



Zeta Resources Limited



ANNUAL REPORT
2015

Zeta Resources Limited

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

Nature of the Company

The company is a Bermudian exempted closed end investment company, whose ordinary shares are listed on the Australian Stock Exchange ("ASX"). The business of the company 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 borrowings ("gearing"), the proceeds from which can also be invested with the aim of enhancing returns to shareholders. This gearing increases the potential risk to shareholders should the value of the investments fall.

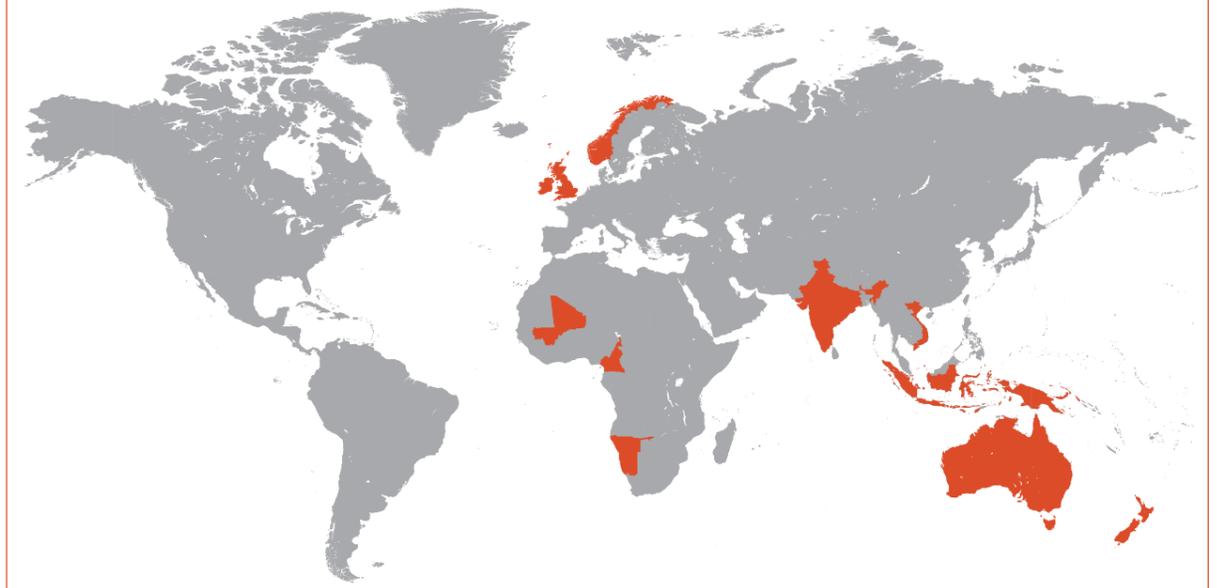
The company has contracted with an external investment manager, ICM Limited (the "Investment Manager" or "ICM"), to manage its investments and for the company secretarial function. The company's general administration is undertaken by ICM Corporate Services (Pty) Ltd. The company has a board of non-executive directors who oversee and monitor the activities of the Investment Manager and the other service providers and ensure that the investment policy is adhered to.

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Image Acknowledgements:

Petroleum Geo-Services Media Gallery - image for Seacrest on page 13

Geographic Investment Exposure



as at 30 June 2015

-  **Net tangible assets of A\$0.43 per ordinary share as at 30 June 2015**
-  **Share price decline of 39.4% over 12 months to 30 June 2015**
-  **NTA average annual compound loss since inception of 20.8%¹**
-  **Gross assets of US\$114.5m**

Financial calendar

Year End	30 June
Annual General Meeting	16 November 2015
Half Year	31 December
Half year December 2015 announcement	February 2016

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 and the Group. 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 views 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.

¹ Historic NTAs adjusted for the February 2014 entitlement issue

	30 June 2015	30 June 2014	Change % 2015/2014
Total return ⁽¹⁾ (annual) (%)	(55.3)	48.0	(215.2)
Annual compound total return ⁽²⁾ (since inception) (%)	(20.8)	36.7	(156.5)
Net tangible asset per ordinary share ⁽³⁾ (Australian cents)	42.7	95.5	(55.3)
Ordinary share price (Australian cents)	40.0	66.0	(39.4)
Discount (%)	(6.3)	(30.9)	(79.5)
Earnings/(loss) per ordinary share ⁽⁴⁾ (US dollars)	(0.57)	0.44	n/m
Dividends per ordinary share			
– Interim (Australian cents)	Nil	Nil	n/a
– Final (Australian cents)	Nil	Nil	n/a
Total (Australian cents)	Nil	Nil	n/a
Equity holders' funds (US\$m)	31.1	84.4	(63.2)
Gross assets ⁽⁵⁾ (US\$m)	70.7	110.6	(36.1)
Cash/(overdraft) (US\$m)	0.2	0.2	0.0
Other Debt (US\$m)	(39.8)	(26.4)	50.8
Net debt (US\$m)	(39.6)	(26.2)	51.1
Net debt gearing on gross assets (%)	56.0	23.7	n/a
Management and administration fees and other expenses (US\$m)			
– excluding performance fee	1.6	1.4	12.1
– including performance fee	1.6	4.9	(67.3)
Ongoing charges figure ⁽⁶⁾			
– excluding performance fee	1.5	1.2	n/a
– including performance fee	1.5	6.6	n/a

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

(2) Annual compound total return based on NTA per ordinary share return, plus dividends reinvested from the payment date, since NTA of A\$0.688 at launch on 12 June 2013.

(3) Historic NTA's per share adjusted for February 2014 entitlement issue.

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

(5) Gross assets less liabilities excluding loans.

(6) Expressed as a percentage of average net assets weighted for the February 2014 entitlement issue, ongoing charges comprise all operational, recurring costs, including directors fees, that are payable by the company, or suffered within underlying investee funds, in the absence of any purchases or sales of investments.

n/a = not applicable

n/m = not meaningful

The past year has been a challenging one for owners of investments in the resources sector. Almost without exception, precious metals and industrial commodity prices have fallen significantly from their highs early in the year.

Zeta has not been immune to these falls and with the leverage the company employs, the effect on its net assets has been magnified.

This environment we consider is full of opportunity for the patient investor and so despite the challenges, Zeta has continued to be active in the marketplace, increasing its investment positions in companies whose fundamentals are strong but are available at prices well below what we believe the companies are worth.

Zeta aims to have a number of concentrated holdings in resource companies where it can have an involvement in the development of those companies. Of Zeta's six largest investments, five represent stakes in excess of 15% of each of the investee companies. In four out of five of those, Zeta is the largest shareholder and has board representation on a number of them.

We continue to work with our investee companies to implement strategies that add value for all shareholders and we are pleased the recent reporting season has shown each is in a robust position to manage through this difficult period in the resource sector. Most have strong cash backing, cash generation from production and reserve and resource optionality.

Zeta is committed to seeking maximum long-term value from each investment and we believe each is very well placed to benefit from the eventual recovery in commodity prices.

We are grateful for the ongoing support of our majority shareholder, Utilico Investments Limited and are delighted that they have agreed to convert a significant part of the company's debt to equity through the issue to them of shares and options. This will have the substantial benefit to your company of removing both the interest burden and short term liability of the debt, as well as reducing the volatility in our equity.

Our challenge for the year ahead is to continue to advance the strategies of our existing investments and to make the most of the attractive opportunities we see emerging in this current downturn.

Peter Sullivan

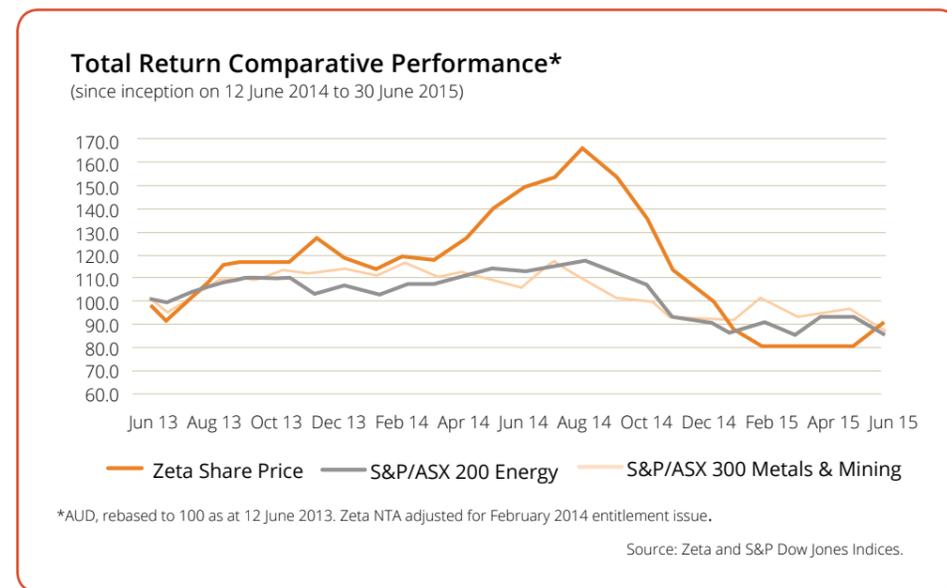
Chairman

3 September 2015

Following a year with relatively stable commodity markets, the financial year ended June 2015 has seen a significant bear market across all the commodities Zeta is invested in. The most notable decline has been in the price of oil, as Saudi Arabia moved early in the year to signal its determination not to cut production or lose market share, precipitating a steep decline in the oil price in ensuing months. Market observers have interpreted this as a strategic move by Saudi Arabia to undermine shale oil production in the United States. As shale oil and gas production is capital intensive, the steep reduction in oil prices has changed previous assumptions for providers of capital.

More broadly, as we have approached the end of the year ended June 2015, the theme has been a continued strengthening in the US dollar. This has been sustained by two factors: a flight to safety in the wake of the Greek Euro crisis and the Chinese stock market crash; and expectations for tightening in US interest rates. A stronger US dollar has meant weaker US dollar denominated commodity prices, but fortunately, in addition, has weakened commodity currencies such as the Australian dollar. This has occurred in the context of weak industrial commodity prices: iron ore, coal, copper, nickel, lead, zinc and aluminium. They have all declined more than 20% since their peaks near the start of the year. Interestingly, the Australian gold price actually rose 9.3% over the last 12 months.

As Zeta employs debt capital, the impact of falling resources company share prices in the wake of falling commodity prices is leveraged. During the year under review, Zeta's net assets per share fell from A\$0.955 to A\$0.427, a fall of 55.3%. For comparison, the S&P/ASX 200 Energy index fell 23.7% over the same period, and the S&P/ASX 300 Metals & Mining index fell 18.1%.



