



Zeta Resources Limited

ARBN 162 902 481

ASX Appendix 4D

For the half year ended 31 December 2013
(Incorporating information pursuant to ASX Listing Rule 4.2A)

The information contained in this document should be read in conjunction with the accompanying Zeta Resources Limited Directors' Report and Financial Report for the half year ended 31 December 2013 and the Zeta Resources Limited Annual Report for the year ended 30 June 2013 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.

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**ASX Appendix 4D – Results Summary
For the half year ended 31 December 2013**

RESULTS FOR ANNOUNCEMENT TO THE MARKET

There are no comparatives for 31st December 2012 shown as, although the company was incorporated in August 2012, no transactions were entered into until early 2013.

The functional and presentation currency is United States Dollars.

	31 December 2013 US\$
<hr/> Financial results <hr/>	
Revenue from ordinary activities	3,923,659
Profit from ordinary activities after tax attributable to members	3,248,911
Net profit for the period attributable to members	3,248,911
<hr/> Dividends <hr/>	
Cents per ordinary share	Nil*
*No dividends have been declared or are payable for the period ended 31 December 2013.	
<hr/> Tangible assets per ordinary share <hr/>	
Net tangible assets per share as at 31 December 2013 (in United States cents)	75.50

Commentary

Refer to the Directors' Report included in the half-year financial report for summary

Control gained or lost over entities having material effective	On the 11 th December 2013 the company acquired 100% of the share capital of Zeta Investments Limited valued at \$1. The acquisition of Zeta Investments Limited has had no material effect on the company's profit from ordinary activities during the period.
Dividends paid or provided for	No dividends declared for the half year ended 31 December 2013. Refer to results summary.
Dividends reinvestment plan	No dividends or distribution reinvestment plan were in operation during the period ended 31 December 2013.
Net tangible assets per share	Details of net tangible asset backing are set out in the results summary
Details of associates and joint ventures	The group has no investments in associates or joint ventures.
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.

Signed:



Date: 18 February 2014

Corporate Directory

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

Directors – Non-Executive
Peter Sullivan (Chairman)
Marthinus (Martin) Botha
Xi Xi

Registered Office
19 Par-la-Ville Road
Hamilton HM 11
Bermuda

Australian Registered Office
Suite 8
7 The Esplanade
Mt Pleasant WA 6153
Australia
Telephone: +61 8 9316 9100

Investment Manager
ICM Limited
1st Floor
19 Par-la-Ville Road
Hamilton HM 11
Bermuda
Telephone: +1 441 299 2897
Email: contact@icmnz.co.nz

Secretary
BCB Charter Corporate Services Limited
Trinity Hall
43 Cedar Avenue
Hamilton HM 12
Bermuda

Assistant Secretary
Mark Pitts
Endeavour Corporate
Suite 8, 7 The Esplanade
Mt Pleasant WA 6153
Australia

Auditor
KPMG Inc
MSC House
1 Mediterranean Street, Foreshore
8001, Cape Town
South Africa

Custodian
Bermuda Commercial Bank Limited
19 Par-la-Ville Road
Hamilton HM 11
Bermuda

Registrar
Security Transfer Registrars Pty Limited
770 Canning Highway
Applecross WA 6153
Australia
Telephone: +61 8 9315 2333

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

Directors' Report

Your directors present their report of Zeta Resources Limited ("the company") for the half year ended 31 December 2013.

Directors

The names of directors in office during the half year and until the date of this report are as follows. Directors were in office for this entire period.

Peter Ross Sullivan

Marthinus (Martin) Botha

Xi Xi

Principal Activities

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

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

Review of Investing Activity

During the six months to 31 December 2013, commodity markets have continued to be volatile, but in general have ended the period close to where they started. In the case of oil, the WTI price was US\$96 at the end of June, while at the end of December, the price was US\$98. In the case of gold, the London PM gold fix was US\$1192 at the end of June, while at the end of December the price was US\$1205.

