

Results for announcement to the market

12 February 2020

Appendix 4D and Interim Financial Report for the six months ended 31 December 2019

The functional and presentation currency is United States Dollars

	31 December 2019 US\$	31 December 2018 US\$	% change to prior year	
Financial Results				
Investment profit/(loss)	12,082,027	(43,332,931)	Up	127.9%
Net profit/(loss) from activities after tax attributable to members	2,922,765	(44,039,852)	Up	106.6%
Net profit/(loss) for the period attributable to members	2,922,765	(44,039,852)	Up	106.6%
Dividends				
Cents per ordinary share	Nil*	Nil		
*No dividends have been declared or are payable for the period ended 31 December 2019				
Tangible assets per ordinary share				
Net tangible assets per share as at 31 December 2019 (in United States cents)	26.74	27.55		

Commentary

Refer to the Directors' Report on page 5 for a summary.

Additional Information

Control gained or lost over entities having material effect

On 31 July 2019, following the off-market takeover bid by Saracen Mineral Holdings Limited becoming unconditional, Zeta sold its 87% shareholding of Bligh Resources Limited. The sale price represented a 97% premium to Bligh's share price immediately prior to the takeover bid and a 260% premium on Zeta's investment cost. Zeta received 9,363,115 new shares in Saracen Mineral Holdings in consideration for its ownership of Bligh.

No other transactions were undertaken during the period resulting in control gained or lost over entities.

Dividends paid or provided for

No dividends declared for the half year ended 31 December 2019. Refer to results summary.

Dividends reinvestment plan

No dividends or distribution reinvestment plan was in operation during the period ended 31 December 2019.

On-market buy-back scheme

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

Net tangible assets per share

Details of net tangible asset backing are set out in the results summary.

Details of associates and joint ventures

None.

Accounting standards for foreign entities

The financial statements have been prepared in accordance with the provisions of the Bermuda Companies Act 1981 and International Financial Reporting Standards.



Peter Sullivan
Chairman
12 February 2020

CONTENTS

4	Corporate directory
5	Directors' report
7	Independent auditor's review report
9	Auditor's independence declaration
10	Condensed statement of profit and loss and other comprehensive income
11	Condensed statement of financial position
12	Condensed statement of changes in equity
13	Condensed statement of cash flows
14	Notes to the condensed interim financial statements
30	Directors' declaration

The information contained in this document should be read in conjunction with the accompanying Zeta Resources Limited Directors' Report and Financial Report for the six months ended 31 December 2019, the Zeta Resources Limited Annual Report for the year ended 30 June 2019 and any public announcements made by Zeta Resources Limited during the year in accordance with the continuous disclosure obligations arising under the Corporations Act 2001 and the ASX Listing Rules.

CORPORATE DIRECTORY

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

NON-EXECUTIVE DIRECTORS

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

REGISTERED OFFICE

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Company Registration Number: 46795

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REGISTRAR

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STOCK EXCHANGE LISTING

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

DIRECTORS' REPORT

Your directors present their report of Zeta Resources Limited ("the company") for the six months ended 31 December 2019.

DIRECTORS

The names of directors in office during the six months ended 31 December 2019 and until the date of this report are as follows.

Peter Ross Sullivan
Marthinus Botha
Xi Xi
André Liebenberg (appointed 30 December 2019)

PRINCIPAL ACTIVITIES

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

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

REVIEW OF INVESTING ACTIVITY

During the six-month period ended 31 December 2019, commodity prices were mostly up. Oil prices rose, with the Brent crude oil price up 2.2% to US\$66.00 per barrel, while the gold price was up 8.1% to US\$1,523/oz, the nickel price was up 10.6% to US\$6.35/lb, the copper price was up 3.0% to US\$2.79/lb, and the aluminium price was up 2.0% to US\$0.82/lb.

During the period, the net assets of the company grew by 3.95% from US\$74.0 million to US\$76.9 million. Zeta continued a buy-back scheme of its own shares, and by the end of the period had acquired 807,948 shares, at an average share price of A\$0.26, in total.

FINANCIAL POSITION

At the end of the six months to 31 December 2019, the company had \$306,997 in cash and cash equivalents, investments at fair value totalled \$135,929,194 and the investments in subsidiaries were valued at \$1,000,795.

The company has loans owing to its parent UIL Limited ("UIL") of \$57,092,640, loans owing to its subsidiary of \$2,655,387 and other loans owing totalling \$6,648,741 at the period end.

RESULTS

The profit after income tax attributable to the company for the six months to 31 December 2019 is \$2,922,765.