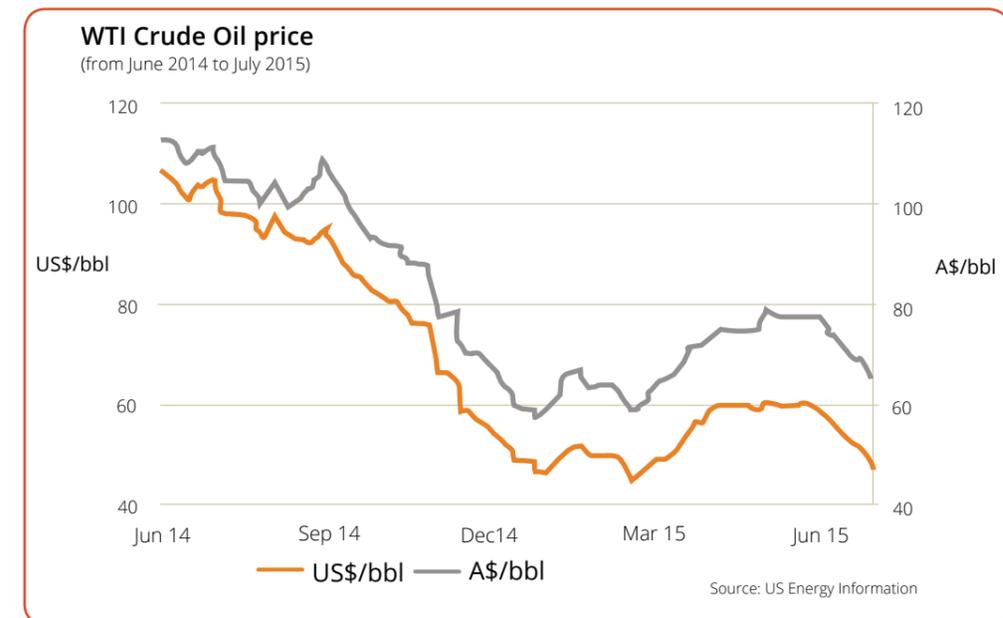
While the Zeta share performance over the past two years has essentially been flat this has been relatively pleasing given the company's leverage and the impact of falling commodity prices.

COMMODITY MARKETS

In a tough year for almost all commodity prices, the three main sectors Zeta is invested in were all hit by falling prices.

Oil & Gas

At the start of the year under review, the WTI Crude Oil price was US\$106/bbl. After the global financial crisis in 2009, oil prices stabilised and then fluctuated in a range between US\$75/bbl and US\$115/bbl, although that range gradually narrowed around US\$100/bbl. This year that pattern changed markedly. The context was a continual increase in production by the United States, such that the country was widely expected to become a significant net exporter of oil, rather than a significant net importer.



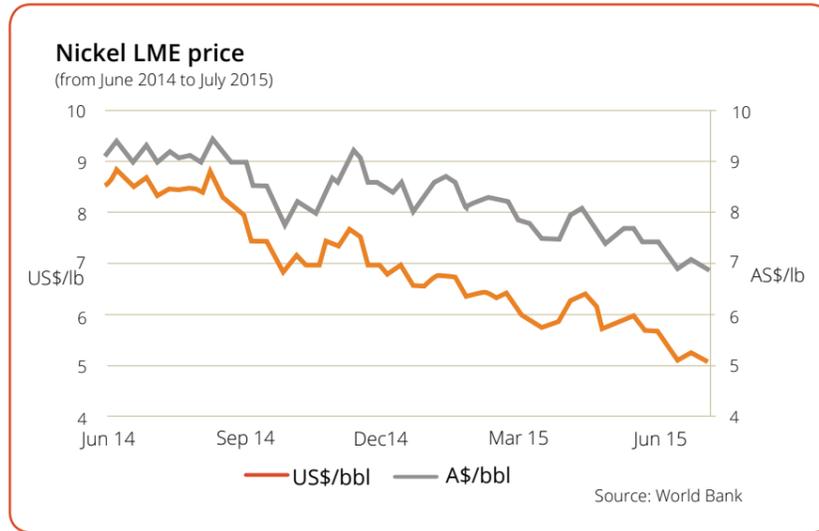
What changed was a strategic move by Saudi Arabia to not be the only ones to sustain oil prices by restricting its own oil production. In a key OPEC meeting in November, Saudi Arabia persuaded the cartel not to cut production. In subsequent remarks in the wake of steep decline in oil prices, Saudi Arabian oil minister Ali al-Naimi asked reporters "Why should we cut production? Why?". Saudi Arabia's strategy appears clear – to undermine the United States shale oil industry by convincing providers of capital that they cannot rely on oil prices being above US\$100/bbl, or indeed, even above US\$60/bbl which is around the estimated average cost for United States shale oil production.

The fracking revolution that has resulted in such a large recent increase in production is notable for being capital intensive, in that it requires multiple drilling and fracking. While the United States is more efficient at this process than anywhere else, they cannot continue to produce unprofitably. There are various estimates of Saudi Arabian marginal costs of production, but all these estimates are below US\$12/bbl.

As a result of sharply lower oil prices, United States shale oil production is now expected to fall, and domestic oil demand is increasing. Internationally, oil output is also falling, and market observers are concerned about a delayed impact on producers once hedges expire.

Nickel

While the past year has seen a bear market in almost all industrial commodities, nickel has been hit worse than most, with prices declining from US\$8.49/lb to US\$5.30/lb, a fall of 37.6%. In the previous year, nickel prices had stabilised above US\$8/lb after the Indonesian government's decision to ban the export of unrefined nickel ores. This ban remains in place, but the price of nickel has fallen as alternative stocks of nickel have been sourced such as from the Philippines.



Market observers believe China has been depleting its nickel stocks, and as a result are predicting a recovery in nickel prices. However, LME-tracked warehouse stocks have increased substantially in the year under review; as forecast shortfalls in annual production are below anticipated annual consumption, a situation which has been well signalled for some time.

Gold

Gold prices were mixed during the year to June 2015, but the end of the year witnessed a decline below previous levels in the wake of an increase in the US dollar. We noted previously that the rise in the US dollar has been due partly to a flight to safety during the Greek Euro crisis and the weakness in the Chinese stock market. In the past, gold has generally been a beneficiary of a flight to safety, but not in this year. This is partially explained by the second reason for the appreciation in the US dollar – expectations for an increase in US interest rates. Tighter US monetary conditions is traditionally seen as not good for gold, in that it reverses the main impetus for the rise of gold prices over the past decade, i.e. loose monetary policy in the form of quantitative easing etc.



Going forward, the outlook for gold prices is unclear. Should economic conditions decline, the US may have second thoughts about tightening its monetary policy, which may halt the appreciation in the US dollar and consequently benefit the gold price. Alternatively, current expectations are for US interest rates and the US dollar to increase.

CAPITAL STRUCTURE

Zeta is a closed-end investment company, listed on the ASX.

During the year Zeta has had working capital support from its parent company, Utilico Investments Limited ("Utilico"). As of 30 June 2015, Zeta had a loan from Utilico totalling US\$35.4 million, drawn partly in Australian dollars and partly in US dollars.

As at 30 June 2015, Zeta had gross assets of US\$71.1 million (2014: US\$114.5 million). Of this figure, \$39.0 million (2014: \$54.8 million) was invested in the oil & gas sector; \$21.9 million (2014: \$36.5 million) was invested in the nickel sector; \$9.9 million (2014: \$22.6 million) was invested in the gold sector; and the remaining \$0.3 million (2014: \$0.6 million) was invested in other commodity-based resources investments.

FINANCIAL RESULTS

The consolidated net loss after tax for the year was US\$53,242,013 against a profit of US\$29,186,342 in 2014. The majority of the consolidated net loss is comprised of revaluations of listed investments (marked to market) as at 30 June 2015 to account for financial assets being recognised at fair value.

SIGNIFICANT INVESTMENTS

Oil & Gas

NZOG

In the wake of sharply lower oil prices, exploration companies have curtailed their existing capital expenditure plans, and New Zealand Oil & Gas Limited ("NZOG") has been no exception. Following an expensive year of drilling in 2014, NZOG acted to acquire, by an on-market takeover, a controlling stake in an oil & gas company with existing production, ASX-listed Cue Energy Resources Limited, rather than spend the money on risky and expensive drilling. Operationally, the Pateke discovery was successfully tied back to existing production lines, and flow rates from that well have boosted oil volumes significantly.

Corporately, NZOG moved to make its balance sheet more efficient by returning an effective NZ\$0.15 per share to shareholders by way of a pro-rata buy-back. The company has also stated that it is working on plans for a further buy-back. During the year Duncan Saville, an ICM director, was appointed to the board of NZOG.

Pan Pacific Petroleum

During the year Zeta conducted a successful on-market takeover bid for ASX-listed Pan Pacific Petroleum NL ("PPP"), acquiring a 46.5% stake. The bid was launched after PPP's shares had declined significantly following an unsuccessful drill at Oi in offshore Taranaki, New Zealand. The attraction of PPP to Zeta was that it has significant existing production revenues and a net cash position on its balance sheet, thus mitigating potential economic value downside. During the year both Peter Sullivan and Dugald Morrison were appointed to the board of PPP.

Seacrest

Seacrest LP ("Seacrest") is a Bermuda-based specialist oil & gas offshore seismic exploration company. Seacrest has moved quickly to amass a significant number of interests in joint venture licenses for offshore oil exploration.

Nickel

Panoramic

Panoramic Resources Limited ("Panoramic") is a Western Australian mining company operating two 100%-owned underground nickel sulphide mines, the Savannah Project in the East Kimberley and the Lanfranchi Project near Kambalda, Western Australia, which make up the company's nickel division.

During the year Panoramic announced successful discoveries at both Savannah and Lanfranchi. Eventual development of these discoveries should extend the life of both mines. At the company's Mount Henry gold project, a feasibility study was released in May, adding a maiden reserve of 922,900oz of gold. Panoramic recently announced the sale of its 70% share in this project to Metals X for A\$17m of shares in Metals X.

In July 2015 the Lanfranchi operations experienced a magnitude 2.3 seismic event in the vicinity of the Deacon orebody. A subsequent geotechnical assessment, combined with the limited remaining ore at Deacon and the current low price of nickel, has meant that Panoramic has suspended production from Deacon. The company will instead focus on the Lower Schmitz discovery at Lanfranchi.

Gold

Resolute

ASX-listed Resolute Mining Limited ("Resolute") is a mid-cost gold producer with two mines in production, the Syama mine in Mali, and the Ravenswood mine in northern Queensland, Australia. Production in the year to June 2015 of c. 329,000oz of gold was down on the previous year's production of c. 343,000oz following the closure of the Golden Pride mine in Tanzania. The company continues to firm up prospects at its Bibiani project in Ghana, with positive results from its underground scoping study set to support a feasibility study at the project in 2016.

