



ZETA RESOURCES LIMITED
ARBN 162 902 481

PROSPECTUS

For a bonus issue of one (1) Option for every one (1) Share held by Eligible Shareholders at the Record Date (**Bonus Option**), exercisable at A\$0.25 per Option on or before 15 June 2021 (**Bonus Issue**).

No funds will be raised as a result of the Bonus Issue.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

THE SECURITIES OFFERED IN CONNECTION WITH THIS PROSPECTUS ARE OF A SPECULATIVE NATURE. IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

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IMPORTANT INFORMATION

General

This Prospectus is dated, and was lodged with ASIC on 9 September 2020. Neither ASIC, ASX nor their respective officers take any responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates.

The Options issued pursuant to this Prospectus are made pursuant to a bonus issue, accordingly Shareholders are not required to apply for the Bonus Options.

No Bonus Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus (being the expiry date of this Prospectus).

The Company will apply to ASX for Official Quotation of the Bonus Options issued under this Prospectus within seven days of the date of this Prospectus.

A copy of this Prospectus is available for inspection at the Australian registered office of the Company at Level 11, 1 York St Sydney, NSW 2000 during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request.

This Prospectus will be made available in electronic form. Persons having obtained a copy of this Prospectus in electronic form may obtain an additional paper copy of this Prospectus (free of charge) from the Company's registered office by contacting the Company.

No person or entity is authorised to give any information or to make any representation in connection with the Bonus Issue which is not contained in this Prospectus. Any information or representation not contained in this Prospectus should not be relied on as having been made or authorised by the Company or the Directors in connection with the Bonus Issue.

Overseas Shareholders

This Prospectus does not, and is not intended to, constitute an offer of Bonus Options in any place or jurisdiction in which, or to any person to whom, it would be unlawful to make such an offer or to issue this Prospectus.

The Bonus Issue is not being extended, and Bonus Options will not be issued, to Shareholders with a registered address which is outside Australia, New Zealand or Bermuda. It is not practicable for the Company to comply with the securities laws of overseas jurisdictions (other than those mentioned above) having regard to the number of overseas Shareholders, the number and value of the Bonus Options, these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction.

No action has been taken to permit the offer of Bonus Options to existing Shareholders in any jurisdiction other than Australia, New Zealand and Bermuda. The distribution of this Prospectus in jurisdictions outside those jurisdictions is restricted by law and persons outside of those jurisdictions should observe such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

The permission of the Bermuda Monetary Authority (BMA) is required, pursuant to the provisions of the Exchange Control Act 1972 and related regulations (Exchange Control Act), for all issuances and transfers of securities of Bermuda companies to or from a resident or non-resident of Bermuda for exchange control purposes, other than in cases where the BMA has granted a general permission. Pursuant to its notice addressed to the Company dated 26 February 2013 (Notice) the

BMA granted a general permission under the Exchange Control Act relating to the issue and subsequent transfer of: (i) the Company's shares, up to the amount of its authorised capital from time to time, and (ii) options, warrants, depository receipts, rights, loan notes, debt instruments and other securities of the Company to persons resident and non-resident of Bermuda for exchange control purposes without the approval of the BMA, subject to the requirement that shares (of any class) of the Company are listed on the ASX or other appointed stock exchange (as defined in the Bermuda Companies Act). Accordingly, the issue and transfer of Bonus Options to, by and between persons regarded as resident and non-resident in Bermuda for exchange control purposes and the exercise of the Bonus Options may be effected without specific consent under the Exchange Control Act.

Pursuant to section 26 of the Bermuda Companies Act, there is no requirement for the Company to comply with Part III – Prospectuses and Public Offers - of the Bermuda Companies Act or to file this Prospectus with the Registrar of Companies in Bermuda. Neither the BMA, the Registrar of Companies of Bermuda nor any other relevant Bermuda authority or government body accept any responsibility for the financial soundness of any proposal or for the correctness of any of the statements made or opinions expressed herein.

Important information for New Zealand Shareholders

The Bonus Issue to Shareholders with a registered address in New Zealand is a regulated offer made under Australian and New Zealand law. In Australia, this is Chapter 8 of the Corporations Act and regulations made under that Act. In New Zealand, this is subpart 6 of Part 9 of the Financial Markets Conduct Act 2013 and Part 9 of the Financial Markets Conduct Regulations 2014.

The Bonus Issue and the content of this Prospectus are principally governed by Australian rather than New Zealand law. In the main, the Corporations Act and the regulations made under that Act set out how the Bonus Issue must be made.

There are differences in how securities are regulated under Australian law.

The rights, remedies, and compensation arrangements available to New Zealand investors in Australian securities may differ from the rights, remedies, and compensation arrangements for New Zealand securities.

Both the Australian and New Zealand securities regulators have enforcement responsibilities in relation to the Bonus Issue. If you need to make a complaint about the Bonus Issue, please contact the Financial Markets Authority, New Zealand (<http://www.fma.govt.nz>). The Australian and New Zealand regulators will work together to settle your complaint.

The taxation treatment of Australian securities is not the same as for New Zealand securities.

If you are uncertain about whether the Bonus Issue is appropriate for you, you should seek the advice of an appropriately qualified financial adviser.

The Bonus Issue may involve a currency exchange risk. The currency for the securities is not New Zealand dollars. The value of the securities will go up or down according to changes in the exchange rate between that currency and New Zealand dollars. These changes may be significant.

If you expect the securities to pay any amounts in a currency that is not New Zealand dollars, you may incur significant fees in having the funds credited to a bank account in New Zealand in New Zealand dollars.

If the securities are able to be traded on a financial product market and you wish to trade the securities through that market, you will have to make arrangements for a participant in that market to sell the securities on your behalf. If the financial product market does not operate in New

Zealand, the way in which the market operates, the regulation of participants in that market, and the information available to you about the financial products and trading may differ from financial product markets that operate in New Zealand.

Notice to nominees and custodians

Shareholders resident in Australia, New Zealand and Bermuda holding Shares on behalf of persons who are resident in other jurisdictions are responsible for ensuring that taking up any Bonus Options does not breach regulations in the relevant jurisdiction.

Continuously quoted securities

In preparing this Prospectus, regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and that certain matters may reasonably be expected to be known to investors and their professional advisers. This Prospectus is issued pursuant to section 713 of the Corporations Act. This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all information that would be included in a prospectus for an initial public offering.

Exposure period

No exposure period applies to the Bonus Issue.

Speculative investment

The Bonus Issue should be considered speculative. Refer to Section 4 for details of the key risks applicable to an investment in the Company.

This Prospectus does not take into account the investment objectives, financial or taxation or particular needs of any Shareholder and as such Shareholders should consult their stockbroker, solicitor, accountant or other professional adviser with respect to any questions they may have about the Bonus Issue.

There is no guarantee that the Bonus Options will make a return on the capital invested, that dividends will be paid on the Bonus Options or that there will be an increase in the value of the Bonus Options in the future.

Forward-looking statements

This Prospectus contains forward-looking statements which may be identified by words such as 'believes', 'estimates', 'expects', 'intends', 'may', 'will', 'would', 'could', or 'should' and other similar words that involve risks and uncertainties. These statements are based on an assessment of present economic and operating conditions, and on a number of assumptions regarding future events and actions that, as at the date of this Prospectus, are expected to take place.

Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond the control of the Company, the Directors and management of the Company. Key risks associated with an investment in the Company are detailed in Section 4. These and other factors could cause actual results to differ materially from those expressed in any forward-looking statements.

The Company has no intention to update or revise forward-looking statements, or to publish prospective financial information in the future, regardless of whether new information, future events or any other factors affect the information contained in this Prospectus, except where required by law.

The Company cannot and does not give assurances that the results, performance or achievements expressed or implied in the forward-looking statements contained in this Prospectus will actually

occur and Shareholders are cautioned not to place undue reliance on these forward-looking statements.

Website

No document or information included on the Company's website is incorporated by reference into this Prospectus.

Currency

All financial amounts contained in this Prospectus are expressed as Australian dollars unless otherwise stated.

Rounding

Any discrepancies between totals and sums and components in tables contained in this Prospectus are due to rounding.

