



# **Reviewed Interim Financial Report**

**for the six months ended  
31 December 2018**

ASX Appendix 4D pursuant to ASX listing rule 4.2A.3

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The information contained in this document should be read in conjunction with the accompanying Zeta Resources Limited Directors' Report and Financial Report for the six months ended 31 December 2018, the Zeta Resources Limited Annual Report for the year ended 30 June 2018 and any public announcements made by Zeta Resources Limited during the year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the ASX Listing Rules.

## RESULTS SUMMARY

### Results for announcement to the market

The functional and presentation currency is United States Dollars

	<b>31 December 2018 US\$</b>	31 December 2017 US\$
<b>Financial Results</b>		
Investment (Loss)/profit	<b>(43,332,931)</b>	16,245,090
Net (loss)/profit from activities after tax attributable to members	<b>(44,039,852)</b>	15,211,212
<b>Net (loss)/profit for the period attributable to members</b>	<b>(44,039,852)</b>	15,211,212

### Dividends

Cents per ordinary share	<b>Nil*</b>	Nil
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\*No dividends have been declared or are payable for the period ended 31 December 2018

### Tangible assets per ordinary share

Net tangible assets per share as at 31 December 2018 (in United States cents)	<b>27.55</b>	36.19
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### Commentary

Refer to the Directors' Report on page 4 for a summary.

## Additional Information

<b>Control gained or lost over entities having material effect</b>	No transactions resulting in control gained or lost over entities were undertaken in the period 1 July 2018 to 31 December 2018.
<b>Dividends paid or provided for</b>	No dividends declared for the half year ended 31 December 2018. Refer to results summary.
<b>Dividends reinvestment plan</b>	No dividends or distribution reinvestment plan was in operation during the period ended 31 December 2018.
<b>On-market buy-back scheme</b>	Since the start of the on-market buy-back scheme on 15 September 2018, Zeta Resources has repurchased and cancelled 334,766 fully paid ordinary shares.
<b>Net tangible assets per share</b>	Details of net tangible asset backing are set out in the results summary.
<b>Details of associates and joint ventures</b>	None.
<b>Accounting standards for foreign entities</b>	The financial statements have been prepared in accordance with the provisions of the Bermuda Companies Act 1981 and International Financial Reporting Standards.

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Peter Sullivan  
7 February 2019

## CORPORATE DIRECTORY

Zeta Resources Limited  
Company ARBN: 162 902 481  
[www.zetaresources.limited](http://www.zetaresources.limited)

### NON-EXECUTIVE DIRECTORS

Peter Sullivan (Chairman)  
Marthinus (Martin) Botha  
Xi Xi

### REGISTERED OFFICE

34 Bermudiana Road  
Hamilton HM 11  
Bermuda  
Company Registration Number: 46795

### AUSTRALIAN REGISTERED OFFICE

Level 11, 1 York Street  
Sydney NSW 2000  
PO Box 785  
Avalon NSW 2107  
Australia  
Telephone: +61 414 224 494

### NEW ZEALAND OFFICE

ICM NZ Limited  
PO Box 25437  
Wellington 6140  
Telephone: +64 4 901 7600  
Email: [contact@icmnz.co.nz](mailto:contact@icmnz.co.nz)

### INVESTMENT MANAGER

ICM Limited  
34 Bermudiana Road  
Hamilton HM 11  
Bermuda

### SECRETARY

ICM Limited  
34 Bermudiana Road  
PO Box HM 1748  
Hamilton HM GX  
Bermuda  
Telephone: +1 441 299 2894

### GENERAL ADMINISTRATION

ICM Corporate Services (Pty) Ltd  
1 Knutsford Road  
Wynberg 7800  
Cape Town  
South Africa

### AUDITOR

Deloitte & Touche  
1<sup>st</sup> Floor, The Square  
Cape Quarter  
27 Somerset Rd  
Green Point  
Cape Town 8005  
South Africa

### DEPOSITORY

JP Morgan Chase Bank NA  
London Branch  
25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

### REGISTRAR

Security Transfer Australia Pty Ltd  
770 Canning Highway  
Applecross WA 6153  
Australia  
Telephone: +61 8 9315 2333

### STOCK EXCHANGE LISTING

The company's shares are quoted on the Official List of the Australian Securities Exchange, Ticker code: ZER

## DIRECTORS' REPORT

Your directors present their report of Zeta Resources Limited ("the company") for the six months ended 31 December 2018.

### DIRECTORS

The names of directors in office during the six months ended 31 December 2018 and until the date of this report are as follows. Directors were in office for this entire period.

Peter Ross Sullivan  
Marthinus Botha  
Xi Xi

### PRINCIPAL ACTIVITIES

The principal activities of the company are investing in listed and unlisted resource focused investments.

No significant change in the nature of these activities occurred during the period.

### REVIEW OF INVESTING ACTIVITY

During the six-month period ended 31 December 2018, commodity prices were mostly down. Oil prices fell, with the Brent crude oil price down 30.1% to US\$54.15 per barrel while the gold price was up 2.5% to US\$1,282/oz, the nickel price was down 28.0% to US\$4.80/lb, the copper price was down 10.3% to US\$2.71/lb, and the aluminium price was down 13.9% to US\$0.85/lb.

During the period, the net assets of the company fell by 35.7% from US\$123.9 million to US\$79.7 million. This fall exceeded the average fall in the price of commodities due to the leveraged nature of the company. During the period, Zeta initiated a buy-back of its own shares, and by the end of the period had acquired 334,766 shares at an average share price of A\$0.41.