Production at Syama increased by 35.9% to 224,911oz following the successful commissioning of a new oxide circuit, which also saw cash costs fall by 20.4% to A\$800/oz. At Ravenswood production fell by 25.5% to 103,773oz due to increasing hardness of ore requiring greater processing as well as maintenance. Cash costs per ounce increased by 13.0% to A\$940/oz.

In June 2015, Resolute announced the completion of a pre-feasibility study at Syama which resulted in a material increase in the underground ore reserve to 2.3m oz, extending the life of the mine to at least 2028. Following the decline in the gold price, Resolute has conducted a review of operations at Syama and determined that the planned Stage 2 mining of the ore body is best achieved by underground, rather than open pit, mining. The switch to underground mining is expected to result in a significantly smoother cash flow profile and higher return on capital of the project.

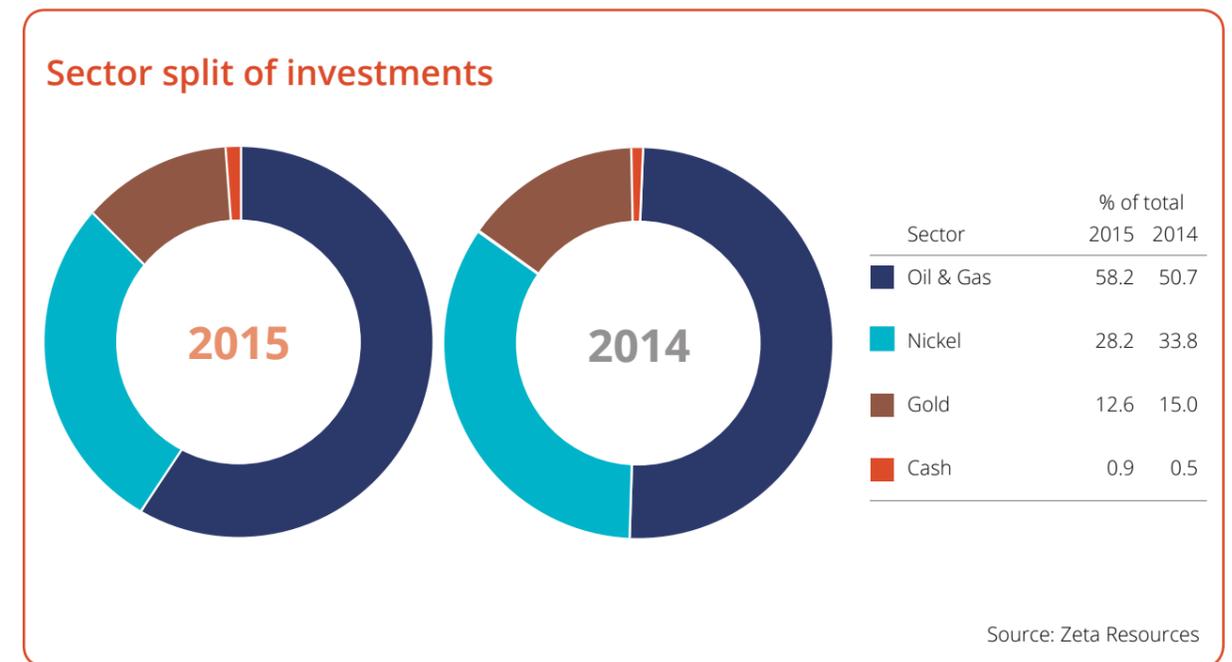
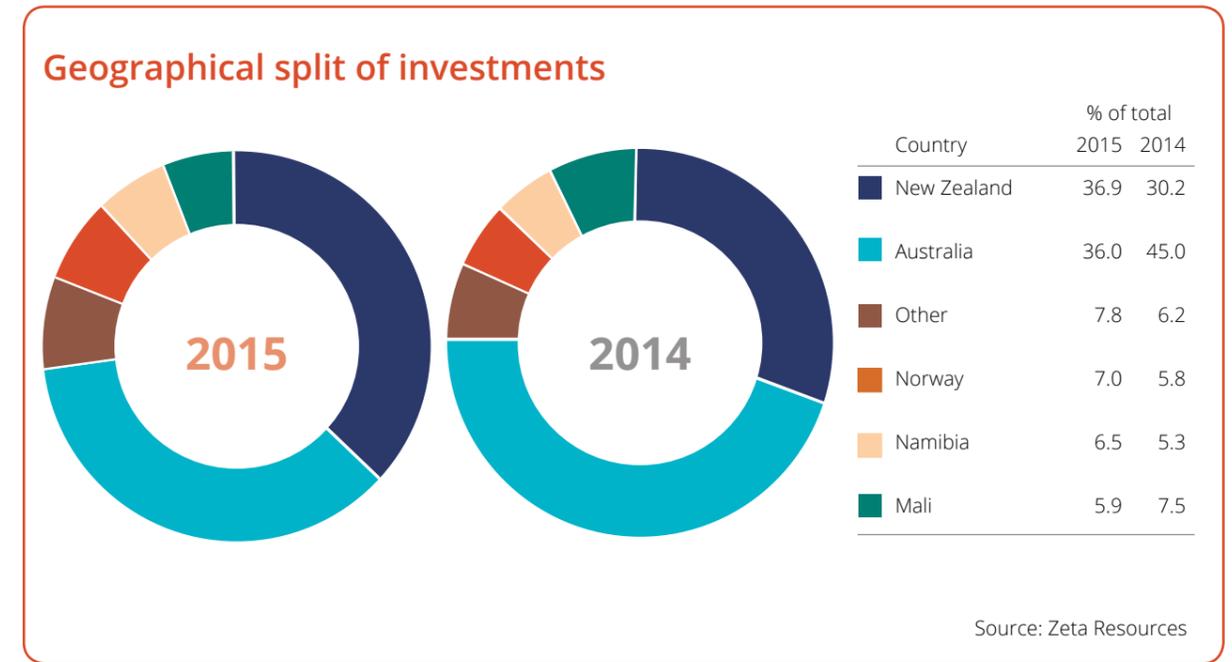
Resolute has provided guidance for gold production of 315,000oz at an average cash cost of A\$990/oz for the year to 30 June 2016.

Copper

Kumarina

Kumarina Resources Pty Limited ("Kumarina") is a 100%-owned subsidiary of Zeta. The company is focused on two prospective projects in Western Australia, being the Ilgarari copper project and the Murrin Murrin copper-gold project. The Ilgarari project contains a secondary copper oxide resource (JORC 2004) estimated to be 1,100,000 tonnes averaging 1.9% copper located around and below historical mine workings. The Murrin Murrin project is prospective for gold and base metals in the form VMS style copper zinc mineralisation. The company's main focus at the Murrin Murrin project has been the Malcolm Challenger gold mines which hosts an Indicated Resource (JORC 2012) of 547,000 tonnes averaging 3.12 g/t for 54,800 ounces.

JDF Morrison
ICM Limited
Investment Manager
3 September 2015



2015	2014	Company (Country of principal activity) Description	Fair value US\$ 000	% of total investments
1	(1)	Panoramic Resources Limited Nickel exploration and mining <i>(Australia)</i>	21,318	27.4%
2	(2)	New Zealand Oil & Gas Limited Oil & gas exploration and production <i>(New Zealand)</i>	20,196	26.0%
3	(3)	Seacrest LP – unlisted Oil & gas offshore seismic exploration <i>(Global)</i>	12,915	16.6%
4	(-)	Pan Pacific Petroleum NL Oil & gas exploration and production <i>(New Zealand, Vietnam)</i>	10,538	13.5%
5	(4)	Resolute Mining Limited Gold exploration and mining <i>(Australia, Mali)</i>	6,668	8.6%
Other investments			6,159	7.9%
Total Portfolio			77,794	100.0%

The value of the five largest holdings represents 92.1% (2014: 94.4%) of the group's total investments. The country shown is the location of the principal part of the investee company's business. The total number of companies included in the portfolio is 21 (2014: 13).



www.panoramicresources.com
Market Cap US\$85.6 million

Panoramic Resources Limited is a Western Australian mining company operating two 100%-owned underground nickel sulphide mines, the Savannah Project in the East Kimberley and the Lanfranchi Project near Kambalda, Western Australia, which make up the company's nickel division. Panoramic's business is leveraged to both the price of nickel, and the Australian dollar – the higher the price of nickel and the lower the Australian dollar, the higher the company's profits. During the year under review, Panoramic announced successful discoveries at both Savannah and Lanfranchi, which are expected to increase the mine life at each project. For the year ended June 2015, the company produced 19,301 Ni contained in concentrate/ore, down from last year's 22,256t Ni, at an average cash cost of US\$4.92/lb or A\$6.32/lb (last year: US\$5.16/lb or A\$5.53/lb). At 30 June 2015 the company had A\$54 million in net cash. Panoramic's shares fell 44% in the year to June 2015. After year end, a seismic event near the Deacon orebody at Lanfranchi has resulted in a suspension of production there; Panoramic will instead focus its Lanfranchi operations on the Lower Schmitz discovery.

Panoramic Resources Limited (Australia)



www.nzog.com
Market Cap US\$109.5 million

New Zealand Oil & Gas Limited is an independent New Zealand oil & gas exploration and production company, with exposure to two relatively low cost production assets in New Zealand: the Kupe gas and oil field (15% partner) and Tui area oil fields (27.5% partner). In addition, NZOG has an exploration portfolio in New Zealand and Indonesia. NZOG is listed on both the New Zealand and Australian stock exchanges. NZOG's share price declined 30.8% during the 12 months to June 2015. However, during the period the company returned an effective 15 cents per share to shareholders. Full year results to 30 June 2015 showed increased revenues at NZ\$120 million (previous year NZ\$112 million). Cash flow from operating activities was NZ\$8.6 million down from NZ\$11.5 million the prior year. At year end NZOG had NZ\$83.6 million (US\$55.3 million) of net cash, but it should be noted this includes Cue cash as well.

New Zealand Oil & Gas Limited (New Zealand)

www.seacrest.com
Market Cap N/A - Unlisted

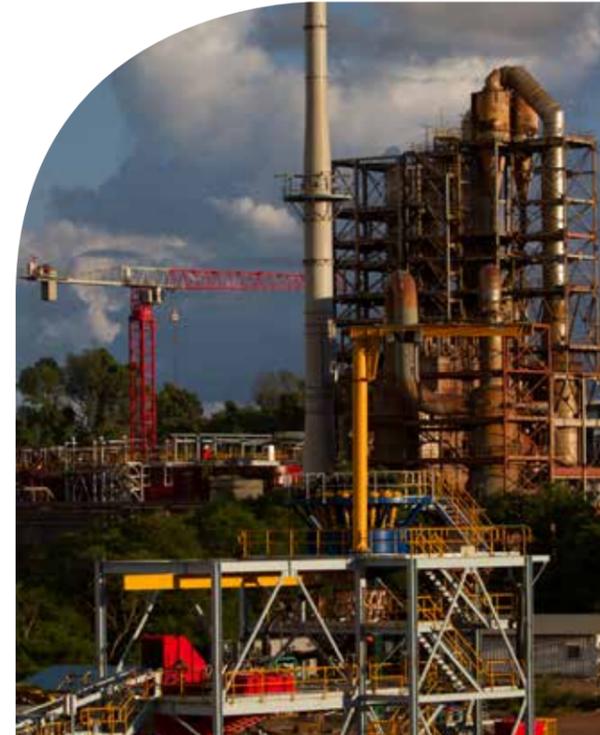
Seacrest LP is an unlisted Bermuda-based private seismic specialist oil explorer. They have access to one of the world's largest seismic databases, and a large team of petroleum geologists. The company is creating value by offering a better understanding of regional seismic patterns in oil & gas exploration basins globally. Seacrest's commercial approach is to join with operating exploration firms, and acquiring interests in joint ventures through farm-ins. Seacrest has established a number of subsidiaries with regional focuses. Having established a large portfolio of interests in joint venture oil & gas exploration permits, the company is reassessing its drilling plans in the wake of sharply lower oil prices.