Time

All references to time in this Prospectus are references to WST, unless otherwise stated.

Glossary

Defined terms and abbreviations used in this Prospectus are detailed in the glossary of terms in Section 7.

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CORPORATE DIRECTORY

Directors

Mr Peter Sullivan Non-Executive Chairman
Mr Marthinus Botha Non-Executive Director
Ms Xi Xi Non-Executive Director
Mr Andre Liebenberg Non-Executive Director

Company Secretary

ICM Limited Company Secretary

Registered Office

34 Bermudiana Road, Hamilton HM 11
Bermuda
Tel: +61 4 1422 4494
Email: contact@icm.limited
Website: www.zetaresources.limited

ASX Code ZER

Share Registry

Automic Pty Ltd
Level 5, 126 Phillip Street
Sydney NSW 2000
Australia
Tel: +61 2 9698 5414
Website: automicgroup.com.au

Auditors

Mazars
Mazars House
Grand Moorings Precinct
Century City 7441
Cape Town
South Africa

Lawyers

DLA Piper Australia
Level 21
240 St Georges Terrace
Perth WA 6000
Australia

Home Exchange

ASX Limited
Level 40, Central Park
152-158 St Georges Terrace
Perth Western Australia 6000
Australia

INDICATIVE TIMETABLE FOR BONUS ISSUE

| Event | Indicative Date |
|--|------------------------------|
| Lodgement of Prospectus with ASIC and ASX | Wednesday, 9 September 2020 |
| Announcement of Bonus Issue & lodgement of Appendix 3B | Thursday, 10 September 2020 |
| Shares trade ex-Bonus Option entitlements | Tuesday, 15 September 2020 |
| Record Date (at 5:00pm WST) | Wednesday, 16 September 2020 |
| Intended date of issue & lodgement of Appendix 2A | Wednesday, 23 September 2020 |
| Dispatch of Option Holding Statements | Thursday, 24 September 2020 |
| Normal trading in Bonus Options commences on ASX | Thursday, 24 September 2020 |

The above timetable is indicative only and subject to change. Subject to the Listing Rules, the Directors reserve the right to vary these dates, including the Record Date, without prior notice. Any extension of the Record Date will have a consequential effect on the anticipated date for issue of the Bonus Options. The Directors also reserve the right not to proceed with the whole or part of the Bonus Issue at any time prior to allotment.

LETTER FROM THE CHAIRMAN

Dear Shareholder

On behalf of the Board, I am pleased to present this Prospectus for Zeta Resources Limited (**Company** or **Zeta**) offering you a bonus issue of Options (**Bonus Issue**).

The Bonus Issue provides Shareholders and the Company with added capital management flexibility and rewards Shareholders' support in the Company.

Eligible Shareholders who hold Shares on the Record Date are offered one (1) Option (**Bonus Option**) for every one (1) Share held on the Record Date. As this is a bonus issue of Options in the Company, Shareholders are not required to complete an application to receive their Bonus Options.

The Bonus Options have no issue price, will be exercisable at A\$0.25 each and expire on 15 June 2021. The Bonus Options will be listed on ASX and tradeable separately to the Shares. The full terms and conditions of the Bonus Options are in Section 5.7 of this Prospectus.

The Company intends to issue the Bonus Options in accordance with the Indicative Timetable detailed in this Prospectus. Shareholders will receive a personalised Option Holding Statement upon the issue of their Bonus Options.

It is important that Shareholders read this Prospectus in its entirety and seek professional advice where necessary. The Bonus Options offered by this Prospectus should be considered speculative. Please refer to Section 4 for details relating to investment risks in the Company.

Enquiries relating to this Prospectus should be directed to ICM by email: contact@icmnz.co.nz. For general Shareholder enquiries, please contact the Company's Share Registry, Automic Pty Ltd, by telephone on +61 2 9698 5414 or website automicgroup.com.au.

On behalf of the Board, I thank you for your continued support.

Yours faithfully



Mr Peter Sullivan
Non-Executive Chairman
9 September 2020

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1. Investment Overview

| Topic | Summary | Further information |
|---|---|---------------------|
| What is the Bonus Issue? | <p>A bonus issue of one (1) Bonus Option for every one (1) Share held by Eligible Shareholders on the Record Date, exercisable at A\$0.25 and expiring on 15 June 2021.</p> <p>The Bonus Options entitle Shareholders to purchase additional Shares in the Company at the Exercise Price, at any time from their date of issue until the Expiry Date.</p> | Section 2 |
| What is the purpose of the Bonus Issue? | To provide Shareholders and the Company with added capital management flexibility and reward Shareholders' support in the Company. | Section 2.2 |
| What are the key risks associated with an investment in the Company? | Some of the key risks of investing in the Company are detailed in Section 4. | Section 4 |
| What is the effect of the Bonus Issue on the Company? | The Bonus Issue will result in the issue of up to approximately 287,643,076 Bonus Options. | Section 3.1 |
| Who can participate in the Bonus Issue? | Eligible Shareholders, being Shareholders with a registered address in Australia, New Zealand or Bermuda on the Record Date may participate in the Bonus Issue. | Section 2.1 |
| Is the Bonus Issue subject to a minimum subscription? | No. | Section 2.3 |
| Director Participation | Mr Peter Sullivan and Mr Marthinus Botha will receive their Entitlement under the Bonus Issue. | Section 3.2 |
| Use of Funds | <p>No funds will be raised from the Bonus Issue.</p> <p>The Company will receive A\$0.25 for each Bonus Option exercised. If all Bonus Options are issued and exercised, the Company will receive approximately A\$71,910,769.</p> <p>There is no certainty that any of the Bonus Options will be exercised and the proportion exercised will depend on the Share price relative to the Exercise Price during the Exercise Period. It is currently intended that any funds raised by the exercise of the Bonus Options will be utilised towards investments and repayment of debts.</p> | Section 2.2 |
| Dividend Policy | Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements | Section 5.8(i) |

| Topic | Summary | Further information |
|--|---|----------------------------------|
| | <p>and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.</p> | |
| <p>How do I accept my Bonus Options?</p> | <p>Shareholders are not required to complete an application to receive their Bonus Options.</p> <p>The number of Bonus Options issued to each Eligible Shareholder will be shown on the Option Holding Statement which will be posted to Eligible Shareholders according to the Indicative Timetable.</p> <p>Eligible Shareholders do not need to pay anything to receive their Bonus Options.</p> | <p>Section 2.1</p> |
| <p>Can I sell or transfer my Bonus Options under the Bonus Issue?</p> | <p>An application will be made to the ASX for the Bonus Options to be quoted on the ASX. The Bonus Options are expected to be listed on the ASX under the code "ZEROA". Bonus Options may be transferred or transmitted in any manner approved by the ASX. There is no guarantee the Bonus Options will trade on the ASX or that there will be a liquid market for the Bonus Options.</p> <p>If Bonus Options are exercised, there is no guarantee that Shares issued on exercise of those Bonus Options will trade above the Exercise Price paid for those Shares.</p> | <p>Sections 2.6 & 4.1(g)</p> |
| <p>How do Eligible Shareholders exercise their Bonus Options?</p> | <p>Bonus Options may be exercised wholly or in part by delivery to the Share Registry of a duly completed Option Exercise Form, signed by the registered holder of the Bonus Option, together with the applicable payment to the Share Registry of A\$0.25 per Bonus Option being exercised.</p> | <p>Section 2.9</p> |
| <p>Enquiries concerning Prospectus</p> | <p>Enquiries relating to this Prospectus should be directed to ICM by email: contact@icmnz.co.nz.</p> | <p>Section 2.13</p> |

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2. Details of the Bonus Issue

2.1 Bonus Issue

The Bonus Issue is an issue of one (1) Bonus Option for every one (1) Share held by Eligible Shareholders on the Record Date, exercisable at A\$0.25 and expiring on 15 June 2021. The Bonus Issue to Eligible Shareholders is expected to occur on or around Wednesday, 23 September 2020, in accordance with the Indicative Timetable. No funds will be raised as a result of the Bonus Issue.