During the period under review, the net assets of the company grew from US\$35.9 million to US\$39.2 million. The three largest impacts on this positive result were: firstly, a strong recovery in the share price of Zeta's second largest holding, Resolute Mining; secondly, a successful exit from Centamin as the share price of that company recovered; and finally, a strengthening in the New Zealand dollar against the US dollar, which benefited the company's largest holding in New Zealand Oil & Gas, even though the share price was essentially unchanged (excluding receipt of a NZ\$0.03 share dividend).

During the period, the company acquired the entire issued share capital of Zeta Investments Limited.

Financial Position

At the end of the half year the company had utilised \$3,129,494 in cash and cash equivalents. Investments at fair value totalled \$57,700,757, and the investments in subsidiaries were valued at \$10,275,234.

The company has a loan owing to Utilico Investments Limited ("Utilico") of \$15,666,044 and loans owing to its subsidiaries of \$9,590,812 at the period end. Amounts outstanding from brokers (for settlement of trades) totalled \$47,850 at 31 December 2013.

During the half year a new loan facility was established which was drawn down to \$4,052,468 and the proceeds utilised to purchase further investments in existing holdings.

No new shares were issued during the period and no options were exercised during the period. A planned rights issue is underway scheduled to be completed by mid-February 2014.

Results

The net profit after income tax attributable to the company for the half year to 31 December 2013 is \$3,248,911.

Dividends

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

After Balance Date Events

On 20 December 2013 the company announced an entitlement issue which aimed to raise up to AUD 25,307,278 by the issue of one new share for each share currently held at a price of AUD 0.50. On 10 February 2014 the company announced that it had allotted and issued 42,616,164 ordinary fully paid shares after raising a total AUD 21,308,082. In addition, the company has repaid the loan to Utilico.

Auditors' 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.

A handwritten signature in black ink, appearing to read 'Peter R Sullivan', with a stylized flourish at the end.

Peter R Sullivan
Chairman
Perth, Western Australia
18 February 2014

Independent Auditors' Review Report



KPMG Inc
MSC House
1 Mediterranean Street, Foreshore, 8001
PO Box 4609, Cape Town, 8000, South Africa

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DoceX 102 Cape Town
Web <http://www.kpmg.co.za/>

Independent Auditor's Review Report

Introduction

We have reviewed the condensed interim financial statements of Zeta Resources Limited, which comprise the condensed interim statement of financial position at 31 December 2013, and the related condensed interim statements of comprehensive income, changes in equity and cash flows for the six month period then ended, and selected explanatory notes. The directors are responsible for the preparation of these financial statements in accordance with the recognition and measurement principles of International Financial Reporting Standards, and for their presentation in accordance with the minimum content, including disclosures, prescribed by IAS 34 Interim Financial Reporting applied to year end reporting. Our responsibility is to express a conclusion on these financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, which applies to a review of condensed financial statements. A review of provisional financial information consists of making enquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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 month period ended 31 December 2013, are not, in all material respects, prepared in accordance with the recognition and measurement principles of International Financial Reporting Standards, and presented in accordance with the minimum content, including disclosures, prescribed by IAS 34 Interim Financial Reporting applied to year end reporting.

KPMG Inc.

Per KT Hopkins
Chartered Accountant (SA)
Registered Auditor
Director
18 February 2014

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

KPMG Inc is a Registered Auditor, in public practice, in terms of the Auditing Profession Act, 26 of 2005.

Registration number 1999/021543/21

Policy Board:
Chief Executive: RM Kgosana

Executive Directors: TH Bashall*, DC Duffield, A Hari, TH Hoole, FB Leith, JS McIntosh, AM Mokgabudi, D van Heerden

Other Directors: LP Fourie, A Jaffer, E Magondo, CM Read, Y Suleman (Chairman of the Board), A Thunstrom, JM Vice

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

Auditors' Independence Declaration



KPMG Inc	Tel	+27 (21) 408 7000
MSC House	Fax	+27 (21) 408 7100
1 Mediterranean Street, Foreshore, 8001	Docex	102 Cape Town
PO Box 4609, Cape Town, 8000	Internet	http://www.kpmg.co.za/
South Africa		

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

In relation to our review of the interim financial statements of Zeta Resources Limited for the period ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the International Standards on Auditing or any applicable code of professional conduct.