### FINANCIAL POSITION

At the end of the six months to 31 December 2018, the company had \$840,685 in cash and cash equivalents, investments at fair value totalled \$124,509,512 and the investments in subsidiaries were valued at \$2,918,086.

The company has loans owing to its parent UIL Limited ("UIL") of \$31,456,563, loans owing to its subsidiary of \$4,825,914 and other loans owing totalling \$11,254,011 at the period end.

### RESULTS

The net loss after income tax attributable to the company for the six months to 31 December 2018 is \$44,039,852.

### DIVIDENDS

No dividends have been paid or declared since the start of the period. No recommendation is made as to dividends.

## DIRECTORS' REPORT (continued)

### AFTER STATEMENT OF FINANCIAL POSITION DATE EVENTS

#### **Alliance Mining Commodities Limited**

Zeta Resources Limited has subscribed to a further issue of shares in AMC to take up 1,751,832 new shares for a consideration of US\$1,138,691. Zeta currently holds 28.47% of AMC.

### AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration is included in the report.

This report is signed in accordance with a resolution of directors.

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

Peter R Sullivan  
Chairman  
Perth, Western Australia  
7 February 2019

# INDEPENDENT AUDITOR'S REVIEW REPORT



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Cape Town 8000  
South Africa

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## **INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS To the Shareholders of Zeta Resources Limited**

We have reviewed the condensed financial statements of Zeta Resources Limited, contained in the accompanying interim report, which comprise the condensed statement of financial position as at 31 December 2018 and the condensed statement of profit or loss and other comprehensive income, changes in equity and cash flows for the six months period then ended, and selected explanatory notes.

### **Directors' Responsibility for the Interim Financial Statements**

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with International Financial Reporting Standard (IAS) 34, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures performed in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

National Executive: \*LL Bam Chief Executive Officer \*TMM Jordan Deputy Chief Executive Officer; Clients & Industries \*MJ Jarvis Chief Operating Officer  
\*AF Mackie Audit & Assurance \*N Sing Risk Advisory DP Ndlovu Tax & Legal TP Pillay Consulting \*JK Mazzocco Talent & Transformation  
MG Dicks Risk Independence & Legal \*KL Hodson Financial Advisory \*TJ Brown Chairman of the Board  
Regional leader: MN Alberts

A full list of partners and directors is available on request

\* Partner and Registered Auditor

**B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice**

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

# INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

## **INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS To the Shareholders of Zeta Resources Limited (Continued)**

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed financial statements of Zeta Resources Limited for the six months period ended 31 December 2018 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, IAS ("34") Interim Financial Reporting.

The logo for Deloitte & Touche, featuring the company name in a stylized, cursive script.

**Deloitte & Touche**  
Registered Auditors  
**Per: P Farrand**  
Partner  
7 February 2019

# AUDITOR'S INDEPENDENCE DECLARATION

## **INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS To the Shareholders of Zeta Resources Limited (Continued)**

### **Auditor's Independence Declaration**

In relation to our review of the condensed interim financial statements of Zeta Resources Limited for the six month period ended 31 December 2018, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the international Standards on Auditing or any other applicable code of professional conduct.

The logo for Deloitte & Touche, featuring the company name in a stylized, cursive script.

**Deloitte & Touche**  
Registered Auditor  
**Per: P Farrand**  
Partner  
7 February 2019

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 December 2018		6 months ended 31 December 2018 US\$	6 months ended 31 December 2017 US\$
	Notes		
<b>Revenue</b>			
Investment (loss)/income	14	(43,332,931)	16,245,090
Foreign exchange gains		1,586,796	805,270
		(41,746,135)	17,050,360
<b>Expenses</b>			
Directors fees		(75,000)	(75,000)
Interest expense		(1,546,597)	(1,112,921)
Management and consulting fees		(439,770)	(465,645)
Operating and administration expenses		(232,350)	(185,582)
<b>(Loss)/Profit before tax</b>		(44,039,852)	15,211,212
Income tax	15	–	–
<b>(Loss)/Profit for the period</b>		(44,039,852)	15,211,212
<b>Total comprehensive (loss)/income for the period</b>		(44,039,852)	15,211,212
<b>(Loss)/Profit per share</b>			
Basic and diluted (loss)/profit per share (cents per share)	16	(15)	8

## CONDENSED STATEMENT OF FINANCIAL POSITION

at 31 December 2018		31 December 2018 US\$	30 June 2018 US\$
	Notes		
<b>Non-current assets</b>			
Investment in subsidiaries	4	2,918,086	3,063,504
Investments	5	124,509,512	161,187,270
Loans to subsidiaries	6	423,974	379,690
Other loans	7	500,969	-
		128,352,541	164,630,464
<b>Current assets</b>			
Cash and cash equivalents	8	840,685	287,172
<b>Total assets</b>		129,193,226	164,917,636
<b>Non-current liabilities</b>			
Loan from subsidiary	9	(4,825,914)	(5,235,527)
Loan from parent	10	(31,456,563)	(30,151,190)
Other loans	11	(11,254,011)	-
		(47,536,488)	(35,386,717)
<b>Current liabilities</b>			
Other loans	11	-	(4,000,000)
Trade and other payables	12	(1,936,684)	(1,674,024)
<b>Total liabilities</b>		(49,473,172)	(41,060,741)
<b>NET ASSETS</b>		79,720,054	123,856,895
<b>Equity</b>			
Share capital	13	2,782	2,785
Share premium	13	122,999,506	123,096,492
Accumulated (losses)/profits		(43,282,234)	757,618
<b>Total equity</b>		79,720,054	123,856,895

