ZETA RESOURCES

ARBN 162 902 481

Audited Financial Report

For the year ended 30 June 2024

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Corporate Directory

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

Directors (Non-Executive)

Peter Sullivan
Marthinus (Martin) Botha
André Liebenberg
Xi Xi

Registered Office

C/- Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda
Company Registration Number: 46795

Australian Registered Office

Level 9, 1 York Street
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Australia
Telephone: +61 414 224 494

Canadian Office

ICM CA Research Limited
1800-510 West Georgia Street
Vancouver BC V6B 0M3
Canada
Telephone: +1 604 227 0458
Email: contactca@icm.limited

New Zealand Office

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New Zealand
Email: contact@icmnz.co.nz

Investment Manager

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Bermuda
Telephone: +1 441 542 9242
Email: contact@icm.limited

Secretary

ICM Limited
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PO Box HM 1748
Hamilton HM GX
Bermuda

General Administration

ICM Corporate Services (Pty) Limited
Alphen Estate
The Great Cellar
Peter Cloete Avenue
Constantia, 7800
Cape Town
South Africa

Auditor

Forvis Mazars in South Africa
Rialto Road
Grand Moorings Precinct
Century City, 7441
Cape Town
South Africa

Depository

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

Registrar

Automic Pty Ltd
GPO Box 5193
Sydney NSW 2001
Australia
Telephone: +61 2 9698 5414

Stock Exchange Listing

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

Report of the Directors

Directors present their report for Zeta Resources Limited, including its subsidiaries Kumarina Resources Pty Limited, Zeta Energy Pte. Ltd, Zeta Investments Limited, Zeta Minerals Ltd and Horizon Gold Limited, for the year ended 30 June 2024.

Directors

Zeta Resources Limited has a Board of four non-executive, independent directors.

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

Peter Ross Sullivan

Marthinus (Martin) Botha

André Liebenberg

Xi Xi

Principal Activities

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

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

Operating and Financial Review

Operating results

The net loss attributable to the Company for the year to 30 June 2024 amounted to US$33,069,153.

Overview of operating activity

The company listed on the ASX on 12 June 2013.

During the year the Company has continued to build its portfolio of resource investments by investing a further US$14,109,842. Sales during the year resulted in a realised gain of US$2,394,878. A decrease in the fair value of the portfolio resulted in an unrealised loss recognised in profit or loss at year end of US$33,474,004.

Financial position

At the end of the year, the Company had US$12,502,327 in cash and cash equivalents. Investments at fair value totalled US$61,457,590, loans to subsidiaries of US$3,257,368 and the investment in subsidiaries was valued at US$30,526,746.

Going Concern

The financial statements have been prepared on a going concern basis. The majority of the Company's assets consist of equity shares in listed companies which in most circumstances are realisable within a short timescale. The directors believe the Company will be able to cover the commitments arising in the period 12 months from the date of approval of these financial statements. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern. The company has an accumulated loss of US$ 62,544,393 (2023: US$ 29,475,240). This is due to unrealised losses on investments in the market. The company is able to settle its liabilities as they fall due and shows a positive net asset values for both financial years presented. The directors have reviewed the company's cash flow forecast for the year up to 30 June 2025 and, in the light of this review have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the accounts

Dividends

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

After Balance Date Events

On 12 July 2024 Zeta announced to market intentions from its major shareholders UIL and GPLPF, who together hold 95% of the Zeta shares in issue, that they are considering acquiring the shares in Zeta that they do not currently own by compulsory acquisition in accordance with s103 of the Companies Act 1981 of Bermuda.

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 board remuneration policy is to ensure that packages offered properly reflect a person's duties and responsibilities and that remuneration is competitive and attracts, retains, and motivates people of the highest quality.

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

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

Details of Remuneration for Directors

The Company paid a total of $200,000 to directors for the year ended 30 June 2024.

The Company had no employees as at 30 June 2024.

Share Based Compensation

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

Directors' Interests

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

Director	Ordinary shares opening balance	Net change	Ordinary shares closing balance
Peter R Sullivan	11,506,264	(1,108,256)	10,398,008
Martin Botha	775,000	–	775,000
André Liebenberg	–	–	–
Xi Xi	–	–	–

Meetings of Directors

There were four Board, and two Audit & Risk Committee meetings held during the year ended 30 June 2024.

The attendance by the directors was as follows:

	Board	Audit & Risk Committee
Number of meetings held during the year	4	2
Peter Sullivan	4	2
Martin Botha	4	2
André Liebenberg	3	2
Xi Xi	4	2

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

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

Loans to Directors

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

Audit & Risk Committee

The Company has established a separately chaired Audit & Risk Committee.

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

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

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

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

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

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

Application of Chapters 6, 6A, 6B and 6C of the Corporations Act 2001

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

Non-audit Services

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

On-market Buy Back Scheme

On 28 August 2023 the Company announced a new on-market buy back for up to 54,400,000 shares, being the remaining allowable shares under the 10/12 limit. The buy-back commenced on 6 September 2023.

Since the commencement of the on-market buyback scheme on 06 September 2023, Zeta Resources has repurchased and cancelled 32,210,125 fully paid ordinary shares under the current scheme.

Investment Management Agreement

The Company entered into an Investment Management Agreement with ICM Limited on 3 June 2018. Management fees are payable at a rate of 0.125% of funds managed on the calculation date, payable quarterly in arrears and pro-rated for any period less than three months.

Performance fees are payable annually at year end on the difference between adjusted equity funds (adjusted for any dividends paid or accrued) on calculation date less adjusted base equity funds (highwater mark) previously used in the performance fee calculation multiplied by 15%.

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

The Company paid US$575,033 in management fees during the reporting year.