Seacrest LP (Global)

www.resolute-ltd.com.au
Market Cap US\$109.1 million

Resolute Mining Limited is an unhedged gold producer, with a long life mine at Syama in Mali, another producing gold mine at Ravenswood in Australia, and a development project at Bibiani in Ghana. In the year to June 2015 Resolute's various operations yielded 328,684 ounces of gold. Average cash costs of A\$845 per ounce were lower than the previous year's A\$922 per ounce. During the year the company's new oxide circuit at Syama commenced production, boosting production and lowering average cash costs. Recent exploration results and reserves assessments have been successful, with the expected mine life at Syama now extended to 2028.



Resolute Mining Limited (Australia, Mali)

www.panpacificpetroleum.com.au
Market Cap US\$15.2 million

Pan Pacific Petroleum NL is an ASX-listed oil junior based in Sydney. The company has a 15% stake in the low cost Tui oil fields located in offshore Taranaki, New Zealand. PPP also has a 5% stake in the Block 07/03 development opportunity in Vietnam, which holds potential for both oil and gas. In April 2015 Zeta launched an on-market takeover bid that resulted in Zeta ending up with a 46.5% stake in PPP. In the year ended June 2015, PPP's share of oil production was 0.22 million barrels, up from 0.17 million barrels the previous year.



Pan Pacific Petroleum NL (New Zealand, Vietnam)

Zeta's aim is 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. The company invests in a range of resources entities, including those focused on oil & gas, gold and base metals exploration and production.

Zeta intends to have a mid to long term investment horizon and does not expect to be trading its positions on a frequent basis. Zeta will also work with its investee companies to seek to maximise their value and may make follow-on investments into these companies or increase investment through market purchases as appropriate.

Zeta may acquire majority or minority positions in its target investments. Zeta seeks opportunities which will maximise its ability to contribute as a proactive investor, with a view to actively extracting value for both its own investors and investors in the underlying investee companies. This proactive approach may include taking significant or full ownership positions in companies, bringing about management change and encouraging strategies to maximise shareholder value and return.

INVESTMENT POLICY

The Directors are responsible for the determination of the company's investment policy and have overall responsibility for the company's day-to-day activities. The company has, however, entered into an investment management agreement with ICM Limited under which ICM provides investment management services including stock selection, portfolio monitoring and research to the company.

ICM is the Investment Manager of Zeta. ICM is a Bermuda based global fund manager focused on finding investments at valuations that do not reflect their true long term value. Our investment approach is to have a deep understanding of the business fundamentals of each investment and its environment versus its intrinsic value. We are long term investors and see markets as a place to exchange assets.

ICM has some US\$2.4 billion under management directly and has indirect involvement in over US\$12 billion in a range of mandates. ICM has 35 staff based in offices in Bermuda, Cape Town, Dublin, Hong Kong, London, Melbourne, Singapore and Wellington.

ICM staff responsible for Zeta's investments include:

Dugald Morrison, aged 46, based in Wellington, New Zealand, is the General Manager for ICM NZ Limited. He has extensive investment analysis experience, having worked in stockbroking, investment banking and investment management firms in New Zealand, the United Kingdom, and the United States since 1987. Mr Morrison is a director of ASX-listed Pan Pacific Petroleum NL and a number of unlisted companies. He is a member of the New Zealand Institute of Directors.

Duncan Saville, aged 58, is a chartered accountant and a director of ICM Limited. He is currently a director of a number of listed companies including New Zealand Oil & Gas Limited. He was formerly a non-executive director of Utilico Investment Trust plc and is an experienced director. He is a Fellow of the Institute of Chartered Accountants Australia and New Zealand, Australian Institute of Directors and the Financial Service Institute of Australia and a member of the Singapore Institute of Directors.

Alasdair Younie, aged 39, is a director of ICM Limited. Based in Bermuda, he is a chartered accountant with experience in corporate finance and corporate investment. Mr Younie qualified as a chartered accountant with PricewaterhouseCoopers and subsequently worked for six years within the corporate finance department of Arbuthnot Securities Limited in London. Mr Younie is a director of the Ascendant Group Limited, Bermuda Commercial Bank Limited and Somers Limited and is a member of the Institute of Chartered Accountants in England and Wales.

Peter Ross Sullivan BE, MBA (Chairman)*, appointed 7 June 2013. Mr Sullivan is an engineer and has been involved in the management and strategic development of resource companies and projects for more than 20 years, including project engineering, corporate finance, investment banking, corporate and operational management and public company directorships. Mr Sullivan has considerable experience in the management and strategic development of resource companies.

Directorships of other listed companies in the last 3 years

Mr Sullivan is currently Chairman of Pan Pacific Petroleum NL (ASX: PPP) and non-executive director of both Resolute Mining Limited (ASX: RSG) and GME Resources Limited (ASX: GME). He was previously Chairman of Kumarina Resources Limited from December 2011 to 24 June 2013 when Kumarina was delisted.

Marthinus (Martin) Botha*, appointed 7 June 2013. Mr Botha has over 30 years' experience in banking, with the last 26 years spent in leadership roles building Standard Bank Plc's (part of The Standard Bank of South Africa Limited group of companies) international operations. Mr Botha's specific primary responsibilities have included establishing and leading the development of the core global natural resources trading and financing franchises, as well as various geographic strategies, including those in the Russian Commonwealth of Independent States, Turkey and Middle East. Mr Botha holds a Bachelor of Engineering degree in Survey.

Directorships of other listed companies in the last 3 years

Mr Botha is currently non-executive Chairman of Sberbank CIB (UK) Limited, a securities broker regulated by UK Financial Services Authority and Resolute Mining Limited (ASX: RSG).

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

Directorships of other listed companies in the last 3 years

Ms Xi was previously a non-executive director of Noble Minerals Resources (ASX: NMG).

*Non-Executive Director

Your directors present their report for Zeta Resources Limited, including its subsidiaries, Kumarina Resources Pty Limited, Zeta Energy Pte. Ltd and Zeta Investments Limited, for the year ended 30 June 2015.

DIRECTORS

The names of directors in office at any time during or since the end of the year are:

Peter Ross Sullivan
Marthinus (Martin) Botha
Xi Xi

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

PRINCIPAL ACTIVITIES

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

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

OPERATING AND FINANCIAL REVIEW

Operating results

The net loss attributable to the company for the year to 30 June 2015 amounted to \$53,242,013.

Overview of operating activity

The company listed on the ASX on 12 June 2013 following a scheme of arrangement to merge a portfolio of investments in resources companies held by its parent company Utilico Investments Limited with formerly ASX-listed junior gold explorer Kumarina Resources Limited. The combined value of the investments acquired under these two transactions was \$45,628,679.

During the year the company has proceeded to build its portfolio of resource investments by investing a further \$19,636,042. A decrease in the fair value of the portfolio resulted in an unrealised loss recognised in profit or loss at the year end of \$42,748,742.

The activities of the company's subsidiary, Kumarina, related to further exploration and evaluation of the existing Australian mining tenements (the Murrin Murrin and Ilgarari projects) and a total of A\$212,850 was invested during the 12 months to 30 June 2015 in further drilling and analysis work.

Financial position

At the end of the year, the company had \$193,267 in cash and cash equivalents. Investments at fair value totalled \$43,686,192, an investment loan to Zeta Energy valued at \$23,894,270 and the investment in subsidiaries was valued at \$3,193,721.

The company has a loan owing to Utilico of \$35,408,212 and loans owing to its subsidiaries of \$4,395,787 at the year end. Amounts outstanding from brokers (for settlement of trades) totalled \$119,912 at 30 June 2015.

No ordinary shares were issued during the year and no options were exercised during the year.

DIVIDENDS

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

AFTER BALANCE DATE EVENTS

On 8 July 2015, ASX-listed Oilex Ltd announced a placement and rights issue to fund its 2015/16 work programme. As part of the capital raising, Zeta has agreed to subscribe for 236 million new Oilex Ltd shares representing approximately 18.1% of Oilex Ltd's enlarged share capital (on an undiluted basis) and in addition subscribe for A\$4,243,500 of unsecured zero coupon convertible notes, convertible into 101,470,588 ordinary Oilex Ltd shares. The total consideration payable by Zeta for the placement, net of fees received, will be A\$14.0 million.

LIKELY DEVELOPMENTS

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

INFORMATION ON COMPANY SECRETARY

BCB Charter Corporate Services Limited was appointed Company Secretary in August 2012.

BCB Charter Corporate Services Limited delivers comprehensive corporate administration services for funds, exempted and local companies, and other business structures. BCB Charter Corporate Services Limited's clients operate in a wide range of sectors.

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 and executives interests

REMUNERATION POLICY

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

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

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

DETAILS OF REMUNERATION FOR DIRECTORS

The company paid a total of \$150,000 to directors for the year ended 30 June 2015.

The company had no employees as at 30 June 2015.

SHARE BASED COMPENSATION

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

DIRECTORS AND EXECUTIVES' INTERESTS

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

Director	Ordinary shares opening balance	Net change	Ordinary shares closing balance
Peter R Sullivan	5,670,632	-	5,670,632
Martin Botha	-	-	-
Xi Xi	-	-	-

Mr Sullivan also holds 644,113 options with a strike price of A\$1.00 and an expiry date of 7 June 2016, which he received as part of a pro rata issuance to all Kumarina shareholders on 7 June 2013.

MEETINGS OF DIRECTORS

The board held five meetings during the year which were attended by all directors. The meetings were held on 1 July, 5 September, 14 November 2014 and 9 February and 4 May 2015.

In addition, throughout the course of the year there were a number of resolutions of directors which were made by unanimous written resolution. This included the approval of the annual report and financial statements on 5 September 2014 and the half year report and financial statements on 16 February 2015.