## CONDENSED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2018	Share capital US\$	Share premium US\$	Options US\$	Accumulated (losses)/profits US\$	Total US\$
<b>Balance at 30 June 2017</b>	900	66,233,041	17,265,320	(30,458,221)	53,041,040
Total comprehensive income for the period	-	-	-	15,211,212	15,211,212
Issue of options	865	17,330,823	(17,265,320)	-	66,368
Issue of share capital	119	3,467,556	-	-	3,467,675
<b>Balance at 31 December 2017</b>	1,884	87,031,420	-	(15,247,009)	71,786,295
Total comprehensive income for the period	-	-	-	16,004,627	16,004,627
Issue of share capital	901	36,065,072	-	-	36,065,973
<b>Balance at 30 June 2018</b>	2,785	123,096,492	-	757,618	123,856,895
<b>Balance at 1 July 2018</b>	2,785	123,096,492	-	757,618	123,856,895
Purchase of treasury shares	(3)	(96,986)	-	-	(96,989)
Total comprehensive loss for the period	-	-	-	(44,039,852)	(44,039,852)
<b>Balance at 31 December 2018</b>	2,782	122,999,506	-	(43,282,234)	79,720,054

## CONDENSED STATEMENT OF CASH FLOWS

for the six months ended 31 December 2018	Notes	6 months ended 31 December 2018 US\$	6 months ended 31 December 2017 US\$
<b>Cash utilised in operating activities</b>			
Cash utilised in operations	17	(259,076)	(321,187)
Interest received		12,705	32
Interest paid		(1,546,597)	(1,112,921)
<b>Net cash outflow from operating activities</b>		<b>(1,792,968)</b>	<b>(1,434,076)</b>
<b>Cash flows from investing activities</b>			
Investments purchased		(12,118,857)	(28,010,856)
Investments sold		5,345,965	25,382
(Increase)/decrease in loans to subsidiaries		(19,236)	28,400,088
Increase in other loans		(500,969)	-
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(7,293,097)</b>	<b>414,614</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of shares	13	-	3,534,043
Net purchase of treasury stock	13	(96,989)	-
Increase in other loans		7,254,011	-
Increase/(Decrease) in loan from parent	10	1,305,373	(3,106,996)
Decrease in loan from subsidiary	9	(409,613)	(12,600)
<b>Net cash inflow from financing activities</b>		<b>8,052,782</b>	<b>414,447</b>
<b>Net movement in cash and cash equivalents</b>		<b>(1,033,283)</b>	<b>(605,015)</b>
Cash and cash equivalents at the beginning of the period		287,172	15,828
Effect of exchange rate fluctuations on cash held		1,586,796	805,270
<b>Cash and cash equivalents at end of the period</b>	8	<b>840,685</b>	<b>216,083</b>

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

## 1. REPORTING ENTITY

Zeta Resources Limited ("the company") is an investment company incorporated on 13 August 2012, listed on the Australian Stock Exchange and domiciled in Bermuda. The condensed interim financial statements of the company as at and for the six months ended 31 December 2018 comprise the company only.

## 2. BASIS OF PREPARATION

### 2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The statements do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance since the last annual financial statements as at and for the year ended 30 June 2018.

These condensed interim financial statements were authorised for issue by the board of directors on 7 February 2019.

### 2.2 Basis of measurement

These condensed interim financial statements provide information about the financial position, results of operations and changes in financial position of the company. They have been prepared on the historic cost basis except for financial instruments at fair value through profit or loss, which are measured at fair value.

### 2.3 Functional and presentation currency

The company's functional and presentational currency is United States Dollars.

### 2.4 Use of estimates and judgements

In preparing these condensed interim financial statements, management make judgements, estimates and assumptions with regards to investments that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis by the directors. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant judgements made by management in applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the period ended 30 June 2018.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these interim financial statements are in accordance with International Financial Reporting Standards (IFRS's) and the same as those applied in the financial statements as at and for the year ended 30 June 2018 and include the adoption of the following new or revised standards as described in the financial statements as at and for the year ended 30 June 2018.

IFRS 9 has been adopted for the first time for the year ending 30 June 2019 replacing IAS39. The impact of this standard on the financial statements is negligible.

IFRS 15 has been adopted for the first time for the year ending 30 June 2019. This new standard will have no significant impact on the company.

Estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities, that are not readily apparent from other sources.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

	<b>31 December 2018 US\$</b>	30 June 2018 US\$
<b>4. INVESTMENT IN SUBSIDIARIES</b>		
Investment in Kumarina Resources Limited ("Kumarina")	<b>2,918,080</b>	3,063,498
Investment in Pan Pacific Petroleum Pty Limited ("PPP")	<b>1</b>	1
Investment in Zeta Investments Limited ("Zeta Investments")	<b>1</b>	1
Investment in Zeta Energy Pte. Ltd. ("Zeta Energy")	<b>1</b>	1
Investment in Axelrock Limited ("Axelrock")	<b>1</b>	1
Investment in Pan Pacific Petroleum Vietnam Pty Limited ("PPP Vietnam")	<b>1</b>	1
Investment in Pan Pacific Petroleum JPDA Pty Limited ("PPP JPDA")	<b>1</b>	1
	<b>2,918,086</b>	3,063,504

Investments in subsidiaries are held as part of the investment portfolio and consequently, in accordance with IFRS 10 are not consolidated but rather shown at fair value through profit and loss. The directors' fair valuation of Kumarina is still considered to be its 2013 cost value as there have been no significant changes in the entity and its prospects. The remaining investments in subsidiaries are fair valued by the directors at a nominal value due to the fact that they hold no significant assets nor do they have any significant value. The company had the following subsidiaries as at 31 December 2018:

	<b>Country of incorporation and operations</b>	<b>Number of ordinary shares</b>	<b>Percentage of ordinary shares held</b>
<b>31 December 2018</b>			
Kumarina	Australia	26,245,610	100%
Pan Pacific Petroleum	Australia	581,942,846	100%
Zeta Investments	Bermuda	1,000	100%
Zeta Energy	Singapore	1	100%
Axelrock	Bermuda	100	100%
PPP Vietnam	Australia	2	100%
PPP JPDA	Australia	2	100%
<b>30 June 2018</b>			
Kumarina	Australia	26,245,610	100%
Pan Pacific Petroleum	Australia	581,942,846	100%
Zeta Investments	Bermuda	1,000	100%
Zeta Energy	Singapore	1	100%
Axelrock	Bermuda	100	100%
PPP Vietnam	Australia	2	100%
PPP JPDA	Australia	2	100%

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

	<b>31 December 2018 US\$</b>	30 June 2018 US\$
<b>5. INVESTMENTS</b>		
Financial assets at fair value through profit or loss	<b>124,509,512</b>	161,187,270
<b>Equity securities at fair value</b>		
Ordinary shares – listed	<b>94,723,156</b>	135,475,520
Subscription and other rights – unlisted	<b>29,786,356</b>	25,711,750
	<b>124,509,512</b>	161,187,270
<b>Equity securities at cost</b>		
Ordinary shares – listed	<b>106,166,001</b>	101,986,368
Subscription and other rights – unlisted	<b>36,863,717</b>	33,830,307
	<b>143,029,718</b>	135,816,675
		<b>Number of Shares</b>
<b>Investments held by the company at the reporting date</b>		
<b>Listed</b>		
Bligh Resources Limited		253,742,974
GME Resources Limited		193,655,109
Panoramic Resources Limited		160,712,549
Copper Mountain Mining Corporation		24,139,647
Resolute Mining Limited		15,391,000
Other Investments		166,723,233
<b>Unlisted</b>		
Other Investments		51,272,444
<b>Other rights</b>		1,138,331

During the reporting period the company received loans from its subsidiary Zeta Energy. To secure the loans Zeta Resources has pledged certain quantities of its shares held in listed entities.

The shares pledged include: Resolute Mining Limited (15,100,000) and Panoramic Resources Limited (5,000,000).

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

	<b>31 December 2018 US\$</b>	30 June 2018 US\$
<b>6. LOANS TO SUBSIDIARIES</b>		
Loan to Zeta Energy	-	27,010
Loan to Kumarina	<b>423,974</b>	352,680
	<b>423,974</b>	379,690

The loan to Zeta Energy is denominated in Australian dollars to the value of A\$(190,652), British pounds to the value of UK£11,100, New Zealand dollars to the value of NZ\$6.2 million, South African rands to the value of R4,000, Singapore dollars to the value of SG\$5,100 and United States dollars to the value of US\$(147,581). There are no fixed repayment terms and no interest is charged. As at 31 December 2018 the impairment to the loan totalled US\$3,873 million. The loan to Kumarina is denominated in Australian dollars and is interest free. There are no fixed repayment terms except that no repayment is due before 31 December 2019.

	<b>31 December 2018 US\$</b>	30 June 2018 US\$
<b>7. OTHER LOAN ASSETS</b>		
Loan to Bligh Resources Limited	<b>500,969</b>	-
	<b>500,969</b>	-

The loan to Bligh Resources Limited is denominated in Australian dollars and interest of 8% is capitalised monthly. There are no fixed repayment terms except that no repayment is due before 31 December 2019.

	<b>31 December 2018 US\$</b>	30 June 2018 US\$
<b>8. CASH AND CASH EQUIVALENTS</b>		
Cash balance comprises:		
Cash at bank	<b>840,685</b>	287,172

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods between three to six months depending on the immediate cash requirements of the company and earn interest at the respective short-term deposit rates.

	<b>31 December 2018 US\$</b>	30 June 2018 US\$
<b>9. LOAN FROM SUBSIDIARY</b>		
Loan from Zeta Energy	<b>4,825,914</b>	5,235,527

The loan from Zeta Energy is denominated in Australian dollars to the value of A\$5.94 million and New Zealand dollars to the value of NZ\$(953,241) and currently attracts interest at rates between 4.35% and 6.85% per annum on the Australian dollar loan and at 6.00% per annum on the New Zealand dollar loan. There are no fixed repayment terms except that no repayment is due before 31 December 2019. Zeta Energy has in turn borrowed these funds from Leveraged Equities Finance Limited and Bell Potter Capital Limited Australia on the same interest and repayment terms. In order to secure the loans Zeta has pledged certain of its investments as per note 5.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

	<b>31 December 2018 US\$</b>	30 June 2018 US\$
<b>10. LOAN FROM PARENT</b>		
Loan from UIL Limited ("UIL")	<b>31,456,563</b>	30,151,190

The loan is denominated in Australian dollars to the value of A\$21.389 million and in Canadian dollars to the value of CA\$22.336 million, and currently attracts interest at 7.5% per annum on the Australian dollar loan and 7.25% on the Canadian dollar loan. There are no repayment terms and no repayment is due before 31 December 2019.