DIVIDENDS

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

DIRECTORS' REPORT (continued)

AFTER STATEMENT OF FINANCIAL POSITION DATE EVENTS

Panoramic Resources Limited

Zeta Resources Limited has, under a conditionally underwritten accelerated non-renounceable entitlement offer, subscribed for a further 38,351,088 new shares for a consideration of A\$11,505,326. Zeta currently holds 35.28% of Panoramic.

Alliance Mining Commodities Limited

Zeta Resources Limited has subscribed to a further issue of shares in AMC to take up 2,835,763 new shares for a consideration of US\$1,843,246. Following this issue Zeta will hold 35.64% of AMC.

AUDITOR'S INDEPENDENCE DECLARATION

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

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



Peter R Sullivan
Chairman
Perth, Western Australia
12 February 2020

INDEPENDENT AUDITOR'S REVIEW REPORT



Independent auditor's review report on interim financial statements

To the shareholders of Zeta Resources Limited

We have reviewed the condensed interim financial statements of Zeta Resources Limited, contained in the accompanying interim report, which comprise the condensed statement of financial position as at 31 December 2019 and the condensed statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six months then ended, and selected explanatory notes.

Directors' Responsibility for the Interim Financial Statements

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements of Zeta Resources Limited for the six months ended 31 December 2019 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*.



Mazars

Partner: Nico Jansen

Registered Auditor

12 February 2020

Cape Town

AUDITOR'S INDEPENDENCE DECLARATION



Independent auditor's review report on interim financial statements

To the shareholders of Zeta Resources Limited

Auditor's Independence Declaration

In relation to our review of the condensed interim financial report of Zeta Resources Limited for the six month period ended 31 December 2019, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the international standards on auditing (ISA) or any other applicable code of professional conduct.

A handwritten signature in black ink that reads 'Mazars'.

Mazars
Partner: Nico Jansen
Registered Auditor
12 February 2020
Cape Town

REGISTERED AUDITOR – A FIRM OF CHARTERED ACCOUNTANTS(SA) • IRBA REGISTRATION NUMBER 900222

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A FULL LIST OF NATIONAL PARTNERS IS AVAILABLE ON REQUEST OR AT www.mazars.co.za



CONDENSED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

for the six months ended 31 December 2019	Notes	6 months ended 31 December 2019 US\$	6 months ended 31 December 2018 US\$
Revenue			
Investment income/(loss)	16	12,082,027	(43,332,931)
Other (loss)/income		(125,386)	1,586,796
		11,956,641	(41,746,135)
Expenses			
Directors fees		(83,333)	(75,000)
Interest expense		(1,930,967)	(1,546,597)
Management and consulting fees		(337,817)	(439,770)
Operating and administration expenses		(440,314)	(232,350)
Profit/(loss) before tax		9,164,210	(44,039,852)
Taxation expense	17	(6,241,445)	-
Profit/(loss) for the period		2,922,765	(44,039,852)
Total comprehensive income/(loss) for the period		2,922,765	(44,039,852)
Profit/(loss) per share			
Basic and diluted profit/(loss) per share (cents per share)	18	1.0	(15)

CONDENSED STATEMENT OF FINANCIAL POSITION

at 31 December 2019		31 December 2019 US\$	30 June 2019 US\$
	Notes		
Non-current assets			
Investment in subsidiaries	4	1,000,795	1,000,002
Investments	5	135,929,194	129,928,110
Loans to subsidiaries	6	9,215,359	1,571,725
Other loan	7	-	625,822
		146,145,348	133,125,659
Current assets			
Cash and cash equivalents	8	306,997	104,715
Trade and other receivables	9	85,277	508,337
Total assets		146,537,622	133,738,711
Non-current liabilities			
Loan from subsidiary	10	(2,655,387)	(2,508,840)
Loan from parent	11	(57,092,640)	(45,793,293)
Other loans	12	(5,398,741)	(9,714,019)
		(65,146,768)	(58,016,152)
Current liabilities			
Other loans	13	(1,250,000)	(1,250,000)
Trade and other payables	14	(335,879)	(473,417)
Taxation	17	(2,883,232)	-
Total liabilities		(69,615,879)	(59,739,569)
NET ASSETS		76,921,743	73,999,142
Equity			
Share capital	15	2,777	2,778
Share premium	15	122,885,944	122,897,203
Treasury stock		-	(11,096)
Accumulated losses		(45,966,978)	(48,889,743)
Total equity		76,921,743	73,999,142

