ZETA RESOURCES

2019
ANNUAL REPORT

MANAGED BY ICM

SIGNIFICANT STAKES IN A SELECT RANGE OF KEY COMMODITY COMPANIES

Zeta Resources Limited is a resource-focused investment holding company whose aim is to maximise total returns for shareholders by identifying and investing in resource assets and companies where the underlying value is not reflected in the market price.

NATURE OF THE COMPANY

Zeta Resources Limited ("Zeta" or the "Company") is a closed-end investment company, whose ordinary shares are listed on the Australian Securities Exchange ("ASX"). 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.

The Company has contracted with an external investment manager, ICM Limited (the "Investment Manager" or "ICM"), to manage its investments and undertake the Company secretarial function.

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FINANCIAL CALENDAR

Year End
30 June

Annual General Meeting
30 December 2019

Half Year Announcement
February 2019

FORWARD–LOOKING STATEMENTS

This annual report may contain "forward-looking statements" with respect to the financial condition, results of operations and business of the Company. Such statements involve risk and uncertainty because they relate to future events and circumstances that could cause actual results to differ materially from those expressed or implied by forward-looking statements. The forward-looking statements are based on the directors' current view and on information known to them at the date of this report. Nothing in this publication should be construed as a profit forecast.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested.

WHY ZETA RESOURCES LIMITED?

Zeta is a patient, long term investor, seeking and finding value in the resources sector.

Zeta's investment aim is to maximise total returns for shareholders by identifying and investing in resource assets and companies in diverse commodity sectors where the underlying value is not reflected in the market price.

Zeta has a select range of concentrated investments, where the Company has a meaningful influence on its investment. Rather than take a passive approach, Zeta is an active manager of its investments, working alongside investee management teams to ensure rational decision making, particularly in respect of capital allocation.

In addition, Zeta often participates at a corporate governance level, and assist investee companies with its extensive network of contacts and experience.

Zeta utilises ICM as its Investment Manager. ICM has a global network of offices, including a specialist team devoted to research and analysis of resource companies.

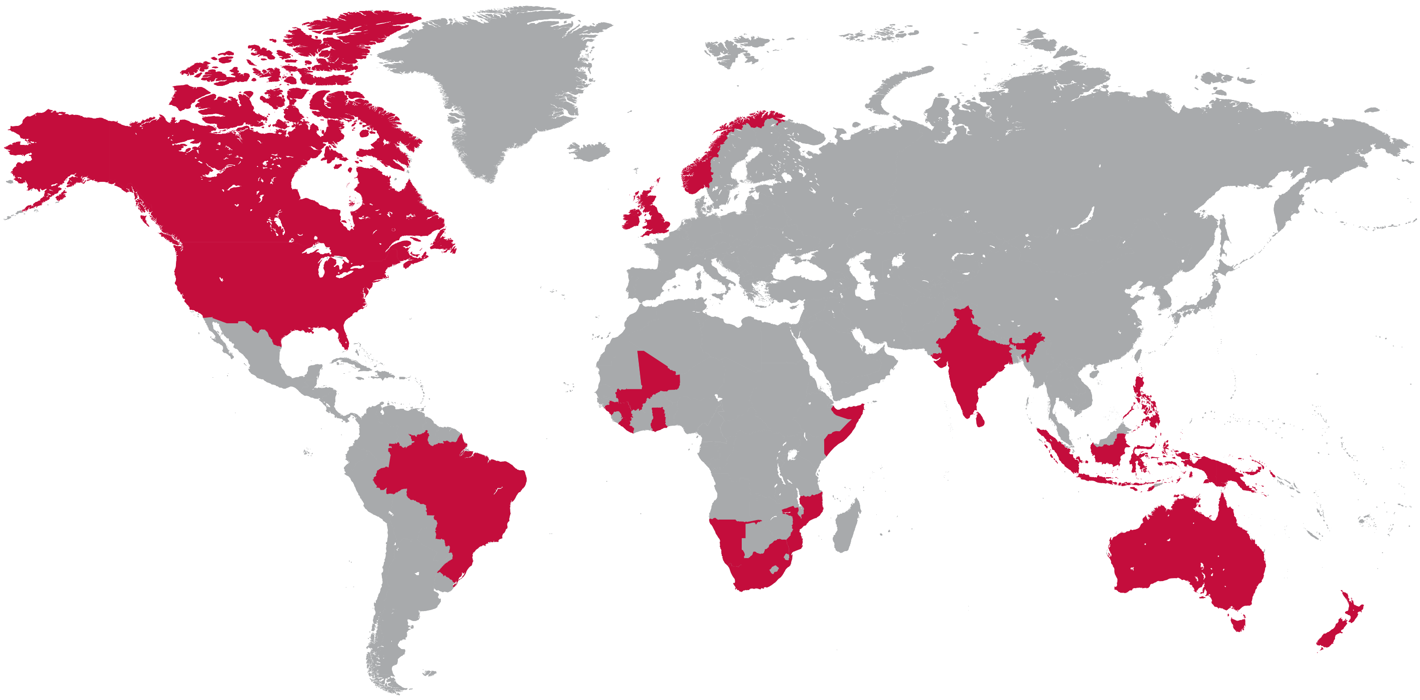
GEOGRAPHICAL INVESTMENT EXPOSURE

(% OF TOTAL INVESTMENTS)

AUSTRALIA	
June 2019	53.4%
June 2018	66.6%

GUINEA	
June 2019	25.1%
June 2018	10.8%

CANADA	
June 2019	10.3%
June 2018	9.1%



MALI	
June 2019	3.4%
June 2018	8.2%

NAMIBIA	
June 2019	2.4%
June 2018	0.9%

OTHER	
June 2019	5.4%
June 2018	4.4%

Source: ICM

GROUP PERFORMANCE SUMMARY

	30 June 2019	30 June 2018*	% change 2019/18
Total return[1] (annual) (%)	(36.5)	56.1	(165.0)
Net tangible asset per ordinary share[2] (Australian cents)	36.6	57.6	(36.5)
Ordinary share price (Australian cents)	35.5	40.5	(12.3)
Premium/(Discount) (%)	(3.0)	(29.7)	(90.0)
Profit/(loss) per ordinary share[3] (US dollars)	(0.17)	0.15	(213.3)
Dividends per ordinary share	Nil	Nil	n/a
Equity holders' funds (US$m)	74.0	122.9	(39.8)
Gross assets[4] (US$m)	133.3	162.3	(17.9)
Cash (US$m)	0.1	0.3	(65.2)
Other debt (US$m)	(59.3)	(39.4)	50.5
Net debt (US$m)	(59.2)	(39.1)	51.4
Net debt gearing on gross assets (%)	44.4	24.1	n/a

(1) Total return is calculated based on NTA per share return plus dividends reinvested from the payment date.

(2) The NTA is calculated based on 287,763,076 shares in issue.

(3) Earnings per share is based on the weighted average number of shares in issue during the year.

(4) Gross assets less liabilities excluding loans.

* Restated, refer to note 28.

n/a = not applicable

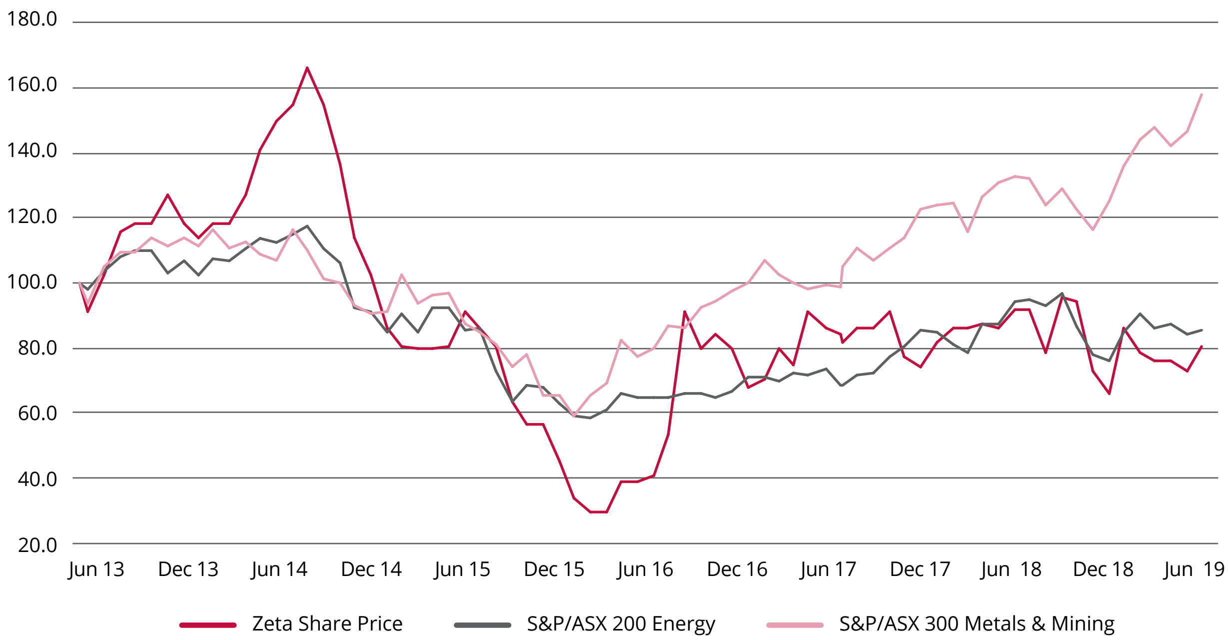
CURRENT YEAR PERFORMANCE

NAV TOTAL RETURN PER ORDINARY SHARE	SHARE PRICE RETURN PER SHARE	NAV DISCOUNT AS AT 30 JUNE 2019	GEARING
-36.5%	-12.3%	-3.0%	44.4%

EARNINGS PER SHARE	ORDINARY SHARES BOUGHT BACK	AVERAGE PRICE OF ORDINARY SHARE BOUGHT BACK	ONGOING CHARGES
(US$0.17)	807,948	A$0.37	1.3%

TOTAL RETURN COMPARATIVE PERFORMANCE*

Since inception on 12 June 2013 to 30 June 2019



*AUD, rebased to 100 as at 12 June 2013. Zeta NTA adjusted for February 2014 entitlement issue.

Source: ICM and S&P Dow Jones Indices

ASSOCIATES OF ZETA RESOURCES AS AT 31 OCTOBER 2019

Panoramic Resources Limited

Nickel

West Australian nickel company

Over 300,000 tonnes of nickel resources

35.2%

Alliance Mining Commodities Limited

Bauxite

Unlisted bauxite development company

World class bauxite asset in Guinea, West Africa

34.7%

GME Resources Limited

Nickel & Gold

ASX-listed junior nickel and gold explorer

Substantial nickel resources in Western Australia

40.2%

Seacrest L.P.

Oil & Gas

Global exploration firm

Widely diversified portfolio of exploration interests

38.7%

Horizon Gold Limited

Gold

ASX-listed junior gold explorer

Gold resources and zinc-copper-silver discovery in Western Australia

20.1%

Margosa Graphite Limited

Graphite

Unlisted graphite explorer

Focused on high grade vein graphite in Sri Lanka

33.3%

The sale of Zeta's investment in Bligh was a highlight

PETER SULLIVAN
Chairman

Unlike last year, commodity prices were down overall, and as a leveraged fund, Zeta made a significant loss. Zeta's loss for the year was US$48.7 million, and the net asset value per share fell by 36.5%.

However, we are pleased with the positioning of Zeta's portfolio, and beneath the headline loss has been one very pleasing success, as well as a significant rebalancing of the portfolio.

The success came near the end of the year, and in fact the full realisation of Zeta's investment in Bligh Resources Limited was finalised at the end of July 2019. The price offered by Saracen Mineral Holdings Limited in its takeover bid announced in June 2019 represented a 97% premium to Bligh's share price immediately prior to the takeover, and a 260% premium on Zeta's A$9.0m investment cost. Zeta received new Saracen shares in exchange for its holding in Bligh, and as of writing, the share price of Saracen had risen significantly in the wake of strong Australian dollar gold prices.

The sale of the investment in Bligh capped a series of deliberate steps taken by Zeta. Firstly, to act quickly to buy the initial stake when Saracen first publicly expressed interest in Bligh's chief asset, Bundarra. Secondly, Zeta outmanoeuvred Saracen's bid for the Bundarra asset by launching a takeover bid for Bligh itself rather than the company's main asset.

Thirdly, once Zeta controlled a majority stake in Bligh, it developed a cost effective plan of selective drilling and cost control, thereby significantly increasing the company's resources. Finally, when Saracen again expressed interest in Bundarra, Zeta worked to ensure there was competitive tension in the sales process, with a pleasing end result for Zeta shareholders.

The other significant development during the year was more subtle, namely a rebalancing of the Company's portfolio. At the start of the year, Zeta had over 50% of its portfolio invested in nickel, and over 20% in gold. At the end of the year, Zeta's biggest exposure was to bauxite, with around 25% of the portfolio, with nickel at 24% and gold at 23%. Copper has been increased from 11% to 14%. While Zeta is confident in the long term outlook for nickel, it was important that the Company is not overexposed to the risk of any one commodity, and while the investment in bauxite is more related to Zeta's belief in the value of the particular investment rather than bullishness about the underlying commodity, we remain equally excited about the investment potential of our investments.

Looking ahead, it remains to be seen whether short term fears that have driven recent gains in precious metals and declines in industrial commodity prices, will prove to be misplaced or not. Either way, Zeta will continue to seek to find and realise value in resources and resource companies.

Peter Sullivan
Chairman

3 December 2019

INVESTMENT MANAGER'S REPORT

DUGALD MORRISON

In the Company's 2018 annual report, we reported that most commodities had performed strongly, with the exception of gold. This year, I report the opposite, with gold being up, but the other commodities Zeta is invested in were all down. Since Zeta's June 2019 year end, an unusual divergence among industrial commodities has occurred, with nickel being a standout performer, while the other commodities have continued to decrease in price.

As noted in the chairman's statement, Zeta's portfolio is now more balanced than it was a year ago. Back then, over 40% of Zeta's portfolio was invested in nickel. In this annual report, you will see that the Company's largest investment in any one commodity is in bauxite, with roughly 25% of gross assets, while nickel was 24%, and gold was 23%.

As a leveraged investment company with small company exposure, the overall decline in commodity prices was exacerbated in Zeta's NAV performance. During the year under review, Zeta's net assets per share fell from A$0.579 to A$0.366, a fall of 36.5%. For comparison, the S&P/ASX 200 Energy index fell 9.1% over the same period, and the S&P/ASX 300 Metals & Mining index which includes gold mining stocks, rose 19.1%. Zeta's share price fell 12.3% to A$0.355. At the start of the period the share price was at a 29.7% discount to net assets; at the end of the period the share price was at a 3% discount to net assets.

After year end, Zeta has used weakness in commodity proceeds to add to existing investments, as well as making new investments in resources companies. These acquisitions have utilised the proceeds from the sale of Zeta's holding in Bligh Resources.