	<b>31 December 2018 US\$</b>	30 June 2018 US\$
<b>11. OTHER LOAN LIABILITIES</b>		
Loan from ICM Limited	<b>6,254,011</b>	-
Loan from Bermuda Commercial Bank	<b>5,000,000</b>	4,000,000
	<b>11,254,011</b>	4,000,000

The ICM Loan is denominated in Australian dollars to the value of A\$8.88 million and attracts interest at 7.5% per annum. The Bermuda Commercial Bank loan is denominated in United States dollars and currently attracts interest at US\$ 3-month LIBOR + 4.25% per annum.

	<b>31 December 2018 US\$</b>	30 June 2018 US\$
<b>12. TRADE AND OTHER PAYABLES</b>		
Payable to ICM Limited	-	459,890
Payable to broker	<b>769,536</b>	-
Provisions	<b>900,000</b>	900,000
Accruals	<b>267,148</b>	314,134
	<b>1,936,684</b>	1,674,024

The accruals are for audit, management, directors and administration fees payable.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 13. SHARE CAPITAL AND SHARE PREMIUM

#### Authorised

5,000,000,000 ordinary shares of par value \$0.00001

#### Issued

Ordinary shares	Number of Shares	Share Capital	Share Premium
<b>Balance as at incorporation</b>		–	–
Issued at incorporation as \$1 par shares	100	–	–
Shares split into 10,000,000 shares of \$0.00001 each	9,999,900	–	–
Issued in consideration for purchase of investments from UIL	22,835,042	228	32,221,936
Issued in consideration for purchase of 100% of Kumarina Resources Limited	17,775,514	178	13,406,337
Issued under initial public offering	4,000	–	3,795
Issued under public rights issue dated 10 February 2014	42,616,164	426	19,249,296
Following shareholder approval, issued under ASX listing rule 10.11 dated 7 December 2015	6,769,280	68	1,351,677
Issued under a scheme of arrangement pursuant to acquiring all the ordinary share capital of Pan Pacific Petroleum NL	11,914,689	119	3,467,556
Issued pursuant to an exercise of options on 10 November 2017	86,461,440	865	17,330,823
Issued in consideration for purchase of investments from Somers Isles Private Trust Company Limited	90,144,895	901	36,065,072
<b>Balance as at 30 June 2018</b>	<b>288,521,024</b>	<b>2,785</b>	<b>123,096,492</b>
Cancellation following on-market share buy-back on 7 November 2018	(322,446)	(3)	(93,785)
Cancellation following on-market share buy-back on 5 December 2018	(12,320)	–	(3,201)
<b>Balance as at 31 December 2018</b>	<b>288,186,258</b>	<b>2,782</b>	<b>122,999,506</b>

### 14. INVESTMENT INCOME

	31 December 2018 US\$	31 December 2017 US\$
Interest income	12,705	32
Dividend income	225,384	318,616
Realised gains	2,595,587	6,173
Unrealised fair value (losses)/gains on financial assets: - at fair value through profit or loss	(46,166,607)	15,920,269
	<b>(43,332,931)</b>	<b>16,245,090</b>

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 15. INCOME TAX

The company is domiciled in Bermuda and has elected to be tax exempt in terms of local legislation. As such no tax is payable.

<b>31 December 2018 US\$</b>	31 December 2017 US\$
--------------------------------------	-----------------------------

### 16. PROFIT PER SHARE

Basic and diluted (loss)/profit per share

<b>(0.15)</b>	0.08
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(Loss)/profit used in the calculation of basic and diluted earnings per share

<b>(44,039,852)</b>	15,211,212
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Weighted average number of ordinary shares outstanding during the year used in the calculation of basic and diluted earnings per share

<b>288,471,525</b>	190,329,933
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The weighted average number of ordinary shares calculation is based on the period beginning 1 July 2018. For details of shares issued during the period refer to note 13.

<b>31 December 2018 US\$</b>	31 December 2017 US\$
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### 17. NOTES TO THE CASH FLOW STATEMENT

#### Cash utilised by operations

(Loss)/profit before tax

<b>(44,039,852)</b>	15,211,212
---------------------	------------

Adjustments for:

Realised gains on investments

<b>(2,595,587)</b>	(6,173)
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Fair value loss/(profit) on revaluation of investments

<b>46,166,607</b>	(15,920,269)
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Foreign exchange gains

<b>(1,586,796)</b>	(805,270)
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Interest income

<b>(12,705)</b>	(32)
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Interest expense

<b>1,546,597</b>	1,112,921
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Operating loss before working capital change

<b>(521,736)</b>	(407,611)
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Increase in trade and other payables

<b>262,660</b>	86,424
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<b>(259,076)</b>	(321,187)
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### 18. FINANCIAL RISK MANAGEMENT

The Board of Directors, together with the Investment Manager, is responsible for the company's risk management. The Directors' policies and processes for managing the financial risks are set out below. These financial risks are principally related to the market (currency movements, interest rate changes and security price movements), liquidity and credit and counterparty risk.