Auditor's Independence Declaration

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

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

André Liebenberg
Director and Chair of the Audit & Risk Committee

25 September 2024

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Independent Auditor's Report

To the Shareholders of Zeta Resources Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Zeta Resources Limited set out on pages 10 to 34, which comprise the statement of financial position as at 30 June 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Zeta Resources Limited as at 30 June 2024, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Key Audit Matters

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

Matter	Audit response
Valuation of Unlisted investments (notes 5 and 19.4) The company holds unlisted investments which are measured at fair value through in profit or loss in accordance with IFRS 9, *Financial Instruments*. In determining the fair value of the portfolio of investments, which are not traded in an active market, significant judgements and estimates are applied by management in the application of their fair value models. Various valuation methods are used in determining the fair value of the investments. The valuation methods are subject to a high degree of judgement and are complex, especially for investments where there are limited to no equity transactions during the year. Areas of judgement include estimating the expected future income from operations that are still in the exploration phase, estimating the discount rates based on the use of appropriate models and other external risk factors. Due to the significance of the balance and the qualitative significance of these estimates, and the sensitivity thereof to the unobservable valuation inputs and assumptions that require considerable judgement, the valuation of unlisted investments is considered one of the most significant aspects of the audit of the financial statements.	Our audit procedures included, amongst others, the following: • We assessed the competence, capabilities and objectivity of the expert appointed by management; • We assessed the valuation methodologies applied for appropriateness against relevant requirements of IFRS Accounting Standards and industry practices; • We recalculated the mathematical accuracy of the fair value models; • We assessed the reasonability and appropriateness of the key inputs and assumptions used in the valuation models; • We agreed, where applicable, the inputs to relevant supporting documentation; • We evaluated the completeness and appropriateness of the disclosures against the requirements of IFRS 7 and IFRS 13.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Zeta Resources Limited Annual Financial Report for the year ended 30 June 2024”, which includes the Report of the Directors. The other information does not include the financial statements and our auditor’s report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Forvis Mazars has been the auditor of Zeta Resources Limited for 5 years.

FORVIS MAZARS

Forvis Mazars
Partner: Nico Jansen
Registered Auditor
25 September 2024
Cape Town

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Auditor's Independence Declaration

In relation to our audit of the financial statements of Zeta Resources Limited for the year ended 30 June 2024, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the international standards on auditing (ISA) or any other applicable code of professional conduct.

FORVIS MAZARS

Forvis Mazars
Partner: Nico Jansen
Registered Auditor
25 September 2024
Cape Town

Statement of Profit and Loss and Other Comprehensive Income

for the year ended 30 June 2024	Notes	June 2024 US$	June 2023 US$
Income and investment returns			
Revenue	11	**70,035**	21,490
Investment losses	11	**(31,304,772)**	(2,708,966)
Other income	12	**51,858**	-
Foreign exchange movements	12	**(430,154)**	592,740
Expenses			
Directors fees		**(200,000)**	(200,000)
Interest expense		**(2,974)**	(864,198)
Management and consulting fees	13	**(583,372)**	(805,364)
Operating and administration expenses	14	**(669,774)**	(725,958)
Loss before tax		**(33,069,153)**	(4,690,256)
Taxation expense	15	**–**	345,465
Loss for the year		**(33,069,153)**	(4,344,791)
Total Comprehensive Loss for the Year		**(33,069,153)**	(4,344,791)

Loss per share			
Basic and diluted loss per share	16	**(0.06)**	(0.01)

Statement of Financial Position

at 30 June 2024	Notes	June 2024 US$	June 2023 US$
Non–current assets			
Investment in subsidiaries	4	**30,526,746**	27,857,738
Investments	5	**61,457,590**	111,381,126
Loans to subsidiaries	6	**3,257,368**	10,224,103
Current assets			
Cash and cash equivalents	7	**12,502,327**	1,759,952
Other receivables		**1,732**	21,321
Total assets		**107,745,763**	151,244,240
Non–current liabilities			
Other loans	8	**(373,984)**	(2,877,903)
Current liabilities			
Trade and other payables	9	**(403,896)**	(637,862)
Tax payable	15	**–**	(963,266)
Total liabilities		**(777,880)**	(4,479,031)
Net Assets		**106,967,883**	146,765,209
Equity			
Share capital	10	**5,204**	5,535
Share premium	10	**169,507,072**	176,234,914
Accumulated losses		**(62,544,393)**	(29,475,240)
Total Equity		**106,967,883**	146,765,209

Statement of Cash Flows

for the year ended 30 June 2024	Notes	June 2024 US$	June 2023 US$
Cash flows from operating activities			
Cash utilised by operations	17.1	**(1,639,874)**	(3,060,846)
Interest received	12	**65,879**	17,666
Interest paid		**–**	(510,007)
Taxation paid		**(963,266)**	-
Dividends received	11	**4,156**	3,824
Net cash flows from operating activities		**(2,533,125)**	(3,549,363)
Cash flows from investing activities			
Investments purchased		**(14,109,842)**	(37,748,822)
Investments sold		**29,811,781**	76,087,523
Increase in loan to subsidiaries from additional funding		**(22,397,916)**	(8,877,593)
Decrease in loan to subsidiaries from repayments		**29,377,836**	543,326
Net cash flows from investing activities		**22,681,859**	30,004,434
Cash flows from financing activities			
Purchase of treasury shares	10	**(6,728,173)**	(353,437)
Increase in loan from parent from additional funding	17.2	**–**	242,583
Decrease in loan from parent from repayments	17.2	**–**	(14,540,761)
Decrease in loan from subsidiary from repayments	17.2	**–**	(3,695,143)
Increase in other loans from additional funding	17.2	**-**	13,473,982
Decrease in other loans from additional funding	17.2	**(2,504,173)**	-
Decrease in other loans from repayments	17.2	**–**	(19,998,110)
Net cash flows from financing activities		**(9,232,346)**	(24,870,886)
Net movement in cash and cash equivalents		**10,916,388**	1,584,185
Cash and cash equivalents at the beginning of the year		**1,759,952**	106,963
Effect of exchange rate fluctuations on cash held		**(174,013)**	68,804
Cash and Cash Equivalents at the End of the Year	7	**12,502,327**	1,759,952