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

LOANS TO DIRECTORS AND EXECUTIVES

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

UNLISTED OPTIONS

At the date of this report the number of unlisted options on issue was as follows:

10,122,903 Options exercisable at A\$1.00 each, expiring 7 June 2016.

There were no shares issued during the year or since the end of the year upon exercise of options.

AUDIT COMMITTEE

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

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

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

INDEMNIFYING OFFICERS OR AUDITORS

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

ENVIRONMENTAL REGULATION

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

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

NON-AUDIT SERVICES

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

ON-MARKET BUY BACK SCHEME

The company currently has no on-market share buy-back scheme in operation.

INVESTMENTS DISCLOSED BY THE COMPANY AT THE REPORTING DATE

	Number of shares	% of issued shares held
Listed		
Resolute Mining Limited	28,834,000	4.497%
Panoramic Resources Limited	60,123,907	18.705%
GME Resources Limited	19,580,826	4.242%
Unlisted		
Seacrest LP	10,500,000	24.45%
Kumarina Resources Pty Ltd	26,245,610	100%
Zeta Energy Pte. Ltd	100	100%
Zeta Investments Limited	100	100%

During the year the company completed a total of 210 transactions in securities and paid a total of US\$50,701 in brokerage on those transactions.

INVESTMENT MANAGEMENT AGREEMENT

The company entered into an Investment Management Agreement with ICM Limited on 10 April 2013. Management fees are payable at a rate of 0.5% per annum, of funds managed on calculation date, payable quarterly in arrears and pro-rated for any period less than three months.

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

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

The company also paid US\$432,656 in management fees during the reporting year.

AUDITORS' INDEPENDENCE DECLARATION

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

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



Peter R Sullivan
Chairman
Perth, Western Australia
3 September 2015

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 ASX Corporate Governance Principles and Recommendations (Third Edition) (Recommendations) to the extent appropriate to the size and nature of the group's operations. The company has prepared a statement ("Corporate Governance Statement") which 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 will be available for review on the company's website (www.zetaresources.co), and will be lodged together with an Appendix 4G to the ASX at the same time that the Annual Report is lodged with ASX.

The Appendix 4G will particularise 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 its website (www.zetaresources.co).



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Independent Auditor's Report

To the Shareholders of Zeta Resources Limited

Report on the Financial Statements

We have audited the financial statements of Zeta Resources Limited, which comprise the statements of financial position at 30 June 2015, and the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 25 to 47.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG Inc is a company incorporated under the South African Companies Act and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

KPMG Inc is a Registered Auditor, in public practice in terms of the Auditing Profession Act, 26 of 2005.
Registration number 1999/021543/21

Policy Board:
Chief Executive: TH Hoole

Executive Directors: M Letsitsi, SL Louw, NKS Malaba, M Oddy, CAT Smit

Other Directors LP Foune, N Fubu, AH Jaffer (Chairman of the Board), FA Karreem, ME Mqondo, AMS Mokgabudi, GM Pickering, JN Pierce

The company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown, where a list of the directors' names is available for inspection.



Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Zeta Resources Limited at 30 June 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Other Reports

As part of our audit of the financial statements for the year ended 30 June 2015, we have read the Report of the Directors for the purpose of identifying whether there are material inconsistencies between this report and the audited financial statements. This report is the responsibility of the respective preparers.

Based on reading this report we have not identified material inconsistencies between this report and the audited financial statements. However, we have not audited this report and accordingly do not express an opinion on this report.

KPMG Inc.

Patrick Farrand
Chartered Accountant (SA)
Registered Auditor
Director
3 September 2015



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Independent Auditor's Declaration to the directors of Zeta Resources Limited

In relation to our audit of the financial report of Zeta Resources Limited for the financial year ended 30 June 2015, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the International Standard on Auditing or any applicable code of professional conduct.

KPMG Inc.

Per P Farrand
Chartered Accountant (SA)
Registered Auditor
Director
03 September 2015

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Policy Board:
Chief Executive: TH Hoole

Executive Directors: M Letsitsi, SL Louw, NKS Malaba, MM Mapaya, M Oddy, CAT Smit

Other Directors: LP Fourie, N Fubu, AH Jaffer (Chairman of the Board), FA Karreem, ME Magondo, AMS Mokgabudi, GM Pickering, JN Pierce

The company's principal place of business is at KPMG Crescent, 85 Empire Road, Parktown where a list of the directors' names is available for inspection.

Notes	June 2015 \$	June 2014 \$	
5	Investment in subsidiaries	3,193,721	10,275,234
6	Investments	43,686,192	104,069,133
7	Loans to subsidiaries	23,894,270	-
Current assets			
8	Cash and cash equivalents	193,267	188,012
9	Trade and other receivables	13,171	-
	Balance due from brokers	119,912	-
Total assets		71,100,533	114,532,379
Non-current liabilities			
10	Loans from subsidiaries	(4,395,787)	(11,947,583)
11	Loan from parent	(35,408,212)	(14,449,593)
Current liabilities			
12	Trade and other payables	(175,974)	(3,729,294)
	Balance due to brokers	-	(43,336)
Total liabilities		(39,979,973)	(30,169,806)
NET ASSETS		31,120,560	84,362,573
Equity			
13	Share capital	832	832
13	Share premium	64,881,364	64,881,364
	Accumulated (losses)/profits	(33,761,636)	19,480,377
TOTAL EQUITY		31,120,560	84,362,573

Statement of Profit or Loss and Other Comprehensive Income

Zeta Resources Limited
Annual Report
for the year to 30 June 2015

Notes	for the year ended 30 June 2015	June 2015	June 2014
		\$	\$
	Revenue		
14	Investment (losses)/gains	(42,418,422)	36,243,059
15	Other income	(6,090,197)	(485,418)
	Expenses		
	Interest expense	(3,164,318)	(1,643,037)
16	Management and consulting fees	(432,656)	(3,900,400)
17	Operating and administration expenses	(1,136,420)	(1,027,862)
	(Loss)/profit before income tax	(53,242,013)	29,186,342
18	Income tax	-	-
	(Loss)/profit for the year	(53,242,013)	29,186,342
	Other comprehensive income	-	-
	TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR	(53,242,013)	29,186,342
	(Loss)/profit per share		
19	Basic and diluted (loss)/profit per share (cents per share)	(0.57)	0.44

Statement of Cash Flows

Zeta Resources Limited
Annual Report
for the year to 30 June 2015

Notes	for the year ended 30 June 2015	June 2015	June 2014
		\$	\$
20.1	Cash flows from operating activities		
	Cash utilised by operations	(3,748,481)	(1,962,126)
	Interest received	1,343	4,656
	Interest expense	(3,164,318)	(1,643,037)
	Net cash flows from operating activities	(6,911,456)	(3,600,507)
	Cash flows from investing activities		
	Investments purchased	(22,713,820)	(52,640,466)
	Investments sold	57,499,531	18,929,077
	Increase in loan to subsidiaries	(35,321,826)	-
	Net cash flows from investing activities	(536,115)	(33,711,389)
	Cash flows from financing activities		
20.2	Proceeds from issue of shares	-	19,249,722
	Increase in loan from parent	20,958,619	9,872,593
	(Decrease)/increase in loan from subsidiaries	(7,551,796)	6,479,098
	Net cash flows from financing activities	13,406,823	35,601,413
	Net movement in cash and cash equivalents	5,959,252	(1,710,483)
	Cash and cash equivalents at the beginning of the year	188,012	2,383,913
	Effect of exchange rate fluctuations on cash held	(5,953,997)	(485,418)
8	Cash and cash equivalents at end of the year	193,267	188,012

Statement of Changes in Equity

Zeta Resources Limited
Annual Report
for the year to 30 June 2015

Notes	for the year ended 30 June 2015	Share capital	Share premium	Accumulated (losses)/profits	Total
		\$	\$	\$	\$
	Balance at 1 July 2013	406	45,632,068	(9,705,965)	35,926,509
13	Issue of share capital	426	19,249,296	-	19,249,722
	Other comprehensive income for the year	-	-	29,186,342	29,186,342
	Balance at 30 June 2014	832	64,881,364	19,480,377	84,362,573
	Other comprehensive loss for the year	-	-	(53,242,013)	(53,242,013)
	Balance at 30 June 2015	832	64,881,364	(33,761,636)	31,120,560

Notes to the Financial Statements

Zeta Resources Limited
Annual Report
for the year to 30 June 2015

1. BASIS OF PREPARATION

1.1 Corporate Information

Zeta Resources Limited ("the company") is an investment company incorporated on 13 August 2012, listed on the Australian Stock Exchange and domiciled in Bermuda. The financial statements of the company as at and for the year ended 30 June 2015 comprise the company only.

1.2 Basis of preparation

The financial statements for the year ended 30 June 2015 have been prepared in accordance with International Financial Reporting Standards (IFRSs). The following accounting policies have, in all material respects, been applied consistently.

The financial statements were authorised for issue by the board of directors on 3 September 2015.

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 financial instruments at fair value through profit or loss, which are measured at fair value.

1.4 Functional and presentation currency

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

1.5 Use of estimates and judgements

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year, as well as critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in note 22.

2. ADOPTION OF NEW AND REVISED STANDARDS

Future amendments not early adopted in the 2015 year ended financial statements

At the date of these financial statements the following standards, amendments to standards, and interpretations, which are relevant to the company, have been issued by the International Accounting Standard Board, but have not yet been adopted by the company.

IFRS 9 Financial Instruments (effective for years commencing on or after 1 January 2018) - this standard addresses the initial measurement and classification of financial assets as either measured at amortised cost or at fair value. Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows. All other financial assets are measured at fair value with changes recognised in profit or loss. For an investment in an equity instrument that is not held for trading, an entity may on initial recognition elect to present all fair value changes from the investment in other comprehensive income.

IFRS 9 retains the classification and measurement requirements in IAS 39 for financial liabilities. The standard however requires for financial liabilities designated under the fair value option (other than loan commitments and financial guarantee contracts), that the amount of change in fair value attributable to changes in the credit risk of the liability be presented in other comprehensive income (OCI). The remaining amount of the total gain or loss is included in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss.

IFRS 9 will be adopted for the first time for the year ending 30 June 2019, subject to certain transitional provisions. The impact on the financial statements has not yet been estimated.

3. ACCOUNTING STANDARDS ADOPTED

The company has already adopted the following accounting standards:

IFRS 13 which introduces a single source of guidance on fair value measurement for both financial and non-financial assets and liabilities by defining fair value, establishing a framework for measuring fair value and setting out disclosure requirements for fair value measurements. The company accordingly uses last traded prices.

IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 12 Disclosure of Interests in Other Entities, IAS 27 (revised 2011) Separate Financial Statements and IAS 28 (revised 2011) Associates and Joint Ventures, and the Transition Guidance Amendments to IFRSs 10 and 12.