The accounting policies which govern the reported statement of financial position carrying values of the underlying financial assets and liabilities, as well as the related income and expenditure, are set out in note 3 to the Accounts. The policies are in compliance with IFRS and best practice and include the valuation of financial assets and liabilities at fair value through profit and loss.

#### *Categories of financial instruments*

IFRS 9 contains three principal classification and measurement categories for financial assets: at amortised cost, fair value through other comprehensive income, and fair value through profit and loss. The analysis of assets into their categories as defined in IFRS 9 is set out in the following table. For completeness, assets and liabilities of a non-financial nature, or financial assets and liabilities that are specifically excluded from the scope of IFRS 9, are reflected in the non-financial assets and liabilities category.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

The table below sets out the classification of each class of financial assets and liabilities. All assets and liabilities approximate their fair values:

	Designated at fair value through profit and loss US\$	Loans and receivables at amortised cost US\$	Total carrying value US\$
<b>31 December 2018</b>			
<b>Assets</b>			
Investment in subsidiaries	2,918,086	–	2,918,086
Investments	124,509,512	–	124,509,512
Loans to subsidiaries	423,974	–	423,974
Other loans	500,969	–	500,969
Cash and cash equivalents	–	840,685	840,685
	128,352,541	840,685	129,193,226
<b>Liabilities</b>			
Loans from subsidiaries	–	4,825,914	4,825,914
Loan from parent	–	31,456,563	31,456,563
Loan from third party	–	5,000,000	5,000,000
Other loans	–	6,254,011	6,254,011
Trade and other payables	–	1,936,684	1,936,684
	–	49,473,172	49,473,172
<b>30 June 2018</b>			
<b>Assets</b>			
Investments in subsidiaries	3,063,504	–	3,063,504
Investments	161,187,270	–	161,187,270
Loans to subsidiaries	379,690	–	379,690
Cash and cash equivalents	–	287,172	287,172
	164,630,464	287,172	164,917,636
<b>Liabilities</b>			
Loans from subsidiaries	–	5,235,527	5,235,527
Loan from parent	–	30,151,190	30,151,190
Loan from third party	–	4,000,000	4,000,000
Trade and other payables	–	1,674,024	1,674,024
	–	41,060,741	41,060,741

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

## (continued)

### 18.1 Fair values of financial assets and liabilities

The assets and liabilities of the company are, in the opinion of the directors, reflected in the statement of financial position at fair value. Borrowings under loan facilities do not have a value materially different from their capital repayment amount. Borrowings in foreign currencies are converted into United States dollars at exchange rates ruling at each valuation date.

Unquoted investments are valued based on professional assumptions and advice that is not wholly supported by prices from current market transactions or by observable market data.

#### Valuation of financial instruments

The table below analyses financial assets measured at fair value at the end of the year by the level in the fair value hierarchy into which the fair value measurement is categorised:

- Level 1** The fair values are measured using quoted prices in active markets.
- Level 2** The fair values are measured using inputs, other than quoted prices, that are included within level 1, that are observable for the asset.
- Level 3** The fair values are measured using inputs for the asset or liability that are not based on observable market data. The directors make use of recognised valuation techniques and may take account of recent arms' length transactions in the same or similar investments.

The directors regularly review the principles applied by the Investment Manager to those valuations to ensure they comply with the company's accounting policies and with fair value principles.

#### Level 3 financial instruments

##### *Valuation methodology*

The Directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied, and the valuation. The level 3 assets have each been assessed based on its industry, location and business cycle. Where sensible, the directors have taken into account observable data and events to underpin the valuations.

The level 3 investments are split between (a) unlisted companies and (b) investments and loans in subsidiaries.

##### (a) Unlisted companies

###### *Seacrest Limited ("Seacrest") Bermuda incorporated*

Valuation inputs: The unlisted investment comprises an equity interest in Seacrest. The company's sole asset is its holding in Azimuth, a joint venture between Seacrest and PGS (the listed Norwegian seismic data service company). Azimuth owns a number of operating subsidiaries.

The valuation of Azimuth is based on fair value GAAP accounting. Using the General Partner's valuation of the Seacrest portfolio a discount is applied to each Azimuth subsidiary. The extent of the discount depends on whether the assets are in a mature or frontier basin. In addition, following the fall in the oil price a further discount was applied thereby calculating a fair value for Azimuth. On this basis Azimuth was valued as at 30 June 2018 at US\$25.58m. The Directors deem this valuation method to be appropriate.

Valuation methodology: Zeta has used a fair value valuation of Seacrest of US\$0.35 per share based on the value of Azimuth, described above. As at 31 December 2018 the fair value of the investment in Seacrest was US\$6,122,690.

Sensitivities: Given Azimuth is an exploration company its risks are significant in both directions. Should commercially recoverable oil not be discovered then the value will fall to nil. Should substantial commercially recoverable oil be discovered the valuation uplifts are significant.

###### *Margosa Graphite Limited ("Margosa") – Australia incorporated*

Valuation inputs: The unlisted investment comprises an equity interest in Margosa Graphite Limited, a mineral exploration and development company focused on high grade graphite vein opportunities in Sri Lanka with rights to a package of highly prospective tenements. Margosa is an early stage exploration company with drilling commenced on positive geophysical targets at the end of the period.