IN THE YEAR TO 30 JUNE 2019

AUSTRALIA REMAINS ZETA'S LARGEST COUNTRY EXPOSURE AT 53.4%

↓ 13.2%

GUINEA REMAINS ZETA'S SECOND LARGEST COUNTRY EXPOSURE AT 25.1%

↑ 14.3%

CANADA REMAINS ZETA'S THIRD LARGEST COUNTRY EXPOSURE AT 10.3%

↑ 1.2%

MALI REMAINS ZETA'S FOURTH LARGEST COUNTRY EXPOSURE AT 3.4%

↓ 4.8%

NAMIBIA IS ZETA'S FIFTH LARGEST COUNTRY EXPOSURE AT 2.4%

↑ 1.5%

SRI LANKA REMAINS ZETA'S SIXTH LARGEST COUNTRY EXPOSURE AT 2.1%

↑ 0.8%

Note: decreases/increases refer to the movement in the portfolio percentage of the relevant country

SECTOR SPLIT OF INVESTMENTS

13 Al — Bauxite 25.1%

28 Ni — Nickel 23.9%

79 Au — Gold 23.2%

29 Cu — Copper 14.2%

Oil & Gas 4.5%

27 Co — Cobalt 4.1%

6 C — Graphite 2.2%

Other 1.7%

$ — Cash 1.1%

INVESTMENT MANAGER'S REPORT (continued)

COMMODITY MARKETS

As noted, during the year under review the price of gold increased while the prices of oil, aluminium, nickel and copper decreased. The US dollar gained in strength, which benefited Australian miners. Zeta's largest geographical exposure is to Australia, where at year end, over half the portfolio was invested.

Nickel

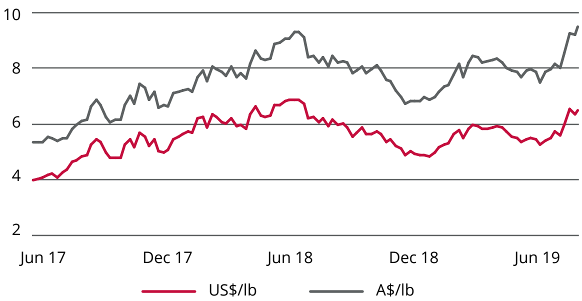
Having enjoyed a sustained uplift in price throughout the year ended June 2018, nickel prices fared badly in the last half of calendar 2018 and did not quite recover those losses in the first six months of calendar 2019. For the twelve months ended June 2019, the price of nickel fell 13.9% to US$5.74 per pound. However, subsequent to year end, nickel has performed strongly. In the short term, this uplift in price has occurred chiefly due to low available stocks, coupled with supply disruptions in Indonesia. Beyond the short term, the long-term outlook for nickel stocks is positive, provided that there is a continued increase in demand for electric vehicles ("EVs"). EVs' lithium-ion batteries, despite their name, require a much larger amount of nickel than lithium.

Zeta's chief investment in the nickel sector remains Panoramic Resources Limited ("Panoramic"), and Zeta has a smaller, but still significant investment in GME Resources Limited ("GME Resources"). Panoramic has been active in the year under review, selling its Lanfranchi mine, and its interests in platinum group metals in Canada, to focus on restarting production at its Savannah mine in Western Australia. Panoramic encountered a number of challenges in restarting Savannah, but the company announced it had shipped its first concentrate in February 2019. The push to ramp up to full production has also been challenging, but Panoramic announced recently that it expects this to be reached in the June 2020 quarter.

At the start of the year under review GME released its preliminary feasibility study for the NiWest nickel-cobalt project. The company released its maiden reserves, and the study shows a significant nickel-cobalt asset, which when developed, would have an initial mine life of 27 years.

NICKEL PRICE

from June 2017 to July 2019



Source: LME

Lithium-ion batteries require a much larger amount of nickel than lithium

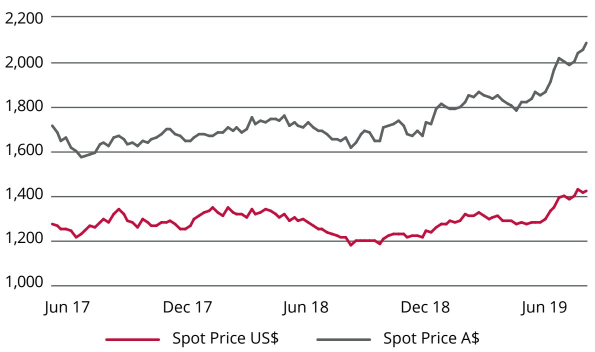
Gold

The price of gold rose significantly during the year under review. At the end of June 2018 the price of gold was US$1,250 per ounce; at the end of June 2019 the gold price was US$1,409 per ounce, a rise of 12.7%. In Australian dollars, the rise was more pronounced, from A$1,702 per ounce to A$2,012, a rise of 18.2%.

In an era of relatively high asset prices and low interest rates, the recent rise in gold prices has been ascribed to investor concerns over a possible downturn in the global economy, and the likelihood that central banks will again increase the supply of money. The rise of populist political parties, and heightened trade tensions, has only served to strengthen the demand for gold. Gold's recent rise should also be judged in light of a strong US dollar, thus making the rise in the price of gold even stronger in terms of non-US currencies. Zeta's biggest gain of the year was realised when Saracen Mineral Holdings Limited ("Saracen") made a successful takeover bid for Bligh Resources Limited ("Bligh") which was 87%-owned by Zeta. The price offered by Saracen in its takeover bid announced on 14 June 2019 represented a 97% premium to Bligh's share price immediately prior to the takeover, and a 260% premium on Zeta's A$9.0m investment cost. Zeta's investment in Resolute Mining Limited ("Resolute") started the year with a share price of A$1.275, and finished the year with a share price of A$1.33, up 4.3%.

GOLD PRICE

from June 2017 to July 2019



Source: Kitco - London PM Fix

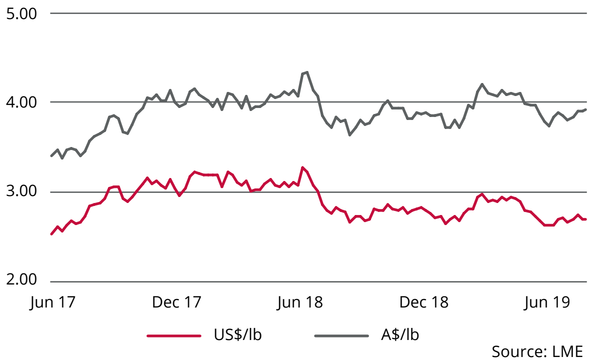
Copper

Having risen in each of the two years prior to this year, copper fell in the 12 months ended June 2019. At the start of the year, copper was US$3.02 per pound, and by the end of the year it was US$2.71 per pound, a decrease of 10.2%. Since year end, copper prices have declined in line with decreases in the prices of other industrial commodities, as investors have been concerned about industrial demand weakening in the wake of a slowing Chinese economy and trade wars.

During the year under review, Zeta has increased its holding in copper from 11% of its portfolio to 14%. The largest holding is Canadian copper firm Copper Mountain Mining Corporation, which produces copper in British Columbia, and has a copper development project in Queensland, Australia. Subsequent to year end, Zeta has increased its investment in Copper Mountain, and made other investments in copper companies. These purchases have been funded with the proceeds of the sale of Bligh.

COPPER PRICE

from June 2017 to July 2019



Source: LME

INVESTMENT MANAGER'S REPORT (continued)

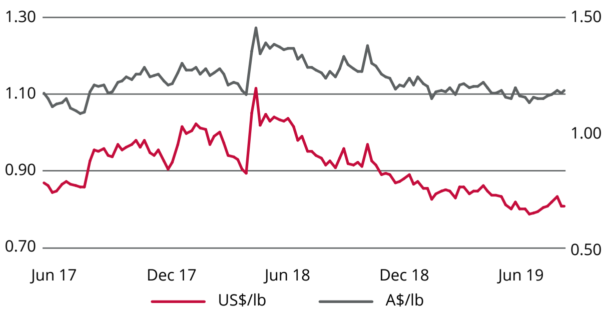
Aluminium

After two years of increases, Aluminium prices fell during the year under review. At the start of the year, aluminium was US$0.99 per pound; by the end of the year it was US$0.80 per pound, a decrease of 18.4%. Aluminium prices have been weak for some time, with industry commentators ascribing the downturn to investors being cautious about demand for metals amid a lack of progress in the prolonged U.S.-China trade war and weak manufacturing data from the world's top economies.

During the year, Zeta significantly increased its holding in unlisted bauxite developer Alliance Mining Commodities Limited ("AMC"). AMC owns a world-class bauxite deposit in Guinea.

ALUMINIUM PRICE

from June 2017 to July 2019



Source: LME

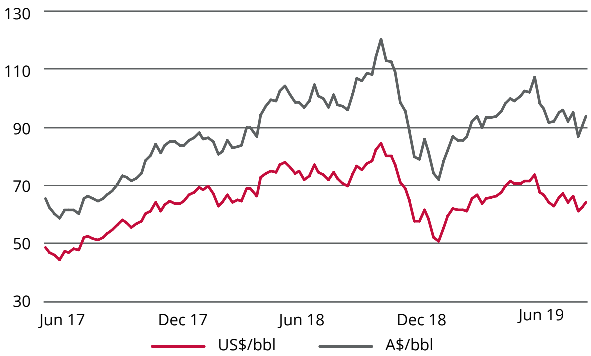
Oil & Gas

At the start of the year under review, the Brent Crude Oil price was US$78/bbl; by the end of June 2019 the price of Brent was US$65/bbl, a decline of 16.7%. As with other industrial commodities, the decline in oil prices has been ascribed to weak economic conditions, coupled with strong production in the United States, where the breakeven production price by fraccers is estimated at US$50/bbl.

Having last year sold the investment in New Zealand Oil & Gas Limited, Zeta's largest remaining investment in this sector is in the seismic exploration firm Seacrest L.P., which is unlisted.

BRENT CRUDE OIL PRICE

from June 2017 to July 2019



Source: US Energy Information Administration

a downturn ... has been ascribed to the U.S.-China trade war and weak manufacturing data from the world's top economies

CAPITAL STRUCTURE

Zeta is a closed-end investment company, listed on the ASX, and incorporated in Bermuda.

During the year Zeta has had working capital support from its parent company, UIL Limited ("UIL"). As of 30 June 2019, Zeta had a loan from UIL totalling US$45.8 million, drawn in Australian dollars and Canadian dollars.

As at 30 June 2019, Zeta had gross assets of US$133.3 million (2018: US$162.3 million). Of this figure, $5.03 million (2018: US$6.3 million) was invested in the oil & gas sector; $57.9 million (2018: US$103.9 million) was invested in the nickel and copper sectors; $30.1 million (2018: US$30.7 million) was invested in the gold sector; and US$32.8 million (2018: US$17.8 million) was invested in the bauxite sector.

NTA PER SHARE VERSUS SHARE PRICE

Since inception on 12 June 2013 to 30 June 2019

Source: ICM

FINANCIAL RESULTS

The net loss after tax for the year was US$48,687,361 against a profit of US$30,255,839 in the year ended June 2018. The majority of the net loss was comprised of unrealised losses from investments.

LOOK-THROUGH RESERVES & RESOURCES

Zeta's investment portfolio includes exposure to the following commodities, weighted by the percentage ownership of investee declared Reserves and Resources as follows as at the end of August 2019:

	RESERVES Proved & Probable	RESOURCES Measured & Indicated
Gold 79 Au	0.34 m oz	0.60 m oz
Silver 47 Ag	1.52 m oz	1.95 m oz
Copper 29 Cu	0.24 m t	0.31 m t
Nickel 28 Ni	0.28 m t	0.35 m t
Cobalt 27 Co	0.02 m t	0.02 m t
Alumina 13 Al	13.66 m t	132.92 m t

SIGNIFICANT INVESTMENTS

The five largest investments held by Zeta are considered in greater detail in their own section later in this annual report. The remaining significant investments are as follows.

Bligh

Bligh Resources Limited is a small Australian gold explorer that owns the Bundarra gold project, which lies within the Norseman-Wiluna greenstone belt of the Archean Yilgarn Craton, approximately 60km north of Leonora in the Eastern Goldfields region of Western Australia. In addition, the company has prospecting licenses for gold in Western Australia and manganese in the Northern Territory.

During the year, Saracen Mineral Holdings Limited launched a takeover offer for Bligh, and after the period under review, Zeta sold 100% of its holding in Bligh.

Seacrest

Seacrest L.P. is a specialist oil & gas offshore seismic exploration company. Seacrest amassed a significant number of geographically diversified interests in joint venture licenses for offshore oil exploration, but suffered a loss in value in the wake of the significant fall in the price of oil and a number of disappointing drilling results. The company has enjoyed some recent success through the joint ventures, and is hopeful that further success will result once more drilling is conducted.

Margosa Graphite

Margosa Graphite Limited is an unlisted junior explorer focused on Sri Lankan crystalline vein graphite, the purest naturally occurring graphite. Sri Lanka has historically been one of the world's largest suppliers of high quality graphite. Margosa is utilising modern exploration technology in brownfield areas, with the aim of identifying a substantial resource ahead of development and eventual production.

Kumarina

Kumarina Resources Pty Limited ("Kumarina") is a 100%-owned subsidiary of Zeta. The company is focused on two prospective projects in Western Australia, being the Ilgarari copper project and the Murrin Murrin copper-gold project. The Ilgarari project contains a secondary copper oxide resource (JORC 2004) estimated to be 1,100,000 tonnes averaging 1.9% copper located around and below historical mine workings. The Murrin Murrin project is prospective for gold and base metals in the form VMS style copper zinc mineralisation.

PROJECT AREA	TENEMENT ID	OWNERSHIP	COMMENTS
Ilgarari	E52/2274	100%	
Eulaminna	M39/0371	0%	Gold and Base Metals Rights
	M39/0372	0%	Gold and Base Metals Rights
Murrin Murrin	M39/0397	100%	
	M39/0398	100%	
	M39/0399	100%	
	M39/0400	100%	
	M39/1068	100%	
	P39/5230	100%	
	P39/5231	100%	
	P39/5232	100%	
	P39/5233	100%	
	P39/5234	100%	
	P39/5235	100%	
	P39/5236	100%	
	P39/5237	100%	
	P39/5238	100%	

JDF Morrison
ICM Limited
Investment Manager

3 December 2019

A CASE STUDY IN INVESTING IN RESOURCES: BLIGH RESOURCES

Bligh Resources Limited is a Perth-based gold exploration and production junior, whose chief asset is the Bundarra gold project, located 65km north of Leonora in the Eastern Goldfields region of Western Australia.

IDENTIFYING THE OPPORTUNITY

Zeta first identified Bligh as a potential investment back in 2016. Zeta was already invested in GME Resources, near to Bundarra, and Zeta noted that Bligh's deposit near Leonora had good potential with lots of surrounding infrastructure.

After buying a 6.6% stake in Bligh, Zeta was surprised by an announcement from Bligh stating that the company had agreed to sell its Bundarra gold project to Saracen for share consideration of A$8.5 million. While this was at a premium to the current share price of Bligh, Zeta's research indicated that the price offered by Saracen was significantly undervaluing Bligh's potential value.

SURPRISED BY SARACEN

Zeta acted decisively, buying three parcels of Bligh shares within two days, increasing Zeta's ownership of Bligh to 19.9%.

