ZETA RESOURCES

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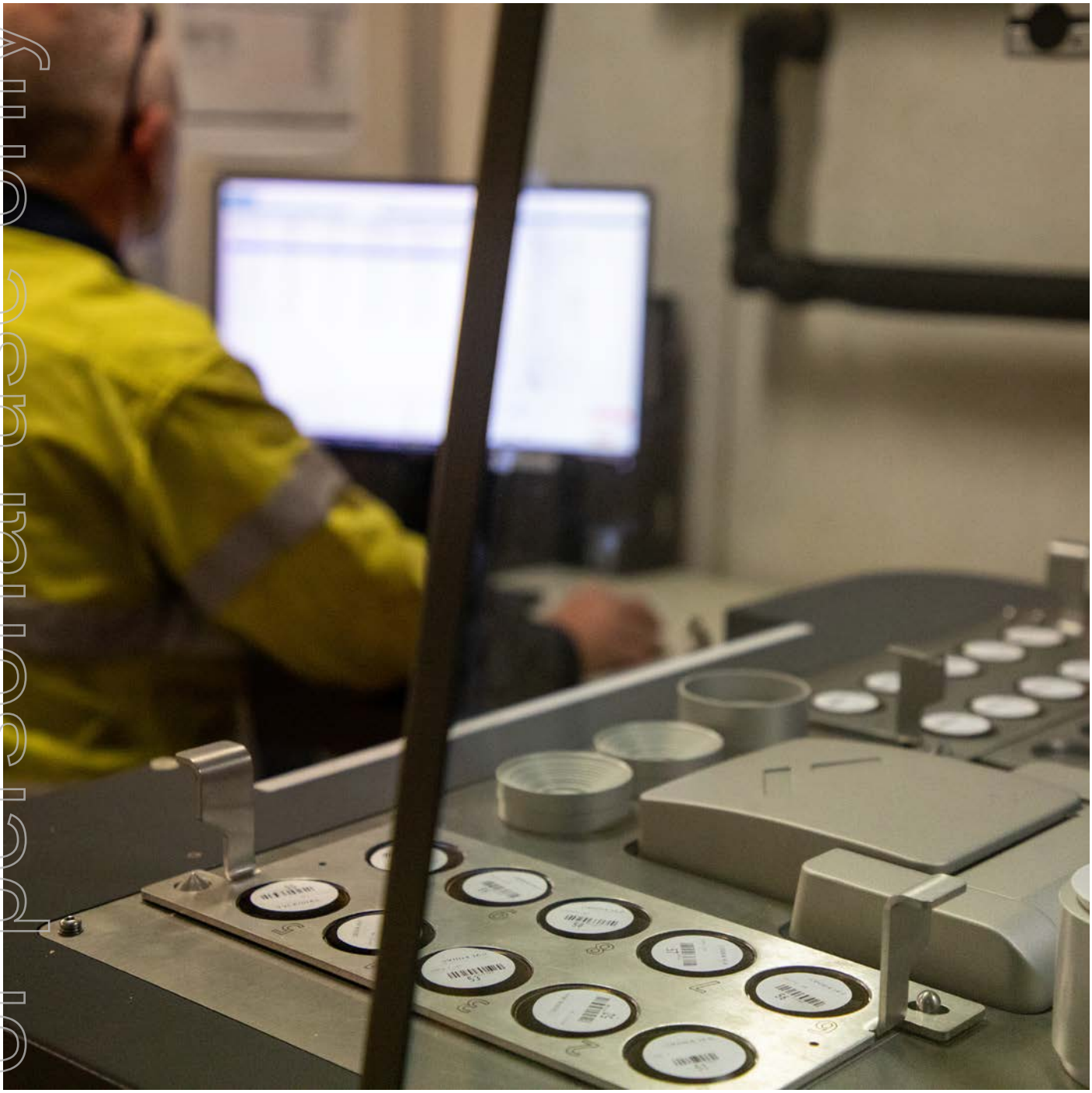

2022

ANNUAL REPORT

MANAGED BY ICM

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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", "Zeta Resources", 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.

WHY ZETA RESOURCES LIMITED?

Copper Mountain Mining Corporation

Zeta is a patient, long term investor, seeking and finding compelling 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 assists investee companies with its 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.

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ZETA RESOURCES

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FINANCIAL CALENDAR

Year End
30 June

Annual General Meeting
29 November 2022

Half Year
31 December

Half Year Announcement
February

Image above – Alliance Mining Commodities Limited

Front Cover image – Panoramic Resources Limited

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.

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Our portfolio and focus on metals will benefit from decarbonisation and the gradual proliferation of electric vehicles.

PETER SULLIVAN
Chairman

As both a leveraged investment fund and an investor in operating companies rather than directly in commodities (providing operating leverage), the impact of commodity price movements are exacerbated for Zeta in both directions, this year being a prime example. After last year's record profit of US$114.7 million Zeta realised a net loss this year of US$68.5 million, primarily due to the fall in the price of copper and in Zeta's key copper investment, Copper Mountain Mining Corporation.

It was a mixed and volatile year for commodities, with nickel being the standout example of this heightened volatility. The price of nickel began to climb in late 2021 but went nearly vertical on March 7 and 8, rising 66% to US$48,078 per tonne on 7 March and then, in early morning trading on 8 March, briefly leaping above US$100,000 per tonne before trading was halted by the London Metal Exchange ("LME"). The market collapse was triggered by the combination of supply concerns related to the Russia-Ukraine war and a massive short squeeze centred on nickel giant Tsingshan Holding Group. Days later, the LME made the near unprecedented, and controversial, decision to cancel all trades that took place on the morning of 8 March. The price of nickel gradually returned to normalcy, but still ended the year up 25.2%. Zeta's nickel assets performed well, with Panoramic Resources up 33.3% and GME Resources up 94.1%. During the year, Panoramic Resources successfully restarted its Savannah nickel mine in Western Australia, and GME Resources advanced development work on its large nickel-cobalt project, also in Western Australia.

Copper also peaked in early March, but after two years of strong price performance, began to fall off (along with most industrial commodities) late in the year amidst elevated global recession concerns, finishing the year down 12.1%. Following a 485% increase in the year prior, Copper Mountain's share price faced pressure as the copper price declined and the Copper Mountain Mine dealt with several operational challenges, ending the year down 53.3%.

While the current macro environment adds short-term uncertainty to global industrial demand, and therefore commodity pricing, we remain pleased with our portfolio and focus on metals that will benefit from decarbonisation and the gradual proliferation of electric vehicles ("EVs"), as Zeta's three largest sector exposures remain bauxite (aluminium), copper, and nickel. Zeta's investment in Alliance Mining Commodities, which owns a world-class bauxite resource in Guinea that it continues to work towards development, is now Zeta's largest investment.

Gold is Zeta's fourth largest sector, and while the price was roughly flat this year (up 3.1%), gold remains a useful hedge against recession and inflation. Zeta's chief gold investment, Horizon Gold, continued its active exploration program increasing its mineral resource estimate this year by 32% to nearly 1.8 million ounces.

We continue to see our shares trading at a discount to the underlying net tangible asset backing. During the year, in addition to maintaining our regular buy-back programme, Zeta also utilised some of the prior year's returns to support its investments with capital, including Horizon Gold and Alliance Mining Commodities, and to de-leverage the balance sheet, reducing its debt by 26%.

Finally, I note that this is the tenth annual report produced by Zeta since the Company was listed on the Australian Securities Exchange in 2013, and I thank you for your ongoing support. We look forward to continuing our mission to find and realise value in the resource space, with a focus on long term value creation.

Peter Sullivan
Chairman

19 September 2022

GROUP PERFORMANCE SUMMARY

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	30 June 2022	30 June 2021	% change 2022/21
Total return[1] (annual) (%)	(25.3)	102.7	(124.7)
Net tangible asset per ordinary share[2] (Australian cents)	38.7	51.9	(25.3)
Ordinary share price (Australian cents)	33.0	43.0	(23.3)
Discount (%)	(14.8)	(17.1)	(13.5)
Profit/(loss) per ordinary share[3] (US dollars)	(0.12)	0.33	(136.8)
Dividends per ordinary share	Nil	Nil	n/a
Equity holders' funds (US$m)	151.5	220.2	(31.2)
Gross assets[4] (US$m)	178.9	260.0	(31.2)
Cash (US$m)	0.1	1.4	n/a
Other debt (US$m)	(27.5)	(39.8)	(30.9)
Net debt (US$m)	(27.4)	(38.4)	(28.7)
Net debt to equity (%)	18.1	17.4	3.6

(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 565,512,224 shares on issue as at 30 June 2022, and 566,004,068 shares on issue as at 30 June 2021.

(3) Earnings per share is based on the weighted average number of shares in issue during the year adjusted for the bonus element of options exercised in 2021.

(4) Gross assets less liabilities excluding loans.

n/a = not applicable

Copper Mountain Mining Corporation

CURRENT YEAR PERFORMANCE

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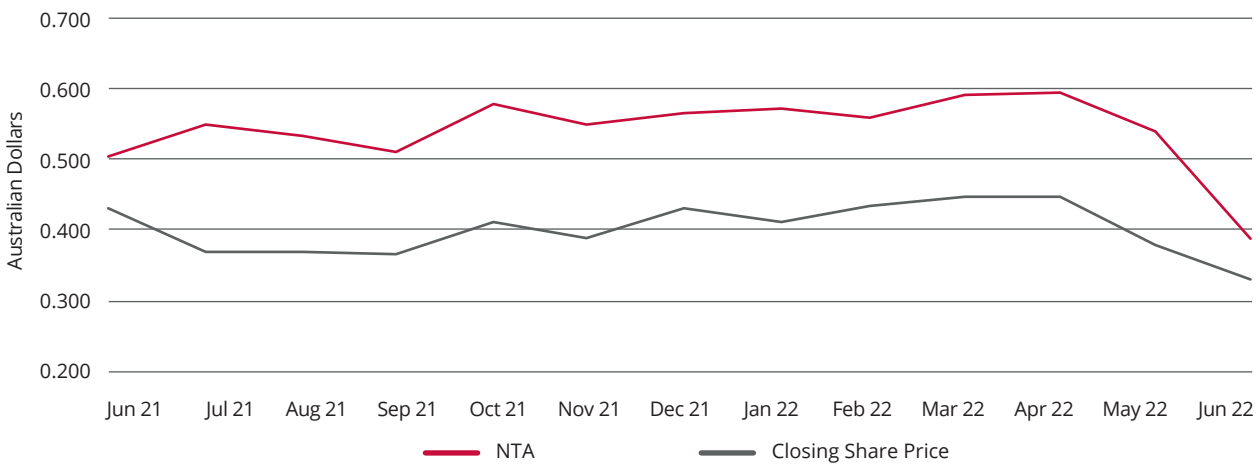
NAV TOTAL RETURN PER ORDINARY SHARE	SHARE PRICE RETURN PER SHARE	NAV DISCOUNT AS AT 30 JUNE 2022	GEARING
↓ 25.3%	↓ 23.3%	14.8%	18.1%

EARNINGS PER SHARE	ORDINARY SHARES BOUGHT BACK	AVERAGE PRICE OF ORDINARY SHARE BOUGHT BACK	ONGOING CHARGES (EXCLUDING PERFORMANCE FEE)
(US$0.12)	647,056	A$0.38	1.1%

NTA PER SHARE VERSUS SHARE PRICE

from 30 June 2021 to 30 June 2022



Note: Historic figures adjusted for the February 2014 entitlement issue and diluted for the September 2020 bonus option issue

Source: ICM

GEOGRAPHICAL INVESTMENT EXPOSURE
(% OF TOTAL INVESTMENTS)

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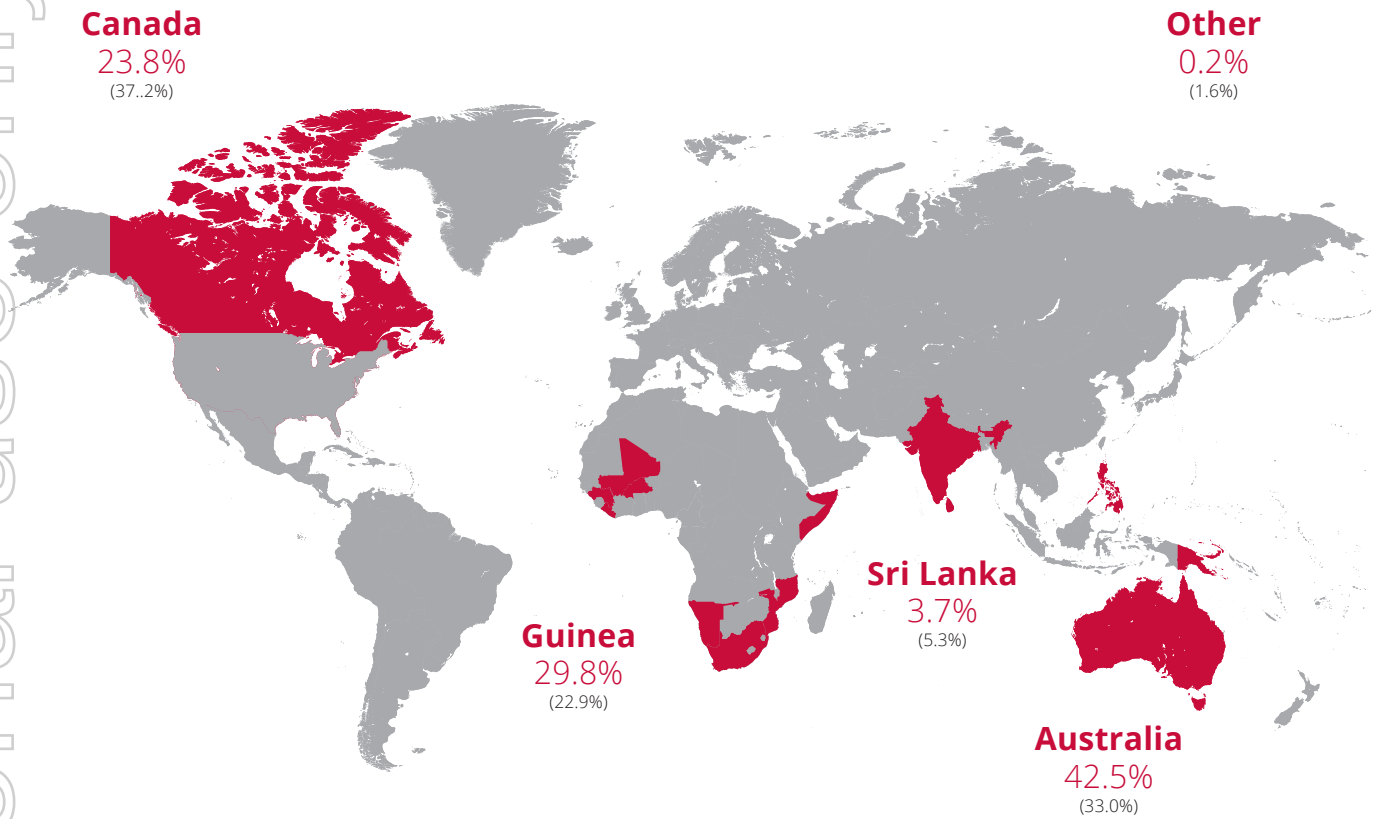
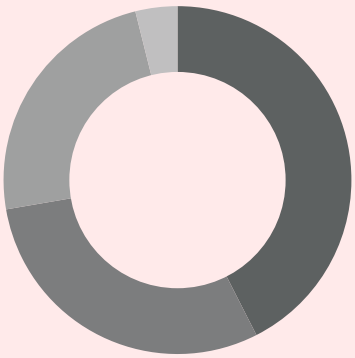


