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**GME RESOURCES LIMITED**  
**ACN 009 260 315**

**NOTICE OF GENERAL MEETING**

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**A general meeting of the Company will be held at GME Resources Limited, Unit 5 / 78 Marine Terrace, Fremantle, Western Australia on Friday, 11 May 2018 at 10.00am (WST).**

*This Notice should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.*

*Should you wish to discuss any matter please do not hesitate to contact the Company by telephone on +61 8 9336 3388*

**Shareholders are urged to attend or vote by lodging the proxy form attached to this Notice.**

**NOTICE OF GENERAL MEETING**

Notice is hereby given that a general meeting of shareholders of GME Resources Limited (**Company**) will be held at Unit 5 / 78 Marine Terrace, Fremantle, Western Australia on Friday, 11 May 2018 at 10.00am (WST) (**Meeting**).

The Explanatory Memorandum provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form form part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on Wednesday, 9 May 2018 at 5.00pm (WST).

Terms and abbreviations used in this Notice (including the Explanatory Memorandum) are defined in Schedule 1.

**AGENDA**

**1. RESOLUTION 1 - APPROVAL OF ACQUISITION**

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

*"That for the purposes of item 7 of section 611 of the Corporations Act and for all other purposes, Shareholders approve the Acquisition and the resulting increase in Zeta's relevant interest in the issued share capital of the Company from 46,161,359 Shares to 203,786,128 Shares or approximately 44%, on the terms and conditions set out in the Explanatory Memorandum."*

**Voting Exclusion**

The Company will disregard any votes cast on Resolution 1 by:

- (a) Zeta, the Vendor or Axelrock;
- (b) any person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if Resolution 1 is passed; and
- (c) an associate of that person (or those persons).

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the Chairperson as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **Independent Expert's Report**

Shareholders should carefully consider the Independent Expert's Report in Schedule 2 to the Explanatory Memorandum. The Independent Expert has determined that the advantages of the Acquisition outweigh the disadvantages to non-associated Shareholders.

Dated: 9 April 2018

By order of the Board



**Mark Pitts**  
Company Secretary

## **EXPLANATORY MEMORANDUM**

### **1. INTRODUCTION**

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Unit 5 / 78 Marine Terrace, Fremantle, Western Australia on Friday, 11 May 2018 at 10.00am (WST).

This Explanatory Memorandum forms part of the Notice which should be read in its entirety. This Explanatory Memorandum contains the terms and conditions on which the Resolution will be voted.

A Proxy Form is located at the end of this Explanatory Memorandum.

### **2. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders should read the Notice including this Explanatory Memorandum carefully before deciding how to vote on the Resolution.

#### **2.1 Proxies**

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Returning the Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. Where the proportion or number is not specified, each proxy may exercise half of the votes.

Proxy Forms must be received by the Company no later than 10.00am (WST) on Wednesday, 9 May 2018, being at least 48 hours before the Meeting.

The Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

### **3. RESOLUTION 1 – APPROVAL OF ZETA ACQUISITION OF AXELROCK**

#### **3.1 About the Company**

GME Resources Limited (ASX: GME) owns 100% of the NiWest Nickel-Cobalt project, one of the largest and highest quality undeveloped nickel and cobalt resources in Australia. The

project is located in the West Australian nickel belt, adjacent to Glencore's Murrin Murrin nickel refinery. The region is recognised by its nickel/cobalt production and is well serviced with infrastructure such as public rail linked to ports, gas pipelines, arterial roads, optic fibre communications, and long-established mining towns.

Since recommencing the detailed metallurgical test work, GME has made a number of significant breakthroughs that support the de-risking of critical aspects of the flow sheet to produce high quality nickel and cobalt products that can be directly supplied to the rapidly transforming global lithium-ion battery sector, but also support reduced future capital and operating costs.

### **3.2 Background to the Acquisition**

On 16 November 2017, Zeta Resources Limited (**Zeta**) announced that it had executed a binding term sheet to acquire investment holding company Axelrock Limited (**Axelrock**) from the Vendor (**Acquisition**).

#### Axelrock

Axelrock Limited is an investment holding company incorporated in Bermuda in 2013. Pursuant to the Acquisition, Zeta will acquire all of the fully paid ordinary shares in Axelrock from the Vendor.

Axelrock has engaged ICM Limited (**ICM**) as its external investment manager.

Axelrock is a shareholder of the Company, Alliance Commodities Limited and Seacrest LP.

#### Alliance Mining Commodities Limited

Alliance Mining Commodities Limited (**AMC**) is an unlisted company with a 90% ownership of the world-class Koumbia bauxite project located in Guinea. AMC has completed a definitive feasibility study and has committed funding in place to develop a mine, with first production targeted in 2019.

The Acquisition will result in Zeta increasing its interest in AMC by 10,204,756 AMC shares from approximately 1% to approximately 28%.

#### Seacrest LP

Seacrest LP (**Seacrest**) is an unlisted private seismic specialist oil explorer with a large, geographically diversified portfolio of interests in joint venture oil and gas exploration permits.

The Acquisition will result in Zeta increasing its interest in Seacrest by 6,381,100 Seacrest shares from approximately 25% to approximately 41%.

### **3.3 Material terms of the Acquisition**

Zeta will acquire 100% of the shares in Axelrock for its "see-through" security value of AU\$50.1m by the issue of up to 110,835,752 new Zeta shares.

Completion of the Acquisition must occur by 30 June 2018 and is subject to the following outstanding conditions precedent:

- (a) Zeta's shareholders approving the Acquisition;
- (b) the Company's shareholders approving the increase in Zeta's interest in the Company pursuant to item 7 of section 611 of the Corporations Act; and
- (c) AMC shareholders approving the Acquisition.

### **3.4 Information relevant to obtaining approval of the Acquisition under item 7 of section 611 of the Corporations Act**

The acquisition of shares in Axelrock by Zeta will increase Zeta's relevant interest in the Company from 10% to approximately 44%. This is prohibited under section 606(1) of the Corporations Act, unless prior disinterested Shareholder approval is obtained under item 7 of section 611 of the Corporations Act.

#### **3.4.1 Persons proposing to make the Acquisition and their associates**

##### Zeta Resources Limited

Zeta, the acquirer, is a closed-end investment company incorporated under the Bermuda Companies Act and admitted to the official list of ASX on 12 June 2013. The business of Zeta consists of investing the pooled funds of its shareholders in accordance with its investment objective and policy, with the aim of generating a return for shareholders with an acceptable level of risk. Zeta has borrowings ("gearing"), the proceeds from which can also be invested with the aim of enhancing returns to its shareholders.

Zeta has also contracted with ICM to manage its investments. Zeta's general administration is undertaken by ICM Corporate Services (Pty) Ltd. Zeta has a board of non-executive directors who oversee and monitor the activities of ICM Limited and the other service providers and ensure that ICM adheres to the investment policy.

The current directors of Zeta are as follows:

(i) Mr Peter Sullivan - Chairman and Non-Executive Director

Mr Sullivan was appointed a director on 7 June 2013. Mr Sullivan is an engineer and has been involved in the management and strategic development of resource companies and projects for more than 20 years, including project engineering, corporate finance, investment banking, corporate and operational management and public company directorships. He has specialised in providing strategic corporate, financial and investment advice to companies principally in the resource sector. He has served as a Director for numerous listed and unlisted companies and been closely involved with their development.

Mr Sullivan is non-executive director of Panoramic Resources Limited (appointed 2015), non-executive director of Resolute Mining Limited (appointed 1999), non-executive director of GME Resources Limited (appointed 1996) and non-executive director of Bligh Resources Limited (appointed 2017).

(ii) Mr Marthinus (Martin) Botha - Non-Executive Director

Mr Botha was appointed a director on 7 June 2013. Mr Botha has over 30 years' experience in banking, with the last 26 years spent in leadership roles building Standard Bank Plc's (part of The Standard Bank of South Africa Limited) international operations. Mr Botha's specific primary responsibilities included establishing and leading the development of the core global natural resources trading and financing franchises, as well as various geographic strategies. Mr Botha holds a Bachelor of Engineering degree in Survey.

Mr Botha is a non-executive chairman of Resolute Mining Limited (appointed 2014).

(iii) Ms Xi Xi - Non-Executive Director

Ms Xi Xi was appointed a director on 7 June 2013. Ms Xi is a financial analyst with more than 15 years' experience in the mining, energy and natural resource industry, ranging from managing companies focused on international exploration and development of mining projects to restructuring and overseeing a portfolio of private and public companies. Ms Xi holds dual Bachelor of Science degrees in Chemical Engineering and Economics from the Colorado School of Mines and a Master of Arts in International Relations and China Studies from Johns Hopkins School of Advanced International Studies.

Ms Xi is a non-executive director of Mineral Resources Limited (appointed 2017).

ICM Limited

ICM is an international fund manager and corporate finance adviser headquartered in Bermuda, with seven offices globally. ICM has expertise in the listed equity, private equity, and fixed income sectors with specialities including utility and infrastructure, financial services, mining, resources and technology. ICM currently manages directly and indirectly over US\$20bn in funds.

Zeta has contracted ICM as an external investment manager. ICM manages Zeta's investments and assists with company secretarial functions.

Zeta has a board of non-executive directors who oversee and monitor the activities of ICM and other service providers to ensure that ICM adheres to the investment policy.

ICM, as the investment manager of Zeta, is an associate of Zeta for the purposes of the Acquisition.

Mr Duncan Saville

Mr Duncan Saville, founder of the ICM group, is the sole shareholder of ICM, a director of ICM, and has been employed by the group since 1988.

Because ICM is the investment manager for Zeta, Mr Saville is an associate of Zeta for the purposes of the Acquisition.

Mr Saville is also the beneficial owner of the Vendor.

#### UIL Limited

UIL Limited (**UIL**) is a Bermuda exempted closed-ended investment company, whose ordinary shares are listed on the premium segment of the Official List of the Financial Conduct Authority and are traded on the Main Market of the London Stock Exchange.

The business of UIL consists of investing the pooled funds of its shareholders in accordance with its investment objective and policy, generating a return for shareholders and spreading the investment risk.

UIL is Zeta's holding company, holding 172,849,889 (or approximately 87.13%) of the issued Zeta shares. UIL is in turn held by 61.78% by General Provincial Life Pension Fund Limited, which is 100% controlled by Union Mutual Limited.

ICM is also an investment manager of UIL.

### **3.4.2 Voting Power as a Result of the Acquisition**

There are currently 463,596,374 fully paid ordinary shares on issue in the Company.

Zeta currently holds 46,161,359 fully paid ordinary shares in the Company, or a 10% interest in the Company. UIL has a relevant interest in Zeta's shares in the Company.