CONDENSED STATEMENT OF CHANGES IN EQUITY

for the six months ended 31 December 2019	Share capital US\$	Share premium US\$	Options US\$	Treasury Shares US\$	Accumulated (losses)/ profits US\$	Total US\$
Balance at 30 June 2018	2,785	123,096,492	-	-	(202,382)	122,896,895
Purchase of treasury shares	(3)	(96,986)	-	-	-	(96,989)
Total comprehensive loss for the period	-	-	-	-	(44,039,852)	(44,039,852)
Balance at 31 December 2018	2,782	122,999,506	-	-	(44,242,234)	78,760,054
Purchase of treasury shares	-	-	-	(11,096)	-	(11,096)
Cancellation of treasury shares	(4)	(102,303)	-	-	-	(102,307)
Total comprehensive loss for the period	-	-	-	-	(4,647,509)	(4,647,509)
Balance at 30 June 2019	2,778	122,897,203	-	(11,096)	(48,889,743)	73,999,142
Balance at 1 July 2019	2,778	122,897,203	-	(11,096)	(48,889,743)	73,999,142
Purchase of treasury shares	-	-	-	(164)	-	(164)
Cancellation of treasury shares	(1)	(11,259)	-	11,260	-	-
Total comprehensive profit for the period	-	-	-	-	2,922,765	2,922,765
Balance at 31 December 2019	2,777	122,885,944	-	-	(45,966,978)	76,921,743

CONDENSED STATEMENT OF CASH FLOWS

for the six months ended 31 December 2019		6 months ended 31 December 2019 US\$	6 months ended 31 December 2018 US\$
	Notes		
Cash utilised in operating activities			
Cash utilised in operations	19	(440,459)	(259,076)
Interest received		12,296	12,705
Interest paid		(1,930,967)	(1,546,597)
Taxation paid		(3,358,213)	-
Net cash outflow from operating activities		(5,717,343)	(1,792,968)
Cash flows from investing activities			
Investments purchased		(21,011,649)	(12,118,857)
Investments sold		26,962,703	5,345,965
Increase in loans to subsidiaries from additional funding		(7,643,634)	(19,236)
Increase in other loans from additional funding		-	(500,969)
Decrease in other loans from repayments		625,822	-
Net cash (outflow)/inflow from investing activities		(1,066,758)	(7,293,097)
Cash flows from financing activities			
Purchase of treasury stock	15	-	(96,989)
Increase in other loans from additional funding	12	67,578	7,714,229
Decrease in other loans from repayments	12	(4,382,856)	(460,218)
Increase in loan from parent from additional funding	11	28,441,728	1,305,373
Decrease in loan from parent from repayments	11	(17,142,381)	-
Increase in loan from subsidiary from additional funding	10	1,981,411	169,347
Decrease in loan from subsidiary from repayment	10	(1,834,864)	(578,960)
Net cash inflow from financing activities		7,130,616	8,052,782
Net movement in cash and cash equivalents		346,515	(1,033,283)
Cash and cash equivalents at the beginning of the period		104,715	287,172
Effect of exchange rate fluctuations on cash held		(144,233)	1,586,796
Cash and cash equivalents at end of the period	8	306,997	840,685

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

1. REPORTING ENTITY

Zeta Resources Limited ("the company") is an investment company incorporated on 13 August 2012, listed on the Australian Stock Exchange and domiciled in Bermuda. The condensed interim financial statements of the company as at and for the six months ended 31 December 2019 comprise the company only.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. The statements do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the financial position and performance since the last annual financial statements as at and for the year ended 30 June 2019.

These condensed interim financial statements were authorised for issue by the board of directors on 12 February 2020.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgements

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

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

The significant judgements made by management in applying the company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements as at and for the period ended 30 June 2019.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these interim financial statements are in accordance with International Financial Reporting Standards (IFRS's) and the same as those applied in the financial statements as at and for the year ended 30 June 2019 and include the adoption of the following new or revised standards as described in the financial statements as at and for the year ended 30 June 2019.

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

4. INVESTMENT IN SUBSIDIARIES	31 December 2019 US\$	30 June 2019 US\$
Investment in Kumarina Resources Pty Limited ("Kumarina")	1,000,793	1,000,000
Investment in Zeta Energy Pte. Ltd. ("Zeta Energy")	1	1
Investment in Zeta Investments Limited ("Zeta Investments")	1	1
	1,000,795	1,000,002

Investments in subsidiaries are held as part of the investment portfolio and consequently, in accordance with IFRS 10 are not consolidated but rather shown at fair value through profit and loss. Kumarina is valued using the multiples of exploration expenditure method and the area multiples method to value Kumarina's two main projects, with further consideration to the remaining assets and liabilities held by Kumarina. The company is currently deemed to have a value of US\$1,000,793.

