaries

Interests in subsidiaries are set out in Note 22.

(c) Key management personnel

Transactions and disclosures in relation to key management personnel are set out in the Remuneration Report pages 25-27 and in Note 16.

(d) Outstanding balances arising from transactions with the Group

The Group includes the ultimate parent entity and its wholly owned subsidiary Zamia Resources Pty Ltd. The ultimate parent entity in the Group is Zamia Metals Limited. At 30 June 2017 $16,613,945 owing by the controlled entity to the Parent was impaired with a $51,998 provision for impairment in the books of the Parent in the current financial year and $16,561,947 in previous financial years.

(e) Service agreement

As disclosed in Note 19, Zamia Metals Limited has entered into a service agreement with International Base Metals Limited (IBML) to provide equipment, premises and office services to IBML and for Zamia Metals Limited to provide the services of its personnel employed by Zamia Resources Pty Ltd to International Base Metals Limited for a fixed terms of three years commencing on 1 March 2012. The service fee payable was revised on 1 March 2015 for a further period of three years.

Zamia Metals Limited Directors Ken Maiden and Qiang Chen are also Directors of International Base Metals Limited.

(d) Loans from related parties

As disclosed in Note 13, three Directors who are major shareholders have extended short term loans totalling $750,000 to provide working capital with interest payable at 8% p.a. Interest accrued at balance date on these loans was $153,377.

Notes to the Financial Statements

NOTE 20: RELATED PARTY TRANSACTIONS (continued)

(e) Aggregate amounts of transactions with related parties

Aggregate amounts of each of the above types of transaction with related parties of the Group not including key management personnel:

	Consolidated entity	
	2017	**2016**
	$	**$**
Interest accrued on loans from related parties	153,377	93,377
Fees payable for consulting geologist (1)	32,400	24,150
Amounts recognised as income – service fees (2)	53,354	90,612
Outstanding balances at the reporting date in relation to transactions with related parties:		
Amount owing by a related party IBML for service fees (2)	5,695	4,001
Amount owing for consulting geologist (1)	27,390	19,150
Loans owing to related parties including accrued interest	903,377	843,377

(1) Geological services provide by Kraton Geosciences Pty Ltd and entity controlled Dr Ken Maiden

(2) Gross service fee commitment as per the agreement for Zamia Metals Limited to supply office facilities to International Base Metals Limited (IBML) commencing on 1 March 2012 and revised on 1 March 2015. (Refer Note 20).

NOTE 21: SUBSIDIARIES

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in Note 1(c).

Name of entity	**Country of Incorporation**	**Class of Shares**	**Ownership Interest**	
			2016	**2015**
Parent entity				
Zamia Metals Limited	Australia	Ordinary	100%	100%
Controlled entity				
Zamia Resources Pty Ltd	Australia	Ordinary	100%	100%

NOTE 22: PARENT ENTITY FINANCIAL INFORMATION

The following information has been extracted from the books and records of the parent entity and has been prepared in accordance with Accounting Standards:

	Parent Entity	
	2017	**2016**
	$	**$**
Current assets	173,928	58,859
Non-current assets	50,002	-
Total assets	222,930	58,859
Current liabilities	2,024,654	(312,318)
Total liabilities	2,024,654	(1,062,318)
Shareholders' equity		
Contributed equity	22,656,976	22,440,977
Reserves		
General reserve		-
Retained losses	(24,058,,701)	(23,394,436)
Total equity	(1,801,724)	(953,459)
Loss for the year	(1,064,265)	(628,686)
Total comprehensive income	(631,937	(628,686)

Notes to the Financial Statements

NOTE 23: SUBSEQUENT EVENTS

Bond Issue

As announced on 20 July 2017, he Company and Kirkham have together raised and/or obtained commitments for $1.183 million from sophisticated and professional investors (collectively referred to as **Kirkham and Zamia Debt Bondholders**) through the issue of unsecured debt bonds, which, subject to receipt of approval from the Zamia shareholders and completion of the Kirkham Acquisition, will automatically convert into ordinary shares in the Company under the prospectus to be issued by Zamia.

Of the total amount raised, Kirkham is to receive $887,250 (before advisor costs) and Zamia is to receive $295,750 (before advisor costs). Each debt bond issued by Kirkham and Zamia has a face value of $1.00, a coupon rate of 15%, and conversion to equity rights attaching, priced at A$0.03.

The total bond amount Zamia and Kirkham are seeking to raise is a maximum of $500,000 and $1,500,000 of Subscription Bonds respectively. As at the date of this announcement, a total of $1,873 million Subscription Bonds have and/or are intended to be issued.

Assuming that the Company undertakes a 10 for 1 consolidation:

- the face value of each debt bond along with interest accrued will be converted into shares in the Company (subject to receipt of Zamia shareholder approval) at a conversion price of 3 cents per share (on a post-consolidation basis) on completion of the Kirkham Acquisition; and
- for every 3 shares in the Company issued to a Zamia Debt Bondholder, that participant will be granted 4 free attaching debt options to acquire a share in the Company with an exercise price of 3 cents per share (on a post-consolidation basis) and an exercise period of 24 months ending on 30 April 2019 (subject to conditions). Shareholder approval for the issue of these options to the Zamia Debt Bondholders will be sought prior to their issue.