IFRS 10 Consolidated Financial Statements, introduced a new approach to determining which investees should be consolidated and provides a single model to be applied in the control analysis for all investees. An investor controls an investee when it is exposed or has rights to variable returns from its involvement with that investee, it has the ability to affect those returns through its power over that investee and there is a link between power and returns. Control is reassessed as facts and circumstances change. IFRS 10 supersedes IAS 27 (2008) and SIC-12 Consolidation – Special Purpose Entities. The company is assessed as qualifying as an investment entity as it provides professional investment management services; its business purpose is to invest funds solely for returns of capital appreciation and or investment income; and its investments are measured on a fair value basis. Accordingly, the company has not presented consolidated financial statements.

The company has determined that it meets the definition of an investment entity and as a result, the company's subsidiaries (being the investments in Kumarina Resources Pty Limited, Zeta Energy Pte. Ltd. and Zeta Investments Limited) are accounted for at fair value through profit or loss.

IFRS 12 Disclosure of Interests in Other Entities, which combines, in a single standard, the disclosure requirements for subsidiaries, associates and joint arrangements, as well as unconsolidated structured entities. The required disclosures aim to provide information to enable users to evaluate the nature of, and risks associated with, an entity's interests in other entities and the effects of those interests on the entity's financial position, financial performance and cash flows.

IAS 27 (revised 2011) Separate Financial Statements, and Amendments to IAS 27: The objective of the standard is to prescribe the accounting and disclosure requirements when an entity prepares separate financial statements. The Amendments require an investment entity as defined in IFRS 10 to present separate financial statements as its only financial statements in the case where it measures all of its subsidiaries at fair value through profit or loss and to disclose that fact.

4. SIGNIFICANT ACCOUNTING POLICIES

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

4.1 Revenue

Dividends receivable are recognised as income on the ex-dividend date.

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

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

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

4.2 Borrowing costs

Borrowing costs are recognised as an expense when incurred except those that relate to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

4.3 Income tax

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

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or

- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

4.4 Foreign currency

Foreign currency transactions and balances

Transactions in foreign currencies are translated into the respective functional currencies 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 retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year. The foreign currency gains or losses are recognised in profit or loss.

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

4.5 Earnings per share ("EPS")

Basic EPS is calculated as the net result 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 result 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 year 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.

4.6 Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in listed and unlisted securities, trade and other receivables, cash and cash equivalents, trade and other payables and amounts due to/from brokers.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

Recognition and derecognition of financial instruments

Financial instruments are recognised when, and only when, the company becomes a party to the contractual provisions of the particular instrument. The company derecognises a financial asset when the contractual rights to the cash flows arising from the financial asset have expired or when it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

A financial liability is derecognised when the liability is extinguished, that being, when the obligation specified in the contract is discharged, cancelled or has expired. The difference between the carrying amount of a financial liability assumed (or part thereof) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Financial assets at fair value through profit or loss

Investment purchases and sales are accounted for on the trade date, exclusive of transaction costs. Investments used for efficient portfolio management are classified as being at fair value through profit or loss. As the company's business is investing in financial assets with a view to profiting from their total return in the form of dividends, interest or increases in fair value, its investments are designated as being at fair value through profit or loss on initial recognition.

Gains and losses on investments are analysed within the statement of comprehensive income as capital return. Quoted investments are shown at fair value using market bid prices. The fair value of unquoted investments is determined by the Board. In exercising its judgement over the value of these investments, the Board uses valuation techniques which take into account, where appropriate, latest dealing prices, valuations from reliable sources, asset values, earnings and other relevant factors.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost at the reporting date. Cash and cash equivalents comprise operating cash balances, call deposits and short-term deposits with a maturity of three months or less.

Non-derivative financial liabilities

The company has the following non-derivative financial liabilities; loans and borrowings, trade and other payables and amounts due to/from brokers.

All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the company becomes a party to the contractual provisions of the instrument. The company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The difference between the carrying amount of a financial liability assumed (or part thereof), extinguished or transferred to another party and consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Trade and other payables

Trade and other payables are initially recognised at original invoice amount and are subsequently stated at amortised cost by applying the effective interest method. Trade and other payables are not discounted where the effects of discounting is considered immaterial. Trade and other payables are settled within 30 to 90 days and are interest free. Any gains on derecognition are recognised in profit or loss.

4.7 Impairment of assets

Financial assets

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

Non-financial assets

The carrying amounts of the non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset is the greater of its value in use and its fair value less cost to sell. The fair value less cost to sell is the amount obtainable from the sale of an asset in an arm's length transaction less the cost of disposal. While assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

4.8 Goodwill

Goodwill is any excess of the cost of an acquisition over the company's interest in the cost of the identifiable assets and liabilities acquired.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is allocated to the cash-generating unit and is tested annually for impairment.

4.9 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.

4.10 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.

5. INVESTMENT IN SUBSIDIARIES

	June 2015 \$	June 2014 \$
At fair value		
Investment in Kumarina Resources Pty Limited ("Kumarina")	3,193,719	10,275,233
Investment in Zeta Energy Pte. Limited ("Zeta Energy")	1	1
Investment in Zeta Investments Limited ("Zeta Investments")	1	1
	3,193,721	10,275,234

On 1 September 2014 the company acquired 100% of the shares and voting interests in Zeta Energy Pte. Ltd. There were no acquisition-related costs.

6. INVESTMENTS

	June 2015 \$	June 2014 \$
Financial assets at fair value through profit or loss	43,686,192	104,069,133
Equity securities at fair value		
Ordinary shares – listed	30,261,217	88,101,079
Subscription and other rights – unlisted	13,424,975	15,968,054
	43,686,192	104,069,133
Equity securities at cost		
Ordinary shares – listed	37,058,471	67,704,425
Subscription and other rights – unlisted	11,573,120	10,588,054
	48,631,591	78,292,479

Investments held by the company at the reporting date	Number of shares
Listed	
Panoramic Resources Limited	60,123,907
Resolute Mining Limited	28,834,000
GME Resources Limited	19,580,826
Other	18,152,409
Unlisted	
Seacrest LP	10,500,000
Other rights	
Other	400,000

During the year the company completed a total of 210 transactions (2014: 485 transactions) in securities and paid a total of US\$50,701 (2014: US\$149,284) in brokerage on those transactions.

During the year the company repaid loans received from its subsidiary Zeta Investments and from an external lender. The company also received loans from its subsidiary Zeta Energy. To secure the loans the company has pledged certain quantities of its shares held in listed entities.

The shares pledged include: Resolute Mining Limited (17,500,000) and Panoramic Resources Limited (5,000,000).

7. LOANS TO SUBSIDIARIES

	June 2015 \$	June 2014 \$
Loan to Zeta Energy	23,863,438	-
Loan to Kumarina	30,832	-
	23,894,270	-

The loan to Zeta Energy is denominated in Australian dollars to the value of A\$7.405 million and New Zealand dollars to the value of NZ\$43.671 million. There are no fixed repayment terms and no interest is charged. During the year ended 30 June 2015, the loan to Zeta Energy, which was utilised for the purchase of listed investments, was impaired, through profit and loss, to the fair value of that company as determined by the directors. As at 30 June 2015 the impairment to the loan totalled US\$11.428 million. The loan to Kumarina is denominated in Australian dollars and is interest free. There are no fixed repayment terms except that no repayment is due before 30 June 2016.

8. CASH AND CASH EQUIVALENTS

	June 2015 \$	June 2014 \$
Cash balance comprises:		
Cash at bank	193,267	188,012

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods between 3 to 6 months depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

9. TRADE AND OTHER RECEIVABLES

	June 2015 \$	June 2014 \$
Prepayments	13,171	-

10. LOANS FROM SUBSIDIARIES

	June 2015 \$	June 2014 \$
Loan from Kumarina	-	5,859,289
Loan from Zeta Energy	4,395,787	-
Loan from Zeta Investments	-	6,088,294
	4,395,787	11,947,583

The loan from Zeta Energy is denominated in Australian dollars and New Zealand dollars and attracts interest at a rate of 7.36% per annum (30 June 2014: Nil) on the Australian dollar loan and at 7.74% per annum (30 June 2014: Nil) on the New Zealand dollar loan. There are no fixed repayment terms except that no repayment is due before 30 June 2016.

11. LOAN FROM PARENT

	June 2015 \$	June 2014 \$
Loan from Utilico Investments Limited ("Utilico")	35,408,212	14,449,593

The loan is denominated in Australian dollars to the value of A\$11.55 million (30 June 2014 A\$6.6 million) and in United States dollars to the value of US\$25.734 million (30 June 2014 US\$8.080 million), carries interest at 10% per annum (30 June 2014: 10%) on the Australian dollar loan and 7.5% per annum (30 June 2014: 7.5%) on the United States dollar loan, and is repayable by no later than 30 September 2016.

12. TRADE AND OTHER PAYABLES

	June 2015 \$	June 2014 \$
Accruals	175,974	258,714
Sundry creditors	-	32,866
Provision for performance fee	-	3,437,714
	175,974	3,729,294

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

13. SHARE CAPITAL AND SHARE PREMIUM

Authorised

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

Issued	Number of shares	Share capital	Share premium
Ordinary shares			
Balance as at incorporation		-	-
Issued at incorporation as \$1 par shares	100	-	-
Shares split into 10,000,000 shares of \$0.00001 each	9,999,900	-	-
Issued in consideration for purchase of investments from Utilico	22,835,042	228	32,221,936
Issued in consideration for purchase of 100% of Kumarina	17,775,514	178	13,406,337
Issued under initial public offering	4,000	-	3,795
Issued under public rights issue dated 10 February 2014	42,616,164	426	19,249,296
Balance as at 30 June 2014	93,230,720	832	64,881,364
Balance as at 30 June 2015	93,230,720	832	64,881,364

For further details related to the share issue transactions please see note 20.2.

	June 2015 \$	June 2014 \$
Options		
Balance at the beginning of the year	10,122,903	–
Balance at the end of the year	10,122,903	10,122,903

Under the scheme of arrangement whereby the company acquired the entire share capital of Kumarina and purchased certain investments from Utilico one Zeta option was issued for each five ordinary shares issued.

The options are exercisable at an exercise price of A\$1.00 into one ordinary share until 7 June 2016.

14. INVESTMENT INCOME

	June 2015 \$	June 2014 \$
Interest income	1,343	4,656
Dividend income	1,686,534	2,110,554
Realised (losses)/gains:	(1,357,557)	1,775,524
Unrealised fair value (losses)/gains:		
Financial assets at fair value through profit or loss	(42,748,742)	32,352,325
	(42,418,422)	36,243,059

15. OTHER INCOME

	June 2015 \$	June 2014 \$
Foreign exchange losses	(5,953,997)	(485,418)
Other income	(136,200)	–
	(6,090,197)	(485,418)

16. MANAGEMENT AND CONSULTING FEES

	June 2015 \$	June 2014 \$
Management and consulting fees	432,656	3,900,400

The company entered into an investment management agreement with ICM Limited (Bermuda registered) on 10 April 2013. Management fees are payable at a rate of 0.5% per annum, of funds managed on calculation date, payable quarterly in arrears and pro-rated for any period less than three months.