If Shareholders approve the Acquisition, Zeta and UIL's relevant interest and voting power in the Company will increase to 203,786,128 fully paid ordinary shares in the Company, or a 44% interest in the Company.

ICM and Mr Saville currently have a relevant interest in 203,786,128 fully paid ordinary shares in the Company, or a 44% interest in the Company. The relevant interests of ICM and Mr Saville will not increase as a result of the Acquisition.

The current and anticipated voting power of Zeta, UIL, Axelrock, ICM and its associates as a result of the Acquisition are as follows:

	Current voting power	Voting power following the Acquisition
Zeta (and UIL)	10%	44%
Axelrock	34%	44%
ICM and associates	44%	44%

	Current voting power	Voting power following the Acquisition
ICM and associates (excluding Zeta)	34%	0%

### 3.5 Independent Expert's Report

The Directors commissioned the Independent Expert's Report, which is attached to this Explanatory Statement as Schedule 2, to assess whether the advantages of the Acquisition outweigh the disadvantages from the perspective of the Shareholders who are entitled to vote on Resolution 1.

The Independent Expert found that the Acquisition will not disadvantage non-associated Shareholders if it is approved on the basis that there is no control premium to be received by the Vendor, the position of non-associated Shareholders with regard to issues in relation to a potential takeover will not be impacted by the Acquisition, there will be no dilution impact on the voting power and percentage ownership interests of non-associated Shareholders and that there are no future transactions planned between the Company and the Vendor (or any of its associates). The Independent Expert notes that the only discernible disadvantage of the Acquisition is the costs incurred by the Company in relation to it. However, these costs will be incurred regardless of whether the Acquisition is approved or not.

On this basis, the Independent Expert concludes that the advantages of the Acquisition outweigh the disadvantages for the non-associated Shareholders.

### 3.6 Overview of the Company and Statement of Intentions following the Acquisition:

The Company's controlled entities are as follows:

Name of Controlled Entity	Country of Incorporation	Percentage Owned (%)
GME Sulphur Inc.	USA	100
GME Investments Pty Ltd	Australia	100
Golden Cliffs NL	Australia	100
NiWest Limited	Australia	100

The Independent Expert's Report in Schedule 2 contains the following information:

- (a) a detailed summary of the business activities and projects of the Company and its controlled entities;
- (b) a detailed summary of the Company's management, capital structure and share price performance;

- (c) a summary of the Company's historical financial performance for the years ended 2017, 2016 and 2015, extracted from its audited financial statements; and
- (d) a summary of the Company's financial position for the years ended 2017 and 2016, extracted from its audited financial statements.

If Shareholders approve the Acquisition at the Meeting, Zeta and its associates do not intend to make any changes to the current Board, the Company's business activities, the present employees of the Company, or the Company's financial or dividend policies, or to transfer any Company assets.

Zeta has not formulated any present intention to inject further capital into the Company. However, the Company expects that it will continue to review its funding requirements following the Acquisition. Zeta will consider any requests from the Company for further capital on a case-by-case basis.

### **3.7 Costs Associated with the approval of the Acquisition**

The estimated costs associated with approval of the Acquisition are approximately \$37,000, consisting of legal advice (\$7,000), the cost of obtaining an Independent Expert's Report (\$25,000) and printing and delivery (\$5,000).

### **3.8 Directors' Recommendation**

Mr Peter Sullivan is a director of both Zeta and the Company. In order to manage any potential or perceived conflict of interest or duty, Mr Sullivan has:

- (a) not participated or been involved in the Board's consideration of the Acquisition; and
- (b) abstained from expressing a view on the Acquisition or making a recommendation to Shareholders in respect of Resolution 1.

Each of the other Directors (Messrs Peter Huston and Jamie Sullivan) has participated in the consideration of the Acquisition and has made a recommendation to Shareholders in relation to the Acquisition.

After carefully considering all aspects of the Acquisition and the Independent Expert's Report, the other Directors unanimously recommend that Shareholders vote in favour of Resolution 1.

## SCHEDULE 1: DEFINITIONS

In the Notice and this Explanatory Memorandum, words importing the singular include the plural and vice versa.

**\$** means Australian Dollars.

**Acquisition** has the meaning given in Section 3.

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

**Axelrock** means Axelrock Limited.

**Board** means the board of Directors.

**Chairman** means the person appointed to chair the Meeting, or any part of the Meeting, convened by the Notice.

**Company** means GME Resources Limited (ACN 009 260 315).

**Constitution** means the constitution of the Company as at the commencement of the Meeting.

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

**Director** means a director of the Company.

**Explanatory Memorandum** means the explanatory memorandum that forms part of the Notice.

**GME** means the Company.

**ICM** has the meaning given in Section 3.1.

**Independent Expert** means RSM Corporate Australia Pty Ltd.

**Independent Expert's Report** means the report of the Independent Expert prepared for Shareholders in relation to the Meeting.

**Meeting** has the meaning in the introductory paragraph of the Notice.

**Notice** means the notice of meeting that comprises of the notice, agenda, Explanatory Memorandum and Proxy Form.

**Proxy Form** means the proxy form attached to the Notice.

**Resolution** means a resolution contained in the Notice.

**Schedule** means a schedule to this Explanatory Memorandum.

**Section** means a section of this Explanatory Memorandum.

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

**Shareholder** means a shareholder of the Company.

**UIL** has the meaning given in Section 3.4.1.

**Vendor** means Somers Isle Private Trust Company Limited.

**WST** means Australian Western Standard Time, being the time in Perth, Western Australia.

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

**SCHEDULE 2: INDEPENDENT EXPERT'S REPORT**



## GME RESOURCES LIMITED

Financial Services Guide and Independent Expert's Report

11 April 2018

*We have concluded that the advantages of the Proposed Transaction outweigh the disadvantages to Non-Associated Shareholders*

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## FINANCIAL SERVICES GUIDE

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 (“RSM Corporate Australia Pty Ltd” or “we” or “us” or “ours” as appropriate) has been engaged to issue general financial product advice in the form of a report to be provided to you.

In the above circumstances we are required to issue to you, as a retail client, a Financial Services Guide (“FSG”). This FSG is designed to help retail clients make a decision as to their use of the general financial product advice and to ensure that we comply with our obligations as financial services licensees.

This FSG includes information about:

- who we are and how we can be contacted;
- the financial services that we will be providing you under our Australian Financial Services Licence, Licence No 255847;
- remuneration that we and/or our staff and any associates receive in connection with the financial services that we will be providing to you;
- any relevant associations or relationships we have; and
- our complaints handling procedures and how you may access them.

### Financial services we will provide

For the purposes of our report and this FSG, the financial service we will be providing to you is the provision of general financial product advice in relation to securities.

We provide financial product advice by virtue of an engagement to issue a report in connection with a financial product of another person. Our report will include a description of the circumstances of our engagement and identify the person who has engaged us. You will not have engaged us directly but will be provided with a copy of the report as a retail client because of your connection to the matters in respect of which we have been engaged to report.

Any report we provide is provided on our own behalf as a financial services licensee authorised to provide the financial product advice contained in the report.

### General Financial Product Advice

In our report we provide general financial product advice, not personal financial product advice, because it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. Where the advice relates to the acquisition or possible acquisition of a financial product, you should also obtain a product disclosure statement relating to the product and consider that statement before making any decision about whether to acquire the product.

### Benefits that we may receive

We charge various fees for providing different financial services. However, in respect of the financial service being provided to you by us, fees will be agreed, and paid by, the person who engages us to provide the report and such fees will be agreed on either a fixed fee or time cost basis. You will not pay to us any fees for our services; the Company will pay our fees. These fees are disclosed in the Report.

Except for the fees referred to above, neither RSM Corporate Australia Pty Ltd, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of the report.

### Remuneration or other benefits received by our employees

All our employees receive a salary.

### Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

## Associations and relationships

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia, a large national firm of chartered accountants and business advisers. Our directors are partners of RSM Australia Partners.

From time to time, RSM Corporate Australia Pty Ltd, RSM Australia Partners, RSM Australia and / or RSM Australia related entities may provide professional services, including audit, tax and financial advisory services, to financial product issuers in the ordinary course of its business.

## Complaints resolution

### Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints should be directed to The Complaints Officer, RSM Corporate Australia Pty Ltd, P O Box R1253, Perth, WA, 6844.

When we receive a written complaint, we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than 45 days after receiving the written complaint, we will advise the complainant in writing of our determination.

### Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Financial Ombudsman Service ("FOS"). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website or by contacting them directly via the details set out below.

Financial Ombudsman Service  
GPO Box 3  
Melbourne VIC 3001  
Toll Free: 1300 78 08 08  
Facsimile: (03) 9613 6399  
Email: [info@fos.org.au](mailto:info@fos.org.au)

## Contact details

You may contact us using the details set out at the top of our letterhead on page 5 of this report.

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7 April 2018

The Directors  
GME Resources Limited  
Unit 5, 78 Marine Terrace  
Fremantle, WA, 6160

Dear Directors

## INDEPENDENT EXPERT'S REPORT ("REPORT")

### 1. Introduction

- 1.1 This Independent Expert's Report (the "Report" or "IER") has been prepared to accompany the Notice of General Meeting and Explanatory Statement ("Notice") to be provided to shareholders for a General Meeting of GME Resources Limited ("GME" or "the Company") to be held on or around May 2018, at which shareholder approval will be sought for Zeta Resources Limited ("Zeta") acquiring 100% of the issued capital of Axelrock Limited ("Axelrock") which will result in Zeta increasing its interest in GME from approximately 10% to approximately 44% ("Proposed Transaction").
- 1.2 Zeta will acquire Axelrock for its "see through" security value of approximately \$50.1 million by the issue of up to 110,835,752 Zeta shares.
- 1.3 The request for approval of the Proposed Transaction is included as Resolution 1 in the Notice, as set out below:

#### Resolution 1 – Approval of Acquisition

*"That for the purposes of item 7 of section 611 of the Corporations Act and for all other purposes, Shareholders approve the Acquisition and the resulting increase in Zeta's relevant interest in the issued share capital of the Company from 46,161,359 Shares to 203,786,128 Shares or approximately 44%, on the terms and conditions set out in the Explanatory Memorandum."*

- 1.4 The Directors of the Company have requested that RSM Corporate Australia Pty Ltd ("RSM"), being independent and qualified for the purpose, express an opinion as to whether the advantages of the Proposed Transaction outweigh the disadvantages to GME shareholders not associated with the Proposed Transaction ("Non-Associated Shareholders").