Statement of Changes in Equity

for the year ended 30 June 2024	Notes	Share capital US$	Share premium US$	Treasury Shares US$	Accumulated losses US$	Total US$
Balance at 30 June 2022		5,555	176,624,753	(36,422)	(25,130,449)	151,463,437
Purchase of treasury shares		–	–	(353,437)	–	(353,437)
Cancellation of treasury shares	10	(20)	(389,839)	389,859	–	–
Total comprehensive loss for the year		–	–	–	(4,344,791)	(4,344,791)
Balance at 30 June 2023		5,535	176,234,914	–	(29,475,240)	146,765,209
Purchase of treasury shares		**–**	**–**	**(6,728,173)**	**–**	**(6,728,173)**
Cancellation of treasury shares	10	**(331)**	**(6,727,842)**	**6,728,173**	**–**	**–**
Total comprehensive loss for the year		**–**	**–**	**–**	**(33,069,153)**	**(33,069,153)**
Balance at 30 June 2024		**5,204**	**169,507,072**	**–**	**(62,544,393)**	**106,967,883**

Notes to the Financial Statements

1. Basis of Preparation

1.1 Corporate information

Zeta Resources Limited ("Zeta Resources" or "the Company") is an investment company incorporated on 13 August 2012, listed on the Australian Securities Exchange and domiciled in Bermuda. The financial statements of the Company as at and for the year ended 30 June 2024 comprise the Company only.

1.2 Basis of preparation

The financial statements for the year ended 30 June 2024 have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB). The Company carries on the business of an investment holding company, in accordance with IFRS 10. The purpose of the Company is to earn returns through capital appreciation or investment income. The Company obtains funds from more than one investor and provides investment management services. The Company is accordingly applying the consolidation exemption for investments in subsidiaries and they will be recognised at fair value through profit and loss.

The financial statements were authorised for issue by the board of directors on 25 September 2024.

1.3 Basis of measurement

The financial statements provide information about the financial position, results of operations and changes in financial position of the Company. They have been prepared on the historic cost basis except for those financial instruments at fair value through profit or loss, which are measured at fair value. The financial statements are prepared on a going concern basis.

1.4 Functional and presentation currency

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

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

1.5 Use of estimates and judgements

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

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

The key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to the valuation of unquoted investments, details of which are set out in note 20 and the classification of the subsidiaries as investment entities. Details of the subsidiaries are set out in note 4. Subsidiaries that carry on business as investment entities are designated as being at fair value through profit and loss on initial recognition.

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

2. Adoption of New and Revised Standards

2.1 Standards and interpretations adopted during the year

New or amended standards and interpretations that became effective in the current period that are adopted and incorporated in the financial statements are:

Disclosure of accounting policies (Amendment to IAS 1 Presentation of Financial Statements) - Effective 1 January 2023

No other standards or interpretations effective during the year had a significant impact on the annual financial statements.

2.2 New standards, amendments and interpretations effective for annual periods beginning after 1 January 2024 that have not been adopted

Classification of Liabilities as Current or Non-current (Amendment to IAS 1 Presentation of Financial Statements) – Effective 1 January 2024.

Presentation & disclosure of information – (New standard IFRS 18) effective 1 January 2027

Lack of Exchangeability (Amendment to IAS 21) – effective 1 January 2025

General requirements for disclosure of sustainability-related information (New Standard IFRS S1) – Effective 1 January 2024

Climate-related disclosures (New Standard IFRS S2) – Effective 1 January 2024

IFRS S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and IFRS S2 Climate-related Disclosures standards which is effective for financials years beginning on or after 1 January 2024 is currently being investigated to ensure that the reporting requirements are appropriately applied once effective and adopted by the jurisdiction in which the company operates.

3. Material Accounting Policy Information

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

3.1 Investment income

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

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

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

Interest income is recognised using the effective interest method.

3.2 Income tax

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

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

The Company measures uncertainty by using the most likely amount and not the expected value method. The detail of the judgements relating to the uncertain tax position is disclosed in note 15.

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

3.3 Foreign currency

Foreign currency transactions and balances

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

3.4 Earnings per share ("EPS")

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

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

- costs of servicing equity (other than dividends) and preference share dividends;

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

3.5 Financial instruments

Recognition and initial measurement

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

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

Classification and subsequent measurement

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

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

Financial assets at FVTPL
All investments are mandatorily measured at FVTPL.

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

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

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

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

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

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

Derecognition

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

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

Offsetting

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

3.6 Impairment of assets

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

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

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

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

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

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

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

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

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

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

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

Measurement of ECLs

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

The ECL policy for loans provided to third parties and are repayable on demand, the probability of default is considered minimal where there are sufficient liquid assets of the lender available at year-end to cover the loan. Where liquid assets are not sufficient, the loan recoverability is assessed using a probability-weighted approach based on the timing discussed with the lender for repayment to be expected.

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

3.7 Share capital

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

3.8 Provisions and accruals

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

4. Investment in Subsidiaries

	June 2024 US$	June 2023 US$
At fair value		
Investment in Kumarina Resources Pty Limited ("Kumarina")	**6,669,110**	4,530,826
Investment in Zeta Energy Pte. Ltd. ("Zeta Energy")	**1,982,997**	1,700,000
Investment in Zeta Investments Limited ("Zeta Investments")	**1**	1
Investment in Zeta Minerals Ltd ("Zeta Minerals")	**1**	1
Investment in Horizon Gold Limited ("Horizon Gold")	**21,874,637**	21,626,910
	30,526,746	27,857,738

Investments in subsidiaries are held as part of the investment portfolio and consequently, in accordance with IFRS 10 are not consolidated but rather shown at fair value through profit and loss. Horizon Gold is measured using market price. Kumarina is measured using a detailed cash flow forecast based on the Murrin Murrin mining plan.
Zeta Energy is measured using its net asset value. See note 19.4

The remaining investments in subsidiaries are fair valued by the directors at a nominal value due to the fact that they hold no significant assets, nor do they have any significant value.