Shareholder approval to convert the unsecured debt bonds will be sought at the meeting of the Zamia shareholders being convened to approve the Kirkham Acquisition, subject to the ordinary approvals required from the relevant authorities.

Funds raised from the issue of these debt bonds are to be used primarily to meet costs related to the Kirkham Acquisition and on-going working capital.

There are no other matters or circumstances that have arisen since the end of the financial year which has significantly affected or which may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

NOTE 24: RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Consolidated Group	
	2017	**2016**
	$	**$**
(Loss) from ordinary activities after income tax	(1,066,038)	(604,760)
Add/(less) non-cash items:		
- Depreciation and amortisation	-	12,899
- Accrued interest on loan	81,413	58,577
- Profit on disposal of fixed assets	(300)	(2,727)
(Increase)/decrease in trade and other current assets	(18,058)	13,737
Increase/(decrease)/in payables	602,313	94,548
Increase/(decrease) in employee entitlements	53,628	(42,184)
Net cash used in operating activities	(347,042)	(469,911)

Notes to the Financial Statements

NOTE 25: EARNINGS PER SHARE

	2017 cents per Share	2016 cents per Share
Basic and diluted earnings per share	(0.14)	(0.001)

Basic and diluted earnings per share

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:-

	Consolidated Group	
	2017	**2016**
	$	**$**
Earnings (i)	(1,066,038)	(604,760)
	Consolidated Group	
	2017	**2016**
	No.	**No.**
Weighted average number of ordinary share (ii)	755,326,902	720,214,573

(i) Earnings used in the calculation of basic and diluted earnings per share are net profit after tax attributable to members of the parent entity as per the statement of comprehensive income.

(ii) There are 52,050,000 options on issue which are not dilutive and have not therefore been included in the calculation of diluted earnings per share

NOTE 26: COMPANY DETAILS

Registered office and principal place of business

Zamia Metals Limited
Suite 60, Level 6, Tower Building
47-53 Neridah Street
Chatswood NSW 2067, Australia

Shareholder Information

Statement of quoted securities as at 12 September 2017

There are 901 shareholders holding a total of 792,214,573 ordinary fully paid shares on issue by the Company.

The twenty largest shareholders between them hold 84.49% of the total issued shares on issue.

The voting rights attaching to the ordinary shares are that a member shall be entitled either personally or by proxy or by attorney or by representative to be present at any general meeting of the Company and to vote on any question on a show of hands and upon a poll and to be reckoned in a quorum.

Distribution of quoted securities as at 12 September 2017

Ordinary fully paid shares

Range of Holding	Number of Holders
1 - 1,000	62
1,001 - 5,000	82
5,001 - 10,000	121
10,001 - 100,000	414
100,001 - and over	222
Total holders	**901**

There were 730 holders of less than a marketable parcel of ordinary shares.

Substantial shareholdings as at 12 September 2017 of Fully Paid Ordinary Shares

Ordinary shareholder	Total relevant interest notified	% of total voting rights
Brownstone International Pty Ltd	305,484,447	38.56
Qinghai Genlid Mining Investment & Management Co Ltd	147,847,082	18.66
China Sun Industry Pty Ltd	35,913,448	4.53

On-market buy-backs

There is no on-market buy back currently in place in relation to the securities of the company.

Shareholder Information

Top Twenty Shareholders 2017

Holder name	Number of ordinary fully paid listed shares held	% of total ordinary shares on issue
BROWNSTONE INTERNATIONAL PTY LTD	305,484,447	38.56%
QINGHAI GENLID MINING INVESTMENT & MANAGEMENT CO LTD	147,847,082	18.66%
CHINA SUN INDUSTRY PTY LTD	35,913,448	4.53%
MISS KATRINA FOURRO	25,000,000	3.16%
WEST MINERALS PTY LIMITED	17,409,091	2.19%
THE ASSIST GROUP INTERNATIONAL PTY LTD	17,000,000	2.15%
ASHGROVE W PTY LTD	14,703,832	1.86%
INTERNATIONAL BASE METALS LIMITED	13,593,875	1.71%
MRS CORAL ESTELLE HARRIS & MR KERRY WILLIAM JOHN HARRIS	12,500,000	1.58%
MR KERRY WILLIAM JOHN HARRIS	12,500,000	1.58%
MR HAITAO GENG	9,107,143	1.16%
BWS PTY LTD	8,000,000	1.01%
THE ASSIST GROUP INTERNATIONAL PTY LTD	8,000,000	1.01%
MR PETER LAMING	7,000,000	0.88%
GREAT SEA WAVE INVESTMENT PTY LTD	6,545,455	0.83%
CITICORP NOMINEES PTY LIMITED	6,259,106	0.79%
MR SALVATORE DI VINCENZO	5,437,891	0.69%
ZAPPO PTY LTD <ZAPPO P/L SUPR FUND A/C>	4,844,120	0.6%
MS JING XIANG LI	4,172,100	0.53%
CITI RESOURCES CO LTD	4,000,000	0.51%
CHI HO WILLIAM LO	4,000,000	0.51%
	669,317,590	84.49%
Total of Securities	**792,214,573**	