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RSM Corporate Australia Pty Ltd is beneficially owned by the Directors of RSM Australia Pty Ltd. RSM Australia Pty Ltd is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Corporate Australia Pty Ltd ABN 82 050 508 024 Australian Financial Services Licence No. 255847

- 1.5 The ultimate decision whether to approve the Proposed Transaction should be based on each Shareholder's assessment of their circumstances, including their risk profile, liquidity preference, tax position and expectations as to value and future market conditions. If in doubt as to the action they should take with regard to the Proposed Transaction, or the matters dealt with in this Report, Shareholders should seek independent professional advice.

## 2. Summary and Conclusion

### Opinion

- 2.1 In our opinion, and for the reasons set out in Section 8 of this Report, the advantages of the Proposed Transaction outweigh the disadvantages to the Non-Associated Shareholders of GME.
- 2.2 The principal factors affecting our opinion are summarised below and are discussed in more detail in Sections 10 and 11 together with other factors we have considered.

### Stated Intentions of Zeta if the Proposed Transaction is approved

- 2.3 If the Proposed Transaction is approved, Zeta does not intend to make any changes to the current Board of Directors, the Company's business activities, the present employees of the Company, or the Company's financial or dividend policies, or to transfer any Company assets.
- 2.4 Zeta does not have any present intentions to inject further capital into GME. However, Zeta will consider any requests from the Company for further capital on a case-by-case basis.

### Advantages to Non-Associated Shareholders of approving the Proposed Transaction

#### *Premium for Control*

- 2.5 In accordance with our basis of evaluation (set out in Section 9) a specific issue we are required to determine is whether the vendor, Somers Isle Private Trust Company Limited ("Vendor") is to receive a premium for control when selling the 34.0% shareholding in GME that is not available to Non-Associated Shareholders. The result of our analysis is summarised below.

**Table 1 GME Share value analysis**

A\$	Ref	Value	
		Low	High
Value of GME Share	Section 10	0.152	0.152
Net Consideration receivable per GME Share	Section 10	0.119	0.128

Source: Company and RSM calculations

- 2.6 As shown above as the net consideration receivable per GME share is lower than the assumed value of a GME share there is no control premium to be received by the Vendor in the Proposed Transaction.

#### Future takeover offers

- 2.7 Whilst Zeta will increase its interests in the Company should the Proposed Transaction be approved from 9.96% to 43.95%, Mr Duncan Saville and ICM who have interests in both Axelrock and ICM will maintain their relevant interests at 43.95%. If the Proposed Transaction is not approved Mr Duncan Saville and ICM will still have a relevant interest of 43.95% in the Company.
- 2.8 We are therefore of the opinion that the Non-Associated Shareholders position with regard to issues in relation to a potential takeover are not impacted by this Proposed Transaction.

#### No dilution of voting power

- 2.9 The proposal will have no dilution impact on the voting power and percentage ownership interests of the Non-Associated Shareholders.

#### Future transactions between GME and the Vendor

- 2.10 RG 111.45 states that the expert should also enquire whether future transactions are planned between the Company and the Vendor or any of the Vendor's associates. This is to identify any future transactions which may not be at arm's length or which may compensate the Vendor from accepting a price for their shares which are too low.
- 2.11 GME and Zeta have confirmed that no future transactions between them (or any of Zeta's associates) are planned.

#### Disadvantages to Non-Associated Shareholders of approving the Proposed Transaction

- 2.12 The only discernible disadvantages of the Proposed Transaction are the costs incurred by GME in relation to it, which are estimated to be \$37,000. However, these costs would be incurred regardless of whether the Proposed Transaction is approved or not.

### 3. Summary of Proposed Transaction

#### Overview

- 3.1 On 16 November 2017, Zeta announced that it had executed a binding term sheet to acquire investment holding company Axelrock Limited (“Axelrock”) from the Vendor.
- 3.2 Axelrock has three investment portfolios – GME (approximately 34% interest). Alliance Mining Commodities (“AMC”) (approximately 27% interest) and Seacrest LP (“Seacrest”) (approximately 16% interest).
- 3.3 Zeta will acquire Axelrock for its “see through” security value of approximately A\$50.1 million by the issue of up to 110,835,752 Zeta shares at a deemed issue price of A\$0.452 per share (being the net tangible asset (“NTA”) per share as at 31 October 2017 with an applied exchange rate of US\$1:A\$0.768).
- 3.4 The valuation of each of Axelrock’s share investments has been set as follows:
- GME is based on the listed share market price as at 31 October 2017 of A\$0.16;
  - AMC (unlisted) is based on the last (July 2017) equity subscription price of US\$1.35; and
  - Seacrest (unlisted) is based on the current NTA of US\$0.78 per share provided by the General Partners.
- 3.5 The allocation of the purchase price between the three investments of Axelrock is as set out in the table below.

**Table 2 Allocation of Purchase price**

	No. of shares	Share price	Exchange rate	A\$ value
GME	157,624,764	A\$0.16	1.000	25,219,962
AMC	10,204,756	US\$1.35	0.768	17,938,048
Seacrest	6,831,100	US\$0.78	0.768	6,937,836
<b>Total</b>				<b>50,095,846</b>

Source: Company and RSM calculations

#### Key Conditions of the Proposed Acquisition

- 3.6 Zeta will issue up to 110,835,752 shares in consideration for the acquisition of Axelrock. Either party may request a good faith review of the consideration if there has been an adverse movement of at least 10% in the Axelrock portfolio value or the Zeta NTA, prior to despatch of any notice of meeting required to be issued under the conditions precedent.
- 3.7 Completion of the acquisition must occur by 30 June 2018 and is subject to the following conditions precedent:
- Zeta shareholders approving the acquisition. The transaction is a related party transaction for Zeta and in accordance with the ASX Listing Rules is subject to approval by the non-associated Zeta shareholders.
  - The Foreign Investment Review Board approving the acquisition.
  - Approval of GME shareholders pursuant to item 7 of section 611 of the Corporations Act.

- Approval of AMC shareholders.
- Approval of the Seacrest partners.
- Any other regulatory approvals necessary to effect the acquisition.

#### Impact of the Proposed Transaction on GME's capital structure

3.8 The table below sets out a summary of the capital structure of GME prior to and post the Proposed Transaction.

**Table 3 Share structure of GME pre-and post the Proposed Transaction**

\$	Prior to Proposed Transaction		Post Proposed Transaction	
	No.	%	No.	%
Zeta – Direct and Indirect	46,161,359	9.96	203,786,128	43.95
ICM Limited and associates (excluding Zeta – refer 3.11 below)	157,624,769	33.99	-	-
Non-Associated Shareholders	259,810,246	56.05	259,810,246	56.05
<b>Total shares on issue</b>	<b>463,596,374</b>	<b>100.00</b>	<b>463,596,374</b>	<b>100.00</b>

Source: Company

- 3.9 In addition, both Axelrock and Zeta have engaged ICM Limited as their external investment manager. ICM is an international fund manager and corporate finance advisor headquartered in Bermuda managing directly and indirectly over US\$21.1 billion in funds.
- 3.10 Mr Duncan Saville is the owner and founder of the ICM group and is currently a director. He is also the beneficial owner of the Vendor.
- 3.11 ICM and Mr Saville currently have a relevant interest in 203,786,128 fully paid ordinary shares in the Company, (approximately 43.95% of the issued capital) comprising the current Zeta interests and Axelrock interests. The relevant interests of ICM and Mr Saville will not change as a result of the Proposed Transaction.

## 4. Purpose of the Report

### Corporations Act

- 4.1 Section 606 of the Corporations Act 2001 (“The Act”) provides a general prohibition against any person with a Voting Power of less than 20 per cent in a listed company from increasing their Voting Power to greater than 20 per cent or, if their current holding is more than 20 per cent and less than 90 per cent increasing that holding by more than 3 per cent in any six-month period, in the absence of a takeover offer.
- 4.2 The Proposed Transaction will result in Zeta directly and indirectly increasing its interest in GME from 9.96% to 43.95%.
- 4.3 There are, however, various exceptions to the general prohibition under section 606 of the Act. Under item 7 of section 611 of the Act such an acquisition is allowed if a majority of a company’s non-associated shareholders pass an ordinary resolution at a general meeting approving the proposed transaction.

### Regulatory Guidelines

- 4.4 Section 611 states that shareholders must be given all information that is material to the decision on how to vote at the meeting. Regulatory Guide 111 Content of Expert Reports (“RG 111”) issued by the Australian Securities and Investments Commission (“ASIC”) advises the commissioning of an Independent Expert’s Report in such circumstances and provides guidance on the content.
- 4.5 In evaluating the Proposed Transaction, we have given regard to the views expressed by ASIC in RG 111.
- 4.6 RG 111 provides ASIC’s views on how an expert can help security holders make informed decisions about transactions. Specifically, it gives guidance to experts on how to evaluate whether advantages of the Proposed Transaction outweigh the disadvantages.
- 4.7 RG 111 states that the expert report should focus on:
  - the issues facing the security holders for whom the report is being prepared; and
  - the substance of the transaction rather than the legal mechanism used to achieve it.

### Basis of Assessment

- 4.8 RG 111 provides guidance as to the assessment of the approval of a sale of securities under item 7 of Section 611. Item 7 of Section 611 envisages that shareholders approving such a transaction may be foregoing.
  - the opportunity of receiving a takeover bid: and
  - sharing in any premium of control.
- 4.9 In assessing a sale of securities, the expert should identify the advantages and disadvantages of the proposal to security holders not associated with the transaction. In contrast with the analysis for an issue of shares under item 7 of section 611, the expert should provide an opinion, either that:
  - the advantages of the proposal outweigh the disadvantages; or
  - the disadvantages of the proposal outweigh the advantages.

- 4.10 In assessing whether the advantages of the Proposed Transaction outweigh the disadvantages we have had regard to:
- the existence of a control premium being provided to the vendor of the Shares to the detriment of the Non-Associated Shareholders;
  - whether the Non-Associated Shareholders may be foregoing the opportunity to share in a takeover premium by approving the Proposed Transaction;
  - the stated intentions of Zeta if the Proposed Transaction is approved or if it is not approved; and
  - the advantages and disadvantages to the Non-Associated Shareholders of GME as a consequence of the Proposed Transaction being approved.
- 4.11 Our assessment of the Proposed Transaction is based on economic, market and other conditions prevailing at the date of this Report.

## 5. Profile of GME

### Background

- 5.1 GME is an Australian company listed on the Australian Securities Exchange (“ASX”) with its core assets being in an undeveloped nickel and cobalt resource located in the West Australian Nickel belt, and interests in a number of prospective gold assets in the Northern Goldfields of WA.