The Company had the following direct subsidiaries as at 30 June 2024:

30 June 2024	**Number of ordinary shares**	**Percentage of ordinary shares held**
Kumarina incorporated in Australia	26,245,610	100%
Zeta Energy incorporated in Singapore	6,185,998	100%
Zeta Investments incorporated in Bermuda	1,000	100%
Zeta Minerals incorporated in the United Kingdom	100	100%
Horizon Gold incorporated in Australia	109,333,080	75%

30 June 2023	Number of ordinary shares	Percentage of ordinary shares held
Kumarina incorporated in Australia	26,245,610	100%
Zeta Energy incorporated in Singapore	6,185,998	100%
Zeta Investments incorporated in Bermuda	1,000	100%
Zeta Minerals incorporated in the United Kingdom	100	100%
Horizon Gold incorporated in Australia	90,161,986	72%

The Company had the following indirect subsidiaries as at 30 June 2024:

30 June 2024	**Number of ordinary shares**	**Percentage of ordinary shares held**
Pan Pacific Petroleum Pty Limited incorporated in Australia	581,942,846	100%

30 June 2023	Number of ordinary shares	Percentage of ordinary shares held
Pan Pacific Petroleum Pty Limited incorporated in Australia	581,942,846	100%

Pan Pacific Petroleum Pty Limited is an Australian oil and gas exploration and production company, owned by Zeta Energy.

5. Investments

	June 2024 US$	June 2023 US$
Financial assets at fair value through profit or loss	**61,457,590**	111,381,126

Equity securities at fair value		
Listed ordinary shares	**10,140,329**	62,475,446
Unlisted ordinary shares	**51,317,261**	48,905,680
	61,457,590	111,381,126

Cost of equity securities at fair value		
Listed ordinary shares	**81,246,266**	101,648,751
Unlisted ordinary shares	**51,786,120**	48,851,853
	133,032,386	150,500,604

Investments held by the Company at the reporting date	**June 2024 Number of shares**	June 2023 Number of shares
Listed		
Hudbay Minerals Inc	**–**	5,506,952
Alliance Nickel Limited	**259,913,451**	259,638,451
Panoramic Resources Limited	**453,969,532**	253,969,532
Star Royalties Ltd.	**11,739,300**	10,651,300
Other investments*	**136,634,244**	134,391,394
Unlisted		
Margosa Graphite Limited	**27,861,844**	27,861,844
Koumbia Bauxite Investments Ltd	**38,624,342**	32,934,658
Seacrest L.P.	**32,221,800**	32,221,800
Other investments*	**1,161,511**	496,331

*Other investments comprise of less than 5% of the Company's gross assets assessed for 2024 and 2023.

During the reporting period the Company completed a total of 151 transactions (2023: 245 transactions) in securities. See note 19.4 for disclosure of fair value determination of level 3 investments.

The Company had the following associate undertakings at as at 30 June 2024:

30 June 2024	**Number of ordinary shares**	**Percentage of ordinary shares held**
Koumbia Bauxite Investments Ltd incorporated in Bermuda	**38,624,342**	**45%**
Alliance Nickel Limited incorporated in Australia	**259,913,451**	**36%**
Margosa Graphite Limited incorporated in Australia	**27,861,844**	**31%**

30 June 2023	Number of ordinary shares	Percentage of ordinary shares held
Koumbia Bauxite Investments Ltd incorporated in Bermuda	32,932,659	39%
Alliance Nickel Limited incorporated in Australia	259,638,451	36%
Margosa Graphite Limited incorporated in Australia	27,861,844	32%

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

6. Loans to Subsidiaries

	June 2024 US$	June 2023 US$
Loan to Kumarina	**2,822,368**	2,224,103
Loan to Zeta Energy	**435,000**	8,000,000
	3,257,368	10,224,103

The loan to Kumarina, used for working capital is denominated in Australian dollars to the value of A$4.2 million (30 June 2023: A$3.3 million) and is interest free. There are no fixed repayment terms. The loan is still performing as no contractual breaches have occurred and the value of the assets in Kumarina is sufficient to cover all the liabilities.

The loan to Zeta Energy is denominated in United States dollars and is interest free. There are no fixed repayment terms. The loan is still performing as no contractual breaches have occurred and the value of the assets in Zeta Energy is sufficient to cover all the liabilities. During June 2024, the loan to Zeta Energy was partially repaid.

7. Cash and Cash Equivalents

	June 2024 US$	June 2023 US$
Cash balance comprises:		
Cash at bank	**12,502,327**	1,759,952

8. Other Loans

	June 2024 US$	June 2023 US$
Loan from Pan Pacific Petroleum Pty Ltd ("PPP")	**373,984**	377,903
Loan from Bermuda Commercial Bank Limited	**–**	2,500,000
	373,984	2,877,903

The PPP loan is denominated in Australian dollars to the value of A$560,771 (30 June 2023: A$567,169) and is interest free. There are no fixed repayment terms except that no repayment is due before 30 June 2025.

The Bermuda Commercial Bank loan was fully repaid during the year.

9. Trade and Other Payables

	June 2024 US$	June 2023 US$
Other liabilities	**–**	251,329
Amount owed to brokers	**133,558**	85,402
Accruals	**270,338**	301,131
	403,896	637,862

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

10. Share Capital and Share Premium

Authorised

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

Issued	Number of shares	Share capital US$	Share premium US$
Ordinary shares			
Balance as at 30 June 2022	565,512,224	5,555	176,624,753
Share cancellation – share buy-backs July 2022	(155,212)	(1)	(36,420)
Share cancellation – share buy-backs September 2022	(425,254)	(4)	(88,488)
Share cancellation – share buy-backs October 2022	(205,113)	(2)	(40,225)
Share cancellation – share buy-backs December 2022	(70,000)	(1)	(13,085)
Share cancellation – share buy-backs January 2023	(62,000)	(1)	(11,351)
Share cancellation – share buy-backs February 2023	(4,000)	–	(746)
Share cancellation – share buy-backs March 2023	(13,593)	–	(2,640)
Share cancellation – share buy-backs April 2023	(571,947)	(6)	(109,431)
Share cancellation – share buy-backs May 2023	(480,849)	(5)	(87,453)
Balance as at 30 June 2023	563,524,256	5,535	176,234,914
Share cancellation – share buy-backs July 2023	**(57,971)**	**(1)**	**(11,812)**
Share cancellation – share buy-backs August 2023	**(755,163)**	**(8)**	**(154,435)**
Share cancellation – share buy-backs September 2023	**(31,794,492)**	**(317)**	**(6,502,164)**
Share cancellation – share buy-backs October 2023	**(319,979)**	**(3)**	**(29,523)**
Share cancellation – share buy-backs November 2023	**(57,486)**	**(1)**	**(5,304)**
Share cancellation – share buy-backs December 2024	**(2,929)**	**(0)**	**(538)**
Share cancellation – share buy-backs January 2024	**(135,542)**	**(1)**	**(24,066)**
Balance as at 30 June 2024	**530,400,694**	**5,204**	**169,507,072**