Figures relate to percentage of total investments
Figures in brackets as at 30 June 2021

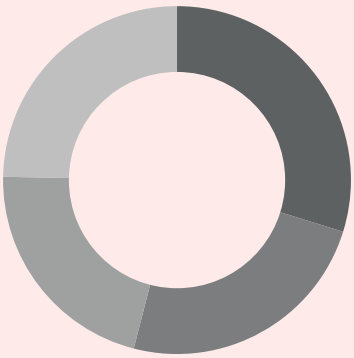
Source: ICM

THREE LARGEST GEOGRAPHIES:



42.5% Australia
29.8% Guinea
23.8% Canada
3.9% Other

THREE LARGEST SECTORS:



29.8% Bauxite
24.3% Copper
21.3% Nickel
24.7% Other

INVESTMENT MANAGER'S REPORT

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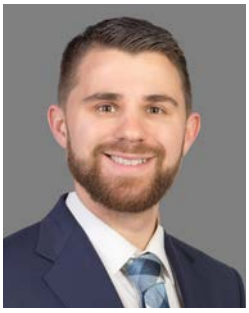
Horizon Gold Limited



TRISTAN KINGCOTT, CFA
Investment Manager

The year under review was a mixed and volatile year for commodity prices. Oil and gas saw tremendous price gains for the second consecutive year amidst a strong return in demand and a challenged supply recovery, while gold and aluminium traded nearly flat over the last 12 months albeit in different directions, with gold slightly up and aluminium slightly down.

After realising strong price growth in the prior year, copper traded in a relatively elevated range before beginning a significant price decline in April, as increased recession concerns impacted the markets. Nickel prices, following a period of extreme volatility in March spurred on by the Russia/Ukraine conflict and a massive short squeeze, saw a steep decline in the last few months of the year under review, although prices remain elevated on a year-over-year basis.

Turning to Zeta's commodity exposures, the most significant change was a substantial drop in the share price of Copper Mountain Mining Corporation ("Copper Mountain") (discussed below). At the start of the year, Zeta had 38.5% of gross assets in copper, 22.9% bauxite, 14.4% gold, and 12.3% nickel. By the end of the year, the top commodity exposures were 29.8% bauxite, 24.3% copper, 21.3% nickel, and 12.2% gold.

Zeta's net assets per share fell 25% from A$0.52 at the start of the year under review to A$0.39, returning some of the gains from last year's strong asset growth. For comparison, the S&P/ASX 200 Energy index rose 25% over the same period, and the S&P/ASX 300 Metals & Mining index, which includes gold mining stocks, fell 9%. Zeta's share price fell 23% from A$0.43 to A$0.33. At the start of the period the share price was at a 20.3% discount to net assets; at the end of the period the share price was at an 18.1% discount to net assets.

During the year under review, Zeta realised some profits from the prior year's strong performance, selling modest portions of its positions in both Copper Mountain and Panoramic Resources Limited ("Panoramic"). Funds were used primarily to support other major investments, including Horizon Gold Limited ("Horizon Gold") and Alliance Mining Commodities Limited ("AMC"), and to further reduce debt from A$52.8m at the start of the financial year to A$39.2m at 30 June 2022.

INVESTMENT MANAGER'S REPORT (continued)

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IN THE YEAR TO 30 JUNE 2022

AUSTRALIA IS ZETA'S LARGEST COUNTRY EXPOSURE AT 42.4%

↑ 9.4%

GUINEA IS ZETA'S SECOND LARGEST COUNTRY EXPOSURE AT 29.8%

↑ 6.9%

CANADA IS ZETA'S THIRD LARGEST COUNTRY EXPOSURE AT 23.8%

↓ 13.4%

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

SECTOR SPLIT OF INVESTMENTS

13 Al — Bauxite 29.8% (22.9%)

29 Cu — Copper 24.3% (38.5%)

28 Ni — Nickel 21.3% (12.3%)

79 Au — Gold 12.2% (14.4%)

27 Co — Cobalt 4.1% (2.0%)

6 C — Graphite 3.7% (5.3%)

Oil & Gas 0.2% (0.6%)

Other 3.2% (2.9%)

$ — Cash 1.2% (1.1%)

Figures in brackets as at 30 June 2021

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Panoramic Resources Limited

COMMODITY MARKETS

As noted, during the year under review the price of several commodities such as oil, gas, and nickel increased significantly while the price of copper and aluminium fell. Gold was up slightly. Zeta's largest geographical exposure is to Australia, with 42.5% of the portfolio invested at year end. Guinea is second, with just under 30% of the portfolio; and Canada third, with just less than a quarter of the portfolio.

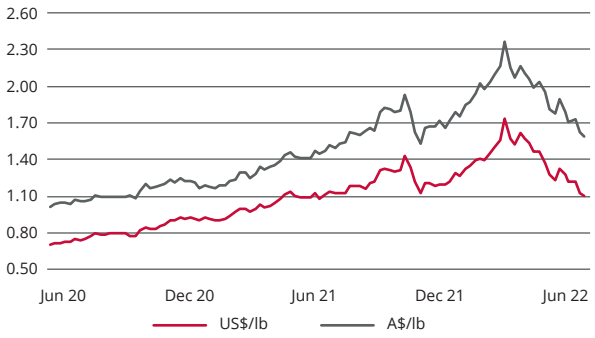
Aluminium

Similar to several other commodities, it was a volatile year for the price of aluminium. Following steady growth since the start of the calendar year, peaking at US$1.44 per pound in October 2021, the price rapidly dropped 20% in two weeks amidst softening demand and sliding coal prices that eased concerns over supplies in China, where coal-fired power is a key component in the metal's production process. In December 2021, aluminium prices again began to rise, escalating quickly to a peak of US$1.81 per pound in early March 2022 before sinking to US$1.09 per pound at 30 June 2022, a 5% reduction year-over-year. The two primary factors influencing the pessimistic near-term demand outlook for aluminium are demand reduction in China due to covid-19 lockdowns and recession concerns associated with rising interest rates. Nonetheless, the aluminium market remains in deficit and tight smelter margins (due to high energy costs) are likely to keep a limit on supply.

Zeta increased its investment during the year in the unlisted bauxite developer AMC through support of multiple modest capital raises. AMC is progressing the development of its world-class bauxite deposit in Guinea.

ALUMINIUM PRICE

from June 2020 to June 2022



Source: LME

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As escalating global inflation came to the forefront and central banks began aggressively raising interest rates, concerns over the economic impact of higher rates and heightened risk of recession impacted the copper price.

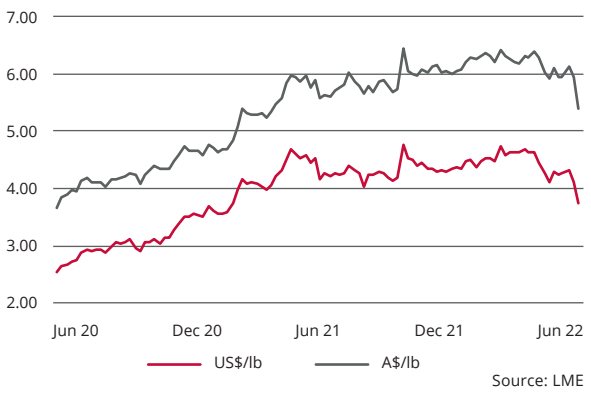
Copper

Following the strong rebound in copper prices which began in March 2020, prices continued to climb, albeit at a slower pace, until peaking in March 2022. As escalating global inflation came to the forefront and central banks began aggressively raising interest rates, concerns over the economic impact of higher rates and heightened risk of recession impacted the copper price. This, combined with muted economic activity out of China due to covid-19 lockdowns, led to a decline in the near-term copper demand forecast and a steep drop in prices through the last several months of the Zeta financial year. The downward trend continued through the month of July. At the end of June 2022, the copper price was US$3.74 per pound, 12.1% below the price at the end of June 2021 and 23.2% below the recent peak reached in early March 2022.

Over the medium term, demand growth for copper continues to be underpinned by increasing production of EVs, which require greater use of copper wiring than traditional internal combustion engine vehicles. The additional infrastructure required to charge EVs also requires the use of additional copper.

Zeta's largest investment in the copper sector is Canadian firm Copper Mountain, which produces copper in British Columbia and has a development project in Queensland, Australia. The decrease in the share price of Copper Mountain was the largest factor in the decrease in the value of Zeta's gross assets during the year, as the company's share price was impacted by the lower copper price and weaker than expected production results in the first quarter of 2022 stemming from both damage to the main shaft of its secondary crusher in December 2021 (since repaired in April) and the mining of a lower grade section of the pit.

COPPER PRICE
from June 2020 to June 2022



Source: LME

Nickel

From 30 June 2021 through the end of 2021, the price of nickel traded in a range between US$8.07 per pound and US$9.59 per pound. The price began climbing in late 2021 and, following the Russian invasion of Ukraine, concerns about supply shortages led to extreme volatility and a short squeeze that saw the nickel price jump 250% in a little more than 24 hours, leading the London Metal Exchange to suspend trading in nickel for one week. The price later settled to c. US$15 per pound through the rest of March and April, before trading down in May and June amidst heightened recession risk, ending the year under review at US$10.48 per pound. Demand for nickel continues to be supported in part by increasing demand for EVs.

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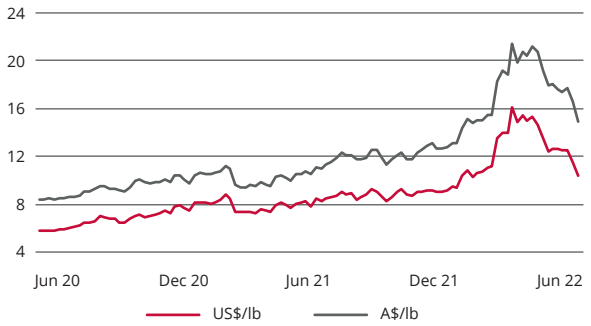
Zeta's chief investment in the nickel sector remains Panoramic Resources Limited and has a smaller, but still significant investment in GME Resources Limited ("GME Resources"). Both investments performed well during the year under review, with Panoramic's share price up 33.3% and GME Resources' up 94.1%. Panoramic commenced underground development and restarted ore production at its Savannah mine in July 2021, completing its first shipment of nickel-copper-cobalt concentrate from Savannah on 26 December 2021, followed by three more shipments in the first half of 2022. GME Resources continues to advance its NiWest nickel-cobalt project in Western Australia and has commenced work on an updated prefeasibility study.

NICKEL PRICE

from June 2020 to June 2022



Source: LME

Gold

Unlike the other commodities under review, the gold price traded in a relatively tight range through Zeta's financial year, ranging between c. US$1,750 and US$1,900 per ounce for most of the year, excluding March and April 2022 when it traded between c. US$1,900 and US$2,000 per ounce. At the end of June 2021 the price of gold was US$1,763 per ounce; at the end of June 2022 the gold price was US$1,817 per ounce, an increase of 3.1%. In Australian dollars, the rise was more pronounced, from A$2,349 per ounce to A$2,642, an increase of 12.5%.

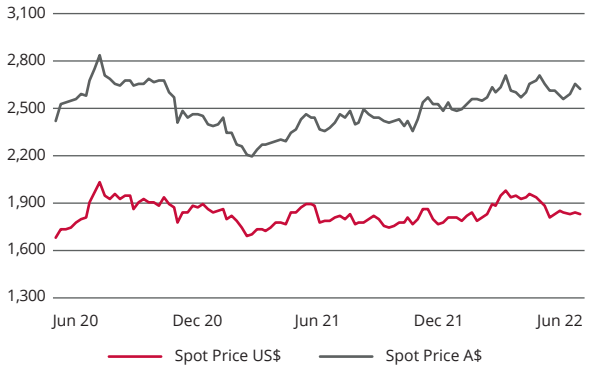
As noted in last year's annual report, the gold price response from the past several years' stimulatory monetary policies was somewhat muted; likewise, the rapid increase in interest rates and commitments from most central banks to continue aggressively raising rates until inflation is resolved would generally be bearish for gold yet has also had a somewhat muted impact. The price of gold is down from the highs in March but remains relatively high on a historical basis. This is despite a strong performing US dollar, which also tends to push gold prices lower.

There are competing forces impacting the gold market; on the downside, higher interest rates and a strong US currency put downward pressure on the price, while the threat of recession and an expected return of demand for physical gold in China as it gradually comes out of lockdowns bolster the forecast for gold.

Zeta's largest investment in the gold sector is in Western Australian gold exploration company Horizon Gold. During the year, Zeta supported the company through an entitlement issue to raise capital for development and exploration. Horizon Gold continues to work through an extensive drilling campaign across multiple prospects, its second campaign in two years. The company recently issued a revised mineral resources estimate following results of its first drilling campaign, with mineral resources up 32% on the previous estimate.