### Projects

#### *Nickel Project*

- 5.2 GME, through its 100% owned subsidiary NiWest Ltd hosts the NiWest Nickel Laterite Project, an undeveloped nickel and cobalt resource located in the West Australian Nickel belt. The region is well recognised for its nickel/cobalt production and is favourably serviced by infrastructure, with access to public rail linked to ports, gas pipeline, optic fibre communications and long-established mining towns.
- 5.3 The Company is targeting the production of premium grade nickel and cobalt products to supply the growing lithium-ion battery industry.
- 5.4 In May 2017, the continuous pilot plant was commissioned to conduct initial batch metallurgical test work of nickel and cobalt minerals. On 9 October 2017, the Company announced that it has commenced work on a Pre-Feasibility Study following a successful completion of the final step of continuous metallurgical test work that confirmed high purity in nickel products produced.

#### *Gold Assets*

- 5.5 GME, through its 100% owned subsidiary Golden Cliffs NL (“GCNL”), has a 100% interest in a number of prospective gold projects located in the North-Eastern Gold Fields of WA.
- 5.6 The Devon Gold Project was the Company’s key focus during the first half of 2016/17. Prior drilling and the commencement of a trial mining in June 2015 had defined a modest but high-grade gold deposit.
- 5.7 The Company developed a larger open pit mine from February 2016 to August 2016. The Devon Gold Project generated \$5.94 million operating profit, which allowed the Company to recommence test work for the NiWest Nickel Cobalt Project. Rehabilitation work at the Devon Gold Mine has since been completed and will be monitored as per the Mine Closure plan.
- 5.8 There is potential for the development of underground resources at the site, however, GME has currently deferred plans for a deep drilling program.
- 5.9 The Company additionally has an interest in the Federation / Sonex Gold Project, where a drilling program was completed in the June quarter 2017. Results revealed mineralisation, however grades recorded in samples were at the lower end of what is required to develop an economic deposit based toll milling deposit via a third-party plant.
- 5.10 In July 2016, GCNL entered into a Joint Venture with Zeta whereby GCNL can earn up to 50% interest in the Murrin Murrin Gold Project. In June 2017, GME advised Zeta that it was withdrawing from the Joint Venture.

## Directors and management

5.11 The directors and key management of GME are summarised in the table below.

**Table 4 GME Directors**

Name	Title	Experience
Mr Peter Sullivan	Chairman	Peter Sullivan was appointed chairman of the Company in March 2017. He is an engineer that has been involved in the management and strategic development of resource companies for more than 20 years
Mr James Sullivan	Managing Director	James Sullivan has more than 20 years' experience in commerce, specialising in services to the mining industry. He has knowledge in prospecting and mining in the North-Eastern Goldfields, particularly in tenement administration, native title negotiation and supply and logistics of services.
Mr Peter Huston	Non-executive Director	Peter Huston had initial experience in practicing law in the areas of public listings, reconstructions, equity raisings and mergers and acquisitions. He was a partner of an international law firm and has since established a boutique investment bank and corporate advisory firm.

Source: Company

## Financial Information of GME

- 5.12 The information in the following section provides a summary of the financial performance of GME for the six months ended 31 December 2017 and the years ended 30 June 2016 and 30 June 2017 and of the financial position as at 31 December and 30 June 2017, extracted from the audited and reviewed financial statements of the Company.
- 5.13 The auditor of GME, HLB Mann Judd, has issued unqualified audit opinions on the financial statements for the years ended 30 June 2016 and 30 June 2017.
- 5.14 In the review for the six months ended 31 December 2017, the auditor issued an unmodified opinion concluding that it had not become aware of any matter that made it believe that the financial statement for period were not in accordance with the *Corporations Act 2001*, however, included an emphasis of matter, without modifying their conclusion, as follows:

*“... we draw attention to Note 1(d) in the interim financial report, which indicates that a material uncertainty exists that may cast significant doubt on the Group’s ability to continue as a going concern. Our conclusion is not modified in respect of this matter.”*

## Financial performance

- 5.15 The following table sets out a summary of the financial performance of GME for the six months ended 31 December 2017 and the years ended 30 June 2016 and 30 June 2017.

**Table 5 GME historical financial performance**

\$A	Ref	6 months ended 31-Dec-17 Reviewed	Year ended 30-Jun-17 Audited	Year ended 30-Jun-16 Audited
<b>Revenue</b>				
Sale of ore from gold mining operation		-	5,200,259	4,506,448
Sale of ore from trial gold mining operation		-	-	-
<b>Total Revenue</b>	5.17	-	<b>5,200,259</b>	<b>4,506,448</b>
<b>Mining and processing costs</b>				
Royalty expense		-	(2,968,580)	(2,342,741)
<b>Gross profit</b>		-	<b>2,151,445</b>	<b>2,107,401</b>
<b>Other income</b>	5.18	<b>104,543</b>	<b>100,000</b>	<b>100,000</b>
		<b>104,543</b>	<b>2,251,445</b>	<b>2,207,401</b>
<b>Expenses</b>				
Depreciation and amortisation expense		(1,074)	(2,168)	(8,766)
Impairment of exploration and evaluation expenditure		-	(291,067)	-
Management and consulting fees		(42,000)	(151,667)	(67,500)
Administration expenses	5.19	(241,677)	(341,048)	(366,914)
<b>Results from operating activities</b>		<b>(180,208)</b>	<b>1,465,495</b>	<b>1,764,221</b>
Financial income		-	16,493	9,581
Financial expense		-	-	(76,898)
Net financing (expense)/income		-	16,493	(67,317)
<b>Profit before income tax</b>		<b>(180,208)</b>	<b>1,481,988</b>	<b>1,696,904</b>
Income tax benefit	5.20	-	297,759	616,003
<b>Net profit for the year</b>		<b>(180,208)</b>	<b>1,779,747</b>	<b>2,312,907</b>
Other comprehensive income		-	-	-
<b>Total comprehensive income for the year</b>		<b>(180,208)</b>	<b>1,779,747</b>	<b>2,312,907</b>

Source: Company financial statements

- 5.16 The summary of the financial performance reflects the Company's main activities as a nickel and gold exploration company, with revenue derived from the sale of gold deposits, and expenses primarily comprising of mining and processing costs.
- 5.17 Revenue for the year is solely generated from the sale of gold ore mined from the Devon Gold Mine, which stood at circa \$5.2 million as at 30 June 2017. No revenue was generated in the six months ended 31 December 2017 as the Devon Gold Mine is now closed and rehabilitation work has been completed.
- 5.18 Other income relates to a facilitation fee for prospecting rights.
- 5.19 Administration and other expenses predominantly comprises of office costs, audit and taxation compliance fees and research and development claim preparation.

5.20 Income tax benefit relates to R&D tax offset.

## Financial position

5.21 The table below sets out a summary of the financial position of GME as at 31 December 2017 and 30 June 2017.

**Table 6 GME historical financial position**

	Ref	31-Dec-17 Reviewed \$	30-Jun-17 Audited \$
<b>Current assets</b>			
Cash and cash equivalents	5.22	889,883	2,226,722
Trade and other receivables		101,240	70,274
Prepayments		57,384	129,384
<b>Total current assets</b>	<b>5.22</b>	<b>1,048,507</b>	<b>2,426,380</b>
<b>Non-current assets</b>			
Trade and other receivables		17,286	17,286
Plant and equipment		3,664	4,148
Intangible assets		1,624	2,214
Deferred exploration and evaluation expenditure	5.23	29,607,756	28,450,995
<b>Total non-current assets</b>		<b>29,630,330</b>	<b>28,474,643</b>
<b>Total assets</b>		<b>30,678,837</b>	<b>30,901,023</b>
<b>Current liabilities</b>			
Trade and other payables		312,362	354,340
<b>Total current liabilities</b>	<b>5.22</b>	<b>312,362</b>	<b>354,340</b>
<b>Total liabilities</b>		<b>312,362</b>	<b>354,340</b>
<b>Net Assets</b>	<b>5.22</b>	<b>30,366,475</b>	<b>30,546,683</b>
<b>Equity</b>			
Issued capital		53,370,931	53,370,931
Accumulated losses		(23,004,456)	(22,824,248)
<b>Total equity</b>		<b>30,366,475</b>	<b>30,546,683</b>

Source: Company financial statements

5.22 As at 31 December 2017, GME had a net asset position of \$30.4 million, including \$0.9 million cash and cash equivalents and a working capital surplus (current assets less current liabilities) of approximately \$0.7 million.

5.23 The increase in deferred exploration and evaluation expenditure is attributed to direct expenditure during the six-month period ended 31 December 2017.

## Capital structure

5.25 GME has 463,596,374 ordinary shares on issue. The top 20 shareholders of GME as at 18 December 2017 are set out below.

**Table 7 GME top 20 shareholders**

Rank	Name	Total Units	% Issued Share Capital
1	HSBC Custody Nominees (Australia) Limited	159,400,309	34.38%
2	Mandalup Investments Pty Ltd	28,421,416	6.13%
3	J P Morgan Nominees Australia Limited	23,589,930	5.09%
4	Panoramic Resources Limited	18,518,519	3.99%
5	Australian Executor Trustees Limited	15,561,714	3.36%
6	Hardrock Capital Pty Ltd	13,673,556	2.95%
7	Duncraig Investments Services Pty Ltd	11,901,584	2.57%
8	Mandalup Investments Pty Ltd	11,180,060	2.41%
9	Mr Peter Ross Sullivan	10,832,520	2.34%
10	Mmp (Wa) Pty Ltd	10,500,000	2.26%
11	Protax Nominees Pty Ltd	7,120,000	1.54%
12	Two Tops Pty Ltd	5,926,718	1.28%
13	Hardrock Capital Pty Ltd <CGLW (NO2) SUPER FUND A/C>	5,374,132	1.16%
14	Zeta Resources Limited	5,160,931	1.11%
15	Sullivans Garage Pty Ltd	4,311,332	0.93%
16	Mr Douglas Stuart Butcher	4,267,311	0.92%
17	Hvh Pty Ltd	4,246,789	0.92%
18	Md Nicholaeff Pty Ltd	3,965,779	0.86%
19	Tunza Holdings Pty Ltd	3,603,121	0.78%
20	Mr Robert Gregory Looby	3,300,000	0.71%
	<b>Top 20 shareholding</b>	<b>350,855,721</b>	<b>75.69%</b>
	<b>Other shares</b>	<b>112,740,653</b>	<b>24.31%</b>
	<b>Total issued capital</b>	<b>463,596,374</b>	<b>100.00%</b>

Source: Company

## Share price performance

5.26 The figure below sets out a summary of GME closing share prices and traded volumes for the 12 months to 28 March 2018.

**Figure 1 GME daily closing share price and traded volumes**



Source: S&P Capital IQ/ ASX

5.27 In the 12-month period to 28 March 2018, approximately 8.3% of total volume traded. During this period, GME share price fluctuated between \$0.057 and \$0.19.