While Bligh and Saracen worked towards seeking shareholder approval for their agreed transaction, Zeta prepared a takeover offer, not just for the Bundarra gold project, but for all of Bligh.

After Zeta launched its takeover offer, Saracen responded by modestly increasing its own offer for the Bundarra gold project, but Zeta countered with an increased offer. Importantly, Zeta made its offer for Bligh in cash, whereas Saracen offered its own shares. The board of Bligh recommended Zeta's offer over Saracen's in part because Zeta's offer was considered to be more certain. By July 2017, Zeta owned 88.7% of Bligh's shares.

SUPPORTING MANAGEMENT

Having assumed control of Bligh, Zeta then supported Bligh's cost-effective approach to drilling with the aim of increasing the company's stated Mineral Resources. Zeta provided capital when needed, along with expertise in the form of board governance and management input.

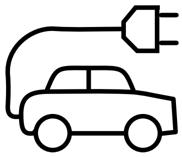
In December 2018, Bligh announced that total mineral resources had increased 18% in tonnage and 14% in ounces to 9.7 Mt @ 2.1 g/t Au for 660,000 ounces of gold. Five months later, Bligh announced completion of an internal Conceptual Underground Mining Study on the potential economic exploitation of the Wonder North Deeps lode at Bundarra.

SARACEN RETURNS

From the perspective of Saracen, while they had lost the initial bid for Bundarra, they kept in touch, and as Bligh had been successful in steadily increasing the stated Mineral Resources of the company, clearly this provided additional value to Saracen. With significant processing infrastructure nearby, the raw ore latent in Bligh was attractive to Saracen, who were aware that it was also attractive to other mining companies in the region. Saracen decided to make another attempt at buying Bundarra. Given the increased proven value in Bligh, Saracen agreed to buy the entire company at a significantly improved price. As the majority shareholder, Zeta was well placed to influence the outcome. Calculating that a better outcome for Bligh shareholders (including Zeta) could be achieved by receiving Saracen shares over cash, Zeta suggested Saracen make their bid in shares, which Saracen did.

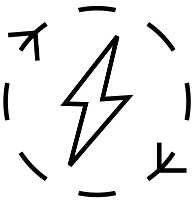
Saracen's June 2019 takeover offer to acquire Bligh represented (at a Saracen share price of A$3.47) a 97% premium to Bligh's closing share price the day before the offer, and valued Bligh at A$38.2 million. The price offered by Saracen for Zeta's shares represented a 260% premium on Zeta's A$9.0 million investment cost. Zeta's suggestion to Saracen that it make its offer in shares proved to be well founded, as by the time Zeta and other Bligh shareholders received their new Saracen shares on 31 July, the price of Saracen shares had risen to A$4.19 (partly due to rising gold prices). Using that price, the overall return to Zeta over two and a half years of investment in Bligh was roughly 330%.

MACRO TRENDS AFFECTING RESOURCES



E-VEHICLES

- Nearing tipping point where all factors for growth in place
- EVs use more commodities such as nickel and copper than traditional vehicles
- Anticipated spike in demand for lithium and cobalt
- Increased demand for flake and vein graphite

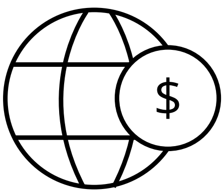


RENEWABLES

- Consumer pull and government push for renewables
- Price of solar continues to reduce
- Renewables increasing, but still a relatively small component of total energy mix
- Low price of natural gas reducing carbon footprint and industrial demand for renewables

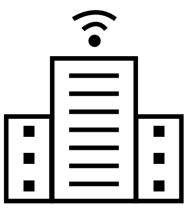
TRADE CONFLICTS

- Shift in policy by US administration from promoting stability through free trade to promoting self interest
- Trade war between US and China continues to escalate
- Significant market uncertainty associated with both US trade disputes and potential withdrawal of the UK from the European Union
- Tariffs can provide short term benefits to some commodity producers, while hurting others
- Overall impact of decreased trade is negative for demand and hence commodity prices



GLOBAL DEBT

- Unprecedented increase in global government debt on a relative basis
- Many central governments reducing interest rates, with negative rates in some cases; low rates contributing to increasing consumer debt
- Uncertainty regarding near term actions of the US Federal Reserve
- Several leading indicators suggest heightened risk of recession
- Risk to global economy, and thus demand for industrial commodities



CHINA URBANISATION

- Central government spending on new cities helps manage GDP growth
- Smooths cycles and sustains demand for industrial commodities
- Government committed to renewables and EVs
- Pollution reduction targets reducing obsolescent refineries and reducing production of certain commodities, e.g. aluminium
- Long term growth in question as Chinese population ages and effects of trade war impact Chinese economy

SECTOR SUMMARIES
AS AT 30 JUNE 2019

BAUXITE

13
Al
Aluminium

Overview

- Aluminium is the most widely used metal after iron; its primary usage is in alloys where its light weight is preferred
- Bauxite is the primary ore from which aluminium is extracted; the ore must first be chemically processed to produce alumina (aluminium oxide); alumina is then smelted using an electrolysis process to produce pure aluminium metal
- Diversified sources of production, albeit less than other commodities invested in by Zeta
- Largest bauxite producer Australia, almost twice that of the second producer China, with Brazil third
- Largest bauxite reserves are in Guinea and Australia; Brazil is a distant third

Macro trends

- Alumina production has been in increasing trend since early 1980s
- Australia a big producer of bauxite and alumina, but relatively little smelting done there
- Aluminium prices in decline since peaking in April 2018

Exposure

- 35% of Alliance Mining Commodities (unlisted) – owner and developer of a world-class bauxite resource in Guinea

NICKEL

28
Ni
Nickel

Overview

- Industrial metal used primarily in stainless steel
- Other uses include electroplating, alloy steel, and in cathodes for electric batteries
- Diversified sources of production
- Largest producers Philippines, Russia, Canada, Australia, New Caledonia, Indonesia

Macro trends

- Demand for nickel for lithium-ion batteries increasing quickly, but still relatively small component of global nickel demand
- Prices faced pressure in first half of 2019 due to rising nickel supplies and slowing demand from stainless steel mills
- Industrial demand still influenced by strength of Chinese economy

Exposure

- 41% of GME Resources (ASX:GME) – owns development project in Western Australia
- 33% of Panoramic Resources (ASX:PAN) – restarted one of its two nickel mines in Western Australia

GOLD

Overview

- Precious metal, prized for its rarity and relative lack of chemical reactivity
- Gold occurs naturally in only a single isotope
- Historic demand has been 50% jewellery; 40% investment; 10% industrial
- Diversified sources of production
- Largest producers China, Australia, Russia

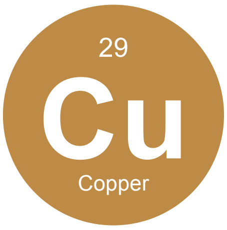
Macro trends

- Hedge to US dollar which has declined long term against gold
- Price of gold up considerably in 2019 amidst global economic uncertainty
- Gold production has been in a long-term uptrend since record-keeping commenced
- Demand for jewellery dominated by China and India; US a distant third

Exposure

- 100% of Kumarina (unlisted) – exploration and development in Western Australia
- 87% of Bligh Resources (ASX:BGH) – development project in Western Australia
- 20% of Horizon Gold (ASX:HRN) – exploration and development in Western Australia
- 1% of Resolute Mining (ASX:RSG) – operating mines in Mali and Queensland, Australia

COPPER



Overview

- Industrial metal used primarily in electrical wiring
- Other uses are roofing and plumbing; industrial machinery; and in alloys
- Occurs naturally in a form that requires relatively little refining
- Diversified production, but Chile by far the largest producer with Peru and China distant second and third

Macro trends

- Annual production has been increasing for over fifty years, but sharp uptick in late 1990s
- Prices relatively volatile, generally tied to world economy, and in a downtrend since mid-2018
- Increasing demand from wiring for electric vehicles, but price still dominated by industrial demand or lack thereof

Exposure

- 100% of Kumarina (unlisted) – junior copper-gold exploration firm in Western Australia
- 13% of Copper Mountain Mining (TSX:CMMC, ASX:C6C) – producing copper in Canada, and developing a copper asset in Australia

SECTOR SUMMARIES
AS AT 30 JUNE 2019 (continued)

OIL & GAS

Overview

- Oil is a fossil petroleum liquid whose primary use is fuel; around 80% of oil is refined into gasoline, diesel, and jet fuel, with the remaining 20% supplying various products including lubricants, asphalt, and petrochemicals
- Natural gas is a petroleum gas whose primary uses are heating, electricity generation, and feedstock for petrochemicals
- Globally diverse sources of production and demand
- Largest producers of oil are the US, Saudi Arabia, and Russia; largest producers of gas are the US and Russia, with Iran a distant third

Macro trends

- "Peak oil" has been discussed for decades, but long-term trend of annual growth in production is still intact
- Annual growth in demand has followed a linear trend in line with world population growth
- Lower prices since 2014 have led to reduced global expenditures on oil & gas exploration, but technological improvements led to increased supply, especially in the US
- Fraccing has moved the US into the number one position in both oil and gas production; fraccing has had less success outside of North America

Exposure

- 39% of Seacrest (unlisted) – globally diversified seismic oil & gas exploration

COBALT

Overview

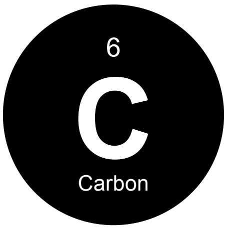
- Industrial metal used primarily in rechargeable batteries such as lithium-ion
- Other uses include superalloys, integrated circuits and other industrial processes
- Vast majority is produced as a by-product of copper or nickel mining
- Nearly 60% of cobalt ore is produced in the Democratic Republic of the Congo, and more than 60% of smelting capacity is in China

Macro trends

- Cobalt demand is at an all-time high and is expected to continue climbing alongside increased adoption of EVs and other electronics
- Cobalt prices soared in 2017 amidst fears of a supply shortage, but crashed in 2018/2019 as the near-term supply-demand imbalance was resolved
- Some manufacturers have developed lithium-ion batteries that require relatively less cobalt, but industry consensus is that the metal will continue to be required in future EV batteries, albeit at potentially lower volumes per unit

Exposure

- 41% of GME Resources (ASX:GME) – Australian nickel developer with cobalt resources of 55,000 tonnes
- 33% of Panoramic Resources (ASX:PAN) – Australian nickel producer with cobalt reserves of 7,600 tonnes



Overview

- Graphite is the most stable form of carbon under standard conditions, and is a form of coal
- Found in three natural forms: amorphous; flake (or crystalline); and vein (or lump)
- Flake and vein graphite have application in anodes in lithium-ion batteries
- Graphite can be produced synthetically, although current production methods yield a purer graphite from natural ores
- With modern chemical purification processes and thermal treatment, natural graphite achieves a purity of 99.9 percent compared to 99.0 percent for the synthetic equivalent
- Largest producer of graphite is China; biggest graphite reserves are in Turkey

Macro trends

- Main uses of graphite are brake linings, foundry operations, lubricants, refractory applications, and steelmaking
- Growth of production of lithium-ion batteries is causing a rapid increase in demand for natural graphite
- Several new projects are being developed worldwide amidst strong demand expectations and higher prices through 2018

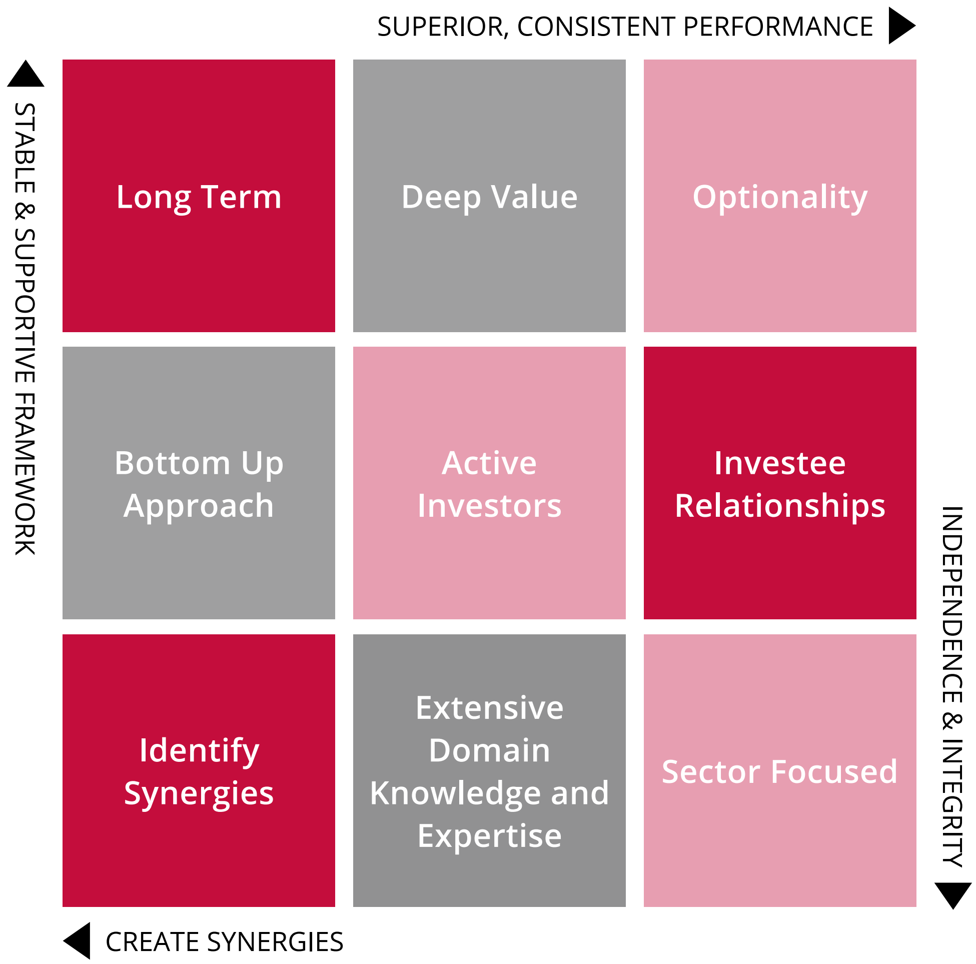
Exposure

- 32% of Margosa Graphite Limited (unlisted) – Sri Lankan brownfield explorer of vein graphite, the purest naturally occurring graphite

ICM INVESTMENT PHILOSOPHY

Zeta Resources Limited's investment aim is to maximise total returns for shareholders by identifying and investing in resource assets and companies where the underlying value is not reflected in the market price. The Company invests in a range of resources entities, including those focused on bauxite, nickel, gold, copper, oil & gas, cobalt, graphite and base metals exploration and production.