The remaining investments in subsidiaries are fair valued by the directors at a nominal value due to the fact that they hold no significant assets, nor do they have any significant value. The company had the following subsidiaries as at 31 December 2019:

	Country of incorporation and operations	Number of ordinary shares	Percentage of ordinary shares held
31 December 2019			
Kumarina	Australia	26,245,610	100%
Zeta Investments	Bermuda	1,000	100%
Zeta Energy	Singapore	1	100%
30 June 2019			
Kumarina	Australia	26,245,610	100%
Zeta Investments	Bermuda	1,000	100%
Zeta Energy	Singapore	1	100%

5. INVESTMENTS	31 December 2019 US\$	30 June 2019 US\$
Financial assets at fair value through profit or loss	135,929,194	129,928,110
Equity securities at fair value		
Ordinary shares – listed	93,051,255	89,521,947
Ordinary shares, subscription and other rights – unlisted (Note 21.1)	42,877,939	40,406,163
	135,929,194	129,928,110

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

Investments held by the company at the reporting date	Number of Shares
Listed	
GME Resources Limited	203,512,308
Panoramic Resources Limited	230,406,527
Copper Mountain Mining Corporation	38,239,647
Horizon Gold Limited	15,406,350
Resolute Mining Limited	7,645,000
Other Investments	156,846,163
Unlisted	
Other Investments	63,956,840

Other rights

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

The shares pledged include: Resolute Mining Limited (7,350,000) and Panoramic Resources Limited (6,363,635).

	31 December 2019 US\$	30 June 2019 US\$
6. LOANS TO SUBSIDIARIES		
Loan to Zeta Energy	8,512,300	1,076,072
Loan to Kumarina	703,059	495,653
	9,215,359	1,571,725

The loan to Zeta Energy is denominated in Australian dollars to the value of A\$13.34 million, British pounds to the value of UK£11,100, New Zealand dollars to the value of NZ\$6.16 million, South African rands to the value of R4,000, Singapore dollars to the value of SG\$28,162 and United States dollars to the value of US\$(147,581). There are no fixed repayment terms except that no repayment is due before 31 December 2020 and no interest is charged. During the period to 31 December 2019, the loan to Zeta Energy, which was utilised for investment purposes, was classified as under-performing. The expected credit loss for this loan has been calculated based on the lifetime Expected Credit Losses ("ECL"). The directors calculated the ECL by reviewing relevant forward-looking information that is most relevant to the subsidiary including review of the company's assets and liabilities to suggest a value for the loan. The impairment was based on the expected decrease in the value of the underlying investment for the loan. As at the 31 December 2019 the ECL calculated amounted to US\$4,885,124. The loan to Kumarina, used for working capital, is denominated in Australian dollars and is interest free. There are no fixed repayment terms except that no repayment is due before 31 December 2020. The loan is still performing

	31 December 2019 US\$	30 June 2019 US\$
7. OTHER LOAN ASSETS		
Loan to Bligh Resources Limited	-	625,822

The loan to Bligh Resources Limited was denominated in Australian dollars and interest of 8% was capitalised monthly. The loan was repaid in July 2019.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

	31 December 2019 US\$	30 June 2019 US\$
8. CASH AND CASH EQUIVALENTS		
Cash balance comprises:		
Cash at bank	306,997	104,715

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

	31 December 2019 US\$	30 June 2019 US\$
9. TRADE AND OTHER RECEIVABLES		
Owing from Zeta Investments Pty Limited	85,277	476,088
Other receivables	-	32,249
	85,277	508,337

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

	31 December 2019 US\$	30 June 2019 US\$
10. LOAN FROM SUBSIDIARY		
Loan from Zeta Energy	2,655,387	2,508,840

The loan from Zeta Energy is denominated in Australian dollars to the value of A\$2.81 million and New Zealand dollars to the value of NZ\$1.01 million and currently attracts interest at a rate of 6.10% per annum on the Australian dollar loan and at 5.25% per annum on the New Zealand dollar loan. There are no fixed repayment terms except that no repayment is due before 31 December 2020. Zeta Energy has in turn borrowed these funds on the same interest and repayment terms. In order to secure the loans Zeta Resources has pledged certain of its investments. The shares pledged are Resolute Mining Limited (7,350,000) and Panoramic Resources Limited (6,363,635).

	31 December 2019 US\$	30 June 2019 US\$
11. LOAN FROM PARENT		
Loan from UIL Limited ("UIL")	57,092,640	45,793,293

The loan is denominated in Australian dollars to the value of A\$48.53 million and in Canadian dollars to the value of CA\$29.93 million and currently attracts interest at 7.5% per annum on the Australian dollar loan and 7.25% on the Canadian dollar loan. There are no repayment terms and no repayment is due before 31 December 2020.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

12. OTHER LOANS	31 December 2019 US\$	30 June 2019 US\$
Loan from ICM Limited	1,137,585	3,983,509
Loan from PPP	1,761,156	1,980,510
Loan from Bermuda Commercial Bank	2,500,000	3,750,000
	5,398,741	9,714,019

The ICM Loan is denominated in Australian dollars to the value of A\$1.62 million and attracts interest at 7.5% per annum. The PPP Loan is denominated in Australian dollars to the value of A\$2.51 million and is interest free. For both of the ICM Limited and PPP loans there are no fixed repayment terms except that no repayment is due before 31 December 2020. The Bermuda Commercial Bank loan is denominated in United States dollars and currently attracts interest at Bermuda Commercial Bank's commercial base rate + 1.25% per annum. A repayment of US\$1.25 million is scheduled on 30 September 2020, with the remaining balance payable on 30 September 2021.