GOLD PRICE

from June 2020 to June 2022



Source: Kitco - London PM Fix

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Oil & Gas

Oil and gas outperformed most other commodities for the second consecutive year, as both commodities followed last year's price increases with large, albeit smaller on a percentage basis than the 12 months' prior, price increases during the year under review. Brent Crude Oil was US$120 per barrel at the end of June 2022, up 56% vs the start of the year, while Henry Hub Natural Gas was up 73% to US$6.54 per MMBtu. Demand for oil has recovered strongly since the reduction in covid-19 disruptions and return of international travel but supply growth has lagged; North American producers (typically a source of marginal supply that responds to prices) have been hesitant to ramp up production and instead focused on debt reduction and returning cash to shareholders, and OPEC+ has struggled to meet full targets as it unwinds covid-19 related supply cuts. Natural gas prices have soared, particularly in Europe, due primarily to supply uncertainty related to Russian exports.

Zeta does not currently have any significant investments in the oil & gas sector.

BRENT CRUDE OIL PRICE
from June 2020 to June 2022

Source: US Energy Information Administration

Kumarina Resources Pty Ltd

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CAPITAL STRUCTURE

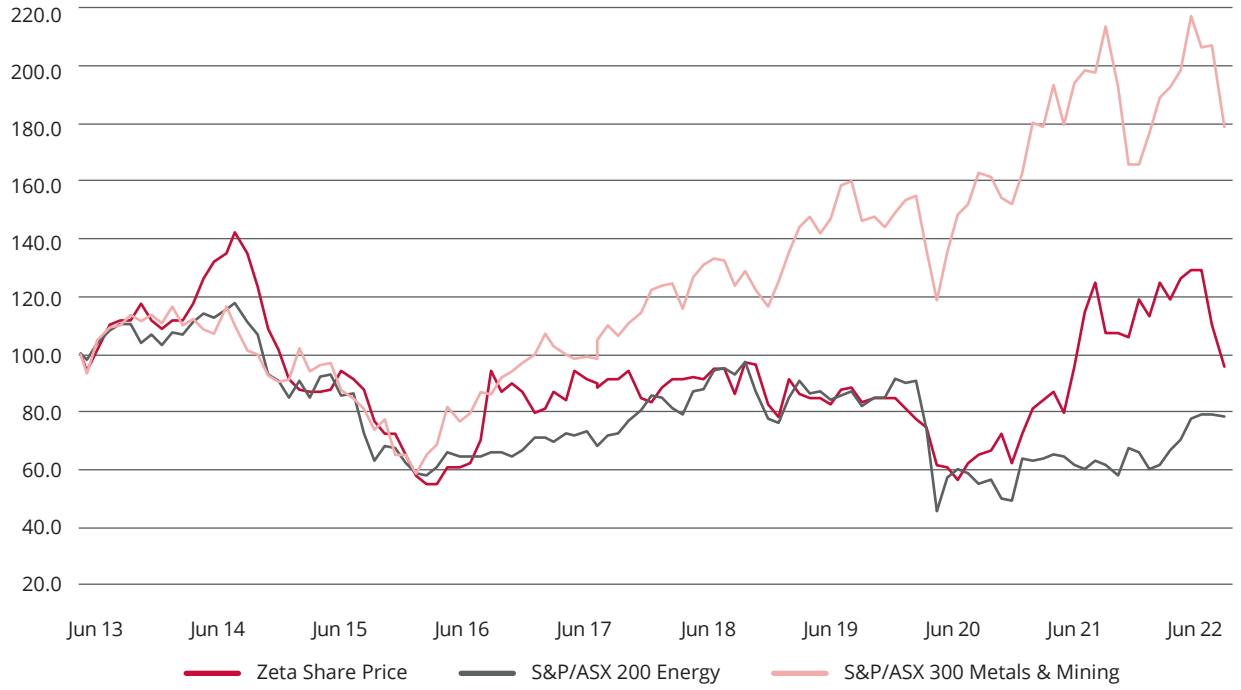
Zeta is a closed-end investment company, listed on the ASX, and incorporated in Bermuda.

During the year the loan from parent company, UIL Limited, was repaid in full. Somers Limited, a related party entity, provided working capital support which, at 30 June, was US$15 million, drawn in Australian and Canadian dollars.

As at 30 June 2022, Zeta had total assets of US$182.2 million (2021: US$268.2 million). Of this figure, US$54.3 million (2021: US$61.4 million) was invested in the bauxite sector; US$23.9 million (2021: US$38.7 million) was invested in the gold sector; US$38.9 million (2021: US$45.3 million) was invested in the nickel sector; and US$44.3 million (2021: US$117.5 million) was invested in the copper sector.

TOTAL RETURN COMPARATIVE PERFORMANCE*

since inception on 12 June 2013 to 30 June 2022



*AUD, rebased to 100 as at 12 June 2013. Zeta share price adjusted for February 2014 entitlement issue and diluted for the September 2020 bonus option issue

Source: ICM and S&P Dow Jones Indices

FINANCIAL RESULTS

The net loss after tax for the year was US$68,542,960 against a profit of US$114,670,080 in the year ended June 2021. The net loss was comprised largely of unrealised losses from investments.

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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 June 2022:

	RESERVES Proved & Probable	RESOURCES Measured & Indicated
Alumina (13 Al)	14.42 m t	140.35 m t
Copper (29 Cu)	0.33 m t	0.44 m t
Nickel (28 Ni)	0.27 m t	0.33 m t
Gold (79 Au)	0.31 m oz	1.14 m oz
Cobalt (27 Co)	0.02 m t	0.02 m t
Graphite (6 C)	—	0.15 m t
Silver (47 Ag)	1.71 m oz	2.32 m oz

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ASSOCIATES

As at 30 June 2022, the following three entities were determined to be associates of Zeta:

		% owned
GME Resources Limited	ASX-listed junior nickel and gold explorer with substantial nickel resources in Western Australia	43.4
Alliance Mining Commodities Limited	Unlisted bauxite development company with a world class asset in Guinea, West Africa	37.2
Margosa Graphite Limited	Unlisted graphite explorer focused on high-grade vein graphite in Sri Lanka	33.4

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.

Margosa Graphite

Margosa Graphite Limited ("Margosa") is an unlisted Australian company targeting development of a JORC-compliant high grade crystalline vein graphite deposit in Sri Lanka. Sri Lanka has a long history of graphite production since the mid-1800s and is home to some of the purest grade graphite in the world. Sri Lankan high quality graphite has varied applications, including in anodes for lithium-ion batteries used in EVs. In the year under review Margosa increased its executive and in-country staff and continued its progress towards securing a mining license.

Star Royalties

Star Royalties Ltd. is a Canadian company focused on investing via royalties and streams in precious metals and carbon credits. In addition to its precious metal streaming agreements, the company pioneered the first forest carbon credit royalty in Canada and during the year under review created a subsidiary company called Green Star Royalties, which is pursuing a pipeline of additional green investments.

Kumarina

Kumarina Resources Pty Limited ("Kumarina") is a 100%-owned subsidiary of Zeta. The company is focused on the Murrin Murrin copper-gold project in Western Australia. The Murrin Murrin project has a gold resource (JORC 2012) of 36,000 ounces and is prospective for base metals in the form VMS style copper zinc mineralisation.

Project area	Tenement ID	Ownership
Eulaminna	M39/0371	0%*
	M39/0372	0%*
Murrin Murrin	M39/0397	100%
	M39/0398	100%
	M39/0399	100%
	M39/0400	100%
	M39/1068	100%

*Gold and Base Metal Rights

Tristan Kingcott, CFA
ICM Limited
Investment Manager

19 September 2022

MACRO TRENDS AFFECTING RESOURCES

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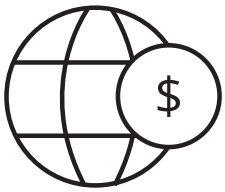
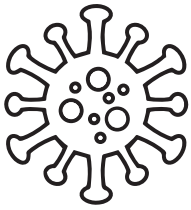


GLOBAL DEBT, INFLATION AND RECESSION RISK

- Record high government debt, unprecedented pandemic stimulus, and supply chain issues have increased inflationary pressure on many currencies
- Central banks rapidly raising interest rates in response to inflationary environment
- Downward pressure on asset values due to pull back of quantitative easing
- Weak consumer confidence and yield curve inversion shows signs of increased recession, or stagflation, risk
- Risk to global economy, and thus demand for industrial commodities
- Chinese real estate crisis adds additional uncertainty and risk to global economy

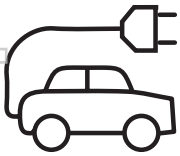


COVID-19 DISRUPTION

- China's Covid-Zero policy is causing disruptions to both production and demand, increasing volatility for several commodities globally
- Supply chain and logistics disruptions persist despite many countries relaxing pandemic restrictions
- Uncertainty remains high amidst new covid-19 strains and varying government responses

RUSSIA - UKRAINE CONFLICT

- Russia – Ukraine conflict impacting global markets and the supply of several commodities
- Food security concerns in many developing countries likely to persist from supply disruption of grain, wheat, corn, and fertiliser products
- Sanctions placed on Russia and uncertainty regarding exports causing energy security concerns, primarily as it relates to natural gas, in much of Europe



ELECTRIC VEHICLES

- Nearing tipping point where all factors for growth are in place
- EVs use more commodities such as nickel and copper than traditional vehicles
- Potential spike in demand for several metals, including lithium, cobalt, and manganese
- Increased demand for flake and vein graphite
- New battery technologies may limit demand for certain battery commodities

CLIMATE CHANGE AND DECARBONISATION

- Heightened consumer pull and government push to reduce carbon emissions across every sector of the economy globally
- Use of renewables, including solar, wind, and biofuels increasing quickly but still a relatively small component of total energy mix
- Growing focus on ESG reporting and fulsome accounting of carbon footprint required for many businesses
- Likely to be a drag on long term demand for certain commodities such as thermal coal and oil and a tailwind for several others, including nickel, copper, lithium, graphite, and potentially uranium

SECTOR SUMMARIES AS AT 30 JUNE 2022

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BAUXITE

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, followed by China, with Guinea third
- Largest bauxite reserves are in Australia and Guinea; Vietnam is a distant third

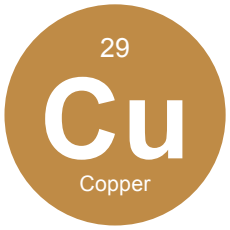
Macro trends

- Alumina production has been in increasing trend since early 1980s
- Australia a big producer of bauxite and alumina, but relatively little smelting is conducted there
- Aluminium prices have cooled since peaking in March 2022, however, remain elevated versus the previous ten years
- Aluminium being used by some manufacturers to replace steel in car frames to compensate for the additional weight of lithium-ion batteries vs internal combustion engines

Exposure

- 37% of Alliance Mining Commodities (unlisted) – owner and developer of a world-class bauxite resource in Guinea

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 with a sharp uptick in late 1990s
- Increasing demand for wiring for EVs, but price still generally tied to the global economy and industrial demand
- Copper price is down greater than 30% since March 2022 peak amidst inflation driven recessionary concern
- Longer term outlook on copper price remains positive with the anticipated ramp up of EV sales over the next decade
- Fluctuating demand from China and risk of supply disruptions in South America also influence prices, particularly in the short term

Exposure

- 17% of Copper Mountain (TSX:CMMC, ASX:C6C) – producing copper in Canada, and developing a copper asset in Australia
- 100% of Kumarina (unlisted) – junior copper-gold exploration firm in Western Australia

SECTOR SUMMARIES AS AT 30 JUNE 2022 (continued)

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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 Indonesia, Philippines, Russia, New Caledonia, Australia, Canada

Macro trends

- Demand for nickel for lithium-ion batteries increasing quickly, but still relatively small component of global nickel demand
- Nickel is currently trading relatively high compared to the previous 10 years amidst strong demand forecasts related to electric vehicle sales, however has cooled from recent peak pricing
- Industrial demand still heavily influenced by the Chinese economy

Exposure

- 12% of Panoramic Resources (ASX:PAN) – nickel producer in Western Australia
- 43% of GME Resources (ASX:GME) – owns development project 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, United States

Macro trends

- Hedge to US dollar which has declined long term against gold
- Price of gold has been volatile and trending down since peaking above $2,000 per oz in March 2022, but nonetheless remains near 10-year highs, as monetary tightening competes with inflation
- Gold production has been in a long-term downtrend since record-keeping commenced
- Demand for jewellery dominated by China and India; US a distant third

Exposure

- 72% of Horizon Gold (ASX:HRN) – exploration and development in Western Australia
- 100% of Kumarina (unlisted) – junior copper-gold exploration firm in Western Australia

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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
- Roughly 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 has climbed alongside increased adoption of EVs and other electronics
- After two years of weak pricing, cobalt prices rebounded in Q1 2021 on the back of increased demand for batteries and other industrial processes, however, have fallen slightly in recent months amidst recessionary concerns
- Some manufacturers, including Tesla, have developed lithium-ion batteries that require relatively less cobalt (also developing cobalt-free batteries), but industry consensus is that the metal will continue to be required in future EV batteries for the next 10+ years, albeit likely at lower volumes per unit

Exposure

- 12% of Panoramic Resources (ASX:PAN) – Australian nickel producer with cobalt reserves of 7,000 tonnes
- 43% of GME Resources (ASX:GME) – Australian nickel developer with cobalt resources of 55,400 tonnes

GRAPHITE

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 graphite
- Prices have increased steadily since late 2017 amidst climbing demand for batteries and supply disruptions in China related to tighter environmental restrictions

Exposure

- 33% of Margosa Graphite (unlisted) – Sri Lankan brownfield explorer of vein graphite, the purest naturally occurring graphite

SECTOR SUMMARIES AS AT 30 JUNE 2022 (continued)

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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 US, Saudi Arabia, and Russia; largest producers of gas are the US and Russia, with Iran a distant third

Macro trends

- Annual growth in oil demand has generally followed a linear trend in line with world population growth
- Oil prices have been volatile, but by mid-2022 had recovered to prices not seen since 2014 in response to the supply concerns caused by the Russia/Ukraine war and muted supply recovery following pandemic supply shock
- The global market remains in deficit as depressed pricing between 2014 and 2021 led to reduced global expenditures on oil & gas exploration, but technological improvements led to increased supply (prior to covid-19), especially in the US
- After a 4% drop in 2020, global natural gas and LNG demand recovered in 2021 and is expected to continue increasing over the next 10-15 years, or longer
- Much of Europe is facing a significant natural gas shortage due to diminished Russian exports and supply uncertainty

Exposure

- No significant investments in this sector

ESG SPOTLIGHT

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The Board believes that it is in the shareholders' interests to consider ESG factors when selecting and retaining investments and has asked the Investment Manager to take these into account when investing. Where companies in the portfolio are assessed as having a relatively low ESG score ICM's approach is to engage with the companies directly with the objective of seeing improvements over time. The comments below, spotlight a recent initative undertaken by one of Zeta's investments.