We seek out and make compelling investments



FIVE LARGEST HOLDINGS

THE VALUE OF THE FIVE LARGEST HOLDINGS REPRESENTS

82.3%

(2018: 85.6%) OF THE COMPANY'S TOTAL INVESTMENTS

THE VALUE OF THE TEN LARGEST HOLDINGS REPRESENTS

90.6%

(2018: 96.9%) OF THE COMPANY'S TOTAL INVESTMENTS

AUSTRALIA IS ZETA'S LARGEST COUNTRY EXPOSURE AT

53.5%

(2018: 66.6%) OF THE COMPANY'S TOTAL INVESTMENTS

THE TOTAL NUMBER OF COMPANIES INCLUDED IN THE PORTFOLIO IS

24

(2018: 18)

FIVE LARGEST HOLDINGS (continued)

1 PANORAMIC RESOURCES LTD

SHARE PRICE

↓54.5%

Country	Australia
Sector	Nickel exploration and mining
Fair Value US$000	35,836
% of total investments	27.4%
% owned	33.0%

Panoramic Resources Limited is a Western Australian mining company that owns 100% of the Savannah underground nickel sulphide mine, located in the East Kimberley in Western Australia. During the year under review, Panoramic worked hard to bring Savannah back into production this year. Despite this not being a greenfield mine, the company has encountered various problems in firstly, achieving "first" production, and secondly, ramping up production to full capacity. However, the first shipment was achieved in February 2019, and Panoramic estimates full production will be achieved in the June 2020 quarter. Panoramic's value is leveraged to both the price of nickel, and the Australian dollar – the higher the price of nickel and the lower the Australian dollar, the higher the company's worth.

2 ALLIANCE MINING COMMODITIES

UNLISTED

Country	Guinea
Sector	Bauxite developer
Fair Value US$000	32,785
% of total investments	25.1%
% owned	34.7%

Alliance Mining Commodities Limited is an Australian private company that has been granted a Mining Concession by Presidential Decree for the development of the Koumbia Bauxite Project in the northwest of the Republic of Guinea. The Government of Guinea holds a 10% free-carried interest in AMC's Guinea subsidiary which holds the concession. The Koumbia Bauxite Project is a world class bauxite development, with a JORC (2012) resource in excess of 2 billion tonnes. The Koumbia ore, high in alumina and low in reactive silica and boehmite, makes it particularly attractive for use in a low temperature, low cost, refining process.

3 BLIGH resources

SHARE PRICE

↑84.0%

Country	Australia
Sector	Gold exploration
Fair Value US$000	16,366
% of total investments	12.5%
% owned	87.4%

Bligh Resources Limited is a Perth-based gold exploration company, which owns 100% of the Bundarra Gold Project ("Bundarra"). Bundarra lies within the Norseman-Wiluna greenstone belt of the Archaean Yilgarn Craton, approximately 65km north of Leonora in the Eastern Goldfields region of Western Australia. Bundarra covers an area of 24.5 km^2 and consists of five Mining Leases and five Prospecting Licences. The project hosts Mineral Resources estimated to contain 9.7 million tonnes averaging 2.1 g/t Au for a total of 660,000 ounces of gold across five deposits.

During the year under review, Saracen Mineral Holdings Limited launched a takeover offer to buy Bligh, and in July 2019 Zeta sold 100% of its holding in Bligh in exchange for new Saracen shares.

4

SHARE PRICE

↓32.0%

Countries	Canada and Australia
Sector	Copper exploration and mining
Fair Value US$000	15,239
% of total investments	11.7%
% owned	12.8%

Copper Mountain Mining Corporation is a Canadian copper mining company headquartered in Vancouver, British Columbia. Its chief asset is 75% of the Copper Mountain mine located about 20 km south of Princeton, British Columbia and 300 km east of the port of Vancouver. Mitsubishi Materials Corporation owns the remaining 25% of the Copper Mountain mine. The mine produces about 100 million pounds of copper equivalent production per year, including significant gold and silver credits, all of which are shipped to Japan for smelting in one of Mitsubishi's copper smelters. Copper Mountain also owns the Eva Copper Project, which is located 75 kilometres from the town of Cloncurry and 95 kilometres north-east of Mt Isa in north-west Queensland, Australia. The project comprises one of Australia's largest undeveloped copper resources, containing 1.65 million tonnes of copper and 409,000 ounces of gold.

5

SHARE PRICE

↑4.3%

Countries	Australia and Mali
Sector	Gold exploration and mining
Fair Value US$000	7,226
% of total investments	5.5%
% owned	1.0%

Resolute Mining Limited is an Australian domiciled gold mining company, with three operating mines: the Syama mine in southern Mali; the Ravenswood mine in northeast Australia, and the recently acquired Mako gold mine in eastern Senegal. In addition, the company owns the Bibiani gold mining project in Ghana. Production in the year to 30 June 2019 of c. 305,000oz gold was in line with the guidance. Gold produced at Syama increased by 25.4% to 243,617oz. Syama Underground is a new automated underground development still in the ramp-up stage, although commercial production rates were achieved in the June 2019 quarter. With increased volumes, cash costs at Syama fell by 24.2% to A$906/oz. At Ravenswood, gold produced fell by 31.3% to 61,819oz, and the Mt Wright Underground at Ravenswood is expected to be closed in late 2019. However, recent drilling at Ravenswood substantially boosted reserves, and Resolute is working on improving its plan for the Ravenswood Expansion Project which is targeting a new 15-year mine life with annual production of c. 200,000oz. As at 30 June 2019, Resolute had cash and bullion on hand of A$34.3m, down from A$79.6m in the prior year. Total borrowings were A$193.0m, up significantly from A$33.8m in the prior year due to capital expenditures on the Syama Underground development.

INVESTMENT MANAGER AND TEAM

The directors are responsible for Zeta's investment policy and have overall responsibility for the Company's day-to-day activities. Zeta has, however, entered into an Investment Management Agreement with ICM Limited under which ICM provides investment management services to Zeta, including investment analysis, portfolio monitoring, research and corporate finance.

ICM is an international Fund Manager and Corporate Finance Adviser headquartered in Bermuda, with 10 offices globally. ICM has expertise in listed equity, private equity, and fixed income bonds, and specialises in the following investment sectors: utility & infrastructure, financial services, mining and resources, technology, and fixed income.

ICM focuses on identifying investments at valuations that do not reflect their true long-term value and then assisting management to add value where appropriate. Their investment approach is to have a deep understanding of the business fundamentals of each investment and its environment versus its intrinsic value. ICM are long term, patient investors and see markets as a place to exchange assets.

ICM MANAGES OVER

US$20.1bn

IN FUNDS, DIRECTLY AND INDIRECTLY, IN A RANGE OF MANDATES. ICM HAS OVER 60 STAFF BASED IN OFFICES LOCATED WORLDWIDE.

DUNCAN SAVILLE

Duncan Saville founded the ICM Group and its predecessor companies, and has been employed by the Group since 1988. Duncan Saville is a chartered accountant with experience in corporate finance and asset management. He has previously been a director in multiple companies in the utility, investment, mining, and technology sectors. Duncan is currently a non-executive director of Resimac Group Limited and West Hamilton Holdings Limited. His Fellowships include the Institute of Chartered Accountants Australia and New Zealand, the Australian Institute of Company Directors and the Financial Services Institute of Australasia, and he is a Member of the Singapore Institute of Directors.

ALASDAIR YOUNIE

Alasdair Younie is a director of ICM Limited and is based in Bermuda. Alasdair has extensive experience in financial markets and corporate finance, and is responsible for the day to day running of the Somers Group. Alasdair qualified as a chartered accountant with PricewaterhouseCoopers and subsequently worked for six years in the corporate finance division of Arbuthnot Securities Limited in London. Alasdair is a director of Ascendant Group Limited, Bermuda Commercial Bank Limited, Somers Limited, Bermuda First Investment Company Limited, One Communications Limited and West Hamilton Holdings Limited. Alasdair graduated from Bristol University with a BSc in Economics and Economic History in 1998 and is a Member of the Institute of Chartered Accountants in England and Wales.

DUGALD MORRISON

Dugald Morrison has been involved with ICM and its predecessor companies since 1994 and is responsible for ICM NZ Limited, based in Wellington. Dugald is an experienced investment analyst, having worked in stockbroking, investment banking and investment management firms in New Zealand, the United Kingdom, and the United States since 1987. Dugald is focused on the Resources sector worldwide. Dugald is a director of RESIMAC Financial Services Limited, Brightwater Group Limited and Snapper Services Limited. Dugald graduated from Victoria University of Wellington in 1991 with BCA (Hons) and is a Member of the New Zealand Institute of Directors.

EDUARDO GRECA

Eduardo Greca joined ICM in 2010 as a Latam Investment Strategist, based in Colombia since 2018 (previously in Brazil from 2012). Eduardo has over ten years of investment research experience, and prior to joining ICM, he worked for the commodities risk management team at Kraft Foods. Eduardo supports the ICM team on Latin American equity and fixed income investments, and he is responsible for the Stock Exchange sector worldwide with an emphasis on Emerging Markets. Eduardo obtained a Bachelor's degree in Economics at the Federal University of Parana in 2009, is a CFA Charterholder, and a Member of the CFA Society in Brazil.

TRISTAN KINGCOTT

Tristan Kingcott joined ICM in 2018 and is responsible for the Canadian office, based in Vancouver, Canada. Tristan is focused on the resources, technology, and financial services sectors, with an emphasis on North America. Tristan has over eight years' experience in financial and commercial analysis, and prior to joining ICM, has performed various roles, including Manager of Corporate Development at Ferus Inc., an oil & gas services company based in Western Canada. He holds a Bachelor of Commerce degree in Finance from the University of Alberta, Canada, and is a CFA Charterholder.

DIRECTORS

PETER SULLIVAN (CHAIRMAN)

Mr Sullivan is an engineer and has been involved in the management and strategic development of resource companies and projects for more than 25 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 holds a Bachelor of Engineering and a Master of Business Administration.

Directorships of other listed companies in the last 3 years
Mr Sullivan is chairman of GME Resources Limited (ASX:GME) and non-executive director of Resolute Mining Limited (ASX:RSG) and Panoramic Resources Limited (ASX:PAN). Mr Sullivan was Chair of Pan Pacific Petroleum NL (ASX:PPP) which was delisted on 13 November 2017.

Mr Sullivan was a director of Bligh Resources Limited (ASX:BGH) until 13 August 2019 following the sale of the company to Saracen Mineral Holdings Limited.

MARTHINUS (MARTIN) BOTHA

Mr Botha has over 30 years' experience in banking, with the last 26 years spent in leadership roles building Standard Bank Group's international operations. Mr Botha's primary responsibilities at Standard Bank Plc included establishing and leading the development of the core global natural resources trading and financing franchises, as well as various geographic strategies. Mr Botha is currently non-executive chairman of Sberbank CIB (UK) Ltd, a securities broker regulated by the UK Financial Services Authority. Mr Botha holds a Bachelor of Engineering degree in Survey.

Directorships of other listed companies in the last 3 years
Mr Botha is chairman of Resolute Mining Limited (ASX:RSG).

XI XI

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.

Directorships of other listed companies in the last 3 years
Ms Xi Xi is currently non-executive director of Mineral Resources Limited (ASX:MIN), and previously Galaxy Resources Limited (ASX:GXY).

All Directors were appointed to the Board of the Company on 7 June 2013 and are Non-Executive Directors.

REPORT OF THE DIRECTORS

Your directors present their report for Zeta Resources Limited, including its subsidiaries, Kumarina Resources Pty Limited, Zeta Energy Pte. Ltd and Zeta Investments Limited, for the year ended 30 June 2019.

DIRECTORS

The names of directors in office at any time during or since the end of the year are:
Peter Ross Sullivan
Marthinus (Martin) Botha
Xi Xi

The directors have been in office since the start of the year to the date of this report.

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 year.

OPERATING AND FINANCIAL REVIEW

Operating results

The net loss attributable to the company for the year to 30 June 2019 amounted to US$48,687,361.

Overview of operating activity

The company listed on the ASX on 12 June 2013.

During the year the company has continued to build its portfolio of resource investments by investing a further US$12,728,429. A decrease in the fair value of the portfolio resulted in an unrealised loss recognised in profit or loss at year end of US$49,991,372.

The activities of the company's subsidiary, Kumarina, related to further exploration and evaluation of the existing Australian mining tenements (the Murrin Murrin and Ilgarari projects) and a total of A$222,414 was invested during the twelve months to 30 June 2019 in further drilling and analysis work.

Financial position

At the end of the year, the company had US$104,715 in cash and cash equivalents. Investments at fair value totalled US$129,928,110, loans to subsidiaries were valued at US$1,571,725 and the investment in subsidiaries was valued at US$1,000,002.

The company has a loan owing to UIL of $45,793,293 at year end.

REPORT OF THE DIRECTORS (continued)

GOING CONCERN

The financial statements have been prepared on a going concern basis. The majority of the company's assets consist of equity shares in listed companies and in most circumstances are realisable within a short timescale. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the accounts.

As at the year end, the company had a US$5 million loan facility with Bermuda Commercial Bank with US$1,250,000 expiring on 30 September 2019. The company will repay the outstanding debt when due from the realisation of portfolio investments. Creditors and short-term payables as at year end have all been settled through cash flow generated from the realisation of portfolio investments.

DIVIDENDS

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

AFTER BALANCE SHEET DATE EVENTS

Zeta has sold 100% of its holding in Bligh Resources Limited on 31 July 2019.

During August 2019 Zeta made capital loan repayments to UIL totalling A$25 million.

LIKELY DEVELOPMENTS

The company intends to continue to seek to maximise total returns for shareholders by identifying and investing in assets and companies where the underlying value is not reflected in the market price.

REMUNERATION REPORT

The remuneration report is set out in the following manner:

- Policies used to determine the nature and amount of remuneration
- Details of remuneration
- Share based compensation
- Directors' interests

Remuneration policy

The board of directors is responsible for remuneration policies and the packages applicable to the directors of the company. The broad remuneration policy is to ensure that packages offered properly reflect a person's duties and responsibilities and that remuneration is competitive and attracts, retains, and motivates people of the highest quality.

The directors are remunerated for the services they render to the company and such services are carried out under normal commercial terms and conditions. Engagement and payment for such services are approved by the other directors who have no interest in the engagement of services.

At the date of this report the company had not entered into any packages with directors or senior executives which include performance-based components.

Details of remuneration for directors

The company paid a total of $150,000 to directors for the year ended 30 June 2019.

The company had no employees as at 30 June 2019.

Share based compensation

There is currently no provision in the policies of the company for the provision of share-based compensation to directors. The interest of directors and executives in shares and options is set out elsewhere in this report.

Directors' interests

The relevant interests of directors and executives either directly or through entities controlled by the directors and executives in the share capital of the company and related body corporates as at the date of this report are:

Director	Ordinary shares opening balance	Net change	Ordinary shares closing balance
Peter R Sullivan	5,770,632	–	5,770,632
Martin Botha	479,565	–	479,565
Xi Xi	–	–	–

MEETINGS OF DIRECTORS

The board held three meetings during the year which were attended by all directors. The meetings were held on 5 September, 5 November 2018 and 7 February 2019.

In addition, throughout the course of the year there were a number of resolutions of directors which were made by unanimous written resolution.

There were no meetings of committees of directors that were required to be held during the year.

LOANS TO DIRECTORS

There were no loans entered into with directors or executives during the year under review.

AUDIT COMMITTEE

The board reviews the performance of the external auditors on an annual basis and will meet with them during the year to review findings and assist with board recommendations.

The board does not have a separate audit committee with a composition as suggested in the best practice recommendations. The full board carries out the function of an audit committee.