Performance fees are payable annually at year end on the difference between adjusted equity funds (adjusted for any dividends paid or accrued) on calculation date less adjusted base equity funds (high-water mark) previously used in the performance fee calculation multiplied by 15%. The adjusted base equity funds is the base equity fund used in the last performance fee calculation adjusted by the average percentage income yield on the S&P/ASX 300 Metals and Mining Index. No performance fee was payable in the current year (2014: US\$3,437,714).

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

17. OPERATING AND ADMINISTRATION EXPENSES

	June 2015 \$	June 2014 \$
Operating and administration expenses consist of:		
Accounting fees	103,628	–
Audit fees	13,982	22,627
Australian Stock Exchange listing fees	49,954	51,407
Directors fees	150,000	153,333
Legal fees	159,608	86,378
Other expenses	659,248	714,117
	1,136,420	1,027,862

18. INCOME TAX

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

19. (LOSS)/PROFIT PER SHARE

	June 2015 \$	June 2014 \$
Basic and diluted (loss)/profit per share (cents)	(0.57)	0.44

(Loss)/profit used in calculation of basic and diluted earnings per share	(53,242,013)	29,186,342
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Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted earnings per share	93,230,720	67,077,239
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The weighted average number of ordinary shares calculation is based on the year beginning 1 July 2014. For details of shares issued during the year refer to note 20.2.

No adjustment is made for the 10,122,903 options in issue at 30 June 2015 (30 June 2014: 10,122,903) as they are not considered to be dilutive.

20. NOTES TO THE CASH FLOW STATEMENT

	June 2015 \$	June 2014 \$
20.1 Cash utilised by operations		
(Loss)/profit before income tax benefit	(53,242,013)	29,186,342
Adjustments for:		
Realised losses/(gains) on investments	1,357,557	(1,775,524)
Fair value loss/(profit) on revaluation of investments	31,321,186	(32,352,325)
Impairment of loan to subsidiary	11,427,556	–
Foreign exchange losses	5,953,997	485,418
Interest income	(1,343)	(4,656)
Interest expense	3,164,318	1,643,037
Operating loss before working capital change	(18,742)	(2,817,708)
(Increase) in trade and other receivables	(13,171)	–
Decrease/Increase in trade and other payables	(3,553,320)	3,689,605
Decrease in balance due to brokers	(163,248)	(2,834,023)
	(3,748,481)	(1,962,126)

	June 2015 \$	June 2014 \$
20.2 Issue of share capital		
Shares issued for consideration		
As part of a renounceable pro-rata entitlement issue the company made an offering of up to 50,614,556 ordinary shares at A\$0.50 whereby existing shareholders would be entitled to acquire one new ordinary share for every one held at the record date. Under this offering the company issued 42,616,164 shares on 10 February 2014 raising the equivalent of \$19,249,722.	-	19,249,722

21. AUDITOR REMUNERATION

	June 2015 \$	June 2014 \$
Amounts received or due and receivable by the auditors for audit of financial statements	13,982	22,627

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

The analysis of assets into their categories as defined in IAS 39 "Financial Instruments: Recognition and Measurement" (IAS 39) is set out in the following table. For completeness, assets and liabilities of a non-financial nature, or financial assets and liabilities that are specifically excluded from the scope of IAS 39, are reflected in the non-financial assets and liabilities category.

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

	Designated at fair value through profit and loss \$	Loans and receivables \$	Total carrying value \$
30 June 2015			
Assets			
Investments in subsidiaries	3,193,721	-	3,193,721
Investments	43,686,192	-	43,686,192
Loans to subsidiaries	-	23,894,270	23,894,270
Cash and cash equivalents	-	193,267	193,267
Trade and other receivables	-	13,171	13,171
Balance due from brokers	-	119,912	119,912
	46,879,913	24,220,620	71,100,533

	Designated at fair value through profit and loss \$	Loans and receivables \$	Total carrying value \$
Liabilities			
Loans from subsidiaries	-	4,395,787	4,395,787
Trade and other payables	-	175,974	175,974
Loan from parent	-	35,408,212	35,408,212
	-	39,979,973	39,979,973

30 June 2014**Assets**

Investments in subsidiaries	10,275,234	-	10,275,234
Investments	104,069,133	-	104,069,133
Cash and cash equivalents	-	188,012	188,012
	114,344,367	188,012	114,532,379

Liabilities

Loans from subsidiaries	-	11,947,583	11,947,583
Trade and other payables	-	3,729,294	3,729,294
Balance due to brokers	-	43,336	43,336
Loan from parent	-	14,449,593	14,449,593
	-	30,169,806	30,169,806

22.1 Market risks

The fair value of equity and other financial securities held in the company's portfolio fluctuates with changes in market prices. Prices are themselves affected by movements in currencies and interest rates and by other financial issues, including the market perception of future risks. The board sets policies for managing these risks within the company's objectives 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 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 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 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, Sterling and New Zealand Dollar. The exchange rates applying against the United States Dollar at 30 June 2015 and the average rates for the year were as follows:

	30 June 2015	Average
AUD – Australian Dollar	0.7708	0.8366
GBP – Sterling	1.5725	1.5755
NZD – New Zealand Dollar	0.6774	0.7775

The company's monetary assets and liabilities at 30 June 2015 (shown at fair value), by currency based on the country of primary operations, are shown below:

30 June 2015	USD	AUD	GBP	NZD
Cash and cash equivalents	5,516	184,734	1,423	1,594
Trade and other receivables	-	13,171	-	-
Balance due to brokers	-	119,912	-	-
Loans to subsidiaries	-	3,890,613	-	20,003,657
Loans from subsidiaries	-	(2,721,459)	-	(1,674,328)
Loan from parent	(25,734,714)	(9,673,498)	-	-
Trade and other payables	(169,003)	(497)	-	(6,474)
Net monetary (liabilities)/assets	(25,898,201)	(8,187,024)	1,423	18,324,449

30 June 2014	USD	AUD	GBP	NZD
Cash and cash equivalents	4,605	9,681	172,623	1,103
Loans from subsidiaries	-	(9,009,138)	-	(2,938,445)
Loan from parent	(8,079,739)	(6,369,854)	-	-
Trade and other payables	(3,641,448)	(54,980)	-	(32,866)
Balance due to brokers	-	(43,336)	-	-
Net monetary (liabilities)/assets	(11,716,582)	(15,467,627)	172,623	(2,970,208)

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 annualised income after tax and on net asset value (NAV) per share:

Strengthening of the United States Dollar	AUD	GBP	NZD	Total
30 June 2015				
Increase in total comprehensive loss for the year ended	(2,603,181)	(115,348)	(2,791,518)	(5,510,047)

30 June 2014				
Increase in total comprehensive loss for the year ended	(3,714,956)	(197,763)	(3,105,073)	(7,017,792)

Weakening of the United States Dollar	AUD	GBP	NZD	Total
30 June 2015				
Decrease in total comprehensive loss for the year ended	2,603,181	115,348	2,791,518	5,510,047

30 June 2014				
Decrease in total comprehensive loss for the period ended	3,714,956	197,763	3,105,073	7,017,792

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 2015 is shown below:

	Within one year \$	Greater than one year \$	Total \$
30 June 2015			
Exposure to floating rates:			
Cash	193,267	-	193,267
Exposure to fixed rates:			
Loan from subsidiaries	-	(4,395,787)	(4,395,787)
Loan from parent	-	(35,408,212)	(35,408,212)
30 June 2014			
Exposure to floating rates:			
Cash	188,012	-	188,012
Exposure to fixed rates:			
Loan from subsidiaries	-	(11,947,583)	11,947,583
Loan from parent	-	(14,449,593)	(14,449,593)

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. Borrowings are at a fixed rate and not sensitive to interest rate risk.

Other market risk exposures

The portfolio of investments, valued at US\$43,686,192 at 30 June 2015 (30 June 2014: US\$104,069,133) 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 investment held by the company would result in an unrealised loss of \$4,368,619. A 10% appreciation in the market price would have the opposite effect.

22.2 Liquidity risk exposure

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to 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 contractual maturities of the financial liabilities, based on the earliest date on which payment can be required, were as follows:

	Three months or less \$	More than three months but less than a year \$	More than a year \$	Total \$
	-	-	4,395,787	4,395,787
	175,974	-	-	175,974
Loans from parent	-	-	35,408,212	35,408,212
	175,974	-	39,803,999	39,979,973
30 June 2014				
Loan from subsidiaries	-	-	11,947,583	11,947,583
Trade and other payables	3,729,294	-	-	3,729,294
Balance due to brokers	43,336	-	-	43,336
Loans from parent	-	-	14,449,593	14,449,593
	3,772,630	-	26,397,176	30,169,806

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 on-going contract with its Custodians for the provision of custody services. The contracts are reviewed regularly. Details of securities held in custody on behalf of the company are received and reconciled monthly.

Maximum exposure to credit risk

The company has loan assets totalling \$23,894,270 that are exposed to credit risk.

None of the company's financial assets is past due or impaired. 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-).

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 positions at fair value. Borrowings under loan facilities do not have a value materially different from their capital repayment amount. Borrowings in foreign currencies are converted into United States Dollars at exchange rates ruling at each valuation date.

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

Valuation of financial instruments

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

Level 1: The fair values are measured using quoted prices in active markets.

Level 2: The fair values are measured using inputs, other than quoted prices, that are included within level 1, that are observable for the asset.

Level 3: The fair values are measured using inputs for the asset or liability that are not based on observable market data.

	Level 1 \$	Level 2 \$	Level 3 \$
30 June 2015			
Financial assets			
Investments	30,261,217	-	13,424,975
Investment in subsidiaries	-	-	3,193,721
Loan to subsidiary	-	-	23,894,270

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 \$	Level 3 Investments in subsidiary \$	Level 3 loan to subsidiary \$
Balance at 30 June 2014	15,968,054	10,275,234	-
Acquisitions during the year	1,000,000	1	35,321,826
Disposals during the year	-	(5,293,501)	-
Total gains or losses recognised in:			
Profit or loss	(3,543,079)	(1,788,013)	(11,427,556)
Balance at 30 June 2015	13,424,975	3,193,721	23,894,270

	Level 1 \$	Level 2 \$	Level 3 \$
30 June 2014			
Financial assets			
Investments	88,101,079	-	15,968,054
Investment in subsidiaries	-	-	10,275,234

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 \$	Level 3 Investments in subsidiary \$
Balance at 30 June 2013	3,250,000	10,275,233
Acquisitions during the year	7,338,054	1
Total gains or losses recognised in:		
Profit or loss	50,000	5,380,000
Balance at 30 June 2014	15,968,054	10,275,234

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 has a responsibility for ensuring the company's ability to continue as a going concern. It must therefore maintain an optimal capital structure through varying market conditions. This involves the ability to issue and buy back share capital within limits set by the shareholders in general meeting; borrow monies in the short and long term; and pay dividends to shareholders out of current year earnings as well as out of brought forward reserves.