11. Investment Returns

	June 2024 US$	June 2023 US$
Revenue		
Dividend income	**4,156**	3,824
Interest income	**65,879**	17,666
	70,035	21,490
Investment (losses)/gain		
Derived from financial instruments measured at fair value		
Realised gains	**2,394,878**	34,430,478
Realised losses	**(225,646)**	(4,158,425)
Unrealised fair value gains on revaluation of investments	**4,649,678**	11,953,595
Unrealised fair value losses on revaluation of investments	**(38,123,682)**	(44,934,614)
	(31,304,772)	(2,708,966)
	(31,234,737)	(2,687,476)

12. Other income/foreign exchange movements

	June 2024 US$	June 2023 US$
Foreign exchange gains	**69,604**	592,740
Foreign exchange losses	**(499,758)**	–
Total foreign exchange movement	**(430,154)**	592,740

Other income	**51,858**	-

13. Management and Consulting Fees

	June 2024 US$	June 2023 US$
Management and consulting fees	**583,372**	805,364

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

Performance fees are payable annually at year end on the difference between adjusted equity funds (adjusted for any dividends paid or accrued) on calculation date less adjusted base equity funds (used in the performance fee calculation when it was last payable) multiplied by 15%. Performance fee for the year ended 30 June 2024 was nil (2023: nil).

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

14. Operating and Administration Expenses

	June 2024 US$	June 2023 US$
Operating and administration expenses consist of:		
Accounting fees	**138,227**	183,815
Audit fees	**22,950**	9,257
Australian Securities Exchange listing fees and regulatory costs	**112,459**	68,523
Brokerage	**128,862**	260,216
Other expenses	**267,276**	204,147
	669,774	725,958

15. Income tax

	June 2024 US$	June 2023 US$
Taxation regarding the sale of Bligh Resources Limited	**–**	345,465

The Company has not raised deferred tax assets of US$16,146,632 (2023: US$ 8,813,354) on potential unrealised Australian capital losses (at year-end amounting to US$53,822,105) (2023: US$29,377,846) where there are insufficient capital gains of the same nature against which to utilise those losses. There is no expiration date on losses.

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

In December 2021, the Organisation for Economic Co-Operation and Development (OECD) released the Global Anti-Base Erosion (GLoBE) Model rules ("Pillar Two"), introducing a new "top-up" tax mechanism for multinational enterprises ("MNEs") that fall within the rules. MNEs will be liable to pay a top-up tax reflecting the difference between their GLoBE effective tax rate per jurisdiction and the 15% minimum rate.

A multinational group will be in the scope of Pillar Two where it has annual revenue exceeding EUR750m in any two out of the four periods preceding the tested period, according to the group's consolidated financial statements. As at 30 June 2024, Pillar Two draft legislation has been released in Australia but not yet been enacted.

Zeta Resource Ltd is not a member of a MNE Group which has annual revenue exceeding EUR750m in the consolidated financial statements of the ultimate parent entity. Zeta Resource Ltd is an investment entity and the group's consolidated annual revenue per its financial statements for the last four years is less than EUR750m. In conclusion, Zeta Resource Ltd does not fall within the scope of Pillar Two.

16. Earnings Per Share

	June 2024 US$	June 2023 US$
Basic and diluted loss per share	**(0.06)**	(0.01)
Loss used in calculation of basic and diluted earnings per share	**(33,069,153)**	(4,344,791)
Weighted average number of ordinary shares outstanding during the year used in calculation of basic and diluted earnings per share	**532,900,284**	564,563,216

17. Notes to the Statement of Cash Flows

17.1 Cash utilised by operations

	June 2024 US$	June 2023 US$
Loss for the year	**(33,069,153)**	(4,344,791)
Adjustments for:		
Realised gains on investments	**(2,169,232)**	(30,272,053)
Fair value losses on revaluation of investments	**33,474,004**	32,981,019
Foreign exchange (losses)/gains	**430,154**	(592,740)
Dividend income	**(4,156)**	(3,824)
Interest income	**(65,879)**	(17,666)
Interest expense	**–**	864,198
Operating loss before working capital changes	**(1,404,262)**	(1,385,857)
Increase in trade and other receivables	**(1,666)**	(21,321)
Decrease in trade and other payables	**(233,966)**	(1,653,668)
	(1,639,894)	(3,060,846)

17.2 Liabilities from financing activities

	Loan from Parent US$	**Loan from Subsidiary US$**	**Other Loan US$**	**Total US$**
Balance as at 30 June 2022	–	3,743,623	23,742,404	27,486,027
Changes from financing cash flows				
Repayment of loans	(14,540,761)	(3,695,143)	(19,998,110)	(38,234,014)
Advances of loans received	242,583	–	13,473,982	13,716,565
Other non-cash movements				
Exchange rate fluctuations	(900,680)	(110,010)	565,824	(444,866)
Loan received from parent	15,003,715	–	–	15,003,715
Loan repaid to Somers Limited	–	–	(15,003,715)	(15,003,715)
Interest capitalised	195,143	61,530	97,518	354,191
Balance as at 30 June 2023	–	–	2,877,903	2,877,903

Changes from financing cash flows				
Repayment of loans	–	–	**(2,504,173)**	**(2,504,173)**
Other non-cash movements				
Exchange rate fluctuations	–	–	**254**	**254**
Balance as at 30 June 2024	–	–	**373,984**	**373,984**

18. Going Concern

The financial statements have been prepared on a going concern basis. The majority of the Company's assets consist of equity shares in listed companies which in most circumstances are realisable within a short timescale. The directors believe the Company will be able to cover the commitments arising in the period 12 months from the date of approval of these financial statements. The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the accounts.