KPMG Inc.

Per KT Hopkins
Chartered Accountant (SA)
Registered Auditor
Director

18 February 2014

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

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

*British

Condensed statement of profit or loss and other comprehensive income
For the six months ended 31 December 2013

	Notes	6 Months Ended 31 December 2013 \$	5 Months Ended 31 December 2012 \$
Revenue			
Investment income	10	3,923,659	-
Other income		520,384	-
		<u>4,444,043</u>	-
Expenses			
Directors fees		(78,338)	-
Interest expense		(743,410)	-
Management and consulting fees		(182,599)	-
Operating and administration expenses		(190,785)	-
Profit before tax		<u>3,248,911</u>	-
Income tax	11	-	-
Profit for the period		<u>3,248,911</u>	-
Total comprehensive profit for the period		<u>3,248,911</u>	-
Profit per share			
Basic and diluted profit per share (cents per share)		<u>0.06</u>	-

Condensed statement of financial position
At 31 December 2013

	Notes	31 December 2013 \$	30 June 2013 \$
Non-current assets			
Investment in subsidiaries	4	10,275,234	10,275,233
Investments	5	57,700,757	36,229,896
Current assets			
Balance due from brokers		47,850	-
Cash and cash equivalents	6	-	2,383,913
Total assets		68,023,841	48,889,042
Non-current liabilities			
Loans from subsidiaries	7	(9,590,812)	(5,468,485)
Current liabilities			
Trade and other payables		(462,071)	(39,689)
Balance due to brokers		-	(2,877,359)
Bank overdraft	6	(3,129,494)	-
Loan from parent	8	(15,666,044)	(4,577,000)
Total liabilities		(28,848,421)	(12,962,533)
Net assets		39,175,420	35,926,509
Equity			
Share capital	9	406	406
Share premium	9	45,632,068	45,632,068
Accumulated losses		(6,457,054)	(9,705,965)
Total equity		39,175,420	35,926,509

Condensed statement of changes in equity
For the six months ended 31 December 2013

	Notes	Share capital \$	Share premium \$	Accumulated loss \$	Total \$
Balance at incorporation		-	-	-	-
Issue of share capital	9	406	45,632,068	-	45,632,474
Loss for the period		-	-	(9,705,965)	(9,705,965)
Balance at 30 June 2013		406	45,632,068	(9,705,965)	35,926,509
Balance at 1 July 2013		406	45,632,068	(9,705,965)	35,926,509
Profit for the period		-	-	3,248,911	3,248,911
Balance at 31 December 2013		406	45,632,068	(6,457,054)	39,175,420

Condensed statement of cash flows
For the six months ended 31 December 2013

	Notes	6 Months Ended 31 December 2013 \$	10 Months Ended 30 June 2013 \$
Cash utilised in operating activities			
Cash generated by operations	12.1	(108,692)	2,670,116
Interest received		3,067	-
Interest paid		(743,410)	(21,209)
Net cash flows from operating activities		<u>(849,035)</u>	<u>2,648,907</u>
Cash flows from investing activities			
Investments purchased		(31,142,171)	(10,583,403)
Investments sold		10,746,044	-
Net cash flows from investing activities		<u>(20,396,127)</u>	<u>(10,583,403)</u>
Cash flows from financing activities			
Proceeds from issue of shares	12.2	-	3,795
Increase in loan from parent		11,089,044	4,577,000
Increase in loan from subsidiary		4,122,327	5,468,485
Bank overdraft		3,129,494	-
Net cash flows from financing activities		<u>18,340,865</u>	<u>10,049,280</u>
Net movement in cash and cash equivalents		<u>(2,904,297)</u>	<u>2,114,784</u>
Cash and cash equivalents at the beginning of the period		2,383,913	-
Effect of exchange rate fluctuations on cash held		520,384	269,129
Cash and cash equivalents at end of the period	6	<u>-</u>	<u>2,383,913</u>

Notes to the condensed interim financial statements

1. Reporting Entity

Zeta Resources Limited (“the company”) is an investment company 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 2013 comprise the company and its wholly owned subsidiaries.