Under this Prospectus, Eligible Shareholders, being Shareholders on the Record Date with a registered address in Australia, New Zealand or Bermuda are eligible to participate in the Bonus Issue.

As at the date of this Prospectus, the Company has on issue:

| Class | Number ⁽¹⁾ |
|---------|-----------------------|
| Shares | 287,643,076 |
| Options | Nil |

Note: Refer Company's Appendix 4E – Preliminary Final Report for the year ended 30 June 2020 lodged on 25 August 2020.

Please refer to Section 3.1 for further details.

Where the determination of the Entitlement of any Shareholder results in a fraction of a Bonus Option, such fraction will be rounded up to the nearest whole Option.

All of the Bonus Options offered under this Prospectus will be issued on the terms and conditions set out in Section 5.7 of this Prospectus.

Eligible Shareholders do not need to take any action to receive the Bonus Options. The number of Bonus Options issued to each Eligible Shareholder will be shown on the Option Holding Statement which will be posted to Eligible Shareholders in accordance with the Indicative Timetable.

All of the Shares issued upon the future exercise of the Bonus Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 5.8 of this Prospectus for a summary of the rights attaching to the Shares.

2.2 Purpose of the Bonus Issue and funding allocation

The Bonus Issue provides Shareholders and the Company with added capital management flexibility and rewards Shareholders' support in the Company.

The Company will receive A\$0.25 for each Bonus Option exercised. If all Bonus Options are issued and exercised, the Company will receive approximately A\$71,910,769. There is no certainty that any of the Bonus Options will be exercised and the proportion exercised will depend on the Share price relative to the Exercise Price during the Exercise Period.

The Board and management are mindful that the global economic outlook is facing uncertainty due to the current COVID-19 pandemic which is impacting global capital markets. As such, it is currently intended that any funds raised by the exercise of the Bonus Options (on the assumption that 287,643,076 Bonus Options will be exercised prior to the Expiry Date) will be used as follows:

| Description | (A\$) |
|--------------------|-------------------|
| Investment | 20,000,000 |
| Repayment of debts | 51,940,769 |
| Cost of the Offer | 87,532 |
| Total | 72,028,301 |

The above table is a statement of the Board's current intentions as at the date of this Prospectus. However, Shareholders should note that, as with any budget, the allocation of funds set out in the above table may change depending on a number of factors, including the outcome of operational and development activities, regulatory developments, market and general economic conditions and environmental factors. In light of this, the Board reserves the right to alter the way the funds are applied.

2.3 Minimum subscription

There is no minimum subscription for the Bonus Issue.

2.4 Risks of the Bonus Issue

As with any securities investment, there are risks associated with investing in the Company. An investment in securities should be regarded as speculative. There are certain specific risks associated with an investment in the Company, which are detailed in Section 4.

2.5 Issue and dispatch

All Bonus Options under the Bonus Issue are expected to be issued on or before the dates specified in the Indicative Timetable.

2.6 ASX quotation

Application will be made to ASX no later than seven days after the date of this Prospectus for Official Quotation of the Bonus Options offered under this Prospectus. The Bonus Options will only be admitted to Official Quotation by ASX if the conditions for quotation of a new class of securities are satisfied.

If ASX does not grant Official Quotation of the Bonus Options within three months after the date of this Prospectus (or such period as the ASX allows), no Bonus Options will be issued or allotted under the Bonus Issue.

ASX takes no responsibility for the contents of this Prospectus. The fact that ASX may grant Official Quotation is not to be taken in any way as an indication of the merits of the Company or the Shares.

2.7 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Bonus Issue.

2.8 CHESS

The Company participates in the Clearing House Electronic Subregister System, known as CHESS. ASX Settlement, a wholly owned subsidiary of ASX, operates CHESS in accordance with the Listing Rules and the ASX Settlement Rules.

Under CHESS, Shareholders will not receive a certificate but will receive a statement of their holding of Securities.

If you are broker sponsored, ASX Settlement will send you a CHESSE statement.

The CHESSE statement will set out the number of Securities issued under this Prospectus, provide details of your holder identification number, the participant identification number of the sponsor and the terms and conditions applicable to the Securities.

If you are registered on the Issuer Sponsored subregister, your statement will be dispatched by the Share Registry and will contain the number of Securities issued to you under this Prospectus and your security holder reference number.

A CHESSE statement or Issuer Sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

2.9 Exercising the Bonus Options

Eligible Shareholders may exercise the Bonus Options at any time before the Expiry Date, by paying A\$0.25 per Bonus Option and duly completing an Option Exercise Form. Eligible Shareholders will be sent a personalised Option Exercise Form together with an Option Holding Statement in accordance with the Indicative Timetable. An Option Exercise Form is only valid and effective when the Share Registry has received the full amount of the Exercise Price in cleared funds, any time before the Expiry Date. Payment can be made by BPAY or Electronic Funds Transfer (EFT). The BPAY and EFT details are contained in your personalised Option Exercise Form. If you need a new Option Exercise Form, this will be available online at <https://investor.automic.com.au/#/home> or please contact the Share Registry at +61 2 9698 5414 or by email to corporate.actions@automicgroup.com.au.

2.10 Ineligible Shareholders

The Bonus Issue is not being extended to Shareholders whose registered address is outside Australia, New Zealand or Bermuda (**Ineligible Shareholders**). The Company is of the view that it is unreasonable to make the Bonus Issue to Shareholders outside of Australia, New Zealand or Bermuda, having regard to:

- (a) the number of those Shareholders;
- (b) the number and value of Bonus Options to be offered to those persons; and
- (c) the cost of complying with overseas legal requirements.

This Prospectus does not, nor is it intended to, constitute an offer in any place in which, or to any person to whom, it would not be lawful to make the Bonus Issue.

The Company is not required to make offers under this Prospectus to Shareholders other than in Australia, New Zealand or Bermuda. Where this Prospectus has been dispatched to Shareholders domiciled outside Australia, New Zealand or Bermuda and where this country's securities code or legislation prohibits or restricts in any way the making of the Bonus Issue, this Prospectus is provided for information purposes only.

Shareholders resident in Australia, New Zealand or Bermuda holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up Entitlements under the Bonus Issue does not breach regulations in the relevant overseas jurisdiction.

2.11 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of the Bonus Issue.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. Shareholders should consult their own professional tax adviser to obtain advice in relation to the taxation laws, regulations and implications applicable to their personal circumstances.

2.12 Major activities and financial information

A summary of the major activities and financial information relating to the Company for the financial year ended 30 June 2019 is contained in the annual report which is available on the Company's website at: <https://www.zetaresources.limited/investor-relations/annualhalfyear-reports/>.

A summary of the major activities and financial information relating to the Company for the half year ended 31 December 2019 is contained in the Half Yearly Report which is available on the Company's website at: <https://www.zetaresources.limited/investor-relations/annualhalfyear-reports/>.

The Company's continuous disclosure notices (i.e. ASX announcements) since the lodgement of its annual report for the year ended 30 June 2019 with ASX on 5 December 2019 are detailed in Section 5.1.

Copies of these documents are available free of charge from the Company or the Company's website: <https://www.zetaresources.limited/news/asx-announcements/>. Directors recommend that Shareholders review these and all other announcements in conjunction with this Prospectus.

2.13 Enquiries concerning Prospectus

Any questions in relation to this Prospectus should be directed to ICM by email to: contact@icmnz.co.nz.

3. Effect of the Bonus Issue

3.1 Capital structure on completion of the Bonus Issue

If Eligible Shareholders take up their Entitlements in full under the Bonus Issue, the Company's capital structure will be as follows:

| | Number of Shares | Number of Options |
|--------------------|----------------------------|--------------------|
| Securities | 287,643,076 ⁽¹⁾ | Nil |
| Bonus Issue | Nil | 287,643,076 |
| TOTAL | 287,643,076 | 287,643,076 |

Note: Refer Company's Appendix 4E – Preliminary Final Report for the year ended 30 June 2020 lodged on 25 August 2020.

3.2 Director Commitments to take up Entitlements

The Chairman, Mr Peter Sullivan and Non-Executive Director, Mr Marthinus Botha will receive their Entitlements under the Bonus Issue.