19. 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 Accounting Standards and best practice and include the valuation of certain financial assets and liabilities at fair value through profit and loss

Categories of financial instruments

IFRS 9 contains three principal classification and measurement categories for financial assets: at amortised cost, fair value through other comprehensive income, and fair value through profit and loss. The analysis of assets into their categories as defined in IFRS 9 is set out in the following table.

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

30 June 2024	Financial assets mandatorily measured at fair value through profit or loss US$	Financial assets/liabilities measured at amortised cost US$	Total carrying value US$
Assets			
Investments in subsidiaries	**30,526,746**	–	**30,526,746**
Investments	**61,457,590**	–	**61,457,590**
Loans to subsidiaries	–	**3,257,368**	**3,257,368**
Cash and cash equivalents	–	**12,502,327**	**12,502,327**
Other receivables	–	**1,732**	**1,732**
	91,984,336	**15,761,427**	**107,745,763**
Liabilities			
Trade and other payables	–	**133,558**	**133,558**
Other loans	–	**373,984**	**373,984**
	–	**507,542**	**507,542**

30 June 2023	Financial assets mandatorily measured at fair value through profit or loss US$	Financial assets/liabilities measured at amortised cost US$	Total carrying value US$
Assets			
Investments in subsidiaries	30,526,746	–	30,526,746
Investments	61,457,590	–	61,457,590
Loans to subsidiaries	–	10,224,103	10,224,103
Cash and cash equivalents	–	1,759,952	1,759,952
Other receivables	–	21,321	21,321
	139,238,864	12,005,376	151,244,240
Liabilities			
Trade and other payables	–	336,731	336,731
Other loans	–	2,877,903	2,877,903
	–	3,214,634	3,214,634

19.1 Market risks

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

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

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

Currency exposure

The principal currencies to which the Company was exposed were the Australian dollar and Canadian Dollar. The exchange rates applying against the United States dollar at 30 June 2024 and the average rates for the year were as follows:

	June 2024	**Average 2024**	**June 2023**	**Average 2023**
AUD – Australian dollar	0.6669	0.6563	0.6663	0.6727
CAD – Canadian dollar	0.7317	0.7381	0.7549	0.7432

The Company's monetary assets and liabilities at 30 June 2024, by currency based on the currency of denomination for loans and cash and cash equivalents, and on the currency of the primary trading market for equities, are shown below:

30 June 2024	**AUD**	**CAD**
Investments in subsidiaries	**42,799,921**	**–**
Investments	**16,106,996**	**3,396,672**
Cash and cash equivalents	**–**	**182,526**
Loans to subsidiaries	**4,232,000**	**–**
Other loans	**(560,771)**	**–**
Net monetary assets	**62,578,146**	**3,579,198**

30 June 2023	AUD	CAD
Investments in subsidiaries	36,758,315	–
Investments	51,995,374	38,891,539
Cash and cash equivalents	184,484	1,854,928
Loans to subsidiaries	3,338,000	–
Other loans	(567,169)	–
Net monetary assets	91,709,004	40,746,467

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

	AUD	**CAD**	**Total**
Strengthening of the United States dollar			
Increase in total comprehensive income for the year ended 30 June 2024	4,107,312	264,184	4,371,496
Increase in total comprehensive income for the year ended 30 June 2023	6,169,265	3,028,277	9,197,542
Weakening of the United States dollar			
Decrease in total comprehensive income for the year ended 30 June 2024	(4,107,312)	(264,184)	(4,371,496)
Decrease in total comprehensive income for the year ended 30 June 2023	(6,169,265)	(3,028,277)	(9,197,542)

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 2024 and at 30 June 2023 is shown below:

30 June 2024	**Within one year US$**	**Greater than one year US$**	**Total US$**
Exposure to floating rates:			
Cash	12,502,327	–	12,502,327
Other loans	–	–	–
	12,502,327	–	12,502,327

The Company is exposed to the bank's commercial rates changes. Impact of floating rate exposures are considered insignificant.

30 June 2023	Within one year US$	Greater than one year US$	Total US$
Exposure to floating rates:			
Cash	1,759,952	–	1,759,952
Other loans	–	(2,500,000)	(2,500,000)
	1,759,952	(2,500,000)	(740,048)

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

Other market risk exposures

The portfolio of listed investments valued at US$32,012,876 at 30 June 2024 (30 June 2023: US$84,102,356) 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 21.

Price sensitivity risk analysis

A 10% decline in the market price of the listed investments held by the Company would result in an unrealised loss of US$3,201,288. A 10% appreciation in the market price would have the opposite effect. See note 19.4 for unlisted investment sensitivity analyses.

19.2 Liquidity risk exposure

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Investment Manager reviews liquidity at the time of making each investment decision.

The risk of the Company having insufficient liquidity is not considered by the board to be significant, given the amount of quoted investments held in the Company's portfolio.

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

30 June 2024	**Three months or less US$**	**Three months to one year US$**	**More than one year US$**	**Total US$**
Trade and other payables	403,896	–	–	403,896
Other loans	–	–	373,984	373,984
	403,896	–	373,984	777,880

30 June 2023	Three months or less US$	Three months to one year US$	More than one year US$	Total US$
Trade and other payables	637,862	–	–	637,862
Other loans	50,000	527,903	2,550,000	3,127,903
	687,862	527,903	2,550,000	3,765,765

19.3 Credit risk and counterparty exposure

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

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

Maximum exposure to credit risk
The Company has loan assets totalling US$3,257,368 (2023: US$10,224,103) and bank balances totalling US$12,502,327 (2023: US$1,759,952) that are exposed to credit risk.

None of the Company's financial assets are past due. The Company's principal banker is Bermuda Commercial Bank (rated by Fitch as BB+) and the Company's principal custodian is JP Morgan Chase Bank (rated by Fitch as AA-).