The board believes that the company is not of a sufficient size to warrant a separate committee and that the full board is able to meet the objectives of the best practice recommendations and discharge its duties in this area.

INDEMNIFYING OFFICERS OR AUDITORS

The company has not, during or since the year ended, in respect of any person who is or has been an officer or the auditor of the company or of a related body corporate indemnified or made any relative agreement for indemnifying against a liability incurred as an officer or auditor, including costs and expenses in defending legal proceedings.

ENVIRONMENTAL REGULATION

Kumarina Resources Pty Limited's operations are subject to the Western Australian Mining Act 1978 and the Environmental Protection Act 1986.

The directors are not aware of any significant breaches and no actions were initiated for breaches under the Environmental Protection Act and the Western Australian Mining Act during the year covered by this report.

APPLICATION OF CHAPTERS 6, 6A, 6B AND 6C OF THE CORPORATIONS ACT 2001

The company is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act dealing with the acquisition of its shares. In addition, neither the Bermuda Companies Act nor the company's Bye Laws prescribe a regime for the conduct of takeovers or contain a general prohibition on acquisitions of interests in Bermuda companies beyond a certain threshold in the same way as the Australian Corporations Act 2001.

NON-AUDIT SERVICES

No non–audit services were performed by the auditors of the company during the year.

ON-MARKET BUY BACK SCHEME

As part of its ongoing capital management strategy, Zeta has implemented an on-market buy-back for up to 10 million ordinary shares during the period 15 September 2018 to 14 September 2019. The buy-back will only be effective should the share price of the company be at a discount to NTA exceeding 10%. The timing and quantity of shares will depend on current market conditions and other future events. Pursuant to

section 257B(4) of the Corporations Act 2001 (Cth), the share buy-back does not require shareholder approval as it falls under the 10/12 limit.

Since the commencement of the on-market buy-back scheme on 15 September 2018, Zeta Resources has repurchased 807,948 and cancelled 757,948 fully paid ordinary shares.

INVESTMENT MANAGEMENT AGREEMENT

The company entered into an Investment Management Agreement with ICM Limited on 3 June 2018. Management fees are payable at a rate of 0.5% per annum, of funds managed on calculation date, payable quarterly in arrears and pro-rated for any period less than three months.

Performance fees, if applicable, are payable annually at year end at a rate of 15% of equity funds (adjusted for any dividends paid or accrued) on calculation date less adjusted base equity funds (high-water mark) previously used in the performance fee calculation. The adjusted base equity funds is the base equity fund used in the last performance fee calculation adjusted by the average percentage income yield on the S&P/ ASX 300 Metals and Mining Index. No performance fee was payable for the year.

Either party may terminate the agreement with six months' notice.

The company paid US$677,467 in management fees during the reporting year.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration is included in the Independent Auditor's Report.

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

Peter R Sullivan
Chairman
Perth, Western Australia

3 December 2019

CORPORATE GOVERNANCE STATEMENT

THE COMPANY'S CORPORATE GOVERNANCE FRAMEWORK

Corporate Governance is the process by which the board of directors of a company protects shareholders' interests and by which it seeks to enhance shareholder value. Shareholders hold the directors responsible for the stewardship of a company's affairs, delegating authority and responsibility to the directors to manage the company on their behalf and holding them accountable for its performance. Responsibility for good governance lies with the Board. The Board considers the practice of good governance to be an integral part of the way it manages the Company and is committed to maintaining high standards of financial reporting, transparency and business integrity.

The governance framework of the Company reflects the fact that as an investment company it has no full-time employees and outsources its activities to third party service providers.

THE BOARD

Three non-executive directors

CHAIRMAN:
Peter Sullivan

KEY OBJECTIVES:

- to set strategy, values and standards;
- to provide leadership within a framework of prudent and effective controls which enable risk to be assessed and managed; and
- to constructively challenge and scrutinise performance of all outsourced activities.

AUDIT & RISK	MANAGEMENT OVERSIGHT	NOMINATION COMMITTEE	REMUNERATION COMMITTEE
The Board as a whole performs this function	**The Board as a whole performs this function**	**The Board as a whole performs this function**	**The Board as a whole performs this function**
KEY OBJECTIVE: • to oversee the financial reporting and control environment.	KEY OBJECTIVE: • to review the performance of the Investment Manager.	KEY OBJECTIVES: • to regularly review the Board's structure and composition; and • to consider any new appointments.	KEY OBJECTIVE: • to set the remuneration policy for the Directors of the Company.

CORPORATE GOVERNANCE STATEMENT (continued)

As an ASX-listed company, the board's principal governance reporting objective is in relation to the ASX Corporate Governance Principles and Recommendations ("Recommendations") developed by the ASX Corporate Governance Council.

The Company's directors and management are committed to conducting the group's business in an ethical manner and in accordance with the highest standards of corporate governance. The Company has adopted and substantially complies with the Recommendations to the extent appropriate to the size and nature of the group's operations.

The Company has prepared a Corporate Governance Statement based on the Third Edition of the Recommendations. It sets out the corporate governance practices that were in operation throughout the financial year for the Company, identifies any Recommendations that have not been followed, and provides reasons for not following such Recommendations.

In accordance with ASX Listing Rules 4.10.3 and 4.7.4, the Corporate Governance Statement, and accompanying Appendix 4G, will be available for review on the Company's website and will be lodged with ASX concurrently with the Annual Report.

The Appendix 4G details each Recommendation that needs to be reported against by the Company and will provide shareholders with information as to where relevant governance disclosures can be found.

The Company's corporate governance policies and charters are all available on the Company's website.

Details about the Company's corporate governance policies and charges are available in the corporate governance section of our website at:

www.zetaresources/investor-relations/corporate-governance/

PO Box 578
Cape Town 8000
South Africa

Deloitte & Touche
Registered Auditors
Audit & Assurance -
Cape Town
1st Floor The Square
Cape Quarter
27 Somerset Road
Green Point 8005
Western Cape
Docex 5 Claremont

Tel: +27 (0)21 427 5300
Fax: +27 (0)21 425 7651
www.deloitte.com

INDEPENDENT AUDITOR'S REPORT
To the shareholders of Zeta Resources Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zeta Resources Limited (the "company") set out on pages 40 - 65, which comprise the statement of financial position as at 30 June 2019, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised January 2018), parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) respectively. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT
To the shareholders of Zeta Resources Limited (Continued)

Valuation of unlisted investments

Refer to Note 3.6, 5 and 25.4 of the financial statements

The key audit matter	*How the matter was addressed in our audit*
The Company's core business of investment holding is driven by the appreciation of value in the investments held. The Company's determination of the valuation of unlisted investments is considered a key audit matter due to: • The lack of readily available objective evidence such as quoted prices, which increases estimation uncertainty and audit effort for these unlisted investments. • The valuation methods applied by the Company to determine the fair value of the unlisted investments are subject to a high degree of judgement and are complex, especially for investments where there were no additional share trades or new equity issued during the year. Areas of judgement include the future income expected from operations that are still in the exploration phase and other external risk factors. • The unlisted investments operate in a specialist niche market and are valued using hybrid valuation methods. • A relatively small percentage change in the valuations of individual investments, in aggregate, could result in a significant impact to the financial statements. We considered the existing market conditions, estimates regarding future performance of the underlying investments within each investment, and recently traded prices in addressing this key audit matter.	Our audit procedures included: We critically assessed the valuation methodology applied to value the investments against accounting standards and industry practise. We used our own valuation and mineral resource experts to assess the outcomes of management's independent expert in addition to management's own view and to evaluate the reasonability of the scope of the work done by management's expert as well as the sufficiency and appropriateness of the assumptions used by management's expert. We also used our own valuation and mineral resource experts to challenge and assess the key inputs and assumptions used in the valuation models, such as resource and area multiples from comparable transactions as well mineral reserve and resource estimates, and to critically assess the valuation methodology applied to value the investments against accounting standards and industry practise. We separately assessed and validated the completeness, accuracy and relevance of the information provided by management to its expert. We compared the assumptions used in the Company's valuation methods to previous periods for consistency and to consider management bias. We assessed the Company's disclosures (including the assumptions used as inputs to the valuations) using our understanding obtained from our testing and against the requirements of the accounting standards. Based on the procedures described above, it necessitated the restatement of the 30 June 2018 balances as set out in Note 28 of the financial statements. Our revised procedures and our audit evidence obtained supported management's assumptions and disclosures in respect of the valuation of unlisted investments.

INDEPENDENT AUDITOR'S REPORT
To the shareholders of Zeta Resources Limited (Continued)

Other Matter

The financial statements of the company for the year ended 30 June 2018 were audited by another auditor who expressed an unmodified opinion on those statements on the 5th of September 2018.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Zeta Resources Audited Financial Report for the year ended 30 June 2019" which includes the Report of the Directors, which we obtained prior to the date of this report, as well as the Corporate Governance Report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT
To the shareholders of Zeta Resources Limited (Continued)

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Zeta Resources Limited for 1 year.

Deloitte & Touche

Deloitte & Touche
Registered Auditors
Per: P Farrand
Partner
4 December 2019

AUDITOR'S INDEPENDENCE DECLARATION

Auditor's Independence Declaration

In relation to our audit of the financial statements of Zeta Resources Limited for the financial year ended 30 June 2019, 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.

Deloitte & Touche

Deloitte & Touche
Registered Auditors
Per: P Farrand
Partner
4 December 2019

STATEMENT OF FINANCIAL POSITION

at 30 June 2019

Notes		June 2019 US$	June 2018* US$
	Non-current assets		
4	Investment in subsidiaries	**1,000,002**	2,103,504
5	Investments	**129,928,110**	161,187,270
6	Loans to subsidiaries	**1,571,725**	379,690
7	Other loan	**625,822**	–
	Current assets		
8	Cash and cash equivalents	**104,715**	287,172
9	Trade and other receivables	**508,337**	–
	Total assets	**133,738,711**	163,957,636
	Non-current liabilities		
10	Loan from subsidiary	**(2,508,840)**	(5,235,527)
11	Loan from parent	**(45,793,293)**	(30,151,190)
12	Other loans	**(9,714,019)**	–
	Current Liabilities		
13	Other loans	**(1,250,000)**	(4,000,000)
14	Trade and other payables	**(473,417)**	(1,674,024)
	Total liabilities	**(59,739,569)**	(41,060,741)
	Net assets	**73,999,142**	122,896,895
	Equity		
15	Share capital	**2,778**	2,785
15	Share premium	**122,897,203**	123,096,492
	Treasury stock	**(11,096)**	–
	Accumulated losses	**(48,889,743)**	(202,382)
	Total equity	**73,999,142**	122,896,895

* Restated, refer to note 28

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2019

Notes		June 2019 US$	June 2018* US$
	Revenue		
16	Investment (losses)/income	**(45,852,110)**	34,621,956
17	Other income/(losses)	**1,839,929**	(682,799)
	Expenses		
	Directors fees	**(150,000)**	(150,000)
	Interest expense	**(3,315,144)**	(2,179,015)
18	Management and consulting fees	**(694,181)**	(925,443)
19	Operating and administration expenses	**(515,855)**	(428,860)
	(Loss)/profit before income tax	**(48,687,361)**	30,255,839
20	Income tax	**–**	–
	(Loss)/profit for the year	**(48,687,361)**	30,255,839
	Total comprehensive (loss)/income for the year	**(48,687,361)**	30,255,839
	(Loss)/profit per share		
21	Basic and diluted (loss)/profit per share	**(0.17)**	0.15

* Restated, refer to note 28

STATEMENT OF CASH FLOWS

for the year ended 30 June 2019

Notes		June 2019 US$	June 2018 US$
	Cash flows from operating activities		
22	Cash (utilised)/generated by operations	**(1,907,989)**	235,803
	Interest received	**43,036**	102
	Interest expense	**(3,315,144)**	(2,179,015)
	Net cash flows from operating activities	**(5,180,097)**	(1,943,110)
	Cash flows from investing activities		
	Investments purchased	**(24,564,630)**	(41,223,177)
	Investments sold	**11,836,201**	331,047
	(Increase)/decrease in loan to subsidiaries	**(150,332)**	31,052,236
	Increase in other loans	**(625,822)**	–
	Net cash flows from investing activities	**(13,504,583)**	(9,839,894)
	Cash flows from financing activities		
	Proceeds from issue of shares	**–**	66,368
15	Purchase of treasury shares	**(210,392)**	–
	Increase in loan from parent	**16,322,773**	6,857,240
	Increase in other loans	**7,719,323**	–
13	(Decrease)/increase in other loans – current	**(2,750,000)**	4,000,000
	Decrease in loan from subsidiaries	**(2,504,765)**	(179,245)
	Effect of exchange rate fluctuations on financing activities	**(982,396)**	1,100,671
	Net cash flows from financing activities	**17,594,543**	11,845,034
	Net movement in cash and cash equivalents	**(1,090,137)**	62,030
	Cash and cash equivalents at the beginning of the year	**287,172**	15,828
	Effect of exchange rate fluctuations on cash held	**907,680**	209,314
8	**Cash and cash equivalents at the end of the year**	**104,715**	287,172

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2019

Notes		Share capital US$	Share premium US$	Options US$	Treasury Shares US$	Accumulated (losses)/profits US$	Total US$
	Balance at 1 July 2017	**900**	**66,233,041**	**17,265,320**	**–**	**(30,458,221)**	**53,041,040**
15	Issue of shares	**1,020**	**39,532,628**	**–**	**–**	**–**	**39,533,648**
15	Options exercised	**865**	**17,330,823**	**(17,265,320)**	**–**	**–**	**66,368**
	Total comprehensive Income for the year	**–**	**–**	**–**	**–**	**30,255,839**	**30,255,839**
	Balance at 30 June 2018*	**2,785**	**123,096,492**	**–**	**–**	**(202,382)**	**122,896,895**
	Purchase of treasury shares	**–**	**–**	**–**	**(11,096)**	**–**	**(11,096)**
15	Cancellation of treasury shares	**(7)**	**(199,289)**	**–**	**–**	**–**	**(199,296)**
	Total comprehensive loss for the year	**–**	**–**	**–**	**–**	**(48,687,361)**	**(48,687,361)**
	Balance at 30 June 2019	**2,778**	**122,897,203**	**–**	**(11,096)**	**(48,889,743)**	**73,999,142**

* Restated, refer to note 28

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

1.1 Corporate information

Zeta Resources Limited ("Zeta Resources" or "the Company") is an investment company incorporated on 13 August 2012, listed on the Australian Securities Exchange and domiciled in Bermuda. The financial statements of the company as at and for the year ended 30 June 2019 comprise the company only.

1.2 Basis of preparation

The financial statements for the year ended 30 June 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB). The company carries on the business of an investment holding company, in accordance with IFRS 10. The purpose of the company is to earn returns through capital appreciation or investment income. The company is accordingly applying the consolidation exemption for investments in subsidiaries and they will be recognised at fair value through profit and loss.

The financial statements were authorised for issue by the board of directors on 3 December 2019.

1.3 Basis of measurement

The 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 those financial instruments at fair value through profit or loss, which are measured at fair value. The financial statements are prepared on a going concern basis.

1.4 Functional and presentation currency

The company's functional and presentation currency is United States dollars.