The following table sets out the number of Shares held (or controlled) by Messrs Sullivan, Botha and Liebenberg and Ms Xi Xi as at the date of this Prospectus and the number of Bonus Options they are entitled to under the Bonus Issue (and which they have indicated they intend to take up in full):

| Director | Shares held | Entitlement |
|----------------------------|--------------------------|-------------|
| Mr Peter Sullivan | 5,770,632 ⁽¹⁾ | 5,770,632 |
| Mr Marthinus Botha | 479,565 ⁽²⁾ | 479,565 |
| Ms Xi Xi | Nil | Nil |
| Mr Andre Liebenberg | Nil | Nil |

Note:

(1) Comprising of:

- 4,545,632 Shares via Peter Sullivan;
- 600,000 Shares via Hardrock Capital Pty Ltd (100% owned by Peter Sullivan);
- 625,000 Shares via Hardrock Capital Pty Ltd (CGLW (No2) Super Fund) (100% owned by Peter Sullivan).

(2) Held via a nominee. Refer to Appendix 3Y dated 16 November 2017.

3.3 Substantial shareholders

The table below details the substantial Shareholders of the Company as at the date of this Prospectus, being those Shareholders who, together with their associates, currently have a relevant interest in 5% or more of the Company's voting securities and also details the number of Options that each substantial Shareholder will receive under this Bonus Issue:

| Shareholder | Shares | % of Issue Shares | Bonus Options |
|--|-------------|-------------------|---------------|
| JP Morgan Nominees Australia Pty Limited | 172,354,809 | 59.92 | 172,354,809 |
| General Provincial Life Pension Fund Limited | 90,144,895 | 31.34 | 90,144,895 |

4. Risks

The Bonus Options issued under this Prospectus are considered speculative. An investment in the Company is not risk free. It should be considered in conjunction with other information in this Prospectus. The risks described in, and others not specifically referred to, in this Section 4 may in the future materially affect the financial performance and position of the Company and the value of the Bonus Options issued under this Prospectus. The Bonus Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, return of capital or the market value of those securities. The risks described in this Section 4 also necessarily include forward looking statements. Actual events may be materially different to those described and may therefore affect the Company in a different way.

Shareholders should be aware that the performance of the Company may be affected and the value of its Shares may rise or fall over any given period. None of the Directors or any person associated with the Company, guarantees the Company's performance, the performance of the Shares or the market price at which the Shares will trade. The Directors recommend that Shareholder's consider the risks detailed in this Section 4, together with information contained elsewhere in this Prospectus, and consult their professional advisers, with respect to this issue of Bonus Options.

4.1 Risks specific to the Company's operations

(a) COVID-19 Risk

The value of the Company's business and the underlying market prices of its Securities may fall due to movements in the broader equity markets. In particular, the events relating to COVID-19 have recently resulted in significant market falls including in the price of securities trading on the ASX and there is continued uncertainty as to the further impact of COVID-19 on the Australian economy and share markets. Any such events may adversely impact the value or liquidity of Shares and Options and may also adversely affect the value of securities held by the Company or any of the companies it invests in.

(b) Bermuda domicile risk

As a company incorporated in Bermuda, the Company is subject to the Bermuda Companies Act and is not subject to many provisions of the Corporations Act.

It is important to note that there are significant differences between Australian company law and Bermuda company law including in relation to share capital, membership, payment of dividends and distributions, and protection of minority shareholders.

The Bermuda Companies Act does not provide the same level of shareholder rights and protection that a shareholder of an Australian incorporated company may be accorded. In particular, no takeover protection is provided by the Bermuda Companies Act.

Where a person seeks to obtain control of the Company by acquiring Shares, under Bermuda law, Shareholders may not be granted a reasonable opportunity to participate in the benefits of any successful takeover or receive any compensation in the form of a "control premium" which would ordinarily be paid by a person obtaining control of an Australian incorporated company.

In addition, as a result of being incorporated in Bermuda, it may be more difficult for investors to enforce judgements obtained in the courts of Australia against the Company.

(c) **Tax environment**

At the date of this Prospectus, there is no income tax, corporation tax, or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company or its Shareholders in Bermuda, other than Shareholders ordinarily resident in Bermuda. The Company is not subject to stamp duty on the issue, transfer or redemption of its Shares.

The Company has received from the Minister of Finance of Bermuda under the Exempted Undertakings Tax Protection Act 1966 an assurance that, in the event of there being enacted in Bermuda any legislation imposing tax computed on profits or income, or computed on any capital assets, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not until March 31, 2035 be applicable to the Company or to any of its operations, or to the Shares, debentures or other obligations of the Company except in so far as such tax applies to persons ordinarily resident in Bermuda and holding such Shares, debentures or other obligations of the Company or any land leased or let to the Company.

Should there be any changes in Bermudian tax law, in particular, if Bermuda imposes a dividend withholding tax regime, this could have an adverse cash impact on Shareholders.

(d) **Small and mid-cap companies in the mining and resources industry**

In terms of market capitalisation, the Company invests generally in listed and unlisted small and mid-cap companies in the mining and resources industry. Some small and mid-cap companies in this industry may have limited customers, product lines, markets or financial resources, may be heavily dependent on key personnel and can be more susceptible to losses and risks of insolvency. Listed and unlisted small and mid-cap companies in the mining and resources industry may be recently established entities with limited public information or operating history and may be engaged in new-to-market concepts which may be speculative in nature. Shares in small and mid-cap companies may be susceptible to wider price fluctuations, may trade less frequently and in smaller volumes and therefore may be affected by liquidity risk to a greater degree than shares in larger companies. Any of these factors may in turn materially adversely impact the performance of the Company and the trading price of its Securities.

(e) **Investment strategy risk**

The success and profitability of the Company significantly depends on the Company's ability to successfully and profitably manage the Company's investment portfolio and invest in securities that have the ability to generate a return for the Company. There is a risk that the Company may fail to make investments that generate a return and may make investments that lose money.

(f) **Liquidity risk for shares in portfolio companies**

Positions in small and mid-cap securities such as those held by the Company, may be difficult to sell and convert into cash, as the market for these types of investments may be smaller and less liquid, particularly if the investment is unlisted. The risks associated with a lack of liquidity of shares in the portfolio companies are further increased due to the Company's concentrated investment style having 29 companies in its investment portfolio. Although the Company constructs its

investment strategy having regard to liquidity constraints, there is a risk that one or more of the holdings in the investment portfolio (from time to time) may become illiquid. This can result in a loss if the Company needs to sell such investments within a particular time frame.

(g) **Liquidity risk for Securities in the Company**

Once the Bonus Options are quoted on the ASX and the Shares issued on exercise of the Bonus Options are quoted on the ASX, there is no guarantee that an active trading market for the Bonus Options or Shares will arise or that the Shares will trade above the Exercise Price paid for the Shares on exercise of the Bonus Options. There may be relatively few prospective buyers or sellers of the Bonus Options or the Shares on the ASX at any given time.

(h) **Regulatory risk**

The Company is exposed to the risk of changes to applicable laws and regulations or their interpretation, which could have a negative effect on the Company, its investments or returns to Shareholders and the Company is also exposed to risks of non-compliance with reporting or other legal obligations.

(i) **Reputational risk**

There is a risk of impairment of the Company's reputation arising from factors which could include poor performance, failure to meet regulatory obligations, involvement in public controversy in companies in which it invests or other high-profile issues, shareholder dissatisfaction, inappropriate director remuneration or contagion from reputational concerns of other listed investment companies.

4.2 Risks specific to the Company's industry

The current and future operations of the Company may be affected by a range of factors, including:

(a) **Risks related to the holding of interests in other companies**

The Company's business involves holding interests in companies in the mining and resources sectors. As a result, the Company is exposed to the risks which affect each of those companies. Given that the companies are involved in the mining and resources industry, many of those risks will include those discussed in this Section 4.1(e). In addition, the Company will become subject to the country risk of each of the countries in which the companies it holds an interest in operate. These countries include Australia, Guinea, Canada, Mali, Sri Lanka, Namibia and Senegal. Political changes, conflict and changes in government policies may impact the profitability and viability of the operations of those companies. Any such impact may have a knock on effect in relation to the Company.