5.28 The most significant trading days have been noted in the graph above and are analysed as follows:

- the most significant trading day occurred on 29 March 2017, where just under 1% of total shares on issue were traded. There is no information relating to the large volume of shares traded on this particular day, however on 20 March the Company announced that Chairman and long serving director, Mr Michael Perrott has resigned as a director after 20 years with GME and Mr Peter Huston joined the Board; and
- on 9 October 2017, GME announced positive results relating to its production of Battery-Grade Nickel Sulphate. This led to an increase in share price from \$0.09 per share to \$0.16 per share over a 10-day period to 20 October 2017. Approximately 1% of total shares on issue was traded during this period.

5.29 The Proposed Transaction was announced on 16 November 2017, with an immediate increase in share price from \$0.16 per share to \$0.17 per share, followed by a decreased to \$0.10 per share, before a recent settling in the \$0.13 to \$0.17 price range.

## 6. Profile of Axelrock

- 6.1 Axelrock is an investment holding company incorporated in Bermuda in 2013.
- 6.2 Axelrock is owned by the Vendor, which itself is owned by Mr Duncan Saville. The external investment manager of Axelrock is ICM of which Mr Saville is founder, owner and current director.
- 6.3 Axelrock has three investments comprising:
- GME – 157,624,769 shares – approximately 34% of the issued capital;
  - AMC – 10,204,756 shares – approximately 27% of issued capital; and
  - Seacrest – 6,831,100 shares – approximately 16% of the issued capital.

### AMC

- 6.4 AMC is an unlisted company with a 90% ownership of Koumbia bauxite project located in Guinea. AMC has completed a definitive feasibility study and has committed funding in place to develop a mine, with first production targeted in 2019.

### Seacrest

- 6.5 Seacrest is an unlisted private seismic specialist oil explorer with a large, geographically diversified portfolio of interests in joint venture oil and gas exploration permits.

### Financial position

- 6.6 The table below sets out a summary of the unaudited financial position of Axelrock as at 30 November 2017 and 30 June 2017.

**Table 8 Axelrock historical financial position**

\$US	As at 30-Nov-17 Unaudited	As at 30-Jun-17 Unaudited
<b>Non-current assets</b>		
Investments - Listed	9,546,069	9,546,069
Investments - Unlisted	6,828,102	20,094,285
<b>Total non-current assets</b>	<b>16,374,171</b>	<b>29,640,354</b>
<b>Total assets</b>	<b>16,374,171</b>	<b>29,640,354</b>
<b>Non-current liabilities</b>		
Group loans	16,389,888	29,656,071
<b>Total non-current liabilities</b>	<b>16,389,888</b>	<b>29,656,071</b>
<b>Total liabilities</b>	<b>16,389,888</b>	<b>29,656,071</b>
<b>Net assets</b>	<b>(15,717)</b>	<b>(15,717)</b>
<b>Equity</b>		
Share capital	-	-
Retained earnings	(15,717)	(15,717)
<b>Total equity</b>	<b>(15,717)</b>	<b>(15,717)</b>

Source: Axelrock management accounts

- 6.7 As set out above, Axelrock had a small net liability position with its listed and unlisted investments netted off against its related party loans.

## 7. Profile of Zeta

### Background

- 7.1 Zeta is a closed-end investment company incorporated under the Bermuda Companies Act and admitted to the official list of the ASX on 12 June 2013.
- 7.2 The business of Zeta consists of investing the pooled funds of its shareholders in accordance with its investment objective and policy, with the aim of generating a return for shareholders with an acceptable level of risk. Zeta has borrowings, the proceeds from which can also be invested with the aim of enhancing returns to its shareholders

### Directors and management

- 7.3 The directors of Zeta are Mr Peter Sullivan, chairman, and non-executive directors Mr Marthinus Botha and Ms Xi Xi. Profiles of the Zeta Directors are included in section 3.4.1 of the Notice.

### Financial information of Zeta

- 7.4 The information in the following section provides a summary of the financial performance of Zeta for the six months ended 31 December 2017 and the years ended 30 June 2016 and 30 June 2017 and financial position as at 31 December 2017 and 30 June 2017, extracted from the audited financial statements of Zeta.
- 7.5 The auditor of Zeta, KPMG Inc. (South Africa), has issued unqualified audit opinions on the financial statements for each of the three years.

### Financial performance

- 7.6 The following table sets out a summary of the financial performance of Zeta for the six months ended 31 December 2017 and the years ended 30 June 2016 and 30 June 2017.

**Table 9 Zeta historical financial performance**

\$US	Ref.	6 months ended 31-Dec-17 Reviewed	Year ended 30-Jun-17 Audited	Year ended 30-Jun-16 Audited
<b>Revenue</b>				
Investment income/(loss)	7.7	16,245,090	14,246,441	(4,036,767)
Other income/(loss)	7.8	805,270	(213,826)	1,437,732
<b>Expenses</b>				
Directors fees		(75,000)	(150,000)	(150,000)
Interest expenses	7.9	(1,112,921)	(2,627,116)	(3,371,114)
Management and consulting fees	7.10	(465,645)	(662,662)	(560,884)
Operating and administration expenses		(185,582)	(314,931)	(293,458)
<b>Profit/(loss) before tax</b>		<b>15,211,212</b>	<b>10,277,906</b>	<b>(6,974,491)</b>
Income tax expense		-	-	-
<b>Profit / (loss) for the period</b>		<b>15,211,212</b>	<b>10,277,906</b>	<b>(6,974,491)</b>

Source: Company financial statements

- 7.7 The main income and expense in each year is Zeta's investment income or loss in the period. This is measured based on both realised and unrealised movements in the fair value of its investment portfolio.

- 7.8 Other income is predominantly foreign exchange movements and other non-investment income.
- 7.9 Interest expense is charged on the related party loans.
- 7.10 The company has an investment management agreement with ICM whereby management fees are payable at a rate of 0.5% per annum on the funds under management.

## Financial position

- 7.11 The table below sets out a summary of the financial position of Zeta as at 31 December 2017 and 30 June 2017.

**Table 10 Zeta historical financial position**

\$US	Ref.	As at 31-Dec-17 Reviewed	As at 30-Jun-17 Audited
<b>Current assets</b>			
Cash and cash equivalents		216,083	15,828
<b>Total current assets</b>		<b>216,083</b>	<b>15,828</b>
<b>Non-current assets</b>			
Investment in subsidiaries	7.14	4,358,761	3,181,102
Investments	7.13	77,877,484	47,685,376
Loans to subsidiaries		14,169,267	30,027,206
<b>Total non-current assets</b>		<b>96,405,512</b>	<b>80,893,684</b>
<b>Total assets</b>		<b>96,621,595</b>	<b>80,909,512</b>
<b>Current liabilities</b>			
Trade and other payables		346,845	260,421
<b>Total current liabilities</b>		<b>346,845</b>	<b>260,421</b>
<b>Non-current liabilities</b>			
Loan from subsidiary		5,338,422	5,351,022
Loan from parent		19,150,033	22,257,029
<b>Total non-current liabilities</b>		<b>24,488,455</b>	<b>27,608,051</b>
<b>Total liabilities</b>		<b>24,835,300</b>	<b>27,868,472</b>
<b>Net assets</b>	7.12	<b>71,786,295</b>	<b>53,041,040</b>
<b>Equity</b>			
Share capital		1,884	900
Share premium		87,031,420	66,233,041
Option reserve		-	17,265,320
Accumulated losses		(15,247,009)	(30,458,221)
<b>Total equity</b>		<b>71,786,295</b>	<b>53,041,040</b>

Source: Zeta financial statements

- 7.12 As at 31 December 2017 had a net asset position of US\$71.8 million (A\$92.0 million, converted at US\$1:0.780 as at 31 December 2017).
- 7.13 On 24 October 2017, Zeta completed the acquisition of Pan Pacific Petroleum NL for approximately \$10.86 million (comprising cash and Zeta Shares).

7.14 At 31 December 2017, Zeta's listed investment holdings were:

Company	Shares held
Bligh Resources Limited	245,173,850
Oilex Limited	121,323,567
Panoramic Resources Limited	118,369,868
Altona Mining Limited	30,610,631
Resolute Mining Limited	20,784,000
GME Resources Limited	28,282,776
Other investments	15,744,218

#### Capital structure

7.15 There are currently 198.4 million Zeta shares on issue. The shares on issues has increased from 30 June 2017 following completion of the acquisition of Pan Pacific Petroleum NL, whereby Zeta issued 11.9 million new shares and due to UIL exercising 86.5 million options at \$0.001 per share, both announced on 10 November 2017.

**Table 11 Zeta shares on issue**

	No.
Zeta shares on issue at 30 June 2017	100,000,000
Zeta shares on acquisition of Pan Pacific Petroleum NL on 10 November 2017	11,914,689
Shares issued on exercise of options at \$0.001 on 10 November 2017	86,461,440
<b>Total shares on issue</b>	<b>198,376,129</b>

Source: Zeta financial statements and company announcements

7.16 Following completion of the acquisition of Pan Pacific Petroleum NL and exercise of options by UIL, the top shareholders of Zeta were as follows:

**Table 12 Zeta top shareholders**

	No.	%
UIL	172,849,889	87.1%
Former Pan Pacific Petroleum NL shareholders	11,914,689	6.0%
Peter Ross Sullivan	5,670,632	2.9%
Other shareholders	7,940,919	4.0%
<b>Total shares on issue</b>	<b>198,376,129</b>	<b>100.0%</b>

Source: Zeta financial statements and company announcements

## Share price performance

7.17 The figure below sets out a summary of Zeta closing share prices and traded volumes for the 12 months to 28 March 2018.

**Figure 2 Zeta daily closing share price and traded volumes**



Source: S&P Capital IQ/ ASX

7.18 In the 12-month period to 28 March 2018, Zeta shares were thinly traded with less than 1% of total volume traded. During this period the Zeta share price fluctuated between \$0.30 and \$0.40.

7.19 Share trading activity picked up significantly, relative to historical trading volumes, following completion of the Pan Pacific Petroleum NL acquisition on 10 November 2017 and announcement by Zeta that UIL had exercised 86.5 million options to acquire new Zeta shares at \$0.001 per share, significantly diluting the share capital. The resultant share price movement was from \$0.40 on 9 November 2017, prior to completion of the Pan Pacific Petroleum NL acquisition, to \$0.30 on 15 November following announcement of the exercise of the options.

7.20 The announcement of the Proposed Transaction on 16 November 2017 saw an increase in the share price to \$0.33 on that day and further increases to as high as \$0.38 on 24 November 2017, indicating a favourable market response to the Proposed Transaction.