19.4 Fair values of financial assets and liabilities

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

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

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

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

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

Level 3 The fair values are measured using inputs for the asset or liability that are not based on observable market data. The directors make use of recognised valuation techniques and may take account of recent arms' length transactions in the same or similar investments.

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

Level 3 financial instruments

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

The level 3 investments are split between (a) unlisted companies, (b) investments in subsidiaries and (c) investments in other rights.

(a) Unlisted companies

Margosa Graphite Limited ("Margosa") – Australia incorporated

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

The market approach has been used for the valuation of Margosa in the form of precedent transactions involving Margosa shares at a price of A$0.19 per share (2023: A$0.21 per share). At period end the fair value of the investment was US$3.6 million (2023:US$3.8 million).

Sensitivities: The fair value of Margosa is considered sensitive to price of precedent transactions. Possible alternative prices represent a change of A$0.21 per share, which can cause a change of US$0.3 million in the fair value of Zeta Resources' equity interest in Margosa.

Koumbia Bauxite Investments Ltd ("KBI") – Bermuda incorporated

The unlisted investment comprises an equity interest in a privately-owned company that will receive commercialisation fees, from Alliance Mining Commodities Limited, over the bauxite produced and shipped from the mine (part of the Koumbia Bauxite project) located in the Republic of Guinea, West Africa.

A discounted cash flow technique was used, with the expectation that production will start in the first half of 2025, a long-term forecast aluminium price of US$2,600 per tonne and a discount rate of 12%. Commercialisation fees are expected to be received for approximately 14 years from production, according to the expected production timetable. At period end the fair value of the investment was US$47.1 million (2023: US$44.9 million.).

Sensitivities: The fair value of Zeta's equity interest in KBI is sensitive to the long-term forecast Aluminium price, a change of 10% in the price, can cause a change of US$6.1 million in the value. The value is also sensitive to the discount rate used, a change of 2% in the discount rate, can cause a change of US$8.3 million in the value of Zeta's equity interest.

(b) Investments in subsidiaries

Kumarina Resources Pty ("Kumarina") – Australia incorporated
Kumarina is a mineral exploration company with a gold project located at Murrin Murrin in Western Australia. Kumarina's primary focus has been the exploration and development of this project, which is located 50 km east of Leonora in the north-eastern Goldfields. Kumarina is negotiating with Pan Pacific Petroleum Pty Limited ("PPP") to provide funding for the project. Kumarina acquired Golden Cliffs NL in October 2023.

A discounted cash flow has been prepared using the following assumptions: a long-term forecast gold price of A$3,200 per ounce and discount rate of 12.45%. The forecast was done over a 15 month period, according to the expected production timetable. At period end the fair value of the project was determined to be US$10.3 million, with US$9.5 million attributable to Kumarina and US$0.9 million attributable to PPP. As the loan owed to Zeta Resources is US$2.8 million, the investment value was determined to be US$6.7 million (2023: US$4.5 million).

Sensitivities: The fair value of Zeta's equity interest in Kumarina is sensitive to the discount rate. A 2% change in the discount rate would cause a movement of US$400,000. The fair value is also sensitive to the Gold price, a 10% change in the long-term forecast Gold price could cause a US$3.2 million movement in value.

Zeta Energy Pte Limited

Valuation inputs: Zeta Energy is an investment holding entity located in Singapore. Its key assets are an investment in Pan Pacific Petroleum Pty Limited (see note 4) and excess cash.

Zeta Resources has used a fair value valuation of net assets held by Zeta Energy to determine the value at the period end. Zeta Energy's value is derived from its investment in PPP. PPP holds a loan receivable from Zeta Resources (see note 8) and an interest in the Murrin Murrin project (developed by Kumarina). See Kumarina's valuation methodology. At period end the fair value of Zeta Energy's net assets was determined to be US$2million (2023: US$1.7 million).

Sensitivities: Zeta Energy's asset value is sensitive to the fair value of the investment in PPP. A possible alternative to the fair value of PPP could cause change of US$133,000 in the fair value.

(c) Other unlisted investments

The investment in Panoramic Resources Limited was transferred to level 3 and valued at nil (2023: US$15,168,184) following the voluntary suspension from quotation and entering into administration on 13 December 2023. Additional shares were purchased in the company to the value of US$ 6,376,006, with the view of enhancing future capital returns.

Zeta Resources has further level 3 investments at fair value totalling US$649,646 (2023:US$200,004).

30 June 2024	**Level 1 US$**	**Level 2 US$**	**Level 3 US$**
Financial assets			
Investments	10,140,329	–	51,317,261
Investments in subsidiaries	21,874,637	–	8,652,109

Zeta's transfer policy is to record the transfer between levels on the date of any change in circumstance. The investment in Panoramic Resources Limited was transferred from level 1 to level 3 as a result of the company entering into administration.

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

	Level 3 investments US$	**Level 3 investments in subsidiaries US$**
Balance at 1 July 2023	**48,905,680**	**6,230,828**
Acquisitions at cost	**2,887,453**	**–**
Transfer from level 1	**21,944,189**	**-**
Total unrealised losses recognised in fair value through profit or loss on investment transferred from level 1	**(21,944,189)**	**-**
Expiration of Options	**(21,567)**	**-**
Total (losses)/gains recognised in fair value through profit or loss	**(454,305)**	**2,421,281**
Balance at 30 June 2024	**51,317,261**	**8,652,109**

30 June 2023	Level 1 US$	Level 2 US$	Level 3 US$
Financial assets			
Investments	62,475,446	–	48,905,680
Investments in subsidiaries	21,626,910	–	6,230,828

	Level 3 investments US$	Level 3 investments in subsidiaries US$
Balance at 1 July 2022	61,768,983	4
Acquisitions at cost	200,000	–
Expiration of Options	(689,949)	–
Capital return	(2,604,973)	–
Total (losses)/gains recognised in fair value through profit or loss	(9,768,381)	6,230,824
Balance at 30 June 2023	48,905,680	6,230,828

19.5 Capital risk management

The objective of the Company is stated as being to maximise shareholder returns by identifying and investing in investments where the underlying value is not reflected in the market price. In pursuing this long-term objective, the board of directors has a responsibility for ensuring the Company's ability to continue as a going concern. It must therefore maintain an optimal capital structure through varying market conditions. This involves the ability to issue and buy back share capital within limits set by the shareholders in general meeting; borrow monies in the short- or long-term; and pay dividends to shareholders out of current year earnings as well as out of brought forward reserves. The company's capital primarily consists out of its share capital invested by shareholders. The company monitors its capital requirements on a regular basis after analysis of its liquidity and solvency. The company has maintained a positive solvency and liquidity for 2023 and 2024 and are therefore satisfied that the capital structure is sound.