(b) **Ability to raise additional capital**

The extent to which the Company will require additional capital (debt or equity) will depend upon, among other things, the degree to which it generates positive cash flows from its operations. There is a risk that any positive cash flows generated will not be sufficient to implement medium to long-term strategic objectives of the Company, in which case the Company may need to consider raising additional capital. Such capital, if it is available, could be raised by way of the issue of additional equity or debt or other appropriate means determined by the Company. However, the Company's ability to raise capital (whether equity or debt) within an acceptable time, of a sufficient amount and on terms acceptable to the Company

will vary according to a number of factors, including the Company's prior performance, success of exploration and development programs, any feasibility studies, capital market and industry conditions and the price of relevant commodities and exchange rates. There is no assurance that the Company will be successful in obtaining required financing as and when needed. Volatile markets for gold, copper and other minerals may make it difficult or impossible for the Company to obtain equity or debt financing on favourable terms or at all. Failure to obtain additional financing on a timely basis may cause the Company to postpone any development plans, forfeit rights in some or all of its properties or reduce or terminate some or all of its operations, and impact on its ability to implement its planned strategy.

(c) **Investment in publicly quoted securities**

The Company's investment in various listed companies in the mining and resources sectors may be difficult to realise. The value of the Company's investments may go down as well as up and the market price of the Company's investments may not reflect the underlying value of those investments. The Company may therefore realise less than, or lose all of, its investment.

(d) **Volatility**

The share price of emerging companies quoted on stock exchanges can be highly volatile and shareholdings illiquid. The price at which the securities of the companies in which the Company invests are quoted and the price at which the Company may realise its investments in those companies may be influenced by a significant number of factors, some specific to those companies and their operations and some which affect quoted companies generally. These factors could include the performance of those companies, large purchases or sales of the securities of those companies, legislative changes and general, economic, political or regulatory conditions.

(e) **Nature of mineral exploration and mining**

Mineral exploration and development is a speculative business, characterised by a number of significant uncertainties. For example, unprofitable efforts may result not only from the failure to discover mineral deposits but also from finding mineral deposits that are insufficient in quantity and/or quality to return a profit from production. Even deposits that could be sufficient to provide a profit from production are not guaranteed to do so because management of the mining operation may fail to perform adequately. The marketability of minerals acquired or discovered by the Company may be affected by numerous factors which are beyond the Company's control and which cannot be accurately predicted, such as market fluctuations, the proximity and capacity of mining facilities, mineral markets and processing equipment, and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and metals, and environmental protection, a combination of which may result in the Company not receiving an adequate return on invested capital. While the discovery of a mineral structure may result in substantial rewards, few properties that are explored are ultimately developed into economically viable operating mines. Major expenditures may be required to establish reserves by drilling, constructing, mining and processing facilities at a site, and it is possible that even preliminary due diligence will show adverse results, leading to the abandonment of projects. It is impossible to ensure that preliminary feasibility studies or full feasibility studies on the Company's projects or the current or proposed exploration programmes on any of the properties in respect of which the

Company has, or will have, exploration rights will result in a profitable commercial mining operation.

The Company's operations will be subject to all of the hazards and risks normally incidental to the exploration, development and production of precious metals and base metals, any of which activities could result in damage to life or property, environmental damage and possible legal liability for any or all such damage caused. The Company's activities may be subject to prolonged disruptions due to adverse weather conditions. Hazards, such as unusual or unexpected formations, rock bursts, pressures, cave-ins, flooding or other conditions may be encountered in the drilling and removal of material. Development and operation of mines and production and processing facilities may also be affected by mechanical difficulties, operational errors, labour disputes, damage to or shortage of equipment, earthquakes, fires or other natural disasters, civil unrest, leaks or pollution. These events are largely beyond the control of the Company. Whether a precious metal or a base metal deposit will be commercially viable depends on a number of factors, some of which are particular attributes of the deposit (such as its size and grade), proximity to infrastructure, financing costs and governmental regulations (including regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of precious metals or base metals and environmental protection). The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

(f) **Competition**

The mining industry is intensely competitive in all of its phases and the Company competes with many companies possessing greater financial and technical resources than the Company. Competition in the mining and resources industry is primarily for mineral rich properties that can be developed and produced economically; the technical expertise to find, develop, and operate such properties; the labour to operate the properties; and the capital for the purpose of funding such properties. Many competitors not only explore for minerals, but conduct refining and marketing operations on a global basis. Such competition may result in the Company being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. Existing or future competition in the mining and resources industry could materially and adversely affect the Company's prospects for mineral exploration and success in the future.

(g) **Risks of future potential acquisitions**

In the future, as part of its growth strategy, the Company may acquire other companies or businesses, including mineral interests. Acquisitions by the Company may require the use of significant amounts of cash, dilutive issues of equity securities and the incurrence of debt, each of which could have a material adverse effect on the Company's business, results of operations, financial condition or the market price of Shares. Acquisitions involve numerous risks, including difficulties with the assimilation of the operations of any acquired business or group and the diversion of management's attention from other business concerns. If such acquisitions do occur, there can be no assurance that the Company's business, results of operations or financial condition would not be materially and adversely affected thereby. The implementation of future acquisitions which the Company may wish to make could be affected by regulatory and other restraints and factors.

(h) **Dependence on key personnel**

In common with other services and businesses in this industry sector, the Company's business is dependent on retaining the services of a small number of key personnel of the appropriate calibre as the business develops. The success of the Company is, and will continue to be to a significant extent, dependent on the expertise and experience of the key personnel and the loss of one or more of such key personnel could have a material adverse effect on the Company. The Company will compete with numerous other mineral companies (many of which have greater resources) and individuals for the recruitment and retention of qualified employees and contractors.

(i) **Dilution of Shareholders' interests**

The Company may raise additional funds in the future to finance investments and acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities of the Company, other than on a pro rata basis to existing Shareholders, the percentage ownership of the Shareholders may be reduced, Shareholders may experience subsequent dilution and/or such securities may have preferred rights, options and pre-emption rights senior to Shares.

(j) **Exchange rate risk**

The Company reports its financial results and maintain its accounts in US dollars. The Company has interests in companies which are quoted on stock exchanges in Australia, Canada, and the United Kingdom and will, therefore, be exposed to fluctuations in the value of the currencies in which those stocks are traded. There can be no assurance that the Company will not be materially and adversely affected by such fluctuations.

(k) **Environmental risk**

The exploration for minerals, development of mines and production of metals can be hazardous to the environment and environmental damage may occur that is costly to remedy. If the Company or any of its subsidiaries is responsible for any environmental damage, the Company may incur substantial remediation costs or liabilities to third parties. The Company may be involved in operations that may be subject to environmental and safety regulation (including regular environmental impact assessments and permitting). This may include a wide variety of matters, such as prevention of waste, pollution and protection of the environment, labour regulations and worker safety. The regulations may change in a manner that may require stricter or additional standards than those currently in effect, a heightened degree of responsibility for companies and their directors and employees and more stringent enforcement of existing laws and regulations. There may also be unforeseen environmental liabilities resulting from exploration and development activities, which may be costly to remedy. In particular, the acceptable level of pollution and the potential clean-up costs and obligations and liability for toxic or hazardous substances for which the Company may become liable, as a result of its activities, may be impossible to assess against the current legal framework and current enforcement practices. There is no assurance that future changes in environmental regulation will not adversely affect the activities of the Company.

(l) **Counterparty risk**

There is a risk, which is higher in the current uncertain economic environment, that contracts and other arrangements to which the Company is a party and obtains a benefit (such as service and supply agreements) will not be performed by the relevant counterparties, including if those counterparties become insolvent or are otherwise unable to perform their obligations.

4.3

General risks to the Company

(a) **Economic risks**

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, include, but are not limited to:

- (i) general economic conditions;
- (ii) changes in government policies, taxation and other laws;
- (iii) the strength of the equity and share markets in Australia and throughout the world;
- (iv) movement in, or outlook on, exchange rates, interest rates and inflation rates;
- (v) industrial disputes in Australia and overseas;
- (vi) changes in investor sentiment toward particular market sectors;
- (vii) financial failure or default by an entity with which the Company may become involved in a contractual relationship; and
- (viii) natural disasters, social upheaval or war.