1.5 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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

The key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to the valuation of unquoted investments, details of which are set out in note 25 and the classification of the subsidiaries as investment entities. Details of the subsidiaries are set out in note 4. Subsidiaries that carry on business as investment companies are designated as being at fair value through profit and loss on initial recognition.

2. ADOPTION OF NEW AND REVISED STANDARDS

2.1 Standards and interpretations adopted during the year

IFRS 9 Financial instruments

IFRS 9 Financial Instruments sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income and fair value through profit and loss ("FVPL"). The standard eliminates the IAS 39 categories of held to maturity, loans and receivables and available for sale.

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on July 1, 2018. However, the company has chosen to take advantage of the option not to restate comparatives. Therefore, the June 30, 2018 figures are presented and measured under IAS 39.

IFRS 9 Financial instruments

The following table shows the original measurement categories in accordance with IAS 39 and the new measurement categories under IFRS 9 for financial assets and financial liabilities as at 1 July 2018.

Financial assets	IAS 39 classification	IAS 39 measurement	IFRS 9 classification	IFRS 9 measurement
Investments in subsidiaries	Designated at FVPL	2,103,504	FVPL	2,103,504
Investments	Designated at FVPL	161,187,270	FVPL	161,187,270
Loans to subsidiaries	Designated at FVPL	379,690	Amortised cost	379,690
Cash and cash equivalents	Amortised cost	287,172	Amortised cost	287,172
Financial liabilities	**IAS 39 classification**	**IAS 39 measurement**	**IFRS 9 classification**	**IFRS 9 measurement**
Loans from subsidiaries	Amortised cost	5,235,527	Amortised cost	5,235,527
Trade and other payables	Amortised cost	1,674,024	Amortised cost	1,674,024
Loan from parent	Amortised cost	30,151,190	Amortised cost	30,151,190
Loan from third party	Amortised cost	4,000,000	Amortised cost	4,000,000

The company neither revoked nor made any new designations on the date of initial application. IFRS 9 has not resulted in changes in the carrying amount of the company's financial instruments due to changes in measurement categories. All financial assets that were classified as FVPL under IAS 39 are still classified as FVPL under IFRS 9 except for loans to subsidiaries which are classified and measured at amortised cost under IFRS 9. All financial assets that were classified and measured at amortised cost continue to be.

Zeta Resources Limited does not believe that the new classification requirements have had a material impact on its accounting for loans and investments in equity securities that are managed on a fair value basis. At 30 June 2018 and at 30 June 2019, Zeta Resources Limited had no equity investments classified as available-for-sale or at fair value through other comprehensive income. Therefore, all gains and losses are recognised in profit and loss.

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' ("ECL") model. This requires considerable judgement about how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. In Zeta Resources Limited the new impairment model is only applicable to financial assets measured at amortised cost. As Zeta Resources Limited's impairment considerations have been in line with IFRS 9, Zeta Resources Limited noted no additional impairments necessary under IFRS 9.

IFRS 15 Revenue

IFRS 15 had no significant impact on the financial statements. Recognition of interest and dividends are now based on IFRS 9 guidance. The company does not have contracts with customers for revenue.

2.2 New standards, amendments and interpretations effective for annual periods beginning after 1 July 2019 that have not been adopted

At the date of authorisation of these financial statements, the following standards affecting the company were in issue, but not yet effective:

Amendment to the conceptual framework – effective 1 January 2020; and

Definition of material (Amendments to IAS 1 and IAS 8) – effective 1 January 2020

The company has chosen not to early adopt the new and revised standards affecting presentation and disclosure which have been published and are mandatory for the company's accounting records beginning on the date mentioned above.

Based on initial assessment, these standards are not expected to have a material impact on the company.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies detailed below have been consistently applied by the company.

3.1 Investment income

Dividend income is recognised when the company's right to receive payment is established and is presented gross of withholding taxes.

Gains or losses on the sale of investments are recorded on the trade date.

Investment income also comprises of unrealised gains on changes in the fair value of financial assets at fair value through profit or loss.

Interest income is recognised using the effective interest rate method.

3.2 Borrowing costs

Borrowing costs are recognised as an expense when incurred.

3.3 Income tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

The company has elected to be tax exempt in terms of local Bermudian legislation.

3.4 Foreign currency

Foreign currency transactions and balances

Transactions in foreign currencies are translated into the respective functional currency of the company at exchange rates at the dates of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the prevalent exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between the amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and principal payments during the period, and the amortised cost in foreign currency translated at the prevalent exchange rate at the end of the period. The foreign currency gains or losses are recognised as part of other income/(losses) in the Statement of Comprehensive income.

Foreign currency differences arising on retranslation are recognised in other comprehensive income.

3.5 Earnings per share ("EPS")

Basic EPS is calculated as the net resulting earnings attributable to members, adjusted to exclude costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted EPS is calculated as the net resulting earnings attributable to members, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with potential dilutive ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares divided by the weighted average number of ordinary shares and potential dilutive ordinary shares, adjusted for any bonus element.

3.6 Financial instruments

Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the entity becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement –
Policy effective from 1 July 2018

Financial assets
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. On initial recognition, the company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

3.6 Financial instruments (continued)

Financial assets are not reclassified subsequent to their initial recognition unless the entity changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial liabilities
The company has adopted the following classifications for financial liabilities:

Financial liabilities at amortised cost and subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

Classification and subsequent measurement –
Policy effective before 1 July 2018

The company classifies its financial assets and liabilities at initial recognition into the following categories in accordance with IAS 39.

Financial assets and financial liabilities at FVPL
The company classifies its investments in debt and equity securities as financial assets or financial liabilities at FVPL. These financial assets and financial liabilities are designated at FVPL at inception.

Financial assets and financial liabilities designated at FVPL at inception are those managed, and their performance evaluated on a fair value basis in accordance with the company's investment strategy.

Financial assets and financial liabilities at amortised cost
Financial assets at amortised cost are classified as other financial assets. This includes cash and cash equivalents, due from brokers, interest receivable, dividend receivable and other assets. Financial liabilities at amortised cost are classified as other financial liabilities. This includes due to broker, interest payable, dividends payable and accrued expenses and other liabilities.

Derecognition

The company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when they transfer the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset.

The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently have a legally enforceable right to set off the recognised amounts and they intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.7 Impairment of assets

The company recognise loss allowances for ECLs on financial assets measured at amortised cost.

The company measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the company is exposed to credit risk.

Presentation

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expect to receive).

Measurement of ECLs

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

3.8 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity.

3.9 Provisions and accruals

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will occur, and where a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement. If the effect of discounting is material, provisions are discounted. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

4. INVESTMENT IN SUBSIDIARIES

	June 2019 US$	June 2018* US$
At fair value		
Investment in Kumarina Resources Pty Limited ("Kumarina")	**1,000,000**	2,103,498
Investment in Zeta Energy Pte. Ltd. ("Zeta Energy")	**1**	1
Investment in Axelrock Limited ("Axelrock")	**–**	1
Investment in Pan Pacific Petroleum Pty Limited ("PPP")	**–**	1
Investment in Pan Pacific Petroleum Vietnam Pty Limited ("PPP Vietnam")	**–**	1
Investment in Pan Pacific Petroleum JPDA Pty Limited ("PPP JPDA")	**–**	1
Investment in Zeta Investments Limited ("Zeta Investments")	**1**	1
	1,000,002	2,103,504

* Restated, refer to note 28

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. Kumarina is valued using the multiples of exploration expenditure method and the area multiples method to value Kumarina's two main projects, with further consideration to the remaining assets and liabilities held by Kumarina. The company is currently deemed to have a value of US$1,000,000.

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 30 June 2019:

30 June 2019	**Number of ordinary shares**	**Percentage of ordinary shares held**
Kumarina incorporated in Australia	**26,245,210**	**100%**
Zeta Investments incorporated in Bermuda	**1,000**	**100%**
Zeta Energy incorporated in Singapore	**1**	**100%**

30 June 2018	Number of ordinary shares	Percentage of ordinary shares held
PPP incorporated in Australia	581,942,846	100%
Kumarina incorporated in Australia	26,245,210	100%
Zeta Investments incorporated in Bermuda	1,000	100%
Axelrock incorporated in Bermuda	100	100%
PPP Vietnam incorporated in Australia	2	100%
PPP JPDA incorporated in Australia	2	100%
Zeta Energy incorporated in Singapore	1	100%

5. INVESTMENTS

	June 2019 US$	June 2018 US$
Financial assets at fair value through profit or loss	**129,928,110**	161,187,270
Equity securities at fair value		
Ordinary shares – listed	**89,521,947**	135,475,520
Ordinary shares, subscription and other rights – unlisted	**40,406,163**	25,711,750
	129,928,110	161,187,270

	June 2019 US$	June 2018 US$
Equity securities at cost		
Ordinary shares – listed	**109,256,914**	101,986,368
Ordinary shares, subscription and other rights – unlisted	**44,173,811**	33,830,307
	153,430,725	135,816,675

During the reporting period the company completed a total of 271 transactions (2018: 315 transactions) in securities and paid a total of US$56,830 (2018: US$52,269) in brokerage on those transactions.

6. LOANS TO SUBSIDIARIES

	June 2019 US$	June 2018 US$
Loan to Zeta Energy	**1,076,072**	27,010
Loan to Kumarina	**495,653**	352,680
	1,571,725	379,690

The loan to Zeta Energy is denominated in Australian dollars to the value of A$2,809,348 (2018: A$(190,652)), British pounds to the value of UK£11,100 (2018: UK£11,100), New Zealand dollars to the value of NZ$6.16 million (2018: NZ$6.2 million), South African rands to the value of R4,000 (2018: R4,000), Singapore dollars to the value of SG$28,162 (2018: SG$5,100) and United States dollars to the value of US$(147,581) (2018: US$(149,788)). There are no fixed repayment terms except that no repayment is due before 30 June 2020 and no interest is charged. During the year ended 30 June 2019, the loan to Zeta Energy, which was utilised for the purchase of listed investments, was impaired, through profit and loss, to the fair value of Zeta Energy as determined by the directors. The loan to Kumarina, used for working capital is denominated in Australian dollars and is interest free. There are no fixed repayment terms except that no repayment is due before 30 June 2020.

7. OTHER LOAN

	June 2019 US$	June 2018 US$
Loan to Bligh Resources Limited	**625,822**	–

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 30 June 2020.

8. CASH AND CASH EQUIVALENTS

	June 2019 US$	June 2018 US$
Cash balance comprises:		
Cash at bank	**104,715**	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.

9. TRADE AND OTHER RECEIVABLES

	June 2019 US$	June 2018 US$
Owing from Zeta Investments Pty Limited	**476,088**	–
Other receivables	**32,249**	–
	508,337	–

The amount owing from Zeta Investments Pty Limited is denominated in Australian dollars and is a short-term balance in order to purchase shares.

10. LOAN FROM SUBSIDIARY

	June 2019 US$	June 2018 US$
Loan from Zeta Energy	**2,508,840**	5,235,527

The loan from Zeta Energy is denominated in Australian dollars to the value of A$2.63 million (30 June 2018: A$6.235 million) and New Zealand dollars to the value of NZ$983,000 (30 June 2018: NZ$924,000) and currently attracts interest at rates between 4.35% and 6.85% per annum (30 June 2018: 4.35% and 6.85%) on the Australian dollar loan and at 6.00% per annum (30 June 2018: 6.00%) on the New Zealand dollar loan. There are no fixed repayment terms except that no repayment is due before 30 June 2020. Zeta Energy has in turn borrowed these funds on the same interest and repayment terms. In order to secure the loans Zeta Resources has pledged certain of its investments. The shares pledged are Resolute Mining Limited (7,650,000) and Panoramic Resources Limited (5,384,615).

11. LOAN FROM PARENT

	June 2019 US$	June 2018 US$
Loan from UIL Limited ("UIL")	**45,793,293**	30,151,190

The loan is denominated in Australian dollars to the value of A$40.103 million (30 June 2018: A$18.615 million) and in Canadian dollars to the value of CA$23.146 million (30 June 2018: CA$21.542 million), and currently attracts interest at 7.5% per annum (30 June 2018: 7.5%) on the Australian dollar loan and 7.25% (30 June 2018: 7.25%) on the Canadian dollar loan. There are no repayment terms and no repayment is due before 30 June 2020.

12. OTHER LOANS

	June 2019 US$	June 2018 US$
Loan from ICM Limited	**3,983,509**	–
Loan from PPP	**1,980,510**	–
Loan from Bermuda Commercial Bank Limited	**3,750,000**	–
	9,714,019	–

The ICM Loan is denominated in Australian dollars to the value of A$5.67 million and attracts interest at 7.5% per annum. The PPP Loan is denominated in Australian dollars to the value of A$2.85 million and is interest free. For both of the ICM Limited and PPP loans there are no fixed repayment terms except that no repayment is due before 30 June 2020. The Bermuda Commercial Bank loan is denominated in United States dollars and currently attracts interest at Bermuda Commercial Bank's commercial base rate + 1.25% per annum. Repayments of US$1.25million are scheduled on 30 September 2019 and 30 September 2020, with the remaining balance payable on 30 September 2021.

13. OTHER LOANS - CURRENT

	June 2019 US$	June 2018 US$
Loan from Bermuda Commercial Bank Limited	**1,250,000**	4,000,000

The above US$1,250,000 represents the short-term portion of the loan owing to Bermuda Commercial Bank.

14. TRADE AND OTHER PAYABLES

	June 2019 US$	June 2018 US$
Other liabilities	**–**	459,890
Rehabilitation provision	**–**	900,000
Amount owed to brokers	**178,761**	–
Accruals	**294,656**	314,134
	473,417	1,674,024

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

15. SHARE CAPITAL AND SHARE PREMIUM

Authorised

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

Issued	Number of shares	Share capital	Share premium
Ordinary shares			
Balance as at incorporation		–	–
Issued at incorporation as US$1 par shares	100	–	–
Shares split into 10,000,000 shares of US$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
Balance as at 30 June 2018	288,521,024	2,785	123,096,492
Share cancellation as a result of share buy-back 7 November 2018	(322,446)	(3)	(93,785)
Share cancellation as a result of share buy-back 5 December 2018	(12,320)	–	(3,201)
Share cancellation as a result of share buy-back 5 March 2019	(202,202)	(2)	(50,817)
Share cancellation as a result of share buy-back 4 April 2019	(112,727)	(1)	(26,374)
Share cancellation as a result of share buy-back 7 May 2019	(58,253)	(1)	(13,732)
Share cancellation as a result of share buy-back 7 June 2019	(50,000)	–	(11,380)
Balance as at 30 June 2019	287,763,076	2,778	122,897,203

16. INVESTMENT (LOSS)/INCOME

	June 2019 US$	June 2018* US$
Interest income	**43,036**	102
Dividend income	**228,742**	318,616
Realised gains	**4,885,621**	96,590
Fair value (loss)/profit on revaluation of investments	**(49,991,372)**	21,331,678
(Impairment)/recovery of prior impairments of loan to Zeta Energy	**(1,018,137)**	12,874,970
	(45,852,110)	34,621,956

* Restated, refer to note 28

During the period ended 30 June 2019, the loan granted to Zeta Energy was impaired to the fair value of Zeta Energy as determined by the directors.