COPPER MOUNTAIN MINING CORPORATION

Copper Mountain has undertaken several ESG initiatives at its Copper Mountain Mine, including the recent commissioning of its electric trolley assist project, aimed at cutting carbon emissions at the mine by at least 30%.

ESG ANALYSIS:

In April 2022, Copper Mountain announced the commissioning of its trolley assist project, which consists of an approximately one-kilometer trolley-assist haul ramp and seven pantograph-equipped electric haul trucks. This project is in partnership with SMS Equipment, Komatsu, ABB, Clean BC, and BC Hydro, and is aimed at cutting carbon emissions at the Copper Mountain Mine by at least 30%, paving a solid foundation to achieve the company's goal of net zero carbon emissions by 2035. It is the first open pit copper mine to have successfully commissioned electric trolley assist haulage in North America. Through electrification and capacity increases, the company is targeting to reduce its carbon intensity by 50 to 70% in the next five to seven years and is actively testing and researching renewable diesel, hydrogen, battery, and fuel-cell technology to achieve its goal of net-zero carbon emissions by 2035.

In addition, Copper Mountain has adopted the Mining Association of Canada's Towards Sustainable Mining ("TSM") standards in 2020, receiving an "A" or "Yes" rating in five of the TSM protocols, "AA" in two, and "AAA" in one in 2021, exceeding its target of "A" or "Yes" in each of the eight protocols.

Finally, Copper Mountain has committed to returning its lands to productive traditional use after mining has ceased, stating its guiding philosophy is to build progressive reclamation into its mine designs, rather than completing reclamation at the end of the mine life. Copper Mountain has committed to rehabilitating 25 hectares per year over the next five years, and the target is to continue this for the remainder of the mine life.

ICM ESG CONCLUSION:

Copper Mountain has made significant improvement toward meeting its environmental and emissions targets and is focused on implementing innovate solutions on its path to decarbonisation. Continued focused on social and corporate governance policies will also be integral to the progression of Copper Mountain's ESG journey.

OUR INVESTMENT APPROACH

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ICM is a long-term investor and typically operates focused portfolios with narrow investment remits. ICM has several dedicated research teams who have deep knowledge and understanding in their specific sectors, which improves the ability to source and make compelling investments. ICM has approximately USD 2.1bn of assets directly under management and is responsible indirectly for a further USD 22.1bn of assets in subsidiary investments.

ICM looks to exploit market and pricing opportunities and concentrates on absolute performance. The investments are not market index driven and the investment portfolio comprises a series of bottom-up decisions. ICM typically does not participate in either an IPO or an auction unless there is compelling value.

Zeta seeks to leverage ICM's investment abilities in order 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, copper, nickel, gold, cobalt, graphite, oil & gas and base metals exploration and production.

When reviewing investment opportunities, as part of the investment process ICM will look to understand the material ESG factors.

ICM incorporates ESG factors into the investment process in three key ways:

01
UNDERSTANDING

In-depth analysis of the key issues that face potential and current holdings, as well as a deep understanding of the industry in which they operate.

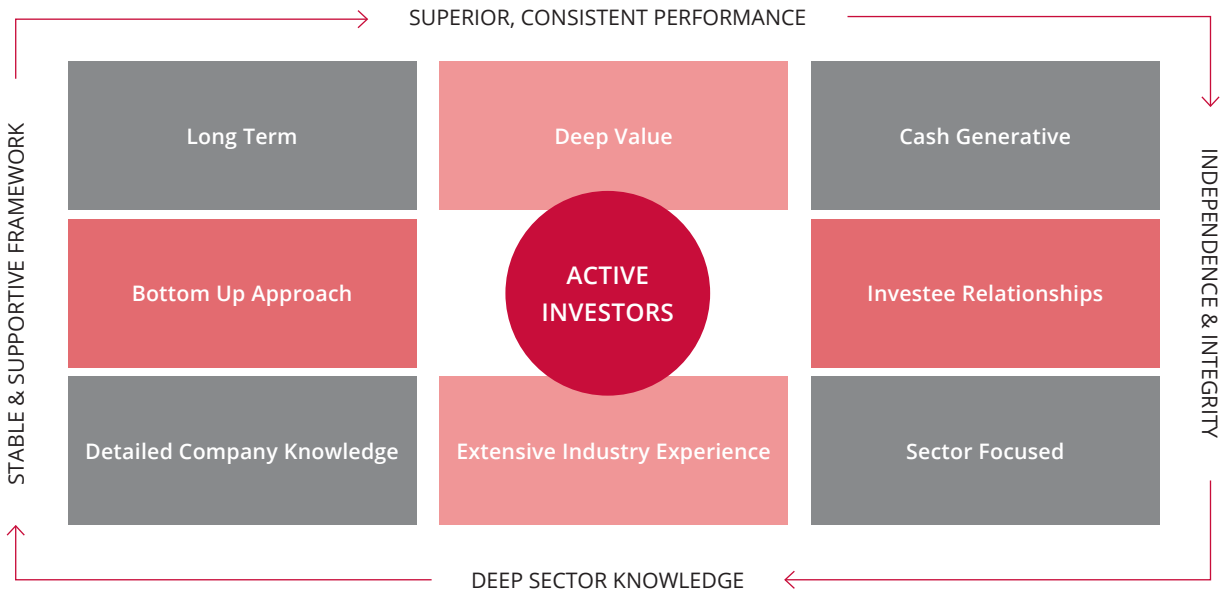
02
INTEGRATION

Incorporate the output of the 'Understanding' component detailed above into the full company analysis to ensure a clear and complete picture of the investment opportunity is obtained.

03
ENGAGEMENT

Engage with investee companies on the key issues on a regular basis, both virtually and on location, where possible, to discuss and identify any gaps in their ESG policy to further develop and improve their ESG disclosure and implementation.

We seek out and make compelling investments



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ICM works to create value by harnessing our experience and expertise to generate and grow strong relationships with our stakeholders

We are focused on creating sustainable long-term value for our shareholders, team and the broader community through our:

VALUES

ICM's origins date back to 1988 and our organisation has evolved with offices now spanning the globe. We are focused on our values of:

- Independence and Integrity
- Creativity and Innovation
- Excellence
- Accountability

TEAM

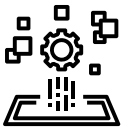
We are proud of our diverse and inclusive environment for our teams to work in, which reflects the diversity of our communities.

INVESTMENT PRACTICES

Our deep and extensive research and understanding of the companies, sectors and markets we invest in moderates our risk and creates value for our investors. Our status as a signatory of the United Nations-supported Principles of Responsible Investment emphasises our commitment to integrating ESG factors into our investment decision making process.

FINANCIAL

Strong balance sheet and disciplined capital allocation to drive sustainable growth and shareholder value.



PLATFORMS

Technology, and digital and analytics enable our investment platforms to deliver growth for our shareholders.

COMMUNITIES

ICM supports the ICM Foundation, which has identified sustainable, effective and focused education where the biggest impact can be made on individuals and in communities. Over the past decade ICM and its stakeholders have contributed over USD 15.0m to not-for-profit and community organisations.

LARGEST HOLDINGS OVERVIEW

Panoramic Resources Limited

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THE VALUE OF THE FIVE LARGEST HOLDINGS REPRESENTS

92.8%

(2021: 91.8%) OF TOTAL INVESTMENTS

THE VALUE OF THE TEN LARGEST HOLDINGS REPRESENTS

99.5%

(2021: 98.1%) OF TOTAL INVESTMENTS

AUSTRALIA IS ZETA'S LARGEST COUNTRY EXPOSURE AT

42.4%

(2021: 33.0%) OF TOTAL INVESTMENTS

THE TOTAL NUMBER OF COMPANIES INCLUDED IN THE PORTFOLIO IS

30

(2021: 30)

FIVE LARGEST HOLDINGS REVIEW

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1

Country	Guinea
Sector	Bauxite developer
Fair Value US$000	54,339
% of total investments	29.8%
% owned	37.2%

ALLIANCE MINING COMMODITIES LIMITED is an unlisted Australian company that has been granted a mining concession for the development of the Koumbia Bauxite Project in the north-west 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-compliant mineral resource in excess of 1.5 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.

2

Countries	Canada and Australia
Sector	Copper exploration and mining
Fair Value US$000	47,191
% of total investments	25.8%
% owned	17.1%

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%. The mine has a reserve life of over 30 years and produces 90-100 million pounds of copper equivalent 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 1.9 million tonnes of copper and 590,000 ounces of gold.

3

Country	Australia
Sector	Nickel exploration and mining
Fair Value US$000	33,770
% of total investments	18.5%
% owned	12.0%

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. Following a period of the mine being on care & maintenance, Panoramic restarted underground development and ore production at Savannah in July 2021. It has since completed five shipments of nickel-copper-cobalt concentrate to its offtake partner, Jinchuan Group. Panoramic continues to accelerate mining operations at Savannah and expects to ramp up to full nameplate capacity by 2024. In addition, the company is undergoing an exploration program intended to add to its existing ore reserve of 8.3 million tonnes at 1.23% Ni, 0.59% Cu, and 0.08% Co for 102,000 tonnes nickel, 48,500 tonnes copper, and 7,000 tonnes cobalt contained metal.

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4

Country	Australia
Sector	Nickel and gold exploration and mining
Fair Value US$000	16,563
% of total investments	9.1%
% owned	43.4%

GME RESOURCES LIMITED is a Western Australian exploration and development company whose principal asset is its 100%-owned NiWest nickel-cobalt project situated adjacent to Glencore's Murrin Murrin operation. The NiWest project is regarded as one of the largest and highest quality undeveloped nickel/cobalt resources in Australia. In July 2021, the company completed an updated Pre-Feasibility Study into the technical and economic viability of a heap leach and direct solvent extraction operation, which incorporated higher nickel and cobalt prices and cost escalation impacts since the original study was published in mid-2018. The updated study delivered substantial increases to the projected economic returns and the company now intends to proceed to a Definitive Feasibility Study on the NiWest project. NiWest has mineral resource estimate of 85.2 million tonnes at 1.03% Ni and 0.065% Co for 878,000 tonnes contained nickel and 55,400 tonnes contained cobalt.

5

Country	Australia
Sector	Gold
Fair Value US$000	16,004
% of total investments	8.8%
% owned	72.0%

HORIZON GOLD LIMITED is focused on exploration and development activities at its 100%-owned Gum Creek Project in Western Australia. Gum Creek covers approximately 620 square kilometres and has historically produced over one million ounces of gold. Gum Creek hosts JORC 2012 Resources of 15.9 million tonnes averaging 2.7g/t gold for 1.39 million ounces of gold. The company was spun off from nickel company Panoramic in 2016 and Zeta participated in the IPO. In 2020 Zeta acquired Panoramic's majority holding in Horizon Gold and has subsequently supported the company through providing working capital and participating in an entitlement issue to raise new equity. Horizon Gold has been working through an extensive drilling campaign across multiple prospects.

INVESTMENT MANAGER AND TEAM

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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 investors and see markets as a place to exchange assets.

ICM MANAGES OVER

US$2.1 billion

IN FUNDS DIRECTLY AND IS RESPONSIBLE INDIRECTLY FOR A FURTHER US$22.1BN OF ASSETS IN SUBSIDIARY INVESTMENTS. ICM HAS OVER 80 STAFF BASED IN OFFICES IN BERMUDA, CAPE TOWN, DUBLIN, LONDON, SEOUL, SINGAPORE, SYDNEY, VANCOUVER AND WELLINGTON.

DUNCAN SAVILLE

Duncan Saville is a director and chairman of ICM Limited who founded the ICM Group and its predecessor companies and has been employed by the Group since 1988. Duncan is a chartered accountant with experience in corporate finance and asset management. He is an experienced non-executive director having previously been a director in multiple companies in the financial services, utility, mining and technology sectors. Duncan is currently a non-executive director of Resimac Group 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 joined the ICM Group in 2010, is a director of ICM Limited and is based in Bermuda. Mr Younie has extensive experience in financial markets and corporate finance, and he is responsible for the day-to-day running of the Somers Group. He 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 Allectus Capital Limited, Somers 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.

INVESTMENT MANAGER AND TEAM (continued)

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TRISTAN KINGCOTT

Tristan Kingcott joined ICM in 2018 and is responsible for ICM Canada, based in Vancouver, British Columbia. He is focused on the resource sector worldwide and on technology and financial services in North America. Tristan has over twelve years' experience in financial and commercial analysis, and prior to joining ICM, has performed various roles in the energy and finance sectors in Canada and New Zealand. He is currently a non-executive director of Terra Firma Capital Corp (TSX-V:TII) and several unlisted companies in Canada. Tristan holds a Bachelor of Commerce degree in Finance from the University of Alberta, Canada and is a CFA Charterholder and Member of the CFA Society in Vancouver.

FRASER DANIELS

Fraser Daniels joined ICM as an analyst in 2021 and is based in Vancouver, Canada. He is focused primarily on commodities and resources with an emphasis on North America. He has six years' experience in financial and commercial analysis, and prior to joining ICM he performed in various roles, including business and corporate development roles at Kinder Morgan and BluEarth renewables, and most recently as National Account Manager at Canadian Pacific Rail. Fraser holds a Bachelor of Arts degree in Economics from Queen's University at Kingston, Canada.

EDUARDO GRECA

Eduardo Greca joined ICM London in 2010 as the Latam Investment Strategist before moving to Brazil in 2012 where he is now based. He has over thirteen years of investment research experience, and prior to joining ICM he worked for the commodities risk management team at Kraft Foods. Eduardo covers the Latin American equity and fixed income investments and 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 (UFPR) in 2009, is a CFA Charterholder, and a Member of the CFA Society in Brazil.

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. He 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 a director of a number of companies, including Horizon Gold Limited (ASX:HRN). Dugald graduated from Victoria University of Wellington in 1991 with BCA (Hons) and is a Member of the New Zealand Institute of Directors.

DIRECTORS

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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 experience in project engineering, corporate finance, investment banking, corporate and operational management, and public company directorships. He 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 Horizon Gold Limited (ASX:HRN); and non-executive director of Panoramic Resources Limited (ASX:PAN) and Copper Mountain Mining Corporation (TSX:CMMC). Mr Sullivan retired as a director of Resolute Mining Limited (ASX:RSG) effective 27 May 2021 after over 20 years' involvement with the company.