7.21 On 31 October 2017, Zeta's share price last traded at \$0.40 and the net tangible asset ("NTA") position of the company was \$0.452 per share. The number of shares used to calculate the NTA per share includes dilution for the options issued to UIL which were exercised in November 2017.

7.22 Zeta shares have most recently traded at \$0.38 per share on 28 March 2018.

## 8. Industry Profile

### Nickel Ore mining industry in Australia

#### Performance

- 8.1 The Nickel Ore mining industry has experienced subdued operating conditions over the past five years due to a significant decline in the global price of nickel and as a result, reduced industry output. Falling nickel prices have been largely due to increased global supply, weaker demand, and subdued global economic growth. Nickel prices are projected to increase over the next five years due to improved economic activity and increased steel production.

#### Key External Drivers

##### *Global price of nickel*

- 8.2 Nickel is generally quoted in US dollars within international markets. The supply and demand for nickel ore determines the US price, which ultimately affects the industry revenue. Lower nickel ore prices can threaten revenue growth and adversely affect the industry. World nickel prices have declined significantly over the past five years, however is expected to increase in 2017-18.

##### *Demand from gold and other non-ferrous metal processing*

- 8.3 The nickel ore that the industry does not export is refined by the Gold and Other Non-Ferrous Metal Processing industry through smelting and refining processes. As demand from metal processors increases there is an opportunity for the industry to expand.

##### *US dollars per Australian dollar*

- 8.4 As nickel ore is generally quoted in US dollars, a depreciation in exchange rate between the US and Australian dollar benefits nickel ore exporters by lowering the purchase price for foreign buyers. The Australian dollar is expected to depreciate against the US dollar in 2017-18 which should benefit local exporters.

##### *Global price of steel*

- 8.5 Approximately two thirds of nickel is used in global steel manufacturing, meaning that lower world steel pricing may have a negative effect on the industry. The global price of steel is expected to decrease in 2017-18, which may negatively impact the nickel industry

#### Key Success Factors

- 8.6 The key success factors for the industry identified by IBISWorld comprise:
- Availability of nickel resources;
  - Output sold under contract – incorporate long-term sales contracts;
  - Complying with government regulations;
  - The ability to find new resource deposits; and
  - Economies of scale.

## Outlook

- 8.7 The combination of higher local output and increase in pricing is expected to increase industry revenue by 6.1% in 2018-19. Growing demand for steel in China and other key consuming countries is predicted to increase demand for nickel over this period and increase global prices. It is expected that industry revenue will rise at an annualised 4.7% over the next five years.

## 9. Evaluation of the Proposed Transaction

9.1 In forming our opinion as to whether or not the advantages of the Proposed Transaction outweigh the disadvantages to the Non-Associated Shareholders we have had regard to matters specifically identified in RG111 for the expert to consider including:

- the extent to which the vendor is to receive a premium for control (RG111.43). (Section 10); and
- other advantages and disadvantages in Section 11:
  - whether the Non-Associated Shareholders may be foregoing the opportunity to share in a takeover premium by approving the Proposed Transaction (RG 111.41);
  - the extent to which further transactions are planned between the Company and the Vendor (RG 111.45); and
  - whether the Proposed Transaction, if approved, might deter the making of a takeover bid for the Company (RG 111.46).

9.2 In addition to the above we have had regard to:

- the change in ownership position of GME if the Proposed Transaction is approved compared to the existing position;
- the increase in voting power held by Zeta;
- Zeta's intentions with regard to the future business operations of GME;
- the movement in the listed market price in GME shares as a result of the announcement of the Proposed Transaction; and
- the other advantages and disadvantages of the Proposed Transaction from the perspective of the Non-Associated Shareholders of GME.

## 10. Control Premium

- 10.1 The extent to which the Vendor is to receive a premium for control is a matter the expert needs to address (RG 111.43). The greater the control premium the greater the advantage of the transaction to the non-associated shareholders would need to be to support a finding that the advantage of the proposal outweighed the disadvantages (RG 111.44).
- 10.2 In assuming whether or not the Vendor is receiving a control premium we have compared the value of Axelrock's interest in GME to the consideration received, being shares in Zeta both on an aggregate basis and as a value per GME share basis.

### Basis of Valuation

- 10.3 The valuation has been prepared on the basis of Fair Market Value being the value that should be agreed in a hypothetical transaction between knowledgeable, willing but not anxious buyer and a knowledgeable, willing but not anxious seller, acting at arm's length.

### Valuation methodologies

- 10.4 In assessing the Proposed Transaction, we have considered a range of valuation methodologies. RG 111 proposes that it is generally appropriate for an expert to consider using the following methodologies:
- the discounted cash flow ("DCF") method and the estimated realisable value of any surplus assets;
  - the application of earnings multiples to the estimated future maintainable earnings or cash flows added to the estimated realisable value of any surplus assets;
  - the amount which would be available for distribution on an orderly realisation of assets;
  - the quoted price for listed securities; and
  - any recent genuine offers received.
- 10.5 We consider that the valuation methodologies proposed by RG 111 can be split into three valuation methodology categories, as follows.

#### *Market based methods*

- 10.6 Market based methods estimate the fair value by considering the market value of a company's securities or the market value of comparable companies. Market based methods include;
- the quoted price for listed securities; and
  - industry specific methods.
- 10.7 The recent quoted price for listed securities method provides evidence of the fair market value of a company's securities where they are publicly traded in an informed and liquid market.
- 10.8 Industry specific methods usually involve the use of industry rules of thumb to estimate the fair market value of a company and its securities. Generally, rules of thumb provide less persuasive evidence of the fair market value of a company than other market based valuation methods because they may not account for company specific risks and factors.

### *Income based methods*

- 10.9 Income based methods estimate value by calculating the present value of a company's estimated future stream of earnings or cash flows. Income based methods include:
- capitalisation of maintainable earnings; and
  - discounted cash flow methods.
- 10.10 The capitalisation of earnings methodology is generally considered a short form DCF, where an estimation of the Future Maintainable Earnings ("FME") of the business, rather than a stream of cash flows is capitalised based on an appropriate capitalisation multiple. Multiples are derived from the analysis of transactions involving comparable companies and the trading multiples of comparable companies.
- 10.11 The DCF technique has a strong theoretical basis, valuing a business on the net present value of its future cash flows. It requires an analysis of future cash flows, the capital structure and costs of capital and an assessment of the residual value or the terminal value of the company's cash flows at the end of the forecast period. This method of valuation is appropriate when valuing companies where future cash flow projections can be made with a reasonable degree of confidence.

### *Asset based methods*

- 10.12 Asset based methodologies estimate the fair value of a company's securities based on the realisable value of its identifiable net assets. Asset based methods include:
- orderly realisation of assets method;
  - liquidation of assets method; and
  - net assets on a going concern basis.
- 10.13 The value achievable in an orderly realisation of assets is estimated by determining the net realisable value of the assets of a company which would be distributed to security holders after payment of all liabilities, including realisation costs and taxation charges that arise, assuming the company is wound up in an orderly manner. This technique is particularly appropriate for businesses with relatively high asset values compared to earnings and cash flows.
- 10.14 The liquidation of assets method is similar to the orderly realisation of assets method except the liquidation method assumes that the assets are sold in a shorter time frame. The liquidation of assets method would result in a value that is lower than the orderly realisation of assets method, and is appropriate for companies in financial difficulties or where a company is not valued on a going concern basis.
- 10.15 The net assets on a going concern method estimates the market values of the net assets of a company but unlike the orderly realisation of assets method it does not take into account realisation costs.
- 10.16 Asset based methods are appropriate when companies are not profitable, a significant proportion of the company's assets are liquid, or for asset holding companies.

## Selection of Valuation Methodologies

- 10.17 We have been cognisant of the substance of the Proposed Transaction when assessing the control premium. While Zeta will increase its interest in GME from approximately 10% to 44% if the Proposed Transaction is approved relevant interests held by ICM and Mr Duncan Saville will remain the same at 44% but held through Zeta rather than Zeta and Axelrock.
- 10.18 In assessing the consideration for the Proposed Transaction through the issue of Zeta shares, we have utilised net tangible assets on a going concern basis. We have selected this basis as Zeta shares as we consider this the most appropriate methodology to apply to an investment holding company, Zeta discloses its net tangible asset valuation on a monthly basis, and Zeta shares are tightly held and thinly traded.
- 10.19 We have utilised the quoted market price methodology as a valuation methodology for assessing the value of GME shares as we consider the level of share trading in the Company's shares to be deep enough to provide an appropriate valuation basis.

## Valuation of Zeta shares

- 10.20 As stated in paragraph 10.18 we have assessed the value of the consideration on the basis of the NTA per share of Zeta. Specifically, we have relied on the NTA per share as at 31 October 2017 as announced to the market after reconciling the NTA per share as at 30 June 2017 as announced to the market to the audited financial statements for the year then ended set out below.
- 10.21 We have compared the NTA of Zeta as disclosed in its financial statement as at 30 June 2017 to the Zeta NTA value per share as at 30 June 2017 as disclosed to the market on 6 July 2017 as set out in the table below.

**Table 13 Zeta NTA as at 30 June 2017**

	\$
Zeta audited net assets as at 30 June 2017 (USD)	53,041,040
AUD:USD exchange rate on 30 June 2017	0.769
<b>Zeta audited net assets as at 30 June 2017 (AUD)</b>	<b>68,956,110</b>
Cash due on exercise of UIL in-the-money options	86,461
<b>Total net tangible assets</b>	<b>69,042,572</b>
Zeta share on issue at 30 June 2017	100,000,000
UIL in-the-money options at 30 June 2017	86,461,440
<b>Fully diluted shares on issue at 30 June 2017</b>	<b>186,461,440</b>
<b>Zeta NTA per share - RSM calculation</b>	<b>0.370</b>
<b>Zeta NTA per share - as disclosed</b>	<b>0.369</b>

Source: Company announcements and RSM analysis

- 10.22 Based on our analysis above, we consider the monthly NTA value per share as disclosed by Zeta to be accurate and a reliable basis to assess the NTA position of Zeta at 31 October 2017.

## Valuation of Zeta shares as consideration

- 10.23 In applying the deemed acquisition value to the Axelrock assets at 31 October 2017, approximately 55.8 million Zeta shares are to be issued to acquire the 157.6 million GME shares held by Axelrock, representing \$25.2 million, as set out below.