2. Basis of Preparation

2.1 Statement of Compliance

These interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. They 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 2013.

These interim financial statements were authorised for issue by the board of directors on 18 February 2014.

2.2 Basis of Measurement

These 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 presentational currency is United States Dollars.

2.4 Use of Estimates and Judgements

In preparing these 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. Revisions 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 2013.

3. Significant Accounting Policies

Except as described below, the accounting policies applied in these interim financial statements are the same as those applied in the financial statements as at and for the period ended 30 June 2013. The following changes in accounting policies are also expected to be reflected in the financial statements as at and for the year ending 30 June 2014.

Changes in accounting policies

The company has adopted the following accounting policy:

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

The company has early adopted the following accounting policies:

IFRS 10 Consolidated financial statements, IFRS 11 Joint arrangements, IFRS 12 Disclosure of interests in other entities, IAS 27 (revised 2011) Separate financial statements and IAS 28 (revised 2011) Associates and joint ventures, and the Transition Guidance amendments to IFRSs 10 and 12.

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

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

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

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

Summary of quantitative impact

Subsidiaries, which were previously accounted for at cost less impairment, are now accounted for at fair value, due to the change in accounting policy adopted by the company. However as the subsidiaries fair value, as per the directors, equals their cost less impairment, there have been no material impacts resulting from the above changes in accounting policies on the company's financial position, comprehensive income and cash flows.

	31 December 2013 \$	30 June 2013 \$
4. Investment in Subsidiaries		
At fair value		
Investment in Kumarina Resources Limited (“Kumarina”)	10,275,233	10,275,233
Investment in Zeta Investments Limited (“Zeta Investments”)	1	-
	<u>10,275,234</u>	<u>10,275,233</u>

On the 11 December 2013 the company acquired 100% of the shares and voting interests in Zeta Investments Limited. There were no acquisition related costs.

5. Investments

Financial assets at fair value through profit or loss	<u>57,700,757</u>	<u>36,229,896</u>
Equity securities at fair value		
Ordinary shares - listed	47,111,614	32,979,896
Subscription and other rights - unlisted	10,589,143	3,250,000
	<u>57,700,757</u>	<u>36,229,896</u>
Equity securities at cost		
Ordinary shares - listed	52,666,846	39,605,567
Subscription and other rights - unlisted	10,534,848	10,200,000
	<u>63,201,694</u>	<u>49,805,567</u>

During the six months ended 31 December 2013 the company received a loan from its subsidiary Zeta Investments. To secure the loan Zeta Resources has pledged certain quantities of its shares held in listed entities.

- New Zealand Oil and Gas Limited	10,000,000	-
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6. Cash and Cash Equivalents

Cash balance comprises:		
(Overdraft)/cash at bank	(3,129,494)	2,383,913
	<u>(3,129,494)</u>	<u>2,383,913</u>

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

	31 December 2013	30 June 2013
	\$	\$
7. Loans from subsidiaries		
Loan from Kumarina	5,538,344	5,468,485
Loan from Zeta Investments	4,052,468	-
	<u>9,590,812</u>	<u>5,468,485</u>

The loan from Kumarina is denominated in Australian dollars and attracts interest at a rate of 7.5% per annum (30 June 2013: 7.5%). There are no fixed repayment terms except that no repayment is due before 31 December 2014. The loan from Zeta Investments is denominated in Australian dollars and New Zealand dollars and attracts interest at a rate of 7.9% per annum (30 June 2013: Nil) on the Australian dollar loan and at 6.6% per annum (30 June 2013: Nil) on the New Zealand dollar loan. There are no fixed repayment terms except that no repayment is due before 31 December 2014.