17. OTHER INCOME/(LOSSES)

	June 2019 US$	June 2018 US$
Foreign exchange gains	**907,680**	209,314
Other income/(losses)	**932,249**	(892,113)
	1,839,929	(682,799)

18. MANAGEMENT AND CONSULTING FEES

	June 2019 US$	June 2018 US$
Management and consulting fees	**694,181**	925,443

The company entered into an investment management agreement with ICM Limited on 3 June 2018. Management fees are payable at a rate of 0.5% per annum, of the net tangible assets managed on calculation date (last day of quarter), payable quarterly in arrears.

Performance fees are payable annually at year end on the difference between adjusted equity funds (adjusted for any dividends paid or accrued) on calculation date less adjusted base equity funds (high-water mark) previously used in the performance fee calculation multiplied by 15%. The adjusted base equity funds is the base equity fund used in the last performance fee calculation adjusted by the average percentage income yield on the S&P/ASX 300 Metals and Mining Index. No performance fee was paid in the current period (2018: US$ Nil).

Either party may terminate the agreement with six months' notice.

19. OPERATING AND ADMINISTRATION EXPENSES

	June 2019 US$	June 2018 US$
Operating and administration expenses consist of:		
Accounting fees	**162,940**	139,262
Audit fees	**21,829**	22,040
Australian Securities Exchange listing fees and regulatory costs	**118,601**	86,656
Insurance costs	**13,781**	13,444
Other expenses	**198,704**	167,458
	515,855	428,860

20. INCOME TAX

The company has elected to be tax exempt in terms of local Bermudian legislation.

21. EARNINGS PER SHARE

	June 2019 US$	June 2018* US$
Basic and diluted (loss)/profit per share	**(0.17)**	0.15
(Loss)/profit used in calculation of basic and diluted earnings per share	**(48,687,361)**	30,255,839
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted earnings per share	**288,202,064**	201,443,782

* Restated, refer to note 28

22. NOTES TO THE CASH FLOW STATEMENT

	June 2019 US$	June 2018* US$
Cash (utilised)/generated by operations		
(Loss)/profit for the year	**(48,687,361)**	30,255,839
Adjustments for:		
Realised gains on investments	**(4,885,621)**	(96,590)
Fair value loss/(profit) on revaluation of investments	**49,991,372**	(21,331,678)
Impairment/(recovery) of prior impairments of loan to Zeta Energy	**1,018,137**	(12,874,970)
Rehabilitation provision	**–**	900,000
Foreign exchange losses	**(907,680)**	(209,314)
Interest income	**(43,036)**	(102)
Interest expense	**3,315,144**	2,179,015
Operating loss before working capital changes	**(199,045)**	(1,177,800)
Increase in trade and other receivables	**(508,337)**	–
(Decrease)/increase in trade and other payables	**(1,200,607)**	1,413,603
	(1,907,989)	235,803

* Restated, refer to note 28

23. AUDITOR REMUNERATION

	June 2019 US$	June 2018 US$
Amounts received or due and receivable by the auditors for audit of financial statements	**21,829**	22,040

24. GOING CONCERN

The financial statements have been prepared on a going concern basis. The majority of the Company's assets consist of equity shares in listed companies and in most circumstances are realisable within a short timescale. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the accounts.

NOTES TO THE FINANCIAL STATEMENTS (continued)

25. 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 financial statements. The policies are in compliance with IFRS and best practice and include the valuation of certain 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.

The classification and measurement requirements of IFRS 9 have been adopted retrospectively as of the date of initial application on July 1, 2018. However, the Company has chosen to take advantage of the option not to restate comparatives. Therefore, the June 30, 2018 figures are presented and measured under IAS 39.

The classification and measurement categories under IAS 39 were financial assets and liabilities at FVTPL and financial assets and liabilities at amortised cost.

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

30 June 2019	Designated at fair value through profit and loss US$	Loans and receivables at amortised cost US$	Total carrying value US$
Assets			
Investments in subsidiaries	1,000,002	–	1,000,002
Investments	129,928,110	–	129,928,110
Loans to subsidiaries	–	1,571,725	1,571,725
Other loan	–	625,822	625,822
Trade and other receivables	–	508,337	508,337
Cash and cash equivalents	–	104,715	104,715
	130,928,112	2,810,599	133,738,711
Liabilities			
Loan from subsidiary	–	2,508,840	2,508,840
Trade and other payables	–	473,417	473417
Loan from parent	–	45,793,293	45,793,293
Other loans	–	10,964,019	10,964,019
	–	59,739,569	59,739,569

30 June 2018*	Designated at fair value through profit and loss US$	Loans and receivables at amortised cost US$	Total carrying value US$
Assets			
Investments in subsidiaries	2,103,504	–	2,103,504
Investments	161,187,270	–	161,187,270
Loans to subsidiaries	379,690	–	379,690
Cash and cash equivalents	–	287,172	287,172
	163,670,464	287,172	163,957,636
Liabilities			
Loan from subsidiary	–	5,235,527	5,235,527
Trade and other payables	–	1,674,024	1,674,024
Loan from parent	–	30,151,190	30,151,190
Other loans	–	4,000,000	4,000,000
	–	41,060,741	41,060,741

* Restated, refer to note 28

25.1 Market risks

The fair value of equity and other financial securities held in the Company's portfolio fluctuates with changes in market prices. Prices are themselves affected by movements in currencies, interest rates and by other financial issues, including the market perception of future risks. The board of directors sets policies for managing these risks within the Company's objective and meets regularly to review full, timely and relevant information on investment performance and financial results. The Investment Manager assesses exposure to market risks when making each investment decision and monitors on-going market risk within the portfolio.

The Company's other assets and liabilities may be denominated in currencies other than United States dollars and may also be exposed to interest rate risks. The Investment Manager and the board of directors regularly monitor these risks. The Company does not normally hold significant cash balances. Borrowings are limited to amounts and currencies commensurate with the portfolio's exposure to those currencies, thereby limiting the Company's exposure to future changes in exchange rates.

Gearing may be short- or long-term, in United States dollars and foreign currencies, and enables the Company to take a long-term view of the countries and markets in which it is invested without having to be concerned about short-term volatility. Income earned in foreign currencies is converted to United States dollars on receipt. The board of directors regularly monitors the effects on net revenue of interest earned on deposits and paid on gearing.

Currency exposure

The principal currencies to which the company was exposed were the Australian dollar, Canadian Dollar and New Zealand dollar. The exchange rates applying against the United States dollar at 30 June 2019 and the average rates for the year were as follows:

	30 June 2019	**Average**
AUD – Australian dollar	0.7011	0.7153
CAD – Canadian dollar	0.7637	0.7554
NZD – New Zealand dollar	0.6709	0.6707

25. FINANCIAL RISK MANAGEMENT (continued)

The company's monetary assets and liabilities at 30 June 2019 (shown at fair value), by currency based on the country of primary operations, are shown below:

30 June 2019	**USD**	**AUD**	**CAD**	**NZD**
Cash and cash equivalents	**5,334**	**141,692**	**–**	**64**
Loans to subsidiaries	**(147,581)**	**3,516,348**	**–**	**6,163,507**
Loan from subsidiary	**–**	**(2,637,946)**	**–**	**(982,928)**
Loan from parent	**–**	**(40,103,855)**	**(23,146,409)**	**–**
Other loan	**–**	**892,673**	**–**	**–**
Other loans	**(5,000,000)**	**(8,494,432)**	**–**	**–**
Trade and other payables	**(242,528)**	**(56,158)**	**(234,060)**	**–**
Trade and other receivables	**–**	**725,092**	**–**	**–**
Net monetary (liabilities)/assets	**(5,384,775)**	**(46,016,586)**	**(23,380,469)**	**5,180,643**

30 June 2018	USD	AUD	CAD	NZD
Cash and cash equivalents	192	107,291	272,941	21
Loans to subsidiaries	–	467,000	–	–
Loan from subsidiary	–	(6,235,050)	–	923,984
Loan from parent	–	(18,615,260)	(21,541,670)	–
Other loans	(4,000,000)	–	–	–
Trade and other payables	(1,194,766)	(630,497)	–	–
Net monetary (liabilities)/assets	(5,194,574)	(24,906,516)	(21,268,729)	924,005

Based on the financial assets and liabilities held, and exchange rates applying, at the reporting date, a weakening or strengthening of the United States dollar against each of these currencies by 10% would have had the following approximate effect on income after tax and on net asset value (NAV):

	AUD	CAD	NZD	Total
Strengthening of the United States dollar				
(Decrease)/Increase in total comprehensive income for the year ended 30 June 2019	(4,362,044)	428,160	(349,609)	(4,283,493)
(Decrease)/Increase in total comprehensive income for the year ended 30 June 2018	(10,663,959)	77,871	62,549	(10,523,539)
Weakening of the United States dollar				
Increase/(Decrease) in total comprehensive income for the year ended 30 June 2019	4,362,044	(428,160)	349,609	4,283,493
Increase/(Decrease) in total comprehensive income for the year ended 30 June 2018	10,663,959	(77,871)	(62,549)	10,523,539

These analyses are broadly representative of the Company's activities during the current year as a whole, although the level of the Company's exposure to currencies fluctuates in accordance with the investment and risk management processes.

Interest rate exposure

The exposure of the financial assets and liabilities to interest rate risks at 30 June 2019 and at 30 June 2018 is shown below:

30 June 2019	**Within one year US$**	**Greater than one year US$**	**Total US$**
Exposure to floating rates:			
Cash	**104,715**	**–**	**104,715**
Other loans	**(1,250,000)**	**(3,750,000)**	**(5,000,000)**
Loan from subsidiary	**–**	**(2,508,840)**	**(2,508,840)**
	(1,145,285)	**(6,258,840)**	**(7,404,125)**
Exposure to fixed rates:			
Loan from parent	**–**	**(45,793,293)**	**(45,793,293)**
Other loans	**–**	**(3,983,509)**	**(3,983,509)**
Other loan	**–**	**625,822**	**625,822**
	–	**(49,150,980)**	**(49,150,980)**

30 June 2018	Within one year US$	Greater than one year US$	Total US$
Exposure to floating rates:			
Cash	287,172	–	287,172
Loan from third party	(4,000,000)	–	(4,000,000)
	(3,712,828)	–	(3,712,828)
Exposure to fixed rates:			
Loan from subsidiary	–	(5,235,527)	(5,235,527)
Loan from parent	–	(30,151,190)	(30,151,190)
	–	(35,386,717)	(35,386,717)

Exposures vary throughout the year as a consequence of changes in the make-up of the net assets of the Company arising out of the investment and risk management processes. The Company tends to limit its cash reserves and interest earned is insignificant and therefore not sensitive to interest rate changes. The majority of borrowings are at a fixed rate and not sensitive to interest rate risk.

Other market risk exposures

The portfolio of listed investments valued at US$89,521,947 at 30 June 2019 (30 June 2018: US$135,475,520) is exposed to market price changes. The Investment Manager assesses these exposures at the time of making each investment decision. An analysis of the portfolio by country is set out on note 27.

Price sensitivity risk analysis

A 10% decline in the market price of the listed investment held by the Company would result in an unrealised loss of US$8,577.661. A 10% appreciation in the market price would have the opposite effect. See note 25.4 for unlisted investment sensitivity analyses.

25. FINANCIAL RISK MANAGEMENT (continued)

25.2 Liquidity risk exposure

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meets its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Investment Manager reviews liquidity at the time of making each investment decision. The contractual maturities of the financial liabilities, based on the earliest date on which payment can be required, were as follows:

30 June 2019	**Twelve months or less US$**	**More than a year US$**	**Total US$**
Loan from subsidiary	**–**	**2,508,840**	**2,508,840**
Trade and other payables	**473,417**	**–**	**473,417**
Loans from parent	**–**	**45,793,293**	**45,793,293**
Other loans	**1,250,000**	**9,714,019**	**10,964,019**
	1,723,417	**58,016,152**	**59,739,569**

30 June 2018	Twelve months or less US$	More than a year US$	Total US$
Loan from subsidiary	–	5,235,527	5,235,527
Trade and other payables	1,674,024	–	1,674,024
Loans from parent	–	30,151,190	30,151,190
Other loans	4,000,000	–	4,000,000
	5,674,024	35,386,717	41,060,741

25.3 Credit risk and counterparty exposure

The Company is exposed to potential failure by counterparties to deliver securities for which the Company has paid, or to pay for securities which the Company has delivered. To mitigate against credit and counterparty risk broker counterparties are selected based on a combination of criteria, including credit rating, balance sheet strength and membership of a relevant regulatory body.

Cash and deposits are held with reputable banks. The Company has an on-going contract with its Custodians for the provision of custody services. The contracts are reviewed regularly. Details of securities held in custody on behalf of the Company are received and reconciled monthly.

Maximum exposure to credit risk

The Company has loan assets totalling US$2,197,547 (2018: US$379,690) and bank balances totalling US$104,715 (2018: US$287,172) that are exposed to credit risk.

None of the Company's financial assets are past due, but the loan asset to Zeta Energy has been impaired as per note 6.
The Company's principal banker is Bermuda Commercial Bank (rated by Fitch as BBB-) and the Company's principal custodian is JP Morgan Chase Bank (rated by Fitch as AA-). The subsidiary Kumarina holds a bank account with National Australia Bank (rated by Fitch as AA-).

25.4 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 exchanges 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 2 financial instruments

Bligh Resources Limited
On 14 June 2019 Saracen Mineral Holdings (ASX:SAR) announced it had made an off-market takeover offer to acquire all the shares in Bligh Resources Limited. The takeover offer was subject to a number of conditions including regulatory approvals. The valuation as at 30 June 2019 has been set using the 30 June 2019 SAR price (A$3.68) at A$0.1358 per share but subject to an expected withholding of capital gains tax on sale proceeds. The offer became unconditional on 31 July 2019.

At year end the fair value of the investment was US$21,143,024.

Level 3 financial instruments

Valuation methodology
The board of directors have satisfied themselves as to the methodology used, the discount rates and key assumptions applied in the valuation of level 3 assets. 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 in subsidiaries.

(a) Unlisted companies

Seacrest L.P. ("Seacrest") Bermuda incorporated
Valuation inputs: Seacrest produces quarterly reports in accordance with IFRS 9. The valuation is based on the latest management report available at 30 June 2019 (quarter end 30 June 2019), which shows a valuation of US$0.27. Where required, the last quarter's results are adjusted for drawdowns, distributions, and significant events impacting the portfolio companies since the quarter end.

Valuation methodology: The Seacrest valuation is prepared by the General Partners with reference to each individual licence. The internal valuation is tested against external valuations by Stockdale and available market data. If the internal valuation falls within the lower half of the independent valuation range, then it is accepted as fair market value, otherwise it is reviewed for calibration. Zeta Resources has used a fair value valuation of Seacrest of US$0.27 per share based on the valuation described above. At year end the fair value of the investment was US$4,639,250.

Sensitivities: Given Seacrest 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, 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, the directors have chosen to use the latest information provided by Margosa regarding current equity capital raisings as the most appropriate valuation method for Zeta Resources' holding of A$0.20 per share. At year end the fair value of the investment was US$2,804,262.