MARTHINUS (MARTIN) BOTHA

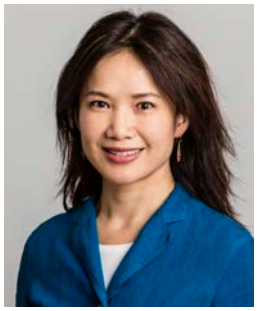
Mr Botha has over 30 years' experience in banking, with the last 27 years spent in leadership roles building Standard Bank Group's international operations. Mr Botha's primary responsibilities at Standard Bank Plc included establishing and leading the development of the core global natural resources trading and financing franchises, as well as various geographic strategies. He is currently a member of the investment advisory board for the Sustainable Resources strategy of ARCH Emerging Markets Partners. Mr Botha holds a Bachelor of Engineering degree in Survey.

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

ANDRÉ LIEBENBERG

Mr Liebenberg is an experienced mining industry professional and has extensive investor marketing, finance, business development and leadership experience. He was appointed CEO and Executive Director of Yellow Cake plc on 1 June 2018, just prior to the company's IPO on the AIM market of the London Stock Exchange. Mr Liebenberg has over 25 years' experience in the resources industry across private equity, investment banking, senior roles within BHP, and prior to joining Yellow Cake he was Chief Financial Officer at QKR Corporation. Mr Liebenberg holds a Bachelor of Science in Electrical Electrical Engineering from the University of Cape Town and a Master of Business Administration from the University of Cape Town.

Directorships of other listed companies in the last 3 years
Mr Liebenberg is an executive director of Yellow Cake plc (LSE:YCA) and was a non-executive director of Danakali Limited (ASX:DNK) until 3 August 2020.



XI XI

Xi is a financial analyst with more than 20 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).

All Directors are Non-Executive Directors and were appointed to the board of the Company on 7 June 2013, other than Mr Liebenberg, who was appointed on 30 December 2019.

REPORT OF THE DIRECTORS

GME Resources Limited

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Directors present their report for Zeta Resources Limited, including its subsidiaries Kumarina Resources Pty Limited, Zeta Energy Pte. Ltd, Zeta Investments Limited, Zeta Minerals Ltd and Horizon Gold Limited, for the year ended 30 June 2022.

DIRECTORS

Zeta Resources Limited has a Board of four non-executive, independent 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
André Liebenberg
Xi Xi

PRINCIPAL ACTIVITIES

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

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

OPERATING AND FINANCIAL REVIEW

Operating results

The net loss attributable to the Company for the year to 30 June 2022 amounted to US$68,542,960.

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$7,587,419. An decrease in the fair value of the portfolio resulted in an unrealised loss recognised in profit or loss at year end of US$66,829,528.

Financial position

At the end of the year, the Company had US$106,963 in cash and cash equivalents. Investments at fair value totalled US$164,135,993, loans to subsidiaries of US$1,957,423 and the investment in subsidiaries was valued at US$16,003,881.

The Company has a loan owing to Somers Limited of US$14,999,626 at year end.

As at the year end, the Company had a US$2.5 million loan facility with Bermuda Commercial Bank expiring on 30 September 2024.

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GOING CONCERN

The financial statements have been prepared on a going concern basis. We draw attention to the fact that at 30 June 2022, the Company's current liabilities exceed its current assets by US$6,891,456 (2021: US$12,727,647). The Company has undrawn capacity under its debt facilities and the majority of the Company's assets consist of equity shares in listed companies which in most circumstances are realisable within a short timescale. Based on this, the directors believe the Company will be able to cover the commitments arising in the period 12 months from the date of approval of these financial statements. 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.

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

The Company performed a review of events after the reporting date and determined that there were no such events requiring recognition or disclosure in the financial statements.

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 board 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 which include performance-based components.

Details of remuneration for directors

The Company paid a total of $200,000 to directors for the year ended 30 June 2022.

The Company had no employees as at 30 June 2022.

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 in shares and options is set out elsewhere in this report.

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Directors' interests

The relevant interests of directors either directly or through entities controlled by the directors 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	11,506,264	–	11,506,264
Martin Botha	775,000	–	775,000
André Liebenberg	–	–	–
Xi Xi	–	–	–

MEETINGS OF DIRECTORS

There were eight Board and two Audit & Risk Committee meetings held during the year ended 30 June 2022. The attendance by the directors was as follows:

	Board	Audit & Risk Committee
Number of meetings held during the year	8	2
Peter Sullivan	8	2
Martin Botha	8	2
André Liebenberg	8	2
Xi Xi	8	2

Board of Directors and Audit Risk Committee meetings require that any two directors or members be present to form a quorum.

Due to the size of the board and the nature of the Company's operations, it does not have a separate Remuneration Committee or a Nomination Committee. Matters normally considered by these committees are addressed by the full board. This includes addressing succession issues and ensuring the board has the appropriate balance of skills, experience, independence, and knowledge of the entity to enable it to discharge its duties and responsibilities effectively.

LOANS TO DIRECTORS

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

AUDIT & RISK COMMITTEE

The Company has established an Audit & Risk Committee ("committee") which comprises all the independent directors of the Company and is chaired by André Liebenberg. Its duties include considering and recommending to the board for approval the contents of the half yearly and annual financial statements. The committee also provides an opinion as to whether the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

The committee also reviews the external auditors' report on the annual financial statements and is responsible for reviewing and forming an opinion on the effectiveness of the external audit process and audit quality. Other duties include reviewing the appropriateness of the Company's accounting policies and ensuring the adequacy of the internal control systems and standards.

The committee meets at least twice a year. The planned meetings are held prior to the board meetings to approve the half yearly and annual results. Representatives of the Investment Managers attend all meetings.

During the year ended 30 June 2022, the committee consisted of all the independent directors of the Company.

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.

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ENVIRONMENTAL REGULATION

Both Horizon Gold Limited and Kumarina Resources Pty Limited's operations are subject to the Western Australian Mining Act 1978 and the Environmental Protection Act 1986 and the Environmental Protection Amendment Act 2020 (WA).

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 implemented an on-market buy-back programme for up to 10 million ordinary shares during the period 15 September 2018 to 14 September 2021.

On 6 September 2021 the Company announced that the buy-back programme was to be extended from 15 September 2021 to 14 September 2022. 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 purchases 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 and cancelled 2,359,366 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 0.125% of funds managed on the calculation date, payable quarterly in arrears and pro-rated for any period less than three months.

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 (highwater mark) previously used in the performance fee calculation multiplied by 15%.

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

The Company paid US$1,263,154 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

19 September 2022

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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

Four 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 COMMITTEE

All independent NEDs

CHAIRMAN:
André Liebenberg

KEY OBJECTIVE:

- to oversee the financial reporting and control environment.

MANAGEMENT OVERSIGHT

The board as a whole performs this function

KEY OBJECTIVE:

- to review the performance of the Investment Manager.
- to review the performance of other service providers

NOMINATION COMMITTEE

The board as a whole performs this function

KEY OBJECTIVES:

- to regularly review the board's structure and composition; and
- to consider any new appointments.

REMUNERATION COMMITTEE

The board as a whole performs this function

KEY OBJECTIVE:

- to set the remuneration policy for the directors of the Company.

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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 fourth 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:

https://www.zetaresources.limited/investor-relations/corporate-governance/

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Independent Auditor's Report

30 June 2022

To the Shareholders of Zeta Resources Limited

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of Zeta Resources Limited set out on pages 41 to 65, which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss and other 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 annual financial statements present fairly, in all material respects, the financial position of Zeta Resources Limited as at 30 June 2022, 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 Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Registered Auditor – A firm of Chartered Accountants (SA) • IRBA Registration Number 900222
Partners: MV Ninan (CEO), MC Olckers (Managing Partner), C Abrahamse, JM Barnard, AK Batt, T Beukes, DS Dollman, M Edelberg, Y Ferreira, T Gangen, R Groenewald, AK Hoosain, MY Ismail, N Jansen, J Marais, B Mbunge, FN Miller, G Molyneux, A Moruck, S Naidoo, MG Odendaal, W Olivier, M Pieterse, W Rabe, D Resnick, BG Sacks, MA Salee, N Silbowitz, SM Solomon, HH Swanepoel, AL Swartz, MJA Teuchert, N Thelander, JC Van Tubbergh, N Volschenk, J Watkins-Baker
A full list of national partners is available on request or at www.mazars.co.za

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Key Audit Matters

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

The key audit matters relate to the Annual Financial Statements.

Matter	Audit response
Valuation of Unlisted investments (notes 5 and 22.4) The company's accounting policy in note 3.6 of the Annual Financial Statements states that investments are initially recognised at the fair value and subsequently measured at fair value through profit or loss in accordance with IFRS 9. The company's unlisted investments amount to $61,768,983. The lack of readily available objective evidence such as quoted prices, increases the degree of estimation used in determining the fair value of unlisted investments. The valuation methods are subject to a high degree of judgement and are complex, especially for investments where there are limited to no equity transactions during the year. Areas of judgement include estimating the expected future income from operations that are still in the exploration phase and other external risk factors. Various valuation methods are used in determining the fair value of the investments. A relatively small percentage change in the valuations of individual investments, in aggregate, could result in a material impact to the financial statements. Given the significance of the judgements and complexity of the valuation techniques used by management in the valuation of the unlisted investments, we have assessed that the valuation of unlisted investments warrants significant audit focus.	Our overall approach to address the valuation assertion for unlisted investments involved performing substantive tests of detail to confirm the reasonableness of the valuation of the unlisted investment carrying value at year end. Our key audit procedures included: • agreeing the valuation of the unlisted investments to the valuation reports prepared by managements expert to determine the valuation of the unlisted investments in terms of the requirements of IFRS 13; • assessing the competence, capabilities and objectivity of the appointed experts; • evaluating key assumptions used in the valuation and valuation method and inputs used to ensure the valuations are reasonable; • assessing and validating the inputs used in the valuations; • recalculating key valuation workings; • reviewing that the valuation techniques used are appropriate for the accounting standards and industry; • comparing the assumptions used in the company's valuation methods to previous periods for consistency and to consider management bias; and • evaluating whether the presentation and disclosure in the notes are appropriate and meet the requirements of IFRS 7 and IFRS 13.

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Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Zeta Resources Limited Annual Financial Statements for the year ended 30 June 2022", which includes the Directors' Report, the Corporate Governance Statement and the Integrated Annual Report, which we obtained prior to the date of this report. The other information does not include the annual financial statements and our auditor's reports thereon.

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

In connection with our audit of the annual financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual 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 Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the annual 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 annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the annual 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 annual 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.

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

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- 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 annual 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 annual financial statements, including the disclosures, and whether the annual 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, actions taken to eliminate threats or safeguards applied.

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 Mazars has been the auditor of Zeta Resources Limited for 3 years.

MAZARS

Mazars
Partner: Nico Jansen
Registered Auditor
20 September 2022
Cape Town

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Independent Reviewer's Report

30 June 2022

To the Shareholders of Zeta Resources Limited

Report on the Review of the Interim Financial Statements

Auditor's Independence Declaration

In relation to our review of the condensed interim financial report of Zeta Resources Limited for the financial year ended 30 June 2022, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the International Standards on Auditing (ISA) or any other applicable code of professional conduct.

MAZARS

Mazars
Partner: Nico Jansen
Registered Auditor
20 September 2022
Cape Town

Registered Auditor – A firm of Chartered Accountants (SA) • IRBA Registration Number 900222
Partners: MV Ninan (CEO), MC Olckers (Managing Partner), C Abrahamse, JM Barnard, AK Batt, T Beukes, DS Dollman, M Edelberg, Y Ferreira, T Gangen, R Groenewald, AK Hoosain, MY Ismail, N Jansen, J Marais, B Mbunge, FN Miller, G Molyneux, A Moruck, S Naidoo, MG Odendaal, W Olivier, M Pieterse, W Rabe, D Resnick, BG Sacks, MA Salee, N Silbowitz, SM Solomon, HH Swanepoel, AL Swartz, MJA Teuchert, N Thelander, JC Van Tubbergh, N Volschenk, J Watkins-Baker
A full list of national partners is available on request or at www.mazars.co.za

STATEMENT OF FINANCIAL POSITION

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Notes	at 30 June 2022	June 2022 US$	June 2021 US$
	Non-current assets		
4	Investment in subsidiaries	**16,003,881**	22,114,602
5	Investments	**164,135,993**	243,477,995
6	Loans to subsidiaries	**1,957,423**	1,224,888
	Current assets		
7	Cash and cash equivalents	**106,963**	1,378,703
	Total assets	**182,204,260**	268,196,188
	Non-current liabilities		
9	Loan from parent	**–**	(32,576,107)
10	Other loans	**(23,742,404)**	(1,332,610)
	Current liabilities		
8	Loan from subsidiary	**(3,743,623)**	(3,377,965)
11	Other loans	**–**	(2,500,000)
12	Trade and other payables	**(414,610)**	(5,148,039)
18	Tax payable	**(2,840,186)**	(3,080,346)
	Total liabilities	**(30,740,823)**	(48,015,067)
	Net assets	**151,463,437**	220,181,121
	Equity		
13	Share capital	**5,555**	5,560
13	Share premium	**176,624,753**	176,763,050
	Treasury shares	**(36,422)**	–
	Accumulated (losses)/income	**(25,130,449)**	43,412,511
	Total equity	**151,463,437**	220,181,121

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STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

Notes	for the year ended 30 June 2022	June 2022 US$	June 2021 US$
	Income and investment returns		
14	Revenue	**35,557**	53,985
14	Investment (losses)/gains	**(66,373,764)**	136,938,205
6	Impairment of loan to subsidiary	**–**	(1,394,034)
15	Other income/(losses)	**2,501,304**	(8,271,609)
	Expenses		
	Directors fees	**(200,000)**	(200,000)
	Interest expense	**(2,589,664)**	(6,393,063)
16	Management and consulting fees	**(1,344,513)**	(5,491,044)
17	Operating and administration expenses	**(571,880)**	(572,360)
	(Loss)/profit before tax	**(68,542,960)**	114,670,080
18	Taxation expense	**–**	–
	(Loss)/profit for the year	**(68,542,960)**	114,670,080
	Total comprehensive (loss)/income for the year	**(68,542,960)**	114,670,080
	(Loss)/profit per share		
19	Basic and diluted (loss)/profit per share	**(0.12)**	0.33