(b) **Litigation risks**

The participation by the Company in the mining and resources industry may expose the Company to possible litigation risks, including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. The Company may also be involved in disputes with other parties in the future which may result in litigation.

There is a risk that claims could be made against the Company in respect of its previous investments and assets even if the Company is no longer involved in those investments or no longer holds the relevant assets.

Any such claim or dispute if proven, may impact adversely on the Company's operations, financial performance and financial position.

The Company is not presently involved in litigation and the Directors are not aware of any basis on which any litigation against the Company may arise.

(c) **Market conditions**

Share market conditions may affect the value of the Company's Shares regardless of the Company's performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return to Shareholders arising from the Bonus Issue.

(d) **Unforeseen expenses**

While the Company is not aware of any expenses that may need to be incurred that have not been taken into account, if such expenses were subsequently incurred, the expenditure proposals of the Company may be adversely affected.

(e) **Macro-economic risks**

Changes in the general economic outlook in Australia and globally may impact the performance of the Company and its projects. Such changes may include:

- (i) uncertainty in the Australian economy or increases in the rate of inflation resulting from domestic or international conditions (including movements in domestic interest rates and reduced economic activity);
- (ii) increases in expenses (including the cost of goods and services used by the Company);
- (iii) new or increased government taxes, duties or changes in taxation laws; and
- (iv) fluctuations in equity markets in Australia and internationally.

A prolonged and significant downturn in general economic conditions may have a material adverse impact on the Company's trading and financial performance.

(f) **Broader general risks**

There are also a number of broader general risks which may impact the Company's performance. These include:

- (i) abnormal stoppages in normal business operations due to factors such as war, political or civil unrest, infrastructure failure or industrial disruption; and

- (ii) higher than budgeted costs associated with the provision of service offerings.

4.4 Speculative Investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Bonus Options offered under this Prospectus. Therefore, the Bonus Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Bonus Options. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser with respect to the Bonus Issue pursuant to this Prospectus.

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5. Additional information

5.1 Continuous Disclosure Obligations

The Company is a 'disclosing entity' (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act, and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company's Securities. The Bonus Options will only be admitted to Official Quotation by ASX if the conditions for quotation of a new class of securities are satisfied.

This Prospectus is a 'transaction specific prospectus' to which the special content rules under section 713 of the Corporations Act apply. That provision allows the issue of a more concise prospectus in relation to an offer of securities, or operation to acquire securities, in a class which has been continuously quoted by ASX in the three months prior to the date of the prospectus. In general terms 'transaction specific prospectuses' are only required to contain information in relation to the effect of the issue of Bonus Options on the Company and the rights attaching to the Bonus Options. It is not necessary to include general information in relation to all of the assets and liabilities, the financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to an investment in the Company.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the three months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Record Date of the Bonus Issue:
 - (i) the annual financial report of the Company for the financial year ended 30 June 2019 being the most recent annual financial report of the Company lodged with the ASIC before the issue of this Prospectus; and

- (ii) the half year financial report of the Company for the six months ended 31 December 2019 lodged with ASIC after the lodgement of the annual financial report mentioned in paragraph (i) and before the issue of this Prospectus; and
- (iii) any documents used to notify ASX of information relating to the Company in the period from lodgement of the annual financial report referred to in paragraph (i) above until the issue of this Prospectus in accordance with the Listing Rules as referred to in section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the Australian registered office of the Company during normal office hours.

The Company has lodged the following announcements with ASX since the lodgement of its annual report on 5 December 2019:

| Date | Announcement |
|------------|--|
| 05/12/2019 | Corporate Governance Statement |
| 05/12/2019 | Appendix 4G |
| 05/12/2019 | Reinstatement to Official Quotation - 6/12/2019 |
| 06/12/2019 | Net Tangible Asset Backing 30 November 2019 |
| 30/12/2019 | Chairman's Address to Shareholders |
| 31/12/2019 | Results of Meeting |
| 02/01/2020 | Initial Director's Interest Notice |
| 07/01/2020 | Net Tangible Asset Backing December 2019 |
| 20/01/2020 | Change of Share Registry |
| 07/02/2020 | Net Tangible Asset Backing January 2020 |
| 17/02/2020 | Half Yearly Report and Accounts |
| 18/02/2020 | PAN: Partial Sale of Horizon Gold Shareholding |
| 18/02/2020 | HRN: Selldown of Panoramic Resources' Shareholding |
| 18/02/2020 | Purchase of shares in Horizon Gold |
| 21/02/2020 | Change in substantial holding for HRN |
| 03/03/2020 | Daily share buy-back notice - Appendix 3E |
| 06/03/2020 | Net Tangible Asset Backing February 2020 |
| 10/03/2020 | Daily Share Buy-Back Notice |
| 30/03/2020 | PAN: Disposal of Horizon Gold Shareholding |
| 30/03/2020 | HRN: Selldown of Panoramic Resources' Shareholding |
| 30/03/2020 | Purchase of shares in Horizon Gold |
| 30/03/2020 | Purchase of shares in Horizon Gold (amended) |
| 03/04/2020 | On Market Share Buy Back - Cancellation of Shares |
| 03/04/2020 | PAN: Loan Agreement with Zeta Resources |
| 06/04/2020 | Loan to Panoramic Resources |
| 06/04/2020 | Net Tangible Asset Backing 31 March 2020 |
| 11/05/2020 | Net Tangible Asset Backing April 2020 |
| 18/05/2020 | Put and Call Option Deed with Macquarie Bank |

| Date | Announcement |
|------------|---|
| 18/05/2020 | PAN: Put and Call Option Deed between Macquarie Bank and Zeta |
| 05/06/2020 | Change in substantial holding for PAN |
| 09/06/2020 | PAN: Repayment of Senior and Subordinated Debt Facilities |
| 09/06/2020 | Net Tangible Asset Backing May 2020 |
| 09/06/2020 | Change in substantial holding for HRN |
| 10/06/2020 | Change in substantial holding for GME |
| 29/06/2020 | Approval of Purchase of Shares in Horizon Gold |
| 30/06/2020 | PAN: Issue of Options |
| 09/07/2020 | PAN: Completion of Sale of Remaining Horizon Stake to Zeta |
| 13/07/2020 | Net Tangible Asset Backing June 2020 |
| 14/08/2020 | Net Tangible Asset Backing July 2020 |
| 18/08/2020 | Amended Net Tangible Asset Backing July 2020 |
| 25/08/2020 | Preliminary Final Report |
| 08/09/2020 | Net Tangible Asset Backing August 2020 |
| 08/09/2020 | Extension of Share Buy Back |

5.2 Directors' interests in Securities

As at the date of this Prospectus, the relevant interests of the Directors and their related entities in securities in the Company, are detailed in the table below.

| Director | Shares | Options | Performance Rights |
|---------------------|--------------------------|---------|--------------------|
| Mr Peter Sullivan | 5,770,632 ⁽¹⁾ | Nil | Nil |
| Mr Marthinus Botha | 479,565 ⁽²⁾ | Nil | Nil |
| Ms Xi Xi | Nil | Nil | Nil |
| Mr Andre Liebenberg | Nil | Nil | Nil |

Note:

- (1) Comprising of:
- 4,545,632 Shares via Peter Sullivan;
 - 600,000 Shares via Hardrock Capital Pty Ltd (100% owned by Peter Sullivan);
 - 625,000 Shares via Hardrock Capital Pty Ltd (CGLW (No2) Super Fund) (100% owned by Peter Sullivan).
- (2) Held via a nominee. Refer to Appendix 3Y dated 16 November 2017.

5.3 Interests of Directors

Except as disclosed in this Prospectus, no Director (or entity in which they are a partner or director) has, or has had in the two years before the date of this Prospectus, any interests in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Bonus Issue; or
- the Bonus Issue;

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to:

- (a) any Director to induce him or her to become, or to qualify as, a Director; or
- (b) any Director for services which he or she (or entity in which they are a partner or director) has provided in connection with the formation or promotion of the Company or the Bonus Issue.