25. FINANCIAL RISK MANAGEMENT (continued)

25.4 Fair values of financial assets and liabilities (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, as the most appropriate valuation method for Zeta Resources holding. At year end the fair value of the investment was US$32,784,651.

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 in subsidiaries

Zeta Energy - Singapore incorporated
Valuation inputs: The key asset is the investment loan to Zeta Energy which was utilised for the purchase of investments, and 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 30 June 2019.

Valuation methodology: Zeta Resources has used a fair value valuation of investments held by Zeta Energy by which to impair the loan value as at 30 June 2019. At year end the fair value of the loan was US$1,076,072.

Sensitivities: Given Zeta Energy's assets comprise listed investments its risks are significant in both directions. Increases in share prices will increase the value of the loan and decreases in share prices will further decrease the value of the loan.

Kumarina Resources Pty Limited– 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. Kumarina is valued using the multiples of exploration expenditure method and the area multiples method to value Kumarina's two main projects, with further consideration to the remaining assets and liabilities held by Kumarina. At year end the fair value of the investment was US$1,000,000.

Other investments
Zeta Resources has further investments at fair value totalling US$178,000 (2018: US$78,505).

30 June 2019	Level 1 US$	Level 2 US$	Level 3 US$
Financial assets			
Investments	**68,378,923**	**21,143,024**	**40,406,163**
Investment in subsidiaries	**–**	**–**	**1,000,002**

There have been no movements between the level 1 and level 3 categories.

Investment in Bligh Resources Limited was transferred from level 1 to level 2 as a result of the fair value being based on the takeover offer by Saracens.

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:

	Level 3 investments US$	Level 3 investments in subsidiaries US$	Level 3 loans to subsidiaries US$
Balance at 1 July 2018	**25,711,750**	**2,103,504**	**379,690**
Acquisitions at cost	**10,343,504**	**–**	**–**
Disposals during the year	**–**	**(4)**	**–**
Reclassification to amortised cost	**–**	**–**	**(379,690)**
Total gains/(losses) recognised in fair value through profit or loss	**4,350,909**	**(1,103,499)**	**–**
Balance at 30 June 2019	**40,406,163**	**1,000,002**	**–**

Loans to subsidiaries were reclassified to amortised cost as at 1 July 2018

30 June 2018 *	Level 1 US$	Level 2 US$	Level 3 US$
Financial assets			
Investments	135,475,520	–	25,711,750
Investment in subsidiaries	–	–	2,103,504
Loans to subsidiaries	–	–	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:

	Level 3 investments US$	Level 3 investments in subsidiaries US$	Level 3 loans to subsidiaries US$
Balance at 1 July 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)	(1,077,602)	13,756,724
Balance at 30 June 2018 *	25,711,750	2,103,504	379,690

* Restated, refer to note 28

25.5 Capital risk management

The objective of the Company is stated as being to maximise shareholder returns by identifying and investing in investments where the underlying value is not reflected in the market price. In pursuing this long-term objective, the board of directors has a responsibility for ensuring the Company's ability to continue as a going concern. It must therefore maintain an optimal capital structure through varying market conditions. This involves the ability to issue and buy back share capital within limits set by the shareholders in general meeting; borrow monies in the short and long term; and pay dividends to shareholders out of current year earnings as well as out of brought forward reserves.

26. RELATED PARTIES

26.1 Material related parties

Holding company

The Company's holding company is UIL which held 59.9% of the company's issued share capital on 30 June 2019. UIL is 62.4% owned by General Provincial Life Pension Fund Limited.

Subsidiary companies

The Company's subsidiaries are Kumarina, Zeta Energy and Zeta Investments, all are 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 director's report are considered to be key management personnel of the Company.

Investment Manager

ICM Limited is an Investment Manager of the Company and of UIL.

26.2 Material related parties transactions

Nature of transactions	June 2019 US$	June 2018* US$
Investments in related parties:		
Kumarina	**1,000,000**	2,103,498
Zeta Investments	**1**	1
Zeta Energy	**1**	1
PPP	**–**	1
Axelrock	**–**	1
PPP Vietnam	**–**	1
PPP JPDA	**–**	1
Loans to related parties:		
Kumarina	**495,653**	352,680
Zeta Energy	**1,076,072**	27,010
Zeta Investments Proprietary Limited	**476,088**	–
Bligh Resources Limited	**625,822**	–
Loans from related parties:		
UIL Limited	**45,793,293**	30,151,190
Zeta Energy	**2,508,840**	5,235,527
PPP	**1,980,510**	–
ICM Limited	**3,983,509**	–
Trade and other payables:		
ICM Limited	**162,949**	162,057
Directors	**37,500**	37,500
Interest charged by the subsidiaries	**288,598**	295,428
Interest charged by the parent company	**2,476,820**	1,808,717
Interest charged by ICM	**241,948**	–
Interest charged to investee entity	**30,187**	–
Fees paid to the Investment Manager	**677,467**	652,993
Fees paid to the directors	**150,000**	150,000
X Xi	**50,000**	50,000
M Botha	**50,000**	50,000
P Sullivan	**50,000**	50,000

* Restated, refer to note 28

27. SEGMENTAL REPORTING

The Company has four reportable segments, as described below, which are considered to be the Company's strategic investment 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 which 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

30 June 2019	**Gold US$**	**Nickel US$**	**Mineral exploration US$**	**Other segments US$**	**Total US$**
External revenues	**10,955,989**	**(52,573,430)**	**(4,282,821)**	**48,152**	**(45,852,110)**
Reportable segment revenue	**10,955,989**	**(52,573,430)**	**(4,282,821)**	**48,152**	**(45,852,110)**
Interest revenue	**–**	**–**	**–**	**43,036**	**43,036**
Interest expense	**–**	**–**	**–**	**(3,315,144)**	**(3,315,144)**
Other income and expenses	**(19,226)**	**32,249**	**927,603**	**(503,769)**	**436,857**
Reportable segment profit/(loss) before tax	**10,936,763**	**(52,541,181)**	**(3,355,218)**	**(3,727,725)**	**(48,687,361)**
Reportable segment assets	**30,072,681**	**42,539,536**	**59,391,966**	**1,734,528**	**133,738,711**
Reportable segment liabilities	**–**	**–**	**–**	**(59,739,569)**	**(59,739,569)**

30 June 2018*	Gold US$	Nickel US$	Mineral exploration US$	Other segments US$	Total US$
External revenues	767,222	36,020,009	(2,160,977)	(4,298)	34,621,956
Reportable segment revenue	767,222	36,020,009	(2,160,977)	(4,298)	34,621,956
Interest revenue	–	–	–	102	102
Interest expense	–	–	–	(2,179,015)	(2,179,015)
Other income and expenses	(616)	3,692	(928,273)	(1,262,007)	(2,187,204)
Reportable segment profit/(loss) before tax	766,606	36,023,701	(3,089,250)	(3,445,218)	30,255,839
Reportable segment assets	30,716,732	85,181,389	47,772,343	287,172	163,957,636
Reportable segment liabilities	–	–	–	(41,060,741)	(41,060,741)

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

* Restated, refer to note 28

27. SEGMENTAL REPORTING (continued)

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities, and other material items	June 2019 US$	June 2018* US$
Revenues		
Total revenue for reportable segments	**(45,900,262)**	34,626,254
Revenue for other segments	**48,152**	(4,298)
Revenue	**(45,852,110)**	34,621,956
Profit or loss		
Total (loss)/profit for reportable segments	**(44,959,636)**	33,701,057
Loss for other segments	**(3,727,725)**	(3,445,218)
Profit before tax	**(48,687,361)**	30,255,839
Assets		
Total assets for reportable segments	**132,004,183**	163,670,464
Assets for other segments	**1,734,528**	287,172
Total assets	**133,738,711**	163,957,636
Liabilities		
Total liabilities for reportable segments	**–**	–
Liabilities for other segments	**(59,739,569)**	(41,060,741)
Total liabilities	**(59,739,569)**	(41,060,741)

Geographic information

In presenting information on the basis of geography, segment revenue and segment assets are based on the geographical location of the operating assets of the investment held by the Company.

Revenue	June 2019 US$	June 2018* US$
Australia	**(40,981,429)**	33,763,689
Canada	**(6,163,243)**	(1,197,462)
Guinea	**5,569,813**	257,915
Mali	**(614,658)**	636,752
Namibia	**(754,640)**	(1,511,710)
Singapore	**(1,018,136)**	12,611,090
Other countries	**(1,889,817)**	(9,938,318)
Revenue	**(45,852,110)**	34,621,956

* Restated, refer to note 28

Assets	June 2019 US$	June 2018 US$
Australia	**74,027,756**	109,623,707
Canada	**13,408,527**	15,011,839
Guinea	**32,784,651**	17,843,064
Mali	**4,385,458**	13,466,126
Namibia	**2,733,873**	2,038,469
Singapore	**1,076,072**	27,010
Other Countries	**5,322,374**	5,947,421
Assets	**133,738,711**	163,957,636

28. PRIOR PERIOD ERROR

In the prior year financial statements, the company's investment in Kumarina was measured at a fair value that was calculated by Zeta as the original cost. In the current year a formal valuation was performed for the 30 June 2018 and 2019 figures which lead to the fair value being restated from US$3,063,498 to US$2,103,498. Zeta will not look into 30 June 2017 fair values as it is impracticable due to the retrospective application being not determinable.

The restatement did not affect the earnings per share or cash flow statement for the year ended 30 June 2018. The adjustment of the investment in Kumarina resulted in changes in amounts in notes 4, 16, 21, 22, 25, 26 and 27 as investments in subsidiaries and investment income were reduced by US$960,000 at 30 June 2018.

Statement of financial position

as at 30 June 2018		**Impact of restatement**	
	As previously reported US$	Adjustment US$	As restated US$
Total assets	164,917,636	(960,000)	163,957,636
Investment in subsidiaries	3,063,498	(960,000)	2,103,493
Total equity	123,856,895	(960,000)	122,896,895
Accumulated losses	757,618	(960,000)	(202,382)

Statement of comprehensive income

for the year ended 30 June 2018		**Impact of restatement**	
	As previously reported US$	Adjustment US$	As restated US$
Investment income	35,581,956	(960,000)	34,621,956
Profit	31,215,839	(960,000)	30,255,839
Total comprehensive income	31,215,839	(960,000)	30,255,839

29. EVENTS AFTER THE REPORTING DATE

29.1 Bligh Resources Limited

Zeta Resources Limited has sold 100% of its holding (253,742,974 shares) in Bligh Resources Limited on 31 July 2019. Proceeds received consisted of 9,363,115 Saracen Mineral Holdings Limited shares.

29.2 UIL Limited loan repayments

During August 2019 Zeta Resources Limited made capital loan repayments amounting to A$25million. These payments were made as a result of the sale of investments following the year end.

SHAREHOLDER INFORMATION

SUBSTANTIAL SHAREHOLDERS

As at 17 November 2019, the company had received notification of the following substantial shareholdings:

NAME	SHARES	% OF ISSUED CAPITAL
UIL Limited	172,286,916	59.88%
General Provincial Life Pension Fund Limited	91,981,917	31.97%
UIL Limited (and associates)	**264,268,833**	**91.85%**

TOP 20 HOLDINGS OF FULLY PAID ORDINARY SHARES AS AT 17 NOVEMBER 2019

NAME	SHARES	% OF ISSUED CAPITAL
J P MORGAN NOM AUST PL	172,352,437	59.90
GENERAL PROVINCIAL LIFE P	90,144,895	31.33
HSBC CUSTODY NOM AUST LTD	9,105,772	3.16
SULLIVAN JAMES NOEL	1,308,595	0.45
HARDROCK CAP PL – CGLW NO 2 S/F A/C	625,000	0.22
HARDROCK CAP PL	600,000	0.21
BURNAL PL	450,000	0.16
CALIMO PL	410,499	0.14
CHERRYBURN PL	376,160	0.13
BLESSED INV PL	335,000	0.12
DENNEHY SEAN	298,696	0.10
ACS NSW PL	295,000	0.10
SAVILLE STEPHANIE C	269,946	0.09
CITICORP NOM PL	262,565	0.09
UURO PL	250,000	0.09
SAVILLE ALEXANDRA MAREE	241,778	0.08
GREEN BRIAN	215,000	0.07
SULLIVAN JAMES NOEL + G	200,000	0.07
NALMOR PL JOHN CHAPPELL S	162,000	0.06
ROYAL SUNSET PL	145,000	0.05
Total for top 20	**278,048,343**	**96.64**

DISTRIBUTION SCHEDULE OF ORDINARY SHARES HELD AT 17 NOVEMBER 2019

HOLDING RANGES	NO. OF SHARES	NO. OF ORDINARY SHAREHOLDERS	% OF ISSUED CAPITAL
1 – 1,000	5,310	23	0.00
1,001 – 5,000	2,658,511	991	0.92
5,001 – 10,000	1,217,677	158	0.42
10,001 – 100,000	5,185,357	194	1.80
100,001 – and over	278,646,221	25	96.85
Total	**287,713,076**	**1,391**	**100.00**

The number of shareholders holding less than a marketable parcel of ordinary shares at 17 November 2019 is 67 and they hold 67,612 securities.

VOTING RIGHTS

All ordinary shares carry one vote per share without restriction.

COMPANY INFORMATION

Zeta Resources Limited
Company ARBN: 162 902 481
www.zetaresources.limited

DIRECTORS (NON-EXECUTIVE)
Peter Sullivan (Chairman)
Marthinus (Martin) Botha
Xi Xi

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

AUSTRALIAN OFFICE
Level 11, 1 York Street
Sydney NSW 2000
Australia
Telephone: + 61 414 224 494

CANADIAN OFFICE
ICM CA Research Limited
1800-510 West Georgia Street
Vancouver BC V6B 0M3
Canada
Telephone: +1 778 222 7378
Email: contactca@icm.limited

NEW ZEALAND OFFICE
ICM NZ Limited
PO Box 25437
Wellington 6140
New Zealand
Telephone: +64 4 901 7600
Email: contact@icmnz.co.nz

INVESTMENT MANAGER
ICM Limited
34 Bermudiana Road
Hamilton HM 11
Bermuda
Telephone: +1 441 299 2897
Email: contact@icm.limited

SECRETARY
ICM Limited
34 Bermudiana Road
PO Box HM 1748
Hamilton HM GX
Bermuda

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

AUDITOR
Deloitte & Touche
1st Floor, The Square
Cape Quarter
27 Somerset Road
Green Point
Cape Town, Western Cape 8001
South Africa

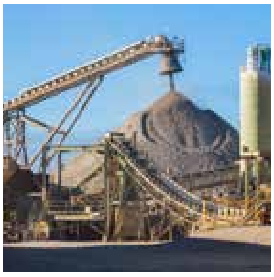
DEPOSITORY
JP Morgan Chase Bank NA
London Branch
25 Bank Street
Canary Wharf
London E14 5JP
United Kingdom

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

SIGNIFICANT STAKES IN A SELECT RANGE OF KEY COMMODITY COMPANIES






BERMUDA OFFICE
34 Bermudiana Road
Hamilton HM 11
Bermuda

Telephone: +1 441 299 2897

www.zetaresources.limited

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