STATEMENT OF CHANGES IN EQUITY

Notes	for the year ended 30 June 2022	Share capital US$	Share premium US$	Treasury Shares US$	Accumulated income/(losses) US$	Total US$
	Balance at 1 July 2020	2,777	122,874,923	–	(71,257,569)	51,620,131
	Purchase of treasury shares	–	–	(110,013)	–	(110,013)
13	Cancellation of treasury shares	(5)	(110,008)	110,013	–	–
	Options exercised	2,788	53,998,135	–	–	54,000,923
	Total comprehensive income for the year	–	–	–	114,670,080	114,670,080
	Balance at 30 June 2021	**5,560**	**176,763,050**	**–**	**43,412,511**	**220,181,121**
	Purchase of treasury shares	**–**	**–**	**(174,724)**	**–**	**(174,724)**
13	Cancellation of treasury shares	**(5)**	**(138,297)**	**138,302**	**–**	**–**
	Total comprehensive loss for the year	**–**	**–**	**–**	**(68,542,960)**	**(68,542,960)**
	Balance at 30 June 2022	**5,555**	**176,624,753**	**(36,422)**	**(25,130,449)**	**151,463,437**

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STATEMENT OF CASH FLOWS

Notes	for the year ended 30 June 2022	June 2022 US$	June 2021 US$
	Cash flows from operating activities		
20.1	Cash utilised by operations	**(7,089,982)**	(3,762,954)
14	Interest received	**16,493**	37,853
	Interest paid	**(404,167)**	(428,466)
14	Dividend received	**19,064**	16,132
	Net cash flows from operating activities	**(7,458,592)**	(4,137,435)
	Cash flows from investing activities		
	Investments purchased	**(7,587,419)**	(18,759,245)
	Investments sold	**26,655,955**	21,347,424
	Increase in loan to subsidiaries from additional funding	**(894,224)**	(568,843)
	Decrease in loan to subsidiaries from repayments	**–**	360,529
	Net cash flows from investing activities	**18,174,312**	2,379,865
	Cash flows from financing activities		
13	Purchase of treasury shares	**(174,724)**	(110,013)
13	Options exercised	**–**	14,826,385
20.2	Increase in loan from parent from additional funding	**5,570,571**	18,446,626
20.2	Decrease in loan from parent from repayments	**(23,343,020)**	(34,223,214)
20.2	Increase in loan from subsidiary from additional funding	**8,401,474**	3,420,043
20.2	Decrease in loan from subsidiary from repayments	**(7,877,976)**	–
20.2	Increase in other loans from additional funding	**14,572,100**	14,301,379
20.2	Decrease in other loans from repayments	**(9,249,796)**	(13,461,727)
	Net cash flows from financing activities	**(12,101,371)**	3,199,479
	Net movement in cash and cash equivalents	**(1,385,651)**	1,441,909
	Cash and cash equivalents at the beginning of the year	**1,378,703**	12,082
	Effect of exchange rate fluctuations on cash held	**113,911**	(75,288)
7	**Cash and cash equivalents at end of the year**	**106,963**	1,378,703

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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 2022 comprise the Company only.

1.2 Basis of preparation

The financial statements for the year ended 30 June 2022 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 obtains funds from more than one investor and provides investment management services. 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 the 19 September 2022.

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.

The board has determined by having regard to the currency of the Company's share capital and that Zeta invests in mining entities whose resources are valued in United States dollars, that United States dollars is the functional and reporting currency.

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 ongoing 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 22 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 entities are designated as being at fair value through profit and loss on initial recognition.

Loans to subsidiaries are classified as financial assets carried at amortised cost. The loans are subject to impairment testing as debt instruments (refer note 3.7). The impairments on the loans are determined separately to the fair value of the investments in the subsidiaries as disclosed in note 4.

The judgement over the tax treatment of profits generated from the sale of Bligh Resources is disclosed in note 18.

2. ADOPTION OF NEW AND REVISED STANDARDS

2.1 Standards and interpretations adopted during the year

All new standards and interpretations that became effective during the 2022 financial year were adopted on their effective dates. These standards did not have a material impact on the financial statements.

2.2 New standards, amendments and interpretations effective for annual periods beginning after 1 January 2022 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:

Subsidiary as a first-time adopter (Amendments to IFRS 1) – effective 1 January 2022

Reference to the Conceptual Framework (Amendments to IFRS 3) – effective 1 January 2022

Fees for derecognition of financial liabilities (Amendments to IFRS 9) – effective 1 January 2022

Classification of Liabilities as Current or Non-current (Amendments to IAS 1) – effective 1 January 2023

Disclosure of accounting policies (Amendments to IAS 1) – effective 1 January 2023

Definition of accounting estimates (Amendments to IAS 8) – effective 1 January 2023

Deferred tax related to asset and liabilities arising from a single transaction (Amendments to IAS 12) – effective 1 January 2023

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 dates mentioned above.

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

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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 Statement of Financial Position date.

The Company invests in various jurisdictions and is subject to typical source taxation such as withholding tax on passive income (dividends, interest and royalties where applicable) and capital gains on immovable property.

The Company measures uncertainty by using the most likely amount and not the expected value method. The detail of the judgements relating to the uncertain tax position is disclosed in note 18.

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 Profit and Loss and Other Comprehensive Income. Foreign currency changes are taken into account when fair valuing the equity instruments.

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

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.

Financial assets at FVTPL

All investments are mandatorily measured at FVTPL.

Investments are subsequently measured at fair value. Net gains and losses include foreign exchange gains and losses. Interest or dividend income are recognised in profit or loss separately.

Financial assets at amortised cost

Cash and cash equivalents, loans to subsidiaries and other loans meet the criteria for measurement at amortised cost.

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These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Foreign exchange gains and losses, impairments and any gains or losses on derecognition are recognised in profit or loss.

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

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, 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 has a legally enforceable right to set off the recognised amounts and it intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.7 Impairment of assets

The Company recognises loss allowances for Expected Credit Losses ("ECLs") on financial assets measured at amortised cost.

The Company measures 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.

The Company considers a financial asset to be performing when there is a low risk of default and no amounts are past due.

The Company considers a financial asset to be underperforming when contractual payments are 30 days past due or there has been a significant increase in credit risk since initial recognition. A significant increase in credit risk is indicated by a significant decrease in the future prospects of the borrower's operations, changes in the scope of business or changes in the organisational structure that result in a significant change in the borrower's ability to meet its debt obligations.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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 expects 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.

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4. INVESTMENT IN SUBSIDIARIES

	June 2022 US$	June 2021 US$
At fair value		
Investment in Kumarina Resources Pty Limited ("Kumarina")	**1**	449,775
Investment in Zeta Energy Pte. Ltd. ("Zeta Energy")	**1**	1
Investment in Zeta Investments Limited ("Zeta Investments")	**1**	1
Investment in Zeta Minerals Ltd ("Zeta Minerals")	**1**	1
Investment in Horizon Gold Limited ("Horizon Gold")	**16,003,877**	21,664,824
	16,003,881	22,114,602

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. Horizon Gold is measured using market price. The Company participated in the rights issue offered by Horizon Gold during the year. Kumarina is valued using a resource multiple to value Kumarina's main project, with further consideration to the remaining assets and liabilities held by Kumarina. The investment in Kumarina is currently deemed to have a nominal value due to the value being reflected in the loan receivable by Zeta Resources. See note 22.4.

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. A loan to Zeta Energy was capitalised on 22 June 2022. See note 6.

The Company had the following subsidiaries as at 30 June 2022:

30 June 2022	**Number of ordinary shares**	**Percentage of ordinary shares held**
Kumarina incorporated in Australia	**26,245,610**	**100%**
Zeta Investments incorporated in Bermuda	**1,000**	**100%**
Zeta Energy incorporated in Singapore	**6,185,998**	**100%**
Zeta Minerals incorporated in United Kingdom	**100**	**100%**
Horizon Gold incorporated in Australia	**89,055,422**	**72%**

30 June 2021	Number of ordinary shares	Percentage of ordinary shares held
Kumarina incorporated in Australia	26,245,610	100%
Zeta Investments incorporated in Bermuda	1,000	100%
Zeta Energy incorporated in Singapore	1	100%
Zeta Minerals incorporated in United Kingdom	100	100%
Horizon Gold incorporated in Australia	74,104,807	69%

The Company had the following Indirect subsidiary as at 30 June 2022:

30 June 2022	**Number of ordinary shares**	**Percentage of ordinary shares held**
Pan Pacific Petroleum Pty Limited incorporated in Australia	**581,942,846**	**100%**

30 June 2021	Number of ordinary shares	Percentage of ordinary shares held
Pan Pacific Petroleum Pty Limited incorporated in Australia	581,942,846	100%

Pan Pacific Petroleum Pty Limited is an Australian oil and gas exploration and production company.

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5. INVESTMENTS

	June 2022 US$	June 2021 US$
Financial assets at fair value through profit or loss	**164,135,993**	243,477,995
Equity securities at fair value		
Listed ordinary shares, subscription and other rights	**102,367,010**	166,678,842
Unlisted ordinary shares, subscription and other rights	**61,768,983**	76,799,153
	164,135,993	243,477,995
Cost of equity securities at fair value		
Listed ordinary shares, subscription and other rights	**107,750,033**	131,669,242
Unlisted ordinary shares, subscription and other rights	**54,470,869**	52,359,524
	162,220,902	184,028,766

Investments held by the Company at the reporting date	Number of shares
Listed	
Copper Mountain Mining Corporation	35,899,745
Panoramic Resources Limited	245,437,562
GME Resources Limited	257,674,106
Star Royalties Limited	10,151,300
Other investments*	128,070,268

*Other investments comprise of less than 5% of the Company's gross assets

Unlisted	
Other investments	87,040,112
Other rights	28,520,525

During the reporting period the Company completed a total of 121 transactions (2021: 94 transactions) in securities. See note 22.4 for disclosure of fair value determination of level 3 investments.

The Company had the following associate undertakings at as at 30 June 2022:

30 June 2022	Number of ordinary shares	Percentage of ordinary shares held
Alliance Mining Commodities Limited incorporated in Bermuda	**32,932,659**	**37%**
GME Resources Limited incorporated in Australia	**257,674,106**	**43%**
Margosa Graphite Limited incorporated in Australia	**27,861,844**	**33%**

30 June 2021	Number of ordinary shares	Percentage of ordinary shares held
Alliance Mining Commodities Limited incorporated in Bermuda	29,215,520	36%
GME Resources Limited incorporated in Australia	240,563,538	43%
Margosa Graphite Limited incorporated in Australia	27,861,844	33%

The associate undertakings are held as part of the investment portfolio and consequently are carried at fair value through profit or loss.

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6. LOANS TO SUBSIDIARIES

	June 2022 US$	June 2021 US$
Loan to Kumarina	**1,957,423**	1,224,888

The loan to Kumarina, used for working capital is denominated in Australian dollars to the value of A$2.8 million (30 June 2021: A$1.6 million) and is interest free. There are no fixed repayment terms. The loan is still performing as no contractual breaches have occurred and the value of the assets in Kumarina is sufficient to cover all the liabilities.

The loan to Zeta Energy was denominated in Australian dollars to the value of A$2,594,249 (2021: A$2,594,249) and United States dollars to the value of US$4,394,636 (2021: US$4,373,278), with the total loan being US$6,185,997 (2021: US$6,317,993). The loan to Zeta Energy was classified as credit impaired in the year ended 30 June 2021. At 30 June 2022 the full loan to Zeta Energy was converted to equity.

A reconciliation of the impairment movement on the Zeta Energy loan can be seen below:

Credit impaired loan impairment	**June 2022 US$**	June 2021 US$
Opening balance of impairment	**6,317,993**	–
Transfer from underperforming	**–**	4,923,959
Impairment	**–**	1,394,034
Reversed due to loan being converted to equity	**(6,317,993)**	–
Closing impairment	**–**	6,317,993

7. CASH AND CASH EQUIVALENTS

	June 2022 US$	June 2021 US$
Cash balance comprises:		
Cash at bank	**106,963**	1,378,703

8. LOAN FROM SUBSIDIARY

	June 2022 US$	June 2021 US$
Loan from Horizon Gold	**3,743,623**	3,377,965

The Horizon Gold loan is denominated in Australian dollars to the value of A$5,400,000, attracts interest at 5% per annum and is repayable before 30 June 2023.

9. LOAN FROM PARENT

	June 2022 US$	June 2021 US$
Loan from UIL Limited ("UIL")	**–**	32,576,107

The loan from UIL was repaid in full during the year.

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10. OTHER LOANS

	June 2022 US$	June 2021 US$
Loan from General Provincial Limited Pension Fund ("GPLPF")	**5,850,762**	–
Loan from Somers Limited ("Somers")	**14,999,626**	–
Loan from Pan Pacific Petroleum Pty Ltd ("PPP")	**392,016**	237,758
Loan from Leveraged Equities	**–**	1,094,852
Loan from Bermuda Commercial Bank Limited	**2,500,000**	–
	23,742,404	1,332,610

The GPLPF loan is denominated in Australian dollars to the value of A$8.5 million (30 June 2021: Nil) and attracts interest at 7.5%. There are no fixed repayment terms except that no repayment is due before 30 June 2023.

The Somers loan is denominated in Australian dollars to the value of A$2.16 million (30 June 2021: Nil) and in Canadian dollars to the value of CA$17.38 million (30 June 2021: Nil), and currently attracts interest at 7.5% per annum on the Australian dollar loan and 7.25% on the Canadian dollar loan. The loan is repayable on not less than 12 months' notice and no repayment is due before 30 June 2023.

The PPP loan is denominated in Australian dollars to the value of A$567,169 (30 June 2021: A$317,169) and is interest free. There are no fixed repayment terms except that no repayment is due before 30 June 2022.

The loan from Leveraged Equities was repaid in full during the year.

The Bermuda Commercial Bank loan is denominated in United States dollars and currently attracts interest at Bermuda Commercial Bank's commercial base rate +1.275% per annum (30 June 2021: Bermuda Commercial Bank's commercial base rate +1.25%). At 30 June 2022 the Bermuda Commercial Bank's commercial base rate was 3%. The remaining balance is payable on 30 September 2024.