5.4

Directors' Remuneration

The total remuneration (including superannuation) of existing Directors for the past two financial years (30 June year-end) are as follows:

| Director | Title | Financial Year to 30 June 2019 (US\$) | Financial Year to 30 June 2020 (US\$) |
|------------------------------------|------------------------|---------------------------------------|---------------------------------------|
| Mr Peter Sullivan ⁽¹⁾ | Non-Executive Chairman | 50,000 | 50,000 |
| Mr Marthinus Botha ⁽²⁾ | Non-Executive Director | 50,000 | 50,000 |
| Ms Xi Xi ⁽³⁾ | Non-Executive Director | 50,000 | 50,000 |
| Mr Andre Liebenberg ⁽⁴⁾ | Non-Executive Director | N/A | 33,333 |
| TOTAL | | 150,000 | 183,333 |

Note:

- (1) Appointed as Chairman on 7 June 2013.
- (2) Appointed as a director on 7 June 2013.
- (3) Appointed as a director on 7 June 2013.
- (4) Appointed as a director on 30 December 2019.

5.5

Interests of Other Persons

No promoter or other person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director) do not hold, have, and have not had in the two years before the date of this Prospectus, any interest in:

- (a) the formation or promotion of the Company;
- (b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Bonus Issue; or
- (c) the Bonus Issue;

and no amounts have been paid or agreed to be paid and no value or other benefit has been given or agreed to be given to a promoter or any person named in this Prospectus as having performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus (or entity in which they are a partner or director), provided in connection with the formation or promotion of the Company or the Bonus Issue, except as disclosed in this Prospectus and as follows:

- (a) DLA Piper has acted as the Australian lawyers to the Company for the Bonus Issue. In respect of this work the Company will pay DLA Piper approximately A\$10,000; and
- (b) Automic Pty Ltd conducts the Company's share registry functions and will provide administrative services in respect to the Bonus Issue. Automic Pty Ltd will be paid for these services on standard industry terms and conditions.

The amounts disclosed above are exclusive of GST.

5.6 Related Party Transactions

At the date of this Prospectus, no material transactions with related parties and Directors interests exist that the Directors are aware of, other than those disclosed in this Prospectus or in the Company's ASX announcements.

5.7 Terms and Conditions of the Bonus Options

(a) Entitlement

Each Bonus Option entitles the Holder to subscribe for one (1) Share upon exercise.

(b) Exercise Price and Expiry Date

The exercise price for each Bonus Option is A\$0.25 each.

Each Bonus Option will expire on 15 June 2021.

(c) Exercise Period

Each Bonus Option is exercisable at any time prior to the Expiry Date (**Exercise Period**). After this time, any unexercised Bonus Options will automatically lapse.

(d) Notice of exercise

The Bonus Options may be exercised by notice in writing to the Company and payment of the applicable Exercise Price for each Bonus Option being exercised. Any Option Exercise Form of a Bonus Option received by the Company will be deemed to be a notice of the exercise of that Bonus Option as at the date of receipt.

(e) Shares issued on exercise

Shares issued on exercise of the Bonus Options rank equally with the then Shares of the Company and are free of all encumbrances, liens and third party interests.

(f) Quotation of Shares

The Company will apply to ASX for Official Quotation of the Shares issued upon the exercise of the Bonus Options.

(g) Timing of issue of Shares and quotation of Shares on exercise

Within 10 Business Days after the later of the following:

- (i) receipt of an Option Exercise Form given in accordance with these terms and conditions and payment of the applicable Exercise Price for each Bonus Option being exercised; and
- (ii) when excluded information in respect to the Company (as defined in section 708A(7) of the Corporations Act) (if any) ceases to be excluded information. If there is no such information the relevant date will be the date of receipt of an Option Exercise Form as set out above,

the Company will:

- For personal use only
- (iii) allot and issue the number of Shares required under these terms and conditions in respect of the number of Bonus Options specified in the Option Exercise Form and for which cleared funds have been received by the Company;
 - (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
 - (v) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Bonus Options.

If, for any reason, a notice delivered under paragraph (iv) is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Participation in new issues**

There are no participation rights or entitlements inherent in the Bonus Options and Holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Bonus Options.

(i) **Adjustment for bonus issues of Shares**

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a Bonus Option will be increased by the number of Shares which the Holder would have received if the Holder of a Bonus Option had exercised the Bonus Option before the record date for the bonus issue; and
- (ii) no change will be made to the Exercise Price.

(j) **Adjustment for rights issue**

If the Company makes an issue of Shares pro rata to existing Shareholders (other than as a bonus issue to which paragraph (i) will apply) there will be no adjustment of the Exercise Price of a Bonus Option or the number of Shares over which the Bonus Options are exercisable.

(k) **Adjustments for reorganisation**

If there is any reconstruction of the issued share capital of the Company, the rights of the Holder may be varied to comply with the Listing Rules that apply to the reconstruction at the time of the reconstruction.

(l) **Quotation of Options**

The Company intends to apply for Official Quotation of the Bonus Options.

(m) **Options transferable**

The Bonus Options will be transferable subject to compliance with the Corporations Act.

(n) **Lodgement requirements**

Cheques shall be in Australian currency made payable to the Company and crossed 'Not Negotiable' for the application for Shares on the exercise of the Bonus Options.

5.8 **Rights attaching to Shares**

A summary of the rights attaching to Shares in the Company is set out below and are affected by the Bermuda Companies Act, the common law of Bermuda and the ASX Listing Rules.

The Shares issued upon the exercise of the Bonus Options will rank pari passu in all respects with existing Shares. This summary is qualified by the full terms of the Company's Bye-Laws and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Company's Bye-Laws with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Company's Bye Laws, a copy of which is available for inspection at the Company's registered office during normal business hours and the Company's website at <https://www.zetaresources.limited/investor-relations/corporate-governance/>.

(a) **General meetings**

The president or chairman (if any), or any two Directors, or any Director and the company secretary, or the Board, may convene a special general meeting whenever in their judgment such a meeting is necessary. The Board shall, on the requisition of Shareholders holding at the date of the deposit of the requisition no less than one-tenth of such of the paid up share capital of the Company carrying the right to vote, proceed to convene a special general meeting and the provisions of the Bermuda Companies Act shall apply.

(b) **Voting**

Subject to any rights or restrictions attaching to any class of shares in the Company, at any general meeting of the Company, each Shareholder entitled to vote may vote in person or by proxy, or, if it is a company, by representative each of whom shall be entitled to speak and to one vote on a show of hands and each Shareholder present in person or by proxy, or, if it is a company, by representative shall be entitled on a poll to one vote for each Share held. No Shareholder shall be entitled to vote at any general meeting, unless all calls presently payable by him in respect of Shares have been paid. On a poll a Shareholder or proxy or representative, if entitled to more than one vote, need not use all his votes or cast all the votes he uses in the same way.

(c) **Profits and dividends**

The Directors may in their sole discretion (subject to any preferred dividend rights attached to any class of shares and to the Bermuda Companies Act) declare and

pay a dividend or make a distribution out of contributed surplus to the shareholders of the Company according to their rights and interests, including interim dividends, which may be declared and paid in proportion to the amount paid up on each share. Payment or satisfaction of any dividend or distribution out of contributed surplus may be made in cash or by the issue of fully paid Shares or by the distribution of specific assets. Contributed surplus is a North American concept recognised under Bermuda law and the generally accepted accounting principles of the Canadian Institute of Chartered Accountants, which are applied in Bermuda. Contributed surplus includes proceeds from donated shares, credits resulting from the redemption or conversion of shares at less than the amount of the nominal capital or par value, the excess value of shares acquired over the nominal value of those shares issued in a share exchange (should the board of directors of the Company elect to treat it as such) and donations of cash or other assets to the company. The Company does not have any current intention to declare and pay a dividend or make a distribution out of contributed surplus.