13. OTHER LOANS – CURRENT	31 December 2019 US\$	30 June 2019 US\$
Loan from Bermuda Commercial Bank Limited	1,250,000	1,250,000

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

14. TRADE AND OTHER PAYABLES	31 December 2019 US\$	30 June 2019 US\$
Amount owed to brokers	-	178,761
Accruals	335,879	294,656
	335,879	473,417

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

15. SHARE CAPITAL AND SHARE PREMIUM

Authorised

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

Issued

Ordinary shares	Number of Shares	Share Capital	Share Premium
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 UIL	22,835,042	228	32,221,936
Issued in consideration for purchase of 100% of Kumarina Resources Limited	17,775,514	178	13,406,337
Issued under initial public offering	4,000	-	3,795
Issued under public rights issue dated 10 February 2014	42,616,164	426	19,249,296
Following shareholder approval, issued under ASX listing rule 10.11 dated 7 December 2015	6,769,280	68	1,351,677
Issued under a scheme of arrangement pursuant to acquiring all the ordinary share capital of Pan Pacific Petroleum NL	11,914,689	119	3,467,556
Issued pursuant to an exercise of options on 10 November 2017	86,461,440	865	17,330,823
Issued in consideration for purchase of investments from Somers Isles Private Trust Company Limited	90,144,895	901	36,065,072
Share cancellation as a result of share buy-back 7 November 2018	(322,446)	(3)	(93,785)
Share cancellation as a result of share buy-back 5 December 2018	(12,320)	-	(3,201)
Share cancellation as a result of share buy-back 5 March 2019	(202,202)	(2)	(50,817)
Share cancellation as a result of share buy-back 4 April 2019	(112,727)	(1)	(26,374)
Share cancellation as a result of share buy-back 7 May 2019	(58,253)	(1)	(13,732)
Share cancellation as a result of share buy-back 7 June 2019	(50,000)	-	(11,380)
Balance as at 30 June 2019	287,763,076	2,778	122,897,203
Cancellation following on-market share buy-back on 3 July 2019	(50,000)	(1)	(11,259)
Balance as at 31 December 2019	287,713,076	2,777	122,885,944

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

	31 December 2019 US\$	31 December 2018 US\$
16. INVESTMENT INCOME		
Interest income	12,296	12,705
Dividend income	116,636	225,384
Realised gains	19,436,237	2,595,587
Fair value losses on revaluation of investments	(7,514,302)	(46,166,607)
Recovery of prior impairments of loan to Zeta Energy	31,160	-
	12,082,027	(43,332,931)

	31 December 2019 US\$	30 June 2019 US\$
17. INCOME TAX		
Taxation re the sale of Bligh Resources Limited	6,241,445	-

Taxation has been raised with regards to the sale of the investment in Bligh Resources Limited. In the period to 31 December 2019 there was uncertainty over the tax treatment of profits generated from the sale of the investment with a range of possible outcomes likely. In recognition of this risk the company has provided for the most conservative likely amount in a range of possible outcomes. Of this taxation amount, US\$3,358,213 has already been paid to the tax authorities as a withholding tax on conclusion of the sale.

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 Bermuda.

	31 December 2019 US\$	31 December 2018 US\$
18. EARNINGS PER SHARE		
Basic and diluted profit/(loss) per share	0.010	(0.15)
(Loss)/profit used in the calculation of basic and diluted earnings per share	2,922,765	(44,039,852)
Weighted average number of ordinary shares outstanding during the six months ended 31 December 2019 used in the calculation of basic and diluted earnings per share	287,713,076	288,471,525

The weighted average number of ordinary shares calculation is based on the period beginning 1 July 2019. For details of shares issued during the period refer to note 15.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

19. NOTES TO THE CASH FLOW STATEMENT	31 December 2019 US\$	31 December 2019 US\$
Cash utilised by operations		
Profit/(loss) before tax	2,922,765	(44,039,852)
Adjustments for:		
Realised gains on investments	(19,436,237)	(2,595,587)
Fair value loss on revaluation of investments	7,514,302	46,166,607
Impairment/(recovery) of prior impairments of loan to Zeta Energy	(31,160)	-
Foreign exchange losses/(gains)	144,233	(1,586,796)
Taxation Paid	3,358,213	-
Interest income	(12,296)	(12,705)
Interest expense	1,930,967	1,546,597
Operating loss before working capital changes	(3,609,213)	(521,736)
Decrease in trade and other receivables	423,060	-
Increase in trade and other payables	2,745,694	262,660
	(440,459)	(259,076)

20. GOING CONCERN

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

21. 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, have not changed from the prior year and are consistent with the policies utilised in the financial statements for the year ended 30 June 2019. The policies are in compliance with IFRS and best practice and include the valuation of certain financial assets and liabilities at fair value through profit and loss.