8. Loans from Parent

Loan from Utilico Investments Limited ("Utilico")	<u>15,666,044</u>	<u>4,577,000</u>
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The loan is denominated in Australian dollars to the value of AUD 15 million and United States dollars to the value of USD 1.75 million, carries interest at 10% per annum (30 June 2013: 10%) on the Australian dollar loan and 7.5% per annum (30 June 2013: Nil) on the United States dollar loan, and is repayable by no later than 31 May 2014.

9. 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 Utilico	22,835,042	228	32,221,936
Issued in consideration for purchase of 100% of Kumarina	17,775,514	178	13,406,337
Issued under initial public offering	4,000	-	3,795
Balance as at 30 June 2013	<u>50,614,556</u>	<u>406</u>	<u>45,632,068</u>
Issued during the interim period	-	-	-
Balance as at 31 December 2013	<u>50,614,556</u>	<u>406</u>	<u>45,632,068</u>

9. Share Capital and Share Premium (cont'd)

	31 December 2013	30 June 2013
Options		
Balance at the beginning of the period	10,122,903	–
Issued in consideration for purchase of investments from Utilico	–	6,567,008
Issued to the shareholders of Kumarina	–	3,555,095
Issued under initial public offering	–	800
	<u>10,122,903</u>	<u>10,122,903</u>

10. Investment Income

Interest income	3,067	–
Dividend income	904,875	–
Realised gains	1,940,983	–
Unrealised fair value gains on financial assets:		
- at fair value through profit or loss	1,074,734	(9,706,953)
	<u>3,923,659</u>	<u>(9,706,953)</u>

11. Income Tax

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

12. Notes to the Cash Flow Statement

12.1 Cash generated by Operations

Profit/(Loss) before tax	3,248,911	(9,705,965)
Adjustments for:		
Fair value profit and loss on revaluation of investments	(1,074,734)	9,706,953
Foreign exchange gains	(520,384)	(269,129)
Interest income	(3,067)	–
Interest expense	743,410	21,209
Operating profit/(loss) before working capital change	<u>2,394,136</u>	<u>(246,932)</u>
Increase in trade and other payables	422,382	39,689
(Decrease)/increase in balance due to brokers	(2,925,210)	2,877,359
	<u>(108,692)</u>	<u>2,670,116</u>

12.2 Issue of Share Capital

Shares Issued for Consideration

As part of the Kumarina scheme of arrange an initial public offering of up to 25,000,000 ordinary shares at A\$1.00 was approved. Under this initial public offering the company issued 4,000 shares at A\$1.00 on 7 June 2013 raising the equivalent of \$3,975.

Shares Issued for No Consideration

At incorporation the company issued 100 incorporation shares of US\$1 each. These shares were then split into 10,000,000 shares of US\$0.0001 par value.

On 21 May 2013 the company issued 22,835,042 ordinary shares to Utilico as consideration for investments purchased from Utilico.

On 7 June 2013 the company issued 17,775,514 ordinary shares to acquire the entire share capital of Kumarina in an equity only transaction where four Kumarina shares were exchanged for one company share.

13. 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 Accounts. The policies are in compliance with IFRS and best practice, and include the valuation of financial assets and liabilities at fair value through profit and loss.