(d) **Winding up**

Subject to the terms of issue of Shares, if the Company shall be wound up, the liquidator may, with the sanction of a resolution of Shareholders and any other sanction required by the Bermuda Companies Act, divide amongst the shareholders of the Company in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of the same kind or not) and may for such purposes set such values as the liquidator deems fair upon any property to be so divided and may determine how such division shall be carried out as between the Shareholders or different classes of shareholders. The liquidator may, with such a sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the shareholders of the Company as the liquidator shall think fit, but so that no shareholder of the Company shall be compelled to accept any shares or other assets upon which there is any liability.

(e) **Issue of further Shares**

The Directors may, subject to any restrictions imposed by the Bye-Laws and the Bermuda Companies Act, to issue further shares of the Company with or without preferential rights on such terms and conditions as they see fit.

(f) **Appointment and removal of Directors**

Shareholders in general meeting may by ordinary resolution appoint any person as a new Director, or as a Director to fill up all or any vacated offices resulting from one or more Directors retiring at, or ceasing to hold office at the conclusion of, that meeting. The Board or Shareholders in general meeting shall have the power to appoint any person as a Director to fill a vacancy on the Board occurring as a result of the death, disability, disqualification or resignation of any Director or as a result of an increase in the size of the Board. Directors who are subject to retirement by rotation shall retire from office at annual general meetings of Shareholders no later than the longer of:

- (i) the third annual general meeting; or
- (ii) 3 years, after that Director's last election or appointment and shall be eligible for re-election thereafter.

(g) **Variation of rights**

If, at any time, the share capital of the Company is divided into different classes of shares, the rights attached to any class may, unless otherwise provided by the

terms of issue of the shares of that class, be varied with the consent in writing of the holders of not less than 75% of the issued shares of that class or with the sanction of a resolution passed by a majority of the votes cast at a separate general meeting of the holders of such shares at which the quorum is at least two persons holding or representing by proxy, one-third of the issued shares of that class.

(h) **Share buy-backs**

The Company may buy-back Shares in itself in accordance with the provisions of the Bermuda Companies Act.

(i) **Dividend policy**

The Company does not intend to declare or pay any dividends in the immediately foreseeable future.

Any future determination as to the payment of dividends by the Company will be at the sole discretion of the Directors and will depend on the availability of distributable earnings and operating results and financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

5.9 **Market price of Shares**

The highest and lowest market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: A\$0.220 (24 August 2020)

Lowest: A\$0.135 (23 June 2020)

The latest available market sale price of the Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was A\$0.210 per Share on 9 September 2020.

5.10 **Costs of the Bonus Issue**

The costs of the Bonus Issue payable by the Company (exclusive of GST) are as follows:

| | (A\$) |
|-----------------------------|---------------|
| ASIC lodgement fee | 3,206 |
| ASX quotation fee | 62,594 |
| Legal expenses | 10,000 |
| Printing and other expenses | 11,732 |
| TOTAL | 87,532 |

5.11 **Litigation and Claims**

So far as the Directors are aware, other than as disclosed by the Company to ASX, there is no current or threatened civil litigation, arbitration proceedings or administrative appeals, or criminal or governmental prosecutions of a material nature in which the Company is directly

or indirectly concerned which is likely to have a material adverse effect on the business or financial position of the Company.

5.12 Taxation Implications

The acquisition and disposal of Shares will have taxation consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to take independent financial advice about the taxation and any other consequences of acquiring and selling the Shares.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of the Bonus Issue.

5.13 Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company (as the offeror of the Shares), the Directors, persons named in this Prospectus with their consent as having made a statement in this Prospectus and persons involved in a contravention in relation to this Prospectus, with regard to misleading or deceptive statements made in this Prospectus. Although the Company bears primary responsibility for this Prospectus, other parties involved in the preparation of this Prospectus can also be responsible for certain statements made in it.

Each of the following parties:

| Name | Role |
|-----------------|----------------|
| DLA Piper | Lawyers |
| Automic Pty Ltd | Share Registry |

- (a) has given its consent to be named in this Prospectus as set out above and has not withdrawn its consent at the date of lodgement of this Prospectus with ASIC;
- (b) makes no express or implied representation or warranty in relation to the Company, this Prospectus or the Bonus Issue;
- (c) has not made or purported to have made any statement in this Prospectus or statement on which a statement in this Prospectus is based, except as described in this Section; and
- (d) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for this Prospectus other than a reference to its name and any statement or report included in this Prospectus with the consent of that party as described in this Section.

None of the parties referred to in this Section 5.13 has authorised or caused the issue of this Prospectus or the making of the Bonus Issue.

Each of the Directors has given their written consent to being named in this Prospectus in the context in which they are named and have not withdrawn their consent prior to lodgement of this Prospectus with ASIC.

5.14 Documents available for inspection

The following documents are available for inspection during normal business hours at the registered office of the Company:

- (a) this Prospectus; and
- (b) the Bye-Laws.

5.15 Information excluded from continuous disclosure notices

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

5.16 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Bonus Options.

5.17 Electronic Prospectus

Pursuant to Regulatory Guide 107, ASIC has exempted compliance with certain provisions of the Corporations Act to allow distribution of an electronic copy of this Prospectus on the basis of a paper Prospectus lodged with ASIC and the issue of Bonus Options, subject to compliance with certain provisions. If you have received an electronic copy of this Prospectus, please ensure that you have received the entire Prospectus. If you have not, please contact the Company and the Company will send to you, free of charge to you, either a hard copy or a further electronic copy of this Prospectus or both.

For personal use only

6. Authorisation

This Prospectus is authorised by each of the Directors.

This Prospectus is signed for and on behalf of the Company, pursuant to a resolution of the Board, by:



Mr Peter Sullivan
Chairman
9 September 2020

7. Glossary

In this Prospectus, unless the context otherwise requires:

A\$ or \$ means Australian dollar.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited ABN 98 008 624 691 and where the context permits, the securities exchange operated by it.

ASX Settlement Rules means ASX Settlement Operating Rules of the ASX.

Bermuda Companies Act means the Companies Act 1981 of Bermuda (as amended).

Board means the board of Directors.

Bonus Issue means the bonus issue of Bonus Options, the subject of this Prospectus.

Bonus Option means a quoted Option to acquire a Share on the terms and conditions detailed in the Prospectus.

Business Day means Monday to Friday inclusive, excluding public holidays in Western Australia and any other day that ASX declares is not a trading day.

Bye-Laws means the bye-laws of the Company as at the date of this Prospectus.

CHESS means ASX Clearing House Electronic Subregistry System.

Company or **Zeta** means Zeta Resources Limited (ARBN 162 902 481).

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

Director means a director of the Company.

DLA Piper means DLA Piper Australia.

Eligible Shareholder means a person who:

- (i) is a Shareholder at 5.00pm (WST) on the Record Date; and
- (ii) has a registered address recorded by the Share Registry as at the Record Date in Australia, New Zealand or Bermuda.

Entitlement means a Shareholder's entitlement to Bonus Options under the Bonus Issue.

Exercise Price means A\$0.25.

Expiry Date means 15 June 2021.

Expiry Period has the meaning given in Section 5.7(c).

Half Year Report means the financial report lodged by the Company with ASIC in respect to the half year ended 31 December 2019 and includes the corporate directory, review of activities, Shareholder information, financial report of the Company and its controlled

entities for the half year ended 31 December 2019, together with a Directors' report in relation to that financial period and the auditor's report for the period to 31 December 2019.

Holder means the holder of an Option.

Indicative Timetable means the indicative timetable on page 6 of this Prospectus.

Ineligible Shareholder has the meaning given to that term in Section 2.10.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the official listing rules of ASX.

Official Quotation means quotation of Options on the official list of ASX.

Option means an option to acquire a Share.

Option Exercise Form means the personalised form that will be sent to Eligible Shareholders to complete and return to the Share Registry in order to exercise a Bonus Option.

Option Holding Statement means the personalised holding statement that will be sent to Eligible Shareholders in accordance with the Indicative Timetable showing the number of Bonus Options issued to an Eligible Shareholder under this Prospectus.

Prospectus means this prospectus dated 9 September 2020.

Record Date means the date referred to as such in the Indicative Timetable.

Section means a section of this Prospectus.

Securities means securities in the Company.

Share means a fully paid ordinary share in the Company.

Share Registry means Automic Pty Ltd.

Shareholder means a registered holder of Share.