11. OTHER LOANS – CURRENT

	June 2022 US$	June 2021 US$
Loan from Bermuda Commercial Bank Limited	**–**	2,500,000

12. TRADE AND OTHER PAYABLES

	June 2022 US$	June 2021 US$
Other liabilities	**25,607**	28,111
Amount owed to brokers	**–**	570,047
Accruals	**389,003**	4,549,881
	414,610	5,148,039

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

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13. SHARE CAPITAL AND SHARE PREMIUM

Authorised

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

Issued	Number of shares	Share capital US$	Share premium US$
Ordinary shares			
Balance as at 30 June 2020	287,643,076	2,777	122,874,923
Share cancellation - share buy-backs May 2021	(74,666)	(1)	(20,266)
Share cancellation - share buy-backs June 2021	(334,442)	(4)	(89,742)
Issued in consideration of exercise of options over the period 10 September 2020 to 15 June 2021	278,770,100	2788	53,998,135
Balance as at 30 June 2021	566,004,068	5,560	176,763,050
Share cancellation - share buy-backs August 2021	**(45,000)**	**(1)**	**(11,992)**
Share cancellation - share buy-backs September 2021	**(207,310)**	**(2)**	**(58,051)**
Share cancellation - share buy-backs October 2021	**(27,459)**	**–**	**(8,405)**
Share cancellation - share buy-backs November 2021	**(27,541)**	**–**	**(8,251)**
Share cancellation - share buy-backs February 2022	**(35,000)**	**–**	**(11,388)**
Share cancellation - share buy-backs May 2022	**(149,534)**	**(2)**	**(40,210)**
Balance as at 30 June 2022	**565,512,224**	**5,555**	**176,624,753**

At 30 June 2022 the Company held 155,212 (2021: nil) treasury shares bought back in June 2022. These shares were cancelled in July 2022.

Options

On 10 September 2020 the Company offered a bonus issue of Options to its shareholders. Eligible Shareholders who held Shares on the Record Date were offered one Option (Bonus Option) for every one Share held on the Record Date. The Bonus Options had no issue price, were exercisable at A$0.25 each and expired on 15 June 2021.

Balance as at 30 June 2020	–
Options issued on 29 September 2020	**287,567,921**
Options exercised	**(278,770,100)**
Options expired on 15 June 2021	**(8,797,821)**
Balance as at 30 June 2021	**–**
Balance as at 30 June 2022	**–**

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14. INVESTMENT RETURNS

	June 2022 US$	June 2021 US$
Revenue		
Dividend income	**19,064**	16,132
Interest income	**16,493**	37,853
	35,557	53,985
Investment (losses)/gains		
Derived from financial instruments measured at fair value		
Realised gains	**4,541,992**	14,814,489
Realised losses	**(4,086,228)**	(719,378)
Unrealised fair value gains on revaluation of investments	**30,581,550**	127,925,486
Unrealised fair value losses on revaluation of investments	**(97,411,078)**	(5,082,392)
	(66,373,764)	136,938,205
	(66,338,207)	136,992,190

15. OTHER INCOME

	June 2022 US$	June 2021 US$
Foreign exchange gains/(losses)	**2,501,304**	(8,280,401)
Other income	**–**	8,792
	2,501,304	(8,271,609)

16. MANAGEMENT AND CONSULTING FEES

	June 2022 US$	June 2021 US$
Management and consulting fees	**1,344,513**	5,491,044

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 (used in the performance fee calculation when it was last payable) multiplied by 15%. Performance fee for the year ended 30 June 2022 was nil (2021: $4,223,318).

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

17. OPERATING AND ADMINISTRATION EXPENSES

	June 2022 US$	June 2021 US$
Operating and administration expenses consist of:		
Accounting fees	**303,268**	265,293
Audit fees	**17,293**	19,293
Australian Securities Exchange listing fees and regulatory costs	**88,899**	116,679
Brokerage	**77,286**	95,651
Other expenses	**85,134**	75,444
	571,880	572,360

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18. INCOME TAX

	June 2022 US$	June 2021 US$
Taxation regarding the sale of Bligh Resources Limited	–	–

Australian taxation has been accrued in full with regards to the sale of the investment in Bligh Resources Limited in July 2019. At 30 June 2022 there is uncertainty over the tax treatment of gains arising from the sale of the investment by the Australian tax authority on whether the transaction is taxable Australian property ("TAP") or non-TAP. Management has argued that the sale pertains to non-TAP, and alternatively not Australian source income (and therefore not taxable either) and external taxation advice confirms both these viewpoints. Of this taxation amount accrued, US$3,358,213 has already been paid as a withholding tax.

The Company has not raised deferred tax assets of US$7 million on potential unrealised Australian capital losses (at year-end amounting to US$25 million) where there are insufficient capital gains of the same nature against which to utilise those losses. There is no expiration date on losses.

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

19. EARNINGS PER SHARE

	June 2022 US$	June 2021 US$
Basic (loss)/profit per share	**(0.12)**	0.33
Diluted (loss)/profit per share	**(0.12)**	0.33
(Loss)/profit used in calculation of basic and diluted earnings per share	**(68,542,960)**	114,670,080
Weighted average number of ordinary shares outstanding during the year used in calculation of basic earnings per share	**565,730,980**	348,193,810
Adjustment for unexercised options during the period	**–**	149,080
Weighted average number of ordinary shares outstanding during the year used in calculation of diluted earnings per share	**565,730,980**	348,342,890

The weighted average number of ordinary shares outstanding during the prior year was adjusted for the bonus element of options exercised in 2021.

20. NOTES TO THE CASH FLOW STATEMENT

20.1 Cash utilised by operations

	June 2022 US$	June 2021 US$
(Loss)/profit for the year	**(68,542,960)**	114,670,080
Adjustments for:		
Realised gains on investments	**(455,764)**	(14,095,111)
Fair value loss/(gains) on revaluation of investments	**66,829,528**	(122,843,094)
Impairment of loan to Zeta Energy	**–**	1,394,034
Foreign exchange (gains)/losses	**(2,501,304)**	8,280,401
Dividend income	**(19,064)**	(16,132)
Interest income	**(16,493)**	(37,853)
Interest expense	**2,589,664**	6,393,063
Operating loss before working capital changes	**(2,116,393)**	(6,254,612)
(Decrease)/increase in trade and other payables	**(4,973,589)**	2,491,658
	(7,089,982)	(3,762,954)

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20.2 Liabilities from financing activities

	Loan from parent US$	Loan from subsidiary US$	Other loan US$	Total US$
Balance as at 30 June 2020	68,312,746	–	7,562,255	75,875,001
Changes from financing cash flow				
Repayment of loans	(34,223,214)	–	(13,461,727)	(47,684,941)
Advances of loans received	18,446,626	3,420,043	14,301,379	36,168,048
Other Changes				
Options exercised	(33,410,740)	–	(5,763,798)	(39,174,538)
Exchange rate fluctuations	7,765,976	(46,730)	919,269	8,638,515
Interest capitalised	5,684,713	4,652	275,232	5,964,597
Balance as at 30 June 2021	32,576,107	3,377,965	3,832,610	39,786,682
Changes from financing cash flow				
Repayment of loans	**(23,343,020)**	**(7,877,976)**	**(9,249,796)**	**(40,470,792)**
Advances of loans received	**5,570,571**	**8,401,474**	**14,572,100**	**28,544,145**
Other Changes				
Exchange rate fluctuations	**(1,856,680)**	**(180,535)**	**(522,290)**	**(2,559,505)**
Loan repaid to parent	**(14,830,503)**	**–**	**–**	**(14,830,503)**
Loan received from Somers Limited	**–**	**–**	**14,830,503**	**14,830,503**
Interest capitalised	**1,883,525**	**22,695**	**279,277**	**2,185,497**
Balance as at 30 June 2022	**–**	**3,743,623**	**23,742,404**	**27,486,027**

21. GOING CONCERN

The financial statements have been prepared on a going concern basis. We draw attention to the fact that at 30 June 2022, the Company's current liabilities exceed its current assets by US$6,891,456 (2021: US$12,727,647). The Company has undrawn capacity under its debt facilities and the majority of the Company's assets consist of equity shares in listed companies which in most circumstances are realisable within a short timescale. Based on this, the directors believe the Company will be able to cover the commitments arising in the period 12 months from the date of approval of these financial statements. 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.

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22. 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.

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 2022	**Financial assets mandatorily measured at fair value through profit or loss US$**	**Financial assets/liabilities measured at amortised cost US$**	**Total carrying value US$**
Assets			
Investments in subsidiaries	**16,003,881**	**–**	**16,003,881**
Investments	**164,135,993**	**–**	**164,135,993**
Loans to subsidiaries	**–**	**1,957,423**	**1,957,423**
Cash and cash equivalents	**–**	**106,963**	**106,963**
	180,139,874	**2,064,386**	**182,204,260**
Liabilities			
Loans from subsidiary	**–**	**3,743,623**	**3,743,623**
Trade and other payables	**–**	**25,607**	**25,607**
Other loans	**–**	**23,742,404**	**23,742,404**
	–	**27,511,634**	**27,511,634**

30 June 2021	Financial assets mandatorily measured at fair value through profit or loss US$	Financial assets/liabilities measured at amortised cost US$	Total carrying value US$
Assets			
Investments in subsidiaries	22,114,602	–	22,114,602
Investments	243,477,995	–	243,477,995
Loans to subsidiaries	–	1,224,888	1,224,888
Cash and cash equivalents	–	1,378,703	1,378,703
	265,592,597	2,603,591	268,196,188
Liabilities			
Loans from subsidiary	–	3,377,965	3,377,965
Trade and other payables	–	598,158	598,158
Loan from parent	–	32,576,107	32,576,107
Other loans	–	3,832,610	3,832,610
	–	40,384,840	40,384,840

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22.1 Market risks

The fair value of equity and other financial securities held in the Company's portfolio fluctuate with changes in market prices. Prices are themselves affected by movements in currencies, commodity prices, 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 ongoing 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 2022 and the average rates for the year were as follows:

	June 2022	**Average 2022**	**June 2021**	**Average 2021**
AUD – Australian dollar	0.6912	0.7256	0.7496	0.7474
CAD – Canadian dollar	0.7768	0.7901	0.8059	0.7807

The Company's monetary assets and liabilities at 30 June 2022, by currency based on the currency of denomination for loans and cash and cash equivalents, and on the currency of the primary trading market for equities, are shown below:

30 June 2022	**AUD**	**CAD**
Investments in subsidiaries	**23,754,410**	**–**
Investments	**90,395,627**	**60,259,534**
Cash and cash equivalents	**150,445**	**–**
Loans to subsidiaries	**2,832,000**	**–**
Loan from subsidiary	**(5,400,000)**	**–**
Other loans	**(11,210,197)**	**(17,382,428)**
Net monetary liabilities	**100,522,285**	**42,877,106**

30 June 2021	AUD	CAD
Investments in subsidiaries	29,500,875	–
Investments	97,944,214	134,005,760
Cash and cash equivalents	1,812,002	–
Loans to subsidiaries	4,228,249	–
Loan from parent	(23,472,807)	(18,587,776)
Other loans	(5,274,662)	–
Net monetary assets/(liabilities)	104,737,871	115,417,984

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22. FINANCIAL RISK MANAGEMENT (continued)

22.1 Market risks (continued)

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	Total
Strengthening of the United States dollar			
Increase in total comprehensive income for the year ended 30 June 2022	7,293,897	3,387,720	10,681,617
Increase/(decrease) in total comprehensive income for the year ended 30 June 2021	7,828,108	9,010,682	16,838,790
Weakening of the United States dollar			
Decrease in total comprehensive income for the year ended 30 June 2022	(7,293,897)	(3,387,720)	(10,681,617)
(Decrease)/increase in total comprehensive income for the year ended 30 June 2021	(7,828,108)	(9,010,682)	(16,838,790)

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 2022 and at 30 June 2021 is shown below:

30 June 2022	**Within one year US$**	**Greater than one year US$**	**Total US$**
Exposure to floating rates:			
Cash	**106,963**	**–**	**106,963**
Other loans	**–**	**(2,500,000)**	**(2,500,000)**
	106,963	**(2,500,000)**	**(2,393,037)**
Impact of floating rate exposures are considered insignificant.			
Exposure to fixed rates:			
Loan from subsidiary	**(3,743,623)**	**–**	**(3,743,623)**
Other loan liabilities	**–**	**(21,242,404)**	**(21,242,404)**
	(3,743,623)	**(21,242,404)**	**(24,986,027)**

30 June 2021	Within one year US$	Greater than one year US$	Total US$
Exposure to floating rates:			
Cash	1,378,703	–	1,378,703
Other loans	(2,500,000)	–	(2,500,000)
	(1,121,297)	–	(1,121,297)
Exposure to fixed rates:			
Loan from parent	–	(32,576,107)	(32,576,107)
Loan from subsidiary	(3,377,965)	–	(3,377,965)
Other loan liabilities	–	(1,094,852)	(1,094,852)
	(3,377,965)	(33,670,959)	(37,048,924)

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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$118,370,887 at 30 June 2022 (30 June 2021: US$188,343,666) 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 24.

Price sensitivity risk analysis

A 10% decline in the market price of the listed investments held by the Company would result in an unrealised loss of US$11,837,088. A 10% appreciation in the market price would have the opposite effect. See note 22.4 for unlisted investment sensitivity analyses..

22.2 Liquidity risk exposure

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet 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 risk of the Company having insufficient liquidity is not considered by the board to be significant, given the amount of quoted investments held in the Company's portfolio and the existence of an ongoing loan facility agreement.

The contractual maturities of the financial liabilities, based on the earliest date on which payment can be required, were as follows:

30 June 2022	**Three months or less US$**	**Three months to one year US$**	**More than one year US$**	**Total US$**
Trade and other payables	**414,610**	**–**	**–**	**414,610**
Loan from subsidiary	**–**	**3,930,247**	**–**	**3,930,247**
Other loans	**430,589**	**7,965,134**	**17,499,626**	**25,895,348**
	845,199	**11,895,381**	**17,499,626**	**30,240,205**

30 June 2021	Three months or less US$	Three months to one year US$	More than one year US$	Total US$
Trade and other payables	598,158	–	–	598,158
Loans from parent	–	–	34,779,063	34,779,063
Loan from subsidiary	–	3,533,013	–	3,533,013
Other loans	2,540,625	1,386,189	–	3,926,814
	5,970,553	4,919,202	34,779,063	42,837,047

22.3 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 ongoing 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$1,957,423 (2021: US$1,224,888) and bank balances totalling US$106,963 (2021: US$1,378,703) that are exposed to credit risk.

None of the Company's financial assets are past due. 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-).

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22. FINANCIAL RISK MANAGEMENT (continued)

22.4 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 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, (b) investments in subsidiaries and (c) investments in other rights.