Categories of financial instruments

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

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

31 December 2013	Designated at fair value through profit and loss	Loans and receivables	Liabilities at amortised cost	Non- financial assets and liabilities	Total carrying value
Assets					
Investments in subsidiaries	10,275,234	-	-	-	10,275,234
Investments	57,700,757	-	-	-	57,700,757
Trade and other receivables	-	47,850	-	-	47,850
	<u>67,975,991</u>	<u>47,850</u>	<u>-</u>	<u>-</u>	<u>68,023,841</u>
Liabilities					
Loans from subsidiary	-	-	9,590,812	-	9,590,812
Trade and other payables	-	-	462,071	-	462,071
Bank overdraft	3,129,494	-	-	-	3,129,494
Loans from parent	-	-	15,666,044	-	15,666,044
	<u>3,129,494</u>	<u>-</u>	<u>25,718,927</u>	<u>-</u>	<u>28,848,421</u>
30 June 2013					
	Designated at Fair Value Through Profit and Loss	Loans and Receivables	Liabilities at amortised cost	Non- financial Assets and Liabilities	Total Carrying Value
Assets					
Investments in subsidiaries	10,275,233	-	-	-	10,275,233
Investments	36,229,896	-	-	-	36,229,896
Cash and cash equivalents	-	2,383,913	-	-	2,383,913
	<u>46,505,129</u>	<u>2,383,913</u>	<u>-</u>	<u>-</u>	<u>48,889,042</u>
Liabilities					
Loan from subsidiary	-	-	5,468,485	-	5,468,485
Trade and other payables	-	-	39,689	-	39,689
Balance due to brokers	-	-	2,877,359	-	2,877,359
Loan from parent	-	-	4,577,000	-	4,577,000
	<u>-</u>	<u>-</u>	<u>12,962,533</u>	<u>-</u>	<u>12,962,533</u>

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

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

Valuation of Financial Instruments

The table below analyses financial assets measured at fair value at the end of the reporting period 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.

31 December 2013	Level 1	Level 2	Level 3
	\$	\$	\$
Financial assets			
Investments	47,111,614	-	10,589,143
Investment in subsidiary	-	-	10,275,234

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

	Level 3	Level 3
	\$	Investments in subsidiary \$
At 1 July 2013	3,250,000	10,275,233
Acquisitions at cost	7,334,848	1
Total gains recognised in:		
- Profit or loss	4,295	-
Balance at 31 December 2013	<u>10,589,143</u>	<u>10,275,234</u>

30 June 2013	Level 1	Level 2	Level 3
	\$	\$	\$
Financial assets			
Investments	32,979,896	-	3,250,000
Investment in subsidiary	-	-	10,275,233

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 subsidiary \$
Balance at acquisition	3,200,000	13,406,515
Total gains or losses recognised in:		
- fair value through profit or loss	50,000	(3,131,282)
Balance at 30 June 2013	<u>3,250,000</u>	<u>10,275,233</u>

20. Related Parties

20.1 Material Related Parties

Holding company

The company's holding company is Utilico Investments Limited which held 74.89% of the company's issued share capital on 31 December 2013. Utilico is in turn owned 57.2% by General Provincial Life Pension Fund (L) Limited.

Subsidiary companies

The only subsidiaries are Kumarina Resources Limited and Zeta Investments Limited, both 100% held subsidiaries.

Key management personnel

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

Investment manager

ICM Limited is the investment manager of both the company and Utilico.

	31 December 2013	30 June 2013
	\$	\$
20.2 Material Related Party Transactions		
Nature of transactions		
Investments in related parties:		
- Kumarina	10,275,233	10,275,233
- Zeta Investments	1	-
During the period the company acquired 100% of the share capital of Zeta Investments Limited valued at \$1.		
Loans from related parties:		
- Utilico	15,666,044	4,577,000
- Kumarina	5,538,344	5,468,485
- Zeta Investments	4,052,468	-
Interest charged by the subsidiaries	217,599	21,209
Interest charged by the parent company	525,811	-
Fees paid to the investment manager	144,835	26,925

During the six months ended 31 December 2013 the company received a loan from its subsidiary Zeta Investments. To secure the loan Zeta Resources has pledged certain quantities of its shares held in listed entities.