23. RELATED PARTIES**23.1 Material related parties***Holding company*

The company's holding company is Utilico which held 83.65% of the company's issued share capital on 30 June 2015. Utilico is in turn held 56.82% by General Provincial Life Pension Fund (L) Limited.

Subsidiary companies

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

Key management personnel

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

Investment manager

ICM Limited is the investment manager of both the company and its holding company.

23.2 Material related party transactions**Nature of transactions**

Investments in related parties:

	June 2015 \$	June 2014 \$
Kumarina	3,193,719	10,275,233
Zeta Investments	1	1
Zeta Energy	1	-

On 1 September 2014 the company acquired 100% of the shares and voting interests in Zeta Energy Pte. Limited. There were no acquisition related costs. On 13 April 2015 Kumarina bought back and cancelled 44,856,490 shares. The amount paid for these shares was A\$6,481 million. This had no effect on the percentage holding in Kumarina.

Loans to related parties:

Kumarina	30,832	-
Zeta Energy	23,863,438	-

Loans from related parties:

Utilico	35,408,212	14,449,593
Kumarina	-	5,859,289
Zeta Energy	4,395,787	6,088,294

Interest charged by the subsidiaries	552,203	634,612
Interest charged by the parent company	2,412,137	911,649
Interest charged by the investment manager	109,120	-
Fees paid to the investment manager	431,181	3,900,400
Fees paid to the directors	150,000	153,333

24. SEGMENTAL REPORTING

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

Gold: investments in companies which mine gold

Oil & Gas: investments in companies which extract or prospect for oil or gas

Mineral Exploration: investments in companies which mine minerals other than gold

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

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

Information about reportable segments

	Gold \$	Oil & gas \$	Mineral exploration \$	Other segments \$	Total \$
30 June 2015					
External revenues	(9,186,191)	(14,470,287)	(18,499,858)	(262,086)	(42,418,422)
Reportable segment revenue	(9,186,191)	(14,470,287)	(18,499,858)	(262,086)	(42,418,422)
Interest revenue	-	-	-	1,343	1,343
Interest expense	-	-	-	(3,164,318)	(3,164,318)
Reportable segment loss before tax	(9,186,191)	(14,599,002)	(18,499,858)	(10,956,962)	(53,242,013)
Reportable segment assets	9,861,293	38,971,352	21,936,822	331,066	71,100,533
Reportable segment liabilities	-	-	-	(39,979,973)	(39,979,973)

30 June 2014

External revenues	4,110,018	9,304,180	22,809,271	19,590	36,243,059
Reportable segment revenue	4,110,018	9,304,180	22,809,271	19,590	36,243,059
Interest revenue	-	-	-	4,656	4,656
Interest expense	-	-	-	(1,643,037)	(1,643,037)
Reportable segment profit/(loss) before tax	4,110,018	9,304,180	22,809,271	(7,037,127)	29,186,342
Reportable segment assets	22,620,202	54,796,483	36,539,627	576,067	114,532,379
Reportable segment liabilities	-	(43,336)	-	(30,126,470)	(30,169,806)

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

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

	June 2015 \$	June 2014 \$
Revenues		
Total revenue for reportable segments	(42,156,336)	36,223,469
Revenue for other segments	(262,086)	19,590
Revenue	(42,418,422)	36,243,059
Profit or loss		
Total profit/(loss) for reportable segments	(42,285,051)	36,223,469
Loss for other segments	(10,956,962)	(7,037,127)
(Loss)/profit before tax	(53,242,013)	29,186,342
Assets		
Total assets for reportable segments	70,769,467	113,956,312
Assets for other segments	331,066	576,067
Total assets	71,100,533	114,532,379
Liabilities		
Total liabilities for reportable segments	-	(43,336)
Liabilities for other segments	(39,979,973)	(30,126,470)
Total liabilities	(39,979,973)	(30,169,806)

Geographic information

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

	June 2015 \$	June 2014 \$
Revenue		
Australia	(22,361,895)	22,718,098
Singapore	(11,427,556)	-
Egypt	-	2,330,918
Mali	(5,104,743)	702,532
Namibia	(1,278,383)	2,073,370
New Zealand	(94,932)	3,928,894
Norway	(1,390,572)	2,259,920
United Kingdom	(455,871)	740,870
Other Countries	(42,384)	1,468,867
	(42,156,336)	36,223,469
Assets		
Australia	27,556,243	51,252,250
Singapore	23,894,270	-
Mali	4,582,564	8,518,029
Namibia	5,176,237	6,060,620
New Zealand	7,800	34,387,410
Norway	5,639,348	6,605,920
United Kingdom	1,848,749	2,165,620
Other Countries	2,064,256	4,966,463
	70,769,467	113,956,312

25. EVENTS AFTER THE REPORTING DATE

On 8 July 2015, ASX-listed Oilex Ltd announced a placement and rights issue to fund its 2015/16 work programme. As part of the capital raising, Zeta has agreed to subscribe for 236 million new Oilex Ltd shares representing approximately 18.1% of Oilex Ltd's enlarged share capital (on an undiluted basis) and in addition subscribe for A\$4,243,500 of unsecured zero coupon convertible notes, convertible into 101,470,588 ordinary Oilex Ltd shares. The total consideration payable by Zeta for the placement, net of fees received, will be A\$14.0 million.

1. SUBSTANTIAL SHAREHOLDERS

As at 15 September 2015, the company had received notification of the following substantial shareholdings:

Utilico Investments Limited	79,224,689 (84.98%)
Peter Ross Sullivan	5,670,632 (6.08%)

2. DISTRIBUTION SCHEDULE OF ORDINARY SHARES HELD AT 15 SEPTEMBER 2015

Holding ranges	No. of share	No. of ordinary shareholders	% of issued capital
1 – 1,000	4,090	15	0.00
1,001 – 5,000	555,555	158	0.54
5,001 – 10,000	304,588	34	0.33
10,001 – 100,000	1,376,570	37	1.48
100,001 – and over	91,041,699	16	97.65
Total	93,230,720	260	100.00

The number of shareholders holding less than a marketable parcel of ordinary shares at 15 September 2015 is 21 and they hold 11,521 securities.

Source: Security Transfer Registrars

3. DISTRIBUTION SCHEDULE OF LISTED OPTIONS TO ACQUIRE ORDINARY SHARES HELD AT 15 SEPTEMBER 2015

Holding ranges	No. of listed options	No. of listed option holders	% of listed option
1 – 1,000	149,388	228	1.48
1,001 – 5,000	230,647	84	2.28
5,001 – 10,000	106,079	13	1.05
10,001 – 100,000	1,073,766	25	10.61
100,001 – and over	8,563,023	25	84.59
Total	10,122,903	355	100.00

The number of option holders holding less than a marketable parcel of options to acquire ordinary shares at 15 September 2015 is 338 and they hold 734,983 listed options.

Source: Security Transfer Registrars

4. TOP 20 HOLDINGS OF FULLY PAID ORDINARY SHARES AS AT 15 SEPTEMBER 2015

Name	Shares	% of issued capital
J P Morgan Nominees Australia Limited	78,153,570	83.83
HSBC Custody Nominees Australia Limited	7,652,619	8.21
James Noel Sullivan	1,575,025	1.69
Hardrock Capital Pty Limited ATF CGLW Superannuation Fund	600,000	0.64
Calimo Pty Limited	576,510	0.62
Gillian Clare Sellers	400,000	0.43
Cherryburn Pty Limited	350,000	0.38
Custodial Services Limited	281,300	0.30
John Gillis Broinowski	260,000	0.28
Uuro Pty Limited	250,000	0.27
Australian Executor Trustees Limited No.1 Account	200,000	0.21
Peter Irving Burrows AO	200,000	0.21
ACS (NSW) Pty Limited	170,000	0.18
Pendan Pty Limited	127,675	0.14
Gail Sullivan	125,000	0.13
Minturn Pty Limited	120,000	0.13
T J + K M Russell	100,000	0.11
Brendon Hugh Doyle	89,000	.10
Stephanie Saville	70,110	.08
Stephen Leeder & K Esson	70,000	0.08
Total for top 20	91,370,809	98.02

Source: Security Transfer Registrars

5. VOTING RIGHTS

All ordinary shares carry one vote per share without restriction.

6. TOP 20 HOLDINGS OF LISTED OPTIONS AS AT 15 SEPTEMBER 2015

Name	Shares	% of issued capita
J P Morgan Nominees Australia Limited	6,937,076	68.53
HSBC Custody Nominees Australia Limited	879,275	8.69
Wayne C Van Blitterswyk	325,000	3.21
James Noel Sullivan	315,005	3.11
Calimo Pty Limited	106,667	1.05
Hardrock Capital Pty Limited ATF CGLW Superannuation Fund	100,000	0.99
Wayne Vincent Halloran	96,667	0.95
Wayne C Van Blitterswyk	96,666	0.95
Hardrock Capital Pty Limited	82,800	0.82
Andrew John Fisher	72,450	0.72
Kesli Chemicals Pty Limited	62,314	0.62
Cherryburn Pty Limited	57,000	0.56
Molonglo Pty Limited	54,000	0.53
HSBC Custody Nominees Australia Limited	53,000	0.52
Geomett Pty Limited	50,000	0.49
UBS Wealth Management Australia Nominees Pty Limited	50,000	0.49
Halcyon Nominees Pty Limited	50,000	0.49
Anthony John + S J Power	27,000	0.27
Pendan Pty Limited	25,535	0.25
Gail Sullivan	25,000	0.25
Total for top 20	9,465,455	93.49

Source: Security Transfer Registrars.

7. USE OF CAPITAL

Pursuant to the requirements of ASX listing rule 4.10.19 the company has used all cash and assets in a form readily convertible to cash, that it held at the time of admission, in a way consistent with its business objectives.

8. 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.

9. KUMARINA TENEMENT SCHEDULE

Project Area	Tenement ID	Ownership	Comments
Ilgarari	E52/2274	100%	
Eulaminna	M39/0371	0%	Gold and Base Metals Rights
	M39/0372	0%	Gold and Base Metals Rights
Murrin Murrin	M39/0397	100%	
	M39/0397	100%	
	M39/0398	100%	
	M39/0399	100%	
	M39/0400	100%	
	M39/1068	100%	
	P39/5230	100%	
	P39/5231	100%	
	P39/5232	100%	
	P39/5233	100%	
	P39/5234	100%	
	P39/5235	100%	
	P39/5236	100%	
P39/5237	100%		
P39/5238	100%		

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

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

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Stock Exchange Listing

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