(a) Unlisted companies

Margosa Graphite Limited ("Margosa") - Australia incorporated

The unlisted investment comprises an equity interest in Margosa, a mineral exploration and development company focused on high grade vein graphite opportunities in Sri Lanka with granted licenses to a package of highly prospective tenements. The most advanced project area is the Pathakada Graphite Project ("Pathakada Project") for which Margosa completed a JORC-2012 resource estimate in April 2020 of 1.72 million tonnes ("Mt") at a grade of 76.32%, implying a total graphitic content of 1.32 Mt.

Valuation methodology: The market approach has been used for the valuation of Margosa in the form of precedent transactions involving Margosa shares at a price of A$0.35 per share (2021: A$0.5 per share). At year end the fair value of the investment was US$6.7 million (2021: US$14.2 million).

Sensitivities: The fair value of Margosa is considered sensitive to price of precedent transactions. Possible alternative prices represent an increase of $0.15 per share, which can cause an increase of US$2.9 million in the fair value of Zeta Resources' equity interest in Margosa.

Alliance Mining Commodities Limited ("AMC") - Australia incorporated

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. AMC aims to develop the Koumbia Project into an operation with steady-state production of approximately 11 million wet tonnes of aluminium per annum from surface mining operations.

Valuation methodology: As a result of the nature of AMC's assets, the nature of financial information available and the relevant market participants, a comparable market valuation based on resource multiples from six broadly comparable bauxite projects was used. The resource of available aluminium of 711 Mt (2021: 711 Mt) was used at a value of A$0.325 per tonne (2021: A$0.35 per tonne). The methodology is supported by a discounted cash flow analysis. At year end the fair value of the investment was US$54.3 million (2021: US$61.4 million).

Sensitivities: The fair value of Zeta's equity interest in AMC is sensitive to the available resource multiples for comparable bauxite transactions observed in the market. An increase in the multiple used could significantly increase the fair value determined. A possible alternative multiple represents a change of 0.075 A$/t to the multiple which can cause a change of US$12.4 million in the fair value of Zeta Resources' equity interest in AMC.

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(b) Investments in subsidiaries

Kumarina Resources Pty Limited ("Kumarina") - Australia incorporated

Kumarina is a mineral exploration company with a gold project located at Murrin Murrin in Western Australia. Kumarina's primary focus has been the exploration and development of the Murrin Murrin Gold Project, which is located 50 km east of Leonora in the north-eastern Goldfields.

Valuation methodology: The market approach for the valuation of Kumarina has been used in the form of resource multiples from comparable transactions. The most recent mineral resource estimate for the Murrin Murrin Gold project and twenty four comparable transactions were used in the analysis. The Murrin Murrin project has a resource estimate of 51,200 oz (2021: 52,100 oz) and a value of A$55 per oz (2021: A$43 per oz) was used. At year end the fair value of the Murrin Murrin project was determined to be A$2.8 million. As the loan owed to Zeta Resources is A$2.8 million, the investment value at 30 June 2022 was determined to be a nominal amount (2021: US$449,775), due to the value being reflected in the loan receivable.

Sensitivities: The methodology used is sensitive to the chosen resource multiples for comparable gold transactions observed on the market. The magnitude of these multiples are primarily driven by commodity prices and market conditions. A change in the resource multiples will result in a change in the value of the project. Possible alternative multiples represent a change in the resources multiple of 5 A$/oz which can cause a change of US$180,000 in the fair value of Zeta Resources' equity interest in Kumarina.

(c) Investments in other rights

Panoramic Resources Limited Options

Zeta Resources hold 28,520,525 options with an exercise price of A$0.16. The options expire on 30 June 2023. There are no vesting conditions linked to these options.

Valuation methodology: The intrinsic value of the options was used. The share price of Panoramic Resources Limited at 30 June 2022 was A$0.195. At year end the fair value of the investment was US$689,949. In the prior year the Black-Scholes option pricing model was used to value the options, in the current year the intrinsic value of the options was used to be in line with internal management processes. The change in methodology did not result in a material change in value, due to the options expiring in the short-term.

Sensitivities: As the options are valued using intrinsic value, the fair value of the options is considered to be less sensitive to changes in inputs and assumptions.

30 June 2022	Level 1 US$	Level 2 US$	Level 3 US$
Financial assets			
Investments	**102,367,010**	**–**	**61,768,983**
Investment in subsidiaries	**16,003,877**	**–**	**4**

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

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$
Balance at 1 July 2021	**76,799,153**	**449,778**
Acquisitions at cost	**2,189,845**	**-**
Total gains/(losses) recognised in fair value through profit or loss	**(17,220,015)**	**(449,774)**
Balance at 30 June 2022	**61,768,983**	**4**

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22. FINANCIAL RISK MANAGEMENT (continued)

22.4 Fair values of financial assets and liabilities (continued)

30 June 2021	Level 1 US$	Level 2 US$	Level 3 US$
Financial assets			
Investments	166,678,842	–	76,799,153
Investment in subsidiaries	21,664,824	–	449,778

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

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$
Balance at 1 July 2020	64,715,095	1,309,354
Acquisitions at cost	2,182,428	–
Total gains recognised in fair value through profit or loss	9,901,630	(859,576)
Balance at 30 June 2021	**76,799,153**	**449,778**

22.5 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- or long-term; and pay dividends to shareholders out of current year earnings as well as out of brought forward reserves.

23. RELATED PARTIES

23.1 Material related parties

Holding company

The company's holding company is UIL which held 60.9% of the company's issued share capital on 30 June 2022. UIL is 65.4% owned by General Provincial Life Pension Fund Limited. Somers Isles Private Trust Company Limited holds 100% of General Provincial Life Pension Fund Limited.

Entities controlled by these entities are considered related parties of the Company. Somers Limited is controlled by Somers Isles Private Trust Company Limited.

Subsidiary companies

Wholly owned subsidiaries include Kumarina, Zeta Energy, Zeta Minerals and Zeta Investments. Zeta Resources holds 72% of Horizon Gold's issued share capital. Pan Pacific Petroleum Pty Limited is a subsidiary of Zeta Energy.

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.

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23.2 Material related parties transactions

Nature of balances	June 2022 US$	June 2021 US$
Investments in related parties:		
Kumarina	**1**	449,775
Zeta Investments	**1**	1
Zeta Energy	**1**	1
Zeta Minerals	**100**	100
Horizon Gold	**16,003,877**	21,664,824
Loans to related parties:		
Kumarina	**1,957,423**	1,224,888
Loans from related parties:		
UIL Limited	**–**	32,576,107
Somers Limited	**14,999,626**	–
Horizon Gold	**3,743,623**	3,377,965
PPP	**392,016**	237,758
ICM Limited	**5,850,762**	–
Trade and other payables:		
ICM Limited	**231,753**	3,276,643
Directors	**50,000**	50,000
ICM Corporate Services (Pty) Ltd	**55,654**	78,229

Nature of transactions	June 2022 US$	June 2021 US$
Impairment of loan to subsidiary	**–**	(1,394,034)
Interest relates to loans measured at amortised cost:		
Interest charged by subsidiaries	**127,209**	4,652
Interest charged by the parent company	**1,883,525**	5,684,713
Interest charged by Somers Limited	**20,894**	–
Interest charged by GPLPF	**331,311**	–
Interest charged by ICM Limited	**–**	54,435
Interest charged by Permanent Investment Limited	**–**	109,233
Interest charged to investee entity	**–**	3,803
Management fees paid to ICM Limited	**1,263,154**	1,103,229
Performance fee accrued to ICM Limited	**–**	4,223,318
Accounting fees paid to ICM Corporate Services (Pty) Ltd	**303,268**	265,293
Fees paid to the directors		
Xi Xi	**50,000**	50,000
M Botha	**50,000**	50,000
P Sullivan	**50,000**	50,000
A Liebenberg	**50,000**	50,000

All fees paid to directors are deemed short term remuneration payments.

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24. SEGMENTAL REPORTING

The Company has five 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

Copper: investments in companies which explore or mine for copper. The copper segment has been added due to the increased value of investments in these companies. The prior period segment information has been updated accordingly

Mineral exploration: investments in companies which explore or mine for other minerals

Administration: activities relating to financing received which does not specifically relate to any one segment as well as administrative activities

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 2022	**Gold US$**	**Nickel US$**	**Copper US$**	**Mineral exploration US$**	**Admin US$**	**Total US$**
External investment returns	**(11,398,646)**	**23,741,269**	**(61,017,720)**	**(17,669,665)**	**6,555**	**(66,338,207)**
Interest revenue	**9,938**	**–**	**–**	**–**	**6,555**	**16,493**
Interest expense	**–**	**–**	**–**	**–**	**(2,589,664)**	**(2,589,664)**
Reportable segment (loss)/profit before tax	**(11,405,787)**	**23,728,252**	**(61,052,649)**	**(17,685,308)**	**(2,127,468)**	**(68,542,960)**
Reportable segment assets	**23,878,842**	**38,927,525**	**44,271,964**	**75,018,966**	**106,963**	**182,204,260**
Reportable segment liabilities	**–**	**–**	**–**	**–**	**(30,740,823)**	**(30,740,823)**

Management fee expenses and foreign exchange losses arising from loans are attributed to the admin segment.

30 June 2021	Gold US$	Nickel US$	Copper US$	Mineral exploration US$	Admin US$	Total US$
External investment returns	(3,912,718)	20,236,987	102,538,191	16,709,137	26,559	135,598,156
Interest revenue	–	–	–	–	37,853	37,853
Interest expense	–	–	–	–	(6,393,063)	(6,393,063)
Reportable segment profit/(loss) before tax	(3,914,036)	20,232,953	102,486,845	17,338,792	(21,474,474)	114,670,080
Reportable segment assets	39,887,307	33,110,117	112,329,081	81,490,980	1,378,703	268,196,188
Reportable segment liabilities	–	–	–	(570,047)	(47,445,020)	(48,015,067)

Management fee expenses and foreign exchange losses arising from loans are attributed to the admin segment.

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

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Geographic information

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

Investment returns	June 2022 US$	June 2021 US$
Australia	**13,400,599**	19,254,259
Canada	**(60,547,197)**	106,026,848
Guinea	**(9,253,698)**	5,406,128
Mali	**(1,313,307)**	(1,930,230)
Namibia	**–**	3,542,107
Singapore	**–**	(1,394,034)
Sri Lanka	**(7,962,849)**	4,417,763
Other countries	**(661,755)**	275,315
Investment returns	**(66,338,207)**	135,598,156

The investment loss recognised in the Canadian segment is due primarily to the decrease in value of the Company's investment in Copper Mountain Mining Corporation.

Assets	June 2022 US$	June 2021 US$
Australia	**77,184,818**	88,420,285
Guinea	**54,338,886**	61,402,739
Canada	**43,382,929**	99,769,569
Sri Lanka	**6,740,148**	14,160,667
Mali	**82,053**	1,870,911
Namibia	**4,350**	16,478
Other countries	**364,113**	2,555,540
Assets	**182,097,297**	268,196,188

25. EVENTS AFTER REPORTING DATE

The Company performed a review of events after the reporting date and determined that there were no such events requiring recognition or disclosure in the financial statements.

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SHAREHOLDER INFORMATION

SUBSTANTIAL SHAREHOLDERS

As at 5 September 2022 the Company had received notification of the following substantial shareholdings:

NAME	SHARES	% OF ISSUED CAPITAL
UIL Limited	344,573,832	61.02
General Provincial Life Pension Fund Limited	187,572,396	33.21
UIL Limited (and associates)	**532,146,228**	**94.23**

TOP 20 HOLDINGS OF FULLY PAID ORDINARY SHARES AS AT 5 SEPTEMBER 2022

NAME	SHARES	% OF ISSUED CAPITAL
J P Morgan Nominees Australia Pty Limited	352,273,938	62.38
General Provincial Life Pension Fund Limited	180,289,790	31.93
Mr Peter Ross Sullivan	4,528,132	0.80
Peter Ross Sullivan	4,528,132	0.80
HSBC Custody Nominees (Australia) Limited	1,837,991	0.33
Mr James Noel Sullivan	1,765,959	0.31
Hardrock Capital Pty Ltd – CGLW No 2 Super Fund A/C	1,200,000	0.21
Hardrock Capital Pty Ltd	1,200,000	0.21
Cherryburn Pty Ltd – Burrows Super Fund A/C	752,320	0.13
Ingot Capital Investments Pty Ltd	681,780	0.12
VCM Investments Pty Ltd	598,773	0.11
ACS (NSW) Pty Limited - ACS Family Super Fund A/C	590,000	0.10
Mrs Alexandra Maree Giles	483,556	0.09
Burnal Pty Ltd	450,000	0.08
Mr Sean Dennehy	416,471	0.07
Mr Stephen Alan McCabe & Mrs Janet Backhouse	413,024	0.07
Mr Richard Hamilton Bartlett	406,873	0.07
Mr James Noel Sullivan & Mrs Gail Sullivan – Sullivans Garage S/F A/C	400,000	0.07
Blessed Investments Pty Limited – Green Family S/F A/C	335,000	0.06
Nalmor Pty Ltd John Chappell Super Fund A/C	324,000	0.06
Citicorp Nominees Pty Limited	258,130	0.05
Calimo Pty Ltd	246,017	0.04
Total for top 20	**553,979,886**	**98.10**

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DISTRIBUTION SCHEDULE OF ORDINARY SHARES HELD AT 5 SEPTEMBER 2022

HOLDING RANGES	NO. OF ORDINARY SHAREHOLDERS	NO. OF SHARES	% OF ISSUED CAPITAL
Above 0 up to and including 1,000	41	12,874	0.00
Above 1,000 up to and including 5,000	876	2,330,719	0.41
Above 5,000 up to and including 10,000	170	1,279,776	0.23
Above 10,000 up to and including 100,000	185	5,357,479	0.95
Above 100,000	34	555,745,797	98.41
Total	**1,306**	**564,726,645**	**100.00**

The number of shareholders holding less than a marketable parcel of ordinary shares at 5 September 2022 is 211 and they hold 271,332 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
André Liebenberg (Chairman of the Audit & Risk Committee)
Xi Xi

REGISTERED OFFICE
C/- Trinity Corporate Services Ltd
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Company Registration Number: 46795

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United Kingdom

REGISTRAR
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STOCK EXCHANGE LISTING
The Company's shares are quoted on the Official List of the Australian Securities Exchange. Ticker code: ZER

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SIGNIFICANT STAKES IN A SELECT RANGE OF KEY COMMODITY COMPANIES

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ZETA RESOURCES