Categories of financial instruments

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

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

	Financial assets mandatorily measured at fair value through profit or loss US\$	Financial assets / liabilities measured at amortised cost US\$	Total carrying value US\$
31 December 2019			
Assets			
Investment in subsidiaries	1,000,795	-	1,000,795
Investments	135,929,194	-	135,929,194
Loans to subsidiaries	-	9,215,359	9,215,359
Trade and other receivables	-	85,277	85,277
Cash and cash equivalents	-	306,997	306,997
	136,929,989	9,607,633	146,537,622
Liabilities			
Loans from subsidiaries	-	2,655,387	2,655,387
Trade and other payables	-	3,219,111	3,219,111
Loan from parent	-	57,092,640	57,092,640
Other loans	-	6,648,741	6,648,741
	-	69,615,897	69,615,897
30 June 2019			
Assets			
Investment in subsidiaries	1,000,002	-	1,000,002
Investments	129,928,110	-	129,928,110
Loans to subsidiaries	-	1,571,725	1,571,725
Other loans	-	625,822	625,822
Trade and other receivables	-	508,337	508,337
Cash and cash equivalents	-	104,715	104,715
	130,928,112	2,810,599	133,738,711
Liabilities			
Loans from subsidiaries	-	2,508,840	2,508,840
Trade and other payables	-	473,417	473,417
Loan from parent	-	45,793,293	45,793,293
Other loans	-	10,964,019	10,964,019
	-	59,739,569	59,739,569

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

(continued)

21.1 Fair values of financial assets and liabilities

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

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

Valuation of financial instruments

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

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

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

Level 3 financial instruments

Valuation methodology

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

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

(a) Unlisted companies

Seacrest L.P. ("Seacrest") – Bermuda incorporated

Valuation inputs: Seacrest produces quarterly reports in accordance with IFRS 9. The valuation is based on the latest management report available at 30 June 2019 (quarter end 30 June 2019), which shows a valuation of US\$0.2564. Where required, the last quarter's results are adjusted for drawdowns, distributions, and significant events impacting the portfolio companies since the quarter end.

Valuation methodology: The Seacrest valuation is prepared by the General Partners and primarily driven by the value of underlying assets held by its sole investment, Azimuth which comprises of multiple exploration licences and interests in oil and gas projects across various regions. The General Partner employs the market approach in its valuation of Azimuth, which includes the use of resource multiples for hydrocarbon licence assets and precedent or comparable arm's length transactions for other investments. The internal valuation is tested against external valuations by Stockdale and available market data. If the internal valuation falls within the lower half of the independent valuation range, then it is accepted as fair market value, otherwise it is reviewed for calibration. Zeta Resources has used a fair value valuation of Seacrest of US\$0.2564 per share based on the valuation methodology described above. At period end the fair value of the investment was US\$4,485,308.

Sensitivities: Given Seacrest is an exploration company its risks are significant in both directions. Should commercially recoverable oil not be discovered or the chance of success of the licences fall below 15% then the valuation of the investment could fall to nil. Should substantial commercially recoverable oil be discovered the valuation uplifts are significant.

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

Margosa Graphite Limited ("Margosa") – Australia incorporated

Valuation inputs: The unlisted investment comprises an equity interest in Margosa, a mineral exploration and development company focused on high grade graphite vein opportunities in Sri Lanka with rights to a package of highly prospective tenements. Margosa is an early stage exploration company with drilling commenced on positive geophysical targets at the end of the period and inputs utilised in the valuation include precedent transactions involving Margosa shares, considering recent sale prices at which market participants acquired shares in the company on the basis this represents an arm's length transaction as well as resource and area multiples from comparable transactions.

Valuation methodology: Based on Margosa being an early stage exploration company and that Margosa is yet to generate revenue from mining operations the directors have chosen to utilise the market approach for the valuation based on information provided by Margosa regarding equity capital raisings as the most appropriate valuation method for Zeta Resources' holding of A\$0.35 per share. At period end the fair value of the investment was US\$5,446,590.