	31 December 2013	30 June 2013
- New Zealand Oil and Gas Limited	10,000,000	-

21. Segmental Reporting

The company has 4 reportable segments, as described below, which are considered to be the company's strategic investments areas. For each of the investment area, the company's chief operating decision maker ("CODM") (ICM Limited - investment manager) reviews internal management reports on at least a monthly basis. The following summary describes each of the company's reportable segments.

- Gold: Investments in companies which mine gold.
- Oil and Gas: Investments in companies which extract or prospect for oil or gas.
- Mineral Exploration: Investments in companies who mine minerals other than gold.
- Other segments: Activities which do not fit into one of the above segments.

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

Information about Reportable Segments

	Gold	Oil & Gas	Mineral Exploration	Other Segments	Total
31 December 2013					
External revenues	2,441,707	1,937,308	(458,423)	3,067	3,923,659
Reportable Segment Revenue	<u>2,441,707</u>	<u>1,937,308</u>	<u>(458,423)</u>	<u>3,067</u>	<u>3,923,659</u>
Interest Revenue	-	-	-	3,067	3,067
Reportable segment profit before tax	<u>2,214,632</u>	<u>1,112,667</u>	<u>(571,961)</u>	<u>493,573</u>	<u>3,248,911</u>
Reportable segment assets	<u>8,626,193</u>	<u>38,930,673</u>	<u>5,885,657</u>	<u>4,581,318</u>	<u>68,023,841</u>
Reportable segment liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(28,848,421)</u>	<u>(28,848,421)</u>

Information about Reportable Segments (cont'd)

	Gold	Oil & Gas	Mineral Exploration	Other Segments	Total
30 June 2013					
External revenues	(4,309,690)	(2,214,007)	(142)	-	(6,523,839)
Reportable Segment Revenue	<u>(4,309,690)</u>	<u>(2,214,007)</u>	<u>(142)</u>	<u>-</u>	<u>(6,523,839)</u>
Interest Revenue	51,832	-	-	-	51,832
Impairment - goodwill on acquisition of subsidiary	<u>(3,033,469)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,033,469)</u>
Reportable segment profit or loss before tax	<u>(7,671,964)</u>	<u>(2,214,007)</u>	<u>(142)</u>	<u>180,148</u>	<u>(9,705,965)</u>
Reportable segment assets	<u>21,730,777</u>	<u>24,759,348</u>	<u>15,004</u>	<u>2,383,913</u>	<u>48,889,042</u>
Reportable segment liabilities	<u>(822,685)</u>	<u>(2,460,810)</u>	<u>(4,400)</u>	<u>(9,674,638)</u>	<u>(12,962,533)</u>

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

Reconciliations of Reportable Segment Revenues, Profit or Loss, Assets and Liabilities, and Other Material Items

	31 December 2013 \$	30 June 2013 \$
Revenues		
Total revenue for reportable segments	3,920,591	(6,523,839)
Revenue for other segments	3,067	-
Revenue	<u>3,923,658</u>	<u>(6,523,839)</u>
Profit or Loss		
Total profit or loss for reportable segments	2,755,337	(9,886,113)
Profit for other segments	493,573	180,148
Consolidated profit/(loss) before tax	<u>3,248,911</u>	<u>(9,705,965)</u>
Assets		
Total assets for reportable segments	63,442,523	46,505,129
Assets for other segments	4,581,318	2,383,913
Consolidated total assets	<u>68,023,841</u>	<u>48,889,042</u>
Liabilities		
Total liabilities for reportable segments	-	(3,287,895)
Liabilities for other segments	(28,848,421)	(9,674,638)
Consolidated total liabilities	<u>(28,848,421)</u>	<u>(12,962,533)</u>

22. Events after the Reporting Date

On 10 February 2014 the company announced that it had allotted and issued 42,616,164 ordinary fully paid shares at 50 cents each after raising a total AUD 21,308,082 via an entitlement issue. In addition, the company has repaid the loan to Utilico.

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 2013 and the performance of the company for the half-year 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
18 February 2014