Valuation methodology: Based on Margosa being an early stage exploration company with no explorations results, the Directors view the fair value of the company currently to be the cost of the investment made of A\$0.20 per share. As at 31 December 2018 the fair value of the investment in Margosa was US\$2,817,100.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

Sensitivities: Given Margosa is an exploration company its risks are significant in both directions dependant on the grade of the graphite veins to be brought into operation. Should substantial premium vein graphite be discovered and successfully brought into operation, the valuation uplifts are significant.

### *Alliance Mining Commodities Limited ("AMC") – Australia incorporated*

Valuation inputs: The unlisted investment comprises an equity interest in a privately-owned company that has been granted a mining concession for the development of the Koumbia Bauxite Project in the Republic of Guinea. The simple, low cost, long life development will initially produce 5.5Mwtpa as a standalone project. Due to the size of the current mineral resource base there is strong potential to expand the operation significantly during the early years to a capacity well in excess of the initial targeted production.

Valuation methodology: AMC is a private company in the process of raising funds for the development of its bauxite mining project. As such, the Directors have chosen to use the latest information provided by AMC regarding current equity capital raisings of US\$1.50 per share, as the most appropriate valuation method for Zeta's holding. As at 31 December 2018 the fair value of the investment in AMC was US\$20,668,566.

Sensitivities: The company has a world class bauxite project with initial production capacity of 10Mtpa. Production is expected to ramp up in 2019 with scope for further expansion over the following five years.

### (b) Investments and loans in subsidiaries

#### *Zeta Energy Pte Limited ("Zeta Energy") – Singapore incorporated*

Valuation inputs: The key asset is the investment loan to Zeta Energy which was utilised for the purchase of listed investments, which was impaired, through profit and loss, to the fair value of the company as determined by the Directors based on the valuation of the investments held by Zeta Energy as at 31 December 2018.

Valuation methodology: Zeta has used a fair value of Zeta Energy by which to impair the loan value in the accounts as at 31 December 2018. As at 31 December 2018 the fair value of the loan was US\$0 as Zeta Energy no longer holds any investments.

Sensitivities: Given Zeta Energy's assets comprise of cash on hand and liabilities for administration expenses incurred, there is little risk of value changing.

#### *Kumarina Resources Pty Limited ("Kumarina") – Australia incorporated*

This comprises the privately-owned 100% equity interest in a mineral exploration company with two highly prospective copper/gold projects located in Western Australia. The company is in the process of doing further research and exploration around the development of its Ilgarari Copper Project and its Murrin Murrin Gold Project. As this is still early stage exploration with no quantifiable results as yet, the Director's view the fair value of the company currently to be its cost value as there have been no significant changes to the entity and its prospects. As at 31 December 2018 the fair value of the investment was US\$2,918,080.

#### Other investments

Zeta has further investments at fair value totalling US\$178,006.

<b>31 December 2018</b>	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>
<b>Financial assets</b>			
Investments	94,723,156	–	29,786,356
Investments in subsidiaries	–	–	2,918,086
Loans to subsidiaries	–	–	423,974
Other loans	–	–	500,969

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

The following table shows a reconciliation from opening balances to closing balances for fair value measurements in level 3 investments of the fair value hierarchy:

	<b>Level 3</b>	<b>Level 3 Investments in subsidiaries</b>	<b>Level 3 loans to subsidiaries</b>	<b>Level 3 other loans</b>
At 1 July 2018	25,711,750	3,063,504	379,690	-
Acquisitions at cost	3,514,680	-	92,412	500,969
Disposals during the year	-	-	(25,480)	-
Total gains/(losses) recognised in:				
- fair value through profit or loss	559,926	(145,418)	(22,648)	-
Balance at 31 December 2018	29,786,356	2,918,086	423,974	500,969

<b>30 June 2018</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Financial assets</b>			
Investments	135,475,520	-	25,711,750
Investment in subsidiaries	-	-	3,063,504
Loan to subsidiary	-	-	379,690

The following table shows a reconciliation from opening balances to closing balances for fair value measurements in level 3 investments of the fair value hierarchy:

	<b>Level 3</b>	<b>Level 3 Investments in subsidiaries</b>	<b>Level 3 loan to subsidiaries</b>
At 30 June 2017	408,583	3,181,102	30,027,206
Acquisitions at cost	33,045,767	4	1,013,278
Disposals during the year	-	-	(44,417,518)
Total gains recognised in:			
- fair value through profit or loss	(7,742,600)	(117,602)	13,756,724
Balance at 30 June 2018	25,711,750	3,063,504	379,690

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 19. RELATED PARTIES

#### 19.1 Material related parties

##### *Holding company*

The company's holding company is UIL Limited which held 59.8% of the company's issued share capital on 31 December 2018. UIL Limited is in turn owned by General Provincial Life Pension Fund Limited, which holds 62.6% of UIL.

##### *Subsidiary companies*

The company's subsidiaries are Kumarina, Zeta Energy, Axelrock, PPP, PPP Vietnam, PPP JPDA and Zeta Investments, all 100% held subsidiaries.

##### *Key management personnel*

Key management personnel and their close family members and entities which they control, jointly or over which they exercise significant influence are considered related parties of the company. The company's directors, as listed in the Directors' report are considered to be key management personnel of the company.

##### *Investment manager*

ICM Limited is the investment manager of the company, its subsidiaries and of UIL Limited.