Sensitivities: Given Margosa is an exploration company its risks are dependant on the grade of the graphite veins to be brought into operation and the size of tenement multiple of the Pathakada Project. As greater reliance has been placed on precedent transactions, with regards to the sensitivity of these fair value measurements to changes in the inputs, fair value might result in significantly higher or lower fair valuation amounts to an expected range between US\$3.4 million and US\$5.5 million.

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

Valuation inputs: The unlisted investment comprises an equity interest in a privately-owned company that has been granted a mining concession for the development of the Koumbia Bauxite Project in the Republic of Guinea. The simple, low cost, long-life development will initially produce 5.5Mwtpa as a standalone project. Due to the size of the current mineral resource base there is strong potential to expand the operation significantly during the early years to a capacity well in excess of the initial targeted production. Inputs utilised in the valuation include precedent transactions involving AMCL shares, considering recent sale prices at which market participants acquired shares in the company on the basis this represents an arm's length transaction as well as resource and area multiples from comparable transactions.

Valuation methodology: AMC is a private company in the process of raising funds for the development of its bauxite mining project. As such, the directors have chosen to use the market approach for the valuation based on the latest information provided by AMC regarding current equity capital raisings as well as resource multiples from comparable transactions as the most appropriate valuation method for Zeta Resources holding. At period end the fair value of the investment was US\$32,784,651.

Sensitivities: The company has a world class bauxite project with initial production capacity of 10Mtpa. Production is expected to ramp up in 2020 with scope for further expansion over the following five years. Should significant development problems arise, the value of the company will fall by at least the amount of capital expenditure required to rectify the problem. Should the production be ramped up without problems, then the valuation of the uplift is significant due to the elimination of development risk. As greater reliance has been placed on precedent transactions, with regards to the sensitivity of these fair value measurements to changes in the inputs, fair value might result in significantly higher or lower fair valuation amounts to an expected range between US\$31.2 million and US\$34.7 million.

(b) Investments in subsidiaries

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

Valuation inputs: The key asset is the investment loan to Zeta Energy which was utilised for the purchase of investments, and which was impaired, through profit and loss, to the fair value of the company as determined by the directors based on the valuation of the investments and loans held by Zeta Energy as at 31 December 2019.

Valuation methodology: Zeta Resources has used a fair value valuation of investments held by Zeta Energy by which to impair the loan value as at 31 December 2019. At period end the fair value of the loan was US\$8,512,300.

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

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

This comprises the privately-owned 100% equity interest in a mineral exploration company with two highly prospective copper/gold projects located in Western Australia. The company is in the process of doing further research and exploration around the development of its Ilgarari Copper Project and its Murrin Murrin Gold Project. Kumarina is valued using the multiples of exploration expenditure method and the area multiples method to value Kumarina's two main projects, with further consideration to the remaining assets and liabilities held by Kumarina. Resource multiples for comparable transactions involving gold projects in Australia over the last 5 years were considered and data was sourced from a recent resource multiples analysis completed by CSA Global in 2019 for gold projects transactions in Australia. The resource multiples were then normalised for current gold prices. Area multiples for comparable transactions were also considered involving gold and copper projects in Australia over the last five years from an area multiples analysis completed by CSA Global in 2019 for tenement areas in Australia. At period end the fair value of the investment was US\$1,000,795. Sensitivity of these fair value measurements to changes in the inputs might result in significantly higher or lower fair valuation of the investment to an expected range between US\$0.3 million and US\$1.6 million.

Other investments

Zeta Resources has further investments at fair value totalling US\$161,390.

31 December 2019	Level 1 US\$	Level 2 US\$	Level 3 US\$
Financial assets			
Investments	93,051,255	-	42,877,939
Investments in subsidiaries	-	-	1,000,795

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	Level 3 investments in subsidiaries	Level 3 loans to subsidiaries
At 1 July 2019	40,406,163	1,000,002	-
Acquisitions at cost	509,956	-	-
Disposals during the year	-	-	-
Total gains/(losses) recognised in fair value through profit or loss	1,961,820	793	-
Balance at 31 December 2019	42,877,939	1,000,795	-

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

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

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

22. RELATED PARTIES

22.1 Material related parties

Holding company

The company's holding company is UIL which held 59.9% of the company's issued share capital on 31 December 2019. UIL is 63.2% owned by General Provincial Life Pension Fund Limited.

Subsidiary companies

The company's subsidiaries are Kumarina, Zeta Energy and Zeta Investments. All are 100% held subsidiaries. Pan Pacific Petroleum Pty Limited ("PPP") is a 100% held subsidiary of Zeta Energy.