**Table 14 Proposed Transaction consideration summary**

	No. of shares	Share price	Exchange rate	A\$ value	%	Zeta shares
GME	157,624,764	A\$0.16	1.000	25,219,962	50.3%	55,798,509
AMC	10,204,756	US\$1.35	0.768	17,938,048	35.8%	39,687,462
Seacrest	6,831,100	US\$0.78	0.768	6,937,836	13.8%	15,349,781
<b>Total</b>				<b>50,095,846</b>	<b>100%</b>	<b>110,835,752</b>

Source: Company announcements

- 10.24 The Proposed Transaction implies the maximum 110,835,752 Zeta shares to be issued to the Vendor as consideration have a value of \$0.452 each, equal to Zeta's NTA value per share on 31 October 2017, as announced to the market on 6 November 2017.

### *Minority interest discount*

- 10.25 We consider the NTA value of a Zeta share to be a controlling value. Accordingly, to assess the value of a Zeta share on a minority basis, we discount the controlling value per share to a non-controlling value.
- 10.26 In selecting a minority interest discount, we have given consideration to the RSM 2013 Control Premium Study. The study performed an analysis of control premiums paid over a 7-year period to 31 December 2012 in 345 successful takeovers and schemes of arrangements of companies listed on the ASX. Our study concluded that, on average, control premiums in takeovers and schemes of arrangements involving Australian companies in the mining and metals sectors was in the range of 25% to 35%. In discounting the NTA value of a Zeta share, we have reflected a discount for minority interest in the range of 20% to 26%, being the inverse of the 25% to 35% control premium.
- 10.27 After discounting the Zeta NTA value per share of \$0.452 at 31 October 2017 for a minority shareholding, we have determined a value per share of between \$0.335 and \$0.362, as set out below.

**Table 15 Zeta value per share on a non-controlling basis and consideration per GME share**

	Value - low	Value - high
Zeta NTA value per share - controlling share	0.452	0.452
Minority interest discount (20% to 26%)	(0.117)	(0.09)
<b>Zeta NTA value per share - non-controlling share</b>	<b>0.335</b>	<b>0.362</b>
Zeta shares issued to acquire GME shares	55,798,509	55,798,509
<b>Non-controlling value of Zeta shares to acquire GME shares</b>	<b>18,682,167</b>	<b>20,176,741</b>
GME shares acquired by Zeta	157,624,764	157,624,764
Consideration per GME share	0.119	0.128

Source: RSM analysis

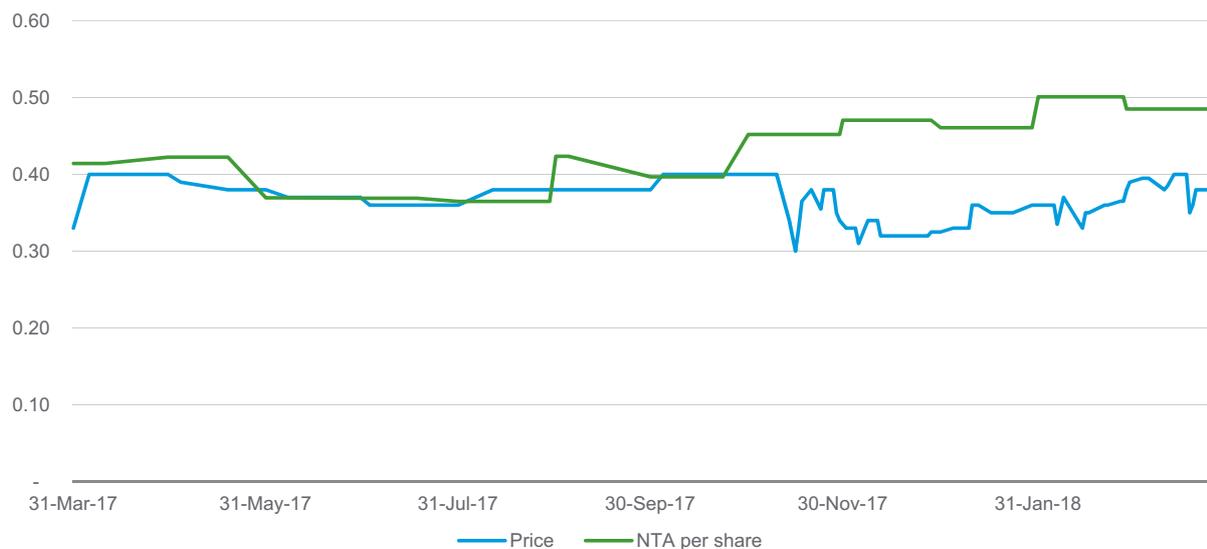
10.28 The total non-controlling value of the share issued by Zeta to acquire the GME shares is between \$18.7 million and \$20.2 million, or 11.9 cents to 12.8 cents per GME share.

**Analysis of Zeta share price to net tangible assets (NTA) per share**

10.29 We have also given consideration to the quoted market price of Zeta shares although we note that they are very thinly traded.

10.30 The chart below sets out the 12-month share price and NTA per share of Zeta, as disclosed by Zeta each month end.

**Figure 3 Zeta 12-month share price and NTA per share**



Source: S&P Capital IQ and Zeta announcements

10.31 The NTA per share approximately equalled the share price of Zeta for until October 2017, after which Zeta’s share price has traded at a discount to its NTA per share over most of the past six months ended 28 March 2018.

10.32 In the year ended 28 March 2018, Zeta’s NTA was an average of 17.3% above its share price, being consistent with the application of the discount for minority interest we have applied above.

## Value of GME shares

- 10.33 The 5-, 10-, 30-, 60-, 90-day volume weighted average price (“VWAP”) of GME shares to 15 November 2017, prior to the Proposed Transaction being announced, was between \$0.122 and \$0.176, as set out below.

**Table 16 GME VWAP analysis**

# of Days	1 Day	5 Day	10 Day	30 Day	60 Day	90 Day
VWAP	0.163	0.176	0.176	0.152	0.134	0.122
Total Volume (000's)	393.3	1,882.1	5,090.8	11,314.7	14,576.7	18,013.3
Total Volume as a % of Total Shares	0.08%	0.41%	1.10%	2.44%	3.14%	3.89%
Total Volume as a % of Total Shares excluding relevant interest	0.15%	0.72%	1.96%	4.35%	5.61%	6.93%
Low Price	0.155	0.155	0.155	0.079	0.065	0.057
High Price	0.175	0.185	0.190	0.190	0.190	0.190

Source: RSM analysis

- 10.34 We note the increase in VWAP in the recent periods followed announcements of favourable drilling results at the Company’s NiWest Project.
- 10.35 In the 30 days prior to the announcement of the Proposed Transaction 2.44% of the Company shares traded and after excluding the 44% of shares in which ICM and Mr Duncan Saville had relevant interests, 4.35% of the Company’s shares traded in the 30 days prior to the announcement of the Proposed Transaction. We consider this level of trading to be liquid and reflect a deep enough market to rely on the GME quoted market price as a primary basis of valuation.
- 10.36 In our opinion, the 30-day VWAP of \$0.152 is reflective of the value of a GME share prior to the announcement of the Proposed Transaction as it reflects the markets response to the announcement on 9 October 2017 of drilling results of the Company’s NiWest Project. Based on the 157.6 million GME shares Zeta is proposing to acquire from Axelrock, the total value of the GME shares is approximately \$24.0 million, as set out below.

**Table 17 Value of GME shares held by Axelrock**

	Value
30-day VWAP of GME shares at 15 November 2017	0.152
GME shares to be acquired by Zeta in the Proposed Transaction	157,624,764
<b>Value of GME shares in the Proposed Transaction</b>	<b>23,958,964</b>

Source: RSM analysis

## Control Premium to Vendor

- 10.37 As the value of the GME shares held by Axelrock of \$24.0 million is greater than the purchase price of assessed purchase price of between \$18.7 million and \$20.2 million, the Vendor will not receive a control premium if the Proposed Transaction is approved.

10.38 The results of our analysis on a per GME share basis is as follows:

**Table 18 GME Share value analysis**

A\$	Value	
	Low	High
Value of GME Share	0.152	0.152
Net Consideration receivable per GME Share	0.119	0.128

Source: Company and RSM calculations

## 11. Other Factors

11.1 As stated in Section 9 we have considered a number of the factors in determining whether or not the advantages of the Proposed Transaction outweigh the disadvantages to the Non-Associated Shareholders as well as the consideration as to the extent the Vendor is to receive a premium for control and these are considered below.

### Future Takeover Offers

11.2 RG111 states that experts should consider whether:

- the Non-Associated Shareholders may be foregoing the opportunity to share in a takeover premium by approving the Proposed Transaction (RG 111.41); and
- the Proposed Transaction, if approved, might deter the making of a takeover bid for the Company (RG 111.46)

11.3 In considering these issues we note that whilst Zeta will increase its interests in the Company should the Proposed Transaction be approved from 9.96% to 43.95%, Mr Duncan Saville and ICM who have interests in both Axelrock and ICM (as noted at paragraphs 3.9 to 3.11) will maintain their relevant interests at 43.95%. If the Proposed Transaction is not approved Mr Duncan Saville and ICM will still have a relevant interest of 43.95% in the Company.

11.4 We are therefore of the opinion that the Non-Associated Shareholders position with regard to issues in relation to a potential takeover are not impacted by this Proposed Transaction.

### Impact of Voting Power and Ownership

11.5 There will be no impact on the voting and ownership interests of the Non-Associated Shareholders who will have an approximate 56.06% interest in the Company both prior to and post the Proposed Transaction.

11.6 As noted above in paragraph 11.3 while Zeta will increase its interest in the Company from 9.96% to 43.95% should the Proposed Transaction be approved Mr Duncan Saville and ICM will maintain their relevant interest at 43.95%.

### Future Transactions between GME and the Vendor

11.7 RG 111.45 states that the expert should also enquire whether future transactions are planned between the Company and the Vendor or any of the Vendor's associates. This is to identify any future transactions which may not be at arm's length or which may compensate the Vendor from accepting a price for their shares which are too low.

11.8 GME and the Vendor have (confirmed) that no future transactions between them (or any of the Vendor's associates) are planned.