	<b>31 December</b>	30 June
	<b>2018</b>	2018
	<b>US\$</b>	US\$
<b>19.2 Material related party transactions</b>		
<b>Nature of transactions</b>		
Investments in related parties:		
Kumarina	<b>2,918,080</b>	3,063,498
Pan Pacific Petroleum	<b>1</b>	1
PPP Vietnam	<b>1</b>	1
PPP JPDA	<b>1</b>	1
Axelrock	<b>1</b>	1
Zeta Investments	<b>1</b>	1
Zeta Energy	<b>1</b>	1
Loans to related parties:		
Kumarina	<b>423,974</b>	352,680
Bligh Resources Limited	<b>500,969</b>	-
Zeta Energy	<b>-</b>	27,010
Loans from related parties:		
UIL Limited	<b>31,456,563</b>	30,151,190
ICM Limited	<b>6,254,011</b>	459,890
Zeta Energy	<b>4,825,914</b>	5,235,527
Trade and other Payables		
Directors Fees	<b>37,500</b>	37,500
ICM Limited	<b>160,030</b>	121,239
Interest charged by the subsidiaries	<b>173,986</b>	295,428
Interest charged by the parent company	<b>1,150,326</b>	1,808,717
Interest charged by investment manager	<b>79,983</b>	-
Interest charged to investee entity	<b>8,087</b>	-
Fees paid to the investment manager	<b>347,147</b>	652,993
Fees paid to the directors	<b>75,000</b>	150,000

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### 20. SEGMENTAL REPORTING

The company has four reportable segments, as described below, which are considered to be the company's strategic investments areas. For each investment area, the company's chief operating decision maker ("CODM") (ICM Limited – investment manager) reviews internal management reports on at least a monthly basis. The following summary describes each of the company's reportable segments:

**Gold:** Investments in companies which explore or mine for gold

**Nickel:** Investments in companies which explore or mine for nickel

**Mineral Exploration:** Investments in companies who explore or mine for copper and other minerals

**Other segments:** Activities which do not fit into one of the above segments

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the company's CODM. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the performance of certain segments relative to other entities that operate within these industries.

#### Information about reportable segments

	Gold US\$	Nickel US\$	Mineral exploration US\$	Other segments US\$	Total US\$
<b>31 December 2018</b>					
External revenues	3,371,098	(37,717,088)	(8,751,754)	(235,187)	(43,332,931)
Reportable segment revenue	3,371,098	(37,717,088)	(8,751,754)	(235,187)	(43,332,931)
Interest revenue	8,087	–	972	3,646	12,705
Interest expense	–	–	–	(1,546,597)	(1,546,597)
Reportable segment profit/(loss) before tax	3,371,098	(37,717,088)	(8,751,754)	(942,108)	(44,039,852)
Reportable segment assets	32,526,649	51,132,649	44,693,243	840,685	129,193,226
Reportable segment liabilities	–	–	–	(49,473,172)	(49,473,172)
<b>31 December 2017</b>					
External revenues	(1,794,969)	(1,600,684)	19,640,711	32	16,245,090
Reportable segment revenue	(1,794,969)	(1,600,684)	19,640,711	32	16,245,090
Interest revenue	–	–	–	32	32
Interest expense	–	–	–	(1,112,921)	(1,112,921)
Reportable segment (loss)/profit before tax	(1,794,969)	(1,600,684)	19,640,711	(1,033,846)	15,211,212
Reportable segment assets	28,837,532	21,425,530	46,142,488	216,085	96,621,635
Reportable segment liabilities	–	–	–	(24,835,300)	(24,835,300)
<b>30 June 2018</b>					
Reportable segment assets	30,716,732	85,181,389	48,732,343	287,172	164,917,636
Reportable segment liabilities	–	–	–	(41,060,741)	(41,060,741)

During the period there were no transactions between segments which resulted in income or expenditure.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

### Reconciliations of reportable segment revenues, profit or loss, assets and liabilities, and other material items

	31 December 2018 US\$	31 December 2017 US\$
<b>Revenues</b>		
Total revenue for reportable segments	(43,097,744)	16,245,058
Revenue for other segments	(235,187)	32
<b>Revenue</b>	<b>(43,332,931)</b>	<b>16,245,090</b>
<b>Profit or loss</b>		
Total (loss)/profit for reportable segments	(43,097,744)	16,245,058
Loss for other segments	(942,108)	(1,033,846)
<b>Consolidated (loss)/profit before tax</b>	<b>(44,039,852)</b>	<b>15,211,212</b>
	31 December 2018 US\$	30 June 2018 US\$
<b>Assets</b>		
Total assets for reportable segments	128,352,541	164,630,464
Assets for other segments	840,685	287,172
<b>Consolidated total assets</b>	<b>129,193,226</b>	<b>164,917,636</b>
<b>Liabilities</b>		
Total liabilities for reportable segments	-	-
Liabilities for other segments	(49,473,172)	(41,060,741)
<b>Consolidated total liabilities</b>	<b>(49,473,172)</b>	<b>(41,060,741)</b>

## 21. EVENTS AFTER THE REPORTING DATE

### 21.1 Alliance Mining Commodities Limited

Zeta Resources Limited has subscribed to a further issue of shares in AMC to take up 1,751,832 new shares for a consideration of US\$1,138,691. Zeta currently holds 28.47% of AMC.

## DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes of the company:
  - a. give a true and fair view of the financial position as at 31 December 2018 and the performance of the company for the six months ended on that date; and
  - b. comply with IAS 34, Interim Financial Reporting, relevant corporate regulations and any other mandatory professional reporting requirements.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

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

Peter Sullivan  
Director  
7 February 2019