Key management personnel

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

Investment manager

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

	31 December 2019 US\$	30 June 2019 US\$
22.2 Material related party transactions		
Nature of transactions		
Investments in related parties:		
Kumarina	1,000,793	1,000,000
Zeta Investments	1	1
Zeta Energy	1	1
Loans to related parties:		
Kumarina	703,059	495,653
Zeta Energy	8,512,300	1,076,072
Zeta Investments Proprietary Limited	85,277	476,088
Bligh Resources Limited	-	625,822
Loans from related parties:		
UIL Limited	57,092,640	45,793,293
Zeta Energy	2,655,387	2,508,840
PPP	1,761,156	1,980,510
ICM Limited	1,137,585	3,983,509
Trade and other Payables		
ICM Limited	178,484	162,949
Directors Fees	45,833	37,500
Interest charged by the subsidiaries	95,970	288,598
Interest charged by the parent company	1,618,902	2,476,820
Interest charged by ICM	67,577	241,948
Interest charged to investee entity	-	30,187
Fees paid to the Investment Manager	337,818	677,467
Fees paid to the directors	83,333	150,000
Xi Xi	25,000	50,000
M Botha	25,000	50,000
P Sullivan	25,000	50,000
A Liebenberg	8,333	-

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

23. SEGMENTAL REPORTING

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

Gold: Investments in companies which explore or mine for gold

Nickel: Investments in companies which explore or mine for nickel

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

Administration: Activities relating to financing received which does not specifically relate to any one segment as well as administrative activities. The administration segment has been added due to the high value of the funding received for reinvestment. The prior period segment information has been updated accordingly.

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

Information about reportable segments

	Gold US\$	Nickel US\$	Mineral exploration US\$	Administration US\$	Total US\$
31 December 2019					
External revenues	5,274,131	6,365,326	430,274	12,296	12,082,027
Reportable segment revenue	5,274,131	6,365,326	430,274	12,296	12,082,027
Interest revenue	-	-	-	12,296	12,296
Interest expense	-	-	-	(1,930,967)	(1,930,967)
Reportable segment profit/(loss) before tax	5,274,131	6,384,172	430,274	(2,924,367)	9,164,210
Reportable segment assets	11,046,529	65,593,091	69,344,337	553,665	146,537,622
Reportable segment liabilities	-	-	-	(69,615,879)	(69,615,879)
31 December 2018					
External revenues	3,371,098	(37,717,088)	(8,751,754)	(235,187)	(43,332,931)
Reportable segment revenue	3,371,098	(37,717,088)	(8,751,754)	(235,187)	(43,332,931)
Interest revenue	8,087	-	972	3,646	12,705
Interest expense	-	-	-	(1,546,597)	(1,546,597)
Reportable segment profit/(loss) before tax	3,371,098	(37,717,088)	(8,751,754)	(942,108)	(44,039,852)
Reportable segment assets	32,526,649	51,132,649	44,693,243	840,685	129,193,226
Reportable segment liabilities	-	-	-	(49,473,172)	(49,473,172)
30 June 2019					
Reportable segment assets	30,072,681	42,539,536	59,391,966	1,734,528	133,738,711
Reportable segment liabilities	-	-	-	(59,739,569)	(59,739,569)

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (continued)

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

	31 December 2019 US\$	31 December 2018 US\$
Revenues		
Total revenue for reportable segments	12,069,731	(43,097,744)
Revenue for administration segment	12,296	(235,187)
Revenue	12,082,027	(43,332,931)
Profit or loss		
Total profit/(loss) for reportable segments	12,088,577	(43,097,744)
Loss for administrative segment	(2,924,367)	(942,108)
Consolidated (loss)/profit before tax	9,164,210	(44,039,852)
Assets		
Total assets for reportable segments	145,983,957	128,352,541
Assets for administrative segment	553,665	840,685
Consolidated total assets	146,537,622	129,193,226
Liabilities		
Total liabilities for reportable segments	-	-
Liabilities for administrative segment	(69,615,879)	(49,473,172)
Consolidated total liabilities	(69,615,879)	(49,473,172)

24. EVENTS AFTER THE REPORTING DATE

24.1 Panoramic Resources Limited

Zeta Resources Limited has, under a conditionally underwritten accelerated non-renounceable entitlement offer, subscribed for a further 38,351,088 new shares for a consideration of AU\$11,505,326. Zeta currently holds 35.28% of Panoramic.

24.2 Alliance Mining Commodities Limited

Zeta Resources Limited has subscribed to a further issue of shares in AMC to take up 2,835,763 new shares for a consideration of US\$1,843,246. Following this issue Zeta will hold 35.64% of AMC.

DIRECTORS' DECLARATION

The directors of the company declare that:

1. The financial statements and notes of the company:
 - a. give a true and fair view of the financial position as at 31 December 2019 and the performance of the company for the six months ended on that date; and
 - b. comply with IAS 34, Interim Financial Reporting, relevant corporate regulations and any other mandatory professional reporting requirements.
2. There are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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



Peter Sullivan
Director
12 February 2020