20. Related Parties

20.1 Material related parties

Holding company

The company's holding company is UIL which held 59.67% of the company's issued share capital on 30 June 2024. UIL is 65.42% owned by General Provincial Life Pension Fund Limited. Somers Isles Private Trust Company Limited holds 100% of General Provincial Life Pension Fund Limited.

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

Subsidiary companies

Wholly owned subsidiaries include Kumarina, Zeta Energy, Zeta Minerals and Zeta Investments. Zeta Resources holds 75% of Horizon Gold's issued share capital. Pan Pacific Petroleum Pty Limited is a subsidiary of Zeta Energy.

Associate companies

Associates include Koumbia Bauxite Investment Ltd, Alliance Nickel Limited and Margosa Graphite Limited.

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.

20.2 Material related parties transactions

Nature of balances	**June 2024 US$**	June 2023 US$
Investments in related parties:		
Kumarina	**6,669,110**	4,530,826
Zeta Investments	**1**	1
Zeta Energy	**1,982,997**	1,700,000
Zeta Minerals	**1**	1
Horizon Gold	**21,874,637**	21,626,910
Loans to related parties:		
Kumarina	**2,822,368**	2,224,103
Zeta Energy	**435,000**	8,000,000
Loans from related parties:		
Pan Pacific Petroleum	**373,984**	377,903
Trade and other payables:		
ICM Limited	**138,240**	181,767
Directors	**56,922**	50,000
ICM Corporate Services (Pty) Ltd	**33,249**	43,576
Koumbia Bauxite investments Ltd	**–**	226,644

Nature of transactions	**June 2024 US$**	June 2023 US$
Interest relates to loans measured at amortised cost:		
Interest charged by subsidiaries	**–**	61,530
Interest charged by the parent company	**–**	195,143
Interest charged by Somers Limited	**–**	84,010
Interest charged by GPLPF	**–**	449,186
Capital return from Koumbia Bauxite Investment Ltd	**–**	2,604,973
Management fees paid to ICM Limited	**575,033**	764,812
Accounting fees paid to ICM Corporate Services (Pty) Ltd	**138,227**	183,815
Fees paid to the directors:		
Xi Xi	**50,000**	50,000
M Botha	**50,000**	50,000
P Sullivan	**50,000**	50,000
A Liebenburg	**50,000**	50,000

All fees paid to directors are deemed short term remuneration payments

21. Segmental Reporting

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

Gold: investments in companies which explore or mine for gold

Nickel: investments in companies which explore or mine for nickel

Copper: investments in companies which explore or mine for copper

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

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

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

Information about reportable segments

30 June 2024	**Gold US$**	**Nickel US$**	**Copper US$**	**Mineral exploration US$**	**Admin US$**	**Total US$**
External investment returns	**(1,232,478)**	**(32,320,525)**	**3,358,377**	**(1,326,541)**	**286,430**	**(31,234,737)**
Interest revenue	**62,445**	**–**	**–**	**–**	**3,434**	**65,879**
Interest expense	**–**	**–**	**–**	**–**	**(2,974)**	**(2,974)**
Reportable segment (loss)/profit before tax	**(1,174,273)**	**(32,269,042)**	**2,979,895**	**(1,351,879)**	**(1,253,854)**	**(33,069,153)**
Reportable segment assets	**32,095,215**	**6,413,550**	**201,222**	**54,113,718**	**14,922,058**	**107,745,763**
Reportable segment liabilities	**(373,984)**	**–**	**–**	**(133,558)**	**(270,338)**	**(777,880)**

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

30 June 2023	Gold US$	Nickel US$	Copper US$	Mineral exploration US$	Admin US$	Total US$
External investment returns	11,373,887	(15,740,636)	12,977,822	(11,300,131)	1,582	(2,687,476)
Interest revenue	–	–	–	–	17,666	17,666
Interest expense	–	–	–	–	(864,198)	(864,198)
Reportable segment (loss)/profit before tax	11,301,390	(15,761,616)	12,749,282	(11,301,231)	(1,678,081)	(4,690,256)
Reportable segment assets	29,754,333	27,063,856	25,957,813	66,708,286	1,759,952	151,244,240
Reportable segment liabilities	–	–	–	(85,402)	(4,393,629)	(4,479,031)

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

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

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.

Investment returns	**June 2024 US$**	June 2023 US$
Australia	**(33,580,674)**	(49,999)
Canada	**799,907**	11,861,870
Guinea	**(536,196)**	(6,833,912)
Peru	**–**	(466,340)
USA	**568,980**	(196,899)
Singapore	**282,997**	-
Sri Lanka	**(238,055)**	(4,883,905)
Other countries	**1,468,304**	(2,118,291)
	(31,234,737)	(2,687,476)

Assets	**June 2024 US$**	June 2023 US$
Australia	**38,527,799**	62,897,619
Canada	**1,988,550**	14,393,774
Guinea	**47,099,990**	44,900,000
Peru	**–**	11,750,609
USA	**13,778,902**	4,970,233
Singapore	**2,417,999**	8,021,321
Sri Lanka	**3,567,624**	3,805,680
Other countries	**364,899**	505,004
	107,745,763	151,244,240

22. Events after the Reporting Date

On 12 July 2024 Zeta announced to market intentions from its major shareholders UIL and GPLPF, who together hold 95% of the Zeta shares in issue, that they are considering acquiring the shares in Zeta that they do not currently own by compulsory acquisition in accordance with s103 of the Companies Act 1981 of Bermuda.

The company provided loan funding to the value of US$6,000,000 to its shareholder company, UIL Limited.

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