### Zeta's Intention with regard to the Future Business Operation of GME

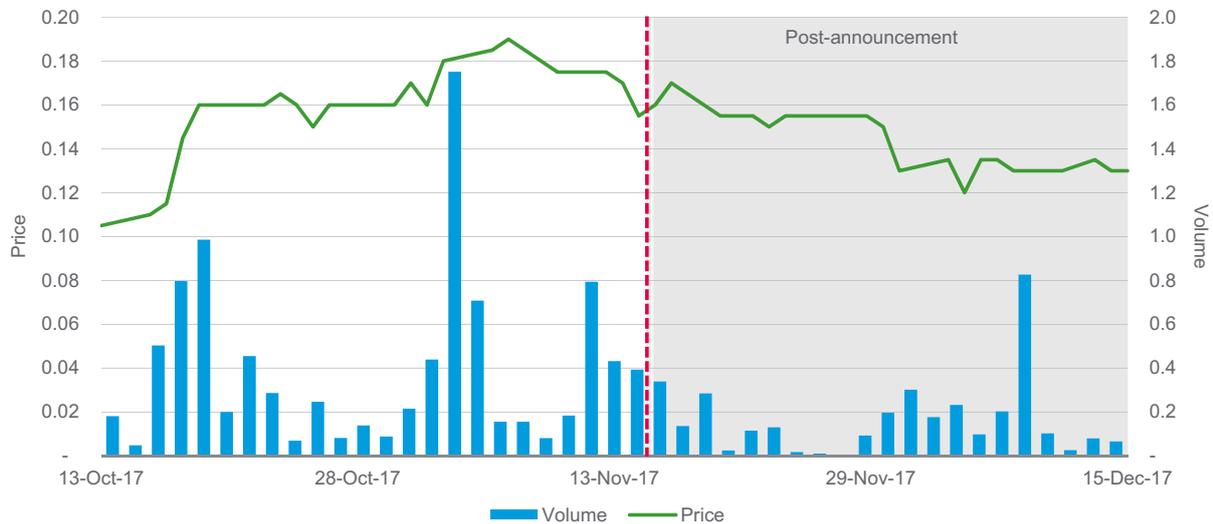
11.9 If the Proposed Transaction is approved, Zeta does not intend to make any changes to the current Board of Directors, the Company's business activities, the present employees of the Company, or the Company's financial or dividend policies, or to transfer any Company assets.

11.10 Zeta does not have any present intentions to inject further capital into GME. However, Zeta will consider any requests from the Company for further capital on a case-by-case basis.

## Trading in GME Shares following the announcement of the Proposed Transaction

11.11 As demonstrated in the chart below, there was initially a positive response to the announcement of the Proposed Transaction.

**Figure 4 GME share trading pre- and post-announcement of the Proposed Transaction**



Source: S&P Capital IQ

## Costs of Transaction

11.12 The only discernible disadvantages of the Proposed Transaction are the costs incurred by GME in relation to it which are estimated to be \$37,000. However, these costs would be incurred regardless of whether the Proposed Transaction is approved or not.

Yours faithfully

RSM CORPORATE AUSTRALIA PTY LTD

A GILMOUR

N MARKE

Director

Director



## APPENDICES

## A. DECLARATIONS AND DISCLAIMERS

### Declarations and Disclosures

RSM Corporate Australia Pty Ltd holds Australian Financial Services Licence 255847 issued by ASIC pursuant to which they are licensed to prepare reports for the purpose of advising clients in relation to proposed or actual mergers, acquisitions, takeovers, corporate reconstructions or share issues.

### Qualifications

Our report has been prepared in accordance with professional standard APES 225 “Valuation Services” issued by the Accounting Professional & Ethical Standards Board.

RSM Corporate Australia Pty Ltd is beneficially owned by the partners of RSM Australia Pty Ltd (RSM) a large national firm of chartered accountants and business advisors.

Mr Andrew Gilmour and Ms Nadine Marke are directors of RSM Corporate Australia Pty Ltd. Both Mr Gilmour and Ms Marke are Chartered Accountants with extensive experience in the field of corporate valuations and the provision of independent expert’s reports for transactions involving publicly listed and unlisted companies in Australia.

### Reliance on this Report

This report has been prepared solely for the purpose of assisting Shareholders of the Company in considering the Proposed Transaction. We do not assume any responsibility or liability to any party as a result of reliance on this report for any other purpose.

### Reliance on Information

Statements and opinions contained in this report are given in good faith. In the preparation of this report, we have relied upon information provided by the Directors and management of GME Resources Limited and we have no reason to believe that this information was inaccurate, misleading or incomplete. RSM Corporate Australia Pty Ltd does not imply, nor should it be construed that it has carried out any form of audit or verification on the information and records supplied to us.

The opinion of RSM Corporate Australia Pty Ltd is based on economic, market and other conditions prevailing at the date of this report. Such conditions can change significantly over relatively short periods of time.

In addition, we have considered publicly available information which we believe to be reliable. We have not, however, sought to independently verify any of the publicly available information which we have utilised for the purposes of this report.

We assume no responsibility or liability for any loss suffered by any party as a result of our reliance on information supplied to us.

### Disclosure of Interest

At the date of this report, none of RSM Corporate Australia Pty Ltd, RSM, Andrew Gilmour, Nadine Marke, nor any other member, director, partner or employee of RSM Corporate Australia Pty Ltd and RSM has any interest in the outcome of the Proposed Transaction, except that RSM Corporate Australia Pty Ltd are expected to receive a fee of approximately \$25,000 based on time occupied at normal professional rates for the preparation of this report. The fees are payable regardless of GME Resources Limited receives Shareholder approval for the Proposed Transaction, or otherwise.

### Consents

RSM Corporate Australia Pty Ltd consents to the inclusion of this report in the form and context in which it is included with the Notice of Extraordinary General Meeting and Explanatory Memorandum to be issued to Shareholders. Other than this report, none of RSM Corporate Australia Pty Ltd or RSM Australia Pty Ltd or has been involved in the preparation of the Notice of Extraordinary General Meeting and Explanatory Memorandum. Accordingly, we take no responsibility for the content of the Notice of General Meeting and Explanatory Statement.

## **B. SOURCES OF INFORMATION**

In preparing this Report we have relied upon the following principal sources of information:

- Drafts and final copies of the Notice of Meeting;
- Audited financial statements for GME for the years ended 30 June 2015, 30 June 2016 and 30 June 2017;
- Terms Sheet for the purchase of Axelrock;
- ASX announcements of GME;
- ASX announcements of Zeta;
- Audited financial statements for Zeta for the years ended 30 June 2015, 30 June 2016 and 30 June 2017;
- Unaudited management accounts of Axelrock for the 11 months to 30 November 2017;
- S&P Capital IQ database;
- IBIS World Industry Reports; and
- Discussions with Directors, Management and staff of GME.

## C. GLOSSARY OF TERMS

Term or Abbreviation	Definition
\$	Australian dollar
Act	Corporations Act 2001 (Cth)
APES	Accounting Professional & Ethical Standards Board
AMC	Alliance Mining Commodities
ASIC	Australian Securities & Investments Commission
ASX	Australian Securities Exchange
ASX Listing Rules	The listing rules of ASX as amended from time to time
Axelrock	Axelrock Limited
Company	GME Resources Limited
Control basis	As assessment of the Fair Value on an equity interest, which assumes the holder or holders have control of the entity in which the equity is held
DCF	Discounted cash flows
Directors	Directors of the Company
Explanatory Statement	The explanatory statement accompanying the Notice
Fair Value	The amount at which an asset could be exchanged between a knowledgeable and willing but not anxious seller and a knowledgeable and willing but not anxious buyer, both acting at arm's length
FME	Future Maintainable Earnings
FOS	Financial Ombudsman Service
FSG	Financial Services Guide
GCNL	Golden Cliffs NL
IER	This Independent Expert Report
Non-Associated Shareholders	Shareholders who are not a party, or associated to a party, to the Proposed Transaction
Notice	The notice of meeting to vote on, inter alia, the Proposed Transaction
NTA	Net tangible assets
Option or Options	Unlisted options to acquire Shares with varying vesting conditions
Proposed Transaction	The acquisition of 100% of the issued capital in Axelrock Limited by Zeta Resources Limited, which will result in, among other things, Zeta Resources Limited increasing its interest in the Company from approximately 10% to approximately 44%
Report or IER	This Independent Expert's Report prepared by RSM dated 19 February 2018
Resolution	The resolutions set out in the Notice
RG 111	ASIC Regulatory Guide 111 Content of Expert Reports
RSM, us, we	RSM Corporate Australia Pty Ltd
S&P Capital IQ	An entity of Standard and Poors which is a third-party provider of company and other financial information

Term or Abbreviation	Definition
Seacrest	Seacrest LP
Share or GME Share	Ordinary fully paid share in the capital of the Company
Shareholder	A holder of Share
Vendor	Somers Isle Private Trust Company Limited
VWAP	Volume weighted average share price
Zeta	Zeta Resources Limited

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**GME RESOURCES LIMITED**  
**ACN 009 260 315**

## **PROXY FORM**

The Company Secretary  
GME Resources Limited

**By post:**  
Unit 5, 78 Marine Terrace  
Fremantle, WA 6160

**By fax:**  
+61 8 9315 5475

**Name of Shareholder:**

**Address of Shareholder:**

**Number of Shares entitled to vote:**

Please mark  to indicate your directions. Further instructions are overleaf.

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

### **Step 1 - Appoint a Proxy to Vote on Your Behalf**

**The Chairman of the Meeting (mark box)**

OR if you are NOT appointing the Chairman as your proxy, please write the name of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Meeting of the Company to be held at 10.00am (WST) on Friday, 11 May 2018, at Unit 5, 78 Marine Terrace, Fremantle, WA 6160 and at any adjournment or postponement of that Meeting. If 2 proxies are appointed, the proportion or number of votes that this proxy is authorised to exercise is [ ]% of the Shareholder's votes / [ ] of the Shareholder's votes. (An additional Proxy Form will be supplied by the Company, on request).

### **Important – If the Chairman is your proxy or is appointed as your proxy by default**

The Chairman intends to vote all available and undirected proxies in favour of Resolution 1. If the Chairman is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to Resolution 1, you will be expressly authorising the Chairman to vote in accordance with the Chairman's voting intentions on Resolution 1.

### **Step 2 - Instructions as to Voting on Resolutions**

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

		<b>For</b>	<b>Against</b>	<b>Abstain</b>
Resolution 1	Approval of Acquisition			

### **The Chairman intends to vote all available and undirected proxies in favour of the Resolution.**

In exceptional circumstances, the Chairman may change his voting intent on the Resolution, in which case an ASX announcement will be made.

**Authorised signature/s**

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

Individual or Shareholder 1

Sole Director and Sole  
Company Secretary

Shareholder 2

Director

Shareholder 3

Director/Company Secretary

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Contact Name

Contact Daytime Telephone

Date

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**Proxy Notes:**

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

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

Joint Holding:                where the holding is in more than one name all of the holders must sign.

Power of Attorney:        if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies:                a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received at the Perth office of the Company (Unit 5, 78 Marine Terrace, Fremantle, WA 6160 or (08) 9315 5475 if faxed from within Australia or +618 9315 5475 if faxed from outside Australia or by email at [markp@endeavourcorp.com.au](mailto:markp@endeavourcorp.com.au) not less than 48 hours prior to the time of commencement of the Meeting (WST).